# Congressional Record

# PROCEEDINGS AND DEBATES

OF THE

## FIRST SESSION OF THE SEVENTY-FOURTH CONGRESS

OF

THE UNITED STATES
OF AMERICA

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# Congressional Record

## SEVENTY-FOURTH CONGRESS, FIRST SESSION

## SENATE

### MONDAY, AUGUST 19, 1935

*(Legislative day of Monday, July 29, 1935)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, August 16, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills and joint resolutions of the Senate:

S. 491. An act for the relief of Fred Herrick;

S. 3060. An act to amend section 6 of title I of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, as amended; to extend the time within which applications for benefits under the World War Adjusted Compensation Act, as amended, may be filed, and for other purposes;

S. J. Res. 122. Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission; and

S. J. Res. 168. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 16 to May 23, 1936, inclusive.

The message also announced that the House had passed the bill (S. 3135) to authorize the purchase of the *Winnie Mae* by the Smithsonian Institution, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 59) providing for the celebration on September 17, 1937, of the one hundred and fiftieth anniversary of the adoption of the Constitution of the United States of America by the Constitutional Convention; establishing a commission to be known as the "Sesquicentennial Constitution Commission."

The message also announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 348) authorizing exchange of coins and currencies and immediate payment of gold-clause securities by the United States, withdrawing the right to sue the United States on its bonds and other similar obligations, limiting the use of certain appropriations, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STEAGALL, Mr. GOLDSBOROUGH, Mr. REILLY, Mr. HOLLISTER, and Mr. WOLCOTT were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a bill (H. R. 8345) authorizing the Secretary of the Navy to accept without cost to the United States certain lands in Duval County, State of Florida, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 578. An act authorizing the Secretary of the Interior to permit citizens of Bear Lake County, Idaho, to obtain timber from Lincoln County, Wyo., for domestic purposes;

S. 634. An act to authorize the sale of a portion of the Fort Smith National Cemetery Reservation, Ark., and for other purposes;

S. 2156. An act to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.;

S. 2556. An act to amend and supplement the steering rules respecting orders to helmsmen on all vessels navigating waters of the United States, and on all vessels of the United States navigating any waters or seas, in section 1 of the act of August 19, 1890, section 1 of the act of June 7, 1897, section 1 of the act of February 8, 1895, and section 1 of the act of February 19, 1895;

S. 2832. An act to provide a preliminary examination of Goldsborough Creek, in Mason County, State of Washington, with a view to the control of its floods;

S. 3058. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, and for other purposes;

S. 3123. An act to provide for the relief of public-school districts and other public-school authorities, and for other purposes;

S. 3311. An act to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, 226), as amended;

H. R. 5159. An act to authorize the Postmaster General to contract for air mail service in Alaska;

H. R. 6914. An act to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes;

H. R. 7659. An act to provide that tolls on certain bridges over navigable waters of the United States shall be just and reasonable, and for other purposes; and

S. J. Res. 69. Joint resolution to provide for the erection of a suitable memorial to the Fourth Division, American Expeditionary Forces.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, I note the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Bulkley | Davis | Hale |
| Ashurst | Bulow | Dieterich | Harrison |
| Austin | Burke | Donahey | Hastings |
| Bachman | Byrd | Duffy | Hatch |
| Bailey | Byrnes | Fletcher | Hayden |
| Bankhead | Capper | Frazier | Johnson |
| Barbour | Caraway | George | King |
| Barkley | Chavez | Gerry | La Follette |
| Black | Clark | Gibson | Lewis |
| Bone | Connally | Glass | Logan |
| Borah | | Gore | Lonergan |
| | | Guffey | McAdoo |

| | | | |
|---|---|---|---|
| McGill | Norbeck | Russell | Trammell |
| McKellar | Norris | Schall | Truman |
| McNary | Nye | Schwellenbach | Tydings |
| Maloney | O'Mahoney | Sheppard | Vandenberg |
| Metcalf | Overton | Shipstead | Van Nuys |
| Minton | Pittman | Smith | Wagner |
| Moore | Radcliffe | Steiwer | Walsh |
| Murphy | Reynolds | Thomas, Okla. | Wheeler |
| Murray | Robinson | Thomas, Utah | White |
| Neely | | | |

Mr. LEWIS. I announce the absence of the Senator from Mississippi [Mr. BILBO], the Senator from Massachusetts [Mr. COOLIDGE], and the Senator from Idaho [Mr. POPE], who are necessarily detained from the Senate, and the absence of the Senator from West Virginia [Mr. HOLT], caused by illness.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON], the Senator from New Hampshire [Mr. KEYES], and the Senator from Delaware [Mr. TOWNSEND] are necessarily detained from the Senate, and that the Senator from Wyoming [Mr. CAREY] is absent on official business.

Mr. VANDENBERG. I repeat the announcement heretofore made by me that my colleague the senior Senator from Michigan [Mr. COUZENS] is absent because of illness.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

### WITHDRAWAL OF RIGHT TO SUE ON GOLD-CLAUSE BONDS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the resolution (H. J. Res. 348) authorizing exchange of coins and currencies and immediate payment of gold-clause securities by the United States; withdrawing the right to sue the United States on its bonds and other similar obligations; limiting the use of certain appropriations; and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. FLETCHER. I move that the Senate insist on its amendments disagreed to by the House of Representatives, agree to the conference asked by the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. FLETCHER, Mr. WAGNER, Mr. MCADOO, Mr. NORBECK, and Mr. TOWNSEND conferees on the part of the Senate.

### THE VIRGIN ISLANDS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, embodying a radiogram received from Acting Governor Robert Herrick, of the Virgin Islands, reading in part as follows:

At request of the Colonial Council for St. Thomas and St. John, I transmit following message for the President of the United States and the Congress:

"The Colonial Council for St. Thomas and St. John after 18 years' experience, gratefully remembering the peacefulness and security under the efficient and benevolent naval administration, reiterates its expressed opinion that the return of the Navy is the only permanent solution to the islands' problems.

"The Colonial Council strongly recommends that any plan conducive to the welfare of the community should include the active participation of the Navy of the United States."

Which was referred to the Committee on Territories and Insular Affairs.

### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the House of Representatives of the General Court of Massachusetts, which was referred to the Committee on Foreign Relations:

THE COMMONWEALTH OF MASSACHUSETTS,
OFFICE OF THE SECRETARY,
*Boston.*

Resolutions relative to acts of persecution reported to be committed against the members of religious faiths and their institutions in Germany

Whereas it is reliably reported that certain inhabitants of Germany are being persecuted on account of their religious faith and nationality to an extent abhorrent to modern civilized nations: Therefore be it

*Resolved*, That the House of Representatives of the General Court of Massachusetts affirms its conviction and belief that freedom and equality of mankind, regardless of race, creed, or color, is indispensable to the maintenance of any modern civilization and views with alarm any violation of these sacred principles; and be it further

*Resolved*, That copies of these resolutions be forwarded forthwith by the secretary of the Commonwealth to the presiding officers of both branches of Congress and to the Members thereof representing this Commonwealth.

In house of representatives, adopted August 12, 1935.

FRANK E. BRIDGMAN, *Clerk.*

A true copy.
Attest:
[SEAL]

F. W. COOK, *Secretary.*

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Palm Beach County (Fla.) Real Estate Board, endorsing a resolution of the Commission of the City of West Palm Beach, Fla., favoring a Federal investigation of the subject of municipal indebtedness, which was referred to the Committee on Banking and Currency.

He also laid before the Senate petitions of several citizens of the States of Arizona, California, Connecticut, New York, and of the District of Columbia, praying for an investigation of charges filed by the Womens' Committee of Louisiana relative to the qualifications of the Senators from Louisiana (Mr. LONG and Mr. OVERTON), which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a telegram in the nature of a petition from Divisions Nos. 83 and 378, Brotherhood of Locomotive Engineers, of Springfield, Mo., praying for the prompt enactment of the bill (S. 3151) to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, which was ordered to lie on the table.

He also laid before the Senate a petition of sundry citizens, being railroad employees, of the State of Wisconsin, praying for the prompt enactment of the bill (S. 3151) to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, which was ordered to lie on the table.

He also laid before the Senate resolutions adopted by the Second Oregon Volunteer Infantry Reunion Association, Veterans of the Spanish War and Philippine Insurrection, Portland, Oreg., favoring the prompt enactment of legislation to prevent the future issuance of tax-exempt securities, which were referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the Second Oregon Volunteer Infantry Reunion Association, Veterans of the Spanish War and Philippine Insurrection, Portland, Oreg., protesting against cancelation of debts owed to the United States by foreign nations, which were referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the Second Oregon Volunteer Infantry Reunion Association, Veterans of the Spanish War and Philippine Insurrection, Portland, Oreg., relative to the conscription of wealth, labor, and property in time of war, which were referred to the Committee on Military Affairs.

He also laid before the Senate resolutions adopted by the Second Oregon Volunteer Infantry Reunion Association, Veterans of the Spanish War and Philippine Insurrection, Portland, Oreg., favoring the prompt enactment of legislation prohibiting the manufacture and sale of munitions of war by any private individual, person, firm, or corporation, etc., which were ordered to lie on the table.

Mr. WALSH presented memorials of sundry citizens, being life-insurance underwriters, of the city of Fall River, Mass., remonstrating against the proposed elimination of the $40,000 exemption of life-insurance proceeds in Federal inheritance taxes, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Board of Aldermen of the City of Chelsea, Mass., favoring a senatorial investigation of alleged religious persecutions and racial discriminations in Germany, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the New Bedford (Mass.) Chapter, Council of Jewish Women, favoring the enactment of the so-called "Kerr bill", being House bill 8163, pertaining to the deportation of aliens, which was referred to the Committee on Immigration.

He also presented a letter in the nature of a petition from the county board of the Ancient Order of Hibernians, of Worcester, Mass., praying for the issuance of a special postage stamp to commemorate the anniversary of Commodore John Barry in the Navy, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens, being employees of the Boston (Mass.) Customhouse and Appraisers Stores, praying for the enactment of House bill 5375, providing for the equalization of pay of charwomen, which was ordered to lie on the table.

He also presented a letter in the nature of a petition from Local Union No. 2332, United Textile Workers of America, of Northbridge, Mass., praying for the enactment of the "new textile bill", which was ordered to lie on the table.

CONDITIONS IN GERMANY

Mr. WALSH. Mr. President, I present and ask to have printed in full in the RECORD and appropriately referred resolutions adopted by the House of Representatives of the Massachusetts General Court in opposition to the acts of persecution reported to be committed against the members of religious faiths and their institutions in Germany.

There being no objection the resolutions were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Resolutions relative to acts of persecution reported to be committed against the members of religious faiths and their institutions in Germany

Whereas it is reliably reported that certain inhabitants of Germany are being persecuted on account of their religious faith and nationality to an extent abhorrent to modern civilized nations: Therefore be it

*Resolved*, That the House of Representatives of the General Court of Massachusetts affirms its conviction and belief that freedom and equality of mankind, regardless of race, creed, or color, is indispensable to the maintenance of any modern civilization and views with alarm any violation of these sacred principles; and be it further

*Resolved*, That copies of these resolutions be forwarded forthwith by the secretary of the Commonwealth to the presiding officers of both branches of Congress and to the Members thereof representing this Commonwealth.

SHIPS

Mr. FLETCHER presented a letter from Dr. Clarence D. Rollins, of Jacksonville, Fla., which was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

JACKSONVILLE, FLA., *August 16, 1935.*

Hon. DUNCAN U. FLETCHER,
*United States Senate Building,*
*Washington, D. C.*

DEAR MR. FLETCHER: Ask the President for me:

What stopped the World War? Ships.

Why is it the sun never sets on England's possessions? Ships.

Why is America ours? Ships.

Why should we have the Florida cross-State canal? Ships—commerce and defense.

Wishing you success,

Your friend,

Dr. CLARENCE D. ROLLINS.

REPORTS OF COMMITTEES

Mr. LEWIS, from the Committee on Military Affairs, to which was referred the bill (S. 3320) to authorize the President to present the Distinguished Flying Cross to Rudolph W. Schroeder, reported it with amendments and submitted a report (No. 1371) thereon.

He also, from the same committee, to which was referred the bill (H. R. 5558) for the relief of Clarence F. Jobson, reported it without amendment and submitted a report (No. 1372) thereon.

Mr. AUSTIN, from the Committee on Military Affairs, to which was referred the bill (H. R. 5475) for the relief of Henry Irving Riley, reported it without amendment and submitted a report (No. 1374) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 2961) for the relief of Peter Cymboluk, reported it with an amendment and submitted a report (No. 1380) thereon.

Mr. BLACK, from the Committee on Claims, to which was referred the bill (H. R. 4567) for the relief of Robert E. Callan, reported it with an amendment and submitted a report (No. 1381) thereon.

Mr. BURKE, from the Committee on Claims, to which was referred the bill (S. 3137) for the relief of Pauline McKinney, reported it with an amendment and submitted a report (No. 1382) thereon.

He also, from the Committee on the Judiciary, to which was referred the bill (H. R. 7858) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, reported it with an amendment and submitted a report (No. 1386) thereon.

Mr. COSTIGAN, from the Committee on Banking and Currency, submitted a report (No. 1385) to accompany the bill (H. R. 6776) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, heretofore reported by him with amendments.

Mr. CAPPER, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1424) to amend the Packers and Stockyards Act, 1921, reported it without amendment and submitted a report (No. 1387) thereon.

Mr. BARBOUR, from the Committee on Military Affairs, to which was referred the bill (S. 3428) authorizing the Secretary of War to lend Army tents to the Morris Grange Fair Committee, Troy Hills, N. J., reported it without amendment and submitted a report (No. 1388) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 3173) to authorize the Secretary of War to pay officers and men formerly enlisted as members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard, for armory training during the period from November 1, 1932, to July 1, 1933, reported it with amendments and submitted a report (No. 1377) thereon.

He also, from the Committee on Military Affairs, to which were referred the following bills, reported them each severally without amendment and submitted reports thereon:

S. 2782. A bill for the relief of Walter Acker, Jr. (Rept. No. 1375); and

H. R. 5516. A bill authorizing the President to issue a posthumous commission as second lieutenant, Air Corps Reserve, to Archie Joseph Evans, deceased, and to present the same to Maj. Argess M. Evans, father of the said Archie Joseph Evans, deceased (Rept. No. 1376).

Mr. SHEPPARD also, from the Committee on Commerce, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 2881. A bill creating the Decatur-Onawa Bridge Board of Trustees, and authorizing said board and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River between the towns of Decatur, Nebr., and Onawa, Iowa (Rept. No. 1383); and

S. 2882. A bill to create the South Sioux City Bridge Board of Trustees, and to authorize said board and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River between the cities of South Sioux City, Nebr., and Sioux City, Iowa (Rept. No. 1384).

Mr. SHEPPARD also, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 7592. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at Sistersville, W. Va. (Rept. No. 1389);

H. R. 7740. A bill granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Black River at or near the north line of section 2, township 24 north, range 6 east, near Poplar Bluff, Mo. (Rept. No. 1401);

H. R. 7897. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River, at or near Elizabeth, in the county of Allegheny, Commonwealth of Pennsylvania (Rept. No. 1390);

H. R. 7924. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and

operate a free highway bridge across the Allegheny River, at or near Port Allegheny, in the county of McKean, State of Pennsylvania (Rept. No. 1391);

H. R. 7928. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at or near Ford City, Pa. (Rept. No. 1392);

H. R. 7932. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River, at or near Wyalusing, in the county of Bradford, Commonwealth of Pennsylvania (Rept. No. 1393);

H. R. 7979. A bill to extend the times for commencing and completing the construction of a bridge across Puget Sound at or near a point commonly known as "The Narrows", in the State of Washington (Rept. No. 1394);

H. R. 8098. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Edinburg, in the county of Lawrence, Commonwealth of Pennsylvania (Rept. No. 1395);

H. R. 8131. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Owensboro, Ky. (Rept. No. 1396);

H. R. 8183. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Emlenton, in the county of Venango, Commonwealth of Pennsylvania (Rept. No. 1397);

H. R. 8187. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Tionesta, in Tionesta Township, and in the county of Forest, and in the Commonwealth of Pennsylvania (Rept. No. 1398); and

H. R. 8189. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near East Brady, in the counties of Clarion and Armstrong, and in the Commonwealth of Pennsylvania (Rept. No. 1399).

Mr. ASHURST, from the Committee on the Judiciary, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3389. A bill to provide for the appointment of two additional judges for the southern district of New York (Rept. No. 1378); and

S. 3414. A bill to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of New York (Rept. No. 1379).

Mr. ASHURST also, from the Committee on Public Lands and Surveys, to which was referred the joint resolution (H. J. Res. 276) authorizing the State of Arizona to transfer to the town of Benson without cost title to section 16, township 17 south, range 20 east, Gila and Salt River meridian, for school and park purposes, reported it without amendment and submitted a report (No. 1403) thereon.

Mr. BACHMAN, from the Committee on Military Affairs, to which was referred the bill (H. R. 1286) for the relief of James H. Bell (or James Bell), reported it without amendment and submitted a report (No. 1404) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 2773) for the relief of Roy Masters Worley, reported it with an amendment and submitted a report (No. 1405) thereon.

Mr. MURRAY, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 3003) to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Mississippi, and the establishment of the Ackia Battleground National Monument, and for other purposes, reported it with amendments and submitted a report (No. 1406) thereon.

### CACHE NATIONAL FOREST

Mr. SMITH. From the Committee on Agriculture and Forestry, I report back favorably without amendment the bill (S. 2202) to add certain lands to the Cache National Forest. I call the attention of the Senator from Idaho [Mr. BORAH] to the bill.

Mr. BORAH. Mr. President, this is a bill of purely local concern, having to do with the addition of certain lands to a forest reserve in my State. The bill has the approval of the Agricultural Department. I ask unanimous consent for its present consideration.

Mr. ROBINSON. I inquire if the report of the committee was unanimous?

Mr. BORAH. It was.

Mr. KING. Mr. President, will the Senator from Idaho permit an inquiry?

Mr. BORAH. Certainly.

Mr. KING. Does the bill include any extensive areas recognized as mineral lands?

Mr. BORAH. In my opinion, none whatever. This bill was introduced by my colleague [Mr. POPE], but I am familiar with the territory and, in my opinion, there are no mineral lands included.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That, subject to existing valid claims or entries and withdrawals, the following-described lands are hereby added to the Cache National Forest, Idaho, and made subject to all laws applicable to national forests:

Sections 25 to 36, inclusive, township 5 south, range 35 east, Boise meridian.

Section 1; east half section 2; east half section 11; section 12; north half section 13; northeast quarter, east half southeast quarter section 14; sections 17 to 21, inclusive; section 24; east half section 25; sections 28, 29, 30, 31, 32, 33, township 6 south, range 34 east, Boise meridian.

Sections 1 to 36, inclusive, township 6 south, range 35 east, Boise meridian.

Sections 14 to 23, inclusive; sections 25 to 36, inclusive, township 6 south, range 36 east, Boise meridian.

Sections 13, 14, 16, 21, 23, 25, 27, 28; east half section 33; section 34, township 6 south, range 38 east, Boise meridian.

Sections 2, 3, 7, 12, 13, 18, 24, 26, township 6 south, range 39 east, Boise meridian.

Sections 1 to 4, inclusive; west half west half section 6; sections 9, 10, 12, 13; south half southeast quarter section 14; southwest quarter northwest quarter, west half southwest quarter section 18; northeast quarter, north half southeast quarter, section 23; north half north half southwest quarter, southeast quarter section 24; north half northeast quarter, section 25; west half northwest quarter, northwest quarter southwest quarter, section 30, township 7 south, range 34 east, Boise meridian.

Sections 1 to 36, inclusive, township 7 south, range 35 east, Boise meridian.

Sections 1 to 36, inclusive, township 7 south, range 36 east, Boise meridian.

Sections 18, 19, township 7 south, range 37 east, Boise meridian.

Sections 2, 3; south half, northeast quarter section 4; south half section 5; east half, east half west half, southwest quarter southwest quarter section 6, east half, north half northwest quarter section 7; sections 8, 9, 10, 15, 16, 17; east half section 18; east half, east half west half section 20; sections 21, 22, 24, 26, 28; east half section 29; north half northeast quarter, southeast quarter northeast quarter, southeast quarter section 32; sections 33, 34, 35, 36, township 7 south, range 38 east, Boise meridian.

Sections 1, 6, 32, township 7 south, range 39 east, Boise meridian.

Sections 5, 7, 8, 17, 18, 20, 29, 30, 31, 32, township 7 south, range 40 east, Boise meridian.

Sections 6, 7, 8, 16, 17, 21; southwest quarter, south half and northwest quarter of southeast quarter of section 26; sections 27, 28, 34, 35, 36, township 8 south, range 34 east, Boise meridian.

Sections 1 to 5, inclusive, east half section 6, east half section 7; sections 8 to 17, inclusive; east half section 18; sections 20 to 29, inclusive; sections 31 to 36, inclusive, township 8 south, range 36 east, Boise meridian.

West half northeast quarter, west half, southeast quarter, section 7; sections 18, 19, west half section 29; sections 30, 31; west half section 32, township 8 south, range 37 east, Boise meridian.

Sections 1, 2, 3, 4; east half section 5; northeast quarter section 8; east half, north half northwest quarter, southwest quarter northwest quarter, section 9; sections 10 to 16, inclusive; sections 21 to 28, inclusive; southeast quarter, south half northeast quarter, section 29; east half section 32; sections 33 to 36, inclusive, township 8 south, range 38 east, Boise meridian.

Sections 5, 13, 19, 20, 25, 30, 31, 32, township 8 south, range 39 east, Boise meridian.

Sections 3, 4, 5; sections 8 to 17, inclusive; sections 19, 20, 24, 25, township 8 south, range 40 east, Boise meridian.

West half, southwest quarter southeast quarter, section 1; sections 2, 11, 12, township 9 south, range 34 east, Boise meridian.

Sections 15 to 22, inclusive; sections 27 to 36, inclusive, township 9 south, range 35 east, Boise meridian.

Sections 1 to 5, inclusive; east half section 7; sections 8 to 17, inclusive; east half section 18; east half section 19; sections 20 to 29, inclusive; east half section 30; sections 31 to 36, inclusive, township 9 south, range 36 east, Boise meridian.

Sections 3, 4, 5, 8, 9, 10; sections 13 to 18, inclusive; sections 20, 21, 22, 24; south half section 25; sections 33, 34, 35, 36, township 9 south, range 37 east; Boise meridian.

Sections 1, 2, 3, 4; northeast quarter, east half southeast quarter, section 5; east half northeast quarter, south half southwest quarter, southeast quarter, section 8; sections 9 to 15, inclusive; sections 18 and 19; sections 22, 23, 24, 25, 27, 28, 31, 34, 35, 36, township 9 south, range 38 east, Boise meridian.

Sections 4 to 9 inclusive; sections 17 to 20, inclusive; sections 22 and 23; sections 26 to 36, inclusive, township 9 south, range 39 east, Boise meridian.

Sections 12, 13, 24, township 9 south, range 40 east, Boise meridian.

Sections 19, 30, 31, 32, township 9 south, range 41 east, Boise meridian.

Sections 1 to 36, inclusive, township 10 south, range 35 east, Boise meridian.

Sections 6, 18, 19, 30, 31, township 10 south, range 36 east, Boise meridian.

Sections 1 to 4, inclusive; sections 9, 12, 13, 16, 19, 21, 22, 24, 29, 32, 36, township 10 south, range 37 east, Boise meridian.

Sections 1, 2, 6, 7, 12, 13, 17, 18, 19, 20, 24, 25, 29, 30, 31, 32, 35, 36, township 10 south, range 38 east, Boise meridian.

Sections 1 to 11, inclusive, sections 13 to 25, inclusive; sections 27 to 34, inclusive; section 36, township 10 south, range 39 east, Boise meridian.

Sections 5, 8, and 28, township 10 south, range 41 east, Boise meridian.

Section 4; east half, east half west half section 5; east half, east half west half section 8; sections 9 and 16; east half, east half northwest quarter, section 17; east half section 20; sections 21 and 28; east half section 29; east half section 32; section 33, township 11 south, range 36 east, Boise meridian.

Sections 1, 6, 7, 12, and 30, township 11 south, range 37 east, Boise meridian.

Sections 1, 2, 3, 6, and 7; sections 10 to 29, inclusive; sections 32 to 36, inclusive, township 11 south, range 38 east, Boise meridian.

Section 1; sections 3 to 11, inclusive, sections 13 to 36, inclusive, township 11 south, range 39 east, Boise meridian.

Section 6; sections 28 to 32, inclusive, township 11 south, range 40 east, Boise meridian.

Sections 3, 10, 15, 22, 28, 33, township 11 south, range 41 east, Boise meridian.

Section 3; east half, north half northwest quarter, section 4; sections 9, 10, 15; east half section 16; east half section 21; sections 22 and 23, township 12 south, range 36 east, Boise meridian.

Sections 2, 3, 4, 8, 10, 12, 17, 23; east half northeast quarter, northwest quarter northwest quarter, section 25; sections 30, 32, 33, 34, township 12 south, range 37 east, Boise meridian.

Sections 1, 2, 3, 5; sections 11 to 15, inclusive; sections 17 to 20, inclusive; sections 23, 24, 25, 30, 31, 36, township 12 south, range 38 east, Boise meridian.

Sections 1, 2, 3, 4, 6, 7, 10, 11; sections 13 to 30, inclusive; east half section 33; west half section 36, township 12 south, range 39 east, Boise meridian.

Sections 3, 5, 6, 7; sections 9 to 15, inclusive; sections 17 to 23, inclusive; sections 26 to 33, inclusive; section 35, township 12 south, range 40 east, Boise meridian.

Sections 4, 5, 8, 9; north half southwest quarter section 15; section 16; section 21; north half section 28; sections 29 and 32, township 12 south, range 41 east, Boise meridian.

Sections 1, 6, 7, 11, 15, 18, 19, 22, 26, 30, 32, township 13 south, range 38 east, Boise meridian.

East half section 4; sections 7, 8, 9, 18, 19, 20, 21, 28, 29, 30, township 13 south, range 39 east, Boise meridian.

Sections 2 and 5, township 14 south, range 38 east, Boise meridian.

### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ASHURST:

A bill (S. 3433) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases; to the Committee on the Judiciary.

By Mr. McGILL:

A bill (S. 3434) to provide for the appointment of one additional judge for the district of Kansas; to the Committee on the Judiciary.

By Mr. TYDINGS:

A bill (S. 3435) for the relief of William H. Brockman; to the Committee on Naval Affairs.

By Mr. BARBOUR and Mr. MOORE:

A bill (S. 3437) to provide for the sale of the Port Newark Army Supply Base to the city of Newark, N. J.; to the Committee on Military Affairs.

By Mr. CHAVEZ:

A bill (S. 3438) to provide for the establishment of an agricultural experiment station within the Middle Rio Grande Conservancy District in the State of New Mexico; to the Committee on Agriculture and Forestry.

By Mr. NEELY:

A bill (S. 3439) for the relief of William Welch; to the Committee on Finance.

By Mr. FLETCHER:

A bill (S. 3440) to amend certain acts relating to public printing and binding and the distribution of public documents and acts amendatory thereof; to the Committee on Printing.

### PERMISSION TO INTER THE REMAINS OF WILL ROGERS AND WILEY POST IN ARLINGTON NATIONAL CEMETERY

Mr. McADOO. I ask unanimous consent to introduce a bill authorizing the Secretary of War to permit the remains of Will Rogers and Wiley Post to be interred in the Arlington National Cemetery, and I ask for its immediate consideration.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

Mr. BARKLEY. Mr. President, I have no objection. I should like to inquire of the Senator from California if he knows whether the proposal meets with the approval of the families of the two deceased?

Mr. McADOO. I do not know. The bill merely authorizes the Secretary of War to permit interment in Arlington National Cemetery if the families wish to take advantage thereof.

The bill (S. 3436) to authorize the interment in the Arlington National Cemetery of the remains of the late Will Rogers and Wiley Post was read the first time by its title and the second time at length, as follows:

*Be it enacted, etc.*, That the Secretary of War may authorize the interment in the Arlington National Cemetery of the remains of the late Will Rogers and Wiley Post.

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. McADOO. Mr. President, I wish to make a few remarks at some appropriate time about the loss of these great men; but I shall reserve it for a later date, because I do not wish to interrupt the proceedings of the Senate at the moment.

### HOUSE BILL REFERRED

The bill (H. R. 8345) authorizing the Secretary of the Navy to accept, without cost to the United States, certain lands in Duval County, State of Florida, was read twice by its title and referred to the Committee on Naval Affairs.

### REPORTS OF THE JUDICIARY COMMITTEE

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (S. 3433) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases, reported it without amendment and submitted a report (No. 1402) thereon.

Mr. McGILL, from the Committee on the Judiciary, to which was referred the bill (S. 3434) to provide for the appointment of one additional judge for the District of Kansas, reported it without amendment and submitted a report (No. 1373) thereon.

### BANKING ACT OF 1935—CONFERENCE REPORT

Mr. GLASS submitted the following report, which was ordered to lie on the table:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the amendment of the Senate insert the following:

"That this act may be cited as the 'Banking Act of 1935.

"TITLE I—FEDERAL DEPOSIT INSURANCE

"SECTION 101. Section 12B of the Federal Reserve Act, as amended (U. S. C., Supp. VII, title 12, sec. 264), is amended to read as follows:

"'SEC. 12B. (a) There is hereby created a Federal Deposit Insurance Corporation (hereinafter referred to as the "Corporation") which shall insure, as hereinafter provided, the deposits of all banks which are entitled to the benefits of insurance under this section, and which shall have the powers hereinafter granted.

"'(b) The management of the Corporation shall be vested in a board of directors consisting of three members, one of whom shall be the Comptroller of the Currency, and two of whom shall be citizens of the United States to be appointed by the President, by and with the advice and consent of the Senate. One of the appointive members shall be the chairman of the board of directors of the Corporation and not more than two of the members of such board of directors shall be members of the same political party. Each such appointive member shall hold office for a term of six years and shall receive compensation at the rate of $10,000 per annum, payable monthly out of the funds of the Corporation, but the Comptroller of the Currency shall not receive additional compensation for his services as such member. In the event of a vacancy in the office of the Comptroller of the Currency, and pending the appointment of his successor, or during the absence of the Comptroller from Washington, the Acting Comptroller of the Currency shall be a member of the board of directors in the place and stead of the Comptroller. In the event of a vacancy in the office of the chairman of the board of directors, and pending the appointment of his successor, the Comptroller of the Currency shall act as chairman. The Comptroller of the Currency shall be ineligible during the time he is in office and for two years thereafter to hold any office, position, or employment in any insured bank. The appointive members of the board of directors shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any insured bank, except that this restriction shall not apply to any appointive member who has served the full term for which he was appointed. No member of the board of directors shall be an officer or director of any bank, banking institution, trust company, or Federal Reserve bank or hold stock in any bank, banking institution, or trust company; and before entering upon his duties as a member of the board of directors he shall certify under oath that he has complied with this requirement and such certification shall be filed with the secretary of the board of directors. No member of the board of directors serving on the board of directors on the effective date shall be subject to any of the provisions of the three preceding sentences until the expiration of his present term of office.

"'(c) As used in this section—

"'(1) The term "State bank" means any bank, banking association, trust company, savings bank, or other banking institution which is engaged in the business of receiving deposits and which is incorporated under the laws of any State, Hawaii, Alaska, Puerto Rico, or the Virgin Islands, or which is operating under the Code of Law for the District of Columbia (except a national bank), and includes any unincorporated bank the deposits of which are insured on the effective date under the provisions of this section.

"'(2) The term "State member bank" means any State bank which is a member of the Federal Reserve System, and the term "State nonmember bank" means any State bank which is not a member of the Federal Reserve System.

"'(3) The term "District bank" means any State bank operating under the Code of Law for the District of Columbia.

"'(4) The term "national member bank" means any national bank located in any of the States of the United States, the District of Columbia, Hawaii, Alaska, Puerto Rico, or the Virgin Islands which is a member of the Federal Reserve System.

"'(5) The term "national nonmember bank" means any national bank located in Hawaii, Alaska, Puerto Rico, or the Virgin Islands which is not a member of the Federal Reserve System.

"'(6) The term "mutual savings bank" means a bank without capital stock transacting a savings bank business, the net earnings of which inure wholly to the benefit of its depositors after payment of obligations for any advances by its organizers.

"'(7) The term "savings bank" means a bank (other than a mutual savings bank) which transacts its ordinary banking business strictly as a savings bank under State laws imposing special requirements on such banks governing the manner of investing their funds and of conducting their business: *Provided*, That the bank maintains, until maturity date or until withdrawn, all deposits made with it (other than funds held by it in a fiduciary capacity) as time savings deposits of the specific term type or of the type where the right is reserved to the bank to require written notice before permitting withdrawal: *Provided further*, That such bank to be considered a savings bank must elect to become subject to regulations of the Corporation with respect to the redeposit of maturing deposits and prohibiting withdrawal of deposits by checking except in cases where such withdrawal is permitted by law on the effective date from specifically designated deposit accounts totaling not more than 15 per centum of the bank's total deposits.

"'(8) The term "insured bank" means any bank the deposits of which are insured in accordance with the provisions of this section; and the term "noninsured bank" means any bank the deposits of which are not so insured.

"'(9) The term "new bank" means a new national banking association organized by the Corporation to assume the insured deposits of an insured bank closed on account of inability to meet the demands of its depositors and otherwise to perform temporarily the functions prescribed in this section.

"'(10) The term "receiver" includes a receiver, liquidating agent, conservator, commission, person, or other agency charged by law with the duty of winding up the affairs of a bank.

"'(11) The term "board of directors" means the board of directors of the Corporation.

"'(12) The term "deposit" means the unpaid balance of money or its equivalent received by a bank in the usual course of business and for which it has given or is obligated to give credit to a commercial, checking, savings, time or thrift account, or which is evidenced by its certificate of deposit, and trust funds held by such bank whether retained or deposited in any department of such bank or deposited in another bank, together with such other obligations of a bank as the board of directors shall find and shall prescribe by its regulations to be deposit liabilities by general usage: *Provided*, That any obligation of a bank which is payable only at an office of the bank located outside the States of the United States, the District of Columbia, Hawaii, Alaska, Puerto Rico, and the Virgin Islands, shall not be a deposit for any of the purposes of this section or be included as a part of total deposits or of an insured deposit: *Provided further*, That any insured bank having its principal place of business in any of the States of the United States or in the District of Columbia which maintains a branch in Hawaii, Alaska, Puerto Rico, or the Virgin Islands may elect to exclude from insurance under this section its deposit obligations which are payable only at such branch, and upon so electing the insured bank with respect to such branch shall comply with the provisions of this section applicable to the termination of insurance by nonmember banks: *Provided further*, That the bank may elect to restore the insurance to such deposits at any time its capital stock is unimpaired.

"'(13) The term "insured deposit" means the net amount due to any depositor for deposits in an insured bank (after deducting offsets) less any part thereof which is in excess of $5,000. Such net amount shall be determined according to such regulations as the board of directors may prescribe, and in determining the amount due to any depositor there shall be added together all deposits in the bank maintained in the same capacity and the same right for his benefit either in his own name or in the names of others, except trust funds which shall be insured as provided in paragraph (9) of subsection (h) of this section.

"'(14) The term "transferred deposit" means a deposit in a new bank or other insured bank made available to a depositor by the Corporation as payment of the insured deposit of such depositor in a closed bank, and assumed by such new bank or other insured bank.

"'(15) The term "branch" includes any branch bank, branch office, branch agency, additional office, or any branch place of business located in any State of the United States or in Hawaii, Alaska, Puerto Rico, or the Virgin Islands at which deposits are received or checks paid or money lent.

"'(16) The term "effective date" means the date of enactment of the Banking Act of 1935.

"'(d) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $150,000,000, which shall be available for payment by the Secretary of the Treasury for capital stock of the Corporation in an equal amount, which shall be subscribed for by him on behalf of the United States. Payments upon such subscription shall be subject to call in whole or in part by the board of directors of the Corporation. Such stock shall be in addition to the amount of capital stock required to be subscribed for by Federal Reserve banks. Receipts for payments by the United States for or on account of such stock shall be issued by the Corporation to the Secretary of the Treasury and shall be evidence of the stock ownership of the United States. Every Federal Reserve bank shall subscribe to shares of stock in the Corporation to an amount equal to one-half of the surplus of such bank on January 1, 1933, and its subscriptions shall be accompanied by a certified check payable to the Corporation in an amount equal to one-half of such subscription. The remainder of such subscription shall be subject to call from time to time by the board of directors upon ninety days' notice. The capital stock of the Corporation shall consist of the shares subscribed for prior to the effective date. Such stock shall be without nominal or par value, and shares issued prior to the effective date shall be exchanged and reissued at the rate of one share for each $100 paid into the Corporation for capital stock. The consideration received by the Corporation for the capital stock shall be allocated to capital and to surplus in such amounts as the board of directors shall prescribe. Such stock shall have no vote and shall not be entitled to the payment of dividends.

"'(e) (1) Every operating State or national member bank, including a bank incorporated since March 10, 1933, licensed on or before the effective date by the Secretary of the Treasury shall be and continue to be, without application, or approval, an insured bank and shall be subject to the provisions of this section.

"'(2) After the effective date, every national member bank which is authorized to commence or resume the business of banking, and every State bank which is converted into a national member bank or which becomes a member of the Federal Reserve System, shall be an insured bank from the time it is authorized to commence or resume business or becomes a member of the Federal Reserve System. The certificate herein prescribed shall be issued to the Corporation by the Comptroller of the Currency in the case of such national member bank, or by the Board of Governors of the Federal Reserve System in the case of such State member bank: *Provided*,

That in the case of an insured bank which is admitted to membership in the Federal Reserve System or an insured State bank which is converted into a national member bank, such certificate shall not be required, and the bank shall continue as an insured bank. Such certificate shall state that the bank is authorized to transact the business of banking in the case of a national member bank, or is a member of the Federal Reserve System in the case of a State member bank, and that consideration has been given to the factors enumerated in subsection (g) of this section.

"'(f) (1) Every bank which is not a member of the Federal Reserve System which on June 30, 1935 was or thereafter became a member of the Temporary Federal Deposit Insurance Fund or of the Fund For Mutuals heretofore created pursuant to the provisions of this section, shall be and continue to be, without application or approval, an insured bank and shall be subject to the provisions of this section: *Provided*, That any State nonmember bank which was admitted to the said Temporary Federal Deposit Insurance Fund or the Fund For Mutuals but which did not file on or before the effective date an October 1, 1934 certified statement and make the payments thereon required by law, shall cease to be an insured bank on August 31, 1935: *Provided further*, That no bank admitted to the said Temporary Federal Deposit Insurance Fund or the Fund For Mutuals prior to the effective date shall, after August 31, 1935, be an insured bank or have its deposits insured by the Corporation, if such bank shall have permanently discontinued its banking operations prior to the effective date.

"'(2) Subject to the provisions of this section, any national nonmember bank, upon application by the bank and certification by the Comptroller of the Currency in the manner prescribed in subsection (e) of this section, and any State nonmember bank, upon application to and examination by the Corporation and approval by the board of directors, may become an insured bank. Before approving the application of any such State nonmember bank, the board of directors shall give consideration to the factors enumerated in subsection (g) of this section and shall determine, upon the basis of a thorough examination of such bank, that its assets in excess of its capital requirements are adequate to enable it to meet all its liabilities to depositors and other creditors as shown by the books of the bank.

"'(g) The factors to be enumerated in the certificate required under subsection (e) and to be considered by the board of directors under subsection (f) shall be the following: The financial history and condition of the bank, the adequacy of its capital structure, its future earnings prospects, the general character of its management, the convenience and needs of the community to be served by the bank, and whether or not its corporate powers are consistent with the purposes of this section.

"'(h) (1) The assessment rate shall be one-twelfth of 1 per centum per annum. The semiannual assessment for each insured bank shall be in the amount of the product of one-half the annual assessment rate multiplied by an assessment base which shall be the average for six months of the differences at the end of each calendar day between the total amount of liability of the bank for deposits (according to the definition of the term "deposit" in and pursuant to paragraph (12) of subsection (c) of this section, without any deduction for indebtedness of depositors) and the total of such uncollected items as are included in such deposits and credited subject to final payment: *Provided, however*, That the daily total of such uncollected items shall be determined according to regulations prescribed by the board of directors upon a consideration of the factors of general usage and ordinary time of availability, and for the purposes of such deduction no item shall be regarded as uncollected for longer periods than those prescribed by such regulations. Each insured bank shall, as a condition to the right to deduct any specific uncollected item in determining its assessment base, maintain such records as will readily permit verification of the correctness of the particular deduction claimed. The certified statements required to be filed with the Corporation under paragraphs (2), (3), and (4) of this subsection shall be in such form and set forth such supporting information as the board of directors shall prescribe. The assessment payments required from insured banks under paragraphs (2), (3), and (4) of this subsection shall be made in such manner and at such time or times as the board of directors shall prescribe, provided the time or times so prescribed shall not be later than sixty days after filing the certified statement setting forth the amount of the assessment. In the event that a separate Fund For Mutuals is established as provided in subsection (1), the board of directors from time to time may fix a lower assessment rate operative for such period as the board may determine which shall be applicable to insured mutual savings banks only, and the remainder of this paragraph shall not be applicable to such banks.

"'(2) On or before the 15th day of July of each year, each insured bank shall file with the Corporation a certified statement under oath showing for the six months ending on the preceding June 30 the amount of the assessment base and the amount of the semiannual assessment due to the Corporation, determined in accordance with paragraph (1) of this subsection. Each insured bank shall pay to the Corporation the amount of the semiannual assessment it is required to certify. On or before the 15th day of January of each year after 1936 each insured bank shall file with the Corporation a similar certified statement for the six months ending on the preceding December 31 and shall pay to the Corporation the amount of the semiannual assessment it is required to certify.

"'(3) Each bank which becomes an insured bank according to the provisions of subsection (e) or (f) of this section shall, on or before the 15th day of November 1935, file with the Corporation a certified statement under oath showing the amount of the assessment due to the Corporation for the period ending December 31, 1935, which shall be an amount equal to the product of one-third the annual assessment rate multiplied by the assessment base determined in accordance with paragraph (1) of this subsection, except that the assessment base shall be the average for the 31 days in the month of October 1935, and payment shall be made to the Corporation of the amount of the assessment so required to be certified. Each such bank shall, on or before the 15th day of January 1936, file with the Corporation a certified statement under oath showing the amount of the semiannual assessment due to the Corporation for the period ending June 30, 1936, which shall be an amount equal to the product of one-half the annual assessment rate multiplied by the assessment base determined in accordance with paragraph (1) of this subsection, except that the assessment base shall be the average for the days of the months of October, November and December of 1935, and payment shall be made to the Corporation of the amount of the assessment so required to be certified.

"'(4) Each bank which becomes an insured bank after the effective date shall be relieved from complying with the provisions of paragraph (2) of this subsection until it has operated as an insured bank for a full semiannual period ending on June 30 or December 31 as the case may be. Each such bank, on or before the forty-fifth day after its first day of operation as an insured bank, shall file with the Corporation its first certified statement which shall be under oath and shall show the amount of the assessment base determined in accordance with paragraph (1) of this subsection, except that the assessment base shall be the average for the first thirty-one calendar days it operates as an insured bank. Each such certified statement shall also show as the amount of the first assessment due to the Corporation the prorated portion (for the period between its first day of operation as an insured bank and the next succeeding last day of June or December, as the case may be) of an amount equal to the product of one-half the annual assessment rate multiplied by the base required to be set forth on its first certified statement. Each bank which becomes an insured bank after the effective date which has not operated as an insured bank for a full semiannual period ending on June 30 or December 31, as the case may be, shall, on or before the 15th day of the first month thereafter (except that banks becoming insured in June or December shall have thirty-one additional days) file with the Corporation its second certified statement under oath showing the amount of the assessment base and the amount of the semiannual assessment due to the Corporation. Such assessment base and amount shall be determined in accordance with paragraph (1) of this subsection, except that if the bank became an insured bank in the month of December or June the assessment base shall be the average for the first thirty-one calendar days its operates as an insured bank, and except that if it became an insured bank in any other month than December or June the assessment base shall be the average for the days between its first day of operation as an insured bank and the next succeeding last day of June or December, as the case may be. Each bank required to file a certified statement under this paragraph shall pay to the Corporation the amount of the assessment the bank is required to certify.

"'(5) Each bank which shall be and continue without application or approval an insured bank in accordance with the provisions of subsection (e) or (f) of this section, shall, in lieu of all right to refund (except as authorized in paragraph (3) of subsection (i)), be credited with any balance to which such bank shall become entitled upon the termination of the said Temporary Federal Deposit Insurance Fund or the Fund For Mutuals. The credit shall be applied by the Corporation toward the payment of the assessment next becoming due from such bank and upon succeeding assessments until the credit is exhausted.

"'(6) Any insured bank which fails to file any certified statement required to be filed by it in connection with determining the amount of any assessment payable by the bank to the Corporation may be compelled to file such statement by mandatory injunction or other appropriate remedy in a suit brought for such purpose by the Corporation against the bank and any officer or officers thereof in any court of the United States of competent jurisdiction in the district or territory in which such bank is located.

"'(7) The Corporation, in a suit brought at law or in equity in any court of competent jurisdiction, shall be entitled to recover from any insured bank the amount of any unpaid assessment lawfully payable by such insured bank to the Corporation, whether or not such bank shall have filed any such certified statement and whether or not suit shall have been brought to compel the bank to file any such statement.

"'(8) Should any national member bank or any insured national nonmember bank fail to file any certified statement required to be filed by such bank under any provision of this subsection, or fail to pay any assessment required to be paid by such bank under any provision of this section, and should the bank not correct such failure within thirty days after written notice has been given by the Corporation to an officer of the bank, citing this paragraph, and stating that the bank has failed to file or pay as required by law, all the rights, privileges, and franchises of the bank granted to it under the National Bank Act or under the provisions of this Act, as amended, shall be thereby forfeited. Whether or not the penalty provided in this paragraph has been incurred shall be determined and adjudged in the manner provided in the sixth paragraph of section 2 of this Act, as amended. The remedies provided in this paragraph and in the two preceding

paragraphs shall not be construed as limiting any other remedies against any insured bank, but shall be in addition thereto.

"'(9) Trust funds held by an insured bank in a fiduciary capacity whether held in its trust or deposited in any other department or in another bank shall be insured in an amount not to exceed $5,000 for each trust estate, and when deposited by the fiduciary bank in another insured bank such trust funds shall be similarly insured to the fiduciary bank according to the trust estates represented. Notwithstanding any other provision of this section, such insurance shall be separate from and additional to that covering other deposits of the owners of such trust funds or the beneficiaries of such trust estates: *Provided*, That where the fiduciary bank deposits any of such trust funds in other insured banks, the amount so held by other insured banks on deposit shall not for the purpose of any certified statement required under paragraph (2), (3), or (4) of this subsection be considered to be a deposit liability of the fiduciary bank, but shall be considered to be a deposit liability of the bank in which such funds are so deposited by such fiduciary bank. The board of directors shall have power by regulation to prescribe the manner of reporting and of depositing such trust funds.

"'(i) Any insured bank (except a national member bank or State member bank) may, upon not less than ninety days' written notice to the Corporation, and to the Reconstruction Finance Corporation if it owns or holds as to pledgee any preferred stock, capital notes, or debentures of such bank, terminate its status as an insured bank. Whenever the board of directors shall find that an insured bank or its directors or trustees have continued unsafe or unsound practices in conducting the business of such bank, or have knowingly or negligently permitted any of its officers or agents to violate any provision of any law or regulation to which the insured bank is subject, the board of directors shall first give to the Comptroller of the Currency in the case of a national bank or a District bank, to the authority having supervision of the bank in the case of a State bank, or to the Board of Governors of the Federal Reserve System in the case of a State member bank, a statement with respect to such practices or violations for the purpose of securing the correction thereof. Unless such correction shall be made within one hundred and twenty days or such shorter period of time as the Comptroller of the Currency, the State authority, or Board of Governors of the Federal Reserve System, as the case may be, shall require, the board of directors, if it shall determine to proceed further, shall give to the bank not less than thirty days' written notice of intention to terminate the status of the bank as an insured bank, and shall fix a time and place for a hearing before the board of directors or before a person designated by it to conduct such hearing, at which evidence may be produced, and upon such evidence the board of directors shall make written findings which shall be conclusive. Unless the bank shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the termination of its status as an insured bank. If the board of directors shall find that any violation specified in such notice has been established, the board of directors may order that the insured status of the bank be terminated on a date subsequent to such finding and to the expiration of the time specified in such notice of intention. The Corporation may publish notice of such termination and the bank shall give notice of such termination to each of its depositors at his last address of record on the books of the bank, in such manner and at such time as the board of directors may find to be necessary and may order for the protection of depositors. After the termination of the insured status of any bank under the provisions of this paragraph, the insured deposits of each depositor in the bank on the date of such termination, less all subsequent withdrawals from any deposits of such depositor, shall continue for a period of two years to be insured, and the bank shall continue to pay to the Corporation assessments as in the case of an insured bank during such period. No additions to any such deposits and no new deposits in such bank made after the date of such termination shall be insured by the Corporation, and the bank shall not advertise or hold itself out as having insured deposits unless in the same connection it shall also state with equal prominence that such additions to deposits and new deposits made after such date are not so insured. Such bank shall, in all other respects, be subject to the duties and obligations of an insured bank for the period of two years from the date of such termination, and in the event that such bank shall be closed on account of inability to meet the demands of its depositors within such period of two years, the Corporation shall have the same powers and rights with respect to such bank as in case of an insured bank.

"'(2) Whenever the insured status of a State member bank shall be terminated by action of the board of directors, the Board of Governors of the Federal Reserve System shall terminate its membership in the Federal Reserve System in accordance with the provisions of section 9 of this Act, and whenever the insured status of a national member bank shall be so terminated the Comptroller of the Currency shall appoint a receiver for the bank, which shall be the Corporation whenever the bank shall be unable to meet the demands of its depositors. Whenever a member bank shall cease to be a member of the Federal Reserve System, its status as an insured bank shall, without notice or other action by the board of directors, terminate on the date the bank shall cease to be a member of the Federal Reserve System, with like effect as if its insured status had been terminated on said date by the board of directors after proceedings under paragraph (1) of this subsection.

"'(3) If any nonmember bank which becomes an insured bank under the provisions of paragraph (1) of subsection (f) of this section shall elect, within thirty days after the effective date, not to continue as an insured bank, and shall within such period give written notice to the Corporation of its election, in accordance with regulations to be prescribed by the board of directors, and to the Reconstruction Finance Corporation if it owns or holds as pledgee any preferred stock, capital notes, or debentures of such bank, it shall cease to be an insured bank and cease to be subject to the provisions of this section and the rights of the bank (including its right to any refund) shall be as provided by law existing prior to the effective date. The board of directors shall cause notice of termination of insurance to be given to the depositors of such bank by publication or otherwise as the board of directors may determine, and the deposits in such bank shall continue to be insured for twenty days beyond such thirty day period.

"'(4) Whenever the liabilities of an insured bank for deposits shall have been assumed by another insured bank or banks, the insured status of the bank whose liabilities are so assumed shall terminate on the date of receipt by the Corporation of satisfactory evidence of such assumption with like effect as if its insured status had been terminated on said date by the board of directors after proceedings under paragraph (1) of this subsection: *Provided*, That if the bank whose liabilities are so assumed gives to its depositors notice of such assumption within thirty days after such assumption takes effect, by publication or by any reasonable means, in accordance with regulations to be prescribed by the board of directors, the insurance of its deposits shall terminate at the end of six months from the date such assumption takes effect, and such bank shall thereupon be relieved of all future obligations to the Corporation, including the obligation to pay future assessments.

"'(j) Upon the date of enactment of the Banking Act of 1933, the Corporation shall become a body corporate and as such shall have power—

"'First. To adopt and use a corporate seal.

"'Second. To have succession until dissolved by an Act of Congress.

"'Third. To make contracts.

"'Fourth. To sue and be sued, complain and defend, in any court of law or equity, State or Federal. All suits of a civil nature at common law or in equity to which the Corporation shall be a party shall be deemed to arise under the laws of the United States: *Provided*, That any such suit to which the Corporation is a party in its capacity as receiver of a State bank and which involves only the rights or obligations of depositors, creditors, stockholders and such State bank under State law shall not be deemed to arise under the laws of the United States. No attachment or execution shall be issued against the Corporation or its property before final judgment in any suit, action, or proceeding in any State, county, municipal, or United States court. The board of directors shall designate an agent upon whom service of process may be made in any State, Territory, or jurisdiction in which any insured bank is located.

"'Fifth. To appoint by its board of directors such officers and employees as are not otherwise provided for in this section, to define their duties, fix their compensation, require bonds of them and fix the penalty thereof, and to dismiss at pleasure such officers or employees. Nothing in this or any other Act shall be construed to prevent the appointment and compensation as an officer or employee of the Corporation of any officer or employee of the United States in any board, commission, independent establishment, or executive department thereof.

"'Sixth. To prescribe by its board of directors, bylaws not inconsistent with law, regulating the manner in which its general business may be conducted, and the privileges granted to it by law may be exercised and enjoyed.

"'Seventh. To exercise by its board of directors, or duly authorized officers or agents, all powers specifically granted by the provisions of this section and such incidental powers as shall be necessary to carry out the powers so granted.

"'Eighth. To make examinations of and to require information and reports from banks, as provided in this section.

"'Ninth. To act as receiver.

"'Tenth. To prescribe by its board of directors such rules and regulations as it may deem necessary to carry out the provisions of this section.

"'(k) (1) The board of directors shall administer the affairs of the Corporation fairly and impartially and without discrimination. The board of directors of the Corporation shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid. The Corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The Corporation with the consent of any Federal Reserve bank or of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, and facilities thereof in carrying out the provisions of this section.

"'(2) The board of directors shall appoint examiners who shall have power, on behalf of the Corporation, to examine any insured State nonmember bank (except a District bank), any State nonmember bank making application to become an insured bank, and any closed insured bank, whenever in the judgment of the board of directors an examination of the bank is necessary. Such examiners shall have like power to examine, with the written consent of the Comptroller of the Currency, any national bank or District bank, and, with the written consent of the Board of Governors of the Federal Reserve System, any State member bank. Each such examiner shall have power to make a thorough examination of all the affairs of the bank and in doing so he shall have power to

administer oaths and to examine and take and preserve the testimony of any of the officers and agents thereof, and shall make a full and detailed report of the condition of the bank to the Corporation. The board of directors in like manner shall appoint claim agents who shall have power to investigate and examine all claims for insured deposits and transferred deposits. Each claim agent shall have power to administer oaths and to examine under oath and take and preserve the testimony of any persons relating to such claims. The provisions of sections 184 to 186 (both inclusive) of the Revised Statutes (U. S. C., title 5, secs. 94 to 96) are hereby extended to examinations and investigations authorized by this paragraph.

"'(3) Each insured State nonmember bank (except a District bank) shall make to the Corporation reports of condition in such form and at such times as the board of directors may require. The board of directors may require such reports to be published in such manner, not inconsistent with any applicable law, as it may direct. Every such bank which fails to make or publish any such report within such time, not less than five days, as the board of directors may require, shall be subject to a penalty of not more than $100 for each day of such failure recoverable by the Corporation for its use.

"'(4) The Corporation shall have access to reports of examinations made by, and reports of condition made to, the Comptroller of the Currency or any Federal Reserve bank, may accept any report made by or to any commission, board, or authority having supervision of a State nonmember bank (except a District bank), and may furnish to the Comptroller of the Currency, to any Federal Reserve bank, and to any such commission, board, or authority, reports of examinations made on behalf of, and reports of condition made to, the Corporation.

"'(1) (1) The Temporary Federal Deposit Insurance Fund and the Fund for Mutuals heretofore created pursuant to the provisions of this section are hereby consolidated into a Permanent Insurance Fund for insuring deposits, and the assets therein shall be held by the Corporation for the uses and purposes of the Corporation: *Provided*, That the obligations to and rights of the Corporation, depositors, banks, and other persons arising out of any event or transaction prior to the effective date shall remain unimpaired. On and after the effective date, the Corporation shall insure the deposits of all insured banks as provided in this section: *Provided*, That the insurance shall apply only to deposits of insured banks which have been made available since March 10, 1933, for withdrawal in the usual course of the banking business: *Provided further*, That if any insured bank shall, without the consent of the Corporation, release or modify restrictions on or deferments of deposits which had not been made available for withdrawal in the usual course of the banking business on or before the effective date, such deposits shall not be insured. The maximum amount of the insured deposit of any depositor shall be $5,000. The Corporation, in the discretion of the board of directors, may open on its books solely for the benefit of mutual savings banks and depositors therein a separate Fund for Mutuals. If such Fund is opened, all assessments upon mutual savings banks shall be paid into such Fund and the Permanent Insurance Fund of the Corporation shall cease to be liable for insurance losses sustained in mutual savings banks: *Provided*, That the capital assets of the Corporation shall be so liable and all expenses of operation of the Corporation shall be allocated between such Funds on an equitable basis.

"'(2) For the purposes of this section, an insured bank shall be deemed to have been closed on account of inability to meet the demands of its depositors in any case in which it has been closed for the purpose of liquidation without adequate provision being made for payment of its depositors.

"'(3) Notwithstanding any other provision of law, whenever any insured national bank or insured District bank shall have been closed by action of its board of directors, or by the Comptroller of the Currency, as the case may be, on account of inability to meet the demands of its depositors, the Comptroller of the Currency shall appoint the Corporation receiver for such closed bank, and no other person shall be appointed as receiver of such closed bank.

"'(4) It shall be the duty of the Corporation as such receiver to realize upon the assets of such closed bank, having due regard to the condition of credit in the locality; to enforce the individual liability of the stockholders and directors thereof; and to wind up the affairs of such closed bank in conformity with the provisions of law relating to the liquidation of closed national banks, except as herein otherwise provided. The Corporation shall retain for its own account such portion of the amounts realized from such liquidation as it shall be entitled to receive on account of its subrogation to the claims of depositors, and it shall pay to depositors and other creditors the net amounts available for distribution to them. With respect to any such closed bank, the Corporation as such receiver shall have all the rights, powers, and privileges now possessed by or hereafter granted by law to a receiver of an insolvent national bank.

"'(5) Whenever any insured State bank (except a District bank) shall have been closed by action of its board of directors or by the authority having supervision of such bank, as the case may be, on account of inability to meet the demands of its depositors, the Corporation shall accept appointment as receiver thereof, if such appointment is tendered by the authority having supervision of such bank and is authorized or permitted by State law. With respect to any such insured State bank, the Corporation as such receiver shall possess all the rights, powers and privileges granted by State law to a receiver of a State bank.

"'(6) Whenever an insured bank shall have been closed on account of inability to meet the demands of its depositors, payment of the insured deposits in such bank shall be made by the Corporation as soon as possible, subject to the provisions of paragraph (7) of this subsection, either (A) by making available to each depositor a transferred deposit in a new bank in the same community or in another insured bank in an amount equal to the insured deposit of such depositor and subject to withdrawal on demand, or (B) in such other manner as the board of directors may prescribe: *Provided*, That the Corporation, in its discretion, may require proof of claims to be filed before paying the insured deposits, and that in any case where the Corporation is not satisfied as to the validity of a claim for an insured deposit, it may require the final determination of a court of competent jurisdiction before paying such claim.

"'(7) In the case of a closed national bank or District bank, the Corporation, upon the payment of any depositor as provided in paragraph (6) of this subsection, shall be subrogated to all rights of the depositor against the closed bank to the extent of such payment. In the case of any other closed insured bank, the Corporation shall not make any payment to any depositor until the right of the Corporation to be subrogated to the rights of such depositor on the same basis as provided in the case of a closed national bank under this section shall have been recognized either by express provision of State law, by allowance of claims by the authority having supervision of such bank, by assignment of claims by depositors, or by any other effective method. In the case of any closed insured bank, such subrogation shall include the right on the part of the Corporation to receive the same dividends from the proceeds of the assets of such closed bank and recoveries on account of stockholders' liability as would have been payable to the depositor on a claim for the insured deposit, but such depositor shall retain his claim for any uninsured portion of his deposit: *Provided*, That the rights of depositors and other creditors of any State bank shall be determined in accordance with the applicable provisions of State law.

"'(8) As soon as possible after the closing of an insured bank, the Corporation, if it finds that it is advisable and in the interest of the depositors of the closed bank or the public, shall organize a new national bank to assume the insured deposits of such closed bank and otherwise to perform temporarily the functions hereinafter provided for. The new bank shall have its place of business in the same community as the closed bank.

"'(9) The articles of association and the organization certificate of the new bank shall be executed by representatives designated by the Corporation. No capital stock need be paid in by the Corporation. The new bank shall not have a board of directors, but shall be managed by an executive officer appointed by the board of directors of the Corporation who shall be subject to its directions. In all other respects the new bank shall be organized in accordance with the then existing provisions of law relating to the organization of national banking associations. The new bank may, with the approval of the Corporation, accept new deposits which shall be subject to withdrawal on demand and which, except where the new bank is the only bank in the community, shall not exceed $5,000 from any depositor. The new bank, without application to or approval by the Corporation, shall be an insured bank and shall maintain on deposit with the Federal Reserve bank of its district reserves in the amount required by law for member banks, but it shall not be required to subscribe for stock of the Federal Reserve bank. Funds of the new bank shall be kept on hand in cash, invested in obligations of the United States, or in obligations guaranteed as to principal and interest by the United States, or deposited with the Corporation, with a Federal Reserve bank, or to the extent of the insurance coverage thereon, with an insured bank. The new bank, unless otherwise authorized by the Comptroller of the Currency, shall transact no business except that authorized by this section and as may be incidental to its organization. Notwithstanding any other provision of law the new bank, its franchise, property, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

"'(10) Upon the organization of a new bank, the Corporation shall promptly make available to it an amount equal to the estimated insured deposits of such closed bank plus the estimated amount of the expenses of operating the new bank, and shall determine as soon as possible the amount due each depositor for his insured deposit in the closed bank, and the total expenses of operation of the new bank. Upon such determination, the amounts so estimated and made available shall be adjusted to conform to the amounts so determined. Earnings of the new bank shall be paid over or credited to the Corporation in such adjustment. If any new bank, during the period it continues its status as such, sustains any losses with respect to which it is not effectively protected except by reason of being an insured bank, the Corporation shall furnish to it additional funds in the amount of such losses. The new bank shall assume as transferred deposits the payment of the insured deposits of such closed bank to each of its depositors. Of the amounts so made available, the Corporation shall transfer to the new bank, in cash, such sums as may be necessary to enable it to meet its expenses of operation and immediate cash demands on such transferred deposits, and the remainder of such amounts shall be subject to withdrawal by the new bank on demand.

"'(11) Whenever in the judgment of the board of directors it is desirable to do so, the Corporation shall cause capital stock of the new bank to be offered for sale on such terms and conditions as the board of directors shall deem advisable in an amount sufficient, in the opinion of the board of directors, to make possible the conduct of the business of the new bank on a sound basis, but in no event less than that required by section 5138 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 51), for the organization of a national bank in the place where such new bank is located. The stockholders of the closed insured bank shall be given the first opportunity to purchase any shares of common stock so offered. Upon proof that an adequate amount of capital stock in the new bank has been subscribed and paid for in cash, the Comptroller of the Currency shall require the articles of association and the organization certificate to be amended to conform to the requirements for the organization of a national bank, and thereafter, when the requirements of law with respect to the organization of a national bank have been complied with, he shall issue to the bank a certificate of authority to commence business, and thereupon the bank shall cease to have the status of a new bank, shall be managed by directors elected by its own shareholders and may exercise all the powers granted by law, and it shall be subject to all the provisions of law relating to national banks. Such bank shall thereafter be an insured national bank, without certification to or approval by the Corporation.

"'(12) If the capital stock of the new bank is not offered for sale, or if an adequate amount of capital for such new bank is not subscribed and paid for, the board of directors may offer to transfer its business to any insured bank in the same community which will take over its assets, assume its liabilities, and pay to the Corporation for such business such amount as the board of directors may deem adequate; or the board of directors in its discretion may change the location of the new bank to the office of the Corporation or to some other place or may at any time wind up its affairs as herein provided. Unless the capital stock of the new bank is sold or its assets are taken over and its liabilities are assumed by an insured bank as above provided within two years from the date of its organization, the Corporation shall wind up the affairs of such bank, after giving such notice, if any, as the Comptroller of the Currency may require, and shall certify to the Comptroller of the Currency the termination of the new bank. Thereafter the Corporation shall be liable for the obligations of such bank and shall be the owner of its assets. The provisions of sections 5220 and 5221 of the Revised Statutes (U. S. C., title 12, secs. 181 and 182) shall not apply to such new banks.

"'(m) (1) The Corporation as receiver of a closed national bank or District bank shall not be required to furnish bond and shall have the right to appoint an agent or agents to assist it in its duties as such receiver, and all fees, compensation, and expenses of liquidation and administration thereof shall be fixed by the Corporation, subject to the approval of the Comptroller of the Currency, and may be paid by it out of funds coming into its possession as such receiver. The Comptroller of the Currency is authorized and empowered to waive and relieve the Corporation from complying with any regulations of the Comptroller of the Currency with respect to receiverships where in his discretion such action is deemed advisable to simplify administration.

"'(2) Payment of an insured deposit to any person by the Corporation shall discharge the Corporation, and payment of a transferred deposit to any person by the new bank or by an insured bank in which a transferred deposit has been made available shall discharge the Corporation and such new bank or other insured bank, to the same extent that payment to such person by the closed bank would have discharged it from liability for the insured deposit.

"'(3) Except as otherwise prescribed by the board of directors, neither the Corporation nor such new bank or other insured bank shall be required to recognize as the owner of any portion of a deposit appearing on the records of the closed bank under a name other than that of the claimant, any person whose name or interest as such owner is not disclosed on the records of such closed bank as part owner of said deposit, if such recognition would increase the aggregate amount of the insured deposits in such closed bank.

"'(4) The Corporation may withhold payment of such portion of the insured deposit of any depositor in a closed bank as may be required to provide for the payment of any liability of such depositor as a stockholder of the closed bank, or of any liability of such depositor to the closed bank or its receiver, which is not offset against a claim due from such bank, pending the determination and payment of such liability by such depositor or any other person liable therefor.

"'(5) If, after the Corporation shall have given at least three months' notice to the depositor by mailing a copy thereof to his last known address appearing on the records of the closed bank, any depositor in the closed bank shall fail to claim his insured deposit from the Corporation within eighteen months after the appointment of the receiver for the closed bank, or shall fail within such period to claim or arrange to continue the transferred deposit with the new bank or with the other insured bank which assumes liability therefor, all rights of the depositor against the Corporation with respect to the insured deposit, and against the new bank and such other insured bank with respect to the transferred deposit, shall be barred, and all rights of the depositor against the closed bank and its shareholders, or the receivership estate to which the Corporation may have become subrogated, shall thereupon revert to the depositor. The amount of any transferred deposits not claimed within such eighteen months' period, shall be refunded to the Corporation.

"'(n) (1) Money of the Corporation not otherwise employed shall be invested in obligations of the United States or in obligations guaranteed as to principal and interest by the United States, except that for temporary periods, in the discretion of the board of directors, funds of the Corporation may be deposited in any Federal Reserve bank or with the Treasurer of the United States. When designated for that purpose by the Secretary of the Treasury, the Corporation shall be a depositary of public moneys, except receipts from customs, under such regulations as may be prescribed by the said Secretary, and may also be employed as a financial agent of the Government. It shall perform all such reasonable duties as depositary of public moneys and financial agent of the Government as may be required of it.

"'(2) Nothing contained in this section shall be construed to prevent the Corporation from making loans to national banks closed by action of the Comptroller of the Currency, or by vote of their directors, or to State member banks closed by action of the appropriate State authorities, or by vote of their directors, or from entering into negotiations to secure the reopening of such banks.

"'(3) Receivers or liquidators of insured banks closed on account of inability to meet the demands of their depositors shall be entitled to offer the assets of such banks for sale to the Corporation or as security for loans from the Corporation, upon receiving permission from the appropriate State authority in accordance with express provisions of State law in the case of insured State banks, or from the Comptroller of the Currency in the case of national banks or District banks. The proceeds of every such sale or loan shall be utilized for the same purposes and in the same manner as other funds realized from the liquidation of the assets of such banks. The Comptroller of the Currency may, in his discretion, pay dividends on proved claims at any time after the expiration of the period of advertisement made pursuant to section 5235 of the Revised Statutes (U. S. C., title 12, sec. 193), and no liability shall attach to the Comptroller of the Currency or to the receiver of any national bank by reason of any such payment for failure to pay dividends to a claimant whose claim is not proved at the time of any such payment. The Corporation, in its discretion, may make loans on the security of or may purchase and liquidate or sell any part of the assets of an insured bank which is now or may hereafter be closed on account of inability to meet the demands of its depositors, but in any case in which the Corporation is acting as receiver of a closed insured bank, no such loan or purchase shall be made without the approval of a court of competent jurisdiction.

"'(4) Until July 1, 1936, whenever in the judgment of the board of directors such action will reduce the risk or avert a threatened loss to the Corporation and will facilitate a merger or consolidation of an insured bank with another insured bank, or will facilitate the sale of the assets of an open or closed insured bank to and assumption of its liabilities by another insured bank, the Corporation may, upon such terms and conditions as it may determine, make loans secured in whole or in part by assets of an open or closed insured bank, which loans may be in subordination to the rights of depositors and other creditors, or the Corporation may purchase any such assets or may guarantee any other insured bank against loss by reason of its assuming the liabilities and purchasing the assets of an open or closed insured bank. Any insured national bank or District bank, or, with the approval of the Comptroller of the Currency, any receiver thereof, is authorized to contract for such sales or loans and to pledge any assets of the bank to secure such loans.

"'(o) (1) The Corporation is authorized and empowered to issue and to have outstanding its notes, debentures, bonds, or other such obligations, in a par amount aggregating not more than three times the amount received by the Corporation in payment of its capital stock and in payment of the assessments upon insured banks for the year 1936. The notes, debentures, bonds, and other such obligations issued under this subsection shall be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in such obligations, and shall bear such rate or rates of interest, and shall mature at such time or times, as may be determined by the Corporation: *Provided*, That the Corporation may sell on a discount basis short-term obligations payable at maturity without interest. The notes, debentures, bonds, and other such obligations of the Corporation may be secured by assets of the Corporation in such manner as shall be prescribed by its board of directors. Such obligations may be offered for sale at such price or prices as the Corporation may determine.

"'(2) The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Corporation to be issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include such purchases: *Provided*, That if the Reconstruction Finance Corporation fails for any reason to purchase any of the obligations of the Corporation as provided in subsection (b) of section 5e of the Reconstruction Finance Corporation Act, as amended, the Secretary of the Treasury is authorized and directed to purchase such obligations in an amount equal to the amount of such obligations the Reconstruction Finance Corporation so fails to purchase: *Provided further*, That the Secretary of the Treasury is authorized and directed,

whenever in the judgment of the board of directors of the Corporation additional funds are required for insurance purposes, to purchase obligations of the Corporation in an additional amount of not to exceed $250,000,000 par value: *Provided further*, That the proceeds derived from the purchase by the Secretary of the Treasury of any such obligations shall be used by the Corporation solely in carrying out its functions with respect to such insurance. The Secretary of the Treasury may, at any time, sell any of the obligations of the Corporation acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Corporation shall be treated as public-debt transactions of the United States.

"'(p) All notes, debentures, bonds, or other such obligations issued by the Corporation shall be exempt, both as to principal and interest, from all taxation (except estate and inheritance taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The Corporation, including its franchise, its capital, reserves, and surplus, and its income, shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the Corporation shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

"'(q) In order that the Corporation may be supplied with such forms of notes, debentures, bonds, or other such obligations as it may need for issuance under this Act, the Secretary of the Treasury is authorized to prepare such forms as shall be suitable and approved by the Corporation, to be held in the Treasury subject to delivery, upon order of the Corporation. The engraved plates, dies, bed pieces, and other material executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Corporation shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such notes, debentures, bonds, or other such obligations.

"'(r) The Corporation shall annually make a report of its operations to the Congress as soon as practicable after the 1st day of January in each year.

"'(s) Whoever, for the purpose of obtaining any loan from the Corporation, or any extension or renewal thereof, or the acceptance, release, or substitution of security therefor, or for the purpose of inducing the Corporation to purchase any assets, or for the purpose of obtaining the payment of any insured deposit or transferred deposit or the allowance, approval, or payment of any claim, or for the purpose of influencing in any way the action of the Corporation under this section, makes any statement, knowing it to be false, or willfully overvalues any security, shall be punished by a fine of not more than $5,000, or by imprisonment for not more than two years, or both.

"'(t) Whoever (1) falsely makes, forges, or counterfeits any obligation or coupon, in imitation of or purporting to be an obligation or coupon issued by the Corporation, or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited obligation or coupon purporting to have been issued by the Corporation, knowing the same to be false, forged, or counterfeited, or (3) falsely alters any obligation or coupon issued or purporting to have been issued by the Corporation, or (4) passes, utters, or publishes, or attempts to pass, utter, or publish, as true, any falsely altered or spurious obligation or coupon, issued or purporting to have been issued by the Corporation, knowing the same to be falsely altered or spurious, shall be punished by a fine of not more than $10,000, or by imprisonment for not more than five years, or both.

"'(u) Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged, or otherwise entrusted to it, or (2) with intent to defraud the Corporation or any other body, politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of or to the Corporation, or without being duly authorized draws any order or issues, puts forth, or assigns any note, debenture, bond, or other such obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, shall be punished by a fine of not more than $10,000, or by imprisonment for not more than five years, or both.

"'(v) (1) No individual, association, partnership, or corporation shall use the words "Federal Deposit Insurance Corporation", or a combination of any three of these four words, as the name or a part thereof under which he or it shall do business. No individual, association, partnership, or corporation shall advertise or otherwise represent falsely by any device whatsoever that his or its deposit liabilities are insured or in anywise guaranteed by the Federal Deposit Insurance Corporation or by the United States or any instrumentality thereof; and no insured bank shall advertise or otherwise represent falsely by any device whatsoever the extent to which or the manner in which its deposit liabilities are insured by the Federal Deposit Insurance Corporation. Every individual partnership, association, or corporation violating this subsection shall be punished by a fine of not exceeding $1,000, or by imprisonment not exceeding one year, or both.

"'(2) Every insured bank shall display at each place of business maintained by it a sign or signs, and shall include in advertisements relating to deposits a statement to the effect that its deposits are insured by the Corporation. The board of directors shall prescribe by regulation the forms of such signs and the manner of display and the substance of such statements and the manner of use. For each day an insured bank continues to violate any provision of this paragraph or any lawful provision of said regulations, it shall be subject to a penalty of not more than $100, recoverable by the Corporation for its use.

"'(3) No insured bank shall pay any dividends on its capital stock or interest on its capital notes or debentures (if such interest is required to be paid only out of net profits) while it remains in default in the payment of any assessment due to the Corporation; and any director or officer of any insured bank who participates in the declaration or payment of any such dividend shall, upon conviction, be fined not more than $1,000, or imprisoned not more than one year, or both: *Provided*, That if such default is due to a dispute between the insured bank and the Corporation over the amount of such assessment, this paragraph shall not apply, if such bank shall deposit security satisfactory to the Corporation for payment upon final determination of the issue.

"'(4) Unless, in addition to compliance with other provisions of law, it shall have the prior written consent of the Corporation, no insured bank shall enter into any consolidation or merger with any noninsured bank, or assume liability to pay any deposits made in any noninsured bank, or transfer assets to any noninsured bank in consideration of the assumption of liability for any portion of the deposits made in such insured bank, and no insured State nonmember bank (except a District bank) without such consent shall reduce the amount or retire any part of its common or preferred capital stock, or retire any part of its capital notes or debentures.

"'(5) No State nonmember insured bank (except a District bank) shall establish and operate any new branch after thirty days after the effective date unless it shall have the prior written consent of the Corporation, and no branch of any State nonmember insured bank shall be moved from one location to another after thirty days after the effective date without such consent. The factors to be considered in granting or withholding the consent of the Corporation under this paragraph shall be those enumerated in subsection (g) of this section.

"'(6) The Corporation may require any insured bank to provide protection and indemnity against burglary, defalcation, and other similar insurable losses. Whenever any insured bank refuses to comply with any such requirement the Corporation may contract for such protection and indemnity and add the cost thereof to the assessment otherwise payable by such bank.

"'(7) Whenever any insured bank (except a national bank or a District bank), after written notice of the recommendations of the Corporation based on a report of examination of such bank by an examiner of the Corporation, shall fail to comply with such recommendations within one hundred and twenty days after such notice, the Corporation shall have the power, and is hereby authorized, to publish only such part of such report of examination as relates to any recommendation not complied with: *Provided*, That notice of intention to make such publication shall be given to the bank at least ninety days before such publication is made.

"'(8) The board of directors shall by regulation prohibit the payment of interest on demand deposits in insured nonmember banks and for such purpose it may define the term "demand deposits"; but such exceptions from this prohibition shall be made as are now or may hereafter be prescribed with respect to deposits payable on demand in member banks by section 19 of this act, as amended, or by regulation of the Board of Governors of the Federal Reserve System. The board of directors shall from time to time limit by regulation the rates of interest or dividends which may be paid by insured nonmember banks on time and savings deposits, but such regulations shall be consistent with the contractual obligations of such banks to their depositors. For the purpose of fixing such rates of interest or dividends, the board of directors shall by regulation prescribe different rates for such payment on time and savings deposits having different maturities, or subject to different conditions respecting withdrawal or repayment, or subject to different conditions by reason of different locations, or according to the varying discount rates of member banks in the several Federal Reserve districts. The board of directors shall by regulation define what constitutes time and savings deposits in an insured nonmember bank. Such regulations shall prohibit any insured nonmember bank from paying any time deposit before its maturity except upon such conditions and in accordance with such rules and regulations as may be prescribed by the board of directors, and from waiving any requirement of notice before payment of any savings deposit except as to all savings deposits having the same requirement. For each violation of any provision of this paragraph or any lawful provision of such regulations relating to the payment of interest or dividends on deposits or to withdrawal of deposits, the offending bank shall be subject to a penalty of not more than $100, recoverable by the Corporation for its use.

"'(w) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U. S. C., title 18, ch. 5, secs. 202 to 207, inclusive), insofar as applicable, are extended to apply to contracts or agreements with the Corporation under this section, which for the purposes hereof shall be held to include loans, advances, extensions, and renewals thereof, and acceptances, releases, and substitutions of security therefor, purchases or sales of assets, and all contracts and agreements pertaining to the same.

"'(x) The Secret Service Division of the Treasury Department is authorized to detect, arrest, and deliver into the custody of the United States marshal having jurisdiction any person committing any of the offenses punishable under this section.

"'(y) (1) No State bank which during the calendar year 1941 or any succeeding calendar year shall have average deposits of $1,000,000

or more shall be an insured bank or continue to have any part of its deposits insured after July 1 of the year following any such calendar year during which it shall have had such amount of average deposits, unless such bank shall be a member of the Federal Reserve System: *Provided*, That for the purposes of this paragraph the term "State bank" shall not include a savings bank, a mutual savings bank, a Morris Plan bank or other incorporated banking institution engaged only in a business similar to that transacted by Morris Plan banks, a State trust company doing no commercial banking business, or a bank located in Hawaii, Alaska, Puerto Rico, or the Virgin Islands.

"'(2) It is not the purpose of this section to discriminate, in any manner, against State nonmember, and in favor of, national or member banks; but the purpose is to provide all banks with the same opportunity to obtain and enjoy the benefits of this section. No bank shall be discriminated against because its capital stock is less than the amount required for eligibility for admission into the Federal Reserve System.

"'(z) The provisions of this section limiting the insurance of the deposits of any depositor to a maximum less than the full amount shall be independent and separable from each and all of the provisions of this section.'

"TITLE II—AMENDMENTS TO THE FEDERAL RESERVE ACT

"SECTION 201. Paragraph 'Fifth' of section 4 of the Federal Reserve Act, as amended, is amended, effective March 1, 1936, to read as follows:

"'Fifth. To appoint by its board of directors a president, vice presidents, and such officers and employees as are not otherwise provided for in this Act, to define their duties, require bonds for them and fix the penalty thereof, and to dismiss at pleasure such officers or employees. The president shall be the chief executive officer of the bank and shall be appointed by the board of directors, with the approval of the Board of Governors of the Federal Reserve System, for a term of five years; and all other executive officers and all employees of the bank shall be directly responsible to him. The first vice president of the bank shall be appointed in the same manner and for the same term as the president, and shall, in the absence or disability of the president or during a vacancy in the office of president, serve as chief executive officer of the bank. Whenever a vacancy shall occur in the office of the president or the first vice president, it shall be filled in the manner provided for original appointments; and the person so appointed shall hold office until the expiration of the term of his predecessor.'

"SEC. 202. Section 9 of the Federal Reserve Act, as amended, is amended by inserting after the tenth paragraph thereof the following new paragraph:

"'In order to facilitate the admission to membership in the Federal Reserve System of any State bank which is required under subsection (y) of section 12B of this Act to become a member of the Federal Reserve System in order to be an insured bank or continue to have any part of its deposits insured under such section 12B, the Board of Governors of the Federal Reserve System may waive in whole or in part the requirements of this section relating to the admission of such bank to membership: *Provided*, That, if such bank is admitted with a capital less than that required for the organization of a national bank in the same place and its capital and surplus are not, in the judgment of the Board of Governors of the Federal Reserve System, adequate in relation to its liabilities to depositors and other creditors, the said Board may, in its discretion, require such bank to increase its capital and surplus to such amount as the Board may deem necessary within such period prescribed by the Board as in its judgment shall be reasonable in view of all the circumstances: *Provided, however*, That no such bank shall be required to increase its capital to an amount in excess of that required for the organization of a national bank in the same place.'

"SEC. 203. (a) Hereafter the Federal Reserve Board shall be known as the 'Board of Governors of the Federal Reserve System', and the governor and the vice governor of the Federal Reserve Board shall be known as the 'chairman' and the 'vice chairman', respectively, of the Board of Governors of the Federal Reserve System.

"(b) The first two paragraphs of section 10 of the Federal Reserve Act, as amended, are amended to read as follows:

"'SEC. 10. The Board of Governors of the Federal Reserve System (hereinafter referred to as the "Board") shall be composed of seven members, to be appointed by the President, by and with the advice and consent of the Senate, after the date of enactment of the Banking Act of 1935, for terms of fourteen years except as hereinafter provided, but each appointive member of the Federal Reserve Board in office on such date shall continue to serve as a member of the Board until February 1, 1936, and the Secretary of the Treasury and the Comptroller of the Currency shall continue to serve as members of the Board until February 1, 1936. In selecting the members of the Board, not more than one of whom shall be selected from any one Federal Reserve district, the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country. The members of the Board shall devote their entire time to the business of the Board and shall each receive an annual salary of $15,000, payable monthly, together with actual necessary traveling expenses.

"'The members of the Board shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank, except that this restriction shall not apply to a member who has served the full term for which he was appointed. Upon the expiration of the term of any appointive member of the Federal Reserve Board in office on the date of enactment of the Banking Act of 1935, the President shall fix the term of the successor to such member at not to exceed fourteen years, as designated by the President at the time of nomination, but in such manner as to provide for the expiration of the term of not more than one member in any two-year period, and thereafter each member shall hold office for a term of fourteen years from the expiration of the term of his predecessor, unless sooner removed for cause by the President. Of the persons thus appointed, one shall be designated by the President as chairman and one as vice chairman of the Board, to serve as such for a term of four years. The chairman of the Board, subject to its supervision, shall be its active executive officer. Each member of the Board shall within fifteen days after notice of appointment make and subscribe to the oath of office. Upon the expiration of their terms of office, members of the Board shall continue to serve until their successors are appointed and have qualified. Any person appointed as a member of the Board after the date of enactment of the Banking Act of 1935 shall not be eligible for reappointment as such member after he shall have served a full term of 14 years.'

"(c) The fourth paragraph of section 10 of the Federal Reserve Act, as amended, is amended by striking out the second, third, and fourth sentences thereof and inserting in lieu thereof the following: 'At meetings of the Board the chairman shall preside, and, in his absence, the vice chairman shall preside. In the absence of the chairman and the vice chairman, the Board shall elect a member to act as chairman pro tempore.'

"(d) Section 10 of the Federal Reserve Act, as amended, is further amended by adding at the end thereof the following new paragraph:

"'The Board of Governors of the Federal Reserve System shall keep a complete record of the action taken by the Board and by the Federal Open Market Committee upon all questions of policy relating to open-market operations and shall record therein the votes taken in connection with the determination of open-market policies and the reasons underlying the action of the Board and the Committee in each instance. The Board shall keep a similar record with respect to all questions of policy determined by the Board, and shall include in its annual report to the Congress a full account of the action so taken during the preceding year with respect to open-market policies and operations and with respect to the policies determined by it and shall include in such report a copy of the records required to be kept under the provisions of this paragraph.'

"SEC. 204. Section 10 (b) of the Federal Reserve Act, as amended, is amended to read as follows:

"'SEC. 10 (b). Any Federal Reserve bank, under rules and regulations prescribed by the Board of Governors of the Federal Reserve System, may make advances to any member bank on its time or demand notes having maturities of not more than four months and which are secured to the satisfaction of such Federal Reserve bank. Each such note shall bear interest at a rate not less than one-half of 1 per centum per annum higher than the highest discount rate in effect at such Federal Reserve bank on the date of such note.'

"SEC. 205. Section 12A of the Federal Reserve Act, as amended, is amended, effective March 1, 1936, to read as follows:

"'SEC. 12A. (a) There is hereby created a Federal Open Market Committee (hereinafter referred to as the "Committee"), which shall consist of the members of the Board of Governors of the Federal Reserve System and five representatives of the Federal Reserve banks to be selected as hereinafter provided. Such representatives of the Federal Reserve banks shall be elected annually as follows: One by the boards of directors of the Federal Reserve Banks of Boston and New York, one by the boards of directors of the Federal Reserve Banks of Philadelphia and Cleveland, one by the boards of directors of the Federal Reserve Banks of Chicago and Saint Louis, one by the boards of directors of the Federal Reserve Banks of Richmond, Atlanta, and Dallas, and one by the boards of directors of the Federal Reserve Banks of Minneapolis, Kansas City, and San Francisco. An alternate to serve in the absence of each such representative shall be elected annually in the same manner. The meetings of said Committee shall be held at Washington, District of Columbia, at least four times each year upon the call of the chairman of the Board of Governors of the Federal Reserve System or at the request of any three members of the Committee.

"'(b) No Federal Reserve bank shall engage or decline to engage in open-market operations under section 14 of this Act except in accordance with the direction of and regulations adopted by the Committee. The Committee shall consider, adopt, and transmit to the several Federal Reserve banks, regulations relating to the open-market transactions of such banks.

"'(c) The time, character, and volume of all purchases and sales of paper described in section 14 of this Act as eligible for open-market operations shall be governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country.'

"SEC. 206. (a) Subsection (b) of section 14 of the Federal Reserve Act, as amended, is amended by inserting before the semicolon at the end thereof a colon and the following: '*Provided*, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities but only in the open market.'

"(b) Subsection (d) of section 14 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following:

'but each such bank shall establish such rates every fourteen days, or oftener if deemed necessary by the Board;'.

"SEC. 207. The sixth paragraph of section 19 of the Federal Reserve Act, as amended, is amended to read as follows:

"'Notwithstanding the other provisions of this section, the Board of Governors of the Federal Reserve System, upon the affirmative vote of not less than four of its members, in order to prevent injurious credit expansion or contraction, may by regulation change the requirements as to reserves to be maintained against demand or time deposits or both by member banks in reserve and central reserve cities or by member banks not in reserve or central reserve cities or by all member banks; but the amount of the reserves required to be maintained by any such member bank as a result of any such change shall not be less than the amount of the reserves required by law to be maintained by such bank on the date of enactment of the Banking Act of 1935 nor more than twice such amount.'

"SEC. 208. The first paragraph of section 24 of the Federal Reserve Act, as amended, is amended to read as follows:

"'SEC. 24. Any national banking association may make real-estate loans secured by first liens upon improved real estate, including improved farm land and improved business and residential properties. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by mortgage, trust deed, or other such instrument upon real estate, and any national banking association may purchase any obligation so secured when the entire amount of such obligation is sold to the association. The amount of any such loan hereafter made shall not exceed 50 per centum of the appraised value of the real estate offered as security and no such loan shall be made for a longer term than five years; except that (1) any such loan may be made in an amount not to exceed 60 per centum of the appraised value of the real estate offered as security and for a term not longer than ten years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize 40 per centum or more of the principal of the loan within a period of not more than ten years, and (2) the foregoing limitations and restrictions shall not prevent the renewal or extension of loans heretofore made and shall not apply to real-estate loans which are insured under the provisions of Title II of the National Housing Act. No such association shall make such loans in an aggregate sum in excess of the amount of the capital stock of such association paid in and unimpaired plus the amount of its unimpaired surplus fund, or in excess of 60 per centum of the amount of its time and savings deposits, whichever is the greater. Any such association may continue hereafter as heretofore to receive time and savings deposits and to pay interest on the same, but the rate of interest which such association may pay upon such time deposits or upon savings or other deposits shall not exceed the maximum rate authorized by law to be paid upon such deposits by State banks or trust companies organized under the laws of the State in which such association is located.'

"SEC. 209. Section 325 of the Revised Statutes is amended to read as follows:

"'SEC. 325. The Comptroller of the Currency shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold his office for a term of five years unless sooner removed by the President, upon reasons to be communicated by him to the Senate; and he shall receive a salary at the rate of $15,000 a year.'

"TITLE III—TECHNICAL AMENDMENTS TO THE BANKING LAWS

"SECTION 301. Subsection (c) of section 2 of the Banking Act of 1933, as amended, is amended by adding at the end thereof the following paragraph:

"'Notwithstanding the foregoing, the term "holding company affiliate" shall not include (except for the purposes of section 23A of the Federal Reserve Act, as amended) any corporation all of the stock of which is owned by the United States, or any organization which is determined by the Board of Governors of the Federal Reserve System not to be engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies.'

"SEC. 302. The first paragraph of section 20 of the Banking Act of 1933, as amended, is amended by inserting before the period at the end thereof a colon and the following: '*Provided*, That nothing in this paragraph shall apply to any such organization which shall have been placed in formal liquidation and which shall transact no business except such as may be incidental to the liquidation of its affairs.'

"SEC. 303. (a) Paragraph (1) of subsection (a) of section 21 of the Banking Act of 1933, as amended, is amended by inserting before the semicolon at the end thereof a colon and the following: '*Provided*, That the provisions of this paragraph shall not prohibit national banks or State banks or trust companies (whether or not members of the Federal Reserve System) or other financial institutions or private bankers from dealing in, underwriting, purchasing, and selling investment securities to the extent permitted to national banking associations by the provisions of section 5136 of the Revised Statutes, as amended (U. S. C., title 12, sec. 24; Supp. VII, title 12, sec. 24): *Provided further*, That nothing in this paragraph shall be construed as affecting in any way such right as any bank, banking association, savings bank, trust company, or other banking institution, may otherwise possess to sell, without recourse or agreement to repurchase, obligations evidencing loans on real estate'.

"(b) Paragraph (2) of subsection (a) of such section 21 is amended to read as follows:

"'(2) For any person, firm, corporation, association, business trust, or other similar organization to engage, to any extent whatever with others than his or its officers, agents or employees, in the business of receiving deposits subject to check or to repayment upon presentation of a pass book, certificate of deposit, or other evidence of debt, or upon request of the depositor, unless such person, firm, corporation, association, business trust, or other similar organization (A) shall be incorporated under, and authorized to engage in such business by, the laws of the United States or of any State, Territory, or District, or (B) shall be permitted by any State, Territory, or District to engage in such business and shall be subjected by the law of such State, Territory, or District to examination and regulation, or (C) shall submit to periodic examination by the banking authority of the State, Territory, or District where such business is carried on and shall make and publish periodic reports of its condition, exhibiting in detail its resources and liabilities, such examination and reports to be made and published at the same times and in the same manner and under the same conditions as required by the law of such State, Territory, or District in the case of incorporated banking institutions engaged in such business in the same locality.'

"SEC. 304. Section 22 of the Banking Act of 1933, as amended, is amended by adding at the end thereof the following sentences: 'Such additional liability shall cease on July 1, 1937, with respect to all shares issued by any association which shall be transacting the business of banking on July 1, 1937: *Provided*, That not less than six months prior to such date, such association shall have caused notice of such prospective termination of liability to be published in a newspaper published in the city, town, or county in which such association is located, and if no newspaper is published in such city, town, or county, then in a newspaper of general circulation therein. If the association fail to give such notice as and when above provided, a termination of such additional liability may thereafter be accomplished as of the date six months subsequent to publication, in the manner above provided.'

"SEC. 305. Paragraph (c) of section 5155 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 36), is amended (1) by inserting after the first sentence thereof the following new sentence: 'In any State in which State banks are permitted by statute law to maintain branches within county or greater limits, if no bank is located and doing business in the place where the proposed agency is to be located, any national banking association situated in such State may, with the approval of the Comptroller of the Currency, establish and operate, without regard to the capital requirements of this section, a seasonal agency in any resort community within the limits of the county in which the main office of such association is located, for the purpose of receiving and paying out deposits, issuing and cashing checks and drafts, and doing business incident thereto: *Provided*, That any permit issued under this sentence shall be revoked upon the opening of a State or national bank in such community.'; and (2) by striking out the first word in the last sentence of such paragraph (c) and inserting in lieu thereof the following: 'Except as provided in the immediately preceding sentence, no'.

"SEC. 306. Section 4 of the act entitled 'An act to amend section 12B of the Federal Reserve Act so as to extend for one year the temporary plan for deposit insurance, and for other purposes', approved June 16, 1934 (48 Stat. 969), is amended to read as follows:

"'SEC. 4. So much of section 31 of the Banking Act of 1933, as amended, as relates to stock ownership by directors, trustees, or members of similar governing bodies of any national banking association, or of any State bank or trust company which is a member of the Federal Reserve System, is hereby repealed.'

"SEC. 307. Effective January 1, 1936, section 32 of the Banking Act of 1933, as amended, is amended to read as follows:

"'SEC. 32. No officer, director, or employee of any corporation or unincorporated association, no partner or employee of any partnership, and no individual, primarily engaged in the issue, flotation, underwriting, public sale, or distribution, at wholesale or retail, or through syndicate participation, of stocks, bonds, or other similar securities, shall serve the same time as an officer, director, or employee of any member bank except in limited classes of cases in which the Board of Governors of the Federal Reserve System may allow such service by general regulations when in the judgment of the said Board it would not unduly influence the investment policies of such member bank or the advice it gives its customers regarding investments.'

"SEC. 308. (a) The second sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 24), is amended to read as follows: 'The business of dealing in securities and stock by the association shall be limited to purchasing and selling such securities and stock without recourse, solely upon the order, and for the account of, customers, and in no case for its own account, and the association shall not underwrite any issue of securities or stock: *Provided*, That the association may purchase for its own account investment securities under such limitations and restrictions as the Comptroller of the Currency may by regulation prescribe. In no event shall the total amount of the investment securities of any one obligor or maker, held by the association for its own account, exceed at any time 10 per centum of its capital stock actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund, except that this limitation shall not require any association to dispose of any securities lawfully held by it on the date of enactment of the Banking Act of 1935.'

"(b) The fourth sentence of such paragraph Seventh is amended to read as follows: 'Except as hereinafter provided or otherwise

permitted by law, nothing herein contained shall authorize the purchase by the association for its own account of any shares of stock of any corporation.'

"(c) The last sentence of such paragraph Seventh is amended by inserting before the colon after the words 'Home Owners' Loan Corporation' a comma and the following: 'or obligations which are insured by the Federal Housing Administrator pursuant to section 207 of the National Housing Act, if the debentures to be issued in payment of such insured obligations are guaranteed as to principal and interest by the United States.'

"SEC. 309. Section 5138 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 51), is amended by adding the following sentences at the end thereof: 'No such association shall hereafter be authorized to commence the business of banking until it shall have a paid-in surplus equal to 20 per centum of its capital: *Provided*, That the Comptroller of the Currency may waive this requirement as to a State bank converting into a national banking association, but each such State bank which is converted into a national banking association shall, before the declaration of a dividend on its shares of common stock, carry not less than one-half part of its net profits of the preceding half year to its surplus fund until it shall have a surplus equal to 20 per centum of its capital: *Provided*, That for the purposes of this section any amounts paid into a fund for the retirement of any preferred stock of any such converted State bank out of its net earnings for such half-year period shall be deemed to be an addition to its surplus fund if, upon the retirement of such preferred stock, the amount so paid into such retirement fund for such period may then properly be carried to surplus. In any such case the converted State bank shall be obligated to transfer to surplus the amount so paid into such retirement fund for such period on account of the preferred stock as such stock is retired.'

"SEC. 310. (a) The last paragraph of section 5139 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 52), is amended to read as follows:

"'After the date of the enactment of the Banking Act of 1935, no certificate evidencing the stock of any such association shall bear any statement purporting to represent the stock of any other corporation, except a member bank or a corporation engaged on June 16, 1934 in holding the bank premises of such association, nor shall the ownership, sale, or transfer of any certificate representing the stock of any such association be conditioned in any manner whatsoever upon the ownership, sale, or transfer of a certificate representing the stock of any other corporation, except a member bank or a corporation engaged on June 16, 1934 in holding the bank premises of such association: *Provided*, That this section shall not operate to prevent the ownership, sale, or transfer of stock of any other corporation being conditioned upon the ownership, sale, or transfer of a certificate representing stock of a national banking association.'

"(b) The nineteenth paragraph of section 9 of the Federal Reserve Act, as amended, is amended to read as follows:

"'After the date of the enactment of the Banking Act of 1935, no certificate evidencing the stock of any State member bank shall bear any statement purporting to represent the stock of any other corporation, except a member bank or a corporation engaged on June 16, 1934 in holding the bank premises of such member bank, nor shall the ownership, sale, or transfer of any certificate representing the stock of any State member bank be conditioned in any manner whatsoever upon the ownership, sale, or transfer of a certificate representing the stock of any other corporation, except a member bank or a corporation engaged on June 16, 1934 in holding the bank premises of such member bank: *Provided*, That this section shall not operate to prevent the ownership, sale, or transfer of stock of any other corporation being conditioned upon the ownership, sale, or transfer of a certificate representing stock of a State member bank.'

"SEC. 311. (a) The first paragraph of section 5144 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 61), is amended to read as follows:

"'SEC. 5144. In all elections of directors, each shareholder shall have the right to vote the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate such shares and give one candidate as many votes as the number of directors multiplied by the number of his shares shall equal, or to distribute them on the same principle among as many candidates as he shall think fit; and in deciding all other questions at meetings of shareholders, each shareholder shall be entitled to one vote on each share of stock held by him; except that (1) this shall not be construed as limiting the voting rights of holders of preferred stock under the terms and provisions of articles of association, or amendments thereto, adopted pursuant to the provisions of section 302 (a) of the Emergency Banking and Bank Conservation Act, approved March 9, 1933, as amended, (2) in the election of directors, shares of its own stock held by a national bank as sole trustee, whether registered in its own name as such trustee or in the name of its nominee, shall not be voted by the registered owner unless under the terms of the trust the manner in which such shares shall be voted may be determined by a donor or beneficiary of the trust and unless such donor or beneficiary actually directs how such shares shall be voted, (3) shares of its own stock held by a national bank and one or more persons as trustees may be voted by such other person or persons, as trustees, in the same manner as if he or they were the sole trustee, and (4) shares controlled by any holding company affiliate of a national bank shall not be voted unless such holding company affiliate shall have first obtained a voting permit as hereinafter provided, which permit is in force at the time such shares are voted, but such holding company affiliate may, without obtaining such permit, vote in favor of placing the association in voluntary liquidation or taking any other action pertaining to the voluntary liquidation of such association. Shareholders may vote by proxies duly authorized in writing; but no officer, clerk, teller, or bookkeeper of such bank shall act as proxy; and no shareholder whose liability is past due and unpaid shall be allowed to vote. Whenever shares of stock cannot be voted by reason of being held by the bank as sole trustee, such shares shall be excluded in determining whether matters voted upon by the shareholders were adopted by the requisite percentage of shares.'

"(b) The first sentence of the third paragraph of such section 5144 is amended to read: 'Any such holding company affiliate may make application to the Board of Governors of the Federal Reserve System for a voting permit entitling it to vote the stock controlled by it at any or all meetings of shareholders of such bank or authorizing the trustee or trustees holding the stock for its benefit or for the benefit of its shareholders so to vote the same.'

"(c) Section 5144 of the Revised Statutes, as amended, is further amended by adding at the end of subsection (c) thereof the following: 'and the provisions of this subsection, instead of subsection (b), shall apply to all holding company affiliates with respect to any shares of bank stock owned or controlled by them as to which there is no statutory liability imposed upon the holders of such bank stock;'.

"SEC. 312. Section 5154 of the Revised Statutes, as amended (U. S. C., title 12, sec. 35), is amended by adding at the end thereof the following paragraph:

"'The Comptroller of the Currency may, in his discretion and subject to such conditions as he may prescribe, permit such converting bank to retain and carry at a value determined by the Comptroller such of the assets of such converting bank as do not conform to the legal requirements relative to assets acquired and held by national banking associations.'

"SEC. 313. Section 5162 of the Revised Statutes (U. S. C., title 12, sec. 170) is amended by adding at the end thereof the following paragraph:

"'The Comptroller of the Currency may designate one or more persons to countersign in his name and on his behalf such assignments or transfers of bonds as require his countersignature.'

"SEC. 314. Section 5197 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 85), is amended by inserting after the second sentence thereof the following new sentence: 'The maximum amount of interest or discount to be charged at a branch of an association located outside of the States of the United States and the District of Columbia shall be at the rate allowed by the laws of the country, territory, dependency, province, dominion, insular possession, or other political subdivision where the branch is located.'

"SEC. 315. Section 5199 of the Revised Statutes (U. S. C., title 12, sec. 60), is amended to read as follows:

"'SEC. 5199. The directors of any association may, semiannually, declare a dividend of so much of the net profits of the association as they shall judge expedient; but each association shall, before the declaration of a dividend on its shares of common stock, carry not less than one-tenth part of its net profits of the preceding half year to its surplus fund until the same shall equal the amount of its common capital: *Provided*, That for the purposes of this section, any amounts paid into a fund for the retirement of any preferred stock of any such association out of its net earnings for such half-year period shall be deemed to be an addition to its surplus fund if, upon the retirement of such preferred stock, the amount so paid into such retirement fund for such period may then properly be carried to surplus. In any such case the association shall be obligated to transfer to surplus the amounts so paid into such retirement fund for such period on account of the preferred stock as such stock is retired.'

"SEC. 316. Section 5209 of the Revised Statutes (U. S. C., title 12, sec. 592), is hereby amended by inserting after the words 'known as the Federal Reserve Act', the words 'or of any national banking association, or of any insured bank as defined in subsection (c) of section 12B of the Federal Reserve Act'; and by inserting after the words 'such Federal Reserve bank or member bank', wherever they appear in such section, the words 'or such national banking association or insured bank'; and by inserting after the words 'or the Comptroller of the Currency', the words 'or the Federal Deposit Insurance Corporation,'.

"SEC. 317. Section 5220 of the Revised Statutes (U. S. C., title 12, sec. 181), is amended by adding at the end thereof the following paragraph:

"'The shareholders shall designate one or more persons to act as liquidating agent or committee, who shall conduct the liquidation in accordance with law and under the supervision of the board of directors, who shall require a suitable bond to be given by said agent or committee. The liquidating agent or committee shall render annual reports to the Comptroller of the Currency on the 31st day of December of each year showing the progress of said liquidation until the same is completed. The liquidating agent or committee shall also make an annual report to a meeting of the shareholders to be held on the date fixed in the articles of association for the annual meeting, at which meeting the shareholders may, if they see fit, by a vote representing a majority of the entire stock of the bank, remove the liquidating agent or committee and appoint one or more others in place thereof. A special meeting of the shareholders may be called at any time in the same manner as if the bank continued an active bank and at said meeting the shareholders may, by vote of the majority of the stock, remove

the liquidating agent or committee. The Comptroller of the Currency is authorized to have an examination made at any time into the affairs of the liquidating bank until the claims of all creditors have been satisfied, and the expense of making such examinations shall be assessed against such bank in the same manner as in the case of examinations made pursuant to section 5240 of the Revised Statutes, as amended (U. S. C., title 12, secs. 484, 485; Supp. VII, title 12, secs. 481–483).'

"SEC. 318. Section 5243 of the Revised Statutes (U. S. C., title 12, sec. 583) is amended by striking out the semicolon therein and all that precedes it and substituting the following:

"'SEC. 5243. The use of the word "national", the word "Federal" or the words "United States", separately, in any combination thereof, or in combination with other words or syllables, as part of the name or title used by any person, corporation, firm, partnership, business trust, association or other business entity, doing the business of bankers, brokers, or trust or savings institutions is prohibited except where such institution is organized under the laws of the United States, or is otherwise permitted by the laws of the United States to use such name or title, or is lawfully using such name or title on the date when this section, as amended, takes effect;'.

"SEC. 319. (a) Section 5 of the Federal Reserve Act, as amended, is amended by striking out the last three sentences thereof and inserting in lieu thereof the following: 'When a member bank reduces its capital stock or surplus it shall surrender a proportionate amount of its holdings in the capital stock of said Federal Reserve bank. Any member bank which holds capital stock of a Federal Reserve bank in excess of the amount required on the basis of 6 per centum of its paid-up capital stock and surplus shall surrender such excess stock. When a member bank voluntarily liquidates it shall surrender all of its holdings of the capital stock of said Federal Reserve bank and be released from its stock subscription not previously called. In any such case the shares surrendered shall be canceled and the member bank shall receive in payment therefor, under regulations to be prescribed by the Board of Governors of the Federal Reserve System, a sum equal to its cash-paid subscriptions on the shares surrendered and one-half of 1 per centum a month from the period of the last dividend, not to exceed the book value thereof, less any liability of such member bank to the Federal Reserve bank.'

"(b) Section 6 of the Federal Reserve Act, as amended, is amended by striking out the last paragraph thereof.

"SEC. 320. The fifth paragraph of section 9 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following sentence: 'Such reports of condition shall be in such form and shall contain such information as the Board of Governors of the Federal Reserve System may require and shall be published by the reporting banks in such manner and in accordance with such regulations as the said Board may prescribe.'

"SEC. 321. (a) The first sentence of paragraph (m) of section 11 of the Federal Reserve Act, as amended, is amended by inserting before the period at the end thereof a colon and the following: '*Provided*, That with respect to loans represented by obligations in the form of notes secured by not less than a like amount of bonds or notes of the United States issued since April 24, 1917, certificates of indebtedness of the United States, Treasury bills of the United States, or obligations fully guaranteed both as to principal and interest by the United States, such limitation of 10 per centum on loans to any person shall not apply, but State member banks shall be subject to the same limitations and conditions as are applicable in the case of national banks under paragraph (8) of section 5200 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 84)'.

"(b) Paragraph (8) of section 5200 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 84), is amended by inserting after the comma following the words 'certificates of indebtedness of the United States', the words 'Treasury bills of the United States, or obligations fully guaranteed both as to principal and interest by the United States,'.

"SEC. 322. The third paragraph of section 13 of the Federal Reserve Act, as amended, is amended by changing the words 'indorsed and otherwise secured to the satisfaction of the Federal Reserve bank' in that paragraph to read 'indorsed or otherwise secured to the satisfaction of the Federal Reserve bank'.

"SEC. 323. Subsection (e) of section 13b of the Federal Reserve Act, as amended, is amended by striking out 'upon the date this section takes effect', and inserting in lieu thereof 'on and after June 19, 1934'; and by striking out 'the par value of the holdings of each Federal Reserve bank of Federal Deposit Insurance Corporation stock', and inserting in lieu thereof 'the amount paid by each Federal Reserve bank for stock of the Federal Deposit Insurance Corporation'.

"SEC. 324. (a) The first paragraph of section 19 of the Federal Reserve Act, as amended, is amended to read as follows:

"'SEC. 19. The Board of Governors of the Federal Reserve System is authorized, for the purposes of this section, to define the terms "demand deposits", "gross demands deposits", "deposits payable on demands", "time deposits", "savings deposits", and "trust funds", to determine what shall be deemed to be a payment of interest, and to prescribe such rules and regulations as it may deem necessary to effectuate the purposes of this section and prevent evasions thereof: *Provided*, That, within the meaning of the provisions of this section regarding the reserves required of member banks, the term "time deposits" shall include "savings deposits".'

"(b) The tenth paragraph of such section 19 is amended to read as follows:

"'In estimating the reserve balances required by this Act, member banks may deduct from the amount of their gross demand deposits the amounts of balances due from other banks (except Federal Reserve banks and foreign banks) and cash items in process of collection payable immediately upon presentation in the United States, within the meaning of these terms as defined by the Board of Governors of the Federal Reserve System.'

"(c) The last two paragraphs of such section 19 are amended to read as follows:

"'No member bank shall, directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand: *Provided*, That nothing herein contained shall be construed as prohibiting the payment of interest in accordance with the terms of any certificate of deposit or other contract entered into in good faith which is in force on the date on which the bank becomes subject to the provisions of this paragraph; but no such certificate of deposit or other contract shall be renewed or extended unless it shall be modified to conform to this paragraph, and every member bank shall take such action as may be necessary to conform to this paragraph as soon as possible consistently with its contractual obligations: *Provided further*, That this paragraph shall not apply to any deposit of such bank which is payable only at an office thereof located outside of the States of the United States and the District of Columbia: *Provided further*, That until the expiration of two years after the date of enactment of the Banking Act of 1935 this paragraph shall not apply (1) to any deposit made by a savings bank as defined in section 12B of this Act, as amended, or by a mutual savings bank, or (2) to any deposit of public funds made by or on behalf of any State, county, school district, or other subdivision or municipality, or to any deposit of trust funds if the payment of interest with respect to such deposit of public funds or of trust funds is required by State law. So much of existing law as requires the payment of interest with respect to any funds deposited by the United States, by any Territory, District, or possession thereof (including the Philippine Islands), or by any public instrumentality, agency, or officer of the foregoing, as is inconsistent with the provisions of this section as amended, is hereby repealed.

"'The Board of Governors of the Federal Reserve System shall from time to time limit by regulation the rate of interest which may be paid by member banks on time and savings deposits, and shall prescribe different rates for such payment on time and savings deposits having different maturities, or subject to different conditions respecting withdrawal or repayment, or subject to different conditions by reason of different locations, or according to the varying discount rates of member banks in the several Federal Reserve districts. No member bank shall pay any time deposit before its maturity except upon such conditions and in accordance with such rules and regulations as may be prescribed by the said Board, or waive any requirement of notice before payment of any savings deposit except as to all savings deposits having the same requirement: *Provided*, That the provisions of this paragraph shall not apply to any deposit which is payable only at an office of a member bank located outside of the States of the United States and the District of Columbia.'

"(d) Such section 19 is amended by adding at the end thereof the following new paragraph:

"'Notwithstanding the provisions of the First Liberty Bond Act, as amended, the Second Liberty Bond Act, as amended, and the Third Liberty Bond Act, as amended, member banks shall be required to maintain the same reserves against deposits of public moneys by the United States as they are required by this section to maintain against other deposits.'

"SEC. 325. Section 21 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following paragraph:

"'Whenever member banks are required to obtain reports from affiliates, or whenever affiliates of member banks are required to submit to examination, the Board of Governors of the Federal Reserve System or the Comptroller of the Currency, as the case may be, may waive such requirements with respect to any such report or examination of any affiliate if in the judgment of the said Board or Comptroller, respectively, such report or examination is not necessary to disclose fully the relations between such affiliate and such bank and the effect thereof upon the affairs of such bank.'

"SEC. 326. (a) Subsection (a) of section 22 of the Federal Reserve Act, as amended, is amended by inserting in the first paragraph thereof after 'No member bank' the following: 'and no insured bank as defined in subsection (c) of section 12B of this Act'; by inserting before the period at the end of the first sentence of such paragraph 'or assistant examiner, who examines or has authority to examine such bank'; and by inserting after 'any member bank' in the second paragraph thereof 'or insured bank'; by inserting before the period at the end thereof 'or Federal Deposit Insurance Corporation examiner'; and by adding at the end of such subsection a new paragraph, as follows:

"'The provisions of this subsection shall apply to all public examiners and assistant examiners who examine member banks of the Federal Reserve System or insured banks, whether appointed by the Comptroller of the Currency, by the Board of Governors of the Federal Reserve System, by a Federal Reserve agent, by a Federal Reserve bank, or by the Federal Deposit Insurance Corporation, or appointed or elected under the laws of any State, but shall not apply to private examiners or assistant examiners

employed only by a clearing-house association or by the directors of a bank.'

"(b) Subsection (b) of such section 22 is amended by inserting therein after 'no national bank examiner' the following: 'and no Federal Deposit Insurance Corporation examiner'; and by inserting after 'member bank' the following: 'or insured bank'; and by inserting after 'from the Comptroller of the Currency,' the following: 'as to a national bank, the Board of Governors of the Federal Reserve System, as to a State member bank, or the Federal Deposit Insurance Corporation as to any other insured bank,'.

"(c) Subsection (g) of such section 22 is amended to read as follows:

"'(g) No executive officer of any member bank shall borrow from or otherwise become indebted to any member bank of which he is an executive officer, and no member bank shall make any loan or extend credit in any other manner to any of its own executive officers: *Provided*, That loans made to any such officer prior to June 16, 1933, may be renewed or extended for periods expiring not more than five years from such date where the board of directors of the member bank shall have satisfied themselves that such extension or renewal is in the best interest of the bank and that the officer indebted has made reasonable effort to reduce his obligation, these findings to be evidenced by resolution of the board of directors spread upon the minute book of the bank: *Provided further*, That with the prior approval of a majority of the entire board of directors, any member bank may extend credit to any executive officer thereof, and such officer may become indebted thereto, in an amount not exceeding $2,500. If any executive officer of any member bank borrow from or if he be or become indebted to any bank other than a member bank of which he is an executive officer, he shall make a written report to the board of directors of the member bank of which he is an executive officer, stating the date and amount of such loan or indebtedness, the security therefor, and the purpose for which the proceeds have been or are to be used. Borrowing by, or loaning to, a partnership in which one or more executive officers of a member bank are partners having either individually or together a majority interest in said partnership, shall be considered within the prohibition of this subsection. Nothing contained in this subsection shall prohibit any executive officer of a member bank from endorsing or guaranteeing for the protection of such bank any loan or other asset which shall have been previously acquired by such bank in good faith or from incurring any indebtedness to such bank for the purpose of protecting such bank against loss or giving financial assistance to it. The Board of Governors of the Federal Reserve System is authorized to define the term 'executive officer', to determine what shall be deemed to be a borrowing, indebtedness, loan, or extension of credit, for the purposes of this subsection, and to prescribe such rules and regulations as it may deem necessary to effectuate the provisions of this subsection in accordance with its purposes and to prevent evasions of such provisions. Any executive officer of a member bank accepting a loan or extension of credit which is in violation of the provisions of this subsection shall be subject to removal from office in the manner prescribed in section 30 of the Banking Act of 1933: *Provided*, That for each day that a loan or extension of credit made in violation of this subsection exists, it shall be deemed to be a continuation of such violation within the meaning of said section 30.'

"SEC. 327. The third paragraph of section 23A of the Federal Reserve Act, as amended, is amended to read as follows:

"'For the purpose of this section, the term "affiliate" shall include holding-company affiliates as well as other affiliates, and the provisions of this section shall not apply to any affiliate (1) engaged on June 16, 1934, in holding the bank premises of the member bank with which it is affiliated or in maintaining and operating properties acquired for banking purposes prior to such date; (2) engaged solely in conducting a safe-deposit business or the business of an agricultural credit corporation or livestock loan company; (3) in the capital stock of which a national banking association is authorized to invest pursuant to section 25 of this Act, as amended, or a subsidiary of such affiliate, all the stock of which (except qualifying shares of directors in an amount not to exceed 10 per centum) is owned by such affiliate; (4) organized under section 25 (a) of this Act, as amended, or a subsidiary of such affiliate, all the stock of which (except qualifying shares of directors in an amount not to exceed 10 per centum) is owned by such affiliate; (5) engaged solely in holding obligations of the United States or obligations fully guaranteed by the United States as to principal and interest, the Federal intermediate credit banks, the Federal land banks, the Federal Home Loan Banks, or the Home Owners' Loan Corporation; (6) where the affiliate relationship has arisen out of a bona fide debt contracted prior to the date of the creation of such relationship; or (7) where the affiliate relationship exists by reason of the ownership or control of any voting shares thereof by a member bank as executor, administrator, trustee, receiver, agent, depositary, or in any other fiduciary capacity, except where such shares are held for the benefit of all or a majority of the stockholders of such member bank; but as to any such affiliate, member banks shall continue to be subject to other provisions of law applicable to loans by such banks and investments by such banks in stocks, bonds, debentures, or other such obligations. The provisions of this section shall likewise not apply to indebtedness of any affiliate for unpaid balances due a bank on assets purchased from such bank or to loans secured by, or extensions of credit against, obligations of the United States or obligations fully guaranteed by the United States as to principal and interest.'

"SEC. 328. Section 24 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following new paragraph:

"'Loans made to establish industrial or commercial businesses (a) which are in whole or in part discounted or purchased or loaned against as security by a Federal Reserve bank under the provisions of section 13b of this Act, (b) for any part of which a commitment shall have been made by a Federal Reserve bank under the provisions of said section, (c) in the making of which a Federal Reserve bank participates under the provisions of said section, or (d) in which the Reconstruction Finance Corporation cooperates or purchases a participation under the provisions of section 5d of the Reconstruction Finance Corporation Act, shall not be subject to the restrictions or limitations of this section upon loans secured by real estate.'

"SEC. 329. Section 25 of the Federal Reserve Act, as amended, is further amended by striking out the last paragraph of such section; the paragraph of section 25 (a) of the Federal Reserve Act, as amended, which commences with the words 'A majority of the shares of the capital stock of any such corporation' is amended by striking out all of said paragraph except the first sentence thereof; and the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes' (38 Stat. 730), approved October 15, 1914, as amended, is further amended (a) by striking out section 8A thereof and (b) by substituting for the first three paragraphs of section 8 thereof the following:

"'SEC. 8. No private banker or director, officer, or employee of any member bank of the Federal Reserve System or any branch thereof shall be at the same time a director, officer, or employee of any other bank, banking association, savings bank, or trust company organized under the National Bank Act or organized under the laws of any State or of the District of Columbia, or any branch thereof, except that the Board of Governors of the Federal Reserve System may by regulation permit such service as a director, officer, or employee of not more than one other such institution or branch thereof; but the foregoing prohibition shall not apply in the case of any one or more of the following or any branch thereof:

"'(1) A bank, banking association, savings bank, or trust company, more than 90 per centum of the stock of which is owned directly or indirectly by the United States or by any corporation of which the United States directly or indirectly owns more than 90 per centum of the stock.

"'(2) A bank, banking association, savings bank, or trust company which has been placed formally in liquidation or which is in the hands of a receiver, conservator, or other official exercising similar functions.

"'(3) A corporation principally engaged in international or foreign banking or banking in a dependency or insular possession of the United States which has entered into an agreement with the Board of Governors of the Federal Reserve System pursuant to section 25 of the Federal Reserve Act.

"'(4) A bank, banking association, savings bank, or trust company, more than 50 per centum of the common stock of which is owned directly or indirectly by persons who own directly or indirectly more than 50 per centum of the common stock of such member bank.

"'(5) A bank, banking association, savings bank, or trust company not located and having no branch in the same city, town, or village as that in which such member bank or any branch thereof is located, or in any city, town, or village contiguous or adjacent thereto.

"'(6) A bank, banking association, savings bank, or trust company not engaged in a class or classes of business in which such member bank is engaged.

"'(7) A mutual savings bank having no capital stock.

"'Until February 1, 1939, nothing in this section shall prohibit any director, officer, or employee of any member bank of the Federal Reserve System, or any branch thereof, who is lawfully serving at the same time as a private banker or as a director, officer, or employee of any other bank, banking association, savings bank, or trust company, or any branch thereof, on the date of enactment of the Banking Act of 1935, from continuing such service.

"'The Board of Governors of the Federal Reserve System is authorized and directed to enforce compliance with this section, and to prescribe such rules and regulations as it deems necessary for that purpose.'

"SEC. 330. (a) Section 1 of the Act of November 7, 1918, as amended (U. S. C., title 12, sec. 33; Supp. VII, title 12, sec. 33), is amended by striking out the second proviso down to and including the words 'to be ascertained' and inserting in lieu thereof the following: '*And provided further*, That if such consolidation shall be voted for at said meetings by the necessary majorities of the shareholders of each of the associations proposing to consolidate, any shareholder of any of the associations so consolidated, who has voted against such consolidation at the meeting of the association of which he is a shareholder or has given notice in writing at or prior to such meeting to the presiding officer that he dissents from the plan of consolidation, shall be entitled to receive the value of the shares so held by him if and when said consolidation shall be approved by the Comptroller of the Currency, such value to be ascertained as of the date of the Comptroller's approval.'

"(b) Such section 1 is further amended by adding at the end thereof the following paragraphs:

"'Publication of notice and notification by registered mail of the meeting provided for in the foregoing paragraph may be waived by unanimous action of the shareholders of the respective associations. Where a dissenting shareholder has given notice as above provided to the association of which he is a shareholder of his dissent from the plan of consolidation, and the directors thereof fail for more than thirty days thereafter to appoint an appraiser of the value of his shares, said shareholder may request the Comptroller of the Currency to appoint such appraiser to act on the appraisal committee for and on behalf of such association.

"'If shares, when sold at public auction in accordance with this section, realize a price greater than their final appraised value, the excess in such sale price shall be paid to the shareholder. The consolidated association shall be liable for all liabilities of the respective consolidating associations. In the event one of the appraisers fails to agree with the others as to the value of said shares, then the valuation of the remaining appraisers shall govern.'

"SEC. 331. (a) Section 3 of the Act of November 7, 1918, as amended (U. S. C., Supp. VII, title 12, sec. 34 (a)), is amended by striking out the first sentence following the proviso down to and including the words 'to be ascertained' and inserting in lieu thereof the following: 'If such consolidation shall be voted for at said meetings by the necessary majorities of the shareholders of the association and of the State or other bank proposing to consolidate, and thereafter the consolidation shall be approved by the Comptroller of the Currency, any shareholder of either the association or the State or other bank so consolidated, who has voted against such consolidation at the meeting of the association of which he is a stockholder, or has given notice in writing at or prior to such meeting to the presiding officer that he dissents from the plan of consolidation, shall be entitled to receive the value of the shares so held by him if and when said consolidation shall be approved by the Comptroller of the Currency, such value to be ascertained as of the date of the Comptroller's approval.'

"(b) Such section 3 is further amended by adding at the end thereof the following paragraph:

"'Where a dissenting shareholder has given notice as provided in this section to the bank of which he is a shareholder of his dissent from the plan of consolidation, and the directors thereof fail for more than thirty days thereafter to appoint an appraiser of the value of his shares, said shareholder may request the Comptroller of the Currency to appoint such appraiser to act on the appraisal committee for and on behalf of such bank. In the event one of the appraisers fails to agree with the others as to the value of said shares, then the valuation of the remaining appraisers shall govern.'

"SEC. 332. The Act entitled 'An Act to prohibit offering for sale as Federal farm-loan bonds any securities not issued under the terms of the the Farm Loan Act, to limit the use of the words "Federal", "United States", or "reserve", or a combination of such words, to prohibit false advertising, and for other purposes', approved May 24, 1926 (U. S. C., Supp. VII, title 12, secs. 584–588), is amended by inserting in section 2 thereof after 'the words "United States"', the following: 'the words "Deposit Insurance"'; and by inserting in said section after the words 'the laws of the United States', the following: 'nor to any new bank organized by the Federal Deposit Insurance Corporation as provided in section 12B of the Federal Reserve Act, as amended.'; and by striking out the period at the end of section 4 and inserting the following: 'or the Federal Deposit Insurance Corporation.'

"SEC. 333. The Act entitled 'An Act to provide punishment for certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve System', approved May 18, 1934 (48 Stat. 783), is amended by striking out the period after 'United States' in the first section thereof and inserting the following: 'and any insured bank as defined in subsection (c) of section 12B of the Federal Reserve Act, as amended.'

"SEC. 334. Section 5143 of the Revised Statutes, as amended, is hereby amended by striking out everything following the words 'Comptroller of the Currency', where such words last appear in such section, and substituting the following: 'and no shareholder shall be entitled to any distribution of cash or other assets by reason of any reduction of the common capital of any association unless such distribution shall have been approved by the Comptroller of the Currency and by the affirmative vote of at least two-thirds of the shares of each class of stock outstanding, voting as classes.'

"SEC. 335. Section 5139 of the Revised Statutes, as amended, is amended by adding at the end of the first paragraph the following new paragraph:

"'Certificates hereafter issued representing shares of stock of the association shall state (1) the name and location of the association, (2) the name of the holder of record of the stock represented thereby, (3) the number and class of shares which the certificate represents, and (4) if the association shall issue stock of more than one class, the respective rights, preferences, privileges, voting rights, powers, restrictions, limitations, and qualifications of each class of stock issued shall be stated in full or in summary upon the front or back of the certificates or shall be incorporated by a reference to the articles of association set forth on the front of the certificates. Every certificate shall be signed by the president and the cashier of the association, or by such other officers as the bylaws of the association shall provide, and shall be sealed with the seal of the association.'

"SEC. 336. The last sentence of section 301 of the Emergency Banking and Bank Conservation Act, approved March 9, 1933, as amended, is amended to read as follows: 'No issue of preferred stock shall be valid until the par value of all stock so issued shall be paid in and notice thereof, duly acknowledged before a notary public by the president, vice president, or cashier of said association, has been transmitted to the Comptroller of the Currency and his certificate obtained, specifying the amount of such issue of preferred stock and his approval thereof and that the amount has been duly paid in as a part of the capital of such association; which certificate shall be deemed to be conclusive evidence that such preferred stock has been duly and validly issued.'

"SEC. 337. The additional liability imposed by section 4 of the Act of March 4, 1933, as amended (D. C. Code, Supp. I, title 5, sec. 300a), upon the shareholders of savings banks, savings companies, and banking institutions and the additional liability imposed by section 734 of the Act of March 3, 1901 (D. C. Code, title 5, sec. 361), upon the shareholders of trust companies, shall cease to apply on July 1, 1937, with respect to such savings banks, savings companies, banking institutions, and trust companies which shall be transacting business on such date: *Provided*, That not less than six months prior to such date, the savings bank, savings company, banking institution, or trust company, desiring to take advantage hereof, shall have caused notice of such prospective termination of liability to be published in a newspaper published in the District of Columbia and having general circulation therein. In the event of failure to give such notice as and when above provided, a termination of such additional liability may thereafter be accomplished as of the date six months subsequent to publication in the manner above provided. Each such savings bank, savings company, banking institution, and trust company shall, before the declaration of a dividend on its shares of common stock, carry not less than one-tenth part of its net profits of the preceding half year to its surplus fund until the same shall equal the amount of its common stock: *Provided*, That for the purposes of this section, any amounts paid into a fund for the retirement of any preferred stock or debentures of any such savings bank, savings company, banking institution, or trust company, out of its net earnings for such half-year period shall be deemed to be an addition to its surplus if, upon the retirement of such preferred stock or debentures, the amount so paid into such retirement fund for such period may then properly be carried to surplus. In any such case the savings bank, savings company, banking institution, or trust company shall be obligated to transfer to surplus the amount so paid into such retirement fund for such period on account of the preferred stock or debentures as such stock or debentures are retired.

"SEC. 338. The second paragraph of section 9 of the Federal Reserve Act, as amended, is amended by striking out the period at the end thereof and adding thereto the following: 'except that the approval of the Board of Governors of the Federal Reserve System, instead of the Comptroller of the Currency, shall be obtained before any State member bank may hereafter establish any branch and before any State bank hereafter admitted to membership may retain any branch established after February 25, 1927, beyond the limits of the city, town, or village in which the parent bank is situated."

"SEC. 339. Section 5234 of the Revised Statutes, as amended (U. S. C., title 12, sec. 192), is amended by striking out the period after the words 'money so deposited' at the end of the next to the last sentence of such section and inserting in lieu of such period a colon and the following: '*Provided*, That no security in the form of deposit of United States bonds, or otherwise, shall be required in the case of such parts of the deposits as are insured under section 12B of the Federal Reserve Act, as amended.'

"SEC. 340. Section 61 of the Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, as amended, is amended by inserting before the period at the end thereof a colon and the following: '*Provided*, That no security in form of a bond or otherwise shall be required in the case of such part of the deposits as are insured under section 12B of the Federal Reserve Act, as amended.'

"SEC. 341. Section 8 of the Act entitled 'An Act to establish postal savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes', approved June 25, 1910, as amended (U. S. C., title 39, sec. 758; Supp. VII, title 39, sec. 758), is amended by striking out the first sentence thereof and inserting in lieu thereof the following: 'Notwithstanding any other provision of law, (1) each deposit in a postal savings depository office shall be a savings deposit, and interest thereon shall be allowed and entered to the credit of the depositor once for each quarter beginning with the first day of the month following the date of such deposit, but no interest shall be allowed to any such depositor with respect to the whole or any part of the funds to his or her credit for any period of less than three months; (2) no interest shall be paid on any such deposit at a rate in excess of that which may lawfully be paid on savings deposits under regulations prescribed by the Board of Governors of the Federal Reserve System pursuant to the Federal Reserve Act, as amended, for member banks of the Federal Reserve System located in or nearest to the place where such depository office is situated; and (3) postal savings depositories may deposit funds on time in member banks of the Federal Reserve System subject to the provisions of the Federal Reserve Act, as amended, and the regulations of the Board of Governors of the Federal Reserve System, with respect to the payment of time deposits and interest thereon.'

"SEC. 342. The last sentence of the third paragraph of subsection (k) of section 11 of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 248 (k), is amended to read as follows: 'The State banking authorities may have access to reports of examination made by the Comptroller of the Currency insofar as such reports relate to the trust department of such bank, but nothing in this Act shall be construed as authorizing the State banking authorities to examine the books, records, and assets of such bank.'

"SEC. 343. The first sentence after the third proviso of section 5240 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, secs. 481 and 482), is amended by striking out the word 'is' after the words 'whose compensation' and inserting in lieu thereof a comma and the following 'including retirement annuities to be fixed by the Comptroller of the Currency, is and shall be'; and such section 5240 is further amended by striking out 'The Federal Reserve Board, upon the recommendation of the Comptroller of the Currency', and inserting in lieu thereof 'The Comptroller of the Currency'.

"SEC. 344. (a) Section 1 of the National Housing Act is amended by adding at the end thereof the following new sentence: 'The Administrator shall, in carrying out the provisions of this title and titles II and III, be authorized, in his official capacity, to sue and be sued in any court of competent jurisdiction, State or Federal.'

"(b) The first sentence of section 2 of the National Housing Act, as amended, is further amended by striking out the words 'including the installation of equipment and machinery' and inserting in lieu thereof the words 'and the purchase and installation of equipment and machinery on real property'.

"(c) Subsection (a) of section 203 of the National Housing Act is amended by inserting the words 'property and' before the word 'projects' in clause (1) of such subsection.

"(d) The last sentence of section 207 of the National Housing Act is amended by inserting the words 'property or' before the word 'project.'

"SEC. 345. If any part of the capital of a national bank, State member bank, or bank applying for membership in the Federal Reserve System consists of preferred stock, the determination of whether or not the capital of such bank is impaired and the amount of such impairment shall be based upon the par value of its stock even though the amount which the holders of such preferred stock shall be entitled to receive in the event of retirement or liquidation shall be in excess of the par value of such preferred stock If any such bank or trust company shall have outstanding any capital notes or debentures of the type which the Reconstruction Finance Corporation is authorized to purchase pursuant to the provisions of section 304 of the Emergency Banking and Bank Conservation Act, approved March 9, 1933, as amended, the capital of such bank may be deemed to be unimpaired if the sound value of its assets is not less than its total liabilities, including capital stock, but excluding such capital notes or debentures and any obligations of the bank expressly subordinated thereto. Notwithstanding any other provision of law, the holders of preferred stock issued by a national banking association pursuant to the provisions of the Emergency Banking and Bank Conservation Act, approved March 9, 1933, as amended, shall be entitled to receive such cumulative dividends at a rate not exceeding six per centum per annum on the purchase price received by the association for such stock and, in the event of the retirement of such stock, to receive such retirement price, not in excess of such purchase price plus all accumulated dividends, as may be provided in the articles of association with the approval of the Comptroller of the Currency. If the association is placed in voluntary liquidation, or if a conservator or a receiver is appointed therefor, no payment shall be made to the holders of common stock until the holders of preferred stock shall have been paid in full such amount as may be provided in the articles of association with the approval of the Comptroller of the Currency, not in excess of such purchase price of such preferred stock plus all accumulated dividends.

"SEC. 346. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons and circumstances, shall not be affected thereby."

And the Senate agree to the same.

CARTER GLASS,
DUNCAN U. FLETCHER,
ROBERT J. BULKLEY,
JOHN G. TOWNSEND, JR.,
WM. G. MCADOO,
PETER NORBECK,
*Managers on the part of the Senate.*

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
JOHN B. HOLLISTER,
*Managers on the part of the House.*

## UTILIZATION AND DISTRIBUTION OF COTTON

Mr. GEORGE submitted the following resolution (S. Res. 190), which was ordered to lie on the table:

Whereas it is essential to the national welfare and to the interest of the cotton farmers, the manufacturers, and the Government that the cotton crop be marketed in orderly manner and distributed widely: Now, therefore, be it

*Resolved*—

1. That the President be requested to appoint a committee of seven outstanding agricultural and business men who have experience in the utilization and distribution of cotton, not more than two of whom shall be officials of the Federal Government, to make thorough study of the disposition and distribution of cotton in the control of the Federal Government;

2. That the President be requested to appoint a committee of three distinguished technical experts and scientists to make a thorough study and research into the various fields of new uses for cotton and cotton products;

3. That the President be requested to make available for carrying out the purposes of this resolution such amount as he deems necessary of any emergency funds at his disposal;

4. That the facilities of the executive branches or agencies of the Government be made available to said committees, or either of them; and

5. That each of the committees herein authorized make report to the President and the Congress not later than January 3, 1936.

## EMPLOYEES OF NATIONAL RECOVERY ADMINISTRATION

Mr. KING submitted the following resolution (S. Res. 191), which was ordered to lie on the table:

*Resolved*, That the Administrator of the National Recovery Administration is requested to furnish to the Senate, as soon as practicable, full and complete information with respect to (1) the number of persons employed by the National Recovery Administration; (2) the classifications of such persons and the amount of the salaries paid to persons in each such classification; (3) the name and amount of salary received by each such person receiving a salary in excess of $4,000 per annum; (4) the appropriations from which the salaries and expenses of all such employees are being paid; (5) whether any persons employed by the National Recovery Administration have been loaned to any department or other agency of the Government, and, if so, whether such department or other agency paid the salary of such persons during the period they were loaned by the National Recovery Administration; and (6) the present work and the future plans of such administration.

## HATTIE L. BUTLER

Mr. McNARY submitted the following resolution (S. Res. 192), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1935, to Hattie L. Butler, widow of Philip H. Butler, late an employee of the Senate under supervision of the Sergeant at Arms, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

## OBSERVANCE OF OCTOBER 5 AND 6 AS LOYALTY DAYS

Mr. COPELAND (by request) submitted a resolution (S. Res. 193), which was ordered to lie on the table, as follows:

Whereas our Nation, at its first beginnings and in our charter of independence, was established "with a firm reliance on the protection of divine Providence", and has accordingly throughout all its history acknowledged its obligation to Almighty God; and

Whereas in its conception of religious freedom it has always encouraged allegiance to the sanctities of religious faith, and from time to time in pursuance of this policy has called upon the people through Congress and the press, especially in moments of emergency and distress, to invoke the help and the blessing of God; and

Whereas in certain parts of the world there is a growing tendency in social and political life to substitute a materialistic, mechanistic, and humanistic view of the universe and human life, displacing the spiritual conception to which as a nation we are committed; and

Whereas this Nation is now seeking a recovery that shall restore to the people their full right to abundant "life, liberty, and the pursuit of happiness" and

Whereas important groups of representative men and women of the Catholic, Jewish, and Protestant faiths have recommended that Saturday, October 5, and Sunday, October 6, be designated as "loyalty days", on which the people shall unite their thought and prayer for the deepening of the moral and spiritual values and motives which are the foundation of any permanent and satisfactory recovery of our social life in all its aspects: Therefore, be it

*Resolved*, That the President be requested to issue a message to the people, inviting them, in churches, synagogues, or homes, to give themselves to prayer on these days for the fulfillment of this ideal in our national and social life.

## PRODUCTION COST OF WOOLEN KNIT GLOVES AND MITTENS

Mr. COPELAND. Mr. President I ask unanimous consent for the immediate consideration of Senate Resolution 178, being Calendar No. 1415. The resolution has been approved by the Committee on Finance.

The VICE PRESIDENT. The Senator from New York asks unanimous consent for the immediate consideration of the resolution which the clerk will read.

The Chief Clerk read the resolution (S. Res. 178) submitted by Mr. COPELAND on the 5th instant, as follows:

*Resolved,* That the United States Tariff Commission is directed, under the authority conferred by section 336 of the Tariff Act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic articles and of any like or similar foreign articles: Knit gloves and mittens made wholly or in chief value of wool, dutiable under paragraph 1114 (b) of such act.

Mr. HARRISON. Mr. President, the committee was unanimous in reporting the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

### HONOLULU SPEECH OF POSTMASTER GENERAL FARLEY

Mr. McADOO. Mr. President, on August 10 last the Honorable James A. Farley, Postmaster General, chairman of the Democratic National Committee, at Honolulu, Hawaii, August 10, 1935, delivered a very able and interesting speech, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

You are a fortunate people who dwell in these beautiful islands. Fortunate in your situation, which makes you the guardians of the Pacific Ocean; fortunate in your wonderful climate and the resources that mean material wealth. You have the peculiar advantage of being far enough away from the mainland to maintain the romance of distance, but near enough so that you are in constant touch with the rest of our country.

You are on the eve of even closer contact, for already the pioneering has been done that means you are to have constant airship service, and the journey that now seems an adventurous voyage for the ordinary stay-at-home American will in the near future make the 2,200 miles that separates you from San Francisco, a mere hop between daybreak and dark. Of course, we are not yet used to the air, and most of us think with awe of so long a flight over the ocean, but the next generation will worry no more about it than we worry on the comfortable steamer trip, which with the regularity of a ferry boat brings us mainlanders to Hawaii.

I am particularly interested in the big airships that have made their test flights from the mainland here and back. It is my job, as you know, to direct the business of carrying the mail. I know that such a mail service as that which the airships will give you is going to be of tremendous value to your business men and of infinite convenience to your people generally, and I promise you that everything I can do to speed the day of a perfect mail service to these islands, that I will do.

You are not subject to the dread of some far-flung lands that because of your remoteness you may be neglected by the home Government. These islands are too important to the United States for anything like that to happen. You are our sentry in the western ocean, the outer guard of our national defense. Without you our country would require a greater Navy than the world has ever known. You are the equivalent of a thousand warships. In fact, you are the keystone of our safety in this part of the world. I might say that you are our first guarantee of peace, for any hostile attack on our Pacific coast is impossible while the American flag floats over Pearl Harbor. That is why we have in these islands one of the greatest naval bases in the world. It is unique in that while it is a potential war asset it threatens nobody; it implies no menace to any other country; but it is a very comforting thought that it is there. Incidently, the circumstance that this great naval station is located here is not without interest to your merchants and to the people generally.

Hawaii, like the rest of the United States, has had its depression. But I think the distress has been less acute in this island paradise than in those Commonwealths which have had to contend with bitter winter weather, with droughts, and with dust storms. Certainly in the administration of emergency measures Hawaii has not been treated like a stepchild. The improvements effected here in roads and harbor improvements, in schools and in sanitary equipment are of enduring value and will add much to the attractiveness of this land.

More and more people from the East are extending their touring to take in the delightful ocean trip and see the marvels of this storied land. I know how great is your sugar acreage. I know about your pineapples, and your other industries. And let me tell you that you have a crop in prospect which may exceed any of them. I am talking about the tourist crop. When our country gets back to normal—and I am sure that that time is not in the too distant future—and wandering America discovers Hawaii, you are going to reap a harvest that does not depend on the rainfall or the state of the market, and you need have no fear of competition, for no place that I know of can match your natural marvels. When people find that they can come here and live in the midst of comfort, and luxury, and have the biggest volcano in the world practically at their back door, they will come in shoals. You have been wise enough to preserve your traditions. I do not know anybody who has not felt the romance of the South Seas. And here you give it to them.

However, you know your own wonders far better than any casual visitor can know them. So, if you will permit me, I will talk a little while about the care you have had and are having from your Government. As I said before, your distress was relatively less than in other places. Nevertheless, it was keen enough for you to appreciate the difference between say the first few months of 1933 and today. Let's begin with sugar. Your world-famed business languished here because of the low price of sugar. Like all the rest of our agricultural communities, you were producing more than you could sell at a profit, so the A. A. A. made a deal with your planters to limit the acreage and, before they are through, the Government will have spent something like $30,000,000 in reestablishing the balance between supply and demand so that the industry may flourish. Raw sugar was selling at 2.77 cents in January 1933. The present price is 3.20 cents per pound, to which must be added 40 points because of the A. A. A. allowances. You know better than I what that means to the island's economic state.

Your home owners felt the pinch like everybody else. I think there are something like 500 loans, of approximately $3,000 each, that have been approved. There was no Government charity about this. The money was loaned and the security was good, and the process of repayment is going on quite satisfactorily. There is a prevalent idea, fostered, I may say, by those opposed to the administration at Washington, that the administration is shoveling out dollars through every available channel without limitation or discrimination. It will be interesting to you perhaps to learn that in these islands, up to the end of last June, the Reconstruction Finance Corporation had disbursed to banks and trust companies about $836,000. Already there has been repaid $786,000. So out of nearly a million there is less than $50,000 outstanding.

The Government has spent about $4,500,000 in Federal relief in this territory to carry the burden which had become too great for private agencies to take care of. After all, people have got to eat, and somebody has got to pay for the food. It makes little difference in the last analysis whether the Government—which means the whole people—shall pay this directly, or whether it is raised by public subscription or other nonofficial processes. The public pays for it in the end anyway.

Under the public-works program we have spent approximately $17,000,000 in this part of the world for new highways, harbor and channel improvements, and other projects of permanent value. In addition, the program called for about $2,000,000 worth of non-Federal projects—schools, sewers, bridges, waterworks, and so forth. All of these projects had to be accomplished some time, if your communities were to keep up with the procession, and what better time could there be to undertake these expenditures than the period when unemployment is rife and the Government has either to support the unemployed or give them jobs that enable them to support themselves.

You have approximately 1,500 people in the C. C. C. camps and related works. Is there anybody in these islands who does not think that this method of starting young men on the path of industry was not better than permitting them to hang around, walking the roads, and getting into all sorts of mischief?

And does anybody think that the work in Hawaiian National Park, and what is being done in the way of reforestation and similar things, is money thrown away?

Now, mind you, the administration does not look upon these things as a distribution of alms. It conceives it to be the duty of Government to ward off calamity and in such a breakdown as we experienced to tide our people over until they are able to make a living for themselves. As President Roosevelt put it the other day, the objective of any good Government must be "to give honest business a chance to go ahead and make a reasonable profit, and to give everyone a chance to earn a living."

I know there are some people who, for political reasons or for reasons that they think are to their individual interest, seek to convey that all the money we have spent might as well have been dumped into the sea. Let me give you a little instance of how the Government's aid projects really work out. Last year the Government undertook to insure loans made by private parties for repair and modernization of homes. The amount of each loan was limited to $2,000. During the 13 months this system has been in operation the losses to the Government by these insured loans for making homes more habitable have amounted to less than six one-hundredths of 1 percent.

In other words, the average loss on these $2,000 loans was less than $1.20. Was ever a system for putting men to work and getting money into circulation done so cheaply? In all, something like 260,000 individual home owners have taken advantage of the Government's facilities. This means not only that the Government has improved 260,000 homes, and thereby done much for public health and comfort, but this priming of the industrial pump has caused such an increase in industry that it is estimated that private capital is now financing six times the amount of the Government's guaranteed loans, dispensing entirely with the Government's 80 percent insurance of the face value of loans so undertaken.

As a matter of fact, the country has been making reasonably steady strides back to prosperity. You can see the signs of it everywhere, even in those newspapers which are specializing in assailing the administration and telling its readers editorially that the country is going to pot and that the Roosevelt administration has failed. For example, I noted the day I left New York in the Republican newspaper which specializes most in party opposition to the President some headlines on its financial pages.

The first column recited that "Steel production is now nearly double what it was in '34." Another headline stated that the trend of price index was the steadiest since the depression period." Another headline mentioned that the Westinghouse earnings were more than $6,000,000 as against a deficit last year.

The Department of Commerce reports that the automobile output for the second week of July was about 25,000 more cars than in the preceding week and that total production for 1935 so far was 31 percent greater than it was last year and 100 percent greater than it was in 1933. Now I know, and you know, that the automobile companies are not producing cars unless somebody is buying them, and we both know that people in the throes of poverty and discouragement are not buying new motor cars.

Dun & Bradstreet's National Retail Review recites, for the second week in July that: "Previous gains in retail distribution were more strongly emphasized, with the comparative showings of a year ago exceeded by unexpectedly large percentages. The increase in sales of that second week in July over the same week in 1934 ran as high as 40 to 50 percent"; and the report added, "Confidence in the future is demonstrated by retailers having placed orders beyond the fall."

Now, one of the favorite counts in the indictment against the administration is that it is destroying small business, to the advantage of big business. Yet the statistics show that sales of general merchandise in small towns and rural areas for June this year were 38 percent higher than in the same month of last year. Moreover, a recent survey disclosed not only that there are more retail establishments functioning today than there were when the boom was at high tide in 1929, but, what is perhaps more significant, pointed out that the percentage of business failures was less than at any time in the past 15 years.

The San Francisco Chamber of Commerce recently reported that farmers' cash income from sales of farm products in California was $42,000,000 greater than in 1934, and the San Francisco Board of Trade, covering the second week of July, reported that their statistics showed "substantial improvement in wholesale and retail trade and sharp declines in the number of business failures", and added that the retail sales volume was larger than for the previous week and holding generally better than usual at this season.

The prophets of disaster, when confronted with these figures, admit them but say, "But look at your relief roll." Well, let's look at the relief roll. In June there were 250,000 fewer on relief than in May; in fact, every month of this year has shown a decline in the relief figures.

You can take any index you please and it will show that this country is getting along pretty well, better perhaps than any other country in the world. Incidentally, I observe from the last Treasury figures that we collected $250,000,000 more in income taxes this fiscal year than last. That means that the general income of the people was several billion dollars more in 1934 than in 1933.

Of course, we are not out of the woods yet, but we are certainly on our way. I want you people out here, on what appears to the easterners to be the edge of the world, to take stock of the national advancement and retain your confidence in the future of our country.

Naturally, with a national political campaign coming on it suits the purposes of the opposition party to decry the accomplishments of the present administration. Naturally those people would like to see a return to the old period when privilege had full sway in order that they might again safely exploit the people. When you come to think of it, money must be fairly plentiful, if the interests concerned with the holding companies could chip in a million dollars for a slush fund in their effort to defeat one piece of legislation suggested by the President. That legislation, I may tell you, was merely meant to take off the backs of the people the illicit profits of pyramided corporations that perform no service in exchange for the fortunes they take from the operating companies directly and the consumers of public-utility products indirectly.

Perhaps you have read in the papers of the snowstorm of telegrams that rained in on Congress urging them to vote against this legislation. Anybody would have thought from this evidence of excitement that the whole United States was concerned only with saving the sort of institution typified by the Insull episode in American finance. It was not until the Senate investigating committee got to work that we learned that the holding-company agents simply took city directories and telephone books and signed the names they found therein to the telegrams that were sent to the Congressmen.

I dare say that there will be a lot of such things happen between now and election day next year. There never yet was introduced a bill in Congress to correct an abuse where those who were profiting by the abuse did not do things of this sort to discredit what the Government was trying to do.

So when any of you folks out here read about the terrible failures Government is charged with, just let your mind dwell a while on the source of the accusation. Our political and economic foes have been resorting to the meanest sort of a whispering campaign and are circulating through chain letters and by word of mouth that President Roosevelt was collapsing under the strain of his office and had reached, or was on the verge of, a mental break-down.

I don't know whether that story got out here, but it will be along in time, undoubtedly, and I want to tell you now that the President has enjoyed the best of health ever since his advent to the White House, and when I said good-bye to him a fortnight ago he was vigorous, serene, cheerful, and confident. He has the hardest job in the world, but the country has reason to be grateful for the circumstance that he is fully able to cope with it, and he is today in as fine health and in as good spirits as he was when you saw him out here a year ago.

He has done a job that has excited the admiration of the world. He is going to keep right on doing it until the United States is back to where it belongs in the economic scale.

I have enjoyed my journey out here. I am overwhelmed by the kindness of the reception you have given me, and as long as I live I will cherish a feeling of friendship for the people of Hawaii, and I hope that that feeling may not be one-sided.

### LIFE INSURANCE AND THE REVENUE BILL

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by Frank Delaney, general counsel, Investors & Policyholders, Inc., New York, on August 12, 1935, with reference to life insurance and the revenue bill.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Good evening, Mr. and Mrs. Taxpayer: I say that because everyone who is listening-in pays his share of the taxes. Like you, I am a radio listener. Many times I've sat and listened to someone else broadcasting. Now it's my turn. You may be the next, because we need the help of each and everyone of us.

What brought me into this position? The sudden, unfriendly spirit exhibited by those in charge of our Federal taxation. Congress was about to adjourn, to leave Washington sizzling under its midsummer sun. At that moment those in charge of our National Government unexpectedly proposed to commit this Nation to a program of confiscation of property. They called this effort a tax bill. It was not, however, designed to produce revenue, but to punish bigness and success. Those who proposed it thought their pet measures would go like wildfire because it was supposed to soak the rich. They tried jamming it through Congress—in just 4 days. That was last June.

It didn't go so well. They found the citizens of the United States were not ready to confiscate wealth and punish bigness. That is a foreign idea to American citizens. The whole country was really shocked that anybody should try to put it over in 4 days. You know there are 435 Members of Congress and 96 United States Senators. They have to sleep, just like you and I, and eat, and maybe see a ball game, and sweat when it is 90 degrees in the shade.

The people thought that before these representatives of theirs decided to confiscate anybody's property in their name, they really ought to have taken the time to get together and talk it over seriously with one another; and that then instead of passing a bill to change the country—in 4 days—that they ought to have gone home and found out what the bridge club or the poker club thought—what the doctor and the grocery man and their friends and neighbors had to say about it. Did all of these people really believe in trying to soak the rich. Maybe some one of his neighbors would have reminded him of the Sermon on the Mount, warned him that the Bible itself says that it rains on the just and on the unjust. It might have occurred to them then that if you call for a cloudburst of wrath to soak the rich that it will soak all of the rest of us, too, to the skin.

I know this may not be one of those great technical and statistical arguments such as the "brain trusters" and "brain busters" throw at you, and they might not think much of it, but it is the truth, and we all know it—just as much the truth now as when St. Matthew wrote his Gospel a long time ago.

There isn't a better example in this world of this truth than the real effect of this angry and envious so-called "revenue bill" to soak the rich. It is admitted to be a fundamental attack on the bigness of large corporations and large life-insurance companies. That is not supposed to bother the rest of us, the small investor, the small life-insurance policyholder, you and me. But it took all of us, 150 years of national existence, to build up these large corporations and large life-insurance companies. Who was it that decided that we want to punish and destroy them for being big? Their bigness is something peculiar to the United States of America, because it is big, too, and maybe we don't want it destroyed.

But that is not the whole story of why it concerns you and me so vitally. There are 24,000,000 owners of 60,000,000 policies of life insurance. For a great number of years all these policyholders have paid part of their earnings to these large life-insurance companies. Many of the very largest companies are mutual companies, which means they are wholly owned by their policyholders. All of them voluntarily pay their policyholders dividends out of their earnings. The other large companies reduce their rates to arrive at much the same result. It is conservatively estimated that these insurance policies affect 75,000,000 of our people very nearly two-thirds of the entire population of the United States. It is also estimated that there are 12,000,000 owners of shares of stock in our American corporations, and eleven and a half million of them own less than 101 shares. If tax officials are going to punish these large corporations and large life-insurance companies just because they are big, who will get soaked? The small life-insurance policyholder. The small investor with his 100 shares of stock, worth, say, $3,000.

His stock now has a ready market for cash, because so many people know of the good management, sound methods, and long

record of dividend payments of the large corporation in which he has invested his savings. But this can't last if the Government starts out to ruin such a corporation because it is big. If confiscatory taxes designed to punish bigness, make dividends hazardous, then no one will want to own the stock. Not only will dividends be reduced, the selling price will fall in proportion.

Another thing the life-insurance policyholder will find is that his insurance company is in turn an investor in these large corporations. It is from such sources that the large insurance companies get the dividends which in turn and in part they pay to or apply for the benefit of their policyholders. Who will get soaked when these dividends are soaked all along the line? All of us will get soaked—the just and the unjust—to the skin.

You remember when they started to jam this tax bill through in 4 days last June, they thought they could tell you it would only soak the rich. The friends of this measure—although in view of the protests it is hard to identify them nowadays—only claimed it would raise $250,000,000 in revenue. Other more conservative estimates suggested that it would raise no more than $50,000,000. With the Federal Government running short $4,000,000,000 a year, the pretense of soaking the rich didn't have a chance to make a dent in this deficit. Only last Saturday the committee of the United States Senate that today finished framing one version of this soak the rich measure put a tax on the $800 incomes of single men and single women. That would even tax some people on work relief in New York City. And so the fraud about soaking the rich. The truth is that the whole measure, when carefully examined, in every part soaks each and every one of us. Your Congressman knows this. Your Senators know this. Seventy-five percent of them are in their secret hearts against it. Only last Saturday a newspaper reporter asked a prominent member of the Finance Committee of the United States Senate when the bill would be reported out by his committee to the Senate as a whole. The Senator's reply was short: "If I had my way it would never come out."

Why does that United States Senator remain anonymous? Why will he be found possibly voting for the bill in committee and in the Senate itself? The answer is—he does not know your wishes.

A lot of my friends have asked me why I am joining this movement for an association of the investors and life-insurance policyholders of this nation. These investors and policyholders are a huge number of the best and thriftiest citizens that we have. They are the ones who have labored and invested their savings. They are the owners of shares of stock in these large life-insurance companies. They have depended upon the stability and management of these corporations and companies. But that is not enough. There is a movement on foot, propelled by a small minority, to change the face of America. This change, it seems to me, will result in the destruction of values that we now have. Investors & Policyholders, Inc., a nonprofit, nonpolitical membership corporation, will afford a medium of expression for this large thrifty group of good American citizens. Its offices are at 60 East Forty-second Street, New York City.

### WILL ROGERS

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Star-News, of Wilmington, N. C., and a newspaper item about Will Rogers.

There being no objection, the editorial and newspaper article referred to were ordered to be printed in the RECORD, as follows:

[From the Star-News, Wilmington, N. C.]

No man in American history occupied a more unique position than Will Rogers as a humorist. He was supreme as an actor. He was one attraction that guaranteed a rush at the box office. As an American he was a patriot who was the one man in the history of the Republic who could persuade the people to laugh off their troubles, make sport of a crisis, and come through with a grin. This contribution alone entitled him to rank as one of the foremost men of the country and of his generation. Monuments have been raised to soldiers and statesmen. It is fitting that one should be raised to the American ambassador of good will whose sense of humor saved the populace on more than one occasion. The Star-News therefore would sponsor a fund to erect to Will Rogers a memorial in his home city of Claremore, Okla. It feels that it is fitting that this should originate in the city where Will Rogers first stepped into semifame as a stage performer. It would ask the cooperation of newspapers and theaters throughout the United States in receiving contributions of 1 cent each from the thousands who have laughed with Rogers, been cheered by his wit, and observed the tremendous effect of his abilities.

LAMONT SMITH, *Editor.*

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#### ROGERS-POST MEMORIAL FUND PENNIES POUR IN

Pennies from admirers of Will Rogers, peerless humorist, and Wiley Post, intrepid round-the-world flier, whose untimely deaths in the wreckage of their plane on a lonely Alaskan tundra shocked all America, flowed in by the hundreds yesterday to swell the memorial fund started by the Star-News Friday.

"I shall be more than pleased to serve as a member of your committee," wired Senator ROBERT R. REYNOLDS from the National Capital in response to an invitation to join six other national figures and friends of the American "ambassador of good will" in constituting a board of trustees for the proposed fund.

Senator REYNOLDS pointed out that one of the other six, Senator WILLIAM GIBBS MCADOO, is president of the Aeronautical Association of America. The others invited to become trustees by the Star-News are: Cecil B. deMille of the movie industry in which Rogers held so high a place, Col. Charles A. Lindbergh, Alfred E. Smith, Jesse Jones, and Vice President John Nance Garner.

Senator REYNOLDS expressed his approval of the memorial fund proposed by the Star-News, which in a page-one editorial had declared Rogers' ability to cheer millions of Americans through times of national stress made him irreplaceable.

He promised to comment upon the newspaper's proposal on the floor of the Senate Monday.

A number of other newspapers at points throughout the Nation followed the Chicago Daily Times, which in a telegram to the Star-News Friday afternoon joined the movement and suggested that the memorial fund be broadened to include monuments for both Rogers and Post.

As proposed by Editor Lamont Smith, the fund would be raised through contributions of 1 cent from admirers of Rogers and Post, delivered to newspaper offices and theater box offices in every city in the land.

Among the first persons to make their contribution here were the Rev. A. C. Braden, Mike Dorsett, and R. J. Doss. Yesterday every member of the Star-News circulation department contributed his bit.

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#### ACTION COMMENDED

ATLANTA, August 17.—W. E. Page, internal revenue collector for Georgia, and a brother of R. B. Page, publisher of the Wilmington (N. C.) Star-News, was "gratified" to learn today of the Star-News proposal to raise a fund for a memorial to Will Rogers.

"I intend to write a letter of congratulation to my brother and Lamont Smith, the editor", Page said. "I think the idea is a fine one and sincerely hope it bears fruit."

The proposed memorial, to be erected in the humorist's home town of Claremore, Okla., "would be financed by contributions of one cent each from the thousands who have laughed with Rogers, been cheered by his wit, and observed the tremendous effect of his abilities", the Star-News said.

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#### FIRST CONTRIBUTION

CLAREMORE, OKLA., August 17.—First contribution to a fund to construct a memorial in Claremore honoring Will Rogers was made today by Mrs. G. O. Bayles, who turned in a check for $1.

Under tentative plans the memorial will be a Will Rogers memorial library or monument.

Four thousand dollars, which Rogers gave the city, would be used as a nucleus. Rogers objected to former plans to name a library for him and suggested that it be named Sequoyan, in honor of the Cherokee scholar.

### REALLOCATION OF CONTROL IN INDUSTRY

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have published in the RECORD a letter from Prof. Arthur R. Himbert, of the law school of the University of Wyoming, with respect to a measure introduced by me relating to reallocation of control in industry.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE UNIVERSITY OF WYOMING,
THE LAW SCHOOL,
*Laramie, Wyo., August 6, 1935.*

Hon. JOSEPH C. O'MAHONEY,
*United States Senator from Wyoming,*
*Senate Office Building, Washington, D. C.*

DEAR SENATOR: I congratulate you upon your wisdom and your eagerness to promote the general welfare by proposing sound legislation in order to solve the most crucial problem facing our Republic today. The policy of laissez faire or, at the other extreme, Government ownership, is not the issue or the solution. The issue and the solution is the reallocation of control in industry so that it will serve the public interest, which in addition to the business interest includes the interest of the securityholders, the employees, the farmers, and all of us as consumers. I am convinced that your proposed legislation is focused upon the locus of control and that it will bring about a greater utilization by all of our natural resources, of the efficient technological plant that exists today, and of the willing labor which is the victim of misplaced control. The full utilization of these three factors is, I suppose, the end to be achieved by any such economy as exists in the United States today.

Your proposal of making every director a trustee and especially your proposal of the creation of a system of accredited corporation representatives will protect the investors' interest. Your proposal to protect the fundamental rights of collective bargaining and of the abolition of child labor will protect the employee's interest. Your proposal to do something really effective in outlawing vicious practices by the maintenance of fair competition will protect the business interest. I trust that some conscientious effort is being made to protect that vague and inarticulate interest known as the "consumer's interest." Your effective proposal of legislation to foster the public interest, which

interest is a composite of the four interests named above, is predicated upon the sound major premise that the difficulty with our economic order can only be corrected by the proper allocation of control. Here you have a real share-the-wealth program.

It may be that back of the technical jargon our crucial judges on the Supreme Court are adherents of the principle that the solution lies in the decentralization of industry, as evidenced by the opinion in the Jackson (chain-store tax) case and the dissent in the Liebmann (ice) case. The theory of the antitrust laws has proved not to be the solution, and I feel that too great an attack on bigness may cost us more in the loss of efficiency than the good it will do, though I am not unmindful of the possibility that a more abundant life may be had by our workers if industry were decentralized. However, it appears that the route of decentralization to be effective is too far-fetched. But your legislation will cause less disruption of the existing economic order—and here is the paradox—the more centralization of control you place in the Federal Government through Federal incorporation the more decentralization of industry will result by those unwilling to comply. If there is anything to the suggestion that the guiding principle of the crucial judges is decentralization, then your legislation drafted within the framework of the greatest document ever written will more readily be held constitutional.

Your legislation is not inconsistent with the doctrine of State rights. It is my hope that the advocates of State rights will not be misled by the propaganda you are going to face by those who are now in control as a result of the Hamiltonian policy of centralization and that your good work will not be deflected as a result of those who, when the shoe pinches, should shout for State rights. The issue is whether or not the control of our economic order is to reside in a few corporate individuals, not even responsible to their stockholders, or reside in a group that really represents the democracy. I do not mean that the power and control should be left wholly to a centralized bureau at Washington as you may find that your shifting of control from an irresponsible corporate group to a bureaucracy not responsible to the voters not in accord with the principle of representative government. Therefore, as much control and determination of standards as is possible should be retained by Congress and the various interests involved should be given real representation before the Federal Trade Commission. Then the locus of control is where it belongs; that is, in the hands of those who represent 125,000,000 souls. Then our vote will mean more.

Very truly yours,

ARTHUR R. HIMBERT.

### THE NATIONAL DEFENSE—ADDRESS BY F. P. GARVIN

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD a very able address delivered by Hon. Francis P. Garvan, former Assistant Attorney General of the United States, before the national meeting of the R. O. T. C. Association of the United States in New York City on April 30, 1935, on the subject The Common Defense and the General Welfare.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

### FOR THE COMMON DEFENSE AND GENERAL WELFARE

The Constitution of the United States declares that the people of the United States are united for the common defense and for the general welfare.

The Army and Navy represent the visible expression of the words "common defense", and it is on this visible expression that the eyes and minds of the people dwell.

It is not for me, nor is this the place, to detail the glorious record of the Army and Navy of the United States, of which we can only speak with the warmest admiration. Today I wish to speak to the words "general welfare" as applied particularly to the contributions which have been made by the Army and Navy to our general welfare. I wish also to give emphasis to those forms of general welfare which are an outgrowth of our industrial advances stimulated by the Army and Navy and the necessity of national defense.

The Army and Navy have rendered and are now rendering service for the general welfare, little known, understood, or appreciated by the people of the United States.

I believe it is possible by utilization of existing agencies, without incurring additional cost, to establish closer contact and more appreciative understanding between the Army, the Navy, and the people by making available facts as to the achievements and continuing service of the trained and expert personnel of both services for the advance of the agricultural, industrial, and economic life of the Nation. I believe that all of the available information should be published to bring about a clearer knowledge by the people at large of the great service which the Army and the Navy are rendering to our country in times of peace.

From a survey of the material available, I have gathered in outline certain achievements which will indicate fields of usefulness to which I desire to draw attention.

The means of transportation, including the canals in our country and the Panama Canal; the deepening and widening of navigable streams; aircraft improvements; manufacturing, including the development of certain high-grade textiles, the demand for and the almost astounding development by the industries of the production of high-grade metals and alloys which under the stimulus of Army and Navy requirements has brought forth the magnificent metals which have made the automobile what it is today and made possible safe and dependable aircraft.

As to agriculture, the gift of the Army and Navy has been the development of new and efficient insect sprays, and flood prevention, and the safety of great territories from inundation.

Communications, including the development of the fundamentals of the radio and the development of special further uses of the radio for the protection of life and property, which are clearly in their infancy.

Commerce, including the development of the great ports and the widening and deepening of our rivers and harbor channels.

Education, including the physical and technical training of the Army itself and all those influences which make for good citizenship.

All of these are an outgrowth of the service of the Army and Navy. It is not my purpose to dwell upon these particular subjects. I do wish to point out most particularly, however, the things which have to do with health and sanitation and place the proper emphasis upon the word "chemistry." Chemistry is now acknowledged to be the great fundamental industry which lies at the base of our industrial structure. On this foundation rests all our industries, and thus the general welfare. Chemistry has now become second only to the Army and Navy itself, the strongest instrumentality for peace and the national defense which our country possesses.

It is a happy coincidence that there should have occurred in New York City last week the three hundredth anniversary of the founding of the chemical industry in the United States followed by this meeting, where some important relations of chemistry and national security are being discussed. The beginning of chemical production in 1635 by the then Governor Winthrop of Connecticut was significant for two purposes which have always been recognized in this country even from colonial times. There was the necessity of the production of common-place chemicals used in the household, such as soap, potash, metals, lead and iron, salt, dyes, fertilizers, explosives, sugar, pigments, paints, drugs, pitch, leather, and meat preservatives to carry the Colonies through the long winters, for instance, saltpeter used for similar purposes and also used in the manufacture of gunpowder.

Without going into details, it will be clearly seen that even then, the peaceful use of chemicals was always predominant but also coordinated with the ideas of defense. England, who controlled the Colonies, naturally felt that the growth of home industries in America was detrimental to the commerce which was the mainstay of her existence, and so English statesmen resisted, by various devices, the growth of the chemical industry here, openly declaring that the value of the Colonies to England was as a source of raw materials and foods and as a profitable market for her export trade. She did not desire to have built up colonial competition or a source of supply and strength for the Colonies in the event of trouble and military conflict.

This struggle of the chemical industry for existence in competition with the chemical industries of other countries, and especially the home country, led to considerable discontent. At the time of the formation of our Government, Hamilton pointed out the necessity of protecting home industry and especially the chemical industry, not only as a basis for home prosperity, but also as an adequate foundation for the protection of our country in case of war. This relationship of chemistry to national defense has continued to the present time. The emphasis has always been on the peaceful use of these chemicals, but nevertheless the value of these chemical plants was clearly manifest as an invaluable resource in case of national emergency. The handicap of the chemical industry in the United States by foreign control and manipulation did not cease until after the World War brought emancipation—all we got out of the war.

The tercentenary of the chemical industry disclosed that the chemical industry in this country is practically complete and self-contained. The World War resulting in an embargo and the breaking down of the commercial and political connection with foreign countries thus enabled us to build up our synthetic organic chemistry to start toward its present magnificent stature. It can be said now that this new development of synthetic chemistry since the World War is already contributing more to our country in economic advances, taxes, and growth of national wealth yearly than the interest and amortization on all the war loans

Again we find that the emphasis is on peaceful production. The manufacture of war materials in the chemical industry at the present moment is practically nil. Nevertheless, in this chemical industry lies a defensive power of such serious importance, that viewed and understood as it is by other nations, it is an influence which no aggressor can disregard. No foreign country, understanding as they do the industrial capacity of the United States, especially in this field, would attack us without very careful consideration. Hence, the chemical industry, during the tercentenary, demonstrated itself as one of the greatest influences against war.

It is regrettable that the public does not clearly understand this great distinction. It is also regrettable that certain pacifist organizations do not understand it and fear that the production of chemicals in this country may lead us into rather than away from war. Let us pray that the people will learn to think this through and base their judgment on facts rather than loose talk.

I desire to emphasize still further the contributions of the Army and Navy to science and the arts of peace. I take this opportunity to say that the development of this thought had its first con-

spicuous expression in 1931. The American Institute, of the city of New York, that splendid organization founded in 1828 and still carrying on its great purpose of developing knowledge and which is now instructing the children of our public schools in things scientific, gave a remarkable dinner in this city. To this dinner were invited, with the consent of the Secretary of War, the Secretary of the Navy, and the approval of the President of the United States, officers of the Army and Navy, to disclose the facts regarding the peace-time contributions of the Army and Navy to the arts of peace in the conservation of life, in industrial advancement, and material wealth, more than offsetting the entire cost of the Army and Navy as a means of national defense.

Let me first discuss the conservation of lives. No one can dispute the fact that it was through the Army of the United States, that yellow fever was conquered throughout the world. The annual loss from yellow fever formerly was an international disaster costing a toll of over a million lives a year. In our own country epidemics of yellow fever cost thousands of lives a year and serious epidemics of this scourge have occurred even right here in New York City. This menace has been eliminated by the United States Army.

Let me emphasize that this work of the United States Army spread throughout the world. As one illustration, take Guayaquil, where yellow fever was always rampant, but under General Gorgas was brought under absolute control. Another illustration: The systems of sanitation and the elimination of malaria and yellow fever in the Panama Canal Zone established by the United States Army, under Gorgas. The ramifications and development of that effort to conquer tropical disease in its benefits has reached every country. Ambassador Jusserand said in a public address in Washington, "France would have constructed the Panama Canal had France had a Gorgas."

Think, if you will, of the developments of the antiseptic treatment of wounds which was brought into use during the World War by our own medical staff. Think of the aid in every hospital of the world where these systems are used. One could go on indefinitely in this field. In industry, for instance, take by contrast the fact that the pitch of the propellers of the ships of the world for various speeds was fixed by experiments of the Navy of the United States. The saving thus brought about in the cost of transportation of the commerce of the world can hardly be estimated.

The Army and the Navy of the United States are compensating for their cost each year, and each year saving through their past and present scientific achievements more lives than were ever lost in any year in any American war. An officer of the United States Army, independently inspired by the peace-time service rendered by the Army and Navy that had actuated the cognizance taken by the American Institute of the city of New York, submitted a comprehensive outline to the War Department of the contribution of the Army in the building of American civilization. This outline has been approved by the War Department with the official suggestion that it should be amplified into complete form for the information of the American people. Let us hope for the better understanding of all that this suggestion may promptly be carried out.

In all of the discoveries of our Army and Navy for sanitation, the development of immunization and the general protection of health, lie the most interesting and astounding developments of the chemical industry. Indeed, the development of the synthetic medicines which are of such grave importance to the health of our country has taken place in the United States as the result of the World War. In the biological fields the Army and Navy by giving opportunity for mass application of the serums involved in immunization has given us the fundamentals upon which scientific advance in this field can go forward with complete knowledge and safety. The results of the battle against disease may be summed up briefly, and while giving due credit to the experimentors and the medical service throughout the world, we must also give a generous share to the Army and Navy.

The results of the battle with disease were demonstrated in the World War. While smallpox claimed over 7,000 soldier victims during the Civil War and 258 during the Spanish-American War and the Philippine Insurrection, we lost only 14 soldiers from this disease in the World War, although there were 4,000,000 men in service. Malaria claimed 15,000 during the Civil War, while we lost but 25 during the World War. Research work in connection with vaccination against typhoid fever in the United States Army began shortly after the Spanish-American War and was carried to a successful completion by medical officers.

Vaccination against typhoid was made compulsory for the Military Establishment in 1911 with the result that, while in the Spanish-American War 20,000 soldiers, or 12 percent of the total, suffered from typhoid fever, during the World War there were only 2,000 cases, or about one-twentieth of 1 percent of the total. Had the death rate for typhoid in the World War been the same as in 1898, we would have lost 60,000 soldiers from this one disease alone, which would have been more than we lost from all diseases.

The chief military purpose of the Chemical Warfare Service is to protect our country against enemy chemical warfare in any future emergency. We should, therefore, maintain and develop our research work on a par with any other nation in this world.

To carry out this there is maintained a small but highly specialized research organization whose constant study of toxic and poisonous materials has made its members poison experts. Consequently any peace-time problem involving the use of or protection against poisonous materials is one which this organization is preeminently qualified to solve. It must be understood, however, that the Chemical Warfare Service is not engaged in the business of selling any of its byproducts commercially; neither is it authorized by law to do so. Its achievements are of benefit to the country, and in this respect it cooperates and assists industry wherever possible by giving it the benefit of the research work.

Tear gas is now used extensively commercially and especially by police departments everywhere. Discharging tear gas in places barricaded by criminals soon brings them out and without bloodshed. The chemical name of this gas is chloracetophenone, a perfectly harmless gas, but capable of producing copious tears sufficient to temporarily put out of business anyone coming in contact with it.

In conjunction with the United States Public Health Service a method of fumigating ships has been developed which has proven very satisfactory. Hydrocyanic acid had been used, which was quite dangerous. Hydrocyanic acid has very little odor and as a result a number of accidental deaths occurred. A method has now been developed for generating a mixture of hydrocyanic acid and cyanogen chloride which is even more effective as a fumigant and in addition produced vigorous lachrymation in concentrations far below a lethal one. Since the adoption of this mixture not one accidental death has occurred during fumigation.

Many of the chemical compounds used as war gases have been tested as insecticides, and one of them especially, chlorpicrin, has been found very effective against weevils, potato beetles, grain borers, and stored-product insects. It has a very low toxicity toward man and animals, is very easy to detect, and is noninflammable.

Some time ago, in one of our Army warehouses, a large quantity of woolen cloth and felt was found infested with moth larvae. Under the direction of the Chemical Warfare Service, the place was fumigated, and for an expenditure of less than $1,000 Government material to the value of $620,000 has been safeguarded.

During the last few years, boring ants in Hawaii were rapidly destroying the wooden foundations of buildings. The Chemical Warfare Service has discovered a method of getting rid of this pest.

Every ship must at intervals go into drydock to have barnacles and other parasitic sea growths scraped from its bottom. This adds millions of dollars annually to the cost of operation of merchant and war ships. Utilizing the immense amount of toxicological data accumulated by past work in our research laboratories, a ship-bottom paint has been developed which prevents the accumulation of these sea growths. The Navy Department has been working very closely with the Chemical Warfare Service on this development.

Several years ago the Chemical Warfare Service undertook the study of the effectiveness of poisons against the teredo and other marine woodborers that destroy docks and other waterfront structures to an estimated value of millions of dollars annually. After many tests toxic impregnating compounds have been discovered affording ample protection against these dreaded borers. The amount saved to this country on this one problem alone would maintain the entire Chemical Warfare Service for many years.

As a result of 3 years' experimental work, during which time comparative toxicity tests of more than 1,000 poisons and poisonous mixtures were run, two materials stand out as commercially possible bollweevil poisons. One of these is a special calcium arsenate, containing about 20 percent arsenic, and the other material a sodium fluosilicate, a byproduct in the manufacture of acid phosphate.

The development of airplane apparatus with which to spray fields and orchards has been an important part of the work of the Chemical Warfare Service.

The development of smoke screens is one of the outstanding accomplishments of the Chemical Warfare Service. It is considered that if smoke clouds from airplanes can be made to hang in orchards during the critical frost hours during the night, tremendous savings in fruit crops can be effected. Another great accomplishments of the Chemical Warfare Service is the work done on various types of gas masks.

In connection with the fumigation of ships, a special gas mask has been developed for the United States Public Health Service.

An ammonia mask has been developed which is generally used throughout industry today. In the operation of ice plants, in the handling of ammonia cylinders, and in miscellaneous chemical-plant work, leaks of ammonia occur which allow highly irritating and dangerous concentrations of this gas to accumulate in the air. Ammonia fumes may also be encountered in fire fighting; in that case carbon monoxide may also be present. The ammonia canister will give protection against low concentrations of ammonia for several hours.

Activated carbon of high absorptive capacity, such as is used in gas-mask canisters, is generally recognized as being a war-time development. Since the war, this material has found extensive industrial use as a vapor absorbent. It is used in industrial plants for recovering valuable vapors from air or other gases, for removing objectionable odors or impurities from air and other gases, and for many less important purposes. Activated carbon is now considered to be an almost indispensable commercial article.

Probably the most important large application of activated carbon is the recovery of valuable solvent vapors from the air. It is estimated that the activated carbon solvent recovery installations have an annual recovery capacity of over 200,000 tons of solvents worth around $30,000,000.

Other large applications of activated carbon are for removing sulphur compounds from gases used in ammonia synthesis and removing objectionable odors from carbon dioxide used in producing dry ice. The abatement of industrial stenches by means of activated carbon is readily accomplished.

Chlorine, the devilish yellow gas first used by the Germans during the World War, is used every day in hundreds of cities and towns for water purification and many other industrial purposes, and its contribution to public health and industrial advance in this country is simply beyond estimate.

This is not the time to discuss the chemical industry as other than a powerful peace-time weapon absolutely necessary for defense, well equipped to aid in successfully repelling invasion, or to meet any major military emergency.

My purpose is to point out that the very existence of the chemical industry, complete as it has become in this country, is a defensive armor of such importance that it has and will remain one of the greatest instrumentalities in the maintenance of peace.

The National Defense Act of 1920 contains provisions which make possible preparation of industry beforehand. Industry under the law has now perfected plans for a rapid economical and effective transformation of industry from its normal peace-time activities to meet the demands of any minor or major emergency. Providing as this law does for the mobilization of industry as well as man power, the law has given us for the first time in our history an effective military system and a definite military policy.

The experiences of the past, including our entrance into the World War, was one of confusion and inefficiency and economic waste. The dedication of industry under the law conserves all of the peace-time force in our industrial life and makes possible prompt mobilization obviating extravagance, waste, and the losses which have been almost disastrous in each of the wars in our past history.

Speaking today as I do as one of the representatives of the civilian groups, I know that I may give the pledge to our country of a patriotic dedication of industry to meet all the obligations of peace and the general welfare, and to be in readiness to serve our country in any eventuality.

## THE ROOSEVELT RECORD

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the RECORD a series of 13 editorials which appeared in the New York Herald Tribune from Sunday, August 4, 1935, to Friday, August 16, 1935, inclusive, relating to The Roosevelt Record.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of Aug. 4, 1935]

### THE ROOSEVELT RECORD

#### I. BROKEN PROMISES

Pledging full and unequivocal support to the Democratic platform of 1932, Franklin Delano Roosevelt, in his first fireside chat after his nomination, read large portions of that document over the air to his fellow citizens and explained in detail what it meant. At the beginning of his talk he said, speaking from Albany on the night of July 30, 1932:

"* * * I propose tonight to state the broad policies of my party—to sketch the first outline of the final picture.

"Where do we look for this? In the platform, of course. A platform is a proposal and at the same time a promise, binding on the party and its candidates.

"Now, even the partisan opposition press has found it hard to criticize the Democratic platform this year. It is brief, only one-fifth of the length of the Republican platform, and easily understood. Eighty percent of it is constructive; only 20 percent critical. Moreover, it is forthright and genuine—honest to the core."

*The Democratic platform*

| Promise | Performance |
|---|---|
| Immediate reduction of Government expenditure by 25 percent. | Increase of Government expenditure by billions of dollars yearly. |
| Balanced Budget through taxes based on ability to pay. | Yearly deficit of three to four billions. Taxes proposed for social reform. |
| A sound currency to be preserved at all hazards. | Devaluation of the dollar, suspension of gold standard, and interjection of silver as coverage for currency. |
| Calling of international monetary conference. | Torpedoed by President July 3, 1933. |
| International economic conference to restore international trade and facilitate exchange. | Torpedoed by President July 3, 1933. |
| Enactment of every constitutional measure that will aid the farmer to receive for basic farm commodities prices in excess of cost of production. | Enactment of unconstitutional methods for the same end. |
| Strict and impartial enforcement of the antitrust laws. | Suspension of the antitrust laws. |
| Regulation of holding companies. | Attempt to destroy holding companies. |

In addition, the Democratic platform condemned "the improper and excessive use of money in political activities." The Roosevelt administration now disposes of the largest campaign fund in the history of the world in the form of the $4,880,000,000 voted to the President for relief.

The Democratic platform also condemned the failure to stem the extravagant expenditures of the Government and to revoke improvident subsidies granted to favored interests. The Roosevelt administration is pledged under the present Budget to spend, during its first 3 years in office, a sum equal to the total expenditure of the Federal Government from the administration of Washington down to and including the administration of Taft. It has paid out more than $700,000,000 to the favored farm interests.

The Democratic Party likewise condemned "the disastrous action which made the Government a speculator in farm products, and the unsound policy of restricting agricultural production to the demands of domestic markets." The Roosevelt administration lent money on crops at prices above the market and bought large stocks of farm products. At the same time it did all in its power to restrict agricultural production to the demands of domestic markets.

*Sanctity of platform pledges*

Three weeks before election Mr. Roosevelt announced:

"* * * Before any man enters my Cabinet he must give me a twofold pledge of—

"1. Absolute loyalty to the Democratic platform, and especially to its economy plank.

"2. Complete cooperation with me looking to economy and reorganization in his department.

"I regard reduction in Federal spending as one of the most important issues of this campaign. In my opinion, it is the most direct and effective contribution that government can make to business.

"In accordance with this fundamental policy it is equally necessary to eliminate from Federal budget making during this emergency all new items except such as relate to direct relief of unemployment." (Pittsburgh, Oct. 19, 1932.)

*Attack on "rubber dollar"*

"One of the most commonly repeated misrepresentations by Republican speakers, including the President, has been the claim that the Democratic position with regard to money has not been made sufficiently clear. The President is seeing visions of rubber dollars. This is only a part of his campaign of fear. I am not going to characterize these statements. I merely present the facts.

"The Democratic platform specifically declares: 'We advocate a sound currency to be preserved at all hazards.' That is plain English.

"In discussing this platform on July 30 I said: 'Sound money is an international necessity; not a domestic consideration for one nation alone.' In other words, I want to see sound money in all the world."—(Brooklyn Academy of Music, Nov. 5, 1932.)

The bitterness of candidate Roosevelt's attacks on Mr. Hoover for even so much as hinting that the country might have to abandon the gold standard made it plain that by "sound currency" Mr. Roosevelt meant currency based on gold. Six weeks after he came into office Mr. Roosevelt abandoned the gold standard. In January 1934 he revalued the dollar (temporarily) at the equivalent of 59.05 cents gold (old value). He is still experimenting with silver.

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[From the New York Herald Tribune of Aug. 5, 1935]

### THE ROOSEVELT RECORD

#### II. BROKEN PROMISES

The need for reducing the expenditures of the Federal Government was a recurring theme in Candidate Roosevelt's campaign speeches. He attacked Mr. Hoover for establishing so many commissions and for failing to reduce the Federal bureaucracy. He pointed to the growing deficit as a threat to the credit of the American Government. He assailed Mr. Hoover as the greatest spender in our times.

Speaking at Sioux City, Iowa, on September 29, 1932, Mr. Roosevelt said:

"Later in this campaign I propose to analyze the enormous increase in the growth of bureaucracy. We are not getting an adequate return for the money we are spending in Washington, or, to put it another way round, we are spending altogether too much money for Government services which are neither practical nor necessary. In addition to this we are attempting too many functions and we need a simplification of what the Federal Government is giving to the people." (Sioux City, Iowa, Sept. 29, 1932.)

* * * "The President has power under the law to recommend to Congress the abolishment of bureaus and the absolute power to consolidate certain specific bureaus. He has done nothing. In the process of consolidation I propose to apply the lessons of economy and efficiency that we learned so well in the State of New York and through the striking experience of reorganization in other States of the Union. I am convinced that through such reorganization there can be a very substantial reduction of expenditures." (Brooklyn Academy of Music, Nov. 5, 1932.)

Since the inauguration of Mr. Roosevelt the number of Federal employees has increased by 150,000. He has added 31 new bureaus to the Government.

"At the very top of the credit structure of the country, surpassing all other groups in moral and material importance, stand the obligations of the Federal Government. These are paramount,

because government is essential to all ordered economic life. When they go everything goes. Happily these obligations are secure. They suffer only to the extent that government is permitted to be extravagant, wasteful, or ill-managed. They suffer if the Federal Budget is not balanced, and particularly where the deficit of one year is not cleared up in the succeeding year.

"I called attention in my address at Pittsburgh on Wednesday night to the great importance of Federal budget making as the foundation of the national credit. I pointed out that the Hoover administration had been responsible for defict after deficit; that as one disastrous year succeeded another no attempt was made to arrange the finances of the country so that at least the mounting loss of revenue might not be turned into a deficit for the next year. It is my pledge and promise that this dangerous kind of financing shall be stopped and that rigid governmental economy shall be forced by a stern and unremitting administration policy of living within our income." (St. Louis, Oct. 21, 1932.)

The deficit of the Roosevelt administration during the fiscal year ended June 30, 1934, was just under $4,000,000,000, and during the year ended June 1935 (estimated), was $3,500,000,000. This compares with a deficit of $902,000,000 for the fiscal year ended June 30, 1931, $3,153,000,000 for 1932, and $3,068,000,000 for the fiscal year ended June 30, 1933. A part, at least, of this last figure belongs in the Roosevelt record.

*Greatest spender in history*

"I accuse the present administration of being the greatest spending administration in peace times, in all our history—one which has piled bureau on bureau, commission on commission, and has failed to anticipate the dire needs or reduced earning power of the people. Bureaus and bureaucrats have been retained at the expense of the taxpayer." (Sioux City, Iowa, Sept. 29, 1932).

During the fiscal year ended June 30, 1934, the Roosevelt administration spent $7,105,000,000. The estimated expenditures for the year ended June 30, 1935, were $8,581,000,000. The budgeted sum for the current fiscal year, is $8,520,000,000, making a total of $24,206,000,000 for the first 3 years of the Roosevelt administration (excluding the first 4 months). Figures compiled from the reports of the Secretary of the Treasury show that the total expenditure of the Federal Government from 1789 down to and including 1913 was $24,521,845,000.

"One of these problems—and a very vital one to my family and your family and the whole community—is the financial problem of making both ends meet.

"We all know that our own family credit depends in large part on the stability and the credit of the United States. And here, at least, is one field in which all business—big business and little business and family business and the individual's business—is at the mercy of our big Government down in Washington.

"Now, it is undoubtedly true that the mind of the average individual, man and woman, has been unable to keep pace in the last 10 or 12 years with the intricacies of Federal financing. In the first place, what used to be analogous to an old-fashioned account book that all the family could understand has become in Washington a maze of intricate double-entry bookkeeping which only a few highly trained technical expert accountants could possibly understand.

"What I should like to do is to reduce, insofar as possible, the problem of our national finances to the trend of the family budget."

What the Roosevelt administration did was to import from Europe the system of an "ordinary" and an "extraordinary" budget, and point with pride to the fact that the "ordinary" budget was balanced. The "extraordinary" budget, in the meantime, showed a deficit running into billions. This is as if in a family budget household expenses were set off against current earnings but no mention was made of heavy expenditures for illness (met out of borrowing) because they were not "ordinary."

"Now, the credit of the family depends chiefly on whether that family is living within its income. And this is so of the Nation. If the Nation is living within its income its credit is good. If in some crisis it lives beyond its income for a year or two it can usually borrow temporarily on reasonable terms. But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy. * * *

"The most obvious effect of extravagant Government spending is then its burden on farm and industrial activity, and for that nearly every Government unit in the United States is to blame. But when we come to consider prodigality and extravagance in the Federal Government—as distinguished from State or local government—we are talking about something even more dangerous. For upon the financial stability of the United States Government depends the stability of trade and employment, and of the entire banking, saving, and insurance system of the country." (Pittsburgh, Oct. 19, 1932.)

*Assails crop-reduction principles*

"When the futility of maintaining prices of wheat and cotton through so-called "stabilization" became apparent the President's Farm Board, of which his Secretary of Agriculture was a member, invented the cruel joke of advising farmers to allow 20 percent of their wheat lands to lie idle, to plow up every third row of cotton, and to shoot every tenth dairy cow. Surely they knew that his advice would not—indeed, could not—be taken. It was probably offered as the foundation of an alibi. They wanted to be able to say to the farmers: 'You did not do as we told you to do. Blame yourself.'" (Topeka, Kans., Sept. 14, 1932.)

The Roosevelt administration reduced wheat acreage by more than 20 percent, plowed under every third row of cotton, and killed 6,000,000 pigs.

"Now to put forth, as the Secretary of Commerce did, the idea of limiting farm production to the domestic market was simply to threaten agriculture with a terrific penalty. Apparently either he did not see or did not care that this meant allowing wheatlands in Kansas to remain idle, forcing the foreclosure of farm mortgages, wrecking farm families, while our withdrawal from the world's markets principally benefited foreign producers." (Topeka, Kans., Sept. 14, 1932.)

The Roosevelt policy of limiting farm production has driven hundreds of thousands of farm families on to public relief rolls and has greatly stimulated foreign production of cotton and other staples formerly exported by the United States.

*Assails delay in public works*

"* * * The country would be horrified to know how little construction work authorized by the last Congress and approved by the President already has been undertaken. Much of it will not be under way until next summer." (Boston, Oct. 31, 1932.)

President Roosevelt promised in November 1933 to put 4,000,000 men to work by winter under the Public Works scheme of 1933. He promised, under the Public Works scheme of 1934–35, to put 3,500,000 men to work by spring. Only a fraction of this number was put to work in either year. The Public Works programs of both years are still lagging. A large part of them, to paraphrase the President, will not be under way until next summer.

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[From the New York Herald Tribune of Aug. 6, 1935]

THE ROOSEVELT RECORD

III. SENSATIONAL EXTRAVAGANCE

One of the first moves of the Roosevelt administration was a sensational assault on extravagance. Under the so-called "Economy Act" of March 1933, $125,000,000 was slashed from the Federal pay rolls and no less than $400,000,000 from the estimate of annual expenditures on the war veterans. All told, this act, together with legislation providing for Government reorganization and an Executive order withholding the expenditures of all funds not specifically allocated to public-works projects, was calculated to effect gross budgetary savings of upward of $1,000,000,000.

It speedily became apparent, however, that while this move looked on its face like a swing toward orthodoxy in Government finance, it actually was precisely the opposite. In his economy measure the President was merely laying the groundwork for the introduction of the so-called "dual budget", which has so often proved the stepping stone to inflation in other countries. In the ensuing few weeks the President sent to Congress his legislative program embodying the new deal; and when Congress had completed its work statisticians got out their pencils and figured that the liability to the taxpayer involved—including both direct and contingent items—was around $12,000,000,000. Including R. F. C. liabilities, it was estimated that the total would be $15,000,000,000, which was only a little less than the amount of the entire Federal debt 4 years earlier.

The figures on Government finances for the first 3 full years of the present administration, in millions of dollars, are as follows:

| Year ended June 30— | Receipts | Expenditures | Deficit | Gross debt |
|---|---|---|---|---|
| 1933 | | | | $22,539 |
| 1934 | $3,116 | $6,745 | $3,989 | 27,053 |
| 1935 | 3,708 | 7,191 | 3,423 | 28,634 |
| 1936 (estimated) | 3,992 | 8,520 | 3,529 | 34,239 |

In other words, with the completion of the first 3 years of the new deal, the country will have run a combined deficit of almost $12,000,000,000 and will have increased the direct Federal debt from $22,539,000,000 to $34,239,000,000.

*Contingent debt up*

In addition to the rise in the direct debt, moreover, there has been a substantial increase in the contingent debt. On April 30 last the combined debt of the new deal alphabetical agencies guaranteed by the Government amounted to $3,731,000,000; that part not guaranteed totaled another $2,648,000,000. Even should there be no addition to this indirect debt between now and June 30 next the estimated gross Federal debt, direct and indirect, therefore, would be on that date $40,618,000,000.

The Government's gross debt before the United States entered the World War, on June 30, 1916, was $1,225,000,000. The peak war-time debt, reached June 30, 1919, was $25,482,000,000.

In setting forth his budgetary estimates for 1934 and 1935 the President predicted a deficit for the first of these years of $7,412,000,000 and for the second of $2,512,000,000. He expressed the belief that by 1936 both ordinary and extraordinary expenditures could be brought into balance with receipts and that the country would begin to reduce its debt.

*A "balanced Budget"*

The huge 1934 deficit was not realized because the administration overestimated its capacity to spend.

The 1935 deficit proved substantially higher than expected, however, because the administration overestimated the probable

recovery in business. Its prediction of a deficit of $2,512,000,000 for 1935 and a balanced Budget by 1936 were based on a probable recovery of the business index of the Federal Reserve to 98 in 1935 and to normal or better the following year. Actually the index has run during the first 9 months of 1935 at 80 percent of normal instead of 98 percent.

As for 1936, instead of bringing a balanced Budget, it is now estimated that it will show the largest deficit of any year in the country's history. In his latest fiscal message the President dropped all reference to the question of the possibility of an early balancing of the Budget.

*Economies are forgotten*

So far as the Economy Act and associated legislation calculated to "restore the credit of the United States" are concerned, they have been quietly but thoroughly dismantled. Of the savings on veterans' expenditures, originally announced as $400,000,000, it is estimated that over $250,000,000 have been wiped out. Another $45,000,000 will be lopped off the latter total, moreover, if the McGill-Smith Spanish War pension bill is signed.

The so-called "public works" expenditures have merely been turned over to the "emergency" budget, while the pay cuts ordained for Government employees, amounting to $125,000,000, were completely restored as of April this year. Moreover, as the number and size of the Government's alphabetical bureaus have increased the number of employees has, of course, expanded. Employees in the civil executive branch of the Government in March 1933, when the new deal had come in, totaled 566,986; in May of this year the figure had reached 712,112, an increase of 145,126.

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[From the New York Herald Tribune of Aug. 7, 1935]

THE ROOSEVELT RECORD

IV. CURRENCY TINKERING

During his campaign for election Mr. Roosevelt declared that he favored a "sound currency."

Despite the fact that the phrase "sound currency" had meant something very precise in this country for 50 years—namely, a fully convertible gold standard—Mr. Roosevelt had been in office only a little more than 6 weeks when, on April 19, he announced that he had accepted the Thomas amendment to the farm bill, which put into his hands unprecedented discretionary powers for monetary inflation. Simultaneously he announced that an embargo had been placed on gold exports—that, in other words, the United States had voluntarily abandoned the gold standard.

This was the first time in history that a nation had deserted the gold standard at a time when it had a favorable foreign trade balance and abundant gold stocks. Our gold reserves at the time we abandoned the gold standard amounted to $4,300,000,000 and were the largest possessed by any nation in the world.

The powers which Mr. Roosevelt permitted the inflationist group in Congress to force upon him in the so-called "Thomas amendment" included the following:

1. Authority to reduce the gold content of the dollar by as much as 50 percent.

2. Authority to compel the Federal Reserve System to buy up to $3,000,000,000 in Federal securities. (This is the mechanism which was employed in the French and German post-war inflations.)

3. Authority to issue $3,000,000,000 in "greenbacks" (flat money) under the Civil War Emergency Act of 1862.

4. Authority to accept up to $100,000,000 on war-debt payments in the form of silver.

5. Authority to provide for the unlimited coinage of silver.

*The Warren plan*

On October 22, 1933, the midsummer boom in the commodity and security markets having spent itself, the President undertook the experiment in inflation by manipulation that is generally referred to as the Warren gold-buying scheme. This experiment was named after its author, one George F. Warren, a Cornell professor of farm production (agronomy), whose belief it was that commodity prices would rise pari passu with an arbitrary increase in the price of gold.

Professor Warren had been raised out of obscurity by the financially and politically powerful Committee for the Nation, an organization which was interested in furthering the cause of currency devaluation and which saw in his theories a superficially plausible economic justification for what they wished to see done. The so-called "Warren theory", so far as is known, had the support of no outstanding monetary economist, and when the buying scheme was started in October 1933 the move was vigorously protested by the Economists' National Committee on Monetary Policy, a large group of the foremost monetary experts in the United States. The theory has been rejected in its totality recently by the Brookings Institution.

*Depreciating the dollar*

When it became apparent after a test of a few days that the Warren theory did not and could not work, the Government entered the world market for the metal, making heavy purchases in London and Paris.

While ostensibly a projection of the Warren theory, this actually was nothing more or less than the deliberate depreciation of the American dollar in terms of other currencies. The crux of these operations was not the purchase of gold, but the purchase of foreign currencies which preceded it. Before long the fall in our own exchange became so great that a flight from the dollar got under way, manifesting itself in the Government bond market and in the foreign exchange market. On November 16, when the pound sterling had soared to $5.50, and when the general bond market was under severe pressure, the experiment was unofficially but completely abandoned.

*Gold Act of 1934*

What may be called the "official" termination of the gold buying—or, more properly, the dollar depreciation—campaign came at the end of January 1934, when Congress adopted the "59-cent dollar" and, under the terms of the Gold Reserve Act of 1934, a new monetary system.

The main results of the Gold Reserve Act of 1934 were these:

1. It socialized the country's monetary gold stocks and reduced them to a wholly theoretical position in the country's monetary system. While purporting to put the country on a "modernized gold standard," it actually did no such thing, since gold, under the act, is impounded in the Treasury and is obtainable only at the discretion of the Secretary of the Treasury, and then only for settling international commercial balances.

2. It gave the Executive power to monetize gold profits acquired through revaluation of the dollar and created a $2,000,000,000 "stabilization fund" under the control of the Secretary of the Treasury to be used to operate either in the foreign exchange market or the market for Government bonds. By transferring the control over to the Treasury and giving it this huge fund with which to operate in the markets, the act nullified at a stroke the independent monetary status of the Federal Reserve System and reduced it to the position of a mere appendage of the Treasury.

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[From the New York Herald Tribune of Aug. 8, 1935]

THE ROOSEVELT RECORD

V. "SOMETHING" FOR SILVER

The second major monetary policy of the administration, the silver purchase program, differs in degree, rather than in spirit, from the gold manipulation discussed here yesterday. If anything, it may be said to be slightly more fantastic and to contain an even larger ratio of politics to monetary science. Indeed, one will look in it in vain for much except politics.

On December 21, 1933, the President made an outright gift to the silver miners by instructing the Treasury by proclamation to accept all newly mined silver during the ensuing 4 years at a price to the producer (after seigniorage charges) of 64½ cents. In 1932, silver had fallen to 25 cents an ounce, so that this represented a rise of roughly 160 percent.

This move, while it might have been regarded as a great boon a year earlier, now merely served to whet the appetite of the silver and inflation group. This powerful political bloc succeeded in June 1934, in "persuading" the President to sign a silver purchase bill. The essence of that measure was that the Secretary of the Treasury was directed to buy silver in the world market until one of two things happened—until either (1) the price of silver reached $1.29 an ounce, or (2) the stock of monetary silver in this country equaled 25 percent of all "monetary metal" (gold and silver combined).

*Silver is "nationalized"*

The first step in carrying out this program was taken on August 8, last year, when all domestic silver was called in, under a "nationalization" proclamation, at 50 cents an ounce. The Treasury then began to acquire bullion in the world markets.

The American Treasury's purchases drove the world price of silver up steadily, thanks largely to the knowledge by speculators of the enormous quantities that this country would have to buy to give effect to its program, until in the latter part of April it reached 81 cents. Meanwhile, domestic producers—whose price, it will be recalled, had been advanced by Government fiat to the extent of a paltry 160 percent from its 1932 level—began to protest against "discrimination"; and to placate them the Treasury twice marked up arbitrarily the price of their product—first to 71 cents an ounce, then to 77.57 cents.

The latest figures available on silver purchases, covering the 10 months between the enactment of the law and the end of May 1935, show acquisitions of 421,497,000 ounces. This is nearly three times the estimated world production for that period, namely, 156,000,000 ounces. It represents somewhere between 14 and 17 years' American output.

*Huge purchases abroad*

At the time of the passage of the Silver Purchase Act it was estimated that in order to bring about the 1-to-3 ratio of silver to gold in American monetary stocks the Treasury would have to purchase, all told, about 1,300,000,000 ounces. Since then, however, approximately $1,152,000,000 in gold has been added to our monetary stocks, which means that the purchase of 300,000,000 ounces of silver will be required, over and above the estimates of 10 months ago. Despite the addition of 421,000,000 ounces of silver during the last 10 months, therefore, the Treasury is actually only 121,000,000 ounces nearer its goal than when it started. It is still committed to the purchase of the stupendous total of 1,180,000,000 ounces—the equivalent of the output of the entire world for 7½ years and of the American output for between 40 and 50 years.

Unfortunately, the objectionableness of the silver purchase program does not begin and end with the fact that it has no monetary purpose, but merely represents a gigantic subsidy to silver producers and silver speculators. If this were all, it would be a sufficient indictment of the policy, but it has had extremely serious and unfortunate repercussions on friendly countries in other parts of the world, and particularly on China.

*Its effect on China*

The effect of the violent rise in the price of silver from 25 cents an ounce in 1932 to 81 cents in 1935—a rise of more than 200 percent—has been to plunge China into the worst deflation and depression in many years. In recent months the Secretary of the Treasury has sought to maintain friendly relations with China by assurance that we would try to keep that country's interests in mind in carrying out our silver purchase program. At the same time he has let it be known for domestic consumption that he was still bent on carrying out his fantastic "mandate" from the silver bloc in Congress.

A conservative and ordinarily friendly foreign critic, the London Economist, recently summed up this unhappy episode in the following words:

"The truth is that President Roosevelt has been driven by an inchoate mass of vague bimetallist sentiment, cunningly kept alive by the 'silver lobby' and the Senators of the silver-producing States, and by economic advice that surely must have originated in Bedlam, into a sad mess. * * * The American silver policy has run amuck, but the ruin is falling on the heads of others."

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[From the New York Herald Tribune of Aug. 9, 1935]

THE ROOSEVELT RECORD

VI. N. R. A., SUPREME EFFORT OF NEW DEAL

On signing the National Industrial Recovery Act on June 16, 1933, President Roosevelt described that measure as "the most important and far-reaching legislation ever enacted by the American Congress."

"It represents", said he, "a supreme effort to stabilize for all time the many factors which make for the prosperity of the Nation and the preservation of American standards.

"Its goal is the assurance of a reasonable profit to industry and living wages for labor, with the elimination of the piratical methods and practices which have not only harassed honest business but also contributed to the ills of labor."

Today the N. R. A. is dead—killed, not so much by the Supreme Court as because it was based on mistaken economic premises, was badly administered, and attempted the impossible as well as the undesirable.

The act itself bore the title "An act to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful public works, and for other purposes."

Among these purposes were listed in title I "(1) to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; and (2) to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups; (3) to induce and maintain united action of labor and management under adequate governmental sanctions and supervision; (4) to eliminate unfair competitive practices; (5) to promote the fullest possible utilization of the present productive capacity of industries; (6) to avoid undue restriction of production (except as may be temporarily required); (7) to increase the consumption of industrial and agricultural products by increasing purchasing power; (8) to reduce and relieve unemployment; (9) to improve standards of labor; and otherwise (10) to rehabilitate industry and to conserve natural resources."

Under the powers delegated to the President through the act he established the N. R. A. When this organization was launched it was announced that it would put 4,000,000 men back to work by autumn. The wage-raising policy, it was explained, would increase purchasing power and thus stimulate buying, which in turn would speed up recovery. With a crusading spirit reminiscent of the Liberty Loan drives in the war the people of the country as a whole were dragooned into supporting the N. R. A. It was even proposed that those employers who refused to join should be privately boycotted. The N. R. A. shortly became the keystone of the new-deal arch—even though it was labeled an emergency measure, with a life of 2 years. By its success or failure the fate of the new deal was to be measured.

*How the N. R. A. functioned*

Among the powers delegated to or assumed by the N. R. A. with Presidential approval were the regulation of wages and hours of work, the fixing of prices, the restriction of child labor, the arbitration of labor disputes, the regulation of monopolistic practices, and the control of production. Taken together, these involved drastic extensions of the field of government.

The N. R. A. operated through the so-called "codes", administered by an army of politically chosen bureaucrats, most of whom knew little about the industries with which they dealt. Upward of 500 codes were drafted, covering nearly all the principal industries in the country, including pretzels, pipe organs, and blue crabs.

Although the codes were drawn up in consultation with representatives of the affected industries, they followed no fixed pattern except in that they included the provisions of the famous section 7–A concerning the settlement of labor disputes. Some of the codes were "horizontal", and some "vertical." Others were characterized by the Brookings Institute as "straight-line" and even "circular." Space does not permit the amplification of their provisions. The essential fact is that they embodied methods of conduct of the coded industries, including hours of work, minimum wages, and, in certain cases, minimum prices. They regulated competition and in some cases controlled not only production but even replacement of machinery. "Compliance"—a "new deal" term for "enforcement"—was left to the code authorities, who could appeal for support to the courts and who, in a number of notorious incidents, had violators jailed and fined. The codes, after being accepted by the President, had the force of law, although no one knew what was in all the 10,000 pages of regulations which the code authorities issued, and often a business man was unaware that he was violating the law.

*What did the N. R. A. do?*

In the light of the moving purpose of the N. R. A.—to relieve unemployment and promote recovery—it is pertinent to examine the record and see what was actually achieved. On September 1, 1933, when the N. R. A. began to be effective, the number of unemployed in the country was estimated by the National Industrial Conference Board to be 9,920,000. On June 1, 1935, 2 days after the N. R. A. received its death sentence, the number of unemployed, according to this authority, was estimated to be 9,804,000. The number of unemployed, instead of being reduced by 4,000,000, as promised, fell little more than 100,000 in 21 months. During this period the Federal Reserve Boards' indexes of production rose from 84 to 85. In other words, recovery failed to materialize.

After an exhaustive study of the N. R. A. and its actual workings, the Brookings Institution reached the conclusion that the N. R. A., as a matter of fact, "on the whole retarded recovery." In this conclusion such a distinguished economic authority as Col. Leonard P. Ayres concurs, as do many other experts. In detail the Brookings Institution pointed out that while the N. R. A. was expected to promote recovery by enlarging the real purchasing power of certain classes of labor, it failed to do this because, instead of boosting wages but keeping down prices, it boosted prices as well as wages.

The institution's report states: "The internal readjustments in the cost and price structure which the N. R. A. effected were for the most part planless and haphazard. They retarded the restoration of parity for agricultural prices and the adjustment of construction costs to the demand for building. On the whole they were probably adverse to the revival of the capital-goods industries. As a means of securing favorable specific readjustments in the cost-price structure the N. R. A. as it actually operated was of very doubtful benefit."

To General Johnson belongs credit not so much for his ballyhooing the N. R. A. into existence as for having made a gallant attempt when the N. R. A. was launched to put through a $3,000,000,000 project of Government stimulation of durable goods (or capital goods) industries. General Johnson appreciated the force of what Colonel Ayres and others in the opposition pointed out early in 1933—that unemployment was much greater in the capital-goods industries than in the consumers-goods industries and that the great bulk of the unemployed could be put back to work only by the direct stimulation of the durable-goods industries. The administration, however, rejected the general's plan, clinging instead to the theory, which has since been proved to be fallacious, that all that was necessary was to stimulate the purchase of so-called "consumers' goods." Had the administration paid more attention to the general's views on the importance of helping the durable-goods industries and less to his passion for publicity the N. R. A. might have turned out as its sponsors hoped.

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[From the New York Herald Tribune of August 10, 1935]

THE ROOSEVELT RECORD

VII. HELPING THE FARMERS

Candidate Roosevelt promised much, and President Roosevelt has done much, for the farmers. Most of the desired objectives which he outlined have been achieved. But in the process new problems have arisen with far-reaching implications.

Speaking at Topeka, Kans., during the campaign of 1932, Mr. Roosevelt outlined his farm program. He proposed reorganizing the Department of Agriculture. Instead, he has created a vast new bureaucracy to supervise American agriculture—the A. A. A. He favored withdrawal of marginal lands, based on a thorough soil survey. Lands are being purchased by the Government, but no thorough soil survey is being made. He urged reduction of farm taxes. As the Federal Government has no jurisdiction over farm taxes, nothing is being done. He advocated refinancing of farm mortgages through extension of Federal credit and lower interest rates. This has been done effectively. He urged restoration of the foreign markets for American farm products. Instead, his policies have lost some of the most important markets for American farm products. He urged the equivalent of a tariff benefit for farmers. This he has provided through the benefit payments based on the processing tax. He opposed dumping. Apart from a sale of 10,000,000 bushels of wheat to China at less than cost, there has been no dumping. He insisted that farm relief should be self-supporting. It is, as long as the processing taxes survive.

*What the A. A. A. proposed*

Shortly after taking office the A. A. A. (Agricultural Adjustment Administration) Act was made into law. In its introduction it declared the policy of Congress to be:

"(1) To establish and maintain such balance between the production and consumption of agricultural commodities and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period. The base period in the case of all agricultural com-

modities except tobacco shall be the pre-war period, August 1909–July 1914. In the case of tobacco, the base period shall be the post-war period, August 1919–July 1929.

"(2) To approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic and foreign markets.

"(3) To protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer, above the percentage which was returned to the farmer in the pre-war period, August 1909–July 1914."

*What the A. A. A. did*

The A. A. A. proceeded to attain its objectives by a combination of means. At the beginning crop reduction was effected by paying farmers to plough under lands already planted, and by killing pigs. This system was followed by contracts with the farmers who produced the major crops in which in return for agreement to plant a lower acreage, the Government paid them a so-called "benefit." The original crops thus affected were wheat, corn, tobacco, and cotton. But the political pressure from the growers of other crops to receive checks from the Government for reducing their production was so great that during the 2 years of existence of the A. A. A., practically all crops in the country, including fruits and vegetables, have been brought within the range of operation of the A. A. A.

Price raising was not, however, achieved alone by restriction of production. In the case of cotton the Government agreed to make loans to cotton growers at a rate well in excess of the market price and the world price. The result was that farmers found it more profitable to impound their crops as security for Government loans than to sell them. This effectively raised the local price for cotton—and lost the farmers a large part of their foreign markets.

Not content with this, the President devalued the dollar and started manipulating its gold content in the confident expectation that he could thus force up the domestic prices of farm products. The resulting fear and uncertainty as to the possibilities of inflation created an unnatural demand for commodities which temporarily added to the rise in farm prices.

On top of this came the drought which accentuated the shortage of wheat, corn, and hogs induced by drastic crop curtailments. The combination of these factors materially affected prices.

But it is interesting to note that, with the exception of hogs, the main price increases from the low of the winter of 1932–33 occurred before, rather than after, the A. A. A. became effective. The following table tells the story:

| | 1933 | | 1934 | | 1935 | |
|---|---|---|---|---|---|---|
| | March | July | March | July | May | April |
| Corn (bushel) | 0.13 | 0.47 | 0.37 | 0.51 | 0.82 | ---------- |
| Hogs (hundredweight) | 3.20 | 3.95 | 3.80 | 4.00 | 8.40 | ---------- |
| Wheat (bushel) | .48 | 1.00 | .88 | .95 | ---------- | 1.13 |
| Cotton (pound) | .061 | .106 | .117 | .123 | ---------- | .117 |

Even though the purchasing power of the farmers has not yet reached the equivalent of the 1909–14 base period, farm prices have already passed the pre-war levels. In March 1933 the Department of Agriculture's index of farm prices based on the 1909–14 average was 50 (for all groups). In April 1935 (the latest available figure) it was 111.

At the same time valuable work has been done to relieve the farm mortgage situation. Through the organization of the Farm Credit Administration the various land banks and lending agencies were coordinated and a total of about $2,000,000,000 advanced to the farmers. This has taken care of most of the farm mortgages that were in difficulties.

Furthermore, in applying the A. A. A. act, upward of $727,000,000 has been paid to the farmers as subsidies. These payments have helped farmers catch up on defaulted interest and tax arrears and also stimulated purchases of motor cars, radios, and all manner of retail goods. The farmers as a whole, apart from the tenant farmers in the South, are doing well. Farm prices are much above those which prevailed in the winter of 1932–33. More Government cash is in sight. Some farmers are being paid for what they do not produce, and others for promising to reduce production but receiving permission after all to increase their output. Gratitude, which has been defined as "a lively sense of benefits to come", is being freely expressed by the benefited farmers toward the Roosevelt administration. They appreciate cash and higher prices and deprecate the resentment of consumers who have to pay at least a quarter more for food now than when the new deal came into power.

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[From the New York Herald Tribune of Aug. 11, 1935]

THE ROOSEVELT RECORD

VIII. THE PRICE OF FARM AID

In bringing about higher prices for the farmers the Roosevelt administration has unsettled business confidence by tampering with the dollar; has saddled business men and the consuming public with a new tax which is collected not for the general support of the Government but to be handed over by the Government to individual farmers as subsidies; it has sharply reduced the exports of American farm products; and it has built up a vast new bureaucracy with extensive powers to control agriculture.

The effects of currency instability have already been discussed elsewhere. (See article IV in this series.)

The processing tax, according to its supporters, is the equivalent of a protective tariff for the farmers. The Brookings Institution, however, has pointed out that no tariff duty assures the protected producers of returns enhanced to the full extent of the duty on most of the output consumed domestically. Speaking specifically of the wheat processing tax, the Brookings Institution report states that "in no other instance have consumers faced the necessity of paying prices enhanced by the combined influence of a tariff duty and production restructions, plus an internal-revenue tax for the benefit of producers, as under the present wheat program."

Judging by the decision handed down in the Federal circuit court in Boston, the processing taxes are likely to be held unconstitutional. They are collected at present on cotton, wheat, corn, tobacco, rye, and numerous other articles.

*The loss of foreign markets for American farm products*

Before the depression the United States sold abroad about one-half of its cotton output, a third of its tobacco, a third of its lard, and a quarter of its wheat. It is, of course, true that American exports of farm products to Europe had fallen off sharply in 1931 and 1932, due almost entirely to the various restrictive measures imposed over and above tariffs. But since the A. A. A. has begun to function effectively (June 1933) the volume of the principal export crops has undergone a further and in some cases drastic decline. While comparable figures for the 12 months beginning July 1933, and July 1934 are not yet available, the figures for 10 months (July to April) show that in the period ended April 1935 the exports of lard were only 208,400,000 pounds, compared to 439,800,000 pounds in the 10 months ended April 1934; shipments of wheat were down to 3,000,000 bushels from 16,800,000; flour remained stationary at 3,300,000 barrels; unmanufactured tobacco was down to 342,800,000 pounds from 411,600,000; cotton fell to 4,300,000 bales from 7,300,000.

These losses are almost entirely due to the artificially higher prices of farm products in America than abroad. It stands to reason that foreign buyers will get their raw materials wherever they are cheapest. Certainly they will not buy American cotton, wheat, and tobacco in such large quantities as previously, when these articles are selling well above world prices. If the present policies are continued long enough it is more than likely that the losses of America's foreign markets will be permanent. This in turn is almost certain to necessitate a permanent readjustment in the agricultural life of the country, affecting not only the growers of corn, cotton, tobacco, and wheat, but those who produce other goods which will necessarily suffer when tobacco, wheat, corn, and cotton lands are put into other crops.

The extent to which the Government has reached out to control agriculture is best summed up by Prof. Charles A. Beard. In his study of the new deal called "The Future Comes" he said of the farm-control program that "the Government has so penetrated the institutions and procedures of the industry, from the highest national groupings to the smallest local units throughout the land, as to gather into its hands absolute control over every act of production, processing, manufacturing, and marketing of practically all agricultural and associated commodities. Within the framework of the land-bank system it has established a network of banks and credit institutions adequate to meet almost every conceivable need for agricultural finance and credit. If developed and not upset, this alone may come to mean the end of the private financing of agricultural operations and the abolition of speculation purely for profit in agricultural products. The program affirms the determination of the administration to organize agriculture from the soil to the market, which is a first essential step toward gearing agricultural productivity to effective consumptive capacity within the Nation."

More specifically, under the amendments to the A. A. A. the Federal Government now has the power to limit the quantity of farm products which may be marketed at any one time; to fix the quantities of farm products which each processor or distributor may acquire; to establish minimum prices; and to dispose of any surplus in such manner as the A. A. A. bureaucrats desire. They also empower the A. A. A. to examine all books, papers, and other confidential documents of the processors and distributors. Furthermore, the processing tax may be imposed even after prices pass parity.

This means in plain English that the Federal Government, through the A. A. A., is extending its powers to control the economic activities of a whole section of the country. This is a direct experiment in planned economy, and planned economy is a form of economic dictatorship. The extension of the Federal Government's powers and the strengthening of the executive department are thus no longer a matter of theory but an accomplished fact. It remains to be seen what the Supreme Court will do about these changes in the distribution and exercise of Government powers and the extension of the Federal executive into fields from which it has heretofore always been rigidly excluded.

[From the New York Herald Tribune, Monday, Aug. 12, 1935]

THE ROOSEVELT RECORD

IX. T. V. A., NEW-DEAL SYMBOL

The Tennessee Valley Authority was set up under an act of Congress passed on May 18, 1933. According to the preamble of that act, it had three main purposes: First, to improve the Tennessee Valley in respect to navigation and flood control; second, to develop the agriculture and industries of the valley region; and third, to operate the Government-owned power plant at Muscle Shoals which had been built during the war but never used.

T. V. A. is not an isolated Federal power project. It is but one of nine major enterprises that are either under way or in contemplation. When the entire program has been completed, it is estimated, the power-production capacity of the country will have been raised from the present figure of 33.5 million kilowatts to 44.4 million, or roughly, three times the national consumption of power in the year 1932. The particular importance of T. V. A. derives from the fact that it is the first of these projects to get under way and from the fact that it is the outstanding symbol of the new-deal philosophy concerning the relation between the Government and the power industry.

Two quotations will help to indicate what that philosophy is. One of them is from the President's speech at Portland, Oreg., on September 22, 1932; the other is taken from the official statement of policy of the Tennessee Valley Authority.

Said the President, in referring to the several power projects planned by the new-deal government:

"Each of these will be a national yardstick to prevent extortion against the public." * * *

Said the statement of the T. V. A.:

"The right of a community to own and operate its own power plant is undeniable. The fact that action by the authority might have an adverse economic effect on a privately owned utility should be a matter for the serious consideration of the board, but it should not be the determining factor."

It will be seen from the President's statement that he regards the T. V. A. not only as a yardstick but as a special kind of yardstick—a yardstick which can be used both as a means of measuring the cost of power production and as a cudgel. The implication is clear—and becomes clearer on reading the T. V. A.'s own statement of policy—that if the private companies do not meet the rates of these "yardsticks" they will have to face Government, or Government-sponsored, competition. In effect, T. V. A. lays down the principle that private-property rights will be respected, but only up to the point where they collide with the new deal's concept of "the more abundant life."

The chief justification of this policy of "regulation by intimidation" is, according to its advocates, that it has in certain cases "produced results." Not the least of the "results" that have flowed from the policy thus far, however, has been the ruinous depreciation it has brought to the public-utility security holders of the country. A recent estimate places these losses at $3,500,000,000.

One example may be cited to show how this policy works out in practice. Last summer the Tennessee Valley Authority sought to acquire a private company in Knoxville—the Tennessee Public Service Co. Armed with the threat of the establishment of a municipal plant, the T. V. A. approached this company—capitalized at $17,780,000—with an offer of $6,000,000. The utility company declined to sell at first, but T. V. A. carried the day by arranging with the P. W. A. to allot the municipality $2,600,000—$600,000 of which was an outright gift—for the construction of its plant. It is interesting to note that shortly before that the State board of the P. W. A. had refused to lend any money to the city on the ground that the latter's credit did not justify a loan.

T. V. A. has openly encouraged and abetted the movement for public ownership, with the result that it has now displaced private utilities in 14 counties and 9 municipalities in Mississippi, Alabama, and Tennessee.

Nor does the competition of the T. V. A. with private industry begin and end with the utilities themselves. The blow at the bituminous coal industry is a serious one, while the railroads stand to suffer not only through the competition of the Tennessee Valley's Government-subsidized inland waterways, but from the loss of potential coal traffic. It is estimated that if the prospective power output of the T. V. A. plants were produced by the use of coal it would require the production of 6,000,000 tons of coal and its movement by railroad.

Not the least of the indictments against T. V. A., it may be pointed out in passing, is that it represents technocracy in its finest flowering. Experts contend that power could be produced in this region, with its rich coal deposits, not only at 60 percent of the cost required by hydro, but with the employment of 10 times as much labor.

Next in importance to the fact that T. V. A. represents outright competition with private capital and private industry is the total lack of sincerity behind the claim that it constitutes a genuine "yardstick" for the ascertainment of fair power rates.

The average wholesale rate charged by T. V. A. at Muscle Shoals is 7 mills a kilowatt-hour, and the average retail rate is 2 cents, which is a little less than half the average rate prevailing throughout the United States. The theory of the yardstick contention is that if T. V. A. can produce power to sell at these rates private utility companies can do the same thing.

The fact is that the two things are not comparable. In the first place, the T. V. A. is financed by the Government, which obviously can raise money at a lower rate than a private borrower. In the second place, T. V. A. enjoys a distinct advantage so far as taxes are concerned. The act provides that a tax of 5 percent of the gross proceeds of the sale of power shall be paid the State in which the dam is located. The president of the Commonwealth & Southern Corporation has estimated, however, that against this 5 percent paid by the T. V. A. on the wholesale price of the energy produced, private companies in the same area are paying 15 to 20 percent of the retail price.

A third point has to do with the bookkeeping methods of the T. V. A. It was revealed in the records of the Comptroller General's office that the authority had been indulging in variations of two of the worst cost-accounting evils of which the private companies have been accused in the past. The utilities have been charged more than once with padding their valuation figures and charging excessive amounts to depreciation, both with the idea of justifying a high rate level. It is now shown that T. V. A. in an effort to keep its rates low, has been employing the opposite tactics—grossly undervaluing its plant and making insufficient allowance for depreciation.

Finally, the municipalities which retail the power of T. V. A.—for T. V. A. does a wholesale business only—enjoy an advantage on their own account over their competitors, the private companies. They receive 30 percent of the cost of their plants as an outright gift and are permitted to repay the rest on convenient terms while they are not required to pay either Federal, State, or municipal taxes.

In other words, T. V. A. is not actually a yardstick at all. Its directors admitted as much themselves during the deliberations recently on the proposed amendments to the act when they vigorously resisted efforts to compel them to put their bookkeeping on a basis comparable with that of private companies. Under the pretext of functioning as a yardstick, T. V. A. is, in fact, carrying out what the eminent authority on such matters—Mr. Norman Thomas—has described as "the only genuinely socialistic experiment in the 'new deal.'"

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[From the New York Herald Tribune, Tuesday, Aug. 13, 1935]

THE ROOSEVELT RECORD

X. RELIEF AND REEMPLOYMENT

In his Budget message of January 1935 President Roosevelt estimated that the new deal would have spent by this June about $4,200,000,000 on F. E. R. A. and lesser forms of direct relief and about $1,900,000,000 on P. W. A. and other public-works projects, a grand total of upward of $6,000,000,000.

What have been the net results of these expenditures in reducing unemployment and cutting down the relief rolls?

The number of unemployed when the new deal came into office totaled, according to the National Industrial Conference Board, 13,300,000, and the number of cases on relief stood at 4,500,000. This, however, was partly the reflection of an abnormal and temporary situation, in which the closing of the banks had totally prostrated industry and trade. In May, 2 months later, and after the banks had reopened, this figure had fallen to 12,700,000, the approximate level at which it had been in the final months of the Hoover administration. This figure may fairly be accepted, therefore, as measuring the reemployment problem with which the new deal was confronted.

In May of this year the unemployment figure of the Conference Board (which considers P. W. A. workers not as on relief but as employed) stood at 9,700,000. The measure of progress in solving the reemployment problem, therefore, would appear to be the placing of 3,000,000 persons. However, this can scarcely be attributed to the pump-priming activities of the administration; for virtually all of the reemployment had taken place within the first few months of the new deal. Speaking broadly, the unemployment problem remains approximately where it was in the fall of 1933.

As for relief, the published figures have shown a considerable drop since the winter of 1934–35. The June total of 3,800,000 cases shows the relief burden, however, about as great as it was at this time in 1933 and well above the low of 3,500,000 to which it fell in the fall of that year.

When President Roosevelt took office, relief was being dealt with by the States and localities, variously financed by taxation and borrowing. The States and municipalities were clamoring for Federal aid, and with the act of May 12, setting up the F. E. R. A., the new deal responded on a lavish scale. By this act the Federal Government was plunged directly into relief as general overlord of the State and local systems.

As its title suggests, F. E. R. A. was an emergency device, and no attempt was made to build a permanent national relief system, with permanent policies, standards, and methods of financing. Instead, the new deal attacked the problem on the opposite flank. On June 16 the Recovery Act was passed, carrying $3,300,000,000 for public works. While Mr. Hopkins disbursed stop-gap subsidies to the States and municipalities, Mr. Ickes was to prime the pump by expenditures on public works.

When the 1933 summer boom in business, stimulated largely by inflation hopes, expired, both the unemployment and relief figures, which had declined during this hectic period, began to rise again. It was about this time that the President seems to have fallen under the spell of that persuasive advocate of public spending, the British economist, Maynard Keynes, and on November 8 he came out with his C. W. A. experiment. This was to be a great splash of pump priming; it was to effect a fundamental change in the relief system, cut the rolls, carry the country through the

winter, and put enough buying power into circulation to launch the Nation on a tide of prosperity.

The new deal poured $800,000,000 into this experiment in pushing leaves, teaching tap dancing, and boondoggling, and at its peak it did employ 4,100,000 persons. But it succeeded in reducing relief rolls by only 1,000,000; no sweeping trade recovery made its appearance; and by the end of February it had become abundantly clear that the administration had simply been pouring its money into a bottomless pit. By April this device had been abandoned, and work relief was once more handed back to the States and municipalities.

Relief rolls naturally rose again as they received back the C. W. A. workers; the new total, however, was not merely the 3,500,000 of the preceding October, but nearly 4,500,000—about equal to the burden when the new deal came into office. Moreover, two other evidences of weakness began to be apparent. One of these was that States and localities were now showing a tendency to let the Government carry them; the other was that as relief, in consequence of this, gravitated into the hands of the Federal Government it was becoming more and more costly.

In 1933 the Federal Government contributed 60.6 percent of the total F. E. R. A. expenditures, but by 1934 the average had risen to 72.3 percent and was still rising at the year end. Some States by this time had virtually ceased to pay anything toward relief expense. Step by step with this tendency relief costs rose, mounting from $15.40 per capita in July 1933 to $34 per capita in December last year. The net result of C. W. A. seems to have been to disorganize the local relief systems, leaving the latter handicapped by the removal of the needs test and farther off than ever from a permanent program of their own.

Meanwhile Mr. Ickes' pump-priming experiment, after a slow start, reached its peak in August of last year, when it was reported to be employing directly 675,000 persons. Large estimates (mostly guesswork) were being hazarded as to the numbers employed by P. W. A. behind the lines, and there were further generous estimates of the number reemployed under N. R. A. But the unemployment figures of the Conference Board, which had fallen 10,000,000 in the autumn of 1933, never fell below 9,200,000 in the summer of 1934. The net gain, in other words, seems to have been just about the amount of the direct employment effected by P. W. A.

With the approach of the winter of 1934–35—despite the fact that the new deal had appropriated $3,400,000,000 for the F. E. R. A., C. W. A., C. C. C., and other forms of direct relief, and $3,000,000,000 for public works—unemployment and relief figures again began to mount. And again the new deal chose to meet the situation, not with a fundamental solution but with a dramatic gesture and more billions. When Congress convened in January, the President announced that of the 5,000,000 on relief, 1,500,000 were unemployables and that the States henceforth would be held responsible for them. Meanwhile the Government would make jobs for the other 3,500,000. He asked a blanket appropriation of $880,000,000 to carry the system through July 1 of this year, and for the fiscal year 1935–36 he asked a blanket sum of $4,000,000,000. This, he said, would provide jobs for the 3,500,000 of employables. What was to happen beyond that was left, presumably, to the hoped-for business recovery.

The program as finally worked out, however, bears little resemblance to the prospectus. In the first place, it became entangled at the outset in a controversy between the pump-priming school, as represented by Mr. Ickes, and the relief school, represented by Mr. Hopkins. In the middle of the debate figures were produced to show that the original plan rested for its success on a mathematical impossibility. Mr. Roosevelt had promised, in introducing the plan, that he would do away with leaf raking and provide jobs in useful public works. But his estimate of the cost allowed but $1,140 an employable. This left little over for wages after payment for land, materials, and overhead, which, according to British experience, account for 60 percent of the costs of this type of project. The controversy finally was settled by roughly dividing the $4,000,000,000 between the Hopkins form of relief and that of Mr. Ickes. Meanwhile the controversy has held up all plans, spreading confusion among States and localities, and has left the whole scheme in chaos.

To sum up, although approximately $6,000,000,000 have been spent by the new deal in relief and pump priming—on top, of course, what the States have spent—and although provision has been made for the outlay of another $4,000,000,000, unemployment remains around the level of the fall of 1933, while the relief rolls have not only increased numerically but have increased sensationally in cost per capita. To make matters worse, the reemployment program still represents a formless conglomeration of public works, work relief, and home relief. There is, after the passage of more than 2 years, no unified relief system. Relief remains in a state of chaos. It is not only based on a program of temporary deficit financing, but remains completely unrelated either to the industrial problem or the general strategy of economic recovery.

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[From the New York Herald Tribune, Wednesday, Aug. 14, 1935]

THE ROOSEVELT RECORD

XI. HOT-WEATHER TAXATION

When President Roosevelt abandoned his oft-repeated campaign promise of reducing expenditures and began borrowing billions, it was obvious that not only would future generations have to pay for this borrowing but that taxes would have to be increased enormously as soon as he stopped borrowing if current expenditures were to be met out of current revenues. Certain minor increases in Federal taxes were made in the first 2 years of the administration. These included a progressive increase in the surtax on incomes over $4,000, excess-profits and capital-stock taxes for corporations, liquor taxes, and a renewal of the so-called "nuisance taxes", of which more than half affected automobiles directly or indirectly, and others included such items as cosmetics and telephones. All of these revenues taken together served, as already explained in the third article of this series, to cover only the ordinary expenses of the Government. No efforts were made to increase taxes enough to pay even for part of the extraordinary expenditures. In fact, in his Budget message of January 6, 1935, the President stated expressly that he did not consider it advisable to propose any new or additional taxes for 1936 other than the extension of the nuisance taxes.

Six months later—on June 7, 1935, to be exact—when one of the reporters at the White House press conference asked if any new taxes were being considered the President stated that he had given no thought to taxation for more than a month.

On June 19 the President abruptly submitted to Congress a special message urging increased inheritance, estate, and corporation taxes. In this message he stated categorically that "these complicated and difficult questions cannot be adequately debated in the time remaining in the present session of Congress."

Although surprised at this sudden change of front, the country noted with reassurance his clear indication that these projected measures, of such far-reaching importance, were not to be taken up during the current session of Congress.

Speculation as to what the President's vague proposals really implied was not lessened when it became known that he had not considered them in detail and that the Treasury had prepared no estimates showing the expected revenue. Political commentators were not slow in pointing out that, whatever its value as a revenue measure, the President's proposal served a threefold aim—to divert attention from the unhappy consequences of the Supreme Court's decisions, to appropriate HUEY LONG'S share-the-wealth nostrum, and to embarrass those Republicans who had been criticizing the President for not adopting a pay-as-you-go policy. The proposal had the further political merit of soaking the rich—always a popular pastime in American politics.

Senator LONG, apparently unwilling to see his thunder stolen without a fight, joined with the insurgents in demanding immediate passage of share-the-wealth tax measures. This was on June 22. Two days later, however, the Democratic Senate leader, Mr. ROBINSON, explained that the President's tax proposal would not be rushed through in the present session.

That same evening Messrs. ROBINSON, HARRISON, and other Democratic leaders were called to the White House for a long conference. On emerging, Senator ROBINSON, standing on the White House steps, made the following statement to the press:

"At the conference attended by the Vice President; the Speaker of the House; the Chairman of the Finance Committee, Senator HARRISON; the Chairman of the Ways and Means Committee, Representative DOUGHTON; and Senator ROBINSON, it was decided to press for action on the recommendations of the President as to amendments of the tax law during the present session.

"Senator HARRISON will ask his committee to consider the subject with a view to proposing amendments to the joint resolution extending certain taxes and with a view to adding the amendments to the resolution. Good night, gentlemen."

Inasmuch as the joint resolution referred to had to be passed before the end of the week unless the taxes were to expire, this meant that the new tax measures would also have to be passed by the end of the week.

Criticism of trying thus to jam such important legislation through Congress without adequate study, discussion, or hearings was Nation-wide and vehement. In spite of this the President's spokesmen in the Senate worked to force through the measure. Senator BARKLEY, of Kentucky, in working with Messrs. ROBINSON and HARRISON, was in the act of explaining to the Senate that the plan was to attach the amendments to the joint resolution when word came that the President in his conference with the press a few minutes earlier had flatly and indignantly denied that he had ever said that his tax measures must be passed within the week. Senator BARKLEY later sought unsuccessfully to have his remarks expunged.

Senator HARRISON took the blame for this misunderstanding. The country warmly applauded the Senator's sportsmanship, and did not fail to take note that the President had waited almost 48 hours before disavowing his spokesmen or halting them in carrying out his intentions. It is inconceivable that Mr. Roosevelt was as little aware of the impression made 2 days previously by the announcement from the White House steps as he later was of the Rhode Island election. Instead of dropping the red-hot poker, he handed it to one of his most loyal supporters.

The situation was further complicated by the fact that, when the Treasury officials worked all night long to prepare their first estimates showing a yield of $340,000,000, competent authorities seriously questioned them. Representative HILL of the Ways and Means Committee said on July 5 that the proposed taxes could not yield more than $110,000,000. Three days later Secretary Morgenthau published figures showing possible yields varying between $118,000,000 and $901,000,000.

The House later drew up a bill calling for revenue of $270,000,000. Of this $45,000,000 was to come from increased taxes on incomes of $50,000 a year and over; $80,000,000 was to come from inheritance taxes running up to 75 percent of $10,000,000 or over; $24,000,000 was to come from taxes on gifts; $15,000,000 from in-

creases in the corporation-income taxes; and $100,000,000 from excess-profits taxes.

When the increased income taxes for the very rich and the inheritance taxes came in for particularly bitter criticism the President called together the press and ridiculed the 58 thriftiest Americans whose incomes were in the millions and who had paid no taxes on a third of their income because they had put it into tax-exempt securities. Instead of making drastic efforts to put an end to tax-exempt securities, the President, by thus arousing mass passions against the very wealthy, sought to intimidate them from further protests against his tax measures.

To all criticisms that his tax measures failed to provide the desired revenues and evaded the only effective means of reaching this end—namely, by increasing the taxes all down the line—the President paid no attention. Even if the House soak-the-thrifty measure passes it will be only a drop in the Budget-balancing bucket.

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[From the New York Herald Tribune, Thursday, Aug. 15, 1935]

THE ROOSEVELT RECORD

XII. PROMISES PERFORMED

Few fair-minded persons will deny the Roosevelt administration credit for hastening the repeal of prohibition, inaugurating a sound naval policy, and vetoing the soldiers' bonus bill. In addition, the President's handling of the bank crisis after he came into office did much to restore confidence at a time when this was of utmost importance. This was followed by invaluable relief of the financial distress of individuals and corporations. In particular, the farm-mortgage aid program and the home-owners' loan project helped to prevent foreclosures on several billion dollars of mortgages, thus tiding over the emergency and making it possible not only for individuals to hold their property but for life-insurance companies, banks, and other similar institutions to realize on their credits.

In addition, the securities-exchange regulations, since being drastically modified from the original proposals of the "brain trusters", promise to be useful. Although the so-called "Social Security Act" bears evidence of too little study and is unsatisfactory in its present form, it represents an earnest effort to redeem a campaign pledge and to effect a social reform which in the opinion of many competent authorities has long been overdue.

Repeal of prohibition was one of the promises in the Democratic platform. So strong was the sentiment in favor of repeal that even before Mr. Roosevelt came into office Congress passed a joint resolution embodying the text of the twentieth amendment. This was submitted to the Secretary of State on February 21, 1933. Shortly after coming into office Mr. Roosevelt gave his support to the movement to speed up ratification of the amendment by the States and had the satisfaction of seeing, on December 5, 1933, the requisite number of ratifications deposited with the Secretary of State and the amendment come into effect.

Due probably to his long service as Assistant Secretary of the Navy, President Roosevelt early in his administration undertook to make up the deficiencies in naval strength resulting from the failure of the three previous administrations to build up the Navy to treaty strength. With his approval a large replacement program was inaugurated and construction begun or planned on a total of 66 vessels of different categories. The President's personal interest in the Navy materially improved the morale of the fighting forces, and his assignment of various public funds for naval construction hastened the naval-replacement program. His refusal to be stampeded by sentimentalists who sought to prevent the holding of naval maneuvers in the Pacific showed that in this field also his approach was realistic and sound.

One of the most courageous and valuable acts of the President was his veto of the bonus bill. Although he had a precedent for this in the acts of Messrs. Harding, Coolidge, and Hoover, it was particularly difficult for Mr. Roosevelt to veto the bonus because of the fact that when he did so he was already embarked upon a policy of reckless extravagance, pouring out money for almost every purpose. Under the circumstances the pressure to give the boys their share was great.

Undaunted by this, Mr. Roosevelt not only vetoed the bonus bill but accompanied his veto by a message that was outstanding for its clarity, force, and conviction. He outlined his policy of doing everything possible for the war wounded but denied the special claim of those who had suffered no injury to receive an extra payment from the Government. Furthermore, he pointed out the dangers of inflation involved in carrying out the bill and made very clear, for the first time in his career, the importance of avoiding inflation at any and all costs. Even though this statement was to a certain extent offset by the inflationary measures which he had sanctioned and acts which he had performed, the country was relieved to have from him in writing such a clear-cut and unequivocal statement of the inflation peril.

The value of Mr. Roosevelt's work in restoring the Nation's morale early in March 1933, must not be underrated. At a time when fear and confusion of mind were wide-spread, he inspired confidence and revived hope. Even had he done nothing else, the Nation would remain in his debt for this service.

Less noticeable and more local in its effects has been the program of debt relief. Through the R. F. C., which had already been functioning under Mr. Hoover, President Roosevelt helped numerous railroads and corporations. Through the F. C. A. and other agencies he took up the refinancing of farm mortgages. Through the H. O. L. C. he brought relief to city, town, and suburban property owners. Although this action was open to criticism on the ground of preventing the full sweep of the forces of deflation, there can be no doubt that it allayed fear and distrust, helped many worthy people, and alleviated the distress of banks and insurance companies.

The S. E. C. promises useful service in the regulation of the securities markets. The new social-security law, even though it is obviously full of defects, is at least a beginning of much-needed social legislation. The objectionable features may be ironed out in years to come, but a start has been made in the right direction. Even in this there has been delay and needless obstruction due to the insistence on mixing ideas of social reform with much-needed practical measures. But in these instances there are no indications of broken promises. Many persons may disagree with the methods adopted, but the objectives have not been abandoned when they seemed unpopular, and the measures have been carried through without undue emphasis on political expediency.

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[From the New York Herald Tribune, Friday, Aug. 16, 1935]

THE ROOSEVELT RECORD

XIII. GOVERNMENT BY USURPATION

"If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way in which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed.

"GEORGE WASHINGTON."

"I, Franklin Delano Roosevelt, do solemnly swear that I will faithfully execute the office of President of the United States and will, to the best of my ability, preserve, protect, and defend the Constitution of the United States, so help me God."—Oath of office as President taken by Franklin Delano Roosevelt on March 4, 1933

"I hope your committee will not permit doubts as to the constitutionality, however reasonable, to block the suggested legislation." (From a letter which President Roosevelt wrote on Saturday, July 6, 1935, to the chairman of a subcommittee of the House Ways and Means Committee, SAMUEL B. HILL, urging the passage of the Guffey-Snyder coal bill.)

President Roosevelt revealed an extraordinary attitude toward the Supreme Court of the United States as long ago as his 1932 campaign. He used at Baltimore, on October 25, as an interpolation in a prepared speech, the following words:

"After March 4, 1929, the Republican Party was in complete control of all branches of the Government—the legislative, with the Senate and Congress, and the executive departments, and I may add for full measure, to make it complete, the United States Supreme Court as well."

Typical of the reaction at the time was the comment by Silas H. Strawn, of Chicago, former president of the American Bar Association. Said he:

"I am amazed that any reputable member of the bar who, in order to obtain his license to practice, swears that he will uphold the Constitution and laws of the land should make that statement, which strikes at the very foundation of our Government. All lawyers and every layman who has even a superficial knowledge of the facts knows that there never has been and never can be any politics in our Supreme Court and that no political party could control the actions of the Court. I submit that such a charge will be resented by everyone who believes that the stability of our Government depends upon maintaining the respect and regard of our people for the dignity of our Supreme Court."

The utterance naturally attracted considerable attention; but it remained for later events to develop its real signifiance. These events began with the passage of the new-deal legislation, concentrating unprecedented powers at Washington and in the President, and reached a climax in the President's reaction to recent important decisions by the Supreme Court holding large elements of the Roosevelt program to be unconstitutional.

The atmosphere of emergency and haste in which the first of the new-deal laws were drafted and hurried through Congress made any serious consideration of their constitutionality impossible. Eminent lawyers may have had little question of what the Supreme Court must ultimately hold. But the Attorney General obliged with opinions sustaining the legality of the program, and the President may well have believed these views to be correct. The most that can be said in criticism of the administration during this period was that in its enthusiasm for installing a planned economy operated from Washington it gave inadequate consideration to the constitutional problems inherent in the change.

Those problems center around two fundamentals of the American system. The one is the principle of home rule embodied in the Federal scheme of the Government, whereby the Federal powers are carefully limited and the bulk of governmental control is reserved to the several States. The second is the careful separation of governmental powers at Washington and their division among three coequal branches of government—legislative, executive, and judicial. This latter principle was avowedly and directly aimed to prevent the usurpation of power by a tyrannical Executive. Its vital importance to the democracy, enabling a courageous and independent judiciary to halt a reckless Executive well on his way

toward obliterating State lines and concentrating power at Washington and in his own hands, was never so well illustrated as by recent events.

The revolutionary laws hurriedly enacted to place control of industry and agriculture in the hands of a bureaucracy at Washington inevitably clashed with these two principles. The only possible authority for such centralized control lay in the interstate-commerce clause of the Constitution; and this clause by a long series of clear and consistent decisions had always been construed as excluding from Federal control the processes of manufacture, etc., that took place within a State and did not directly affect interstate commerce. As for a great bureaucracy, its creation necessarily vastly extended the powers of the executive at the expense of the legislative.

There were undoubtedly legal minds in the administration who foresaw this inevitable clash. It has frequently been asserted that it was Prof. Felix Frankfurter, of the Harvard Law School, who persuaded the President to postpone as long as possible a definitive decision by the Supreme Court of the legal issues involved. Whether this report is accurate or not, such was the policy adopted. If the Government had expedited the litigation, a test might have come early in 1934. It was not, in fact, until May 27, 1935, that the Schechter poultry case gave the inevitable death sentence to N. I. R. A.—the supreme effort of the new deal.

For that decision the nine Justices of the Court voted unanimously. If any answer was needed to Mr. Roosevelt's conception of the Court as a politically controlled body, here it was. The Democratic members of the Court united with the Republicans, and the liberals with the conservatives, in the findings.

These sentences from the Schechter opinion indicate how flatly N. I. R. A. clashed with the Federal system and exceeded the powers of the interstate-commerce clause:

"If the commerce clause were construed to reach all enterprises and transactions which could be said to have an indirect effect upon interstate commerce, the Federal authority would embrace practically all the activities of the people and the authority of the State over its domestic concerns would exist only by sufferance of the Federal Government."

* * * * * * *

"It is not the province of the Court to consider the economic advantages or disadvantages of such a centralized system. It is sufficient to say that the Federal Constitution does not provide for it."

The unconstitutionality of the effort by Congress to surrender its law-making powers to the Executive was thus described:

"Section 3 of the Recovery Act is without precedent. It supplies no standards for any trade, industry, or activity. It does not undertake to prescribe rules of conduct to be applied to particular States of fact determined by appropriate administrative procedure. Instead of prescribing rules of conduct, it authorizes the making of codes to prescribe them. * * * In view of the scope of that broad declaration, and of the nature of the few restrictions that are imposed, the discretion of the President in approving or prescribing codes, and thus enacting laws for the government of trade and industry throughout the country, is virtually unfettered. We think that the code-making authority thus conferred is an unconstitutional delegation of legislative power."

As part of the picture of the powers which Congress thus sought to delegate to an executive bureaucracy a summary of Lawmaking by Executive Order, recently prepared by the American Liberty League, is pertinent. The extent of these powers was characterized as "unprecedented" and "unbelievable." Executive orders issued between March 1933 and July 1935 numbered more than 1,250. Administrative orders issued by officials pursuant to Executive orders ran into the thousands. The American Bar Association committee estimated that N. R. A. alone had produced more than 10,000 pages of administrative law in a single year. Executive orders had created 50 new agencies and departments, from the Resettlement Administration to the Electric Home and Farm Authority. The pamphlet of the Liberty League concludes as follows:

"The examples of Executive orders which have been cited show clearly a usurpation of legislative power. By no stretch of the imagination can many of these orders be regarded merely as ministerial acts in execution of laws enacted by the Congress. Policies are involved which under the principles of democracy should be passed upon by the Congress, Members of which reflect the varying viewpoints of citizens of different areas and schools of thought. So long as the judgment of the entire Membership of the Congress is applied to important questions a balance will be maintained in the public interest. It is contrary to our scheme of government to place supreme power in the hands of a single individual, as has been done in European countries, where parliamentary bodies have become nonentities. Encroachment by the Executive upon legislative prerogatives, in violation of the letter or even of the intent of the Constitution, smacks of autocracy and despotism. It is subversive of popular government."

It is possible to defend the President's attitude through this earlier period on the ground that his legal advice was faulty and that in the haste and excitement of conducting this vast extension of Executive powers, he overlooked these fundamentals. His reaction to the Schechter case is less easy to explain. At the press conference of May 31, 4 days later, the President made a direct and forcible attack upon the decision and, by implication, upon the Court. He said that the country was in the "horse-and-buggy stage" when the Constitution was written, and that this decision brought the country "squarely to a big issue," which it would take 5 to 10 years to decide. Asked if there was any way to accomplish this except through a constitutional amendment, the President hesitated but indicated that "there might possibly be such a way."

The President's supporters sought to minimize this attack upon the Court and the Constitution as a natural result of a grave disappointment. Yet more than 2 months later, on July 6, President Roosevelt, in an extraordinary letter addressed to the subcommittee of the Ways and Means Committee of the House, urged the passage of the Guffey bill despite "doubts as to the constitutionality, however reasonable." It seems difficult to interpret this demand as anything less than a blunt challenge to the Supreme Court and an effort to distort the Constitution by political pressure.

There has been much speculation as to what the President had in mind as an alternative to a constitutional amendment. Conceivably he hopes, by building up a political issue, to threaten the passage of a bill packing the Supreme Court with 10 additional members, and in this way to induce its present members to modify their decisions. Open advocacy of a constitutional amendment would, of course, be sound American procedure. The disturbing feature of the President's attitude is his unwillingness to take this constitutional course and his insistence that Congress enact a whole series of unconstitutional laws, beginning with the Guffey bill and including the A. A. A. amendments.

One other significant decision by the Supreme Court bears upon this whole issue of Executive usurpation, with or without the consent of Congress. That is the opinion in the Humphrey case. Here again, by unanimous vote, the Court held that the President had exceeded his powers in arbitrarily removing Commissioner Humphrey from the Federal Trade Commission without a hearing and upon no charges. Said the Court upon the general principles involved:

"The fundamental necessity of maintaining each of the three general departments of government entirely free from the control or coercive influence, direct or indirect, of either of the others, has often been stressed and is hardly open to serious question. So much is implied in the very fact of the separation of the powers of these departments by the Constitution, and in the rule which recognizes their essential coequality. The sound application of a principle that makes one master in his own house precludes him from imposing his control in the house of another who is master there. James Wilson, one of the framers of the Constitution and a former justice of this Court, said that the independence of each department required that its proceedings 'should be free from the remotest influence, direct or indirect, of either of the other two powers.'"

The temptation of every Executive wielding great powers to act arbitrarily has been illustrated in other acts of President Roosevelt. There was the air mail blunder and the attack upon Charles A. Lindbergh for opposing it. There was the attempted removal of Robert Moses for no conceivable reason other than his opposition to the new deal. The Humphrey decision is a vivid reminder of the wisdom of those checks upon the Executive power carefully written into the Constitution to prevent just such encroachments by a strong Executive upon public and private rights.

None of these checks, however, would be worth the paper they are written on save for the existence of a Supreme Court coequal in power with Congress and the President. Mr. Roosevelt's irritation at the Court and his evident desire to undermine its prestige and evade or nullify its decisions gives dramatic confirmation of this fact. As the Constitution stands, Congress is supreme in making laws, the President supreme in administering them, but the Supreme Court has the last word in deciding whether the laws passed by the former and the acts done by the latter conform to the spirit and intent of the Constitution. Above all three, of course, stand the people of the United States who can amend their Constitution at will. They have frequently done so in the past, and there could be no criticism of a frank effort by President Roosevelt to go to the people and seek to secure a constitutional amendment that would legalize his seizures of power from the States and from Congress. The danger and the threat to the American system lie in the President's unwillingness to take this constitutional course and his persistence in the policy of usurpation.

For a final word upon the fundamentals involved in the Federal system there is no better statement than that made by Mr. Roosevelt himself when Governor of New York. He said:

"The preservation of this home rule by the States is a fundamental necessity if we are to remain a truly united country. * * *

"To bring about government by oligarchy masquerading as democracy it is fundamentally essential that practically all authority and control be centralized in our National Government. The individual sovereignty of our States must first be destroyed. * * *

"We are safe from the danger of any such departure from the principles upon which this country was founded just so long as the individual home rule of the States is scrupulously preserved and fought for whenever they seem in danger."

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 9100) to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribu-

tion, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

H. R. 258. An act for the relief of Emma B. Hine;

H. R. 607. An act for the relief of Florence Overly;

H. R. 616. An act for the relief of Homer J. Williamson;

H. R. 704. An act for the relief of Thelbert Davis;

H. R. 760. An act for the relief of John L. Hoffman;

H. R. 830. An act for the relief of Sanford Madison Strange;

H. R. 1368. An act for the relief of Virden Thompson;

H. R. 1420. An act to provide for the Andrew Johnson Homestead National Monument;

H. R. 1437. An act for the relief of August A. Carminati;

H. R. 1714. An act for the relief of Russell H. Lindsay;

H. R. 1880. An act for the relief of Ivan H. McCormack;

H. R. 2024. An act for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899;

H. R. 2118. An act for the relief John P. Seabrook;

H. R. 2126. An act for the relief of Hugh G. Lisk;

H. R. 2130. An act for the relief of John M. McNulty;

H. R. 2319. An act for the relief of Oswald Orlando;

H. R. 2411. An act for the relief of E. F. Purvis;

H. R. 2432. An act for the relief of the Weis-Patterson Lumber Co., Inc.;

H. R. 2443. An act for the relief of Milton Hatch;

H. R. 2476. An act to grant a patent to Albert M. Johnson and Walter Scott;

H. R. 2555. An act to extend to Sgt. Maj. Edmund S. Sayer, United States Marine Corps (retired), the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men;

H. R. 2690. An act for the relief of John B. Grayson;

H. R. 2730. An act for the relief of Thomas Harris McLaughlin;

H. R. 2970. An act for the relief of Jose Munden;

H. R. 3147. An act for the relief of Will A. Helmer;

H. R. 3202. An act for the relief of W. H. Greene;

H. R. 3282. An act for the relief of Nina Drips;

H. R. 3509. An act for the relief of the legal guardian of Nick Vasilzevic;

H. R. 3546. An act for the relief of Sarah Elizabeth Ballentyne;

H. R. 3759. An act for the relief of E. H. Jennings;

H. R. 3965. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of Prince Royal, Sr., Kathleen Royal Hayes, Victor A. Royal, Lucile Royal, Prince Royal, Jr., Maggie Fields Ramsey, and R. J. Ramsey;

H. R. 3967. An act for the relief of Raymond Parramore;

H. R. 4513. An act to authorize payment of claims for unauthorized emergency treatment of World War veterans;

H. R. 4568. An act for the relief of Forrest D. Stout;

H. R. 4827. An act for the relief of Don C. Fees;

H. R. 4831. An act for the relief of L. E. Geary;

H. R. 4860. An act for the relief of Judson Stokes;

H. R. 4923. An act for the relief of Maj. E. Leslie Medford, United States property and disbursing officer for Maryland;

H. R. 5099. An act for the relief of Albert Henry George;

H. R. 5122. An act for the relief of R. C. McCoy, J. L. Garner, C. G. Kauffman, W. G. Smiley, R. A. Burks, C. W. Brazzelton, R. F. Brazzelton, Dave Cash, Mrs. A. W. Dykes, Jim Thereldkeld, R. R. Crain, J. B. Tolson, J. C. Rogers, S. K. Broach, Albert Easterling, J. L. Rivers, F. C. Wilson, E. C. Finley, W. W. Mitchell, J. G. Carey, Carl Graves, Jerome Dupree, J. R. Mitchell, J. L. Mitchell, and J. C. Russell;

H. R. 5325. An act for the relief of Ira L. Reeves;

H. R. 5347. An act for the relief of Bertha Moseley Bottoms;

H. R. 5375. An act relating to the compensation of certain charwomen;

H. R. 5415. An act to confer jurisdiction on the District Court of the United States for the Eastern District of North Carolina, to hear, determine, and render judgment upon the claims of the Pamlico Timber Corporation against the United States;

H. R. 5492. An act for the relief of Henry Scipper;

H. R. 5550. An act for the relief of Malachy Ryan;

H. R. 5654. An act to authorize the Court of Claims of the United States to hear and determine the claim of Samuel W. Carter;

H. R. 5816. An act for the relief of May C. Gustin;

H. R. 5838. An act to place David J. Fitzgerald on the retired list of the United States Army as a first lieutenant;

H. R. 5971. An act for the relief of Charles Pine;

H. R. 6177. An act for the relief of Brooker T. Wilkins;

H. R. 6267. An act for the relief of Wint Rowland;

H. R. 6268. An act for the relief of W. C. Wright;

H. R. 6269. An act for the relief of W. H. Keyes;

H. R. 6275. An act for the relief of John Livingston and Mrs. John Livingston;

H. R. 6602. An act for the relief of Dr. Ernest B. Dunlap;

H. R. 6869. An act authorizing the Chippewa Indians of Wisconsin to submit claims to the Court of Claims;

H. R. 7099. An act for the relief of Rocco D'Amato;

H. R. 7438. An act to amend the act entitled "An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.", approved June 4, 1934:

H. R. 7520. An act for the relief of David A. Trousdale;

H. R. 7577. An act for the relief of Mrs. William E. Smith and Clara Smith;

H. R. 7938. An act to authorize the transfer of the Otter Cliffs Radio Station on Mount Desert Island in the State of Maine as an addition to the Acadia National Park, and for other purposes;

H. R. 7955. An act to establish a new division of the northern district of Georgia with terms of court to be held at Newnan, Ga.;

H. R. 7998. An act to exempt from taxation official compensation of certain foreign representatives and to provide for the deductibility from income of certain dividends on preferred stock owned by the United States or instrumentalities thereof;

H. R. 8026. An act to establish and promote the use of standards of classification for tobacco, to provide and maintain an official tobacco inspection service, and for other purposes;

H. R. 8492. An act to amend the Agricultural Adjustment Act, and for other purposes;

H. R. 8519. An act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work;

H. R. 8580. An act to amend the law with respect to the time for jury service in the police court of the District of Columbia;

H. R. 8581. An act to amend the law providing for exemptions from jury service in the District of Columbia;

H. R. 8668. An act providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Fort Pierce;

H. R. 8710. An act to authorize the Secretary of War to lend to the reunion committee of the United Confederate Veterans 3,000 blankets, olive drab, no. 4, and 3,000 canvas cots, to be used at their annual encampment to be held at Amarillo, Tex., in September 1935;

H. R. 8790. An act to amend section 6 of the act of February 28, 1925;

H. R. 8845. An act to authorize the incorporated town of Cordova, Alaska, to construct, reconstruct, enlarge, extend, improve, renew, and repair certain municipal public structures, utilities, works, and improvements, and for such purposes to issue bonds in any amount not exceeding $50,000, and for other purposes;

H. R. 8991. An act to authorize the Administrator of Veterans' Affairs to exchange certain property rights now vested in the United States at Veterans' Administration facility, Perry Point, Md., for certain property and rights of the Pennsylvania Railroad Co. in that vicinity;

H. J. Res. 129. Joint resolution to amend the joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, to permit an adjudication with respect to liens of the United States arising by virtue of loans under such joint resolution;

H. J. Res. 189. Joint resolution relating to the continuance on the pay rolls of certain employees in cases of death or resignation of Members of the House of Representatives, Delegates, and Resident Commissioners; and

H. J. Res. 257. Joint resolution to amend a joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, as amended by the Second Deficiency Act, fiscal year 1929, approved March 4, 1929.

FARM-MORTGAGE RELIEF

The Senate resumed the consideration of the bill (S. 3002) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and amendatory thereof and supplementary thereto.

The VICE PRESIDENT. The clerk will state the first amendment reported by the Committee on the Judiciary.

The first amendment was, in section 4, page 3, line 15, after the word "expired", to insert "or where a deed of trust has been given as security", so as to read:

(n) The filing of a petition or answer with the clerk of court, or leaving it with the conciliation commissioner for the purpose of forwarding same to the clerk of court, praying for relief under section 75 of this act, as amended, shall immediately subject the farmer and all his property, wherever located, for all the purposes of this section, to the exclusive jurisdiction of the court, including all real or personal property, or any equity or right in any such property, including, among others, contracts for purchase, contracts for deed, or conditional sales contracts, the right or the equity of redemption where the period of redemption has not or had not expired, or where a deed of trust has been given as security, or where the sale has not or had not been confirmed, or where deed had not been delivered, at the time of filing the petition.

Mr. ROBINSON. Mr. President, I think an analysis or explanation should be presented of the bill and of the amendments which are incorporated in the bill before the Senate is asked to vote on these amendments.

Mr. BORAH. Mr. President, the measure is here by reason of the decision of the Supreme Court on what is known as the Frazier-Lemke bankruptcy measure which was passed at the last session.

The Supreme Court held a portion of that act, subsection (s), unconstitutional. The purpose of the bill is to avoid the objectionable features of the former act as they were denounced by the Supreme Court.

In the first place, however, it ought to be said that we undertook to make some amendments in section 75 before we got to subsection (s). These amendments are for the purpose of clarifying section 75. Some of the courts have held that the farmer debtor could not take advantage of the act after foreclosure sale and during the period of redemption. The bill undertakes to clarify it so as to permit the farmer to take advantage of section 5 after foreclosure and during the period of redemption.

Some of the courts also refused to permit the farmer who was in that position to file his petition, although under the law of the State he was in possession and full control of the property and could redeem it during the period of moratorium established by the States. One of the amendments to section 5 takes care of that objection which was raised by the court.

Amended subsection (s) construes, interprets, and clarifies both subsections (n) and (o) of section 5. By reading subsections (n) and (o) as now enacted, it becomes clear that it was the intention of Congress, when it passed section 75, that the debtor and all of his property should come under the jurisdiction of the court of bankruptcy, and that the benefits of the act should extend to the farmer prior to confirmation of sale and during the period of redemption. In other words, the amendments provide that the farmer may avail himself of the act after foreclosure and during the period of redemption, and may also avail himself of the act during the period of the moratorium provided for him within the State.

It also provides that when the action is taken under section 75 all of the property of the farmer shall be included in the schedules and appraised.

These amendments are for the purpose of the clarification of section 75. Now we come to subsection (s). That is the provision which the Court held unconstitutional. It was held unconstitutional because it was deemed to be in violation of the fifth amendment to the Constitution. In other words, it was held that it was an attempt to take property without due process of law, to change the terms of a contract, to change the rate of interest, and to modify by legislation the contract of the debtor. That the Court held could not be done.

The present bill is in reality a bankruptcy bill. It does not undertake to make any modification in the terms of the debtor's contract. It does not undertake to change the rate of interest or in any respect to modify the obligation; but it is provided that when the farmer is unable to make composition with his creditors he may then file a petition in bankrupty to be declared bankrupt, and all proceedings thereafter are under the general principles of the bankruptcy law. After he has filed his petition to be declared a bankrupt, the property is taken charge of by the court and appraisal is provided for.

It also provides for the setting aside of the exemption to the debtor which is allowed by State law. The courts, after taking possession of the property, and after appraisal is had, may postpone action with reference to the ultimate disposition of the property for a period of 3 years. During this period of 3 years the debtor is permitted to remain in control of the property upon payment of a reasonable rental. This rental is to go to the payment of taxes, and if, after the payment of taxes and the running expenses, there is anything remaining, that remainder is to be credited upon the debt of the debtor.

At the end of 3 years, if the farmer has not been able to make satisfactory arrangements to pay his creditor, the court may order sale of the property. The creditors may ask for reappraisal at the time of the sale. Appeals are provided for upon the part of the creditors as are generally provided for under bankruptcy provisions of law.

That in a general way is an explanation of the measure.

Mr. ROBINSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Arkansas?

Mr. BORAH. I yield.

Mr. ROBINSON. A day of two ago some mention was made of an amendment on page 9. I was then given the information that an amendment to the committee amendment would be proposed. I invite the Senator's attention to the provision, as follows:

*Provided*, That upon request in writing of any secured creditor or creditors the court, in its discretion, if it deems it for the best interests of the secured creditors and debtor, may order the property upon which such secured creditors have a lien to be sold at public auction; but no mortgagee or lien holder shall be permitted to bid on any property at such sale in excess of the appraised value or the original principal, whichever is the higher.

Why was that provision inserted in the bill? It is noted that in the Supreme Court decision holding the first act unconstitutional there was mention made of this subject. Why is it not in the interest of both the creditor and the debtor to have the highest amount that may be bid? If the estate is being administered in bankruptcy for the benefit of the creditors and for the benefit of the debtor, why is it provided in the amendment by the committee that if a

secured creditor chooses to bid on the property at the sale he must limit his bid to the amount of the appraisal or to the original amount of his debt? Why is it not to the interest of the debtor and why is it not to the interest of the creditor to let them bid all they will and get as much for the property as it might bring?

Mr. BORAH. Mr. President, the amendment is to be proposed to strike out that provision.

Mr. ROBINSON. I understand, but the committee has offered the amendment. The Judiciary Committee of the Senate of the United States proposes the amendment to which reference is now being made, and I presume had some purpose in offering the amendment.

Mr. BORAH. So far as I understood it and understand it, it was for the purpose of protecting the debtor; in other words, that when he undertook to redeem, he ought to be permitted to redeem upon the basis of the appraisal which was made and not upon the basis of a bid which might be made by some creditor who was able to run the bidding up to a very high figure. That was the purpose, and that has been approved by the Supreme Court of the United States in decisions.

Mr. ROBINSON. Mr. President, will the Senator be good enough to call my attention to that feature of the decision?

Mr. BORAH. I will call the attention of the Senator to it when I can locate it, but, as I was about to say, the object of it was to protect the debtor. It might not have been a wise thing to do, and the House concluded that it was not wise, so we are proposing to strike it out. I think it has some merit in it from the debtor's standpoint, but I do not wish to urge it, if it be regarded as of doubtful validity.

Mr. FLETCHER. Mr. President, I desire to make an inquiry of the Senator with respect to the exemption feature.

Mr. BORAH. I yield.

Mr. FLETCHER. It is provided that after a foreclosure, or at the time of adjustment, the debtor shall be allowed an exemption. When a debtor, a borrower, or mortgagor, borrows on land, in executing the mortgage he generally waives all right to homestead and exemptions as to that property. Does the exemption provided in the bill extend beyond that?

Ordinarily, under most laws, he waives his exemption so far as the mortgaged property is concerned when he executes the mortgage. In some States, perhaps, that is not the case, but it is generally the case. Is he allowed under this bill, in addition to the exemption which he waived as to the specific property mortgaged, a further exemption as the head of a family, and so forth, as against his debt?

Mr. BORAH. We allow him such exemptions as are provided for by the law of the State under which the property is held.

Mr. President, I ask that the formal reading of the bill may be dispensed with, and that the bill may be read for the purpose of action on the committee amendments.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HASTINGS. Mr. President, will the Senator yield to me?

Mr. BORAH. I yield?

Mr. HASTINGS. Unfortunately, I was not in the committee when the bill was being considered, but my understanding from the Senator's explanation is that an effort has been made to make the bill constitutional by providing that the farmer may go into general bankruptcy and that he shall have a period of 3 years before his property may be disposed of.

Ordinarily, when a man is declared a bankrupt, and the court takes charge of his property, his estate is administered as rapidly and as quickly as it is practicable to do it. In some jurisdictions it takes longer than in others, depending upon the court, and so forth; but the whole purpose of the Bankruptcy Act is to permit a person to say to his creditors: "Take whatever I have. I surrender it all to the court. Dispose of it and divide it among my creditors"; and if he has been honest, the court, after a certain length of time will discharge him, so as to give him an opportunity to start anew.

This bill, as I understand, on the other hand, is not for the benefit of the creditors at all, but is solely for the benefit of the debtor, and the proposed action may be taken without the consent of a single creditor; and the committee has fixed a period of 3 years before the creditors may get anything. If the property is reduced in value 50 percent during those 3 years, it is just too bad for the creditors. They must all suffer alike.

I have great regard for the Senator's opinion with respect to the constitutionality of acts of the Congress, but I am wondering whether he has considered that phase of the matter. If, by legislative action, we compel all the creditors to stand by, including a mortgage creditor, and put them in a position where the property may depreciate 50 percent, I am wondering whether or not we shall have dealt entirely fairly with the creditors, or whether we shall not have spent our whole effort in trying to take care of the farmer who is in trouble.

Mr. BORAH. Mr. President, of course the question which the Senator is discussing is a question of policy. I do not understand that he raises any question as to our authority to grant a reasonable time within which to adjust the controversy between the debtor and the creditor. Many of these cases remain in court 5, 6, and 10 years. I have been unable to find any announcement of a court in which a specific time-limit was placed upon the action of the court; in other words, any time within which it must necessarily close up the business. A reasonable chance is given to adjust these matters, and we were of the opinion that 3 years was not an unreasonable time to give in order to wind up such a transaction. In the meantime, the property is held. It is bringing in a reasonable rental. It must bring in a reasonable rental, because that is one of the provisions of the bill; and that rental goes for the purpose of paying taxes; and, if it is sufficient, it is applied upon the creditor's claim.

I do not understand that any legal question is involved there; and, in view of the agricultural conditions of the country, I do not think it is unfair as a matter of policy.

Mr. HASTINGS. Mr. President, I do not wish to try to change the Senator's view at all; but if there were written into the extension for a period of 3 years some provision to the effect that it might be made if the court should reach the conclusion that such extension, either of 3 years or 2 years or 1 year or what not, would not in any way affect the creditor's position, does not the Senator think it would be very much more reasonable and very much more likely to stand the test?

Mr. BORAH. The court is given power in the bill to make sale of the property whenever the court deems it in the interest of all parties to do so.

Mr. HASTINGS. During the 3 years?

Mr. BORAH. Yes. In the case of perishable property, or property which is not bringing in any income, or anything of that kind, the court has power to make sale of it.

Mr. HASTINGS. That relieves a great deal of the objection.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. FRAZIER. The bill gives the court authority to sell the property, if it deems it advisable, at any time. The court may sell any part of it or all of it at any time before or during or after the 3 years.

Mr. HASTINGS. I think that is very important.

Mr. LOGAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I do.

Mr. LOGAN. Before the Senator yields the floor, I should like to ask him a question:

I have given rather close study to the bill, and I agree with the Senator from Idaho that it contravenes no provision of the Constitution; but I am not entirely clear as to the meaning or purpose of a provision on page 9, and it

seems to me its validity may be a little doubtful. It begins in line 10 on page 9:

But no mortgagee or lien holder shall be permitted to bid on any property at such sale in excess of the appraised value or the original principal, whichever is the higher.

I should like to know the purpose of that provision.

Mr. BORAH. I stated just a few moments ago that we proposed to strike that provision out of the bill.

Mr. LOGAN. I beg the Senator's pardon. I did not hear that statement. I think it ought to go out of the bill.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. BORAH. I yield.

Mr. ASHURST. Personally, I am reconciled to having the provision go out of the bill; but out of justice to the committee, I think I ought to say that it is a general rule of law that a mortgagee is not permitted to bid anyhow unless it is specified in the mortgage, and as a matter of contract between the debtor and the creditor, that he may bid. Therefore, as a matter of fact, we are not in any sense depriving the creditor of any right, because to secure the right to bid at the sale it must be written in the mortgage and agreed to.

The courts have uniformly held as follows:

Nor is it unconstitutional to limit or prohibit the mortgagee from bidding at an auction sale. In fact, the mortgagee is generally prohibited from bidding at his own sale, unless that right is given to him by statute or by contract.

It has frequently been held that a mortgagee or trustee in a deed of trust cannot purchase without leave at the foreclosure sale, and that where he does so the sale is voidable. If the mortgagee, without leave, purchases at such sale, he will be considered merely a mortgagee in possession of a redeemable estate and the mortgagor will have the right to disaffirm (*Cunningham* v. *Macon &c. R. Co.*, 156 U. S. 400, 39 L. ed. 471). (Jones on Mortgages, eighth edition, 540 sec. 2078.)

Ordinarily a mortgagee or pledgee may not purchase at his own sale, unless expressly authorized by statute or contract, or unless the sale is sanctioned by the debtor (16 R. C. L. 107, sec. 77).

The decree of a chancellor is always a matter of grace, and never an absolute right of a litigant. The propriety of affording equitable relief rests in the sound discretion of the courts, to be exercised according to the circumstances and exigencies of each particular case (21 C. J. 34, sec. 12).

Mr. ROBINSON. Mr. President, I brought this question to the attention of the Senate last Friday, and also again this morning, before the Senator from Kentucky came in.

In discussing this matter a few moments ago, the Senator from Idaho expressed the opinion that this feature of the bill had been held to be valid in the decision in the case of Louisville Joint Stock Land Bank against Radford, wherein the original Frazier-Lemke Act was held to be unconstitutional.

Mr. BORAH. No, Mr. President.

Mr. ROBINSON. I do not think that is the case, and I believe it would invalidate this measure if it were retained in it, for the following reasons:

In the Radford case it appeared that the property was appraised at about one-half the amount of the mortgage debt secured by the land, and that if the mortgagee could not bid the amount of his mortgage the effect of the statute would be to give to the mortgagor the right to reacquire his land for half the amount of the mortgage lien, while, at the same time, the lien holder was willing to pay in cash the full amount of the lien. It was a process by which the lien holder would be forced to take half the amount that was due him under his mortgage lien.

The court did hold, as I understand, that there was valid authority in the bankruptcy law, and under the act in question, for marshalling the secured debts and for selling the property free from the lien, transferring the lien, in effect, from the property itself to the proceeds, thus giving to the lien holder the full advantage of his security; but the language the court used in passing upon that question clearly implied that such an arrangement as that involved in the Radford case would be a taking of property without just compensation. I shall read the language to which I refer. It is necessary to read a paragraph or two in order to show the connection:

Bankruptcy acts had either expressly or by implication as was held in *Van Huffel* v. *Harkelrode* (284 U. S. 225) * * * authorized the court to direct, in the interest of other creditors, that all liens upon property forming a part of the bankrupt's estate be marshalled; that the property be sold free of encumbrances; and that the rights of all lien holders be transferred to the proceeds of the sale—a power which "had long been exercised by Federal courts sitting in equity when ordering sales by receivers or on foreclosure.

A number of cases are cited in support of that doctrine. But the Court continues in the Radford case:

But there had been no suggestion that such a sale could be made to the prejudice of the lienor, in the interest of either the debtor or of other creditors. By the settled practice, a sale free of liens will not be ordered by the bankruptcy court if it appears that the amount of the encumbrance exceeds the value of the property.

I call particular attention to the following:

And the sale is always made so as to obtain for the property the highest possible price. No court appears ever to have authorized a sale at a price less than that which the lien creditor offered to pay for the property in cash.

Then follows the conclusion:

Thus, a sale free of lien in no way impairs any substantive right of the mortgagor; and such a sale is not analogous to the sale to the bankrupt provided for by section 7 of the Frazier-Lemke Act.

I construe that language to mean that a provision of the law which authorizes an appraisal of the property under the mortgage and authorizes a sale for a sum limited to the amount of the appraisal, which denies to the lienor the right to bid more than the amount of the appraisal, and thus secures to the farmer, or landowner, the opportunity to buy back his land for half what someone else is willing to pay for it, is an invalid provision, and constitutes violation of the due process provision of the Constitution.

It was with that thought in mind that I brought the subject to the attention of the Senate.

The arrangement which the Supreme Court impliedly sustained is not an arrangement that would work a detriment to either the creditor or the debtor. It is an arrangement which, it is true, would be to the benefit of the debtor, but it would not be harmful to the creditor. It would not take anything from the creditor which he had a right to retain.

There is a question which I think may hereafter arise; that is, as to the power of the Congress to fix a moratorium at 3 years, place the mortgagor in possession of his property under an arrangement by which he may pay rent on his property at a reasonable rate, and then take out of the rent the taxes and insurance.

Of course, I do not know what the mortgage contract was in this particular case, but under most mortgage contracts the mortgagor obligates himself to pay the taxes and insurance while he is in possession of the property. While I was practicing law regularly I wrote many mortgages, and I cannot recall a single instance, in the jurisdiction where I live, where mortgages did not usually carry that provision. The undertaking of the mortgagor was that he would pay the taxes and insurance. The bankruptcy court takes possession of the property, as it has a perfect right to do, and I think it has the right, notwithstanding the terms of the agreement to which I have alluded, to cause the payment of the taxes and interest to be made out of the earnings of the property while it is in possession of the court, provided that retention or possession by the court is for the purpose of administering the bankrupt's estate. I doubt whether it would be sustained if it were for the purpose of giving the mortgagor an additional advantage at the expense of the lien holder.

Of course, the arrangement is a very good one for the mortgagor, and in view of the necessity of aiding in the suspension of foreclosures on farm homes, I think the provision is justified.

I am wondering whether the Committee on the Judiciary gave study to the legal question whether in a case where a mortgage binds the mortgagor, while retaining possession of his property, to pay the taxes and insurance, it is valid to require that the taxes and insurance shall be paid out of the earnings of the property. It is an important feature of the proposed act, and unquestionably for the benefit of the debtor. Most of the mortgagors would find little benefit

from a moratorium if they were required, from other resources than their property, to pay the taxes and insurance on the property. It is a necessary provision if the moratorium of 3 years is to be granted, but I think it is well worthy of consideration by the Senate, in view of the fact that the first act was held to be unconstitutional, and this measure is being passed to cure the defects in that statute.

Mr. LOGAN. Mr. President, may I ask the Senator a question?

Mr. ROBINSON. Certainly.

Mr. LOGAN. I should like to ask a question about the difference, if there be any, between granting 3 years in which to redeem the property and in doing what is done under the present law. We clearly have power to grant time within which the debtor may redeem his property. If we can do it that way, it seems to me we can do the same thing in effect the other way, and it is a little harder on the debtor that way than to give him 3 years in which to redeem the property, because he does have to pay some rentals and interest during that time.

Mr. ROBINSON. There is a legal difference and a practical difference.

Mr. LOGAN. There is a legal difference, I grant, but whether there is a practical difference or not, I do not know.

Mr. ROBINSON. I rather think there is a practical difference. We also grant a period of redemption even in the case where a sale of property is finally made.

There is a provision in one of the amendments to the effect that the debtor shall have 90 days in which to redeem any property sold at such sale by paying the amount for which any such property was sold, together with 5 percent per annum interest into court.

I have not any doubt that a reasonable period of redemption would be sustained; and I do not think there is any doubt, in view of decisions which I shall not now attempt to cite, which have heretofore been rendered by the Supreme Court, that it is competent to grant a moratorium, particularly during a period of emergency, for a period of 2 years. I think perhaps a 3-year period would be sustained. A 2-year period has been sustained. However, there is a difference between granting a moratorium of 3 years during which the mortgagor has possession of the property and providing that although he may have contracted to pay the taxes and insurance he shall not be required to do so, but that the property itself shall be held for it. There is quite a difference between that arrangement, both in practice and in law, as I see it, and an arrangement which merely gives a period in which to redeem from the sale.

Mr. LOGAN. Mr. President, I think I now see the difference. Here is another thing about this bill which somewhat troubles me, and concerning which I should like to ask the Senator.

If a trustee, or a guardian, or anyone in a fiduciary capacity has funds belonging, we will say, to a ward, and that money is invested in a mortgage on a farm, under the State law he must make settlement at a certain time. If the time comes when he has to make a settlement under the State law, and the farmer has obtained a moratorium, what is the trustee or guardian going to do about securing the money? In what position would it leave him if the farmer could get a moratorium when the trustee is compelled to pay under the State law?

Mr. ROBINSON. Mr. President, that suggestion does not create any great difficulty, according to my construction of the bill. If this is a valid measure; if Congress has the power—and I think it has—to grant a moratorium in connection with bankruptcy proceedings the trustee or guardian or other agent of the State court could not be required actually to pay a fund which he had not been able to collect.

Mr. LOGAN. But he has given bond that he will pay this fund. What he has invested the money in has nothing to do with the question. He is personally responsible on his bond to pay over that fund whenever it is due.

Mr. ROBINSON. Whether or not he collects the money?

Mr. LOGAN. Yes.

Mr. ROBINSON. Is he a guarantor of the obligation? He would be in very hard luck then if he were the guarantor on the obligation.

Mr. LOGAN. He certainly is.

Mr. ROBINSON. I think his answer would be sufficient if he replied to the court that it had been impossible for him to collect the obligation within the time the State statute contemplated it should be done, for the reason that a Federal statute had provided a moratorium.

In the case which the Senator cites, where the State law requires the guardian to guarantee the investment which he makes for the trust fund, it would be a very great hardship to deny him the right to collect the fund and, at the same time, require him to pay it. I do not know of the existence of such a statute as the Senator suggests.

Mr. LOGAN. Oh, yes; there is such a statute; but the trustee is no worse off in such a case than if he invests the fund and loses it completely. In that case also he would have to pay the fund.

Mr. ROBINSON. Under the statute to which the Senator refers I take it that when one assumes the guardianship under the law of that State he becomes a guarantor of the investment which he makes.

Mr. LOGAN. That is correct.

Mr. ROBINSON. And if he makes an improvident investment, or if misfortune befalls him or the enterprise in which he invests, he is personally responsible, even though he may have exercised the best judgment of which he was capable, and have been entirely honest.

Mr. LOGAN. That is true.

Mr. BAILEY. Mr. President, I wish to ask for information from the senior Senator from Arkansas, who has been discussing the proposed legislation. I wish to know what its effect will be upon farmers who do not owe any money. It is my judgment, arrived at from consideration since a year ago, when we passed the first legislation on the subject, that the effect of the pending bill will be to destroy, or certainly to impair, the credit of that half of the American farmers who do not have mortgages on their lands.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. HASTINGS. I am wondering if the bill is not going to make it very much more difficult, if not impossible, for anyone hereafter to borrow money on a farm mortgage.

Mr. BAILEY. That is just the point. I wish to act constructively upon this question. I take it all of us would very greatly resent any suggestion that we were not in sympathy with any class of our people, but I have observed that if the word "farmer" is written on a bill, it goes through. The word "farmer" is written on this bill, and it purports to be of very great value to those who have mortgages on their farms; but, as I read it, the creditor is deprived of something at once, and he is notified forever that if he ever lends money on a farmers' land he will never collect the face of his mortgage except at the end of an appraisal at the hands of other people.

In North Carolina I think not exceeding 35 percent of the farmers are in debt. That leaves 65 percent who are not in debt on their land, and are doing well. Do we not, by this proposed legislation, deprive that 65 percent of the credit which other men in similar positions enjoy, and have a right to?

I should like to have that made clear. I do not wish to strike down the credit of the farmers of our country.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BAILEY. I yield. I asked the question of the Senator from Arkansas for my information.

Mr. ROBINSON. I shall take the floor in my own right if the Senator from North Carolina has concluded.

Mr. BAILEY. Then, I will ask the Senator to discuss another feature of the matter.

Mr. ROBINSON. I should like to answer the Senator's question to the best of my ability.

Probably the reason for the incorporation in the first statute—the statute which was held to be unconstitutional—of

the provision making the act applicable entirely to existing mortgages, and not permitting it to apply to mortgages made thereafter, was to escape the danger of impairing future credits, or the likelihood of advances on farm-mortgage securities.

My interpretation of the decision is that that feature of the act was looked upon as invalid by the Court. The implication of the decision is certainly that to make it retroactive would be impossible under the Constitution. Whether I am right about that or not, I believe that the passage of the pending bill may tend to have some effect in impairing the credit of farm mortgagors.

At the same time, Mr. President, I call the attention of the Senator from North Carolina [Mr. BAILEY] and of other Senators to the fact that there has long existed a bankruptcy law in the United States applicable to various forms of business and enterprises, and it has been said that the existence of the right of the debtor having contracted obligations which he cannot pay to go into court and have himself relieved of every debt that he owes simply by turning over his property to the court, to be administered by the court on behalf of the creditors, reserving to himself only such exemptions as the law secures to him, would also have the effect of impairing in some cases the credit of business men who may become beneficiaries of bankruptcy laws. Certainly, considering the purposes and provisions of this measure, there is no more danger of impairing the credit of a farmer to whom it is proposed to extend the privilege of bankruptcy than there exists in impairing the credit of business men through bankruptcy.

In a time of emergency, when an unlimited number of farm mortgages may be foreclosed because of the temporary decline in the value of farmers' property and because of the temporary decline of the earnings of their property, I do not believe that that is a sound argument against giving the farmer the benefit of a moratorium during the period of the emergency, as this bill proposes to do.

The bill proposes to limit the application of the proposed act to the time of the emergency, and gives the court the power to declare that the emergency has terminated in a given community. It does afford to the debtor the opportunity to retain his property or to redeem it, and at the same time takes nothing from the creditor, except the right to the possession of the property under the mortgage upon default in payment. The Court clearly in the Radford case held that the reasonable exercise of that power was not a violation of any constitutional right of the creditor. The Court upheld the competence of Congress to do that in connection with the bankruptcy law.

Mr. BAILEY. Mr. President, if I may interrupt, the Senator from Arkansas, of course, recognizes the fact that the farmers have access to the benefits of the existing bankruptcy laws. A farmer may not be thrown into bankruptcy, but a farmer may voluntarily go into bankruptcy under the existing law, and if he does so under the existing law he goes on the same plane as do others. Under those circumstances there is a realization of the value of his assets at the time. That law has not tended to impair the credit of people doing business in the United States. On the other hand, it has aided their credit; and the facts of our history, with which we are all familiar, bear me out in that statement. Now, however, it is proposed to enact a law under which if a man mortgages his farm for a thousand dollars and the appraiser appraises the farm at $300, the mortgagee gets the $300.

That destroys the whole theory of bankruptcy. The theory of bankruptcy is that when a man, being pressed and insolvent, comes into court and desires relief from his adverse situation and honestly puts his assets in the hands of the court for the benefit of his creditors for what the assets will bring in the open market, and, without any restraints of law, that then he may be relieved, in order to begin over again.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. BAILEY. When I finish the sentence, I will certainly yield.

Here we have quite a different situation. Let me apply it to my State, North Carolina. The farmers of North Carolina are doing very well, much better than they had hoped to do. They have been paying off their debts, and, by paying off their debts, they have been reestablishing their credit. They may come to a time when they wish to put a mortgage on their land, and they might go to an insurance company or a bank to do it, but the insurance company or the bank, reading this bill, will appraise his land and will not lend the farmer 10 cents on the dollar, because the appraisal will be put at the lowest possible point. That logic cannot be escaped. Am I going to run the risk of lending a thousand dollars and then having the property appraised at a hundred dollars? I would lend only a hundred. That beats down the farmer.

Mr. FRAZIER. Mr. President——

Mr. BAILEY. I will ask the Senator to wait for a moment. I have one more remark to make. The United States Government has provided, so I have been informed in public speech and on the floor here, nine different plans whereby farmers may borrow from the Government, and I understand, and I think I am safe in saying, that within the last 2 years something like a billion dollars has been loaned to farmers.

I take it that this proposed act will apply to the instrumentalities of the Government; and from the passage of this bill forward, the appraisers, operating under the Farm Credit Administration and the Federal land banks and the other governmental lending institutions, will be charged with the duty not of finding the appraisal as of the date of the loan but finding the appraisal as of some future time in the event of default. Since it is the money of the Government and of the taxpayers and since the loans are made with a view to being collected they, too, will beat down the loan, and we will thereby defeat the very object of the legislation; we will destroy the very purpose which actuated us in enacting the acts providing for loans to farmers.

I will agree that in certain sections of the country there are farmers in distress, and I very greatly sympathize with them, but we ought not to destroy the credit of half the farmers in order to restore farms to the other half; for, if we undertake to do that, the consequence will be that we will destroy the credit of the entire hundred percent of them.

I am willing to listen to reason about this bill. If I can be convinced that it will help the farmer, I will be for it, but the considerations which I have stated to the Senate indicate to my mind that it may destroy the purpose and the objective of all we have done by way of providing loans to farmers. Further than that, it will place the farmer who owes nothing on his land in a position where he will never be able to get anything on his land.

If I am right in that reasoning, this bill ought not to pass; if I am wrong, and someone will show me I am wrong, I will be happy to vote for it.

Mr. FRAZIER. Mr. President, I heartily concur in what the Senator from Arkansas [Mr. ROBINSON] has stated in regard to any likelihood of depreciation of property because of the bankruptcy proceedings. Farm property, if it shall be appraised under the bankruptcy court, will, it is assumed, be appraised at a fair value. If the property is sold at mortgage sale, it will not bring more than a fair value, and probably not the fair value. It is true that there might be a chance of getting a deficiency judgment. Some States bar deficiency judgments; and I think they should be barred; but a deficiency judgment ordinarily does not amount to much.

Mr. BAILEY. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from North Carolina?

Mr. FRAZIER. Certainly.

Mr. BAILEY. The Senator believes, if a man makes a mortgage for $1,000 and the security brings $500, that the other $500 may be repudiated. He does not believe in deficiency judgments. If that is the Senator's position, I want to know it. Is that the Senator's position?

Mr. FRAZIER. Let me explain. When a loan is made on real estate it is on the basis of 40 or 50 percent of the

valuation of the property at that time. It may be, because of circumstances over which the mortgagor, as the farmer, has no control, that the property is brought to a lower value, as it has been in many cases up to the present time.

Mr. BAILEY. How does that affect the fact that the man borrowed $1,000? If a man borrows $1,000 from me, does the Senator think there should be some way by which he can fix it honestly whereby he has to pay me back only $500?

Mr. FRAZIER. The Senator would make the loan on the security that is given.

Mr. BAILEY. Oh, no. Men make their loans on the character of the borrower as well as his capacity to pay.

Mr. FRAZIER. Then why would the Senator take security?

Mr. BAILEY. The security is simply a part of the loan, but security has never yet been the measure of a debt. Nobody will say to the contrary. I think I understand what is going on. The Senator from North Dakota is proposing that we shall set up a commercial system in America under which if a man borrows $500, he may pay the debt with $250.

Mr. FRAZIER. The Congress is given the power to legislate on bankruptcy matters. Of course, that must be considered in connection with the loan made.

Mr. BAILEY. The Senator is altogether opposed to deficiency judgments in America.

Mr. FRAZIER. When property is sold at a mortgage sale it oftentimes sells far below the mortgage value. The appraised value would undoubtedly be as much as the property would sell for. I see no reason why there should be any objection to this provision of the bill. I do not believe it will have the effect of depriving the farmer of loans, as the Senator has suggested. While the measure enacted at the last session was still in force, the banks made more loans than they had for some time, because it resulted in the creditors scaling down to some extent to meet the appraised fair value.

Mr. BAILEY. And also because there was not anywhere on the face of the earth that an American farmer could borrow money, except from the Government, and that was due to the policies of the Government.

Mr. FRAZIER. Of course, it is and has been for some time, difficult for anyone to borrow any money on any property except from the Government. However, I understand that some banks are making real-estate loans even now.

Mr. BAILEY. I do not care to perpetuate the kind of system the Senator evidently has in mind, because if it should be done the Government would be swamped.

Mr. FRAZIER. If the farmers are successful in North Carolina there is no question that the banks will make loans to them, just as they will to any other successful business man.

Mr. BAILEY. They will not make loans unless they know they are going to collect 100 cents on the dollar, and I do not think the Senator should expect them to do otherwise, they paying back $100 for $100 borrowed. The elementary feature of credit is honor. I think Christian civilization has not changed in that respect since the pagan days, and that principle prevailed even among the pagans.

Mr. FRAZIER. Is not the Senator in favor of bankruptcy legislation?

Mr. BAILEY. Absolutely, but I respect the principles of bankruptcy legislation. A man is discharged from his debts because he has become hopelessly involved.

Mr. BORAH. Mr. President, I do not think the bill is subject to the construction placed upon it by the able Senator from North Carolina. I do not know any reason why a farmer should not be allowed to avail himself of the principles of the bankruptcy law. If the bill should pass and the farmer should be unable to compose his difficulties with his creditors, then he may go into court and ask to be declared a bankrupt. Is that an unusual privilege?

Mr. BAILEY. But even now the farmer may go into court and ask to be declared a bankrupt.

Mr. BORAH. This bill undertakes to adapt the bankruptcy principles to the situation of the farmer. I venture to say that in principle the bill is no different than the acts under which multiple railroads have gone through bankruptcy, and where those creditors of whom the Senator speaks have lost their 100 cents on the dollar. I see nothing in this bill which in principle has not been given to business, to municipal corporations, and to all lines of industry.

Mr. BAILEY. Mr. President, may I say to my friend the able and distinguished Senator from Idaho, that I think the same sort of thing has destroyed the credit of the railroads. My definition of recovery is a return to the normal activities of business, but if we are going somewhere else and have the Government become a central bank to relieve all creditors, and to which everyone must come, then that is going to happen over my protest. I realize that we have that sort of government elsewhere in the world, but I do not want to have to have that kind of thing here.

Mr. BONE. Mr. President, will the Senator yield for a question?

Mr. BORAH. Certainly.

Mr. BONE. Is there any parallel between the principles sought to be established by the enactment of this bill into law, and the present composition with the creditors of the average business man affected by the bankruptcy provisions of law?

Mr. BORAH. I think that in principle it is the same.

Mr. BONE. Does the Senator think there is a parallel principle running through both propositions?

Mr. BORAH. I do. When the farmer reaches the point where he cannot carry on as against his creditors and seeks to adjust his affairs with his creditors, he seeks a composition of the debts he owes. If he is unable to get that adjustment, unable to get the settlement, then we propose to open the bankruptcy court for him. We propose to say, "You may go into court not for the purpose of postponing your payment, not for the purpose of cutting down necessarily your obligation." It may pay out entirely. Who knows? He is to go into court and turn over all the property he has to the administration of the court. The court makes its appraisal and the business is carried on for a reasonable length of time. If the farmer is able to pay out 100 cents on the dollar, he pays it. If he is not able to pay out then the property is sold for every cent it is worth and the farmer is declared a bankrupt and relieved, just the same as a railroad company.

Mr. BAILEY. In the meantime he is allowed to stay in possession of the mortgaged property for 3 years and the statement he is to get all it is worth is based solely on the theory of an appraisal rather than a sale.

Mr. BORAH. He is permitted to remain in control of the property. He pays a rental reasonable in the judgment of the court. That rental which he pays goes to the payment of taxes upon the property, keeping the title clear if possible. If it is sufficiently large it goes to the payment of the claims of creditors under the direction of the court. Mind you, in the meantime the farmer has turned over every iota of property he has, has turned it over to his creditors to be utilized by his creditors under the direction and judgment of the court. No provision is made for a change of contract, no provision is made for a change of interest or change of obligation. Everything is as he contracted it to be. But misfortune has overtaken him and his creditors are pressing down upon him. He wants relief and asks the court to give it to him. The court administers his property in the best judgment of the court and if possible he pays out in the end.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ROBINSON. The courts have said in many, many cases that it is just as much the purpose of the Bankruptcy Act to give the debtor relief from debts impossible to be paid as it is to distribute his property among his creditors.

Mr. BORAH. Certainly.

Mr. ROBINSON. It is not the sole purpose of the Bankruptcy Act to administer the debtor's estate, but it is to do that which is best for both the debtor and the creditor.

Mr. BORAH. The bill is drawn upon the theory that the court, in its judgment, will take his property and, if possible, make it pay the debts of the debtor. If it is not possible, he is in the situation of hundreds of thousands of people who have gone through the bankruptcy court. That is all there is to it. Why should the American farmer not be permitted to avail himself of the Bankruptcy Act, if there is any virtue in bankruptcy proceedings, the same as a business man?

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Maryland?

Mr. BORAH. I yield.

Mr. TYDINGS. The Senator has used the illustration of the American farmer. Does the bill apply only to the farmer?

Mr. BORAH. There are other bankruptcy laws for the business man, and so forth.

Mr. TYDINGS. This bill, as I understand, is drawn to apply only to farm bankruptcies.

Mr. BORAH. The bill simply amends that section of the Bankruptcy Act which deals with agriculture; that is all.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. MURPHY. I am in sympathy with what the Senator says, and I should like to have him develop this point, following out the suggestion made by the Senator from Arkansas.

The point is that the obligation the farmer owes is a given amount, which may be equal to or in excess of, or less than the amount fixed by a reappraisal of the property at this time. I should like to have the Senator develop, if he will, the constitutional effect of an appraisal of the debtor's assets at this time which would be a figure less than the amount of the mortgage indebtedness on the property, and whether or not, in his view, that would be an invasion of contractual rights.

Mr. BORAH. The Supreme Court has decided more than once that the provision of the Constitution which gives Congress the power to enact bankruptcy laws takes into consideration the fact that the very fact of enacting bankruptcy laws will change contracts. I will not say that it is one of the purposes, but it is one of the inevitable effects of a bankruptcy proceeding to change the terms of the contract, because the property is not there to fulfill the contract. So I have no doubt that in that respect this bill would not be vulnerable to constitutional objections.

Mr. BAILEY. Mr. President, I should like to ask the Senator a question about a matter on which I wish to have my mind clear. He states that he does not think the bill will impair the credit of the farmer.

Mr. BORAH. No.

Mr. BAILEY. Does it not postpone by 3 years the date of collection?

Mr. BORAH. Yes, Mr. President, it postpones the time of collection; but suppose the postponement of the time should work out to the benefit of the creditor. It cannot be said that a mere postponement will necessarily work to the disadvantage of the creditor.

Mr. BAILEY. But let me ask the Senator a question. Suppose I am a farmer, and I go to the Senator from Idaho to borrow a thousand dollars on my land today, and I say, "I want to borrow it for a year." The Senator from Idaho takes notice of the fact that under this act I am really borrowing it for 4 years.

Mr. BORAH. No; I do not. I take notice only of the fact that in case the party to whom I am loaning the money is overtaken by the misfortune of debt, I know as an American citizen that the Constitution of the United States gives him the right to go into a court and make the best settlement he can with his creditors. That is a matter within my knowledge. Every dollar that is loaned in the United States to business, to railroads, or to anyone else, is loaned with the knowledge of that fact.

Mr. BAILEY. I shall not interrupt the Senator, but he made the statement that the bankrupt goes into court under existing law to make the best settlement he can. Is that correct? He does not make the best settlement he can with his creditor. It is left to an appraisal.

Mr. BORAH. Suppose we take the proposition to which the Senator has referred several times. Suppose I borrow a thousand dollars from the Senator. I put it in that way because that is the only way in which it could happen.

Mr. BAILEY. I believe I will interrupt to say that the Senator would pay me 100 cents on the dollar, no matter how hard he had to work to do it.

Mr. BORAH. Suppose I borrow it on a farm which I have. Suppose next year, after I have borrowed it from the Senator, the value of that farm, by reason of circumstances over which I have no control, should decrease in value 50 percent; would not the Senator have lost out on his contract? I could not pay 100 cents on the dollar. It would not be possible.

Mr. BAILEY. If that were all the property the farmer had, I should have lost out; yes.

Mr. BORAH. Under this bill, the farmer turns over to the court all the property he has.

Mr. BAILEY. Yes; and then, instead of exhausting the value of the property which is the security, the creditor is not allowed to take it over. He is not allowed to ascertain its value in the market. He submits himself to an appraisal, and the unsecured creditors submit themselves to an appraisal. There is the point at which I think the bill tends very seriously to destroy the credit of the large portion of our farmers who are not in debt. That is the whole question.

As I understand the statistics, very nearly 50 percent of the farmers have mortgages on their land. There are more mortgages in some States than in others. In my State I do not think the proportion is over 30 or 33 percent. While there are some people there who are embarrassed, I am very glad to state that there has been a great deal of debt paid, and the Federal land bank and the Farm Credit Administration have brought to them a great deal of relief; and that may be necessary in the future. We are not through the depression. When it becomes necessary, I desire a system under which the farmers who are now free of debt may have some reasonable opportunity to borrow money.

That is the whole motive that I have in my mind. Of course, it is much easier to vote for the bill than to vote against it; but I wish to vote constructively with a view to the welfare of the farmers as a whole, and I do not think that in order to rescue 50 percent we should destroy the other 50 percent.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BORAH. Just a moment. We find 50 percent who are not in debt, and we find 50 percent who are in debt. We are undertaking to apply a bankruptcy principle to the 50 percent who are in debt.

Mr. BAILEY. And, if I may interrupt the Senator, we are going beyond that; we are undertaking to apply an entirely different bankruptcy principle from that which now exists and has been practiced in this country since 1898. The farmer now has the benefit of that.

Mr. BORAH. The bankruptcy law without this particular provision is not of any practical benefit to the farmer.

Mr. BAILEY. Let me ask the Senator another question. Would he be willing to accept or to advocate an amendment which would put all other embarrassed creditors on the same basis as the farmers are put and modify the whole bankruptcy law with a view to that?

Mr. BORAH. I think the agricultural situation calls for the application of a modified principle of the bankruptcy law as it now exists. This is simply an amendment to the section of the bankruptcy law which deals with agriculture. It was recognized in the beginning that a different situation, calling for different principles, applies to agriculture, and we enacted it into the law. This is simply an amendment of that provision; that is all.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. BARKLEY. I wish to inquire of the Senator from North Carolina if he does not think it would take more than the passage of a bankruptcy act to destroy the credit of any

farmer who had been able to go through this depression without owing anything on his place.

Mr. BAILEY. I am very happy to say that that has always been so, and that men who wish to pay their debts and who do not object to deficiency debts and deficiency judgments—men who, having nothing, stand to the racket and fight it through—always have credit and always will.

Mr. BORAH. The Senator knows enough about the farmer to know that he is about the last individual under the flag to seek the courts for his redress.

Mr. BAILEY. I think that is perfectly true.

Mr. BORAH. It may be regarded as absolutely certain that any farmer who has any possibility of paying out and paying his creditors will never go into court and turn over everything he has to the court to be administered. That would be the last resort he would take.

Mr. BAILEY. I think that is true; but my point is that the creditor is looking on the situation with a view to the return of his dollar.

Mr. BORAH. Yes.

Mr. BAILEY. The farmer comes to borrow. I am not thinking about what has happened in the bankruptcy. When the farmer comes to borrow the creditor is notified that there are definite circumstances laid down by the Congress under which he must expect a low return on his loan, and therefore the creditor will loan very little money. He must protect himself; and that is why I fear this bill is going to impair the credit of the farmer.

Mr. MURPHY. Mr. President, I should like to ask the Senator from North Carolina a question.

Mr. BORAH. I yield.

Mr. MURPHY. Assume we do not enact this measure and we permit a creditor to foreclose at will. The presumption is that, foreclosing then, he would foreclose at whatever the value is today. That might or might not be less than the amount of his loan. In the circumstances do we change the situation as to the value of the security which he has by the enactment of this bill?

Mr. BAILEY. My whole argument has been that we do. I am sorry if I have to say it over again, but I shall be very happy to do it.

I was just saying that by passing this bill we notify the creditor that he will not collect the amount of his loan. He will not be able to take the land as collateral. He will be able to take only what the appraisers find. Now, follow me. Assume that to be true; will he not take notice that he must make his loan at the lowest possible point in order to fall under the appraisal? That being so, the borrowing power of the farmer is destroyed and he is put in an adverse position as compared with other men.

Mr. MURPHY. I am frank to say to the Senator that I think his reaction as to the disposition of the creditor thereafter to loan the least possible amount is sound. However, the creditor has competition. The money lender has competition. The land banks are lending, the insurance companies are lending, individual neighbors are lending. That competition of money should tend to bring the value of the land up for loaning purposes. The Senator is apprehensive of the loss of money to the farm investment market.

Mr. BAILEY. No; I am apprehensive of the destruction of the credit of the farmer by an act which purports to help him.

Mr. MURPHY. I think that is on all fours with my last statement. It is a fact that during the life of the Frazier-Lemke Act lending was not interfered with. The agencies of the Federal Government set up in the land banks were not restrained from making loans, and I think it is perhaps fair to say that numbers of individuals were not afraid thereafter to make loans.

Has the Senator considered the conditions of today? I have a letter from home this morning advising me that the foreclosures since the invalidation of the Frazier-Lemke Act are greater in number than at any time in the last 3 years. We have a condition which demands some measure of relief.

We on this side of the Chamber came into power with a promise made the farmers who are in debt that we would seek to lift the burden of that debt and enable them to carry on, to head off the deflationary processes which were crushing them. We do not fulfill that promise unless we enact legislation of this nature. If the emergency still continues—and I think it does as respects the farmer, because he has had the benefit of only one season of good prices—the obligation is on us to continue this effort, during the life of the emergency, at least. Is there any alternative suggestion advanced here to that proposed in the Frazier-Lemke Act? I know of none.

Mr. BAILEY. I know of one, I will inform the Senator.

Mr. MURPHY. I should be glad to have my attention directed to it.

Mr. BAILEY. I just now stated that the Congress of the United States has provided nine different institutions under which hard-pressed farmers may borrow money from the Government on 30 days' time. That is a considerable alternative.

Mr. MURPHY. Is the Senator's reference to the land banks?

Mr. BAILEY. And the Farm Credit Administration.

Mr. MURPHY. Unfortunately, the position of the debtor farmer is too frequently such that the land banks will not lend him in an amount sufficient to satisfy the demands of creditors on existing mortgages.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. MURPHY. I yield.

Mr. ROBINSON. This situation frequently arises: The land banks have loaned only 50 percent of the appraised value. The Commissioner's loans, of course, are made for a larger amount, but that is the restriction as to land-bank loans, and frequently the farmer whose debt is mature, whose payments are in default, finds himself in the possession of property which in his opinion and which in normal times is worth very much more than he can realize upon his property. His debt is due, he cannot borrow more than 50 percent of the appraised value of the property, and therefore cannot refinance his obligation; so that unless he is to be foreclosed and to lose his home it is necessary to have some arrangement which will give him time to work out his problem. It may be that within 3 years or, indeed, in a shorter time than that, recovery will so far progress that he may effect other refinancing arrangements, or it may be that the property will be restored in value until he can save something from the wreckage.

Mr. BORAH. That is the real virtue of the bill.

Mr. ROBINSON. Yes. The real question presented, as I see it, is whether there is anything unfair in what the legislation proposes shall be accomplished, assuming it to be constitutional, of course. The question, I repeat, is whether the Congress is trying to do an act of injustice to the creditor in order to save the farm owner.

Mr. BAILEY. That depends on the point of view. Grant that it does an injustice to the creditor, but grant that we are perfectly willing to do that.

Mr. ROBINSON. I do not grant that.

Mr. BAILEY. I am going to grant it. The other question is, Does it not do an injustice to the borrowing farmer? That is my point. Let us resolve everything in favor of that question.

The Senator from Arkansas said just now that he thought it did impair the credit of farmers to some extent, a very frank and, I think, a very worthy statement.

Mr. ROBINSON. I said it affected it, just as resort to the bankruptcy court affects the credit of any debtor. Always there is the contingency which may arise that a creditor may lose his obligation, or a part of it, by reason of the judgment of the debtor to be a bankrupt. But I do not think this proposed statute would affect any more the credit of a farmer, whether he is in debt or not in debt, than the general bankruptcy statute affects debtors generally.

Mr. ASHURST. Mr. President, I agree with the conclusions of the able Senator from Arkansas. It will be remembered that when we had before us and passed the so-called "municipal-bankruptcy bill" there were cities of a population of five or six hundred thousand and many towns, counties, and villages that took advantage of that law. We granted to

such municipalities the right to compose with their creditors. Naturally it occurred to such reflective and observing minds as that of the Senator from North Carolina and others that such action might injure the credit of cities and towns going into bankruptcy.

Of course, whenever a bankruptcy law is enacted, theoretically it may affect the credit of a city; but I noticed that, notwithstanding the municipal bankruptcy law, where a city composed its indebtedness at 50 cents on the dollar, the new issue of that city's bonds was sold at 3 percent above par.

Mr. BAILEY. Mr. President, may I interrupt the Senator?

Mr. ASHURST. I have not the floor.

Mr. ROBINSON. I yield.

Mr. BAILEY. I simply wish to suggest, by way of conclusion, since Senators who are very able and for whom I have great respect are persuaded that this proposed legislation is absolutely fair and thoroughly justified by the emergency and that it will not impair the credit of farmers or others, that we amend it so as to embrace all the owners of little homes in the United States which have been mortgaged, and I will apply in support of a bill carrying such a provision everything that has been said here today by way of argument.

If it is a good thing, let us go the whole way. I will agree that the railroad arrangement may be improvident, that the municipal measure was probably improvident; but that this bill, however, is the right bill. Now let us put everything in it.

Mr. BORAH. Mr. President, we have a bill on the calendar covering the home owners similar to the bill before us.

Mr. BAILEY. I think the argument is good for one that is good for the other.

Mr. ASHURST. Mr. President, there is no escape from the irresistible logic of the Senator from North Carolina, and I am willing to do what he suggests. Indeed, we have done so for municipal corporations and corporations other than municipal. Within a few hours we will probably have before us a bill affecting railroads; and I say again, we cannot escape the irresistible logic of the Senator from North Carolina. Therefore I shall support the bill, because in these great cataclysms, these tremendous events that sweep over mankind and come every fifty or a hundred years, in the nature of things there must be a sharing of the losses. The creditor class cannot say, "We refuse to share in the loss."

Mr. BAILEY. Would the Senator apply this same beneficent principle to little merchants all over the country, and let them keep their stocks and operate?

Mr. BORAH. Mr. President, under the bankruptcy law, if the court sees fit to do so, such thing can happen.

Mr. BAILEY. Does it allow them to keep their stocks on hand, or are they not seized on the first day by the trustee and sold within 30 days?

Mr. ASHURST. I cannot be of much help here, because I look upon too much credit as a thing which has injured our country; I look upon too much credit as a thing which has helped to bring the farmer to his present position, and I think the greatest courtesy and favor we can sometimes show to a man is to deny him credit.

Mr. BAILEY. The Senator, then, is supporting the bill in order to destroy credit, as I understand.

Mr. ASHURST. The Senator is not only an able scholar but an able dialectician. I know the Senator is partly facetious in that remark, but it is not the purpose of the bill to destroy credit. When Senators ably argued for the municipal-bankruptcy bill, under which cities and villages and towns composed their indebtedness, it was not their intention to destroy the credit of the cities, but I would be lacking in candor if I failed to say that a bankruptcy bill, no matter of what kind, after a fashion, theoretically does injure credit to the extent that it makes the creditor and the money lender—and against him I have no prejudice—more careful and more prudent as to the security he takes, it makes him more prudent to investigate what he is doing, before lending the money.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. ASHURST. Certainly.

Mr. VANDENBERG. The Senator has referred to the Municipal Bankruptcy Act.

Mr. ASHURST. And I wish to thank the Senator from Michigan for his valuable assistance in having the bill passed.

Mr. VANDENBERG. I had considerable to do with it, and therefore I felt some responsibility for watching its ultimate operation.

Mr. ASHURST. May I say that it would not have passed had it not been for the able Senator from Michigan.

Mr. VANDENBERG. I want to tell the Senator that the effect of that law was to substitute laudable composition for chaotic repudiation, and the net result has been to strengthen the entire municipal-bond market, and I venture the assertion that it is a provable fact that it has saved millions of dollars of value for municipal-bond holders.

Mr. ASHURST. If I could be subject to envy, it would be envying the Senator the able way in which he stated the proposition which I tried to state.

Mr. ROBINSON. As I have already said, the purpose of this proposed legislation is, first, to promote compositions between debtor farmers and their creditors, and, second, to establish a system by which the farmer debtor may have the opportunity, without injustice to the creditor, to work out his problem and save his property or a part of it.

It is not a little thing for one who has spent the best years of his life acquiring a home and who, by reason of circumstances which he has been unable to control, has been compelled to mortgage that home, to find that economic conditions generally are such that no class of debtors is able to meet its obligations and that he is in danger of losing his home. It is rather a pathetic circumstance, after he has spent his years, his best thought, his energy, and his strength in acquiring his home, to lose it because of circumstances which he has not created, and not because of his dishonesty or his indisposition to meet his obligations. Must he be denied any opportunity to recover himself, to retain his property, to work out his debt? Must he be compelled to lead his wife and his children out from under the shelter that he has worked all his life to raise above them, and to set them adrift in an unsympathetic world when his strength has been impaired, when his ability to provide for them has diminished? It is not unfair, retaining to the creditor his lien undiminished, to give the debtor farmer some opportunity to save his home.

I grant that we have no right to deprive the creditor of his security. This bill gives the creditor the right to apply in writing at any time for a sale of the property. At any time during the 3-year moratorium the creditor may ask the court to sell the property. This bill does not deny the creditor the right to have foreclosure if, under the circumstances, it is found proper that foreclosure shall proceed.

There is, however, another provision in the bill, sought to be inserted by way of a committee amendment, which I do not understand. I mean by that that I do not comprehend either the principle of the amendment or the object of the committee in proposing it. On page 7 appears this language:

> When the annual net rental exceeds 5 percent of the appraised value of the property, the excess shall be applied in reduction of the indebtedness as established by the appraised value of the property, and paid to the secured and unsecured creditors, as their interests may appear.

I take it that what that really means is that when the rental exceeds 5 percent of the appraised value, the excess of 5 percent shall be paid over to the lienholder; but it is my understanding that the lienholder, the creditor, would be entitled to have the rents credited on the debts. It is true that there is a provision elsewhere in the bill that rents shall be first used in paying taxes and insurance; and that is incorporated, as I believe, for the reason that in most cases the debtor would not have any outside resources with which to meet those obligations. There is a question in my mind whether that provision would be sustained. I do not under-

stand why the committee denies the right to apply any amount of the rent to the indebtedness.

Mr. BORAH. Mr. President, the rent must first be used for the payment of taxes and for insurance, and so forth; and then, if there is an excess, it should be used for the payment of creditors.

Mr. ROBINSON. No, Mr. President; that is the very point. The provision I am speaking of now, on page 7, is as follows:

When the annual net rental exceeds 5 percent of the appraised value of the property, the excess shall be applied in reduction of the indebtedness as established by the appraised value of the property, and paid to the secured and unsecured creditors, as their interests may appear.

Mr. BONE. Mr. President, is that not just so much surplusage, because of the statement above that—

Such rental shall be paid into court, to be used, first, for the payment of taxes and upkeep of the property, and the remainder to be distributed among the secured and unsecured creditors, as their interests may appear.

Mr. ROBINSON. No; that is not surplusage. It is a provision which I think will cause the raising of another constitutional question on this bill.

Mr. BONE. Does it add anything to the bill?

Mr. ROBINSON. It does not add anything of value to the bill, in my judgment, and I cannot find out the purpose of it.

Mr. BONE. I do not see it, either.

Mr. ROBINSON. Stated in different language, the provision means that if the land rents for less than 5 percent of the appraised value of the property, no part of the rent can be paid on the debt. What is the object of that?

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. TYDINGS. I think the Senator has made a very strong argument against that amendment. I was wondering, if the words "and unsecured debtors" were stricken out, whether the defect would be cured.

Mr. ROBINSON. Oh, no; that does not go to the question which I am discussing, because the thought which the Senator from Maryland has in that particular, which also occurred to me, I believe is properly safeguarded by the remainder of the language, "as their interests may appear". The Senator sees that what that means, as I said in the beginning, is that it shall be paid to the lien holder.

Mr. TYDINGS. Yes; I see.

Mr. ROBINSON. What I do not understand is why the committee denies the court the power to apply the rents and profits to the payment of the indebtedness, and why all rentals less than 5 percent of the appraised value must be reserved from application on the debt. It cannot benefit the debtor. He does not get it. He is in possession of the property, and pays the rent. A 5-percent fund is set up, of which the debtor cannot get the benefit and of which the creditor cannot get the benefit; and I should like to have someone who knows tell me why it was put in the bill.

Mr. ASHURST. Mr. President, I do not pretend to know, and I am not handling the bill; but, in view of the able argument of the Senator from Arkansas, whilst the committee did not consider the provision to be unconstitutional, it may go out of the bill, so far as I am concerned.

Mr. ROBINSON. Since it cannot benefit the debtor and cannot benefit the creditor, I should like to know for what purpose it is intended. I repeat that it is not clear to me that it is legally valid. If the creditor is entitled to have the rents applied to the payment of the indebtedness after taxes and insurance have been paid, while the property is in the custody of the court, it would seem to me that to impose that restriction would endanger the validity of the proposed act.

Mr. ASHURST. The intention of the committee, I think, is fully met by what is attempted to be effectuated by the language in lines 15, 16, 17, 18, and 19 on page 7.

Mr. ROBINSON. Mr. President, that is all I desire to say.

### PURCHASE OF THE "WINNIE MAE"

Mr. THOMAS of Oklahoma. I ask that the House amendment to Senate bill 3135 be laid before the Senate.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 3135) to authorize the purchase of the *Winnie Mae* by the Smithsonian Institution, which was, on page 1, line 5, to strike out the comma and "from" and insert "with the original instruments used in its world trips by."

Mr. THOMAS of Oklahoma. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

### AMENDMENT OF ACT RELATING TO BRIDGE CONSTRUCTION ACROSS THE TENNESSEE RIVER

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 3105) to amend the act approved June 12, 1934, relating to the granting of the consent of Congress to certain bridge construction across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala., which was, on page 2, after line 20, to insert the following section:

SEC. 2. The times for commencing and completing the construction of the bridge authorized to be built by such act approved June 12, 1934, as amended by section 1 of this act, are hereby extended 1 and 3 years, respectively, from the date of the enactment of this amendatory act.

Mr. BANKHEAD. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

### FARM-MORTGAGE RELIEF

The Senate resumed the consideration of the bill (S. 3002) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. TYDINGS. Mr. President, I should like to ask the Senator from Idaho a question with reference to the amendment on page 9, beginning in line 6. The amendment reads as follows:

*Provided*, That upon request in writing by any secured creditor or creditors, the court, in its discretion, if it deems it for the best interests of the secured creditors and debtor, may order the property upon which such secured creditors have a lien to be sold at public auction—

It is all right up to that point—

but no mortgagee or lienholder shall be permitted to bid on any property at such sale in excess of the appraised value or the original principal, whichever is the higher.

Now, aside for the moment from the fact that the provision last read strikes me as being unconstitutional, because I do not see why the lien holder cannot bid as much as he pleases if everybody else but the lien holder can; in other words, the lien holder is denied a right which is not denied to anybody else at the sale——

Mr. BORAH. That amendment came up sometime ago and it was agreed to strike it out of the bill.

Mr. TYDINGS. Ah!

Mr. BORAH. Yes; it has been agreed to strike out that provision.

Let me say, however, while I have agreed to strike it out of the bill I have no doubt whatever as to its constitutionality, and I have no doubt whatever as to its fairness. When the borrower is in a position to redeem his property, he should be permitted to redeem it upon the basis of the appraised value, and not upon the basis of the price to which some one else may be willing to run it up on him.

This proposed law is being made, insofar as it can be made, in the interest of the debtor, and the idea was that the debtor was entitled to redeem his property upon the basis of the appraised value of the property and not upon the price to which John Doe or Richard Roe, desiring to hold the property, might bid it up.

Mr. TYDINGS. I should like to ask the Senator another question in order to obtain his judgment, because this bill is entirely new to me and I had not read it until the last half hour. It strikes me, if this provision is proposed in order to be fair, that the lien holder ought to be permitted to bid up the property at least to the extent of his debt, principal and

accrued interest, together with costs. I can see no reason of giving him only the principal of the debt, when the interest, if he has been a kind lien holder, may be 3 years in arrears. In the section from which I come quite often that is the case. Interest runs for a couple of years or more, and when the mortgagor is a good risk the lien holder gives him a chance to win his property back, but under this provision the lien holder would be afraid to give the debtor a chance to win it back when he had had a bad year or some disease had affected his cattle or his crops were injured, because under the terms of this bill he would be denied the right, if he was tolerant, kindly, and helpful, of recovering the interest due.

Mr. BORAH. All that provision goes out. I am willing to admit the logic of the Senator's position, but if it were not going out of the bill I think I could defend it. I have consented that it be taken out, as those for whose opinions I have great respect think it may be of doubtful validity and not wholly just. But, I repeat, I feel it could be defended both legally and morally.

Mr. COPELAND obtained the floor.

Mr. BONE. Mr. President, will the Senator yield for a moment to enable me to make an inquiry?

Mr. COPELAND. I yield.

Mr. BONE. May I ask if the bill is now open for amendment?

The PRESIDING OFFICER (Mr. RUSSELL in the chair). The committee amendments are now under consideration, under an order of the Senate. After the disposition of the committee amendments, the bill will be open to individual amendments.

Mr. COPELAND. Mr. President, I desire to ask a question of the Senator from Idaho in a moment. Before doing that I wish to comment briefly upon this bill.

My State stands eighth in agriculture, and, of course, we have an interest in this measure. I have had my attention attracted this morning to a number of things about the bill. If I understand correctly, this bill, in the first place, proposes to overcome confusion which has arisen by reason of diverse rulings on the part of various courts. In the second place, it proposes to give the farmer time in which to obtain cash to pay the claims against him. In the third place, as I understand, it does not reduce the various liens below the value of the property.

The bill comes to us by reason of an epidemic of disasters among farm owners. In the Rochester (N. Y.) Democrat and Chronicle for August 15, I read an appalling list of foreclosures in Monroe County. Distress on all sides is apparent.

I regard this bill as giving exactly the same sort of treatment as is administered to a man who has heart disease. He is given rest, a period of time in which to recuperate. Within that time given him for recuperation it is hoped his heart may resume its normal functions. In the case of this bill it is hoped that the farm may be made to function as a going concern.

I am interested in this bill for a further reason. The Senator from North Dakota [Mr. FRAZIER] has presented another bill which has to do with home owners in cities and villages. The same conditions confront the home owners in the cities and in the towns as those which confront the farm owners.

So I feel kindly disposed toward this bill, for the reasons I have given, and because, if this bill shall become a law and shall succeed, there will be hope that the other measure may be enacted. Then it is hoped the urban home owner may have much-needed relief.

Now, turning to the Senator from Idaho, I wish to say of him, in the first place that with the dozen years of contact with him in the Senate, I have come to trust him. This statement applies to all matters, of course, but particularly as to his reliability on constitutional questions.

Time and again, I have observed and admired the high degree of courage possessed by the Senator from Idaho. Time and again he has resisted measures which undoubtedly, so far as his personal interests were concerned, he would have been glad to have seen enacted into law.

I have been distressed over the bill because of the decision of the Court relating to the act which we formerly passed on this subject. It has worried me.

With this introduction, I wish to ask the Senator from Idaho: Is it his conviction that this bill, in the form in which it is now presented to us, is likely to run the gauntlet of the courts and to be declared to be valid legislation?

Mr. BORAH. Mr. President, that was the conclusion which was reached by the Judiciary Committee, including myself. The Judiciary Committee devoted their effort to working out the measure so as to bring it within the Constitution and obviate the objections made by the Court to the previous act. I do not think there was any disagreement in the Judiciary Committee that we had finally framed such a measure. It is my opinion that it will run the gantlet of the courts. It is really nothing more now, if the Senator please, than a bankruptcy bill.

The other measures, as the Senator will recall, undertook to change the terms of contracts; it undertook, by legislative power, to reduce the rate of interest, and to change the relationship of debtor and creditor. We have avoided that. The pending bill simply proposes to give the farmer an opportunity to go into court and ask to be adjudged bankrupt.

Under those circumstances, there are certain things which the court may do under the bankruptcy proceedings which do change the terms of the contract, but they are changed by force of the fact that there is not sufficient property to take care of the contract which was made; and the courts have held that that may be done.

I always hesitate to give an opinion on a constitutional question where it is a matter of debate, because no man can be sure upon close questions until the Court speaks; but, in my opinion, this bill is constitutional.

Mr. COPELAND. Did the Senator take an opposite view regarding the original Frazier-Lemke Act?

Mr. BORAH. I opposed that measure here on the floor, as the RECORD will show.

Mr. COPELAND. On constitutional grounds?

Mr. BORAH. For the reason that I thought it was unconstitutional.

Mr. COPELAND. At least, though, it appealed to the Senator's heart and he would have been glad to support it if he had thought it to be constitutional?

Mr. BORAH. I would have been anxious to see the measure passed if I had thought it would have been able to escape the constitutional objection.

Mr. COPELAND. I want to thank the Senator, and to say that I am being governed very largely in my attitude toward this bill by the position he takes.

Mr. BORAH. If the Court should make a mistake, and hold the bill to be unconstitutional, of course, I hope the Senator would not hold me responsible for the mistake of the Court. [Laughter.]

Mr. COPELAND. I may say to the Senator that I have known death to make a mistake and sometimes to take a patient when I had predicted that recovery would take place. So I can quite understand that courts also sometimes make mistakes.

I am very much obliged to the Senator, and I am glad to have been reassured.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The CHIEF CLERK. In section 4, page 3, line 20, after the word "expired", it is proposed to insert "or where the right under a deed of trust is not or had not become absolute"; on page 4, line 2, after the word "The", to strike out "word" and insert "words 'period of'"; in line 3, after the word "wherever", to strike out "it occurs" and insert "they occur", so as to read:

In all cases where, at the time of filing the petition, the period of redemption has not or had not expired, or where the right under a deed of trust has not or had not become absolute, or where the sale has not or had not been confirmed, or where deed had not been delivered, the period of redemption shall be extended

or the confirmation of sale withheld for the period necessary for the purpose of carrying out the provisions of this section. The words "period of redemption" wherever they occur in this section shall include any State moratorium, whether established by legislative enactment or executive proclamation, or where the period of redemption has been extended by a judicial decree. In proceedings under this section, except as otherwise provided herein, the jurisdiction and powers of the courts, the title, powers, and duties of its officers, the duties of the farmer, and the rights and liabilities of creditors, and of all persons with respect to the property of the farmer and the jurisdiction of the appellate courts, shall be the same as if a voluntary petition for adjudication had been filed and a decree of adjudication had been entered on the day when the farmer's petition, asking to be adjudged a bankrupt, was filed with the clerk of court or left with the conciliation commissioner for the purpose of forwarding same to the clerk of court.

The amendment was agreed to.

The next amendment was, in section 6, page 5, line 17, after the word "exemptions", to insert "and unencumbered interest or equity in his exemptions"; in line 21, after the word "property", to insert "including his encumbered exemptions"; on page 6, line 12, after the word "exemptions", to insert "and his unencumbered interest or equity in his exemptions"; on the same page, line 23, after the word "appear", to strike out "up to the actual value of such property, as fixed by the appraisals provided for in this section", so as to read:

SEC. 6. That section 75 of said act, as amended, be further amended by adding a new subsection (s), after subsection (r), to read as follows:

"(s) Any farmer failing to obtain the acceptance of a majority in number and amount of all creditors whose claims are affected by a composition and/or extension proposal, or if he feels aggrieved by the composition and/or extension, may amend his petition or answer, asking to be adjudged a bankrupt. Such farmer may, at the same time, or at the time of the first hearing, petition the court that all of his property, whether located, whether pledged, encumbered, or unencumbered, be appraised, and that his unemcumbered exemptions, and unencumbered interest or equity in his exemptions, as prescribed by State law, be set aside to him, and that he be allowed to retain possession, under the supervision and control of the court, of any part or parcel or all of the remainder of his property, including his encumbered exemptions, under the terms and conditions set forth in this section. Upon such a request being made, the referee, under the jurisdiction of the court, shall designate and appoint appraisers, as provided for in this act. Such appraisers shall appraise all of the property of the debtor, wherever located, at its then fair and reasonable market value. The appraisals shall be made in all other respects with rights of objections, exceptions, and appeals, in accordance with this act: *Provided*, That in proceedings under this section, either party may file objections, exceptions, and take appeals within 4 months from the date that the referee approves the appraisal.

"(1) After the value of the debtor's property shall have been fixed by the appraisal herein provided, the referee shall issue an order setting aside to such debtor his unencumbered exemptions, and his unencumbered interest or equity in his exemptions, as prescribed by the State law, and shall further order that the possession, under the supervision and control of the court, of any part or parcel or all of the remainder of the debtor's property shall remain in the debtor, as herein provided for, subject to all existing mortgages, liens, pledges, or encumbrances. All such existing mortgages, liens, pledges, or encumbrances shall remain in full force and effect, and the property covered by such mortgages, liens, pledges, or encumbrances shall be subject to the payment of the claims of the secured creditors, as their interest may appear.

"(2) When the conditions set forth in this section have been complied with, the court shall stay all judicial or official proceedings in any court, or under the direction of any official, against the debtor or any of his property, for a period of 3 years. During such 3 years the debtor shall be permitted to retain possession of all or any part of his property, in the custody and under the supervision and control of the court, provided he pays a reasonable rental semiannually for that part of the property of which he retains possession. The first payment of such rental shall be made within 6 months of the date of the order staying proceedings, the amount and kind of such rental to be the usual customary rental in the community where the property is located, based upon the rental value, net income, and earning capacity of the property. Such rental shall be paid into court, to be used, first, for payment of taxes and upkeep of the property, and the remainder to be distributed among the secured and unsecured creditors as their interests may appear.

The amendment was agreed to.

The next amendment was, on page 7, line 19, after the word "appear", to insert "When the annual net rental exceeds 5 percent of the appraised value of the property, the excess shall be applied in reduction of the indebtedness as established by the appraised value of the property, and paid to the secured and unsecured creditors, as their interests may appear."

Mr. BORAH. Mr. President, I ask that that amendment be rejected, in view of the position which has been taken by certain Senators. The Senator from Washington [Mr. BONE] will later offer an amendment to come in after the word "appear."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 8, line 3, after the word "unexempt", to insert the word "personal"; on the same page, line 5, after the word "sale", to insert "and may, in addition to the rental, require payments on the principal due and owing by the debtor to the secured and unsecured creditors, as their interests may appear, in accordance with the provisions of this act, and may require such payments to be made quarterly, semiannually, or annually"; on the same page, line 12, after the word "the", to insert "debtor's ability to pay, with a view to his"; and in line 13, after the word "rehabilitation", to strike out "of the debtor", so as to read:

The court, in its discretion, if it deems it necessary to protect the creditors from loss by the estate, and/or to conserve the security, may order sold any unexempt perishable property of the debtor, or any unexempt personal property not reasonably necessary for the farming operations of the debtor, such sale to be had at private or public sale, and may, in addition to the rental, require payments on the principal due and owing by the debtor to the secured and unsecured creditors, as their interests may appear, in accordance with the provisions of this act, and may require such payments to be made quarterly, semiannually, or annually, not inconsistent with the protection of the rights of the creditors and the debtor's ability to pay, with a view to his financial rehabilitation.

The amendment was agreed to.

The next amendment was, on page 8, line 15, after the word "appraisal", to strike out "or any part or parcel or all"; in line 18, after the word "appraisal", to insert "less the amount paid on principal"; in line 20, after the word "creditor", to insert "or upon request of the debtor"; in line 22, after the word "property", to insert "or in its discretion set a date for a hearing, and after such hearing, fix the value of the property, in accordance with the evidence submitted"; at the beginning of line 25, to strike out "difference between the appraised and reappraised value, if any, into court", and insert "value so arrived at into court, less payments made on the principal, for distribution to all secured and unsecured creditors, as their interests may appear"; and on page 9, line 5, after the word "property", to insert "free and clear of encumbrances", so as to read:

(3) At the end of 3 years, or prior thereto, the debtor may pay into court the amount of the appraisal of the property of which he retains possession, including the amount of encumbrances on his exemptions, up to the amount of the appraisal, less the amount paid on principal: *Provided*, That upon request of any secured or unsecured creditor, or upon request of the debtor, the court shall cause a reappraisal of the debtor's property, or in its discretion set a date for hearing, and after such hearing, fix the value of the property, in accordance with the evidence submitted, and the debtor shall then pay the value so arrived at into court, less payments made on the principal, for distribution to all secured and unsecured creditors, as their interests may appear, and thereupon the court shall, by an order, turn over full possession and title of said property, free and clear of encumbrances, to the debtor.

The amendment was agreed to.

The next amendment was, on page 9, line 6, after the word "debtor", to insert the following proviso:

*Provided*, that upon request in writing by any secured creditor or creditors, the court, in its discretion, if it deems it for the best interests of the secured creditors and debtor, may order the property upon which secured creditors have a lien to be sold at public auction; but no mortgage or lienholder shall be permitted to bid on any property at such sale in excess of the appraised value or the original principal, whichever is the higher. The debtor shall have 90 days to redeem any property sold at such sale, by paying the amount for which any such property was sold, together with 5 percent per annum interest, into court.

Mr. BORAH. Mr. President, I desire to have stricken from the proviso that portion in line 10, after the word "auction", reading as follows:

But no mortgagee or lien holder shall be permitted to bid on any property at such sale in excess of the appraised value of the original principal, whichever is the higher.

I desire to eliminate that language from the committee amendment.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The CHIEF CLERK. It is proposed, on page 9, in the committee amendment, in line 10, after the word "auction", to strike out the words "but no mortgagee or lien holder shall be permitted to bid on any property at such sale in excess of the appraised value or the original principal, whichever is the higher", so as to make the proviso read:

*Provided*, That upon request in writing of any secured creditor or creditors, the court, in its discretion, if it deems it for the best interests of the secured creditors and debtor, may order the property upon which such secured creditors have a lien to be sold at public auction. The debtor shall have 90 days to redeem any property sold at such sale, by paying the amount for which any such property was sold, together with 5 percent per annum interest, into court, and he may apply for his discharge, as provided for by this act.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Idaho to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 9, line 19, after the word "section", to insert the words "or with any orders of the court made pursuant to this section, or is unable to refinance itself within 3 years"; in line 22, after the word "and", to insert the word "order"; and in line 23, after the word "sold", to insert the words "or otherwise disposed of", so as to read:

If, however, the debtor at any time fails to comply with the provisions of this section, or with any orders of the court made pursuant to this section, or is unable to refinance himself within 3 years, the court may order the appointment of a trustee, and order the property sold or otherwise disposed of as provided for in this act.

The amendment was agreed to.

The next amendment was, in subsection (4), on page 10, line 17, after the word "estate" and the period, to insert "conciliation commissioners and referees appointed under section 75 of this act shall be entitled to transmit in the mails, free of postage, under cover of a penalty envelop, all matters which relate exclusively to the business of the courts, including notices to creditors," so as to make the subsection read:

(4) The conciliation commissioner, appointed under subsection (a) of section 75 of this act, as amended, shall continue to act, and act as referee, when the farmer debtor amends his petition or answer, asking to be adjudged a bankrupt under the provisions of subsection (s) of section 75 of this act, and continue so to act until the case has been finally disposed of. The conciliation commissioner, as such referee, shall receive such an additional fee for his services as may be allowed by the court, not to exceed $35 in any case, to be paid out of the bankrupt's estate. No additional fees or costs of administration or supervision of any kind shall be charged to the farmer debtor when or after he amends his petition or answer, asking to be adjudged a bankrupt, under subsection (s) of section 75 of this act, but all such additional filing fees or costs of administration or supervision shall be charged against the bankrupt's estate. Conciliation commissioners and referees appointed under section 75 of this act shall be entitled to transmit in the mails, free of postage, under cover of a penalty envelop, all matters which relate exclusively to the business of the courts, including notices to creditors. If, at the time that the farmer debtor amends his petition or answer, asking to be adjudged a bankrupt, a receiver is in charge of any of his property, such receiver shall be divested of possession, and the property returned to the possession of such farmer, under the provisions of this act. The provisions of this act shall be held to apply also to partnerships, common, entirety, joint, community ownerships, or to farming corporations where at least 75 percent of the stock is owned by actual farmers, and any such parties may join in one petition.

The amendment was agreed to.

The next amendment was, in subsection (5), on page 11, in line 8, after the word "this", to strike out the word "section" and insert the word "act"; and after line 13, to insert the words "Any farm debtor who has filed under the General Bankruptcy Act may take advantage of this section upon written request to the court", so as to make the subsection read:

(5) This act shall be held to apply to all existing cases now pending in any Federal court, under this act, as well as to future cases; and all cases that have been dismissed by any conciliation commissioner, referee, or court because of the Supreme Court decision holding the former subsection (s) unconstitutional, shall be promptly reinstated, without any additional filing fees or charges. Any farm debtor who has filed under the General Bankruptcy Act may take advantage of this section upon written request to the court.

The amendment was agreed to.

The next amendment was, in subsection (6), on page 11, line 18, after the word "measure", to insert the words "and if in the judgment of the court such emergency ceases to exist in its locality, then the court, in its discretion, may shorten the stay of proceedings herein provided for and proceed to liquidate the estate", and to strike out the following:

Due to the depression and low prices for agricultural products, hundreds and thousands of additional farmers are threatened with foreclosure and loss of their farms and homes, due to no fault of their own, thus adding to the army of unemployed. There is no adequate system or credit anywhere by which these farmers can refinance their existing debts and save their property. Not only does an emergency exist but there is danger of a calamity, a collapse. Therefore, this act shall be liberally construed, so as to protect the rights of the creditors, and at the same time with a view of the rehabilitation of the farm debtors, by giving them time within which to refinance their loans when the usual credit once more is obtainable. If such a time should arrive prior to the 3-year period provided for in this act, during which the farm debtor may lease his own property, and that fact is made to appear clearly to the court, then the court may shorten the stay of proceedings herein provided for.

So as to make the subsection read:

(6) This act is hereby declared to be an emergency measure and if in the judgment of the court such emergency ceases to exist in its locality, then the court, in its discretion, may shorten the stay of proceedings herein provided for and proceed to liquidate the estate.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is before the Senate and open to amendment.

Mr. BONE. I desire to offer an amendment, on page 7, in line 18, after the word "creditors", to insert the words "and applied on their claims."

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, in subsection (2), on page 7, line 18, after the word "creditors", to insert the words "and applied on their claims", so as to make the sentence read:

Such rental shall be paid into court, to be used, first, for payment of taxes and upkeep of the property, and the remainder to be distributed among the secured and unsecured creditors, and applied on their claims, as their interests may appear.

Mr. BORAH. Mr. President, I see no objection to the amendment.

Mr. ASHURST. I think it is proper.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. FRAZIER. Mr. President, there are two further amendments which would make the bill conform to the bill as reported by the Judiciary Committee of the House. I send them to the desk and ask that they may be stated.

The PRESIDING OFFICER. The first amendment of the Senator from North Dakota will be stated.

The CHIEF CLERK. It is proposed, on page 7, line 11, to strike out the words "six months" and insert in lieu thereof the words "one year", so as to make the sentence read:

The first payment of such rental shall be made within 1 year of the date of the order staying proceedings, the amount and kind of such rental to be the usual, customary rental in the community where the property is located, based upon the rental value, net income, and earning capacity of the property.

The amendment was agreed to.

The PRESIDING OFFICER. The second amendment of the Senator from North Dakota will be stated.

The CHIEF CLERK. In subsection (5), page 11, line 16, after the word "court" at the end of the committee amendment

previously adopted, it is proposed to insert a semicolon and the following:

And a previous discharge of the debtor under any other section of this act shall not be grounds for denying him the benefits of this section.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. FRAZIER. I ask for the yeas and nays.

The yeas and nays were not ordered.

The bill was passed.

RETIREMENT SYSTEM FOR RAILWAY EMPLOYEES

Mr. WAGNER. Mr. President, the Senator from Arkansas [Mr. ROBINSON], who is temporarily absent, intended to move at this point in the proceedings that the Senate proceed to the consideration of the bill commonly known as the "Railway Pension Act", Senate bill 3151. In his absence I now move that the Senate proceed to the consideration of that bill.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3151) to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, which had been reported from the Committee on Interstate Commerce with an amendment.

Mr. WAGNER. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Connally | La Follette | Radcliffe |
| Ashurst | Copeland | Lewis | Reynolds |
| Austin | Costigan | Logan | Robinson |
| Bachman | Dieterich | Lonergan | Russell |
| Bailey | Donahey | McAdoo | Schall |
| Bankhead | Duffy | McGill | Schwellenbach |
| Barbour | Fletcher | McKellar | Sheppard |
| Barkley | Frazier | McNary | Shipstead |
| Black | George | Maloney | Smith |
| Bone | Gerry | Metcalf | Steiwer |
| Borah | Gibson | Minton | Thomas, Okla. |
| Brown | Glass | Moore | Thomas, Utah |
| Bulkley | Gore | Murphy | Trammell |
| Bulow | Guffey | Murray | Truman |
| Burke | Hale | Neely | Tydings |
| Byrd | Harrison | Norbeck | Vandenberg |
| Byrnes | Hastings | Norris | Van Nuys |
| Capper | Hatch | Nye | Wagner |
| Caraway | Hayden | O'Mahoney | Walsh |
| Chavez | Johnson | Overton | Wheeler |
| Clark | King | Pittman | White |

The PRESIDING OFFICER. Eighty-four Senators have answered to their names. A quorum is present.

Mr. WAGNER. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with and that it be read for amendment, the amendments of the committee to be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. WAGNER. Mr. President, I hardly suppose that this bill requires any extensive explanation, because with one or two exceptions its provisions as to pensions for railway employees are identical with those of the bill which passed the Senate last year without a dissenting vote.

The major difference betweeen the two has arisen from the desire to meet a criticism directed by the Supreme Court, in a 5-to-4 opinion declaring the old law unconstitutional, against the inclusion among those eligible for pensions of all workers who had been employees of carriers during a period of not more than a year prior to the effective date of the act. The present bill covers only actual employees, either in service or upon furlough.

I take it that there is no need now to defend the course of providing pensions for employees. Not only did we pass last year, by unanimous vote, a bill almost identical to this one, but also since then we have passed the social-security bill with only 6 votes of dissent. The economic and social desirability of pensions is an established fact. Therefore, we need concern ourselves only with the provisions of this particular bill.

The bill includes all railway employees subject to the Interstate Commerce Act, who are in service or on furlough at the time of or subsequent to the enactment of the measure; and it includes also all who are representatives of employees at the time of enactment or subsequently, and who at any time have been in the service of the railways. This latter provision was in the act of last year.

Those eligible for annuities are:

First, any employee or representative of employees 65 years of age or over.

Second, any employee or representative of employees 50 years of age or over who has had a service period of 30 years or more. The service period includes service for any railway before or after the enactment of the measure.

Third, any employee or representative of employees who has had a service period of 30 years or over, and who has retired because of mental or physical disability.

The rates of annuities are calculated as follows:

The monthly annuity of employees shall be the employees' service period, not exceeding 30 years—that is, any service above 30 years shall not be calculated at all in determining the annuity—multiplied by a certain percentage of his average monthly compensation. This percentage shall be 2 percent of the first $50, 1½ percent of the next $100, and 1 percent of the wage in excess of $150. No part of any monthly compensation in excess of $300 shall be counted in calculating an annuity.

Mr. COPELAND. Mr. President, will my colleague yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from New York yield to his colleague?

Mr. WAGNER. Yes.

Mr. COPELAND. I think I understood my colleague to say that this bill applies to employees on furlough.

Mr. WAGNER. Yes.

Mr. COPELAND. Does it make any difference how long they have been on furlough?

Mr. WAGNER. No; because men on furlough have always been regarded as employees of the company, since they are subject to call at any time.

Mr. COPELAND. Even though the furlough is for a number of years?

Mr. WAGNER. Yes. I raised the same question; but the experience has been that generally the furloughs do not last for any great length of time. I think that at present less than 100,000 of the 1,025,000 railway employees are on furlough. Five hundred thousand men who were employees in 1929 are no longer employed at all, nor are they eligible for retirement pensions. They have simply been thrown to the winds, I am sorry to say.

Let me illustrate the working of the system. Take, for example, 30 years of service at $200 per month. In that event the pensioner would receive 2 percent on the first $50, which is $1; 1½ per cent on the next $100, which is $1.50; and 1 percent on the last $50, which is 50 cents, making a total of $3, multiplied by his 30 years of service would come to a monthly annuity of $90.

The annuity shall be reduced by one-fifteenth for each year an employee is less than 65 years of age when he retires, unless, of course, he retires on account of disability.

Similarly, the annuity shall be reduced by one-fifteenth for each year the employee stays on after he reaches the age of 65 years. In the bill of last year, it should be noted, we provided for compulsory retirement at the age of 65, with a possible extension to the age of 70 by agreement between employee and employer. Under the pending bill, there is no compulsory age of retirement; but the service after an employee passes 65 is not counted in calculating benefits, while there is an actual reduction in his rate of annuity for each year of service beyond that age. Here again, however, the maximum age limit may be extended 5 years by mutual agreement.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. WAGNER. Yes.

Mr. BYRNES. There is no material difference, then, between this bill and the bill which was previously passed by the Congress?

Mr. WAGNER. There is none, except, as I say, that there is a large class—I have forgotten how many—whom we exclude from this bill, who were included in the bill of last year.

Mr. BYRNES. What is the Senator's estimate as to the cost of this bill as compared to the cost of last year's bill?

Mr. WAGNER. It is somewhat less than the cost of the bill of last year. I think it is figured that the cost during the first year under this bill would be about $50,000,000. It is a matter which cannot be ascertained exactly.

Mr. BYRNES. This bill simply provides for the appropriation of the necessary money?

Mr. WAGNER. No; it does not even provide for that, but for an authorization.

Mr. BYRNES. Is it the Senator's opinion, from his study of the bill, that there is no question as to its constitutionality?

Mr. WAGNER. I may say to the Senator that if our efforts here are not within the constitutional authority, then neither is the social-security bill which was just enacted, because the legal principle in both measures is the same. We are pursuing exactly the same theory.

Mr. BYRNES. The same as in the Social Security Act?

Mr. WAGNER. Exactly; but, of course, we have not yet before us the bill which imposes an excise tax upon the employer and an income tax upon the employee. That is now pending in the Finance Committee.

Mr. BYRNES. Should such a bill ever be passed, the revenue would go into the general fund of the Treasury?

Mr. WAGNER. Yes; and then, may I say to the Senator, the Government will pay no part of the expense of the annuities. The plan is to be self-supporting, just like the one created under the social-security law.

Mr. BYRNES. I agree with the Senator that if the social-security bill is constitutional, so is this bill.

Mr. WAGNER. Yes. I may say by way of interpolation that the House today, by unanimous vote, passed an act identical with this measure practically without discussion. I am waiting for the message to arrive at any moment.

The bill also provides for a retirement board of three members, who are to receive the same salaries and have the same terms of office as provided in the bill of last year.

In addition to that—and this is new—we are providing for the creation of a commission consisting of 3 Members of the Senate, 3 Members of the House, and 3 to be apppointed by the President to investigate and report on this whole subject by January 1 of next year. This bill will not become effective until March 1 of next year, so that before the bill actually goes into effect we shall have the benefit of a thorough investigation of the whole subject.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. WAGNER. Yes.

Mr. BYRNES. I agree with the Senator that this bill should be passed and that it is constitutional if the Social Security Act is. In view of that, what is to be gained by an investigation?

Mr. WAGNER. There are some questions like this: Some of the railroads have pension systems of their own, and the same question arises which arose in the case of the Clark amendment to the security law, which was discussed here.

The railways contend that the bill ought to be modified to exempt their pension systems. I disagree with that point of view, but I am not certain of my position. I think it will be of great benefit to the Senate to be enlightened upon that question, along with many others, including the adequacy of the suggested methods of financing the plan.

The other provisions of the bill are fairly standardized; one of them permits recourse to the courts in the event that any employee feels aggrieved, either as to the amount of his annuity, or for some other reason.

Mr. President, this covers the provisions of the bill.

Mr. DUFFY. Mr. President——

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Does the Senator from New York yield to the Senator from Wisconsin?

Mr. WAGNER. I yield.

Mr. DUFFY. Is the Senator satisfied that the bill completely meets the objections which were raised successfully in the Court before?

Mr. WAGNER. Yes. The Senator will recall that the decision was based upon the ground that we had no authority, under the power to regulate interstate commerce, to retire old railway employees. While I accept the decision as the law of the land, just as the Senator does, I have a right, I think, to comment upon it, just as the four minority members of the Court did. The majority of the Court found that displacing the older workers with younger men would not in any way affect the efficiency of our transportation system, and therefore could not be regarded as affecting interstate commerce. I had thought that one of the theories underlying a pension system was the desire to remove the old worker because he has lost some of his efficiency. Therefore, I can hardly subscribe to the decision of the Court.

But that is not the point here. Under this bill, I may say to the Senator, we are proceeding on an entirely different theory, namely, the power of Congress to impose taxes. It is upon that that the social-security law is based.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. HASTINGS. Is there any provision in the bill for taxing the railroads to pay the expenses?

Mr. WAGNER. No; the bill provides no tax. The tax will be provided in a separate bill, which is now pending before the Ways and Means Committee of the House. Being a revenue measure, it must be acted on first by the House. A similar bill is also pending before the Finance Committee of the Senate.

Mr. HASTINGS. A moment ago the Senator referred to this bill's being similar to the social-security measure. My recollection is that in the social-security bill there was a provision for the tax necessary to take care of the expenses.

Mr. WAGNER. There were separate titles to the bill.

Mr. HASTINGS. But it was all one bill.

Mr. WAGNER. One title provided for the pension, and the method of computing the annuity, and another title imposed the excise and income taxes, respectively, upon the employer and the employees.

Mr. HASTINGS. I want to know why that procedure was not followed in connection with the pending bill.

Mr. WAGNER. That is a matter of procedure.

Mr. ROBINSON. Mr. President, will the Senator from New York yield to me?

Mr. WAGNER. I yield.

Mr. ROBINSON. I think I can offer one explanation. Normally the Committee on Interstate Commerce has jurisdiction of railroad pension legislation. Always the Finance Committee has jurisdiction of tax legislation. In the case of the social-security bill, it was my personal thought that it would be better to separate the legislation, to have the administrative and other provisions in one measure, and the tax provision in a separate measure; but that course was not followed. In the case of the railroad pensions, that course is being followed, and I believe it is the best practice.

Mr. WAGNER. I may add, Mr. President, that I am now reminded of one of the reasons, due to the clearer recollection of the Senator from Arkansas.

Last year the Interstate Commerce Committee made a special study of this whole subject, as the Senator from Delaware knows well because he participated in the hearings. Thus that committee is quite familiar with the details of the pension proposal. But the Finance Committee, if it had handled the whole measure, would have had to begin all over again and study the entire question. And, of course, it is not within the jurisdiction of the Committee on Interstate Commerce to consider matters involving the taxing power of the Government.

Mr. HASTINGS. Mr. President, in reply to both the Senator from Arkansas and the Senator from New York, I may

call attention to this fact, especially to the attention of the Senator from Arkansas, that heretofore all bills amending the bankruptcy law have been referred to the Committee on the Judiciary; but now we have before us a bill amending the bankruptcy law which refers especially to railroads, which has been referred to the Interstate Commerce Committee, and reported by the Interstate Commerce Committee to the Senate, so that it seems to me that is not a sufficient reason to show that one subject ought to be divided into two bills.

It seems to me when the Senate is acting upon this bill, which will probably involve an expenditure of something like $100,000,000 in appropriations, it is important for the Senate to know at the time it is passing the bill the source from which the money is to come in order to pay the benefits. Certainly it cannot be insisted that we are going to start out to pay all of the employees of railroads and of the various industries without having some place from which to get the money.

Mr. WAGNER. I think I can assure the Senator that provisions will be made, by the imposition of taxes, to secure the funds with which to pay these annuities. We have no more patriotic citizens in the United States than our railway employees, and I am sure that they will insist upon legislation which will make them bear their share of the costs of their benefits. They are not seeking a gratuity from the Federal Treasury directly. The Senator's point is not very relevant to this discussion, because I can assure the Senator that provision will be made for the imposition of taxes to secure the funds.

Mr. HASTINGS. It must be done by a vote of the Senate, must it not, and how can the Senator give us that assurance?

Mr. WAGNER. If the Senator is not satisfied with my explanation, I think he can get a satisfactory one from the Senator from Arkansas.

Mr. ROBINSON. Mr. President, will the Senator from New York yield for that purpose?

Mr. WAGNER. I yield.

Mr. ROBINSON. The same question arises whenever we authorize an appropriation. Whenever we authorize the expenditure of money for any purpose we always have in mind the necessity of legislation subsequently to provide the funds.

The intention is to follow this bill with a tax measure, and while no one can solemnly swear that the tax bill will pass, it is expected that it will be enacted.

Mr. HASTINGS. May I inquire whether there is any objection to adding a new title to this bill, including the tax, instead of passing a separate bill——

Mr. ROBINSON. Yes; there is a valid objection.

Mr. HASTINGS. Just a moment—similar to what was done with respect to the social-security bill?

Mr. ROBINSON. There is this objection, which the Senator from Delaware saw before he asked the question, that the Senate has no power to originate a revenue measure, and the body at the other end of the Capitol probably would take the view that we were originating a revenue measure if we put into this bill a provision for the tax to which the Senator is referring.

Mr. HASTINGS. May I inquire of the Senator from Arkansas whether it is not a fact——

Mr. WAGNER. Mr. President, I still have the floor; I yielded for a question.

I may say to the Senate that the House has already acted unanimously upon the measure we are now considering, and undoubtedly the House will deal next with the question of the imposition of taxes.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. ROBINSON. I understand that it is the purpose, when the bill which has just passed the House reaches the Senate, to move to substitute the House bill for the Senate bill, the two measures being identical, or practically so.

Mr. WAGNER. They are identical.

Mr. HASTINGS. May I inquire of the Senator from Arkansas or the Senator from New York why it was that the House made these two separate bills? There was no reason why the House could not add the taxing feature to the bill. Why did they not make it in one bill?

Mr. WAGNER. That is the business of the House.

Mr. ROBINSON. Mr. President, it may or may not have been due to my own suggestion. I felt then and still feel that the committee which has jurisdiction of the legislation to provide for pensions, to work out the administrative features, is a different committee from that which has the tax-raising authority, and I think the course that has been pursued is the better course. Our committee formulated the legislation—a committee which is familiar with the subject matter of this bill. The taxing committee, the Ways and Means Committee, is composed of men of eminence and of ability; nevertheless they have not made the studies and do not possess the knowledge of this particular subject which is essential to proper formulation of the legislation. So I think the course which the House has pursued is a good one. I am perfectly willing, if the Senator thinks otherwise, to have him get them to reverse their action if he can do so.

Mr. HASTINGS. I thank the Senator for the compliment. I should like to do so.

Mr. ROBINSON. I assure the Senator from Delaware that the course which has been pursued does not involve any legerdemain, if that is what the Senator is intimating.

Mr. HASTINGS. I am glad the Senator assures me of that, because I am very suspicious of it, and I will tell the Senator why.

Mr. ROBINSON. Oh, yes, the Senator is always suspicious of anything which anyone else does. [Laughter.]

Mr. HASTINGS. That is not quite a fair statement.

Mr. ROBINSON. It was made with the utmost of good will, and I hoped the Senator would laugh.

Mr. WAGNER. Mr. President, let me say, in line with the suggestion of the Senator from Arkansas, that like the Interstate Commerce Committee of the Senate, the Interstate Commerce Committee of the House last year devoted several months to the study of this whole subject. Hearings covered a period of at least one month. Experts upon this question, those representing the railroad point of view and those representing the employees' point of view, were heard. In view of this long study, it would seem a ludicrous procedure to send the measure deliberately to another committee which would have to begin the hearings all over again and study the question de novo.

Mr. HASTINGS. Will the Senator permit me to make a further inquiry?

Mr. WAGNER. Undoubtedly the Senator is going to speak on the subject.

Mr. HASTINGS. I wish to make an inquiry of the Senator.

Mr. WAGNER. Certainly.

Mr. HASTINGS. My general understanding is that a tax can only be laid for a public purpose, and that there is some danger of the constitutionality of the Security Act because a tax has been laid for a particular purpose, namely, for taking care of people who are to receive benefits under that act. I insisted at the time the social-security bill was passed that we could not cure that by separating the bill into titles, and I believe that is true. But in this case a very clever thing has been done, by design or otherwise, which is to separate the granting of a pension from the levying of the tax. It is not new to the Senator from New York. Judge Fletcher, who represented the railroads, called attention to the fact that in one bill it is provided that a pension shall be paid to railroad employees. Then those sponsoring the legislation come along with an entirely different bill and levy a tax upon the railroads without in any way identifying the two. I say that that in my judgment makes very much more certain the constitutionality of the two acts, but I say in doing it Senators are violating the spirit of the Constitution, and what I am trying to find out is whether or not it has been done deliberately and for the purpose of making more certain the constitutionality of these two bills.

Mr. WAGNER. I know of no such deliberate design. I think a very clear and persuasive explanation was made as

to why the two bills went to the separate committees. If the event should occur of which the Senator speaks, and the Supreme Court should declare the tax measure unconstitutional, which I do not believe they will do, the Congress will deal with the problem when that time comes. Of course, I am thoroughly convinced that we are exercising our power appropriately when we impose these taxes in order to secure the funds for the payment of old-age annuities.

Mr. HASTINGS. Mr. President, will the Senator yield further?

Mr. WAGNER. I yield.

Mr. HASTINGS. Has not the distinguished Senator from New York, who is a good lawyer——

Mr. WAGNER. I thank the Senator.

Mr. HASTINGS. If there is contained in one bill the provision with reference to pension and the levying of a tax upon the railroads to pay a retirement fund to railroad employees, has not the Senator from New York some doubt whether that raises a very serious constitutional question?

Mr. WAGNER. The Senator may think so. The Senator did not listen to my speech in behalf of the so-called "security bill", in which I contended that the imposition of a tax for this particular purpose was a public purpose and that the classification was fair. That is my opinion. The Senator may disagree with it.

Mr. HASTINGS. Does the Senator, as a lawyer, agree that it would be very much more difficult to raise the constitutional question as to these two bills if he had them combined than it would if he had them separated?

Mr. WAGNER. I do not think that makes a particle of difference in the consideration of the matter.

Mr. HASTINGS. Does the Senator agree that the Court may take judicial notice of the taxing act when the other is being tested, or vice versa?

Mr. WAGNER. Of course, it would be obvious in the act itself.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. BYRNES. I think the Senator from New York does not understand the position of the Senator from Delaware. The Senator from Delaware says that he has less doubt about the constitutionality of this measure than he had about the measure passed in the last Congress. The Senator from Delaware voted for the measure in the last Congress, and if he voted for that measure, certainly he is not opposed to the present measure when he says he has less doubt about its constitutionality than he had about the constitutionality of the previous measure.

Mr. HASTINGS. Mr. President, I am perfectly serious in what I am saying with respect to this measure.

Mr. BYRNES. Mr. President, the Senator from Delaware will agree that he voted for the previous measure, will he not?

Mr. HASTINGS. I am perfectly serious in my discussion of this matter, and I do not care to be taken off on some flight of funny business.

Mr. BYRNES. Did the Senator from Delaware vote for the measure in the last Congress?

Mr. HASTINGS. It is no one's business if I did or not.

Mr. BYRNES. It is.

Mr. HASTINGS. It has nothing to do with the objection I make now.

Mr. BYRNES. The Senator voted for it, did he not?

Mr. HASTINGS. The Senator may look at the RECORD and see whether I did or not.

Mr. BYRNES. I looked at it, and I did find that he voted for it.

Mr. HASTINGS. Why did the Senator ask me then?

Mr. BYRNES. I wanted to see whether the Senator remembered how he voted.

Mr. HASTINGS. Does not the Senator know how I voted if he looked at the RECORD?

Mr. BYRNES. Yes; I knew how the Senator voted, but I wanted to find out if the Senator from Delaware knew how he voted and would admit that he voted in favor of the previous measure?

Mr. HASTINGS. I say now that that act having been declared unconstitutional, I am unwilling to have some scheme set up here of two bills which test the constitutionality of the act again. That is what I say.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. ROBINSON. If the Senator from Delaware is in sympathy with railroad pension legislation, if he believes that it ought to be enacted, he certainly cannot object to any course the Congress might decide to take which would tend to sustain the legislation after it had been passed. Every day we pass bills here authorizing appropriations. Our rules do not permit the appropriations to be carried in the bill which authorizes them. We are compelled under the regulations which we have adopted for the government of our own conduct to pass separate bills, and now the Senator from Delaware, who professes to be in sympathy with the proposed legislation, complains that the Congress is taking a course which he declares will make it more likely that the action which he says he favors will be sustained. There is nothing wrong, there is nothing immoral, and there is nothing treacherous in separating the two subjects. They ought to be separated for the reasons which I gave a few moments ago. One committee is familiar with the subject matter of one phase of the legislation; another committee is familiar with the subject matter of the tax legislation. Yet the Senator from Delaware is suspicious that there is something wrong with the policy of passing two bills—one as a tax bill. We seldom put tax legislation in the bills that we enact for the expenditure of the money. It was the consistent course which was pursued.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Idaho?

Mr. WAGNER. Does the Senator desire to ask a question?

Mr. BORAH. I do.

Mr. WAGNER. Certainly.

Mr. BORAH. I understand the question which is raised here is to what the effect constitutionally will be by reason of providing the two measures. I doubt if any change whatever is affected by that. But suppose it does. Suppose, however, the legislation is brought within the Constitution by reason of that fact, is it not our duty to do that very thing?

Mr. WAGNER. That is what the Senator from Arkansas suggested, and I tried to suggest that if we are friends of this measure and anxious to provide a pension for the employees, if the Senator is right, that is the very course which we ought to pursue.

Mr. FLETCHER. Mr. President, may I ask the Senator a question?

Mr. WAGNER. Certainly.

Mr. FLETCHER. I see the bill provides that—

> The annuities hereinbefore mentioned shall be paid out of any money in the Treasury which may be appropriated for that purpose.

Do I understand correctly that the annuities are to be paid from the Treasury of the United States?

Mr. WAGNER. Exactly; just as payments are to be made under the social-security law. An excise tax is imposed upon the employer and an income tax upon the employee. The proceeds of that tax go into the Federal Treasury.

Mr. FLETCHER. The tax is provided for in some subsequent bill?

Mr. WAGNER. That is provided for in another bill.

Mr. FLETCHER. But primarily this bill provides that the Government is to pay these annuities?

Mr. WAGNER. Exactly; and the Government is to be reimbursed by the imposition of the taxes imposed by another bill. They are all calculated.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. BARKLEY. There is a sort of theoretical connection between the tax to be levied and the annuities to be paid, but, as a matter of fact, the annuities provided by this bill are to be paid out of the Treasury out of any funds not otherwise appropriated.

Mr. WAGNER. Yes; as they are in the Social Security Act.

Mr. BARKLEY. Exactly. When the other bill levying a tax comes along, if and when it does come, the funds raised by that tax will be covered into the general fund of the Treasury?

Mr. WAGNER. Exactly.

Mr. BARKLEY. So that, while there is this theoretical connection between the two, they are not necessarily connected at all?

Mr. WAGNER. They are not necessarily connected.

Mr. BARKLEY. In other words, there is a relationship, but not a direct connection?

Mr. WAGNER. Exactly.

Mr. BARKLEY. And the tax has been figured out so as to conform to the actuarial requirements so that they dovetail together but each stands on its own merits?

Mr. WAGNER. Exactly. The tax imposed is to provide a solvent fund. This is not new; we made similar provision a month or so ago when the social-security bill was passed.

Mr. BARKLEY. But in that case we did it all in one bill, under different titles.

Mr. WAGNER. That is correct; there were different titles to the bill.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. TYDINGS. It is my recollection that in the case of the Federal employees' retirement fund the employees and the Government respectively contribute monthly to a general fund which permits Federal employees to retire between 60 and 70 years of age under various terms and conditions of retirement set forth in the act.

Mr. WAGNER. Yes.

Mr. TYDINGS. Is it not a fact that the funds which the employees of the Federal Government pay are segregated into a separate fund under the control, more or less, of the Federal retirement board?

Mr. WAGNER. That may be so and it may not be so; I do not know, but I do not think it is a very important matter.

Mr. COPELAND. Mr. President, will my colleague yield to me on that point?

Mr. WAGNER. I yield.

Mr. COPELAND. I think the statement of the Senator from Maryland is correct.

Mr. TYDINGS. My recollection is that the money is paid into a separate fund, because when a Federal employee separates himself from the service prior to the time of retirement he is permitted to file papers and recover the principal of the sum he has paid in, with some interest.

Mr. COPELAND. That is true of the amount paid by the Government. The sum paid for retirement is paid directly by the Government. The amount paid by the employees referred to by the Senator is separated into a fund and bears interest.

Mr. TYDINGS. That is correct.

Mr. COPELAND. It is converted into an annuity, and if the employee chooses to have it so it may be returned to him; but the principal retirement aid that he gets from the Government consists in the money paid by the Government.

Mr. TYDINGS. It may be a small matter to the junior Senator from New York; it is incidental, of course; but, speaking for myself, I should much rather have this fund segregated and the retirement benefits paid out of such fund than have the Treasury of the United States, without any limitation whatsoever, become the source from which these payments are to be made.

It seems to me, if I may in the Senator's time make just this concluding observation, that the money which the employees pay in should be paid into a separate fund; whatever the Government is to add to the fund, or the railroads, or what not, should likewise go into that fund; and it should be administered by those in charge of it in returning the benefits to those entitled to receive them as pensions. I believe it is extremely bad policy to have the Federal Government made the bank to pay pensions of this character with which the Federal Government has nothing at all to do, except to supervise and to enforce any laws between employer and employee.

Mr. WAGNER. Mr. President, it was pointed out when the social-security bill was under consideration that the provision under discussion was merely a matter of bookkeeping. The calculations are definitely made; they are predictable as to the amount which will be required in order to secure a solvent fund for the payment of these pensions; and a sufficient tax is imposed to secure that fund. So whether it be segregated or put it into the general fund of the Treasury is really a very minor matter.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. WAGNER. Yes.

Mr. TYDINGS. I take it the Senator would have no particular objection to segregating these funds under the Railroad Retirement Board?

Mr. WAGNER. I should want to consult the Treasury authorities. I think perhaps such segregation would impose upon the Treasury Department unnecessary bookkeeping and unnecessary work. It is a matter that I do not regard as very important, so long as the calculations are definitely made, and that can be done. It is done by every insurance company in the United States. We do that again and again; there is no difficulty about it.

Mr. TYDINGS. I wish, if time should afford, that, at the very first opportunity, the Senator from New York, who is the sponsor of this bill, would consult the Treasury about the advisability of having these moneys segregated into a separate fund.

Mr. WAGNER. Very well.

Mr. TYDINGS. I am certain if the bill were now so worded that it would attract support which otherwise might not be present. I think some Senators feel that a matter that is extraneous to the Government such as these funds, only being administered by the Government, ought not to be confused with the general revenues of the Government.

Mr. WAGNER. I may say that the Senator raises a question really worth while. Under this bill a commission is to be appointed to make an investigation of all the matters that relate to this whole subject, including the possibility of continuing in existence some private pension systems. The commission may, among other things, study the very question which the Senator has raised. Furthermore, the commission is to report to the Congress on January 1 next, which will be 3 months prior to the effective date of this particular act; so that ample time will be afforded to study that very question.

Mr. TYDINGS. Even so, if I may so ask the Senator, I request that he ascertain if the Treasury would look with favor upon it; and if the Treasury should look with favor upon it and the author of the bill should do so, I should like to see such a provision incorporated in the law. If subsequently after the examination shall have been made, he should find that the money should be covered into the general fund for one reason or another, that would be a different thing. I do not like to start the bill out in that form if it can be avoided.

Mr. WAGNER. At this late date I hope the Senator will not press the suggestion, because the commission will be in a position to study the question and report to us before any tax is imposed in accordance with the design of this bill.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. WAGNER. I yield with pleasure to the Senator from Delaware.

Mr. HASTINGS. I should like to suggest that my recollection is that the social-security bill as originally framed provided exactly what the Senator from Maryland indicates; but in the House the conclusion was reached that that kind of bill would not stand the test in the Supreme Court?

Mr. WAGNER. If I may interrupt the Senator, he is mistaken about that.

Mr. HASTINGS. It was not in the original bill.

Mr. WAGNER. No; not insofar as old-age pensions were concerned. There was some discussion as to the segregation of the unemployment-insurance fund.

Mr. HASTINGS. Is it not true that in the social-security bill the taxing feature and the provisions that the payment should be made directly to the Treasury and that the payments to the beneficiaries should be made out of the Treasury were put in a separate title, because it was believed necessary to do that in order to make the act constitutional? Further, was not the conclusion reached that what the Senator from Maryland suggests could not be done and have it stand the test of the Supreme Court, because then it would be taxing someone for a private purpose and not for a public purpose?

Mr. WAGNER. There is no need of going into that; I know the Senator's point of view from the standpoint of the law upon this subject; but there is no need of our pursuing it any further. The courts will finally have to speak upon that question; but I am very confident that the tax is imposed for a public purpose and is therefore a proper exercise of the taxing power of the Government. I think that various decisions which the courts have rendered heretofore, cases with which the Senator is familiar, sustain my point of view.

Mr. COSTIGAN. Mr. President——

Mr. WAGNER. I yield to the Senator from Colorado.

Mr. COSTIGAN. Will the able Senator from New York indicate whether the pending bill, in the admirable objectives of which many of us are deeply interested, contains any retroactive feature?

Mr. WAGNER. It depends upon what the Senator means by "retroactive feature." Only those are eligible for pensions who are actually employees of the carrier at the time the act goes into effect, or at some subsequent time, or who are on leave or on furlough. On the other hand, when a man retires, he is entitled to credit for his services even prior to the enactment of the law. If that be called "retroactive", of course, that feature exists.

Mr. COSTIGAN. The Senator's statement covers the point of my inquiry.

Mr. WAGNER. Otherwise the law would work a very great injustice to the older employees.

Mr. COSTIGAN. Was it felt that there might be legal or other questions raised if the act attempted an extension other than that suggested by the Senator from New York?

Mr. WAGNER. The Senator will remember that the Supreme Court criticized the act of last year, which did extend to all those employed 1 year before its enactment. So, unfortunately, we have had to eliminate that provision, although I think that by so doing an injustice will be worked in some very worthy cases.

Mr. COSTIGAN. I thank the Senator.

Mr. WAGNER. Mr. President, if there are no further questions to be asked, may the committee amendment now be considered?

The PRESIDING OFFFICER. The amendment reported by the committee will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and in lieu thereof to insert the following:

DEFINITIONS

SECTION 1. For the purposes of this act—

(a) The term "carrier" means any express company, sleeping-car company, or carrier by railroad, subject to the Interstate Commerce Act, and any company which may be directly or indirectly owned or controlled thereby or under common control therewith, and which operates any equipment or facilities or performs any service (other than trucking service) in connection with the transportation of passengers or property by railroad, or the receipt, delivery, elevation, transfer in transit, refrigeration or icing, storage, or handling of property transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of and operating the business of any such "carrier": *Provided, however,* That the term "carrier" shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any part of the general steam-railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed upon request of the Board or upon complaint of any party interested to determine after hearing whether any line operated by electric power falls within the terms of this proviso.

(b) The term "employee" means any person (1) who shall be at the enactment hereof or shall have been at any time after the enactment hereof in the service of a carrier, or who shall be at the enactment hereof or shall have been at any time after the enactment hereof in the employment relation to a carrier, and (2) each officer or other official representative of an "employee organization", herein called "representative" who before or after the enactment hereof has performed service for a carrier, who at the enactment hereof or at any time after the enactment is or shall be duly designated and authorized to represent employees in accordance with the Railway Labor Act, and who, during, or immediately following employment by a carrier, is, shall be, or shall have been engaged in such representative service in behalf of such employees.

(c) A person shall be deemed to be in the service of a carrier whenever he may be subject to its continuing authority to supervise and direct the manner of rendition of his service, for which service he receives compensation.

(d) A person is in the employment relation to a carrier when furloughed or on leave of absence, and subject to call for service and ready and willing to serve, all in accordance with the established rules and practices usually in effect on railroads.

(e) The term "service period" means the total service of a person for one or more carriers whether or not continuously performed either before or after the effective date, and includes as 1 month every calendar month during which such person has rendered service to a carrier for compensation and includes as 1 year every 12 such months. An ultimate fraction of 6 months or more shall be computed as 1 year.

(f) The term "annuity" means a fixed sum payable at the beginning of each month during retirement, ceasing at death except as otherwise provided in section 5 hereof or at resumption of service for which an employee receives compensation.

(g) The term "compensation" means any form of money remuneration for service, received by an employee from a carrier, including salaries and commissions, but shall not include free transportation nor any payment received on account of sickness, disability, pensions, or other form of relief.

(h) The term "retirement" means the status of cessation of compensated service with the right to receive an annuity.

(i) The term "age" means age at the latest attained birthday.

(j) The term "Board" means the Railroad Retirement Board.

(k) The term "effective date" means the 1st day of March 1936.

(l) The term "enactment" means the date on which this act shall become a law.

RETIREMENT

SEC. 2. Upon the attainment of 65 years of age and continuance in service by the employee (but not before the effective date of this act), the annuity of such employee shall be reduced one-fifteenth for every year of such continued service beyond the age of 65 years; except that such reduction shall not apply during any period, beginning at the age of 65 and not extending beyond the age of 70, while the employee is continued in employment under an agreement in writing between the carrier and employee filed with the Board, which agreement may provide for extension of employment for 1 year and thereafter in like manner for successive periods of 1 year each. Such reduction of annuity shall not apply to an employee who occupies an official position in the service of a carrier or to employees' representatives.

ANNUITIES

SEC. 3. The following-described employees, after retirement whether or not then in the service of a carrier, shall be paid annuities:

(a) A person (without regard to the period of service and whether rendered before or after enactment hereof), who either at the enactment hereof or thereafter shall be 65 years of age or over.

(b) A person who either at the enactment hereof or who thereafter shall be 50 years of age or over and who shall have completed a service period of 30 years. An annuity paid under this subdivision shall be reduced by one-fifteenth of such annuity for each year such employee may be less than 65 years of age at the time of the first annuity payment.

(c) A person who either before or after the enactment shall have completed a service period of 30 years and who shall be after the enactment hereof retired by the carrier on account of mental or physical disability. An annuity paid under this subdivision shall not be subject to the deduction specified in subdivision (b) of this section.

The annuities hereinbefore mentioned shall be paid out of any money in the Treasury which may be appropriated for that purpose. An annuity shall begin as of a date to be specified in a written application to be signed by the employee entitled thereto, and approved by the Board, which date shall not be more than 60 days before the filing of the application, nor before the date on which the first annuity shall have become due and payable. An annuity shall not be due and payable until 90 days after the effective date hereof. The annuity shall be payable on the 1st day of the month during the lifetime of the annuitant. Such annuity shall be based upon the service period of the employee and shall be the sum of the amounts determined by multiplying the total number of years of service not exceeding 30 years by the following percentages of the monthly compensation: 2 percent of the first $50; 1½ percent of the next $100; and 1 percent of the compensation in excess of $150. The "monthly compensation" shall be the average of the monthly compensation paid to the employee by the carrier, except that where applicable for service before the effective date the monthly compensation shall be the average of the monthly compensation for all pay-roll periods

for which the employee shall have received compensation from any carrier out of 8 consecutive calendar years of such services ended December 31, 1931. No part of any monthly compensation in excess of $300 shall be recognized in determining any annuity. Any employee who shall be entitled to an annuity with a commuted value determined by the Board of less than $300 shall be paid such value in a lump sum.

ANNUITIES TO REPRESENTATIVES

SEC. 4. The annuity of a representative shall be determined according to such rules and regulations as the Board shall deem just and reasonable and, as near as may be, shall be the same annuity as if the representative were still in the employ of his last former carrier.

PAYMENTS UPON DEATH

SEC. 5. If a person receiving or entitled to receive an annuity shall die, the Board, for 1 year after the first day of the month in which the death may have occurred, shall pay, as herein provided, an annuity equal to one-half of the annuity which such person so dying may have received or may have been entitled to receive, to the widow or widower of the deceased, or if there be no widow or widower, to the dependent next of kin of the deceased. Any employee may elect, on making application for an annuity, to have the present value of the annuity apply to the payment of a reduced annuity to the employee during life and an annuity during the life of a surviving spouse. The present values and amounts of the annuity payments shall be determined on the basis of the combined annuity tables with interest at 3 percent per annum.

RETIREMENT BOARD

*Personnel*

SEC. 6. (a) There is hereby established as an independent agency in the executive branch of the Government a Railroad Retirement Board, to be composed of three members appointed by the President, by and with the advice and consent of the Senate. Each member shall hold office for a term of 5 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of the term and the terms of office of the members first taking office after the date of enactment of this act shall expire, as designated by the President, one at the end of 2 years, one at the end of 3 years, and one at the end of 4 years, after the date of enactment of this act. One member shall be appointed from recommendations made by representatives of the employees and one member shall be appointed from recommendations made by representatives of the carriers, in both cases as the President shall direct, so as to provide representation on the Board satisfactory to the largest number, respectively, of employees and carriers concerned. One member, who shall be the chairman of the Board, shall be appointed initially, for a term of 2 years without recommendation by either carriers or employees and shall not be in the employment of or be pecuniarily or otherwise interested in any carrier or organization of employees. Vacancies in the Board shall not impair the powers nor affect the duties of the Board nor of the remaining members of the Board of whom a majority of those in office shall constitute a quorum for the transaction of business. Each of said members shall receive a salary of $10,000 per year, together with necessary traveling expenses and subsistence expenses, or per diem allowance in lieu thereof, while away from the principal office of the Board on duties required by this act.

*Duties*

(b) The Board shall have and exercise all the duties and powers necessary to administer this act. The Board shall take such steps as may be necessary to enforce this act and make and certify awards and payments.

The Board shall from time to time certify to the Secretary of the Treasury the name and address of each person entitled to receive a payment under this act, the amount of such payment, and the time at which it should be made, and the Secretary of the Treasury through the Division of Disbursement of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with the certification by the Board.

The Board shall establish and promulgate rules and regulations and provide for the adjustment of all controversial matters, with power as a Board or through any member or subordinate designated thereof, to require and compel the attendance of witnesses, administer oaths, take testimony, and make all necessary investigations in any matter involving annuities or other payments, and shall maintain such offices, provide such equipment, furnishings, supplies, services, and facilities, and employ such persons and provide for their compensation and expenses, as may be necessary to the proper discharge of its functions. All rules, regulations, or decisions of the Board shall require the approval of at least two members and shall be entered upon the records of the Board which shall be a public record. The Board shall gather, keep, compile, and publish in convenient form such records and data as may be necessary, and at intervals of not more than 2 years shall cause to be made actuarial surveys and analyses, to determine from time to time the payments to be required to provide for all annuities, other disbursements, and expenses, and to assure proper administration and the adequacy and permanency of the retirement system hereby established. The Board shall have power to require all carriers and employees and any officer, board, commission, or other agency of the United States to furnish such information and records as shall be necessary for the administration of this act. The Board shall make an annual report to the President of the United States to be submitted to Congress. Witnesses summoned before the board shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

SPECIAL REPORT

SEC. 7. Not later than 4 years from the effective date, the Board, in a special report to the President of the United States to be submitted to Congress, shall make specific recommendations for such changes in the retirement system hereby created as shall assure the adequacy of said retirement system on the basis of its experience and all information and experience then available. For this purpose the Board shall from time to time make such investigations and actuarial studies as shall provide the fullest information practicable for such report and recommendations. The Board shall in a like special report to be made at the earliest practicable time, make specific recommendations with regard to the desirability and practicability of substituting the provisions for annuities and other benefits to employees under this act for any obligation for prior service or for any existing provisions for the voluntary payment of pensions to employees subject to this act by a carrier or any employees subject to this act, so as to relieve such carrier from its obligations for age retirement benefits under its existing pension systems and transfer such obligations to the retirement system herein established.

It is recognized that existing individual carrier pension plans are wholly at the option of the carriers unless in any case express provision is made otherwise, and no restriction is imposed under this act upon such plans; nor is it expected that carriers will modify existing pension plans on account of this act beyond a reduction of current pension payments under such existing plans in amounts equal to the annuity payments currently received by the employee under this act.

INVESTIGATION COMMISSION

SEC. 8. (a) That a commission be appointed which shall be composed of 3 Members of the Senate designated by the President of the Senate; 3 Members of the House of Representatives designated by the Speaker of the House of Representatives; and 3 members who shall be designated by the President of the United States. The President shall designate one member to be chairman and another to be vice chairman of the Commission. The Commission is hereby authorized and directed to make, and report through the President to the Congress of the United States not later than January 1, 1936, the results of, a thorough investigation of all pertinent facts relating to a retirement annuity system applicable by law to carriers by railroad engaged in interstate commerce and particularly any and all questions for the investigation of which provision is made under the preceding section. The Commission is also authorized to hold hearings respecting desirable provisions of a sound retirement and annuity system. In the making of such investigation the Commission may consider the experience of other industries and of governments, as well as of the railroad industry, and may avail itself of the assistance of all agencies of the Federal Government. Until January 1, 1936, the duties and authority of the Board under the preceding section are limited to cooperation with and action under the direction of the Commission. With its report setting forth the results of its investigation, the Commission shall include such recommendations for legislation, if any, as it may deem necessary to give effect to its conclusions.

(b) The Commission, in the performance of its duties, is authorized to sit and act at such times and places either in the District of Columbia or elsewhere during the sessions, recesses, and adjourned periods of the Seventy-fourth Congress, to require by subpena or otherwise the attendance of such witnesses and the production and impounding of such books, papers, records, files, and documents, to have access to such books, papers, records, files, and documents of any corporation or person, to administer such oaths and to take such testimony and to make such expenditures, as it may deem advisable. The several district courts of the United States and the Supreme Court of the District of Columbia shall have jurisdiction upon application by the Commission through its attorneys to compel obedience to any order or subpena of the Commission issued pursuant to this section. The orders, writs, and processes of the Supreme Court of the District of Columbia in such matters may run and be served anywhere in the United States.

(c) The Commission shall maintain such offices, provide such equipment, furnishings, supplies, services, and facilities, and employ, without regard to the provisions of the Civil Service Act such experts and clerical, stenographic, legal, or other assistance as may be necessary for the proper discharge of its duties, and without respect to the provisions of the Classification Act of 1923, as amended, fix the compensation of any person employed. The President shall fix the compensation to be paid the three members of the Commission to be appointed by the President. All expenses of the Commission for all time in which the Commission shall be actually engaged in this investigation shall be paid out of any funds in the Treasury of the United States, not otherwise appropriated, on a certificate of the chairman of the Commission, and the sum necessary for carrying out the provisions of this resolution is hereby authorized to be appropriated: *Provided*, That the total expense authorized for the purposes of the Commission shall not exceed the sum of $60,000 which shall include the compensation herein authorized.

COURT JURISDICTION

SEC. 9. The several district courts of the United States and the Supreme Court of the District of Columbia, respectively, shall have jurisdiction to entertain an application and to grant appropriate relief in the following cases which may arise under the provisions of this act:

(a) An application by an employee or other person aggrieved in or to the district court of any district wherein the Board may have established an office, to compel the Board to set aside an action or decision claimed to be in violation of a legally enforceable right of the applicant, or to take action, or to make a decision necessary for the enforcement of a legal right of the applicant.

(b) The jurisdiction herein specifically conferred upon the said Federal courts shall not be held exclusive of any jurisdiction otherwise possessed by said courts to entertain actions at law or suits in equity in aid of the enforcement of rights or obligations arising under the provisions of this act.

(c) The Railroad Retirement Board, as hereinbefore established, shall be and constitute a body corporate and be capable of suing and being sued as such.

EXEMPTION

SEC. 10. No annuity payment shall be assignable or be subject to any tax or to garnishment, attachment, or other legal process under any circumstances whatsoever, nor shall the payment thereof be anticipated.

PENALTIES

SEC. 11. Any officer or agent of a carrier, as the word "carrier" is hereinbefore defined, or any employee as such word is hereinbefore defined, or any person whether or not of the character hereinbefore defined, who shall willfully fail or refuse to make any report or furnish any information required by the Board in the administration of this act, or who shall knowingly make any false or fraudulent statement or report in response to any report or statement required to be made for the purpose of this act, or who shall knowingly make or aid in making any false or fraudulent statement or claim for the purpose of receiving any award or payment under this act, shall be punished by a fine of not less than $100 nor more than $10,000 or by imprisonment not exceeding 1 year.

SEPARABILITY

SEC. 12. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act or application of such provision to other persons or circumstances shall not be affected thereby.

APPROPRIATION AUTHORIZED

SEC. 13. The appropriation of such money from time to time out of the Treasury of the United States as may be necessary to carry this act into effect is hereby authorized.

SHORT TITLE

SEC. 14. This act may be cited as the "Railroad Retirement Act of 1935."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

Mr. WAGNER. Mr. President, a further amendment now becomes necessary in view of the fact that the Social Security Act includes railway employees. Since we are dealing with pensions for railway employees in a different act, the amendment which I send to the desk and now offer becomes necessary.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 30, at the end of the bill, to add a new section, as follows:

SEC. 15. The term "employment", as defined in subsection (b) of section 210 of title II of the Social Security Act, shall not include service performed in the employ of a carrier as defined in subdivision (a) of section 1 of the Railroad Retirement Act of 1935.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

Mr. HASTINGS. Mr. President, I think this method of legislating is establishing an exceedingly bad precedent. I was delighted to hear the Senator from New York [Mr. WAGNER] suggest that it was not designedly done. I had the distinct impression that the Social Security Act, as to the constitutionality of which many of us had serious doubt, was divided into separate titles because the fear was existent that if the fund were segregated, as the Senator from Maryland [Mr. TYDINGS] suggested he would like to see done, there would be very grave danger of the act being declared to be unconstitutional. Accordingly the committee suggested another title and inserted a taxing feature wholly separate from the provisions with reference to the payment of money to various employees.

I never believed that would be a successful procedure. I believed the Supreme Court would look through it instantly, and that the suggestion of the change would not help at all. However, when I found in these two bills that the two proposals are separated entirely, I reached the conclusion that some smart person had probably thought he would be able to circumvent the Constitution in that way. I was not certain and I am not now certain whether the Supreme Court may take the two acts together in order to determine whether both or either may be constitutional.

As an illustration, when we pass the second bill providing for a tax upon railroads, there is no doubt that nothing in that measure will show the purpose for which the tax is levied. The Federal Government may take it, may pay the pensions due the World War veterans, may use it for relief, may use it to assist the farmers, may use it as the Federal Government may use any other part of the general fund which comes into the Federal Treasury. That is undoubtedly true. There is no earmark to the taxation.

If that may be done, it is undoubtedly true that we may continue to do other similar things. We might, for instance, levy a tax upon the automobile industry without specifying the purpose of the tax, though we in the Senate might understand that it is done to meet the needs of the farmers who are in distress. We might tax the steel industry, levying a tax and collecting millions of dollars a year, and we might agree here that it should be done for a specific purpose. But the query I have in my mind is whether or not the Supreme Court may look at the two acts and determine that the tax was levied for a purpose.

I do not raise the objection here for any other reason than to caution the Senate against this kind of legislation which separates a tax bill from the purpose of the tax itself. I think unless we can combine the two, and safely combine the two, we ought not to enact it at all. I am not in favor of circumventing the spirit of the Constitution in any way. We have developed new and important minds recently. They have new ideas. It seems to me this is one idea which they might be able to "put over." I am glad, in view of that thought, to hear the Senator from New York [Mr. WAGNER] say it was not done designedly, that it was not for any such purpose as that.

With that statement in the record I assume the Supreme Court, when they come to consider one of these acts, will feel justified in considering both of them and reading the record in order to ascertain whether or not we have done a lawful thing.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Connally | Lewis | Reynolds |
| Ashurst | Copeland | Logan | Robinson |
| Austin | Costigan | Lonergan | Russell |
| Bachman | Dieterich | McAdoo | Schall |
| Bailey | Donahey | McGill | Schwellenbach |
| Bankhead | Duffy | McKellar | Sheppard |
| Barbour | Fletcher | McNary | Shipstead |
| Barkley | Frazier | Maloney | Smith |
| Black | Gerry | Metcalf | Steiwer |
| Bone | Gibson | Minton | Thomas, Okla. |
| Borah | Glass | Moore | Thomas, Utah |
| Brown | Guffey | Murphy | Trammell |
| Bulkley | Hale | Murray | Truman |
| Bulow | Harrison | Neely | Tydings |
| Burke | Hastings | Norris | Vandenberg |
| Byrnes | Hatch | Nye | Van Nuys |
| Capper | Hayden | O'Mahoney | Wagner |
| Caraway | Johnson | Overton | Wheeler |
| Chavez | King | Pittman | White |
| Clark | La Follette | Radcliffe | |

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present.

DISTRICT OF COLUMBIA COMMERCIAL AIRPORT

Mr. TYDINGS. Mr. President, the House has passed a bill dealing with the subject of a District airport. The Senate was not in favor of the House bill. As the matter now stands,

no action will be taken at this session. I have prepared an amendment which I think reconciles the differences, which will authorize the President to appoint a commission to report in January next which site, if any, should be adopted. There is no appropriation involved; and I ask for the immediate consideration of the House bill.

The VICE PRESIDENT. The Senator from Maryland asks unanimous consent for the present consideration of the bill, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 3806) to establish a commercial airport for the District of Columbia.

Mr. LA FOLLETTE. Mr. President, I did not quite understand what the Senator's amendment purports to do. I desire to ask him whether it leaves discretion to the commission which is to be appointed to recommend any site, or whether the commission is to be confined to a choice between the two sites which have been under consideration.

Mr. TYDINGS. The bill makes no choice whatsoever. It asks the commission to review the whole situation, and to make a recommendation to the next Congress on January 4, 1936.

Mr. LA FOLLETTE. But the commission is not confined to a choice between the two sites which have been under discussion?

Mr. TYDINGS. Not at all. It may recommend either of them, or an entirely new one.

Mr. McNARY. Mr. President, as I recall the history of this matter, the House has passed a bill on the subject, and the Senate has passed a bill on the subject. The two bills deal with the situation from different angles. In order to have the matter properly before us I think the Senator from Maryland should explain the bill and the reason for his desire to take it from the calendar in an irregular manner.

Mr. TYDINGS. Mr. President, the amendment strikes out everything after the enacting clause of the bill. It authorizes and requests the President to appoint a commission of seven members to examine all the sites now being used and any others they may care to look at, and to advise the Congress at the next session what it considers to be the best site for this purpose in the District, its cost, and any other information or data which may be of value. That is all there is to the amendment.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maryland for the present consideration of the bill referred to by him?

There being no objection, the Senate proceeded to consider the bill (H. R. 3806) to establish a commercial airport for the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and to insert:

That the President of the United States is hereby authorized and requested to appoint a committee of seven persons to be known as the "District of Columbia Airport Commission", the said Commission to consist of persons who because of official positions are interested in the development of a commercial airport in the District of Columbia. No person shall serve on the said Commission who has any financial interest direct or indirect in any site or sites for said airport which may be the subject of consideration. The District of Columbia Airport Commission shall proceed immediately after its appointment and organization to examine all available data concerning potential sites for commercial airports within the District of Columbia, inspect such potential sites and shall select a site for such purpose with due regard to the cost of acquisition and development, safety, and adaptability to the requirements of commercial aviation and national defense.

SEC. 2. The said Commission shall preserve its decision and selection in confidence and shall make a confidential report thereon to the President of the Senate and the Speaker of the House of Representatives during the second session of the Seventy-fourth Congress.

SEC. 3. The members of the said Commission shall receive no salary as such, but shall be reimbursed for actual expenses incurred in the discharge of official duties as such commissioners. There is hereby appropriated the sum of $1,000 to be charged one-half to the moneys in the Treasury of the United States to the credit of the District of Columbia and one-half to the moneys to the credit of the United States not otherwise appropriated, for the purposes of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

VIRGIN ISLANDS CO.

Mr. TYDINGS. Mr. President, from the Committee on Territories and Insular Affairs I report back favorably, without amendment, House bill 7380. The bill deals with a claim of $1,736.81 from the Virgin Islands Co. I understand that the Comptroller General has asked that the bill be passed. The Senate and House bills are identical; but the amendments to the House and Senate bills to carry out the Comptroller General's wishes are not identical. Therefore I ask for the immediate consideration of House bill 7380, so that the two bills may be in consonance, and may not die in conference.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maryland?

There being no objection, the Senate proceeded to consider the bill (H. R. 7380) authorizing the Virgin Islands Co. to settle valid claims of its creditors, and for other purposes, which was ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Virgin Islands Co., a nonprofit corporation, created by special act of the Colonial Council of Saint Thomas and Saint John, Virgin Islands of the United States, to engage in enterprises for the rehabilitation of the Virgin Islands of the United States, is hereby authorized to pay to Phagen, Tillison, and Tremble for services rendered during governmental fiscal years 1934 and 1935 in providing a general accounting and cost system for the corporation a sum not to exceed $1,736.81: *Provided*, That this act shall not be deemed to authorize the payment of any claim out of any money other than funds belonging to or deposited to the credit of the corporation.

RETIREMENT SYSTEM FOR RAILWAY EMPLOYEES

The Senate resumed the consideration of the bill (S. 3151) to establish a retirement system for employees of carriers subject to the Interstate Commerce Act.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

Mr. ROBINSON. Mr. President, I ask the attention of the Senator from New York [Mr. WAGNER].

The House today has passed an identical bill. It is on its way to the Senate. I think both the Senator from New York and I have been interested in serving the convenience of the Senate in this matter. Does the Senator desire to have the Senate bill pass, or will he wait until the House message reaches the Senate?

Mr. WAGNER. I may say to the Senator that I understand the Senator from Illinois [Mr. LEWIS] is about to address the Senate upon a matter.

Mr. ROBINSON. Very well. My information is that the House message will be here in a few minutes. If the Senator from Illinois desires to address the Senate, now is an opportune time.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. The Senator from Minnesota [Mr. SCHALL] sometime ago asked the Chair for recognition. The Chair feels that he should recognize the Senator from Minnesota.

Mr. LEWIS. I yield to any previous commitment, Mr. President.

Mr. SCHALL. Mr. President, I ask consent to have some observations read through the eyes of the clerk.

The VICE PRESIDENT. The Senator from Minnesota asks unanimous consent that the clerk may read some observations which he has placed in the clerk's hands.

Mr. ROBINSON. I reserve the right to object.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read the address.

LAKE CHAMPLAIN BRIDGE, WEST SWANTON, VT.

Mr. GIBSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Vermont?

Mr. SCHALL. I do.

Mr. GIBSON. Referring to Senate bill 2681, providing for building a bridge over an arm of Lake Champlain, the

Senate has disagreed to the House amendment. I ask unanimous consent to reconsider the vote disagreeing to the House amendment and asking for a conference, and I request that the bill and all papers relating thereto be returned to the custody of the Senate.

The VICE PRESIDENT. The Senator from Vermont asks unanimous consent that the action of the Senate, whereby it asked for a conference with the House and appointed conferees, be rescinded, and that the House be requested to return the bill to the Senate. Is there objection? The Chair hears none, and it is so ordered.

REGULATION OF SHIPMENT OF FILLED MILK

Mr. SCHWELLENBACH. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Washington.

Mr. SCHALL. I yield.

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent for the immediate consideration of House bill 6361, to amend the Filled Milk Act. This matter came up on Friday, but the senior Senator from Utah [Mr. KING] asked that it go over. I have discussed the bill with him since that time, and he now states that he has no objection. The bill is approved by both departments which are involved, the Department of Justice and the Department of Agriculture.

Mr. ROBINSON. Mr. President, I think that in view of what transpired in the Senate when the bill was called on the Unanimous Consent Calendar the Senator should explain the changes the bill makes in existing law.

Mr. SCHWELLENBACH. Mr. President, the only change it makes is to transfer from the Department of Justice, which now has the duty of enforcing the Filled Milk Act, which was passed in 1922, the duty of enforcing the act. It does not amend the law in any other way. Both departments involved want the change made.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington?

There being no objection, the Senate proceeded to consider the bill (H. R. 6361) to amend the Filled Milk Act, which was ordered to a third reading, read the third time, and passed.

RETIREMENT SYSTEM FOR RAILWAY EMPLOYEES

The Senate resumed the consideration of the bill (S. 3151) to establish a retirement system for employees of carriers subject to the Interstate Commerce Act.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. SCHALL. I do.

Mr. McNARY. Mr. President, in order that we may proceed in an orderly fashion, I suggest that we now take a vote upon the pending unfinished business, and I suggested a moment ago that a quorum be called for that purpose.

Mr. ROBINSON. Mr. President, the Senator probably was temporarily out of the Chamber when it was explained that the message from the House has not as yet been received. The House has passed a bill identical with the Senate bill, and the Senator from New York and I reached the conclusion that the proper procedure would be to substitute the House bill for the Senate bill so as to avoid the necessity for future action.

Mr. McNARY. That action would be proper. I was out of the Chamber when the Senator made the suggestion.

Mr. ROBINSON. I believe the message is just about to be delivered to the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes.

The message also announced that the House had passed a bill (H. R. 8651) to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes, in which it requested the concurrence of the Senate.

RETIREMENT SYSTEM FOR RAILWAY EMPLOYEES

The Senate resumed the consideration of the bill (S. 3151) to establish a retirement system for employees of carriers subject to the Interstate Commerce Act.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Arkansas?

Mr. SCHALL. I do.

Mr. ROBINSON. Mr. President, it is suggested that the House bill lie on the table for some time until it can be ascertained whether amendments have been adopted by the body at the other end of the Capitol.

Mr. WAGNER subsequently said: Mr. President, House bill 8651, identical with the bill upon which the Senate was about to act, is now before the Senate, and I ask unanimous consent that the House bill be substituted for the Senate bill, and that the Senate proceed to the consideration of the House bill.

There being no objection, the Senate proceeded to consider the bill (H. R. 8651) to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes, which was ordered to a third reading, and was read the third time.

The PRESIDING OFFICER (Mr. COPELAND in the chair). The question is, Shall the bill pass?

Mr. ROBINSON. Let us have a yea-and-nay vote on the passage of the bill.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. KEYES]. I am not advised how he would vote on this question. I transfer that pair to the junior Senator from Nevada [Mr. MCCARRAN] and vote "yea."

The roll call was concluded.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] has a general pair with the Senator from Mississippi [Mr. BILBO].

The Senator from Pennsylvania [Mr. DAVIS] is unavoidably detained. If present, he would vote "yea."

The Senator from Delaware [Mr. TOWNSEND] and the Senator from New Hampshire [Mr. KEYES] are necessarily absent.

The Senator from Wyoming [Mr. CAREY] is absent on official business.

Mr. ROBINSON. I announce that the Senator from Massachusetts [Mr. WALSH] is detained in a meeting of the House Judiciary Committee. I am advised that if present and voting he would vote "yea."

I also announce that the Senator from Virginia [Mr. BYRD] and the Senator from Georgia [Mr. GEORGE] are detained in committee meetings.

The Senator from Oklahoma [Mr. GORE] is detained on official business.

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who has been called away from the Senate. I transfer that pair to the junior Senator from Idaho [Mr. POPE] and vote "yea."

Mr. LEWIS. I announce that I am authorized to say that the Senator from Mississippi [Mr. BILBO], the Senator from Louisiana [Mr. LONG], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Idaho [Mr. POPE] are unavoidably detained and that if present and voting each would vote "yea."

Mr. NEELY. The junior Senator from West Virginia [Mr. HOLT] is absent on account of illness. If he were present, on this roll call, he would vote "yea".

Mr. MCKELLAR (after having voted in the affirmative). I have a general pair with the junior Senator from Delaware [Mr. TOWNSEND], but I do not see him in the Chamber. I transfer that pair to the junior Senator from Massachusetts [Mr. COOLIDGE] and allow my vote to stand.

Mr. LEWIS. I desire to announce the following general pair on this question:

The Senator from Georgia [Mr. GEORGE] with the Senator from Oklahoma [Mr. GORE]. I am not advised as to how either Senator would vote if present.

Mr. LOGAN. May I inquire whether the senior Senator from Pennsylvania [Mr. DAVIS] has voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. LOGAN. I have a general pair with the senior Senator from Pennsylvania, which I transfer to the senior Senator from Massachusetts [Mr. WALSH], and vote "yea."

The result was announced—yeas 76, nays 3, as follows:

YEAS—76

| | | | |
|---|---|---|---|
| Adams | Clark | Lewis | Reynolds |
| Ashurst | Connally | Logan | Robinson |
| Austin | Copeland | Lonergan | Russell |
| Bachman | Costigan | McAdoo | Schall |
| Bailey | Dieterich | McGill | Schwellenbach |
| Bankhead | Donahey | McKellar | Sheppard |
| Barbour | Duffy | McNary | Shipstead |
| Barkley | Fletcher | Maloney | Smith |
| Black | Frazier | Minton | Steiwer |
| Bone | Gerry | Moore | Thomas, Okla. |
| Borah | Gibson | Murphy | Thomas, Utah |
| Brown | Glass | Murray | Trammell |
| Bulkley | Guffey | Neely | Truman |
| Bulow | Harrison | Norris | Tydings |
| Burke | Hatch | Nye | Vandenberg |
| Byrnes | Hayden | O'Mahoney | Van Nuys |
| Capper | Johnson | Overton | Wagner |
| Caraway | King | Pittman | Wheeler |
| Chavez | La Follette | Radcliffe | White |

NAYS—3

| | | |
|---|---|---|
| Hale | Hastings | Metcalf |

NOT VOTING—17

| | | | |
|---|---|---|---|
| Bilbo | Davis | Keyes | Townsend |
| Byrd | Dickinson | Long | Walsh |
| Carey | George | McCarran | |
| Coolidge | Gore | Norbeck | |
| Couzens | Holt | Pope | |

So the bill was passed.

The PRESIDING OFFICER. Without objection, Senate bill 3151 will be indefinitely postponed.

THE BANKING SYSTEM—CONFERENCE REPORT

Mr. GLASS. I call up the conference report on the banking bill and ask for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes, which was read.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

(For conference report see p. 13603.)

CHANGE OF NAME OF THE DEPARTMENT OF THE INTERIOR

Mr. LEWIS. I move that the Senate proceed to the immediate consideration of Senate bill 2665, calendar 1204, being the bill which has been described as the bill providing for the amalgamation of certain departments, and the change of name of the Department of the Interior to the Department of Conservation and Works.

The PRESIDING OFFICER. The question is on the motion of the Senator from Illinois.

Mr. McNARY. Mr. President, the Senator from Minnesota [Mr. SCHALL] does not wish to yield for that purpose at this time. He wishes to complete his speech before yielding further.

Mr. SMITH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMITH. Did not the Senator from Minnesota [Mr. SCHALL] have the floor, and did he not yield it temporarily in order that other business might be disposed of?

The PRESIDING OFFICER. The Senator from South Carolina is correct. The Senator from Minnesota now has the floor.

Mr. McNARY. Mr. President, the Senator from Minnesota does not yield for the transaction of business at this time.

The PRESIDING OFFICER. The Chair so understands. The Senator from Minnesota has the floor.

Mr. WHEELER. Mr. President, will the Senator from Minnesota yield in order that I may ask unanimous consent for the consideration of a measure?

Mr. SCHALL. No, Mr. President; I cannot yield at this time.

The PRESIDING OFFICER. The Senator does not yield for that purpose. The clerk will read the address of the Senator from Minnesota.

The Chief Clerk read as follows:

PROSPERITY AND/OR "EMERGENCY"

Mr. SCHALL. Mr. President, until I heard the Senator from Tennessee [Mr. McKELLAR] read to the Senate the other day eight prepared pages of the CONGRESSIONAL RECORD of glowing periods and long statistical demonstration, I supposed we were living in a period of dire emergency. I received that impression from the President himself when he asked us for another $5,000,000,000, or $1,500,000,000 more than all the revenue produced in a year, to meet the distress of the people on every hand throughout the land.

I also thought the country was in need, because Government agencies declared that we had 22,000,000 of the public on Federal doles—nearly one-fifth of the total population, and five times as many as 3 years ago.

I thought American labor was in need, not only from the declaration of labor itself but from the declarations of all Government labor agencies. I thought so for the additional reason that the President said he wanted about $5,000,000,000 for work relief. I took due note of labor data amounting to over 13,000,000 unemployed, an increase of nearly 90 percent in unemployment in 3 years—not to mention a loss of a similar number of employed in the fields of agriculture, commerce, domestic and professional life—bringing the total unemployed up to more than 20,000,000, or a greater number than the aggregate unemployment of the 22 industrial countries of Europe.

But all of this sad picture created in our minds by the messages of the President, by the reports of the American Federation of Labor, and by the tales of political woe with which our ears have been assailed through these 2½ years of pretended emergency, is now swept away in one eight-page breath by the distinguished Senator from Tennessee [Mr. McKELLAR].

He has convinced us all, I am sure, that we are living again in a day of Nation-wide prosperity. He has proved it. He has given us the glowing newspaper headlines which show that we are now enjoying the boomiest times that ever boomed since the days of Coolidge, from 1923 to 1929.

I have had my office make a list of the boom headlines, and the boom trade, and the boom industries, and the boom employment and wages, and the boom insurance and bank news, and the boom stock and bond markets, and the boom farm income, and the boom industries and wages, and the boom in rising trade and good orders, and the boom in earnings and dividends, and the booming price indexes, and the booming South and Southwest, and the booming New England—though Rhode Island was not named—and the booming Philadelphia, where Mr. Hopson, the administration's grasshopper, under White House espionage, was hopping up and down, and the boom in all merchandise with a Nation-wide upswing, and the boom in the once so-called "heavy industries", which now are as light as a feather. In short, as the Senator from Tennessee himself assures us:

Our country virtually has returned to prosperity and happiness.

And he has discovered all this, not by a visit to the Democratic National Committee, not even from the editorials of the Democratic press, but from reading headlines in Republican newspapers.

So, Mr. President, I am wondering what the price of a headline is on the market page of a newspaper, and who pays for it.

But, alas, it remains for a Democratic Senator, the distinguished medical authority from the State of New York [Mr. COPELAND] to throw a dead fly or a live bumblebee into the ointment of the Senator from Tennessee. The Senator from New York wants enlightenment and encouragement on this point, to wit:

Why is it, if all this boom in production and other things is going on, that the car loadings of freight during the 12 months just ended are 1,000,000 tons less than the year before?

Then the Senator from Tennessee explained that that was due to the trucks and busses, and he offered to drive the Senator from New York to Baltimore to show him. However, the Senator from New York says trucks and busses were running in Baltimore last year and the year before. He had seen them. Perhaps they were not carrying so much freight this year as last year, and perhaps what they carried they were taking to or from the railway station to help railway business.

Then the Senator from Tennessee suggested that the falling off in railway freight was due to airplanes. I have been wondering how many cars of heavy freight have been carried by airplanes in the past year. Would all the railroad freight carried by airplanes in the past 20 years over North America amount to one trainload? Does any airplane carry, at 100 times the rate charged by freight cars, any heavy freight that usually travels by rail? I am afraid this one dead fly cast in the direction of Tennessee has spoiled the ointment of a thousand distorted headlines, influenced, no doubt, by the local bank controlled from Washington.

But I am willing to assume—indeed, I should be glad to assume—that all the wisdom gleaned by the Senator from Tennessee is gospel truth. I am glad the Senator is studying Republican newspapers, for then he knows about the election returns from Rhode Island. I am glad to know that, according to the Senator, "prosperity and happiness" are "virtually returned."

I am glad, moreover, to hear from the Senator that we have a President who loves and upholds the Constitution. So now I know that we could not have received from the White House any unconstitutional bills, notwithstanding the former supposition that we have received about 40 since January.

It must be that we have now a different President from the one who a few weeks ago told a House committee to rush through a bill, notwithstanding the known fact of a "reasonable doubt" of the bill's constitutionality.

It must be that we have no longer an Executive who jeered at the United States Supreme Court that they had gone back to "horse and buggy" days because they had upheld the Constitution they had sworn to uphold.

It must be, moreover, that if we are "virtually returned to prosperity and happiness", we now have already what Rhode Island voted for the other day.

If Ohio had been allowed to hold another election test for the election of Congressman at large, the national roll call would have continued to make the verdict unanimous.

In short, if the picture painted by the distinguished Senator from Tennessee is true in all particulars, then we are again returned to the 70-year period of progress and prosperity which we enjoyed before the "crack down" of March 1933, before a dictator closed all banks, 15,000 of which were solvent, began plowing under the crops and reducing the pigs and cows to fertilizer, prostrating the mills and factories under 751 codes of unfair monopoly, produced the greatest textile strike in world history, and destroyed the gold standard and the confidence of the country.

If the conditions are here as described by the eloquent Senator from Tennessee, then I know that again we have a responsible and skilled financier at the head of the United States Treasury who knows banking and currency—a Hamilton, a Gallatin, a John Sherman or William Windom, a John G. Carlisle or Lyman J. Gage, an Ogden L. Mills, or the distinguished financier from Virginia, CARTER GLASS.

Then I know that the American dollar, when it lies down at night or looks out of the window at sunrise, can say in faith and full knowledge:

I know that my Redeemer liveth!

And the Government bond, when it walks abroad at noon, can say to the investors of the world: "The contract I here bear on my face that I am redeemable in so many ounces and grains of gold is honest, gentlemen, believe me, and not a blankety-blank whopper."

And the little "baby bond" can look up from its cradle and truly say: "My name, Mister, is $25 and not $18.75, as that boy across the fence there once told you."

And the free, self-reliant farm yeomanry of America, whose plowmen fathers fired the shot heard round the world, can say: "We have got back our farms and our freedom, and we are running those farms ourselves to produce the Nation's food. We reject the insult of an autocrat's offer to bribe us to loaf and raise weeds for the starvation of the hungry unemployed."

Moreover, if the prosperity shout of hallelujah rings true, we know another thing, and that is that American tariff laws are made again by Congress and its fact-finding commission without Executive interference, with free public hearings and debate, open hearings where labor, factory owners, and farmers are all entitled to a voice; and that the star-chamber proceedings between the Executive here and an emissary abroad are a thing of the past; and that we no longer are swamped by a tidal wave of imports which drown our farms and factories and take away the jobs of our employed.

But something has happened to our vision of prosperity and happiness. In the joyous recital of his epic poem the Tennessee prophet began to quote Scripture. And he exclaimed:

By their fruits ye shall know them.

Well, when he began to talk about fruit I looked out at the orchard, and this is what I saw:

Twenty-two million public charges hanging onto sour-apple trees; about 7,000,000 barnacles and caterpillars eating the substance out of the Federal orchard; the trees bowed with the weight of nearly $40,000,000,000 of bonded or contingent debt; the roots of the orchard eaten into and dying from the effect of $12,000,000,000 of accrued deficits; and the 100-percent standard of the orchard reduced to 59 cents.

So I said: "What has happened? What has been there? Is it a plague, a drove of hogs, or an army of hoboes?"

The distinguished poet from Tennessee [Mr. MCKELLAR] said:

This is Democracy, and it is Democracy of the Jeffersonian type.

If he had not said "Jeffersonian Democracy" I might have believed him. If he had said "Farley pork-and-pie Democracy on the Socialist platform of 1932" I would have known that he was at least 90 percent correct.

But when he charged it to Jeffersonian Democracy, it just would not go down. Recently I have had read to me about 100 letters of Thomas Jefferson on just the conditions—the fruit or lack of fruit—I saw out there through the spyglass of that scriptural quotation.

This is what I heard from the letters of Thomas Jefferson, and I know that my ears are on the job, because they heard the epic poem from Tennessee for over an hour. This is what Jefferson said about the state of the Union, and the way it should be conducted as to that fruit described.

He denounced public debt—which includes $40,000,000,000 of actual and contingent debt created by 2½ years of this monthly series of "emergency."

He denounced even the approach of Government deficit—of which this administration has accrued $12,000,000,000.

He denounced Federal domination of the States—which is now universal.

He denounced Federal usurpation of the rights and immunities of citizens.

He denounced those who had neglected to give us a Bill of Rights—free speech, freedom of the press and worship, due process of law, the right to a day in court, and the guaranty of a republican form of government to each and every State, and he himself wrote us a Bill of Rights which has never been trampled upon until this new deal.

Thomas Jefferson, furthermore, denounced Federal patronage, Federal bureaucracy, loaves and fishes, monopolies and doles, star-chamber proceedings, and Government subsidy and favoritism.

In short, Thomas Jefferson denounced pretty much everything that has happened under this administration since the day it repudiated the Jeffersonian Democratic platform adopted at Chicago, and climbed up over the back wheels of Norman Thomas' bandwagon and got on the platform of socialism and Moscow.

Then another idea came to me. If we are already in the boom times of "virtually returned prosperity and happiness", why are we making all these unprecedented "allocations" of billions to relieve misery? After 2½ years of alleged "emergency", we are projecting this "emergency" 2 to 4 years ahead, and the Treasury carries on the back page of its daily statement an "emergency fund" of $8,000,000,000 yet to be expended after $10,000,000,000 already has been expended from March 1933 to August 1933.

If prosperity and happiness are virtually returned already, why squander $8,000,000,000 more for nothing? Everybody here recalls what the President said at the opening day of this session. He was shouting for help. Said he:

Oh tempora! Oh Mores! Oh misery! Oh emergency!

Gentlemen of the House, gentlemen of the Senate, help! Here, put $880,000,000 into my left hand, and $4,000,000,000 in one lump sum in my right hand, and other billions into my trouser pockets, coat pockets, and vest pockets, and into the hats of Hopkins, Ickes, and Tugwell, in all around $8,000,000,000, to save the country from the direst perils the world has known. Hurry, and do not look at the Constitution and your legislative rights and powers. Just do it, and do it sudden. Make it enough to last, not only for this year but for 2 years ahead. Give me twice as much as you have or expect to have from revenue collections, and charge the deficit to the coming generation.

It seems to me, Mr. President, that the distinguished Senator from Tennessee, notwithstanding his news "ads", is in what the French call a "cul de sac." Is he not charging the President of the United States with the grave crime of securing money under false pretenses?

If prosperity is here or just around the corner and the chicks are already going in pairs into every pot to take the place of the Russian blue duck in every window, then why are we putting out twice as much appropriation as reasonably we can raise from revenue to pay for this year's and next years' misery and want and planning for a further "emergency" extension for 2 years ahead?

Either the Senator from Tennessee got newspaper clippings for the wrong year—say for that boom period under the tax-reduction and debt-reduction era of the G. O. P.—or the gentleman from the White House sold us a con game and bum deck.

Moreover, if the epic from Tennessee about prosperity is so, we do not need this tax bill at all. Why crack down on prosperous industry, rising trade, a cheery stock market, booming sales, and floods of good orders with a confiscatory tax bill that no one wants and the Government does not need, just to kill the goose that lays the egg that is sucked by laughing hyenas of Farley's patronage zoo?

If what comes here from Tennessee is true, we need no tax bill, and we do not need the shame of a Government hold-up to haunt us another hour. All we need to do is to pass a joint resolution ordering the President to turn over $5,000,000,000 of "allocation" to balance the last Budget and show a fiscal-year surplus of $1,500,000,000 to apply on the debt. That done, we can go home and fix our fences from now till January. We can relieve the country from the nightmare of this threat of confiscation by the blighting hand of an administration that has spread 2½ years of blight over all industry and all the States. We can convert chaos into the heaven of normal peace and prosperity, liberty, and pursuit of happiness. Let us believe the Senator from Tennessee and do it. It will be the first decent constructive thing we have done in 2½ long years of false and pretended emergency.

There is one appeal in the oration of the Senator from Tennessee [Mr. McKELLAR] to which all here may respond, regardless of party division. Says the Senator:

Lord God of Hosts, be with us yet,
Lest we forget—lest we forget!

Had he gone into details, I doubt not that he would have continued somewhat as follows:

Lest we forget the Democratic platform of 1932 and all other Democratic platforms since the time of Andrew Jackson in 1828.

Lest we forget the Constitution and the Bill of Rights, which we are sworn to maintain and uphold in order to get our respective Senate seats.

Lest we forget that the sole branch of government lawfully exercising legislative power is the Congress of the United States.

Lest we forget that the sole constitutional repository of the tax power—which is defined as "the power to destroy"—is Congress and not a bureau of the executive branch of the Government.

Lest we forget that the sole power of Federal Government over industry and commerce is the power of Congress over interstate and foreign commerce.

Lest we forget that the sole constitutional function of government in the appropriation and allocation of public funds, except in case of true emergency, like acts of nature or foreign foes, is to meet the public needs of government economically administered.

Lest we forget that the foundations of American liberty are laid in the civic rights and immunities of a free and industrious people, such people as those who began the preamble of their Constitution with the words "We, the people of the United States", which means that the people of this country are the sovereigns and that the Government in Washington is their public servant.

Lest we forget that this is "an indissoluble Union of indestructible States" and that each and every State is guaranteed a republican form of government.

Lest we forget that ours is a "government of laws" and not a dictatorship where, as "Comrade" Rexford Guy Tugwell, as he is known in Russia, tells us, "everything is done by men"—and such men!

Lest we forget that long succession of Presidents from George Washington down to the inauguration of the new deal—that American era of 144 years when Presidents respected their oaths to uphold and support the Constitution, respected the Bill of Rights including free speech and freedom of the press, respected the authority of Congress to make the laws, respected the function of the Supreme Court as the tribune which determines what is law under the Constitution, and respected the American creed of "government of, by, and for the people."

Lest we forget Washington and Jefferson, Madison and Monroe, Andrew Jackson and Abraham Lincoln, Benjamin Harrison and Grover Cleveland, Theodore Roosevelt, Woodrow Wilson, and Calvin Coolidge.

Let we forget the 35 administrations up to and including the first Administration of Woodrow Wilson, and including five wars, with a total expenditure of twenty-four and one-half billion dollars, to be compared with the new deal administration that in 4 years will have spent $39,000,000,000, approximately fifteen billions more than 35 administrations in 125 years.

Lest we forget the great structure of our American jurisprudence, built up by our great jurists from the day of John Marshall down to Charles Evans Hughes, and the long line of great Speakers, great Vice Presidents, great Secretaries of the Treasury, great Secretaries of State, and the great progress and prosperity, the greatest the human race has known, during the 144 years of American liberty under the Constitution and Bill of Rights.

So I find myself in full agreement with the noble words of the Senator from Tennessee:

Lord God of Hosts, be with us yet,
Lest we forget—lest we forget!

THE RIGHT OF PETITION

Mr. President, it was Thomas Jefferson, the long-supposed godfather of the party which this Administration is presumed to represent, who wrote the first amendment of the Constitution, which includes, besides free speech, free press, free worship, and free assembly, the right of petition.

One of the grievances cited by the 57 signers of the Declaration of Independence against the British Government on July 4, 1776, was the denial of the right of petition, and the punishment of those who petitioned—petitioned against the destruction of their property; petitioned against "swarms of officers" and unjust taxes.

Said the signers of the great Declaration:

In every stage of these oppressions we have petitioned for redress in the most humble terms: Our repeated petitions have been answered only by repeated injury. A Prince, whose character is thus marked by every act which may define a tyrant, is unfit to be the ruler of a free people.

Over in London, under the Lord North Ministry of George III, all petitions from America were called "lobbying by insurrectionists" in disobedience to the Crown.

In fact, all petitions and petition groups are known as "lobbies" to the government or the legislative majority which represents the other side. All petitions supporting our point of view are termed "intelligent and constructive", and all petitions against our point of view are termed "lobbies".

Thomas Jefferson himself, Benjamin Franklin, and their compatriots of the early day of this Republic, were among the greatest lobbyists of their day and age, or of any age up to that time. Thomas Jefferson, the greatest letter writer in the history of modern politics, was the world's greatest "lobbyist" until recently.

It was due to the intensive "lobbying" of Thomas Jefferson through the mails of 1776 to 1824 that the early "Republican Party" of 1800 to 1824 was born—Jefferson, Madison, and Monroe being the first Presidents to call themselves "Republicans"—and it was due to the same "lobbying" through the mails that the foundation was laid for the organization of the "Democratic Party" by Andrew Jackson in 1828.

There was no telegraph in that day, or Jefferson doubtless would have flooded the wires with night letters. He would not have employed, perhaps, the method of the White House protégé, of whom Marvin H. McIntyre, Assistant Secretary of the President, was recently a guest at the Mayflower. Jefferson would have attached to his petitions genuine names of people he knew.

Jefferson, I say, would not have employed the methods said to be employed by the friend and protégé of the Chairman of the House Rules Committee, a bosom friend and party colleague of Postmaster General James Aloysius Farley, Chairman of the Democratic National Committee, chairman of the New York State Democratic Committee, and political manager of the President. Not at all! The telegraphic methods now described by the press have come to their fruition only since the new deal came in.

Thomas Jefferson, who belonged to that Republican-Democratic school to which Drs. Tugwell and Moley say we shall never go back, would not have used the methods of the friend of the Rules Committee Chairman, and/or the Assistant Secretary of the President.

Indeed, that method might not have been Mr. "Hopson's choice" if he had had his way about it, and had not been compelled to use the new-deal way under the protective skirt of a new-deal escort.

After all, Mr. Hopson may have had no "choice." Unless he could send those telegrams in the new-deal way, he might not have been allowed to get away with it at all. If he had not used an "offensive" method to provide a smoke-screen for the Cohen-Corcoran-Frankfurter-Winerwurst bills, Hopson might not have received the protection of the new-deal Rules Committee, or had the honor of playing host to the Assistant Secretary of the President.

"Hopson's choice" seems to be what is called in my part of the country a "woodchuck case." The woodchuck he thought he saw over his eyebrow, as related in the story by the distinguished Senator from Louisiana [Mr. LONG], was in reality the new deal. So Hopson banged away, 15,000 shots an hour, and got no woodchucks of any value; but he did get the protection of a Rules Committee Chairman, and the highly exalted privilege of playing host to a White House secretary.

When the Sergeant at Arms of the United States Senate broke into the Hopson suite at the Mayflower, the press tells us, our officer was told to go away. He was not an invited guest, and he was spoiling a beautiful picture of the hopping Mr. Hopson and his White House guest sitting down to a choice and juicy steak, while laughing over the bone-heads on the Hill, who had been used as supernumeraries in this reproduction of a Midsummer Night's Dream.

Our Sergeant at Arms and his assistant had been made to play the part of the two Dromios. Our Senate Committee of Investigation, with, or without their knowledge, and with or without rehearsal, seem to have played the parts, first, of Theseus, Duke of Athens, the hero, and the less heroic roles of Bottom the Weaver, Quince and Snug, Flute and Snout, Oberon, king of the fairies, Puck or Robin Goodfellow, and the good fairies, Peaseblossom, Cobweb, Moth, and Mustardseed.

So, by their joint cooperation, the country has enjoyed a good play during the dog-day season—as good as any turned out in Hollywood. We have been shown what can be done under the new deal. No harm has been done, and nobody fooled except those who wanted to be fooled. Flute, the "bellows mender", was the only member of the cast who suffered from the heat. Starveling, the "tailor", who represented the unemployed, is still starving, but that would have been his fate anyhow. Cobweb lost his whole outfit, but the White House can easily replenish that, for cobwebs are one of the principal commodities of the new deal. Bottom, the "weaver", will have to beware of the fate of Richberg, who contracted "ants in his pants." Otherwise, all is well that ends well.

Mr. President, I desire to have printed at the conclusion of my remarks an editorial leader from the Evening Public Ledger of Philadelphia on the subject "The Same Old Battle Against the Lobbies."

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Without objection, the editorial will be printed at the conclusion of the Senator's remarks.

(See Exhibit A.)

Mr. SCHALL. We have been having "lobbies", it seems, ever since December 15, 1791, when the 13 original States voted into the Constitution the article drafted by Thomas Jefferson, providing that:

Congress shall make no law respecting * * * the right * * * to petition the Government for a redress of grievances.

It is fortunate for us and our investigation that Jefferson only covered the matter of "making no law." He forgot to put in the word "investigation", or anything about the Sergeant at Arms, or the dinner party at the Mayflower; and that lets us out.

MANIA AGAINST RIGHT OF PETITION

Mr. President, I also ask to print, at the conclusion of my remarks, an editorial leader from the New York Times of Sunday, August 18, the accredited leading Democratic independent newspaper of this country, with regard to the political prejudice that has developed against the right of citizens to petition the Government for redress of grievances—the same issue which was foremost in 1776.

The PRESIDING OFFICER. Without objection, the editorial will be printed at the conclusion of the Senator's remarks.

(See Exhibit B.)

Mr. SCHALL. In its references to the administration's attitude in opposing any opportunity for a hearing on measures fathered by the administration, the New York Times, which heartily supported Roosevelt in 1932, has this to say:

The fact is notorious that the administration itself has done, or has countenanced, an immense amount of lobbying for measures which it favors. Only last week the Republican leader in the House, Mr. SNELL, openly denounced, by name, the President's special liaison official with Congress, and declared that his buttonholing of Members on the floor and in committee rooms had been absolutely "outrageous." But nobody gave heed to such charges. The full cry of the pack was on the trail of men openly, and, so far as is known, honorably, lobbying against legislation desired by the administration.

Mr. President, the Congress of the United States has a mandate from the people, and not from the Executive. Our

duty is to the people whom we represent, and not to the White House. It is our duty to make the laws to direct the Executive, and not to receive law-making instructions from him. It is our duty to afford a free public hearing to all who desire to petition us for redress of grievances. From the adoption of the Bill of Rights in 1791 that has been our sworn duty, pursuant to our oaths to support and uphold the Constitution, of which Jefferson's Bill of Rights is a constituent part.

This attack upon the right of petition, popularly termed "lobbying", is consistent only with the general line of attack upon the Constitution and the courts, and upon the legislative function of Congress.

EXHIBIT A

[From the Philadelphia Evening Public Ledger of July 18, 1935]

THE SAME OLD BATTLE AGAINST THE LOBBIES

In one of its lucid moments the Senate Judiciary Committee tentatively rejected a proposal to end lobbying in Federal departments. The Senators realized this, after all, would bar an American citizen from making legitimate requests and filing justified protests.

Possibly some Senator felt, also, that since the Federal Government is moving to prohibit its own citizens from bringing suits against it for damages or other injuries, this lobbying proviso would be carrying matters a little too far.

As yet the new deal, as administered by its extreme doctrinaires, has not gone all the way in silencing the citizen. So far, at least, the right of petition has not been formally abolished.

There is a little more noise than usual in Washington now about silencing all lobbyists.

The idea, apparently, is to punish those who do not approve the ways and works of the administration and who dare attack the measures approved by the dominant forces in the Senate and House.

This is a very old war against the lobbyists. In part it is natural and justified. The history of lobbying is full of scandals and abuses. Lobbying can be and often is a filthy business.

There nearly always is an antilobbying bill pending. While he lived, the late Senator Thaddeus Caraway, of Arkansas, made war against them. Senator BLACK, of Alabama, has a bill requiring all lobbyists to register their names and objectives and to file monthly reports of what they spend and how they spend it.

The trouble about wiping out the lobbyist is that, after all, he has just as much right to be heard as any other citizen.

He has exactly as much right to offer testimony in a hearing or to approach a Member of Congress as has a Cabinet member or an administration advocate.

And he has just as much right to spend his time and money in preparing a case against an administration bill as has the administration to use the time of tax-paid Federal agents or employees in preparing a case favoring an administration bill.

There is something also in the viewpoints of Senators MOORE and SCHALL concerning the lobby's usefulness. Senator MOORE, of New Jersey, finds lobbying actually helpful in clarifying doubtful legislation. Senator SCHALL, of Minnesota, goes much further:

"Liberty is not at stake in any country where the citizens are welcome guests at the seat of legislation and a free 'lobby' maintains their Bill of Rights. Liberty is in danger where an autocratic executive is able to drive away all 'lobbies' of citizens from the executive throne, administers government through an executive star chamber, as during the Stuart tyranny in England 300 years ago, and as today in the 'new deals' here and in Rome, Berlin, and Moscow, and wherever bureaucratic dictatorship is in the government saddle."

Senator SCHALL does not believe in the sincerity of the lobby hunt. He regards it as another devilish new-deal device:

"This bogy cry of 'lobby', like the bogy cry of 'stop thief', is invoked by an autocracy which, in violation of article I, usurps the tariff-making powers of Congress, denies tariff hearings to its citizens, and makes executive tariff duties or abolishes duties in star chamber. This bogy cry of 'lobby' is raised and inspired by an autocracy which tried 3 years—through its Rayburn-Roosevelt bills, drafted by Frankfurter, Cohen, and Corcoran, to curb and destroy free communications, freedom of the press, freedom of the radio, telegraph, and telephone, and now demands that Members of Congress shall be barred from consultation with the people whose rights have been trampled upon by Federal autocrats."

The Senator's views may, or may not, be regarded as extreme. However, the tendency of Congress to shorten hearings, to limit debate and browbeat witnesses gives a basis for his charges. So, also, does the steady drift toward government by bureaucracy, executive order and decree.

Like it or not, the right of protest, the right to be heard, is an inalienable right in these United States. It can be and is abused. Usually it is abused by both sides in every important question that becomes an issue before Congress. It has caused the formation of "pressure groups" and is the favorite weapon of both organized minorities and special interests.

But it will be a sorry day when a citizen or a group of citizens, an organized minority or any special interest is denied a hearing and the right of protest. Liberty then will unquestionably be in danger.

[From the New York Times of Aug. 18, 1935]

EXHIBIT B

TWO CONGRESSIONAL MANIAS

It may be a trifle unfair to take the morbid symptoms displayed by this Congress within the past 2 months as if they were permanent characteristics. Men who are hot and tired and angry are often subject to nervous instability. They suffer from illusions and frustrations. Having to wrestle with many actual evils, they easily imagine others. But when this tendency works collectively through both Houses of Congress it produces some strange results. One of them is to cause Members to seize upon certain phrases, epithets, characterizations, exaggerations, and treat them as if they accounted for everything which they dislike and which they fancy the public would dread.

One such word of sinister power in this dying Congress has been a public utility. Name it, or let it somehow be dragged into seeming connection with pending legislation, and a sort of mania about it seems to afflict great numbers who ordinarily seem sane and sensible. Connect a witness before a committee, or even a Representative or Senator, with a utility company, and he is considered unworthy and doomed on sight. Last year, for example, when Senator AUSTIN, of Vermont, was making a powerful legal argument in the Senate, it was considered a complete answer to it, and a demolition of all that he had said, to point to the fact that before he was elected to the Senate and was practising law, he had been counsel for a local electric-power company. This year, the thing has grown much worse as the torrid heat of Washington and the extreme fatigue of Congressmen have made them susceptible to every suggestion and insinuation. Members who, perhaps because of firmer health or even of sounder judgment, have refused to follow the panic-stricken crowd and stand for sobriety and discriminating treatment of witnesses and their principals, have been looked at askance as if they had a record of secret crimes which could not bear the light of day.

The other thing which has seemed to drive Congressmen almost frantic by its very mention is the lobby. When it is up for debate or inquiry the strangest mental upset is seen on all sides. If it can be shown that lobbyists are against a pending bill, then that measure becomes at once a model of all that is right and true, and its opponents are left under the suspicion that their hearts are filled with evil thoughts and dark designs. No discrimination is permitted. The fact that an individual or a corporation has a right to be heard in opposition to a proposed law which will inflict serious damage upon him or it is entirely ignored. Testimony in favor of a controverted bill is welcome. Opposition to it is on the instant dismissed as selfish and sordid and probably corrupt. Cool observers at Washington—if anybody can keep cool there—remember that there is always lobbying when Congress is in session. Some of it may be bad, and may use forbidden methods, but much of it is perfectly legitimate and respectable. The fact is notorious that the administration itself has done, or has countenanced, an immense amount of lobbying for measures which it favors. Only last week the Republican leader in the House [Mr. SNELL], openly denounced by name the President's special liaison official with Congress, and declared that his buttonholing of Members on the floor and in committee rooms had been absolutely "outrageous." But nobody gave heed to such charges. The full cry of the pack was on the trail of men openly and, so far as is known, honorably lobbying against legislation desired by the administration.

This particular mania, in truth, went to such extremes and ridiculous lengths as almost to discredit itself. At any rate, it became a subject of scornful laughter by Members of Congress as well as by outsiders present. It may be hoped that cooler weather, or a few weeks of quiet at home, may restore the mental equilibrium of Congressmen who otherwise might be thought fit subjects for a psychoanalyst or a skilled psychiatrist.

STABILIZATION OF BITUMINOUS COAL MINING INDUSTRY

Mr. BARKLEY. Mr. President, the House has passed and sent to the Senate House bill 9100, to stabilize the bituminous coal mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties.

I ask unanimous consent that the bill may be read twice by its title and lie on the table, in order that copies may be printed and be available.

The bill was read twice by its title and ordered to lie on the table.

RAILROAD-BANKRUPTCY RELIEF

Mr. WHEELER. Mr. President, I ask unanimous consent that the Committee on Interstate Commerce, which has been considering House bill 8587, to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory

thereof and supplementary thereto, be discharged from the further consideration of the bill. The committee has already reported out a bill practically identical with this measure, except that the House has made two or three amendments which the Senate committee has not made. My purpose in making this request is that the House bill may be made the unfinished business.

Mr. LEWIS. Mr. President, I rise merely to resume the matter which I had in mind when I yielded to the able Senator from Oregon touching the request of the Senator from Minnesota. I rise at this time again to renew the motion.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. McNARY. Mr. President, I recognize that the Senator from Montana is entitled to the floor, and I would not take it away from him for anything, but I wish to know to what bill he refers.

Mr. WHEELER. The bill is an amendment to section 77 of the Bankruptcy Act and provides for railroad reorganizations. I may say that the bill has passed the House. It is one of the bills recommended by Mr. Eastman because the present section 77, relating to bankruptcies of railroads, has been found to be unworkable, and this bill is an attempt to amend it so as to make the section workable. There is practically no opposition to the bill.

Mr. McNARY. Has the committee of which the Senator is chairman reported the bill favorably?

Mr. WHEELER. The committee has reported favorably Senate bill 1634, which is a companion bill. The House has made two or three minor amendments to the House bill, and we desire to have the House bill considered and passed.

Mr. SMITH. Mr. President, this is not the bill relating to consolidations?

Mr. WHEELER. No; this is the bankruptcy bill.

Mr. SMITH. The railroad bankruptcy bill?

Mr. WHEELER. Yes; the railroad bankruptcy bill.

Mr. McNARY. Mr. President, is it the purpose of the Senator to substitute the House bill for the Senate bill and then to move to make the House bill the unfinished business?

Mr. WHEELER. That is correct.

Mr. McNARY. I have no objection to the request, but I should not want the motion to make it the unfinished business finally disposed of until tomorrow.

Mr. WHEELER. Mr. President, I was intending to ask unanimous consent to make the bill the unfinished business, and if that were refused, to make a motion to make it the unfinished business.

Mr. McNARY. I shall not object to the substitution. The bill may be a very good measure, and doubtless is, but no one has been prepared for the measure's being called up today, no one had knowledge that it would come up today, and I suggest to the Senator, in all fairness, that after he obtains unanimous consent to substitute the House bill for the Senate bill, he then make his motion, and let that be pending tomorrow when the Senate meets at 12 o'clock.

Mr. BARKLEY. Mr. President, has the Senator from Oregon any objection to discharging the committee from the consideration of the bill so that it may be put on the calendar? Then the Senator could make a motion to take it up. That would not interfere with the idea of the Senator from Oregon.

Mr. McNARY. I made myself perfectly clear in the matter. I have no objection to the Senator's request, but I want his motion to be pending tomorrow, and not to have action on it today.

Mr. WHEELER. I am not submitting the motion. I am asking merely for the discharge of the committee from the consideration of the House bill.

Mr. McNARY. Again I say, I have no objection whatever to that. The only appeal I make is that no action be taken on the matter today.

Mr. WHEELER. I did not intend to ask for any action to be taken today.

The PRESIDING OFFICER. It is the understanding of the Chair that there is no objection to the discharge of the committee, which the Senator from Montana has just requested. As the Chair understands, the motion will be deferred until tomorrow; there will be no disposition of it at the present time.

If there is no objection, the committee will be discharged from the further consideration of House bill 8587, and the bill will be placed upon the calendar.

Mr. WHEELER. Mr. President, I move that House bill 8587 be considered, which, if agreed to, will make it the unfinished business.

The PRESIDING OFFICER. The Chair will state that the motion of the Senator from Montana is not in order at the present time.

Mr. WHEELER. I will ask unanimous consent that House bill 8587 be made the unfinished business, with the statement that I will not ask for consideration of the bill until tomorrow.

Mr. McNARY. That is very satisfactory.

The PRESIDING OFFICER. There is a motion pending at the present time. The motion of the Senator from Montana therefore is not now in order.

Mr. BARKLEY. What is the pending motion?

Mr. McNARY. Mr. President, the Senate has given consent to the substitution of the bill mentioned by the Senator from Montana. The motion now is being made by the Senator to make it the unfinished business. That is the pending motion and is in order at this time.

The PRESIDING OFFICER. The Chair will state to the Senator from Oregon that the Chair is informed that the senior Senator from Illinois [Mr. LEWIS] made a motion relative to Senate bill 2665, Order of Business 1204, and that that motion is pending at the present time.

Mr. McNARY. Mr. President, that motion was not made. There was an attempt to make the motion, but the Senator from Minnesota refused to yield for the purpose of having the Chair entertain the motion, so it went by the board. That was the record that was made here earlier in the afternoon. I particularly know about it because I conferred with the Senator from Minnesota at the time and he did not yield for the purpose of having the motion made. Therefore, it is not the pending motion.

The PRESIDING OFFICER. The Chair had been advised that a motion was pending.

Mr. LEWIS. Mr. President, I beg to correct the recollection of the Senator from Oregon. I made a motion to take up the bill relating to the amalgamation of certain departments.

I was proceeding when the Senator from Oregon gave some notice that the Senator from Minnesota desired to present an address, and it was then that I yielded, announcing that at the conclusion of the address I would follow up the motion. The Senator probably has forgotten that I made the motion and yielded.

Mr. McNARY. There was no yielding on the part of the Senator. The Senator from Minnesota had the floor. The Senator from Illinois rose and offered to make a motion. I conferred with the Senator from Minnesota and he declined to yield for that purpose. Hence that foreclosed any right the Senator might have had under different circumstances. If the motion had been made, it could not have been entertained, because the Senator from Minnesota did not yield for that purpose when he had the floor.

Mr. WHEELER. Mr. President, I renew my motion that the Senate proceed to the consideration of House bill 8587, so as to make it the unfinished business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

Mr. McNARY. Mr. President, the motion may be made and be pending, but I do not want it pursued this evening.

Mr. WHEELER. Will not the Senator allow the motion to be voted on? I am not going to ask that the bill be taken up until tomorrow.

Mr. McNARY. The motion has been made and is pending. I do not want a vote on the motion tonight; that is all.

The PRESIDING OFFICER. The Chair understands that the Senator from Montana will defer action upon his motion

until tomorrow morning, in accordance with the request of the Senator from Oregon.

Mr. McNARY. Very well.

ORDER OF BUSINESS

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the senior Senator from Illinois.

Mr. LEWIS. Mr. President, I now renew my motion, which I felt I had made, in spite of the difference between me and my able friend from Oregon, that the Senate proceed to the consideration of Senate bill 2665, to change the name of the Department of the Interior and to coordinate certain governmental functions, and that the bill be made the unfinished order of business.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Oregon?

Mr. LEWIS. Who is it who desires that I yield?

Mr. WHEELER. Mr. President, I make a point of order.

Mr. McNARY. A parliamentary inquiry.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oregon to propound a parliamentary inquiry.

Mr. McNARY. Mr. President, I have nothing to say other than that I am sure the Chair will find that the motion is not in order at this time.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. The Chair would like to advise the Senator from Kentucky that the senior Senator from Illinois has the floor.

Mr. BARKLEY. I have no desire to take the floor.

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Kentucky?

Mr. BARKLEY. I desire to propound a parliamentary inquiry.

Mr. LEWIS. I yield to the Senator for the purpose of propounding his inquiry.

Mr. BARKLEY. I desire to inquire of the Senator from Montana, through the Chair, whether he shares the view that his motion shall be temporarily laid aside?

Mr. WHEELER. No; I do not care to have it temporarily laid aside. I want the motion pending.

Mr. BARKLEY. So long as that is the pending motion, of course, it would not be in order for the Senator from Illinois to make his motion.

The PRESIDING OFFICER. The Chair understood that the Senator from Montana had made a motion and that it had been objected to by the Senator from Oregon, and then the Senator from Montana advised the Chair that he would not press for action upon his motion, but that he would leave it in abeyance until tomorrow morning. Is that the understanding of the Senator from Montana?

Mr. WHEELER. That is correct.

The PRESIDING OFFICER. The Chair will now recognize—although it is unnecessary—the Senator from Illinois [Mr. LEWIS].

Mr. LEWIS. Mr. President, under parliamentary procedure I now have the right to move that the bill be taken up, and that it then be laid upon the table as the unfinished business.

Mr. McNARY. Mr. President, the Senator from Illinois must know that that motion is not in order, and I invoke the rule which is familiar to everyone.

Mr. BORAH. Mr. President——

Mr. LEWIS. Mr. President, I wish to announce that I have been suffering great misfortune. I cannot gather from the velvet tones of the eminent leader on the Republican side, the Senator from Oregon [Mr. McNARY], either his expression or his meaning. If he meant to intimate that I am out of order, I should like to know in what respect I am out of order, because in every detail I should be glad to correct it. The Senator from Idaho has intimated that he would ask if I would yield to him. I gladly yield to him, and trust he will give me the information I desire.

Mr. BORAH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BORAH. The motion to proceed to the consideration of the bill is debatable, is it not?

The PRESIDING OFFICER. The Chair will express the opinion that it is a debatable motion.

Mr. BORAH. Then, when the Senator from Illinois shall have made his motion and concluded his remarks, I wish an opportunity to debate the motion to take up the consideration of the bill.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. In order to straighten out the parliamentary situation, I ask whether the Chair held that the motion of the Senator from Illinois is not now in order.

The PRESIDING OFFICER. The Chair has not rendered that decision.

Mr. CONNALLY. I rise to a point of order.

The PRESIDING OFFICER. One moment. The Chair has not rendered that decision, the Chair will state to the Senator from Kentucky; but the Chair will also state to the Senator that he is of the opinion that the motion of the Senator from Illinois is not in order.

Mr. BARKLEY. Does the Chair now render that decision, officially?

The PRESIDING OFFICER. As much as the Chair dislikes to do it, yes; because the Chair would like very much to accommodate the Senator from Illinois.

Mr. CONNALLY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. My point of order is that if the motion of the Senator from Montana [Mr. WHEELER] is before the Senate, it must be acted upon. I do not believe that the Senator from Montana can make a motion and then defer action upon it until tomorrow, and thereby block the Senator from Illinois.

The PRESIDING OFFICER. The Chair will state that the Chair is likewise of the same opinion. However, the Senator from Oregon [Mr. McNARY] asked that the vote on the motion go over until tomorrow.

Mr. CONNALLY. I make the further point of order that the pending business is the motion of the Senator from Montana [Mr. WHEELER]. If that should be displaced by an agreement to wait until tomorrow, the motion of the Senator from Illinois would be in order. I do not understand that a Senator can make a motion and suspend it in air and keep the Senate from the consideration of further business.

Mr. TYDINGS rose.

Mr. McNARY. Mr. President, I move that the Senate proceed to the consideration of executive business. That is a privileged motion.

Mr. TYDINGS. Mr. President, before the motion is put, may I ask the Chair what business was before the Senate prior to the motion of the Senator from Oregon [Mr. McNARY]?

The PRESIDING OFFICER. A motion made by the Senator from Montana [Mr. WHEELER].

Mr. TYDINGS. But the Chair said that had gone over until tomorrow.

Mr. WHEELER. No, Mr. President; that is pending.

The PRESIDING OFFICER. By acquiescence.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Will the Senator yield to me to make a motion?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Kentucky?

Mr. LEWIS. I yield to the Senator from Kentucky.

Mr. McNARY. Mr. President, I had moved that the Senate proceed to the consideration of executive business.

Mr. LA FOLLETTE. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LA FOLLETTE. That motion of the Senator from Oregon is not debatable. I demand the regular order.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. I understood the Chair held that the Senator from Illinois had the floor. The Senator from Illinois has not yet yielded to anyone to make a motion. I am asking him now if he will yield to me to make a motion.

Mr. LEWIS. Mr. President, before I do that I wish to have the situation understood. Has a ruling been made by the Chair as to my having a right to move that the bill which I have tendered be taken up?

The VICE PRESIDENT. The Chair will inquire of the parliamentary clerk as to the parliamentary situation, and will then state it.

Mr. LEWIS. When the Chair has stated the parliamentary situation, I should like to relate the status of the bill.

The VICE PRESIDENT. The Chair is advised by the parliamentary clerk that the parliamentary status is as follows:

The Senator from Montana [Mr. WHEELER] moved to take up a bill. While that motion was pending, the Senator from Illinois [Mr. LEWIS] made a motion to take up another bill. If the Chair is correct about that, one motion will have to be disposed of—that of the Senator from Montana [Mr. WHEELER]—before the motion of the Senator from Illinois [Mr. LEWIS] may be considered.

Mr. LEWIS. Mr. President, as a substitute for the motion made by the Senator from Montana [Mr. WHEELER], I move that the bill which I have tendered be first taken up.

The VICE PRESIDENT. The Chair will say to the Senator that that motion will not be in order until the motion of the Senator from Montana, which is pending, shall have been disposed of.

Mr. BARKLEY and Mr. McNARY rose.

The VICE PRESIDENT. The Senator from Illinois [Mr. LEWIS] has the floor. Does the Senator yield, and if so, to whom?

Mr. LEWIS. I will yield in just a moment. I should like to state the status of the bill which I have tendered. I have been interfered with by eminent parliamentarians who have dealt me saber thrusts here and there until I am perforated.

I ask now: Have I not the right to tender the bill as a substitute for the bill which was the subject of the motion of the able Senator from Montana [Mr. WHEELER]? Must I wait until the motion of the Senator from Montana shall have been acted upon?

The VICE PRESIDENT. The Chair again states that the parliamentary situation, as stated to him by the parliamentarian, is that the Senator from Montana [Mr. WHEELER] has made a motion to take up a certain bill. The clerk will report the bill by title.

Mr. LEWIS. But the Senator from Montana has asked to have it go over until tomorrow.

Mr. BARKLEY. Mr. President, that has already been done, and the Senator from Montana has announced that he will not ask that his motion be passed on until tomorrow. I desire to ask the Senator from Illinois, under the circumstances, if he will yield to me in order to make a motion that the Senate proceed to the consideration of executive business.

Mr. LEWIS. I think it would tend to undo this tangle, and it would do no harm, to follow that procedure; so I yield.

The VICE PRESIDENT. A motion by the Senator from Montana [Mr. WHEELER] is pending. The Senator from Montana cannot postpone a motion except by unanimous consent of the Senate.

Mr. BARKLEY. I ask unanimous consent that the consideration of that motion be postponed until tomorrow.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

### ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills and joint resolution:

On August 16, 1935:

S. 739. An act to provide for the establishment of a national monument on the site of Fort Stanwix in the State of New York;

S. 985. An act for the relief of Hudson Bros, of Norfolk, Va.;

S. 1046. An act for the relief of E. Jeanmonod;

S. 2073. An act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes;

S. 2247. An act directing the conveyance of certain lands to the regents of the University of New Mexico;

S. 2361. An act to fix the compensation of registers of district land offices;

S. 2695. An act to add certain lands to the Medicine Bow National Forest, Wyo.;

S. 2577. An act to eliminate the requirement of cultivation in connection with certain homestead entries; and

S. 2993. An act for the relief of Carrie Price Roberts.

On August 19, 1935:

S. 578. An act authorizing the Secretary of the Interior to permit citizens of Bear Lake County, Idaho, to obtain timber from Lincoln County, Wyo., for domestic purposes;

S. 634. An act to authorize the sale of a portion of the Fort Smith National Cemetery Reservation, Ark., and for other purposes;

S. 2156. An act to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.;

S. 2556. An act to amend and supplement the steering rules respecting orders to helmsmen on all vessels navigating waters of the United States, and on all vessels of the United States navigating any waters or seas, in section 1 of the act of August 19, 1890, section 1 of the act of June 7, 1897, section 1 of the act of February 8, 1895, and section 1 of the act of February 19, 1895;

S. 2832. An act to provide a preliminary examination of Goldsborough Creek, in Mason County, State of Washington, with a view to the control of its floods;

S. 3058. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto and for other purposes;

S. 3123. An act to provide for the relief of public-school districts and other public-school authorities, and for other purposes;

S. 3311. An act to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, 226), as amended; and

S. J. Res. 69. Joint resolution to provide for the erection of a suitable memorial to the Fourth Division, American Expeditionary Forces.

### EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

### EXECUTIVE REPORTS OF COMMITTEES

Mr. ASHURST, from the Committee on the Judiciary, reported favorably the nomination of Edwin D. Bolger, of Michigan, to be United States marshal, western district of Michigan, to succeed Martin Brown, resigned.

Mr. WHEELER, from the Committee on Interstate Commerce, reported favorably the nomination of Marion M. Caskie, of Alabama, to be an Interstate Commerce Commissioner for a term expiring December 31, 1941, vice Patrick J. Farrell, term expired.

Mr. WAGNER, from the Committee on Public Lands and Surveys, reported favorably the nomination of George A. Lingo, of Alaska, to be register of the land office at Anchorage, Alaska, vice George J. Love, deceased.

Mr. McKELLAR, from the Committee on Appropriations, submitted a report (Ex. Rept. No. 16) relative to the nom-

ination of E. W. S. Key, of Oklahoma, as State administrator in the Works Progress Administration.

He also, from the same committee, reported adversely the nomination of Rex E. Willard, of Washington, to be a regional director of the Resettlement Administration.

He also, from the same committee, reported favorably the following nominations:

Walter Packard, of California, to be a regional director of the Resettlement Administration; and

Elmer A. Starch, of Montana, to be a regional director of the Resettlement Administration.

Mr. McKELLAR also, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

RESETTLEMENT ADMINISTRATION

The Chief Clerk read the nomination of J. H. Jenkins, of Colorado, to be regional director.

Mr. O'MAHONEY. I ask that that nomination go over.

Mr. COSTIGAN. Mr. President, I desire to ask the Senator from Wyoming [Mr. O'MAHONEY] a question about the last nomination. The Senator from Wyoming recognizes, of course, that this nomination has reached the Senate late in the session with the approaching adjournment of the Congress near at hand. Will the Senator state whether his request is likely to be renewed on a subsequent day, if he is able so to say, or whether he is merely continuing to seek information and expects to reach a decision by tomorrow.

Mr. O'MAHONEY. I am seeking light upon the nomination.

Mr. COSTIGAN. Is that all the Senator from Wyoming wishes?

Mr. O'MAHONEY. That is all. I may say to the Senator from Colorado that I learned very recently that the district for which this nomination is made includes the States of Montana and Wyoming, as well as the State of Colorado. My information is that the Senators from Montana and Wyoming have had no report with respect to the nomination and no opportunity to investigate it. I am merely asking that the nomination go over.

Mr. COSTIGAN. If I understand the statement of the Senator from Wyoming, he has no present objection to the nominee?

Mr. O'MAHONEY. No; I am only seeking information.

The VICE PRESIDENT. The nomination will be passed over.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. BARKLEY. Mr. President, I ask unanimous consent that nominations in the Diplomatic and Foreign Service may be confirmed en bloc.

The VICE PRESIDENT. Without objection, the Diplomatic and Foreign Service nominations are confirmed en bloc.

COAST AND GEODETIC SURVEY

The legislative clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. BARKLEY. I ask that nominations in the Coast and Geodetic Survey may be confirmed en bloc.

The VICE PRESIDENT. Without objection, the Coast and Geodetic nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk read the nomination of Clyde W. Greenwade, to be postmaster at Springfield, Mo.

Mr. McKELLAR. Mr. President, at the request of the Senators from Missouri I ask that the nomination may go over.

The VICE PRESIDENT. The nomination will be passed over.

The legislative clerk read the nomination of Andrew J. Daniel, to be postmaster at Franklin, Ga., and Peyton T. Anderson, to be postmaster at Macon, Ga., both of which had been reported adversely.

Mr. McKELLAR. I ask unanimous consent that the two nominations, reported adversely, may go over.

The VICE PRESIDENT. The nominations will be passed over.

The legislative clerk read the nomination of J. Ernest Douglass to be postmaster at Warrensburg, Mo., reported adversely.

Mr. McKELLAR. I ask that the nomination be rejected.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

The nomination was rejected.

The legislative clerk read the nomination of Rafael P. Robert to be postmaster at Fajardo, Puerto, Rico; reported adversely.

Mr. McKELLAR. I ask that the nomination be rejected.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was rejected.

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that nominations of postmasters on the calendar, except those passed over or rejected, may be confirmed en bloc.

The VICE PRESIDENT. With the exceptions noted, the nominations are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. Mr. President, I ask unanimous consent that nominations in the Army may be confirmed en bloc.

The VICE PRESIDENT. Without objection, the Army nominations are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I ask unanimous consent that nominations in the Navy be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Navy are confirmed en bloc.

That concludes the calendar.

PUBLICATION OF OFFICIAL REGISTER OF THE UNITED STATES

The Senate resumed legislative session.

Mr. HAYDEN. Mr. President, by direction of the Committee on Printing I report back favorably without amendment the bill (H. R. 8473) for the compiling and publishing of the Official Register of the United States, and I submit a report (No. 1400) thereon. I ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona?

There being no objection, the bill (H. R. 8473) to provide for the compiling and publishing of the Official Register of the United States was considered, ordered to a third reading, read the third time, and passed.

GOVERNMENT INSPECTION OF SEA FOODS

Mr. HARRISON. Mr. President, on the calendar is the bill (S. 3194) to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended. I desire to ask unanimous consent for its present consideration. I am confident it will precipitate no discussion; otherwise I should not submit the request. It merely provides for the inspection of sea foods by the Government, applying the same rule to sea foods that is now applied to meats. While it is not confined to shrimp, yet it covers the inspection of shrimp.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi?

Mr. McNARY. Mr. President, from what committee was the bill reported?

Mr. HARRISON. From the Committee on Commerce.

Mr. McNARY. Unanimously?

Mr. HARRISON. Yes. I am sure there is no objection to it.

Mr. McNARY. What is the general purpose of the bill?

Mr. HARRISON. The purpose of the bill is to have Federal inspection of shrimp, oysters, and so forth. The Government ought to pay for the inspection. As applied to the shrimp business, it would cost perhaps not over $60,000 a year. We have a law of this kind now, as the Senator knows, applicable to the meat-packing industry.

Mr. McNARY. Would the inspection be in the same form as inspection of meats is now?

Mr. HARRISON. Absolutely. The Government inspectors would be the ones to make the inspection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi for the immediate consideration of the bill?

There being no objection, the bill (S. 3194) to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That section 10A of the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended, is amended to read as follows:

"SEC. 10A. The Secretary of Agriculture, upon application of any packer of any sea food for shipment or sale within the jurisdiction of this act, may, at his discretion, designate inspectors to examine and inspect such food and the production, packing, and labeling thereof. If on such examination and inspection compliance is found with the provisions of this act and regulations promulgated thereunder, the applicant shall be authorized or required to mark the food as provided by regulation to show such compliance. Services under this section shall be rendered only upon payment by the applicant of fees fixed by regulation in such amounts as may be necessary to provide, equip, and maintain an adequate and efficient inspection service. Receipts from such fees shall be covered into the Treasury and shall be available to the Secretary of Agriculture for expenditures incurred in carrying out the purposes of this section, including expenditures for salaries of additional inspectors when necessary to supplement the number of inspectors for whose salaries Congress has appropriated. The Secretary is hereby authorized to promulgate regulations governing the sanitary and other conditions under which the service herein provided shall be granted and maintained, and for otherwise carrying out the purposes of this section. Any person who forges, counterfeits, simulates, or falsely represents, or without proper authority uses any mark, stamp, tag, label, or other identification devices authorized or required by the provisions of this section or regulations thereunder, shall be guilty of a misdemeanor, and shall on conviction thereof be subject to imprisonment for not more than 1 year or a fine of not less than $1,000 nor more than $5,000, or both such imprisonment and fine."

### RECESS

Mr. BARKLEY. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 45 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, August 20, 1935, at 12 o'clock meridian.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate August 19 (legislative day of July 29), 1935*

### DIPLOMATIC AND FOREIGN SERVICE

TO BE SECRETARIES IN THE DIPLOMATIC SERVICE

| | |
|---|---|
| James B. Young | Avra M. Warren |
| Wesley Frost | Ely E. Palmer |
| James B. Stewart | Coert du Bois |
| J. Klahr Huddle | |

TO BE CONSULS GENERAL

| | |
|---|---|
| John Campbell White | Pierre de L. Boal |
| George Wadsworth | Alfred R. Thomson |

### APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

*To be first lieutenants*

| | |
|---|---|
| Daniel John Waligora | Howard William Doan |
| Walter Philippe Manning | Robert Weston Boal |

### APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

Capt. Thomas Harry Ramsey to Quartermaster Corps.
Second Lt. Clayton Earl Mullins to Corps of Engineers.
Second Lt. Robert Wilkinson Rayburn to Cavalry.
First Lt. William Carson Bullock to Field Artillery.

### PROMOTION IN THE REGULAR ARMY

Thomas James Leary to be colonel, Medical Corps.

### APPOINTMENTS AND PROMOTIONS IN THE NAVY

TO BE CAPTAINS

| | |
|---|---|
| Charles W. Crosse | George N. Barker |
| Ralph C. Parker | John W. Rankin |

TO BE COMMANDERS

| | |
|---|---|
| Richard L. Connolly | Leon B. Scott |
| Thomas J. Doyle, Jr | Frank P. Thomas |
| Kemp C. Christian | Herbert J. Ray |
| Raymond A. Deming | Marion Y. Cohen |
| Lynde D. McCormick | Harry J. Reuse |
| James M. Shoemaker | |

TO BE LIEUTENANT COMMANDERS

| | |
|---|---|
| William W. Behrens | James H. Chadwick |
| Roscoe H. Hillenkoetter | Rockwell J. Townsend |
| Robert E. Robinson, Jr. | Allen Hobbs |

TO BE LIEUTENANTS

| | |
|---|---|
| Burnice L. Rutt | George J. Dufek |
| Knowlton Williams | Carl H. B. Morrison |
| William J. O'Brien | John F. Goodwin |
| Harry H. Henderson | Linwood S. Howeth |
| Robert N. Allen | |

TO BE LIEUTENANTS (JUNIOR GRADE)

| | |
|---|---|
| Karl E. Jung | Richard S. Craighill |
| Edward A. Ruckner | Horace R. Brannon |
| Thomas K. Bowers | Ed B. Billingsley |
| William D. Kelly | Daniel S. Gothie |
| Dale R. Frakes | Charles E. Phillips |
| David F. Kinert | Charles W. Musgrave |
| Fred L. Ruhlman | Thomas J. Montgomery |
| John G. Spangler | Ralph M. Humes |
| Frank C. Acker | Robert L. Baker |
| Howard F. Stoner | Thomas G. Hardie |
| John H. Kaufman | Thomas E. Chambers |
| Milton F. Pavlic | Lawrence Smith |
| William R. Wilson | Albert D. Kaplan |
| Leon S. Kintberger | Edgar G. Chase |
| Max Silverstein | Alexander B. Coxe, Jr. |
| Charles M. Sugarman | William T. Vrooman |
| Thomas F. Williamson | |

TO BE MEDICAL INSPECTORS WITH RANK OF COMMANDER

| | |
|---|---|
| Frederick L. McDaniel | Martin L. Marquette |
| Frederick R. Hook | James F. Hooker |
| Harry S. Harding | Jack S. Terry |
| James W. Ellis | Edwin C. Ebert |
| John C. Adams | George A. Eckert |
| Earl Richison | Harold E. Ragle |

TO BE ASSISTANT SURGEONS WITH RANK OF COMMANDER

| | |
|---|---|
| William O'K. Fowler | James C. Flemming |
| David R. Dodge, Jr. | Martin T. Macklin |
| Theodore R. Austin | Eldon C. Swanson |
| Dermot Lohr | Robert B. Simons |
| Anton Zikmund | William N. New |

TO BE DENTAL SURGEONS WITH RANK OF COMMANDER

| | |
|---|---|
| Louis F. Snyder | Hubert F. Delmore |
| George C. Fowler | Paul W. Yeisley |
| Errol W. Willett | Spry O. Claytor |
| DeWitt C. Emerson | Hubert J. Lehman |
| Lou C. Montgomery | John A. Walsh |
| Joseph A. Tartre | Howard R. McCleery |
| Robert S. Davis | |

TO BE NAVAL CONSTRUCTORS WITH THE RANK OF COMMANDER

| | |
|---|---|
| Fred M. Earle | Claude O. Kell |
| John I. Hale | Charles F. Osborn |
| Frederick W. Pennoyer, Jr. | |

TO BE CIVIL ENGINEERS WITH THE RANK OF COMMANDER

Edward L. Marshall
Lewis B. Combs

### COAST AND GEODETIC SURVEY

Riley Jacob Sipe to be hydrographic and geodetic engineer (with relative rank of lieutenant in the Navy).

Maurice Albert Hecht to be junior hydrographic and geodetic engineer (with relative rank of lieutenant, junior grade, in the Navy).

Dale Emanuel Sturmer to be aide (with relative rank of ensign in the Navy).

POSTMASTERS

ALABAMA

Leon M. Thomas, Alexander City.
Homer Wright, Auburn.
Jesse A. Harris, New Brockton.

COLORADO

Harold T. Hubbard, Glenwood Springs.

CONNECTICUT

William H. Buggie, Cromwell.
William J. Rankin, Hartford.
Edna M. Jenkins, Middlefield.

FLORIDA

Fred Ewing, Hialeah.
Mabel Fast, Penney Farms.
J. Frank Cochran, Tallahassee.

GEORGIA

Minnie L. Bird, Bowdon.

ILLINOIS

Paul F. Reilly, Amboy.
Omar W. Ashworth, Bellflower.
George Charles Gaudino, Benld.
Herschel Victor Lynn, Byron.
Esther C. Nelson, Capron.
John F. Donovan, Chatsworth.
John E. Jontry, Chenoa.
Leonora C. Rentschler, Chestnut.
Henry W. Lorig, Colfax.
Emil Rudolph Luebbe, Collinsville.
Harry L. Armacost, Delavan.
William E. Wall, Divernon.
Mary Dillon-O'Brien, Flanagan.
Harry O. Franklin, Forrest.
Ambrose Harth, Lostant.
Eugene Raymond McGee, McHenry.
Ruth F. Miller, Milford.
Fay Moyer, Mount Carmel.
Marie C. Plante, North Aurora.
Bona D. Sutter, Pearl.
Palmer Cecil Smith, Potomac.
Loren H. Newby, Ridge Farm.
Rita O'Neil, Rutland.
John D. Lannon, Saunemin.
Margaret J. Brandt, Sibley.
David E. Boddie, Tonica.
Agnes Clifford, Venice.
Emmett Pierre Marshall, Vermont.

IOWA

Anna L. Meyer, Everly.
Otis T. Newgaard, Hubbard.
Wallace W. Farmer, Kellerton.
Nellie Burk, Milford.
Harry V. Brooks, Saint Charles.
Augustus J. Oberg, Stockport.
Donald H. Grimm, Zearing.

MARYLAND

John W. L. McAvoy, Boonsboro.

MINNESOTA

John H. Arth, Finlayson.
Ralph M. Sheppard, Hoffman.
Henry E. Bye, Pequot.
Teresa C. Franta, Wabasso.

MISSOURI

Edna E. Saunders, Stewartsville.

NEW HAMPSHIRE

Harleigh C. Brown, Belmont.
Charles B. Weeks, Chocorua.
Joseph P. Masse, Epping.
David E. Stevens, Salem Depot.

NEW YORK

Walter Frank Baltes, Tonawanda.

NORTH DAKOTA

Peter J. Bott, Marmarth.
John P. Jungers, Regent.
Raymond Long, Upham.

OKLAHOMA

William H. Mouser, Cheyenne.

OREGON

Earl B. Burch, Amity.

PENNSYLVANIA

William Glenn Rumbaugh, Avonmore.
Arthur R. Cramer, Bangor.
Boyd E. Martin, Bentleyville.
Joseph R. Stanich, Bessemer.
Henry N. Byers, Bolivar.
Charles H. Beck, Bushkill.
Harry L. Hause, Catawissa.
C. William Boozer, Centre Hall.
Sylverius A. Waltman, Chicora.
Charles H. Cullen, Derry.
Harry R. Schneitman, Elizabethtown.
Valentine L. Pfaff, Emlenton.
Jacob Fink Lauffer, Export.
Joseph J. Quinn, Gallitzin.
Peter A. Conway, Girardville.
Howard Walter Stough, Grapeville.
Robert M. Sutter, Homer City.
Earl W. Montague, Hughesville.
John Harry Grube, Landisville.
Kathryn A. B. Pinnock, Le Raysville.
Charles M. Shoup, Ligonier.
Robert E. Pfauts, Lititz.
Fleetwood W. Brumbaugh, Martinsburg.
Jay C. Watts, Millville.
Wilford G. Stauffer, New Holland.
Alexander Grafton Sullivan, New Kensington.
Eleanor S. Cascy, Paoli.
James E. Dereich, Perrysville.
Joseph R. Roach, Petrolia.
Lisle H. Deviney, Pitcairn.
Jacob S. Williams, Port Matilda.
Joseph Regis, Jr., Rimersburg.
Philip B. Thompson, Rutledge.
Frederick A. Phoenix, Shinglehouse.
Hazel C. Wingard, Spring Mills.
Lillie B. Atkin, Tidioute.
Harry H. Howell, Union Dale.
George J. Moses, West Chester.

UTAH

James H. Rampton, Bountiful.
William H. Case, Duchesne.
Marvin L. Nielson, Garland.
S. Milton Webb, Richmond.
John Austin Pack, Roosevelt.

VIRGINIA

Harrison Waite, Jr., Greenwood.
Lawrence L. Jacobs, Hanover.
David E. Earhart, Nokesville.

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## REJECTIONS

*Executive nominations rejected by the Senate August 19 (legislative day of July 29), 1935*

POSTMASTERS

MISSOURI

J. Ernest Douglas, Warrensburg.

PUERTO RICO

Rafael P. Robert, Fajardo.

# HOUSE OF REPRESENTATIVES

## MONDAY, AUGUST 19, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal and merciful God, bear with us we pray Thee. Create within us clean hearts and renew a right spirit within that we may distinguish the real values of life. We thank Thee for that aroma of pure humanity with which our Lord and Master was clothed touching the joy and beauty of human life. May they be clearly seen by us and passionately desired. Let us discern His sovereignty and purpose in the unity and evolution of the ages. Grant, our Heavenly Father, that His ideals may float on in peace forever over a happy, prosperous, and God-fearing people. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Saturday, August 17, 1935, was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate disagrees to the amendments of the House to the bill (S. 872) entitled "An act for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WALSH, Mr. COPELAND, and Mr. BORAH to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3436. An act to authorize the interment in the Arlington National Cemetery of the remains of the late Will Rogers and Wiley Post.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 3109. An act for the relief of Herman W. Bensel;

H. R. 3462. An act to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes;

H. R. 4324. An act to carry out certain obligations under certain tribal agreements;

H. R. 5097. An act for the relief of Mary E. Lord;

H. R. 5750. An act for the relief of Mary Brown Raley;

H. R. 6510. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H. R. 7140. An act for the relief of the Bell Oil & Gas Co.;

H. R. 7167. An act to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes;

H. R. 7199. An act to provide for the donation of certain Army equipment to posts of the Veterans of Foreign Wars;

H. R. 7709. An act to provide time credits for substitute laborers in the Post Office when appointed as regular laborer;

H. R. 8421. An act granting pensions to certain widows of soldiers and sailors of the Civil War;

H. R. 8422. An act granting pensions to certain former widows of soldiers and sailors of the Civil War;

H. R. 8423. An act granting increase of pensions to certain former widows of soldiers and sailors of the Civil War;

H. R. 8424. An act granting increase of pensions to certain widows of soldiers and sailors of the Civil War;

H. R. 8425. An act granting pensions and increase of pensions to certain helpless and dependent children of soldiers and sailors of the Civil War;

H. R. 8426. An act granting pensions to certain soldiers of the Civil War; and

H. J. Res. 265. Joint resolution pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1988. An act to extend the time for the construction of a bridge across the Missouri River at or near Rulo;

S. 2626. An act to authorize the sale of Federal buildings;

S. 2743. An act to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone;

S. 3105. An act to amend the act approved June 12, 1934, relating to the granting of the consent of Congress to certain bridge construction across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala.; and

S. 3135. An act to authorize the purchase of the *Winnie Mae* by the Smithsonian Institution.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 59) entitled "Joint resolution providing for the celebration on September 17, 1937, of the one hundred and fiftieth anniversary of the adoption of the Constitution of the United States of America by the Constitutional Convention; establishing a commission to be known as the 'Sesquicentennial Constitution Commission.'"

The message also announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 348) entitled "Joint resolution authorizing exchange of coins and currencies and immediate payment of gold-clause securities by the United States; withdrawing the right to sue the United States on its bonds and other similar obligations; limiting the use of certain appropriations; and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FLETCHER, Mr. WAGNER, Mr. MCADOO, Mr. NORBECK, and Mr. TOWNSEND to be the conferees on the part of the Senate.

### SWEARING IN OF MEMBER

Mr. SNELL. Mr. Speaker, Mr. CHARLES F. RISK, of the First District of Rhode Island, has filed his credentials with the Clerk and is present. I ask that he be given the oath of office as a Member of the House.

The SPEAKER. The Clerk will read the following letter.

The Clerk read as follows:

HOUSE OF REPRESENTATIVES,
CLERK'S OFFICE,
*Washington, D. C., August 19, 1935.*

Hon. JOSEPH W. BYRNS,
*Speaker of the House of Representatives,*
*Washington, D. C.*

MY DEAR MR. SPEAKER: The certificate of election in due form of law of Representative-elect CHARLES F. RISK to the Seventy-Fourth Congress to fill the vacancy of the First District of Rhode Island has been received and filed in this office.

Very truly yours,

SOUTH TRIMBLE,
*Clerk of the House of Representatives.*

The SPEAKER. Mr. RISK will present himself at the bar of the House.

Mr. RISK appeared in the well of the House and took the oath of office.

### THE SNYDER-GUFFEY COAL BILL

The SPEAKER. The unfinished business before the House is the vote on the passage of the so-called "Guffey bill."

The question is on the passage of the bill.

Mr. SNELL. Mr. Speaker, on final passage we ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 194, nays 168, answered "present", 2, not voting 66, as follows:

[Roll No. 170]

YEAS—194

| | | | |
|---|---|---|---|
| Amlie | Boykin | Carpenter | Crosby |
| Ashbrook | Boylan | Cary | Crosser, Ohio |
| Ayers | Brennan | Celler | Crowe |
| Barden | Brooks | Citron | Cullen |
| Beam | Brown, Mich. | Clark, Idaho | Daly |
| Beiter | Brunner | Colden | Dear |
| Berlin | Buckler, Minn. | Colmer | Delaney |
| Bloom | Buckley, N. Y. | Connery | Dempsey |
| Boehne | Burdick | Cooley | DeRouen |
| Boland | Caldwell | Cravens | Dickstein |

| | | | |
|---|---|---|---|
| Dingell | Healey | Merritt N. Y. | Sirovich |
| Dirksen | Hildebrandt | Mitchell, Ill. | Sisson |
| Dobbins | Hill, Samuel B. | Monaghan | Smith, W. Va. |
| Dorsey | Houston | Montet | Snyder |
| Doughton | Imhoff | Moran | South |
| Doutrich | Jenckes, Ind. | Moritz | Spence |
| Driscoll | Jenkins, Ohio | Murdock | Stack |
| Duffey, Ohio | Johnson, W. Va. | Nelson | Starnes |
| Duncan | Jones | O'Brien | Steagall |
| Dunn, Pa. | Kee | O'Connell | Sullivan |
| Eagle | Keller | O'Connor | Taylor, Colo. |
| Eckert | Kennedy, N. Y. | O'Day | Taylor, Tenn. |
| Edmiston | Kocialkowski | O'Leary | Terry |
| Ellenbogen | Kopplemann | Palmisano | Thom |
| Faddis | Kramer | Parsons | Thomason |
| Fenerty | Kvale | Patterson | Thurston |
| Ferguson | Larrabee | Patton | Tolan |
| Fitzpatrick | Lea, Calif. | Peterson, Fla. | Tonry |
| Flannagan | Lee, Okla. | Pfeifer | Turpin |
| Fletcher | Lemke | Pierce | Underwood |
| Focht | Lewis, Md. | Polk | Utterback |
| Ford, Calif. | Lloyd | Quinn | Vinson, Ky. |
| Frey | Ludlow | Ramsay | Wallgren |
| Gambrill | Lundeen | Randolph | Walter |
| Gehrmann | McAndrews | Rayburn | Warren |
| Gilchrist | McClellan | Reilly | Weaver |
| Gildea | McFarlane | Richards | Welch |
| Gingery | McGrath | Richardson | White |
| Goldsborough | McKeough | Robinson, Utah | Wilcox |
| Gray, Pa. | McReynolds | Robsion, Ky. | Wilson, La. |
| Green | Maloney | Rogers, Okla. | Withrow |
| Greenway | Marcantonio | Romjue | Wolverton |
| Greenwood | Martin, Colo. | Sabath | Wood |
| Greever | Mason | Sanders, La. | Woodrum |
| Griswold | Massingale | Sandlin | Young |
| Haines | Maverick | Schneider | Zimmerman |
| Hancock, N. C. | May | Schulte | Zioncheck |
| Harlan | Mead | Scott | |
| Harter | Meeks | Secrest | |

NAYS—168

| | | | |
|---|---|---|---|
| Adair | Darrow | Johnson, Okla. | Rankin |
| Allen | Deen | Johnson, Tex. | Ransley |
| Andresen | Dies | Kahn | Reed, Ill. |
| Andrew, Mass. | Disney | Kenney | Reed, N.Y. |
| Andrews, N. Y. | Dondero | Kerr | Rich |
| Arends | Doxey | Kinzer | Risk |
| Bacharach | Drewry | Kloeb | Robertson |
| Bacon | Driver | Knutson | Rogers, Mass. |
| Bell | Eaton | Lambertson | Ryan |
| Biermann | Ekwall | Lambeth | Sadowski |
| Blackney | Engel | Lamneck | Sanders, Tex. |
| Bland | Englebright | Lanham | Sauthoff |
| Bolton | Farley | Lehlbach | Schaefer |
| Brown, Ga. | Fiesinger | Lewis, Colo. | Schuetz |
| Buchanan | Ford, Miss. | Lord | Scrugham |
| Buck | Fuller | McCormack | Sears |
| Burch | Fulmer | McGehee | Seger |
| Burnham | Gearhart | McLaughlin | Shanley |
| Cannon, Mo. | Gifford | McLean | Smith, Conn. |
| Carlson | Granfield | McSwain | Smith, Va. |
| Carmichael | Gray, Ind. | Mahon | Snell |
| Casey | Gregory | Mapes | Somers, N. Y. |
| Castellow | Guyer | Marshall | Stefan |
| Cavicchia | Gwynne | Martin, Mass. | Stewart |
| Chandler | Halleck | Merritt, Conn. | Taber |
| Chapman | Hamlin | Michener | Tarver |
| Christianson | Hancock, N. Y. | Millard | Taylor, S. C. |
| Church | Hart | Miller | Tinkham |
| Clark, N. C. | Hennings | Mitchell, Tenn. | Tobey |
| Coffee | Hess | Mott | Treadway |
| Cole, Md. | Higgins, Conn. | O'Malley | Turner |
| Cole, N. Y. | Higgins, Mass. | O'Neal | Umstead |
| Cooper, Ohio | Hill, Ala. | Owen | Vinson, Ga. |
| Cooper, Tenn. | Hobbs | Pearson | Wearin |
| Corning | Hoeppel | Perkins | Werner |
| Costello | Hoffman | Peterson, Ga. | Whelchel |
| Cox | Hollister | Pettengill | Whittington |
| Crawford | Holmes | Pittenger | Wigglesworth |
| Crowther | Hope | Plumley | Williams |
| Culkin | Huddleston | Powers | Wolcott |
| Cummings | Hull | Rabaut | Wolfenden |
| Darden | Jacobsen | Ramspeck | Woodruff |

ANSWERED PRESENT—2

| | |
|---|---|
| Duffy, N. Y. | West |

NOT VOTING—66

| | | | |
|---|---|---|---|
| Arnold | Dockweiler | Kleberg | Reece |
| Bankhead | Dunn, Miss. | Kniffin | Rogers, N. H. |
| Binderup | Eicher | Lesinski | Rudd |
| Blanton | Evans | Lucas | Russell |
| Boileau | Fernandez | Luckey | Shannon |
| Brewster | Fish | McGroarty | Short |
| Buckbee | Gasque | McLeod | Smith, Wash. |
| Bulwinkle | Gassaway | McMillan | Stubbs |
| Cannon, Wis. | Gavagan | Maas | Sumners, Tex. |
| Carter | Gillette | Mansfield | Sutphin |
| Cartwright | Goodwin | Montague | Sweeney |
| Claiborne | Hartley | Nichols | Thomas |
| Cochran | Hill, Knute | Norton | Thompson |
| Collins | Hook | Oliver | Wadsworth |
| Cross, Tex. | Kelly | Parks | Wilson, Pa. |
| Dietrich | Kennedy, Md. | Patman | |
| Ditter | Kimball | Peyser | |

So the bill was passed.

Mr. McCLELLAN, Mr. WOLVERTON, and Mr. CRAVENS changed their votes from "nay" to "yea."

The Clerk announced the following pairs.

On this vote:

Mr. West (for) with Mr. Kleberg (against).
Mr. Cross (for) with Mr. Patman (against).
Mr. Boileau (for) with Mr. Short (against).
Mr. Lesinski (for) with Mr Maas (against).
Mr. Evans (for) with Mr. Collins (against).
Mr. Dockweiler (for) with Mr. Goodwin (against).
Mr. Bankhead (for) with Mr. Wadsworth (against).
Mr. McGroarty (for) with Mr. Thomas (against).
Mr. Rudd (for) with Mr. Gasque (against).
Mr. Sweeney (for) with Mr. Reece (against).
Mr. Lucas (for) with Mr. Wilson of Pennsylvania (against).
Mr. Dietrich (for) with Mr. Gillette (against).
Mr. Arnold (for) with Mr. Blanton (against).
Mr. Smith of Washington (for) with Mr. Kniffin (against).
Mr. Sutphin (for) with Mr. McLeod (against).
Mr. Gassaway (for) with Mr. Russell (against.)
Mr. Knute Hill (for) with Mr. Gavagan (against).

Until further notice:

Mr. Cochran with Mr. Carter.
Mr. Rogers of New Hampshire with Mr. Brewster.
Mr. Kelly with Mr. Fish.
Mr. Thompson with Mr. Ditter.
Mr. Sumners of Texas with Mr. Buckbee.
Mr. Mansfield with Mr. Kimball.
Mrs. Norton with Mr. Hartley.
Mr. Bulwinkle with Mr. Binderup.
Mr. Parks with Mr. Stubbs.
Mr. McMillan with Mr. Kennedy of Maryland.
Mr. Cartwright with Mr. Luckey.
Mr. Montague with Mr. Cannon of Wisconsin.
Mr. Nichols with Mr. Eicher.
Mr. Fernandez with Mr. Claiborne.
Mr. Hook with Mr. Dunn of Mississippi.
Mr. Oliver with Mr. Peyser.

The result of the vote was announced as above recorded.

On motion of Mr. DOUGHTON, a motion to reconsider the vote whereby the bill was passed was laid on the table.

RAILROAD-RETIREMENT BILL

Mr. O'CONNOR. Mr. Speaker, I present a privileged report from the Committee on Rules and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 345

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 8651, a bill "to establish a retirement system for employees of carriers subject to the Interstate Commerce Act." That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

The SPEAKER. The question is, Will the House now consider the resolution?

Mr. SNELL. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. SNELL. Mr. Speaker, reserving the right to object, I cannot find——

The SPEAKER. That is not the question before the House.

Mr. SNELL. Mr. Speaker, I object.

The SPEAKER. An objection does not prevail over the question put by the Chair.

Mr. SNELL. The gentleman asked unanimous consent.

Mr. O'CONNOR. I did not.

The SPEAKER. The question is, Will the House now consider the resolution?

The question was taken; and the Chair announced that in the opinion of the Chair two-thirds had voted in the affirmative.

Mr. SNELL. Mr. Speaker, I demand a division.

The SPEAKER. All those in favor of the motion will rise and stand until counted.

Mr. SNELL. Mr. Speaker, I withdraw the demand for a division.

So (two-thirds having voted in favor thereof) the motion was agreed to.

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. Mr. Speaker, is it customary to consider legislation of this kind without having a printed report available, so that we may see what the bill is all about?

The SPEAKER. The House is proceeding under its regular rule, which provides that two-thirds of the Membership may consider a resolution on the same day reported if it so desires. Two-thirds having voted to consider the resolution, it is now before the House for consideration.

Mr. RICH. Mr. Speaker, may I ask a further question of the Chair.

The SPEAKER. The question as to what is customary is not a proper matter for consideration at the present time, because that lies wholly within the province of the House itself.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this is a rule for the consideration of the railroad retirement pension bill, which has been reported by the Interstate and Foreign Commerce Committee of the House and by a similar committee of another body. It is somewhat of an emergency, and this method was adopted to bring it up for consideration at this time. The rule was reported out of the Rules Committee this morning.

Mr. Speaker, I now yield 5 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, this bill comes up for consideration under a rule because of an existing emergency to take care of a situation that has arisen since the last session of Congress. We passed a railroad retirement act in the last session which the Supreme Court thought contained provisions which were unconstitutional. There has been an attempt to remedy these particular features of the former law in order to provide retirement for those who are employed by the railroads of this country.

The railroad workers occupy a position unique in that it is somewhat quasi-public in nature. Railroad employment is hazardous and requires those especially skilled. The railroads are under the exclusive control of the Interstate Commerce Commission, and all legislation pertaining to railroads must come from Congress. It is therefore our duty to enact a law that will provide a uniform system of retirement for railroad workers. This would be a contribution to efficient service and give employees an old-age security.

Mr. Speaker, most of the railroad systems have their own retirement plans, but these plans are different. There is no uniformity. The railroad workers, changing employment from one system to another, very often lose retirement rights as well as seniority. This bill provides a uniform system whereby men who are employed for a long period of years in the railroad business may have the same rights under one railroad system that they have under another, and attempts to set up uniformity.

There is no stability at the present time. There is no security to the railroad workers who have to labor under these changing conditions. This bill sets up a trust fund in the Treasury of the United States. A special tax will be levied against the railroads for the maintenance of this fund. The funds are provided by taxation under a separate bill. The railroads have contributed in the past under their own systems to a fund for local control. This bill contemplates, as I stated, a trust fund which will be administered through the Treasury in a uniform manner over all the railroads throughout the United States.

It has been found in many instances that funds for pension and retirement purposes have been paid by the men themselves. The funds were invested by officers of their crafts. Sometimes the trustees of these funds have invested the money unwisely and all the security of the reserve fund has been swept away. In providing this uniformity to be administered by the Government we remove those hazards of investment on the part of those who have the trust funds in charge and will add that security which is necessary to a retirement fund for all employees of the railroads upon a uniform basis.

Mr. ROBERTSON. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Virginia.

Mr. ROBERTSON. In connection with this subject of benefit under the law, we are here seeking to legislate for the benefit of the employees of the railroads. Now, let us assume a company like the Norfolk & Western, which has a more liberal system than is provided by the proposed law. Does the gentleman see any objection to making an exception in the case of those roads that already deal more liberally with their employees?

Mr. GREENWOOD. As I understand this law, it will not destroy those systems with reference to the men who have certain rights under them, but will result in the accumulation of a reserve fund as to the future. The two plans will be worked out together.

Mr. ROBERTSON. This only excepts those who have already gone on a retirement basis?

Mr. GREENWOOD. The gentleman will understand that no railroad management is permanent. It changes from year to year and railroad systems of retirement may change. These systems may be altered so that ultimately there will be a lack of uniformity.

In further reply to the gentleman from Virginia, may I say that it strikes me that in the interest of continuing stability of a system it is better not to rely upon any one railroad system that has set up a single plan, because the control of railroads change. Mergers are formed with other systems, and these systems change from year to year. If we are to have stability, we ought to have uniformity.

Mr. ROBERTSON. Could not the Retirement Board take care of that matter if the railroad was not giving a better plan?

Mr. GREENWOOD. I think it can be taken care of under this law.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I am sure that the Members of the House are very much interested in the gentleman's very informative address, but I wonder if the gentleman will discuss the constitutionality of this bill. It will be recalled that Congress, at the last session, passed a similar retirement bill, which I supported; but, as is well known, that bill was declared unconstitutional. I have therefore asked the gentleman to discuss the constitutionality of the pending measure.

Mr. GREENWOOD. I do not think I have much time left of the 5 minutes yielded to me, but I may say to the gentleman that those who are most interested in the bill have attempted to remedy the features to which the Supreme Court raised objections in the former act.

Mr. JOHNSON of Oklahoma. That is the point I wanted brought out. I understand the objectionable features have been eliminated from the bill.

Mr. GREENWOOD. That is my understanding. Of course, the bill is brought before us with the assurance that it is an emergency measure and that they have remedied every situation of an objectionable nature which arose under the former bill.

Mr. Speaker, I hope the rule will pass, as I am personally very much interested in the bill.

Mr. MEAD. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from New York.

Mr. MEAD. Mr. Speaker, if I remember right, the decision of the Supreme Court in deciding that the previous bill was unconstitutional was a 5 to 4 decision.

Mr. GREENWOOD. That is very true, as many of the great decisions have been decided by one man on the Supreme Court. The Members interested in this bill have attempted to remedy those features in this bill and we have every reason to believe that the Supreme Court will now declare this bill constitutional.

Mr. JOHNSON of Oklahoma. If the gentleman will permit, may I say I am glad the gentleman has brought out that point, because that seems to be the only question in the minds of those who might otherwise be prone to vote against the bill, but who I am sure will support the measure if given reasonable assurance that this bill will stand up.

Mr. GREENWOOD. I think that is true. Most of us, I am sure, recognize the necessity for security and uniformity in connection with this class of legislation.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, about 10 minutes ago the Chairman of the Rules Committee asked that a rule be adopted to consider H. R. 8651. At that time there was not a report from the committee in the Chamber of the House of Representatives in reference to this bill. No Member of the House of Representatives, outside of the members of the committee, knew exactly what the rule contained or what was in the report of the committee; and when we tried to get information from the Speaker as to whether the rule that was to be considered would give the Membership of the House any information, we could not get such information from the Speaker, and we could not get it from any person, because the House was by a two-thirds vote granting permission to consider the bill at this particular time, and I venture the assertion that of the two-thirds who voted for the consideration of this bill not 1 out of 20 knew what he was voting for, "must" legislation being driven through to completion and law. Poor law and poor lawmakers.

Mr. KELLER. Mr. Speaker, will the gentleman yield for a question?

Mr. RICH. I will in a short time, because I think the gentleman has more information in reference to the "must" legislation than probably any other Member of the House, or he probably can get the information, for I doubt if I can. I will take this statement out of the RECORD.

Mr. KELLER. No; leave it in the RECORD. It is perfectly good.

Mr. RICH. Now, we are going to consider legislation that is going to change many of the rules and regulations with respect to pension systems now enjoyed on many railroads, some of them much preferable to anything this bill will permit.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. RICH. I will yield to the gentleman in just a few minutes.

Mr. KENNEY. I want to ask just one question. Does the gentleman know that the report on this bill is now available?

Mr. RICH. I have one, but it just came into the House this very minute, so that the Membership of the House did not have an opportunity to know what was in the report before, and they have not had time since the time it came into the House to read it, let alone give it any consideration. One of the great complaints I want to make about this "must" legislation is the way we are driving it through. We are driving things through here today that you will find you are going to regret many, many times, and the Democratic Party must assume the responsibility.

Mr. HARLAN. Mr. Speaker, will the gentleman yield?

Mr. RICH. I want to say something about this proposed legislation, and then I shall yield.

Mr. HARLAN. Does the gentleman know that this is not on any "must" legislative program?

Mr. RICH. Does the gentleman speak for the President of the United States?

Mr. HARLAN. I speak from information.

Mr. RICH. Where did the gentleman get the information?

Mr. HARLAN. From the papers, the same as everybody else.

Mr. RICH. Are the papers speaking for Mr. Roosevelt?

Mr. HARLAN. I do not know; they seem to be.

Mr. RICH. A good many of them do, and if the papers do speak for him, if you will read the Washington Herald and the Washington Times editorials you will find they are giving Mr. Roosevelt some pretty sound advice; and if he would take this advice he would not do some of the things he is doing now. He would be a Democrat, not a Socialist.

Mr. MORITZ and Mr. KENNEY rose.

Mr. RICH. If I knew that I was going to get 10 minutes more I should be pleased to yield.

Mr. KENNEY. I should like to call the gentleman's attention to the fact that the report on this bill was filed on August 3.

Mr. RICH. The gentleman knows that this report just came into the House not over 10 minutes ago. Why is the gentleman trying to camouflage the matter before the people of the country by stating that this report was filed months ago, when we just got it? The gentleman has not had time to read it himself.

Mr. KENNEY. Yes; I have read it.

Mr. WITHROW. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman, but I hope that I may continue with my statement in reference to this bill.

Mr. WITHROW. This bill was considered by the Interstate Commerce Committee of the House and was reported to the Rules Committee on August 3 of this month.

Mr. RICH. Yes; but when the Rules Committee gets information that committee buries it. The Rules Committee brought this matter up here to be considered this morning, and they did not give anybody any notice about it coming up for consideration today; and when it was brought before the Rules Committee this morning they did not give us any information whatever they would consider it at once on the floor of the House.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. RICH. I cannot yield, because I want to talk about what the Rules Committee has done.

The Rules Committee considered this legislation, brought it in here, and you Members of the House did not know what it contained; and now you are asked to pass a rule to consider this legislation by a two-thirds vote. "Must" legislation forced through by Presidential mandate. Dictator legislation.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield for a correction of that statement? The Members of the House who are interested in the problems of the workingman instead of the capitalists knew what was in this bill when it was reported on August 3.

Mr. RICH. I may say to the gentleman that there are a lot of us who are interested in the workingmen, but we ought to treat them all alike; and that is what I am trying to bring out here. If we are interested in the workingmen of the country, why do we not treat all the workingmen in this country the same? Why make a favored class out of the laboring men engaged in any particular branch of industry?

Mr. O'MALLEY. We have got to start somewhere.

Mr. RICH. We passed here in the House of Representatives a few weeks ago the social-security bill. When we passed that legislation we were trying to take care of all the people in this country, regardless of the industry in which they were engaged and regardless of what business they were in, and the individual who is working in a grocery store, the individual who is working in a silk mill, the individual who is working on a railroad, or the individual who may work in the mines were to receive under the social-security bill the same kind of treatment, and it is right that they should, because we should not establish any preferred classes or any favored classes, which this bill does.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. RICH. I have not the time. If we are going to give consideration to all of these classes, why should we come in here now to try to do something in certain instances that is going to cause a hardship to some railroad employees, because there are certain railroad-pension systems now that are much better for the employees than anything this bill

may do for them, and we should be careful not to injure the rights of old railroad employees who have been retired.

The former bill of 1934 was declared unconstitutional; this bill is similar. This bill levies a tax on the pay roll of the railroads of 4 percent and of the employees of 2 percent to pay the bill. It will add sixty million to railroad operation. The bill sets up another bureau.

Congress has passed the Social Security Act, which applies to railroads as well as to all other lines of industry. Under this act the railroads will be taxed $16,300,000 in 1937 for old-age pensions, which amount will steadily increase, until in 1949 the amount will be $49,000,000. In addition the railroads must pay into the unemployment fund created by the Social Security Act for the first year $16,500,000, which will increase to $49,500,000 in 1949. In other words, under the Social Security Act the cost will increase steadily from $49,000,000 in 1937 to $98,500,000 in 1949. If the pension bill is passed on top of the Social Security Act, railroads subject to the act will have to pay $72,000,000 the first year, this being 4 percent upon the pay rolls. We may expect this feature of the law to be changed from time to time so that the railroads and the employees will have to absorb the entire cost. This cost will unquestionably rapidly increase, as shown by the estimate made by Mr. Latimer, chairman of the Railroad Retirement Board, so that in a few years 15 percent of the pay roll will be required to meet the expense. In addition to all this expense there is the cost of the present pension system, which is approximately $36,000,000 a year. It is perfectly clear that the railroads cannot bear this enormous expense, since they lacked $32,000,000 of paying their fixed charges in 1934.

It is manifestly unfair to impose this burden upon railroads, whereas their competitors on the highways and on the waterways are not subjected to similar requirements. No one can give any good reason why this burden should be placed upon the railroads while their competitors, who are handling a very large part of the traffic, are subject only to the Social Security Act. Even if the railroads were exempted from the Social Security Act, the present pension bill will make the expense, particularly in the earlier years, very much greater than the Social Security Act.

The fact of the matter is we are going to try and give these employees pensions over and above what we would give employees in other lines of endeavor. I make the point that that is not the right thing to do, to give certain favorite classes of employees preference over mill men, over store clerks, and over miners, and so forth.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. RICH. No; I want to finish this and then I will yield. When we take the various railroads in this country and consider the changes that are going to be made on the recommendation of Mr. Eastman, and legislation that is going to be put through, you are going to have some of the most difficult problems to solve that you have ever had.

You are driving railroads into Federal ownership, you are driving into Federal control and operation under the guiding hand of politicians the railroads of this country. When you do that, I predict for this country the most sorrowful days in its existence. Not only do you drive into Federal ownership the railroads, but when you have other legislation passed during the last 2 years putting the Government into all lines of business, into all lines of endeavor, contrary to the Constitution of this country, you are doing those things which will help make the United States socialistic; and furthermore, we are heading for communism. Where is the Democratic Party and its platform adopted in 1932?

Now I will yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. The gentleman said a while ago that this bill was going to destroy the present railroad-pension systems, to the loss of the employees. Is not the gentleman aware of the fact that the million of railroad employees of this country are making no such complaint, that they are unanimously in favor of this legislation, and their organizations are supporting it?

Mr. RICH. I have received letters from railroad employees saying they are against the bill. How do you account for that?

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. HOLLISTER.]

Mr. HOLLISTER. Mr. Speaker, I am taking this time on the rule because the matter has come up very suddenly, and there has been little chance to consider and study the bill. I want to ask the gentleman in charge of the bill if I am correct in understanding that this legislation is not perfect, but that there must be additional legislation?

Mr. MONAGHAN. The gentleman is wrong in assuming that this legislation is not perfect. This legislation by itself will stand on its own bottom.

Mr. HOLLISTER. Where does the money come from?

Mr. MONAGHAN. Out of the general fund of the Treasury.

Mr. HOLLISTER. There is no appropriation in this bill, of course?

Mr. MONAGHAN. No.

Mr. HOLLISTER. The gentleman then states that if this bill should pass, we are putting ourselves upon record as providing that annuities shall be paid to employees of a certain class directly out of the Treasury. Is that the case?

Mr. MONAGHAN. That is correct in many instances. We have made the railroads a special class because of their business character. The Adamson 8-hour law, the Interstate Commerce Act itself, the Transportation Act of 1920, the safety-appliance law, and many others were put upon the statute books upon that theory. Besides that, hundreds of millions were loaned the railroads through the R. F. C. The railroads are peculiarly interstate carriers. They are engaged in interstate commerce, and the Congress has been the body to which they come for relief and legislation.

Mr. HOLLISTER. Can the gentleman tell us how much it will cost?

Mr. MONAGHAN. Approximately $50,000,000.

Mr. HOLLISTER. Then this legislation by itself, if it should pass, provides that $50,000,000 shall be taken from the Treasury in the event the proper appropriation is made.

Mr. MONAGHAN. May be taken from the Treasury.

Mr. HOLLISTER. To provide for pensions for a particular class of employees.

Mr. MONAGHAN. That is all entirely within the jurisdiction of the Committee on Appropriations after this bill is passed.

Mr. HOLLISTER. But if the bill is passed, that is what this legislation provides for.

Mr. MONAGHAN. The gentleman is correct in that.

Mr. HOLLISTER. Is it true there is a companion measure which has been referred to the Committee on Ways and Means, which is supposed to raise the amount which will be needed?

Mr. MONAGHAN. There is a measure pending before the Committee on Ways and Means that would levy an excise tax of 4 percent on the total pay rolls of the railroads and of 2 percent of the income of the men. Does the gentleman have reference to that bill?

Mr. HOLLISTER. Are those who are sponsoring this bill in favor of raising the revenue in that way, or of having it as a Federal grant? I am asking these questions because I am sure there are many Members here who do not understand what is going on. If it is true that this is to be a grant of $50,000,000 to pay annuities, we should understand it; and if the funds are to provide in a certain way so that it will not be a grant from the Treasury, we should understand that also.

Mr. O'CONNOR. Mr. Speaker, if the gentleman will permit, I can state the representations made before the Committee on Rules.

Mr. HOLLISTER. I am very glad to yield to the gentleman.

Mr. O'CONNOR. It was frankly stated that there is a companion bill before the Committee on Ways and Means

which proposes by a tax on the railroad employees of 2 percent and an excise tax of 4 percent on the railroad pay rolls to raise the necessary funds, $50,000,000 or $60,000,000. That will go into the Treasury. I understand that the funds so raised will not be earmarked. If that bill from the Committee on Ways and Means does not pass, or those taxes are not raised in some way, there will be a direct payment out of the Treasury to the amount of $50,000,000 or $60,000,000, and there is no need of attempting to cover up that situation.

Mr. HOLLISTER. That is what I wanted to know.

Mr. MONAGHAN. The money would be paid provided the Committee on Appropriations appropriates the money. This bill automatically would not put that money into circulation.

Mr. HOLLISTER. I want to bring those facts out because I do not believe most of the Membership know exactly what this legislation means. Either $50,000,000 must come out of the Treasury as a direct grant to provide annuities to certain classes of individuals, or the money must be raised by a specific tax on the class involved and on their employers, and that, as I understand it, is the purpose of a separate bill now in the Committee on Ways and Means.

I understand the background of this legislation is this. A bill was passed last year in which these two bills which we are now discussing were consolidated and a pension system was set up approximately as set up here. There was a pay-roll tax assessed on the employees and a pay-roll tax on the employer, to provide funds to pay these annuities. The Supreme Court, speaking through Mr. Justice Roberts, ruled that the act was unconstitutional. I have not had time in the short time granted me to get that opinion before me. If I quote it incorrectly I wish to be corrected by someone who has studied it more recently than I have. As I remember it, Mr. Justice Roberts stated that the act was unconstitutional for three reasons.

Mr. WITHROW. Mr. Speaker, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. WITHROW. It might be well to preface the gentleman's remarks by saying that that was a 5-to-4 decision of the Supreme Court.

Mr. HOLLISTER. It was a 5-to-4 decision; yes. Remember that other bill to which I refer was passed in the last days of the session without a roll call and without adequate consideration. The act was declared unconstitutional for three reasons. First, because there were included in those to be benefited a large number of employees, I believe estimated from 100,000 to 200,000, who were not engaged in interstate commerce. The Court insisted that money could not be raised by the Government to spend on employees who were not engaged in interstate commerce. The second reason was that the money raised from the carriers would be placed in a pool and then spread out for the benefit of all the employees who were covered by the act.

Therefore the funds of one carrier were taken for the benefit of employees of another.

The third reason, as I remember it, was that Mr. Justice Roberts intimated he had grave doubts whether the Federal Government could embark on any scheme of annuities, old-age pensions, unemployment insurance, and so forth, although the case did not go off on that point alone.

Mr. MONAGHAN. Will the gentleman yield?

Mr. HOLLISTER. Yes; I yield.

Mr. MONAGHAN. The gentleman asked to be corrected if he quoted the decision wrong. I may say, taking the last point first, the Supreme Court in that case said that the pension law of 1934 did not promote efficiency or safety in the operation of railroads in interstate commerce. In other words, that the power " to regulate commerce " did not carry with it the power to provide pensions. He did not say we could not pay an annuity out of the Treasury of the United States. The latter is the theory of this bill.

Mr. HOLLISTER. I am glad the gentleman called it to my attention, but he will have some time to speak, and he can explain it then. I should like to proceed now.

As a matter of fact, I am really bringing these questions up without making an argument on the merits of this bill, in the hope that when the bill gets onto the floor these questions will be met. We have so often seen bills brought up here where the most important questions are not discussed at all. I think a great many of us are in sympathy with the purposes of legislation of this kind, but we do not want to proceed day after day to vote for legislation which we know will be declared unconstitutional. If all these unconstitutional questions have been met, if we are not going into the granting of money from the Federal Treasury for an annuity system for one particular class of employees, I am sure there will not be nearly as much difficulty in securing votes to pass such legislation; but I believe it ought to be explained what we are doing. If this is to be a Federal grant, we should know it. If it is not, and the money is to be raised by a tax in some particular way, then I believe it should be explained whether or not we are meeting the unconstitutional questions that were raised by the Supreme Court when they held the previous measure unconstitutional. That is the reason I have taken this time now to bring these questions before the Membership, so that they can be given adequate consideration, so that those who sponsor the bill and, incidentally, those who oppose it, if there be any opposition, may have a chance to meet those questions in fair debate. When the Membership finally comes to vote we should know what we are voting upon and know whether we are voting for something which is merely a hollow shell; whether we are offering a group of people something, knowing in our hearts that the courts will ultimately decide that we have given them nothing at all, and that we have passed another unconstitutional piece of legislation. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent that the Clerk report the committee amendment.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Committee amendment: Strike out all after the enacting clause and insert the following:

"DEFINITIONS

"SECTION 1. For the purposes of this act—

"(a) The term 'carrier' means any express company, sleeping-car company, or carrier by railroad, subject to the Interstate Commerce Act, and any company which may be directly or indirectly owned or controlled thereby or under common control therewith, and which operates any equipment or facilities or performs any service (other than trucking service) in connection with the transportation of passengers or property by railroad, or the receipt, delivery, elevation, transfer in transit, refrigeration or icing, storage, or handling of property transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of and operating the business of any such 'carrier': *Provided, however,* That the term 'carrier' shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any part of the general steam-railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed, upon request of the Board or upon complaint of any party interested, to determine after hearing whether any line operated by electric power falls within the terms of this proviso.

"(b) The term 'employee' means any person (1) who shall be at the enactment hereof or shall have been at any time after the enactment hereof in the service of a carrier, or who shall be at the enactment hereof or shall have been at any time after the enactment hereof in the employment relation to a carrier, and (2) each officer or other official representative of an 'employee organization', herein called 'representative' who before or after the enactment hereof has performed service for a carrier, who at the enactment hereof or at any time after the enactment is or shall be duly designated and authorized to represent employees in accordance with the Railway Labor Act, and who, during, or immediately following

employment by a carrier, is, shall be, or shall have been engaged in such representative service in behalf of such employees.

"(c) A person shall be deemed to be in the service of a carrier whenever he may be subject to its continuing authority to supervise and direct the manner of rendition of his service, for which service he receives compensation.

"(d) A person is in the employment relation to a carrier when furloughed or on leave of absence, and subject to call for service and ready and willing to serve, all in accordance with the established rules and practices usually in effect on railroads.

"(e) The term 'service period' means the total service of a person for one or more carriers whether or not continuously performed either before or after the effective date, and includes as 1 month every calendar month during which such person has rendered service to a carrier for compensation and includes as 1 year every 12 such months. An ultimate fraction of 6 months or more shall be computed as 1 year.

"(f) The term 'annuity' means a fixed sum payable at the beginning of each month during retirement, ceasing at death except as otherwise provided in section 5 hereof or at resumption of service for which an employee receives compensation.

"(g) The term 'compensation' means any form of money remuneration for service, received by an employee from a carrier, including salaries and commissions, but shall not include free transportation nor any payment received on account of sickness, disability, pensions, or other form of relief.

"(h) The term 'retirement' means the status of cessation of compensated service with the right to receive an annuity.

"(i) The term 'age' means age at the latest attained birthday.

"(j) The term 'Board' means the Railroad Retirement Board.

"(k) The term 'effective date' means the 1st day of March 1936.

"(l) The term 'enactment' means the date on which this act shall become a law.

"RETIREMENT

"SEC. 2. Upon the attainment of 65 years of age and continuance in service by the employee (but not before the effective date of this act), the annuity of such employee shall be reduced one-fifteenth for every year of such continued service beyond the age of 65 years; except that such reduction shall not apply during any period, beginning at the age of 65 and not extending beyond the age of 70, while the employee is continued in employment under an agreement in writing between the carrier and employee filed with the Board, which agreement may provide for extension of employment for 1 year and thereafter in like manner for successive periods of 1 year each. Such reduction of annuity shall not apply to an employee who occupies an official position in the service of a carrier or to employees' representatives.

"ANNUITIES

"SEC. 3. The following-described employees, after retirement whether or not then in the service of a carrier, shall be paid annuities:

"(a) A person (without regard to the period of service and whether rendered before or after the enactment hereof), who either at the enactment hereof or thereafter shall be 65 years of age or over.

"(b) A person who either at the enactment hereof or who thereafter shall be 50 years of age or over and who shall have completed a service period of 30 years. An annuity paid under this subdivision shall be reduced by one-fifteenth of such annuity for each year such employee may be less than 65 years of age at the time of the first annuity payment.

"(c) A person who either before or after the enactment shall have completed a service period of 30 years and who shall be after the enactment hereof retired by the carrier on account of mental or physical disability. An annuity paid under this subdivision shall not be subject to the deduction specified in subdivision (b) of this section.

"The annuities hereinbefore mentioned shall be paid out of any money in the Treasury which may be appropriated for that purpose. An annuity shall begin as of a date to be specified in a written application to be signed by the employee entitled thereto, and approved by the Board, which date shall not be more than 60 days before the filing of the application, nor before the date on which the first annuity shall have become due and payable. An annuity shall not be due and payable until 90 days after the effective date hereof. The annuity shall be payable on the 1st day of the month during the lifetime of the annuitant. Such annuity shall be based upon the service period of the employee and shall be the sum of the amounts determined by multiplying the total number of years of service not exceeding 30 years by the following percentages of the monthly compensation: 2 percent of the first $50; 1½ percent of the next $100; and 1 percent of the compensation in excess of $150. The 'monthly compensation' shall be the average of the monthly compensation paid to the employee by the carrier, except that where applicable for service before the effective date the monthly compensation shall be the average of the monthly compensation for all pay-roll periods for which the employee shall have received compensation from any carrier out of 8 consecutive calendar years of such services ended December 31, 1931. No part of any monthly compensation in excess of $300 shall be recognized in determining any annuity. Any employee who shall be entitled to an annuity with a commuted value determined by the Board of less than $300 shall be paid such value in a lump sum.

"ANNUITIES TO REPRESENTATIVES

"SEC. 4. The annuity of a representative shall be determined according to such rules and regulations as the Board shall deem just and reasonable and, as near as may be, shall be the same annuity as if the representative were still in the employ of his last former carrier.

"PAYMENTS UPON DEATH

"SEC. 5. If a person receiving or entitled to receive an annuity shall die, the Board, for 1 year after the first day of the month in which the death may have occurred, shall pay, as herein provided, an annuity equal to one-half of the annuity which such person so dying may have received or may have been entitled to receive, to the widow or widower of the deceased, or if there be no widow or widower, to the dependent next of kin of the deceased. Any employee may elect, on making application for an annuity, to have the present value of the annuity apply to the payment of a reduced annuity to the employee during life and an annuity during the life of a surviving spouse. The present values and amounts of the annuity payments shall be determined on the basis of the combined annuity tables with interest at 3 percent per annum.

"RETIREMENT BOARD

"PERSONNEL

"SEC. 6. (a) There is hereby established as an independent agency in the executive branch of the Government a Railroad Retirement Board, to be composed of three members appointed by the President, by and with the advice and consent of the Senate. Each member shall hold office for a term of 5 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of the term and the terms of office of the members first taking office after the date of enactment of this act shall expire, as designated by the President, 1 at the end of 2 years, 1 at the end of 3 years, and 1 at the end of 4 years, after the date of enactment of this act. One member shall be appointed from recommendations made by representatives of the employees and one member shall be appointed from recommendations made by representatives of the carriers, in both cases as the President shall direct, so as to provide representation on the Board satisfactory to the largest number, respectively, of employees and carriers concerned. One member, who shall be the chairman of the Board, shall be appointed initially, for a term of 2 years without recommendation by either carriers or employees and shall not be in the employment of or be pecuniarily or otherwise interested in any carrier or organization of employees. Vacancies in the Board shall not impair the powers nor affect the duties of the Board nor of the remaining members of the Board of whom a majority of those in office shall constitute a quorum for the transaction of business. Each of said members shall receive a salary of $10,000 per year, together with necessary traveling expenses and subsistence expenses, or per diem allowance in lieu thereof, while away from the principal office of the Board on duties required by this act.

"DUTIES

"(b) The Board shall have and exercise all the duties and powers necessary to administer this act. The Board shall take such steps as may be necessary to enforce this act and make and certify awards and payments.

"The Board shall from time to time certify to the Secretary of the Treasury the name and address of each person entitled to receive a payment under this act, the amount of such payment, and the time at which it should be made, and the Secretary of the Treasury, through the Division of Disbursement of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with the certification by the Board.

"The Board shall establish and promulgate rules and regulations and provide for the adjustment of all controversial matters, with power as a board or through any member or subordinate designated thereof, to require and compel the attendance of witnesses, administer oaths, take testimony, and make all necessary investigations in any matter involving annuities or other payments, and shall maintain such offices, provide such equipment, furnishings, supplies, services, and facilities, and employ such persons and provide for their compensation and expenses as may be necessary to the proper discharge of its functions. All rules, regulations, or decisions of the Board shall require the approval of at least two members and shall be entered upon the records of the Board, which shall be a public record. The Board shall gather, keep, compile, and publish in convenient form such records and data as may be necessary, and at intervals of not more than 2 years shall cause to be made actuarial surveys and analyses, to determine from time to time the payments to be required to provide for all annuities, other disbursements, and expenses, and to assure proper administration and the adequacy and permanency of the retirement system hereby established. The Board shall have power to require all carriers and employees and any officer, board, commission, or other agency of the United States to furnish such information and records as shall be necessary for the administration of this act. The Board shall make an annual report to the President of the United States to be submitted to Congress. Witnesses summoned before the Board shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"SPECIAL REPORT

"SEC. 7. Not later than 4 years from the effective date, the Board, in a special report to the President of the United States to be submitted to Congress, shall make specific recommendations for such changes in the retirement system hereby created as shall assure the adequacy of said retirement system on the basis of its experience and all information and experience then available.

For this purpose the Board shall from time to time make such investigations and actuarial studies as shall provide the fullest information practicable for such report and recommendations. The Board shall in a like special report, to be made at the earliest practicable time, make specific recommendations with regard to the desirability and practicability of substituting the provisions for annuities and other benefits to employees under this act for any obligation for prior service or for any existing provisions for the voluntary payment of pensions to employees subject to this act by a carrier or any employees subject to this act, so as to relieve such carrier from its obligations for age-retirement benefits under its existing pension systems and transfer such obligations to the retirement system herein established.

"It is recognized that existing individual carrier pension plans are wholly at the option of the carriers unless in any case express provision is made otherwise, and no restriction is imposed under this Act upon such plans; nor is it expected that carriers will modify existing pension plans on account of this act beyond a reduction of current pension payments under such existing plans in amounts equal to the annuity payments currently received by the employee under this act.

"INVESTIGATION COMMISSION

"SEC. 8. (a) That a Commission be appointed which shall be composed of 3 Members of the Senate designated by the President of the Senate; 3 Members of the House of Representatives designated by the Speaker of the House of Representatives; and 3 members who shall be designated by the President of the United States. The President shall designate one member to be chairman and another to be vice chairman of the Commission. The Commission is hereby authorized and directed to make, and report through the President to the Congress of the United States not later than January 1, 1936, the results of a thorough investigation of all pertinent facts relating to a retirement-annuity system applicable by law to carriers by railroad engaged in interstate commerce and particularly any and all questions for the investigation of which provision is made under the preceding section. The Commission is also authorized to hold hearings respecting desirable provisions of a sound retirement and annuity system. In the making of such investigation the Commission may consider the experience of other industries and of governments, as well as of the railroad industry, and may avail itself of the assistance of all agencies of the Federal Government. Until January 1, 1936, the duties and authority of the Board under the preceding section are limited to cooperation with and action under the direction of the Commission. With its report setting forth the results of its investigation, the Commission shall include such recommendations for legislation, if any, as it may deem necessary to give effect to its conclusions.

"(b) The Commission, in the performance of its duties, is authorized to sit and act at such times and places either in the District of Columbia or elsewhere during the sessions, recesses, and adjourned periods of the Seventy-fourth Congress, to require by subpena or otherwise the attendance of such witnesses and the production and impounding of such books, papers, records, files, and documents, to have access to such books, papers, records, files, and documents of any corporation or person, to administer such oaths and to take such testimony and to make such expenditures, as it may deem advisable. The several district courts of the United States and the Supreme Court of the District of Columbia shall have jurisdiction upon application by the Commission through its attorneys to compel obedience to any order or subpena of the Commission issued pursuant to this section. The orders, writs, and processes of the Supreme Court of the District of Columbia in such matters may run and be served anywhere in the United States.

"(c) The Commission shall maintain such offices, provide such equipment, furnishings, supplies, services, and facilities, and to employ, without regard to the provisions of the Civil Service Act such experts and clerical, stenographic, legal, and other assistance as may be necessary for the proper discharge of its duties, and without respect to the provisions of the Classification Act of 1923, as amended, fix the compensation of any person employed. The President shall fix the compensation to be paid the three members of the Commission to be appointed by the President. All expenses of the Commission for all time in which the Commission shall be actually engaged in this investigation shall be paid out of any funds in the Treasury of the United States, not otherwise appropriated, on a certificate of the chairman of the Commission, and the sum necessary for carrying out the provisions of this resolution is hereby authorized to be appropriated: *Provided*, That the total expense authorized for the purposes of the Commission shall not exceed the sum of $60,000 which shall include the compensation herein authorized.

"COURT JURISDICTION

"SEC. 9. The several District Courts of the United States and the Supreme Court of the District of Columbia, respectively, shall have jurisdiction to entertain an application and to grant appropriate relief in the following cases which may arise under the provisions of this act:

"(a) An application by an employee or other person aggrieved in or to the district court of any district wherein the Board may have established an office, to compel the Board to set aside an action or decision claimed to be in violation of a legally enforceable right of the applicant, or to take action, or to make a decision necessary for the enforcement of a legal right of the applicant.

"(b) The jurisdiction herein specifically conferred upon the said Federal courts shall not be held exclusive of any jurisdiction otherwise possessed by said courts to entertain actions at law or suits in equity in aid of the enforcement of rights or obligations arising under the provisions of this act.

"(c) The Railroad Retirement Board, as hereinbefore established, shall be and constitute a body corporate and be capable of suing and being sued as such.

"EXEMPTION

"SEC. 10. No annuity payment shall be assignable or be subject to any tax or to garnishment, attachment, or other legal process under any circumstances whatsoever, nor shall the payment thereof be anticipated.

"PENALTIES

"SEC. 11. Any officer or agent of a carrier, as the word 'carrier' is hereinbefore defined, or any employee as such word is hereinbefore defined, or any person whether or not of the character hereinbefore defined, who shall willfully fail or refuse to make any report or furnish any information required by the Board in the administration of this act, or who shall knowingly make any false or fraudulent statement or report in response to any report or statement required to be made for the purpose of this act, or who shall knowingly make or aid in making any false or fraudulent statement or claim for the purpose of receiving any award or payment under this act, shall be punished by a fine of not less than $100 nor more than $10,000 or by imprisonment not exceeding 1 year.

"SEPARABILITY

"SEC. 12. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act or application of such provision to other persons or circumstances shall not be affected thereby.

"APPROPRIATION AUTHORIZED

"SEC. 13. The appropriation of such money from time to time out of the Treasury of the United States as may be necessary to carry this act into effect, is hereby authorized.

"SHORT TITLE

"SEC. 14. This act may be cited as the 'Railroad Retirement Act of 1935.'

"Amend the title so as to read: 'A bill to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes.'"

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. CROSSER of Ohio. Mr. Speaker, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. CROSSER of Ohio: Page 29, line 20, after the figures "1935", insert a new section to read as follows:

"SEC. 15. The term 'employment' as defined in subsection (b) of section 210 of title II of the Social Security Act shall not include service performed in the employ of a carrier as defined in subdivision (a) of section 1 of the Railroad Retirement Act of 1935."

Mr. CROSSER of Ohio. Mr. Speaker, the only purpose of that amendment is to except all those employees who come under this bill from the operations of the Social Security Act. They ought not come under both. Everybody agrees that is right.

The SPEAKER. The question is on the amendment offered by the gentleman from Ohio [Mr. CROSSER].

The amendment was agreed to.

Mr. MERRITT of Connecticut. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I do not propose to make any general speech or argument against this bill, but I think the Members of the House, if they do not appreciate already what it is proposed to do, should have it called to their attention. What we are doing today is to reenact a part of a bill which has already been declared unconstitutional. The way it is proposed to avoid the decision of the Supreme Court is to divide the bill into two bills, and pass this bill, which gives the people who are affected by it, a general claim on the United States Treasury; and then this afternoon to pass an appropriation bill to cover the supposed expense which will be incurred by this pension bill.

I notice the distinguished majority leader referred to the appropriation bill as a "companion bill." I am not enough of a lawyer to know whether when all this legislation is considered, the Supreme Court will take judicial notice of the fact that this Congress is doing over again what the Supreme Court has already said was unconstitutional. What we are doing, in fact, is to pass a pension bill for the benefit of a very small class of our citizens. We are passing a pension bill to take care of a very small special class of our

citizens and then to provide for these pensions, we are taxing a certain class of property.

The Supreme Court in its previous decision held that what we were doing was to tax the prosperous roads for the benefit of the less prosperous which, they said, was unconstitutional; and that is just exactly what we are doing now.

Mr. KOPPLEMANN. Mr. Speaker, will the gentleman yield?

Mr. MERRITT of Connecticut. I yield.

Mr. KOPPLEMANN. The distinguished gentleman from Connecticut will agree, I think, in connection with his argument, that although this measure is for a certain group all measures of legislation, more or less, are for special groups.

Mr. MERRITT of Connecticut. That is a general statement, but it does not apply to this special pension and special taxation.

Mr. KOPPLEMANN. Would it not apply in connection with the gentleman's statement on this bill?

Mr. MERRITT of Connecticut. I do not think so.

Mr. KOPPLEMANN. Certainly, it does seem to apply insofar as these people are concerned the same as other bills have applied to other groups.

Mr. MERRITT of Connecticut. There is no reason why the United States should give pensions to railroad men any more than to steamboat men or to bus operators.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. MERRITT of Connecticut. I yield.

Mr. FITZPATRICK. Did we not legislate for certain classes in the matter of the processing tax?

Mr. MERRITT of Connecticut. I think that is unconstitutional also.

Mr. FITZPATRICK. It has not been so decided.

Mr. MERRITT of Connecticut. I know; but it will be. That is the whole tendency of the legislation we have been passing recently, picking out special interests either to oppress or to assist. I think this is very dangerous. When you begin to interfere with economic law by statute law, you are getting into very dangerous ground. I am just as much in favor as anybody of pensioning these railroad men. They are deserving men, but let them come under the general pension act.

I call your attention to another fact, as I did once before when the previous Railroad Pension Act was passed, that the railroads today are in most cases losing money, in many cases bankrupt, and in many cases in the hands of receivers. We have passed the social security bill, and it will be a tremendous burden on industry, on consumers, and on employees; and now on top of that we are assessing this railroad tax for this special class.

I say that when business is as sick as it now is it would be much wiser to let it recover to a certain extent before piling additional burdens upon it. On this ground it seems to me that it is unwise at this time to pass this special bill on top of the social security bill, the constitutionality of which has not been passed on, but which I think is very doubtful. This measure may be constitutional. I do not like to say that it is or that I think it may be, but I think a special tax which is proposed to be passed on to this special group clearly will be unconstitutional. We shall find demands on the Treasury to the extent of hundreds of thousands of dollars in pensions with no money to meet them. It is a great mistake, Mr. Speaker. A matter of a few months for further consideration will harm no one, but to rush legislation through, as we have been doing during the last few weeks, is simply to get it out of the way, simply to put it through, is very unwise procedure.

[Here the gavel fell.]

The bill was ordered to be read a third time, was read the third time, and passed.

The title of the bill was amended.

A motion to reconsider was laid on the table.

Mr. CROSSER of Ohio. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on this bill.

The SPEAKER. Without objection it is so ordered.

There was no objection.

THE RAILROAD RETIREMENT BILL—EXTENSION OF REMARKS

Mr. MARTIN of Colorado. Mr. Speaker, as a member of the Committee on Interstate and Foreign Commerce, which reported this bill, and of the subcommittee, of which Hon. ROBERT CROSSER, of Ohio, was chairman, which held the hearings and drafted the bill in final form, I want to say that I am whole-heartedly for its passage, but shall content myself with noting two or three of the objections which have been made against it in debate.

The question has been asked several times by opponents of the bill whether this is "must" legislation. The questioners know that although the President has expressed himself favorably to the legislation, it is not on the so-called "must" list to be passed at this session, the inference from this fact being that Members are under no obligation to vote for it, and that it will be all right if they do not.

Mr. Speaker, in my opinion this is "must" legislation. The demand for it comes from 1,000,000 of the highest grade workers in the United States, workers moreover who propose in another bill to pay their share of the cost of the security which it will furnish. Personally I consider this is the highest command that can come to a representative of the people.

When in the closing hours of the Seventy-third Congress a Railroad Retirement Act was passed overwhelmingly by both Houses, I felt that a great step forward had been made in social security. It was the first such act to be passed by Congress. When the President finally signed the act I rejoiced. No bill that passed the Seventy-third Congress, and I voted for every one of them, gave me such genuine pleasure. And when the Supreme Court declared it unconstitutional, I suffered as one who knew from a life association what a blow it would be to tens of thousands of aged and aging railway employees, who must soon go into the discard, and depend upon others for the bare necessities of life.

Mr. Speaker, on yesterday I read in a Washington paper a full-page story that wrung my heart, the story that on Wednesday night, August 21, at the hour of midnight, the Washington, Baltimore & Annapolis Railroad would cease operations forever, throwing out of employment several hundred men who have given all the years of their manhood to its service, who are unfitted for any other type of service, and most of whom, as the newspaper confessed, would never again find employment. But here, Mr. Speaker, was the line in the story, just a short, simple sentence, that makes me eager to vote for this bill, or any such bill: "The railway company had no pension system."

Just seven words, but what tragic words, to several hundred aging men who can never again secure employment in the only calling for which they are fitted. Some of these men will die of broken hearts, some of them will become outcasts, some of them will become menials, and some of them will be living on the dole. Perhaps not 20 percent of them will ever again know what a good job or a decent wage is. Yet in the face of such cases as this, which might be multiplied all over the country, Members want to know whether this is "must" legislation. I answer—yes; it is "must" legislation, by the command of a civilized America, by every consideration of right and justice, and from the sheer necessity of preserving the morale, the spirit, and the manhood of the workers of this country.

Another objection, Mr. Speaker, is that this legislation will destroy the pension systems now in operation on many railroads, systems voluntarily established and financed by the roads themselves, and some few of which, the most advanced, pay a higher rate of pension than this bill carries.

The answer to this objection is that it is not coming from the workers themselves, even the workers on these favored systems; that the million railway workers of the country are almost solidly behind this legislation, and that it was framed and is sponsored and endorsed by the legislative representatives and attorneys of the 21 national organizations representing practically all of the railway workers of the country. I may add that while it is widely known that I was a member of the committee handling this bill and have had a life affiliation with the railway workers, which is well known

to many of them, I have not received a single objection to the bill on any ground.

Moreover, its pension rates are the same as in the bill passed by the last Congress, which was the product of the joint efforts of all classes of railway employees and which would have had the same effect on private-pension systems that this bill will have. I honor those railway men who supported it knowing that it carried less provision for them in some cases than the private system of their employers.

But they knew also that what was given could be taken away, and they preferred the assurance of a system which had the controlling and sustaining hand of the Government behind it.

Mr. Speaker, I know the anxiety and the eagerness with which the action of Congress on this bill is awaited throughout the ranks of the railroad men of America. An adequate system of old-age pensions must be devised for them, a way must be found, through this bill or some other bill. Many able lawyers have expressed the opinion that this bill is constitutionally sound. That is a question I must leave to the courts. My judgment must be rendered now, and my judgment is "yes."

BRIDGE ACROSS LAKE CHAMPLAIN

Mr. SNELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3050) granting the consent of Congress to the States of New York and Vermont to construct, maintain, and operate a bridge across Lake Champlain between Rouses Point, N. Y., and Alburg, Vt.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the consent of Congress is hereby granted to the States of New York and Vermont, their successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across Lake Champlain at a point suitable to the interests of navigation, between Rouses Point, N. Y., and Alburg, Vt., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the States of New York and Vermont, their successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is located, upon making just compensation therefor to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation and expropriation of property in such State.

SEC. 3. The said States of New York and Vermont, their successors and assigns, are hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge, the same shall be so adjusted as to provide a fund sufficient to pay for the cost of maintaining, repairing, and operating the bridge and its approaches, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After a sinking fund sufficient to pay the cost of constructing the bridge and its approaches shall have been provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper care, repair, maintenance, and operation of the bridge and its approaches. An accurate record of the cost of the bridge and its approaches, the expenditures for operating, repairing, and maintaining the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. SNELL, a motion to reconsider and a similar House bill (H. R. 8857) were laid on the table.

SECURITY FOR ALL—THE SOCIAL SECURITY ACT IS ONLY A BEGINNING

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, the Congress has passed the Social Security Act, and a new philosophy of a Government's obligations to its citizens has come into being. Here is something new in American government, vast in scope, tremendous in potentialities.

What does this act offer to America? Who are to be its beneficiaries? What are they to receive? How much? When? Under what conditions?

THE VAST NEW PROGRAM MUST BE CLARIFIED AND EXPLAINED SO ALL WILL UNDERSTAND IT FULLY

There have been few measures in the entire course of our Government which have opened up so wide a field of discussion and controversy. For the past 2 years, especially, social security, as a national problem, has been spotlighted for national attention. And yet, with all this publicity, despite continual examination and exposition, it seems that the problem of social security, as specifically treated in this act, and the changing philosophy and concepts which supply its background, are both hazy to the average American. The man on the street has only a vague idea of the social-security set-up, of its immediate purposes and eventual scope.

In the first place social security—old-age pensions, unemployment insurance, maternity care—is nothing new. That is nothing new in almost every country in the world except the United States.

Furthermore, although some of the provisions of the social-security bill are rather technical, the principle itself is very simple. It amounts to this:

What should the citizens of a country, who have contributed to that country's progress and growth, expect from it in return?

THE SOCIAL-SECURITY ACT IS THE GOVERNMENT'S PROMISE TO ITS CITIZENS

The answer to that question is the answer to the problem of social security. In the past it was a job in good times, the bread line in bad. The answer is changed now. We now say: You have a right to expect protection against the effects of bad times, as well as a job in good times. You have a right to live decently, to be brought into the world decently, to have safeguards set up for you against the destitution you may encounter if you lose your job or health, and when you reach old age.

These are the obligations which are rightfully the Government's, and which it finally has assumed. If only it had assumed them sooner! We might not have had to go through these 5 bitter years. If we had been sensible enough to realize that, good years or bad, the great mass of wage earners in this country have never received more than bare subsistence incomes, and could, under no circumstances, set aside anything more than a few pennies, if that, for the inevitable hard bumps of life.

AN EXAMINATION OF INCOMES SHOWS HOW DESPERATELY SOCIAL SECURITY IS NEEDED IN THIS COUNTRY

In 1929, 5,899,000, or nearly 6,000,000 families, 21½ percent of the total number of families, had a yearly income from nothing up to a maximum of $1,000.

Eleven million six hundred and fifty-three thousand, or nearly 12,000,000 families, 42½ percent of the total number of families, had incomes of less than $1,500 per year.

Nineteen million five hundred and fifty-eight thousand, or nearly 20,000,000 families, 71 percent of all families in the United States, had incomes of less than $2,500 per year. And that was in the year 1929, the year of prosperity.

And now let us look at the number of families with large incomes.

Sixty-three thousand families, 0.230 percent of the total number of families, had incomes of more than $50,000.

Four thousand families, 0.015 percent of the number of families, had incomes of $500,000 and over per year.

Members of families with an income of less than $1,000 a year can, of course, save very little toward meeting the cost of unemployment, old age, sickness, or accidents.

In the year 1929, 10,500,000 families had an income of $1,000 to $2,000 a year. These on an average, saved the magnificent sum of $80 a year. These families and the millions of families with a still lower income are the builders of America. They have dug its ditches, paved its roads, operated its machines, constructed its buildings, and produced its abundant wealth. We repay a debt when we make a start toward giving them some measure of decency in living. We merely turn back to them a part of what they have given us.

### II. The Ultimate Goal of Old-Age Pensions

It is no longer necessary to sell the idea of old-age pensions in this country. The idea has been sold, for which we can be truly thankful, for it was hard sledding at first.

In 1934 we had in the United States about 7,200,000 persons who were 65 years of age or older. Even if we base our calculations upon the relatively prosperous years of 1920 to 1929, and disregard for the moment the terrible need which the current depression has brought to the aged, we shall find that out of these 7,200,000 at least 2,400,000 were in need.

The depression increased the number of needy among the aged far beyond 2,400,000.

The United States is the only large industrial country in the world which still has the poorhouse. The following figures will show how more and more old people have been forced to seek refuge in the poorhouse:

*Paupers 65 and over in almshouses*

| | |
|---|---|
| 1880 | 16,903 |
| 1890 | 23,318 |
| 1904 | 33,141 |
| 1910 | 35,943 |
| 1923 | 41,980 |

#### The present old-age pension provisions are only a beginning

However, old-age pensions, as provided for in the Social Security Act, are but the foundation for a real set-up of old-age security in America.

To my mind, these provisions of the act should be, and I hope in time will be, much more liberal and generous than they are now. Let us first see what we now have in the United States, in the way of old-age pensions before the National Security Act begins to operate.

#### What state provisions do we have for old-age pensions

In 1934, 28 States and 2 Territories had old-age-pension systems. Five additional States adopted such laws this year. Eight States of the 28 have never paid a cent—the laws exist on the statute books only. Ten others pay very negligible amounts. Only the remaining 10 merit serious consideration.

Now, what about the ages at which payments begin in the 28 States? In 14 of them, payments begin at 70; in 13 at 65; and in 1 at 68. Payments? Fifteen States provide a maximum of $30 a month; 6 of $25; 2 of $20; and 3 of less than $20.

In these figures, what probably will catch your eye is that the lowest eligible age in any State is 65 years—and that is the rub. In a country where the advances of the machine age burn people out at 50 and 55, the limit of 65 is far too high.

#### The age limit for pensions is too high

That age limit, among other things, is my criticism of the national act. Here is what the Government will do under the Social Security Act. The Government says to the State, "I'll match you; for every dollar you give for old-age pensions, I'll give a dollar. However, my maximum will be $15 a month; if you want to pay more than that, you can." I regret that under this arrangement the aged will receive $30 or less in most of the States. This is far too low to permit a decent standard of living for our old people. It is far too low to give them the security which they should have.

No State will receive any money from the Federal Government toward the payment of old-age pensions, unless the State has or will pass an old-age pension law, satisfactory to the Federal Social Security Board and which complies with the minimum standards fixed in the act of Congress.

Until 1940 the old pension laws of the States may deny pensions to any person under 70 years of age. After 1940 the age limit must be 65 years.

#### Why allow the states 5 years to reduce the age limit from 70 to 65?

This is a serious defect. Why wait 5 years? Why not make the States change their limit from 70 to 65 years by 1937? After all, State legislatures meet regularly every 2 years, and they could have no more important business to transact than this.

And finally, the 65-year limit in the Federal bill must go. It is entirely too high. After all, this is supposed to be a pension for old age, not a graveyard pension. Most people who are 60 years of age are old—the years ahead of them hold no prospect of jobs or gainful occupation. They have every right to live their last years in comfort, in economic peace and security.

Of course, there is nothing in the act to prevent States granting pensions to those under 65, but States simply will not do it, unless the Federal grant is extended to those under 65.

These are my objections. They show serious flaws in the set-up. But it is better than what we had previously. We have started something, surely, and from these beginnings we go forward.

### III. The Difference Between Old-Age Pensions and Old-Age Insurance

There has been some confusion, in connection with the Social Security Act, between old-age pensions and old-age insurance. The two have been used interchangeably, which is not correct.

Briefly, the difference lies in the fact that for old-age pensions the beneficiary does not pay; for old-age insurance he does. The Social Security Act makes appropriations to States for the payment of old-age pensions. But it does not stop there. It also sets up an old-age insurance system, which is designed to supersede the pension system, and which on January 1, 1942, will begin the payment of benefits to those 65 years of age or older.

#### The Federal Government should contribute to the old-age insurance fund

This system will be administered directly by the Federal Government. The States will have no part in it. It will be purely a Federal matter. The funds for this insurance system, as distinguished from the pension system, will be raised by compelling employers and employees to make equal contributions to a common insurance fund.

There is one defect in this old-age insurance system as set up in the act of Congress, a vital, a fundamental defect. The Federal Government does not contribute to it.

The Federal Government, as in many European countries, should contribute one-third of the total fund.

Where will it get the money? I do not want to use this speech as a springboard for a dissertation on the maldistribution of wealth and income in this country, but I will venture to state that in a country where 87 percent of its wealth is owned by 4 percent of its population, inheritance and income taxes could well be increased for this purpose.

#### The increasing proportion of old people in this country makes the problem doubly important

It is first advisable to bear in mind why the problem of old-age insurance—as distinguished from old-age pensions—has become increasingly important in this country. The fact of the matter is that the population of the United States from year to year has a greater proportion of older people. This has been brought about, of course, through a gradual betterment of our standard of living, improvement in public-health measures, advances in sanitation, new medical discoveries, and the like. But in spite of our realization of these factors it is still amazing to learn that in 1840 the average life span in this country was 39 years, and in 1930 it had gone up to 60 years.

In 1870, 3 percent of our population was over 65 years of age; in 1930 the percentage had gone up to 5½ percent; and

it has been estimated that by the end of this century 10 percent of the population will be 65 or more.

The following table well illustrates the increase in the number of old people:

*Number of persons 65 years and older in United States*

| | |
|---|---|
| 1870 | 1,000,000 |
| 1900 | 4,000,000 |
| 1930 | 6,500,000 |
| 1975 (actuarial computation) | 21,000,000 |

Financially we would have a staggering bill if we continued the straight pension system for these people. In 1940 the cost would be $800,000,000, $2,000,000,000 in 1960, and $2,600,000,000 by 1980.

CHIEF FEATURES OF THE OLD-AGE INSURANCE PROVISIONS

Therefore the Social Security Act sets up, under Government administration, a fund for old-age insurance. The contributions to it will be in the form of equal contributions which employers and employees must make in the form of a tax beginning January 1, 1937. This contribution will be 1 percent in 1937–39, 1½ percent in 1940–42, 2 percent in 1943–45, 2½ percent in 1946–48, and 3 percent in 1949 and thereafter.

It is estimated that total receipts from these two taxes will range from $278,800,000 in 1937 and increase year to year until 1950, when the maximum tax of 3 percent is reached, will amount to $1,877,200,000.

An interesting, and perhaps disturbing fact, is that two large classes of wage earners will not benefit by this insurance. They are agricultural workers and domestics. It is deplorable that they often lose out when social and economic advances are made. All in all, almost 26,000,000 workers are expected to come under the bill's provisions.

The monthly benefits to be paid from the fund will vary from $10 to $85, depending both on the average monthly wage or salary formerly received by the aged and on the number of years when he was employed and contributed to the insurance fund.

IV. THERE IS NO INSURANCE AGAINST UNEMPLOYMENT—WHAT UNEMPLOYMENT COMPENSATION IS FOR

The most important thing to keep in mind, in considering the unemployment "insurance" provisions of the new Social Security Act, is that there is no such thing as unemployment insurance. The term itself is a convenient misnomer for unemployment compensation—an income to be received during periods of idleness. Unemployment compensation is not intended and cannot insure employment. It does not prevent unemployment—as life insurance does not prevent death. The purpose of unemployment-compensation laws is to assure the employee a fixed proportion of his working income during a period of enforced idleness.

Do we need unemployment-compensation laws? The following two tables should effectively answer that question. They show that substantial unemployment is not confined to depression periods. They show that even in years of high prosperity did we have a large number of unemployed.

*Unemployed during prosperous years*

| Year | Number of unemployed | Percentage of unemployed in total working population |
|---|---|---|
| | | *Percent* |
| 1920 | 1,401,000 | 4.6 |
| 1923 | 1,532,000 | 4.7 |
| 1926 | 1,669,000 | 4.7 |
| 1929 | 1,800,000 | 5.6 |

*Fluctuation in unemployment in prosperous year 1929*

Maximum month for unemployment, February; number of unemployed, 2,817,000.

Minimum month for unemployment, October; number of unemployed, 480,000.

THE WEAKEST LINK IN THE CHAIN

Does the Social Security Act provide for unemployment compensation? It does not, at least not directly. In fact, this is the weakest part of the Social Security Act. It presents an unsatisfactory attempt to tackle one of our greatest economic problems.

The act does not establish direct unemployment compensation for the worker. It does this: It levies a tax on all employers of eight or more employees, the tax rising annually from 1 percent in 1937 to a maximum of 3 percent in 1939. Employers of about 26,000,000 employees are to be covered by the tax. There is the same deplorable exclusion of domestic and farm labor as prevails under the old-age insurance set-up.

It must be borne in mind that the money so collected does not go into any special fund; it is part of the Federal Government's general taxation. How, then, does the unemployed person benefit? He benefits only if his own State enacts an unemployment-compensation act. In that case the Federal Government will allow a credit of 90 percent of the Federal tax to employers who are contributing to the State system. If there is no State system, he pays the full tax, and there is, of course, no benefit for his employees.

The expectation is, of course, that since the tax will be levied in any case States will be encouraged to enact their own laws. Most States will do so. At the present time six States have already adopted such legislation and many more, particularly the industrial States, may soon follow.

THE APPROACH TO THE PROBLEM OF UNEMPLOYMENT INSURANCE MUST BE ON A NATIONAL BASIS

I believe the entire method of approach is fundamentally wrong. Unemployment insurance must be considered on a national, and not a State basis. Industry knows no State boundaries. Employees and industries move from State to State. Only a national system can provide adequate protection for the employees, as well as equal competitive conditions for employers. With 48 State laws we may have almost that many widely varying systems, just as we have wide divergence in the various State workmen's compensation laws.

That is the grave defect in the social-security bill, insofar as unemployment compensation is concerned. I pointed this out in hearings on the bill before the House Ways and Means Committee. At the very least, if we cannot at once have a national system, the social-security bill should have laid down certain definite minimum standards for the State system. This it has not done; there are few specific requirements as to what the State laws should contain. The States are given carte blanche, as it were, in writing their laws.

DEFINITE STANDARDS MUST BE DEMANDED OF THE STATES

What should have been demanded of the States? First minimum standards as to amounts of compensation. Second, the maximum waiting period, before benefits are paid should have been definitely fixed. Third, schedules of the minimum duration of benefit payments to idle employees should have been laid down. Fourth, the so-called "Wisconsin plan", which is in no sense of the word social insurance and provides little protection for the worker, should have been outlawed. Fifth, the most important, the bill should have definitely barred the States from forcing employees to contribute to unemployment compensation funds.

Without such standards, I do not see that we are going to get very far in setting up decent unemployment compensation systems.

Keen will be the disappointment of those who are now jobless. They are not included in the contemplated scheme for unemployment compensation, unless they first secure a substantial amount of private employment.

Under the program of the administration the jobless who can work, are to be taken off relief and to be employed on work-relief projects. Whether they will be, only the future can tell—I am very doubtful. The jobless will be the group most disappointed in the Social Security Act—and justly so.

V. WHO PAYS THE BILL FOR SOCIAL SECURITY?

One cannot conclude a discussion of the unemployment-compensation features of the Social Security Act without reexamining, if only briefly, its chief feature—the financing of unemployment compensation by a tax on pay rolls. This

tax will largely be shifted upon the consumer in the form of higher prices. Therefore, this is in reality a tax upon consumption to be paid for by the broad masses of the people.

Frankly, I am very much disturbed at this method of setting up an unemployment-compensation system. In the final analysis, the reason we must have unemployment compensation, old-age pensions, old-age insurance, and the like is because our national wealth and income have been so badly distributed. Very few people will deny this any longer.

A PAY-ROLL TAX IS NOT AN EQUITABLE TAX

But I fail to see where a more equitable distribution will be obtained by gigantic pay-roll taxes. The money will be taken from the worker, perhaps in lowered wages, more certainly in higher prices for what he buys. The latter condition will also apply to consumers generally.

Where, then, is the gain? We will be taking the buying money, the money that should be in circulation, out of it, pile it up in reserves, decrease purchasing power, and, in short, continue the old vicious cycle.

Higher taxes on inheritances, gifts, tremendously large incomes—from those sources and not from the pay roll and consumers' taxes, should come a large part of the money for the payment of social-security benefits. From huge fortunes should come at least a part of the money needed for the payment of these expenditures.

In addition to its three chief provisions—old-age pensions, old-age insurance, and unemployment compensation—the Social Security Act recognizes a number of other social problems, and makes some contribution toward alleviating them.

THE ACT'S PROVISIONS FOR DEPENDENT CHILDREN

I like particularly the recognition of the child problem, especially during this depression period. Perhaps it is not generally known that, although children under 16 comprise only 28 percent of the population, of those on relief 40 percent are in this age group—9,000,000 children.

The act appropriates $24,750,000 for dependent children, children in families where the support of the father, through death or otherwise, has been lost.

Under the Federal act, the Government will pay one-third, the State one-third, and the county one-third.

MATERNAL AND CHILD HEALTH

For maternal and child health an appropriation of $3,800,000 is allotted. Particular attention is to be centered on maternity and infant welfare in rural and farm areas, and in localities where economic distress is especially severe. In this connection, it is distressing to know that the maternal-mortality rate in the United States is higher than that of almost any other progressive country.

Another appropriation of $2,850,000 is made for hospital and later care of crippled children. In this country there are between 350,000 and 400,000 crippled children, many of them victims of infantile paralysis, and if treatment is extended early enough, the condition of a larger number could be greatly improved.

The act allots $1,500,000 to enable the Children's Bureau of the Department of Labor to cooperate with State public-welfare agencies in establishing and extending help to the half million or more neglected and dependent children, and those who come before the juvenile courts. These are injured and harmed lives, and far greater sums could be expended to repair them and reestablish them in society.

GREATER UNITED STATES PARTICIPATION IN PUBLIC HEALTH SERVICE

Finally, the act makes greater provision, through an appropriation of $8,000,000 for more extended participation by the Government in public-health services. These services have unfortunately, been drastically curtailed during the depression—a period when they are most necessary. Out of more than 4,000 counties in the country, only 528 have full-time health officers.

Admitted, each of these appropriations is small—any one of them might well be increased tenfold. But likewise, they are all splendid stimulants to carry on and forward fields of work which have been sadly neglected and often ignored.

VI. THE MEANING OF TRUE SOCIAL SECURITY

As you analyze the new Social Security Act and study its provisions and limitations, you are forcibly impressed with the fact that the Federal Government, itself, occupies a secondary role in the set-up. In the main, responsibility for immediate action rests on the States. The financial burden is largely placed upon the employers, the employees, and through increased prices on the consumer. The balance of the cost is divided between the States and the Federal Government. Important, however, is the fact that the Federal Government admits a responsibility in providing for the unemployed, the aged, the indigent, and the physically handicapped.

The Social Security Act is based on the principle of action by the States. By offering to them financial participation it encourages the States to pass and enforce laws providing pensions for old people and for needy blind, mothers-assistance funds, and child welfare. By permitting employers to deduct the contributions which they make to State unemployment compensation funds up to 90 percent of a Federal pay-roll tax, the act of Congress seeks to create pressure on State legislature for the enactment of State unemployment-compensation laws.

THE PRINCIPLE OF STATE ACTION MUST BE CHANGED FOR THE PRINCIPLE OF FEDERAL ACTION

The Federal Government is willing to help, but action must be taken by the legislature in each of the States. If a State fails to act, the people in that State cannot participate in the social-security program. This is the important principle of the act of Congress which the people must keep in mind.

This principle of State action and separate and distinct State laws will cause a great deal of difficulty. Particularly it is likely to prevent real unemployment insurance in many of the States. Our industries are built along national and not along State lines. Unemployment reserve systems should also be built along national and not along State lines. At least, the Federal act should have fixed minimum standards which every State law must observe.

THIS ACT IS A FOUNDATION ON WHICH TO BUILD

I am not satisfied with the provisions of the Social Security Act. I am not satisfied with its provision for old-age pensions, for unemployment compensation, or for child welfare. But the principle which this act of Congress establishes, the decent, humane, and social philosophy upon which it is based, is far more important than its specific provisions. We now have the foundation; we can improve and enlarge from time to time the building which we construct upon that foundation.

To me, anything offered in this specific measure, and anything which will be added as time goes on are way stations on a long road we have to travel. Ahead of us lies a great ideal.

THE TRUE SOCIAL SECURITY OF THE FUTURE

The idea will be security of the individual from birth to death. Maternity and infant care will look after him when he is born. Social security would in every sense protect the child—protect him from sickness and want, and make every possible effort to halt both sickness and want should they emerge. It would provide immediate hospitalization for crippled children, curing those who could be cured, and leading those who are physically handicapped into avenues of usefulness. Vocational training, the use of arts and crafts—these would be available.

Health insurance would protect individuals and families in periods of extended illness, and proper care would be forthcoming immediately in sickness, now so often neglected because of lack of financial resources.

And finally, there would be true protection against the hazards of unemployment, and the misery and uncertainty of insecure old age.

I will not conclude by saying that these are Utopian wishes. I believe that such a program is but the minimum for a decent and secure economic existence, and it would be

tragic to contend that the wealthiest and most powerful Nation on earth cannot achieve it.

My belief is firm that such a program will be established in this country. And it will come within our time.

THE CRITICAL ISSUES OF TODAY

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, with all the confused and contradictory thinking that exists at the moment, and the still greater confused and contradictory action with respect to that thinking, it takes a considerable amount of conviction to say anything about anything. On the other hand, I feel that there rests a distinct duty—a definite responsibility on each of us to contribute what we can, based upon our individual sphere of experience and outlook to the forum of public opinion. For the more our people discuss and debate the issues of the day, the surer and wiser will be the conduct and guidance of our national affairs.

The dangers confronting the American people today, the obstacles still retarding our recovery, arise within our borders. We are faced with the absolute necessity of ending certain evils and weaknesses in our methods of making money and of governing ourselves. The vast majority know that this job must be done, but they do not know how to do it. They must trust to leadership in business and in politics.

There are three classes of leaders who offer their programs for public support, who may be roughly classified as the Old Guard, the Progressives, and the Destroyers.

The Old Guard believe we should go back to that system of unrestrained self-seeking under which a few people could accumulate unjustified wealth and control the lives of a multitude without acknowledging or fulfilling their responsibility to the general welfare. The Old Guard prospered under that system, and they simply do not understand that such a system, under which millions of people have been, and are still, denied employment and are destitute in the midst of plenty, can no longer be tolerated.

The Destroyers, despairing of any improvement in a system deeply rooted in special privilege and controlled by legally entrenched money power, wish to destroy it utterly. They have suffered under the system. They have no stake in its preservation, and they are ready to smash it by any means.

The Progressives, seeking to improve the system, arouse the bitter opposition of both the Old Guard, who fear any change, and the Destroyers, who want everything changed.

If America had only a simple choice between these three programs there would be little cause to fear the future. The Old Guard with all its economic power can only swing a few million voters to its support. The Destroyers, stirring the passions of the unemployed, the discouraged and the zealots, cannot unite even all the victims of social injustice in a revolutionary campaign that would ruin the lives of at least two-thirds of our population who are now enjoying a fairly decent standard of living. The overwhelming majority of our citizens would support a unified, Progressive leadership of those who call themselves Democrats or Republicans, but who, under any political banner, are loyal to American institutions and have faith in the principles and processes of self-government.

But the grave danger of the present time lies in the failure of the Progressive leaders of business, of agriculture, and of politics to stand together in a common opposition to the Old Guard who, by doing nothing except to obstruct progress, would wreck recovery, and to the Destroyers who, by fomenting class conflicts, would drive us into civil war.

No mere exhortations to sink selfish ambitions and personal gain in a devotion to the general welfare will change this situation. When a business man or a politician feels that he can safely advance his selfish interests by refusing to cooperate, he is not easily persuaded to sacrifice a personal gain for the public interest. If, however, he should be convinced that we are menaced by a dangerous common enemy, and that we must either stand together or we shall be separately destroyed, then the sweet virtue of self-sacrifice may become a practical necessity of self-preservation. That is the appeal for cooperation which today should transform the hard-headed but intelligent business man or politician into a soldier for the common good.

It should be possible to prove today to at least 4 out of every 5 voters, to at least 4 out of every 5 fathers and mothers in this land, that they and their leaders must stand together against the Old Guard and the Destroyers for the protection of everything which they hold dear. And if the voters and the fathers and mothers of this Nation really knew the facts and the dangers confronting them, they would make their demands heard in one great shouting that would drive the sensible, Progressive leadership of this Nation into common action, and into common opposition to those who are playing upon the prejudices of either the fortunate rich or the unfortunate poor, and who, either blindly or intentionally, are enlisting their followers to engage in civil warfare.

If these three classes continue to assail President Roosevelt, there soon may be nobody in favor of the new deal—except the people.

I do not think that the American will disagree with me when I say that among the things which doubtless have helped to strengthen the President's position, are:

The vicious assault by utility holding companies, Old Guard politicians, and press against the administration's bill to reform a system which robbed both utility consumers and investors.

The Securities Act, which met with so much opposition, has proved its worth in protecting the investing public from fraudulent and deceitful sales of securities.

Unrestrained speculation contributed as much as any other one cause to the depression which began in 1929. It withdrew immense funds from all banks for gambling purposes. It withdrew money needed to carry on legitimate business. It resulted in the breaking down of credit institutions.

Through the regulation of security exchanges such unrestrained speculation is prohibited, and investors are given access to information, which is essential to the intelligent purchase and sale of securities. Is not this worth while?

The holding-company bill is directed toward the same general objectives—the protection of the investor and stockholder from excessive and unwarranted fees and charges, pyramided profits, and the exploitation of local solvent utility companies.

This administration has no apologies to make for its sincere and fearless efforts to curb greed, gambling speculations, fraud, and the exploitation of an uninformed and unsuspecting investing public in the matter of the purchase and sale of securities and the management of public-utility corporations.

Still the blind and bitter attacks of the reactionary interests continue on the administration banking bill which transferred part control of the people's money and credit from private bankers to the Government.

When Franklin D. Roosevelt and Herbert Hoover rode together down Pennsylvania Avenue, March 4, 1933, we thought an era in history had ended—an era in which the Republican Party had claimed the copyright on prosperity. But political memories are short, and of the making of claims there is no end. Out of the political grave rises Walter H. Newton, President Hoover's patronage secretary. He shakes his shroud and proclaims that the panic which closed the banks before Mr. Hoover left the job was all Mr. Roosevelt's fault.

When Mr. Roosevelt took the oath every bank in the Nation was closed or closing. Even the money temples in New York, the citadel of the Nation's finances, were locked and barred. New York had not even been able to hold out until after Inauguration Day. Millions of despairing Americans, even though they possessed bank passbooks, could not get their hands on enough cash to pay the grocer.

It seemed then that those who left their seats of power said such economic desolation would never again assert

kinship to omnipotence, yet Mr. Newton and his literary associate, William Starr Myers, inform us that the depression had hit the bottom in June 1932, and that the peerless Mr. Hoover was leading the Nation back to sound recovery until that fatal day in November, when the people made the mistake of electing Mr. Roosevelt.

Thereafter, they say, came doubt and darkness; not because the people lacked confidence in Mr. Hoover, but because they distrusted Mr. Roosevelt.

Let us look at the record.

In the 12 years ending the last of December 1932, 10,816 banks closed their doors. The number up to November 1, 1932, a few days before the people voted to end Republican rule, was 10,562.

In 1929, Mr. Hoover's first year, 659 banks closed. In 1930, 1,352 banks closed. In 1931, 2,294 banks closed. In 1932, 1,456 banks closed.

The tempo of clicking bank doors continued to mount early in 1933. On February 14, 1933, the first bank holiday was declared in Michigan. It is, perhaps, too cruel to recall what happened from that date to the hour Mr. Hoover evacuated the White House on March 4.

So we will just skip from the middle of February to the middle of March, when President Roosevelt licensed the banks to reopen. During the rest of 1933, 179 banks had to close again. In 1934, 56 banks closed. And, in the first 4 months of 1935, 9 banks closed.

Now, having looked at the record, let us rise and pay tribute to Mr. Newton and Mr. Myers as the holders of the all-time, all-American high in political claiming.

To these blunders of the reactionaries the United States Chamber of Commerce added the finishing touches when it condemned N. R. A. and the President's social-security, utility, and banking-reform program, without adequate substitutes.

The enemies of the new deal rejoice in the decision of the Supreme Court when it outlawed the N. R. A. Perhaps even some of its weary friends will conclude that it was not worth the effort. I do not feel that way about it.

When this administration assumed power, between ten and fifteen million workingmen were tramping the streets of our cities and towns in search of employment.

Something had to be done, and done quickly, to relieve this condition.

Our efforts resulted in the passage of the National Industrial Recovery Act. The objectives of this act were the spreading of employment by reduction in the hours of work, the elimination of child labor, the prohibition of unfair-trade practices and competition, and the creation of greater purchasing power.

One of the weaknesses in the administration of the act was the fact that it attempted to take in too much territory. But whatever weakness it may have developed, the ultimate results were wholesome.

Children who labored in sweatshops for 3 or 4 cents an hour were taken out of such industrial cesspools and restored to the playgrounds and schoolrooms of America.

Jobs were created for nearly 4,000,000 unemployed workmen. The annual volume of wages was increased by more than $600,000,000. Labor was assured the right of collective bargaining. And, above all else, the morale of the American workman was restored by knowledge of the fact that after all he was not just another forgotten man.

That business itself was not injured is best evidenced by the fact that in Indiana scores of industrial enterprises got out of the red and into the black for the first time in 2 or 3 years. Statistics show that the earnings of 1,435 representative industrial and trading establishments rose from $640,000,000 in 1933 to $1,071,000,000 in 1934—an increase of more than 66 percent.

As further evidence of the beneficial effects of the N. I. R. A. to business, I call your attention to the fact that many classes of industry today are voluntarily continuing their codes to the benefit of themselves and their employees.

As for the future, I am still convinced that the old dog-eat-dog competition between business and business and between employer and employee is the way of destruction.

That system has produced many depressions in the past, and progressively worse and longer depressions. If human experience is any guide, that old system, if allowed to continue, will produce even worse havoc in the future. It will destroy itself, as it almost destroyed itself last time.

Historically, economic and political systems survive only if they have within themselves the power of adaptation, the capacity for change. This is not only a moral issue; it is a problem of efficiency. Sweatshops, child labor, low wages, unemployment—and other evils which N. R. A. tried to eliminate—pull mass purchasing power and the consumer market so low that American business in the machine age simply cannot function. This is not a theory; it is a hard fact, proved year by year and month by month in bankruptcy and breadlines since 1929. The American business system cannot survive unless it has the will and the skill to adapt itself to the inexorable necessity of these new conditions.

That, as I understand it, was the thought behind N. R. A., not the thought of ultraradicals and ultraconservatives, who have always opposed N. R. A., but the purpose of the sober business and labor representatives who planned and supported N. R. A.

It is important for the Nation to realize that the industrial problem remains. The Supreme Court by throwing out an attempted solution has not thereby thrown out the problem. It would be very nice if we could throw out the problem, or if we could run away from it. But we cannot.

Having failed in one solution—or rather having had one attempted solution suddenly snatched away from us—the Nation will blunder along seeking another solution. If the Government can contribute to the solution with guidance and aid, so much the better. But maybe the Supreme Court decision eliminates the Government from all such effort—that will have to be determined by the legal experts. If the Government is eliminated, then the only alternative is for capital and labor to try to work out the solution themselves.

Meanwhile I salute President Roosevelt and Members of Congress who did their part in the battle against the tooth-and-claw system. It was a gallant effort. And if it transformed sweatshops, if it saved child laborers, if it put unemployed men back to work, if it did these things only for a short time, it was worth while.

Comes now, Herbert Hoover, and joins in the alarm about amending the Constitution, adding his name to that of Hearst, the young Republicans, and the already long list of those who are out to save the document, as is. By inference, in each of these alarms President Roosevelt and his advisers are treading toward the edge of treason in even mentioning the idea of a change.

What, for the life of me, I cannot understand is why the cry of sacrilege, when the document itself contains the machinery for amendment.

Article 5 provides two distinct means of initiating, and two means of making effective amendments.

In practice, the Constitution has been amended 21 times, 9 times since the antislavery amendment of 1865 and 6 times within the last 26 years.

Of these last 6 amendments, 3 were proposed and put through under Republican leadership and 3 under Democratic leadership.

The three amendments to carry out Civil War objectives were, of course, Republican achievements, it being with a frank Constitution-amending program that the Republican Party became an important factor in American life.

With what good grace, then, and upon what precedent do these self-styled patriots speak who shudder at the mere idea of any sort of constitutional change and impute lack of patriotism to a President who so far is only vaguely reported as wanting to do what other Presidents have done?

If and when President Roosevelt does present a specific suggested constitutional amendment or amendments, then the American people will take a proper interest in all phases and implications of what is proposed.

In the meantime, the purely-political, patently insincere, and largely blatherskite smoke screen now being laid down by administration opponents against any constitutional

amendments at all is so utterly transparent as to be nothing more than stupid.

Our opponents are seemingly very much concerned about the credit of the United States.

Look, cry the breast-beating politicians, at our public debt, now greater than the debt left by the Great War! Look at the Federal deficit now, breaking all peacetime records.

But these are not peacetimes. We are fighting a war now, just as we did in 1917 and 1918.

A fiscal year has just ended. Let us compare our Budget and debt today with those of 16 years ago.

In the fiscal year ending June 30, 1919, we spent about eighteen and one-half billions, ran up a deficit of more than thirteen billions, and ended with a public debt of nearly twenty-five and one-half billions.

In the fiscal year just ended we spent about seven billions, ran a deficit of about three and one-half billions, and left the public debt standing at about twenty-eight and one-half billions.

Our current borrowings and spendings are large. But wars are costly things.

The 1919 red-ink figures were budgetary reflections of our 19 months' overseas adventure, which left a harvest of graves, bad foreign debts, trade-destroying tariffs, and other economic ills that still wrack the Nation. President Coolidge once estimated that the cost of our participations in the World War ultimately would come to no less than $100,000,000,000.

The 1935 red-ink figures help tell the story of a 6-year battle against the depression. We still are waging this war to conquer hunger, unemployment, insecurity, sickness, inflated farm and home debts, bank and business failures, economic disorder, discontent, and discouragement. In addition we have been harassed by droughts and floods.

This is a baffling war to wage, because the foes are within. It has been costly because we have maintained the slow and cumbersome processes of democracy.

But when this war is won it will be a real victory and will leave a saner, richer, better-ordered Republic. And that will be worth the heavy costs.

May I call attention to the fact that on July 15 the Treasury borrowed $500,000,000 at 1⅜ percent and the subscriptions received amounted to $2,975,000,000? On July 22 bids were asked on $100,000,000 of Treasury bonds. Subscriptions amounted to $511,000,000. On July 29 bids were asked on $100,000,000 of Treasury bonds. Subscriptions amounted to $320,000,000. On August 2 a $50,000,000 issue of Treasury bills was offered. Subscriptions amounted to $150,119,000.

All Treasury bonds are now selling above par, ranging from 101 to 117.

I ask you, Does this indicate that the credit of the United States is even impaired, much less threatened by destruction?

Our political opponents, who are searching so frantically for an issue upon which they may ride back into power, must find one better fortified by facts than their unwarranted protest that the Roosevelt administration threatens to destroy the credit of the United States. The credit of the United States is sound and will be maintained.

The Republicans, scratching about for issues, have found one that coincides with what looks like packers' propaganda from Chicago. It is designed to get the housewife vote. It is pigs—the ghosts of some six and a third million shotes and sows "plowed under" by a cruel triple A in the fall of 1933.

Pork is high, say the critics. Why? Because of a pig shortage due to the criminal slaughter of the porcine innocents.

Unfortunately, it is not so simple.

Primarily the pork shortage is due to the last year's drought. That calamity reduced the 1934 corn crop by nearly 1,000,000,000 bushels. By taking the surplus baby and mamma pigs out of circulation (practically all of the usable pork was fed to relief families or turned into fertilizer), the Government's program not only prevented a disastrous oversupply but acted as a stabilizer by saving for the drought year some 70,000,000 bushels of corn that the pigs would have consumed if they had lived. Even after the reduction was made, the 1934 slaughter was 68,000,000 head, or slightly less than in either 1933 or 1932. It was equal to that of 1925, when we exported 6.7 percent of our pork and 32 percent of our lard. Last year we exported 1.8 percent of our pork and 21.1 percent of our lard.

If the packers and processors are spreading this tearful story of the lost pig generation, one wonders at their logic. How can they claim in their hundreds of recovery suits that they have borne the burden of triple A, and at the same time weep for the housewives who must bear it?

I do not like to see food destroyed. But when, as in this case, it helps to restore purchasing power to farmers, it is less of an economic sin. At any rate, pigs is pigs, and not much of a campaign issue.

American farmers may squeeze a bit of grim humor out of the righteous howl going up from the processors against the A. A. A. Particularly, they will smile over the tears being shed by the Liberty League and similar subsidized critics in behalf of the downtrodden consumers of the land.

American farmers have been collecting benefits under the A. A. A.'s processing taxes for 2 years. Industry has been collecting its toll from the consumers since the first tariff act was passed on July 4, 1789.

The farmers are getting benefits from processing taxes on eight basic commodities. Industry, including the processors, collects benefits from hundreds of tariff-protected commodities.

The farmers have reaped benefits under A. A. A.'s processing taxes of $866,000,000 since 1933. Industry has reaped billions.

Through the years since Alexander Hamilton's time the farmers have been forced to sell their products on an open market and to buy finished goods on a protected market. For the first time now the farmers are getting a bit of protection on the things they sell.

How ironic is the processors' attack on A. A. A. may be seen by comparing the farmers' new benefits with those the processors have enjoyed for years. The processing tax on wheat is 30 cents a bushel. But the Hawley-Smoot tariff on flour is $1.04 per 100 pounds and 30 percent on white bread. The processing tax on hogs is 2¼ cents a pound; the tariff on smoked bacon is 3¼ cents a pound. The processing tax is 4.2 cents on raw cotton. But the tariff on the farmers' work shirts and overalls and on his wife's gingham and muslin goods is 37½ percent ad valorem.

There is no processing tax on milk, but there is a tariff of 14 cents a pound on butter. Tariffs are collected on nearly everything the farmer buys—on work shoes, at 20 percent; wool shirts, 45 percent; steel posts, 50 percent; on tractors, cream separators, horse collars, windmill pumps, and so on ad lib.

A tariff of 50 percent also rests on women's silk hose. Thanks to the A. A. A., this item begins to interest the farmer's wife.

I very briefly have summarized some of the major problems with which this administration has been confronted during the past 2½ years.

Attendant upon the proper solution of these problems, numberless affiliated questions had to be solved and legislated upon.

It is palpable that this administration has been compelled to meet this devastating depression upon scores of battle-fronts. It has been one of the most stupendous undertakings ever demanded in the peace-time history of our country.

Proud and happy are we that the Democratic administration now in control has had the courage, the ability, and the desire to accept this responsibility. And proud and happy are we that, irrespective of partisan politics, the overwhelming majority of the citizens of this country have cooperated in a patriotic endeavor to be of service in this crucial test. As evidence of that fact, may we never forget that over 2,300,000 employers voluntarily signed agreements extending benefits to over 16,000,000 employees to help the President in his appeal for reemployment.

Some mistakes may have been made. That was inevitable. But such mistakes are of little concern compared to the aggregate wholesome contributions to the general welfare

and the health, happiness, and prosperity of the masses of the American people.

The morale of our people has been preserved. They have more confidence, more optimism, renewed incentive for the exercises of a more vigorous and loyal American citizenship.

Despite the most vicious propaganda ever directed at a Chief Executive, they know that in Franklin D. Roosevelt they have a friend. They know that as President he will not be turned aside in his determination to secure the greatest economic and social good to the greatest number.

They know that he is possessed of the courage, the sincerity, the vision which are necessary to lift America and American institutions from the depths into which they had fallen and to guide and direct them in keeping with the sacred ideals and traditions of our glorious American Republic.

Our course plainly is marked—set down by the founders of this Republic under the guiding hand of that lover of man, Thomas Jefferson.

I maintain that President Franklin Delano Roosevelt is the greatest humanitarian who ever sat in the executive seat in the White House.

I maintain that he is one of the greatest executive officers in the history of our country.

I maintain that the far-reaching efforts of his administration to relieve distress, to feed the hungry, to save homes from foreclosure, and to increase the national wealth by great projects, giving employment to many armies of men, is rapidly developing into the most colossal success in world history.

I maintain that no such efforts as he has put forth can be brought to fruition within 3 years, and hence it is entirely too early for the wolf pack now barking at his heels to frighten either him or any of his friends.

I maintain that he saved the banks, that he saved the railways, that he saved thousands of homes for the owners, that he saved millions of men, women, and children from stark destitution and starvation.

I maintain that he has prevented inflation, kept the dollar sound, and when Europe was planning a gold raid on the country withdrew that precious metal from circulation and put eight billions of it in vaults, where it is safe, until the world has recovered its sanity.

I maintain that the powerful financial interests which are fighting him, and which refuse to cooperate with him in his titanic efforts to abolish the depression, will never be able to head off either his renomination or his reelection.

I maintain further that before his second term expires we will have a perfectly balanced Budget, and economists will be able to show that under the administration many billions of wealth were added to the country, and that his great social-justice program will be so far advanced that no responsible statesman will ever attempt to impede its onward march.

### CONGRESS AND THE CONSTITUTION

Mr. DALY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DALY. Mr. Speaker, it seems to me that Congress is wasting a great deal of time and effort in discussing extraneous matters and matters that do not properly concern us. I allude to long, loud, and, I might say, acrimonious discussions on the Constitution. As I understand it, the duty of this body is to pass such legislation as it deems wise and in accord with the mandate of the people and let another department of the Government decide the constitutionality of its acts.

I know of no authority lodged in the legislative branch of the Government giving it the right to interpret its own acts. I know of no authority giving it the right to decide the constitutionality of its own acts. I have always and still do believe that the interpretation of the law and the deciding of its constitutionality are powers vested in the judiciary and in the judiciary alone. The functions of each of the three branches of the Government are clearly defined in the Constitution, and whether the legislation passed by this body is constitutional or not is not to be determined by this body.

From almost every Member on the Republican side, and I regret to state a few on the Democratic side, I have listened to wails of anguish concerning the alleged usurpation by the Executive of the powers of the legislature. I now witness the peculiar spectacle of the legislature endeavoring to usurp the functions of the judiciary, and the President attacked because, animated by a high sense of duty, he called attention in his letter to my colleague, the distinguished gentleman from Washington, to the fact that doubts concerning the constitutionality of proposed legislation should not concern the law-making body.

It might be well to remember that during the administration of President Cleveland a bill was introduced in this body proposing an income tax. Its constitutionality was discussed for weeks and there was a great difference of opinion among the lawyers in the House. It was finally passed and the question of its constitutionality was brought to the Supreme Court. By a vote of 5 to 4 it was declared constitutional. Then it might be said relatively overnight Justice Shiras changed his mind and he reversed his vote and by a vote of 5 to 4 it was declared unconstitutional. And this body still wastes time in the discussion of the constitutionality of proposed legislation.

I think I am correct in stating that when the bill concerning the gold-payment clause in contracts was under discussion in this House, the entire Republican side were greatly alarmed and rent high heaven with their protests that the bill was unconstitutional. The bill passed and the United States Supreme Court declared that it was constitutional and God still reigns in Heaven and the American Government still exists.

I have observed that when my colleagues on the other side of the aisle cannot successfully attack the merits of a bill they attack the President. Well, Mr. Speaker, there are always pigmies who, in their littleness and smallness, try to drag some giant down; and when the history of these times is written, the name of Franklin D. Roosevelt, like Abou ben Adhem of poetic fancy, will lead all the rest on the list of those who loved his fellow men, and who gave his all to help, aid, and assist them. His courage and fortitude will stand out like milestones on the road of progress, while his detractors, if remembered at all, will only remind us of the fly on the chariot wheel, who said, "Oh, what a noise I do make", as a cloud of dust swept him into obscurity.

When these sordid, mean, little attacks and the despicable whispering campaigns fail they then drag out the Constitution.

Some noted Englishman one time said that patriotism was the recourse of scoundrels, and I am constrained to think that the Constitution is the recourse of marplots, hypocrites, defamers of character, who truly illustrate the fact that into high office sometimes comes those who, sent by a misguided constituency, rattle around like a pea in a can and perform no mission save to run up toy balloons in the hope that Presidential lightning will strike them.

May I appeal to those who are endeavoring to usurp the functions of the judicial branch of the Government to spend a quiet hour in their office, read the Constitution, learn the duties and the limitations of a Congressman, and then return to the floor of this Chamber, perform their duties in accordance with the provisions of their oath of office, and enact legislation that will be in accordance with the desires of the people and will be of benefit to the whole people?

### A REPUBLICAN'S VIEWPOINT ON THE STATE OF THE UNION

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address I delivered last night.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks, I insert the following radio address delivered by me over Columbia Broadcasting System on August 18:

As the present session of Congress draws to a close the people are beginning more and more to wonder where the administration's ex-

travagant spending program is getting them, when it is going to stop, and how it is going to be paid for.

During the Presidential campaign of 1932 the people were given to understand that Mr. Roosevelt was a twentieth century Moses who would lead them out of the depths of depression into the sunshine of recovery. No President since the days of Washington ever came into office with the support behind him which President Roosevelt had, and a subservient Congress has virtually allowed him to write his own ticket so far as legislation has been concerned. He has not been hampered or restricted in any way in putting into effect not only his own ideas but those of his "brain trust" as well.

Yet in spite of all the laws that have been passed and all the borrowed money that has been spent, there are still more than 10,000,000 men out of work, some 20,000,000 of our people are on relief, industry is in the doldrums, and agriculture, sadder but wiser, is reaping the whirlwind of the administration's program of scarcity.

No one can deny that the new-deal bubble has burst. A disillusioned people views with disappointment and despair the record of the Democratic Party since it came into office. The result of the recent election in the First Congressional District of Rhode Island, in which there was a turn-over of 34,400 votes since last November, is more than ample proof of this fact. There are indications that a similar turn-over will take place next year throughout the country, which will mean the election of a Republican President and a Republican Congress.

Instead of promoting recovery, most of the policies and legislative enactments of the present administration have placed stumbling blocks in its way. There has been too much emphasis on reform, and not enough emphasis on putting people back to work at their old jobs.

Too much attention has been given to the planks in the Socialist platform and not enough to the planks in the Democratic platform.

In his inaugural address, President Roosevelt stated that "the only thing we have to fear is fear itself", but I cannot agree with him. The President's own policies and lack of policies have done more to engender fear and destroy confidence than everything else put together.

If the administration would get back to fundamentals and would adopt definite and unwavering monetary and sound fiscal policies, one of the greatest impediments standing in the way of recovery would be removed.

During the 1932 Presidential campaign, Mr. Roosevelt accused the last Republican administration of being the "greatest spending administration in peace times in all our history."

Of course, that was before his own administration came into office, and the Democratic Party now has that dubious distinction.

The actual expenditures of the Government have been increased from $5,100,000,000 in 1933 to $7,100,000,000 in 1934, and $7,300,000,000 in 1935. The estimate of expenditures for 1936, according to the official Budget, is $8,500,000,000.

This administration has not only spent money extravagantly, but it has done so wantonly, recklessly, and wastefully.

The first month and a half of the fiscal year 1936 has already passed. As of August 14, which marked the forty-fifth day of the current fiscal year, the expenditures of the Government totaled $1,032,000,000, which is at the rate of $23,000,000 every 24 hours. Treasury receipts during the same period were $520,000,000, which shows that the Government is spending $2 for every dollar it takes in.

In the Presidential campaign of 1932, Mr. Roosevelt said:

"It is my pledge * * * that rigid governmental economy shall be forced by a stern and unrelenting administration policy of living within our income."

The President's pledge was made before election. The President's failure to keep this pledge came after election. Instead of rigid economy as promised, his administration has kept piling up the national debt.

In his forgotten economy message of March 10, 1933, delivered just before he began his wild spending spree, President Roosevelt warned the country that it was on the "road to bankruptcy", by reason of the continued deficits of 1931, 1932, and 1933. He said that these deficits had contributed to the collapse of the banking structure, increased the stagnation of the economic life of our people, and added to the ranks of the unemployed. In spite of this, President Roosevelt, by his continued extravagance and increase in the public debt, is continuing at breakneck speed on the same road to bankruptcy to which he pointed with alarm.

I do not suppose there is anybody who does not realize that this spending program and this piling up of debts cannot go on indefinitely. We will either have to increase taxes to meet expenditures or we will have to reduce the expenditures to meet our income. Even when this is done, we will still have the enormous national debt, which now stands at 29 billions, and which is constantly increasing by several billions each year.

Every citizen must face this problem squarely, because it cannot be avoided.

This brings us to the question of taxes. Since coming into power the present Democratic administration has not had the courage to bring in a tax bill which would raise sufficient revenue to pay for its extravagant spending program.

The tax bill now before Congress, which has been drawn up in response to the President's share-the-wealth message of June 19, is only a political gesture. It is not intended to raise revenue. It carries the euphonious title of Social Reform. This certainly is a new designation for the hard burden of taxation. The new name, however, will not lighten the distress of the already overburdened taxpayers.

The measure is important, however, for what it indicates in the way of future burdens on the people. In this connection I should like to read a brief extract from the report which my Republican colleagues and I submitted in opposition to this bill as the minority report of the Ways and Means Committee.

We said:

"If this bill serves no other purpose, it will at least demonstrate to the country that the extravagant and wasteful expenditures of the Democratic administration cannot be met merely by soaking the rich.

"Although it imposes rates of taxation which border on the point of actual confiscation, its proponents estimate that it will produce only 207 millions of revenue. This amount would pay the running expenses of the Government for less than 2 weeks, and it falls $3,300,000,000 short of meeting the deficit for the last fiscal year. Even as a redistribution-of-wealth measure, it would provide but $2.25 for each of our 120,000,000 people.

"The bill makes it perfectly obvious to the great masses of our people that in the last analysis they, and not the rich, are going to be required to assume the greater portion of the cost of the administration's profligate expenditures. As they become painfully aware of the fact that a part of every dollar the administration spends is eventually going to be collected from them in burdensome and oppressive taxes, we believe they will insist with us that this orgy of expenditure be speedily terminated.

"In opposing this bill we are not taking a stand inconsistent with our previously expressed attitude in favor of a balanced Budget, which we still favor, but it should be balanced by reducing expenditures and not wholly by increasing taxes. The administration has no right to increase the tax burden on either rich or poor until it has first adopted a sane spending program."

The Brookings Institute, a purely scientific and analytic body, recently informed the President that a billion and a half dollars could be cut from Federal expenditures without the least reduction in efficiency of government. The President's failure to heed such a message indicates his willingness to overburden the people with an enormous debt.

A very significant article appeared in yesterday's press stating that the Roper council, composed of about 40 business leaders, has urged the President to defer the pending tax bill until the next session of Congress in order that a well-considered tax program may be submitted rather than the conglomeration now before Congress, which can well be designated a "crazy-quilt hodge-podge." To write a tax bill in a few days under the stress of congressional adjournment and the spur of the President's insistence can lead to nothing but confusion, inconsistencies, unfairness, and inequalities.

One of the most harmful policies of the present administration has been that with respect to the tariff. In spite of all the abuse which our Democratic friends have heaped upon the protective-tariff policy, it stands as the only bulwark between the American standard of living and that of the rest of the world. The home market is certainly the birthright of our own people, and the tariff seeks to protect industry, agriculture, and labor from unfair and destructive competition in that market.

As a result of the Democratic reciprocal tariff law no domestic producer, whether he be a farmer, manufacturer, or a miner, can be certain from one day to the next that his business will not be sacrificed to foreign competition by the administration's star-chamber committee on foreign-trade agreements in its effort to secure foreign concessions for certain domestic export industries.

What net gain is accomplished by destroying one industry for the benefit of another? The present policy has been sponsored by the present Secretary of State, who is an avowed free trader and who believes that we should not produce anything in this country which can be produced cheaper elsewhere. Think of it! That we should not produce anything in this country which can be produced cheaper elsewhere. If this policy were carried out fully we would not have a single industry left.

The damage which the reciprocal-trade policy can do to our people is well illustrated by the agreement entered into with Cuba last September. These agreements are supposed to be mutually beneficial to each country, but I wish to point out that in order to sell Cuba an additional $12,000,000 worth of goods over a 9-month period before and after the agreement was signed we have had to purchase from that country an additional forty millions' worth of stuff which we should have produced at home. I defy anyone to show where there is an advantage to this country in that kind of dealing.

It is somewhat galling to us Americans to see our President's photograph taken with a group of Cubans here to express their good will for the additional business Cuba has secured at the expense of our own producers through the reciprocal trade agreement which was negotiated by our own Secretary of State with that country.

Similar agreements have also been entered into with Belgium, Haiti, Brazil, and Sweden, and negotiations are under way with a dozen other countries. In all cases except Cuba the concessions made to one country are extended to all other countries. This is entirely detrimental to our interests, because we throw our markets open to all countries in exchange for a concession from one country.

The delegation of congressional authority to the President as exemplified by his power to enter into those foreign-trade agreements has been one of the most destructive features of all the new-deal legislation. Another unfortunate feature of such legislation has been the encroachment upon the jurisdiction of the

States. Both are directly contrary to the express provisions of the Constitution of the United States. Both, however, are in line with the obvious intention of the President and the "brain trust" to concentrate authority of government within the confines of the Capital and within the President's own autocratic power.

The attitude of the President toward the Constitution was made plain in his recent letter to the chairman of the subcommittee of the House Ways and Means Committee, which had the pending Guffey-Snyder coal bill in charge. He said:

"I hope that your committee will not permit doubts as to the constitutionality, however reasonable, to block the suggested legislation."

In practically all the major legislation which has been enacted since the present administration has come into power, the President has shown an utter disregard for constitutional limitations. In his zeal to institute fundamental changes in our governmental system, he has failed to heed the wise words of his illustrious predecessor, George Washington, who in his Farewell Address said:

"If in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates.

"But let there be no change by usurpation, for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed."

### WILL ROGERS AND WILEY POST

Mr. DISNEY. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to appoint a select committee of seven Members to draft resolutions of sympathy to be extended to the families of the late Will Rogers and the late Wiley Post; also that the committee be authorized to consider the matter of naming highway 66, an international highway 66 for Will Rogers.

Mr. SNELL. Mr. Speaker, reserving the right to object, ought not this request be in writing and should it not be printed so we will know just what we are doing?

Mr. DISNEY. Mr. Speaker, if the gentleman will yield, I have simply requested that the Speaker be authorized to appoint a committee to draft appropriate resolutions. It seems to me it is not necessary that the resolution be in writing.

Mr. SNELL. It is rather unusual procedure.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent that the Speaker be authorized to appoint a committee of seven to draft resolutions of sympathy to be extended to the families of the late Will Rogers and the late Wiley Post, and also to consider the naming of Highway 66 for Will Rogers.

Mr. SNELL. Mr. Speaker, I think this resolution ought to be put in writing. We ought to know what we are doing.

The SPEAKER. The gentleman from Oklahoma will reduce it to writing.

### THE LATE SPEAKER RAINEY

Mr. DOBBINS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point on the occasion of the anniversary of the death of the late Speaker, Mr. Rainey.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DOBBINS. Mr. Speaker, this day marks the first anniversary of the passing of a great American. It was on August 19, 1934, when the Nation at large, and especially the Members of Congress, were shocked to learn that what we had all hoped might be a mere transient illness of our Speaker, Henry T. Rainey, had terminated fatally.

His death ended a career of distinguished public service such as it has seldom fallen to the lot of one man to render. Contributing to the laudatory comment on his life work, which appeared in the press of the Nation on the following day, I said at that time:

For many years to come there will be an increasingly grateful realization of the vital part that Speaker Rainey played in the tremendous legislative program of the new-deal Congress. His zealous interest in the welfare of the farmer and the common people had the quality of religious devotion.

He was steadfast in his friendships, but gave little time to recreation. There are very few men who gave so large a proportion of their time to public service.

His life on a farm, which he managed till his death, gave him an ability to understand farm problems and to work for their solution, which it is probable no other man in his position ever possessed.

We people of Illinois will always be better off because Henry T. Rainey lived long enough beyond the allotted three score years and ten to serve as Speaker of the present Congress.

As I read again the sentences that opened and closed my comment on that occasion, I am conscious of the feeling that it was a very moderate estimate of Speaker Rainey's accomplishments, and of the place that he deserved in the public esteem.

Good fortune did not bring to me the opportunity of knowing Mr. Rainey well until during the latter years of his life; but prior to that I had shared with millions of citizens of my State and of the Nation a pride in his vigorous statesmanship and in his great accomplishments as a Member of this legislative body.

It will always be a source of satisfaction to me that I was privileged to witness at very close range, and under unusual conditions, the public service of Speaker Rainey as the presiding officer of this branch of the Congress, crowning his illustrious record as an American statesman. The years that whitened his hair had taken nothing from the erectness of his stature, nor from the bright and friendly gleam of his eye.

It is pleasant to read in the CONGRESSIONAL RECORD the report of the last remarks that he uttered from the floor of this Chamber. It was on the 18th of June in 1934. The memorable Seventy-third Congress was soon to adjourn sine die. The distinguished minority leader, the gentleman from New York [Mr. SNELL], who was occupying the chair as Speaker pro tempore, had just delivered a most gracious tribute to Mr. Rainey's character. The Speaker's appreciative acknowledgment of that tribute concluded with these words:

An historic Congress is about to end its second and its last session. In this Congress we have enacted more legislation, we have done more work, and we have talked less than in any other Congress in the history of this Republic.

I wish you all now, as you leave for your vacations, a pleasant summer. I wish you all good health, much happiness, prosperity, and a safe return.

With that thought, characteristic of his solicitude for the welfare of others, Henry Rainey ended his long years of devoted service on this floor. Two months later the inevitable summons came, and his soul took its departure, as a great ship sails forth at eventide past twinkling lights that mark the end of a long and perfect day.

### LONG AND SHORT HAUL

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the long- and short-haul bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, the so-called "Pettengill bill" for the repeal of the long-and-short-haul clause of the fourth section of the Interstate Commerce Act has been favorably reported by the Interstate and Foreign Commerce Committee. Application is now pending for a rule before the Rules Committee, and I trust the House will be given an opportunity to vote on the bill before this session closes.

I think it may be of interest to the House to have a cross-section of public opinion on this bill.

At their own suggestion the Conference of Western Owners of Property and Investments, through their chairman, Robert E. Smith, has just submitted a questionnaire to each advisory member of that conference. The conference is composed of 1,200 heads of luncheon, service, and commercial organizations in States west of the Mississippi River.

The organization is wholly nonpartisan. It takes no stand on matters of national legislation without first submitting the question to their advisory committee.

The questionnaire was mailed out only 10 days ago, but a substantial response has already been received. Only two "no" votes have been returned. The rest are all affirmative. This is particularly illuminating of a changed public opinion on this matter in the intermountain territory where formerly the opposition was considerable.

The following are typical of the comments which have been received. The originals and many other replies are in my possession where they may be examined.

TEXAS

This bill is, in our opinion, the first and best step toward support for the backbone of our transportation system of the United States of America. This bill, along with all others that are tending toward strengthening the rail lines and not loosening the rail of control, should be supported in full.

WISCONSIN

Save the railroads and you will save the country. It is pitiful to see the tremendous investment tied up in railroads and then see the enormous amount of merchandise moved by truck over the public roads at danger to the traveling public.

This should have been taken care of 3 years ago.

CALIFORNIA

I am violently opposed to any means of transportation which will pound our paved highways to pieces and, secondly, which would unjustly take away freight or passenger business from the railroads. At present great caravans of trucks are hauling all kinds of freight on our new California concrete highways, most of which are not paid for. If this is allowed to continue, highway bonds will be outstanding by the millions, unmatured and without funds to meet their maturity, long after the highways have been pounded to pieces by obnoxious freight trucks and gigantic passenger busses.

I believe there should be some elasticity in railroad-rate schedules to permit the roads to follow changing conditions or meet destructive competition.

OREGON

Trucks are now hauling water-borne shipments from coast cities back to Boise and Spokane territory, with consequent loss to railroads, and no advantage accrues to interior distributors.

ARKANSAS

For as far ahead as I can see the railroads must carry the greater part of our inland freight, even though it finally is water borne. Trucks will carry a very considerable part of our freights, especially such commodities as are or can be divided into easily handled units. Airplanes will handle an increasing amount of the lighter and more costly commodities. Busses and airplanes will get a large percentage of the passenger business. To bring stone, sand, iron ore and steel, grain, cotton, and livestock to market at a fair cost for transportation, we need and must keep our trunk-line railroads. Regulate them all but leave them in private hands.

I am 100 percent behind this bill.

NEBRASKA

I feel that the railroads made this western country and need all consideration possible. They are hurt in this State. Have lost the short hauls, and labor feels the effect.

MISSOURI

It is self-evident that the railroads of our country should be permitted to secure, through rate meeting, the large volume of transporation now going to truck and boat transporation companies; they should be put in position to at least make a fair bid for the business now being done by competing transporation companies who by reason of cheaper equipment and overhead are now in position to offer lower transportation costs to the shipper. Give the railroads a break; they already have brakes.

While I am not familiar with the full text of the law, I have been and I will continue to be in favor of Mr. PETTENGILL's proposed amendment. Until such action is taken I do not see how the railroads can ever come back. I have been a member of the Missouri Legislature and have given no little study to rates. I hope the amendment prevails.

I favor the bill because the railroads are a necessity to our country. Helping them is helping our country.

I favor legislation that will place all carriers in a position to work unhampered with its competition. Fixed railroad taxes should be offset by fixed truck taxes so the local community would receive taxes from use of highways through its borders as the railroad now pays on its lines through the Nation. The same applies to water transporation.

MONTANA

Railroads should be entitled to consideration in legislation permitting them to revise rates. The investment in railroads is so great they are entitled to more consideration. In this country they have kept schools open for several years with their tax payments. They have been discriminated against and legislated against.

OKLAHOMA

If busses and trucks are to be permitted to enter unlimited competition with the railroads, they should be compelled to purchase their own rights-of-way and construct their own special highways, and not wear down State and Federal highways, even if they do pay a small per-mile tax. Also a Federal licensing system should be devised for these.

Very essential to future of railroads that they be given every opportunity to rightfully compete with other forms of transportation. Think this long-and-short-haul clause should be abolished without further controversy or delay.

A very sensible step in the right direction.

I favor H. R. 3263. Something must be done to relieve carriers of obsolete legislation, remove them from referees in bankruptcy, and assist them to pay interest and principal for the sake of life-insurance policyholders as well as other investors.

Railroads must be maintained, and it is only fair that they should be allowed to meet competition. Very few truckers make more than a living.

ILLINOIS

We favor giving the railroads as free a hand as possible to meet present-day competition.

We as manufacturers in the Central States are losing out to our competitors on east coast and need this favorable legislation to offset the Panama Canal. We need the railroads, and any lower rates would encourage business and increase the tonnage carried. More cars and engines, more work.

MINNESOTA

I favor same for the reason that it is logical and if passed would give the railroads a chance to secure business now lost to them.

THE UTILITY INDUSTRY NEEDS REGULATION—THE COUNTRY NEEDS A REST FROM AGITATION—THE FUNDAMENTAL ERROR IN TITLE I OF THE UTILITY BILL

Mr. PETTINGILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with reference to the utilities bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, under leave to extend my remarks, I attach copy of my letter to President Roosevelt of August 17:

In re: The utility bill.

AUGUST 17, 1935.

The PRESIDENT,
*The White House, Washington, D. C.*

DEAR MR. PRESIDENT: This letter is written to you as the final arbiter of the fate of the utility bill. It is written in the hope that Senator WHEELER will respect your judgment as to whether we are to have a bill or a political issue, whether we are to have regulation or agitation.

I am appealing for a bill.

In order to have a bill it is apparent that some concessions must be made to honest differences of opinion.

No correct appraisement of the situation can be made by you unless you clearly recognize that those members of your party (with few exceptions) who voted against section 11 of the Senate bill are as sincere as you are yourself, in the desire that a decent bill be enacted into law.

If this letter represented my own views only you might be justified in not reading further.

I assure you, however, that it represents the views of many beside myself.

Let me state a fundamental point of disagreement:

Title 1 of the utility bill is written around an assumption. That assumption is that the public interest will be served by requiring geographic integration of utility systems.

I have never been sold on this assumption. Further reflection convinces me that this assumption is entirely unsound and that it is the originating cause of all the difficulties in which the bill finds itself today.

In a final effort to be constructively helpful, I beg you to reexamine this hypothesis. I am certain that it is full of vice; that its enactment into law will not only not accomplish the abolition of the evils referred to in your message of March, but, on the contrary, will actually promote them. All through the hearings and executive sessions on this bill those who disagreed with this hypothesis were up against the iron barricade of the idea that it was written on Mount Sinai, and official ears were closed to any argument against it.

Throughout the hearings and consideration of the bill this assumption has never been subjected to a cool and critical analysis.

For illustration, let us assume a simple case. Let us assume that two utility systems, A and B, are operating in Michigan. The same two companies are also operating in New England.

The hypothesis is that system A shall not operate both in New England and Michigan. The same assumption prevails with reference to system B. The bill, therefore, is designed to force system A to sell its properties in Michigan to system B, and in New England to force system B to sell its properties to system A. When this is done A will alone operate in New England and B will alone operate in Michigan.

The result is that you have created a monopoly and a further concentration of economic power in both of these territories. In neither territory will the surviving utility be subject to the competition of another system.

It is true that with rates fixed by State commissions there is today no competition in the charge per kilowatt to the consumer. There is, however, competition for the extension and improvement of service, for engineering, and technical advance, for reduction of costs, the struggle for markets, and the good will of the public.

The hypothesis upon which this bill is written destroys all of this. It substitutes monopoly for competition and creates a rotten borough in the utility field in the territory served by the surviving system, as hostile to the public interest, in my judgment,

as any rotten borough system in the field of politics. Freed from competitive stresses, with a stranglehold upon the territory served protected by law, the surviving system will rapidly degenerate in its service to the public.

This concentration of economic power in territory safeguarded by law will be followed by political domination in the territory as complete as formerly existed in the transportation field in States whose freight and passenger service was dependent upon the monopoly of a single railroad system.

In the same way that it has been a good thing for the public for the railroads to be forced to meet new competitive factors in the transportation field, in my judgment it is a good thing for the public to prevent monopolization by a single utility system in an integrated geographical territory.

It seems to me, therefore, that title 1 is designed to promote the things you and I are determined to fight.

The sum up, the assumption of geographical integration is—

(1) Fictitious, arbitrary, and unnatural.

(2) It invites the principal constitutional difficulty underlying the bill. The supposed social objective of geographical integration is too remote from interstate commerce to have a constitutional basis.

(3) It is the chief political embarrassment in the situation. It requires the divestment by legislative fiat of property interests heretofore lawfully acquired. Against such divestment there is a deep-seated popular resentment.

(4) It promotes monopoly in the geographical units and ultimately, in my judgment, in the entire Nation. Why do I say this? With geographical territory fenced off by law to one system, that system is free from competition. It is therefore in a better position to cooperate with other systems for financial and political domination. While competing with each other such cooperation is difficult. Destroy all competition, guarantee to each prince his satrapy, and you make cooperation easy. History is too full of such instances to be overlooked by realists in politics.

(5) The bill will not only promote economic, financial, and political concentration, but will leave unimpaired enormous aggregations of capital which the bill will probably not affect. The aggregation of capital in the Consolidated Gas of New York City, I understand, is as great as the Electric Bond & Share. The bill will destroy the one and leave the other untouched. When the public eventually realize this the much advertised brave effort to break up economic concentration will assume a very jaundiced appearance.

The latter point is worthy of a more detailed analysis. According to the figures in the CONGRESSIONAL RECORD of June 26, 1935, page 10233, under extension of remarks of Mr. RANKIN, of Mississippi, and prepared, no doubt, by the ghost writers of the bill, existing holding-company systems are classified into three groups of nearly equal capitalization. It will be noted that section 11 of the Senate bill leaves the first group practically undisturbed, the second partially disturbed, and the third group subject to compulsory reorganization under section 11.

In breaking down these figures, I get the following result:

| Capital | Average investment per system | Average investment for State |
|---|---|---|
| (1) $5,219,933,921 | $274,712,311 | $237,251,541 |
| (2) $5,338,580,699 | 410,660,053 | 75,191,277 |
| (3) $5,115,437,545 | 405,039,776 | 34,798,894 |

The second column shows the average investment per holding-company system regardless of the territory it occupies.

The third column represents the average investment in each State where the holding-company system operates.

You will observe the marked contrast between the capitalization in the States of the systems permitted to continue under section 11 and the investment per State of the systems that would be required to reorganize.

The average investment per State of the systems that will not be interfered with under section 11 is $237,000,000, or seven times the average investment of the companies that will be required to reorganize or find new owners.

This analysis of what the Senate bill does and does not do affords little comfort to the rabble rousers. And in passing, the Democratic Party cannot afford to join the pied pipers of prejudice. Our party has helped to build this Nation. It will retain confidence only if it continues to do so.

The above analysis shows that even if the fundamental assumption of the bill were sound rather than unsound it leaves enormous aggregations of capital wholly untouched and selects a few holding-company systems for legislative slaughter, while others with much larger aggregations of capital in the States served by them will go scotfree.

No defense of the superstructure holding company will ever be written by me. A system like the Associated Gas & Electric, with a concentration of control and a minimum of investment in the top holding company, 10 degrees removed, cannot be defended. In my supplemental report as a member of the committee I described such a system as an "economic dinosaur."

These structures are, however, in my judgment, already rapidly going out of the picture, and with wise and courageous administration of the Security Act of 1933 they will die of financial malnutrition. The Security Act, plus a carefully written tax on intercorporate dividends and the control of intercompany profits and other regulating provisions written in the pending bill, will, in my judgment, in a few years accomplish all of the primary objectives in the public interest.

The existing deadlock on this bill, in my judgment, arises from the false hypothesis with which title 1 is saturated. The removal of this hypothesis by the rewriting of the pertinent sections of the pending bill would, I believe, result in the kind of legislation that ought to become law at this session of Congress.

Against such a bill I doubt if 100, even 50, votes would be cast by the House of Representatives. It would be a magnificent victory.

There is so much in the pending bill that ought to become law now that even if section 11 were blessed by all the saints of politics it ought not to be permitted to strangle the rest of the bill in legislative childbirth.

"We must do the best we can with what we have, where we are, now."

The industry and the country needs regulation, not agitation.

Faithfully yours,

SAMUEL B. PETTENGILL, M. C.

## JOE CROSSON

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point, concerning the death of Wiley Post and Will Rogers, and more particularly concerning the air hero of Alaska, Joe Crosson.

The SPEAKER. Is there objection to the request of the gentleman from Alaska?

There was no objection.

Mr. DIMOND. Mr. Speaker, shocked and stunned as we are at the untimely deaths of Wiley Post and Will Rogers, men not only famous for their many accomplishments but respected and admired from one end of the country to the other, and, indeed, over much of the civilized world, may I suggest that this is a fitting time to pay tribute to an airman not so famous, but one of outstanding accomplishments and one who in character and in flying skill is probably the equal of any on earth.

I refer to my dear friend Joe Crosson, who advised Post and Rogers not to make the trip to Barrow at this time of year on account of dangers involved, but, who, nevertheless, when he received news that his friends had met with disaster, unhesitatingly took to the air himself and flew north to Barrow in order to bring back the bodies of those who had so died. It was not an easy journey. While in midsummer the air trip to Barrow is comparatively safe owing to the continuous daylight above the Arctic Circle, with the shortening days and the increase in fog along the Arctic coast very considerable danger is involved in making such a journey at this time of the year.

And we know from the newspaper reports what a struggle Joe Crosson had, particularly on his way from Barrow to Fairbanks. In places half blinded by fog and with the hazard of the Endicott Range to cross, when snow is encountered in the passes at this season of the year, it was with a feeling of relief that many of us who understood the conditions learned that Crosson had arrived safely at Fairbanks with the dead bodies of his two friends.

The actions of Joe Crosson in this connection are not at all unique in his life. He is daring and yet careful, fearless and yet wise. He takes no risks carelessly or from foolhardiness. Like a good general he tries to map out everything in advance so that there will be a minimum of hazard and so that success will be certain. He has flown into practically every part of Alaska under all conditions, under all circumstances, in all kinds of weather, and indeed he has done much for the development of aviation in that vast region where there is no other adequate means of transportation. Never has Joe Crosson hesitated or refused to give aid or succor to those in need; never has he failed to answer a distress signal and bring a sick or injured person from the remote wilderness to a place where medical aid could be obtained. Of course, Joe is not alone in this. His acts are characteristic of the pilots of Alaska.

I am proud of them, and we all can be proud of them. But Joe is better known than any of the others. While he would not make the claim and while comparisons are always invidious, Joe Crosson has that indefinable something which sets him somewhat apart from and somewhat above the average man. You will remember that when Wiley Post flew around the world the second time he lost his course in

Alaska and finally was obliged to land his ship at least 200 miles off the route at a settlement called "Flat." The field was small and rough and, while Post brought the *Winnie Mae* down safely so far as he was personally concerned, his landing gear was injured and his propeller was bent. It looked to him then as though the race were over although victory until that time had been almost in sight—he had come so far and had so little distance still to go. He was discouraged and tired and went to bed, and while he slept Joe Crosson and his companions, having learned of the crack-up, flew from Fairbanks with spare parts, including a spare propeller, so that Wiley Post, on awaking the next morning, found his ship fully repaired and ready to take to the air. Surely, I think, that under these circumstances and in view of the latest service so bravely and generously rendered by Joe Crosson, we ought to show him how much we appreciate what he has done and how sensible we are of his accomplishments which reflect credit on all men who fly, and indeed on all Americans.

I therefore suggest, Mr. Speaker, the award of the Distinguished Flying Cross to Joe Crosson. He has certainly earned it over and over again if the cross should go, as it does, to those who have distinguished themselves above and beyond ordinary duty. I can think of no man in the United States who deserves this distinction more richly; and while Joe has not been consulted about this and would be the last one to suggest it, I feel that it is my duty to bring the matter to the attention of those within whose discretion lies the making of such an award. In honoring Joe Crosson in this fashion we shall honor ourselves, and, of course, I am not insensible to the fact that such an award to Mr. Crosson will bring a little reflected glory upon the great Territory which I have the honor to represent in Congress and which Joe Crosson has served—many times at the risk of his life—so faithfully and well.

### APPROPRIATE CELEBRATION OF FOUR HUNDREDTH ANNIVERSARY OF THE EXPEDITION OF HERNANDO DE SOTO

Mr. KELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 265, pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando de Soto, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked for by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Chair appointed the following conferees: Mr. KELLER, Mr. SECREST, and Mr. TREADWAY.

### HOW CAN OUR PEOPLE BENEFIT FROM ANY RECIPROCAL TRADE AGREEMENTS WITH GERMANY

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a radio speech which I made on the 8th of August.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address which I delivered over the radio on August 8, 1935:

I desire to direct your attention to the important question of reciprocal trade agreements, but it is my purpose to limit my discussion this evening to certain factors which should be seriously considered in connection with the pending negotiations for one of these agreements between Germany and the United States.

After unanimous consent was given me recently to address the House of Representatives, I rose on the floor and voiced the indignation that many American citizens feel toward certain conditions now prevailing in Germany, and I also expressed the opinion that as a condition precedent to any such reciprocal-trade agreement the United States Government should first require the present German dictator to accept the principle of guaranty of human rights, religious freedom, and racial tolerance to the people of Germany and to American citizens living in Germany.

At the conclusion of my speech, the gentleman from Texas [Mr. BLANTON] secured the floor and proceeded to charge me with making "improper" remarks asserting that I had spoken without proper authority, and concluded with "Let us attend to our business."

As a Member of Congress, I spoke with the same full authority to say what I did on that occasion as the gentleman from Texas [Mr. BLANTON] claims for himself whenever he discusses public problems on the floor of the House. When did it become "improper" for a Member of Congress to discuss vital public affairs which concern the welfare of the American people? When did it become "improper" for a Member of Congress or an American citizen to criticize Government officials, either of this country when they commit errors, or of other countries when they seek to meddle with internal affairs in the United States in such a manner as to be detrimental to our citizens? I think you will later agree with me that I have complied with Mr. BLANTON'S demand. "Let us attend to our business."

I now state to you that any reciprocal-trade agreement between Germany and the United States is impossible, insofar as any benefits to the people of the United States are concerned, unless this Government is able to get from the present head of the German Government the guaranties suggested.

The fundamental laws of the United States assure to the people of this country human rights among which are religious freedom and tolerances as to racial ancestry. These rights apply alike without discriminations to Christians, Catholics, Jews, Mormons, Sun-Worshipers, Mohammedans, Atheists, or to adherents of other religions and creeds, as well as to peoples from countries of Europe, Asia, Africa, the islands of the sea, and the American continents.

Therefore, commercial or financial transactions carried on in the United States by the people or Government of Germany under the provisions of any reciprocal-trade agreement, if the benefits are in fact to be reciprocal, would of necessity involve business intercourse with American citizens of every religious faith and of every racial origin, and the element of "mutual benefits" could not enter into these transactions unless the German Government and the German people expressed, both in writing and by voice, respect for the religious and racial freedom in business transactions, without any intolerances toward the American citizens involved.

The necessity for requiring the present dictator of Germany to accept the principle of these required guaranties, is clearly shown by a review of the present conditions within Germany.

The present dictator of Germany and his primary subordinates have shown they have no conception of the value of the human rights, religious, and racial freedom which our American citizens call their inalienable rights. They have imposed upon the German people all manner of inhuman and brutal laws and committed barbarous acts against native-born people of Germany, although Hitler himself is not a native of Germany.

They have robbed native-born Germans of their rights, they have placed certain persons outside the class of German citizens, they have set up their own god and issued orders as to how this god may be worshiped, and have waged internal war upon all groups of German people who do not agree to worship their new god in the way Hitler demands, they are about to write into German laws the principle of anti-Semitism and are attacking the practice of the Catholic religion, and they are now disfranchising all German people who do not blindly adhere to the almost insane Nazi theories of government as advocated by their dictator, Adolph Hitler.

How Hitler runs Germany and her internal affairs is outside the primary concern of the United States and our people, but when their methods attack the business of this country and the welfare of American citizens in the United States, it becomes our business and the business of every Member of Congress, including the gentleman from Texas [Mr. BLANTON] in his official capacity as your Representative from the great State of Texas.

Information has been given through the public press that German officials have ordered out of Germany an official of the Catholic Church, who, though born in Germany, is now an American citizen, and who by his church has been assigned to duty in Germany. He must go to another alien country—Poland—and so here is the case of an American citizen discriminated against because of his religious work and duty in Germany.

Evidence is available to show that the agents of the Hitler government have attempted, and are continuing to attempt, to direct propaganda into the United States so as to affect the financial and business transactions of American citizens of German ancestry and to influence the concepts of Government in the United States among these German-American citizens of the United States. This criticism of activity certainly is "our business."

The recent investigation by the special committee of the House into Nazi propaganda activities clearly established the fact that Hitler and his agents have been sending into the United States the most vicious and revolting propaganda designed to array American against American, brother against brother, and to persistently arouse our citizens to accept Hitler's theory that "once a German, always a German", even though these United States citizens had taken a solemn oath of allegiance to this country. This activity should concern every Member of Congress, including the gentleman from Texas.

I understand about 700,000 American citizens and others have been duped into purchasing German securities under the persuasive methods used by the agents of the Hitler government, and that on these securities neither the principal nor the interest can be secured at this time. I do not know how much money is involved in these questionable transactions, but I venture to say that it will run into a great many millions of our dollars. It is common knowledge that American citizens and American banks with funds on deposit in Germany are prevented, under the Hitler regime, from removing their own money from Germany and that they can only use their own funds in Germany for German goods

and German services. Such things are "our business", in that personal funds and affairs of American citizens are jeopardized in Germany.

Facts establish that the Government in Germany at the present time cannot be relied upon to voluntarily respect the rights of human beings in their exercise of inalienable rights of religious freedom and tolerance among the German people, and it is only reasonable to assume that these human rights of religious freedom and racial tolerances will not be voluntarily respected and granted by the Germans to American citizens in the United States unless our reciprocal-trade agreement contains definite requirements to guarantee these things.

These definite guaranties from the representatives of the German Government are essential to the proper protection of American citizens who may be affected by the operations under this proposed reciprocal-trade agreement. This is our business, and it is the business of the gentleman from Texas [Mr. BLANTON] just as it is the business of every other Member of Congress.

Information given us in the public press indicates that German internal affairs may have reached such a financial situation that a new trade agreement with the United States would be most desirable for German business in an effort to save that country from utter financial ruin in the near future.

Under all these circumstances, I am convinced that the Government of the United States has now a most unusual opportunity to take to itself the leadership of the world in the advancement of human rights as a result of the negotiations for this reciprocal-trade agreement. I am of the opinion, that because of the paramount mutual desire to secure reciprocal measures to increase international trade and business, presumably for the benefit of the people of both Germany and the United States, the question of human rights can be much advanced if our Secretary of State and his technical assistants definitely require as a basic condition of this agreement a guaranty that Adolph Hitler, on behalf of the German Government will recognize the principle of individual and religious and racial freedom of American citizens and other foreign nationals who may be in Germany for the transaction of business, trade, or study, or for travel and pleasure, and will accept the principle of nondiscrimination by officials and the Government of Germany of German-born people living in Germany regardless of religion and of racial ancestry. I hope the proper official of our Government will seize this wonderful opportunity to use our influence to thus improve international peace and good will and trade.

If you agree with the principle I have stated this evening and think these matters are the business of American citizens and their representatives in Congress, may I suggest that you write your Congressman, whether that be the gentleman from Texas [Mr. BLANTON] or another Congressman, and by your letter urge him to lend his support to this effort to establish human rights, religious freedom, and racial tolerances as the primary conditional principles in the proposed agreement between this country and Germany.

In conclusion, may I ask you to write me and let me know just what you think about this suggestion. I will appreciate your letters whether they agree with my proposals or they disagree with me. I would like to learn from you whether these matters are considered as proper business of your representatives in Congress.

## BANKING ACT OF 1935

Mr. STEAGALL. Mr. Speaker, I call up the conference report on the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

### CONFERENCE REPORT

[To accompany H. R. 7617]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the Senate insert the following:

"That this Act may be cited as the 'Banking Act of 1935.'

### "TITLE I—FEDERAL DEPOSIT INSURANCE

"SECTION 101. Section 12B of the Federal Reserve Act, as amended (U. S. C., Supp. VII, title 12, sec. 264), is amended to read as follows:

"'SEC. 12B. (a) There is hereby created a Federal Deposit Insurance Corporation (hereinafter referred to as the "Corporation") which shall insure, as hereinafter provided, the deposits of all banks which are entitled to the benefits of insurance under this section, and which shall have the powers hereinafter granted.

"'(b) The management of the Corporation shall be vested in a board of directors consisting of three members, one of whom shall be the Comptroller of the Currency, and two of whom shall be citizens of the United States to be appointed by the President, by and with the advice and consent of the Senate. One of the appointive members shall be the chairman of the board of directors of the Corporation and not more than two of the members of such board of directors shall be members of the same political party. Each such appointive member shall hold office for a term of six years and shall receive compensation at the rate of $10,000 per annum, payable monthly out of the funds of the Corporation, but the Comptroller of the Currency shall not receive additional compensation for his services as such member. In the event of a vacancy in the office of the Comptroller of the Currency, and pending the appointment of his successor, or during the absence of the Comptroller from Washington, the Acting Comptroller of the Currency shall be a member of the board of directors in the place and stead of the Comptroller. In the event of a vacancy in the office of the chairman of the board of directors, and pending the appointment of his successor, the Comptroller of the Currency shall act as chairman. The Comptroller of the Currency shall be ineligible during the time he is in office and for two years thereafter to hold any office, position, or employment in any insured bank. The appointive members of the board of directors shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any insured bank, except that this restriction shall not apply to any appointive member who has served the full term for which he was appointed. No member of the board of directors shall be an officer or director of any bank, banking institution, trust company, or Federal Reserve bank or hold stock in any bank, banking institution, or trust company; and before entering upon his duties as a member of the board of directors he shall certify under oath that he has complied with this requirement and such certification shall be filed with the secretary of the board of directors. No member of the board of directors serving on the board of directors on the effective date shall be subject to any of the provisions of the three preceding sentences until the expiration of his present term of office.

"'(c) As used in this section—

"'(1) The term "State bank" means any bank, banking association, trust company, savings bank, or other banking institution which is engaged in the business of receiving deposits and which is incorporated under the laws of any State, Hawaii, Alaska, Puerto Rico, or the Virgin Islands, or which is operating under the Code of Law for the District of Columbia (except a national bank), and includes any unincorporated bank the deposits of which are insured on the effective date under the provisions of this section.

"'(2) The term "State member bank" means any State bank which is a member of the Federal Reserve System, and the term "State nonmember bank" means any State bank which is not a member of the Federal Reserve System.

"'(3) The term "District bank" means any State bank operating under the Code of Law for the District of Columbia.

"'(4) The term "national member bank" means any national bank located in any of the States of the United States, the District of Columbia, Hawaii, Alaska, Puerto Rico, or the Virgin Islands which is a member of the Federal Reserve System.

"'(5) The term "national nonmember bank" means any national bank located in Hawaii, Alaska, Puerto Rico, or the Virgin Islands which is not a member of the Federal Reserve System.

"'(6) The term "mutual savings bank" means a bank without capital stock transacting a savings bank business, the net earnings of which inure wholly to the benefit of its depositors after payment of obligations for any advances by its organizers.

"'(7) The term "savings bank" means a bank (other than a mutual savings bank) which transacts its ordinary banking business strictly as a savings bank under State laws imposing special requirements on such banks governing the manner of investing their funds and of conducting their business: *Provided*, That the bank maintains, until maturity date or until withdrawn, all deposits made with it (other than funds held by it in a fiduciary capacity) as time savings deposits of the specific term type or of the type where the right is reserved to the bank to require written notice before permitting withdrawal: *Provided further*, That such bank to be considered a savings bank must elect to become subject to regulations of the Corporation with respect to the redeposit of maturing deposits and prohibiting withdrawal of deposits by checking except in cases where such withdrawal is permitted by law on the effective date from specifically designated deposit accounts totaling not more than 15 per centum of the bank's total deposits.

"'(8) The term "insured bank" means any bank the deposits of which are insured in accordance with the provisions of this section; and the term "noninsured bank" means any bank the deposits of which are not so insured.

"'(9) The term "new bank" means a new national banking association organized by the Corporation to assume the insured deposits of an insured bank closed on account of inability to meet the demands of its depositors and otherwise to perform temporarily the functions prescribed in this section.

"'(10) The term "receiver" includes a receiver, liquidating agent, conservator, commission, person, or other agency charged by law with the duty of winding up the affairs of a bank.

"'(11) The term "board of directors" means the board of directors of the Corporation.

"'(12) The term "deposit" means the unpaid balance of money or its equivalent received by a bank in the usual course of business and for which it has given or is obligated to give credit to a commercial, checking, savings, time or thrift account, or which is evi-

denced by its certificate of deposit, and trust funds held by such bank whether retained or deposited in any department of such bank or deposited in another bank, together with such other obligations of a bank as the board of directors shall find and shall prescribe by its regulations to be deposit liabilities by general usage: *Provided*, That any obligation of a bank which is payable only at an office of the bank located outside the States of the United States, the District of Columbia, Hawaii, Alaska, Puerto Rico, and the Virgin Islands, shall not be a deposit for any of the purposes of this section or be included as a part of total deposits or of an insured deposit: *Provided further*, That any insured bank having its principal place of business in any of the States of the United States or in the District of Columbia which maintains a branch in Hawaii, Alaska, Puerto Rico, or the Virgin Islands may elect to exclude from insurance under this section its deposit obligations which are payable only at such branch, and upon so electing the insured bank with respect to such branch shall comply with the provisions of this section applicable to the termination of insurance by nonmember banks: *Provided further*, That the bank may elect to restore the insurance to such deposits at any time its capital stock is unimpaired.

"'(13) The term "insured deposit" means the net amount due to any depositor for deposits in an insured bank (after deducting offsets) less any part thereof which is in excess of $5,000. Such net amount shall be determined according to such regulations as the board of directors may prescribe, and in determining the amount due to any depositor there shall be added together all deposits in the bank maintained in the same capacity and the same right for his benefit either in his own name or in the names of others, except trust funds which shall be insured as provided in paragraph (9) of subsection (h) of this section.

"'(14) The term "transferred deposit" means a deposit in a new bank or other insured bank made available to a depositor by the Corporation as payment of the insured deposit of such depositor in a closed bank, and assumed by such new bank or other insured bank.

"'(15) The term "branch" includes any branch bank, branch office, branch agency, additional office, or any branch place of business located in any State of the United States or in Hawaii, Alaska, Puerto Rico, or the Virgin Islands at which deposits are received or checks paid or money lent.

"'(16) The term "effective date" means the date of enactment of the Banking Act of 1935.

"'(d) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $150,000,000, which shall be available for payment by the Secretary of the Treasury for capital stock of the Corporation in an equal amount, which shall be subscribed for by him on behalf of the United States. Payments upon such subscription shall be subject to call in whole or in part by the board of directors of the Corporation. Such stock shall be in addition to the amount of capital stock required to be subscribed for by Federal Reserve banks. Receipts for payments by the United States for or on account of such stock shall be issued by the Corporation to the Secretary of the Treasury and shall be evidence of the stock ownership of the United States. Every Federal Reserve bank shall subscribe to shares of stock in the Corporation to an amount equal to one-half of the surplus of such bank on January 1, 1933, and its subscriptions shall be accompanied by a certified check payable to the Corporation in an amount equal to one-half of such subscription. The remainder of such subscription shall be subject to call from time to time by the board of directors upon ninety days' notice. The capital stock of the Corporation shall consist of the shares subscribed for prior to the effective date. Such stock shall be without nominal or par value, and shares issued prior to the effective date shall be exchanged and reissued at the rate of one share for each $100 paid into the Corporation for capital stock. The consideration received by the Corporation for the capital stock shall be allocated to capital and to surplus in such amounts as the board of directors shall prescribe. Such stock shall have no vote and shall not be entitled to the payment of dividends.

"'(e) (1) Every operating State or national member bank, including a bank incorporated since March 10, 1933, licensed on or before the effective date by the Secretary of the Treasury shall be and continue to be, without application or approval, an insured bank and shall be subject to the provisions of this section.

"'(2) After the effective date, every national member bank which is authorized to commence or resume the business of banking, and every State bank which is converted into a national member bank or which becomes a member of the Federal Reserve System, shall be an insured bank from the time it is authorized to commence or resume business or becomes a member of the Federal Reserve System. The certificate herein prescribed shall be issued to the Corporation by the Comptroller of the Currency in the case of such national member bank, or by the Board of Governors of the Federal Reserve System in the case of such State member bank: *Provided*, That in the case of an insured bank which is admitted to membership in the Federal Reserve System or an insured State bank which is converted into a national member bank, such certificate shall not be required, and the bank shall continue as an insured bank. Such certificate shall state that the bank is authorized to transact the business of banking in the case of a national member bank, or is a member of the Federal Reserve System in the case of a State member bank, and that consideration has been given to the factors enumerated in subsection (g) of this section.

"'(f) (1) Every bank which is not a member of the Federal Reserve System which on June 30, 1935, was or thereafter became a member of the Temporary Federal Deposit Insurance Fund or of the Fund For Mutuals heretofore created pursuant to the provisions of this section, shall be and continue to be, without application or approval, an insured bank and shall be subject to the provisions of this section: *Provided*, That any State nonmember bank which was admitted to the said Temporary Federal Deposit Insurance Fund or the Fund For Mutuals but which did not file on or before the effective date on October 1, 1934 certified statement and make the payments thereon required by law, shall cease to be an insured bank on August 31, 1935: *Provided, further*, That no bank admitted to the said Temporary Federal Deposit Insurance Fund or the Fund For Mutuals prior to the effective date shall, after August 31, 1935, be an insured bank or have its deposits insured by the Corporation, if such bank shall have permanently discontinued its banking operations prior to the effective date.

"'(2) Subject to the provisions of this section, any national nonmember bank, upon application by the bank and certification by the Comptroller of the Currency in the manner prescribed in subsection (e) of this section, and any State nonmember bank, upon application to and examination by the Corporation and approval by the board of directors, may become an insured bank. Before approving the application of any such State nonmember bank, the board of directors shall give consideration to the factors enumerated in subsection (g) of this section and shall determine, upon the basis of a thorough examination of such bank, that its assets in excess of its capital requirements are adequate to enable it to meet all its liabilities to depositors and other creditors as shown by the books of the bank.

"'(g) The factors to be enumerated in the certificate required under subsection (e) and to be considered by the board of directors under subsection (f) shall be the following: The financial history and condition of the bank, the adequacy of its capital structure, its future earnings prospects, the general character of its management, the convenience and needs of the community to be served by the bank, and whether or not its corporate powers are consistent with the purposes of this section.

"'(h) (1) The assessment rate shall be one-twelfth of 1 per centum per annum. The semiannual assessment for each insured bank shall be in the amount of the product of one-half the annual assessment rate multiplied by an assessment base which shall be the average for six months of the differences at the end of each calendar day between the total amount of liability of the bank for deposits (according to the definition of the term "deposit" in and pursuant to paragraph (12) of subsection (c) of this section, without any deduction for indebtedness of depositors) and the total of such uncollected items as are included in such deposits and credited subject to final payment: *Provided, however*, That the daily total of such uncollected items shall be determined according to regulations prescribed by the board of directors upon a consideration of the factors of general usage and ordinary time of availability, and for the purposes of such deduction no item shall be regarded as uncollected for longer periods than those prescribed by such regulations. Each insured bank shall, as a condition to the right to deduct any specific uncollected item in determining its assessment base, maintain such records as will readily permit verification of the correctness of the particular deduction claimed. The certified statements required to be filed with the Corporation under paragraphs (2), (3), and (4) of this subsection shall be in such form and set forth such supporting information as the board of directors shall prescribe. The assessment payments required from insured banks under paragraphs (2), (3), and (4) of this subsection shall be made in such manner and at such time or times as the board of directors shall prescribe, provided the time or times so prescribed shall not be later than sixty days after filing the certified statement setting forth the amount of the assessment. In the event that a separate Fund For Mutuals is established as provided in subsection (1), the board of directors from time to time may fix a lower assessment rate operative for such period as the board may determine which shall be applicable to insured mutual savings banks only, and the remainder of this paragraph shall not be applicable to such banks.

"'(2) On or before the 15th day of July of each year, each insured bank shall file with the Corporation a certified statement under oath showing for the six months ending on the preceding June 30 the amount of the assessment base and the amount of the semiannual assessment due to the Corporation, determined in accordance with paragraph (1) of this subsection. Each insured bank shall pay to the Corporation the amount of the semiannual assessment it is required to certify. On or before the 15th day of January of each year after 1936 each insured bank shall file with the Corporation a similar certified statement for the six months ending on the preceding December 31 and shall pay to the Corporation the amount of the semiannual assessment it is required to certify.

"'(3) Each bank which becomes an insured bank according to the provisions of subsection (e) or (f) of this section shall, on or before the 15th day of November 1935, file with the Corporation a certified statement under oath showing the amount of the assessment due to the Corporation for the period ending December 31, 1935, which shall be an amount equal to the product of one-third the annual assessment rate multiplied by the assessment base determined in accordance with paragraph (1) of this subsection, except that the assessment base shall be the average for the 31 days in the month of October 1935, and payment shall be made to the Corporation of the amount of the assessment so required to be certified. Each such bank shall, on or before the 15th day of January 1936, file with the Corporation a certified statement under oath showing the amount of the semiannual assessment due to the Corporation for the period ending June 30, 1936, which shall be an amount equal to the product of one-half

the annual assessment rate multiplied by the assessment base determined in accordance with paragraph (1) of this subsection, except that the assessment base shall be the average for the days of the months of October, November and December of 1935, and payment shall be made to the Corporation of the amount of the assessment so required to be certified.

"'(4) Each bank which becomes an insured bank after the effective date shall be relieved from complying with the provisions of paragraph (2) of this subsection until it has operated as an insured bank for a full semiannual period ending on June 30 or December 31 as the case may be. Each such bank, on or before the forty-fifth day after its first day of operation as an insured bank, shall file with the Corporation its first certified statement which shall be under oath and shall show the amount of the assessment base determined in accordance with paragraph (1) of this subsection, except that the assessment base shall be the average for the first thirty-one calendar days it operates as an insured bank. Each such certified statement shall also show as the amount of the first assessment due to the Corporation the prorated portion (for the period between its first day of operation as an insured bank and the next succeeding last day of June or December, as the case may be) of an amount equal to the product of one-half the annual assessment rate multiplied by the base required to be set forth on its first certified statement. Each bank which becomes an insured bank after the effective date which has not operated as an insured bank for a full semiannual period ending on June 30 or December 31, as the case may be, shall, on or before the 15th day of the first month thereafter (except that banks becoming insured in June or December shall have thirty-one additional days) file with the Corporation its second certified statement under oath showing the amount of the assessment base and the amount of the semiannual assessment due to the Corporation. Such assessment base and amount shall be determined in accordance with paragraph (1) of this subsection, except that if the bank became an insured bank in the month of December or June the assessment base shall be the average for the first thirty-one calendar days it operates as an insured bank, and except that if it became an insured bank in any other month than December or June the assessment base shall be the average for the days between its first day of operation as an insured bank and the next succeeding last day of June or December, as the case may be. Each bank required to file a certified statement under this paragraph shall pay to the Corporation the amount of the assessment the bank is required to certify.

"'(5) Each bank which shall be and continue without application or approval an insured bank in accordance with the provisions of subsection (e) or (f) of this section, shall, in lieu of all right to refund (except as authorized in paragraph (3) of subsection (1)), be credited with any balance to which such bank shall become entitled upon the termination of the said Temporary Federal Deposit Insurance Fund or the Fund for Mutuals. The credit shall be applied by the Corporation toward the payment of the assessment next becoming due from such bank and upon succeeding assessments until the credit is exhausted.

"'(6) Any insured bank which fails to file any certified statement required to be filed by it in connection with determining the amount of any assessment payable by the bank to the Corporation may be compelled to file such statement by mandatory injunction or other appropriate remedy in a suit brought for such purpose by the Corporation against the bank and any officer or officers thereof in any court of the United States of competent jurisdiction in the district or territory in which such bank is located.

"'(7) The Corporation, in a suit brought at law or in equity in any court of competent jurisdiction, shall be entitled to recover from any insured bank the amount of any unpaid assessment lawfully payable by such insured bank to the Corporation, whether or not such bank shall have filed any such certified statement and whether or not suit shall have been brought to compel the bank to file any such statement.

"'(8) Should any national member bank or any insured national nonmember bank fail to file any certified statement required to be filed by such bank under any provision of this subsection, or fail to pay any assessment required to be paid by such bank under any provision of this section, and should the bank not correct such failure within thirty days after written notice has been given by the Corporation to an officer of the bank, citing this paragraph, and stating that the bank has failed to file or pay as required by law, all the rights, privileges, and franchises of the bank granted to it under the National Bank Act or under the provisions of this Act, as amended, shall be thereby forfeited. Whether or not the penalty provided in this paragraph has been incurred shall be determined and adjudged in the manner provided in the sixth paragraph of section 2 of this Act, as amended. The remedies provided in this paragraph and in the two preceding paragraphs shall not be construed as limiting any other remedies against any insured bank, but shall be in addition thereto.

"'(9) Trust funds held by an insured bank in a fiduciary capacity whether held in its trust or deposited in any other department or in another bank shall be insured in an amount not to exceed $5,000 for each trust estate, and when deposited by the fiduciary bank in another insured bank such trust funds shall be similarly insured to the fiduciary bank according to the trust estates represented. Notwithstanding any other provision of this section, such insurance shall be separate from and additional to that covering other deposits of the owners of such trust funds or the beneficiaries of such trust estates: *Provided*, That where the fiduciary bank deposits any of such trust funds in other insured banks, the amount so held by other insured banks on deposit shall not for the purpose of any certified statement required under paragraph (2), (3), or (4) of this subsection be considered to be a deposit liability of the fiduciary bank, but shall be considered to be a deposit liability of the bank in which such funds are so deposited by such fiduciary bank. The board of directors shall have power by regulation to prescribe the manner of reporting and of depositing such trust funds.

"'(i) (1) Any insured bank (except a national member bank or State member bank) may, upon not less than ninety days' written notice to the Corporation, and to the Reconstruction Finance Corporation if it owns or holds as pledgee any preferred stock, capital notes, or debentures of such bank, terminate its status as an insured bank. Whenever the board of directors shall find that an insured bank or its directors or trustees have continued unsafe or unsound practices in conducting the business of such bank, or have knowingly or negligently permitted any of its officers or agents to violate any provision of any law or regulation to which the insured bank is subject, the board of directors shall first give to the Comptroller of the Currency in the case of a national bank or a District bank, to the authority having supervision of the bank in the case of a State bank or to the Board of Governors of the Federal Reserve System in the case of a State member bank, a statement with respect to such practices or violations for the purpose of securing the correction thereof. Unless such correction shall be made within one hundred and twenty days or such shorter period of time as the Comptroller of the Currency, the State authority, or Board of Governors of the Federal Reserve System, as the case may be, shall require, the board of directors, if it shall determine to proceed further, shall give to the bank not less than thirty days' written notice of intention to terminate the status of the bank as an insured bank, and shall fix a time and place for a hearing before the board of directors or before a person designated by it to conduct such hearing, at which evidence may be produced, and upon such evidence the board of directors shall make written findings which shall be conclusive. Unless the bank shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the termination of its status as an insured bank. If the board of directors shall find that any violation specified in such notice has been established, the board of directors may order that the insured status of the bank be terminated on a date subsequent to such finding and to the expiration of the time specified in such notice of intention. The Corporation may publish notice of such termination and the bank shall give notice of such termination to each of its depositors at his last address of record on the books of the bank, in such manner and at such time as the board of directors may find to be necessary and may order for the protection of depositors. After the termination of the insured status of any bank under the provisions of this paragraph, the insured deposits of each depositor in the bank on the date of such termination, less all subsequent withdrawals from any deposits of such depositor, shall continue for a period of two years to be insured, and the bank shall continue to pay to the Corporation assessments as in the case of an insured bank during such period. No additions to any such deposits and no new deposits in such bank made after the date of such termination shall be insured by the Corporation, and the bank shall not advertise or hold itself out as having insured deposits unless in the same connection it shall also state with equal prominence that such additions to deposits and new deposits made after such date are not so insured. Such bank shall, in all other respects, be subject to the duties and obligations of an insured bank for the period of two years from the date of such termination, and in the event that such bank shall be closed on account of inability to meet the demands of its depositors within such period of two years, the Corporation shall have the same powers and rights with respect to such bank as in case of an insured bank.

"'(2) Whenever the insured status of a State member bank shall be terminated by action of the board of directors, the Board of Governors of the Federal Reserve System shall terminate its membership in the Federal Reserve System in accordance with the provisions of section 9 of this Act, and whenever the insured status of a national member bank shall be so terminated the Comptroller of the Currency shall appoint a receiver for the bank, which shall be the Corporation whenever the bank shall be unable to meet the demands of its depositors. Whenever a member bank shall cease to be a member of the Federal Reserve System, its status as an insured bank shall, without notice or other action by the board of directors, terminate on the date the bank shall cease to be a member of the Federal Reserve System, with like effect as if its insured status had been terminated on said date by the board of directors after proceedings under paragraph (1) of this subsection.

"'(3) If any nonmember bank which becomes an insured bank under the provisions of paragraph (1) of subsection (f) of this section shall elect, within thirty days after the effective date, not to continue as an insured bank, and shall within such period give written notice to the Corporation of its election, in accordance with regulations to be prescribed by the board of directors, and to the Reconstruction Finance Corporation if it owns or holds as pledgee any preferred stock, capital notes, or debentures of such bank, it shall cease to be an insured bank and cease to be subject to the provisions of this section and the rights of the bank (including its right to any refund) shall be as provided by law existing prior to the effective date. The board of directors shall cause notice of termination of insurance to be given to the depositors of such bank by publication or otherwise as the board of directors may determine,

and the deposits in such bank shall continue to be insured for twenty days beyond such thirty day period.

"'(4) Whenever the liabilities of an insured bank for deposits shall have been assumed by another insured bank or banks, the insured status of the bank whose liabilities are so assumed shall terminate on the date of receipt by the Corporation of satisfactory evidence of such assumption with like effect as if its insured status had been terminated on said date by the board of directors after proceedings under paragraph (1) of this subsection: *Provided*, That if the bank whose liabilities are so assumed gives to its depositors notice of such assumption within thirty days after such assumption takes effect, by publication or by any reasonable means, in accordance with regulations to be prescribed by the board of directors, the insurance of its deposits shall terminate at the end of six months from the date such assumption takes effect, and such bank shall thereupon be relieved of all future obligations to the Corporation, including the obligation to pay future assessments.

"'(j) Upon the date of enactment of the Banking Act of 1933, the Corporation shall become a body corporate and as such shall have power—

"'First. To adopt and use a corporate seal.

"'Second. To have succession until dissolved by an Act of Congress.

"'Third. To make contracts.

"'Fourth. To sue and be sued, complain and defend, in any court of law or equity, State or Federal. All suits of a civil nature at common law or in equity to which the Corporation shall be a party shall be deemed to arise under the laws of the United States: *Provided*, That any such suit to which the Corporation is a party in its capacity as receiver of a State bank and which involves only the rights or obligations of depositors, creditors, stockholders and such State bank under State law shall not be deemed to arise under the laws of the United States. No attachment or execution shall be issued against the Corporation or its property before final judgment in any suit, action, or proceeding in any State, county, municipal, or United States court. The board of directors shall designate an agent upon whom service of process may be made in any State, Territory, or jurisdiction in which any insured bank is located.

"'Fifth. To appoint by its board of directors such officers and employees as are not otherwise provided for in this section, to define their duties, fix their compensation, require bonds of them and fix the penalty thereof, and to dismiss at pleasure such officers or employees. Nothing in this or any other Act shall be construed to prevent the appointment and compensation as an officer or employee of the Corporation of any officer or employee of the United States in any board, commission, independent establishment, or executive department thereof.

"'Sixth. To prescribe by its board of directors, bylaws not inconsistent with law, regulating the manner in which its general business may be conducted, and the privileges granted to it by law may be exercised and enjoyed.

"'Seventh. To exercise by its board of directors, or duly authorized officers or agents, all powers specifically granted by the provisions of this section and such incidental powers as shall be necessary to carry out the powers so granted.

"'Eighth. To make examinations of and to require information and reports from banks, as provided in this section.

"'Ninth. To act as receiver.

"'Tenth. To prescribe by its board of directors such rules and regulations as it may deem necessary to carry out the provisions of this section.

"'(k) (1) The board of directors shall administer the affairs of the Corporation fairly and impartially and without discrimination. The board of directors of the Corporation shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid. The Corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The Corporation with the consent of any Federal Reserve bank or of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, and facilities thereof in carrying out the provisions of this section.

"'(2) The board of directors shall appoint examiners who shall have power, on behalf of the Corporation, to examine any insured State nonmember bank (except a District bank), any State nonmember bank making application to become an insured bank, and any closed insured bank, whenever in the judgment of the board of directors an examination of the bank is necessary. Such examiners shall have like power to examine, with the written consent of the Comptroller of the Currency, any national bank or District bank, and, with the written consent of the Board of Governors of the Federal Reserve System, any State member bank. Each such examiner shall have power to make a thorough examination of all the affairs of the bank and in doing so he shall have power to administer oaths and to examine and take and preserve the testimony of any of the officers and agents thereof, and shall make a full and detailed report of the condition of the bank to the Corporation. The board of directors in like manner shall appoint claim agents who shall have power to investigate and examine all claims for insured deposits and transferred deposits. Each claim agent shall have power to administer oaths and to examine under oath and take and preserve the testimony of any persons relating to such claims. The provisions of sections 184 to 186 (both inclusive) of the Revised Statutes (U. S. C., title 5, secs. 94 to 96) are hereby extended to examinations and investigations authorized by this paragraph.

"'(3) Each insured State nonmember bank (except a District bank) shall make to the Corporation reports of condition in such form and at such times as the board of directors may require. The board of directors may require such reports to be published in such manner, not inconsistent with any applicable law, as it may direct. Every such bank which fails to make or publish any such report within such time, not less than five days, as the board of directors may require, shall be subject to a penalty of not more than $100 for each day of such failure recoverable by the Corporation for its use.

"'(4) The Corporation shall have access to reports of examinations made by, and reports of conditions made to, the Comptroller of the Currency or any Federal Reserve bank, may accept any report made by or to any commission, board, or authority having supervision of a State nonmember bank (except a District bank), and may furnish to the Comptroller of the Currency, to any Federal Reserve bank, and to any such commission, board, or authority, reports of examinations made on behalf of, and reports of condition made to, the Corporation.

"'(l) (1) The Temporary Federal Deposit Insurance Fund and the Fund For Mutuals heretofore created pursuant to the provisions of this section are hereby consolidated into a Permanent Insurance Fund for insuring deposits, and the assets therein shall be held by the Corporation for the uses and purposes of the Corporation: *Provided*, That the obligations to and rights of the Corporation, depositors, banks, and other persons arising out of any event or transaction prior to the effective date shall remain unimpaired. On and after the effective date, the Corporation shall insure the deposits of all insured banks as provided in this section: *Provided*, That the insurance shall apply only to deposits of insured banks which have been made available since March 10, 1933, for withdrawal in the usual course of the banking business: *Provided further*, That if any insured bank shall, without the consent of the Corporation, release or modify restrictions on or deferments of deposits which had not been made available for withdrawal in the usual course of the banking business on or before the effective date, such deposits shall not be insured. The maximum amount of the insured deposit of any depositor shall be $5,000. The Corporation, in the discretion of the board of directors, may open on its books solely for the benefit of mutual savings banks and depositors therein a separate Fund For Mutuals. If such Fund is opened, all assessments upon mutual savings banks shall be paid into such Fund and the Permanent Insurance Fund of the Corporation shall cease to be liable for insurance losses sustained in mutual savings banks: *Provided*, That the capital assets of the Corporation shall be so liable and all expenses of operation of the Corporation shall be allocated between such Funds on an equitable basis.

"'(2) For the purposes of this section, an insured bank shall be deemed to have been closed on account of inability to meet the demands of its depositors in any case in which it has been closed for the purpose of liquidation without adequate provision being made for payment of its depositors.

"'(3) Notwithstanding any other provision of law, whenever any insured national bank or insured District bank shall have been closed by action of its board of directors, or by the Comptroller of the Currency, as the case may be, on account of inability to meet the demands of its depositors, the Comptroller of the Currency shall appoint the Corporation receiver for such closed bank, and no other person shall be appointed as receiver of such closed bank.

"'(4) It shall be the duty of the Corporation as such receiver to realize upon the assets of such closed bank, having due regard to the condition of credit in the locality; to enforce the individual liability of the stockholders and directors thereof; and to wind up the affairs of such closed bank in conformity with the provisions of law relating to the liquidation of closed national banks, except as herein otherwise provided. The Corporation shall retain for its own account such portion of the amounts realized from such liquidation as it shall be entitled to receive on account of its subrogation to the claims of depositors, and it shall pay to depositors and other creditors the net amounts available for distribution to them. With respect to any such closed bank, the Corporation as such receiver shall have all the rights, powers, and privileges now possessed by or hereafter granted by law to a receiver of an insolvent national bank.

"'(5) Whenever any insured State bank (except a District bank) shall have been closed by action of its board of directors or by the authority having supervision of such bank, as the case may be, on account of inability to meet the demands of its depositors, the Corporation shall accept appointment as receiver thereof, if such appointment is tendered by the authority having supervision of such bank and is authorized or permitted by State law. With respect to any such insured State bank, the Corporation as such receivers shall possess all the rights, powers and privileges granted by State law to a receiver of a State bank.

"'(6) Whenever an insured bank shall have been closed on account of inability to meet the demands of its depositors, payment of the insured deposits in such bank shall be made by the Corporation as soon as possible, subject to the provisions of paragraph (7) of this subsection, either (A) by making available to each depositor a transferred deposit in a new bank in the same community or in another insured bank in an amount equal to the insured deposit of such depositor and subject to withdrawal on demand, or (B) in such other manner as the board of directors may prescribe: *Provided*, That the Corporation, in its discretion, may require proof

of claims to be filed before paying the insured deposits, and that in any case where the Corporation is not satisfied as to the validity of a claim for an insured deposit, it may require the final determination of a court of competent jurisdiction before paying such claim.

"'(7) In the case of a closed national bank or District bank, the Corporation, upon the payment of any depositor as provided in paragraph (6) of this subsection, shall be subrogated to all rights of the depositor against the closed bank to the extent of such payment. In the case of any other closed insured bank, the Corporation shall not make any payment to any depositor until the right of the Corporation to be subrogated to the rights of such depositor on the same basis as provided in the case of a closed national bank under this section shall have been recognized either by express provision of State law, by allowance of claims by the authority having supervision of such bank, by assignment of claims by depositors, or by any other effective method. In the case of any closed insured bank, such subrogation shall include the right on the part of the Corporation to receive the same dividends from the proceeds of the assets of such closed bank and recoveries on account of stockholders' liability as would have been payable to the depositor on a claim for the insured deposit, but such depositor shall retain his claim for any uninsured portion of his deposit: *Provided*, That the rights of depositors and other creditors of any State bank shall be determined in accordance with the applicable provisions of State law.

"'(8) As soon as possible after the closing of an insured bank, the Corporation, if it finds that it is advisable and in the interest of the depositors of the closed bank or the public, shall organize a new national bank to assume the insured deposits of such closed bank and otherwise to perform temporarily the functions hereinafter provided for. The new bank shall have its place of business in the same community as the closed bank.

"'(9) The articles of association and the organization certificate of the new bank shall be executed by representatives designated by the Corporation. No capital stock need be paid in by the Corporation. The new bank shall not have a board of directors, but shall be managed by an executive officer appointed by the board of directors of the Corporation who shall be subject to its directions. In all other respects the new bank shall be organized in accordance with the then existing provisions of law relating to the organization of national banking associations. The new bank may, with the approval of the Corporation, accept new deposits which shall be subject to withdrawal on demand and which, except where the new bank is the only bank in the community, shall not exceed $5,000 from any depositor. The new bank, without application to or approval by the Corporation, shall be an insured bank and shall maintain on deposit with the Federal Reserve bank of its district reserves in the amount required by law for member banks, but it shall not be required to subscribe for stock of the Federal Reserve bank. Funds of the new bank shall be kept on hand in cash, invested in obligations of the United States, or in obligations guaranteed as to principal and interest by the United States, or deposited with the Corporation, with a Federal Reserve bank, or, to the extent of the insurance coverage thereon, with an insured bank. The new bank, unless otherwise authorized by the Comptroller of the Currency, shall transact no business except that authorized by this section and as may be incidental to its organization. Notwithstanding any other provision of law the new bank, its franchise, property, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

"'(10) Upon the organization of a new bank, the Corporation shall promptly make available to it an amount equal to the estimated insured deposits of such closed bank plus the estimated amount of the expenses of operating the new bank, and shall determine as soon as possible the amount due each depositor for his insured deposit in the closed bank, and the total expenses of operation of the new bank. Upon such determination, the amounts so estimated and made available shall be adjusted to conform to the amounts so determined. Earnings of the new bank shall be paid over or credited to the Corporation in such adjustment. If any new bank, during the period it continues its status as such, sustains any losses with respect to which it is not effectively protected except by reason of being an insured bank, the Corporation shall furnish to it additional funds in the amount of such losses. The new bank shall assume as transferred deposits the payment of the insured deposits of such closed bank to each of its depositors. Of the amounts so made available, the Corporation shall transfer to the new bank, in cash, such sums as may be necessary to enable it to meet its expenses of operation and immediate cash demands on such transferred deposits, and the remainder of such amounts shall be subject to withdrawal by the new bank on demand.

"'(11) Whenever in the judgment of the board of directors it is desirable to do so, the Corporation shall cause capital stock of the new bank to be offered for sale on such terms and conditions as the board of directors shall deem advisable in an amount sufficient, in the opinion of the board of directors, to make possible the conduct of the business of the new bank on a sound basis, but in no event less than required by section 5138 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 51), for the organization of a national bank in the place where such new bank is located. The stockholders of the closed insured bank shall be given the first opportunity to purchase any shares of common stock so offered. Upon proof that an adequate amount of capital stock in the new bank has been subscribed and paid for in cash, the Comptroller of the Currency shall require the articles of association and the organization certificate to be amended to conform to the requirements for the organization of a national bank, and thereafter, when the requirements of law with respect to the organization of a national bank have been complied with, he shall issue to the bank a certificate of authority to commence business, and thereupon the bank shall cease to have the status of a new bank, shall be managed by directors elected by its own shareholders and may exercise all the powers granted by law, and it shall be subject to all the provisions of law relating to national banks. Such bank shall thereafter be an insured national bank, without certification to or approval by the Corporation.

"'(12) If the capital stock of the new bank is not offered for sale, or if an adequate amount of capital for such new bank is not subscribed and paid for, the board of directors may offer to transfer its business to any insured bank in the same community which will take over its assets, assume its liabilities, and pay to the Corporation for such business such amount as the board of directors may deem adequate; or the board of directors in its discretion may change the location of the new bank to the office of the Corporation or to some other place or may at any time wind up its affairs as herein provided. Unless the capital stock of the new bank is sold or its assets are taken over and its liabilities are assumed by an insured bank as above provided within two years from the date of its organization, the Corporation shall wind up the affairs of such bank, after giving such notice, if any, as the Comptroller of the Currency may require, and shall certify to the Comptroller of the Currency the termination of the new bank. Thereafter the Corporation shall be liable for the obligations of such bank and shall be the owner of its assets. The provisions of sections 5220 and 5221 of the Revised Statutes (U. S. C., title 12, secs. 181, and 182) shall not apply to such new banks.

"'(m) (1) The Corporation as receiver of a closed national bank or District bank shall not be required to furnish bond and shall have the right to appoint an agent or agents to assist it in its duties as such receiver, and all fees, compensation, and expenses of liquidation and administration thereof shall be fixed by the Corporation, subject to the approval of the Comptroller of the Currency, and may be paid by it out of funds coming into its possession as such receiver. The Comptroller of the Currency is authorized and empowered to waive and relieve the Corporation from complying with any regulations of the Comptroller of the Currency with respect to receiverships where in his discretion such action is deemed advisable to simplify administration.

"'(2) Payment of an insured deposit to any person by the Corporation shall discharge the Corporation, and payment of a transferred deposit to any person by the new bank or by an insured bank in which a transferred deposit has been made available shall discharge the Corporation and such new bank or other insured bank, to the same extent that payment to such person by the closed bank would have discharged it from liability for the insured deposit.

"'(3) Except as otherwise prescribed by the board of directors, neither the Corporation nor such new bank or other insured bank shall be required to recognize as the owner of any portion of a deposit appearing on the records of the closed bank under a name other than that of the claimant, any person whose name or interest as such owner is not disclosed on the records of such closed bank as part owner of said deposit, if such recognition would increase the aggregate amount of the insured deposits in such closed bank.

"'(4) The Corporation may withhold payment of such portion of the insured deposit of any depositor in a closed bank as may be required to provide for the payment of any liability of such depositor as a stockholder of the closed bank, or of any liability of such depositor to the closed bank or its receiver, which is not offset against a claim due from such bank, pending the determination and payment of such liability by such depositor or any other person liable therefor.

"'(5) If, after the Corporation shall have given at least three months' notice to the depositor by mailing a copy thereof to his last known address appearing on the records of the closed bank, any depositor in the closed bank shall fail to claim his insured deposit from the Corporation within eighteen months after the appointment of the receiver for the closed bank, or shall fail within such period to claim or arrange to continue the transferred deposit with the new bank or with the other insured bank which assumes liability therefor, all rights of the depositor against the Corporation with respect to the insured deposit, and against the new bank and such other insured bank with respect to the transferred deposit, shall be barred, and all rights of the depositor against the closed bank and its shareholders, or the receivership estate to which the Corporation may have become subrogated, shall thereupon revert to the depositor. The amount of any transferred deposits not claimed within such eighteen months' period, shall be refunded to the Corporation.

"'(n) (1) Money of the Corporation not otherwise employed shall be invested in obligations of the United States or in obligations guaranteed as to principal and interest by the United States, except that for temporary periods, in the discretion of the board of directors, funds of the Corporation may be deposited in any Federal Reserve bank or with the Treasurer of the United States. When designated for that purpose by the Secretary of the Treasury, the Corporation shall be a depositary of public moneys, except receipts from customs, under such regulations as may be prescribed by the said Secretary, and may also be employed as a financial agent of the Government. It shall perform all such

reasonable duties as depositary of public moneys and financial agent of the Government as may be required of it.

"'(2) Nothing contained in this section shall be construed to prevent the Corporation from making loans to national banks closed by action of the Comptroller of the Currency, or by vote of their directors, or to State member banks closed by action of the appropriate State authorities, or by vote of their directors, or from entering into negotiations to secure the reopening of such banks.

"'(3) Receivers or liquidators of insured banks closed on account of inability to meet the demands of their depositors shall be entitled to offer the assets of such banks for sale to the Corporation or as security for loans from the Corporation, upon receiving permission from the appropriate State authority in accordance with express provisions of State law in the case of insured State banks, or from the Comptroller of the Currency in the case of national banks or District banks. The proceeds of every such sale or loan shall be utilized for the same purposes and in the same manner as other funds realized from the liquidation of the assets of such banks. The Comptroller of the Currency may, in his discretion, pay dividends on proved claims at any time after the expiration of the period of advertisement made pursuant to section 5235 of the Revised Statutes (U. S. C., title 12, sec. 193), and no liability shall attach to the Comptroller of the Currency or to the receiver of any national bank by reason of any such payment for failure to pay dividends to a claimant whose claim is not proved at the time of any such payment. The Corporation, in its discretion, may make loans on the security of or may purchase and liquidate or sell any part of the assets of an insured bank which is now or may hereafter be closed on account of inability to meet the demands of its depositors, but in any case in which the Corporation is acting as receiver of a closed insured bank, no such loan or purchase shall be made without the approval of a court of competent jurisdiction.

"'(4) Until July 1, 1936, whenever in the judgment of the board of directors such action will reduce the risk or avert a threatened loss to the Corporation and will facilitate a merger or consolidation of an insured bank with another insured bank, or will facilitate the sale of the assets of an open or closed insured bank to and assumption of its liabilities by another insured bank, the Corporation may, upon such terms and conditions as it may determine, make loans secured in whole or in part by assets of an open or closed insured bank, which loans may be in subordination to the rights of depositors and other creditors, or the Corporation may purchase any such assets or may guarantee any other insured bank against loss by reason of its assuming the liabilities and purchasing the assets of an open or closed insured bank. Any insured national bank or District bank, or, with the approval of the Comptroller of the Currency, any receiver thereof, is authorized to contract for such sales or loans and to pledge any assets of the bank to secure such loans.

"'(o) (1) The Corporation is authorized and empowered to issue and to have outstanding its notes, debentures, bonds, or other such obligations, in a par amount aggregating not more than three times the amount received by the Corporation in payment of its capital stock and in payment of the assessments upon insured banks for the year 1936. The notes, debentures, bonds, and other such obligations issued under this subsection shall be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in such obligations, and shall bear such rate or rates of interest, and shall mature at such time or times, as may be determined by the Corporation: *Provided*, That the Corporation may sell on a discount basis short-term obligations payable at maturity without interest. The notes, debentures, bonds, and other such obligations of the Corporation may be secured by assets of the Corporation in such manner as shall be prescribed by its board of directors. Such obligations may be offered for sale at such price or prices as the Corporation may determine.

"'(2) The Secretary of the Treasury, in its discretion, is authorized to purchase any obligations of the Corporation to be issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include such purchases: *Provided*, That if the Reconstruction Finance Corporation fails for any reason to purchase any of the obligations of the Corporation as provided in subsection (b) of section 5e of the Reconstruction Finance Corporation Act, as amended, the Secretary of the Treasury is authorized and directed to purchase such obligations in an amount equal to the amount of such obligations the Reconstruction Finance Corporation so fails to purchase: *Provided further*, That the Secretary of the Treasury is authorized and directed, whenever in the judgment of the board of directors of the Corporation additional funds are required for insurance purposes, to purchase obligations of the Corporation in an additional amount of not to exceed $250,000,000 par value: *Provided further*, That the proceeds derived from the purchase by the Secretary of the Treasury of any such obligations shall be used by the Corporation solely in carrying out its functions with respect to such insurance. The Secretary of the Treasury may, at any time, sell any of the obligations of the Corporation acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Corporation shall be treated as public-debt transactions of the United States.

"'(p) All notes, debentures, bonds, or other such obligations issued by the Corporation shall be exempt, both as to principal and interest, from all taxation (except estate and inheritance taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The Corporation, including its franchise, its capital, reserves, and surplus, and its income, shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the Corporation shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

"'(q) In order that the Corporation may be supplied with such forms of notes, debentures, bonds, or other such obligations as it may need for issuance under this Act, the Secretary of the Treasury is authorized to prepare such forms as shall be suitable and approved by the Corporation, to be held in the Treasury subject to delivery, upon order of the Corporation. The engraved plates, dies, bed pieces, and other material executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Corporation shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such notes, debentures, bonds, or other such obligations.

"'(r) The Corporation shall annually make a report of its operations to the Congress as soon as practicable after the 1st day of January in each year.

"'(s) Whoever, for the purpose of obtaining any loan from the Corporation, or any extension or renewal thereof, or the acceptance, release, or substitution of security therefor, or for the purpose of inducing the Corporation to purchase any assets, or for the purpose of obtaining the payment of any insured deposit or transferred deposit or the allowance, approval, or payment of any claim, or for the purpose of influencing in any way the action of the Corporation under this section, makes any statement, knowing it to be false, or willfully overvalues any security, shall be punished by a fine of not more than $5,000, or by imprisonment for not more than two years, or both.

"'(t) Whoever (1) falsely makes, forges, or counterfeits any obligation or coupon, in imitation of or purporting to be an obligation or coupon issued by the Corporation, or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited obligation or coupon purporting to have been issued by the Corporation, knowing the same to be false, forged, or counterfeited, or (3) falsely alters any obligation or coupon issued or purporting to have been issued by the Corporation, or (4) passes, utters, or publishes, or attempts to pass, utter, or publish, as true, any falsely altered or spurious obligation or coupon, issued or purporting to have been issued by the Corporation, knowing the same to be falsely altered or spurious, shall be punished by a fine of not more than $10,000, or by imprisonment for not more than five years, or both.

"'(u) Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged, or otherwise entrusted to it, or (2) with intent to defraud the Corporation or any other body, politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of or to the Corporation, or without being duly authorized draws any order or issues, puts forth, or assigns any note, debenture, bond, or other such obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, shall be punished by a fine of not more than $10,000, or by imprisonment for not more than five years, or both.

"'(v) (1) No individual, association, partnership, or corporation shall use the words "Federal Deposit Insurance Corporation", or a combination of any three of these four words, as the name or a part thereof under which he or it shall do business. No individual, association, partnership, or corporation shall advertise or otherwise represent falsely by any device whatsoever that his or its deposit liabilities are insured or in any wise guaranteed by the Federal Deposit Insurance Corporation or by the United States or any instrumentality thereof; and no insured bank shall advertise or otherwise represent falsely by any device whatsoever the extent to which or the manner in which its deposit liabilities are insured by the Federal Deposit Insurance Corporation. Every individual, partnership, association, or corporation violating this subsection shall be punished by a fine of not exceeding $1,000, or by imprisonment not exceeding one year, or both.

"'(2) Every insured bank shall display at each place of business maintained by it a sign or signs, and shall include in advertisements relating to deposits a statement to the effect that its deposits are insured by the Corporation. The board of directors shall prescribe by regulation the forms of such signs and the manner of display and the substance of such statements and the manner of use. For each day an insured bank continues to violate any provision of this paragraph or any lawful provision of said regulations, it shall be subject to a penalty of not more than $100, recoverable by the Corporation for its use.

"'(3) No insured bank shall pay any dividends on its capital stock or interest on its capital notes or debentures (if such interest is required to be paid only out of net profits) while it remains in default in the payment of any assessment due to the Corporation; and any director or officer of any insured bank who participates in the declaration or payment of any such dividend shall, upon conviction, be fined not more than $1,000, or imprisoned not

more than one year, or both: *Provided*, That if such default is due to a dispute between the insured bank and the Corporation over the amount of such assessment, this paragraph shall not apply, if such bank shall deposit security satisfactory to the Corporation for payment upon final determination of the issue.

"'(4) Unless, in addition to compliance with other provisions of law, it shall have the prior written consent of the Corporation, no insured bank shall enter into any consolidation or merger with any noninsured bank, or assume liability to pay any deposits made in any noninsured bank, or transfer assets to any noninsured bank in consideration of the assumption of liability for any portion of the deposits made in such insured bank, and no insured State nonmember bank (except a District bank) without such consent shall reduce the amount or retire any part of its common or preferred capital stock, or retire any part of its capital notes or debentures.

"'(5) No State nonmember insured bank (except a District bank) shall establish and operate any new branch after thirty days after the effective date unless it shall have the prior written consent of the Corporation, and no branch of any State nonmember insured bank shall be moved from one location to another after thirty days after the effective date without such consent. The factors to be considered in granting or withholding the consent of the Corporation under this paragraph shall be those enumerated in subsection (g) of this section.

"'(6) the Corporation may require any insured bank to provide protection and indemnity against burglarly, defalcation, and other similar insurable losses. Whenever any insured bank refuses to comply with any such requirement the Corporation may contract for such protection and indemnity and add the cost thereof to the assessment otherwise payable by such bank.

"'(7) Whenever any insured bank (except a national bank or a District bank), after written notice of the recommendations of the Corporation based on a report of examination of such bank by an examiner of the Corporation, shall fail to comply with such recommendations within one hundred and twenty days after such notice, the Corporation shall have the power, and is hereby authorized, to publish only such part of such report of examination as relates to any recommendation not complied with: *Provided*, That notice of intention to make such publication shall be given to the bank at least ninety days before such publication is made.

"'(8) The board of directors shall by regulation prohibit the payment of interest on demand deposits in insured nonmember banks and for such purpose it may define the term "demand deposits"; but such exceptions from this prohibition shall be made as are now or may hereafter be prescribed with respect to deposits payable on demand in member banks by section 19 of this Act, as amended, or by regulation of the Board of Governors of the Federal Reserve System. The board of directors shall from time to time limit by regulation the rates of interest or dividends which may be paid by insured nonmember banks on time and savings deposits, but such regulations shall be consistent with the contractual obligations of such banks to their depositors. For the purpose of fixing such rates of interest or dividends, the board of directors shall by regulation prescribe different rates for such payment on time and savings deposits having different maturities, or subject to different conditions respecting withdrawal or repayment, or subject to different conditions by reason of different locations, or according to the varying discount rates of member banks in the several Federal Reserve districts. The board of directors shall by regulation define what constitutes time and savings deposits in an insured nonmember bank. Such regulations shall prohibit any insured nonmember bank from paying any time deposit before its maturity except upon such conditions and in accordance with such rules and regulations as may be prescribed by the board of directors, and from waiving any requirement of notice before payment of any savings deposit except as to all savings deposits having the same requirement. For each violation of any provision of this paragraph or any lawful provision of such regulations relating to the payment of interest or dividends on deposits or to withdrawal of deposits, the offending bank shall be subject to a penalty of not more than $100, recoverable by the Corporation for its use.

"'(w) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U. S. C., title 18, ch. 5, secs. 202 to 207, inclusive), insofar as applicable, are extended to apply to contracts or agreements with the Corporation under this section, which for the purposes hereof shall be held to include loans, advances, extensions, and renewals thereof, and acceptances, releases, and substitutions of security therefor, purchases or sales of assets, and all contracts and agreements pertaining to the same.

"'(x) The Secret Service Division of the Treasury Department is authorized to detect, arrest, and deliver into the custody of the United States marshal having jurisdiction any person committing any of the offenses punishable under this section.

"'(y) (1) No State bank which during the calendar year 1941 or any succeeding calendar year shall have average deposits of $1,000,000 or more shall be an insured bank or continue to have any part of its deposits insured after July 1 of the year following any such calendar year during which it shall have had such amount of average deposits, unless such bank shall be a member of the Federal Reserve System: *Provided*, That for the purposes of this paragraph the term "State bank" shall not include a savings bank, a mutual savings bank, a Morris Plan bank or other incorporated banking institution engaged only in a business similar to that transacted by Morris Plan banks, a State trust company doing no commercial banking business, or a bank located in Hawaii, Alaska, Puerto Rico, or the Virgin Islands.

"'(2) It is not the purpose of this section to discriminate, in any manner, against State nonmember, and in favor of, national or member banks; but the purpose is to provide all banks with the same opportunity to obtain and enjoy the benefits of this section. No bank shall be discriminated against because its capital stock is less than the amount required for eligibility for admission into the Federal Reserve System.

"'(z) The provisions of this section limiting the insurance of the deposits of any depositor to a maximum less than the full amount shall be independent and separable from each and all of the provisions of this section.'

"TITLE II—AMENDMENTS TO THE FEDERAL RESERVE ACT

"SECTION 201. Paragraph 'Fifth' of section 4 of the Federal Reserve Act, as amended, is amended, effective March 1, 1936, to read as follows:

"'Fifth. To appoint by its board of directors a president, vice presidents, and such officers and employees as are not otherwise provided for in this Act, to define their duties, require bonds for them and fix the penalty thereof, and to dismiss at pleasure such officers or employees. The president shall be the chief executive officer of the bank and shall be appointed by the board of directors, with the approval of the Board of Governors of the Federal Reserve System, for a term of five years; and all other executive officers and all employees of the bank shall be directly responsible to him. The first vice president of the bank shall be appointed in the same manner and for the same term as the president, and shall, in the absence or disability of the president or during a vacancy in the office of president, serve as chief executive officer of the bank. Whenever a vacancy shall occur in the office of the president or the first vice president, it shall be filled in the manner provided for original appointments; and the person so appointed shall hold office until the expiration of the term of his predecessor.'

"SEC. 202. Section 9 of the Federal Reserve Act, as amended, is amended by inserting after the tenth paragraph thereof the following new paragraph:

"'In order to facilitate the admission to membership in the Federal Reserve System of any State bank which is required under subsection (y) of section 12B of this Act to become a member of the Federal Reserve System in order to be an insured bank or continue to have any part of its deposits insured under such section 12B, the Board of Governors of the Federal Reserve System may waive in whole or in part the requirements of this section relating to the admission of such bank to membership: *Provided*, That, if such bank is admitted with a capital less than that required for the organization of a national bank in the same place and its capital and surplus are not, in the judgment of the Board of Governors of the Federal Reserve System, adequate in relation to its liabilities to depositors and other creditors, the said Board may, in its discretion, require such bank to increase its capital and surplus to such amount as the Board may deem necessary within such period prescribed by the Board as in its judgment shall be reasonable in view of all the circumstances: *Provided, however*, That no such bank shall be required to increase its capital to an amount in excess of that required for the organization of a national bank in the same place.'

"SEC. 203. (a) Hereafter the Federal Reserve Board shall be known as the 'Board of Governors of the Federal Reserve System', and the governor and the vice governor of the Federal Reserve Board shall be known as the 'chairman' and the 'vice chairman', respectively, of the Board of Governors of the Federal Reserve System.

"(b) The first two paragraphs of section 10 of the Federal Reserve Act, as amended, are amended to read as follows:

"'SEC. 10. The Board of Governors of the Federal Reserve System (hereinafter referred to as the "Board") shall be composed of seven members, to be appointed by the President, by and with the advice and consent of the Senate, after the date of enactment of the Banking Act of 1935 for terms of fourteen years except as hereinafter provided, but each appointive member of the Federal Reserve Board in office on such date shall continue to serve as a member of the Board until February 1, 1936, and the Secretary of the Treasury and the Comptroller of the Currency shall continue to serve as members of the Board until February 1, 1936. In selecting the members of the Board, not more than one of whom shall be selected from any one Federal Reserve district, the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country. The members of the Board shall devote their entire time to the business of the Board and shall each receive an annual salary of $15,000, payable monthly, together with actual necessary traveling expenses.

"'The members of the Board shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank, except that this restriction shall not apply to a member who has served the full term for which he was appointed. Upon the expiration of the term of any appointive member of the Federal Reserve Board in office on the date of enactment of the Banking Act of 1935, the President shall fix the term of the successor to such member at not to exceed fourteen years, as designated by the President at the time of nomination, but in such manner as to provide for the expiration of the term of not more than one member in any two-year period, and thereafter each member shall hold office for a term of fourteen

years from the expiration of the term of his predecessor, unless sooner removed for cause by the President. Of the persons thus appointed, one shall be designated by the President as chairman and one as vice chairman of the Board, to serve as such for a term of four years. The chairman of the Board, subject to its supervision, shall be its active executive officer. Each member of the Board shall within fifteen days after notice of appointment make and subscribe to the oath of office. Upon the expiration of their terms of office, members of the Board shall continue to serve until their successors are appointed and have qualified. Any person appointed as a member of the Board after the date of enactment of the Banking Act of 1935 shall not be eligible for reappointment as such member after he shall have served a full term of fourteen years.'

"(c) The fourth paragraph of section 10 of the Federal Reserve Act, as amended, is amended by striking out the second, third, and fourth sentences thereof and inserting in lieu thereof the following: 'At meetings of the Board the chairman shall preside, and, in his absence, the vice chairman shall preside. In the absence of the chairman and the vice chairman, the Board shall elect a member to act as chairman pro tempore.'

"(d) Section 10 of the Federal Reserve Act, as amended, is further amended by adding at the end thereof the following new paragraph:

"'The Board of Governors of the Federal Reserve System shall keep a complete record of the action taken by the Board and by the Federal Open Market Committee upon all questions of policy relating to open-market operations and shall record therein the votes taken in connection with the determination of open-market policies and the reasons underlying the action of the Board and the Committee in each instance. The Board shall keep a similar record with respect to all questions of policy determined by the Board, and shall include in its annual report to the Congress a full account of the action so taken during the preceding year with respect to open-market policies and operations and with respect to the policies determined by it and shall include in such report a copy of the records required to be kept under the provisions of this paragraph.'

"SEC. 204. Section 10 (b) of the Federal Reserve Act, as amended, is amended to read as follows:

"'SEC. 10 (b). Any Federal Reserve bank, under rules and regulations prescribed by the Board of Governors of the Federal Reserve System, may make advances to any member bank on its time or demand notes having maturities of not more than four months and which are secured to the satisfaction of such Federal Reserve bank. Each such note shall bear interest at a rate not less than one-half of 1 per centum per annum higher than the highest discount rate in effect at such Federal Reserve bank on the date of such note.'

"SEC. 205. Section 12A of the Federal Reserve Act, as amended, is amended, effective March 1, 1936, to read as follows:

"'SEC. 12A. (a) There is hereby created a Federal Open Market Committee (hereinafter referred to as the "Committee"), which shall consist of the members of the Board of Governors of the Federal Reserve System and five representatives of the Federal Reserve banks to be selected as hereinafter provided. Such representatives of the Federal Reserve banks shall be elected annually as follows: One by the boards of directors of the Federal Reserve Banks of Boston and New York, one by the boards of directors of the Federal Reserve Banks of Philadelphia and Cleveland, one by the boards of directors of the Federal Reserve Banks of Chicago and Saint Louis, one by the boards of directors of the Federal Reserve Banks of Richmond, Atlanta, and Dallas, and one by the boards of directors of the Federal Reserve Banks of Minneapolis, Kansas City, and San Francisco. An alternate to serve in the absence of each such representative shall be elected annually in the same manner. The meetings of said Committee shall be held at Washington, District of Columbia, at least four times each year upon the call of the chairman of the Board of Governors of the Federal Reserve System or at the request of any three members of the Committee.

"'(b) No Federal Reserve bank shall engage or decline to engage in open-market operations under section 14 of this Act except in accordance with the direction of and regulations adopted by the Committee. The Committee shall consider, adopt, and transmit to the several Federal Reserve banks, regulations relating to the open-market transactions of such banks.

"'(c) The time, character, and volume of all purchases and sales of paper described in section 14 of this Act as eligible for open-market operations shall be governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country.'

"SEC. 206. (a) Subsection (b) of section 14 of the Federal Reserve Act, as amended, is amended by inserting before the semicolon at the end thereof a colon and the following: '*Provided*, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities but only in the open market'.

"(b) Subsection (d) of section 14 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following: 'but each such bank shall establish such rates every fourteen days, or oftener if deemed necessary by the Board;'.

"SEC. 207. The sixth paragraph of section 19 of the Federal Reserve Act, as amended, is amended to read as follows:

"'Notwithstanding the other provisions of this section, the Board of Governors of the Federal Reserve System, upon the affirmative vote of not less than four of its members, in order to prevent injurious credit expansion or contraction, may by regulation change the requirements as to reserves to be maintained against demand or time deposits or both by member banks in reserve and central reserve cities or by member banks not in reserve or central reserve cities or by all member banks; but the amount of the reserves required to be maintained by any such member bank as a result of any such change shall not be less than the amount of the reserves required by law to be maintained by such bank on the date of enactment of the Banking Act of 1935 nor more than twice such amount.'

"SEC. 208. The first paragraph of section 24 of the Federal Reserve Act, as amended, is amended to read as follows:

"'SEC. 24. Any national banking association may make real-estate loans secured by first liens upon improved real estate, including improved farm land and improved business and residential properties. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by mortgage, trust deed, or other such instrument upon real estate, and any national banking association may purchase any obligation so secured when the entire amount of such obligation is sold to the association. The amount of any such loan hereafter made shall not exceed 50 per centum of the appraised value of the real estate offered as security and no such loan shall be made for a longer term than five years; except that (1) any such loan may be made in an amount not to exceed 60 per centum of the appraised value of the real estate offered as security and for a term not longer than ten years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize 40 per centum or more of the principal of the loan within a period of not more than ten years, and (2) the foregoing limitations and restrictions shall not prevent the renewal or extension of loans heretofore made and shall not apply to real-estate loans which are insured under the provisions of Title II of the National Housing Act. No such association shall make such loans in an aggregate sum in excess of the amount of the capital stock of such association paid in and unimpaired plus the amount of its unimpaired surplus fund, or in excess of 60 per centum of the amount of its time and savings deposits, whichever is the greater. Any such association may continue hereafter as heretofore to receive time and savings deposits and to pay interest on the same, but the rate of interest which such association may pay upon such time deposits or upon savings or other deposits shall not exceed the maximum rate authorized by law to be paid upon such deposits by State banks or trust companies organized under the laws of the State in which such association is located.'

"SEC. 209. Section 325 of the Revised Statutes is amended to read as follows:

"'SEC. 325. The Comptroller of the Currency shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold his office for a term of five years unless sooner removed by the President, upon reasons to be communicated by him to the Senate; and he shall receive a salary at the rate of $15,000 a year.'

"TITLE III—TECHNICAL AMENDMENTS TO THE BANKING LAWS

"SECTION 301. Subsection (c) of section 2 of the Banking Act of 1933, as amended, is amended by adding at the end thereof the following paragraph:

"'Notwithstanding the foregoing, the term "holding company affiliate" shall not include (except for the purposes of section 23A of the Federal Reserve Act, as amended) any corporation all of the stock of which is owned by the United States, or any organization which is determined by the Board of Governors of the Federal Reserve System not to be engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies.'

"SEC. 302. The first paragraph of section 20 of the Banking Act of 1933, as amended, is amended by inserting before the period at the end thereof a colon and the following: '*Provided*, That nothing in this paragraph shall apply to any such organization which shall have been placed in formal liquidation and which shall transact no business except such as may be incidental to the liquidation of its affairs.'

"SEC. 303. (a) Paragraph (1) of subsection (a) of section 21 of the Banking Act of 1933, as amended, is amended by inserting before the semicolon at the end thereof a colon and the following: '*Provided*, That the provisions of this paragraph shall not prohibit national banks or State banks or trust companies (whether or not members of the Federal Reserve System) or other financial institutions or private bankers from dealing in, underwriting, purchasing, and selling investment securities to the extent permitted to national banking associations by the provisions of section 5136 of the Revised Statutes, as amended (U. S. C., title 12, sec. 24; Supp. VII, title 12, sec. 24): *Provided further*, That nothing in this paragraph shall be construed as affecting in any way such right as any bank, banking association, savings bank, trust company, or other banking institution, may otherwise possess to sell, without recourse or agreement to repurchase, obligations evidencing loans on real estate.'

"(b) Paragraph (2) of subsection (a) of such section 21 is amended to read as follows:

"'(2) For any person, firm, corporation, association, business trust, or other similar organization to engage, to any extent whatever with others than his or its officers, agents or employees, in the business of receiving deposits subject to check or to repayment upon presentation of a pass book, certificate of deposit, or other evidence of debt, or upon request of the depositor, unless such

person, firm, corporation, association, business trust, or other similar organization (A) shall be incorporated under, and authorized to engage in such business by, the laws of the United States or of any State, Territory, or District, or (B) shall be permitted by any State, Territory, or District to engage in such business and shall be subjected by the law of such State, Territory, or District to examination and regulation, or (C) shall submit to periodic examination by the banking authority of the State, Territory, or District where such business is carried on and shall make and publish periodic reports of its condition, exhibiting in detail its resources and liabilities, such examination and reports to be made and published at the same times and in the same manner and under the same conditions as required by the law of such State, Territory, or District in the case of incorporated banking institutions engaged in such business in the same locality.'

"SEC. 304. Section 22 of the Banking Act of 1933, as amended, is amended by adding at the end thereof the following sentences: 'Such additional liability shall cease on July 1, 1937, with respect to all shares issued by any association which shall be transacting the business of banking on July 1, 1937: *Provided*, That not less than six months prior to such date, such association shall have caused notice of such prospective termination of liability to be published in a newspaper published in the city, town, or county in which such association is located, and if no newspaper is published in such city, town, or county, then in a newspaper of general circulation therein. If the association fail to give such notice as and when above provided, a termination of such additional liability may thereafter be accomplished as of the date six months subsequent to publication, in the manner above provided.'

"SEC. 305. Paragraph (c) of section 5155 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 36), is amended (1) by inserting after the first sentence thereof the following new sentence: 'In any State in which State banks are permitted by statute law to maintain branches within county or greater limits, if no bank is located and doing business in the place where the proposed agency is to be located, any national banking association situated in such State may, with the approval of the Comptroller of the Currency, establish and operate, without regard to the capital requirements of this section, a seasonal agency in any resort community within the limits of the county in which the main office of such association is located, for the purpose of receiving and paying out deposits, issuing and cashing checks and drafts, and doing business incident thereto: *Provided*, That any permit issued under this sentence shall be revoked upon the opening of a State or national bank in such community.'; and (2) by striking out the first word in the last sentence of such paragraph (c) and inserting in lieu thereof the following: 'Except as provided in the immediately preceding sentence, no.'

"SEC. 306. Section 4 of the Act entitled 'An Act to amend section 12B of the Federal Reserve Act so as to extend for one year the temporary plan for deposit insurance, and for other purposes', approved June 16, 1934 (48 Stat. 969), is amended to read as follows:

"'SEC. 4. So much of section 31 of the Banking Act of 1933, as amended, as relates to stock ownership by directors, trustees, or members of similar governing bodies of any national banking association, or of any State bank or trust company which is a member of the Federal Reserve System, is hereby repealed.'

"SEC. 307. Effective January 1, 1936, section 32 of the Banking Act of 1933, as amended, is amended to read as follows:

"'SEC. 32. No officer, director, or employee of any corporation or unincorporated association, no partner or employee of any partnership, and no individual, primarily engaged in the issue, flotation, underwriting, public sale, or distribution, at wholesale or retail, or through syndicate participation, of stocks, bonds, or other similar securities, shall serve the same time as an officer, director, or employee of any member bank except in limited classes of cases in which the Board of Governors of the Federal Reserve System may allow such service by general regulations when in the judgment of the said Board it would not unduly influence the investment policies of such member bank or the advice it gives its customers regarding investments.'

"SEC. 308. (a) The second sentence of paragraph seventh of section 5136 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 24), is amended to read as follows: 'The business of dealing in securities and stock by the association shall be limited to purchasing and selling such securities and stock without recourse, solely upon the order, and for the account of, customers, and in no case for its own account, and the association shall not underwrite any issue of securities or stock: *Provided*, That the association may purchase for its own account investment securities under such limitations and restrictions as the Comptroller of the Currency may by regulation prescribe. In no event shall the total amount of the investment securities of any one obligor or maker, held by the association for its own account, exceed at any time 10 per centum of its capital stock actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund, except that this limitation shall not require any association to dispose of any securities lawfully held by it on the date of enactment of the Banking Act of 1935.'

"(b) The fourth sentence of such paragraph seventh is amended to read as follows: 'Except as hereinafter provided or otherwise permitted by law, nothing herein contained shall authorize the purchase by the association for its own account of any shares of stock of any corporation.'

"(c) The last sentence of such paragraph seventh is amended by inserting before the colon after the words 'Home Owners' Loan Corporation' a comma and the following: 'or obligations which are insured by the Federal Housing Administrator pursuant to section 207 of the National Housing Act, if the debentures to be issued in payment of such insured obligations are guaranteed as to principal and interest by the United States.'

"SEC. 309. Section 5138 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 51), is amended by adding the following sentences at the end thereof: 'No such association shall hereafter be authorized to commence the business of banking until it shall have a paid-in surplus equal to 20 per centum of its capital: *Provided*, That the Comptroller of the Currency may waive this requirement as to a State bank converting into a national banking association, but each such State bank which is converted into a national banking association shall, before the declaration of a dividend on its shares of common stock, carry not less than one-half part of its net profits of the preceding half year to its surplus fund until it shall have a surplus equal to 20 per centum of its capital: *Provided*, That for the purposes of this section any amounts paid into a fund for the retirement of any preferred stock of any such converted State bank out of its net earnings for such half-year period shall be deemed to be an addition to its surplus fund if, upon the retirement of such preferred stock, the amount so paid into such retirement fund for such period may then properly be carried to surplus. In any such case the converted State bank shall be obligated to transfer to surplus the amount so paid into such retirement fund for such period on account of the preferred stock as such stock is retired.'

"SEC. 310. (a) The last paragraph of section 5139 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 52), is amended to read as follows:

"'After the date of the enactment of the Banking Act of 1935, no certificate evidencing the stock of any such association shall bear any statement purporting to represent the stock of any other corporation, except a member bank or a corporation engaged on June 16, 1934 in holding the bank premises of such association, nor shall the ownership, sale, or transfer of any certificate representing the stock of any such association be conditioned in any manner whatsoever upon the ownership, sale, or transfer of a certificate representing the stock of any other corporation, except a member bank or a corporation engaged on June 16, 1934, in holding the bank premises of such association: *Provided*, That this section shall not operate to prevent the ownership, sale, or transfer of stock of any other corporation being conditioned upon the ownership, sale, or transfer of a certificate representing stock of a national banking association.'

"(b) The nineteenth paragraph of section 9 of the Federal Reserve Act, as amended, is amended to read as follows:

"'After the date of the enactment of the Banking Act of 1935, no certificate evidencing the stock of any State member bank shall bear any statement purporting to represent the stock of any other corporation, except a member bank or a corporation engaged on June 16, 1934, in holding the bank premises of such member bank, nor shall the ownership, sale, or transfer of any certificate representing the stock of any State member bank be conditioned in any manner whatsoever upon the ownership, sale, or transfer of a certificate representing the stock of any other corporation, except a member bank or a corporation engaged on June 16, 1934, in holding the bank premises of such member bank: *Provided*, That this section shall not operate to prevent the ownership, sale, or transfer of stock of any other corporation being conditioned upon the ownership, sale, or transfer of a certificate representing stock of a State member bank.'

"SEC. 311. (a) The first paragraph of section 5144 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 61), is amended to read as follows:

"'SEC. 5144. In all elections of directors, each shareholder shall have the right to vote the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate such shares and give one candidate as many votes as the number of directors multiplied by the number of his shares shall equal, or to distribute them on the same principle among as many candidates as he shall think fit; and in deciding all other questions at meetings of shareholders, each shareholder shall be entitled to one vote on each share of stock held by him; except that (1) this shall not be construed as limiting the voting rights of holders of preferred stock under the terms and provisions of articles of association, or amendments thereto, adopted pursuant to the provisions of section 302 (a) of the Emergency Banking and Bank Conservation Act, approved March 9, 1933, as amended, (2) in the election of directors, shares of its own stock held by a national bank as sole trustee, whether registered in its own name as such trustee or in the name of its nominee, shall not be voted by the registered owner unless under the terms of the trust the manner in which such shares shall be voted may be determined by a donor or beneficiary of the trust and unless such donor or beneficiary actually directs how such shares shall be voted, (3) shares of its own stock held by a national bank and one or more persons as trustees may be voted by such other person or persons, as trustees, in the same manner as if he or they were the sole trustee, and (4) shares controlled by any holding company affiliate of a national bank shall not be voted unless such holding company affiliate shall have first obtained a voting permit as hereinafter provided, which permit is in force at the time such shares are voted, but such holding company affiliate may, without obtaining such permit, vote in favor of placing the association in voluntary liquidation or taking any other action pertaining to the voluntary liquidation of such association. Shareholders may vote by proxies duly authorized in writing; but no officer, clerk, teller, or bookkeeper of such bank shall act as proxy; and no shareholder whose liability is

past due and unpaid shall be allowed to vote. Whenever shares of stock cannot be voted by reason of being held by the bank as sole trustee, such shares shall be excluded in determining whether matters voted upon by the shareholders were adopted by the requisite percentage of shares.'

"(b) The first sentence of the third paragraph of such section 5144 is amended to read: 'Any such holding company affiliate may make application to the Board of Governors of the Federal Reserve System for a voting permit entitling it to vote the stock controlled by it at any or all meetings of shareholders of such bank or authorizing the trustee or trustees holding the stock for its benefit or for the benefit of its shareholders so to vote the same.'

"(c) Section 5144 of the Revised Statutes, as amended, is further amended by adding at the end of subsection (c) thereof the following: 'and the provisions of this subsection, instead of subsection (b), shall apply to all holding company affiliates with respect to any shares of bank stock owned or controlled by them as to which there is no statutory liability imposed upon the holders of such bank stock; '.

"SEC. 312. Section 5154 of the Revised Statutes, as amended (U. S. C., title 12, sec. 35), is amended by adding at the end thereof the following paragraph:

"'The Comptroller of the Currency may, in his discretion and subject to such conditions as he may prescribe, permit such converting bank to retain and carry at a value determined by the Comptroller such of the assets of such converting bank as do not conform to the legal requirements relative to assets acquired and held by national banking associations.'

"SEC. 313. Section 5162 of the Revised Statutes (U. S. C., title 12, sec. 170) is amended by adding at the end thereof the following paragraph:

"'The Comptroller of the Currency may designate one or more persons to countersign in his name and on his behalf such assignments or transfers of bonds as require his countersignature.'

"SEC. 314. Section 5197 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 85), is amended by inserting after the second sentence thereof the following new sentence: 'The maximum amount of interest or discount to be charged at a branch of an association located outside of the States of the United States and the District of Columbia shall be at the rate allowed by the laws of the country, territory, dependency, province, dominion, insular possession, or other political subdivision where the branch is located.'

"SEC. 315. Section 5199 of the Revised Statutes (U. S. C., title 12, sec. 60), is amended to read as follows:

"'SEC. 5199. The directors of any association may, semiannually, declare a dividend of so much of the net profits of the association as they shall judge expedient; but each association shall, before the declaration of a dividend on its shares of common stock, carry not less than one-tenth part of its net profits of the preceding half year to its surplus fund until the same shall equal the amount of its common capital: *Provided*, That for the purposes of this section, any amounts paid into a fund for the retirement of any preferred stock of any such association out of its net earnings for such half-year period shall be deemed to be an addition to its surplus fund if, upon the retirement of such preferred stock, the amount so paid into such retirement fund for such period may then properly be carried to surplus. In any such case the association shall be obligated to transfer to surplus the amounts so paid into such retirement fund for such period on account of the preferred stock as such stock is retired.'

"SEC. 316. Section 5209 of the Revised Statutes (U. S. C., title 12, sec. 592), is hereby amended by inserting after the words 'known as the Federal Reserve Act', the words 'or of any national banking association, or of any insured bank as defined in subsection (c) of section 12B of the Federal Reserve Act'; and by inserting after the words 'such Federal Reserve bank or member bank', wherever they appear in such section, the words 'or such national banking association or insured bank'; and by inserting after the words 'or the Comptroller of the Currency', the words 'or the Federal Deposit Insurance Corporation.'

"SEC. 317. Section 5220 of the Revised Statutes (U. S. C., title 12, sec. 181), is amended by adding at the end thereof the following paragraph:

"'The shareholders shall designate one or more persons to act as liquidating agent or committee, who shall conduct the liquidation in accordance with law and under the supervision of the board of directors, who shall require a suitable bond to be given by said agent or committee. The liquidating agent or committee shall render annual reports to the Comptroller of the Currency on the 31st day of December of each year showing the progress of said liquidation until the same is completed. The liquidating agent or committee shall also make an annual report to a meeting of the shareholders to be held on the date fixed in the article of association for the annual meeting, at which meeting the shareholders may, if they see fit, by a vote representing a majority of the entire stock of the bank, remove the liquidating agent or committee and appoint one or more others in place thereof. A special meeting of the shareholders may be called at any time in the same manner as if the bank continued an active bank and at said meeting the shareholders may, by vote of the majority of the stock, remove the liquidating agent or committee. The Comptroller of the Currency is authorized to have an examination made at any time into the affairs of the liquidating bank until the claims of all creditors have been satisfied, and the expense of making such examinations shall be assessed against such bank in the same manner as in the case of examinations made pursuant to section 5240 of the Revised Statutes, as amended (U. S. C., title 12, secs. 484, 485; Supp. VII, title 12, secs. 481–483).'

"SEC. 318. Section 5243 of the Revised Statutes (U. S. C., title 12, sec. 583) is amended by striking out the semicolon therein and all that precedes it and substituting the following:

"'SEC. 5243. The use of the word "national", the word "Federal" or the words "United States", separately, in any combination thereof, or in combination with other words or syllables, as part of the name or title used by any person, corporation, firm, partnership, business trust, association or other business entity, doing the business of bankers, brokers, or trust or savings institutions is prohibited except where such institution is organized under the laws of the United States, or is otherwise permitted by the laws of the United States to use such name or title, or is lawfully using such name or title on the date when this section, as amended, takes effect;".

"SEC. 319. (a) Section 5 of the Federal Reserve Act, as amended, is amended by striking out the last three sentences thereof and inserting in lieu thereof the following: 'When a member bank reduces its capital stock or surplus it shall surrender a proportionate amount of its holdings in the capital stock of said Federal Reserve bank. Any member bank which holds capital stock of a Federal Reserve bank in excess of the amount required on the basis of 6 per centum of its paid-up capital stock and surplus shall surrender such excess stock. When a member bank voluntarily liquidates it shall surrender all of its holdings of the capital stock of said Federal Reserve bank and be released from its stock subscription not previously called. In any such case the shares surrendered shall be canceled and the member bank shall receive in payment therefor, under regulations to be prescribed by the Board of Governors of the Federal Reserve System, a sum equal to its cash-paid subscriptions on the shares surrendered and one-half of 1 per centum a month from the period of the last dividend, not to exceed the book value thereof, less any liability of such member bank to the Federal Reserve bank.'

"(b) Section 6 of the Federal Reserve Act, as amended, is amended by striking out the last paragraph thereof.

"SEC. 320. The fifth paragraph of section 9 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following sentence: 'Such reports of condition shall be in such form and shall contain such information as the Board of Governors of the Federal Reserve System may require and shall be published by the reporting banks in such manner and in accordance with such regulations as the said Board may prescribe.'

"SEC. 321. (a) The first sentence of paragraph (m) of section 11 of the Federal Reserve Act, as amended, is amended by inserting before the period at the end thereof a colon and the following: '*Provided*, That with respect to loans represented by obligations in the form of notes secured by not less than a like amount of bonds or notes of the United States issued since April 24, 1917, certificates of indebtedness of the United States, Treasury bills of the United States, or obligations fully guaranteed both as to principal and interest by the United States, such limitation of 10 per centum on loans to any persons shall not apply, but State member banks shall be subject to the same limitations and conditions as are applicable in the case of national banks under paragraph (8) of section 5200 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 84).'

"(b) Paragraph (8) of section 5200 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 84), is amended by inserting after the comma following the words 'certificates of indebtedness of the United States', the words 'Treasury bills of the United States, or obligations fully guaranteed both as to principal and interest by the United States,'.

"SEC. 322. The third paragraph of section 13 of the Federal Reserve Act, as amended, is amended by changing the words 'indorsed and otherwise secured to the satisfaction of the Federal Reserve bank' in that paragraph to read 'indorsed or otherwise secured to the satisfaction of the Federal Reserve bank.'

"SEC. 323. Subsection (c) of section 13b of the Federal Reserve Act, as amended, is amended by striking out 'upon the date this section takes effect', and inserting in lieu thereof 'on and after June 19, 1934', and by striking out 'the par value of the holdings of each Federal Reserve bank of Federal Deposit Insurance Corporation stock', and inserting in lieu thereof 'the amount paid by each Federal Reserve bank for stock of the Federal Deposit Insurance Corporation'.

"SEC. 324. (a) The first paragraph of section 19 of the Federal Reserve Act, as amended, is amended to read as follows:

"'SEC. 19. The Board of Governors of the Federal Reserve System is authorized, for the purposes of this section, to define the terms "demand deposits", "gross demand deposits", "deposits payable on demand", "time deposits", "savings deposits", and "trust funds", to determine what shall be deemed to be a payment of interest, and to prescribe such rules and regulations as it may deem necessary to effectuate the purposes of this section and prevent evasions thereof: *Provided*, That, within the meaning of the provisions of this section regarding the reserves required of member banks, the term "time deposits" shall include "savings deposits".'

"(b) The tenth paragraph of such section 19 is amended to read as follows:

"'In estimating the reserve balances required by this Act, member banks may deduct from the amount of their gross demand deposits the amounts of balances due from other banks (except Federal Reserve banks and foreign banks) and cash items in process of collection payable immediately upon presentation in

the United States, within the meaning of these terms as defined by the Board of Governors of the Federal Reserve System.'

"(c) The last two paragraphs of such section 19 are amended to read as follows:

"'No member bank shall, directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand: *Provided*, That nothing herein contained shall be construed as prohibiting the payment of interest in accordance with the terms of any certificate of deposit or other contract entered into in good faith which is in force on the date on which the bank becomes subject to the provisions of this paragraph; but no such certificate of deposit or other contract shall be renewed or extended unless it shall be modified to conform to this paragraph, and every member bank shall take such action as may be necessary to conform to this paragraph as soon as possible consistently with its contractual obligations: *Provided further*, That this paragraph shall not apply to any deposit of such bank which is payable only at an office thereof located outside of the States of the United States and the District of Columbia: *Provided further*, That until the expiration of two years after the date of enactment of the Banking Act of 1935 this paragraph shall not apply (1) to any deposit made by a savings bank as defined in section 12B of this Act, as amended, or by a mutual savings bank, or (2) to any deposit of public funds made by or on behalf of any State, county, school district, or other subdivision or municipality, or to any deposit of trust funds if the payment of interest with respect to such deposit of public funds or of trust funds is required by State law. So much of existing law as requires the payment of interest with respect to any funds deposited by the United States, by any Territory, District, or possession thereof (including the Philippine Islands), or by any public instrumentality, agency, or officer of the foregoing, as is inconsistent with the provisions of this section as amended, is hereby repealed.

"'The Board of Governors of the Federal Reserve System shall from time to time limit by regulation the rate of interest which may be paid by member banks on time and savings deposits, and shall prescribe different rates for such payment on time and savings deposits having different maturities, or subject to different conditions respecting withdrawal or repayment, or subject to different conditions by reason of different locations, or according to the varying discount rates of member banks in the several Federal Reserve districts. No member bank shall pay any time deposit before its maturity except upon such conditions and in accordance with such rules and regulations as may be prescribed by the said Board, or waive any requirement of notice before payment of any savings deposit except as to all savings deposits having the same requirement: *Provided*, That the provisions of this paragraph shall not apply to any deposit which is payable only at an office of a member bank located outside of the States of the United States and the District of Columbia.'

"(d) Such section 19 is amended by adding at the end thereof the following new paragraph:

"'Notwithstanding the provisions of the First Liberty Bond Act, as amended, the Second Liberty Bond Act, as amended, and the Third Liberty Bond Act, as amended, member banks shall be required to maintain the same reserves against deposits of public moneys by the United States as they are required by this section to maintain against other deposits.'

"SEC. 325. Section 21 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following paragraph:

"'Whenever member banks are required to obtain reports from affiliates, or whenever affiliates of member banks are required to submit to examination, the Board of Governors of the Federal Reserve System or the Comptroller of the Currency, as the case may be, may waive such requirements with respect to any such report or examination of any affiliate if in the judgment of the said Board or Comptroller, respectively, such report or examination is not necessary to disclose fully the relations between such affiliate and such bank and the effect thereof upon the affairs of such bank.'

"SEC. 326. (a) Subsection (a) of section 22 of the Federal Reserve Act, as amended, is amended by inserting in the first paragraph thereof after 'No member bank' the following: 'and no insured bank as defined in subsection (c) of section 12B of this Act'; by inserting before the period at the end of the first sentence of such paragraph 'or assistant examiner, who examines or has authority to examine such bank'; and by inserting after 'any member bank' in the second paragraph thereof 'or insured bank'; by inserting before the period at the end thereof 'or Federal Deposit Insurance Corporation examiner'; and by adding at the end of such subsection a new paragraph, as follows:

"'The provisions of this subsection shall apply to all public examiners and assistant examiners who examine member banks of the Federal Reserve System or insured banks, whether appointed by the Comptroller of the Currency, by the Board of Governors of the Federal Reserve System, by a Federal Reserve agent, by a Federal Reserve bank, or by the Federal Deposit Insurance Corporation, or appointed or elected under the laws of any State; but shall not apply to private examiners or assistant examiners employed only by a clearing-house association or by the directors of a bank.'

"(b) Subsection (b) of such section 22 is amended by inserting therein after 'no national bank examiner' the following: 'and no Federal Deposit Insurance Corporation examiner'; and by inserting after 'member bank' the following: 'or insured bank'; and by inserting after 'from the Comptroller of the Currency,' the following: 'as to a national bank, the Board of Governors of the Federal Reserve System as to a State member bank, or the Federal Deposit Insurance Corporation as to any other insured bank,'.

"(c) Subsection (g) of such section 22 is amended to read as follows:

"'(g) No executive officer of any member bank shall borrow from or otherwise become indebted to any member bank of which he is an executive officer, and no member bank shall make any loan or extend credit in any other manner to any of its own executive officers: *Provided*, That loans made to any such officer prior to June 16, 1933, may be renewed or extended for periods expiring not more than five years from such date where the board of directors of the member bank shall have satisfied themselves that such extension or renewal is in the best interest of the bank and that the officer indebted has made reasonable effort to reduce his obligation, these findings to be evidenced by resolution of the board of directors spread upon the minute book of the bank: *Provided further*, That with the prior approval of a majority of the entire board of directors, any member bank may extend credit to any executive officer thereof, and such officer may become indebted thereto, in an amount not exceeding $2,500. If any executive officer of any member bank borrow from or if he be or become indebted to any bank other than a member bank of which he is an executive officer, he shall make a written report to the board of directors of the member bank of which he is an executive officer, stating the date and amount of such loan or indebtedness, the security therefor, and the purpose for which the proceeds have been or are to be used. Borrowing by, or loaning to, a partnership in which one or more executive officers of a member bank are partners having either individually or together a majority interest in said partnership, shall be considered within the prohibition of this subsection. Nothing contained in this subsection shall prohibit any executive officer of a member bank from endorsing or guaranteeing for the protection of such bank any loan or other asset which shall have been previously acquired by such bank in good faith or from incurring any indebtedness to such bank for the purpose of protecting such bank against loss or giving financial assistance to it. The Board of Governors of the Federal Reserve System is authorized to define the term "executive officer", to determine what shall be deemed to be a borrowing indebtedness, loan, or extension of credit, for the purposes of this subsection, and to prescribe such rules and regulations as it may deem necessary to effectuate the provisions of this subsection in accordance with its purposes and to prevent evasions of such provisions. Any executive officer of a member bank accepting a loan or extension of credit which is in violation of the provisions of this subsection shall be subject to removal from office in the manner prescribed in section 30 of the Banking Act of 1933: *Provided*, That for each day that a loan or extension of credit made in violation of this subsection exists, it shall be deemed to be a continuation of such violation within the meaning of said section 30.'

"SEC. 327. The third paragraph of section 23A of the Federal Reserve Act, as amended, is amended to read as follows:

"'For the purpose of this section, the term "affiliate" shall include holding-company affiliates as well as other affiliates, and the provisions of this section shall not apply to any affiliate (1) engaged on June 16, 1934, in holding the bank premises of the member bank with which it is affiliated or in maintaining and operating properties acquired for banking purposes prior to such date; (2) engaged solely in conducting a safe-deposit business or the business of an agricultural credit corporation or livestock loan company; (3) in the capital stock of which a national banking association is authorized to invest pursuant to section 25 of this Act, as amended, or a subsidiary of such affiliate, all the stock of which (except qualifying shares of directors in an amount not to exceed 10 per centum) is owned by such affiliate; (4) organized under section 25 (a) of this Act, as amended, or a subsidiary of such affiliate, all the stock of which (except qualifying shares of directors in an amount not to exceed 10 per centum) is owned by such affiliate; (5) engaged solely in holding obligations of the United States or obligations fully guaranteed by the United States as to principal and interest, the Federal intermediate credit banks, the Federal land banks, the Federal Home Loan Banks, or the Home Owners' Loan Corporation; (6) where the affiliate relationship has arisen out of a bona fide debt contracted prior to the date of the creation of such relationship; or (7) where the affiliate relationship exists by reason of the ownership or control of any voting shares thereof by a member bank as executor, administrator, trustee, receiver, agent, depositary, or in any other fiduciary capacity, except where such shares are held for the benefit of all or a majority of the stockholders of such member bank; but as to any such affiliate, member banks shall continue to be subject to other provisions of law applicable to loans by such banks and investments by such banks in stocks, bonds, debentures, or other such obligations. The provisions of this section shall likewise not apply to indebtedness of any affiliate for unpaid balances due a bank on assets purchased from such bank or to loans secured by, or extensions of credit against, obligations of the United States or obligations fully guaranteed by the United States as to principal and interest.'

"SEC. 328. Section 24 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following new paragraph:

"'Loans made to establish industrial or commercial businesses (a) which are in whole or in part discounted or purchased or loaned against as security by a Federal Reserve bank under the provisions of section 13b of this Act, (b) for any part of which a commitment shall have been made by a Federal Reserve bank under the provisions of said section, (c) in the making of which a

Federal Reserve bank participates under the provisions of said section, or (d) in which the Reconstruction Finance Corporation cooperates or purchases a participation under the provisions of section 5d of the Reconstruction Finance Corporation Act, shall not be subject to the restrictions or limitations of this section upon loans secured by real estate.'

"SEC. 329. Section 25 of the Federal Reserve Act, as amended, is further amended by striking out the last paragraph of such section; the paragraph of section 25 (a) of the Federal Reserve Act, as amended, which commences with the words 'A majority of the shares of the capital stock of any such corporation' is amended by striking out all of said paragraph except the first sentence thereof; and the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes' (38 Stat. 730), approved October 15, 1914, as amended, is further amended (a) by striking out section 8A thereof and (b) by substituting for the first three paragraphs of section 8 thereof the following:

"'SEC. 8. No private banker or director, officer, or employee of any member bank of the Federal Reserve System or any branch thereof shall be at the same time a director, officer, or employee of any other bank, banking association, savings bank, or trust company organized under the National Bank Act or organized under the laws of any State or of the District of Columbia, or any branch thereof, except that the Board of Governors of the Federal Reserve System may by regulation permit such service as a director, officer, or employee of not more than one other such institution or branch thereof; but the foregoing prohibition shall not apply in the case of any one or more of the following or any branch thereof:

"'(1) A bank, banking association, savings bank, or trust company, more than 90 per centum of the stock of which is owned directly or indirectly by the United States or by any corporation of which the United States directly or indirectly owns more than 90 per centum of the stock.

"'(2) A bank, banking association, savings bank, or trust company which has been placed formally in liquidation or which is in the hands of a receiver, conservator, or other official exercising similar functions.

"'(3) A corporation principally engaged in international or foreign banking or banking in a dependency or insular possession of the United States which has entered into an agreement with the Board of Governors of the Federal Reserve System pursuant to section 25 of the Federal Reserve Act.

"'(4) A bank, banking association, savings bank, or trust company, more than 50 per centum of the common stock of which is owned directly or indirectly by persons who own directly or indirectly more than 50 per centum of the common stock of such member bank.

"'(5) A bank, banking association, savings bank, or trust company not located and having no branch in the same city, town, or village as that in which such member bank or any branch thereof is located, or in any city, town, or village contiguous or adjacent thereto.

"'(6) A bank, banking association, savings bank, or trust company not engaged in a class or classes of business in which such member bank is engaged.

"'(7) A mutual savings bank having no capital stock.

"'Until February 1, 1939, nothing in this section shall prohibit any director, officer, or employee of any member bank of the Federal Reserve System, or any branch thereof, who is lawfully serving at the same time as a private banker or as a director, officer, or employee of any other bank, banking association, savings bank, or trust company, or any branch thereof, on the date of enactment of the Banking Act of 1935, from continuing such service.

"'The Board of Governors of the Federal Reserve System is authorized and directed to enforce compliance with this section, and to prescribe such rules and regulations as it deems necessary for that purpose.'

"SEC. 330. (a) Section 1 of the Act of November 7, 1918, as amended (U. S. C., title 12, sec. 33; Supp. VII, title 12, sec. 33), is amended by striking out the second proviso down to and including the words 'to be ascertained' and inserting in lieu thereof the following: '*And provided further*, That if such consolidation shall be voted for at said meetings by the necessary majorities of the shareholders of each of the associations proposing to consolidate, any shareholder of any of the associations so consolidated, who has voted against such consolidation at the meeting of the association of which he is a shareholder or has given notice in writing at or prior to such meeting to the presiding officer that he dissents from the plan of consolidation, shall be entitled to receive the value of the shares so held by him if and when said consolidation shall be approved by the Comptroller of the Currency, such value to be ascertained as of the date of the Comptroller's approval.'

"(b) Such section 1 is further amended by adding at the end thereof the following paragraphs:

"'Publication of notice and notification by registered mail of the meeting provided for in the foregoing paragraph may be waived by unanimous action of the shareholders of the respective associations. Where a dissenting shareholder has given notice as above provided to the association of which he is a shareholder of his dissent from the plan of consolidation, and the directors thereof fail for more than thirty days thereafter to appoint an appraiser of the value of his shares, said shareholder may request the Comptroller of the Currency to appoint such appraiser to act on the appraisal committee for and on behalf of such association.

"'If shares, when sold at public auction in accordance with this section, realize a price greater than their final appraised value, the excess in such sale price shall be paid to the shareholder. The consolidated association shall be liable for all liabilities of the respective consolidating associations. In the event one of the appraisers fails to agree with the others as to the value of said shares, then the valuation of the remaining appraisers shall govern.'

"SEC. 331. (a) Section 3 of the Act of November 7, 1918, as amended (U. S. C., Supp. VII, title 12, sec. 34 (a)), is amended by striking out the first sentence following the proviso down to and including the words 'to be ascertained' and inserting in lieu thereof the following: 'If such consolidation shall be voted for at said meetings by the necessary majorities of the shareholders of the association and of the State or other bank proposing to consolidate, and thereafter the consolidation shall be approved by the Comptroller of the Currency, any shareholder of either the association or the State or other bank so consolidated, who has voted against such consolidation at the meeting of the association of which he is a stockholder, or has given notice in writing at or prior to such meeting to the presiding officer that he dissents from the plan of consolidation, shall be entitled to receive the value of the shares so held by him if and when said consolidation shall be approved by the Comptroller of the Currency, such value to be ascertained as of the date of the Comptroller's approval.'

"(b) Such section 3 is further amended by adding at the end thereof the following paragraph:

"'Where a dissenting shareholder has given notice as provided in this section to the bank of which he is a shareholder of his dissent from the plan of consolidation, and the directors thereof fail for more than thirty days thereafter to appoint an appraiser of the value of his shares, said shareholder may request the Comptroller of the Currency to appoint such appraiser to act on the appraisal committee for and on behalf of such bank. In the event one of the appraisers fails to agree with the others as to the value of said shares, then the valuation of the remaining appraisers shall govern.'

"SEC. 332. The Act entitled 'An Act to prohibit offering for sale as Federal farm-loan bonds any securities not issued under the terms of the Farm Loan Act, to limit the use of the words "Federal", "United States", or "reserve", or a combination of such words, to prohibit false advertising, and for other purposes', approved May 24, 1926 (U. S. C., Supp. VII, title 12, secs. 584-588), is amended by inserting in section 2 thereof after 'the words "United States"' the following: 'the words "Deposit Insurance"'; and by inserting in said section after the words 'the laws of the United States', the following: 'nor to any new bank organized by the Federal Deposit Insurance Corporation as provided in section 12B of the Federal Reserve Act, as amended,'; and by striking out the period at the end of section 4 and inserting the following: 'or the Federal Deposit Insurance Corporation.'

"SEC. 333. The Act entitled 'An Act to provide punishment for certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve System', approved May 18, 1934 (48 Stat. 783), is amended by striking out the period after 'United States' in the first section thereof and inserting the following: 'and any insured bank as defined in subsection (c) of section 12B of the Federal Reserve Act, as amended.'

"SEC. 334. Section 5143 of the Revised Statutes, as amended, is hereby amended by striking out everything following the words 'Comptroller of the Currency', where such words last appear in such section, and substituting the following: 'and no shareholder shall be entitled to any distribution of cash or other assets by reason of any reduction of the common capital of any association unless such distribution shall have been approved by the Comptroller of the Currency and by the affirmative vote of at least two-thirds of the shares of each class of stock outstanding, voting as classes.'

"SEC. 335. Section 5139 of the Revised Statutes, as amended, is amended by adding at the end of the first paragraph the following new paragraph:

"'Certificates hereafter issued representing shares of stock of the association shall state (1) the name and location of the association, (2) the name of the holder of record of the stock represented thereby, (3) the number and class of shares which the certificate represents, and (4) if the association shall issue stock of more than one class, the respective rights, preferences, privileges, voting rights, powers, restrictions, limitations, and qualifications of each class of stock issued shall be stated in full or in summary upon the front or back of the certificates or shall be incorporated by a reference to the articles of association set forth on the front of the certificates. Every certificate shall be signed by the president and the cashier of the association, or by such other officers as the bylaws of the association shall provide, and shall be sealed with the seal of the association.'

"SEC. 336. The last sentence of section 301 of the Emergency Banking and Bank Conservation Act, approved March 9, 1933, as amended, is amended to read as follows: 'No issue of preferred stock shall be valid until the par value of all stock so issued shall be paid in and notice thereof, duly acknowledged before a notary public by the president, vice president, or cashier of said association, has been transmitted to the Comptroller of the Currency and his certificate obtained specifying the amount of such issue of preferred stock and his approval thereof and that the amount has been duly paid in as a part of the capital of such association; which certificate shall be deemed to be conclusive evidence that such preferred stock has been duly and validly issued.'

"SEC. 337. The additional liability imposed by section 4 of the Act of March 4, 1933, as amended (D. C. Code, Supp. I, title 5, sec. 300a), upon the shareholders of savings banks, savings companies, and banking institutions and the additional liability imposed by section 734 of the Act of March 3, 1901 (D. C. Code, title 5, sec. 361), upon the shareholders of trust companies, shall cease to apply on July 1, 1937, with respect to such savings banks, savings companies, banking institutions, and trust companies which shall be transacting business on such date: *Provided*, That not less than six months prior to such date, the savings bank, savings company, banking institution, or trust company, desiring to take advantage hereof, shall have caused notice of such prospective termination of liability to be published in a newspaper published in the District of Columbia and having general circulation therein. In the event of failure to give such notice as and when above provided, a termination of such additional liability may thereafter be accomplished as of the date six months subsequent to publication in the manner above provided. Each such savings bank, savings company, banking institution, and trust company shall, before the declaration of a dividend on its shares of common stock, carry not less than one-tenth part of its net profits of the preceding half year to its surplus fund until the same shall equal the amount of its common stock: *Provided*, That for the purposes of this section, any amounts paid into a fund for the retirement of any preferred stock or debentures of any such savings bank, savings company, banking institution, or trust company, out of its net earnings for such half-year period shall be deemed to be an addition to its surplus if, upon the retirement of such preferred stock or debentures, the amount so paid into such retirement fund for such period may then properly be carried to surplus. In any such case the savings bank, savings company, banking institution, or trust company shall be obligated to transfer to surplus the amount so paid into such retirement fund for such period on account of the preferred stock or debentures as such stock or debentures are retired.

"SEC. 338. The second paragraph of section 9 of the Federal Reserve Act, as amended, is amended by striking out the period at the end thereof and adding thereto the following: 'except that the approval of the Board of Governors of the Federal Reserve System, instead of the Comptroller of the Currency, shall be obtained before any State member bank may hereafter establish any branch and before any State bank hereafter admitted to membership may retain any branch established after February 25, 1927, beyond the limits of the city, town, or village in which the parent bank is situated.'

"SEC. 339. Section 5234 of the Revised Statutes, as amended (U. S. C., title 12, sec. 192), is amended by striking out the period after the words 'money so deposited' at the end of the next to the last sentence of such section and inserting in lieu of such period a colon and the following: '*Provided*, That no security in the form of deposit of United States bonds, or otherwise, shall be required in the case of such parts of the deposits as are insured under section 12B of the Federal Reserve Act, as amended.'

"SEC. 340. Section 61 of the Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, as amended, is amended by inserting before the period at the end thereof a colon and the following: '*Provided*, That no security in form of a bond or otherwise shall be required in the case of such part of the deposits as are insured under section 12B of the Federal Reserve Act, as amended'.

"SEC. 341. Section 8 of the Act entitled 'An Act to establish postal savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes', approved June 25, 1910, as amended (U. S. C., title 39, sec. 758; Supp. VII, title 39, sec. 758), is amended by striking out the first sentence thereof and inserting in lieu thereof the following: 'Notwithstanding any other provision of law, (1) each deposit in a postal savings depository office shall be a savings deposit, and interest thereon shall be allowed and entered to the credit of the depositor once for each quarter beginning with the first day of the month following the date of such deposit, but no interest shall be allowed to any such depositor with respect to the whole or any part of the funds to his or her credit for any period of less than three months; (2) no interest shall be paid on any such deposit at a rate in excess of that which may lawfully be paid on savings deposits under regulations prescribed by the Board of Governors of the Federal Reserve System pursuant to the Federal Reserve Act, as amended, for member banks of the Federal Reserve System located in or nearest to the place where such depository office is situated; and (3) postal savings depositories may deposit funds on time in member banks of the Federal Reserve System subject to the provisions of the Federal Reserve Act, as amended, and the regulations of the Board of Governors of the Federal Reserve System, with respect to the payment of time deposits and interest thereon.'

"SEC. 342. The last sentence of the third paragraph of subsection (k) of section 11 of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 248 (k)), is amended to read as follows: 'The State banking authorities may have access to reports of examination made by the Comptroller of the Currency insofar as such reports relate to the trust department of such bank, but nothing in this Act shall be construed as authorizing the State banking authorities to examine the books, records, and assets of such bank.'

"SEC. 343. The first sentence after the third proviso of section 5240 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, secs. 481 and 482) is amended by striking out the word 'is' after the words 'whose compensation' and inserting in lieu thereof a comma and the following: 'including retirement annuities to be fixed by the Comptroller of the Currency, is and shall be'; and such section 5240 is further amended by striking out 'The Federal Reserve Board, upon the recommendation of the Comptroller of the Currency,' and inserting in lieu thereof 'The Comptroller of the Currency'.

"SEC. 344. (a) Section 1 of the National Housing Act is amended by adding at the end thereof the following new sentence: 'The Administrator shall, in carrying out the provisions of this title and titles II and III, be authorized, in his official capacity, to sue and be sued in any court of competent jurisdiction, State or Federal.'

"(b) The first sentence of section 2 of the National Housing Act, as amended, is further amended by striking out the words 'including the installation of equipment and machinery' and inserting in lieu thereof the words 'and the purchase and installation of equipment and machinery on real property'.

"(c) Subsection (a) of section 203 of the National Housing Act is amended by inserting the words 'property and' before the word 'projects' in clause (1) of such subsection.

"(d) The last sentence of section 207 of the National Housing Act is amended by inserting the words 'property or' before the word 'project'.

"SEC. 345. If any part of the capital of a national bank, State member bank, or bank applying for membership in the Federal Reserve System consists of preferred stock, the determination of whether or not the capital of such bank is impaired and the amount of such impairment shall be based upon the par value of its stock even though the amount which the holders of such preferred stock shall be entitled to receive in the event of retirement or liquidation shall be in excess of the par value of such preferred stock. If any such bank or trust company shall have outstanding any capital notes or debentures of the type which the Reconstruction Finance Corporation is authorized to purchase pursuant to the provisions of section 304 of the Emergency Banking and Bank Conservation Act, approved March 9, 1933, as amended, the capital of such bank may be deemed to be unimpaired if the sound value of its assets is not less than its total liabilities, including capital stock, but excluding such capital notes or debentures and any obligations of the bank expressly subordinated thereto. Notwithstanding any other provision of law, the holders of preferred stock issued by a national banking association pursuant to the provisions of the Emergency Banking and Bank Conservation Act, approved March 9, 1933, as amended, shall be entitled to receive such cumulative dividends at a rate not exceeding six per centum per annum on the purchase price received by the association for such stock and, in the event of the retirement of such stock, to receive such retirement price, not in excess of such purchase price plus all accumulated dividends, as may be provided in the articles of association with the approval of the Comptroller of the Currency. If the association is placed in voluntary liquidation, or if a conservator or a receiver is appointed therefor, no payment shall be made to the holders of common stock until the holders of preferred stock shall have been paid in full such amount as may be provided in the articles of association with the approval of the Comptroller of the Currency, not in excess of such purchase price of such preferred stock plus all accumulated dividends.

"SEC. 346. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons and circumstances, shall not be affected thereby."

And the Senate agree to the same.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
JOHN B. HOLLISTER,
*Managers on the part of the House.*

CARTER GLASS,
DUNCAN U. FLETCHER,
ROBERT J. BULKLEY,
WM. G. MCADOO,
PETER NORBECK,
JOHN G. TOWNSEND, JR.,
*Managers on the part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

*Title I—Federal deposit insurance*

The provisions of title I of the House bill, which amended various subsections of section 12 (B) of the Federal Reserve Act (relating to the subject of Federal deposit insurance), did not differ in many respects from those contained in title I of the Senate amendment. However, the Senate amendment rewrote such section 12 (B) so as to include the provisions of existing law which were not affected by the specific amendments made by title I of the House bill in order that all the provisions of the amended section might be found in one place when the amended section takes effect. The conference agreement retains the form of the Senate amendment, and the material differences in substance between its provisions and those of the House bill, and the conference action with respect thereto, are indicated below. Certain formal and clarifying amendments of a minor nature have also

been made in other parts of title I which are not specifically mentioned.

The House bill contained a provision which was omitted in the Senate amendment authorizing a Deputy Comptroller of the Currency to serve as a member of the board of directors of the Federal Deposit Insurance Corporation in the absence of the Comptroller. The conference agreement provides that the Acting Comptroller of the Currency may serve as a member of the board of directors of the Corporation during the absence of the Comptroller from Washington as well as in the case of a vacancy in the office of the Comptroller as was provided for by both the House bill and the Senate amendment.

The Senate amendment extended the benefits of deposit insurance to banks in Puerto Rico and the Virgin Islands. There was no corresponding provision in the House bill. The conference agreement retains the provision of the Senate amendment.

The House bill prohibited insured savings banks from withdrawing deposits by checking except from specific accounts totaling not more than 15 percent of the bank's total deposits. The Senate amendment limited this exception to cases where such withdrawal is permitted by law on the date of enactment of the act. The conference agreement retains the provision of the Senate amendment.

The Senate amendment permitted any insured bank with a branch in Hawaii, Alaska, Puerto Rico, or the Virgin Islands to exclude from insurance deposits payable only at such branch. There was no corresponding provision in the House bill. The conference agreement retains the provision of the Senate amendment.

The House bill permitted the board of directors of the Federal Deposit Insurance Corporation to further define terms used in connection with the definition of the word "deposit." The Senate amendment omitted this provision, and the conference agreement also omits it.

The House bill permitted nonmember banks to terminate their insured status on June 30, 1935, but this was extended to August 31, 1935, by the Senate amendment since the Temporary Federal Deposit Insurance Fund was extended to that date by S. J. Res. No. 152, approved June 28, 1935. The conference agreement permits such banks to terminate their insured status within 30 days after the effective date by giving written notice to the Corporation. In such event, the directors of the Corporation are required to give notice to the depositors, and the insurance of the deposits continues for 20 days beyond such 30-day period.

The House bill provided that the factors to be considered by the Federal Deposit Insurance Corporation in connection with the admission of banks to the benefits of deposit insurance should be their financial condition and adequacy of capital structure. The Senate amendment added to these factors, the financial history of the banks, their future earning prospects, the general character of their management, the convenience and needs of the community, and whether or not their corporate powers were consistent with the act. The conference agreement retains the provisions of the Senate amendment.

The House bill provided for assessments upon insured banks at the rate of one-eighth of 1 percent upon their average deposit liability as determined on 1 day of each of 3 or more months preceding July and January of each year. Payments were required to be made semiannually. The Senate amendment provided for assessments at the rate of one-twelfth of 1 percent on the average deposit liability of insured banks over a 6 months' period and payments were also to be made semiannually. The Senate amendment added a provision under which assessments would be terminated when the assets of the Corporation exceeded $500,000,000, with an automatic restoration of assessments when the excess was reduced to $425,000,000. The conference agreement retains the assessment rate and base provided for in the Senate amendment, eliminates the provision relating to the termination of assessments, and provides for adjusting the first assessment according to the period remaining between the effective date of the act and the first of next year.

The Senate amendment provided for the termination of the insured status of member banks when their membership in the Federal Reserve System was terminated. There was no corresponding provision in the House bill. The conference agreement retains the Senate amendment.

The House bill provided that insured banks "may" be subject to a penalty of $100 for each day they fail to make or publish reports or to display signs indicating that their deposits are insured. The Senate amendment provided that in such cases a penalty "shall" be imposed but the amount was fixed at "not more than $100." The conference agreement retains the provisions of the Senate amendment.

The Senate amendment provided for limiting the insurance coverage to deposits which have been made available since March 10, 1933, for withdrawal in the usual course of the banking business, and prohibited insurance of deposits which had not been so made available for withdrawal by the date of enactment of the act and with respect to which the insured bank had released or modified restrictions or deferments without the consent of the Corporation. There was no similar provision in the House bill, but the temporary insurance was so limited under the existing law. The conference agreement retains the provisions of the Senate amendment.

The House bill provided for the guaranty by the United States of obligations issued by the Corporation. This provision was omitted in the Senate amendment, and the conference agreement also omits it.

The House bill authorized the Secretary of the Treasury to purchase the guaranteed obligations of the Corporation. The Senate amendment authorized the Secretary to purchase any of the obligations of the Corporation and provided that if the Reconstruction Finance Corporation failed for any reason to purchase such obligations as required by section 5c of the Reconstruction Finance Corporation Act, the Secretary should purchase such obligations in an amount equal to the amount the Reconstruction Finance Corporation so failed to purchase. The conference agreement retains the provisions of the Senate amendment and adds a provision requiring the Secretary of the Treasury to purchase an additional $250,000,000 of the obligations of the Corporation.

The House bill also authorized the Secretary of the Treasury to market the guaranteed obligations of the Federal Deposit Insurance Corporation. This provision was omitted in the Senate amendment. The conference agreement also omits it.

The Senate amendment restored the penalty of existing law applicable to directors of insured banks who participated in the declaration of dividends while their banks were in default in the payment of assessments to the Corporation. This provision was not included in the House bill. The conference agreement retains this provision.

The Senate amendment prohibited State nonmember insured banks from establishing and operating new branches, and from moving branches from one location to another, after 30 days after the date of enactment of the act, without the consent of the Corporation. There was no corresponding provision in the House bill. The conference agreement retains the provision of the Senate amendment.

The House bill authorized the board of directors of the Corporation to limit by regulation the rates of interest or dividends payable by insured nonmember banks on deposits other than demand deposits, and directed the board to prohibit the payment of interest on demand deposits except to the extent that exceptions are prescribed under section 19 of the Federal Reserve Act, or by regulation of the Federal Reserve Board, in the case of demand deposits in member banks. The board of directors was authorized to define demand and savings deposits and in fixing rates it was empowered but not directed to classify deposits according to maturities, conditions respecting receipt, withdrawal, or repayment, and to classify banks according to locations or kinds of banking business chiefly done as the board might deem necessary in the public interest. The board was also authorized to prescribe different rates for different classes of deposits or different classes of banks, provided the different rates were reasonable when the bases for the classifications were considered. Payment of deposits prior to maturity was to be prohibited by regulations of the board of directors, as well as the waiving of any notice requirement with respect to withdrawal of deposits, but the prohibitions with respect to such withdrawals were not to apply to savings banks and exceptions might be made when by reason of special circumstances such prohibitions would cause unnecessary hardship to depositors. For each violation of any of these provisions or of the Corporation's regulations the offending bank was subject to a penalty of $100. The Senate amendment subjected insured State nonmember banks (other than savings banks, mutual savings banks, and Morris Plan banks) to the provisions of the Federal Reserve Act and regulations thereunder relating to the withdrawal and payment of deposits, and the payment of interest thereon, which are applicable to insured member banks. For each violation the offending bank was to be subject to a penalty of "not more than" $100. The conference agreement provides that the regulation of these matters in the case of insured State nonmember banks is to be left to the board of directors of the Corporation, as in the House bill, rather than to the Board of Governors of the Federal Reserve System, as would have been the case under the Senate amendment. The board is directed to consider the same factors in fixing rates as are applicable when the Board of Governors acts under section 19 of the Federal Reserve Act with respect to member banks, and the board is authorized to define what constitutes demand, time, and savings deposits in insured nonmember banks. The provisions with respect to the payment of deposits before maturity and the waiving of notice requirements before payment of savings deposits are also made to correspond to the provisions of such section 19. The penalty provision corresponds to that in the Senate amendment.

The Senate amendment included a provision not contained in the House bill which required every State bank organized after the date of enactment of the act, and every State bank which has average deposits of $1,000,000 or more during 1936 or any subsequent calendar year, to become a member of the Federal Reserve System in order to get the benefit of insurance after July 1, 1937. Exceptions were made, however, in the case of savings banks, mutual savings banks, Morris Plan banks, State trust companies doing no commercial business, and banks in Hawaii, Alaska, Puerto Rico, and the Virgin Islands. The conference agreement limits the requirement of the Senate amendment to State nonmember banks having average deposits of $1,000,000 or more and extends to July 1, 1942, the date upon which such banks are required to become members of the Federal Reserve System. The effect of the provision agreed to is to liberalize the provisions of existing law so that more than 6,500 State nonmember banks having average deposits of less than $1,000,000 will not be required to join the Federal Reserve System in order to continue their insured status.

The Senate amendment included a separability provision especially applicable to the provisions relating to the maximum limitation upon the amount of insurance payable to each depositor.

There was no corresponding provision in the House bill. The conference agreement retains this provision.

*Title II—Amendments to the Federal Reserve Act*

Section 201 of the House bill amended section 4 of the Federal Reserve Act so as to combine the offices of chairman of the board of directors and Governor of the Federal Reserve banks and to provide for the appointment of the Governor to be made annually by the directors of each bank subject to approval every 3 years by the Federal Reserve Board. The Governor would be the chief executive officer of the bank, chairman of its board of directors, and a class C director The Vice Governor would be Governor in his absence. It was also provided that the offices of Federal Reserve agent and assistant Federal Reserve agent would be abolished and that all duties prescribed by law for the Federal Reserve agent would be performed by the Governor of the bank or such person as he might designate. This section of the bill was not included in the Senate amendment. The conference agreement omits this section.

Section 201 of the Senate amendment amended the provisions of section 4 of the Federal Reserve Act relating to appointment of officers and employees of the Federal Reserve banks so as to provide for the appointment of a president and vice president for each such bank. It was provided that the president shall be the chief executive officer of the bank and shall be appointed by the board of directors with the approval of the Board of Governors of the Federal Reserve System (which, under section 202 of the Senate amendment, is the new name for the Federal Reserve Board) for a term of 5 years, and all other executive officers and all employees of the bank are to be directly responsible to him. The vice president of the bank is to be appointed in the same manner and for the same term as the president and is to serve as chief executive officer of the bank in the absence or disability of the president or during a vacancy in the office of president. Whenever a vacancy occurs in either office it is to be filled in the same manner as provided for in the case of original appointments and the person so appointed is to hold office until the expiration of the term of his predecessor. This provision was not included in the House bill. The conference agreement allows for the appointment of more than one vice president for each bank and provides that the first vice president shall be appointed in the same manner as the president. It is also provided that the section shall take effect March 1, 1936.

Section 202 of the House bill contained a provision authorizing the Federal Reserve Board to waive in whole or in part the requirements of section 9 of the Federal Reserve Act relating to admission to membership of any nonmember bank which at the time of its application for membership is insured by the Federal Deposit Insurance Corporation under section 12B of the Federal Reserve Act. The conference agreement restores the provision of section 202 of the House bill but limits its application to State banks which are required under subsection (y) of section 12B to become members of the Federal Reserve System in order to have their deposits insured after July 1, 1942.

Section 203 of the House bill changed the qualifications of members of the Federal Reserve Board by striking out the requirement of existing law that in selecting such members the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests and geographical divisions of the country, and substituting a requirement that they should be well qualified by education or experience, or both, to participate in the formulation of national economic and monetary policies. The requirement of existing law that not more than one member of the Board should be selected from any one Federal Reserve district was preserved for all appointive members of the Board except the governor. It was also provided that the governor and vice governor of the Board should serve as such until the further order of the President, and that if the governor's designation as such be terminated he might continue to serve as a member of the Board for the remainder of his term. This section of the bill was eliminated from the Senate amendment in view of the changes in the organization and membership of the Board provided for in section 202. The conference agreement also eliminates this section.

Section 202 of the Senate amendment provided for changing the name of the Federal Reserve Board to the Board of Governors of the Federal Reserve System, and for changing the name of the Governor and Vice Governor of the Federal Reserve Board to chairman and vice chairman, respectively. It was provided that the Board of Governors of the Federal Reserve System shall be composed of seven members to be appointed by the President, by and with the advice and consent of the Senate, after the date of enactment of the act, for terms of 14 years, but that the present appointive members of the Federal Reserve Board and the Secretary of the Treasury and the Comptroller of the Currency may continue to serve as such members for not longer than 90 days after such date. The provision of existing law with respect to qualifications of members of the new Board were retained, namely, that the President shall have due regard for a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country, and a further requirement was added that at least two of such members shall be persons of tested banking experience. The annual salary of members of the Board was fixed at $15,000, and it was provided that not more than four of the members of the Board shall be members of the same political party. The successors to the present members of the Board were to be appointed in such manner that the term of not more than one member will expire in any 2-year period, and their successors will hold office for a term of 14 years, unless sooner removed for cause by the President. The President was also to designate the chairman and vice chairman of the Board to serve as such for terms of 4 years. It was also provided that any person appointed as a member of the Board after the date of enactment of the act shall not be eligible for reappointment as such member after he shall have served a full term of 14 years. A provision was also included in this section providing that the Board of Governors of the Federal Reserve System shall keep a complete record of the action taken by the Board and the Federal Open Market Committee upon all questions of policy relating to open-market operations, together with the votes taken and the reasons underlying the action of the Board and the committee in each instance. Similar records were required to be kept by the Board with respect to all questions of policy determined by it, and a copy of such records was to be included in the annual report of the Board to the Congress. The conference agreement modifies the provisions of the Senate amendment by eliminating the requirement that two members of the Board shall be persons of tested banking experience and also the provision relating to the political affiliations of the members of the Board. The date upon which the change in the organization of the Board is to take effect is extended to February 1, 1936.

Section 203 of the Senate amendment reenacted and made permanent law the provisions of section 10 (b) of the Federal Reserve Act, which expired on March 3, 1935, and under which any member bank that had no eligible and acceptable assets to enable it to obtain adequate credit accommodations through rediscounting at a Federal Reserve bank, or any other method provided by the Federal Reserve Act (other than that provided by sec. 10 (a)), might apply to the Federal Reserve bank, under rules and regulations prescribed by the Board, for advances on its time or demand notes secured to the satisfaction of the bank. The provision that each such note shall bear interest at a rate not less than 1 percent per annum higher than the highest discount rate in effect at the Federal Reserve bank on the date of the note was also retained, but the limitation of existing law that such advances may be made only "in exceptional and exigent circumstances" was eliminated. There was no corresponding provision in the House bill, but section 206 provided that upon the endorsement of any member bank, subject to such regulations as to maturities and other matters as the Federal Reserve Board might prescribe, any Federal Reserve bank might discount any commercial, agricultural, or industrial paper and make advances to such member bank on its promissory notes secured by any sound assets of the bank. This section was eliminated from the Senate amendment. The conference agreement eliminates from the Senate amendment the provision requiring the exhausting of eligible and acceptable assets before securing advances, changes the 1-percent rate to one-half of 1 percent, and adds a provision that the notes of the member banks shall have maturities of not more than 4 months.

Section 204 of the House bill authorized the Federal Reserve Board to assign to designated members of the Board or its representatives under rules and regulations prescribed by the Board the performance of specific duties and functions, not including, however, the determination of any national or System policies, or any power to make rules and regulations, or any power which is required to be exercised by specified members of the Board. There was also a provision in this section stating that it shall be the duty of the Board to exercise its powers "in such manner as to promote conditions conducive to business stability and to mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of monetary action and credit administration." These provisions were omitted from the Senate amendment. The conference agreement also omits them.

Section 205 of the House bill provided for an Open Market Advisory Committee, consisting of five representatives of the Federal Reserve banks, to take the place of the Federal Open Market Committee provided for in existing law. The advisory committee was authorized to consult and advise with and make recommendations to the Federal Reserve Board. It had no vote in determining open-market policies, but the Board was required to consult the committee before making any changes on its own initiative in open-market policies, in rates of interest and discount to be charged by Federal Reserve banks, or in the reserve balances required to be maintained by member banks. It was also provided that all transactions of the Federal Reserve banks under section 14 of the Federal Reserve Act should be subject to such regulations, limitations, and restrictions as the Federal Reserve Board might prescribe. In lieu of this section, the Senate amendment in section 204 amended existing law so as to provide for a Federal Open Market Committee, consisting of the members of the Board of Governors of the Federal Reserve System, and five representatives of the Federal Reserve banks to be selected annually. Four of such representatives were to be elected by the boards of directors of the Federal Reserve banks by regions; that is to say, 1 to represent the Boston, New York, and Philadelphia banks; 1 to represent the Cleveland, Chicago, and St. Louis banks; 1 to represent the Richmond, Atlanta, and Dallas banks; and 1 to represent the Minneapolis, Kansas City, and San Francisco banks. The fifth representative, who was to be chosen from the country at large, was to be elected annually by the presidents of the 12 Federal Reserve banks. An alternate to serve in the absence of each such representative was to be elected annually in the same manner. It was also provided that no Federal Reserve bank shall engage or decline to engage in open-market operations under section 14 of the Federal Reserve Act except in accordance with regulations adopted by the committee and that the committee should make regulations relating to the open-market transactions of the Federal Reserve banks and the relations

of the Federal Reserve System with foreign central or other foreign banks. The provision of existing law which allowed a Federal Reserve bank to decline to participate in open-market operations recommended and approved by the committee, upon filing a notice of its decision within 30 days, was eliminated, but the provision of existing law was retained which states that the time, character, and volume of all purchases and sales of paper described in section 14 of the Federal Reserve Act as eligible for open-market operations, shall be governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country. The conference agreement retains the provisions of the Senate amendment in substance as section 205, but instead of providing for a representative-at-large of the banks, it provides for 5 representatives to be elected as follows: 1 by the board of directors of the Boston and New York banks; 1 by the board of directors of the Philadelphia and Cleveland banks; 1 by the board of directors of the Chicago and St. Louis banks; 1 by the board of directors of the Richmond, Atlanta, and Dallas banks; and 1 by the board of directors of the Kansas City, Minneapolis, and San Francisco banks. The conference agreement also eliminates the power of the committee to make regulations with respect to the relations of the Federal Reserve System with foreign central or other foreign banks since this would be in conflict with the general authority over such matters which is granted to the Federal Reserve Board under existing law. This provision becomes effective March 1, 1936.

Section 207 of the House bill amended section 14 of the Federal Reserve Act so as to make eligible for purchase by Federal Reserve banks, without regard to maturities, direct obligations of the United States or obligations which are fully guaranteed by the United States as to principal and interest. This provision was modified by section 205 of the Senate amendment so as to provide that direct obligations of the United States and such guaranteed obligations may be purchased only in the open market. The conference agreement retains the provisions of the Senate amendment as section 208.

Section 205 of the Senate amendment also amended existing law with respect to rates of discount to be established by the Federal Reserve banks by providing that such rates shall be established every 14 days, or oftener if deemed necessary by the Board of Governors of the Federal Reserve System. There was no corresponding provision in the House bill. The conference agreement retains the provisions of the Senate amendment as section 206.

Section 208 of the House bill amended section 16 of the Federal Reserve Act so as to repeal the requirements that Federal Reserve notes be secured at all times by the specific pledge of collateral, and it also eliminated the provision of existing law prohibiting a Federal Reserve bank from paying out the notes of any such bank and made certain technical changes with respect to issue, redemption, and retirement of Federal Reserve notes. It was provided that such notes should be obligations of the United States and legal tender for all purposes, should be secured by a first and paramount lien on all the assets of the issuing bank, and should be issued and retired under such rules and regulations as the Federal Reserve Board might prescribe. This provision of the bill was not included in the Senate amendment. The conference agreement omits this provision.

Section 209 of the House bill authorized the Federal Reserve Board, in order to prevent injurious credit expansion or contraction, to change by regulation the requirements as to reserves to be maintained against demand or time deposits or both by member banks in reserve and central reserve cities or by member banks not in reserve or central reserve cities or by all member banks. This provision was modified by section 206 of the Senate amendment so as to provide that the power to change the requirements as to reserves be conditioned upon an affirmative vote of not less than five members of the Board of Governors of the Federal Reserve System, and a limitation was added that the amount of the statutory reserves required to be maintained under existing law may not be decreased, nor increased to more than twice such amount. The conference agreement modifies the Senate amendment so as to require the affirmative vote of not more than four members of the Board.

Section 210 of the House bill amended section 24 of the Federal Reserve Act so as to provide that the conditions under which real-estate loans might be made by national banks would be prescribed by regulations of the Federal Reserve Board, with the limitations that the amount of any such loan hereafter made should not exceed 60 percent of the appraised value of the real estate at the time the loan is made and that the aggregate amount of such loans by any such bank should not exceed the capital and surplus of the bank, or 60 percent of its time and savings deposits, whichever is the greater. Section 207 of the Senate amendment retained the limitation of existing law that real-estate loans by national banks should be limited to those upon properties situated within the Federal Reserve district of such bank or within a radius of 100 miles of the place in which the bank is located, irrespective of district lines, and it also retained the requirement that a real-estate loan should be in the form of an obligation secured by a mortgage or similar instrument when the entire amount of the obligation was made or sold to the bank. It was further provided that any such loan hereafter made should not exceed 50 percent of the appraised value of the real estate offered as security and that no such loan should be made for a longer term than 5 years, except that any such loan might be made in an amount not to exceed 60 percent of the appraised value of the real estate and for a term not longer than 10 years if the loan was secured by an amortized mortgage under the terms of which the installment payments were sufficient to amortize 50 percent or more of the principal of the loan within a period of not more than 10 years. Renewals or extensions of loans heretofore made and real-estate loans which are insured under the provisions of title II of the National Housing Act were exempted under both the House and Senate provisions. The provisions authorizing the Federal Reserve Board to prescribe the conditions under which such loans might be made were eliminated in the Senate amendment, but the provision of the House bill with respect to the aggregate amount of real-estate loans which might be made by any such bank was retained in the Senate amendment. The conference agreement retains the provisions of section 207 of the Senate amendment, except that the territorial limitation upon loans is eliminated and the requirement as to the form of the loans when the entire amount of the obligations securing them are made or sold to the banks is modified so as to permit more than one such bank to participate in making real-estate loans but to permit any such bank to purchase obligations secured by mortgages only when the entire amount of the obligations are sold to the bank. The amortization requirement is also reduced from 50 to 40 percent. A provision of existing law is also restored relating to the receipt of time and savings deposits by such banks and the payment of interest thereon.

Section 208 of the Senate amendment provided for fixing the salary of the Comptroller of the Currency at $12,000 a year and removed the provision of existing law which provides that his appointment be made upon the recommendation of the Secretary of the Treasury. There was no corresponding provision in the House bill. The conference agreement retains the Senate provision but fixes the salary of the Comptroller at $15,000 to correspond to the salaries provided for members of the Board of Governors of the Federal Reserve System.

*Title III—Technical amendments to the banking laws*

In this title many of the sections are identical both in form and in substance in the House bill and in the Senate amendment. Other sections of the Senate amendment, which are the same in substance as the corresponding sections of the House bill, contain formal and clarifying changes which are retained in the conference agreement. Many of the alterations thus made are the result of changing the name of the Federal Reserve Board to the Board of Governors of the Federal Reserve System. Certain clerical and typographical errors are also corrected. The sections in these two general groups are not specifically referred to but those in which there are material differences between the House and Senate provisions and which contain matter not included in the House bill, together with the conference action with respect thereto, are indicated below.

Section 303 (b) of the House bill repealed section 21 (a) (2) of the Banking Act of 1933 which prohibits any person or organization not subject to examination and regulation under State or Federal law from engaging in the business of receiving deposits unless such person or organization submits to the examination by the Comptroller of the Currency or by a Federal Reserve bank. Instead of repealing this paragraph, the Senate amendment amended it so as to prohibit any person or organization from engaging in the business of receiving deposits with others than his or its own officers, agents, or employees unless such person or organization is incorporated under and authorized to engage in such business by Federal or State law, or is permitted to engage in such business by any State, Territory, or District, and is subject under the laws thereof to examination and regulation, or submits to examination by the banking authorities of the State, Territory, or District where the business is conducted and makes and publishes periodic reports of condition under the same conditions as required by local law of an incorporated banking institution. The conference agreement retains the provision of the Senate amendment.

Section 308 (a) of the Senate amendment contained a provision which was not included in the House bill amending paragraph seventh of section 5136 of the Revised Statutes so as to permit national banks under regulations by the Comptroller of the Currency and with other restrictions to underwrite and sell bonds, debentures, and notes. The conference agreement eliminates this provision.

Section 308 (c) of the Senate amendment provided for including within the group of securities that may be dealt in by member banks free from the restrictions of section 5136 of the Revised Statutes, obligations insured by the Federal Housing Administrator if debentures guaranteed by the United States as to principal and interest are to be issued in payment of such insured obligations. There was no corresponding provision in the House bill. The conference agreement retains the provision of the Senate amendment.

Section 309 of the House bill amended section 5138 of the Revised Statutes to require a newly organized national bank to have a paid-in surplus equal to 20 percent of its capital, thus expressly providing by law a condition which has long been imposed by the Comptroller of the Currency. This requirement may be waived by the Comptroller as to a State bank converting into a national bank. An additional condition not included in the House bill was added by the Senate amendment to the effect that any such converting State bank shall carry not less than one-half of its net profits for the preceding half year to its surplus fund before declaring dividends, until its surplus equals 20 percent of its capital. Further provision was also made for giving any such bank credit as surplus for amounts paid into a preferred stock retirement fund. The conference agreement retains the provision of the Senate amendment.

Section 310 (a) of the Senate amendment amended the provisions of section 5139 of the Revised Statutes which provide that stock certificates of national banks may not represent the stock

of any other corporation except a member bank or a corporation engaged solely in holding the bank premises of the association, so as to provide that such certificate may not bear any statement purporting to represent the stock of any other corporation, except a member bank or a corporation engaged on June 16, 1934, in holding the bank premises. This amendment differs from the provision in the House bill in that it exempts corporations engaged in holding the bank premises on June 16, 1934, whereas the House provision limited the exception to a corporation primarily engaged in holding such premises. The conference agreement retains the provisions of the Senate amendment.

Section 310 (b) of the Senate amendment added a provision not incorporated in the House bill which amends section 9 of the Federal Reserve Act and makes the same changes in the law relative to stock certificates of State member banks as was made by section 310 (a) as to stock certificates of national banks. The conference agreement retains the provisions of the Senate amendment.

Section 311 (c) of the Senate amendment was not included in the House bill. It amends section 5144 of the Revised Statutes by relieving a holding company affiliate, to the extent that the shares of bank stock owned by it are not subject to statutory liability, from the requirements of subsection (b) of section 5144 which requires a holding company affiliate to maintain and possess readily marketable assets other than bank stock in an amount not less than 12 percent of the aggregate par value of all such stock controlled by the affiliate, and requires it to increase such amount by 2 percent per annum until such amount equals 25 percent of the par value of such bank stock. In lieu of the foregoing requirement, any such holding company affiliate, to the extent that the shares of bank stock held by it are not subject to statutory liability, is only required to maintain a reserve out of net earnings above 6 percent of such readily marketable assets in an amount equal to 12 percent of the par value of bank stocks controlled by it. The conference agreement retains the provisions of the Senate amendment.

Section 315 of the House bill amended section 5199 of the Revised Statutes to provide that national banks shall carry not less than one-tenth part of their net profits of the preceding half year to surplus before the declaration of a dividend until the surplus is built up to equal the amount of the common capital. The Senate amendment added a provision which was not contained in the House bill which would allow a national bank to treat as an addition to its surplus fund amounts paid into its preferred-stock retirement fund. The conference agreement retains the provision of the Senate amendment.

Section 316 extends the criminal provisions of section 5209 of the Revised Statutes as to embezzlement, false entries, etc., so as to apply to officers, directors, and employees of insured nonmember banks. The conference agreement adds a provision to make certain that nonmember national banks in the Territories are included within the terms of the section whether or not they are insured.

Section 321 (a) of the Senate amendment amended section 11 (m) of the Federal Reserve Act to extend to State member banks the provisions applicable to national banks which enlarge the maximum limitation on loans to one individual from 10 percent of the bank's unimpaired capital and surplus to 25 percent thereof where such loans are secured by bonds, notes, certificates, or Treasury bills of the United States, or secured by obligations fully guaranteed as to principal and interest by the United States. The provisions with respect to such guaranteed obligations were not included in the House bill. The conference agreement retains the provisions of the Senate amendment.

Section 321 (b) of the Senate amendment amended paragraph 8 of section 5200 of the Revised Statutes so as to provide a maximum limit of 25 percent instead of 10 percent of the bank's capital and surplus on loans secured by various obligations of the United States. The amendment adds to such obligations, Treasury bills of the United States and obligations fully guaranteed both as to principal and interest by the United States. The provisions with respect to such guaranteed obligations were not included in the House bill. The conference agreement retains the provisions of the Senate amendment.

Section 324 (c) of the Senate amendment amended section 19 of the Federal Reserve Act to add to the classes of deposits exempted from the prohibition against the payment of interest on demand deposits, deposit contracts existing when a bank joins the Federal Reserve System. It was also provided that deposits payable outside the States of the United States and the District of Columbia shall likewise be exempt, rather than "those payable in foreign countries" as is provided in the existing law. A provision not included in the House bill prohibited payment of interest after the expiration of 2 years from the date of enactment of the act, on demand deposits made by savings banks as defined in section 12B of the Federal Reserve Act, as amended, and by mutual savings banks, demand deposits of public funds made by or on behalf of any State, county, school district, or any subdivision or municipality, and demand deposits of trust funds, upon which interest is required to be paid by State law. The House provision, permitting payment of interest on demand deposits made by any such savings bank or mutual savings bank, by the United States or any Territory, district, or possession thereof, including the Philippine Islands, or any public instrumentality or agency thereof with respect to which interest is required by law, or by any State, etc., and on demand deposits of trust funds, was eliminated. A new provision was also added repealing so much of existing law as requires payment of interest on deposits of public funds made by the United States, etc. In conformity with the House provision, the Senate amendment made more flexible the power of the Board of Governors of the Federal Reserve System to classify time and savings deposits and prescribe the rates of interest to be paid thereon. The absolute prohibition against payment of time deposits before maturity may be relaxed under conditions to be prescribed by the Board, and deposits payable only at offices of member banks located outside of the United States and the District of Columbia are exempted from the restrictions on interest rates and the prohibitions on payment before maturity. The conference agreement retains the provisions of the Senate amendment.

Section 327 of the House bill amended section 23A of the Federal Reserve Act, which limits loans to affiliates, and loans on and investments in securities of affiliates, and prescribed certain conditions by way of collateral requirements to such loans. It also enumerated certain types of affiliates which are to be exempt from such conditions and requirements. The Senate amendment made a change in the provision exempting an affiliate engaged "primarily" in holding bank premises so that the exemption would apply only to an affiliate engaged "on June 16, 1934" in holding such premises. The conference agreement retains the provision of the Senate amendment.

Section 329 of the Senate amendment repealed section 8A of the Clayton Act relating to interlocking relationships between banks and institutions making loans secured by stock or bond collateral, and repealed the provisions of sections 25 and 25 (a) of the Federal Reserve Act which relates to interlocking relationships. The first three paragraphs of section 8 of the Clayton Act were also amended, but the provision in the Senate amendment was materially different from that in the House bill. The House bill prohibited any director, officer, or employee of a member bank from being at the same time a private banker or a director, officer, or employee of another banking institution (other than a mutual savings bank) except in limited classes of cases in which the Federal Reserve Board might allow such service by general regulation when in its judgment such classes of institutions were not in substantial competition. The provision in the Senate amendment prohibited a director, officer, or employee of a member bank or branch thereof from being at the same time a private banker, or a director, officer, or employee of more than one other bank or trust company or branch thereof, except in the following cases:

(1) Where such other bank is more than 90 percent controlled by the United States or a corporation in which the United States owns more than 90 percent of the stock.

(2) Where such other bank has been placed in liquidation or is in the hands of a receiver or conservator.

(3) Where such other bank is principally engaged in international or foreign banking in a possession of the United States and has entered into an agreement with the Board of Governors of the Federal Reserve System as provided by section 25 of the Federal Reserve Act.

(4) A bank more than 50 percent of the common stock of which is owned by persons owning more than 50 percent of the common stock of a member bank.

(5) A bank not located and having no branch in the same place in which a member bank or a branch thereof is located or in a place contiguous thereto.

(6) A bank not engaged in a class of business in which a member bank is engaged.

(7) A mutual-savings bank having no capital stock.

A further provision not contained in the House bill suspended the operation of the amendment until February 1, 1939, insofar as it affects interlocking relationships of any director, officer, or employee of a member bank or branch thereof lawfully existing on the date the act takes affect.

The conference agreement amends section 8 of the Clayton Act so as to provide that no private banker or director, officer, or employee of any member bank or any branch thereof shall be at the same time a director, officer, or employee of any other bank or branch thereof, except that the Board of Governors of the Federal Reserve System may by regulation permit such service as a director, officer, or employee of not more than one other such institution or branch thereof. The prohibitions are not to apply however, to the cases excepted under the provisions of the Senate amendment, and the remaining provisions of the Senate amendment are also retained.

Section 337 of the House bill provided for terminating the liability of shareholders of banks and trust companies in the District of Columbia on July 1, 1937, under the same conditions as are applicable under section 304 of the bill in the case of national banks. Each such institution is required to carry one tenth part of its net profits of the preceding half year to surplus before declaring a dividend and to continue to do so until the surplus equals the amount of its common stock, and under the Senate amendment it is allowed to treat as surplus any amounts paid into a fund for retiring its preferred stock or debentures. The conference agreement retains the provisions of the Senate amendment.

Section 341 of the House bill, which amended the provisions of section 8 of the Postal Savings Depository Act of June 25, 1910, relating to the withdrawal of and interest on Postal Savings deposits, was eliminated by the Senate amendment. Under this provision of the House bill any depositor was allowed to withdraw the whole or any part of his deposit with accrued interest after giving 60 days' written notice but subject to regulations of the Postmaster General. It was further provided that in the absence of such notice a withdrawal would be permitted only on condition

that not less than 3 months' interest be deducted. Provisions were also included requiring that the interest rate paid on any such deposit should not exceed that which might lawfully be paid on savings deposits in member banks located in or nearest to the place where the depository office is located and authorizing such depositories to deposit funds on time in member banks subject to the provisions of the Federal Reserve Act with respect to payment and interest. The conference agreement restores the last two provisions referred to, and provides that Postal Savings deposits shall be savings deposits, that interest shall be allowed and credited quarterly, and that no interest shall be allowed to any depositor for any period of less than 3 months.

Section 341 of the Senate amendment amended section 11 (k) of the Federal Reserve Act to provide that State banking authorities may have access to the reports of examination of trust departments of national banks made by the Comptroller of the Currency. This provision was not included in the House bill. The conference agreement retains this provision as section 342.

Section 342 of the Senate amendment amended section 5240 of the Revised Statutes, relating to payment of compensation of employees of the Office of the Comptroller of the Currency by means of assessments on banks, so as to include the payment of retirement annuities for such employees. There was no corresponding provision in the House bill. The conference agreement retains it as section 343.

Section 343 of the Senate amendment, which was not included in the House bill, amends the National Housing Act in several respects. Subsection (a) authorizes the Federal Housing Administrator, in carrying out the provisions of titles I, II, and III of such act, to sue and be sued in any court of competent jurisdiction, State or Federal. Subsection (b) is intended merely to clarify and not to extend the provisions of existing law relating to insured loans for financing alterations, repairs, and improvements on real property so that the purchase and installation of equipment and machinery on real property may be included. Subsections (c) and (d) also clarify existing law with respect to mortgage insurance in connection with low-cost housing projects and property. The conference agreement retains the provisions of the Senate amendment as section 344.

Section 344 of the Senate amendment added a provision which was not contained in the House bill relating to preferred stock, capital notes, and debentures of member banks of the Federal Reserve System and the consideration to be given to such securities in determining whether the capital stock of any such bank is impaired. It was also provided that the dividends on preferred stock of national banks shall not exceed 6 percent of the original purchase price of such stock, and that in the event of the retirement of such stock or the liquidation of the bank the holders of the stock shall be entitled to receive not more than the original purchase price plus accumulative dividends. The conference agreement retains the provisions of the Senate amendment with clarifying amendments.

Section 345 of the Senate amendment contains the usual provision relating to separability in the event any part of the act should be held unconstitutional. There was no corresponding provision in the House bill. The conference agreement retains it.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
JOHN B. HOLLISTER,
*Managers on the part of the House.*

Mr. STEAGALL. Mr. Speaker, it is not possible to review in detail, in the short time allowed, the three titles of the bill upon which this report is founded. It will be remembered that title I of the bill as it passed the House provides for the permanent insurance of bank deposits up to the amount of $5,000 for each depositor. Under the temporary insurance plan now in force deposits are insured for a like amount, but the assessment levied upon banks for the support of insurance funds is based upon the amount of deposits insured, one-fourth of 1 percent assessment having been levied under the temporary plan for insurance for 1 year adopted in 1933 and which was extended till July 1, 1935. Under the bill as agreed upon in conference, assessments will be levied upon the total deposits of insured banks. An assessment of one-eighth of 1 percent was provided in the House bill.

In conference an agreement was reached fixing this assessment at one-twelfth of 1 percent. The assessment agreed upon raises between $40,000,000 and $50,000,000 annually under normal deposits of the banks of the Nation. Small banks which have borne an undue portion of the burden of insurance down to this time will only pay one-twelfth of 1 percent, the same as paid by the larger banks, although the total deposits in many of the small banks will be insured while only a portion of the deposits in the larger banks will be protected. Banks insured under the temporary plan will be given credit for amounts heretofore paid to equalize the burden.

The Deposit Insurance Corporation has operated since its establishment on the 1st of January 1934, without loss of a dollar to its stockholders. Fully 90 percent of depositors have been insured and about 40 percent of all deposits. Every bank that has paid an assessment for the support of the fund could now be reimbursed in full if the Corporation were liquidated at this time.

Not only is that true but protection afforded at this trivial expense has brought us an experience of nearly 2 years of practical freedom from the distress that attended bank failures in the United States for many years. That is the splendid record of the Deposit Insurance Corporation administered so admirably and successfully, as it has been down to this time under the present administration.

The bill passed in 1933 embodied a requirement that all State banks should be required to join the Federal Reserve System after the 1st of July 1936 as a condition precedent to participation in the benefits of deposit insurance. This time was extended from July 1, 1936, to July 1, 1937, in the act which extended temporarily the plan of insuring banks.

The bill reported by the conference committee repeals the law requiring all State banks to become members of the Federal Reserve System in order to obtain deposit insurance. The provision of the Senate bill requiring the State banks hereafter organized to join the Federal Reserve System was also eliminated. There is in the bill, agreed upon, a provision that State banks with deposits amounting to $1,000,000 or more shall join the Federal Reserve System by the 1st of July, 1942. There are only a few hundred out of the thousands of State banks existing which have deposits amounting to $1,000,000. We have until July 1, 1942, within which to consider the matter of permitting that provision to become permanent law.

May I say in this connection, with all deference to its supporters, that if I had favored requiring these banks to become members of the Federal Reserve System I should never have favored the ridiculous provision in this bill which would bring banks in arbitrarily without consideration on the part of its officers or the officers of the Federal Reserve System as to the desirability of membership, but which would throw them into the System automatically because of a change in the amount of deposits which might happen overnight that would bring them into the Federal Reserve System any day without notice. However, when this plan is deferred until 1942, those who have opposed it are not seriously disturbed. The engagement has been entered into under duress, and the marriage ceremony will not take place, nor will the union be completed until 1942. This would be a long time in which to consummate a marriage contract.

If anybody has any consolation as a result of this provision, we welcome them to enjoy it for the time being. There will be ample time to consider what shall be done about it before July 1, 1942. We have notice of the plan and can take any action deemed wise. Of course it will never go into effect then or later.

Let me now discuss briefly the provisions of Title II of the bill. Title II relates to the powers of the Federal Reserve System.

Under the House bill a provision was incorporated setting up an open-market committee to direct and control the activities of the System in its open-market operations. Under the House plan the Federal Reserve Board, as constituted, would be given sole power to control open-market operations. Under the bill as reported by the conference committee, an open-market committee will be created, composed of the 7 members of the Federal Reserve Board, plus 5 representatives of Federal Reserve banks to be selected by the banks.

It will be remembered that the presidents of the Federal Reserve banks under the bill passed by the House and under the bill reported by the committee are to be approved by the Federal Reserve Board. Five members representing the banks will be added to the Federal Reserve Board to constitute the open-market committee.

This means that we have fought out in this House, in the Senate, and in the conference the question of Government

control of the open-market operations, the rediscount rates, and the reserve requirements of the Federal Reserve banks, and as a result of this controversy we have a bill which writes into the law a safeguard that insures the investment of these powers in a Government-controlled board.

The vote would be 7 to 5 if we assume that the 5 members representing the banks would go contrary to the 7 members representing all the people of the country or the public at large. The Senate bill had in it a provision requiring the appointment of 2 members of the 7 constituting the Federal Reserve Board to be experienced bankers. This provision was stricken out in conference.

So we have written into this law the principle that the Government, the sovereign people of the United States, shall have control of the Board that dictates the vast powers of the Federal Reserve System.

Something has been said about what was done in conference being a departure from the wishes of the House as expressed in the vote of the House on the bill. Let me say to the Members of the House that the open-market committee provided in the bill reported by the conference committee goes further in insuring Government control of the operations of the Federal Reserve System than the original bill that was submitted to the committees of the House and Senate by the present Governor of the Federal Reserve Board and by the administration.

The bill submitted by the administration to the House and the Senate and introduced by the Chairman of the Committee on Banking and Currency in the Senate and the Chairman of the Committee on Banking and Currency in the House, proposed an open-market committee composed of 5 members, 3 of whom were to be members of the Federal Reserve Board and 2 of whom were to be governors of Federal Reserve banks, elected by the governors of the 12 Federal Reserve banks.

Under the plan first proposed to the House, the Government would have had a majority of only one on the open-market committee, whereas under the bill embodied in the conference report the board will stand 5 to 7, giving the people of the country, as contradistinguished from private banking interests, control by a vote of 7 to 5 instead of by a vote of 3 to 2—a majority of 2 rather than a majority of 1 on the open-market committee.

I want to call attention to another thing. I dare say the Members of this House will bear me out in the statement I am about to make, because of their own experience and observation in recent years.

I know of many instances where solvent banks that were members of the Federal Reserve System went down in ruin because of the arbitrary, inelastic, strait-laced eligibility requirements of the Federal Reserve System, as a result of which solvent banks were unable to get the accommodations to which they were entitled, bringing demoralization and ruin to the communities involved. I dare say there is no Member here who is not familiar with this history. We have written into this bill a provision that the Federal Reserve banks may extend loans to any member bank upon any security regarded sound and satisfactory to officials of the Federal Reserve banks. If we had had such a provision in the law before the debacle of 1933, it would have gone a long way toward preventing the unhappy developments of that period.

We have written into this bill a provision which extends and liberalizes that law so that the credit facilities of the Nation will be available to banks that are members of the Federal Reserve System, to enable them to support every legitimate business interest within their territory.

But last, or in any event, certainly not least, is the provision in this bill, embodied in the conference report, that changes the personnel of the Federal Reserve Board. The Board is now made up of 6 appointed members, plus 2 ex-officio members—the Secretary of the Treasury and the Comptroller of the Currency. The measure reported to the House contains a provision for a new board of seven members, with the power of appointment placed in the President of the United States. The President of the United States is clothed with the power to reorganize the Federal Reserve Board.

So as to bring the System with its vast resources and powers into full harmony with the advanced policies of the present administration.

We all know that it does not matter so much what we write into the law as it does who administers the law. We have provided a practical method for employing the powers of the Federal Reserve Board. Under the law now existing the Board is without power to put into execution any policies which it may determine upon.

Under the present law policies must be originated by a committee consisting of the 12 governors of the Federal Reserve banks and approved by the Federal Reserve Board, but there is no authority to compel compliance. One bank can nullify any policy though it may have approval of the Federal Reserve Board and the other 11 banks.

Under this bill the power is fixed definitely in the Board, which represents the people of the United States, and the power of compliance is placed unreservedly in their hands.

That is what is in this bill. It is not all that I would like to see; it is not all that many Members of this House would like to see; but it represents a great reform, a great forward practical plan for the exercise of the sovereign power of the Government to control the Nation's credit and monetary policy in the interest of all the people of the United States.

Title III of the bill has not been controversial except in the matter of two amendments adopted by the Senate. One relates to interlocking directorates of banks, and the other would permit banks to resume underwriting securities. The Senate proposition as to interlocking directorates of banks was rewritten and amended so as to make it stronger than the Senate bill and stronger than the House bill. There cannot be interlocking directorates except in more than one bank, and then only when allowed by regulations of the Federal Reserve Board. The Senate amendment authorizing banks to resume underwriting of securities was opposed by the administration and by the conferees on the part of the House. That provision has been stricken from the bill. [Applause.]

Mr. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. ANDRESEN. Is there anything in the conference report relating to the capital structure of national banks?

Mr. STEAGALL. That has not been changed.

Mr. KOPPLEMANN. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. KOPPLEMANN. To ask the distinguished gentleman, Chairman of the Committee on Banking and Currency, in view of the general statements that have been made while the measure was under consideration in the committee and out of it, whether there is in the conference report anything which will give to the small business man, the small industrialists——

Mr. STEAGALL. I was afraid the gentleman would propound that question when he rose. I know how industriously he has studied the question. He deserves much credit for his interest and labors. I wish time would permit a discussion of the matter now but it does not. I now yield 20 minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Speaker, I hope I shall not have to take the full amount yielded me. I do not think I shall. The report before us has the unanimous approval of the conferees. The Membership will recall that there were parts of this bill that were rather bitterly fought when we had it up for consideration. Also, they will remember that the Senate bill, as finally approved by the committee, was quite different from the House bill. It will hardly pay at the present time to go in detail into all the happenings of the conference. Everyone knows that in matters of this kind there must be giving and taking, there must be compromise, in the hopes that a good workable bill will be brought out. Notwithstanding my opposition to various parts of the House bill, this bill now has my unqualified support, and I hope it will receive the support of Members on both sides of the Chamber.

Two or three hours could be taken up in detail with each item of the report, pointing out how the House bill read and how the Senate bill read and whether the conferees favored one bill or the other. Every Member of the House who cares to do so can do that for himself. It will be hardly worth while for any one of us to take it up in detail on the floor.

Our distinguished chairman has touched on the high spots of the bill. It occurred to me that there might be questions which some Members of the House would like to ask about it, and rather than take the time myself to explain exactly what is in it and exactly what the terms provide and what the changes are, I thought I would devote what time I have to answering questions which anyone may want to ask, if I can. If I cannot answer them, I shall ask some of my colleagues to help me out.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. CRAWFORD. Will the gentleman give us a little more information with reference to the statement made by the chairman of the committee on the point how the Reserve banks, in time of distress and a breaking market, in periods of what might be termed deflationary trends, will treat the assets of member banks?

Mr. HOLLISTER. I do not know what the gentleman means by "treating" the assets. Of course, the member banks deposit with Reserve banks and carry certain reserves there. At the present time there are large excess reserves. Is the gentleman referring to the complaint made that there was a compulsory provision whereby the excess reserves might be used to buy bonds?

Mr. CRAWFORD. No. Heretofore the Reserve banks have not had the privilege of expanding their service to the member banks insofar as taking into their hands certain assets for the purpose of making advances to the member banks. I understood the chairman to say a while ago that that defect in the previous banking law has been corrected, that the Reserve banks can now advance to member banks on any and all kinds of assets that the member banks may have.

Mr. HOLLISTER. That is going a little bit too far. The bill does not go that far, but it does allow for the existing situation. In the House bill it is true that almost any assets could be used by the various banks with the Reserve banks. The Senate bill provided that until eligible paper was exhausted there could not be any use of the emergency provisions. A compromise was reached which will be found on page 23 of the report, section 204:

SEC. 204. Section 10 (b) of the Federal Reserve Act, as amended, is amended to read as follows:

"SEC. 10 (b). Any Federal Reserve bank, under rules and regulations prescribed by the Board of Governors of the Federal Reserve System, may make advances to any member bank on its time or demand notes having maturities of not more than 4 months and which are secured to the satisfaction of such Federal Reserve bank. Each such note shall bear interest at a rate not less than one-half of 1 percent per annum higher than the highest discount rate in effect at such Federal Reserve bank on the date of such note."

Note that now a bank may make a 4 months' borrowing from the Federal Reserve bank on practically any reasonable assets which under rules and regulations the Federal Reserve Board may approve. It means that you do not have first to exhaust your eligible paper before you can do that.

Mr. CRAWFORD. That answers the question. Is there anything in this bill that provides that State banks to be organized hereafter must have $50,000 capital in order to get advantage of the insurance?

Mr. HOLLISTER. They may come into the insurance fund if they are under $1,000,000 deposits without any specific capital limitation, but after 1942, if they have deposits of $1,000,000 or more, they must become members of the Federal Reserve System, and have whatever capital requirements existing law demands.

Mr. BIERMANN. But there is nothing to provide that they must have $50,000 capital in order to get advantage of the insurance?

Mr. HOLLISTER. No. There is no change in existing law, except a liberalization which permits the waiver of some of the usual requirements.

Mr. BIERMANN. Is there anything in the rules that makes them more stringent for the little State banks than they are now?

Mr. HOLLISTER. I do not believe so. I would not want to answer that absolutely, because there are some slight changes, but I would say that the small State bank is not appreciably affected by anything in this bill. There are so many small changes here and there, giving certain authority to the Federal Deposit Insurance Corporation, and so forth, that I would not want to make any categorical answer to the gentleman, but I do not think there is anything to worry about.

Mr. BIERMANN. There was some talk, as I understand, about requiring State banks organized hereafter, to have a capital of $50,000 in order to come in under the insurance provision?

Mr. HOLLISTER. That is not in this bill.

Mr. KELLER. Is that not the law at the present time?

Mr. HOLLISTER. I mean there is no change in the law at the present time. Whether that is the law at the present time or not, I am not sure, although I do not believe that is so, but I would want to check it before giving a definite answer.

Mr. KELLER. That is certainly true as to national banks.

Mr. HOLLISTER. That is true as to national banks, but I do not think it is as to State banks. There is no change in the present law. That is what we were particularly interested in.

Mr. WHITE. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. WHITE. In the bill as it passed the House in section 204, paragraph 4, there was a provision that the Federal Reserve System should exercise this control in such manner as to promote conditions conducive to business recovery, and so on. Will the gentleman tell us what change was made in that provision?

Mr. HOLLISTER. That is no longer in the bill.

Mr. WHITE. They are not given the power to restrict and contract currency, to stabilize prices?

Mr. HOLLISTER. The provision to which the gentleman refers stated it was the duty of the Federal Reserve Board to exercise their powers toward that end. That is now not in the bill. That was not in the Senate bill.

Mr. WHITE. With reference to this provision for open-market transactions to be administered by a board of 7 from the Federal Reserve Board and 5 members appointed by the Federal Reserve bank?

Mr. HOLLISTER. That is correct.

Mr. WHITE. That has to do with the expansion and contraction of the currency, does it not?

Mr. HOLLISTER. As to what expansion or contraction of the currency means is one of those disputable subjects which I do not have time to discuss now. Some say it does have to do with expansion and contraction of the currency, and some say it does not.

Mr. WHITE. When they go into the market and buy securities and put out money, that is expansion, is it not?

Mr. HOLLISTER. I would like to answer the gentleman's question as to where the bill is changed, but I do not want to get into a discussion of the question of expansion of the currency.

Mr. WHITE. That is one of the big points and one of the main objects of this bill, to give control for the issuance of currency.

Mr. HOLLISTER. That is not my understanding of the proper function of the Federal Reserve System.

Mr. WHITE. As a matter of fact, is not the $4,000,000,000——

Mr. HOLLISTER. The gentleman can ask me any question about the bill, but I cannot yield for a discussion of basic principles.

Mr. WHITE. Is it not a fact that there are $4,000,000,000 Federal Reserve notes out in currency at this time, backed by the United States Government?

Mr. HOLLISTER. Something like that.

Mr. WITHROW. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. WITHROW. Did I understand the gentleman to say that all banks organized after 1942, in order to get the guaranty-deposit insurance, will have to be members of the Federal Reserve System?

Mr. HOLLISTER. If they have more than $1,000,000 deposits.

Mr. WITHROW. And if they have less than $1,000,000 it is not necessary to become a member of the Federal Reserve System?

Mr. HOLLISTER. There is no limitation whatever. A bank with less than $1,000,000 deposits, under this law, is not compelled to become a member of the Federal Reserve System. A bank that has more than $1,000,000 must come in by 1942 in order to get the benefit of the deposit insurance.

Mr. CRAWFORD. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. CRAWFORD. I think the gentleman answered a part of the question I was going to ask. It is this: What is the status of State banks?

Mr. HOLLISTER. A State bank with deposits under $1,000,000 does not have to become a member of the Federal Reserve System in order to get the advantages of the Federal deposit insurance. If it has deposits of more than $1,000,000, then it must become a member of the Federal Reserve System by 1942.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. McLAUGHLIN. Between the effective date of this bill and 1942 any State bank may become a member of the Federal Reserve System by application?

Mr. HOLLISTER. If it passes the different requirements of the Federal Reserve System; yes. There is no change in that situation.

Mr. McLAUGHLIN. On and after 1942, whenever a State bank's deposits reach $1,000,000, it automatically becomes a member?

Mr. HOLLISTER. It must, in order to get the advantages of the Federal Deposit Insurance Corporation, become a member of the Federal Reserve System. There is nothing compelling it to come in otherwise. If it does not want to be insured, it does not have to come in; but if a bank with more than $1,000,000 deposits wants to come in under the Federal Deposit Insurance after 1942, then it must be a member of the Federal Reserve System.

Mr. McLAUGHLIN. It can operate without insurance, without becoming a member?

Mr. HOLLISTER. It can operate without insurance; yes. There is no way the Federal Government can compel a State bank to become a member of the Federal Reserve System. The Federal Deposit Insurance Corporation, however, can be controlled by the Federal Government. The conference report contained a provision that 7 years from now banks with deposits of over $1,000,000 will be forced to come into the System in order to be insured. There will be seven sessions of Congress before then, however, and that may be changed in many different ways.

Mr. CRAWFORD. That is to say they will be forced to become members of the System if their deposits exceed $1,000,000.

Mr. HOLLISTER. Yes; if they want insurance.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. WHITE. Considering the statement made by the chairman of the committee that the people of the United States would have control of the currency, or control of this Board, and that the Board would be responsible to the will of the people, is it not a fact that five members of the Board are appointed by the banks?

Mr. HOLLISTER. That is right.

Mr. WHITE. And that the President is required to appoint as two officers of the Board men who have had banking experience?

Mr. HOLLISTER. No, that has been taken out; that is no longer in the bill. There is no longer any requirement that any of the Board of Governors of the Federal Reserve System shall be bankers.

Mr. WHITE. But that they shall have banking experience.

Mr. HOLLISTER. That is not in the bill. If the gentleman will read the bill, he will see it is left out.

Mr. WHITE. I read the gentleman this paragraph from section 10.

SEC. 10 (b). Whenever any member bank has no eligible and acceptable assets available to enable it to obtain adequate credit accommodations through rediscounting at the Federal Reserve bank or any other method provided by this act other than that provided by section 10 (a), any Federal Reserve bank, under rules and regulations prescribed by the Board of Governors of the Federal Reserve System, may make advances to such member bank on its time or demand notes secured to the satisfaction of such Federal Reserve bank. Each such note shall bear interest at a rate not less than 1 percent per annum higher than the highest discount rate in effect at such Federal Reserve bank on the date of such note.

I am simply reading the provisions of the bill.

Mr. HOLLISTER. That is the House bill. I am trying to save time. I will answer the gentleman's question, although I have already answered it. If the gentleman will look at page 23, section 204, of the report, he will find out what the new provision is.

I yield now to the gentleman from Michigan.

Mr. BROWN of Michigan. In the Senate bill I understand there was a limit on the total amount that could be obtained by way of assessment from banks with Federal deposit insurance.

Mr. HOLLISTER. That is correct.

Mr. BROWN of Michigan. Now there is no limitation?

Mr. HOLLISTER. The gentleman is correct.

Mr. BROWN of Michigan. The banks are assessed at the rate of one-twelfth of 1 percent regardless of how much money the Corporation may have.

Mr. HOLLISTER. Yes; but the amount of five hundred million set up in the Senate bill would not be reached for 15 years; before that many Congresses will be in session.

Mr. FIESINGER. Mr. Speaker, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. FIESINGER. On the question of eligibility the bank must exhaust eligible paper.

Mr. HOLLISTER. Not under the conference report; they do not have to exhaust it. That was the situation in the Senate bill, but the conference report shows the compromise that was made.

Mr. FIESINGER. If they had put up other sound assets, as required, must it be backed up by 40 percent gold, the same as eligible paper?

Mr. HOLLISTER. I am talking about the borrowing of money, whereas the gentleman is talking about note coverage.

Mr. FIESINGER. I am talking about Federal Reserve currency.

Mr. HOLLISTER. That is not what we are discussing. We are discussing the question of borrowing by banks from the System.

Mr. LEE of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. LEE of Oklahoma. In the gentleman's opinion, does this place more or less control in the hands of the Government of the banking system than the House bill did?

Mr. HOLLISTER. The gentleman means control by the administration?

Mr. LEE of Oklahoma. Yes.

Mr. HOLLISTER. I would say less.

Mr. LEE of Oklahoma. Perhaps that is why Senator GLASS was pleased with it.

Mr. HOLLISTER. Perhaps it is. My answer to that would be "less", if that is a direct question.

Mr. BIERMANN. Mr. Speaker, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. BIERMANN. This bill requires a contribution of one-twelfth of 1 percent of the deposits. How is this fund invested?

Mr. HOLLISTER. That is provided by existing law. I do not know that I can answer the gentleman directly, but I think it is chiefly in Government bonds.

Mr. BIERMANN. It is invested in something that produces income.

Mr. HOLLISTER. Yes; because at the present time the fund, being invested in bonds, has had a large increment through income and through increase in value.

Mr. McLAUGHLIN. Mr. Speaker, if the gentleman will yield further, what effect will the passage of this bill have upon the present Federal Reserve Board?

Mr. HOLLISTER. This bill changes the Federal Reserve Board from a board of 8 individuals, including the Secretary of the Treasury and the Comptroller of the Currency, to a new board of 7 without the Secretary of the Treasury or the Comptroller of the Currency. The new members will be appointed for 14 years, with a step every 2 years. Every 2 years a man's term will expire.

The whole Board will go out, and by February 1, 1936, a new Board will be appointed. Under the Senate bill the terms expired at such a time as would make recess appointments necessary, but this has been changed so the Senate will be in session when the appointments are made.

Does that answer the question?

Mr. McLAUGHLIN. I think it does. Do the present members hold office until February 1, 1936?

Mr. HOLLISTER. They do.

Mr. McLAUGHLIN. But on February 1, 1936, the present Board terminates?

Mr. HOLLISTER. Yes. The new appointments are to be made when the Congress is in session next year.

Mr. DOBBINS. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Illinois.

Mr. DOBBINS. Is the gentleman able to tell us how much profit there has been in the operation of the Federal deposit-insurance plan?

Mr. HOLLISTER. That is a very hard question to answer. Naturally there have been some losses. A few banks are closing all the time. I think the total number has been 12 to 15. The figures are available so far as the losses are concerned, together with the figures concerning the income they have earned on the bonds, and the increment in value over what these bonds were bought at, and so forth.

Mr. DOBBINS. It may be said, however, that there has been considerable profit in the operation of the Corporation?

Mr. HOLLISTER. Considerable; yes.

Mr. KENNEY. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from New Jersey.

Mr. KENNEY. The gentleman is aware of the fact that from time to time we have had expert British bankers over here advising us with reference to our banking policy. Does the gentleman recollect that not a single one of the British experts who have come over here has ever recommended the British system of a central bank?

Mr. HOLLISTER. I do not know whether anyone has recommended that or not, but I personally do not believe in a Government central bank. I am not sure I quite understand the gentleman's question.

Mr. KENNEY. My question was, when we called in these British experts they never recommended a system of banking similar to their own.

Mr. HOLLISTER. I am sure I cannot tell the gentleman.

Mr. KENNEY. The gentleman does not know the reason for that?

Mr. HOLLISTER. I do not know, except, perhaps, that under the set-up in this country it is not wise to have a central banking system.

Mr. KENNEY. Does not the gentleman know that Senator Aldrich, back in 1912, advocated a central bank?

Mr. HOLLISTER. I know that.

Mr. KENNEY. And that the gentleman's party advocated a central bank at that time?

Mr. HOLLISTER. I am not particularly interested in what my party recommended 20 years ago.



Mr. KENNEY. Well, that is what happened.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Will the gentleman please turn to section 10, on page 23, of the conference report. The language there is somewhat uncertain. Does the word "its" in line 3 refer to the notes of which the bank is the maker? Or does the word "its" refer to the notes of customers that are held and owned by the banks?

Mr. HOLLISTER. No; it refers to the notes of the banks. It is not the notes of the customers. It is not a question of rediscount; it is a question of borrowing by the member banks.

Mr. BROWN of Michigan. In order to make clear as to the construction of section 10 (b), the obligations held by the bank from its customers for periods longer than 4 months would be eligible as security back of the notes of the bank?

Mr. HOLLISTER. I do not believe that it is necessary to say that. I think other provisions of law would absolutely govern that matter.

Mr. BROWN of Michigan. I do not think section 10 (b) should be construed to mean that the bank could not put up notes that had maturities of longer than 4 months as collateral to its obligation.

Mr. HOLLISTER. I do not think they should, either.

Mr. BROWN of Michigan. I think that should be clearly expressed by the gentleman.

Mr. HOLLISTER. That is my understanding, although I would not like to interfere with the language used, because when you do so at any particular place it changes the situation somewhere else.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Speaker, I yield one-half minute to the gentleman from New York [Mr. DUFFY].

Mr. DUFFY of New York. Mr. Speaker, I have been requested by the Judiciary Committee to ask unanimous consent that the committee may sit this afternoon from 3 o'clock on during the session of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, the remaining time is not very long to attempt to analyze this conference report. The conception of the Senate was that the operations of the open-market committee should be controlled by the banks. The theory of the House was that the operations of the open-market committee, involving as they do the placing of money in circulation and withdrawing it in order to prevent on the one hand inflation, and on the other deflation, was a public function and should be controlled entirely by representatives of the people.

With that in view, the members of the Banking and Currency Committee of the House, and the House itself, adopted a provision that the open-market policy would be controlled exclusively by the members of the Federal Reserve Board. The Senate bill provided that the open-market policy should be controlled by the Federal Reserve Board and five representatives of the Federal Reserve banks.

It also provided that two members of the Federal Reserve Board should be experienced bankers; so that the Senate bill would have placed on the open-market committee 7 bankers and 5 nonbankers, which would have given control of the open-market policy to private banking interests.

The Senate bill also provided that of the 5 bankers 1 should have a roving commission or should be a member at large, the purpose of this being to give the New York district 2 representatives instead of 1.

The conference report says that the open-market committee shall consist of 7 members of the Federal Reserve Board and 5 members of the Federal Reserve bank, each one of whom shall represent a different Federal Reserve section of the country and shall come from a different section of the country; and the conference report also provides that the two bankers who would be on the Federal Reserve Board

shall not be required by law to be there. So that, as the chairman has said, while unfortunately the policy of the House has not been carried out in toto—in other words, the undiluted principle that the public money shall be used for the purpose of the exchange of goods and commodities is not in the conference report—the conference report in a practical way protects the public, because the 7 members of the Federal Reserve Board sit here in Washington and they are a cohesive body, while the 5 bankers are scattered all over the United States and do not constitute a majority of the open-market committee.

The Senate bill said that it would require 5 out of the 7 members of the Federal Reserve Board to change the reserve requirements of the member banks. The conference report says that it only requires a majority of the members of the Federal Reserve Board to change the reserve requirements.

Under existing law the Federal Reserve banks initiate the changes in rediscount rates. To be sure, under existing law what they do has to be ratified by the Federal Reserve Board, but the Federal Reserve Board under existing law has no right to initiate changes in rediscount rates. Under the conference report the Federal Reserve Board has exclusive right to initiate and control rediscount rates, so that for the first time since the enactment of the Federal Reserve Act the Federal Reserve Board exercises an actual control over the operations of the central banks of the country.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. BURDICK. Before the gentleman finishes his remarks I should like very much to have him make a brief statement about what constitutes open-market operations.

Mr. GOLDSBOROUGH. I can only generalize, but I am sure it will be sufficiently satisfactory to say that open-market operations consist of the buying of Government bonds when the Federal Reserve Board thinks it is necessary to put more money into circulation in order to avoid a depression, and the sale of Government bonds at a time when they deem it necessary in order to prevent a period of wild speculation. This is a broadening of the powers in that respect.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. ASHBROOK. I have not heard all of the gentleman's statement, and he may have touched upon one point in which I am very much interested. I wish to inquire whether this bill, as agreed upon by the conferees, requires State banks to become members of the Federal Reserve System in order to enjoy the benefits of the F. D. I. C.

Mr. GOLDSBOROUGH. Under the bill banks with deposits of less than $1,000,000 never have to come into the Federal Reserve System. Banks with $1,000,000 of deposits and over have to come into the system on July 1, 1942.

Mr. ASHBROOK. I thank the gentleman for the information.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. PIERCE. In answer to a previous question the gentleman made a statement about the purchase of Government bonds. When they buy the bonds, do they pay for them in currency?

Mr. GOLDSBOROUGH. The Federal Reserve banks would have to pay for them in Federal Reserve notes.

Mr. PIERCE. Then the currency is increased?

Mr. GOLDSBOROUGH. That is correct.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. WILLIAMS. The gentleman spoke about the reserve requirements, and I wish to inquire what change, if any, was made in that respect.

Mr. GOLDSBOROUGH. A very pronounced change was made. Under the House bill the Federal Reserve Board was given unlimited control of reserve requirements. Under the conference as agreed upon the Federal Reserve Board has no right to reduce reserves. It has a right to increase the reserves 100 percent; that is, from thirteen, ten, and seven to twenty-six, twenty, and fourteen.

Mr. WILLIAMS. That is on demand deposits?

Mr. GOLDSBOROUGH. That is correct.

Mr. WILLIAMS. And there is no change as to time deposits?

Mr. GOLDSBOROUGH. That is correct.

Mr. STEAGALL. If the gentleman will permit me to interrupt, I should like to state in that connection that, with absolute control of open-market operations established, the matter of controlled reserves is not as important as it would be otherwise.

Mr. HANCOCK of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. HANCOCK of North Carolina. Will the gentleman briefly give the House the benefit of his conception of the objectives of these great powers that are to be exercised by the Board?

Mr. GOLDSBOROUGH. My colleague from North Carolina will recall that there was in the House bill an affirmative mandate. It was general in terms, but it was an affirmative mandate. The Federal Reserve Board, unfortunately, in the past has occupied a negative position. Of course, it had very little affirmative power, but it has taken the position that when credit was asked for it should see if the credit was needed, but should not occupy an affirmative position.

The gentleman will remember that there was a mandate in the House bill. I introduced an amendment, which failed to carry, which would have given the Federal Reserve Board very broad powers. When we got into conference we found that if we insisted on any sort of a mandate at all we would get no bill. We were in session 11 days, and we were in there in an unfortunate position. The House bill was a good deal better than the present law, and the Senate bill was some better than the present law, and the Senate knew that we would rather have the Senate bill than no bill at all.

However, in spite of that fact, outside of the mandate and the modification of the open-market committee, we got substantially the House bill.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. HANCOCK of North Carolina. I want to make this statement, that I think the House conferees have done a splendid job.

Mr. GOLDSBOROUGH. I thank the gentleman.

Mr. COLDEN. Will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. COLDEN. To what extent is the conference report stronger as to the Government control over bank credit?

Mr. GOLDSBOROUGH. I do not know whether the gentleman has been in the room since I began speaking or not, but under existing law the Federal Reserve Board exercises very little more than a moral control over the Federal Reserve banks. Under the conference report they control the open-market operations. The Federal Reserve Board represents the public; the Secretary of the Treasury is off it and the Comptroller of the Currency is off it. They control the rediscount rates. They can increase the reserves in the banks over $2,000,000,000 by powers given them under this bill.

Mr. BIERMANN. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. BIERMANN. The open-market committee has the power to allot these bonds to be sold by the Federal Reserve banks.

Mr. GOLDSBOROUGH. Yes.

Mr. BIERMANN. The committee apportion so much to this bank, so much to that bank?

Mr. GOLDSBOROUGH. Yes.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. MARTIN of Colorado. The gentleman has stated to the House that the conference report is infinitely better than the present law and also that the Senate bill is inferior to the House bill.

Mr. GIFFORD. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. GIFFORD. The gentleman made the statement that it was the conception of the Senate that bankers should control the people's money, and it was the conception of the House that the representatives of the people should control it?

Mr. GOLDSBOROUGH. That is what the vote showed.

Mr. GIFFORD. I congratulate the gentleman on his yielding attitude, knowing how strongly he felt about it; but is it not fair to infer that the Senate might feel, after the last 2 years of monetary operations, they could hardly trust the present representatives of the people to carry on the monetary operations? Is it not fair to infer that?

Mr. GOLDSBOROUGH. I will say to the gentleman from Massachusetts that the strength and power of the Senate conferees said that the public has got no right to be represented on the open-market committee at all; they have no stake in it. The strength of the Senate conferees was that the control of money belongs to the bankers and not to the people, and that was stated in that conference a dozen times. We had to sit there and listen to that statement. The Federal Reserve Board has no stake in this thing. The open-market committee ought not to have any stake in it. They ought to operate it in the public interest and in the public interest alone. [Applause.]

Mr. GIFFORD. Then the gentleman would continue to say that the Senate preferred the bankers to handle the people's money from a matter of principle, and not from the present conditions?

Mr. GOLDSBOROUGH. God only knows why anybody would want to say that the people's medium of exchange should be controlled by any private interests; but that is what they said at least a dozen times.

Mr. STEAGALL. Which they were not allowed to write into this bill?

Mr. GOLDSBOROUGH. They were not allowed, as the chairman says, to write any such infamous principle into the bill.

Mr. WHITE. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. WHITE. The open-market transaction has to do with the contraction and expansion of the currency, has it not?

Mr. GOLDSBOROUGH. Yes, sir.

Mr. WHITE. By buying Government securities and issuing currency against it, money is expanded, and vice versa, by putting out money and buying, the currency is contracted?

Mr. GOLDSBOROUGH. Yes, sir.

The SPEAKER. The time of the gentleman from Maryland [Mr. GOLDSBOROUGH] has expired.

All time has expired.

The question is on the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

### RIVER AND HARBOR ACT, 1935—CONFERENCE REPORT

Mr. MANSFIELD. Mr. Speaker, I call up a conference report on the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RICH. Reserving the right to object, I should like to ask the gentleman from Texas [Mr. MANSFIELD] whether we will have permission to request certain information from him with reference to certain sections of the bill if we grant this unanimous-consent request?

Mr. MANSFIELD. There is no unanimous-consent request except as to the reading of the statement.

Mr. RICH. There are three or four items with reference to which we should like to have some information.

Mr. MANSFIELD. I will state to the gentleman I will be glad to give him any information I possess.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

#### CONFERENCE REPORT

(To accompany H. R. 6732)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9, 33, 35, 47, and 72.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 7, 8, 11, 12, 13, 14, 17, 19, 21, 23, 26, 27, 28, 29, 30, 31, 32, 34, 36, 37, 38, 40, 44, 45, 46, 50, 51, 52, 53, 54, 55, 58, 59, 60, 61, 62, 64, 65, 66, 67, 68, 69, 70, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 84, 85, 86, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 117, 118, 119, 120, 121, 123, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 149, 150, and 151.

The committee of conference report in disagreement amendment numbered 71.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Indian Neck Harbor, Conn."; and the Senate agree to the same.

The committee of conference recommends that this item be inserted at the bottom of page 25 of the bill.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Milford Harbor, Conn."; and the Senate agree to the same.

The committee of conference recommends that this item be inserted at the bottom of page 25 of the bill.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: At the end of the said amendment insert the following: ": *Provided further*, That the prosecution of this project shall be subject to approval by the Board of Engineers for Rivers and Harbors."

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "Shrewsbury River, New Jersey; House Document Numbered 157, Seventy-first Congress, and Rivers and Harbors Committee Document Numbered 31, Seventy-fourth Congress;" and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Documents Numbered 11, Seventy-third Congress, and 66, Seventy-fourth Congress", and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In the matter inserted by said amendment insert, after the word "Refuge", the following: "Broadkill River, and Inland Waterway between Rehoboth Bay and Delaware Bay,"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with its insertion on page 28, after line 24; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In the matter inserted by said amendment strike out "as contained in the report of June 5, 1935, of the Chief of Engineers" and insert in lieu thereof the following: "House Document Numbered 227, Seventy-fourth Congress"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by the said amendment insert the following: "Starlings Creek, Virginia; Rivers and Harbors Committee Document Numbered 46, Seventy-fourth Congress"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "except that the District of Columbia shall be required to contribute the sum of $389,000 to the cost of the improvement"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and

agree to the same with an amendment as follows: In the matter inserted by said amendment strike out: "Documents Numbered 31, Seventy-second and 57, Seventy-fourth Congresses:" and insert in lieu thereof the following: "Documents Numbered 31, Seventy-second Congress, and 57, Seventy-fourth Congress:"

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "Congress, and 62, Seventy-fourth Congress"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Documents Numbered 28, Seventy-second Congress, and 58, Seventy-fourth Congress"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with its insertion on page 13, after line 19; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with its insertion on page 16, after line 7; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with its insertion on page 16, after line 12; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert the following: "Muskegon Harbor, Michigan; Rivers and Harbors Committee Document Numbered 64, Seventy-fourth Congress"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: After the word "Congress", at the end of the said amendment, insert the following: ": *Provided*, That the project for the down-bound channel across Harsens Island is not adopted or authorized herein, and the construction of said channel shall not be commenced until it is subsequently authorized by Congress"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with its transfer to page 19, after line 20; and the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Kennebec River, Maine, with a view to dredging the river from Augusta to Gardiner."

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Bridgeport Harbor, Connecticut."; and the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Woodmont Harbor, Connecticut."

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with its insertion on page 30, after line 11; and the Senate agree to the same.

Amendment numbered 122: That the House recede from its disagreement to the amendment of the Senate numbered 122, and agree to the same with an amendment as follows: Strike out the word "Lavaco" at the end of the said amendment and insert in lieu thereof the word "Lavaca"; and the Senate agree to the same.

Amendment numbered 124: That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with its transfer to page 37, after line 7; and the Senate agree to the same.

Amendment not numbered (follows amendment no. 130): The paragraph on page 52 lines 11 to 17, inclusive, of the bill printed with the Senate amendments numbered and reading as follows, "Deep channel waterway from Lake Ontario near Olcott, N. Y., to the Niagara River at Tonawanda, N. Y.; from Lake Ontario via Eighteen Mile Creek to Lockport, N. Y., and from Lockport to Tonawanda via the western end of the New York State Barge Canal; with a view to determining the possibility, feasibility, practicability, and cost of development for deep channel traffic", was added to the bill by amendment in the Senate and printed in roman type in error.

That the House recede from its disagreement to the said amendment, and agree to the same with its insertion on page 36, after line 25 of the House bill; and the Senate agree to the same.

Amendment not numbered (follows amendment no. 136): The item on page 54, line 18, of the bill printed with the Senate amendments numbered and reading as follows, "Duwamish River, Wash", was added to the bill by amendment in the Senate and printed in roman type in error.

That the House recede from its disagreement to the said amendment, and agree to the same with its insertion on page 38, after line 13 of the House bill; and the Senate agree to the same.

Amendment numbered 148: That the House recede from its disagreement to the amendment of the Senate numbered 148, and agree to the same with an amendment as follows: In the matter inserted by said amendment strike out "Cascade Locks Rural Fire Protection District, organized under the laws of the State of" and insert in lieu thereof the following: "City of Cascade Locks,"; and the Senate agree to the same.

J. J. MANSFIELD,
JOS. A. GAVAGAN,
RENÉ L. DEROUEN
GEORGE N. SEGER,
FRANCIS D. CULKIN,
*Managers on the part of the House.*

ROYAL S. COPELAND,
DUNCAN U. FLETCHER,
MORRIS SHEPPARD,
CHARLES H. MCNARY,
HIRAM W. JOHNSON,
*Managers on the part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6732), authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, submit the following written statement explaining the effect of the action agreed upon:

The river and harbor bill as it passed the House authorized a list of projects to which funds had been allotted from appropriations for public works. Many of these projects are completed and nearly completed. The total estimated cost of this list is $184,529,007.30. The House also adopted a list of projects to which no allotments have as yet been made, the total estimated cost of which is $91,681,265.70. Projects relating to improvements for the benefit of navigation were added to the bill by the Senate to which over 75 percent of the cost has already been allotted from Public Works appropriations. The estimated cost of these projects is $299,983,900. A list of projects which have not received allotments was also adopted by the Senate, the total estimated cost of which is $14,974,400.

As a result of the conference a reduction of $456,150 was made from the total of the authorizations made by the Senate, in addition to the cost of the projects authorized by amendment no. 72, from which the Senate receded.

The chief controversial items in the bill were included in Senate amendments numbered 71 and 72. The Senate recedes from 72, but insisted upon number 71 being retained. In view of the fact that many House Members were under the impression that a separate vote would be allowed on either of these amendments if retained, the House conferees have reported this back to the House still in disagreement.

On amendment no. 1, pages 1 and 2: Item amends enacting clause so as to provide that hereafter Federal investigations and improvements of rivers, harbors, and other waterways shall be under the jurisdiction of and shall be prosecuted by the War Department, under the direction of the Secretary of War and the supervision of the Chief of Engineers, except as otherwise specifically provided by act of Congress. House conferees recede.

On amendment no. 2, page 2: Corea Harbor, Maine. Item adopts new project recommended by the Chief of Engineers for the construction of an anchorage basin at an estimated cost of $44,300. House conferees recede.

On amendment no. 3, page 2: Boston Harbor, Mass. Item adopts new project, recommended by the Chief of Engineers, for the deepening to 40 feet that part of the approach channel to the United States Navy Dry Dock No. 3, between the main ship channel and the United States harbor line. Estimated cost, $128,700. House conferees recede.

On amendment no. 4, page 2: Mystic River, Mass. Item adopts new project, recommended by the Chief of Engineers, for modifying the existing project so as to provide a channel 30 feet deep at mean low water and 500 feet wide from the mouth of Island End River to the city playground at Charleston. Estimated cost, $475,000. House conferees recede.

On amendment no. 5, page 3: Item provides for a survey of Indian Neck Harbor, Conn., in the following language:

"Indian Neck, Conn.: The Secretary of War is hereby authorized and directed to make a survey of Indian Neck Harbor, Conn., and report to Congress the facts of such survey, with recommendations concerning the practicability of additional dredging in the harbor to enlarge the harbor basins."

House conferees recede with an amendment striking out all matter in said amendment except "Indian Neck Harbor, Conn.", and the insertion of the said item in the survey section of the bill.

On amendment no. 6, page 3: Item provides for a survey of Milford Harbor, Conn., in the following language:

"Milford, Conn.: The Secretary of War is hereby authorized and directed to make a survey of Milford Harbor, Conn., and report to Congress the facts of such survey, with recommendations concerning the practicability of additional dredging in the harbor to enlarge the harbor basins."

House conferees recede with an amendment striking out all matter in said amendment except "Milford Harbor, Conn.", and the transfer of said item to the survey section of the bill.

On amendment no. 7, page 3: Vineyard Haven Harbor, Mass. Item adopts project recommended by the Chief of Engineers for dredging to depths of 12 and 17 feet the area north of the existing fairway, as shown on map accompanying Rivers and Harbors Committee Document 65, Seventy-fourth Congress, at estimated cost of $30,000. House conferees recede.

On amendment no. 8, page 4: Southport Harbor, Conn. Item adopts project recommended by the Chief of Engineers for modifying the existing project to provide for a channel 9 feet deep and 100 feet wide from Long Island Sound to the deep-water basin opposite East Main Street, and for an anchorage basin 6 feet deep, 800 feet wide, and 500 feet long north of the golf-club wharf, all as shown on the accompanying map, and at an estimated cost of $90,400 for new work, with $1,200 annually for maintenance, subject to the provisions that local interests contribute $13,500 in cash and give assurances satisfactory to the Secretary of War that a free public landing and suitable facilities for service and supply of pleasure craft will be made available, and that local regulation and control will provide for equitable public use of the landing and other facilities and of the improved anchorage areas within the harbor. House conferees recede.

On amendment no. 9, page 4: Fivemile River Harbor, Conn.: Item adops a project recommended by the division engineer in House Document No. 1419, Sixty-third Congress, third session, for modifying the existing project so as to provide for an entrance channel 9 feet deep and 150 feet wide, and that the 18-foot project adopted in 1888 be curtailed to 3,800 feet long instead of 6,000 feet long. The estimated cost was $5,800, which is $3,700 less than the cost of completing the old project. Senate recedes.

On amendment no. 10, page 4: Connecticut River at East Hartford, Conn. Under this amendment the Secretary of War is authorized and directed to proceed with the construction of dikes, drainage gates, suitable pumping plants, and other facilities for controlling floods on the Connecticut River at East Hartford, Conn., pursuant to a special survey made by the district engineer at Providence, R. I., supplementing the survey in House Document 308, Sixty-ninth Congress, first session, and in conformity with either plan A or plan B, designated in the report of said supplemental survey; selection of the plan to be executed shall be made by the Secretary of War with the approval of the town of East Hartford; and it is provided that the cost of the work authorized shall not exceed $658,000. House conferees recede with amendment making the prosecution of the project subject to approval by the Board of Engineers for Rivers and Harbors.

On amendment no. 11, page 5: Sag Harbor, N. Y. Item adopts new project, recommended by the Chief of Engineers, which modifies the existing project so as to provide for an entrance channel 3,200 feet long, 100 feet wide, and 10 feet deep at mean low water from Shelter Island Sound by way of the village wharf to the mooring dolphins of the Standard Oil Co.; for a turning basin of the same depth; for an anchorage area 8 feet deep at mean low water between this channel and the breakwater; and for a small anchorage area 6 feet deep at mean low water between the village wharf and the Sag Harbor Yacht Club pier; at an estimated cost of $59,300 for new work and $5,000 annually for maintenance; subject to the provisions that local interests provide suitable public wharf and dock facilities and furnish, free of cost to the United States, suitable areas ashore for the disposal of dredged materials. House conferees recede.

On amendment no. 12, page 5: Buttermilk Channel, New York Harbor, N. Y. Item adopts recommendation of the Chief of Engineers for a modification of the existing project to provide for a channel 1,000 feet wide, 40 feet deep at mean low water for the width of the existing 500-foot channel, and 35 feet deep for the remaining 500-foot width west of the existing channel, with suitable widening at the junctions with Diamond Reef, Red Hook, and Anchorage Channels, at an estimated cost of $783,000 for new work with no increase in the present estimated annual cost of maintenance. House conferees recede.

On amendment no. 13, page 6: Great Lakes-Hudson River Waterway (New York Barge Canal, N. Y.). Amendment strikes out proviso in House item providing that no allotment of Federal moneys shall be made under this authorization unless and until the State of New York shall have entered into agreement satisfactory to the Secretary of War that no toll charges will be imposed for the use and navigation of the improved waterway; and inserts in lieu thereof the following: "All acts or parts of acts inconsistent herewith are hereby repealed." House conferees recede.

On amendment no. 14, page 7: Manasquan River, N. J. Item adopts new project, recommended by the Chief of Engineers, for widening of the present channel on its northerly side by dredging to a depth of 8 feet a strip up to 200 feet in width with a length of approximately 3,150 feet, at an estimated cost of $46,000 for new work and $5,000 annually for maintenance in addition to that now required, subject to the provision that the State or local interests furnish, free of cost to the United States, suitable spoil disposal areas and hold and save the United States free of claims for damages or injury to land or other property resulting from the dredging operations. House conferees recede.

On amendment no. 15, page 7: Shrewsbury River, N. J. Item adopts new project, recommended by the Chief of Engineers, for the modification of the existing project so as to provide for a channel 9 feet deep and generally 150 feet wide from a point 600 feet south of the railroad bridge at Highlands to the Branchport Avenue Bridge in the city of Long Branch, suitably widened at bends and turns, at an estimated cost of $238,000 for new work and $15,000 annually for maintenance in addition to that now required; subject to the condition that local interests provide, free of cost to the United States, suitable areas for the disposal of dredged material. House conferees recede, with verbal amendment.

On amendment no. 16, page 7: Delaware River, between Philadelphia, Pa., and Trenton, N. J. (Burlington Channel). Item adopts new project, recommended by the Chief of Engineers, for the modification of the existing project between Philadelphia and Trenton so as to provide a channel east of Burlington Island 20 feet deep at mean low water, and 200 feet wide from the main river channel below the island to the upper end of the plant of the United States Pipe & Foundry Co., with a turning basin 450 feet in width at the upper end, at an estimated cost of $300,000 with maintenance estimate at $6,000 annually, provided that local interests furnish, without cost to the United States, suitable areas for the disposal of dredged material in the execution of the work, and its subsequent maintenance. House conferees recede, with verbal amendment.

On amendment no. 17, page 8: Strikes out House provision for Ocean City Harbor and Inlet, and Sinepuxent Bay, Md., and reinserts it, in amended form, as amendment no. 19. House conferees recede.

On amendment no. 18, page 8: Harbor of Refuge, Delaware Bay; Broadkill River; and Inland Waterway between Rehoboth Bay and Delaware Bay, Del. Item adopts report by the Chief of Engineers recommending modification of the existing project for the Inland Waterway from Rehoboth Bay to Delaware Bay, Del., to provide an entrance channel near Lewes 6 feet deep and 200 feet wide, protected by jetties 500 feet apart and 1,700 feet long; and to widening the canal to 100 feet from the Broadkill River to the South Street Bridge at Lewes, with a basin of the same depth 1,200 feet long and up to 375 feet in width at the latter point; and for closing the present mouth of Broadkill River; all at an estimated cost of $230,000 for new work and $12,000 annually for maintenance in addition to that provided by the existing project; provided local interests contribute the sum of $60,000 toward the cost of the work and furnish, without cost to the United States, rights-of-way and spoil-disposal areas as required for new work and subsequent maintenance. The Chief of Engineers also recommends modification of the existing project for the Harbor and Refuge at Delaware Bay, Del., to provide for a channel 15 feet deep and 300 feet wide from deep water in Delaware Bay to the pier of the Atlantic Fisheries Co., ending in a turning basin 600 feet square, at an estimated cost of $65,000 for new work and $8,000 annually for maintenance; provided local interests give assurances satisfactory to the Secretary of War that they will dredge their berthing facilities to a corresponding depth and that at least one of the piers will be made available for the use of visting craft, subject to general dockage rates. House conferees recede, with verbal amendment.

On amendment no. 19, page 8: Ocean City Harbor and Inlet, and Sinepuxent Bay, Md. Item adopts report by the Chief of Engineers recommending modification of the existing project so as to provide a channel 10 feet deep at mean low water, 100 feet wide, and 3,000 feet long from the inlet to the marsh area south of the railroad on the west side of Sinepuxent Bay, with two turning basins of the same depth; and a channel 6 feet deep and 125 feet wide from the inlet channel to a point opposite North Eighth Street in Ocean City, thence 75 feet wide into Isle of Wight Bay; at an estimated cost of $89,000 for new work and $2,000 annually for maintenance in addition to that now required; subject to the condition that local interests furnish, without cost to the United States, all rights-of-way and disposal areas requisite for the execution of the project, and that competent public agency acquire and dedicate to public use a frontage of approximately 1,000 feet long to the north side of the fishing harbor channel and extending to the south boundary of the railroad right-of-way a width of approximately 180 feet. House conferees recede.

On amendment no. 20, page 9: Upper Chesapeake Bay and Susquehanna River, Havre de Grace, Md. Item authorizes the construction of a boat basin and harbor adjoining the city park, and a channel leading thereto from Point Concord, subject to the approval of the Board of Engineers for Rivers and Harbors. House conferees recede with agreement that the item be transferred to the survey section of the bill.

On amendment no. 21, page 9: Twitch Cove and Big Thoroughfare River, Md. Item adopts report of the Chief of Engineers recommending modification of the existing project so as to provide a channel 7 feet deep and 60 feet wide from Twitch Cove on Tangier Sound through Big Thoroughfare River to a point on Levering Creek about 800 feet north of the canal at Ewell, at an estimated cost of $20,000, with $1,000 annually for maintenance, provided the local interests furnish the lands required for the improvement and for the disposal of dredged materials. House conferees recede.

On amendment no. 22, page 9: Pocomoke River, Md. Item adopts report by the Chief of Engineers recommending modification of the existing project so as to provide for a channel 100 feet wide and 7 feet deep from Pocomoke Sound to deep water in Pocomoke River, at an estimated cost of $151,000 for new work and $10,000 annually for maintenance, provided local interests furnish free of cost to the United States lands needed for rights-of-way and suitable spoil disposal areas as required for new work and subsequent maintenance, and release the United States and its contractors from all claims for damages resulting from the initial improvement and its maintenance. House conferees recede, with verbal amendment.

On amendment no. 23, page 9: Honga River and Tar Bay (Barren Island Gaps), Md. Item adopts new project, recommended

by the Chief of Engineers, for the provision of a channel 60 feet wide and 7 feet deep from the 7-foot contour in Chesapeake Bay through Tar Bay and Fishing Creek to the 7-foot contour in Honga River, at an estimated cost of $40,000, with $5,000 annually for maintenance; subject to the condition that local interests provide spoil disposal areas as needed, free of cost to the United States, and construct a suitable public freight terminal adjacent to the waterway. House conferees recede.

On amendment no. 24, page 9: Starlings Creek, Va. Senate amendment strikes out House provision authorizing the construction of a channel 8 feet deep and 50 feet wide, with a 6-foot anchorage area about 2 acres in extent, at a cost of $22,750, local interests being required to contribute $1,000 toward the cost, supply spoil-disposal areas, and construct a suitable freight terminal; and adopts a new report by the Chief of Engineers recommending the provision of a channel 7 feet deep and 60 feet wide from that depth in Pocomoke Sound to the mouth of Starlings Creek, with a turning basin of the same depth and 1,000 feet long inside the entrance, at an estimated cost of $27,000 for new work and $1,000 annually for maintenance, subject to the provision that local interests construct bulkheads to form a public terminal and furnish, free of cost to the United States, spoil-disposal areas as needed for new work and future maintenance. House conferees recede, with verbal amendment.

On amendment no. 25, page 10: Potomac River, north side of Washington Channel, D. C. The House provision adopted a project for the removal of the unsightly structures on the north side of the Washington Channel and the construction of the following: A yacht harbor, in four sections, on the upstream half of the frontage above the War College with berthing space for 286 boats; a wharf for the joint use of the harbor police and harbor fire department; a new workhouse pier on the downstream half; and three new piers for commercial use. The plans provide space for eventual widening of Water Street to 160 feet, for a future park bridge at the head of the channel, and for the future architectural treatment of the new structures. Estimated cost, $1,650,000, and, as adopted by the House, one-half of this amount is to be contributed by the Federal Government. The Senate amended the House item by adding the words "except that the District of Columbia shall not be required to participate in contributing to the cost of the improvement." House conferees recede with amendment providing that the District of Columbia shall contribute $389,000 to the cost of the project.

On amendment no. 26, page 11: Meherrin River, N. C. Item adopts new report in which the Chief of Engineers recommends modification of the existing project so as to provide for a channel 10 feet deep from the mouth to the State highway bridge at Murfreesboro, with a cut-off through Devils Elbow, the channel to be 80 feet wide through the cut-off and 100 feet wide elsewhere; and for a turning basin of the same depth, 300 feet wide and 500 feet long at Murfreesboro; at an estimated cost of $40,000, with $3,500 annually for maintenance, subject to the condition that local interests furnish, free of cost to the United States, spoil-disposal areas for new work and subsequent maintenance, and lands and rights-of-way needed for the turning basin and cut-off channel. House conferees recede.

On amendment no. 27, page 11: Cape Lookout Harbor of Refuge, N. C. The River and Harbor Act of 1912 adopted a project for a harbor of refuge at Cape Lookout, in accordance with the report submitted in House Document No. 528, Sixty-second Congress, second session. This project provided for enclosing an area of 575 acres of 30 feet or more in depth by the construction of a rubble-stone breakwater 7,050 feet long, at an estimated cost of $2,524,000. The project is 56 percent completed. Estimated cost to complete, $1,160,000. The Senate considers that the completion of this project is desirable. House conferees recede.

On amendment no. 28, page 13: St. Johns River, Fla., Jacksonville to the ocean. Item adopts new report in which the Chief of Engineers recommends the widening of Drummond Creek Cut, Trout Creek Cut, and Six Mile Creek Cut on their east sides to a total of 400 feet, with depth of 30 feet and greater easements at the bends, at an estimated cost of $168,000. He also recommends dredging a channel 400 feet wide, with 30 feet deep along the terminals on the west bank of the river between Commodores Point and deep water just above Six Mile Creek Cut. Estimated cost, $506,000. House conferees recede.

On amendment no. 29, page 13: Lake Worth Inlet, Fla. Item adopts new report in which the Chief of Engineers recommends modification of the existing project to provide a channel 20 feet deep and 200 feet wide from the turning basin to station 65 plus 00, thence flaring to a width of 300 feet at station 69 plus 00, thence 300 feet wide to deep water in the ocean; for enlarging the present turning basin to the eastward; for the removal of the present obstructive point and for revetment of the banks of the inlet; and for restoration of the existing jetties, all substantially as shown on the accompanying maps, and at an estimated cost of $418,000, with $30,000 annually for maintenance, subject to the conditions that local interests furnish, free of the cost to the United States, all lands needed for the improvement and for the disposal of dredged materials, and provide a suitable site at the terminals for a Government depot for use in the maintenance of the waterways in that locality. House conferees recede.

On amendment no. 30, page 13: Caloosahatchee River and Lake Okeechobee Drainage Areas, Fla. This amendment modifies the existing project so as to provide that the United States shall maintain all project works when completed and shall bear the cost of all drainage structures heretofore or hereafter constructed in connection with said project. It also reduces the cash contribution required of local interests to $500,000. Under the project as adopted, local interests were required to contribute in all $2,000,000 in cash. The cost of the drainage structures referred to is estimated to be $762,000. The cost of maintaining the completed levees and channels and operating the hurricane gates will be $90,000 annually for the first 2 years and $50,000 annually thereafter if undertaken by the Federal Government. House conferees recede.

On amendment no. 31, page 14: LaGrange Bayou, Fla. Item adopts new project in which the Chief of Engineers recommends modification of the existing project to provide a channel 9 feet deep and 100 feet wide from that depth in Choctawhatchee Bay to Freeport, Fla., at an estimated cost of $75,000 for new work and $2,000 annually for maintenance, subject to the condition that local interests furnish, free of cost to the United States, suitable spoil-disposal areas as required for new work and subsequent maintenance. House conferees recede.

On amendment no. 32, page 14: Homosassa River, Fla. Item adopts new project in which the Chief of Engineers recommends the provision of a channel 40 feet wide and 5 feet deep through the four bars at the entrance to the river, at an estimated cost of $5,000 and $500 annually for maintenance, subject to the condition that local interests contribute $1,000 toward the cost of the improvement and furnish suitable areas for the disposal of dredged materials. House conferees recede.

On amendment no. 33, page 14: Carrabelle Bar and Harbor, Fla. Item adopts plan presented in Commerce Committee document submitted May 15, 1933, in which plan is presented for modification of the existing project by increasing the depth of the channel to a point opposite Fowler Street, Carrabelle, from 10 to 13 feet. Estimated cost, $2,400. Senate recedes.

On amendment no. 34, page 14: Caseys Pass, Fla. Item adopts plan submitted in report of the Chief of Engineers under date of June 8, 1935, for dredging a new outlet channel, which would afford a shorter and more direct route to deep water in the Gulf, and the protection of this channel by two jetties. Estimated cost to provide a reliable channel 8 feet deep and 100 feet wide into Caseys Pass, connecting with deep water in Roberts Bay, is $80,000. House conferees recede.

On amendment no. 35, page 14: Mississippi River between Missouri River and Minneapolis: The language of this amendment is included in amendment no. 46, page 19 of bill. Senate recedes.

On amendment no. 36, page 15: Pearl River, Miss. Item authorizes the improvement of Pearl River by a channel 6 feet deep from its mouth to a point between Poplarville, Miss., and Bogalusa, La., subject to final approval by the Board of Engineers for Rivers and Harbors. A survey of this river is now being executed by the War Department engineers. House conferees recede.

On amendment no. 37, page 15: Bayou Lafourche, La. House item, which, in part, provided for a channel 6 feet deep from Larose to the Gulf via Pass Bayou Fourchon. The amendment authorizes the Chief of Engineers, in his discretion, to change the outlet pass from Pass Bayou Fourchon to some other locality. The estimated cost of project adopted by the House is $280,500. House conferees recede.

On amendment no. 38, page 16: Amendment strikes out House language in provision for the Sabine-Neches Waterway, authorizing the construction of a dike or retaining wall in Sabine Lake for the retention of dredged material deposited in the execution of the project adopted, at estimated cost of $50,000 to the United States, and substitutes therefor the following:

"That the Chief of Engineers is authorized and directed to construct all works necessary to prevent the escape into Sabine Lake of dredged material hereafter deposited on the lake frontage owned by the city of Port Arthur, and to construct suitable permanent protective works to prevent the erosion of the material so deposited at a cost not to exceed $600,000, the funds necessary for these purposes to be in addition to those provided for the project as set forth in said document."

The House provision authorized $50,000 for this purpose, which the Senate considers entirely inadequate for the improvement necessary. Dredged material from the ship channel at this place was heretofore dumped into Sabine Lake with the effect of filling the lake opposite Port Arthur with mud and slush, which has become covered with a large growth of salt grass, rendering a dangerous breeding ground for mosquitoes. A resolution recommending this proposed improvement was adopted by the Public Health Service of the State of Texas, and it was also recommended by resolution adopted by the Texas Legislature. With a retaining wall installed, a portion of the lake would be filled up and become dry land, while the remainder of the lake will be kept intact, where the fish will destroy the mosquito larvae, and thus remove a great menace to public health.

If the Government is to convey the dredged material out to sea by hopper dredges, it would result in greater cost. House conferees recede.

On amendment no. 39, page 17: Galveston Harbor, Tex. Item adopts new report printed in Rivers and Harbors Committee Document 57, Seventy-fourth Congress, in which the Chief of Engineers recommends modification of the existing project to provide a depth of 36 feet from the Gulf to a point 2 miles west of the seaward end of the north jetty, thence 34 feet to Bolivar Roads, at an estimated cost of $120,000 for initial dredging and $30,000 annually for maintenance in addition to that now required.

This amendment also authorizes the Chief of Engineers to construct groins for the protection of the seawall constructed by the United States and the city of Galveston at a cost not to exceed $234,000. House conferees recede with verbal amendment.

On amendment no. 40, page 17: Galveston Channel, Tex. Item adopts new project in which the Chief of Engineers recommends modification of the existing project to provide a depth of 34 feet from Bolivar Roads to Forty-third Street, extended, at an estimated cost of $75,000, with $35,000 annually for maintenance, in addition to that now required. House conferees recede.

On amendment no. 41, page 17: Channel from Galveston Harbor to Texas City, Tex. Item adopts new project in which the Chief of Engineers recommends modification of the existing project to provide a depth of 34 feet throughout the channel and basin, at an estimated cost of $144,000. House conferees recede, with verbal amendment.

On amendment no. 42, page 18: Houston Ship Channel, Tex. Item adopts new project in which the Chief of Engineers recommends modification of the existing project to provide for a depth of 34 feet from deep water in Galveston Bay to and including the Houston turning basin, with width of 400 feet through Galveston Bay and 300 feet in the cut through Morgan Point, thence 300 feet to a point 5,000 feet above Baytown, thence 300 feet to Norsworthy, and 200 feet from Norsworthy to the Houston turning basin, with suitable easing of bends, all at an estimated cost of $3,400,000 for new work and $800,000 annually for maintenance of the entire project; provided local interests furnish, free of cost to the United States, necessary rights-of-way and release the United States from all claims for damage to private or municipal property due to the improvement and its maintenance. House conferees recede, with verbal amendment.

On amendment no. 43, page 18: Missouri River. The effect of this amendment is to authorize the completion of the project for a 6-foot channel between Kansas City and Sioux City, and also adopt project for the construction of the Fort Peck Dam. The estimated cost of the section from Kansas City to Sioux City is $77,000,000. The River and Harbor Act of 1927 adopted this project, but authorized appropriations of only $12,000,000 for its prosecution. The River and Harbor Act of 1930 authorized $15,000,000 additional, and the Public Works Administration has allotted $39,153,108 for its prosecution.

The estimated cost of the Fort Peck Dam is $86,000,000. There has been allotted to this project by the Public Works Administration the sum of $65,000,000. House conferees recede.

On amendment no. 44, page 18: Channel from Aransas Pass to Corpus Christi, Tex. Item adopts new project in which the Chief of Engineers recommends modification of the existing project to provide a depth of 32 feet in the main turning basin and in the channels and basins to the eastward at an estimated cost of $279,000, with no increase in the amounts heretofore recommended for maintenance. House conferees recede.

On amendment no. 45, page 19: Wolf River (Memphis Harbor), Tenn. Item adopts new project in which the Chief of Engineers recommends modification of the existing project to provide a channel 125 feet wide and 7.5 feet below zero of the Memphis Beale Street gage from North Second Street Road to Hinman Ferry Road, at a cost of $628,000 and $40,000 annually for maintenance, subject to the provision that no work shall be undertaken on any section of the channel through or above any bridge until such bridge has been altered in a manner satisfactory to the Secretary of War, without cost to the United States, and to the condition that local interests shall furnish, free of cost to the United States, all rights-of-way required for channel enlargement and straightening, and suitable areas, with retaining levees where needed, for disposal of dredged material during initial construction and future maintenance as and when needed, and assurances satisfactory to the Secretary of War saving the United States free from damages, if any, resulting from the work. House conferees recede.

On amendment no. 46, page 19: Mississippi River between Missouri River and Minneapolis. By this amendment a project for a 9-foot waterway in accordance with the report submitted in House Document No. 137, Seventy-second Congress, is adopted. The River and Harbor Act approved July 3, 1930, adopted a project for a 9-foot channel in this river, but only authorized appropriations in the sum of $13,770,000. In House Document 137, which was submitted December 9, 1931, the Chief of Engineers recommended the 9-foot project at an estimated cost of $124,000,000, including the sum authorized in the act of 1930. There has been allotted for the prosecution of this project by the Public Works Administration and the Advisory Committee on allotments the sum of $76,495,000.

The amendment also adopts a project submitted in Rivers and Harbors Committee No. 44, Seventy-fourth Congress, in which report the Chief of Engineers recommends modification of the existing project for the Mississippi River at St. Paul, Minn., to provide a basin 9 feet deep, varying in width from 400 to 1,100 feet and extending downstream from the Robert Street Bridge for a distance of 2.7 miles at an estimated cost of $256,000. House conferees recede.

On amendment no. 47, page 19: The matter in this amendment is also included in amendment no. 43. Senate recedes.

On amendment no. 48, page 20: Sheboygan Harbor, Wis. Item adopts report of the Chief of Engineers, recommended modification of the existing project so as to provide for a depth of 25 feet from the lakeward end of the entrance channel to a point 500 feet shoreward of the end of the north breakwater, decreasing to 21 feet in the next 300 feet, and continuing at the latter depth to the head of the improvement, the channel to be 400 feet wide at the lakeward end and 500 feet wide through the turning basin, decreasing to its present width of 200 feet at the river mouth. Estimated cost, $45,000, and $3,000 annually for maintenance in addition to that now required. House conferees recede.

On amendment no. 49, page 20: Port Washington Harbor, Wis. Item adopts new report in which the Chief of Engineers recommends modification of the existing project to provide for extension of the south breakwater approximately 570 feet, at an estimated cost of $250,000. House conferees recede.

On amendment no. 50, page 20: Monongahela River, Pa. and W. Va. (the Tygart River Reservoir). Under the National Industrial Recovery Act provision was made for the construction of a concrete gravity type dam 1,850 feet in length at the crest line, and rising 215 feet above the elevation of the river bed. This dam will provide for the storage of 100,000 acre-feet to make up the deficiency of water in the Monongahela River during low rainfall periods and for the additional storage of 227,500 acre-feet for flood prevention in the Monongahela and Ohio Valleys. The estimated cost is $12,000,000. Amount allotted by Public Works Administration, $12,000,000. House conferees recede.

On amendment no. 51, page 20: Beaver and Mahoning Rivers, Pa. and Ohio. House item, adopting project for a 12-foot channel in these rivers, from the Ohio River to the Youngstown industrial district, is amended so as to provide its adoption as a Federal project and to continue to Lake Erie, subject to the final approval of the whole project from the Ohio River to Lake Erie by the Board of Engineers for Rivers and Harbors. House conferees recede.

On amendment no. 52, page 23: Michigan City Harbor, Ind. Item adopts new project in which the Chief of Engineers recommends modification of the existing project to provide for the repair and restoration of the westerly 1,000 feet of the old east breakwater, for dredging an anchorage shoreward of the restored section to a depth of 12 feet in the northerly portion and 8 feet in the southerly portion, and for enlarging the entrance to this basin through the east pier to a width of 66 feet, at a total estimated cost of $80,000 for new work and $6,000 annually for maintenance in addition to that now required, subject to the condition that local interests furnish suitable areas for the disposal of dredged materials, free of cost to the United States. House conferees recede.

On amendment no. 53, page 24: South Haven Harbor, Mich. Chief of Engineers states further improvement other than as recommended in Rivers and Harbors Committee Document No. 9 (73d Cong., 1st sess.) is not advisable, but the estimated cost of the improvement therein recommended should be reduced from $67,500 to $57,000 and local interests be required to furnish free of cost to the United States, only the necessary rights-of-way required for enlargement of the turning basin. House conferees recede.

On amendment no. 54, page 24: St. Joseph Harbor, Mich. Item adopts new project in which the Chief of Engineers recommends modification of the existing project to provide for deepening the channel from Lake Michigan to the mouth of the Benton Harbor Canal, and the turning basin, to 21 feet below low-water datum; for widening the channel above the Government piers, and the basin; and for deepening the Benton Harbor Canal below the foot of Ninth Street to 18 feet below low-water datum at its present width; all at an estimated cost of $75,000, with no increase in annual maintenance; subject to the condition that local interests release the United States from liability for any damages to existing docks, bulkheads, revetments, or other structures resulting from the work. House conferees recede.

On amendment no. 55, page 24: Holland Harbor and Black Lake, Mich. Item adopts new project in which the Chief of Engineers recommends modification of the existing project so as to provide for a channel 23 feet deep from that depth in Lake Michigan to a point 400 feet inside the entrance between the outer piers, thence decreasing to 21 feet at the outer end of the inner piers, thence 21 feet deep between the inner piers and through Black Lake to the turning basin at Holland; and for widening the turning basin to 600 feet, 21 feet deep within the channel limits and 18 feet deep outside the channel limits; at an estimated cost of $125,000 with $2,000 increase in annual maintenance. It is further recommended that the present authorization for extension of the converging piers to shore and removal of the pile pier connections between the entrance piers and the inner piers be eliminated from the project. House conferees recede.

On amendment no. 56, page 24: Muskegon Harbor, Mich. Item adopts new project in which the Chief of Engineers recommends modification of the existing project to provide for repairing and maintaining the revetment around the old car-ferry slip on the south side of the entrance channel, at an estimated cost of $28,000 for initial repair and $1,000 annually for maintenance; provided local interests cede to the United States a strip of land approximately 30 feet wide, measured shoreward from the channel face of said revetment, and extending the full length of the slip. House conferees recede, with verbal amendment.

On amendment no. 57, page 24: Great Lakes connecting waters, principal harbors, and river channels. Item adopts new report in which the Chief of Engineers recommends modification of the existing project to provide for the construction of a separate downbound channel across Harsen's Island at the Southeast Bend in St. Clair River to a depth of 25 feet and a bottom width of 300 feet, at an estimated cost of $1,650,000, with increase of $1,000 for annual maintenance of St. Clair River, subject to the condition that the State of Michigan quit claims to the United States, free of cost, all its right, title, and interest in the land needed for a right-of-way 1,000 feet wide, and furnish suitable areas for the disposal of dredged materials; for the removal of Poe Reef Shoal in South Channel in the Straits of Mackinac to a depth of 27 feet

at an estimated cost of $50,000; and for widening Brush Point Turn in upper St. Marys River to a bottom width of 1,200 feet and the channel from Brush Point to Point Louise to a bottom width of 1,000 feet at an estimated cost of $175,500 with increase of $1,000 for annual maintenance of St. Marys River. House conferees recede with amendment which provides that the project for the down-bound channel across Harsens Island is not adopted or authorized in the bill, and that the construction of this channel shall not be commenced until it is subsequently authorized by Congress.

On amendment no. 58, page 25: Old channel of the Rouge River, Mich. Item adopts new project in which the Chief of Engineers recommends modification of the existing project to provide a channel 25 feet deep from the mouth of the old channel upstream for a distance of 1,300 feet and thence 18 feet deep for a distance of 1,425 feet, with no change in the present authorized widths; and a channel 21 feet deep extending from the junction of the old channel and the short-cut canal into the old channel to the Detroit, Toledo, & Ironton Railroad bridge, with a width of 150 feet, decreasing to 130 feet at the north end of the Peerless Portland Cement Co. wharf and to 100 feet at a point 300 feet north of that point and thence 100 feet wide to the bridge, with suitable widening at the bend opposite the Detroit Sulphite Pulp & Paper Co. plant; at a total estimated cost of $258,000, with $12,000 annually for maintenance in addition to that now required; subject to the conditions that no Federal expenditures shall be made on the above improvements until local interests have provided, without cost to the United States, all necessary rights-of-way and furnished guaranties, satisfactory to the Secretary of War, protecting the United States against all damages to adjacent lands and property which may result from the dredging operations. House conferees recede.

On amendment no. 59, page 26: Lorain Harbor, Ohio. Item adopts new project recommended by the Chief of Engineers in which the existing project is modified so as to provide, 1. (Senate Commerce Committee document dated June 8, 1934) an entrance channel 16 feet deep to the municipal pier on the outer harbor at an estimated cost of $53,200, with $1,000 annually for maintenance in addition to that now required; provided that local interests furnish evidence satisfactory to the Secretary of War that they will secure a railroad connection to the pier and will dredge a suitable slip at the pier of the same depth as that to be provided by the Federal improvement; 2. (Rivers and Harbors Committee Doc. No. 51–74–1) for deepening to 25 feet in soft material and 26 feet in hard material the outer harbor and the river channel to a point 2,200 feet upstream from the outer ends of the piers, thence to 24 feet in soft material and 25 feet in hard material to the upper end of the American Shipbuilding Co. Drydock No. 2 and for a channel of the same depths and generally 200 feet wide suitably widened at the bends, to the upper end of the National Tube Co.'s dock, with a turning basin 17 feet deep opposite said dock; no project dredging above Drydock No. 2 to be closer than 50 feet to existing and future docks or bulkheads; all at an estimated cost of $950,000 with annual maintenance of $32,000 in addition to that now required; subject to the conditions that local interests furnish, free of cost to the United States, satisfactory disposal areas for dredged material; and all lands or easements that may be necessary in securing and maintaining the channel dimensions, install satisfactory bulkheads along the river channel; and agree to hold the United States free from all liability for damage claims that may arise from any work undertaken in connection with the improvement. House conferees recede.

On amendment no. 60, page 28: Cleveland Harbor, Ohio. Item adopts new project in which the Chief of Engineers recommends that the United States undertake the maintenance dredging in Cuyahoga and Old Rivers for 1 year as an emergency measure, at an estimated cost of $175,000, subject to the condition that the city of Cleveland contributes $50,000, in cash and agrees to hold the United States free from all liability for damage claims that may arise from any work undertaken in connection with the improvement. House conferees recede.

On amendment no. 61, page 27: Buffalo Harbor, N. Y. Item adopts new project in which the Chief of Engineers recommends modification of the existing project to provide for the maintenance of existing channels in Buffalo River and Buffalo Ship Canal, generally 200 feet wide, to a depth of 21 feet, except where ledge rock is encountered, from the head of the existing Federal project at Commercial Street to Seneca Street on Buffalo River and to the junction with the Lehigh Valley Railroad Canal on the Buffalo Ship Canal, all at an estimated cost of $80,000 annually; provided that the city of Buffalo contributes one-half the cost of such maintenance dredging and release the United States from all claims for damages to bulkheads, structures, and subaqueous installations attributable to dredging operations, and provided that no dredging shall be done by the United States within 15 feet of bulkheads. House conferees recede.

On amendment no. 62, page 27: Los Angeles and Long Beach Harbors, Calif. Item adopts new project in which the Chief of Engineers recommends modification of the existing project to provide in Los Angeles Outer Harbor, in lieu of dredging there now authorized, an entrance channel 1,000 feet wide and 40 feet deep with a turning basin 3,500 feet long, 1,500 feet wide of the same depth opposite the end of pier no. 1, and the enlargement of the entrance to the inner harbor by dredging to a depth of 35 feet a triangular area at its junction with this turning basin; subject to the provision that the deepening of the entrance channel and the turning basin to 40 feet shall not be undertaken until local interests furnish assurances satisfactory to the Secretary of War that they will coincidentally dredge the east channel and berths adjacent to pier no. 1 to the same depth. The estimated increased Federal cost of the work recommended is $288,000, with no increased cost of maintenance. House conferees recede.

On amendment no. 63, page 29: Santa Barbara Harbor, Calif Item adopts new project in which the Chief of Engineers recommends that the maintenance by dredging of present depths in the harbor formed by the breakwater at Santa Barbara is deemed advisable at an estimated cost of $30,000 per annum. House conferees recede.

On amendment no. 64, page 29: Crescent City Harbor, Calif. Item adopts new project in which the Chief of Engineers recommends modification of the existing project to provide for maintaining by dredging a basin 1,800 feet long and 1,400 feet wide to a depth of 20 feet at mean low water, except in rock, at an estimated cost of $20,000 annually in addition to that now required. House conferees recede.

On amendment no. 65, page 29: Sacramento River and tributaries, Calif. Item adopts new project in which the Chief of Engineers recommends the construction of Upper Narrows, Dog Bar, North Fork, and Lower Ruck-A-Chucky reservoirs in the Sacramento Basin essentially as set forth in the plans presented by the California Debris Commission, with such modifications as may be approved by the Chief of Engineers, at a total estimated cost of $6,945,000, subject to the conditions that work shall not be begun on any reservoir until the repayment of the capital cost thereof by the payment of taxes on material hydraulically mined from the natural bank in accordance with the provisions of section 23 of the act to create the California Debris Commission and regulate hydraulic mining in the State of California, as amended by an act approved June 19, 1934, is assumed to the satisfaction of the Secretary of War through guaranties of responsible individuals, companies and/or corporations that they will, if the reservoir is constructed, hydraulically mine under license from the California Debris Commission material in amounts aggregating the total capacity of the reservoir for the restraint of debris. House conferees recede.

On amendment no. 66, page 29: Coos Bay, Oreg. (inner harbor). Item adopts new project in which the Chief of Engineers recommends that the existing project be modified so as to provide for a channel from Pigeon Point Reef to Smith's Mill 24 feet deep and generally 250 feet wide, increased to 450 feet at the bridge and 300 feet in front of North Ben and Marshfield, and for a turning basin 1,000 feet long and 600 feet wide opposite Coal Bank Slough, just above Marshfield, all at an estimated cost of $184,000 for new work, with no increase in the present authorized annual cost of maintenance; provided that local interests shall furnish, free of cost to the United States, suitable areas for the disposal of dredged material during initial construction, and future maintenance as and when needed, and save the United States free of any claims for damages on account of dredging operations. House conferees recede.

On amendment no. 67, page 30: Coquille River, bar and entrance, Oreg. Item adopts new project in which the Chief of Engineers recommends that the existing project be modified to provide for a channel 13 feet deep between the sea and the eastern end of the north jetty at an estimated cost of $20,000 annually for maintenance, subject to the provision that local interests shall assume the entire expense of providing and maintaining an adequate channel in the river above the eastern end of the north jetty. House conferees recede.

On amendment no. 68, page 30: Columbia River, Oreg. Item adopts new project in which the Chief of Engineers reports that it is practicable and safe to construct a dam on the Columbia River at Bonneville near Warrendale, Oreg., for the development of navigation and power, with an installation of 430,000 kilowatts, at an estimated cost of $43,900,000, of which $1,870,000 is for navigation locks. House conferees recede.

On amendment no. 69, page 32: Sitka Harbor, Alaska. Item adopts new project in which the Chief of Engineers recommends improvement of Sitka Harbor to provide a channel on the easterly side of Harbor Rock, 150 feet wide and 22 feet deep at mean lower low water, and the removal of Indian Rock at a total estimated cost of $67,500, provided local interests assume the cost of changes in privately owned docks that may be necessitated by the improvement. House conferees recede.

On amendment no. 70, page 33: San Juan Harbor, P. R. Item adopts new project in which the Chief of Engineers recommends modification of the existing project to provide for widening the entrance channel across the outer bar to 800 feet and deepening the channel as widened to 38 feet at mean low water; dredging to 30 feet a triangular area south of the turn in the entrance channel; widening the entrance channel from the bend to the anchorage basin to 700 feet and extending the existing anchorage basin to the south and east to a depth of 30 feet; at an estimated cost of $697,000 for new work, and $24,000 annually for maintenance, in addition to that now required; subject to the provision that in addition to the local cooperation now required under the existing project all areas required for the disposal of dredged materials be furnished and bulkheaded where necessary, free of cost to the United States, and that the United States be held free from all liability for damage claims that may arise from any work undertaken in connection with the improvement. House conferees recede.

On amendment no. 71, page 33: "Parker Dam" on Colorado River. "Grand Coulee Dam" on the Columbia River, and dam in the Colorado River at or near Head Gate Rock, Ariz. Item

adds new section authorizing the projects known as "Parker Dam", on the Colorado River; and "Grand Coulee Dam", on the Columbia River. All contracts and agreements which have been executed in connection with the construction of these projects are validated and ratified. The President is authorized to construct, operate, and maintain dams, structures, canals, and incidental works necessary to such projects, and in connection therewith to make and enter into any and all necessary contracts, including contracts amendatory of or supplemental to those hereby validated and ratified.

This amendment also authorizes the construction of a dam in and across the Colorado River at or near Head Gate Rock, Ariz., and structures, canals, and incidental works in connection therewith.

The Commissioner of the Bureau of Reclamation states that the Parker Dam is a diversion dam intended to lift the water up into the Metropolitan Aqueduct. It also serves as a regulating reservoir to lessen floods which may come down the stream. The site of this dam is above where the river cuts the mountain ridge. Immediately below that ridge there is an area of fine land which extends downstream below this ridge for a considerable distance. This land is an Indian Reservation and the Indians intend to put a weir across the river having a height of about 14 feet, and from this weir divert water to irrigate the Indian reservation. Reference is made to this weir on page 54 of Senate Document 142, Sixty-seventh Congress, second session, and in the hearings before the Senate committee on the Johnson bill.

In the amendment this weir is referred to as the dam at or near Head Gate Rock. The estimated cost of this dam and the structures, canals, and incidental works, is $10,000,000.

The Parker Dam is a loan and grant project, which is to be financed from the sale of bonds of the city of Los Angeles. The estimated cost of this dam is $13,000,000. There has been allotted to this project the sum of $2,000,000 by the Public Works Administration.

The Grand Coulee project is estimated to cost $63,000,000. This project has received $38,000,000 in allotments from the Public Works Administration.

The committee of conference report in disagreement amendment numbered 71.

On amendment no. 72, page 34: Adds a new section (3), which adopts and authorizes all projects planned or undertaken, for the purpose of controlling floods, improving navigation, regulating stream flow, providing for storage and delivery of water, for the reclamation of public lands and Indian reservations, and other beneficial uses, and for the generation of electric energy as a means of financially aiding and assisting such undertakings, for which allotments have been made under the provisions of title II of the National Industrial Recovery Act, approved June 16, 1933, and validates all contracts and agreements which have been executed in connection therewith heretofore, and authorizes the President to construct, operate, and maintain dams, structures, canals, and incidental works necessary to such projects, and in connection therewith to make and enter into all necessary contracts including contracts amendatory of or supplemental to those hereby validated and ratified. Senate recedes.

On amendment no. 73, page 35: Change of section number.

PRELIMINARY EXAMINATION AND SURVEY ITEMS—LOCALITY

On amendment no. 74: Stonington Harbor, Maine.
On amendment no. 75: Bagaduce Harbor, Maine.
On amendment no. 76: Prouts Neck, Maine.
On amendment no. 77: Hendricks Harbor, Maine.
On amendment no. 78: St. Croix Harbor, Maine.
On amendment no. 79: Bar Harbor, Maine.
On amendment no. 80: Monhegan Harbor, Maine.
On amendment no. 81: Ogunquit-Perkins Cove, Maine.
On amendment no. 82: Cranberry Island Harbor, Maine.
On amendment no. 83: Kennebec River, Maine.
On amendment no. 84: Lewis Bay and the Harbor at West Yarmouth, Mass.
On amendment no. 85: Town River, Quincy, Mass.
On amendment no. 86: Inner Harbor, Block Island, R. I.
On amendment no. 87: Bridgeport Harbor, Conn.
On amendment no. 88: Woodmont Harbor, Conn.
On amendment no. 89: Lake Champlain, Vt.
On amendment no. 90: Lake Champlain, Vt.
On amendment no. 91: Otter River, Vt.
On amendment no. 92: Deep waterway to connect Lake St. Francis on the St. Lawrence River with the Hudson River at Albany by way of Lake Champlain.
On amendment no. 93: New Jersey Intra-coastal Waterway from Shrewsbury River to Delaware Bay above Cape May.
On amendment no. 94: Amendment strikes out item for Plum Point Creek, Calvert County, Md., House conferees agree.
On amendment no. 95: Channel connecting Magothy River and Cypress Creek, Anne Arundel County, Md.
On amendment no. 96: Jones Creek and Nanticoke River, Md.
On amendment no. 97: Upper Thoroughfare, Deals Island, Md.
On amendment no. 98: Neale Sound, Md.
On amendment no. 99: Salter's Creek, Newport News, Va.
On amendment no. 100: Channel from Back River to the public landing in Wallace Creek, Elizabeth City County, Va.
On amendment no. 101: Vandermere Harbor and Bay River at Bayboro, N. C.
On amendment no. 102: From Croatan Sound to Manns Harbor, N. C.
On amendment no. 103: Drum Inlet, N. C.
On amendment no. 104: Pee Dee River, S. C.
On amendment no. 105: Miami Beach, Fla., turning basin.
On amendment no. 106: Waterway from DeLeon Springs to St. Johns River, Fla.
On amendment no. 107. Amendment strikes out item for channel from Oklawaha River into Lake Griffin, Fla., House conferees recede.
On amendment no. 108: Oklawaha River, Fla.
On amendment no. 109: Carrabelle Harbor, Fla.
On amendment no. 110: Waterway and turning basin of suitable dimensions from Intracoastal Waterway, Jacksonville to Key West, to a point at or near Jacksonville Beach, Fla.
On amendment no. 111: Daytona Beach, Fla.
On amendment no. 112: St. Lucie Inlet, Fla.
On amendment no. 113: Jupiter Inlet, Fla.
On amendment no. 114: Pirates Cove Channel, Fla.
On amendment no. 115: Waterway from the St. Johns River at or near Sanford, Fla., to Tampa, by way of the Kissimmee and Alafia Rivers and Tampa Bay.
On amendment no. 116: Waterway from Charleston, S. C., to Columbia, S. C.
On amendment no. 117: Lake Charles Ship Channel, La.
On amendment no. 118: Grand Bayou Pass, La.
On amendment no. 119: Bayou Dupre, La.
On amendment no. 120: Waterway from Offatts Bayou to San Louis Pass, Galveston Island, Tex.
On amendment no. 121: Amendment strikes out item for channel in Lavaca Bay, Tex. House conferees recede.
On amendment no. 122: Pass Cavallo, Tex., and channel from Pass Cavallo to Port O'Connor and Port Lavaca.
On amendment no. 123: Jefferson-Shreveport Waterway, Tex. and La.
On amendment no. 124: Green River, Utah.
On amendment no. 125: Channels in the harbors at Washington Island, Door County, Wis.
On amendment no. 126: Wilmette Harbor, Ill.
On amendment no. 127: House item reading: "Waterway from Lake Michigan through Black Lake, by way of Zeeland, Hudsonville, and Jenison, to a point on Grand River near Grandville, thence up Grand River to Grand Rapids, with a turning basin at Grand Rapids"; amended by the addition of the following: "or any preferable alternative route between Grand Rapids and Lake Michigan."
On amendment no. 128: Carvers Bay, Mich.
On amendment no. 129: Bete Crise Bay, Mich.
On amendment no. 130: Frankfort Harbor, Mich.
The paragraph on page 52, lines 11 to 17, inclusive, reading "Deep channel waterway from Lake Ontario near Olcott, N. Y., to the Niagara River at Tonawanda, N. Y., from Lake Ontario via Eighteen Mile Creek to Lockport, N. Y., and from Lockport to Tonawanda via the western end of the New York State Barge Canal; with a view to determining the possibility, feasibility practicability, and cost of development for deep channel traffic.", was added to the bill by Senate amendment, and printed in roman type in error. (Committee of conference agree to its insertion at the bottom of p. 36 of the bill.)
On amendment no. 131: Port Orford, Oreg.
On amendment no. 132: Skipanon Channel, Oreg.
On amendment no. 133: Skipanon River, Oreg.
On amendment no. 134: Westport Slough, Oreg.
On amendment no. 135: Coos River and its tributaries, Oreg.
On amendment no. 136: Blaine Harbor, Wash.
The item on page 54, line 18, reading "Duwamish River, Washington.", was added to the bill by Senate amendment, and printed in roman type in error. (Committee of conference agree to its insertion between lines 13 and 14, p. 38 of the bill.)
On amendment no. 137: Homer Harbor, Kachemak Bay, Alaska.
On amendment no. 138: Tanana River and Chena Slough, Alaska.
On amendment no. 139: Welles Harbor, Midway Island.
On amendment no. 140: Wake Island.
The House conferees receded on all survey items except nos 83, 87, 88, 116, 122, and 124. On these latter the House conferees receded with verbal amendments, or with agreement to transfer items misplaced.
On amendment no. 141, page 55: Adds new section authorizing the International Joint Commission to investigate and report on the advisability of the improvement of a waterway from the St. Lawrence River at Montreal through Lake Champlain to the Hudson River. House conferees recede.
On amendment no. 142, page 56: Adds new section (no. 6), providing that hereafter all survey reports looking to the improvement of the entrance at the mouth of any river or inlet, shall contain information concerning the configuration of the shore line and the probable effect thereon that may be expected to result from the improvement, having particular reference to erosion or accretion for a distance of not less than 10 miles on either side of the said entrance. House conferees recede.
On amendment no. 143, page 56: Changes section number.
On amendment no. 144, page 56: Changes section number.
On amendment no. 145, page 57: Changes section number.
On amendment no. 146, page 57: Changes section number.
On amendment no. 147, page 57: Changes section number .
On amendment no. 148, page 58: Adds new section (no. 12), which authorizes the Secretary of War to grant permission, on such terms as he deems reasonable, to the Cascade Locks Rural Fire Protection District, State of Oregon, to make connection with the Government-owned water main at Cascade Locks, Columbia River, and take water therefrom for use for fire-protection pur-

poses only. House conferees recede with amendment striking out the words "Cascade Locks Rural Fire Protection District, organized under the State of" and inserting in lieu thereof the words "city of Cascade Locks". House conferees recede with verbal amendment.

On amendment no. 149, page 58: Changes section number.

On amendment no. 150, page 58: Adds new section, no. 14, which provides that the Court of Claims shall have jurisdiction to hear and determine claims for damages to oyster growers upon private or leased lands or bottoms arising from dredging operations and use of other machinery and equipment in making such improvements, provided that suits shall be instituted within 1 year after such operations shall have terminated. House conferees recede.

On amendment no. 151, page 59: Changes section number.

J. J. MANSFIELD,
JOS. A. GAVAGAN,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
FRANCIS D. CULKIN,
*Managers on the part of the House.*

Mr. HOPE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 171]

| | | | |
|---|---|---|---|
| Bankhead | Doxey | Kerr | Patton |
| Barden | Duffy, N. Y. | Kimball | Peterson, Ga. |
| Berlin | Dunn, Miss. | Kleberg | Peyser |
| Blanton | Eicher | Lesinski | Plumley |
| Boileau | Evans | Lucas | Reece |
| Brennan | Faddis | McGehee | Rogers, N. H. |
| Buckbee | Ferguson | McGroarty | Rudd |
| Bulwinkle | Fernandez | McLean | Ryan |
| Burnham | Fish | McLeod | Shannon |
| Carter | Ford, Miss. | McMillan | Smith, Wash. |
| Cartwright | Fulmer | McSwain | Stubbs |
| Claiborne | Gambrill | Maas | Sumners, Tex. |
| Clark, Idaho | Gasque | May | Sutphin |
| Clark, N. C. | Gassaway | Montague | Sweeney |
| Cochran | Gavagan | Montet | Thomas |
| Collins | Gillette | Moran | Thompson |
| Dies | Goodwin | Moritz | Tinkham |
| Dietrich | Hamlin | Nichols | Underwood |
| Dirksen | Hill, Ala. | Norton | Wadsworth |
| Disney | Hill, Knute | O'Day | Williams |
| Ditter | Hook | Oliver | Wilson, Pa. |
| Dockweiler | Imhoff | Parks | |
| Doutrich | Kennedy, Md. | Patman | |

The SPEAKER. Three hundred and thirty-nine Members have answered to their names, a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. MANSFIELD. Mr. Speaker, we have under consideration the conference report upon the river and harbor bill. This report is printed in pamphlet form and I presume that all Members have a copy of it. In the first consideration of the report we will not take into account Senate amendment no. 71, which is in dispute, but will take up the report as to all other Senate amendments embraced in the bill, and, if necessary, from a parliamentary standpoint, I now move that the conference report be adopted as to all amendments except 71. On that I yield one-half the time to the gentleman from New Jersey [Mr. SEGER].

I shall now consume some time myself. This river and harbor bill is the first that has been passed by Congress since 1930—5 years. During a period of more than 100 years we have never gone that long without a river and harbor bill of some kind. The nearest approach to it was the 4-year period during the Civil War, when no river and harbor measures were passed, from 1861 to 1865.

The figures embraced in this bill look rather large, but it is a 5-year accumulation, during the period when there has been more demand for river and harbor legislation than ever before in the history of the country. If gentlemen will look at the conference report, in the second paragraph it will be noted that the bill, as it originally passed the House, embraced $184,529,007.30 of projects that were being carried out under public-works appropriations. Those projects have never been authorized by Congress except indirectly, insofar that many of them were authorized in the National Industrial Recovery Act.

Mr. MARTIN of Colorado. The gentleman does not mean that they were specifically authorized by name in the National Recovery Act.

Mr. MANSFIELD. Never specifically, except by the Public Works Administration. Some of those measures were legally authorized by the Administration of Public Works and some of them were illegally authorized by that authority, as has been shown by the decision of the Supreme Court in the Parker Dam case. The purpose of embracing them in this bill is to give them complete legal status. Many of them are finished, all of them are far advanced in work. If this conference report is adopted it will give legal status to all of those measures and to many others to which I shall call attention a little further on.

Additional to the one-hundred-and-eighty-four-million-and-odd dollars adopted by the Administration of Public Works as embraced in our original bill, last April we also authorized $91,681,265 of projects which had not at that time been carried out or adopted by the Public Works Administration. Some of those items have since been adopted by that authority, though many have not.

After the bill went to the Senate it was very materially changed. The Senate added to the public-works projects which Congress has not authorized to the amount of $236,983,000 that were being carried out by the public-works appropriations. They also added $14,974,400, which the Public Works Administration has not up to this time adopted. They may do so hereafter; they may not; we do not know. From the $14,974,400 the conferees have secured a reduction of $2,106,150.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. Yes.

Mr. DONDERO. Was the two-million-and-odd dollars taken out by reason of the reduction of what is known as the "Harsen Island" project in Lake St. Claire?

Mr. MANSFIELD. That is one of the main items. Another is the Washington Channel. The Senate adopted it wholly as a Federal project, and the conferees have put $389,000 back onto the District of Columbia, and those with one or two smaller items went to make up the $2,106,150. The projects in the $14,974,400 added by the Senate, so far as we know, are all regular. They were all adopted on reports of the Army engineers in due form and would have been adopted by the House Committee on Rivers and Harbors if the reports had been before us at that time. They are nearly all in response to resolutions adopted by the House committee, but it was impossible for the engineers to act upon all of them before the bill passed the House. These reports came in thereafter and were brought before the Commerce Committee of the Senate and adopted. The House conferees have no objection to them except insofar as shown in the report.

We have agreed, subject to the approval of the House and the Senate, on all Senate amendments except no. 71, and 71 is not now under consideration.

I have been asked the question by a number of Members why it is that we have agreed to so many Senate amendments. That is partially explained in what I have just stated. We have accepted all of them that in our judgment are regular and necessary in response to the demands of commerce. Full, complete, and favorable reports from the engineers of the War Department were submitted on each of the projects adopted.

We have also agreed to 68 surveys which have been asked for by Members of the Senate and embraced in the Senate reports. They, of course, have the same right we have to ask for these surveys. They did not cut out any of the 197 embraced in our original bill, and we did not cut out any of theirs, but are willing for them to be considered by the engineers and reported upon.

Many of you may not be familiar with the course of procedure in regard to these preliminary surveys, and I want to say that they involve practically no money whatever unless the engineers should decide from their preliminary in-

vestigations that they are meritorious and should receive more complete consideration, then a detailed survey is made. Perhaps not more than 1 out of 20 will be favorably considered by the War Department for further investigation, because they have at their fingers' ends complete data on almost every waterway in the United States. They can find out in a few hours whether or not there is any probable merit in these investigations that are called for, and will answer a vast majority of them without ever going to any further cost or expense or time.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Michigan.

Mr. DONDERO. I would like to know if it has been the procedure of Congress to include in a river and harbor bill projects that have nothing to do with river and harbor work.

Mr. MANSFIELD. For many years the House Committee on Rivers and Harbors has positively refused to consider such measures in an original bill. They have frequently been put in as amendments at the other end of the Capitol.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. SAMUEL B. HILL. I do not know to what item the gentleman refers, but if an improvement is as to navigation or flood control, is it not properly in a river and harbor bill?

Mr. DONDERO. I might ask whether or not soil erosion or reclamation would be a river and harbor project, for that certainly is in this bill.

Mr. MANSFIELD. Does the gentleman have reference to section 71 or to other sections of the bill? We are not considering 71 now.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. CULKIN. It is a fact, Mr. Speaker, that the Rivers and Harbors Committee does not consider reclamation projects and has had no experience with reference to the advisability or value of any particular project. Is that true?

Mr. MANSFIELD. The Committee on Rivers and Harbors does not have jurisdiction of those matters. There is another Committee of the House on Irrigation and Reclamation.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. SAMUEL B. HILL. To what does the Parker Dam and the Headgate Dam refer?

Mr. MANSFIELD. They are not under consideration now; those items appear in amendment 71.

Mr. SAMUEL B. HILL. I understand; but that is what the gentleman is inquiring about.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. RICH. I call attention to amendments nos. 43 and 46. No. 43 grants permission for the dredging of a 6-foot channel from Kansas City to Sioux City, Iowa, to cost $77,000,000. It also gives permission for the erection of the Fort Peck Dam on the Missouri River, to cost $86,000,000. That is in amendment no. 43. In amendment no. 46 permission is given for the dredging of the 9-foot channel in the Mississippi River from the Missouri River to Minneapolis, to cost $124,000,000. The purpose of dredging these channels, as I understand it, is to continue the Inland Waterways Corporation, which was supposed to go out of business several years ago.

Mr. MANSFIELD. I yielded for a question, if the gentleman please.

Mr. RICH. Does the Committee on Rivers and Harbors approve projects of this kind?

Mr. MANSFIELD. Replying to the gentleman, I may say that the Missouri River project was adopted by Congress in the river and harbor bill of 1927. The project for the Missouri River from its mouth up to Kansas City, a distance of 398 miles, was adopted in the river and harbor bill of 1910. Many of us were not born politically at that time. This project is now nearing completion as a 6-foot project. In the river and harbor bill of 1927, on the floor of the House and on motion of the gentleman from Nebraska, Mr. Sears, a 6-foot project on the Missouri River was adopted from Kansas City to Sioux City, Iowa, a distance of approximately 400 miles. The Committee on Rivers and Harbors refused to adopt that because we did not have a report from the engineers of the War Department except one that was 20 years old, but it was put in the bill on the floor of the House. I shall not call names, but several Members here present voted to put it in the bill. I voted against it.

Mr. RICH. Mr. Speaker, if the gentleman will yield further, is it not a fact this money was expended by P. W. A. and not authorized by Congress for the work?

Mr. MANSFIELD. It has been authorized by Congress to the extent of $27,000,000.

Mr. RICH. The money was allocated, however, by the P. W. A. for this work.

Mr. MANSFIELD. The P. W. A. is putting up the money for the Fort Peck Dam, and also for the section between Kansas City and Sioux City. The project for the latter section was adopted in the river and harbor bill of 1927, but this Fort Peck Dam was not contemplated at that time. It grew out of a more complete survey under Document No. 308, which was adopted at the same time.

This is work carried out by the Public Works Administration. The purpose of it is to give 6 feet at low stage to the Missouri River from Sioux City to its mouth.

Mr. RICH. Then the principal reason here for the dam is to set the Government up in business so that it may compete with the railroads in that part of the country in the form of the Inland Waterways Corporation?

Mr. MANSFIELD. The gentleman will have to form his own conclusion as to that. Every man forms his own conclusion as to that. Every man forms his own conclusion with reference to those things. However, the project below Sioux City has been authorized for many years, as I stated.

In regard to the other one which the gentleman inquired about awhile ago, the deepening of the Mississippi River to the Twin Cities, may I say, that many years ago there was a 6-foot project there. Three dams were built and the Keokuk Dam was purchased. There was one dam built at Rock Island, the Hastings Dam, and the dam at Minneapolis. Those dams have been completed for a number of years. In the bill of 1930 a provision in regard to that was agreed to in the House and amended in the Senate on a tentative and not complete report of the engineers. The tentative report on which the Senate adopted it for a 9-foot project did not give the estimate of cost, but the engineers had not completed their studies. They recommended that all dams and locks that were being installed under the old 6-foot project be installed upon the basis of a 9-foot project; so that if Congress should thereafter change it to a 9-foot project it would save many millions of dollars in expense and these dams would not then have to be changed and modified at a tremendous cost.

The Senate, however, adopted it outright as a 9-foot project. Not knowing what the cost would be, they simply put in a provision, in order to get around Mr. Coolidge trying to hold down costs, calling for only seven and one-half million dollars in appropriations. There was $6,770,000 left over from the old 6-foot project, which made a total of $13,770,000 authorized by that act. That money has been expended. The Congress has not authorized the balance required to complete, though they have adopted the project at whatever cost it might involve.

The Public Works Administration has allotted $76,495,000 for the building of the locks and dams. This work has progressed for the last 2 years and many of them are nearly completed. I have no report as to what their present condition is, however. That work has been going on under the National Industrial Recovery Act for the past 2 years, and they are going to complete it, regardless of the passage of this river and harbor bill. The Senate put that in as one of the amendments here which the House conferees agreed to, believing that the money is going to be expended and, as a matter of fact, nearly all of it has been expended. The proj-

ect has been authorized by Congress and we simply agree to legalize it.

Mr. RICH. May I ask the gentleman about one or two other items? Take item 50, involving the approval of a dam on the Monongahela River for flood control, asked for by the N. R. A., and to cost $12,000,000. May I also inquire about the item on the Columbia River?

Mr. MANSFIELD. Let us take them one at a time. The Tygart Dam was requested by Pittsburgh interests primarily for control of the floods where the Allegheny and Monongahela Rivers come together at the city of Pittsburgh. General Brown, then Chief of Engineers, found in his report to the Public Works Administration that he did not consider it advisable upon the ground of flood control, but he would recommend it for three purposes. The first was for navigation, to supply water to locks and dams on the Monongahela River, some 14 in number, at low stage of water; second, for industrial use for the great industries located along the river; and, third, for the purpose of putting several thousand men to work who were then unemployed.

Mr. RICH. Was that ever approved by Congress?

Mr. MANSFIELD. It has not been. It is in the same category legally that the Parker Dam was. It was called for by the Public Works Administration and not approved by Congress, though it was recommended by the Chief of Engineers at that time. The money has already been expended and the work is practically completed.

Mr. RICH. Does not the gentleman believe that before projects of this kind are started they should be approved by Congress?

Mr. MANSFIELD. Yes; that has always been my contention.

Mr. RICH. May I ask the gentleman about one more project. I refer to item 68, covering the Bonneville Dam on the Columbia River, which is going to create 430,000 kilowatt-hours and will cost $43,000,000. Has that been approved by the Congress, and, if so, when?

Mr. MANSFIELD. Here is the report of the engineers on the Bonneville Dam. The estimated cost is placed at $40,200,000. I hold in my hand the report of the Chief of Engineers which recommends this project. It is in all respects regular. The sum of $32,440,700 has already been allotted by the Public Works Administration; consequently the difference between $32,000,000 and $40,440,700 is approximately $8,000,000.

Mr. RICH. I take my figures from the report of the House committee, amendment no. 68, which calls for $43,900,000.

Mr. BOLTON. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Ohio.

Mr. BOLTON. Is it not correct to state, as the Chairman of the Rivers and Harbors Committee has already stated, that many of these projects not authorized by Congress were initiated by the P. W. A. and certain moneys allotted for the purpose of carrying out the project? Now the P. W. A. is asking the Congress to authorize the appropriation of additional money in order to complete the projects initiated by them but never passed on by the Congress?

Mr. MANSFIELD. I do not think they are asking for additional money. If they are legalized they have that authority.

Mr. BOLTON. As I understand it, amendments were agreed to in the Senate involving $299,000,000, many of which were not authorized by Congress and for which the P. W. A. has allotted $226,000,000. How does the P. W. A. expect those projects to be completed except by the additional appropriation of money by the Congress?

Mr. SAMUEL B. HILL. This conference report does not include the authorization of appropriations for these projects.

Mr. BOLTON. The whole bill is an authorization for appropriations. It does not carry the appropriations, of course.

Mr. SAMUEL B. HILL. Take the Parker Dam or the Grand Coulee Dam; there is no appropriation at all.

Mr. BOLTON. I am not discussing those items.

Mr. SAMUEL B. HILL. The gentleman keeps asking the Chairman of the Rivers and Harbors Committee about them and then I do not get a chance to answer.

Mr. BOLTON. If the gentleman will permit, I am discussing the authorizations in general, the Fort Peck Dam, the Missouri River and the Mississippi River items, where we are asked to complete work started by the P. W. A.

Mr. MANSFIELD. I may state that under the National Recovery Act the Public Works Administration had authority to allot money on river and harbor projects, provided they were authorized by Congress or had the recommendation of the Chief of Engineers. They did not expend any money except upon projects that had one or the other of these recommendations, but in the Parker Dam case, which was the case that went before the Supreme Court, the facts developed that Congress had not authorized the investigation for Parker Dam, but that the Public Works Administration, on its own initiative, had called upon the Chief of Engineers for a recommendation, and he had given it.

Now, the Court held in that case that the recommendation of the Chief of Engineers must have been in response to an investigation ordered by Congress and not an investigation ordered by the Public Works Administration, and on that ground the Parker Dam case was knocked out.

The Grand Coulee Dam is in the same situation, the Tygart Dam is in the same situation, and many of these reclamation projects are in the same situation, and if suits are brought, in all probability injunctions will be sustained in these cases the same as in the Parker Dam case. However, the Parker Dam case is the only one upon which work has been stopped because it is the only one to which the decision of the Court applied.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. FITZPATRICK. Are all of them included in the conference report?

Mr. MANSFIELD. No; some of them, but not all of them.

Mr. FITZPATRICK. I mean all the projects carried by the Public Works Administration.

Mr. MANSFIELD. No; a great many of them went out under amendment 72.

The SPEAKER. The gentleman from Texas has consumed 30 minutes.

Mr. MANSFIELD. Then, Mr. Speaker, I must yield the floor, as the gentleman from New Jersey controls the rest of the time.

Mr. SEGER. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, I wish to address myself particularly to that part of the conference report which reports in disagreement amendment numbered 71, relating to the Grand Coulee Dam.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. HOPE. Yes.

Mr. MANSFIELD. Would it not be well to wait until we dispose of this matter? The amendment the gentleman refers to will come up separately and there will be 1 hour of debate, I am advised.

Mr. HOPE. That is perfectly agreeable to me, but the time for discussion is limited and I hope the gentleman will have no objection to my taking some time on that item now?

Mr. MANSFIELD. No; I do not object.

Mr. HOPE. Mr. Speaker, whatever I may say at this time is said in defense and in support of a consistent land policy for this country. This Congress within the last 2 years, and as late as this session of Congress, has approved the policy on the part of the Government of restricting agricultural production within the limits of possible consumption, and as a result of this policy we have taken out of cultivation approximately 38,000,000 acres of land this year—38,000,000 acres of good, arable, fertile land.

The other day when we adopted the conference report on the amendment to the Agricultural Adjustment Act, we made available a large sum of money for the purchase of marginal agricultural land. If we adopt this Senate amendment ap-

proving the construction of the Grand Coulee Dam, and we are being asked to reverse this policy and adopt one of bringing additional land into cultivation—additional marginal land, because that is what this land is. It is true that if we spend $179 an acre, as we will have to do to bring this land into cultivation, and if the farmer spends $40 or $50 or a larger amount per acre more in putting the land in shape so he can irrigate it—it is true that after all this expenditure is made it will be possible to grow abundant crops on the land, and yet we all know that on the basis of prices of agricultural products at this time, and on the basis of what prices are likely to be at any time in the future, no farmer can make money or can break even on land costing as much as this land. It is as definitely submarginal for this reason as the poorest land in the country. Nevertheless, it will produce an immense amount of farm crops, thus adding to surpluses and undoing the effects of any reduction or control programs.

Mr. FITZPATRICK. How many acres are involved?

Mr. HOPE. One million two hundred thousand are to be brought under cultivation.

Mr. SAMUEL B. HILL. That is not the plan of the Grand Coulee Dam. That land is to cost $80 an acre.

Mr. HOPE. I am getting my figures from the report of the Bureau of Reclamation.

Mr. SAMUEL B. HILL. But the gentleman is leaving out of consideration the power which goes along with it and which will account for half the cost.

Mr. HOPE. Oh, if you sell the power and make a profit, you will take some of it to pay for the land, I suppose.

Mr. SAMUEL B. HILL. There will be the income taxes on the land on the reclamation, and the Government will get a revenue of $15,000,000 out of the power.

Mr. HOPE. The gentleman can indulge in that kind of bookkeeping if he wishes to. The report by the Bureau of Reclamation, which will have charge of this project, shows that it is going to cost $179 an acre to put the water on this land. Now, the gentleman from Washington says we are going to pay for it in this way and in that way and in another way, but that does not alter the fact that it is going to cost someone that much money.

I am telling you what this will cost. If the farmer does not pay it, we are subsidizing him and bringing additional marginal land into cultivation when we have thirty-five to thirty-eight million surplus acres now. [Applause.]

Mr. SEGER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I rise to protest primarily against this amendment 71. I do this because it is a change of the policy of Congress established by unanimous consent over a period of years.

At a time when we could use additional farm products we developed, and there was an acceleration of development of, these many irrigation projects. Later we found we had too much land under cultivation and a surplus of farm products.

It was tentatively agreed in the House and in the Senate on both sides of the aisle, by those interested in irrigation and those interested in agriculture, that there would be no new irrigation developments until needed; and that as a result of the letting up of this constant effort to bring more land into cultivation, the Government would go along with the projects which were then being operated, thereby keeping the people going who lived on the farms. That policy was carried out by the consent of everybody, but along came this part of the new deal which conferred this unlimited authority on people not familiar with the situation, and as a result projects like the Grand Coulee have been started without any authority on the part of Congress. As in many other instances, bureaucratic judgment has been substituted for established congressional policy. There was to be a low dam and a high dam, and the $63,000,000, instead of being put into the low dam, as was intended, is being put into a foundation for the high dam. The purpose now is to build the high dam and not the low dam. Put the money allocated in the foundation and the nose of the camel will be under the tent. This is more coercion.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. For a brief question.

Mr. GREEN. Will not the gentleman admit that these projects which he has enumerated as having been initiated under the extraordinary power are all in the public interest?

Mr. MICHENER. No; I will not. On the contrary, each and every one of them, with one or two exceptions, have been reported against by the Board of Engineers and have been constantly reported against by the committees of this House. But along comes some bureaucrat or someone given extraordinary power and, without further investigation, he starts the project with lump-sum appropriation money and now seeks this method of completing the job and carrying out another socialistic dream. Let us stop spending money to take land out and at the same time spending more money to bring into cultivation more land.

Mr. MANSFIELD. The gentleman understands, does he not, that the matter to which he now speaks is not at present before the House. That matter comes up in the debate which is to follow, on amendment numbered 71.

Mr. MICHENER. Yes. I heard the gentleman when he started state that we would take care of everything except no. 71, but there was an extensive conversation held down near the gentleman and no one else could hear it, and we assumed that he was through with that.

The SPEAKER. The time of the gentleman has expired.

Mr. SEGER. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. CHRISTIANSON].

Mr. CHRISTIANSON. Mr. Speaker, the proposal contained in Senate amendment 71, to complete the Grand Coulee Dam, is not one to redeem land but one to create additional agricultural land, and to do it at a time when it is the policy of the administration and of Congress to secure a better balance between agricultural production and agricultural markets by withdrawing surplus acreage from cultivation. This is another instance in which we do not permit the right hand to know what the left hand is doing. One day we take land out of cultivation at an expense of hundreds of millions of dollars to the consumers of the country, and the next day, at a cost of hundreds of millions to the taxpayers, we put more land into cultivation. It would perhaps be an exaggeration to say that a nation that tolerates such an inconsistent and self-defeating policy is insane, but it is no exaggeration to say that any individual who followed a similar course would be booked for a hearing in a probate court.

It has been estimated that the Grand Coulee project when completed will bring 2,000,000 additional acres into cultivation. As a result of the acreage-reduction activities of the administration, there has been effected an actual reduction, not of 15 percent as was planned, but of 6 percent; 1 acre out of every 16 formerly devoted to wheat and corn has been withdrawn from cultivation. The addition of 2,000,000 acres of irrigated land will, therefore, nullify all that the administration has thus far accomplished in the matter of acreage reduction throughout an area embracing 32,000,000 acres of land already in cultivation. It will do more than nullify it, for the added 2,000,000 acres, being irrigated land, will produce more than the land which was withdrawn. Even the farmers of the general section intended to be benefited have everything to lose and nothing to gain from this project; it will only give them more competition in markets that are already glutted. The real beneficiaries will be banks, railroads, insurance companies, and land speculators, ready to profit from unearned increment.

Mr. LEE of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. CHRISTIANSON. Not now. The cost of this project will not be $63,000,000 as you may suppose; $63,000,000 is only the beginning. The ultimate cost of the completed project will be $393,000,000, an additional burden to be placed upon the shoulders of the taxpayers of America. I submit that, considering the billions we have laid upon the bent backs of the people during the last 2 years, the time has come to call a halt. In my opinion, and, I believe, in the

opinion of almost every Member of the House, we must begin at last to heed the danger signal of "Stop, look, and listen." The effect of the adoption of this amendment will be virtually to surrender to Secretary Ickes a power which under the Constitution is lodged solely and exclusively in the Congress of the United States—the power to appropriate money. If we make it possible for heads of administrative departments to make unlawful expenditures and unauthorized commitments, and then to come here and, under the lash of the administration, compel us to apply the rubber stamp to those expenditures and commitments, we, in effect, surrender a power which the Constitution has given to us, and to us only.

We surrender the power for which Anglo-Saxon people have fought since the days of King John. The development of democratic institutions in English-speaking countries has centered around the battle for the control of the purse strings. I want to sound this note of warning, that if once we sacrifice that control, we sacrifice democratic government itself; we hasten the day when, after the authority of the legislative department and the powers of the representatives of the people have been curtailed, cut off one by one, there will finally be but a shadow left of the democracy vouchsafed by the Constitution of the United States. [Applause.]

The SPEAKER. The time of the gentleman from Minnesota [Mr. CHRISTIANSON] has expired.

Mr. SEGER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MANSFIELD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANSFIELD. If I am in order, I want to insist that the debate be confined to the matter under consideration by the House, which does not embrace the Grand Coulee Dam at this time.

The SPEAKER. The Chair trusts Members will speak in order and confine themselves to the matter under consideration.

Mr. MAPES. Mr. Speaker, I realize that the Grand Coulee Dam project is not directly involved in the motion of the gentleman from Texas now pending before the House. As I understand it, that motion is to accept the conference report, but the conference report involves a part of amendment 71 and rejects all of amendment 72. The Grand Coulee Dam project is contained in amendment 71; so that the whole subject matter is more or less involved in the motion before the House in the conference report. The debate is so limited that I understood those in charge of it have thought it wise to discuss the general subject in the debate on this motion as well as on the next one.

I had occasion sometime ago to read the hearings before the Committee on Flood Control relating to H. R. 8057, which is in substance the same as amendments 71 and 72, except the provision relating to the Head Gate Dam. I should like to say for the benefit of those Members of the House who have not had the opportunity to read those hearings that they are very enlightening. Under the cross-examination of the gentleman from Mississippi [Mr. WHITTINGTON], it is very apparent that those in charge of the projects have nothing but the most hazy idea of how much they are going to cost. The gentleman from Mississippi [Mr. WHITTINGTON] asked the Assistant Solicitor of the Interior Department and the Commissioner of the Bureau of Reclamation question after question, time after time, for some definite information about the cost of these projects, and at no time could he get any definite information whatever out of either one of them. They did promise to file with the committee, to be incorporated in the hearings at a later date, the estimated costs; but in reading the hearings very carefully, I am unable to find where they ever did that.

As the gentleman from Mississippi [Mr. WHITTINGTON] at one point in his cross-examination said, "This bill is almost as big as the National Industrial Recovery Act, the P. W. A., or the Emergency Relief Act", in its scope, trying as it does to validate everything that had been done under the N. R. A. in the way of making improvements upon rivers, and in addition to validating what had already been done, authorizing plans which were back in the heads of the Commissioner of the Bureau of Reclamation and others who were developing these projects. That, in effect, is what Senate amendments 71 and 72 attempt to do. The Grand Coulee part of it alone, and its allied projects, have been estimated to cost $393,000,000—that one project alone. So that the gentleman from Mississippi [Mr. WHITTINGTON] was justified in saying that the whole bill is almost as big as the National Industrial Recovery Act, the P. W. A., and the Emergency Relief Act. As the gentleman from Mississippi has well pointed out, these projects were at no time ever authorized by the Congress. The National Industrial Recovery Act, as it passed the House of Representatives, provided that they should not be undertaken until authorized by Congress or approved by the Chief of Engineers.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. SEGER. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. MAPES. In the Senate the provision which provided that they should be approved by the Congress was stricken out, so that as the bill finally became law the only provision was that they should not be undertaken or developed unless approved by the Chief of Engineers. Even that provision was not complied with. They were carried on under the Commissioner of the Bureau of Reclamation, without the approval of the Chief of Engineers, and the Supreme Court said if they were put upon navigable rivers, the improvements were invalid. Then they come in with a bill which tries to blanket them all, whether upon navigable or nonnavigable streams. So as to be sure that they would not be limited at all and would have blanket authority to go ahead as they saw fit, they come in with this proposition to validate everything that had been done, and to authorize the improvements that are contemplated, without limit; that is, those contemplated by the Bureau of Reclamation, whatever they may be. That is what this legislation proposed to do. That is the reason why it is hard to separate these two items in the consideration before the House. [Applause.]

[Here the gavel fell.]

Mr. SEGER. Mr. Speaker, I yield the balance of my time to the Chairman of the Committee on Rivers and Harbors, Mr. MANSFIELD.

Mr. MANSFIELD. Mr. Speaker, I thought I had made it as clear as I knew how, but perhaps I undershot the mark. This question of reclamation, embraced in amendments nos. 71 and 72, is not now before the House for consideration. The Senate itself, through its conferees, has receded on amendment no. 72. They put it in the bill. Then they took it out. It is not before us for a vote at all.

Mr. MURDOCK. Will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. MURDOCK. Did they not take out amendment 72 because the House conferees agreed to bring back 71 for consideration in the House; and by doing that many projects to which there was no objection at all have been excluded from being taken care of by this bill, and the only one about which there is any controversy is now before us, or will be in the consideration of amendment no. 71?

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. CULKIN. I understood the gentleman to say that the question of reclamation was entirely bound up in amendment no. 72, which is not before the House.

Mr. MANSFIELD. I said no. 71 and no. 72, and no. 71 will be before the House.

Mr. CULKIN. But the Grand Coulee project will be before the House.

Mr. MANSFIELD. That will come next. Then we can discuss that and have an hour's debate on it.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. WHITTINGTON. Whatever be the reason, the fact remains that adoption of the conference report adopts the bill with amendment 72 out of it.

Mr. MANSFIELD. With amendment 72 out entirely, yes; and no. 71 not considered at all.

Mr. WHITTINGTON. No. 71 will come up for further consideration.

Mr. MANSFIELD. That will come later.

Mr. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. BOLTON. I understood the gentleman to say that the matter under discussion related solely to river and harbor improvement. It is true, is it not, that there are irrigation possibilities in power proposals in connection with what we are discussing now?

Mr. MANSFIELD. We have thoroughly discussed that.

Mr. BOLTON. Other irrigation projects, and so forth.

Mr. MANSFIELD. The Committee on Rivers and Harbors particularly had jurisdiction over all improvements of rivers and harbors and did until the Flood Control Committee was created. Except for flood control we still have the power.

Mr. BOLTON. That is what I was trying to bring out. The Fort Peck Dam embraces power also, does it not?

Mr. MANSFIELD. Incidentally.

Mr. BOLTON. Also irrigation.

Mr. MANSFIELD. Primarily it is for navigation, according to the engineers.

Mr. BEITER. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. BEITER. In the course of the gentleman's discussion he stated that if the conference report were adopted it would legalize all the acts of the Army engineers and the Public Works Administration, did he not?

Mr. MANSFIELD. All that are embraced in this bill.

Mr. BEITER. In that section of the report dealing with the Great Lakes-Hudson River waterway, I notice that the House has receded and has adopted the Senate amendment. The gentleman knows that the House is establishing a precedent in allotting $5,000,000 for the improvement of the Erie Canal from Three Rivers to the Hudson River.

Mr. MANSFIELD. The House is not doing that. The Public Works Administration is doing that.

Mr. BEITER. But we are legalizing that.

Mr. MANSFIELD. No; we are not.

Mr. BEITER. Earlier in his remarks the gentleman stated that if this conference report were adopted it would legalize all these acts.

Mr. MANSFIELD. Not that one. I am speaking of these others that are primarily mentioned. We have nothing in the world to do with that $5,000,000. That is being put up out of the $4,800,000,000. That is entirely out of our control. We turned it over to the Public Works Administration without a string, a lock, or a latchet.

Mr. BEITER. A precedent is being established, though, by allotting $5,000,000 to a State-owned project.

Mr. MANSFIELD. We have no concern with that whatever. That comes under the Public Works Administration. That is not embraced in this bill.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. MICHENER. I do not think I said anything that in any way reflects upon the gentleman's committee. I appreciate the splendid work the Rivers and Harbors Committee has been doing and is doing. I know that the chairman of the committee himself would not have this item in the bill if there was any way by which he could have prevented it.

I hope the gentleman will go back with the moral backing of the House and that he will be able to further improve the bill and not make a "pork barrel" committee out of the gentleman's splendid committee and ruin the work which the gentleman, as chairman, has been doing through all these years to make his a committee of real standing.

Mr. MANSFIELD. I thank the gentleman.

Mr. Chairman, I move the adoption of the conference report.

The conference report was adopted.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment 71: Page 33, line 17:

"SEC. 2. That for the purpose of controlling floods, improving navigation, regulating the flow of the streams of the United States, providing for storage and for the delivery of the stored waters thereof, for the reclamation of public lands and Indian reservations, and other beneficial uses, and for the generation of electric energy as a means of financially aiding and assisting such undertakings, the projects known as "Parker Dam" on the Colorado River and "Grand Coulee Dam" on the Columbia River, are hereby authorized and adopted, and all contracts and agreements which have been executed in connection therewith are hereby validated and ratified, and the President, acting through such agents as he may designate, is hereby authorized to construct, operate, and maintain dams, structures, canals, and incidental works necessary to such projects, and in connection therewith to make and enter into any and all necessary contracts including contracts amendatory of or supplemental to those hereby validated and ratified. The construction by the Secretary of the Interior of a dam in and across the Colorado River at or near Head Gate Rock, Ariz., and structures, canals, and incidental works necessary in connection therewith is hereby authorized, and none of the waters conserved, used, or appropriated under the works hereby authorized shall be charged against the waters allocated to the upper basin by the Colorado River compact, nor shall any priority be established against such upper basin by reason of such conservation, use, or appropriation."

Mr. MANSFIELD. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate numbered 71, and concur in the same with an amendment, as follows:

Strike out amendment no. 71, and insert in lieu thereof the following:

"71. That for the purpose of controlling floods, improving navigation, regulating the flow of the streams of the United States, providing for storage and for the delivery of the stored waters thereof, for the reclamation of public lands and Indian reservations, and other beneficial uses, and for the generation of electric energy as a means of financially aiding and assisting such undertakings, the project known as 'Parker Dam' on the Colorado River is hereby authorized and adopted, and all contracts and agreements which have been executed in connection therewith are hereby validated and ratified, and the President, acting through such agents as he may designate, is hereby authorized to construct, operate, and maintain dams, structures, canals, and incidental works necessary to this project, and in connection therewith to make and enter into any and all necessary contracts including contracts amendatory of or supplemental to those hereby validated and ratified. The construction by the Secretary of the Interior of a dam in and across the Colorado River at or near Head Gate Rock, Ariz., and structures, canals, and incidental works necessary in connection therewith, is hereby authorized, and none of the waters, conserved, used, or appropriated under the works hereby authorized shall be charged against the waters allocated to the upper basin by the Colorado River compact, nor shall any priority be established against such upper basin by reason of such conservation, use, or appropriation; nor shall said dam, structures, canals, and works, or any of them, be used as the basis of making any such charge, or establishing any such priority or right, and all contracts between the United States and the users of said water from or by means of said instrumentalities shall provide against the making of any such charge or claim or the establishment of any priority right or claim to any part or share of the water of the Colorado River allocated to the Upper Basin by the Colorado River Compact, and all use of said instrumentalities shall be in compliance with the conditions and provisions of said Colorado River Compact and the Boulder Canyon Project Act."

Mr. SAMUEL B. HILL. Mr. Speaker, I offer an amendment to the motion.

The Clerk read as follows:

Mr. SAMUEL B. HILL moves to amend the motion as follows: In line 7 of the amendment strike out the word "is" and insert in lieu thereof the following: "and Grand Coulee Dam on the Columbia River are."

Mr. MANSFIELD. Mr. Speaker, I will consume very little time. The controversy now is upon the Grand Coulee, about which we have heard so much. In the conference the Senate conferees willingly receded on amendment no. 72, but they strenuously contended for 71. We were unable to agree, in view of the fact that on the day the conferees were appointed I promised the House that if either 71 or 72 remained in the bill after conference with the Senate, I would personally use my effort to bring it back to the House for instructions.

Mr. O'CONNOR. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from New York.

Mr. O'CONNOR. Mr. Speaker, amendment 71 is identical with the bill which has been reported by the Flood Control Committee and for which a rule has been reported. The bills are now on the calendar. It is known as the "Parker Dam" bill, except for the Headgate Dam. What the Senate did was to take up bodily this legislation which had no reference to rivers and harbors and place it in the rivers and harbors bill. Amendment no. 72 was section 2 of that bill, so that legislation, with which we are dealing, was placed in the rivers and harbors bill. Amendment 71 in the bill is just as offensive as 72.

The gentleman knows the attitude of the Rules Committee and many other people on that matter. Section 2 of the Parker Dam bill pending in the House is amendment no. 72 in this bill, which falls by the wayside. We propose to call up the Parker Dam bill and pass it, eliminating section 2. That can be done and is the orderly way to legislate, but 71 should not go into this bill just to take in another probably three or four dams.

Mrs. GREENWAY. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentlewoman from Arizona.

Mrs. GREENWAY. Does the gentleman from New York think we can take this legislation up in an orderly way in the time remaining in this session?

Mr. O'CONNOR. If the present method of legislating had not been followed, we would have had the Parker Dam bill up for consideration before this.

Mr. WHITE. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Idaho.

Mr. WHITE. The gentleman referred to the Parker Dam. Is the Grand Coulee project in there, too?

Mr. O'CONNOR. The Grand Coulee project is in there also. It is identical with amendment 71 with the exception of the Headgate Dam, and section 2 is identical with amendment 72. We propose to strike out section 2, the blanket authority.

Mr. FITZPATRICK. If we adopt amendment 71, it would be just the same as the Parker bill?

Mr. O'CONNOR. Oh, no. It has another dam in there that was turned down by the House committee. The House committee would not report it out with that provision. When the House committee came before the Rules Committee, it was explained to the Rules Committee and we reported it out, but when it gets over to another body this other dam denied by the House committee was put in there, and the situation now is take it or leave it. The Parker Dam people and the Grand Coulee people do not suffer if they vote down amendment 71. We will call up the bill involving the Parker Dam and the Grand Coulee Dam.

Mr. WHITE. Does the gentleman think there will be time for the passage of those bills by the Senate?

Mr. MANSFIELD. Mr. Speaker, I will have to decline to yield further at this time.

Mr. Speaker, I want to make a brief explanation. It is immaterial to me what the House does. I do not really consider this a river and harbor project primarily, although it is a structure being placed in a navigable river and partially intended for navigation and power purposes.

When we were in conference we succeeded in reaching an agreement with the Senate conferees to this extent: We agreed to take the Parker Dam and to legalize it, together with all the contracts that had been made in connection therewith. That is the only project on which work has been suspended, and I am told that there is now involved an overhead cost amounting to $1,000 a day to the city of Los Angeles. We think it ought to be legalized. Our conferees unanimously agreed to legalize it, and we also agreed to take in the Head Gate Dam with the Taylor amendment added. The Senate conferees agreed to that, but they demanded the Grand Coulee Dam, to which our conferees did not agree.

Carrying out my promise to the House, I am bringing it back to you for instruction. It is immaterial to me whether you instruct for or against. It is a matter I have no personal interest in whatever. It is remote from my section of the country, and I want the House to use its own judgment.

Mr. BEITER. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from New York.

Mr. BEITER. However, if the House rejects amendment 71, there is a possibility of not having a rivers and harbors bill passed at this session?

Mr. MANSFIELD. It will have to be disposed of in some way, or there will be no river and harbor bill. We have to meet the Senate on every section and on every amendment to the bill.

Mr. DONDERO. The objectionable feature in amendment 71 is the Grand Coulee Dam?

Mr. MANSFIELD. That is what the conferees of the House thought was really objectionable.

Mr. DONDERO. That is the question we are going to be called upon to vote on this afternoon?

Mr. MANSFIELD. The motion which I made, and the amendment of the gentleman from Washington, enables the Members of the House to fairly and clearly understand it and vote on whether or not they want the Grand Coulee Dam.

Mrs. GREENWAY. Will the gentleman yield?

Mr. MANSFIELD. I yield to the gentlewoman from Arizona.

Mrs. GREENWAY. I appreciate that what the gentleman from Texas said about its being remote is true, but the Colorado River would not be remote to a single American if he knew the real situation. If development is not allowed at once on our side of the line, and I am not speaking of Arizona, California, Nevada, or any of the other seven basin States, but on the American side of the line, Mexico will get the benefit of the regulation of the Colorado River waters by means of the Boulder Dam.

There are in Mexico thousands of acres ready to use this water which we have at vast expense to the American taxpayer regulated at Boulder Dam. We are, through failure to develop the land on either side of the Colorado River, not in a position to put these waters to immediate use. This is a national issue, and we should recognize its importance and prevent benefits going to Mexico through prior use—that are not in the allotted program—and instead develop American reclamation project at the earliest opportunity.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman from Texas yield, so that I may ask unanimous consent to modify my amendment?

Mr. MANSFIELD. I yield to the gentleman from Washington.

Mr. SAMUEL B. HILL. Mr. Speaker, I ask unanimous consent to modify my amendment by making the change which I send to the Clerk's desk.

The Clerk read as follows:

Mr. SAMUEL B. HILL modifies his amendment by adding at the end of the Hill amendment the following: "And in line 12 of the Mansfield amendment strike out the words 'this project' and insert in lieu thereof the words 'such projects.'"

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MANSFIELD. Now, Mr. Speaker, just one further word. My motion is offered merely for the purpose of getting the matter before the House in a parliamentary way, so that the gentleman from Washington may take it as a basis for his amendment. I simply move to adopt that portion of amendment 71 which the conferees agree to, both House and Senate, while by his amendment there will be embraced the Grand Coulee Dam, which I left out.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. CULKIN. As I understand, the gentleman from Washington has included in his amendment the Taylor amendment.

Mr. MANSFIELD. Yes; and has put Grand Coulee back in.

Mr. MICHENER. As a matter of fact, a vote, then, for the Hill amendment will be a vote to put the Grand Coulee back in?

Mr. MANSFIELD. That is right.

Mr. MICHENER. And a vote for the gentleman's motion is to take out the Grand Coulee?

Mr. MANSFIELD. That is the effect of it; and his amendment will be voted on first.

Mr. BIERMANN. Mr. Speaker, will the gentleman yield for a question?

Mr. MANSFIELD. Yes.

Mr. BIERMANN. Is the statement correct that the completion of the Grand Coulee will cost $393,000,000?

Mr. MANSFIELD. Not according to the engineers' reports.

Mr. BIERMANN. What is the cost?

Mr. MANSFIELD. The estimated cost of it is $63,000,000, and $38,000,000 has been allotted.

Now, what the gentleman may have in mind is that the Reclamation Bureau may hereafter, with permission of the Congress, add to it a great many reclamation projects. This has not been authorized, but this project could be used as a basis for such projects, and they would probably cost several hundred million dollars.

Mr. BIERMANN. But the work that is now contemplated, plus——

Mr. MANSFIELD. The estimated cost is $63,000,000 and $38,000,000 has already been allotted.

Mr. Speaker, I yield the balance of the time to the gentleman from Washington [Mr. SAMUEL B. HILL] and the gentleman from New Jersey [Mr. SEGER], to be equally divided between them.

Mr. SAMUEL B. HILL. Mr. Speaker, I should like to be notified when I have used 10 minutes.

Mr. Speaker, you have heard this vicious attack upon the Grand Coulee. You have heard three speeches from the gentlemen from Michigan, and one other gentleman from Michigan has been diligent in asking questions indicating his hostility. I wonder what the objection of Michigan is to this Grand Coulee project.

This is not a reclamation project. This is a power dam and there is no reclamation in the program for its construction at this time. There is reclamation in the Head Gate, and they are not objecting to that, and yet they base their whole argument on the proposition that this is reclamation. I want the Head Gate Dam in here, I want the Parker Dam—they are both needed and ought to be authorized, but why do they want to cut out the Grand Coulee Dam?

Here is the situation with reference to that. There has been spent one million and a half dollars in the exploration of this great project. It has been determined to be a feasible and economic project from a power standpoint and as an aid to a reclamation project, but there is no reclamation in this particular measure at this time.

Under authority of Congress, the War Department engineers made a survey of the Columbia River system and they filed a report. This report set out how this great stream should be developed for navigation, for power, for flood control, and for irrigation. This report is available to the Members of Congress and the statement here that the War Department and the committees of this Congress and the Congress itself have turned down this project is absolutely without foundation. There has been no such report. This project has never been turned down by the War Department or by the Congress or by any committee of the Congress.

Under the Public Works bill the Public Works Administrator is constructing the dam at Grand Coulee. The contract for its construction has been let, and the contract is now being executed. The contractors have been at work on the dam for something over a year.

They spent $20,000,000, or in that neighborhood, completing the foundation. They have spent an additional sum of money to complete a railroad to haul the heavy material that goes into the structure.

We have $38,000,000 allocated for the construction of the dam, and yet these opponents, these representatives of power, come here and want you to cut Grand Coulee power dam out of this bill.

They are willing to take the other dam, the Head Gate Dam, and authorize it by Congress, but they try to cut out Grand Coulee Dam. Why? Because it is the greatest power dam that can be constructed on any stream in the United States. Mr. Hugh L. Cooper, the outstanding engineer of the United States, stated before the Irrigation and Reclamation Committee that this dam would create power at Grand Coulee at a cost of 1.2 mills per kilowatt-hour—the cheapest power on earth. We want that power.

When that dam is completed and the power installed, the Government will get all the money back in 30 years' time. It will not cost the Government a penny that it will not get back.

Not only that, but in 25 years in the future there can be reclaimed 1,200,000 acres of land that can be used and the power will be able to reduce the cost of that reclamation to settlers of the land so that it will not cost more than $80 an acre and $4 a year for maintenance.

It is the cheapest power on earth and will not cost a penny that the Government will not receive back. Another thing, the Treasury of the United States will get $15,000,000 net return per year from the proceeds of this power after it has repaid its cost of construction. Show me another power project that equals that in this country. It is not a leaf-raking project, but a construction project. Why should Michigan and New York object to this project when it would increase the purchasing power of these settlers?

These are great manufacturing States. They need purchasers of the manufactured products. The Columbia Basin area, when reclaimed, will buy from eastern manufacturers 250,000 carloads of goods a year. Some people are too blind to see their own advantage.

Mr. LUNDEEN. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. LUNDEEN. I agree with what the gentleman has said, and I want to say that the people of my State are with you in the development of the Grand Coulee on the Columbia River, the greatest power river in all the world.

Mr. SAMUEL B. HILL. I appreciate that. That is the issue, it is not reclamation, because there is no reclamation in it and there will not be any reclamation in this for 15 or 20 or 25 years, and the Lord knows what we will need in the way of additional land by that time; but say that it is brought into cultivation tomorrow, we could take people out of these drought-stricken areas and off of submarginal farm lands and put them where they can make a living on 10 acres of land, and have the conveniences of modern life, and develop a standard of civilization of which we would all be proud.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. ZIONCHECK. Does not the gentleman think that the criticism coming from the Republicans at this time is to embarrass the administration, because millions of dollars have been spent, and if this project is stopped at this time it would be pointed out as a colossal blunder?

Mr. SAMUEL B. HILL. Of course that is it, there is no question about that.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. KVALE. I just want to say to the gentleman that I am in thorough sympathy with his purposes and with what the gentleman has said, but for the benefit of the conservationists I deplore the danger to the salmon fisheries, the annual run of salmon, and I hope the gentleman will discuss a little bit from that point of view and tell us about the provisions for fisheries and hatcheries which are said to be inadequate, according to their estimates.

Mr. SAMUEL B. HILL. There will be ample provision made for hatcheries below the dam. There is not going to be a depletion of the salmon resources. We do not want to deplete them; they are a great asset to our country. We would be the last people on earth to deplete that asset. That will be taken care of handsomely by adequate hatcheries which will provide a much larger spawn of young salmon to

go back to the salt water and return as they do now. There is nothing to that argument at all. That is one of our natural resources that we will conserve.

Mr. FIESINGER. Is there any present use for that power? The gentleman talks about $15,000,000 revenue annually. Would not business have to be developed first before you can get that revenue?

Mr. SAMUEL B. HILL. The use of power is increasing in that country at the rate of 9½ percent per annum, and additional industries will come in the minute you have cheap power.

Mr. PIERCE. The gentleman should not forget that all the Bonneville power was offered to be taken by one firm.

Mr. SAMUEL B. HILL. They pick it up like that. The trouble is not going to be in finding a market but in furnishing sufficient power for the demand. We will solve the rural electrification problem in that section.

Mr. FIESINGER. But there is no present market, is there?

Mr. SAMUEL B. HILL. Absolutely there is. These lines can be run 300 miles to the big communities, and when this power is put into the homes of the farmers at a rate that they can afford to pay, there will be electrification all through those Pacific Northwest States, and they will have power to heat and light the houses and to light the cow barns and to run machinery and every operation that goes along with domestic life—cheap power.

Mr. LUNDEEN. Mr. Speaker, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. LUNDEEN. Is it not a fact that in interconnected lines of these power systems Spokane and Portland and Seattle and all those great cities can avail themselves of this power.

Mr. SAMUEL B. HILL. You can go to California, Idaho, and Montana, and all through Oregon with these power lines, these power lines can be connected up to furnish power where there is a scarcity of power. There is no dearth of a market for the power. The land on which this dam is being built is being condemned by the Federal Government under the power of eminent domain, for navigation and flood control. When we get the dam finished we will have a lake 150 miles long. It will serve the interest of a great inland empire as an inland lake on which navigation can be carried on.

Mr. SCHNEIDER. And just who owns all the land in that empire?

Mr. SAMUEL B. HILL. It is owned largely by private individuals, but it is being appraised, and it will be sold at its actual value and not a speculative value.

Mr. SCHNEIDER. It is practically valueless at the present time?

Mr. SAMUEL B. HILL. Practically valueless.

Mr. SCHNEIDER. The gentleman says the Government is going to take it over in the process of developing this tremendous project.

Mr. SAMUEL B. HILL. It is going to take over the land to be flooded by the reservoir back of the dam.

Mr. SCHNEIDER. Not this land that will be irrigated?

Mr. SAMUEL B. HILL. No; but we are going to keep the price down to the appraised value and there will be no speculation.

Mr. SCHNEIDER. What about the millions of acres of land owned by speculators who have been furthering this proposition for 15 years?

Mr. SAMUEL B. HILL. We are going to tell those people that they must take the appraised value of the land or they will not get water on it, and we can control that matter. That was done on the Ellensburg project, where they put appraisers on the lands and said to the people, "You take this value or you will not have any water on the land. We do not propose to let the speculators come in on it.

This is what Secretary of War Hurley said about this development:

> Consideration of the development of the Columbia River should include the major project set forth in the report of this department now before Congress for the consideration of a dam and reservoir at Grand Coulee above the mouth of the Snake River for the development of power mainly, but possibly in the future the development of irrigation.

That was the Secretary of War.

Some mention was made here that the Chief of Engineers of the War Department had condemned this proposition. That is not true. This is what the Chief of Engineers said in his letter:

> Irrigation as a part of the combined development of the Columbia River is not at the present time economical, considered alone.

Now, then, he meant if you built an irrigation project there that would cost $180 an acre, it would not be economical, but if you built it, together with this power project, so that the proceeds from the power could be applied in part payment for the reclamation of the land and reduce it to about $80 an acre, it would be economical. He made no report upon that basis. That is exactly what the plan is for the future reclamation. The present program is the development of power, so that our people can have the advantages that your people down in the Tennessee Valley have. We want to develop our country. We cannot develop it until we get this power first. Finally, along in 15 or 20 years, we do expect to reclaim that land, but you will not have any competition in the Middle West or in the East by reason of this reclaimed land. The fact is that the irrigated land today furnishes about 1 percent of the total agricultural products of the country. Last year it went down to seven-tenths of 1 percent. There is nothing to be frightened about in the reclamation of this land, even though it should be reclaimed tomorrow, but when it comes 15 or 20 years from now, certainly it is not a problem which should cause gentlemen down here at this time any concern.

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Speaker, I yield myself 3 additional minutes.

I want to appeal to the Members of this House to stand by us and save for us that great project. It is the only great project which we have in the Pacific Northwest. It is the one thing, if and when we develop it, that would make us economically equal to any other part of the country. We ask you to help us develop that great natural asset. We have the Columbia River, the greatest power river on earth. We have these arid acres of land, 1,200,000, right in the heart of the eastern part of our State. In 15 or 20 years, by virtue of this dam and the power created, if we can reclaim that land, then we will have taken the heart out of that desert and made fertile lands upon which the homes of many people who are now on the submarginal lands may build prosperous homes.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. WHITTINGTON. On the Columbia River there is the Bonneville Dam and reservoir. Is that a power project?

Mr. SAMUEL B. HILL. That is a power project, way down below.

Mr. EKWALL. And I will say it is a good one, too.

Mr. WHITTINGTON. How far from this project is it? Is there any necessity for both of these power projects?

Mr. SAMUEL B. HILL. There is plenty of room for both of them. We are for the Bonneville Dam, too. The Grand Coulee Dam is the key dam in the whole plan of the War Department scheme for the improvement of that river. It is this dam that equalizes the flow of all the river down below. It will deepen the channel of the Columbia River on an average 5 feet by evening the flow, so that we could have barge and boat navigation on the Columbia River below there. The plan calls for other dams between Bonneville and Grand Coulee, but they are not now being considered and probably will not be considered for many years to come. This Grand Coulee Dam is the one in the upper reaches of the river to be built, because it is an important key dam to even the flow of water and all the development below that point in the river.

Now, we appeal to you. They want to cut us out of this project. They say that after you have spent $20,000,000 already and our contractors are on the job; they want to destroy all that simply because somebody does not want power developed in this country. I want you to bear in mind this is a power dam. Ultimately we expect to reclaim land, but there is no use being exercised about that until the next generation comes on.

Mr. EKWALL. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. EKWALL. The gentleman mentioned Republicans. I want the gentleman to know there are two Republicans, my colleague [Mr. MOTT] and I, who are with you on this proposition.

Mr. SAMUEL B. HILL. I know that. I appreciate that very much.

Mr. Speaker, I reserve the balance of my time.

Mr. SEGER. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Speaker, we have had a most interesting discussion by the gentleman from Washington [Mr. SAMUEL B. HILL] on the Grand Coullee project. The gentleman made the statement that this was largely a power project; that there was no reclamation in it. I hold in my hand the testimony of Dr. Mead, of the Reclamation Service, who appeared before the House Committee on Flood Control.

Here is Mr. Mead's testimony appearing before the Flood Control Committee in regard to this project. I think it is enlightening, and I hope he knew what he was talking about.

Mr. MEAD. The total cost of the dam and other plants is about $180,000,000.

Mr. WHITTINGTON. How much has the Government allocated to that in public works?

Mr. MEAD. The allocation was $63,000,000.

Mr. WHITTINGTON. Will that complete that unit of it?

Mr. MEAD. No; it is still going on. It is expected to get more as it is needed.

This $63,000,000 you have heard about is the preliminary step in the construction of this $180,000,000 project. The gentleman from Washington states that it is a power project. It is a power project. It is a power project to put water on this arid land. There is no sale nor need for additional power in this section. They tell us this land is arid and that they will use the power to raise the water. They are going to raise the water with the electric power that is generated at this dam.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. CARLSON. I yield to the gentleman from Idaho.

Mr. WHITE. Does the gentleman contend that this power cannot be carried over high-tension lines to Seattle, Tacoma, and the other great industrial centers on the Pacific coast?

Mr. CARLSON. No. The power can be carried by high-tension lines to any of these cities, but that power is going to be used entirely to put this water on the land, the same as is proposed to do at the Parker Dam.

Mr. WHITE. Mr. Speaker, will the gentleman yield further?

Mr. CARLSON. I yield to the gentleman from Idaho.

Mr. WHITE. Does not the gentleman know that with this plan for a low dam we cannot develop an acre of irrigation?

Mr. CARLSON. That is correct. This low dam will not irrigate a single acre; it is power only, and, therefore, in my opinion it is valueless at this time. There is no market for power, and it will not be of any use to this country until we get a high dam which will let them irrigate the land.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. CARLSON. Mr. Speaker, I refuse to yield, as I have only 5 minutes.

Mr. PIERCE. The gentleman made a statement that is far from the facts.

Mr. CARLSON. I would ask the gentleman to get his own time, if he does not mind. A high dam is needed to put water on the land. If power were generated it would have to be sold to outlying cities, and you have other dams to take care of the power situation.

It has been stated that this is not a reclamation project. I contend that it is and I believe I have some further proof of that. Here is a piece of beautiful propaganda put out on the Grand Coulee Dam by the Spokane Chamber of Commerce. They make this statement:

The cost of the ultimate development, or high dam, will be $179,000,000.

Then they continue with this statement:

The cost of the combined high dam and the Columbia River Basin reclamation project will be $393,000,000. Land on this project will be available—

Listen to this—

to settlers at prices ranging from $5 to $15 an acre, and the cost of the water rights will be $88 an acre without interest, payable over a period of 40 years. The annual cost of maintenance will be $3.19 an acre.

How can the farmers of the Middle West compete with this kind of proposition? How can the farmers meet this competition when Federal funds bring into production 1,200,000 acres of land?

This same literature states that this project will accommodate 40,000 farmers, allowing them from 10 to 80 acres per farm. In my State, according to the 1935 agricultural census, we have 175,543 farmers. It could take 22½ percent of the farmers out of our State and put them on this land at an acre cost of $3.19 a year.

Our farmers are opearting on land with interest charges of from $5 to $7 an acre. We cannot compete with that; we should not be compelled to at this time. With our Government taking land out of production to the extent of 35,000,000 acres a year, surely this Congress should not appropriate $180,000,000 to put this additional land into production.

[Here the gavel fell.]

Mr. SEGER. Mr. Speaker, I yield the balance of my time to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Speaker, this discussion has taken a rather amusing trend. Some of these phases of western development—and I say this advisedly—are like the Irishman's flea; you put your thumb on him and he is not there. In this case the normal claim for locality development is abandoned and a new plea substituted.

The gentleman from Washington, who is perhaps one of the ablest and most skillful lawyers in the House, takes the position that the Grand Coulee is not reclamation. That is the first time I have heard that position assumed since the initiation of the P. W. A. The gentleman from Washington has probably been so occupied in writing the great financial measures that involve our Nation and our Nation's future that he has not paid any attention to the Grand Coulee development and is apparently very much in a fog with respect to it. I ask the gentleman from Washington to read the legislation which "Honest Harold" Ickes and Dr. Mead, of the Reclamation Bureau, wrote on this question and which is now embodied in this bill.

They called it reclamation. In the original break-down of the P. W. A. the Grand Coulee was called "power", but Honest Harold grew ashamed of that designation because there was no one in the Grand Coulee area to sell power to except rattlesnakes, coyotes, and rabbits. Everyone knows that. There is no market for power in the Northwest. This Bonneville development is going to be carried out at a cost of $63,000,000. That, with the present private power development, will suffice the Northwest for many years to come.

Mr. SAMUEL B. HILL. I think the gentleman has his figures confused.

Mr. CULKIN. I am talking about Bonneville. I say the estimate on the Bonneville project is $63,000,000, which includes the installation of the fish ladders, which are going to cost $8,500,000. The fish ladders and the elevators for the fish involve a disbursement of $8,500,000. The engineer did not know about those when he made his estimate of $43,000,000. Incidentally, may I say that I supported the Bonneville project from the very beginning. It is a sound power and navigational development.

Mr. Speaker, there is ample power in the West for a long time to come. May I say that no power group has a collar on me. During my career at the bar I was repeatedly offered substantial retainers from the power group in various legitimate forms, but I never accepted them. So when I speak about power no one has any strings on me. There was an English statesman once who said that "patriotism was the first and last refuge of a scoundrel." I am going to say now that this power issue is the first and last refuge of a public officer who is desirous of continuing in the public service.

Here is what the Grand Coulee proposition means: In the first instance, there will be a disbursement of $63,000,000 for a mere dam. I repeat, there is no power involved, and cannot be, and never has been until the distinguished, brilliant,

able, and skillful gentleman from Washington came in here and attempted to throw sand in your eyes. It is an irrigation and reclamation proposition pure and simple. It will bring from 1,200,000 to 2,000,000 acres into production.

I want to show you the attitude of the farmers in the Northwest toward this reclamation project. I have a number of letters from farmers in the Northwest which protest most vigorously against this Grand Coulee development. I have one, for instance, from the Wenatchee district in Washington, in which the writer says that the fixed indebtedness, without seasonal charges, per acre there is $555. This writer says that the introduction of more land or the placing of more land in production will destroy the farmers in Washington, who are now in difficult straits. The National Grange opposes it.

I am going to tell you briefly the genesis of this Grand Coulee proposition.

Mr. SAMUEL B. HILL. Will the gentleman furnish us with the names of those farmers?

Mr. CULKIN. I will be glad to supply the names to the gentleman. I do not have them here. I can give the gentleman a very large list of names, and will be glad to do so. I have at least 25.

Mr. SAMUEL B. HILL. I will be glad to have them.

Mr. CULKIN. Extracts from these letters have gone in the RECORD heretofore, but I will be glad to furnish the gentleman with the names.

Mr. Speaker, there is one phase of the Grand Coulee proposition which I wish to discuss. It is definitely a promotional proposition. An article appeared in Nation sometime in April, written by one William Rorty, who is a publicist of some standing. He is also the author of several books, and his reputation vouches for the truth of the article which appears under his name. He says that some 630,000 acres of the choicest land in the Grand Coulee country are held by the utilities—note this, after the statement made by the gentleman from Washington—and banks and railroads. Think of it, 630,000 acres of the choicest land! It is impossible for the public to get on to the land without running the gauntlet of the land sharks who now hold title to same. I want to read a list of the companies that hold the best of those lands in the hollow of their hands.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from New York.

Mr. FITZPATRICK. Is any of the land that is going to be covered by this 150 miles of water owned by the parties referred to?

Mr. CULKIN. All of this land is owned by these parties.

Mr. HARLAN. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Ohio.

Mr. HARLAN. If a few generations ago, when we built the railroads across through Kansas and those other western States, someone had said that these railroads should not be built in the West because there are no cities there and nobody to use the railroads, what would the gentleman think of that kind of an argument? Does not the same thing apply to this power? There are not many factories there to use the power until it is put there.

Mr. CULKIN. I will tell the gentleman what they intend to do, and he may take it back to his constituents. They are going to take people from the gentleman's State. Then they are going to move your factories from Ohio out there. I give the gentleman due warning. That is the purpose of this program and they boast about it.

Mr. Rorty, this writer—and I am advised he is thoroughly authoritative—says he has examined the records of Grant, Adams, Lincoln, Franklin, and Douglas Counties, and he makes the statement that 670,000 acres of this land are now owned by banks, railroads, utilities, investment bankers, insurance and real-estate companies. Then he goes on to recite a list of the companies. In other words, the United States Government is making an initial disbursement of $63,000,000 on property that belongs to the railroads and to the utilities. In the meantime, the gentleman from Washington yells about the Power Trust.

Mr. Speaker, I introduced a resolution today which, with the permission of the Members of the House, I would like to read:

Whereas the Nation, a magazine of some circulation, several months since carried the statement that over 600,000 acres of the choice lands of the Grand Coulee district are held by the banks, politicians, railroads, and utilities; and

Whereas no authoritative denial has been made of this fact: Now, therefore, be it

*Resolved*, That it is the sense of this House that all work on this project should cease pending an investigation into the holdings of these lands as above stated; and be it further

*Resolved*, That the Speaker appoint a committee of five for the purpose of examining into the question of title to these lands which the Government is now improving at an ultimate cost of $350,000,000.

It seems to me, in justice to the distinguished occupant of the White House, who was more or less misled, if you please, in this situation, this Grand Coulee project should be stricken from this bill. There have been some political casualties since this project was initiated that seem to justify the belief that he was mislead. I am not going to mention any names or be rude about that.

Mr. KELLER. Why not?

Mr. CULKIN. Well, I am not going to; at any rate, some political faces have disappeared from the horizon, and I think the President would welcome this resolution of the elimination of the Grand Coulee. I think the proposition has within it the seeds of crédit mobilier, which, in its youth, nearly wrecked my own party. I think this matter ought to be investigated, and now is the time to suspend work on the project, and first get these titles back into the hands of the people.

You all know the romance that was attendant upon the opening up of new lands for settlement. There is none of that involved here. Before a man can take title he has to run the gantlet of a chain of real-estate holding companies, if you please; and then the fellow who gives him title is far removed from any responsibility. Just stop this performance now at this particular stage and look into it. It is your function to look into it. "Honest Harold" Ickes is the only man who ever passed on this question. The President himself, of course, had to accept the recommendations of certain men—men who have now deceived the distinguished gentleman from Washington as to the facts as to this development.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield on that point? As a matter of fact, this matter has been examined by at least a half dozen different investigators, including the leading engineers of the country in the Reclamation Department and the War Department, and they all report favorably upon it.

Mr. CULKIN. I may say to the gentleman that I suggest he read a reprint from the Engineering Review on this subject. I would suggest that he read a well-considered, well-balanced, kindly story that appeared in the Saturday Evening Post several weeks ago. These give true pictures, and both of these articles say that there is absolutely no market for the power in this section and will not be for many years to come. This is what the United States engineers have said. I may say to the House that these great public servants, when they wrote their report in 1932, stated that the power plants are incident to the pumping of water into another reservoir. Let me say to the gentleman that this problem involves the raising every minute of 500 tons of water 350 feet. It is one of the most gigantic engineering problems in the history of mankind, and you are just at the inception of it. It involves the disbursement, according to the estimates of the engineers, amortized at 4 percent, of $712,000,000, and as modified now the expense, estimated by every authority I can find—and I have examined the question carefully—amounts to a disbursement of $390,000,000.

Mr. BIERMANN. Mr. Speaker, will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Iowa.

Mr. BIERMANN. The gentleman from Washington [Mr. SAMUEL B. HILL] said that these utility owners and these bank owners and the other owners of this land would be made to sell the land at a reasonable price before they

would get the water on it. What does the gentleman think of that proposition?

Mr. CULKIN. Let me tell the gentleman and tell the House, in reply to that question which is very pertinent, that the gentlemen who, he states, will be made to sell this land on terms, are the gentlemen who are financing and promoting this proposition. They are the Inland Empire outfit who are back of this scheme. This is the fact, and when the settler goes on the land, if he has to deal with a utility or bank——

Mr. BIERMANN. And he will have to do that, will he not? He will have to buy it from the people who own the land.

Mr. CULKIN. Yes. That fact sticks up like a sore thumb.

Mr. Speaker, I ask that the motion of the gentleman from Washington be voted down. I ask that the motion of Judge MANSFIELD, excepting the Grand Coulee from the operation of this measure carry. Protect the farmers and the Treasury of the United States from this outrageous infliction. [Applause.]

[Here the gavel fell.]

Mr. MANSFIELD. Mr. Speaker, I move the previous question on the motion and the amendment.

The previous question was ordered.

The SPEAKER. The question is on the amendment offered by the gentleman from Washington [Mr. SAMUEL B. HILL].

Mr. SNELL. Mr. Speaker, on the adoption of the Hill amendment, with respect to the Coulee Dam, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—ayes 201, nays 126, answered "present" 1, not voting 102, as follows:

[Roll No. 172]

YEAS—201

| | | | |
|---|---|---|---|
| Arnold | Drewry | Kocialkowski | Richards |
| Ayers | Driscoll | Kramer | Robinson, Utah |
| Barden | Driver | Kvale | Rogers, Okla. |
| Beiter | Duffy, N. Y. | Larrabee | Romjue |
| Berlin | Duncan | Lea, Calif. | Sabath |
| Bland | Dunn, Pa. | Lee, Okla. | Sadowski |
| Bloom | Eagle | Lemke | Sanders, La. |
| Boehne | Eckert | Lloyd | Sanders, Tex. |
| Boland | Edmiston | Luckey | Sandlin |
| Boykin | Ekwall | Ludlow | Schulte |
| Boylan | Ellenbogen | Lundeen | Scott |
| Brooks | Evans | McAndrews | Scrugham |
| Brown, Ga. | Faddis | McClellan | Sears |
| Brown, Mich. | Farley | McCormack | Secrest |
| Brunner | Fitzpatrick | McFarlane | Sirovich |
| Buchanan | Flannagan | McGrath | Sisson |
| Buck | Fletcher | McKeough | Smith, Va. |
| Buckler, Minn. | Ford, Calif. | McReynolds | Smith, W. Va. |
| Burdick | Frey | McSwain | South |
| Caldwell | Fuller | Mahon | Spence |
| Cannon, Wis. | Gearhart | Maloney | Stack |
| Carmichael | Gildea | Marcantonio | Starnes |
| Cary | Gingery | Mason | Sullivan |
| Celler | Goldsborough | Massingale | Taylor, Colo. |
| Chandler | Gray, Ind. | Maverick | Terry |
| Chapman | Gray, Pa. | Mead | Thom |
| Citron | Green | Meeks | Thomason |
| Clark, N. C. | Greenway | Merritt, N. Y. | Tolan |
| Colden | Greenwood | Miller | Tonry |
| Cooley | Greever | Monaghan | Turner |
| Cooper, Tenn. | Gregory | Montet | Umstead |
| Costello | Haines | Moran | Utterback |
| Cox | Hamlin | Mott | Vinson, Ga. |
| Cravens | Hancock, N. C. | Murdock | Vinson, Ky. |
| Crosby | Harlan | O'Brien | Wallgren |
| Cross, Tex. | Hart | O'Connell | Walter |
| Crosser, Ohio | Harter | O'Connor | Wearin |
| Crowe | Healey | O'Day | Weaver |
| Cullen | Higgins, Mass. | O'Leary | Welch |
| Cummings | Hildebrandt | O'Malley | Werner |
| Daly | Hill, Ala. | Owen | West |
| Dear | Hill, Samuel B. | Patton | Whelchel |
| Deen | Hobbs | Peterson, Fla. | White |
| Delaney | Houston | Pfeifer | Wilcox |
| Dempsey | Jacobsen | Pierce | Wilson, La. |
| DeRouen | Jenckes, Ind. | Quinn | Wood |
| Dickstein | Johnson, Okla. | Rabaut | Zimmerman |
| Disney | Johnson, Tex. | Ramspeck | Zioncheck |
| Dobbins | Kee | Randolph | |
| Dorsey | Keller | Rankin | |
| Doughton | Kenney | Rayburn | |

NAYS—126

| | | | |
|---|---|---|---|
| Allen | Andrew, Mass. | Ashbrook | Biermann |
| Amlie | Andrews, N. Y. | Bacharach | Blackney |
| Andresen | Arends | Bacon | Bolton |
| Brewster | Gehrmann | Lord | Robsion, Ky. |
| Cannon, Mo. | Gifford | McGehee | Rogers, Mass. |
| Carlson | Gilchrist | McLaughlin | Russell |
| Carpenter | Granfield | McLean | Sauthoff |
| Casey | Griswold | Mapes | Schneider |
| Castellow | Guyer | Marshall | Schuetz |
| Cavicchia | Gwynne | Martin, Colo. | Seger |
| Christianson | Halleck | Martin, Mass. | Shanley |
| Church | Hancock, N. Y. | May | Smith, Conn. |
| Coffee | Hennings | Merritt, Conn. | Snell |
| Cole, Md. | Hess | Michener | Stefan |
| Cole, N. Y. | Higgins, Conn. | Millard | Taber |
| Colmer | Hoffman | Mitchell, Tenn. | Tarver |
| Cooper, Ohio | Hollister | Nelson | Taylor, S. C. |
| Crawford | Holmes | O'Neal | Taylor, Tenn. |
| Crowther | Hope | Palmisano | Thurston |
| Culkin | Huddleston | Parsons | Tinkham |
| Darrow | Hull | Patterson | Turpin |
| Dies | Jenkins, Ohio | Pearson | Whittington |
| Dondero | Jones | Perkins | Wigglesworth |
| Doxey | Kahn | Pettengill | Williams |
| Duffey, Ohio | Kinzer | Plumley | Withrow |
| Eaton | Kloeb | Polk | Wolcott |
| Engel | Kniffin | Powers | Wolfenden |
| Fenerty | Knutson | Reed, Ill. | Wolverton |
| Ferguson | Lamneck | Reed, N. Y. | Woodruff |
| Fiesinger | Lanham | Reilly | Young |
| Focht | Lehlbach | Rich | |
| Ford, Miss. | Lewis, Colo. | Risk | |

ANSWERED "PRESENT"—1

Mansfield

NOT VOTING—102

| | | | |
|---|---|---|---|
| Adair | Dockweiler | Kopplemann | Rogers, N. H. |
| Bankhead | Doutrich | Lambertson | Rudd |
| Beam | Dunn, Miss. | Lambeth | Ryan |
| Bell | Eicher | Lesinski | Schaefer |
| Binderup | Englebright | Lewis, Md. | Shannon |
| Blanton | Fernandez | Lucas | Short |
| Boileau | Fish | McGroarty | Smith, Wash. |
| Brennan | Fulmer | McLeod | Snyder |
| Buckbee | Gambrill | McMillan | Somers, N. Y. |
| Buckley, N. Y. | Gasque | Maas | Steagall |
| Bulwinkle | Gassaway | Mitchell, Ill. | Stewart |
| Burch | Gavagan | Montague | Stubbs |
| Burnham | Gillette | Moritz | Sumners, Tex. |
| Carter | Goodwin | Nichols | Sutphin |
| Cartwright | Hartley | Norton | Sweeney |
| Claiborne | Hill, Knute | Oliver | Thomas |
| Clark, Idaho | Hoeppel | Parks | Thompson |
| Cochran | Hook | Patman | Tobey |
| Collins | Imhoff | Peterson, Ga. | Treadway |
| Connery | Johnson, W. Va. | Peyser | Underwood |
| Corning | Kelly | Pittenger | Wadsworth |
| Darden | Kennedy, Md. | Ramsay | Warren |
| Dietrich | Kennedy, N. Y. | Ransley | Wilson, Pa. |
| Dingell | Kerr | Reece | Woodrum |
| Dirksen | Kimball | Richardson | |
| Ditter | Kleberg | Robertson | |

So the amendment was agreed to.

The Clerk announced the following pairs:

General pairs:

Until further notice:

Mr. Corning with Mr. Treadway.
Mr. Blanton with Mr. Wadsworth.
Mr. Montague with Mr. Wilson of Pennsylvania.
Mr. Connery with Mr. Short.
Mr. Burch with Mr. Goodwin.
Mr. Oliver with Mr. Dirksen.
Mr. Patman with Mr. Burnham.
Mr. Cochran with Mr. Carter.
Mr. Richardson with Mr. Fish.
Mr. Somers of New York with Mr. Ditter.
Mr. McMillan with Mr. Lambertson.
Mr. Rudd with Mr. McLeod.
Mr. Fuller with Mr. Ransley.
Mr. Steagall with Mr. Stewart.
Mr. Sumners of Texas with Mr. Thomas.
Mr. Johnson of West Virginia with Mr. Pittenger.
Mr. Fulmer with Mr. Hartley.
Mr. Warren with Mr. Doutrich.
Mr. Kelly with Mr. Buckbee.
Mr. Woodrum with Mr. Collins.
Mr. Kleberg with Mr. Englebright.
Mr. Underwood with Mr. Kimball.
Mr. Kerr with Mr. Maas.
Mr. Gavagan with Mr. Reece.
Mr. Gasque with Mr. Tobey.
Mr. Kennedy of New York with Mr. Boileau.
Mr. Smith of Washington with Mr. Eicher.
Mr. Ramsay with Mr. Claiborne.
Mr. Binderup with Mr. Lucas.
Mr. Lambeth with Mr. Bankhead.
Mr. Darden with Mr. McGroarty.
Mr. Moritz with Mr. Dingell.
Mrs. Norton with Mr. Peterson of Georgia.
Mr. Fernandez with Mr. Dietrich.
Mr. Gambrill with Mr. Snyder.
Mr. Stubbs with Mr. Gassaway.
Mr. Hook with Mr. Kennedy of Maryland.
Mr. Knute Hill with Mr. Imhoff.
Mr. Thompson with Mr. Sweeney.
Mr. Gillette with Mr. Sutphin.

Mr. Dockweiler with Mr. Ryan.
Mr. Parks with Mr. Lewis of Maryland.
Mr. Cartwright with Mr. Clark of Idaho.
Mr. Beam with Mr. Nichols.
Mrs. Rogers of New Hampshire with Mr. Dunn of Mississippi.
Mr. Bulwinkle with Mr. Lesinski.
Mr. Adair with Mr. Bell.
Mr. Brennan with Mr. Buckley.
Mr. Schaefer with Mr. Peyser.

Mr. LUDLOW changed his vote from "no" to "aye."

Mr. GINGERY changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

Mr. DRISCOLL. Mr. Speaker, my colleague from Pennsylvania, Mr. SNYDER, is ill. He sent word to me today to say that if he were present he would vote "aye."

The SPEAKER. The question recurs on the motion of the gentleman from Texas, as amended.

The motion was agreed to.

A motion to reconsider the vote by which the motion was agreed to was laid on the table.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that the enrolling clerk be authorized to correct the section numbers.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANSFIELD. Also, Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks in the RECORD on this bill.

The SPEAKER. Is there objection?

There was no objection.

### KRAMER SEDITION BILL

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following:

MINORITY VIEWS OF CONGRESSMAN EMANUEL CELLER

I herewith submit the minority views of the Judiciary Committee on H. R. 6427, a bill introduced by Mr. CHARLES KRAMER, the gentleman from California, to prohibit statements and publications advocating overthrow of the Government by violence, and for other purposes. It is with great reluctance that I am constrained to oppose my colleague, Mr. KRAMER, for whom I have an affectionate regard, and to oppose my dear friends, Representatives DICKSTEIN, of New York, and MCCORMACK, of Massachusetts, cosponsors of the bill.

Thomas Jefferson once said: "If I had the choice between government without free speech and free speech without government, I would choose the latter." To him and, in fact, to all right-minded persons free speech, together with freedom of the press and freedom of religion—the Bill of Rights—which are embodied in the first amendments of the Constitution, is more important than the Constitution itself. Yet men and women, forgetful of our history and traditions, are constantly agitating for the enactment of measures that put vipers in the bosom of freedom.

The so-called "Kramer bill", H. R. 6427, is such a bill. It seeks to destroy free speech. It is the first peace-time sedition bill since 1798. I am unalterably opposed to it. Originally this bill was as follows:

"*Be it enacted, etc.*, That any person who knowingly makes any statement orally or in writing, which advocates or urges the overthrow of the Government of the United States, or of any State or Territory, by force or violence, or by assassination of the Executive head or any other official of such Government, or other unlawful means, and any person who knowingly prints, publishes, issues, edits, circulates, sells, distributes, or displays in public any written matter containing any such statement, shall, upon conviction thereof, be punished by a fine of not more than $5,000 or imprisonment for not more than 5 years, or both.

"SEC. 2. As used in this act, the term 'person' includes an individual, partnership, association, or corporation."

Most of it was whittled away, and it now emerges from the Judiciary Committee in the following form:

"*Be it enacted, etc.*, That any person who knowingly and willfully shall advocate the overthrow of the Government of the United States by force or violence shall upon conviction thereof be punished by a fine of not more than $5,000 or imprisonment for not more than 5 years, or both."

It is my opinion that although the original bill may be stripped of some trappings its evil remains.

This bill at first blush seems worthy enough, but after close scrutiny it is readily discernible that it would become an instrument of oppression. It would doubtlessly lay an ax at the foot of the tree of free speech, would subject the great majority of the American people, particularly the workmen, to the absolute domination of the small minority of powerful and vested interests, would be the means of oppression against unpopular minorities, and would be used by employers and reactionary interests against those engaged in union and legitimate strike activities. It would finally be an attempt to sabotage free speech and other inalienable rights.

Under this statute no overt act is necessary. Merely harboring radical opinions might invite punishment. The speaker or the writer would find himself in the toils of the law if his utterances, though innocent, were forceful enough to incite his audience to violence. It is not what he says. It is the effect of what he says that would count. In practice no precise line can be drawn between advocacies of change by violence and by peaceful means. Different people are affected differently. A perfectly fair yet sharp criticism of the Government as a street-corner orator, by a striker, by an editorial writer, might have little or no effect upon many persons, yet cause others to do violence. ' That striker, editor, or orator would be clapped into jail.

It is difficult to draw the line between advocacy and incitement. Justice Brandeis, in the Gitlow case, very significantly stated:

"Every idea is an incitement. It offers itself for belief, and if believed it is acted upon unless some other belief outweighs it or some failure of energy stifles the movement at its birth. The only difference between the expression of an opinion and an incitement in the narrow sense is the speaker's enthusiasm for the result. Eloquence may set fire to reason."

Pass this bill, and what will be the result? People would be afraid to speak or write their thoughts. They would fear prosecution, or rather persecution. Rather than speak the truth, they would remain silent. Or, if they do speak, they would "pull their punches." In other words, the truth would remain partly spoken or unspoken for fear of jail. Free speech, freedom of the press, freedom of assemblage, would all go aglimmering.

Suppose I live in Louisiana. A certain nameless individual, wearing the toga of high office, is enabled to reduce the people of that State practically to serfdom. This bill would place a plaster over the mouths of those likely to criticize or protest. They would not dare offer objection, much less condemn the machinations of this self-styled leader. They would be incarcerated for violations of this statute. They would be charged with attempted overthrow of Government by violence, despite the fact that that Government ought to be overthrown.

The owner of a plant—wealthy, powerful, ruthless—could use the statute for his own fell, selfish purposes. Where he controls local officials he could claim that strikers at his plant were guilty of sedition and were aiming at the overthrow of Government, whereas in reality higher wages and shorter hours were their goal. Subservient and complacent district attorneys, sheriffs would readily prosecute.

Under this act anyone saying anything not in accord with the views of those in power—be they great industrialists, Governors, sheriffs, or political bosses—would come to grief.

It appears to be undisputed that communism implies the ultimate use of force if it is unable to achieve its ends by means of the ballot. It would seem to follow that this bill would punish anyone who should advocate communism, whether or not he specifically advocated the use of force. The proponents deny that this is the intent of the bill, but it would seem to be its necessary effect.

I am for punishment of those who commit overt, specific illegal acts; punishment for those who are guilty of active treason, criminal anarchy, riot, insurrection, assault and battery, criminal conspiracy, incendiarism. But under this statute mere words would be illegal; wild, forceful, emotional utterances; reprehensible, absurd, untruthful statements could enmesh a person.

It must be borne in mind that the present law adequately protects against any activity against the authority of the Federal Government. For example, our conspiracy statutes, sections 6 and 37 of the Criminal Code (U. S. C., title 18, secs. 6, 88), severely punish two or more persons who conspire to overthrow the Government or to commit any offense against it It will be appreciated that in order to have "two or more persons" conspiring it is only necessary to have 1 talker and 1 listener. The Kramer bill and all other bills of the same ilk are therefore unnecessary as well as undesirable.

Experience with all criminal-syndicalism and criminal-anarchy laws conclusively shows that most of the prosecutions have been based on utterances or writings prophesying, not advocating, violence at some future time to effect revolutionary changes in control of the economic system. Many of the prosecutions have been based, not on personal advocacies, but on mere membership in radical organizations held to subscribe to such a doctrine. Prosecutions have therefore not been directed at any actual or threatened violence, but at political or economic opinions of minority parties and labor unions, and have been instituted usually in times of strikes. In effect, these laws have been primarily used to aid employers against workers.

The instant bill and others like it make dominant interests the controllers of freedom of speech and of the press.

Prosecutions have been usually motivated by political and economic prejudice.

They do not protect the Government against counsels of violent action. They do aid employers in conflicts with workers, often on the theory that opposition to capitalism is opposition to the Government.

No definite standard of guilt is fixed.

Apparently, only general doctrines, necessarily remote in effect, are aimed at. Guilt under the Kramer bill and similar statutes is made absurdly dependent upon forms of language or choice of words. The courts are unable to apply any consistent standard of guilt.

Strangely enough, this law would punish the advocacy of force by those who seek to change the existing system, but does not punish the advocacy of force by those who seek to maintain it. In other words, encouragement is given to those who by violence would preserve a political and economic status quo. There is thus set up a sort of Fascist concept of law.

This bill is undoubtedly unconstitutional, violating as it does the basic safeguards and rights of the American citizen. In *United States* v. *Schenck* (249 U. S. 47), the Supreme Court upheld the application of the war-time Espionage Act (act of June 15, 1917), concerning the distribution of leaflets urging drafted men to refuse to serve. It expressly limited, however, the effect of its decision to cases arising during times of emergency. The rule it lays down would clearly make unconstitutional during peace-times any bill even remotely resembling the Kramer bill. The Court said (p. 52), "* * * we admit that in many places and in ordinary times the defendants in saying all that was said in the circular would have been within their constitutional rights * * * the question in every case is whether the words used are used in such circumstances and are of such a nature as to create a clear and present danger that they will bring about the substantive evils that Congress has a right to prevent."

Henry Thomas Buckle, author of that great classic, the History of Civilization in England, significantly states: "The only answer to words is words; when an attempt is made to answer them by force, it becomes tyranny." Voltaire put it this way: "I may disagree utterly with what you say, but I will fight to the death for your right to say it."

There seems to be a general hysteria of fear gripping the Nation against communism, socialism, and all manner and kinds of other "isms." In almost every legislature a flood of "gag" bills and sedition measures have been introduced. In Georgia a woman was thrown into jail. Her sole offense was the possession of copies of Liberty and some liberal magazines like the Nation and the New Republic. In fact, the sheriff, who broke into her home illegally stated that the magazine Liberty was the most dangerous of the magazines seized. He said the very name proved that it was a seditious document. In California, the home of Mr. KRAMER, during the past session, 24 bills were introduced denying civil liberties and imposing restrictions of the right to strike. Measures were introduced ranging from the establishment of a bureau of espionage to one making radical meeting places public nuisances; from one making the advocacy of a change in Government a felony to another making the advocacy of pacificism a felony. If all these bills had been passed, it is pointed out by the editor of the New Republic, California would have a form of government besides which that of czarist Russia could be called progressive.

President Robert M. Hutchins, of the University of Chicago, in a recent commencement address, attacked vigorously these so-called "patrioteers" who seek to reduce the rights of free speech and freedom of the press. He said:

"Almost everybody is now afraid. This is reflected in the hysteria of certain organs of opinion which insist on free speech themselves, although nobody has thought of taking it away from them, though at the same time they demand that it be denied everybody else. * * * It (this fear) is reflected in the general resistance to all uncomfortable truths. * * *"

Several sedition bills, including the Kramer bill, before our Judiciary Committee were urged as a means of combating the spread of communism and fascism. They would, I repeat, merely curtail free speech.

In my humble opinion the best antidote to communism or fascism is more—not less—free speech. My friend and esteemed colleague, Representative VITO MARCANTONIO, of New York, vigorously and valiantly opposed these bills and held with Senator BORAH—

"* * * that to oppose communism and fascism by surrendering the very things, as free speech, the right of assemblage, which distinguish Americanism from fascism and communism, is blundering leadership and unworthy of the support of true Americans."

But there is no real danger from communism in this country. The total enrollment of the Communist Party is 36,000 votes, 18,000 of which are in New York. However, if there is no danger from the Communists now, there will be danger if these "gag" and sedition bills are passed. That is the meat upon which the Communists feed—repression and restraint. I believe the sound method of dealing with communism is to bring it out in the open so that its tenets, if unsound, may be so demonstrated. The most effective method of defeating the Communists is to throw as much light as possible upon their program, so that its unsoundness may be revealed. The bill before us would have the contrary effect of driving their activities underground, with the inevitable consequence that they would become further intensified and publicized. Forcing Fascists and Communists into secret channels would only martyrize them—make them heroes and their doctrines popular and romantic. Their adherents would, consequently, greatly grow in numbers.

Jefferson properly said: "It is error alone which needs the support of government. Truth can stand by itself." Let us therefore place communism, with all its hideousness and loathsomeness, in the open market place, where we can place a value upon it. Let us freely speak and write about it and show it to be cheap and worthless, not keep it hidden, like a jewel, in a safe, as though it were valuable and precious. Only by dragging it out will we consign it to the dunghill, where it belongs.

The situation that confronts us today with these pending repressive bills is not unlike that which confronted Jefferson, Madison, and Livingston upon the eve of the Alien and Sedition Acts of 1798. John Adams and the Federalists then in power were restive under the sharp criticisms of their regime. They felt that they, like the king, "could do no wrong." They wished to prevent criticism and stop the spread of Jeffersonian "radicalism." They passed the Alien and Sedition Acts. This aroused the greatest indignation and caused their decisive defeat at the polls by Jefferson and his followers.

In the House of Representatives in 1798, Edward Livingston, in opposing the Sedition Act, predicted as follows:

"The country will swarm with informers, spies, delators, and all the odious reptile tribes that breed in the sunshine of despotic power * * *. The hours of the most unsuspected confidence, the intimacies of friendship, or the recesses of domestic retirement afford no security. The companion whom you must trust, the friend in whom you must confide, the domestic who waits in your chamber, all are tempted to betray your imprudent or unguarded follies; to misrepresent your words; to convey them, distorted by calumny, to the secret tribunal where jealousy presides, where fear officiates as accuser and suspicion is the only evidence that is heard * * *."

My colleague, Hon. MAURY MAVERICK, Representative from the State of Texas, very forcefully and ably drew attention to the fact that Livingston's predictions were not unjustified and that the Sedition Act led to a campaign of systematic snooping, and that Federalist judges and officials used the statute to oppress their political enemies.

The very first prosecution under the Sedition Act was against an anti-Federalist Congressman. Collendar, a friend of Jefferson, was convicted for saying: "Mr. Adams has only completed the scene of ignominy which Mr. Washington began."

Charles Beard points out that:

"* * * editors of Republican (Jeffersonian) papers soon found themselves in jail or broken by heavy fines; bystanders at political meetings who made contemptuous remarks about Adams or his policies were hurried off to court, lectured by irate Federalist judges, and convicted of sedition. In vain did John Marshall urge caution, explaining that the sedition law was useless and calculated to arouse rather than allay discontent."

The Alien and Sedition Acts were, of course, repealed, and Congress, many years after the repeal, repaid the fines imposed on some of its prominent victims. By thus repaying these fines, Justice Holmes intimates in his memorable dissenting opinion in *Abrams* v. *United States* (250 U. S. 616) "* * * the United States * * * had shown its repentance" for acts which were, even as is the measure under discussion, clearly un-American and clearly unconstitutional.

I warn—let there be no recurrence of the wild and pitiful scenes resulting from the Sedition Acts of 1798. Let there be no Sedition Act of 1935.

If these "gag" and sedition bills are permitted to become imbedded in our permanent statutes, then what apparently is desired in this country is a sort of dead-level of mediocrity, a nation of nincompoops and dullards. If we cannot speak our minds freely and openly on economic and political topics, then we will be reduced to automatons, without intelligence, ideas, or courage. Without freedom to express ideas and thoughts there can be no progress. We might as well go back to horse-and-buggy days! If the Government is to throttle free thought and free expression, fear and timidity will replace courage and initiative of our citizenry.

Let us cast our eye backward and see how the espionage and sedition statutes during the war were enforced.

Mere expression of a doubt that socks knitted for soldiers ever reached their intended recipients resulted in an extreme prison sentence. (See *State* v. *Freerks*, 140 Minn. 349, 168 N. W. 23 (1918).) The defendant in the case of *Gilbert* v. *Minnesota* (254 U. S. 300 (1920)) demanded a vote on conscription and advocated the conscription of wealth. He went to jail. The assertion that soldiers were dying for the capitalists merited a 20-year sentence. (See *United States* v. *Wallace*, Bull. Dept. Justice No. 4, D. Ia. 1917.) That man went insane and died in jail. The assertion that "this is a rich man's war", also merited a jail sentence. (See *State* v. *Kahn*, 56 Mont. 108, 182 Pac. 107 (1919).)

See how times have changed. It is interesting to note the present-day movement in our own Congress for war-time conscription of the wealthy. Yet, the defendant, Kahn, in Montana, in 1919, went to jail for advocating what apparently this Congress espouses. In 1916 there was a motion picture depicting the American Revolution. On the score that the exhibit of this picture might possibly deter the fullest measure of cooperation with Great Britain, the defendant in the case was sentenced to 10 years' imprisonment. (See *United States* v. *Spirit of '76*, 252 Fed. 946, S. D. Cal. 1917.) On appeal the 10 years' sentence was reduced to 3 years. (See *Goldstein* v. *United States*, 258 Fed. 908, C. C. A. 9th, 1919.) Mere criticisms of the Red Cross and the Y. M. C. A. were held to obstruct the operations of the Army. Prison sentences resulted. (See *United States* v. *Nagler*, 252 Fed. 217 W. D. Wis. 1918.) Mere statements made in the privacy of a small cobbler's shop merited a prison term. The evidence was obtained by means of a dictograph installed in the shop by a volunteer association of citizens. (See *Schoberg* v. *United States*, 264 Fed. 1, C. C. A. 6th, 1920.)

One can search the whole record in all the States and look through all the Federal law reports and you will not find one reported instance of prosecution under these statutes where there was any actual or immediate overt act or acts directed toward an immediate violent political change. The conclusion seems inescapable, namely, the history of these cases is a history of suppression of nonexistent danger.

There are therefore cast grave doubts as to the present need for any effort to prevent revolution by any legislative restrictions on speech.

Russia, Italy, Germany, have always had espionage and sedition laws of the Kramer type. The results are obvious—dictatorships. Communism in one, fascism in the other, and nazi-ism in the third. On the other hand, England has always had its Hyde Park where its turbulent and radical populace can blow off steam. England has no dictatorship.

Now, let us see how these same State sedition statutes were used and are still being used, not in war time, but in peace time, particularly during the economic depression. The following is an excerpt from an article in a recent issue of the Columbia Law Review:

"After the wave of enforcement in the post-war years, prosecutions fell off precipitately with the rise of prosperity, and from 1925 to 1930 the statutes became virtual dead letters.[1] The revival of prosecutions under the old statutes in the economic decline of recent years, and the present call for new legislation,[2] suggest a correlation between speech restriction and the business cycle. Of peculiar significance in evaluating the nature and effects of sedition legislation is a survey of the circumstances and localities that have evoked the greatest activity in the present era of prosecution. In 1930, organizational activity among the agricultural workers of Imperial Valley in California, a group whose living conditions had been regarded as virtually irremediable,[3] served as background for a series of criminal syndicalism convictions.[4] Again in 1934, the "radicalism" attributed to the San Francisco general strike[5] materialized into prosecutions not of participants[6] but of agricultural union leaders in Sacramento.[7] In Arkansas, union activity among the poverty-stricken share croppers[8] has been met with terrorism and conviction for criminal anarchy. Relief demonstrations seem to have been the immediate provocation for other applications of statutes designed to prevent violent revolution.[9]

"The picture of official activity in the background against which the sedition bills must be viewed is rounded out by the increasingly ready resort to the National Guard to put down "revolution" found in labor demands for increased wages.[11]

"Sane consideration of a hectic social scene thus emphasizes the role of the sedition statute. Whether it is the product of misguided sincerity or of hyprocrisy, sedition legislation has been used to combat immediate demands of labor groups, rather than to meet imminent danger of violent overthrow of the Government."

There is a need for progressive and patriotic men and women everywhere to take heed and be watchful lest these sedition and "gag" bills take hold.

Remember, article III of the Constitution of the United States says, "Congress shall make no law * * * abridging the freedom of speech."

Finally, let us always keep in mind what our dear and late lamented Justice Oliver Wendell Holmes stated in his dissenting opinion in the case of *Abrahms* v. *United States* (250 U. S., at page 630) "* * * the best test of truth is the power of the thought to get itself accepted in the competition of the market * * *"

### MILITARY DISAFFECTION BILL KILLS AMERICAN LIBERTY

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAVERICK. Mr. Speaker, I offer as my own remarks a minority report as filed by myself and the Honorable PAUL J. KVALE against Senate bill 2253, known as the "Tydings-McCormack military disaffection bill."

The report is as follows:

### MINORITY VIEWS

The following is submitted by Mr. MAURY MAVERICK, of Texas, and Mr. PAUL J. KVALE, of Minnesota:

*Section 1. Foreword*

The bill is said to have as its purpose the riddance of Communists and communistic influence from the Army and Navy. But Assistant Secretary Roosevelt testified, as to Communists in the Navy, that there were "none, among either the officers or enlisted men" and as to communistic influence, that it was "absolutely infinitesimal." General Smith testified that, "while there has been much effort on the part of subversive groups to penetrate the armed forces, it appears that their efforts have not met with a great deal of success."

This bill, then, proposes, in effect, to use a 12-inch gun to kill a knat. The truth is that it is not really aimed at Communists—that is a subterfuge—but at the honest peace-time expression of opinions on anything remotely concerning the Army or Navy by decent American citizens of any projects favored by profiteering munition makers and similar interests. It is a brash piece of Hitleristic fascism.

### ANALYSIS AND INTRODUCTION TO BILL

This bill is:

I

In violation of the first amendment to the Constitution in practically every part of it, especially in reference to the abridgment of the press. The amendment reads as follows:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or of the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

The claim may be made by the proponents of the bill that the bill is constitutional, and, granting that it is, purely for the purposes of argument, it is unquestionably in direct violation of the spirit of the Constitution expressed in the first amendment; and

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[1] Lipsig, Seamon, Criminal Syndicalism, Criminal Anarchy Laws [pamphlet, Am. Civ. Lib. Union (1935)], 3; 2 I. J. A. Bull. No. 6, p. 7, November 1933); *Stromberg* v. *California* (283 U. S. 359 (1931)) (conviction reversed); *Gregory* v. *Commonwealth* (226 Ky. 617, 11 S. W. (2d) 432) (conviction reversed); *Commonwealth* v. *Widovich* (295 Pa. 311, 145 Atl. 295 (1929)) (conviction affirmed), are the only reported decisions on cases arising in this period. *Whitney* v. *California* (274 U. S. 357 (1927)), *Fiske* v. *Kansas* (274 U. S. 380 (1927)), and *Burns* v. *United States* (274 U. S. 328 (1927)), arose in the lower courts in 1922, 1924, and 1923, respectively.

[2] In addition to the present Federal sedition bills, new sedition legislation has been introduced in Alabama, Florida, Michigan, and Texas, according to the files of the American Civil Liberties Union. Cf. New York World-Telegram, May 3, 1935, at 6; (1935) 35 New Republic 187. For related State legislation see infra p. 30.

[3] The workers are paid from 15 to 25 cents an hour during the season and are herded out of the district for the winter. Mini, the California Dictatorship (1935), 140 Nation 224. In this area, for the improvement of which A. F. L. leaders have said that only fanatics would risk the physical violence of the landowners, agents and vigilantes (New York Times, Jan. 29, 1935, sec. IV, at 1, cf. infra, p. 30), the Trade Union Unity League has based its organizing activities on demands for 35 cents an hour and for uncontaminated drinking water. Williams, Imperial Valley Mob (1934), 78 New Republic 34.

[4] A Strike Is Criminal Syndicalism in California (pamphlet, Am. Civ. Lib. Union, Mar. 1931). The prison sentences ranged up to a possible maximum of 42 years for six of the defendants. The tenor of the trial is indicated by the boast of the American Legion commander at El Centro, as reported in the pamphlet cited: "The way to kill the red plague is to dynamite it out. That's what we did in Imperial County. The judge who tried the Communists was a Legionnaire; 50 percent of the jurors were war veterans. What chance did the Communists have? That's the way we stamped it out in our county." All but one of the convictions were affirmed in *People* v. *Horiuchi* (114 Cal. App. 415, 300 Pac. 457 (1931)).

[5] N. Y. Times, June 16, 1934, at 2 (Mayor Rossi Sees Strike as Revolution); id., June 17, 1934, at 1; id., June 17, 1934, at 2 (Governor Merriam Blames Reds); id., July 29, 1934, sec. IV, at 1. The strike was succeeded by a red scare. N. Y. Times, July 23, 1934, at 2, 14; id., July 29, 1934, sec. IV, at 1; cf. id., Aug. 12, 1934, sec. II, at 1; id., Jan. 20, 1935, sec. IV, at 1; Clement, Red-Baiters' Holiday in Sacramento (1935), 140 Nation, 307.

[6] See New York Times, Jan. 20, 1935, sec. IV, at 1.

[7] New York Times, Aug. 30, 1934, at 3; id., Jan. 20, 1935, sec. IV, at 1; id., Apr. 2, 1935, at 1; id., Apr. 11, 1935, at 3. In an atmosphere conditioned by the hysteria of vigilante raids on Communist headquarters and official drives on reds as "vagrants" (New York Times, July 23, 1934, at 2; cf. supra, p. xxx; infra, p. xxx), the conviction was obtained on the basis of extracts from Communist literature read to a jury, including Elks and Masons, both of which organizations had passed resolutions condemning the party. Cf. New York Times, Aug. 12, 1934, at 25; Mintor, The Battle of Sacramento (1935), 82 New Republic 87; Clement, loc. cit. supra, note 5.

[8] These people, working land for a share in the produce and living on food advanced by landlord-owned stores, their constant indebtedness to which leaves them in a state of semifeudal dependence, have been hard hit by the A. A. A. program. The landowners have escaped the duty of sharing with the tenant farmers the bounties for acreage reduction by a policy of timely eviction, filling the area with a growing class of homeless vagrants. (Cf. New York Times, Apr. 15, 1935, at 6; id., Apr. 16, 1935, at 18; Carpenter, Slaves of King Cotton, New York World Telegram, May 9, 10, 11, 1935, all at the first page of sec. 2.)

Attempts at organization and protest have been met with vigilante terror under the cover of the usual "red scare." Infra, notes 50, 52.

[9] The victim was an F. E. R. A. teacher, a leader of the union. Cf. St. Louis Post-Dispatch, Jan. 19, 1935; New York Times, Feb. 20, 1935, at 3; id., Apr. 15, 1935, at 6; id., Apr. 16, 1935, at 18.

[10] *Herndon* v. *State* (178 Ga. 832, 174 S. E. 597 (1934)) (attempt to incite insurrection); New York Times, Feb. 20, 1935, at 3 (Arkansas, criminal anarchy). The prosecution in *Carr* v. *State* (176 Ga. 747, 169 S. E. 201 (1934)) followed meeting of unemployed, in connection with which the defendant had been discharged on charges of disorderly conduct and unlawful assembly. The revival in this case of an old slave statute, involving a death penalty, evoked disapproval in the southern press. E. g., Macon (Ga.) Telegraph, June 5, 1930; Baltimore (Morning) Sun, May 26, 1930; Asheville (N. C.) Times, Aug. 5, 1930.

[11] New York Times, May 22, 1934, at 1 (Toledo auto workers' strike); id., July 5, 1934, at 1 (San Francisco longshoremen); id., Sept. 6, 1934, at 1 (textile strike, N. C.); id., Sept. 11, 1934, at 8 (textile strike, Conn. and Maine); id., Sept. 14, 1934, at 1 (textile strike, R. I.); id., Sept. 17, 1934, at 2 (textile strike, Ga.); id., June 16, 1935, at 1 (trolley strike, Nebr.). Cf. Vorse, Textile Trouble (1934) 80 New Republic 147. Even before the textile strike, the National Guard had been used more frequently in industrial disputes in 18 months than in the previous 15 years. New York Times, Aug. 5, 1934, sec. II, at 1.

certainly this kind of law unavoidably invites abuses in administration which will be unconstitutional (*Yick Wo* v. *Hopkins* (118 U. S. 356)).

II

In violation of the fourth amendment to the Constitution, which is as follows:

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation and particularly describing the places to be searched and the persons or things to be seized."

III

Unnecessary, as no likelihood of mutiny, sedition, or revolution now exists in the United States Army or Navy. (See (1) Necessity.)

IV

An insult to the loyalty and patriotism of the enlisted men and a reflection on the ability and efficiency of the officers. (One of the undersigned served during the war as a noncommissioned officer and the other as a lieutenant; we feel entitled, on behalf of the enlisted men and officers of the Army, to resent that proposed insult.) (See (2) Communistic propaganda.)

V

The first effort in the history of America to pass such a law in peace time.

VI

Modeled on fascistic and communistic lines, being wholly opposed to the genius of American institutions.

VII

An intended suppression of organized labor. (See (5) Labor.)

MAURY MAVERICK.
PAUL J. KVALE.

*Section 2. Argument*

This bill is un-American—modeled on fascistic and communistic lines—is undoubtedly unconstitutional, violates primarily the right of freedom of press and, indirectly, practically all the liberties of American citizens; directly the right to be free of searches and seizures. The reason why this country has been considered a free country is that it has not hitherto enacted oppressive statutes similar to those of Soviet Russia and Fascist Italy and Nazi Germany. Just such laws as this disaffection bill are in effect in those countries today, and are a necessary adjunct to the regimentation of a free people to the purposes of an absolute government.

Always in presenting a bill like this the proponents say that it is to control the Communists or radicals. Twenty-eight thousand Communists to wreck 128,000,000 free people. To think that the Communists in this country can overthrow the Government is sheer nonsense. Twenty-eight thousand Communists overthrowing this Government. About one-fiftieth of 1 percent of the population. Twenty-eight thousand Communists overthrowing the Army and the Navy. Worse than being nonsense, however, is the fact that it is a direct insult to the patriotism of the enlisted men of the Army and Navy. Are we about to have a revolution? Is our Army seething with sedition? Is our Navy likely to have mutiny at sea? To even intimate such a thing is the worst kind of folly.

The mere reporting out of a bill like this morally weakens the national defenses of our country. It gives the impression that the Congress of the United States is suspicious of the Army and the Navy. It says that we do not trust our soldiers and sailors and implies that we do not trust our own citizens. It means that we believe—if we should vote for this bill—that it is necessary to have a military despotism in order for the Government to survive. This Government is the strongest Government in the world, because it rests on the free consent of the governed. And we offer such a bill as this.

Thomas Jefferson literally hated and despised such limitations of freedom and said so on every occasion. The Alien and Sedition Acts were written to destroy him and the Democratic (although called Republican) Party by the Tories. He was maligned as a radical and as an atheist because he believed in freedom. The Alien and Sedition Acts of 1798 are still at this late day America's greatest national disgrace. This legislation is worse—it is inexcusable.

This bill, if enacted into law, forms the basis of bloody reactionary revolution; that is, a military coup d'état. There are three kinds of revolutions: The reactionary or military revolution, the radical revolution, and the peaceful revolution. The reactionary revolution goes backward by military force and bloodshed, and takes away the liberty of speech and press and other ordinary democratic liberties. It includes censorship, reckless searches and seizures, and suppressions with force.

The radical revolution is one in which there is a violent general rising of the people, similar to a levée en masse, usually accompanied by great destruction of property, disorganization, bloodshed, hunger, and starvation. A radical revolution ordinarily follows a military or reactionary revolution.

The third type of revolution—the peaceful one—is accomplished within the framework of the Constitution, for progressive purposes, and is accomplished through the ballots of a majority of the sovereign voters. Revolution in that sense only means, as the dictionary says, "strictly a progressive motion"—and "revolution is often combined with rotation"—"change", "alteration", and is the symbol of that orderly evolution which is the secret of free government.

The grave unemployment and disturbed economic conditions of the country must undoubtedly be met with fundamental changes of some nature. But whatever they are, it is well established that European communism and fascism are not suited to the genius and temperament of the American people. Such a projected law as this disaffection bill, besides creating the absurd impression that this Government is worried by the activities of communistic or fascistic agitators, is itself an expression of that type of government authority which the framers of this bill consider detrimental to and subversive of the principles of American democracy.

Looking at the bill itself, as originally written, it applied to the "military and naval forces of the United States—including military reserves thereof", and that has been changed to the "Army and Navy." The reason that the bill was changed was to keep the American Federation of Labor quiet, so they wouldn't object, as we understand they did, because they thought the bill might apply to the National Guard, which would be used in strikes. For that reason the compromise in the language was made. That attempted compromise is a ridiculous one, since, if it means anything, it must mean the following:

The National Guard is not a part of the Army, nor is the Coast Guard or Marine Corps a part of the Navy. Therefore, it shall be lawful to create disorder and disobedience in the National Guard, the Reserves, the Coast Guard, the Marine Corps, and the R. O. T. C.—but not in the Army and Navy. Or, to put it otherwise, it must mean that the military and naval forces outside of the regulars are patriotic, but that the regular troops are disloyal and not patriotic or dependable. In other words, the Congress is asked to take for granted the questionable loyalty of the Army and Navy, for it is asked to act as if it were necessary to have a law passed to keep them from mutiny and the country from bloodshed.

Of course, the National Guard, the Reserves, the R. O. T. C., the Coast Guard, and the Marine Corps are, in fact, a part of the Army and Navy; but, if they are logically treated as such under the act, then labor has been duped and has received no compromise.

If, on the other hand, the framers of this bill intended by this change to except the National Guard, the Reserves, and such military organizations from the provisions of the proposed act, they have eliminated those groups who have the power by their vote to express their disgust and disapproval at the offensiveness of such legislation; and make the act binding upon only those groups who lack this articulate power. Aware of the indignation that such laws will call forth, the framers of the bill thus foist it only upon groups which cannot voice their indignation at the slur which it is proposed to cast upon them. We, who served in the Army, resent that insult. (See below: Army or Navy.)

What will come if such a bill is passed? Cross-currents of persecutions, hunts by hysterical false "patriots"; newspaper raids, brutal arrests on unfounded gossip; censorship by intimidatory actions, head-crackings, bloodshed, unconstitutional searches and seizures, suspicions, industrial warfare—bringing chaos rather than halting it. This bill is dangerous and utterly in contempt of our Bill of Rights and free democratic government.

We deny that our Army and Navy are mutinous, or can be made mutinous or disloyal by foreign propaganda or radical—or what-not propaganda. Our soldiers and sailors are loyal. They are good Americans. They are as good Americans as their officers—and as their Congressmen.

The second section of this bill is a pure case of unwarranted, unconstitutional, and bigoted tyranny. It provides for every conceivable violation of the rights of search and seizure. It provides for the breaking into the homes of the American people and shows a reckless disregard of every American principle of liberty.

The law is likewise obviously unnecessary.

MAURY MAVERICK.
PAUL J. KVALE.

*Section 3.—Index of points offered for consideration*

1. Necessity?
2. Communistic propaganda.
3. Espionage Act.
4. Army or Navy.
5. Labor.
6. Political.
7. Political science.
8. Historical.
9. Practical.
10. Conclusion.

The points are as follows:

1. NECESSITY?

In the first place the control by the Court Martial Manual of the military and naval forces is absolute and almost unlimited. The manual and strict military law have always been sufficient to maintain good discipline and besides there being no danger of mutiny or sedition in our military or naval forces, existing laws adequately punish disaffection, mutiny, or disobedience in the Army and Navy or conspiracies among civilians to incite disobedience.

If the laws already in effect are utilized and are adequately enforced, it is inconceivable how any attempts on the loyalty of the Army and Navy can go unpunished.

Title 18, 6 U. S. C. (Criminal Code), provides:

"Seditious conspiracy: If two or more persons in any State or Territory, or in any place subject to the jurisdiction of the United States, conspire to overthrow, put down, or to destroy by force the Government of the United States, or to levy war against

them, or to oppose by force the authority thereof, or by force to prevent, hinder, or delay the execution of any law of the United States, or by force to seize, take, or possess any property of the United States contrary to the authority thereof, they shall each be fined not more than $5,000, or imprisoned not more than 6 years, or both" (R. S., sec. 5336; Mar. 4, 1909, c. 321, sec. 6, 35 Stat. 1089).

This statute was successfully invoked in *Wells* v. *U. S.* (257 Fed. 605) to punish four persons for having conspired by force to prevent, hinder, or delay the execution of certain Federal statutes—the declaration of war against Germany and others. The case arose before the Espionage Act became effective. Section 6 was used to punish defendants who had collaborated in the preparation and distribution of a certain anticonscription circular urging forcible resistance to conscription.

The court said: "It was not necessary to show that force was actually employed, but only that there was a conspiracy entered into that contemplated the employment of force, as a means to the accomplishment of a common purpose to oppose the execution of a law of the United States, or the authority of the Government to prosecute the war" (614).

So much for the law making it punishable for two or more to conspire to urge forcible resistance to law. It was and is equally punishable for a single individual to incite to forcible resistance to law. Thus section 4 of title 18, U. S. C. (Criminal Code, sec. 4), provides as follows:

"Inciting rebellion or insurrection: Whoever incites, sets on foot, assists, or engages in any rebellion or insurrection against the authority of the United States or the laws thereof, or gives aid or comfort thereto, shall be imprisoned not more than 10 years, or fined not more than $10,000, or both; and shall, moreover, be incapable of holding any office under the United States" (R. S., sec. 5334; Mar. 4, 1909, c. 321, sec. 4, 35 Stat. 1088).

Two further provisions of the Criminal Code were successfully relied on by the Government in securing the conviction of Emma Goldman (*Goldman* v. *U. S.*, 245 U. S. 474, 1917). Those were sections 37 and 332 of the then Criminal Code, now, respectively, sections 88 and 550 of title 18. The statutes were designed to punish bare conspiracies to commit any offense against the United States.

Emma Goldman was held guilty of violating these laws by conspiring to induce persons subject to the Draft Act to refuse to register. Under section 37 the doing of overt acts in furtherance of the conspiracy was held to be unlawful, "irrespective of whether the result of the conspiracy has been to accomplish its illegal end" (p. 477).

The additional statutory safeguards are:

Section 94, title 18, punishing enticing desertion from the Army and Navy.

34 United States Code Annotated, section 1200, permitting infliction of court-martial penalty on Navy men found guilty of uttering seditious words.

10 United States Code Annotated, section 1538, providing the death penalty for mutiny or joining in a seditious uprising for any person subject to military law.

18 United States Code Annotated, Section 483, punishing incitement to mutiny on the high seas.

18 United States Code Annotated, section 484, punishing the actual mutiny.

Under these provisions of the law, together with the treason provisions of the Constitution (sec. 3, art. III), what serious interference with military authority cannot be dealt with? All such situations can easily be handled under present laws.

In addition to all these various laws are numerous statutes that would appear to cover the problem. Mailing of matter of this nature to the members of the Army or Navy would be covered by title 18, sections 343, 344, and 345, of the United States Code. Also reference is made to section 44 (U. S. C., title 18, sec. 96), punishing anyone who trespasses upon or interferes with any fortification, harbor defense, etc., or who shall willfully "violate any duly authorized and promulgated order or regulation of the President governing persons or vessels within the limits of defensive sea areas, which defensive sea areas are hereby authorized to be established by order of the President from time to time as may be necessary, in his discretion, for purposes of national defense."

Also, section 45 (U. S. C., title 18, sec. 97) gives sweeping power to the military authorities to punish anyone who may be found upon any military reservation, etc., "for any purpose prohibited by military law or regulation." This gives complete authority to the military over all areas of their own, and the Navy is given the additional power heretofore recited in which the President may set up any defensive areas desired, with such regulations as he believes necessary.

### 2. COMMUNISTIC PROPAGANDA

It is difficult to find exactly why this bill is being proposed; there are probably a variety of reasons. But the proponents claim the bill is aimed at the alleged communistic propaganda carried on among the soldiers and sailors. Yet high military officials testified before the McCormack committee that this propaganda was insignificant.

The Senate report on S. 2253 by the Committee on Naval Affairs states:

"Literature of a subversive nature to the Government has been distributed in increasing quantities in recent years to the personnel of the Navy and other branches of our military and naval forces."

Also, it says the literature "apparently emanates from Communist organizations." This would indicate few, if any, persons have actually been shown as sending or distributing propaganda. Also, it is admitted none of the matter is sent by mail.

The naval statement seems hardly consistent with the testimony of Brig. Gen. Alfred T. Smith, General Staff, War Department, and Commander V. L. Kirkman, on behalf of the Navy Department, before the House committee investigating un-American activities. The hearings at which these officers testified were held in Washington, D. C., on the 17th and 18th of December 1934. (Hearings No. 73—D. C.—5.)

After testifying to the extent of the distribution of communistic literature in the Army, General Smith stated:

"While there has been much effort on the part of the subversive groups to penetrate the armed forces, it appears that their efforts have not met with a great deal of success. In 1925 two enlisted men were tried and convicted by general court martial for communistic activities. Since the expiration of their sentences, reports indicate that both of these men have again been active. In 1933 one enlisted man was discharged for communistic activities and in 1934 one enlisted man was discharged for the same reason."

Commander Kirkman drew no conclusions, but testified that literature is constantly being disseminated. Besides this conventional method of propaganda, resort is also had, he states, to the use of pretty girls who engage promising enlisted men "with the object of making dates with them ashore and 'working on them' there to convert them to the 'cause' and thus gain a recruit within the ship's company." Communist girl "lures" were also mentioned in an article by Admiral Yates Stirling, recently reprimanded by the Secretary of the Navy for meddling in international relations.

Mr. MAVERICK asked several questions in hearings before the Military Affairs Committee of The Assistant Secretary of the Navy, Mr. Henry L. Roosevelt, one as to the Communists in the Navy, to which answer was given: "None, among either the officers or enlisted men." And to the direct question as to communistic influence upon the Navy, Mr. Roosevelt answered: "Absolutely infinitesimal." He stated he had no belief of any danger to the Navy.

Mr. MAVERICK also heard the testimony of Maj. Gen. Amos Fries, who gave as a reason, before the subcommittee, that this bill was required in order to prevent people from criticizing the size of appropriations for the Army or Navy. In other words, his intention and the intention of the bill, among other things, is to put people in the penitentiary if they state that the appropriations for the Army or Navy are too much; the same to apply to newspapers and periodicals. Of course, the bill is so drawn as to fine and imprison anyone criticizing the military or naval forces in any way whatsoever, however vague.

While a Senate committee has been investigating the munitions racketeers, this bill to punish those who criticize their depredations is seriously put forward. It would be ridiculous if it were not so clearly evidence of their power over legislation of this type.

### 3. ESPIONAGE ACT

NOTE.—The Espionage Act was enacted during the war and is not effective in peace time. The proposed law is practically a peace-time enactment of a war measure. The only difference is that this law goes further. Therefore, the decisions and the statutory construction of the proposed law would be similar to the Espionage Act, and this note is made in order to call attention to its effect.

The amendments to the bill attempting to limit it to those who actually intend to incite disaffection will have no effect on its enforcement.

The third section of title I of the Espionage Act (act of June 15, 1917, c. 30), upon which the present bill is modeled, reads in part, as follows:

"Whoever, when the United States is at war, shall willfully cause or attempt to cause insubordination, disloyalty, mutiny, or refusal of duty, in the military or naval forces of the United States", etc.

The earliest decisions under that section quickly adopted, in utter disregard of the most elementary principles of the common law, the doctrine of constructive intent, holding that if the words uttered had a remotely bad tendency within the prohibition of the statute, the fact that the utterances were made in the greatest good faith and with complete innocence of any idea of direct incitement, the utterer was nevertheless guilty of violating the law and subject to imprisonment (*Masses Pub. Co.* v. *Patten*, 245 Fed. 102, 245 Fed. 24).

Thus was immediately put to an end any genuine discussion of public matters. Those that attempted criticism speedily found their way to jail. The first year after the enactment of the Espionage Act found more than 1,100 prosecutions. In all, the total exceeded 2,000. The following are typical examples of what was considered criminal under the statute:

Rose Pastor Stokes was given 10 years for saying, "I am for the people, and the Government is for the profiteers." Her conviction was later reversed.

D. T. Blodgett, however, was not so fortunate. He received a 20-year sentence, which was affirmed, for circulating a pamphlet urging Iowa voters not to reelect Congressmen who voted for conscription and reprinting an argument of Congressman Thomas E. Watson, of Georgia, against the constitutionality of the Draft Act (Nelles, Espionage cases, p. 48).

Judge Amidon, before whom many of the prosecutions came, summed up the situation admirably:

"It has very seldom occurred in the midst of this war that anybody has attempted in the United States to obstruct the Government by overt acts. Nearly all the opposition has come through

the use of language. So all the decisions are addressed to that subject" (*U. S.* v. *Mills*, Bulletin No. 204, pl.).

In time of war such an espionage statute probably has its justifications. However, it is inevitably abused. Men are improperly convicted who cannot afford to appeal and are improperly jailed. In war time such abuses, however deplorable, must perhaps be accepted as part of the unavoidable cost of war.

But in time of peace it is unthinkable that such injustice should be invited. And such a law will invite abuses—unwarranted when the Nation is not at war. Even assuming that such a law would be constitutional in time of war, the misadministration of the law—the unfair application of its provisions to innocent persons who cannot afford to hire able lawyers to defend and appeal their cases—which would surely follow its enactment will unquestionably be unconstitutional (*Yick Wo* v. *Hopkins*, 183 U. S. 356). Certain elements are asking Congress to pass a law which is absolutely certain to be used unconstitutionally. And yet they are the very persons who prattle the loudest on every possible occasion of preserving the Constitution and of the abuses of constitutional rights by Government officials. They are always vocal about the Constitution when their excessive property rights are even slightly threatened by lawful processes. But the constitutional rights of liberty mean nothing to them. Their attitude is that of Hamilton, who said: "The people. The people, sir, is a great beast." But even Hamilton was disgusted by the enactment of the only piece of congressional legislation which remotely resembles this pernicious bill—the deservedly odious sedition law, which was used by Jefferson's political opponents to institute a reign of terror during which they unconstitutionally jailed political adherents of Jefferson.

4. ARMY OR NAVY

The status of the National Guard has been fairly well covered in the main argument; it is desired, however, to emphasize certain legal phases.

Despite the amendments made in committee, the bill remains unchanged insofar as the organizations sought to be protected are concerned.

The bill as originally proposed was designed "to make better provision for the government of the military and naval forces of the United States * * *" and penalized attempts to incite members of such forces, including the reserves thereof, to disobedience. The bill was amended in committee by substituting the words "Army or Navy" for the words "military and naval forces" wherever the latter appeared, and by striking out the words "including the reserves thereof." The professed purpose of the amendment was to exclude the National Guard from the coverage of the bill. However, the amendment is wholly ineffectual to accomplish such a purpose, because it is based upon an erroneous assumption concerning the nature and function of the National Guard.

That the bill, even as amended, applies to the National Guard is clearly shown by an analysis of the organizational and functional set-up of that body. While the National Guard is for some purposes a State organization, it is primarily subject to requisition for use by the Federal Government (32 U. S. C. A. 4a, 48 Stat. 155).

And it is clear beyond question that the National Guard, in the last analysis, was created for much the same purpose as was the Regular Army of the United States, and is part of the armed forces of the United States.

There are numerous decisions to the effect that the National Guard is a reserve component of the Army; annual appropriations are made by the Federal Government; property and disbursing officers are deemed officers of the Federal Government.

Moreover, the National Guard Act of 1933, recently amended to permit the President to transfer the commissioned personnel of the guard from any State to another at his pleasure, clearly makes the organization an actual part of the United States Army and in conjunction with the powers granted in this bill would place such Federal use of the National Guard above public criticism. The discipline and training of the National Guard must conform to the United States Army—without any doubt the National Guard is a part of the Army and the decisions are not carried herewith for the sake of brevity. It is believed also likely that the Coast Guard Service and the Marine Corps will be considered a part of the Navy.

In other words, although the committee has eliminated certain words, there has been no change in meaning whatsoever. It has been stated that these changes were made on behalf of labor organizations, since they did not wish the National Guard used in strikes. However, the statute is still an outright threat to organized labor as written.

5. LABOR

Organized labor in the United States is historically opposed to such measures.

Labor organizations during the present session of Congress have repeatedly voiced their opposition, on behalf of the labor movement, to the present bill and other gag measures, for experience has shown that in their application and enforcement these bills are used against labor in its activities. The policy is in keeping with the traditional one of the labor movement as enunciated by Samuel Gompers before the Judiciary Committee of the House of Representatives of the Sixty-sixth Congress, in opposing a proposed sedition bill. The hearing took place on February 4, 1920.

Mr. Gompers said:

"* * * and I am apprehensive of this species of legislation. It will take the idealism out of the people of the United States; it will take the reverence out of the hearts and souls of the spirit of America. Repression and suppression all bring resentment in their wake; just as surely as the law of gravitation has its repulsion, just so surely comes the reaction against any attempt upon the national normal activities of a people * * *.

"The legislation is not reconstruction; it is destruction. This is not going to suppress or kill off discontent; it will increase it. And, whether that discontent is manifested one way or another, it will be discontent; and if the open meeting, assemblage, and freedom of the people are curbed, the underground, the secret assemblage, with all that breeds from secrecy and darkness and the feeling of suppression and denial of right will surely follow. The proposed legislation does not accomplish the desired result; for the desired result is to stamp out the advocacy of change in the Government, in the forms, in the Constitution, in the method.

"Nothing is so contributing to a better understanding of the people of the United States, or of any country, of any cause, as publicity—open publicity. And much as we are disturbed by any so-called "radicalism", it is better that it should be permitted and be counteracted by other influences that we can exert, than that we should attempt to throttle it. It will not be throttled."

6. POLITICAL

The Democratic Party, particularly its southern members, ought to have some memory of the reconstruction period of the United States. There was some occasion for the reconstruction abuses, considering that there had been a fratricidal war. Certainly there is no excuse whatsoever today for such a bill as this in peace time. That the party formed by Jefferson should favor such a bill as this is unthinkable. To pass such a bill ought to bring a rebuke to the Democratic Party.

(NOTE.—Mr. KVALE does not join in this particular expression of opinion, not being a member of the Democratic Party, and is therefore the sole expression of Mr. MAVERICK.)

7. POLITICAL SCIENCE

Just as in the science of chemistry, where we find the sudden mixture of certain elements may cause an explosion, so also in political science, or in the science of government, it has been found that the use by the Government during economic distress of violent suppressions, the violation of ordinary liberties of its citizens, and impatience often leads to revolution and governmental breakdown. One of these might be called the American Revolution, itself preceded by military suppressions and having as its beginning the Boston massacre by the British troops. This military act formed the basis of the American Revolution through the resentment of the civilian population against military suppression.

From a viewpoint of political science, it has always been found preferable to govern intelligently, with foresight, wisdom, and patience.

8. HISTORICAL

"Liberty" and "freedom" have been general terms somewhat hard to define, but liberty of speech is specific enough to discuss rather accurately. Liberty of speech has never existed in Africa and oriental countries. The uncivilized races and oriental races with dictatorial governments have never allowed freedom of speech. Neither Russia in Europe nor any portion of its Empire ever enjoyed freedom of speech, and it must be remembered that much of the psychological background of that country is oriental. With the Russian Bolshevik revolution there was no change in that policy, and today no semblance of freedom of speech exists in Russia.

Continental Europe has enjoyed in the past few centuries varying degrees of freedom of speech, though never of a very wide latitude. It has, however, enjoyed more of such freedom than the rest of the world, save England. Historically, England has always enjoyed more freedom of speech than Continental Europe, and yet, before the American Revolution it was unfortunately restricted.

When the Declaration of Independence was written it was determined by our forefathers that the surest way to have a free government was to have the widest latitude in the freedom of speech. They really wished to have a free government, and practically every one of the leaders of the Revolution and the political leaders that came for 100 years afterward were opposed to any such limitation, with the possible exception of President John Adams, in whose administration the Alien and Sedition Acts were enacted.

Thomas Jefferson literally despised any such laws as this. It is Jefferson who reminds us that "Eternal vigilance is the price of liberty" and that "The ground of liberty must be gained by inches." One of the greatest of modern political philosophers, John Stuart Mill, has asserted that "the only freedom which deserves the name is that of pursuing our own good in our own way, so long as we do not attempt to deprive others of theirs, or impede their efforts to attain it." In his famous essay on Liberty, Mill concluded that:

"A State which dwarfs its men, in order that they may be more docile instruments in its hands even for beneficial purposes, will find that with small men no great thing can really be accomplished; and that the perfection of machinery to which it has sacrificed everything will in the end avail it nothing, for want of the vital power which, in order that the machine might work more smoothly, it has preferred to banish."

This measure is one of those coercive, eroding, and corroding acts by which liberty is destroyed in the name of patriotism - patriotism, which, when thus unfairly used as a subterfuge for tyranny, deserves the comment made by Dr. Johnson that it is "the last refuge of the scoundrel."

Who are the people, what are the forces, behind this bill? There is much fake talk about "liberty" in the land and there is even an organization called the Liberty League, whose secretary enjoys close relations of friendship with the powerful Du Pont munitions

interests and who also receives a very high salary to brand as "unconstitutional" or tyrannical most of this administration's measures designed to help the average man. Mr. Jouett Shouse and his subsidized Liberty League have not come out in the open against this present bill. And everyone knows why.

A check of several high-ranking Army officers would indicate that the Army is not for this bill. The Navy appears to be divided in its recommendations, and denies emphatically that subversive influences are any important problem in its share of the national defense.

The Navy has had for some time a "red squad" and certain of its officers have spent practically all their time running down "communists" and undoubtedly they are a little jittery. However, it should again be noted that the Assistant Secretary of the Navy maintains that there is no communism in the Navy—absolutely no present danger of it—and that any communistic influence is "absolutely infinitesimal."

So-called "patriotic societies"—patrioteers—the traditional front of the munitions lobby, are in good faith for this bill. Certain business groups, moreover, who are frankly interested in having the Government and the States maintain a reliable force of potential strikebreakers through the Army and the National Guard have rationalized their desires into a spirit of lofty and disinterested concern for the preservation of our country from "subversive doctrines."

It is the old line-up: The munitioneers, the patrioteers, and the chamber of commerce. The self-appointed friends of the Constitution, so far as it protects their excessive property rights, are here proposing to violate the Constitution so far as it pretends to protect free institutions and human rights of others. Tyranny masquerading as liberty is everywhere on the defensive today, but never more so than in the house of its self-proclaimed friends and blood relatives.

It is amusing to think that this proposed law would in all likelihood be as great a threat to the chamber of commerce and the reactionary elements as any radical element. Should the chamber of commerce, or certain newspapers, or any newspapers, get out of line or talk too much, or tell the truth, for that matter, the military might use such a law to lock them up, too. This law is a severe danger to every lawful element in America.

9. PRACTICAL

From a practical viewpoint, this suggested law is worse than nonsense. It is a piece of gross stupidity. Being wholly useless, it will immediately appeal to the public imagination as an excuse by the Government for not enacting laws which meet the economic needs of the day. It will stimulate interest in the very ideas which it aims to suppress. The soldier or sailor, for instance, will say: "If they are using all these laws to protect me, there must be something to this radicalism", and instead of preventing disaffection it will cause disaffection. Therefore, from a military viewpoint, it is entirely impractical and will be hailed with joy and glee by the Communists and extreme radicals—those who violently disagree with the Government—because it will give them an opportunity to say they have been denied their rights of organizing or enjoying the usual constitutional liberties of an American citizen, and will give them undue opportunity of declaring our Government one of a military fascist nature. It will, as brought out originally, furnish the weapons for a reactionary revolution, which would be sure to be followed in due course by a radical revolution.

This bill is impractical from many viewpoints. If a mother wrote her son, a soldier, and told him that the Army was no place for him and enjoined him to get out, she would be subject to a penitentiary sentence. Any newspaper so much as suggesting an increase or decrease in the Army would be subject to its provisions. A newspaper suggesting that the Navy did not have the best battleships could be charged with violation of the law in that they were inciting sailors to disaffection, thinking the ships might not be suitable for their sailing. Criticism of brutality, mistreatment, bad food, insanitary conditions—or anything of that character—could be met by the most brutal suppression, searches and seizures, and penitentiary sentences.

10. CONCLUSION

This measure, put forward apparently casually and in as inconspicuous a manner as possible, is a direct, unnecessary, and wanton assault on the freedom of the press and of speech, and on our traditional rights of immunity against unreasonable search and seizure. At the very least, it is a sop designed to cater to the prejudices of those so-called "patriotic groups" who think that the most becoming garb for the Statue of Liberty is a straitjacket and that American freedom consists of allowing the liberties of the people to be anesthetized into complete coma. At worst, it is an under-handed attempt to prevent the American people from criticizing or organizing to oppose the magnificent grabs of the munitions makers and other selfish special interests and to put the whole authority of the United States behind unimpeded appropriations for the relief of the Schwabs, Du Ponts, and Morgans, who thrive on battleships and munitions contracts. It is also a snide effort to prevent that free discussion which would help to prevent foolish and unnecessary wars.

We do not face a war. We do not face a revolution. There is no danger of mutiny in our armed forces. The American converts to communism are contemptibly few in number and without any influence whatsoever. This is fascism pure and simple. There is no need for the enactment of this bill into law and there is every reason for its rejection in the Congress by the political party of liberty and freedom in the United States.

MAURY MAVERICK.
PAUL J. KVALE.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 6361. An act to amend the Filled Milk Act; and

H. R. 7380. An act authorizing the Virgin Islands Co. to settle valid claims of its creditors, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7617) entitled "An act to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes."

The message also announced that the Senate requests the House to return to the Senate the bill (S. 2681) to extend the time for commencing the construction of a bridge across Lake Champlain at or near West Swanton, Vt., and for other purposes, together with House engrossed amendments to the same, disagreed to by the Senate, and on which the Senate requested a conference with the House.

UNEMPLOYMENT INSURANCE IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 7167, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. PALMISANO, Mr. ELLENBOGEN, and Mr. DIRKSEN.

OMNIBUS BRIDGE BILL

Mr. CHAPMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 9070) to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes, as amended, which I send to the desk and ask to have read.

The Clerk read as follows:

*Be it enacted, etc.,*

MISSISSIPPI RIVER AT ST. LOUIS, MO.

SECTION 1. That the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved on February 13, 1931, be, and the same is hereby, revived and reenacted: *Provided*, That the construction herein authorized be commenced within 1 year and completed within 3 years from the date of the approval of this act.

DELAWARE RIVER BETWEEN EASTON, PA., AND PHILLIPSBURG, N. J.

SEC. 2. (a) That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey, be and is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Delaware River, at a point suitable to the interests of navigation, at or near Easton, Pa., and Phillipsburg, N. J., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey all such rights and powers to enter upon the lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The said Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest

and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 40 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

POTOMAC RIVER BETWEEN OLD TOWN, MD., AND GREEN SPRING, W. VA.

SEC. 3. (a) That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, M. R. Carpenter, his heirs, legal representatives, and assigns, be and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Potomac River, at a point suitable to the interests of navigation, between Old Town, Md., and Green Spring, W. Va., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon M. R. Carpenter, his heirs, legal representatives, and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The said M. R. Carpenter, his heirs, legal representatives, and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) After the completion of such bridge, as determined by the Secretary of War, either the State of Maryland, the State of West Virginia, any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and all interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 5 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include goodwill going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) the actual financing and promotion costs, not to exceed 10 percent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property; and (4) actual expenditures for necessary improvements.

(e) If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them as provided in section (d) of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

(f) M. R. Carpenter, his heirs, legal representatives, and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the highway departments of the States of Maryland and West Virginia, a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, at any time within 3 years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said M. R. Carpenter, his heirs, legal representatives, and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section (d) of this act, subject only to review in a court of equity for fraud or gross mistake.

(g) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted M. R. Carpenter, his heirs, legal representatives, and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

OHIO RIVER AT WELLSBURG, W. VA.

SEC. 4. (a) That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes the Brookewell Bridge Co., its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Ohio River, at a point suitable to the interests of navigation, at or near Wellsburg, W. Va., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon the Brookewell Bridge Co., its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The said Brookewell Bridge Co., its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of tolls so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) After the completion of such bridge, as determined by the Secretary of War, either the State of West Virginia, the State of Ohio, any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 5 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include goodwill, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion costs, not to exceed 10 percent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property; and (4) actual expenditures for necessary improvements.

(e) If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section (d) of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

(f) The Brookewell Bridge Co., its successors and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the highway departments of the States of Ohio and West Virginia, a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and upon the request of the

highway department of either of such States shall, at any time within 3 years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said Brookewell Bridge Co., its successors and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section (d) of this act, subject only to review in a court of equity for fraud or gross mistake.

(g) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the Brookewell Bridge Co., its successors and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

MISSISSIPPI RIVER AT NEW BOSTON, ILL.

SEC. 5. That the times for commencing and completing the construction of a bridge across the Mississippi River, at or near New Boston, Ill., authorized to be built by D. S. Prentiss, R. A. Salladay, Syl F. Histed, William M. Turner, and John H. Rahilly, by an act of Congress approved March 3, 1931, heretofore extended by an act of Congress approved April 30, 1934, are hereby further extended 1 and 3 years, respectively, from April 30, 1935.

POTOMAC RIVER AT DAHLGREN, VA.

SEC. 6. (a) That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the George Washington Memorial Bridge Public Corporation, its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a highway or combined highway and railroad bridge and approaches thereto across the Potomac River at a point suitable to the interests of navigation from a point in the vicinity of Dahlgren in the northeastern end of King George County, in the State of Virginia, to a point south of Popes Creek, in the county of Charles, in the State of Maryland, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon the said George Washington Memorial Bridge Public Corporation, its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches and terminals as are possessed by railroad corporations for railroad purposes, or by bridge corporations for bridge purposes in the State or States in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State or States, and the proceedings therefor shall be the same as in the condemnation and expropriation of property for public purposes in such State or States.

(c) The said George Washington Memorial Bridge Public Corporation, its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rate of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) After the completion of such bridge, as determined by the Secretary of War, either the State of Virginia, the State of Maryland, any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase, or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 20 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include goodwill, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion costs (not to exceed 10 percent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property); and (4) actual expenditures for necessary improvements.

(e) If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section (d) of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches, under economical management to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, within a period of not to exceed 30 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for operation, repairing, and maintaining the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

(f) The said George Washington Memorial Bridge Public Corporation, its successors and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the Highway Departments of the States of Virginia and Maryland a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor and actual financing and promotion costs. The Secretary of War may, and upon the request of the highway department of either of such States shall, at any time within 3 years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said George Washington Memorial Bridge Public Corporation, its successors and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof The findings of the Secertary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section (d) of this act, subject only to review in a court of equity for fraud or gross mistake.

(g) The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the said George Washington Memorial Bridge Public Corporation, its successors and assigns, and any corporation to which or any persons to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

MISSISSIPPI RIVER AT STITES, ILL.

SEC. 7. (a) That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the county of St. Clair, in the State of Illinois, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River, at a point suitable to the interests of navigation, at or near a point on Broadway between Florida and Mullanphy Streets in the city of St. Louis, Mo., and a point opposite thereto in the town of Stites, in the county of St. Clair, State of Illinois, and connecting with St. Clair Avenue extended in said town, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon the county of St. Clair, in the State of Illinois, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The said county of St. Clair, in the State of Illinois, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

OHIO RIVER AT SHAWNEETOWN, ILL.

SEC. 8. That the times for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Gallatin County, Ill., and a point opposite thereto in Union County, Ky., authorized to be built by the city of Shawneetown, Ill., by an act of Congress approved June 4, 1934, are hereby extended 1 and 3 years, respectively, from the date of approval hereof.

COMPACT BETWEEN PENNSYLVANIA AND NEW JERSEY

SEC. 9. That the consent of Congress is hereby given to the compact or agreement, and to each and every term and provision thereof: *Provided*, That nothing herein contained shall be construed to affect, impair, or diminish any right, power, or jurisdiction of the United States or of any court, department, board, bureau, officer, or official of the United States, over or in regard to any navigable waters, or any commerce between the States or with foreign countries, or any bridge, railroad, highway, pier, wharf, or other facility or improvement, or any other person, matter, or thing, forming the subject matter of the aforesaid compact or agreement or otherwise affected by the terms thereof.

The Commonwealth of Pennsylvania and the State of New Jersey do hereby solemnly covenant and agree, each with the other, as follows:

ARTICLE I

There is hereby created a body corporate and politic, to be known as the "Delaware River Joint Toll Bridge Commission" (hereinafter in this agreement called the "commission"), which shall consist of the commissioners, on behalf of the Commonwealth of Pennsylvania, provided for by the act, approved the 8th day of May 1919 (Pamphlet Laws, 148), and its supplements and amendments, for the acquisition of toll bridges over the Delaware River, and of commissioners, on behalf of the State of New Jersey, provided for by the act approved the 1st day of April 1912 (ch. 397), and its supplements and amendments, for the acquisition of toll bridges over the Delaware River, which said commissions have heretofore been acting as a joint commission by virtue of reciprocal legislation.

No action of the commission shall be binding unless a majority of the members of the commission from Pennsylvania and a majority of the members of the commission from New Jersey shall vote in favor thereof.

The commission shall constitute the public corporate instrumentality of the Commonwealth of Pennsylvania and the State of New Jersey for the following public purposes, and shall be deemed to be exercising an essential governmental function in effectuating such purpose, to wit:

(a) The administration, operation, and maintenance of the joint State-owned bridges across the Delaware River between the Commonwealth of Pennsylvania and the State of New Jersey, and located north of the present stone arch bridge of the Pennsylvania Railroad across the Delaware River from Morrisville to Trenton;

(b) The investigation of the necessity for additional bridge communications over the Delaware River north of the said railroad bridge, and the making of such studies, surveys, and estimates as may be necessary to determine the feasibility and cost of such additional bridge communications;

(c) The preparation of plans and specifications for, and location, construction, administration, operation, and maintenance of, such additional bridge communications over the Delaware River, north of the aforesaid railroad bridge, as the commission deems necessary to advance the interests of the two States and to facilitate public travel; and the issuance of bonds and obligations to provide moneys sufficient for the construction of such bridges; and the collection of tolls, rentals, and charges for the redemption of such bonds and obligations, and the payment of interest thereon;

(d) The procurement from the Government of the United States of any consents which may be requisite to enable any project within its powers to be carried out.

ARTICLE II

For the effectuation of its authorized purposes, the commission is hereby granted the following powers:

(a) To have perpetual succession.

(b) To sue and be sued.

(c) To adopt and use an official seal.

(d) To elect a chairman, vice chairman, secretary, and treasurer, and appoint an engineer. The secretary, treasurer, and engineer need not be members of the commission.

(e) To adopt suitable bylaws for the management of its affairs.

(f) To appoint such other officers, agents, and employees as it may require for the performance of its duties.

(g) To determine the qualifications and duties of its appointees, and to fix their compensation.

(h) To enter into contracts.

(i) To acquire, own, hire, use, operate, and dispose of personal property.

(j) To acquire, own, use, lease, operate, and dispose of real property and interest in real property, and to make improvements thereon.

(k) To grant the use of, by franchise, lease, and otherwise, and to make and collect charges for the use of, any property or facility owned or controlled by it.

(l) To borrow money upon its bonds or other obligations, either with or without security.

(m) To exercise the power of eminent domain.

(n) To determine the exact location, system, and character of, and all other matters in connection with, any and all improvements or facilities which it may be authorized to own, construct, establish, effectuate, maintain, operate, or control.

(o) In addition to the foregoing powers, to exercise the powers, duties, authority, and jurisdiction heretofore conferred and imposed upon the aforesaid commissions, hereby constituted a joint commission by reciprocal legislation of the Commonwealth of Pennsylvania and the State of New Jersey, with respect to the acquisition of toll bridges over the Delaware River, the management, operation, and maintenance of such bridges, and the location, construction, operation, and maintenance of additional bridge communications over the Delaware River north of the aforesaid railroad bridge of the Pennsylvania Railroad.

(p) To exercise all other powers, not inconsistent with the Constitutions of the States of Pennsylvania and New Jersey or of the United States, which may be reasonably necessary or incidental to the effectuation of its authorized purposes or to the exercise of any of the foregoing powers, except the power to levy taxes or assessments for benefits; and generally to exercise, in connection with its property and affairs and in connection with property under its control, any and all powers which might be exercised by a natural person or a private corporation in connection with similar property and affairs.

ARTICLE III

If for any of its authorized purposes (including temporary purposes) the commission shall find it necessary or convenient to acquire for public use any real property in the Commonwealth of Pennsylvania or the State of New Jersey, whether for immediate or future use, the commission may, by resolution, determine to acquire such property by a fee simple absolute or a lesser interest, and the said determination shall not be affected by the fact that such property has therefore been taken for or is then devoted to a public use, but the public use in the hands or under the control of the commission shall be deemed superior to the public use in the hands or under the control of any other person, association, or corporation.

If the commission is unable to agree with the owner or owners thereof upon terms for the acquisition of any such real property in the Commonwealth of Pennsylvania, for any reason whatsoever, then the commission may acquire such real property by the exercise of the right of eminent domain, in the manner provided by the act, approved the 8th day of May 1919 (Pamphlet Laws, 148), entitled "An act providing for the joint acquisition and maintenance by the Commonwealth of Pennsylvania and the State of New Jersey of certain toll bridges over the Delaware River", and the acts amendatory thereof and supplementary thereto, relating to the acquisition of interstate toll bridges over the Delaware River.

If the commission is unable to agree with the owner or owners thereof upon terms for the acquisition of any such real property, in the State of New Jersey, for any reason whatsoever, then the commission may acquire such property by the exercise of the right of eminent domain, in the manner provided by the act of the State of New Jersey, entitled "An act authorizing the acquisition and maintaining by the State of New Jersey, in conjunction with the State of Pennsylvania, of toll bridges across the Delaware River; and providing for free travel across the same", approved the 1st day of April 1912 (ch. 297), and the various acts amendatory thereof and supplementary thereto, relating to the acquisition of interstate toll bridges over the Delaware River.

The power of the commission to acquire real property by condemnation or the exercise of the power of eminent domain in the Commonwealth of Pennsylvania and the State of New Jersey shall be a continuing power and no exercise thereof shall be deemed to exhaust it.

The commission and its duly authorized agents and employees may enter upon any land, in the Commonwealth or the State of New Jersey, for the purpose of making such surveys, maps, or other examinations thereof, as it may deem necessary or convenient for its authorized purposes.

However, anything to the contrary contained in this compact notwithstanding, no property, now or hereafter vested in or held by any county, city, borough, village, township, or other municipality, shall be taken by the commission without the consent of such municipality, unless expressly authorized so to do by the Commonwealth or State in which such municipality is located. All counties, cities, boroughs, villages, townships, and other municipalities, and all public agencies and commissions of the Commonwealth of Pennsylvania and the State of New Jersey, notwithstanding any contrary provision of law, are hereby authorized and empowered to grant and convey to the commission upon its request, but not otherwise, upon reasonable terms and conditions, any real property which may be necessary or convenient to the effectuation of its authorized purposes, including real property already devoted to public use.

The Commonwealth of Pennsylvania and the State of New Jersey hereby consent to the use and occupation by the commission of any real property of the said two States, or of either of them, which may be or become necessary or convenient to the effectuation of the authorized purposes of the commission, including lands lying under water and lands already devoted to public use.

The term "real property", as used in this compact, includes lands, structures, franchises, and interests in land, including lands under water and riparian rights, and any and all things and rights usually included within the said term, and includes not only fees simple and absolute but also any and all lesser interests, such as easements, rights-of-way, uses, leases, licenses, and all other incorporeal hereditaments, and every estate, interest, or right, legal or equitable, including terms of years and liens thereon by way of judgments, mortgages, or otherwise, and also claims for damage to real estate.

ARTICLE IV

Notwithstanding any provision of this agreement, the commission shall have no power to pledge the credit of the Commonwealth of Pennsylvania, or of the State of New Jersey, or of any county, city, borough, village, township, and other municipality of said Commonwealth or State, or to create any debt against said Commonwealth or State or any such municipality.

ARTICLE V

The commission is hereby authorized to make and enforce such rules and regulations, and to establish, levy, and collect (or to authorize by contract, franchise, liens, or otherwise the establishment, levying, and collection of) such tolls, rates, rents, and other charges, in connection with any such bridge across the Delaware River which it may hereafter construct and operate, as it may deem necessary, proper, desirable, and reasonable, which tolls, rates, rents, and other charges shall be at least sufficient to meet interest and sinking-fund charges on bonds and obligations issued by the commission, the maintenance of such bridge, and the administrative expenses of the commission properly chargeable to such bridge. The commission is hereby authorized and empowered to pledge such tolls, rates, rents, and other revenues, or any part thereof, as security for the repayment, with interest, of any moneys borrowed by it or advanced to it for any of its authorized purposes, and as security for the satisfaction of any other obligation assumed by it in connection with such loans or advances.

ARTICLE VI

The Commonwealth of Pennsylvania and the State of New Jersey hereby covenant and agree with each other and with the holders of any bonds or other obligations of the commission, for which tolls, rents, rates, or other revenues have been pledged, that, so long as any of said bonds or obligations remain outstanding and unpaid (unless adequate provision is otherwise made by law for the protection of those advancing moneys upon such bonds or obligations), the Commonwealth of Pennsylvania and the State of New Jersey will not diminish or impair the power of the commission to own, operate, and control said properties and facilities, or to establish, levy, and collect tolls, rents, rates, and other charges in connection with such properties and facilities.

The Commonwealth of Pennsylvania and the State of New Jersey hereby covenant and agree with each other and with the holders of any bonds or obligations of the commission, for which tolls, rents, rates, or other revenues shall have been pledged, that said Commonwealth and State will not authorize or permit the construction, operation, and maintenance of any additional bridge or tunnel for the transportion of passengers by vehicles over the Delaware River by any other person or body, than the commission, within a distance of 10 miles in either direction from any such toll bridge, measured along the boundary line between the said Commonwealth and the said State.

ARTICLE VII

The bonds or obligations which may be issued by the commission for any of its authorized purposes, and as security for which tolls, rents, rates, and other revenues shall have been pledged, are hereby made securities in which all State and municipal officers and bodies of the Commonwealth of Pennsylvania and the State of New Jersey, and all banks, bankers, trust companies, savings banks, savings and loan associations, investment companies, and other persons carrying on a banking business, or insurance companies, insurance associations, and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees, and other fiduciaries, and all other persons whatsoever, who now or may hereafter be authorized to invest in bonds or other obligations of the Commonwealth of Pennsylvania or of the State of New Jersey, may properly and legally invest funds, including capital belonging to them or within their control; and said bonds or other obligations are hereby made securities which may properly and legally be deposited with and received by any State or municipal officer, or agency of the Commonwealth of Pennsylvania and the State of New Jersey, for any purpose for which the deposit of bonds or other obligations, either of the Commonwealth or of the State, is now or may hereafter be authorized.

ARTICLE VIII

The effectuation of its authorized purposes by the commission is and will be in all respects for the benefit of the people of the Commonwealth of Pennsylvania and the State of New Jersey, and for the increase of their commerce and prosperity, and since the commission will be performing essential governmental functions in effectuating said purposes, the commission shall not be required to pay any taxes or assessments upon any property acquired or used by it for purposes authorized by this agreement; and the bonds or obligations issued by the commission, their transfer, and the income therefrom, including any profits made on the sale thereof, shall, at all times, be free from taxation within the Commonwealth of Pennsylvania and the State of New Jersey.

ARTICLE IX

The commission shall make annual reports to the Governors and Legislatures of the Commonwealth of Pennsylvania and the State of New Jersey, setting forth in detail its operations and transactions, and make make such additional reports, from time to time, to the Governors and legislatures as it may deem advisable.

Whenever the commission, after investigation and study, shall have concluded plans, with estimates of cost, and means of financing any new toll bridge across the Delaware River, as hereinbefore provided, it shall make to the legislatures of each State, at the next sessions thereof, a detailed report, dealing with the contemplated project; but such project may, nevertheless, be proceeded with if the legislatures of said States, or either of them, are not in session.

ARTICLE X

Whenever particular bonds issued for any bridge or bridges, and the interest thereon, shall have been paid, or a sufficient amount shall have been provided for their payment and shall continue to be held for that purpose, the commission shall cease to charge tolls for the use of such bridge and thereafter such bridge shall be a free bridge, and shall thereafter be maintained equally at the cost of the Commonwealth of Pennsylvania and the State of New Jersey by appropriations made for such purposes, as now provided by law for the maintenance of bridges over the Delaware River acquired by the Commonwealth of Pennsylvania and the State of New Jersey.

In witness whereof, this 18th day of December, 1934, A. Harry Moore has affixed his signature hereto as Governor of the State of New Jersey and caused the great seal of the State to be attached thereto.

[SEAL]

A. HARRY MOORE,
*Governor State of New Jersey.*

And, on this 19th day of December, 1934, Gifford Pinchot has affixed his signature hereto as Governor of the Commonwealth of Pennsylvania and caused the great seal of the Commonwealth to be attached thereto.

[SEAL]

GIFFORD PINCHOT,
*Governor Commonwealth of Pennsylvania.*

MISSOURI RIVER AT MIAMI, MO.

SEC. 10. (a) That the consent of Congress is hereby granted to the county of Saline, Mo., to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point suitable to the interests of navigation, at or near Miami, Mo., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of tolls shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

GULF OF MEXICO BETWEEN CEDAR POINT AND DAUPHIN ISLAND, ALA.

SEC. 11. That the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala., authorized to be built by the Dauphin Island Railway & Harbor Co., its successors and assigns, by an act of Congress approved February 25, 1927, heretofore extended by acts of Congress approved February 7, 1930, and March 1, 1933, are hereby further extended 1 and 3 years, respectively, from February 25, 1936.

OHIO RIVER AT CANNELTON, IND.

SEC. 12. (a) That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the Perry County Bridge Commission of Perry County, Ind., be, and is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Ohio River, at a point suitable to the interests of navigation, at or near Cannelton, Ind., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon the Perry County Bridge Commission all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The said Perry County Bridge Commission is hereby authorized to fix and charge tolls for transit over such bridge, the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) In fixing the rates of toll to be charged for the use of such bridge, the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to

exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

TENNESSEE RIVER BETWEEN DAYTON AND DECATUR, TENN.

SEC. 13. (a) That the consent of Congress is hereby granted to the State of Tennessee, any political subdivision thereof within or adjoining which any part of the bridge herein referred to is located, any bridge district created or to be created by the State, or any two or more of them jointly, to construct, maintain, and operate a bridge and approaches thereto across the Tennessee River at a point suitable to the interests of navigation, at or near a point between Dayton and Decatur, Tenn., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

MISSOURI RIVER AT ARROW ROCK, MO.

SEC. 14. (a) That the consent of Congress is hereby granted to J. L. Jones, Tyre W. Burton, and H. R. Turley, trustees for Howard County, Mo., to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point suitable to the interests of navigation, at or near Arrow Rock, Mo., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

COLUMBIA RIVER AT ASTORIA, OREG.

SEC. 15. That the times for commencing and completing the construction of a bridge across the Columbia River, at Astoria, Clatsop County, Oreg., authorized to be built by the Oregon-Washington Bridge Board of Trustees by an act of Congress approved June 13, 1934, are hereby extended 1 and 3 years, respectively, from June 13, 1935.

OHIO RIVER AT LOUISVILLE, KY.

SEC. 16. That in the event that the Louisville Bridge Commission shall issue bridge revenue refunding bonds for the purpose of refunding or renewing the outstanding city of Louisville bridge revenue 4½-percent bonds, dated May 1, 1928, which were issued to provide funds for the construction of the bridge authorized by the act of Congress approved February 25, 1928, entitled "An act authorizing the city of Louisville, Ky., to construct, maintain, and operate a toll bridge across the Ohio River at or near said city", the rates of toll to be charged for the use of said bridge shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a fund sufficient to pay the principal and interest and the redemption premium, if any, of such bridge revenue refunding bonds, as soon as possible under reasonable charges, but within a period not exceeding 20 years from the date of approval of this act, and such tolls shall be continued until such payment shall have been made. After a fund sufficient for such payment shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management.



SAINT CLAIR RIVER AT PORT HURON, MICH.

SEC. 17. (a) That in order to facilitate international commerce, improve the postal service, and provide for military and other purposes, the State of Michigan, by and through its State bridge commission, or the successors of said commission, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Saint Clair River, so far as the United States has jurisdiction over the waters of such river, at a point suitable to the interests of navigation, at or near Port Huron, Mich., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act, and subject to the approval of the proper authorities in the Dominion of Canada.

(b) There is hereby conferred upon the State of Michigan and its State bridge commission, or the successors of said commission, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property in the State of Michigan needed for the location, construction, operation, and maintenance of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State of Michigan, upon making just compensation therefor to be ascertained and paid according to the laws of such State and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The State of Michigan, by and through its State bridge commission, or the successors of said commission, is hereby authorized to fix and charge tolls for transit over such bridge in accordance with any laws of the State of Michigan applicable thereto, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

MISSOURI RIVER AT BROWNVILLE, NEBR.

SEC. 18. (a) That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the county of Atchison, State of Missouri, and the county of Nemaha, State of Nebraska, singly or jointly, be, and are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation, at or near Brownville, Nebr., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon the county of Atchison, State of Missouri, and the county of Nemaha, State of Nebraska, singly or jointly, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The said county of Atchison, State of Missouri, and the county of Nemaha, State of Nebraska, singly or jointly, are hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its

approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

MISSISSIPPI RIVER AT NATCHEZ, MISS.

SEC. 19. (a) That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the city of Natchez, State of Mississippi, and the county of Adams, State of Mississippi, singly or jointly, be, and are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River at a point suitable to the interests of navigation at or near Natchez, Miss., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon said city and county, acting singly or jointly, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The said city and county, acting singly or jointly, are hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

OUACHITA RIVER AT MONROE, LA.

SEC. 20. That the act approved January 26, 1925, heretofore extended by acts of Congress approved February 6, 1928, and January 15, 1931, granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge and approaches thereto across the Ouachita River, at or near Monroe, La., be and is hereby revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof.

RED RIVER AT ALEXANDRIA, LA.

SEC. 21. That the act approved January 15, 1931, granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge and approaches thereto across the Red River, at or near Alexandria, La., be and is hereby revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof.

MISSOURI RIVER AT ST. CHARLES, MO.

SEC. 22. That the act approved March 2, 1929, heretofore extended by an act of Congress approved April 15, 1932, authorizing the St. Louis-Kansas City Short Line Railroad Co. to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at or near St. Charles, Mo., be and is hereby revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof.

MISSOURI RIVER AT ARROW ROCK, MO.

SEC. 23. That the act approved March 2, 1929, heretofore extended by an act of Congress approved April 15, 1932, authorizing the St. Louis-Kansas City Short Line Railroad Co. to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at or near Arrow Rock, Mo., be and is hereby revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof.

EASEMENT OVER GOVERNMENT LANDS NEAR NATCHITOCHES, LA.

SEC. 24. That the Secretary of Commerce be, and he is hereby, authorized and directed to grant to the State of Louisiana an easement over a strip of land situated in the western portion of the Natchitoches (La.) fisheries station property in Natchitoches Parish in said State, for State highway purposes; said strip of land, which consists of 3.41 acres, more or less, to be particularly described in said grant.

SAVANNAH RIVER AT LINCOLNTON, GA.

SEC. 25. That the times for commencing and completing the construction of a bridge across the Savannah River at or near Lincolnton, Ga., authorized to be built by the State of Georgia by an act of Congress approved February 24, 1933, are hereby extended 1 and 3 years, respectively, from February 24, 1936.

SAVANNAH RIVER AT BURTONS FERRY, GA

SEC. 26. That the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga., authorized to be built by the South Carolina and Georgia State Highway Departments by an act of Congress approved May 26, 1928, heretofore revived and reenacted by an act of Congress approved April 22, 1932, and heretofore extended by acts of Congress approved May 27, 1933, and June 12, 1934, are hereby further extended 1 and 3 years, respectively, from the date of approval hereof.

COLORADO RIVER AT PARKER, ARIZ.

SEC. 27. (a) That in order to promote interstate commerce, improve the Postal Service, and provide for military and other purposes, the Arizona State Highway Commission be and is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Colorado River, at a point suitable to the interests of navigation, at or near Parker, Ariz., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon Arizona State Highway Commission all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The said Arizona State Highway Commission is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 28. The right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. Is a second demanded?

Mr. SNELL. Mr. Speaker, I demand a second.

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Kentucky is entitled to 20 minutes and the gentleman from New York to 20 minutes.

Mr. CHAPMAN. Mr. Speaker, this is an omnibus bridge bill, which has been reported from the Committee on Interstate and Foreign Commerce. The necessity for the bill arises from the fact that on days when the Consent Calendar has been called during this session of Congress a few of our colleagues have taken it upon themselves to object, frequently without reason, to these bills, which have been carefully considered by the standing subcommittee of the Committee on Interstate and Foreign Commerce having jurisdiction of bridge bills.

Mr. COSTELLO. Mr. Speaker, will the gentleman yield?

Mr. CHAPMAN. Not now. Each of these bills has been reported to and considered by the full Committee on Interstate and Foreign Commerce. No bill has been reported to this House to be placed on the Consent Calendar until after it has been given careful and deliberate consideration by the members of that committee. Every one of these bills, whatever type of project it is intended to authorize, is strictly according to the approved form which has been evolved through years of practice and experience with bridge legislation in this House. I wish to say for the other members of the committee on both sides of this aisle that they have studied and worked on these bills conscientiously and diligently to insure that no bill reached the floor of this House which should not be considered and passed. Every section of this omnibus bill is strictly in accordance with the appropriate form out of that set of approved forms established by the precedents of the committee and of the House.

It is regrettable to the members of our committee that Members of the House who have meritorious bridge bills should have had them blocked and held up as they have been throughout this session by "conscientious objectors", and that it should now become necessary to bring in this omnibus bill. But, Mr. Speaker, the only chance in these closing days of the session to obtain the passage of these bridge bills that have been approved by the committee and that are worthy of the approval of the House is by means of this omnibus bill.

Mr. HOLMES. Will the gentleman yield?

Mr. CHAPMAN. I yield to the gentleman from Massachusetts.

Mr. HOLMES. With very few exceptions, this legislation grants authority to States, highway commissions, counties, or municipalities, so that we are granting rights direct to the subordinate States of the Union?

Mr. CHAPMAN. That is correct. I wish to thank my distinguished colleague the ranking minority member on the subcommittee for that suggestion. It is true that most of these bills grant authority to States, counties, municipalities, or to agencies granted authority by State legislation for the construction and maintenance of these bridges.

Mr. O'MALLEY. Will the gentleman yield?

Mr. CHAPMAN. I yield.

Mr. O'MALLEY. At least in half a dozen instances authority is granted to private corporations to build toll bridges; is that not correct?

Mr. CHAPMAN. If the gentleman had waited, that would have been the next sentence. In a few instances, it is true, Mr. Speaker, that authority is granted to private individuals. In each instance the facts and circumstances have been carefully gone into and the authorization is justified. There has been a great deal said on the floor of this House during the present session in opposition to toll bridges. All of us long for the day when every bridge, like every highway in this country, shall be free, but we all know, as practical men, as men of experience, as observers in our own States, that the only possible way that a great many of these bridges can ever be constructed is by making them toll bridges and letting the people who use them pay the tolls until the amortization period is over, when they will become free bridges dedicated to the public use.

Mr. O'NEAL. Will the gentleman yield?

Mr. CHAPMAN. I yield to my colleague from Kentucky.

Mr. O'NEAL. Is it not a fact that in the case of a privately owned toll bridge it replaces a privately owned toll ferry?

Mr. CHAPMAN. I thank the gentleman for that suggestion. I was just coming to that. It is true that on many of the great highways that are being constructed with public funds the only way in which a river can be crossed today is by means of an inadequate ferry service. In the first place, with the rapid and tremendous growth of automobile, bus, and truck traffic in this country there has resulted necessarily much congestion in traffic. It retards business. In addition to that, not infrequently we notice in the papers where, because of the use of those small ferryboats over dangerous rivers, people drive cars off the end and go down into the river and are drowned. Only 2 or 3 weeks ago I read of an incident like that which occurred in a nearby State. A few years ago some of my friends in Kentucky were victims of the same kind of accident. Not only is it necessary to have these bridges in order to carry the great volume of automobile traffic in the country but it is also necessary in the interest of the public safety.

In addition to those considerations, a rather comprehensive bridge program like this, including projects in various States of the Union, is important as a recovery measure. Its consummation will require vast amounts of materials and supplies in the construction of so many bridges. It will give employment to thousands of laborers throughout the land, skilled and unskilled. I hope that for the public interest, and in justice to the communities and States which are seeking, through their Representatives, the passage of this legislation, this bill will be given the overwhelming approval of the House.

Mr. RANDOLPH. Will the gentleman yield?

Mr. CHAPMAN. I yield.

Mr. RANDOLPH. I wish to say to the gentleman from Kentucky that there is a bridge in this bill that is in my district. However, I am going to reserve my opinion just now as to how I shall vote upon the question for although I am against toll bridges there are cases where we must get what we can and then improve the situation later. I wish to state to the Members of this House a fact that exists in West Virginia in my congressional district. The Public Works Administration appropriated $325,000 to the State Road Commission of West Virginia to construct a bridge across the Potomac River at Shepherdstown, W. Va., not more than $40,000 of which was to be used in the purchase of the old bridge, which has repaid the people who had it over and over again. Yet they have consistently refused to sell that toll bridge which was placed there by private funds, and in this very bill we continue the practice of erecting bridges by private individuals. So a needed program is being held up because those who now have the bridge will not allow it to be sold for the amount that the Public Works Administration can pay for it.

Mr. CHAPMAN. The terms of the bills included in this omnibus bill obviate the possibility of such difficulties arising in connection with the bridges for which authorization is sought.

Mr. WHITE. Will the gentleman yield?

Mr. CHAPMAN. I yield.

Mr. WHITE. The gentleman speaks of the amortization of these bridges and of their finally becoming free bridges.

Mr. CHAPMAN. Yes.

Mr. WHITE. Is it not a fact that there are many toll bridges in this country that have been maintained for over 50 years and are still toll bridges?

Mr. CHAPMAN. Yes, sir; but they are not in this bill, and that cannot happen under any bill reported by this committee.

Mr. Speaker, how much time have I consumed?

The SPEAKER. The gentleman has consumed 12 minutes.

Mr. CHAPMAN. Mr. Speaker, I reserve the remainder of my time.

Mr. SNELL. Mr. Speaker, as to the comprehensive statement made by the chairman of the committee, I think that I can add nothing. As I have had no requests for time I shall yield back the balance of my time.

Mr. McFARLANE. Will the gentleman yield me 5 minutes?

Mr. SNELL. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. McFARLANE].

Mr. O'MALLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'MALLEY. Will the bill be read for amendment?

The SPEAKER. It will not.

### TOLL BRIDGE LEGISLATION SHOULD NOT BE CONSIDERED IN AN OMNIBUS BILL

Mr. McFARLANE. Mr. Speaker, in view of certain remarks that have been made here by the gentleman from Kentucky [Mr. CHAPMAN] and since I have been one of the regularly appointed objectors against some of these bridge

bills, I rise at this time to make my position clear to the Members of the House who may not have been here when these bridge bills were considered.

First let me call to your attention that the omnibus toll-bridge bill, containing 41 sections and 61 pages, being reported from the committee less than a week and brought up under suspension where it is impossible for any one of the 40 separate and distinct bills to be amended, to my way of thinking, is nothing short of an outrage.

Since I heard a few moments ago that this bridge bill was going to be called up in this manner, I have sent to the Document Room to secure a copy of the bill and a report, no such bill being available within the Chambers, and I find upon a hurried examination that the Department of Agriculture has filed with the committee good and sufficient objections to the consideration of 4 out of the first 5 toll-bridge bills included in this omnibus bill. I realize that the authors of these toll-bridge bills and their friends in the different delegations from their States are present and are determined to pass these bills; however, might does not make right.

I have never objected to any toll bridge being built by a State, county, city, or municipality where the amortization was within a reasonable time. But under conditions such as we have here where amendments cannot be offered, where we are not allowed to separate the sheep from the goats, so to speak, we have to take them lock, stock, and barrel, regardless. I just do not like any such method of legislation.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. O'MALLEY. The conditions under which this bill is brought up makes it impossible to strike out section 1, which renews permission granted to a company in 1931, which company has never made any attempt to build the bridge.

Mr. McFARLANE. There are nine such provisions in the bill giving private corporations and certain individuals these exclusive rights to build these bridges, and renewing these rights for a period of years when they have shown no disposition in the past to build these bridges.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. RANDOLPH. One of the wrongs of my district are the toll bridges across the Potomac River at Shepherdstown, and also at Harpers Ferry, and across the Potomac River at Williamsport, Md., and Martinsburg, W. Va. The annual intake of the latter bridge is said to be $90,000. This bridge cost $112,000 to build, I am told. Tolls continue to be charged and they will not reduce them. The time has come to have free bridges on Federal highways. We must stop toll bridges being allowed to indefinitely operate at high rates. What are we going to do about it?

Mr. McFARLANE. If we are going to consider bills like this we cannot do anything about it. I think the Members should stay here and consider these bills separately on their merits rather than bring them up in an omnibus bill where we have to vote for all or against all. I know many Members are interested in these bills, and it does not seem right to call them up in this manner under suspension where the 22 bills are considered together and not be allowed to strike out the bad bills. These are some of the objections I have to this bill.

Mr. COSTELLO. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. COSTELLO. Another point the gentleman might bring out is that a number of bills are included in this bill which are opposed by the Department of Agriculture as is shown in the committee reports on the bridges.

The statement was made that objectors objected to these bills without any reason. We object to those bills that are opposed by the Department of Agriculture and I think that is sufficient justification.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. ZIONCHECK. We object to granting permission to private interests to build toll bridges on the ground, too, that in many cases it is never intended to build the bridge but is just intended as promotion schemes to sell stock to the public, to profit on the public, and nothing else.

Mr. McFARLANE. There is no doubt about that, and it is regrettable that they force this omnibus bill in here at this time to be considered with little debate and without amendment.

Mr. HOFFMAN. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Michigan for a question.

Mr. HOFFMAN. Is this procedure that the gentleman complains of today not just the same as has been rammed down our necks all this session?

Mr. McFARLANE. I may say to the gentleman in answer to his question that the party the gentleman belongs to rammed that kind of stuff down our necks for 12 years before the present administration came in. I have never approved of their tactics and do not approve of such legislation being considered here now in this manner.

Under permission given to revise and extend my remarks I want to analyze some of the reasons given by the different departments as to why some of these measures should not be enacted.

First let me call to your attention that by an amendment offered by Mr. CHAPMAN, 18 of the 41 sections of the bill were eliminated. These 18 sections thus eliminated were not included in the printed report of the bill and no authorization or authority from the Interstate and Foreign Commerce Committee is shown by the report or was made known by the gentleman from Kentucky in his remarks on the floor in explaining the bill. The last 6 sections of the bill were added during the consideration of the bill in the Interstate and Foreign Commerce Committee, which leaves only 7 sections in the entire bill that have the approval of the different departments of Government, who are consulted regarding such measures. The last section of the bill grants certain land in Louisiana for State highway purposes. Summarizing, we find that 9 of the 22 remaining sections in the bill are strenuously objected to by at least one department of Government.

Let me review some of the objections filed to 9 of these toll-bridge bills:

Section 1, toll bridge for Mississippi River at St. Louis, Mo. Mr. Wallace, Secretary of the Department of Agriculture, concerning this proposed toll bridge, said:

> When the original bill to authorize the construction of this bridge was pending, this Department submitted adverse reports thereon, stating that if an additional bridge across the Mississippi River at this point was needed a publicly owned bridge could be constructed and financed from the tolls and be made free in a much shorter time than would be possible under any plan for a private toll bridge. It still is the view of the Department that a private toll bridge should not be constructed at this point, for which reason it recommends against enactment of the pending bill.

Section 3, toll bridge, Potomac River, between Old Town, Md., and Green Spring, W. Va. Mr. Tugwell, Acting Secretary for the Department of Agriculture, says concerning this toll bridge:

> A bridge across the Potomac River at the point proposed would not be a large and expensive structure and, therefore, should not be difficult to finance as a public enterprise if there is a real need for a bridge at that point. Furthermore, the States of Maryland and West Virginia have just recently acquired several private toll bridges across the Potomac River west of Washington, and it is not believed that any new private toll bridge should be authorized across this stream.
>
> The Department, therefore, recommends against favorable action on the bill.

Section 4, toll bridge, Ohio River, at Wellsburg, W. Va. Mr. Wallace, Secretary of the Department of Agriculture, in opposing this toll bridge, says:

> This bill would create the Brookewell Bridge Co. and grant to such company, its successors and assigns, the authority to construct, maintain, and operate a bridge and approaches thereto across the Ohio River at or near Wellsburg, W. Va. The location indicated for the proposed bridge would constitute a connection across the Ohio River between routes on the systems of Federal-aid highways approved for the States of Ohio and West Virginia, the same being United States Highway No. 22.
>
> The proposed company would be composed of seven citizens of Brooke County, W. Va., the mayor of the city of Wellsburg and his successors in office, and the president of the county court of Brooke County, W. Va., and his successors in office. Neither the

State of Ohio nor any subdivision thereof would have any representative on the personnel of said company nor would any citizens of Ohio be included in such personnel. Said company furthermore would be composed of only 2 public officials and 7 private citizens with authority vested in the company to fill any vacancy which may occur in its personnel by a majority vote of the members thereof. It is the view of the Department, therefore, that a company so constituted is essentially a private concern, and that the construction and operation of the proposed bridge by such company would be essentially a private enterprise.

The Department is of the opinion that a private toll bridge should not be constructed at the point proposed on the interstate route on the system of Federal-aid highways. It, therefore, recommends against favorable action on the bill.

Section 6, toll bridge, Mississippi River at New Boston, Ill. Mr. M. L. Wilson, Acting Secretary of the Department of Agriculture, says, concerning this toll bridge:

This bill would further revive and reenact the act of March 3, 1931, which authorized the individuals therein named, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River at or near New Boston, Ill.

When the original bill to authorize the parties named to construct this bridge was pending this Department recommended against its enactment. Under date of March 8, 1934, the Department also submitted an adverse report on a bill then pending to revive and reenact the enactment of March 3, 1931, to authorize the parties named to construct this bridge. Notwithstanding the Department's adverse report and the reasons therein stated, the bill to revive and reenact the original act was passed by Congress and approved April 30, 1934 (48 Stat. 652).

The Department is still of the view that a private toll bridge should not be authorized at the point proposed. It, therefore, recommends against favorable action on the bill.

Section 22, toll bridge, Potomac River at Dahlgren, Va. Mr. M. L. Wilson, Acting Secretary of Department of Agriculture, in opposing this bridge, says:

This bill would authorize the George Washington Memorial Bridge Public Corporation, its successors and assigns, to construct, maintain, and operate a highway bridge or a combined railroad and highway bridge and approaches thereto across the Potomac River between a point in the vicinity of Dahlgren, King George County, Va., and a point south of Popes Creek, in Charles County, Md.

Similar authority for the construction of a bridge at the point proposed was granted by act of Congress approved May 5, 1926, to what apparently was the same corporation as the pending bill now proposes to grant such authority. Nine years have now elapsed since this organization was authorized to construct this bridge, and it apparently has been and is unable to proceed with its construction. The Department's view, therefore, is that they should not be permitted to continue to encumber the proposed location with a grant of authority for the construction of a bridge. For this reason, it is not believed that favorable consideration should be given to the pending bill.

Section 27, toll bridge, Gulf of Mexico between Cedar Point and Dauphin Island, Ala. Secretary Wallace, of the Department of Agriculture, says in opposing this bill:

The bill (lines 7 and 8) refers to "Mobile County, Ala., transferee", from which it is inferred that the authorization originally granted for the construction of this bridge has been assigned to Mobile County. The Department, however, has no other information concerning any such assignment. It is noted that more than 8 years have now elapsed since the original act authorizing the construction of this bridge was passed, and it is the view of the Department that the beneficiary under such legislation should not be permitted to tie up a location where the construction of a bridge may be desirable for any such length of time if it cannot proceed with construction. The Department, therefore, recommends against favorable action on this bill unless there actually has been an assignment to Mobile County and satisfactory evidence of such assignment is filed with your committee.

Section 31, toll bridge, Missouri River at Arrow Rock, Mo. Mr. Wallace, Secretary of the Department of Agriculture, in opposing this bridge says:

This bill would authorize J. L. Jones, Tyre W. Burton, and H. R. Turley, trustees, to construct, maintain, and operate a toll bridge and approaches thereto across the Missouri River at or near Arrow Rock, Mo. It provides that the rates of toll shall be so adjusted as to meet annual maintenance, repair, and operation costs and provide a sinking fund sufficient to amortize the cost of the bridge within not to exceed 20 years from the completion thereof and that thereafter the bridge shall be operated free from tolls, or the rates shall be so adjusted as to provide only for maintenance, repair, and operation costs.

Any bridge constructed under the provisions of the bill would be essentially a private toll bridge. While the bill refers to the parties named therein as "trustees", and the authority which would be granted for the construction of the bridge would be to the parties named in that capacity, there is nothing to indicate for whom such parties are to act as "trustees" or how the status of "trustee" was attained by the parties named. Apparently they merely assumed the position of "trustee", as there does not appear to be any provision in the statutes of Missouri for the creation of a body of trustees for the purpose of building and operating a toll bridge on the public highways of that State. It would seem, therefore, that the parties named can act in an individual capacity with respect to the bridge, notwithstanding the use of the term "trustees" in the bill proposing to grant them authority for its construction.

The Department, therefore, recommends against favorable action on the bill.

Section 33, toll bridge, Ohio River at Louisville, Ky. Mr. M. L. Wilson, Acting Secretary of the Department of Agriculture, says in opposing this bill:

The effect of the proposed amendment may be to extend the period of collecting tolls on this bridge indefinitely unless there is a limit to the time for which such bridge revenue refunding bonds may be issued. The act of February 25, 1928, which authorized the city of Louisville to construct this bridge, provided that the toll rates should be so adjusted as to meet annual maintenance, repair, and operation costs and provide a sinking fund sufficient to amortize the cost of the bridge within a period of not to exceed 20 years from the completion thereof. It is the understanding of this Department that the revenues from the tolls on this bridge have been more than adequate to meet the requirements necessary for maintenance, repair, and operation costs and for providing the requisite sinking fund for retirement of the bonds when due—that is, within 20 years from the date of completion of the bridge. The effect of the proposed amendment would appear to be to authorize the Louisville Bridge Commission to extend the period of toll collection if they should issue revenue bonds for a term longer than the term of the original bonds issued under date of May 21, 1928.

The Department would recommend against the bill unless the period of collecting tolls is restricted to not exceed 20 years from the date of completion of the bridge as provided in the original act under which it was constructed.

The SPEAKER. The question is upon the motion to suspend the rules and pass the bill as amended.

The question was taken; and on a division (demanded by Mr. McFARLANE, Mr. O'MALLEY, and Mr. KENNEY) there were—ayes 163, noes 31.

Mr. O'MALLEY. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and seven Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 233, nays 32, not voting 165, as follows:

[Roll No. 173]

YEAS—233

| | | | |
|---|---|---|---|
| Andresen | Crawford | Greever | McAndrews |
| Andrew, Mass. | Crosby | Gregory | McClellan |
| Andrews, N. Y. | Crowe | Guyer | McGehee |
| Arnold | Crowther | Gwynne | McKeough |
| Bacharach | Culkin | Haines | McLaughlin |
| Bacon | Cullen | Halleck | McLean |
| Barden | Daly | Hamlin | McReynolds |
| Beiter | Darrow | Hancock, N. Y. | Mahon |
| Berlin | Deen | Harlan | Maloney |
| Biermann | Delaney | Hart | Mansfield |
| Blackney | Dempsey | Harter | Mapes |
| Bland | Dingell | Healey | Marshall |
| Bloom | Disney | Hess | Martin, Colo. |
| Boehne | Dondero | Higgins, Conn. | Martin Mass. |
| Boland | Dorsey | Higgins, Mass. | Mason |
| Bolton | Doughton | Hildebrandt | Massingale |
| Boykin | Doxey | Hill, Samuel B. | May |
| Boylan | Driscoll | Hobbs | Mead |
| Brown, Ga. | Duffy, N. Y. | Hoffman | Meeks |
| Brown, Mich. | Duncan | Hollister | Merritt, N. Y. |
| Brunner | Dunn, Pa. | Holmes | Michener |
| Buck | Eagle | Hope | Millard |
| Buckler, Minn. | Eaton | Houston | Miller |
| Cannon, Wis | Eckert | Huddleston | Mitchell, Ill. |
| Carlson | Ellenbogen | Jacobsen | Mitchell, Tenn. |
| Carmichael | Engel | Jenckes, Ind. | Mott |
| Carpenter | Englebright | Jenkins, Ohio | O'Brien |
| Cary | Evans | Johnson, Okla. | O'Connell |
| Casey | Farley | Johnson, Tex. | O'Connor |
| Celler | Fenerty | Kahn | O'Day |
| Chandler | Fitzpatrick | Kennedy, N. Y. | O'Leary |
| Chapman | Focht | Kinzer | O'Neal |
| Christianson | Ford, Miss. | Kocialkowski | Palmisano |
| Church | Frey | Kopplemann | Parsons |
| Citron | Fuller | Kramer | Patterson |
| Coffee | Gavagan | Lambeth | Patton |
| Cole, Md. | Gearhart | Larrabee | Pearson |
| Cole, N. Y. | Gildea | Lea, Calif. | Perkins |
| Colmer | Granfield | Lee, Okla. | Peterson, Fla. |
| Cooley | Gray, Pa. | Lewis, Colo. | Pettengill |
| Cooper, Tenn. | Green | Luckey | Pfeifer |
| Cravens | Greenway | Lundeen | Pittenger |

| | | | |
|---|---|---|---|
| Powers | Ryan | Sullivan | Werner |
| Rabaut | Sadowski | Taber | West |
| Ramsay | Sandlin | Tarver | Whelchel |
| Ramspeck | Schuetz | Taylor, Colo. | White |
| Randolph | Sears | Taylor, S. C. | Whittington |
| Rankin | Secrest | Terry | Wigglesworth |
| Rayburn | Shanley | Thomason | Wilcox |
| Reed, Ill. | Sirovich | Tonry | Williams |
| Reed, N. Y. | Sisson | Turner | Wilson, La. |
| Reilly | Smith, Conn. | Turpin | Wolcott |
| Rich | Smith, Va. | Umstead | Wolfenden |
| Richards | Snell | Utterback | Wolverton |
| Richardson | South | Vinson, Ky. | Wood |
| Risk | Spence | Wallgren | Zimmerman |
| Rogers, Mass. | Stack | Walter | |
| Rogers, Okla. | Starnes | Wearin | |
| Russell | Stefan | Welch | |

NAYS—32

| | | | |
|---|---|---|---|
| Amlie | Gingery | Kvale | Sauthoff |
| Ashbrook | Gray, Ind. | Lambertson | Schneider |
| Burdick | Hull | Lamneck | Scott |
| Colden | Johnson, W. Va. | Ludlow | Smith, W. Va. |
| Costello | Kee | McFarlane | Thurston |
| Fiesinger | Kenney | Marcantonio | Withrow |
| Fletcher | Kloeb | O'Malley | Young |
| Gehrmann | Kniffin | Pierce | Zioncheck |

NOT VOTING—165

| | | | |
|---|---|---|---|
| Adair | Dietrich | Kerr | Robinson, Utah |
| Allen | Dirksen | Kimball | Robsion, Ky. |
| Arends | Ditter | Kleberg | Rogers, N. H. |
| Ayers | Dobbins | Knutson | Romjue |
| Bankhead | Dockweiler | Lanham | Rudd |
| Beam | Doutrich | Lehlbach | Sabath |
| Bell | Drewry | Lemke | Sanders, La. |
| Binderup | Driver | Lesinski | Sanders, Tex. |
| Blanton | Duffey, Ohio | Lewis, Md. | Schaefer |
| Boileau | Dunn, Miss. | Lloyd | Schulte |
| Brennan | Edmiston | Lord | Scrugham |
| Brewster | Eicher | Lucas | Seger |
| Brooks | Ekwall | McCormack | Shannon |
| Buchanan | Faddis | McGrath | Short |
| Buckbee | Ferguson | McGroarty | Smith, Wash |
| Buckley, N. Y. | Fernandez | McLeod | Snyder |
| Bulwinkle | Fish | McMillan | Somers, N. Y. |
| Burch | Flannagan | McSwain | Steagall |
| Burnham | Ford, Calif. | Maas | Stewart |
| Caldwell | Fulmer | Maverick | Stubbs |
| Cannon, Mo. | Gambrill | Merritt, Conn. | Sumners, Tex. |
| Carter | Gasque | Monaghan | Sutphin |
| Cartwright | Gassaway | Montague | Sweeney |
| Castellow | Gifford | Montet | Taylor, Tenn. |
| Cavicchia | Gilchrist | Moran | Thom |
| Claiborne | Gillette | Moritz | Thomas |
| Clark, Idaho | Goldsborough | Murdock | Thompson |
| Clark, N. C. | Goodwin | Nelson | Tinkham |
| Cochran | Greenwood | Nichols | Tobey |
| Collins | Griswold | Norton | Tolan |
| Connery | Hancock, N. C. | Oliver | Treadway |
| Cooper, Ohio | Hartley | Owen | Underwood |
| Corning | Hennings | Parks | Vinson, Ga. |
| Cox | Hill, Ala. | Patman | Wadsworth |
| Cross, Tex. | Hill, Knute | Peterson, Ga. | Warren |
| Crosser, Ohio | Hoeppel | Peyser | Weaver |
| Cummings | Hook | Plumley | Wilson, Pa. |
| Darden | Imhoff | Polk | Woodruff |
| Dear | Jones | Quinn | Woodrum |
| DeRouen | Keller | Ransley | |
| Dickstein | Kelly | Reece | |
| Dies | Kennedy, Md. | Robertson | |

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Weaver with Mr. Cooper of Ohio.
Mr. Greenwood with Mr. Gifford.
Mr. Vinson of Georgia with Mr. Lehlbach.
Mr. Sanders of Texas with Mr. Merritt of Connecticut.
Mr. Romjue with Mr. Ransley
Mr. Buchanan with Mr. Tinkham.
Mr. Hill of Alabama with Mr. Allen.
Mr. Cox with Mr. Lord.
Mr. Jones with Mr. Woodruff.
Mr. Cross of Texas with Mr. Seger.
Mr. McCormack with Mr. Brewster.
Mr. Crosser of Ohio with Mr. Fish.
Mr. Dies with Mr. Arends.
Mr. McSwain with Mr. Gilchrist.
Mr. Drewry with Mr. Taylor of Tennessee.
Mr. Maverick with Mr. Plumley.
Mr. Driver with Mr. Knutson.
Mr. Nelson with Mr. Robsion of Kentucky.
Mr. Faddis with Mr. Lemke.
Mr. Flannagan with Mr. Ekwall.
Mr. McMillan with Mr. Cavicchia.
Mr. Lanham with Mr. Boileau.
Mr. Kleberg with Mr. Reece.
Mr. Hancock of North Carolina with Mr. Ayers.
Mr. Schulte with Mr. Castellow.
Mr. Clark of North Carolina with Mr. Hennings.
Mr. Sabath with Mr. Scrugham.
Mr. Sanders of Louisiana with Mr. Robinson of Utah.
Mr. Thom with Mr. Cannon of Missouri.
Mr. Griswold with Mr. Keller.
Mr. Dear with Mr. McGrath.
Mr. Moran with Mr. Dockweiler.
Mr. Ford of California with Mr. Dickstein.
Mr. Moritz with Mr. Polk.
Mr. Edmiston with Mr. Murdock.
Mr. Lloyd with Mr. Duffey of Ohio.
Mr. Cummings with Mr. Owen.
Mr. Claiborne with Mr. Ferguson.
Mr. Goldsborough with Mr. Brooks.
Mr. DeRouen with Mr. Quinn.
Mr. Dobbins with Mr. Montet.

Mr. SECREST changed his vote from "nay" to "yea."

Mr. GINGERY changed his vote from "yea" to "nay."

The doors were opened.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. DRISCOLL. Mr. Speaker, my colleague, the gentlemen from Pennsylvania [Mr. SNYDER] is absent on account of illness. He asked me to state that if he had been present he would have voted "yea" on the bill just passed.

### IN DEFENSE OF THE PHILIPPINES

Mr. DELGADO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DELGADO. Mr. Speaker, in an effort to correct some unfair misrepresentations recently published in some newspapers, I am taking advantage of the leave to extend my remarks in the RECORD to include the following statement of mine:

The forces of imperialism seem to have taken a new lease of life, notwithstanding the now final decision of the American people through the Seventy-third Congress on the political future of the Philippines, to judge from the numerous newspaper articles reproducing in a more or less varied form the old and mummified arguments previously used against the capacity of the Filipinos. Recently newspapers reported that the Secretary of the Navy reprimanded a certain admiral for publishing an article which, it was feared, may drag the United States into some international complications. The same admiral published another article, just brought to my attention, picturing the Philippines as a country in the grip of "baneful politicians" and inhabited by a conglomeration of heterogeneous tribes incapable of governing themselves without the helping hand of another more enlightened race. No reprimand is necessary for this later article, as clearly no international complication could arise from mere misrepresentations, however gross, of a subject people. What the admiral does appear to need, however, is some accurate information about the Philippines and its people.

The admiral sounded a false alarm when he trumpeted a dismal prediction of disaster for the Filipinos in the event of independence. The alleged divergence of culture, religion, and speech among the "heterogeneous tribes" have apparently impelled the admiral, maybe out of unselfish motives, to hoist the danger signal. He has seen, through his high-powered telescope, gathering clouds, too, over the Moroland.

It is not my intention to take issue with the admiral on his conclusions about our future, as that will only open an endless argument. But, certainly, something must be said about some of his assertions bearing on the ethnological character of and some historical facts about the Filipino people. I shall try to avoid personal bias, natural in any individual speaking about his country, by measuring the veracity of the admiral's statement with the very yardstick of other illustrious Americans' study and observations.

#### THE PHILIPPINE POPULATION NOT A CONGLOMERATION OF HETEROGENEOUS TRIBES

The late Chief Justice Taft, who spent several years of official life in the Philippines, and in whose juristic mind prejudice and pride, much less conceit, had no place, said in 1914:

"The word 'tribe' is a misnomer. There is racial solidarity among them undoubtedly. They are homogeneous. I cannot tell the difference between an Ilocano, a Tagalog, or a Visayan; to me all Filipinos are alike."

Mr. Cameron Forbes, also a former Governor General of the Philippine Islands, and an outspoken advocate of the retention of the Philippines, observed in his book, The Philippine Islands:

"Racially the Filipino is a Malay, and throughout the islands the bulk of the population shows similarity in origin and types.

* * * * * * *

"But the fact is that the people are reasonably similar in type, generally so in religion; have the same ideal and characteristics, and are imbued throughout with a great pride in their race and desire for its advancement which would make them capable, under the common language, of being welded into a united, cohesive body politic."

Dr. Merton I. Miller, former chief ethnologist of the Bureau of Science of the Philippine Islands, said:

"With the exception of a few scattered Negritos, the people of the Philippines—Pagan, Moro, and Christian—are one racially."

James LeRoy, one of the foremost authorities on Philippine history, said:

"That the native stock of the Philippine Islands is Malayan is one of those things that have been recognized always, everywhere, and by all. But in writings, especially of recent years, so many fantastic strains of blood have been introduced into the archipelago, and too many purely hypothetical and often unreasonable conjectures as to the diversity of tribal origin have been evolved in the treatises of library workers or globe trotters, that the underlying homogeneity of the inhabitants of the archipelago has often been obscured." (Philippine Life in Town and Country.)

Nothing, indeed, more than a light treatment of the difficult subject of the ethnology of a race could reasonably be expected from light-headed writers.

PHILIPPINE LANGUAGES

The Filipinos have never made any extravagant claim about their race. We do not deny that the native languages spoken by those in the northern part are not exactly the same as those used in the southern part. This we do not blush to admit, any more than the very enlightened and progressive people of Switzerland would be ashamed to admit that various languages are spoken by them. But it must not be forgotten that English and Spanish serve as common languages among our people at present.

The admiral's conclusions and assertions, however vehement they may be, cannot change the following findings, the result of a scientific study, made by Dr. Merton I. Miller:

"There are different languages or dialects in the Philippines, and all are closely related to one another; the pronunciation and mode of speech vary very little from one section of the Philippines to another, and a majority of the words are common to two or more of the Philippine languages. These languages, whether spoken by Pagan, Moro, or Christian, belong to the great Malay-Polynesian family."

RELIGION

While statisticians and almost all who write about the Philippine Islands agree that about 94 percent of the Filipinos are Christians, the admiral again sounded a nervous warning about the disastrous effect of our different religions. Prof. Austin Craig, who has been making an investigation of the history of the oriental races, and whose preference as a historian is "better not to know so much than to know so much that is not so", said in his Oriental History:

"Four hundred years of Christian outline and education, regardless of what the Filipino may prefer, have made the inhabitants of the islands between Batel Tabago, in the Batanes group, and Manucmanucan (south of Sulu) a part of Christendom and taken them out of the Orient, which is still heathendom."

The following statistical figures should be conclusive on this point:

| | |
|---|---|
| Present estimated total population | 13,636,074 |
| Present estimated Christian population | 12,735,566 |
| Present estimated Mohammedan population | 472,463 |
| Present estimated pagan population | 402,790 |
| All others, unclassified | 25,255 |

OUR MOHAMMEDAN BROTHERS

The admiral also said in his article that Moros in the Philippines were always a thorn at the side of the Spanish Government. If that was so, the Christian Filipinos were a dagger over the head of that Government. There were many more revolts in Luzon and the Visayan Islands than in Mindanao during the Spanish regime.

I shall let the Moros themselves ease the admiral's overanxiety over the so-called "Moro question." In the files of the House Committee on Insular Affairs is kept the original of the following petition:

"Petition from Mohammedan Filipinos to the President, the Congress of the United States, and the American people for the immediate and complete independence of the Philippines.

"We, Mohammedan Filipinos, who had subscribed to this petition, hereby express and make of record our feelings and convictions on the matter of Philippine independence.

"We favor the granting of independence unreservedly. We join our Filipino Christian brothers in their demand for immediate, complete, and absolute independence. We ratify each and every one of the declarations contained in two memorials, one engraved in metal and the other written on paper, signed by our Datu Facundu Mandi, and Provincial Governor Carlos Camins, Municipal President Crispin Atilano, Judge Antonio Horrilleno, and Messrs. Pablo Lorenzo, Jose Erquiaga, and Tomas Valdes, and handed on September 7, 1931, to Hon. Patrick J. Hurley, Secretary of War of the United States, on occasion of his visit to Zamboanga.

"Although we belong to the Mohammedan faith, we are Filipinos in blood and sentiment, and as such form part of that great political body called the Filipino people. Our religious beliefs do not in any way alter our aspiration to become an independent people. Providence had given us our country to love, serve, and die for.

"With all the force that we can bring to bear we must protest against any plan or attempt at segregation of the islands of Mindanao, Sulu, and Palawan. Such a plan, if carried out, would be highly unjust, as it would divide and weaken the Filipino people. It would be against the designs of Providence, for these islands, like any other island in the Philippines, are a part and parcel of the Philippine soil.

"Therefore we petition the President and Congress of the United States and the American people to give us our liberty by granting the independence of our country without further delay.

"Respectfully submitted.

"DATU FACUNDU MANDI,

*"Zamboanga, P. I., September 15, 1931."*

(One thousand five hundred and seventy signatures were attached to this petition. The names of individuals and their addresses are being retained in the permanent files of the committee.)

It is sincerely hoped that those bent on resurrecting a dead issue should confine themselves to the factual merits of their side of the case rather than cast unfounded and unfair aspersions on a race so grateful and friendly as the Filipinos are to the American people.

CIVILIZATION IS AGAIN MENACED BY A STATE OF MIND AMONG SOME MODERN RULERS SIMILAR TO THAT WHICH AFFLICTED THE LEADING PERSECUTORS OF ANCIENT AND MEDIEVAL TIMES—RULERS OF GERMANY OF TODAY ARE A MENACE TO OUR CIVILIZATION—AMERICA SHOULD NOT PARTICIPATE IN ANY OLYMPICS IF THEY ARE TO BE HELD IN GERMANY

Mr. CITRON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain clippings and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. CITRON. Mr. Speaker, several days ago I wrote a letter to the American Olympic Association protesting against this country's participation in the Olympic games which are to be held in Germany in 1936.

I object to our participating in these games if they are to be held in Germany. I object to the sending of our youth to Germany, and I object to the spending of American money in Germany during these times.

The Olympics have a historical significance. The youth of the world meet to promote good sportsmanship, brotherly feeling between the peoples of various nationalities and races, and the fundamental ideals of democracy—equality and justice.

But such ideals are detested in the Germany of today. Its rulers are preaching racial and religious hatreds. Its rulers are persecuting Jews, Christians—both Protestants and Catholics—and Masons, with a fiendish and fanatical delight and pleasure at the suffering they cause.

I object to our participation in Olympic games in a land where hatred and persecution is preached by its rulers and where tyranny and oppression is the foundation upon which its government rests.

Furthermore, the rulers of Germany are already using the expected Olympics for their propaganda of hate and persecution.

The youth of this country cannot improve their character or morals by participating in games in that country. There is danger of racial and religious antagonisms at the Olympics, if held in Germany, so as to embroil the youth of our country. Why should they go there to be subjected to propaganda against democracy and the fundamental principles of liberty that we cherish?

The rulers of Germany are preaching hatred toward constitutional government and those fundamental religious ideals of love and charity to one's neighbors—those cardinal principles of all religions—and gloat over their purges, concentration camps, and racial and religious persecutions.

The rulers of Germany are preaching with such fanaticism their hatred of non-Aryans that many people fear what might happen at the Olympics if non-Germans should be victorious. Why should we subject our youth to unnecessary dangers?

If some incident occurred which involved danger and trouble to our citizens, then our Government would be involved.

We do not send our athletes into lunatic asylums to participate in physical contests with madmen.

Today the rulers of Germany are trying to make this country of Goethe, Schiller, Heine, Lessing, and Kant into a country that would even make Torquemada, the arch-persecutor of the Middle Ages, blush with shame if he were to come to earth and land in Germany.

American youth cannot learn anything in a country that burns books, deports professors, writers, and philosophers, including such men as Einstein, the world's greatest physicist, and proposes the ghettos of the Dark Ages.

Every country that participates in the Olympics is pledged to equality of entry for all of its citizens. Germany has broken that pledge. Neither Jews, Catholics, Protestants,

nor Masons have a fair opportunity to compete in that country. As the rulers are imbued with a hatred of all religion, there is no equality of opportunity, but those who belong to pagan sects are given all kinds of preferences. As this is the fact, the Olympic Association of this country should withdraw its relations with the Olympic committee of Germany.

Let us imagine an Olympic being held in ancient Rome, under the auspices of Nero, and a Christian from some distant country were to win in several contests. Nero would probably follow it up by a series of revengeful persecutions. Can we expect anything different if non-Germans win in the Olympics if held in Germany?

If the Olympics were to be held in some other country, I would not object. But why permit the sadistic rulers of this unfortunate country to fool its people by asserting that they have the moral support of other peoples as evidenced by the fact that the Olympics are to be held in their national capital.

This morning's papers carry the report that even Austria is withdrawing from entries in the sporting events in Germany because of the use of these proposed games for propaganda purposes by the German Government.

Daily we hear of drives against Jewish and other non-Aryan athletes. This is in addition to the terrible persecutions going on in that country. The following statement appeared recently in the American Hebrew, one of the leading journals of the Hebrew faith:

The rulings against Jewish athletes promulgated since June 7, 1933, are known and have been listed. It was on that date that Dr. Theodore Lewald, then president of the German athletic organization, assured the International Olympic Committee at Vienna that "as a principle, German Jews shall not be excluded from German teams."

But last April the Nazi press demanded that the Nazi regime remove Dr. Lewald, chairman of the Reich committee and a member of the International Olympic Committee, on the ground that his father was of Jewish descent, although baptized long ago, and despite the fact that Von Hindenburg conferred on Dr. Lewald the Reich's highest civil award, the eagle escutcheon, for his effort to promote sports in Germany.

And in the background of the Olympics are the uses Germany is making of these games to promote its war psychology and to inflame its people with the fervor for another war. Again quoting from an American paper, I note this information:

It is hard for Americans to understand that the Olympics in Germany are on a wholly different footing than in America. Over here sport organizations are autonomous; over there they are pawns of the Government. The games in Germany are not being arranged by sports federations, but by the German War Ministry.

The village of Doeberitz, where the Olympic city is to be erected, is the property of the War Ministry, and the completed structure will eventually become a Reich garrison and barracks. The German point of view is enunciated by an official of the War Ministry who last week told military attachés of foreign embassies invited to inspect the completed portions of the construction that "soldiers and sportsmen are identical in German opinion, since both foster the spirit of comradeship." The official host of the foreign sportsmen will be the Minister of War.

On this side of the Atlantic athletes are in no sense controlled or influenced by their Government. In the Reich the German athletes are selected, trained, and financed by the Nazi regime.

The following editorial appeared in the Commonweal, a leading Catholic weekly, in its issue of August 9. It called for a Catholic boycott of the 1936 Olympic games because participation "means endorsement of willful and violent persecution." It added:

In the interest of justice and fairness, we suggest that no Catholic and no friend of the sports activities of Catholic institutions should make the trip to Berlin. The German Government, which does not respect a covenant solemnly arrived at with the Holy See, will probably not bother a great deal about what it says to Mr. Brundage.

In the Christian Century, a leading journal of the Protestant denomination, appears the following:

News coming from Germany makes shocking reading. While the forces back of the new outrages against Catholics, Protestants, and Jews are not clear, the facts are clear. Religious persecution is being used as an official instrument of the Nazi Government, and no person is safe in the enjoyment of the most elemental human rights. A capricious and ruthless party, in which adventurers of the most cynical and unreliable character have gained great power, is seeking to enforce its racial philosophy and its conception of the state by means of a terror which is nothing short of sadism.

The question which confronts American Protestants, Catholics, and Jews, as they read the sickening news from Germany, is: What shall be done? What is it possible to do that will render some effective support to these victims of Nazi brutality? At all times it must be remembered that these outrages are the work of a party—the National Socialist Party. There are many Germans to whom what is taking place is just as abhorrent as it is to the rest of the civilized world. But they are helpless. What can be done to strengthen the morale of such Germans, to undermine the morale of the Nazis, and thus to hasten the day when sanity shall return? * * *

The Olympic games are scheduled to be held in Berlin next year. Nazi strategists have regarded the securing of those games as one of the most brilliant strokes achieved in convincing the German people generally of their ability to restore the Reich to world leadership. They now count on drawing thousands to the games as a propaganda effort to spread broadcast the virtues of the Nazi rule. Move the Olympic games to some other country, and no twisting of the news in the controlled press could conceal from all the people of Germany—and especially from the Nazis themselves—a realization of the way in which the rest of mankind regards what is going on in that country. "Germany," insisted Reinhold Niebuhr in these columns long ago, "must be told." The proposal to move the Olympic games away from Berlin offers the most dramatic, and therefore the most effective, apportunity which has so far occurred to tell Germany.

The Olympic games should be moved from Berlin not only to impress Germany but to preserve the nature of the games. The games are supposed to promote international friendship by an exhibition of sportsmanship and fair play. Fair play in Germany! Can anyone who reads the press dispatches take stock in that? Where do the athletes come from? From the various youth organizations and sports clubs. But the Nazis are now wiping out Catholic and Protestant, as well as Jewish, bodies of this kind. If these organizations are dissolved, or are refused permission to use the sports grounds, what chance have they for training athletes? Moreover, with Nazi race and State philosophy declaring that non-Aryans and church youth organizations enemies of Germany, what chance is there for fair play in competition for the Catholic, Protestant, and Jewish youth?

To let the Catholic, Protestant, and Jewish youth of Germany know that the outside world is not indifferent to the persecution being inflicted upon them, and to let the Nazi leaders know of the horror with which their brutality is regarded, let the athletic authorities of America move to take the Olympics from Berlin: A move of this sort made in this country will be followed in other countries. It will have immediate moral effect inside Germany. It should, therefore, be made without delay: Germany must be told.

The conduct of the present rulers of Germany, if successful, would set the world back to the dark days of the Middle Ages. It is the duty of every lover of this country and its principles to express his protest and abhorrence at such brutal and barbarous conduct that the present rulers of Germany are preaching and practicing without care or respect for the decent opinion of humanity.

We are morally right in refusing to enter into sporting contests in that country, where our youth cannot improve their moral or spiritual characters and where there is danger of embroiling us in unforeseen troubles.

Just as we called off the Boy Scout jamboree the other day, because of the threatened danger from the prevalence of infantile paralysis, so we should recall the youth of our country from participating in athletic contests in a country whose rulers are suffering from the same mental and moral diseases that afflicted Nero in ancient Rome and many another persecutor during medieval times, because here also is a most dangerous pestilence that again menaces mankind and modern civilization.

The platform of the Hitler Nazi Party in Germany contained 25 points, 7 of which were directed against the liberty and equality of the Jews as citizens of Germany. Hitler and his cohorts have put their theories into practice, and have admitted that to accomplish their aims they must be brutal, even to the extreme. Evidence of the brutality and sadistic cruelties they are practicing occurs daily. In his book, My Struggle, Hitler says:

For our liberation we need more than an economic policy and industry; what we need is pride, spite, hatred, and more hatred.

And further on he says:

If you wish to win the sympathy of the broad masses, you must tell them the crudest and most stupid things.

Is it not, therefore, the duty of every American to protest against the youth of our country going to Germany for these

games, a country whose leader, Hitler, ordered the burning of all books by Jewish authors? And in a country where Jews have been since the days of their dispersion from Palestine by the Romans. Books of Emil Ludwig, Lion Feuchtwanger, Arnold and Stefan Schweig, and Erich Remarque, author of All Quiet on the Western Front, were put to the bonfires. It is not necessary for me to mention the names of professors dismissed from the colleges, lawyers from the courts, doctors from hospitals, and business men from their life's undertakings. Persecution, started against Jews, is continuing against Protestants and Catholics. The cruelty of depriving hundreds of thousands of work or opportunities to earn a living and leaving them to the despair of a death by hunger and starvation in a country as cultured as Germany is cruelty worthy of barbarians. And how much more cruel is it when it occurs in a land of such cultural attainments as Germany, where Jews have contributed so much with their Protestant and Catholic friends to science, literature, music, and arts.

If a descendant of Heine or Mendelssohn were desirous of partaking in the Olympics, he would be refused permission.

Therefore, Mr. Speaker, I only raise my voice of protest in the same way as our immortal Presidents Thomas Jefferson, Abraham Lincoln, and Woodrow Wilson would have done. That standard for the guidance of nations set out in the preamble of our Declaration of Independence, "a decent respect for the opinion of mankind", is unknown to the rulers of Germany, though it be the twenticth century. For the words of Holy Writ, "to love thy neighbor", and for the Sermon on the Mount they have again substituted "hatred"—"schrechlichkeit"—the philosophy of pagans and barbarians. Humanity can only hope that the unfortunate people of this country will see the light, and that justice, equality, and decency will soon return to guide these people. Until then let us not endanger the youth of our country by sending them there to contest in sporting events.

CURB GOVERNMENT SPENDING

Mr. RICHARDSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICHARDSON. Mr. Speaker, we Members of Congress are about to make our annual return to our constituents and run the gantlet of criticism and interrogation. We hope for a few pats on the back, but know that for the most part we shall hear complaints and embarrassing questions.

We can, all of us, be quite certain of being asked one question, and we shall hear it more frequently as the days go by, and that question is, When will you fellows down in Washington stop running into debt?

The Democratic Party faces a national political campaign in 1936. To retain our party strength we must have the confidence of the American people. I know of no better way to retain that confidence than to adopt from now on a definite policy of cutting down Government expenditures. We must go before the voters and show them that we have a plan to balance income and expenses. Only the politically blind can fail to see that one of the major issues next year will be Government spending.

It is all very well to sit back and say that in the 1936 campaign the big issue will be the Constitution. That may prove an empty issue. If we do not stop spending money, we shall go bankrupt, and in that event the constitutional issue rather fades into the background. When a business concern goes bankrupt, changing its bylaws does not make a great deal of difference one way or the other.

What is the financial situation of our Federal Government?

(A) Down here in Washington, we are running "in the red" at the rate of more than $3,000,000,000 per year—about $10,000,000 per day. That is a lot of money. With $10,000,000 more going out each day than is coming in, no establishment—not even Uncle Sam's Government—can last a very long time. The people of America have too much common sense to be led to believe that government can continue to exist if national expenditures exceed receipts.

(B) The national debt is now rapidly approaching the highest figure in our history, approximately $30,000,000,000. Do we have any right to further increase it? Shall we use all the national credit? Shall we not leave anything for our children? Has this generation the right to "bleed the Nation white"? Not all wisdom will die with us. Perhaps our children might also like a little money with which to do some experimenting!

Can we stop this terrific outflow of money? It is quite possible to do so and balance the Budget in the immediate future. We now have enough income for the actual necessary running expenses of the Government; not including, of course, certain "brain truster" extravagances which can be discontinued without harm to the country. The necessary relief load can be carried at an annual cost of approximately $800,000,000. Increased business activity is lessenning the burden of relief. Necessary expenses—and we cannot afford luxuries—can soon be paid for by larger revenues, due to increased national income, and by additional taxation within bearable limits.

High taxes are with us. All the people are paying these taxes—not a few—in spite of what vote-seeking demagogues may tell the people. The tax strain is rapidly approaching the limit of endurance. But the people will willingly pay if they can be sure that they are not pouring their tax money into a sieve. They will not continue to pay taxes if the Government consistently fails to meet its expenses and steadily increases the national debt. And if that day of taxpayers' refusal ever arrives, the entire Government will fall to ruin in the chaos of inflation.

It is high time for us Democrats to take hold, cut down expenses, drive the wild spenders from the temple, and balance the Government books. Experimentation, for the present, might well be limited to those experiments which involve no appropriation of money. Taxes which are unnecessary should not be levied. We in government must be financially honest.

We Democrats belong to an old political party. We can learn much from old and new leaders. We once had a great Democratic President, Grover Cleveland, who was especially zealous in guarding the rights of taxpayers. He laid down the rule that "unnecessary taxation is unjust taxation." We Democrats had better write that guiding principle into our 1936 platform.

President Roosevelt pronounced a great historical truth when he said in 1933, "Too often in recent history, liberal governments have been wrecked on the rocks of loose fiscal policy." We are, slowly and painfully, by making economic welfare a major interest of the Government, establishing a liberal government in Washington. That liberal government—full of promise for the future—should not be destroyed by a reckless fiscal policy.

TOWNSEND OLD-AGE PENSION PLAN

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, under the leave granted me to extend my remarks I insert the following address delivered by me before the meeting of the Townsend Clubs of Illinois, at Chicago, Ill., Sunday, August 18, 1935:

Mr. Chairman, ladies, and gentlemen, I deeply appreciate the honor of addressing this magnificent audience, which, I am informed, is one of the largest public gatherings ever held in the city of Chicago. I am always glad to visit your great city, because it is my birthplace, and I spent here my childhood and the years of my youth, before I moved with my parents out to the State of Washington. I have many relatives and friends in Chicago, and my aged father, now 83 years of age, resides in your midst.

The Townsend old-age pension plan is sweeping the country. No social-reform proposal ever gained the public ear faster than has this plan. People everywhere are asking questions, wanting to know more about it. The movement started in Long Beach, Calif. Today it has a foothold in every State. More than 20,000,000 voters have signed a petition to Congress asking for its adoption. State legislatures have passed resolutions asking Congress to pass a law putting it into operation. The plan is gaining momentum each day.

Perhaps no one would object to the plan if it can be worked out and put into force without costing us anything. The question

is, How will it affect those who do not draw the pension? Will the benefits of the plan received by the general public equal or exceed the cost? These are questions that must be answered by the proponents of the plan.

According to the last United States census report, there are now about 10,300,000 people in the United States who have attained the age of 60. It is estimated that possibly 10,000,000 of these would apply for the pension if the plan becomes law. The plan proposes to pay $200 a month to each pensioner. It would likely involve an annual expenditure of $24,000,000,000. That is a lot of money. But it should be kept in mind that the plan calls for a revolving fund of but $2,000,000,000. The $2,000,000,000 would pay the entire $24,000,000,000 during the year. A tax is to be levied upon all transactions. The pensioner must spend his money each month, throwing all of the $2,000,000,000 back into circulation the month it is paid out, and the transaction tax is to collect this sum and give it back to the Government that the Government may have the $2,000,000,000 to meet the next month's pensions.

The opponents of the plan claim it would call for an excessive tax rate. Let us examine some of the facts upon which this estimate is based.

There are no statistics that give the total sales in the United States during any one year. Government statistics give the value of farm products on the farm, of the lumber industry at the mill, of our fisheries as received by those engaged in the fishing industry, the value of minerals as based on prices received by the mining companies, and the value of the output of the many different factories. But the total of all these does not approach our total annual sale values—transaction sales.

We know that the consumer pays from three to four times as much for the farm products he consumes as the farmer receives. As an illustration let us take raw cotton. The farmer sells it to the commission man. He sells it at an advanced price to the jobber. The jobber advances the price when he sells to the manufacturer. The manufactured cotton goods pass through 3, 4, or 5 hands before they reach the consumer, and each time at an advanced price. Apples, a product that is not manufactured before consumed, passes through three to six different hands before consumed, and usually at an advanced price. It costs $1.25 freight to ship a box of apples, in carload lots, from Wenatchee, Wash., to New York, and today the farmer is getting an average of about 75 cents a box. The same is true of the products of the mines, lumber mills, the fisheries, and other industries. Then there is a vast volume of sales that deal not in any of these products, such sales as tickets, stocks, bonds, mortgages, notes, accounts, real estate, mines, factories, etc.

Perhaps the best way to form an estimate of the total transaction sales in any given year is the money turnover during the year. We know that the Townsend plan will greatly increase the volume of our circulative medium. It would likely bring back similar business conditions to those that prevailed in 1919. Government statistics show we had $60,000,000,000 of cash and bank credits in circulation in 1929. Statisticians estimate that sum turned over 22½ times during the year, doing a total business of $1,300,000,000,000. A 2-percent transaction tax levied on that vast sum would have yielded $26,000,000,000—some $4,000,000,000 more money than the Townsend plan would require.

The plan is objected to on the ground it would give the pensioners too great a part of our annual wealth production, the objectors claiming that our annual wealth production is only about $70,000,000,000. A careful survey of our wealth production does not give support to such claims. It makes a lot of difference, as we have already pointed out, whether we value wealth production at the source of production or at the point of consumption. These pensioners would pay the consumers' price. And they would pay not the price products can be bought at today but the price they will be with the plan in operation. It is estimated that the Townsend plan, if put into operation, will double prices.

Some of our leading technicians and statisticians estimate that if our annual wealth production was equally divided among the people the average family would receive between seven and nine thousand dollars a year in values. The plan proposes to pay the pensioners but $2,400 a year.

If we wish to be fair when we consider the cost of the plan, we must take into account the savings and advantages of the plan. There is a gas tax in the State of Washington. Who would be willing to abolish the tax and go back to the road conditions we had 20 years ago? Life insurance companies have compiled statistics showing that 92 percent of all people reaching the age of 60 are partially or wholly dependent upon others for support. This burden is being borne by relatives, friends, and the Government. At the present time the great majority are on Government relief. This plan would lift that burden. It would almost do away with the poor farm. It would lessen crime. Government statistics show that each $200 a month spent gives employment to one person. On that basis, this plan would create 8,000,000 new jobs. Statistics show that of the 10,300,000 people above 60, 4,500,000 are doing some work, and the plan would thus cause some 4,000,000 jobs to be vacated. Thus a total of 12,500,000 jobs would be given to the unemployed. This would clear the cities and highways of idle men and women.

We have 19,000,000 people on our relief rolls. This plan would wipe out this blot upon our civilization. With the idle given jobs, prices of property, products, and labor doubled, there would be no relief roll. It would put a large sum of money into circulation, a thing greatly needed at this time, and it would be a pump constantly pumping this medium into the channels of trade. It would prevent future depressions. It would take the control of cash and credit circulation from our private bankers and restore it to our Government, where it belongs. It would stabilize prices. It would forever do away with that dreaded monster—fear of want in old age.

Let us assume that the tax, by the time it reaches the consumer, reaches 10 percent. Will he not be benefited? Would not the man out of a job gladly pay a 10-percent tax if the plan would give him steady work at good wages? Would not the merchant gladly pay the tax if it would double his sales and enable him to collect his outstanding accounts? Would not the business and professional men gladly pay the tax if their business would double?

I have studied the Townsend old-age revolving pension plan for over a year and feel that I know something about it. In the last Congress I placed in the RECORD a statement of the objects and purposes of the plan, the first public and official notice which it received in the Congress of the United States. (See CONGRESSIONAL RECORD, Apr. 4, 1934, pp. 6039–6040.)

Last December when I came to the Capital a month before Congress convened, I was one of a small group of Congressmen who met with Dr. Townsend and issued the call for the meeting in the House caucus room at which he made his first public explanation of his plan in the Nation's Capital, and I attended the session. Later I joined with Dr. Townsend, the gentleman from California, Mr. MCGROARTY, and several other colleagues in drafting the first bill, H. R. 3977; and I also collaborated with them in revising that bill and formulating H. R. 7154, the present McGroarty bill.

The revised McGroarty bill is essentially in principle the same as the first bill, excepting that we have broadened the tax base to impose an increased 10-percent tax on incomes and to add an extra 2-percent tax on inheritances and gifts over $500. We also provide that the "annuity", which term we employ instead of "pension", because it is more accurately descriptive, shall not be paid to anyone having an annual income of over $2,400, and that the present income of the annuitant shall be debited against the annuity, and that the annuity shall be "in such amount not exceeding $200 per month as may properly be paid from the funds accumulated." In other words, the amount of annuity to be paid shall be measured and determined, as it would necessarily have to be in any event, by the tax revenues yielded and derived from the collection of the 2-percent business transactions tax and the other taxes just referred to.

This improved bill makes no material departure from the original bill, and this view is shared by Dr. Townsend himself, by Mr. MCGROARTY, and by all of us who have taken the deepest interest and most active part in urging the Townsend plan. This modified bill is more explicit, practical, and workable, and is, in my judgment, far superior to the original measure. According to the studies of the actuaries and statisticians, the tax receipts would be sufficient to pay to each annuitant $50 the first month, with a steady increase of 20 to 25 percent each month, until at the end of 1 year the full maximum of $200 could be paid. This is the testimony of Dr. Robert D. Doane, one of the leading economists in the Nation.

Dr. Doane makes it clear that he is not advocating any old-age pension plan and that his sole purpose is to show what money could be raised by a 2-percent turn-over or transaction tax. His estimate is $336,000,000 for the first month, increasing 25 percent monthly, until the eighth month the income is estimated at $1,601,000,000, nearly enough to pay $200 per month to 7,500,000 citizens, which is the maximum annuity, and this was before we broadened the tax base, which will provide additional revenue.

Dr. Doane's table no. 1 disproves the unfounded statement sometimes made that the burden of raising the money would fall on the poor. He shows by income groups for the year 1935 that incomes of $1,000,000 and over each would pay $143.30 per month. These payments range down through the different incomes until they reach those with incomes of $1,000 and under, which is the much larger percentage of the population, where the estimated burden of the tax would be $1.26 per income monthly, while the per capita tax would range from $35.10 per month for those in the highest brackets to 33 cents per month in the lower brackets. What a small contribution this would be to bring about the recovery of business and improved conditions for all our people.

Dr. Doane further states that: "This form of taxation, if uniformly employed, could easily * * * decrease the tax * * * on real property, with a consequent material increase in capital value."

What greater benefit could accrue to the overburdened taxpayers and owners of real estate, homes, and farms than to have their tax burdens lightened, with a resultant increase in the capital value of real property? Dr. Doane's statement places the Townsend plan on the basis of a practical business method of recovery.

It requires no argument to establish that increased purchasing power, a stimulus to business, industry, and agriculture, reemployment and a greater volume of general prosperity would be certain to result from the enforced spending of the annuity funds. I quote from the statement of Dr. Townsend:

"Briefly the Townsend plan of old-age revolving pensions has as its objective three salient features:

"Primarily to effect and maintain complete recovery in the United States and to sustain this prosperity by a constant and sufficient supply of purchasing power, evenly distributed in accordance with the population throughout the entire Nation by means of employing citizens past 60 to make the distribution.

"Secondarily to create a condition of employment assurance by replacing those over age of 60 now employed with younger workers

and by creating other employment through the expenditure of the pension money in the marts of trade.

"Dr. Doane asserts that at present levels the annual expenditure in retail trade of $1,730 will create continuous employment for one man.

"And lastly, but by no means the least desirable feature of the Townsend plan, is the creation of an adequate retirement fund for each individual who can and does qualify upon reaching the age of 60 years. It is a very significant fact that over a period of years each individual creates his own retirement fund. In effect, the Townsend plan is a collective involuntary purchase of retirement annuities, using the Federal Government as the agency of collection and distribution."

Let us not be biased against the adoption of this plan because of the apparent large sum involved. We spent $33,500,000,000 in the World War, and nearly everyone recognizes the fact we are now engaged in a war more serious and fatal to our own people—a war against unemployment, against poverty, against starvation, against sickness, against suicide, against broken lives, against revolution.

What has this present war against the depression cost us to date in loss of national income?

According to authentic sources, the figures are as follows:

*National income*

| | Amount of income | Loss compared to 1929 | Authority |
|---|---|---|---|
| 1929 | $83,000,000,000+ | | S. Doc No. 124, 73d Cong. |
| 1930 | 70,000,000,000+ | $13,000,000,000 | Do. |
| 1931 | 54,000,000,000+ | 29,000,000,000 | Do. |
| 1932 | 39,000,000,000+ | 44,000,000,000 | Do |
| 1933 | 40,000,000,000— | 43,000,000,000 | Associated Press reports. |
| 1934 (approximate) | 45,000,000,000 | 38,000,000,000 | Do. |
| Total | | 167,000,000,000 | |

The investors of our country lost at least $50,000,000,000 in the stock-market crash of 1929–30.

Would it be dangerous to cause, as Dr. Doane estimates would be the effect, an increase in the price level of retail goods of 10 percent, when we have in the past permitted the private bankers of the country to inflate credit and debt checks in circulation in the sum of approximately $50,000,000,000?

A retail-sales tax has been urged by big business and the most conservative Members of the House and Senate for years as a just and equitable form of taxation. Will someone point out why a tax imposed upon all business transactions would be any more unsafe, unsound, or unjust than a retail-sales tax, and wherein lies the difference which should cause us to adopt the one and reject the other? Is not the only real difference that the transaction tax would fall most heavily upon those who do the most business and are therefore the most able to pay the tax?

It is worth while to pay 2 cents on each $1 of business transactions in order to end a condition which has cost us a loss of $167,000,000,000 in the past 5 years, not to mention the billions appropriated by Congress and spent by the Federal Government for relief, the cost of charities and poor farms and homes for the aged running into many more billions, and the cost of crime caused by poverty amounting to billions of dollars, which would be substantially reduced? A transaction tax of 2 percent on every business and money transaction would be the most just and equitable form of taxation which could be devised, and there is not a single, valid, sound objection against it.

### ELECTRICITY AND SOME OF ITS USES ON THE FARM

Mr. GRAY of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GRAY of Indiana. Mr. Speaker, for long centuries man has groped his way through the wilderness of the world unaware of the great force of electricity, permeating everything, everywhere about him. And for 2,500 years of time its existence has been known without a knowledge of its force and powers.

And we are today still unconscious of many of its greatest powers and uses which are lying dormant everywhere about us and which will some day be discovered, developed, and harnessed by man to do equal or greater service than the service it is performing for him today.

Electricity is not only contained in all matter and every substance, as air, water, stone, and metal, but it is a part of all matter and every material substance.

#### THE THEORY OF ELECTRICITY

It is a theory that all matter is made up of small particles called "molecules", which are combinations of atoms, and the atoms are in turn made up of smaller or more minute particles called "electrons" and "protons."

Electricity is the force in matter, the attraction of gravitation, holding these minute particles of matter in form or body, adhering together, and, in theory, revolving one around the other like the force of Sir Isaac Newton's law holding or suspending the planets in space.

It is the theory of matter that each atom has its own electric system, like each animal or plant-life cell has its own nervous or mental system. The system, comprised of electrons and protons, with its positive and negative forces, operates by currents and magnetism.

#### NOTHING CAN BE CREATED OR DESTROYED

It is a law of physical science that no particle of matter can be destroyed; that its form only can be changed. We cannot destroy a piece of glass. We can only change its form by breaking it into smaller portions or by melting and molding it again. Nothing in existence can be destroyed and nothing in existence can be created. This is expressed in the old saying, "There is nothing new under the sun." We must accept the earth as we find it. We can neither add to nor take from.

The amount of matter in the world is fixed and certain in amount, which cannot be varied a single atom. Electricity as a part of matter is alike in amount, fixed and certain, which can neither be increased nor decreased. We speak of generating electricity or developing or creating electricity; but an electric-power generator no more generates or creates electricity than a pump creates water. The generator only accumulates electricity, brings it into a current exerting force like the pump forces a stream of water.

#### THE ELEMENTS OF MATTER

It is possible to change the proportions of the elements in different forms of matter, or the different elements entering into the matter, as to accumulate more water, iron, stone, or other material in one location. But this accumulation can only be maintained temporarily for the time being. And it is likewise possible by chemical action, friction, or otherwise to change the natural normal proportions of the minute structure of material and create a new form of matter.

Too many electrons in the atom in proportion to the proton elements creates a disequilibrium or unbalanced state and will start an electrical current outward, and too small a number of electrons will start an opposite force and a negative current inward.

#### ELEMENTS THROWN OUT OF BALANCE

And it is also a law of physical science that matter thrown out of or off its equilibrium will adjust itself to a balanced state. When water is thrown off of its general balanced level, no matter whether by natural or artificial causes, a motion sets in to restore its level or balance. The motion of water seeking its level, following in the course of natural law, exerts the force which man has harnessed to turn the water wheel of the mill which is carried to pulleys, shafts, and machinery to perform man's task and lift his burdens.

This force is exerted from a stream of water seeking an equilibrium or its balanced level whether carried, lifted in the form of clouds and precipitated as rainfall upon the earth, or carried and held by man through canals and pipes to fall from a higher to a lower level.

This is true of all forms or elements of matter thrown out of a natural balanced state, such as the unequal heating of the air at one location in the atmosphere, whether caused by the sun's rays or by artificial means by man, a current of air will set in to restore an even temperature or balanced state. Air, the ocean of atmosphere surrounding and enveloping the earth, exerts no energy in its balanced state, but, when evenly heated and thrown out of its natural balance, currents to restore its equilibrium set in, in the form of storms, gales, and cyclones, sweeping into devastating and destructive power.

#### RESTORING AN EQUILIBRIUM

This movement to restore a natural equilibrium from an unequal balance of the atmosphere is the force that causes the winds to blow, which power man has harnessed by the invention of the windmill and the sails spread on the ships for his navigation of the seas.

Now we come to another element, and another force of matter, as common as water, air, or earth, which has come

to be called "electricity", the derivation or history of which term will not be necessary nor possible to give here.

Electricity, like other forms or elements of matter, can neither be created, destroyed, or consumed. It can only be increased or decreased at a certain given place or location. Its amount in the material world is fixed as certain as other parts of creation. Electricity can only be generated or accumulated in greater or more unequal portion in a body than when resting in its balanced state or reposing in natural equilibrium. And like water or other elements, when thrown into such unequal balance, a current sets in to restore an equilibrium, and like water and air exerts a force which man has harnessed for power as man has harnessed other currents and movements resulting from the disequilibrium of other forms of matter.

POSITIVE AND NEGATIVE ELECTRICITY

Scientists tell us that electricity includes both positive and negative forces, the protons or positive charge which remains permanent in the atom, and the electrons or negative charge which is free, to move around and within and out from the atom. When the electron and proton elements of electricity, the negative and positive forces of the atom remain in even or balanced proportion, which is called "static", or electricity at rest, electricity is in a natural or normal state. When the electrons are in excess of protons a current sets in and electricity is in motion.

If by any natural or artificial means more electricity is generated in a body of matter than exists in its normal state, there is a positive or overcharge and electricity in a current flows out to balance its relative forces.

NATURAL AND ARTIFICIAL ELECTRICITY

Regardless of how electricity be thrown out of balance, whether by natural or artificial causes, whether by friction of clouds on the air causing currents called "lightning", or whether by motions of dynamos accumulating electricity in unequal balance, the same equalizing current sets in.

Lightning results from an unequal charge of electricity moving in the atmosphere, either moving from clouds to clouds, or, when the air becomes moist, from vapor or falling rain, and forming a conductor or pathway, striking down, reaches the earth to equalize its balance between earth, clouds, and atmosphere.

WATER PIPES AND ELECTRIC CURRENTS

As water is carried through canals and pipes to the point where the power is to be exerted, so electricity is carried through wire conductors, which serve as an electric canal, or pipe line, carrying electricity to where its force is to be applied.

As the canal and pipes are made watertight to prevent the escape or leakage of water, so electric wires or conductors are prepared to prevent the escape and leakage of electricity by insulation or wire coverings and by nonconductor materials to hold up the wires on the pole.

Unlike the force of air and water moving to restore their equilibrium, electricity moves only in a circuit. The circuit must be continuous and uninterrupted back to the source of the current, either through and by means of a return wire or grounded and returned through the earth. If the current by faulty insulation or otherwise is brought in touch with the return wire or earth before it reaches the place or location where its power is to be applied and exerted, in the language of the electric street it is "shorted", or called a "short circuit." If the wire carrying the electricity outward is left both without a circuit or ground wire and the end of the wire is left to terminate in the dry air, which is a nonconductor of electricity, the flow of electricity will be stopped like the water in a plugged pipe.

EXPLAINING ELECTRICITY

Scientists have analyzed water and tell us of its component parts of oxygen and hydrogen in unequal proportions and then, going into these gases to explain and describe their nature, they get into still deeper water and come back to the shore to live with others. Men talk very learned and knowing about the elements, the component parts, and the molecules made up of atoms, about the atoms with their electrons and protons, but when they try to carry their explanation further they find themselves lost in mystery and are left wondering with the people they assume to instruct.

We do not know what electricity is. We know little more of its character, its derivation or innate nature, than when Benjamin Franklin first brought electricity down from the clouds to compare it with the electric sparks produced from silk and a glass tube or from amber or a cat's back. We only know more about what it does. We only know how it can be harnessed. We only know how it can be generated and accumulated. We only know how it can be carried and directed, how its force can be exerted to work and perform useful service for man.

At first glance or impression, electricity appears to be a more complex and mysterious agency than other forces, powers, and energies. But, in fact, it is not more mysterious than other parts of the world around us. It is not more mysterious than light, than the movements of water in different forms, than the elements of water and air, or the minute atoms of the molecules, the component parts of all matter. It is not more mysterious or incomprehensible than animal and plant life about us, the cause for which we cannot explain; nor more mysterious than any other matter, not more mysterious than the immensity of space extending far away in the heavens, above and before us, a distance beyond the power and strength of the mind to follow.

We stand in bewildering mystery with all around and about us. We do not know where we are. We do not know what we are. We do not know what we are for. We do not know from whence we came. We do not know to whither we go. We do not know; we only hope and strive to know. In our helpless failure of comprehension we appeal to a higher power, in the forms of faith and religion, for guidance, direction, and understanding. And then we withdraw from the problem as beyond the mind of man and leave all without solution.

Probably no other invention or discovery or development of force and power has contributed more to the service of man, more to his comfort, convenience, and welfare, more to his pleasure, interest, and happiness, or lifted him to a higher plane of life than has the means of electricity. And yet of all the forces and powers which men have harnessed and utilized in their march to the higher planes and civilization and human advancement, electricity is the least known and understood.

The use of electricity has become even more common and general or universal than any other force or power used, yet it remains as much a mystery today as when Franklin found it in the clouds.

While men lived thousands of years unconscious of its existence of force or power, it was everywhere around them, above in the skies, below in the earth, pervading all space, and permeating all material and only manifesting itself to man when moving to balance its forces in nature, the cause of which he failed to comprehend.

We do not know what it is; we only know what it does; we only know some of its laws and applications. But we are still groping in the darkness as to its true nature as a force and what it can be made to accomplish.

ADVANTAGE OF ELECTRICITY OVER OTHER POWER

There is one great advantage in the use of electricity over other forces, over the powers exerted from water or wind or from steam or the explosion of gases. The powers developed from these forces can only be applied and used at or near the place where developed.

But electricity can be generated at one place, carried or transferred to a far distant point without appreciable loss of energy or force, and there, divided and spread into a ramifying network carrying the electric current for light and power to hundreds or thousands of different places and to serve almost as many different uses.

And even more than this advantage, inventions and developments are fast progressing in the generation of electricity for power which are destined to make this force all but as plentiful and abundant for use as air, light, and water and as cheap and available to the people.

To realize the force and power of electricity which is carried over and through one small wire, it is only necessary to observe and consider the energy exerted and many uses served. From the electric current carried through one line, far out and away from the power plant, the home, barn, and garage are lighted, the home water system is kept running, the washing and sewing machines are operated, the smoothing iron is kept hot for use, and cold storage is maintained for perishable foods. The radio is kept efficiently charged, meals are cooked, and the home is heated, water is pumped, feed is ground, other labor-saving machinery is operated, and a thousand-and-one other uses are served from the electric power exerted, all coming in over one small wire.

There is one great saving and economy in electricity for its many different uses over other farm power facilities. There is always a loss and waste of power incident to starting and stopping which often equals the power actually used. But with electricity there is no waste by priming; there is no preliminary expenditure of fuel. Turn on the switch and the power is instant. Turn off the switch and the power expense is ended. Every unit of power is efficiently utilized without loss or waste in the service. The cost is only for the time of the actual operations.

But this is not all or the only economy realized with electricity. Many duplications of power facilities are avoided, the saving of fuel not only purchased at wholesale but the economy of fuel consumed at wholesale by the one central operating power plant, supplying current over a wide territory, brings the loss and waste down to the minimum.

ELECTRICITY FOR LIGHT

Seeing is the most vital of all the faculties of all the senses guiding or directing man, groping his way through the wilderness of the world. We may listen to sound or voices coming to us, but we are not certain from which or whom. We may touch or smell a substance or form of matter, but we are not absolutely positive of its nature or source, of the cause or the object before us. We must wait for the sense of vision until we can see and be assured, before we are ready to take action to meet the object or condition. "Seeing is believing", and then we know.

Electricity brings light into the home and carries the day into the nighttime; it brings light in all of its shades and colors; it brings light in the daylight rays; it lights every room, hall, and stairway, the furnace room, the dark cellar or basement; every dark closet, cupboard, and pantry is opened for use, during the day as well as the nighttime. Electricity dispels the shadows of darkness while the earth turns away from the sun. On the farm it lights the barn and the dairy, and the dim, flickering lantern gives way to the full light of day, in the garage and the walks and driveway.

ELECTRICITY FOR OTHER USES

Next to light in the home is heat for cooking and other domestic uses and to maintain an even, comfortable temperature. Other forms of heating require the burning of fuel with ashes, smoke, soot, and waste litter, with 90 percent of the heat escaping through the chimney. But in heating with electricity all the ashes, smoke, refuse, and waste are left at the power plant, a distance of many miles away. The heat comes to the home pure, clean, refined, and free from all waste and refuse.

But this is not the only advantage of the home heating by electricity. It is not only clean and convenient; it will in time come to be the most economical. Instead of the many stoves and furnaces burning fuel, with a waste of heat escaping through the chimneys and only a partial combustion of fuel, the fuel is burned or consumed in one large efficient combustion chamber, where every particle or unit of gas and smoke is consumed into heat, and where the heat is conserved and utilized and withheld from escape through the chimney or smokestack—possible, and possible only, where fuel is burned on a large scale and with efficient equipment provided.

The development of electricity sure to be attained has made possible a form of heating not only the most convenient, satisfactory, and desirable, but the most practical and economical for maintaining even and comfortable temperature in the home. And all that remains to make electric heating general and within the reach of all, with other improved facilities at hand, is the control over the generation of electricity to secure its production and distribution at cost or one reasonable profit.

When such control of production comes, freeing electricity from monopoly and extortion, some of its general uses enjoyed in the home will be heat for cooking, heating water for the washstand and bath, as well as for the general heating of the home.

Other home uses already are for the sweeper, for the fan for air circulation and ventilation, the smoothing iron in the laundry, and for the many other uses and purposes wherever light, heat, or power can be applied and utilized, which have been steadily increasing and will be multiplied in the future.

ELECTRICITY FOR THE RADIO

There is nothing which so brings cheer to break the solitude of farm life as the radio in the home, bringing to every farm fireside music, song and entertainment, a knowledge of passing events, keeping in touch with the outside world.

Many farmers have not installed radios and many who have installed them have left them standing voiceless or inefficient because of the annoyance and inconvenience of the continued renewal of battery service.

With electricity in the farm home the efficacy of radio will be multiplied and hundreds of thousands of farmers who have failed to install radios or, if installed, have not maintained them will install modern radio sets and maintain them in continuous use. Electricity will be used on the farm to take the place of the troublesome batteries, to maintain constant radio service; and many thousands of farm families, where the radio has been denied them, will then listen with pleasure and profit to the radio programs from home and abroad.

REFRIGERATION OR COLD STORAGE

Probably no other substantial service of electricity will be more appreciated on the farm than the modern electric refrigerator. The loss, waste, deterioration, and inconvenience of the want of means to preserve for use perishable food products in consumable state is a value and service beyond realization.

The old days of storing ice in winter for use in summer has gone with a passing age. And the inconvenience and irregularity of maintaining ice in the country when needed has made the farm ice chest impracticable.

With the electric refrigerator installed conveniently and immediately at hand for use as much as needed and only as much and when needed, the problem of cold storage on the farm will be solved and at a cost so low that no farmer can afford to be without its use. And instead of a few thousand refrigerators as now installed in farm homes, there will be millions in use and the savings from waste and deterioration of food will more than pay the part of the monthly cost for electricity.

Next to light on the farm is the power coming in over the line to pump water for the stock, to run the wood-saw and feed grinders, and to serve a hundred other valuable services, ready and at hand for instant use without waiting or the waste of power after used.

THE SUPPLY OF ELECTRICITY

The supply and resources of electricity are as great as the waters of the sea, as the ocean of the atmosphere about us, as the matter of the earth itself. In fact, it is a part of all matter and fills the entire space of the whole material world, and inventions, discoveries, and developments, which are following fast by leaps and bounds, are increasing and multiplying the means, facilities, and power to produce and transmit and carry electricity to the people beyond their needs and capacities to use and at a cost almost as low and reasonable as pumping and distributing water.

SOUND WAVES AND LIGHT

A stream of light and a stream of electricity move and operate very similarly. They both travel at 186,000 miles a second. Both light and electricity are a form of motion in waves. Light waves will penetrate some materials and will

be intercepted and thrown back by others. Electric waves are carried and pass through certain objects and materials called "conductors" but will be stopped or intercepted by other materials which are called "nonconductors", such as slate, glass, and porcelain used to hold wires suspended from the ground and to prevent the electricity from passing to the poles.

The sound waves carrying the voice by radio or motion current through the ether are not different from the sound waves carrying the voice by telephone through wires. By telephone the sound-motion waves are carried through wires to a certain direction; by radio they are broadcast in every direction.

To illustrate, stand on the bank of a pond and throw a stone in the center, and the water waves will go out from the center in every direction until they extend over the whole pond. This is how radio sound waves go out in all directions from the broadcasting station. Electric currents may be carried either through wires as conductors or through a fluid or medium permeating all space called "ether." The difference is that telephone wires carry sound waves with less power and frequency than is required through ether-carrying radio waves.

The waves of ether set in motion by radio-broadcasting devices are too high and rapid to be detected by the natural ear, loud speaker, or telephone. But the radio-receiver adjustments may be set to detect the different wave frequencies and reproduce them in sound from different stations. The broadcasing stations are now sending out through the ether the sound waves set in motion by voice or musical instruments, carried by high-frequency electric current, in every direction from the power station, and your radio receiving sets in your homes are detecting the electric waves in the ether and reproducing the tones of voice or instrument. The sound waves are caught up and carried by high-frequency currents traveling at the rate of 186,000 miles a second as rapidly as if borne by the wings of light, and the voice of the radio speaker is heard as it appears at the very instant his words are spoken.

Mr. McFARLANE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McFARLANE. I find on checking the RECORD in reference to the bill H. R. 9070 just passed by the House that some of the bills included in this omnibus bill were passed by the House on August 15. I therefore raise a point of order against the bill because it includes legislation already passed and sent to the Senate.

The SPEAKER. The bill that was just passed a moment ago, with amendments, was passed under a motion to suspend the rules. When the bill was reported it was subsequently found that some bridge bills that had been acted upon were included. These bills were deleted.

Mr. McFARLANE. At least two of the bills included in this omnibus bill have been passed and sent to the Senate.

The SPEAKER. The Chair cannot determine that at this time.

Mr. O'MALLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'MALLEY. Will the differences in the Senate bill and the bill just passed result in a conference report?

The SPEAKER. That depends on what action the Senate may take. The Chair may say to the gentleman that the bill just passed simply gives the consent of the United States Government to the building of certain bridges across navigable streams. Even if two or three bills were passed upon the same subject it would not do any particular harm.

### WAGES OF LABORERS EMPLOYED ON PUBLIC BUILDINGS

Mr. O'CONNOR, from the Committee on Rules, reported the following privileged resolution for printing in the RECORD:

House Resolution 348

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of S. 3303, "An act to amend the act, approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings." That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

### BRIDGE ACROSS LAKE CHAMPLAIN NEAR WEST SWANSON, VT.

The SPEAKER. The Chair lays before the House the following request from the Senate of the United States:

*Ordered*, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 2681) to extend the time for commencing the construction of a bridge across Lake Champlain, at or near West Swanton, Vt., and for other purposes, together with House engrossed amendments to the same, disagreed to by the Senate, and on which the Senate requested a conference with the House.

The SPEAKER. Without objection, the request of the Senate will be granted.

There was no objection.

### ORDER OF BUSINESS

Mr. UTTERBACK. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 163.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. SNELL. Mr. Speaker, reserving the right to object, may I ask whether this is a complicated matter or one that various Members may be interested in? Several Members have left the floor with the understanding that nothing more would be brought up tonight. I do not know anything about the gentleman's resolution.

Mr. UTTERBACK. It is my understanding this is not very controversial. The resolution has passed the Senate and has been recommended by the Judiciary Committee. The gentleman from Michigan [Mr. MICHENER], a member of the Judiciary Committee, voted against reporting the resolution, but I understand he has no objection to its consideration at this time.

Mr. TABER. Mr. Speaker, I object.

### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. KNUTE HILL, for 1 week, on account of death in family.

### SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 164. An act for the relief of Donald L. Bruner; to the Committee on Military Affairs.

S. 630. An act to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, to provide an interest rate of 3 percent per annum on loans to agricultural-improvement districts; to the Committee on Agriculture.

S. 657. An act for the relief of J. R. Osgood; to the Committee on Claims.

S. 696. An act for the relief of Sylvan M. Levy; to the Committee on Military Affairs.

S. 1124. An act for the relief of Anna Carroll Taussig; to the Committee on Claims.

S. 1152. An act relating to the carriage of goods by sea; to the Committee on Merchant Marine and Fisheries.

S. 1440. An act to enroll certain persons on the final citizenship rolls of the Mississippi Choctaw Indians; to the Committee on Indian Affairs.

S. 1464. An act for the relief of Frank P. Hoyt; to the Committee on Military Affairs.

S. 1607. An act to amend section 109 of the Criminal Code so as to except officers of the naval and Marine Corps Reserve not on active duty from certain of its provisions; to the Committee on the Judiciary.

S. 1827. An act for the relief of Lucille McClure; to the Committee on Claims.

S. 1837. An act for the relief of W. W. Cook; to the Committee on Claims.

S. 1957. An act for the relief of the George R. Jones Co., a corporation organized under the laws of the State of New Hampshire; to the Committee on Claims.

S. 1976. An act to amend the act entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes", approved April 15, 1926, so as to equalize the allowances for quarters and subsistence of enlisted men of the Army, Navy, and Marine Corps; to the Committee on Military Affairs.

S. 2040. An act to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, and acts in amendment thereof; to the Committee on the Judiciary.

S. 2047. An act to promote the general welfare of the Indians of the State of Oklahoma, and for other purposes; to the Committee on Indian Affairs.

S. 2072. An act for the relief of Robert H. Muirhead; to the Committee on Military Affairs.

S. 2127. An act to amend section 4471 of the Revised Statutes of the United States, as amended; to the Committee on Merchant Marine and Fisheries.

S. 2137. An act to provide for the appointment of one additional district judge for the eastern, northern, and western districts of Oklahoma; to the Committee on the Judiciary.

S. 2219. An act for the relief of Lt. D. A. Neumann, Pay Corps, United States Naval Reserve Force; to the Committee on Claims.

S. 2303. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented; to the Committee on the Judiciary.

S. 2456. An act to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia; to the Committee on the Judiciary.

S. 2460. An act to amend the act of June 6, 1924, entitled "An act to amend in certain particulars the National Defense Act of June 3, 1916, as amended, and for other purposes; to the Committee on Military Affairs.

S. 2469. An act for the relief of E. L. Hice and Lucy Hice; to the Committee on Claims.

S. 2617. An act to amend the Judicial Code to permit defendants in criminal cases to waive trial by jury; to the Committee on the Judiciary.

S. 2632. An act to provide for the construction of 10 vessels for the Coast Guard designed for ice breaking and assistance work; to the Committee on Merchant Marine and Fisheries.

S. 2704. An act for the relief of Clayton M. Thomas; to the Committee on Military Affairs.

S. 2712. An act to promote the efficiency of the Bureau of Engraving and Printing; to the Committee on Civil Service.

S. 2849. An act to provide funds for cooperation with Wellpinit School District No. 49, Stevens County, Wash., for the construction of a public-school building to be available for Indian children of the Spokane Reservation; to the Committee on Indian Affairs.

S. 2868. An act to provide for the reappointment of Harrison S. Markham as a second lieutenant, United States Army; to the Committee on Military Affairs.

S. 2910. An act to add certain lands to the Weiser National Forest; to the Committee on the Public Lands.

S. 2962. An act for the relief of John Pate, deceased; to the Committee on Military Affairs.

S. 2980. An act for the relief of Ruby Rardon; to the Committee on Claims.

S. 3035. An act to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes; to the Committee on the District of Columbia.

S. 3057. An act for the relief of John B. Jones; to the Committee on Military Affairs.

S. 3071. An act providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors; to the Committee on Rivers and Harbors.

S. 3088. An act for the relief of Mearon Perkins; to the Committee on Claims.

S. 3162. An act to amend subchapter 2 of chapter 19 of the Code of Law for the District of Columbia, relating to offenses against property; to the Committee on the District of Columbia.

S. 3169. An act for the relief of Charles E. La Vatta; to the Committee on Claims.

S. 3175. An act for the relief of Jesse Ashby; to the Committee on Claims.

S. 3179. An act to appoint one additional judge of the District Court of the United States for the Eastern, Middle, and Western Districts of Tennessee; to the Committee on the Judiciary.

S. 3184. An act to provide for the immediate settlement of the obligation of the Joe Graham Post of the American Legion arising out of the purchase of the Ship Island Military Reservation; to the Committee on Military Affairs.

S. 3258. An act to amend section 304 of the Revised Statutes, as amended; to the Committee on the Judiciary.

S. 3334. An act to make provision for the care and treatment of members of the National Guard, Organized Reserves, Reserve Officers' Training Corps, and citizens' military training camps who are injured or contract disease while engaged in military training, and for other purposes; to the Committee on Military Affairs.

S. 3344. An act to appoint one additional judge of the District Court of the United States for the Eastern and Western Districts of Kentucky; to the Committee on the Judiciary.

S. 3374. An act for the relief of the State of Indiana; to the Committee on the Judiciary.

S. J. Res. 151. Joint resolution making provision for a national celebration of the bicentenary of the birth of Charles Carroll, of Carrollton, wealthiest signer of the Declaration of Independence; to the Committee on the Library.

### ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 258. An act for the relief of Emma B. Hine;

H. R. 607. An act for the relief of Florence Overly;

H. R. 616. An act for the relief of Homer J. Williamson;

H. R. 704. An act for the relief of Thelbert Davis;

H. R. 760. An act for the relief of John L. Hoffman;

H. R. 830. An act for the relief of Sanford Madison Strange;

H. R. 1368. An act for the relief of Virden Thompson;

H. R. 1420. An act to provide for the Andrew Johnson Homestead National Monument;

H. R. 1437. An act for the relief of August A. Carminati;

H. R. 1714. An act for the relief of Russell H. Lindsay;

H. R. 1880. An act for the relief of Ivan H. McCormack;

H. R. 2024. An act for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899;

H. R. 2118. An act for the relief of John P. Seabrook;

H. R. 2126. An act for the relief of Hugh G. Lisk;

H. R. 2130. An act for the relief of John M. McNulty;

H. R. 2319. An act for the relief of Oswald Orlando;

H. R. 2411. An act for the relief of E. F. Purvis;

H. R. 2432. An act for the relief of the Weis-Patterson Lumber Co., Inc.;

H. R. 2443. An act for the relief of Milton Hatch;

H. R. 2476. An act to grant a patent to Albert M. Johnson and Walter Scott;

H. R. 2555. An act to extend to Sgt. Maj. Edmund S. Sayer, United States Marine Corps (retired), the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men;

H. R. 2690. An act for the relief of John B. Grayson;

H. R. 2730. An act for the relief of Thomas Harris McLaughlin;

H. R. 2970. An act for the relief of Jose Munden;

H. R. 3147. An act for the relief of Will A. Helmer;

H. R. 3202. An act for the relief of W. H. Greene;

H. R. 3282. An act for the relief of Nina Drips;

H. R. 3509. An act for the relief of the legal guardian of Nick Vasilzevic;

H. R. 3546. An act for the relief of Sarah Elizabeth Ballentyne;

H. R. 3759. An act for the relief of E. H. Jennings;

H. R. 3965. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of Prince Royal, Sr., Kathleen Royal Hayes, Victor A. Royal, Lucile Royal, Prince Royal, Jr., Maggie Fields Ramsey, and R. J. Ramsey;

H. R. 3967. An act for the relief of Raymond Parramore;

H. R. 4513. An act to authorize payment of claims for unauthorized emergency treatment of World War veterans;

H. R. 4568. An act for the relief of Forrest D. Stout;

H. R. 4827. An act for the relief of Don C. Fees;

H. R. 4831. An act for the relief of L. E. Geary;

H. R. 4860. An act for the relief of Judson Stokes;

H. R. 4923. An act for the relief of Maj. E. Leslie Medford, United States property and disbursing officer for Maryland;

H. R. 5099. An act for the relief of Albert Henry George;

H. R. 5122. An act for the relief of R. C. McCoy, J. L. Garner, C. G. Kauffman, W. G. Smiley, R. A. Burks, C. W. Brazzelton, R. F. Brazzelton, Dave Cash, Mrs. A. W. Dykes, Jim Thereldkeld, R. R. Crain, J. B. Tolson, J. C. Rogers, S. K. Broach, Albert Easterling, J. L. Rivers, F. C. Wilson, E. C. Finley, W. W. Mitchell, J. G. Carey, Carl Graves, Jerome Dupree, J. R. Mitchell, J. L. Mitchell, and J. C. Russell;

H. R. 5325. An act for the relief of Ira L. Reeves;

H. R. 5347. An act for the relief of Bertha Moseley Bottoms;

H. R. 5375. An act relating to the compensation of certain charwomen;

H. R. 5415. An act to confer jurisdiction on the District Court of the United States for the Eastern District of North Carolina to hear, determine, and render judgment upon the claims of the Pamlico Timber Corporation against the United States;

H. R. 5492. An act for the relief of Henry Scipper;

H. R. 5550. An act for the relief of Malachy Ryan;

H. R. 5654. An act to authorize the Court of Claims of the United States to hear and determine the claim of Samuel W. Carter;

H. R. 5816. An act for the relief of May C. Gustin;

H. R. 5838. An act to place David J. Fitzgerald on the retired list of the United States Army as a first lieutenant;

H. R. 5971. An act for the relief of Charles Pine;

H. R. 6177. An act for the relief of Brooker T. Wilkins;

H. R. 6267. An act for the relief of Wint Rowland;

H. R. 6268. An act for the relief of W. C. Wright;

H. R. 6269. An act for the relief of W. H. Keyes;

H. R. 6275. An act for the relief of John Livingston and Mrs. John Livingston;

H. R. 6602. An act for the relief of Dr. Ernest B. Dunlap;

H. R. 6869. An act authorizing the Chippewa Indians of Wisconsin to submit claims to the Court of Claims;

H. R. 7099. An act for the relief of Rocco D'Amato;

H. R. 7438. An act to amend the act entitled "An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.", approved June 4, 1934;

H. R. 7520. An act for the relief of David A. Trousdale;

H. R. 7577. An act for the relief of Mrs. William E. Smith and Clara Smith;

H. R. 7938. An act to authorize the transfer of the Otter Cliffs Radio Station on Mount Desert Island in the State of Maine as an addition to the Acadia National Park, and for other purposes;

H. R. 7955. An act to establish a new division of the northern district of Georgia with terms of court to be held at Newnan, Ga.;

H. R. 7998. An act to exempt from taxation official compensation of certain foreign representatives and to provide for the deductibility from income of certain dividends on preferred stock owned by the United States or instrumentalities thereof;

H. R. 8026. An act to establish and promote the use of standards of classification for tobacco, to provide and maintain an official tobacco inspection service, and for other purposes;

H. R. 8492. An act to amend the Agricultural Adjustment Act, and for other purposes;

H. R. 8519. An act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work;

H. R. 8580. An act to amend the law with respect to the time for jury service in the police court of the District of Columbia;

H. R. 8581. An act to amend the law providing for exemptions from jury service in the District of Columbia;

H. R. 8668. An act providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Fort Pierce;

H. R. 8710. An act to authorize the Secretary of War to lend to the reunion committee of the United Confederate Veterans, 3,000 blankets, olive drab, no. 4, and 3,000 canvas cots, to be used at their annual encampment to be held at Amarillo, Tex., in September 1935;

H. R. 8790. An act to amend section 6 of the act of February 28, 1925;

H. R. 8845. An act to authorize the incorporated town of Cordova, Alaska, to construct, reconstruct, enlarge, extend, improve, renew, and repair certain municipal public structures, utilities, works, and improvements, and for such purposes to issue bonds in any amount not exceeding $50,000, and for other purposes;

H. R. 8991. An act to authorize the Administrator of Veterans' Affairs to exchange certain property rights now vested in the United States at Veterans' Administration facility, Perry Point, Md., for certain property and rights of the Pennsylvania Railroad Co. in that vicinity;

H. J. Res. 129. Joint resolution to amend the joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, to permit an adjudication with respect to liens of the United States arising by virtue of loans under such joint resolution;

H. J. Res. 189. Joint resolution relating to the continuance on the pay rolls of certain employees in cases of death or resignation of Members of the House of Representatives, Delegates, and Resident Commissioners; and

H. J. Res. 257. Joint resolution to amend a joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, as amended by the Second Deficiency Act, fiscal year 1929, approved March 4, 1929.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 491. An act for the relief of Fred Herrick;

S. 1988. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr.;

S. 2626. An act to authorize the sale of Federal buildings;

S. 2743. An act to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone;

S. 3060. An act to amend section 6, of title 1, of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, as amended; to extend the time within which applications for benefits under the World War Adjusted Compensation Act, as amended, may be filed; and for other purposes;

S. 3135. An act to authorize the purchase of the *Winnie Mae* by the Smithsonian Institution;

S. J. Res. 59. Joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formation of the Constitution of the United States;

S. J. Res. 122. Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission; and

S. J. Res. 168. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 16 to May 23, 1936, inclusive.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 5159. An act to authorize the Postmaster General to contract for air mail service in Alaska;

H. R. 6914. An act to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes; and

H. R. 7659. An act to provide that tolls on certain bridges over navigable waters of the United States shall be just and reasonable, and for other purposes.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 9 minutes p. m.), the House adjourned until tomorrow, Tuesday, August 20, 1935, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

478. A letter from the Chairman of the Federal Deposit Insurance Corporation, transmitting its annual report; to the Committee on Banking and Currency.

479. A communication from the President of the United States, transmitting estimates of appropriations submitted by the several executive departments and independent offices to pay claims for damages to privately owned property (H. Doc. No. 299); to the Committee on Appropriations and ordered to be printed.

480. A communication from the President of the United States, transmitting estimate of appropriation submitted by Commissioners of the District of Columbia to pay a claim, $1,001.94 (H. Doc. No. 300); to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2, rule XIII,

Mr. FORD of Mississippi: Committee on Public Buildings and Grounds. H. R. 8977. A bill to authorize the Secretary of the Treasury to acquire a site for the erection of a post-office building at Columbus, Miss.; without amendment (Rept. No. 1823). Referred to the Committee of the Whole House on the state of the Union.

Mr. FULMER: Committee on Agriculture. S. 2215. An act to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended; with amendment (Rept. No. 1836). Referred to the Committee of the Whole House on the state of the Union.

Mr. LAMBETH: Committee on Printing. H. R. 8951. A bill to amend an act entitled "An act to authorize the collection and editing of official papers of the Territories of the United States now in the national archives", approved March 3, 1925, as amended; without amendment (Rept. No. 1837). Referred to the House Calendar.

Mr. RANKIN: Committee on World War Veterans' Legislation. H. R. 9116. A bill to extend the provisions of veterans' laws and regulations to persons who served in Russia during the World War, and their dependents; without amendment (Rept. No. 1838). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANKIN: Committee on World War Veterans' Legislation. Senate Joint Resolution 65. Joint resolution to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended; with amendment (Rept. No. 1839). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 348. Resolution providing for the consideration of S. 3303; without amendment (Rept. 1840). Referred to the House Calendar.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. S. 1950. An act for the relief of Julius Crisler; with amendment (Rept. No. 1825). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2321. An act for the relief of S. M. Price; without amendment (Rept. No. 1826). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland. Committee on Claims. S. 2691. An act for the relief of E. E. Sullivan; with amendment (Rept. No. 1827). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 2741. An act for the relief of Maj. Joseph H. Hickey; without amendment (Rept. No. 1828). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3020. An act for the relief of A. E. Taplin; with amendment (Rept. No. 1829). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3186. An act for the relief of Edward H. Karg; with amendment (Rept. No. 1830). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 685. A bill for the relief of the estate of Emil Hoyer, deceased; with amendment (Rept. No. 1831). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. H. R. 2400. A bill for the relief of Blanche Knight; with amendment (Rept. No. 1832). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims H. R. 4796. A bill to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects destroyed in a fire at the Naval Radio Station, Libugon, Guam, on April 15, 1932; with amendment (Rept. No. 1833). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4797. A bill to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed during a hurricane in Samoa on January 15, 1931; with amendment (Rept. No. 1834). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 8039. A bill for the relief of John B. Meisinger and Nannie B. Meisinger; with amendment (Rept. No. 1835). Referred to the Committee of the Whole House.

### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAY: A bill (H. R. 9174) to authorize the transfer of certain lands in Pike County, Ky., to the Pikeville Independent School Board, Pikeville, Ky.; to the Committee on Public Buildings and Grounds.

By Mr. ARENDS: A bill (H. R. 9175) to raise the American standard of living; to relieve unemployment; to raise additional revenue; to provide for the registration of aliens, and for other purposes; to the Committee on Immigration and naturalization.

By Mr. BROWN of Michigan: A bill (H. R. 9176) to provide for the establishment of a Coast Guard station at or near Manistique, Mich.; to the Committee on Merchant Marine and Fisheries.

By Mr. BLAND: Resolution (H. Res. 346) for the consideration of S. 2002, a bill to provide for the establishment of load lines for American vessels in the coastwise trade, and for other purposes; to the Committee on Rules.

By Mr. GRANFIELD: Resolution (H. Res. 347) that a special committee be appointed by the Speaker to investigate expenditures of candidates for the House of Representatives, and for other purposes; to the Committee on Rules.

By Mr. JOHNSON of Oklahoma: Joint resolution (H. J. Res. 391) to designate the Washington Municipal Airport the Rogers-Post Airport; to the Committee on the District of Columbia.

By Mr. KLOEB: Joint resolution (H. J. Res. 387) authorizing construction of a memorial building to commemorate the Treaty of Greeneville at Greenville, Ohio; to the Committee on Public Buildings and Grounds.

By Mr. CULKIN: Concurrent resolution (H. Con. Res. 36) providing for an investigation into the ownership of the lands of the Grand Coulee district; to the Committee on Rules.

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### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills ond resolutions were introduced and severally referred as follows:

By Mr. DELANEY: A bill (H. R. 9177) for the relief of Helen M. Murphy; to the Committee on Claims.

By Mr. KINZER: A bill (H. R. 9178) granting an increase of pension to Sarah D. Stauffer; to the Committee on Invalid Pensions.

By Mr. KLOEB: A bill (H. R. 9179) granting an increase of pension to Malinda M. Kistler; to the Committee on Invalid Pensions.

By Mr. PETERSON of Florida: A bill (H. R. 9180) for the relief of Harry H. Bell & Sons, Inc.; to the Committee on Claims.

By Mr. WILCOX: A bill (H. R. 9181) for the relief of Joe S. Devlin; to the Committee on Military Affairs.

By Mr. CROSBY: A bill (H. R. 9182) granting a pension to Myra Struchen; to the Committee on Invalid Pensions.

By Mr. MILLARD: A joint resolution (H. J. Res. 388) to authorize the issuance to Tonio Mori Moto of a permit to reenter the United States; to the Committee on Immigration and Naturalization.

By Mr. RANKIN: A joint resolution (H. J. Res. 389) to authorize the promotion of Technical Sgt. Stanley R. Morgan to the rank of master sergeant; to the Committee on Military Affairs.

By Mr. HOEPPEL: A joint resolution (H. J. Res. 390) to authorize and direct the promotion of Technical Sgt. Stanley R. Morgan, Signal Corps, United States Army, to the rank of master sergeant, Signal Corps, United States Army; to the Committee on Military Affairs.

### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9323. By Mr. ANDREW of Massachusetts: Petition of the House of Representatives, General Court of Massachusetts, relative to acts of persecution reported to be committed against the members of religious faiths and their institutions in Germany; to the Committee on Foreign Affairs.

9324. By Mr. MARTIN of Massachusetts: Memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to acts of persecution reported to be committed against the members of religious faiths and their institutions in Germany; to the Committee on Foreign Affairs.

9325. By Mrs. ROGERS of Massachusetts: Petition of the General Court of Massachusetts, relative to acts of persecution reported to be committed against the members of religious faiths and their institutions in Germany; to the Committee on Foreign Affairs.

## SENATE

### TUESDAY, AUGUST 20, 1935

The Senate met at 12 o'clock meridian, on the expiration of the recess.

#### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, August 19, 1935, was dispensed with, and the Journal was approved.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

#### CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

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| Adams | Copeland | Lewis | Radcliffe |
| Ashurst | Costigan | Logan | Reynolds |
| Austin | Davis | Lonergan | Robinson |
| Bachman | Dieterich | Long | Russell |
| Bailey | Donahey | McAdoo | Schall |
| Bankhead | Duffy | McCarran | Schwellenbach |
| Barbour | Fletcher | McGill | Sheppard |
| Barkley | Frazier | McKellar | Shipstead |
| Black | George | McNary | Smith |
| Bone | Gerry | Maloney | Steiwer |
| Borah | Gibson | Metcalf | Thomas, Okla. |
| Brown | Glass | Minton | Thomas, Utah |
| Bulkley | Gore | Moore | Townsend |
| Bulow | Guffey | Murphy | Trammell |
| Burke | Hale | Murray | Truman |
| Byrd | Harrison | Neely | Tydings |
| Byrnes | Hastings | Norbeck | Vandenberg |
| Capper | Hatch | Norris | Van Nuys |
| Caraway | Hayden | Nye | Wagner |
| Chavez | Johnson | O'Mahoney | Walsh |
| Clark | King | Overton | Wheeler |
| Connally | La Follette | Pittman | White |

Mr. LEWIS. I announce the absence of the Senator from Mississippi [Mr. BILBO], the Senator from Massachusetts [Mr. COOLIDGE], and the Senator from Idaho [Mr. POPE], who are necessarily detained from the Senate, and the absence of the Senator from West Virginia [Mr. HOLT], caused by illness.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] and the Senator from New Hampshire [Mr. KEYES], are necessarily detained from the Senate, and that the Senator from Wyoming [Mr. CAREY] is absent on official business.

Mr. VANDENBERG. I repeat the announcement heretofore made by me that my colleague the senior Senator from Michigan [Mr. COUZENS] is absent because of illness.

The PRESIDING OFFICER (Mr. CLARK in the chair). Eighty-eight Senators have answered to their names. A quorum is present.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by Local No. 18 of the Illinois Workers' Alliance, of Cook County, Ill., favoring the adoption of the proposed so-called "workers' rights amendment to the Constitution", which was referred to the Committee on the Judiciary.

He also laid before the Senate a telegram from August W. Riese, commander of the Wisconsin Department, United Spanish War Veterans, conveying to the Senate the thanks of that organization for the passage of legislation restoring the pensions of veterans of the War with Spain, the Philippine Insurrection, and the Boxer Rebellion, which was ordered to lie on the table.

He also laid before the Senate a petition of sundry citizens of Waterloo, Iowa, and a telegram in the nature of a petition from the convention of the North Carolina Labor Voters League, assembled at Salisbury, N. C., praying for the enactment of pending legislation to establish a retirement system for railroad employees, which were ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the Port Jervis (N. Y.) Bar Association, favoring the enactment of the bill (S. 2944) to prevent and make unlawful the practice of law before the Government departments, bureaus, commissions, and their agencies by those other than duly licensed attorneys at law, which was ordered to lie on the table.

Mr. TYDINGS presented a petition of sundry citizens, being employees of the mail-equipment shops, Washington, D. C., praying for the making of amendments to the pending leave bills affecting Federal employees so as to include employees of the mail-equipment shops, which was ordered to lie on the table.

Mr. RADCLIFFE presented petitions of the congregations of the First Baptist Church of Frederick, and the congregations of four churches of Myersville and vicinity, assembled in the Church of the Brethren, all in the State of Maryland, praying for the preservation of peace and the outlawry of war as a national policy in settling international disputes, which were referred to the committee on Foreign Relations.

REPORTS OF COMMITTEES

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (H. R. 8345) authorizing the Secretary of the Navy to accept without cost to the United States certain lands in Duval County, State of Florida, reported it without amendment and submitted a report (No. 1407) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each with amendments and submitted reports thereon.

S. 2077. A bill to authorize the presentation of the Distinguished Service Cross to William A. Sullivan (Rept. No. 1408); and

S. 2820. A bill to amend the Public Works Appropriation Act of 1935 making available not to exceed $1,000,000 for the alteration of carriages of three thousand two hundred 75-millimeter guns now in storage (Rept. No. 1409).

Mr. SHEPPARD also, from the Committee on Military Affairs, to which was referred the bill (H. R. 8444) to authorize the transfer of a certain military reservation to the Department of the Interior, reported it with an amendment and submitted a report (No. 1414) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 1642) for the relief of Sophie Caffrey, reported it with an amendment and submitted a report (No. 1410) thereon.

Mr. SCHWELLENBACH, from the Committee on Claims, to which was referred the bill (H. R. 5790) for the relief of certain creditors of J. R. and J. A. Whelan, Inc., reported it without amendment and submitted a report (No. 1412) thereon.

Mr. HATCH, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 3197. A bill to repeal a provision of section 3 of the act entitled "An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes", approved May 30, 1934 (Rept. No. 1411); and

H. R. 8133. A bill to authorize certain homestead settlers or entrymen who are disabled World War veterans to make final proof of their entries, and for other purposes (Rept. No. 1413).

Mr. HATCH also, from the Committee on the Judiciary, to which was referred the bill (S. 2039) making it a felony to transport in interstate or foreign commerce persons to be employed to obstruct or interfere with the right of peaceful picketing during labor controversies, reported it without amendment and submitted a report (No. 1420) thereon.

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (S. 3424) to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes, reported it without amendment.

Mr. REYNOLDS, from the Committee on Military Affairs, to which was referred the bill (S. 1443) granting the Distinguished Service Cross, also the Oak Leaf Cluster, to Acors Rathbun Thompson, reported it with amendments and submitted a report (No. 1415) thereon.

Mr. HARRISON, from the Committee on Foreign Relations, to which was referred the bill (S. 3338) for the relief of Julia Krenz, reported it without amendment and submitted a report (No. 1416) thereon.

Mr. CONNALLY, from the Committee on Foreign Relations, to which was referred the bill (H. R. 7927) to authorize the Secretary of State to lease to citizens of the United States any land heretofore or hereafter acquired under any act, Executive order, or treaty in connection with projects, in whole or in part constructed or administered by the Secretary of State through the International Boundary Commission, United States and Mexico, American section, reported it without amendment and submitted a report (No. 1417) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the joint resolution (H. J. Res. 350) to authorize the President to extend an invitation to the World Power Conference to hold the Third World Power Conference in the United States, reported it without amendment and submitted a report (No. 1418) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURPHY:

A bill (S. 3441) for the relief of C. T. Hird; to the Committee on Claims.

By Mr. McKELLAR:

A bill (S. 3442) granting a pension to Hattie Harvey; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 3443) for the relief of Capt. Gilbert E. Bixby; and

A bill (S. 3444) for the relief of R. H. Keene (with accompanying papers); to the Committee on Claims.

By Mrs. CARAWAY:

A bill (S. 3445) to authorize the Secretary of Agriculture to release the claim of the United States to certain land within the Ouachita National Forest, Ark.; to the Committee on Public Lands and Surveys.

By Mr. COPELAND:

A bill (S. 3446) relative to limitation of shipowners' liability; to the Committee on Commerce.

By Mr. HAYDEN:

A bill (S. 3447) to amend an act entitled "An act to authorize the collection and editing of official papers of the Territories of the United States now in The National Archives", approved March 3, 1925, as amended; to the Committee on Printing.

By Mr. SHEPPARD:

A bill (S. 3448) authorizing the President to appoint Maj. James W. Barber, Quartermaster Reserve Corps, a major in the Regular Army of the United States; and

A bill (S. 3449) authorizing the President to appoint Capt. E. Lynwood Clough, Infantry Reserve, a captain of Infantry in the Regular Army of the United States; to the Committee on Military Affairs.

By Mr. KING:

A bill (S. 3450) to regulate the sales of goods in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SCHALL:

A bill (S. 3451) relative to the issuance of badges or license tags for dogs especially trained as aids to the blind, and for other purposes; to the Committee on the Judiciary.

PROJECTED VISIT OF THE VICE PRESIDENT TO THE ORIENT

Mr. THOMAS of Utah. Mr. President, I rise to a privileged matter. The press of the country carries the announcement this morning that the Vice President will probably call at some ports in China and Japan when he goes to the Philippines for the purpose of witnessing the inauguration of the new government of the Philippines. While I understand he goes as a guest of the Philippine government, I nevertheless trust that the Vice President may visit other countries of the Far East.

The reasons which I call to the attention of the Senate why the Vice President should visit the countries of eastern Asia are: First, there are thousands of American citizens who live in those lands who will be highly honored by such a call. Second, such visits do great good. To illustrate this point I merely call attention to the visit of the American fleet during the administration of Theodore Roosevelt, the visit of former President Taft, and former Secretary Bryan, and the extended visit of President Eliot, of Harvard. Such calls result in greater understanding and greater appreciation of our civilization by eastern peoples as they learn to know us and a greater appreciation by our people of oriental civilization as we learn to know it. Above all, though, I hope that the announcement may prove to be correct and that the Vice President and his gracious lady will indeed visit those lands, because the great peoples of China and Japan base their whole culture upon the theory of the perfectibility of man. They love to honor great persons and are always anxious to meet worthy men and lovely personalities. I trust, Mr. President, that nothing may deprive the Vice President from the opportunity of undertaking this great journey.

Mr. LEWIS. Mr. President, I am interested in the observations made by the Senator from Utah [Mr. THOMAS]; and for myself, I sincerely trust there will be no misunderstanding on the part of the citizens of the United States as to any visit that our distinguished compeer, the Vice President of the United States, may make into the Asiatic sphere. Pleased I am that the distinguished Presiding Officer of this body shall have the vacation to which he so deservedly is entitled. Pleased I am that there is an idea that his visit would tend to bring about a more fraternal and kindly feeling between Asiatic nations and ourselves. But, Mr. President, I sincerely hope that nothing from this decision for visits will invest the mind of the world public that this administration is sending any official to give favoritism by the visit of our great Vice President to one of the nations of Asia that is at war at present, unhappily, with another nation in Asia, lest from that a deduction may follow that this Nation has lent its sympathy and its cooperation to one belligerent against the other.

The visit, I trust, if it shall be made, will be one of good friendship, as a visit on the part of our distinguished Vice President to the lands of Asia for such education and benefit as may be derived by all of the delegation attending. But, sir, I trust our country will not be open at any time to the intimation that we are sending officials of this Government in any official call of any kind whatever upon one nation that may be at war at present with another, giving aspect of favor and endorsement. Our attitude must be one of complete and consistent neutrality so far as our relations of self-protection and national honor will permit.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Louisiana?

Mr. LEWIS. I yield.

Mr. LONG. In connection with the visits referred to I was wondering whether we might not emulate the example of the Vice President visiting Japan on a friendly mission, and have it brought out that visits which are being made by the official staff of the President of the United States to the lobbying headquarters of the utility interests might facilitate an adjournment of Congress and brush away the differences of opinion. Would it not be a good idea to extend the senatorial approval of visits so as to eliminate this criticism and allow the White House and the lobbying headquarters to get a better set-up and eliminate this matter of misunderstanding?

Mr. LEWIS. I have no doubt that, so far as the public is concerned, they would be greatly gratified that we might remove as many of these situations as possible, including certain Members of the United States Senate, from any operations here in Washington. I take it, sir, that while it may be true, as the Senator from Louisiana intimates, that it is much to be desired, or, as Shakespeare remarked, "A consummation devoutly to be wished", I cannot see how we can accomplish anything in our own behalf without including Members of a Senate now become obnoxious to those impatient of our further session——

ANOTHER CASE OF THE SACRED GEESE

Mr. LONG. Mr. President, apropos the remarks of my friend from Illinois [Mr. LEWIS] I wish to say that this is the visiting season. There is a season for everything and this is the season for visiting, not only international visitation, but it is the time for domestic visitation. In my absence from the Senate I noted with great pleasure that it appears that one of our stumbling blocks in the Congress has reached the point where there is going to be apparently a happy conclusion.

There is one lobby committee investigating in one quarter, summoning a witness and threatening him with everything from murder on down, and there is another investigating committee in another quarter which is calling upon and demanding the witness to come there and submit himself to inquisitorial processes. There is a conference being held on the one side and a conference being held on another side. The conferees are meeting, and fire and brimstone are being hurled in every quarter, criminations and recriminations, fire, blood, and murder liable to strike anywhere and strike anybody.

With all these great threatening disasters, when the representatives of the committees come to the lobbying headquarters of the utilities to find the culprit, when they go to search the devil's den, they find the Capitoline Hill of the lobbying headquarters being officially guarded by the White House.

Mr. President, this is the season for visiting. I believe I read in history once, and I have read very little history, that there was once what were known as the "sacred geese" who gave the alarm when the Capitoline Hill was in danger of attack. It seems from what I read or what was read to me that while all Rome was asleep—and if I make a mistake, I know my friend from Illinois will correct me, because he is the historian of this and the other side of the aisle——

Mr. LEWIS. Mr. President, the Senator is quite right in his reference to the geese.

Mr. LONG. While all Rome was asleep, suddenly an attack was in process from the heathens on the outside. The geese began to cackle and quack and gave the alarm, so that Rome was awakened, brought to arms, and thereby saved from slaughter. So it was that these geese became known as the sacred geese. They were sacred to the Republic of Rome, the sacred geese which guarded the Capitoline Hill.

If I may undertake to make a comparison, though I may lack a knowledge of history and letters, there was a Capitoline Hill, it seems, rocking with the breezes of corruption and gigantic monopolistic influence which was being exerted on the Congress of the United States. There was a hell hole over here from which were being emitted the sluices of gold, the ferocious powers, the ferocious dominant control and influence, wherein, whereat, whereon, and whereabout it was alleged that at the final moment the goat would be flushed and they would bring out the great culprit Hopson. This led them to a raid on the devil's den.

I am informed by the public press, and I now make note that when this Capitoline Hill was about to be flushed some 2,000 years ago, or possibly 2,200 years ago—100 years does

not make much difference when we are talking about this kind of important matters—it was saved by the sacred geese. Some 2,200 years later, when the modern Capitoline Hill was about to be flushed, what should be done? The sacred geese were dead. They are no longer here to give the alarm. Their bones have rusted for 2,000 years or more. But someone must be sent, someone must be at the most important places.

Criticism comes from the other side of the Chamber, and even from this side of the Chamber, because of what? Because of the most important man to the White House, and one of the most important men to the Treasury Department, and one of the most important men to the welfare of the Democratic Party, a prominent Democrat representing the State of Texas, representing that State which, under the Constitution and laws of the United States, would have a right to divide itself into five parts and have 10 Senators in this body instead of 2 if it so minded.

So at the crucial, pivotal moment we find the great national leader of the party from that State, a great important representative of the Treasury Department, a great official and high muck-a-muck in the person of the man who guards the portals of entry to the President of the United States, the man who says who can see the President, who can hear the President, who can know the President, all men who likewise become the guardians of the recesses and headquarters of the lobbying activities we are supposed to be investigating on behalf of the national administration.

Some have become highly excited about this situation. Why are we spending the time of the Senate? Why are they fooling themselves when the people have begun to laugh? Why become excited at the conduct of the conferees in one body as against the conduct of the conferees in this body, when the entire length and breadth of the United States feel they are being led into a mare's nest and a bad plight which had become a matter of juggling and hocus-pocus and intermeddling of 2-by-4 political tricksters which is not palatable to the people of the United States.

Honorable Senators and honorable Members of the House of Representatives, inspired by good motives, think they are busying themselves about a service of popular good, now that they have investigated Hopson. Hopson said he was spending his money, as I understand. Hopson said he was spending utility money, as I understand, trying to protect what he thought and what they think to be the interests of the utilities. All right; they have been doing that and always will do it, I believe.

On the other hand the newspapers, undertaking a defense of the utilities, say "What about the national administration spending the people's money undertaking to influence legislation?" I do not particularly say anything about that, but what I do say is, What about a national administration which is charging the utilities with spending the utilities' money on the one hand, and the utilities charging the administration of the United States Government with spending the people's money on the other hand, and then we come to find out that it is all a mere matter apparently of midnight machinations—and of misunderstanding among us, but understanding among them.

What about this report the newspapers have published that this White House leader is involved? Mind you, Mr. President, since what I am saying might some day be read by some one else, let me get this in the RECORD. It is not everybody who can see the President of the United States. He has a man who says who can see the President and who cannot.

A Member of the United States Senate can go and see Mr. Roosevelt provided Mr. Marvin McIntyre wishes him to see Mr. Roosevelt. If you ring the telephone and say, "Hello! Is this the White House? I should like to make an appointment to see the President of the United States", Mr. McIntyre will say whether you may or may not see the President. If you go and knock on the door of the White House and say, "I wish to talk to the President of the United States", Mr. McIntyre will say whether or not you have enough business to entitle you to talk to the President of the United States.

I have the greatest respect for Mr. McIntyre. I do not believe Mr. McIntyre has betrayed his chief. On the contrary, I think he is doing just what his chief would have him do if he knew all about it. I defend my friend, Mr. McIntyre, now from the scurrilous thrusts that have been made at him, wherein it has been asserted that probably he was not doing what his chief would have had him do, by making the statement that in my opinion the Chief Executive would have had him to do it if he had known about it, and has no criticism of his conduct.

If I have misstated the facts, either as to Mr. McIntyre or as to the Chief Executive of the United States, I pause to be corrected, and, of course, would accept higher authority. But Mr. McIntyre, who guards the White House and the door that leads to the President so long as the President is awake, when the time comes for the President to go to sleep guards the quarters wherein are housed the lobbyists and muckrakers for the public-utility interests, the particular headquarters in charge of the particular activities supposed to kill a bill which has the apparent stamp of approval of the national administration.

Here is Mr. McIntyre; here is an Assistant Secretary of the Treasury; here is a Democratic master from the State of Texas; and, if the newspapers are to be believed, when they flush this nest in search of the particular group that is carrying on the scuttling game alleged to be going on around the Capitol, they find there these three men, and one of them says, "If you newspapermen say a word about who is here, we will see that every one of you loses his job."

Now, understand that. According to what the public press tells us, when they invade the Hopson headquarters, or the headquarters of Hopson's lieutenants, where Hopson is supposed to be, they find these three great men, who probably have more influence with what is carried on in this administration than any three men sitting in this body; and they say to the newspapermen, "If you tell anybody about it we will see that you lose your jobs." And there was my ponderous and well-beloved friend, the Sergeant at Arms of this body, pounding on a door in search of the culprit, hammering on a door, and hearing others told that they were liable to lose their jobs in case they reported whom they found there.

Imagine the qualms. Imagine the fright. For a day or two some of the newspapers did not publish the story. For a whole day two-thirds of the newspapers of the United States did not have a word in them to the effect that McIntyre and the Treasury Department and the Democratic Party were officially represented in the headquarters of the utility enterprises undertaking at this very time to control legislation in Washington.

Now I come to the bill for a moment. The bill might have done good. When it got into this body, over the objections of the Senator in charge of it, the bill had to be scalped in order to maintain the control behind it of certain influences. They took the Standard Oil Co. out of the bill, and the only explanation that has ever been given for having taken the gas interest out of the bill, which is owned more by the Standard Oil Co. than by anybody else, was that it was too strong to fight; and therefore they took the oil company out of the bill. After we had rewritten the gas interest back into the bill they went over to the House, and I understand that the first official action the House took was to take the gas and oil interests out of the bill again. Then they came back with the bill, going away beyond what the Democratic Party promised in one case, and eliminating everybody else from what the Democratic Party had promised in all other cases, interpreting "regulation" to include "destruction", which I was willing to do, because I, for one, am willing to go beyond the declaration of the Democratic Party in that matter; but, nonetheless, without any explanation whatever, they came back with the bill clearly excepting every other holding company in the United States of America from regulation or Government restriction of any kind whatsoever, just in order that they might pass a bill affecting one out of 2,000 or 10,000 companies which ought to have come under the promise of regulation of the Democratic Party.

Now we have had an investigation. While I was away, the Senate voted a subpena for Mr. Hopson, and then it voted a citation for contempt for Mr. Hopson. I understand, of course, that nothing has been done about the citation for contempt of Mr. Hopson, and I do not suppose anything will be done about it; and I am not one of those who urge that something should be done about it. In fact, I do not think anything ought to be done about it. But I do want to say to the Members of the Senate, let us stop this hokus-pokus. We have fooled around with the people until Congress has become a laughing-stock. They want us to quit, and they want us to get away from here; and I honestly believe that if they cannot get a promise that Congress will legislate along different lines than it has been doing since January of this year, they are hoping something will come up which will keep Congress from coming back here in January, or, if we do, that it will be for a very short time. They want us to quit.

The matter has come down to a condition like this: Laws are not made by Congress. They are made through the Executive penmanship that comes out of the White House. We vest control in the White House, and the White House takes the control over to the lobbying headquarters of the public-utility companies. With one hand we send all the power down to the White House—or, if not to the White House, then we send it down to the Treasury Department to be handled by the various and sundry heads—and by nighttime they betake themselves to the headquarters where all the iniquity is supposed to be in process that we are undertaking to curb all the time.

Let us stop being made playthings. It is time for Congress to be serious. We found out something that perhaps we did not know. We found out how things are done in Washington, D. C. We found out that while we are taking orders from the White House, at nighttime the White House in official representation betakes itself over to the lobbying headquarters of the very interests we are supposed to be fighting.

I have some friends in Congress. They came to me a few days ago and said, "Here: We are candidates for reelection. We know you are in favor of this bill just as WHEELER sent it from the Senate." I said, "Absolutely. That is the way I voted." "But," they said, "look here: There are certain men down in Louisiana who have been given control over the patronage of the Roosevelt administration in our own congressional districts, and those certain men are up here today working hand and foot for the utility interests in this bill. What are we going to do? These men down there in Louisiana who are dishing out the patronage of the national administration are voting against the death clause; and what are we, who are candidates for reelection, going to do? Are we to go up here and put our bodies up against a brace game that has the utilities and the national Democratic administration in the same pot to fight us?"

What kind of advice did I give those men? I told them they were more competent to exercise their own judgment under the circumstances prevailing, and they were in better shape to protect themselves than I knew how to tell them, and that they came nearer knowing what was the best and right thing to do under those circumstances, probably, than I knew how to tell them to do. So, now, those men will go back home. Some of them have voted with the leaders of the national Democratic Party. What are we to say? Are we to condemn one or the other? On the contrary, if one of us should stand up today and condemn the activity of the utility lobbyists, we should find ourselves condemning the White House in the same breath.

Any man who goes before the American people and condemns the lobbying activities of the power interests in the present Congress condemns the White House in the same breath. Be careful, therefore. Let us stop these committees from treading upon ground that is going to do damage to the party. You cannot save us from disgrace merely by not calling McIntyre before the committee. You cannot save us from our criminal culpability by failing to call Amon Carter and the Assistant Secretary of the Treasury before the lobbying committee. That will not save us.

The fact is that these men are out before the American people parading themselves as having guarded, as having protected, the very headquarters of corruption and fraud which the Congress is supposed to be ferreting. It is time that Congress realized that the people have already seen that this is a mere matter of tweedledee and tweedledum, that there is nothing to be done of substantial service, that the whole matter has involved itself into one in which the the White House has on its hands the task of explaining why the Capitoline Hill, night headquarters of the public-utility lobby, is guarded in the nighttime by the same men who guard the portals of the White House in the daytime.

Mr. ROBINSON. Mr. President, the effort of the Senator from Louisiana to make it appear that the President of the United States is in sympathy with or responsible for the utilities lobby will not succeed. The Senator from Louisiana in characteristic fashion has denounced one of the President's assistant secretaries as guarding the lobby headquarters. Uttered anywhere else, that statement would be recognized by everyone who heard it as silly. It must have been made for the purpose of attempting to prejudice the public against Mr. McIntyre, and, through him, also prejudice the public against the President.

No honest individual in this country is going to believe that the President is not sincere in his efforts to promote legislation to control utility holding companies. With all his genius for expression, with all his disposition to distort facts, the Senator from Louisiana will not succeed in making the American people believe that the President is dishonest, and while pretending to the public to desire legislation on the subject of utility holding companies, he has been secretly conniving with the lobby agents who have desired to prevent such legislation. The statement is absurd.

In another feature it is ridiculous. The President does not direct Mr. Carter and Mr. Roberts and Mr. McIntyre with whom they shall go to dinner. He does not direct them as to what rooms they shall visit. It is absurd to take the time of the United States Senate to try to make a national issue of a visit of a gentleman to an individual room, on his way to dinner, for the purpose of getting a cocktail.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield with pleasure.

Mr. BARKLEY. Does not the Senator from Arkansas realize that a candidate for the Presidency has to have some issue, and that that probably is responsible for this one?

Mr. ROBINSON. Yes; and that is a great issue to precipitate before the American people.

Then the Senator from Louisiana reads a lecture to the Senate about adjournment. He says that we ought to get away from here and not come back at all. He bases that statement on the conviction that the legislation which is enacted by the Congress is not desirable and not to be approved. Nevertheless, the function of legislating devolves upon the two branches of the Congress; it does not devolve solely on the Senator from Louisiana, and the illustrations we have of his fitness to perform his functions as a legislator are not calculated to inspire confidence in his ability to perform the whole task.

We have enacted much important legislation during this session, and we are trying to get away, and the one thing which interrupts us in that process, and hinders us more than anything else, is the consumption of time by the Senator from Louisiana in talking about irrelevant matters. He comes before the Senate after long absence and speaks for an hour on irrelevant subjects when the pending question is the motion of the Senator from Montana to proceed to the consideration of the railroad bankruptcy amendments. Then he tells us that we do not know what we are doing; that we have not sense enough to represent our constituents; that we ought to close up shop, and, by implication, let him enact the legislation that is necessary for the country, as he has been doing in the State of Louisiana.

He may have that supreme confidence in himself, but he will certainly pardon us if we do not feel the same measure of confidence. If you will take the number of pages in the RECORD of irrelevant matter, as well as relevant matter, which the Senator from Louisiana has filled by his absurd speeches,

most of them absurd, during the present session, you will find that he, more than any of us, is responsible for the delay in the adjournment of the Congress; and if he will just take a little advice from me, he will quit talking so much and give the Congress a chance to perform its duties and go home.

IN REPLY RELATIVE TO THE THREE GUARDSMEN

Mr. LONG. Mr. President, I merely wish to say, in reply to the Senator from Arkansas, that instead of having undertaken to keep the Senate from legislating I have tried to get it to legislate. I preferred to have the Senate legislate rather than to pass a law providing that if the President wishes to cut the value of the dollar, he may do it; but the course suggested by me was not followed. I was against the bill providing that if the President wishes to lower the tariff or raise the tariff he may do it, but it was passed. I said we ought not to pass a bill providing this is a law if the President wants it to be or that this is the crime if he wants it to be and this is the penalty if he wants it to be. I have tried to get the Senate of the United States to legislate, but up until this time the Senate of the United States, with rare exceptions, has declined to legislate, and our industrious leader has not been out of company with that kind of a policy. I would have had the Senator be the legislator, which his title as a United States Senator would indicate he is, rather than to have laws passed providing that things shall be done by the President.

Mr. President, the Senator from Arkansas makes the same speech about me he has made several other times. I made a speech about this White House guarding of the Capitoline Hill of the public-utility lobby headquarters. I did not make a speech about the Senator from Arkansas, nor did I make a speech about myself. I will have to do the speaking for myself, perhaps, some few weeks from now; but the Senator from Arkansas undertakes just to pass over this thing which I undertook to have the Senate consider.

I want the Senate to consider whether or not the portals of the lawmaking headquarters—and by lawmaking headquarters I refer to the White House, because we have given over our authority to make laws to that headquarters in most cases—whether or not the portals which guard the lawmaking and other executive functions shall be guarded and protected by the same hands that guard and protect by night the lobby headquarters of the public utilities. If that is all right, I do not object, but let us not be spending money of the Senate investigating how the White House tries to beat them and how they try to beat the White House when, while we are off fighting among ourselves, they are all up there having a good time together.

Here we are raising Cain among the people. The Senator from Alabama is almost at the point of blows with the Representative from New York over who is going to have Hopson, and "Where is Hopson?" The Senator from Montana [Mr. WHEELER], doing a good job, is almost at blows with the majority of the conferees of the opposite body, who will not agree with him. And lo and behold, when we begin to search out the situation at nighttime, there is the White House officialdom and the utility officialdom all lumped up together having a good time and saying to the boys, "If you say a word about it you are going to lose your jobs."

I do not want Senators to lose their jobs. They are likely to put me out of here this coming election if they find out I go around and undertake to authorize the Sergeant at Arms to flush their nests. I want the Senator from Arkansas to protect us, tell us where we stand, tell us how we are going to get into the White House if we find at utility headquarters at night the man who guards the port of entry to the White House.

I do not want any personal row with the Senator from Arkansas. I have tried my best to get along with him on fine terms, but, unfortunately, when I am trying to give advice here, as much for him as for anyone else, he takes up all of his time telling about what a bad man I am likely to be if I do not stop advising him and others.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the bill (S. 3050) granting the consent of Congress to the States of New York and Vermont to construct, maintain, and operate a bridge across Lake Champlain between Rouses Point, N. Y., and Alburg, Vt.

The message also announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 265) pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KELLER, Mr. SECREST, and Mr. TREADWAY were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses thereon on the amendments of the Senate to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and that the House had receded from its disagreement to the amendment of the Senate numbered 71 to the bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 9070) to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes, in which it requested the concurrence of the Senate.

The message returned to the Senate, in compliance with its request, the bill (S. 2681) to extend the times for commencing and completing the construction of a bridge across Lake Champlain at or near West Swanton, Vt., and for other purposes, with the accompanying papers.

ENROLLED BILLS AND JOINT RESOLUTIONS

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions;

S. 491. An act for the relief of Fred Herrick;

S. 1988. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr.;

S. 2626. An act to authorize the sale of Federal buildings;

S. 2743. An act to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone;

S. 3135. An act to authorize the purchase of the *Winnie Mae* by the Smithsonian Institution;

S. 3060. An act to amend section 6 of title I of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, as amended; to extend the time within which applications for benefits under the World War Adjusted Compensation Act, as amended, may be filed, and for other purposes;

S. J. Res. 59. Joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formation of the Constitution of the United States;

S. J. Res. 122. Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission; and

S. J. Res. 168. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 16 to May 23, 1936, inclusive.

HOUSE BILL REFERRED

The bill (H. R. 9070) to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

RAILROAD-BANKRUPTCY RELIEF

The PRESIDING OFFICER (Mr. RUSSELL in the chair). The question is on the motion of the Senator from Montana [Mr. WHEELER], that the Senate proceed to the consideration of House bill 8587.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 8587) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. WHEELER. Mr. President, I wish to make a brief explanation of the bill and the reason for the amendment of section 77 of the bankruptcy act.

A. The history of the bill is as follows:

First. The bill was passed by the House August 15.

Second. It was the subject of long hearings before the House Judiciary Committee, which considered the bill in executive session for a month and rewrote many of the paragraphs.

Third. The bill was prepared originally by the staff of the Federal Coordinator of Transportation. It was supported before the House committee by the Coordinator, the Interstate Commerce Commission, the 21 standard railroad labor organizations, the associated life-insurance companies, the National Association of Mutual Savings Banks, and the American Short Line Railroad Association. It was opposed by representatives of the Van Sweringen lines among others.

Fourth. The President recommended its passage in a special message to Congress on June 7, 1935, dealing with the transportation problem.

B. What section 77 is:

First. It was passed early in March 1933, after hurried consideration, just before the former administration went out of office.

Second. It was an attempt to get away from the inefficient and expensive equity reorganizations, the maladministration of which had been notorious.

Third. The act was a good step in the right direction because—

(a) Sec. 77, which it is sought to amend by the pending bill, brought the I. C. C. into the active development of plans, enabling a proper consideration of the public interest, and the development of reorganizations according to a common pattern. The Federal judges have been notoriously derelict by reason of their failure to scrutinize reorganization plans.

(b) Section 77 provides for the control of expenditures and fees—a source of extravagance and brigandage.

Fourth. Section 77 was followed the next year by similar companion statutes: Section 77B, which applies to business corporations generally, and section 80, which applies to municipal corporations.

Fifth. The constitutionality of this sort of legislation was abundantly sustained in *Continental Illinois Bank & Trust Co.* v. *Chicago, Rock Island & Pacific Railway* (55 Sup. Ct. Rep. 595), decided in April, where the Court declared that the bankruptcy power was a broad, progressive power amply adapted to meeting the growing necessity of business.

C. Why an amendment of section 77 is necessary:

First. Two years' experience in its administration shows the act to be unworkable in many respects.

Second. There are now 85 railroads with a mileage of something over 58,815 miles involved in bankruptcy or receivership proceedings. Other insolvencies may be in prospect. In fact, most everyone appreciates that they are inevitable. The law must be effective for reorganizations of such magnitude as the country has never seen before.

Third. The present law contemplates hasty reorganizations. The courts have held that, unless there are prompt reorganizations under this statute, the cases must be dismissed, in which event they go back into the old-fashioned equity procedure, from the inefficiencies of which it was the purpose of section 77 to escape. The Federal judges are restive, and in a number of cases have issued orders indicating that unless the reorganizations are promptly accomplished, the cases will be thrown back into equity. This puts an unfortunate emphasis upon speed rather than soundness when the act is unworkable.

D. H. R. 8587 is the result of a general overhauling of the act and includes the following important amendments:

First. The most important changes are provisions permitting making present plans effective. Under the present law, if more than one-third dissent or fail to vote, a plan which is fair and equitable is blocked—the act requiring that two-thirds of each class must approve the plan. There are said to be 72 classes of creditors and stockholders in the Missouri Pacific case and 35 or 40 classes in the Rock Island case. In the instance of the Missouri Pacific, J. P. Morgan Co. has a bank loan of $6,000,000—I am merely citing this case as an illustration—classified in a single class, and has in hock the controlling stock interests of the Van Sweringens. This means that it is impossible to get through a plan without either meeting the Morgan's terms or paying the value of their interest in cash.

In other words, it makes it possible for a man who holds something over one-third of some one small class of debt absolutely to say that no reorganization plan can take place no matter how fair it may be, "Unless you either buy me out or pay me the full amount of my debt to the detriment of the other classes."

Mr. KING. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. KING. Is there any provision in the bill which might be characterized as confiscatory of property and as authorizing, through the courts or otherwise, proceedings which would deny due process of law to persons who have interests in railroads, either stocks or bonds?

Mr. WHEELER. None whatever.

Mr. HASTINGS. Mr. President, I wish to make certain that I heard the Senator from Utah.

Mr. WHEELER. I will come soon to an explanation of that point. Let me say to the Senator from Delaware that I shall cover that specific point in my statement.

It is not possible under the present law to overcome the obstruction of the equity holders without a valuation which will establish that they have no equity in the property. The valuation hearings are almost without any equal in jurisprudence for size and expense. Consequently, in the pending Frisco reorganization, the Commission has found it necessary to postpone any further action until the act is amended; otherwise they would have to go through a complete valuation of the Frisco system, and it would take years for them to complete that valuation in order to get a reorganization as the set-up is at present.

These difficulties are overcome by the amendments which are proposed, as follows:

The bill provides that if two-thirds of each class approve the plan it will bind the minorities.

It also provides that the court may make effective a plan where two-thirds do not agree, provided the court finds that the plan is fair and equitable, affords due recognition of the rights of each class of creditors and stockholders, will conform to the requirements of the law of the land, and that the rejection of the plan is not justified in the light of the respective rights of those rejecting.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. HASTINGS. The old bill provided that two-thirds of any class should be controlling, but this bill provides that two-thirds of those voting shall control; is that not correct?

Mr. WHEELER. Yes; that is, of each class.

Mr. HASTINGS. That is correct.

Mr. WHEELER. In the Van Sweringen case there are said to be 72 different classes.

Mr. HASTINGS. Mr. President, I am not complaining about it, but I desired to point out to the Senator, as the Senator went along, that there has been a change now, so instead of being two-thirds of the class, it is two-thirds of the voting in the class.

Mr. WHEELER. That is correct.

Second. As already stated, the present law contemplates hurried procedure. Your committee feels that time ought

to be taken to work out these reorganizations with careful consideration. The amended bill carries a provision in paragraph (g), page 28, line 24, which gives the judge discretion as to when he shall dismiss these cases.

Third. It is intended to protect the stockholders and creditors against injustice due to reorganizations based on depressed conditions which may be transient. Paragraph (b), clause 3, page 6, line 11, authorizes the issuance of options or warrants to receive, or subscribe for, securities—these being so-called "rain check" securities.

In a recent reorganization of an industrial concern many of the stockholders were completely wiped out. They were given no new stock. They received nothing at all.

Then after reorganization business began to pick up because of more prosperous conditions, but these stockholders who had invested their money remained completely wiped out, while other investors reaped the reward. This so-called "rain check" device is to protect that class of stockholders.

Fourth. Irregularities and abuses have occurred in the activities of protective committees, an extreme case being that of the Chicago, Milwaukee & St. Paul, which the Commission unsuccessfully attempted to prevent. The bill in subsection (p) carries provisions enabling comprehensive regulation of such committees, the purpose being to protect the public and the companies against exploitation, such protection being impossible under the present law.

In other words, at times so-called "protective" committees have been organized. As a matter of fact, some of these protective committees have exploited the stockholders rather than protected them, and the Commission had no authority over them. This seeks to protect the investor when these so-called "protective" committees are not acting to his best interest.

Fifth. Under the present section 77 trustees need not be appointed. It has been found that the courts are inclined to leave the properties in the hands of the old managements. This prevents the exposure of irregularities, fraud, or mismanagement by the old management. It is unfair to the bondholders and creditors, for the old management represents the equity interests or the bankers. The amendments require the appointment of trustees and provide that where a trustee is selected who is an officer, director, or employee of the company an independent trustee shall be also appointed (p. 9, line 21).

Sixth. In order to insure that irregularities, misconduct, or mismanagement shall be disclosed, the judge is required to direct the trustee or the Commission to report to him the facts with reference thereto (p. 15, line 13).

Seventh. Certain banking firms have enjoyed an advantage through inside information as to the names and addresses of security holders, which should be a matter of common knowledge, and which under the existing law cannot be required. The bill allows the judge to order the divulgence of such information (p. 13, line 14).

Eighth. The foregoing are the important changes, but there are a great many minor changes resulting from a general reconsideration and overhauling of the whole act.

Mr. LEWIS. Mr. President, may I ask the Senator from Montana if it is his judgment that the pending bill, if enacted, would remove the Federal court from jurisdiction of appointing receivers or taking charge of the organization in a foreclosure proceeding?

Mr. WHEELER. No; quite the contrary. As a matter of fact, it would give the court more power than is given under section 77. Under the present law a panel is created and the court selects trustees from that panel. That has worked unsatisfactorily.

Mr. ROBINSON. Mr. President, may I ask the Senator if there is available a printed report on the bill?

Mr. WHEELER. Yes.

Mr. ROBINSON. I have been trying to get one for some time, but have not succeeded.

Mr. WHEELER. Both the House committee and the Senate committee submitted printed reports. Copies of the reports should have been here several days ago.

Mr. ROBINSON. The information was sent to me by the clerk at the bill desk that there was no report available.

Mr. WHEELER. The Senate report on S. 1634, which is practically identical with H. R. 8587, has been printed.

Mr. ROBINSON. It is the more necessary to have it available, because I have been interrupted some 15 times since the Senator began to speak, and it has been impossible for me to hear what he is saying because of such interruptions. Senators come to my desk and ask me questions, which makes it impossible for me to following connectedly the Senator's remarks.

Mr. WHEELER. There is a printed report on S. 1634.

Mr. ROBINSON. I have now been handed a copy of the report. I thank the Senator.

Mr. WHEELER. Under the present law, let me say to the Senator——

Mr. ROBINSON. Are the House bill and the Senate bill exactly similar?

Mr. WHEELER. They are practically the same, with a few minor exceptions. There are really only two changes from the House bill of any importance. The other changes involve commas, and so forth. The House bill contains a provision offered on the floor of the House which reads as follows:

(6) If a lease of a line of railroad is rejected and if the lessee, with the approval of the judge, shall elect no longer to operate the leased line, it shall be the duty of the lessor at the end of a period to be fixed by the judge to begin the operation of such line, unless the judge, upon the petition of the lessor, shall decree after hearing that it would be impracticable and contrary to the public interest for the lessor to operate the said line, in which event it shall be the duty of the lessee to continue operation on or for the account of the lessor until the abandonment of such line is authorized by the Commission in accordance with the provisions of section 1 of the Interstate Commerce Act, as amended.

This is an amendment providing for the operation of property which is the subject of a lease where the debtor, as lessee, repudiates the lease. The effect of this amendment is plain on its face. It provides for the operation of the property by the lessor, or by the lessee on account of the lessor. This is not an important amendment. It is a mere detail of the bill.

The other amendment reads as follows:

(12) Within such maximum limits as are fixed by the Commission, the judge may make an allowance, to be paid out of the debtor's estate, for the actual and reasonable expenses (including reasonable attorney's fees) incurred in connection with the proceedings and plan by parties in interest and by reorganization managers and committees or other representatives of creditors and stockholders, and within such limits may make an allowance to be paid out of the debtor's estate for the actual and reasonable expenses incurred in connection with the proceedings and plan and reasonable compensation for services in connection therewith by trustees under indentures, depositaries, and such assistants as the Commission with the approval of the judge may especially employ.

The present provisions of section 77 allow both expenses and fees to be paid to the designated interested parties out of the debtor's estate. This was regarded as an invitation to exploitation. The House Judiciary Committee, consequently, eliminated fees entirely, allowing only expenses. On further investigation it found that this was too rigorous. The effect of the amendment is to allow expenses to all the interested parties and fees only to trustees under indentures, depositaries, and such assistants as are especially employed by the Commission with the approval of the judge.

Mr. ROBINSON. Is the Senator from Montana seeking to have the House bill or the Senate bill passed?

Mr. WHEELER. My motion was to proceed to the consideration of the House bill, and that motion has been agreed to.

Coming now to the question of due process:

Before the reorganization can take place the court must make the following findings:

That the plan is fair and equitable, affords due recognition to the rights of each class of creditors and stockholders, does not discriminate unfairly in favor of any class of creditors or stockholders, and will conform to the requirements of the law of the land regarding the participation of the various classes of creditors and stockholders. These standards require that the plan be prepared with scrupulous regard for the rights of all the parties. The plan, if thus approved by the court, will then be submitted to the creditors and shareholders. If two-thirds of each class consent, the plan

will bind the remainder of each class. But the judge may make the plan effective, even if not so accepted, if he finds that it conforms to the requirements just stated, provides fair and equitable treatment for the interests of those rejecting it, and that their rejection is not reasonably justified in the light of the respective rights and interests. These provisions give complete due process of law from a procedural standpoint, there being provision for full hearings both before the commission and the court. Within the broad powers of Congress under the bankruptcy clause as recently declared by the Suprome Court in *Continental Illinois Bank & Trust Co.* v. *Chicago, Rock Island & Pacific Ry. Co.* (55 Sup. Ct. Rept. 595), the provisions also afford due process of law in fully protecting the property rights which are involved.

Mr. HASTINGS. Mr. President, I should like to review very briefly the history of this legislation.

The Senate may remember that early in March 1933 the amendment of the bankruptcy law, embodying section 77, was passed by the Senate. As a member of the Judiciary Committee, I presented it to the Senate, and it seems to me it would have been a little more logical to have referred the pending bill to the Judiciary Committee instead of to the Committee on Interstate Commerce, the Judiciary Committee having heretofore had all bills referring to the bankruptcy law referred to it. However, since I am a member of both committees, I have no particular complaint to make.

The Senate may remember that the original section 77 of the bankruptcy law was passed by the Senate hurriedly, and almost without debate, and without any Senator except myself knowing very much about it. At the time I congratulated myself on having the Senate take my word in passing that bill upon the explanation which I then made of it.

It was urged by the railroads; the administration approved it because of the necessity of taking care of the railroads, and everybody agreed that it was a step in the right direction. All of us knew at the time that section 77 of the bankruptcy law would at some time necessarily have to be revised. I so stated to the Senate at that time.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Utah?

Mr. HASTINGS. I yield.

Mr. KING. The Senator used the words that the railroads were to be taken care of. Does he mean by that that they were to be taken care of financially by the Government of the United States?

Mr. HASTINGS. Oh, no; not at all.

Mr. KING. Or was it merely for the purpose of enabling the railroads to be placed in the hands of receivers or of the courts or to be reorganized under the administration of the courts?

Mr. HASTINGS. I thank the Senator for calling my attention to it. The purpose was to permit the railroads to reorganize more effectively and more easily.

There is some criticism of this bill now before us. My recollection is that the committee had no hearings upon it.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Montana?

Mr. HASTINGS. I yield.

Mr. WHEELER. While technically the Senator is correct, and the Senate committee did not have a hearing on it, the House committee held long hearings on the bill.

Mr. HASTINGS. I was about to state that.

Mr. WHEELER. The Senate committee had the benefit of the House hearings, and the only objection that was raised by anybody was by an attorney for one of the railroads, as I recall; and the only point he raised was with reference to the court appointing an independent trustee where an officer or director had been appointed.

Mr. HASTINGS. I was not complaining, and I was going to explain why there were long hearings held in the House.

The original draft of this section was made under the direction of the Solicitor General, who had given long study to the matter before drafting it. In the same connection was the section permitting corporations to reorganize, and at the same time a provision with respect to the smaller debtors, the purpose being to relieve persons and corporations of the stigma of being declared to be bankrupts. It was a very clever plan, and everybody was very much interested in it.

With respect to the particular section, my understanding is that Mr. Craven, counsel for the Coordinator, who has been working diligently for at least a year upon the subject, found, as the railroads have found, many difficulties. For instance, I doubt whether anyone who knew little or nothing about it would suspect that there could be 72 classes of creditors of any great railroad corporation in the country. It is realized, of course, how difficult it is to get 66⅔ percent of the creditors of 72 classes to agree.

Originally the question was—and, of course, it was to be decided by the Congress itself—whether or not one-third of the creditors should be compelled to agree with the opinion of two-thirds. Anyone who has had anything to do with the matter of reorganizing a corporation has had the experience of having some man or some few people standing out, demanding 100-percent payment of their claims, and thereby preventing reorganization of the corporation. It was sought to get away from that difficulty.

I do not recall that the Senator from Montana [Mr. WHEELER] emphasized this point, but I wish to emphasize it and express my own opinion with respect to the change proposed to be made in the law. The original law provided that 66⅔ percent of all classes must agree to the plan of reorganization; and if they should not agree, the court would have the right to ascertain the value of their claims and to pay them in cash. The bill changes that in two particulars, and this is of great importance.

In the first place, the bill provides that 66⅔ percent of those voting shall decide the question. That, I believe, is not unreasonable. It must be realized that in railroad corporations, with the securities scattered all over the country, it is frequently very difficult, even if the security holders agree, to get in touch with them and to get 66⅔ percent of a particular class. I think it is not unreasonable to provide that 66⅔ percent of the class which is represented shall vote and shall determine whether that class shall agree with the plan or whether it shall not.

There is a matter in the bill which is of greater importance. Even if no vote at all is obtained from a certain class, even if the whole class objects, it is provided that the court, if it finds the plan to be equitable and fair for that particular class, may force that class to agree even though all in that class object. The court, of course, will go a long way before agreeing to that if there be a real controversy. Of course, if the court should find some particular class refusing to participate simply for the purpose of holding up the reorganization, it could deal with the situation under the amendment proposed in the bill.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Utah?

Mr. HASTINGS. I yield.

Mr. KING. Suppose the 1 class out of the 20 or 30 or even 70 held a preponderating interest in the corporation, either in the stock or the bonds or as a creditor, and the corporation or person holding the preponderating interest objected, could it or he be forced to accept the terms?

Mr. HASTINGS. They could be under this plan, always with the approval of the court and with the right of appeal if the court dealt unfairly with them.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHEELER. Not only must it be approved by the court, but it must be approved also by the Interstate Commerce Commission.

Mr. HASTINGS. Yes; I had overlooked that fact.

Mr. WHEELER. There is a double check upon the situation under that provision.

Mr. HASTINGS. Yes; there is a right of appeal to the circuit court from the decision of either of them.

Mr. WHEELER. Yes. As the Senator from Delaware pointed out, if we have as many as 72 classes of creditors, one class may come in and say to all the rest, "Unless you pay us out in cash we will hold up any reorganization." Everybody appreciates that the bill which the Senator from Delaware introduced originally was a step in the right direc-

tion. As he said, it was passed hurriedly toward the end of the session for the purpose of permitting reorganization, but it was found it did not work out practically.

Mr. HASTINGS. I may say to the Senator from Utah [Mr. KING] that Congress is undoubtedly giving to the courts and to the Interstate Commerce Commission very great power. There is no doubt about that. However, so far as I am concerned, I have always been willing to leave such questions as are here involved to the Federal courts of the land, which, I think, constitute the finest branch of our Government, with the right of appeal. Occasionally the courts will make a mistake and occasionally an injustice will be done, but some place we have to leave that authority.

In this particular instance there is a double check. It is necessary to have the approval of the Interstate Commerce Commission and the approval of the district judge before whom the matter is being tried, and then there is always the right of appeal to the circuit court. Although we are giving this very great authority, I am quite satisfied that it has become necessary in order to make the bill workable that we should give that unusual authority.

Mr. KING. Mr. President, will the Senator yield further?

Mr. HASTINGS. I yield.

Mr. KING. Suppose a majority of the bondholders—and I suppose there would be a mortgage or trust deed to secure the payment of the bonds—should determine to go into court and foreclose for the purpose of obtaining judgment relief for the creditors. Under the bill they would be denied that opportunity, would they not?

Mr. HASTINGS. No; that is not quite true. I should think if a majority of the bondholders insisted upon their rights it might be that the court would have the authority under the bill to force them to do something else other than to foreclose their mortgage. I think that is probably true. The Senator from Montana can clear up that point.

Mr. WHEELER. The bill provides just the same as the ordinary statute for composition of the debts of the railroad company.

Mr. KING. Does it provide for composition of the creditors by selling the assets and then making distribution according to their respective claims?

Mr. HASTINGS. Oh, no; that of course would not be a reorganization. I take it if a railroad concern was not in position to reorganize, under the terms of the bill it could take the ordinary course of bankruptcy and be wiped out and everybody paid in accordance with his rights.

Mr. President, the objection has been made by the railroad executives to the appointment of a trustee. I have very great sympathy for their suggestion because when we were considering the matter in the first place we avoided so far as possible—and I think the provision is made with respect to individual debtors of the corporation and the railroads—requiring the court to appoint a trustee in the first instance, the idea of all this legislation being that because of the depression some extraordinary measures were needed to pull the business concerns out of the hole and to let them continue without having the handicap of being declared a bankrupt. The idea of the trustee which goes with every bankruptcy proceeding was eliminated in all these instances. It was one of the principal factors in the bill to eliminate the appointment of a trustee wherever possible, and let the person who is trying to come back operate his own property in his own way.

I had in mind offering an amendment striking out that provision, but there is another side to it; and my hope is that if the bill shall pass in its present form the judges who administer it will do so with great common sense, and that it will not, therefore, do any great harm.

There is this side of the matter: It is undoubtedly true, in a few instances—and I hope they are very few—that railroad management has resulted in doing things which were not right. Of course, if an application to reorganize be made by a railroad corporation whose management has been guilty of doing wrong things, it is very important for the railroad to avoid the appointment of a trustee, and to leave the railroad in the hands of its present directors. I say that with some care. Personally, I do not know of any such instances, but information comes to me that they exist; and if they do, even if they be very rare, the Congress ought to do what it can to uncover fraud and to punish those who have been guilty of fraud; and, of course, the only way in which that may be done is by the appointment of a trustee.

I dread tremendously to see trustees appointed for distressed railroads where the management has done the best it could under all the circumstances. I think in such instances it would be a serious mistake to displace the present management; but when we bear in mind that it is necessary to make one rule for all, I hope the courts will see where the honesty is and where the dishonesty is, and discriminate between the two, and appoint as one trustee the president of a railroad whose only fault is that he has not been able to live under the depression, and, as the bill provides, appoint as another trustee some reasonable outside man.

While I see difficulties on both sides, after the great study with respect to the subject which has been made by the House, and by Mr. Craven, who has been working with it for a year, I am quite convinced that the Congress would not be justified in rejecting the proposed amendment to section 77 of the Bankruptcy Act; and, upon the whole, I think a good job has been done.

Of course, other objections might be raised; but I beg the railroads that are objecting now to bear in mind what Congress did for them 2 years ago. We then did an act which we hoped would help to revive them and to save them. Let them be patient now; and if later we find that we have made a mistake today, we shall undertake to correct it.

The suggestion has been made that section 77 of the present law has been declared constitutional, and that we should not, by changing the act, do anything which would cast any doubt upon the reorganizations now going on. I was very much impressed with that suggestion, and I must confess that I have some doubt whether or not the Congress may compel compliance with the provisions of this bill by a class that stands out and says, "We desire the value of our interest in this property in cash. We do not wish to go along with this reorganization." I call attention, however, to the fact that we have enlarged the present Bankruptcy Act. If it be true that we have not the right to enlarge it, it seems to me that our action will not in any way affect the old act, and we shall still have left whatever is good in the old act.

Mr. President, speaking generally, I am not prepared to offer any amendment which I am sure would improve the bill.

Mr. KING. Mr. President, will the Senator permit me to ask him a question?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Delaware yield to the Senator from Utah?

Mr. HASTINGS. Yes; I yield.

Mr. KING. Does not the Senator think this rather revolutionary, drastic measure, which may warrant an apprehension that it possesses the taint of unconstitutionality, will lead to such disorganization and confusion as will inevitably result in governmental ownership?

Mr. HASTINGS. Oh, no; not at all. I am always suspicious of the chairman of the committee with respect to governmental ownership. [Laughter.]

Mr. KING. So am I.

Mr. HASTINGS. I wish to say in defense of him in this case, however, that I do not think this measure even tends that way. If it did, I should turn my back upon the whole proposal. I do not think there is any tendency in this bill toward governmental ownership, to which I am as thoroughly opposed as is the Senator from Utah, but the mere fact that the Senator from Montana had the bill referred to his committee gives me no reason to suspect that he has in it a purpose to further his object of governmental ownership. I am sure that is not involved in this proposal.

Mr. WHEELER. Mr. President, let me say to the Senator that there cannot be any question of constitutionality as to this bill unless the whole theory of our bankruptcy

laws is unconstitutional, because the bill merely permits the railroads to do what the Federal courts may authorize now under the general bankruptcy law. The Supreme Court has gone a long way in holding that the present law is constitutional. The only thing which makes me suspicious about this measure is the fact that the Senator from Delaware agrees with me with reference to it. [Laughter.]

Mr. KING. Mr. President, the measure under consideration consists of 42 pages. It contains many involved provisions and should call for most careful consideration. Unfortunately many of the measures which pass the Senate, in my judgment, do not receive adequate consideration, and as a result we may anticipate unfortunate, if not serious, results when they are put into effect.

A measure dealing with the railroads of the United States and their reorganization is of primary importance. Billions of dollars have been invested in our railroad systems, and the securities issued by them are held by banks, insurance and investment companies, and by hundreds of thousands of American citizens.

I doubt whether all the members of the committee reporting this bill have examined it, or at least are thoroughly familiar with its terms; and I am quite certain that but a very few of the remaining Senators have read the bill or understand its provisions; and yet we are called upon to hastily pass it through the Senate. We did have, however, the benefit of the rather full and illuminating statement made by the chairman of the committee [Mr. WHEELER] and the clear and convincing factual statement submitted by the Senator from Delaware [Mr. HASTINGS]. The fact that these two Senators substantially agree upon the terms of the bill and the objects sought to be accomplished, and join in requesting its passage, furnishes rather persuasive reasons for voting for this measure.

I confess that I should feel better satisfied to vote for it if opportunity had been afforded to examine it and to become familiar with the reports of the Interstate Commerce Commission and the Coordinator dealing with the condition of the railroads, and particularly their financial condition, the exact nature of their obligations, the steps which have been taken and are being taken to effect reorganizations, and generally to have been fully advised as to the probable results which will follow the enactment of this measure which it is stated is supplemental to the original bankruptcy act.

It is not certain that some of the legislation of Congress dealing with railroads has proven of advantage to them or beneficial to the stockholders and those holding their bonds and other securities.

Certain it is that for a number of years the condition of the railroads has been unsatisfactory; in some instances their plight has been the result of mismanagement and other causes which could have and should have been averted. Undoubtedly the excellent National and State highway system which has been established has affected in a rather serious way the railroad companies, and it is manifest that the competitive forces to which the railroads are being subjected not only in the transportation of freight but of passengers has contributed to the unsatisfactory situation of railroad lines, both transcontinental and local.

There are those who believe that the restrictions imposed upon our rail transportation lines have proven injurious rather than beneficial. I have frequently thought that if Congress had enacted a statute dealing with rebates, discrimination, and unfair, and, indeed, illegal practices, of many of the railroad companies and had created a commission with quasi-judicial functions to hear complaints of shippers and to render enforceable decisions for the protection of the public that more satisfactory results would have been obtained and the public would have been better satisfied and the railroads would have escaped many of the financial and other difficulties with which they have been beset.

Many of the railroads adopted unsound practices and pursued unwise fiscal policies. They incurred in many instances unnecessary expenditures and loaded themselves with oppressive indebtedness. Their condition became so serious that appeals were made to the Government, and loans amounting to several hundred million dollars were made to them. Upon a number of occasions during the past 2 or 3 years the wisdom of the Government in extending such large credits has been questioned, and in the Senate, as I recall, the senior Senator from Michigan, whose temporary absence because of illness we all deplore, expressed some doubts as to the wisdom of the policy which the Government was pursuing. It has been claimed by many that some of the railroads should have been denied such aid, even though it would have resulted in their bankruptcy and their being forced, as was expressed by some, to go through the "wringer." At any rate, the condition of some of the railroads was such as to call for legislation that would prevent their complete destruction and permit reorganizations.

The Bankruptcy Act, of which the measure before us is supplemental, was designed to aid the crippled railroads and to bring about, if possible, reorganizations so that they might render improved service to the public and prevent the stockholders and the owners and holders of securities from sustaining irreparable losses.

What the future of the railroads may be is difficult to determine. There are some persons who own stock and bonds of railroad companies who would be glad to have the Government purchase their holdings and securities and take over and become the owner of our railroad system. Personally I should regret to have this plan, socialistic in form, adopted by the United States.

There is developing a rather strong socialistic current and its strength is being increased by the activities of a considerable element in our country. The Government, in my opinion, is transcending the authority which it possesses, and is embarking upon policies socialistic and paternalistic, and undeniably bureaucratic, that will result, if continued, in modifying the structure of the Government which was given to us by its founders.

I suppose, Mr. President, that the situation is such as to justify the passage of the measure before us, and I shall therefore no longer detain the Senate so that it may take such action as it may deem proper.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. WHEELER. Mr. President, the Senator from Kentucky [Mr. BARKLEY] spoke to me about an amendment which he desired to offer to this bill. I told him that I felt he should have an opportunity to offer the amendment and that I had no particular objection to it. He did not offer it, and I ask unanimous consent that the votes just taken be reconsidered for the purpose of permitting the Senator from Kentucky to offer his amendment.

The PRESIDING OFFICER (Mr. MCGILL in the chair). Without objection, the votes by which the bill was ordered to a third reading, read the third time, and passed will be reconsidered.

Mr. BARKLEY. Mr. President, I wish to say that I was called to the rear of the Chamber on an important matter while the Senator from Delaware [Mr. HASTINGS] was speaking, and I did not know the bill would be passed so rapidly.

I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 9, line 21, after the word "forthwith", it is proposed to add the following:

(and, in pending proceedings, immediately upon the effective date of this amendatory section).

And on page 10, line 15, after the period, it is proposed to strike out all down to and including line 21, in the following words:

Where proceedings are pending upon the effective date of this amendatory section, the provisions of this paragraph shall not apply, but the provisions relating to the appointment of trustees and substitute trustees contained in clauses (1) and (2) of subdivision (c) of this section as it existed prior to the effective date of this amendatory section shall apply.

Mr. BARKLEY. Mr. President, I will say to the Senator from Montana that this merely makes applicable to pending proceedings, as well as to those which may be instituted in the future, the provision with respect to trustees provided in the former bill.

Mr. WHEELER. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1832. An act to authorize the Secretary of the Interior to provide by agreement with Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, for maintenance and operation on newly reclaimed Pueblo Indian lands in the Rio Grande Valley, N. Mex., reclaimed under previous act of Congress, and authorizing an annual appropriation to pay the cost thereof for a period of not to exceed 5 years; and

S. 3336. An act to repeal titles I and II of the National Prohibition Act, to reenact certain provisions of title II thereof, to amend or repeal various liquor laws, and for other purposes.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 7167) to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PALMISANO, Mr. ELLENBOGEN, and Mr. DIRKSEN were appointed managers on the part of the House at the conference.

### PROTECTION OF PUBLIC GRAZING LANDS—CONFERENCE REPORT

Mr. ADAMS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3019) to amend sections 1, 3, and 15 of "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269), having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"That the first sentence of section 1 of the Act entitled 'An Act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes', approved June 28, 1934, is amended by striking out the words 'eighty million' and inserting in lieu thereof the words 'one hundred and forty-two million'.

"SEC. 2. Section 7 of such Act is amended to read as follows:

"'SEC. 7. That the Secretary of the Interior is hereby authorized, in his discretion, to examine and classify any lands withdrawn or reserved by Executive orders of November 26, 1934 (numbered 6910), February 5, 1935 (numbered 6964), and May 20, 1935 (numbered 7048), or within a grazing district, which are more valuable or suitable for the production of agricultural crops than for the production of native grasses and forage plants, or more valuable or suitable for any other use than for the use provided for under this Act, and to open such lands to entry, selection, or location for disposal in accordance with such classification under applicable public-land laws, except that homestead entries shall not be allowed for tracts exceeding three hundred and twenty acres in area. Such lands shall not be subject to disposition, settlement, or occupation until after the same have been classified and opened to entry: *Provided*, That locations and entries under the mining laws, including the Act of February 25, 1920, as amended, may be made upon such withdrawn and reserved areas without regard to classification and without restrictions or limitations by any provision of this Act. Where such lands are located within grazing districts reasonable notice shall be given by the Secretary of the Interior to any grazing permittee of such lands. The applicant, after his entry, selection, or location is allowed, shall be entitled to the possession and use of such lands: *Provided*, That upon the application of any applicant qualified to make entry, selection, or location, under the public-land laws, filed in the land office of the proper district, the Secretary of the Interior shall cause any tract to be classified, and such application, if allowed by the Secretary of the Interior, shall entitle the applicant to a preference right to enter, select, or locate such lands if opened to entry as herein provided.'

"SEC. 3. Section 8 of such Act is amended to read as follows:

"'SEC. 8. That where such action will promote the purposes of the district or facilitate its administration, the Secretary is authorized and directed to accept on behalf of the United States any lands within the exterior boundaries of a district as a gift, or, when public interests will be benefited thereby and such action will promote the consolidation of the land holdings of any owner, he is authorized and directed to accept on behalf of the United States title to any privately owned lands within or without the boundaries of said grazing district, and in exchange therefor to issue patent for not to exceed an equal value of surveyed grazing district land or of unreserved public land in the same State or within a distance of not more than fifty miles within the adjoining State nearest the base lands.'

"SEC. 4. Such Act is amended by adding the following new section:

"'SEC. 8–A. Upon application of any State to exchange lands within or without the boundaries of a grazing district the Secretary of the Interior shall and is hereby directed to proceed with such exchange at the earliest practicable date in the manner now provided by law for the exchange of lands with the States and to cooperate fully with the States to that end, but no State shall be permitted to select lieu lands in another State. In making such exchange the United States shall patent to such State an equal value of surveyed grazing land or of unreserved surveyed public land. Areas and values of unsurveyed lands within or without grazing districts may be approximated by protraction or otherwise for the purpose of effecting exchanges of State lands. No State, however, shall select public lands within a grazing district in furtherance of any exchange except for the purpose of consolidating its land holdings located in such area. No fee shall be charged the State for any exchange of land made under this Act except one-half of the cost of publishing notice of a proposed exchange as herein provided.

"'Before any such exchange under this section or under section 8 hereof shall be effected notice of the contemplated exchange, describing the lands involved, shall be published by the Secretary of the Interior once each week for four successive weeks in some newspaper of general circulation in the county or counties in which may be situated the lands to be accepted, and in the same manner in some like newspaper published in any county in which may be situated any lands to be given in such exchange; lands conveyed to the United States under this Act shall, upon acceptance of title, become public lands, and if located within the exterior boundaries of a grazing district they shall become a part of the district within the boundaries of which they are located: *Provided*, That either party to an exchange under this or the preceding section may make reservations of minerals, easements, or rights of use, the values of which shall be duly considered in determining the values of the exchanged lands. Where reservations are made in lands conveyed to the United States the right to enjoy them shall be subject to such reasonable conditions respecting ingress and egress and the use of the surface of the land as may be deemed necessary by the Secretary of the Interior. Where mineral reservations are made in lands conveyed by the United States, it shall be so stipulated in the patent, and any person who acquires the right to mine and remove the reserved mineral deposits may enter and occupy so much of the surface as may be required for all purposes incident to the mining and removal of the minerals therefrom, and may mine and remove such minerals, upon payment to the owner of the surface for damages caused to the land and improvements thereon.'

"SEC. 5. Section 10 of such Act is amended to read as follows:

"'SEC. 10. That, except as provided in sections 9 and 11 hereof, all moneys received under the authority of this Act shall be deposited in the Treasury of the United States as miscellaneous receipts, but 25 per centum of all moneys received under this Act during any fiscal year is hereby made available, when appropriated by the Congress, for expenditure by the Secretary of the Interior for the construction, purchase, or maintenance of range improvements, and 50 per centum of the money received under this Act during any fiscal year shall be paid at the end thereof by the Secretary of the Treasury to the State in which the grazing districts or the lands producing such moneys are situated, to be expended as the State Legislature of such State may prescribe for the benefit of the county or counties in which the grazing districts or the lands producing such moneys are situated: *Provided*, That if any grazing district or any leased tract is in more than one State or county, the distributive share to each from the proceeds of said district or leased tract shall be proportional to its area in said district or leased tract.'

"SEC. 6. Section 15 of such Act is amended to read as follows:

"'SEC. 15. The Secretary of the Interior is further authorized, in his discretion, where lands of the public domain are so situated as not to justify their inclusion in any grazing district to be established pursuant to this Act, to lease any such lands for grazing purposes, upon such terms and conditions as the Secretary may prescribe: *Provided*, That preference shall be given to owners, homesteaders, lessees or other lawful occupants of contiguous lands to the extent necessary to permit proper use of such contiguous lands, except, that when such isolated or disconnected

tracts embrace 760 acres or less, the owners, homesteaders, lessees or other lawful occupants of lands contiguous thereto, shall be entitled to receive such leases thereto: *Provided further*, That the issuance of such a lease shall not be construed to prevent the sale, exchange, or other disposition of lands as authorized by this Act.'

"SEC. 7. Such Act is further amended by adding the following new section:

"'SEC. 17. The Secretary of the Interior shall have power to select a Director of Grazing and such assistant directors of grazing, graziers, and such other employees, as shall be necessary to administer this Act without regard to the provisions of the civil-service laws. The Secretary of the Interior shall give consideration to the practical range experience in public land States of the persons selected for such positions.

"'No assistant director of grazing, grazier, or other employee shall be appointed who is not at the time of appointment or selection a bona fide citizen and resident of the State, or of one of the States, in which such director, grazier, or other employee is to serve.'

"SEC. 8. Such Act is further amended by adding the following new section:

"'SEC. 18. (a) All vacant, unappropriated, and unreserved nonminerals lands of the public domain which are situated in isolated or disconnected tracts of seven hundred and sixty acres or less which, at the expiration of two years after the passage of this Act, as amended, are not included within the boundaries of any grazing district established pursuant to this Act, as amended, and which during such period have not been ordered into the market for sale under the provisions of section 2455 of the Revised Statutes, as amended, or leased under the provisions of this Act, or selected for exchange under the provisions of this Act, are hereby granted to the several States in which such lands are situated for the use or benefit of the common schools of such States.

"'(b) No part of the grant made by this section shall become effective as to any State until such State, through its legislature, shall have accepted such grant, and such acceptance, duly certified, has been received by the Secretary of the Interior. Upon the receipt of such acceptance, which must be made within a period of four years after the date of enactment of this Act, as amended, the grant shall immediately become effective as to such State, irrespective of the action of other States, and the Secretary shall immediately notify the local land offices in such State of such fact. The Secretary shall also cause to be delivered to the proper officials of such State, such maps, records, books, and documents as may be necessary for the enjoyment, control, use, administration, and disposition of such lands.'"

"TITLE II. BADLANDS NATIONAL MONUMENT

"SEC. 1. The boundaries of the Badlands National Monument, as established by the Act of March 4, 1929 (45 Stat. 1553), shall be, and are hereby, extended to include such lands adjacent or contiguous thereto, in the State of South Dakota, including, but not being restricted to, lands designated as submarginal by the Resettlement Administration, as may be determined by the President, by proclamation, within five years following the approval of this Act, to be necessary for the proper rounding out of the boundaries of said Monument or the administration thereof, providing the entire area of such Monument shall not exceed 250,000 acres.

"SEC. 2. That the provisions of the Act of August 25, 1916, entitled 'An Act to establish a National Park Service and for other purposes', as amended, are hereby made applicable to and extended over such lands as may be added to the Monument under the authority of the foregoing section."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

KEY PITTMAN,
ALVA B. ADAMS,
CARL A. HATCH,
PETER NORBECK,
GERALD P. NYE,
*Managers on the part of the Senate.*

RENÉ L. DEROUEN,
J. W. ROBINSON,
ROY E. AYERS,
HARRY L. ENGLEBRIGHT,
*Managers on the part of the House.*

The report was agreed to.

STABILIZATION OF BITUMINOUS COAL-MINING INDUSTRY

Mr. NEELY. I move to take from the table and proceed to the consideration of House bill 9100, a bill to stabilize the bituminous coal-mining industry, and for other purposes.

The PRESIDING OFFICER. The clerk will state the bill by its title.

The CHIEF CLERK. It is proposed to proceed to the consideration of the bill (H. R. 9100) to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Copeland | Lewis | Radcliffe |
| Ashurst | Costigan | Logan | Reynolds |
| Austin | Davis | Lonergan | Robinson |
| Bachman | Dieterich | Long | Russell |
| Bailey | Donahey | McAdoo | Schall |
| Bankhead | Duffy | McCarran | Schwellenbach |
| Barbour | Fletcher | McGill | Sheppard |
| Barkley | Frazier | McKellar | Shipstead |
| Black | George | McNary | Smith |
| Bone | Gerry | Maloney | Steiwer |
| Borah | Gibson | Metcalf | Thomas, Okla. |
| Brown | Glass | Minton | Thomas, Utah |
| Bulkley | Gore | Moore | Townsend |
| Bulow | Guffey | Murphy | Trammell |
| Burke | Hale | Murray | Truman |
| Byrd | Harrison | Neely | Tydings |
| Byrnes | Hastings | Norbeck | Vandenberg |
| Capper | Hatch | Norris | Van Nuys |
| Caraway | Hayden | Nye | Wagner |
| Chavez | Johnson | O'Mahoney | Walsh |
| Clark | King | Overton | Wheeler |
| Connally | La Follette | Pittman | White |

Mr. LEWIS. I announce the absence of the Senator from Mississippi [Mr. BILBO], the Senator from Massachusetts [Mr. COOLIDGE], and the Senator from Idaho [Mr. POPE], who are necessarily detained from the Senate.

I announce also that the Senator from West Virginia [Mr. HOLT] is absent on account of illness.

I ask that these announcements stand in the RECORD for the day.

The PRESIDING OFFICER (Mr. MCGILL in the chair). Eighty-eight Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the Senator from West Virginia [Mr. NEELY] that the Senate proceed to the consideration of House bill 9100.

Mr. BONE and Mr. MCNARY addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MCNARY. Mr. President, I inquire what is the purpose of the bill, and what is the bill?

Mr. ROBINSON. It is the so-called "Guffey coal bill."

The PRESIDING OFFICER. It is the so-called "Guffey coal bill."

Mr. NEELY. Mr. President, it is the House substitute for the Guffey coal bill.

Mr. TYDINGS. Is it Senate bill 2481?

Mr. NEELY. No; it is the House substitute for the Senate bill.

Mr. TYDINGS. I mean, is it the bill reported by the Senator from West Virginia, or is it an identical bill?

Mr. NEELY. The bills are not identical. The differences between these measures will at the proper time be explained.

Mr. TYDINGS. Mr. President, may I ask the Senator whether or not the antitrust laws are repealed by the House bill?

Mr. NEELY. The bill contains certain exemptions from the operation of the antitrust laws.

Mr. TYDINGS. I understand the answer to be "yes." Is that correct?

Mr. NEELY. The bill does not propose to repeal the antitrust laws.

Mr. TYDINGS. I find this provision in the bill:

> The provisions of the antitrust laws of the United States shall not apply to any producer of bituminous coal who has accepted and obligated himself to comply, and who complies with the provisions of this section.

In other words, as to all those who comply with the code, the antitrust laws are suspended; as to all those who do not comply with the code, the antitrust laws are still in effect. If that does not mean that the antitrust laws are to apply to only one group of our citizens, and are not to apply to others, I am badly mistaken.

I have just been informed that the Senator from Washington [Mr. BONE] has the floor. I did not understand that. I therefore reserve my interrogatory until later.

The PRESIDING OFFICER. The Senator from West Virginia has been recognized.

The question is on the motion of the Senator from West Virginia to proceed to the consideration of House bill 9100.

Mr. KING. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Utah will state it.

Mr. KING. The mere fact that a motion is made to proceed to the consideration of a bill does not deny opportunity for addressing the Senate upon a subject, pertinent or otherwise, and the Senator from Washington addressed the Chair and had recognition, and he desires now to speak upon the bill, I assume.

Mr. BONE. Mr. President——

The PRESIDING OFFICER. The motion is debatable, but the Chair has recognized the Senator from West Virginia. It was not the understanding of the Chair that the Senator from Washington had been recognized.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from West Virginia yield; and if so, to whom?

Mr. TYDINGS. Mr. President, the Senator from West Virginia states that he does not desire to occupy the floor. I should like to ask the Senator from West Virginia and the Senator from Pennsylvania whether or not the antitrust laws are suspended by the bill which has come over from the House?

Mr. GUFFEY. I hand the Senator a copy of the bill.

Mr. TYDINGS. I ask the Senator—it is his bill—whether or not the antitrust laws would be suspended if the bill were enacted into law?

Mr. BORAH. Mr. President, will the Senator from Maryland yield to me?

Mr. TYDINGS. I yield to the Senator from Idaho for a question.

Mr. BORAH. I can advise the Senator that the House bill contains the same provision found in the bill which was reported by the Senator from West Virginia, and it reads——

Mr. TYDINGS. On what page?

Mr. BORAH. Page 8, section 4:

> While this act is in effect and for 60 days thereafter, the provisions of the antitrust laws of the United States shall not apply to any producer of bituminous coal who has accepted and obligated himself to comply, and who complies with the provisions of this section, or to any marketing agency or board created under and operating in compliance with this section.

Mr. TYDINGS. Then, Mr. President, my observation is that if the bill shall be passed as it came from the House it will mean that those who comply with the codes which are set up by a regulatory board, by virtue of that board's clearance, will be exempted from the antitrust laws, but all other producers of coal not cleared by the regulatory board will be under the antitrust laws. In other words, half of those engaged in the coal business will be living under the antitrust laws, while the other half, which will have been approved by the bituminous coal board, will be living without the antitrust laws. That is what the bill provides. That may be good law; but if it be constitutional—and I am not going to make any legal argument—then I think that hereafter all constitutional debates had better be omitted, because, in my humble judgment, the bill will not hold water 3 minutes after it gets to the Supreme Court of the United States. It is class legislation and group exemption, not made by law but made by a group of appointive officials called the Bituminous Coal Board, who make the code. In other words, we are now proposing to exempt people from the operation of the antitrust laws, not by act of Congress or even by Presidential proclamation but by a board appointed by the President, who can say, "The antitrust laws do not apply to you because we have given you clearance, but they do apply to everyone else who has not obtained clearance."

Mr. BORAH. Mr. President, not only that but under this provision the antitrust laws would apply to all citizens of the United States except a group selected by this board, which would be exempt.

Mr. TYDINGS. That is true.

Mr. BORAH. I venture to say that there may not be found in the history of civilization in any nation where the rule of law obtained in any respect whatever, any such provision as this enacted into law.

Mr. TYDINGS. I am sure that observation is correct. Mr. President, I am in a very embarrassing situation. The coal industry in my State is a large industry, and I have been asked by practically all the miners and by most of the operators to vote for the bill, but I do not intend to vote for it as it stands, and, if that means that I must suffer the consequences of that vote, I am content to suffer them rather than to support any such legal monstrosity as that provision. I am taking these few moments to point out just a few of the things in this bill so that those who vote to consider it may act with intelligence.

As I understand the bill, all coal is to be taxed 25 percent of its value—where? At the mine. Not in interstate commerce, but the moment that the coal comes out of the mine it is subjected to a tax of 25 percent.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. NEELY. The House bill proposes a tax of 15 percent and a rebate of 90 percent.

Mr. TYDINGS. What page is that on?

Mr. GUFFEY. Has the Senator a copy of the new bill?

Mr. TYDINGS. I have a copy of the new bill, but I marked the old bill.

Mr. NEELY. I am referring to the House bill.

Mr. TYDINGS. Yes. I have the House bill, but I have marked the Senate bill.

Mr. BARKLEY. Mr. President, that provision is found on page 7.

Mr. TYDINGS. I may say, whether it is 15 percent or 25 percent does not make any difference. As a matter of fact, it is 15 percent, and 90 percent of the tax paid is to be returned to all coal operators who obtain the approval of the bituminous board, but the full tax is to be paid by and not returned to producers who are not approved by the board. In other words, there is class taxation. We tax one coal operator who does not desire to come under the board and let another coal operator get 90 percent of his tax returned because he does come under the board. That is nothing more nor less than an attempt to coerce every producer of coal to put his business under this board. In my judgment, that proposition will not stand the test of the courts, first, because there is no power in the Federal Constitution to tax the coal at the mouth of the mine. It is not in interstate commerce. It is not regulating or controlling interstate or foreign commerce. It is just the same as if we tax a tree or a house.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BARKLEY. The Senator realizes, of course, that the taxing power of the Federal Government does not rest upon the commerce clause of the Constitution. Congress may tax anything regardless of whether or not it goes into interstate commerce.

Mr. TYDINGS. I do not know whether I agree with that statement; but whether it be true or not, the preamble of the pending bill is so drawn that the basis upon which the whole structure rests is that coal not moving in interstate commerce affects coal which does move in interstate commerce, and for that reason, according to the preamble of the bill, there is a necessity for the bill. The provision to which I refer is as follows:

> It is further recognized and declared that all production of bituminous coal and distribution by the producers thereof bear upon and directly affect its interstate commerce and render regulation of all such production and distribution imperative for the protection of such commerce and the national public service of bituminous coal * * *

So that the reason for the bill is the interstate feature of coal, not the intrastate feature of coal.

Even if this measure should be advantageous for the miners or the operators, which for the sake of argument I will concede for the moment, it must, perforce, increase the cost of soft coal, not to industry particularly, although the

cost will be increased to industry, but it will increase the cost to every individual consumer. Who burns soft coal? The poorest people in the United States are the users of soft coal for heating purposes; those who cannot afford hard coal; and the first thing we know in these United States we are going to have a buyers' strike of some proportions. If, as is claimed, 20,000,000 or 22,000,000 people are out of work and on relief, then the way to get them off relief is not to increase the cost of the things they must have in order to live. We are taking hold of our bootstraps and pulling on them so hard that we will pull the soles off our feet, and our heads will be lower than our feet, if we do not stop this futile effort.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. NEELY. Does the Senator think that the price of bituminous coal has been unreasonably high since the enactment of the national-recovery legislation?

Mr. TYDINGS. I do not believe it is the function of the Congress to fix prices. The purpose of this bill is to fix the price of coal, and I see no more reason to fix the price of coal than to fix the price of shoes, or overalls, or clothing, or plows, or milk, or wheat, or corn, or any other commodity.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. NEELY. The Senator has not answered my question. Before he answers it, may I remind him of the fact that labor represents approximately 65 percent of the cost of producing bituminous coal. The hearings on the Guffey coal bill disclosed the undisputed fact that the average income of a miner in the United States before the N. R. A. was declared to be unconstitutional was only $56.20 a month.

Mr. TYDINGS. I do not favor such low pay.

Mr. NEELY. The cost of coal is inseparably connected with the wages of the 350,000 coal miners of the United States, and unless there is some substantial increase in the price of coal the miners cannot be paid a living wage.

Mr. TYDINGS. Why not have a minimum-wage scale then and be done with it? Why come in with this bill which controls or attempts to control and tax a commodity from, so to speak, the cradle to the grave? If the miners are entitled to more money—and I think they are—then the way to give it to them is to pass a law fixing minimum wages, if that is the proposition. Certainly all the roundabout procedure which is adopted by this bill does not do that, in my humble judgment, and it certainly makes distinctions and discriminations which have no part in national legislation.

Mr. NEELY. Mr. President, will the Senator again yield?

Mr. TYDINGS. I yield.

Mr. NEELY. Does the Senator from Maryland believe that it will be possible at this or the next session of Congress to enact such law as he has suggested relative to minimum wages?

Mr. TYDINGS. It is attempted to do it here because the bill gives to the Commission the power to fix minimum wages, and if we are doing that for the miners, let us give the commission the power to adopt the minimum wage and sink the rest of the bill. If the miners ought to have relief, let us go at it honestly and directly and forthrightly. There is no need to have all of this ramified code work and all the other parts of the bill if the purpose of the bill is to give the miners more wages.

Mr. NEELY. Mr. President, will the Senator further yield?

Mr. TYDINGS. I yield.

Mr. NEELY. Does the Senator from Maryland mean to say that he thinks this bill is dishonest?

Mr. TYDINGS. I do not mean to say it is morally dishonest, but I mean to say it is intellectually dishonest. The bill is an indirect attempt to weave a law in and around and about the Constitution which could not be sustained in the courts if the naked statement of the proposition were made by its authors. Every Senator knows that an effort has been made to do by indirection something which the Constitution forbids. It is nothing more than the statement of the naked truth so to assert. In my humble judgment, we will have passed this bill for no good purpose, because I have no doubt whatever that the Court will knock it higher than the sky once the bill comes under judicial scrutiny.

The Court, for example, in the Schecter case, in connection with the N. R. A., among other things denied to Congress the right to fix the price of chickens in New York State, but under this bill, if enacted, we may fix the price of coal in New York or any other State, and that will be constitutional.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Kentucky?

Mr. TYDINGS. I yield.

Mr. BARKLEY. Does the Senator recall that, when the Webb-Kenyon Act—I think it was that act—was under consideration, Chief Justice Taft, not then a member of the Supreme Court——

Mr. TYDINGS. Yes; I am familiar with that story. Mr. Taft said it was unconstitutional.

Mr. BARKLEY. And the then Attorney General of the United States, Mr. Knox, rendered an official opinion that it was unconstitutional.

Mr. TYDINGS. And the Supreme Court subsequently held it to be constitutional.

Mr. BARKLEY. Yes.

Mr. TYDINGS. That has nothing to do with the bill before us at all. The Supreme Court of the United States said Congress had no power to go into purely intrastate commerce and tax an article under the guise of regulating commerce. Yet now, in the case of coal, it is attempted to tax it at the mouth of the mines. What is the difference between chickens and coal if we are going to talk frankly about this measure?

I have tried a few lawsuits in my time, and I know it is possible to make a pretty good argument out of a very little fact; one can weave around it and sometimes he can influence the jury to decide a case contrary to the evidence; but we are not here as a jury to win a lawsuit; we are here as legislators to put all the facts on the table and enact a law accordingly. We are not here to see if we cannot so find, by some sort of defense in the game of polemics, that our position may be justified. We are here to pass a bill which, beyond any reasonable peradventure of a doubt, will stand the test of the courts, so that we will not abuse the exercise of power which each and every one of us is sworn not to abuse.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from West Virginia.

Mr. NEELY. I rose to observe that the Senator from Maryland, with his usual ingenuity, is demonstrating with the certainty of the solution of a problem in mathematics that one can make a very good argument on practically no foundation of fact to support it.

Mr. TYDINGS. Now that the Senator has spoken, he has proved by his own eloquence and example what he attempted to apply to me.

Mr. LONG. Who is right, Mr. President?

Mr. TYDINGS. Mr. President, consider, for instance, this provision:

> (a) All code members shall, in their respective districts, report all spot orders to the district board and shall file with it copies of all contracts for the sale of coal, copies of all invoices, copies of all credit memoranda, and such other information concerning the preparation, cost, sale, and distribution of coal as the commission may authorize or require.

The units of the industry are to be put to the expense of installing a certain system of bookkeeping, and any information the whims of the proposed commission may require.

I do not want to be misunderstood. I know that the coal industry has suffered, perhaps, as much as any other industry in America, and I am not finding fault with the authors of this bill in their attempt to do something for the victims who are engaged in wringing a livelihood from the coal industry. My objections to this measure—and I want the Senate to know a little of them before it votes to consider the bill—are, first of all, that I do not think, and I believe no reasonable man will think if he reads the bill, that it is a constitutional measure which will stand the test of the courts, but rather one that will go the way of the N. R. A.

The second point is that it proposes to repeal the antitrust laws. I know many Members of this body do not want the antitrust laws repealed.

Having given this brief picture, as I see it, I would much rather see this bill go back to the committee and something sound and something that would stand the test of the courts come back in its place, so that whatever could be legally and properly done to assist the miners and others engaged in the coal business might be done. In my humble judgment, the bill at best is nothing more than a futile gesture filled, for numerous depressed and unfortunate men, with a hope which will be blown away like autumn flowers at the first wintry blast by the Supreme Court.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Kentucky?

Mr. TYDINGS. I yield.

Mr. BARKLEY. Purely as a matter of information, does the Senator know to what extent the antitrust laws have been applied to the production of coal in the United States since the enactment of those laws? In other words, assuming that this bill, if enacted, suspends the antitrust laws insofar as they may apply to coal companies producing coal that are complying with the code set out in detail in the bill, what, as a matter of practical fact, does the bill do to interfere with the actual enforcement or observance of the antitrust laws? I do not recall any case in which a coal company has been involved in a prosecution or a suit for violation of the antitrust laws. I may not be accurate about that, but I think it is true.

So, while in a measure, theoretically, we may be suspending the antitrust laws respecting one industry, as a matter of parctical fact this measure is, I believe, limited to 4 years, and during the entire existence of those laws the coal industry, as such, has been involved in a very small degree in the matter of the antitrust-law enforcement.

Mr. TYDINGS. That is to the credit of the coal industry, and let us hope that they never will transgress the antitrust laws; but that is not a sound reason for the repeal of those laws; that is all the more reason why the antitrust laws should remain on the books, because apparently the coal trade has abided by them and has carried out the purposes for which they were created. I think it is a very fine tribute to the coal industry, and we should not repeal these laws or encourage the coal industry to violate them.

Finally, as I take my seat may I say that, from a personal standpoint, I have a great deal of additional reluctance in voting against this measure as it now stands because one of its authors in the House of Representatives is from my State. He is a very warm personal and political friend of mine; he spent the early days of his life in a coal mine, and I know that that big heart of his has expressed itself in the philosophy of this bill, and he has tried to do something to better the conditions of the miners of the country. But, notwithstanding that, as I read the bill, which I have done for the first time yesterday and today, I cannot, much as I should like to do so on personal grounds, bring myself to vote for a measure which I do not believe to be sound or within the Constitution.

### ANNIVERSARY OF EXPEDITION OF HERNANDO DE SOTO

The PRESIDING OFFICER (Mr. DUFFY in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the joint resolution (H. J. Res. 265) pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BARKLEY. I move that the Senate insist upon its amendments, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BARKLEY, Mr. MCKELLAR, and Mr. NORBECK conferees on the part of the Senate.



### SPECIAL COUNSEL FOR GOVERNMENT IN ASTOR TAX CASE

Mr. ASHURST. Mr. President, I assure the Senators in charge of the coal bill that I have no disposition to interfere with its consideration, and if what I am going to propose shall consume more than 5 minutes, I shall withdraw the request I am about to make.

At the request of the Department of Justice, I introduced a bill authorizing that the Department employ an attorney in a case of great importance. I will ask the clerk to read a letter from the Attorney General of the United States addressed to me. I do so because, following the reading of the letter, I am going to ask unanimous consent for the present consideration of Senate bill 3433, which is no. 1461, on page 18 of the calendar.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

AUGUST 17, 1935.

Hon. HENRY F. ASHURST,
*Chairman Committee on the Judiciary,*
*United States Senate, Washington, D. C.*

MY DEAR SENATOR: I am submitting herewith a draft of a bill relative to the employment of special counsel in the cases involving the estate tax on the estate of William Waldorf Astor.

A tax has been heretofore imposed on certain transfers made by William Waldorf Astor in his lifetime on the ground that they were made in contemplation of death. Suits were brought by the estate in the District Court of the United States for the Southern District of New York against the collector of internal revenue to secure a refund of the tax on the alleged ground that they were improperly assessed. The amount involved is very large and aggregates, with accrued interest, approximately $20,000,000. The district court determined the issues against the Government, and an appeal was taken to the Circuit Court of Appeals for the Second Circuit. The Honorable William Stanley, who was then the Assistant to the Attorney General, represented the Government on the appeal. The circuit court of appeals reversed the decree and rendered a decision in favor of the Government.

Further proceedings in the Supreme Court are now in contemplation, as well as a possible retrial of the issues in the district court. I feel that it is essential for the proper protection of the interest of the Government, in view of the large amount of money involved, as well as of the intricacy and importance of the questions of law in controversy, that there should be no change in the personnel of Government counsel, but that Mr. Stanley should continue to represent the interests of the United States. Mr. Stanley has, however, resigned from the Department of Justice and is now in private practice. It is my desire to retain him as special counsel in these cases; but in order to enable him to accept the appointment, an act of Congress is indispensable relieving him from the statutory prohibitions precluding Government officers or employees from handling cases against the Government.

The enclosed bill is intended to accomplish this purpose. Similar statutes have been heretofore enacted in respect of the employment of special counsel in other important Government litigation (act of Dec. 24, 1931, 47 Stat. 4; act of Apr. 14, 1934, 48 Stat. 590).

I shall be very glad if you will be good enough to introduce and urge the enactment of the bill, and strongly hope that it may pass before the close of the present session of the Congress.

With kind regards, sincerely yours,

HOMER CUMMINGS, *Attorney General.*

Mr. ASHURST. Mr. President, the bill was introduced and referred to the Committee on the Judiciary, which considered it, and was unanimous in reporting it favorably. I now ask unanimous consent for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona for the immediate consideration of Senate bill 3433?

Mr. ASHURST. It might be well to have the bill read. It carries out exactly the desire expressed in the letter of the Attorney General.

Mr. MCNARY. Is this a House bill?

Mr. ASHURST. No; it is a Senate bill, and that is the reason why I am presuming to ask the Senate to consider it now so it may go to the House. Unless I can secure action today I fear it will not pass the House.

Mr. MCNARY. May we have the bill reported?

The PRESIDING OFFICER. The clerk will report the bill by title.

The CHIEF CLERK. A bill (S. 3433) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ROBINSON. Mr. President, I hope there will be no objection to the immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. BARKLEY. Mr. President, I have been asked to introduce a similar bill with respect to an attorney in the city of Washington, whom the Department desires to employ in certain insurance matters in connection with the Department of Justice. Because of the rush of other business and my inability to confer with the Assistant Attorney General, who is in charge of these matters, I have not actually introduced the bill. Would the Senator be willing to accept an amendment to his bill to include the other gentleman whose employment is contemplated? Failing in that, will the Senator give me his assurance that if I introduce a separate bill he will have his Committee on the Judiciary act upon it immediately?

Mr. ASHURST. I assure the Senator that anything I can do to promote his desire in the matter will be done. His word would be sufficient for me in this case, but if the Senator will introduce a separate bill I shall try to bring a report from the Judiciary Committee tomorrow. I rather think under the circumstances it would be better to put this bill through alone, but I give the Senator my assurance that if he will introduce a bill I shall try to secure action on it tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

There being no objection, the bill (S. 3433) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That nothing in sections 109 and 113 of an act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended (U. S. C., title 18, secs. 198 and 203), or in section 190 of the Revised Statutes of the United States (U. S. C., title 5, sec. 99), or in any other act of Congress forbidding officers or employees or former officers or employees of the United States from acting as counsel, attorney, or agent for another before any court, department, or branch of the Government or from receiving or agreeing to receive compensation therefor, shall be deemed to apply to attorneys or counselors to be specially employed, retained, or appointed by the Attorney General or under authority of the Department of Justice to assist in the conduct of the cases entitled The Farmers' Loan & Trust Co. (a corporation), as trustee under a deed of trust made by William Waldorf Astor, etc., against Frank C. Bowers, etc. (L 35/74 and L 35/75) pending in the United States District Court for the Southern District of New York and in the Circuit Court of Appeals for the Second Circuit, including all proceedings to review any judgment or decree that may be rendered therein, and any other case or proceeding involving the matters or any of them involved in the said cases.

ACCEPTANCE OF DECORATIONS FROM FOREIGN GOVERNMENTS

Mr. GLASS. Mr. President, I ask unanimous consent for the present consideration of Senate Joint Resolution 169. If it takes more than 2 minutes, I shall withdraw the request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia?

Mr. GLASS. I can state in a word what the joint resolution proposes. It authorizes Surgeon General Cumming and other medical officers of the Public Health Service to accept certain decorations conferred upon them by South American countries because of their great assistance in sanitation and health matters.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia?

There being no objection, the joint resolution (S. J. Res. 169) granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director, United States Public Health Service; Bolivar J. Lloyd, medical director, United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, Peru, and Cuba was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Resolved, etc.*, That Hugh S. Cumming, Surgeon General of the United States Public Health Service, be authorized to accept and wear the decoration of the order Al Merito, bestowed by the Government of Ecuador; the order of Carlos Finlay, bestowed by the Government of Cuba; and of the order El Sol de Peru; that John D. Long, medical director, United States Public Health Service, be authorized to accept and wear the decorations of the order Al Merito, bestowed by the Government of Chile; the order Al Merito, bestowed by the Government of Ecuador; the order of Carlos Finlay, bestowed by the Government of Cuba; and the order El Sol de Peru; that Bolivar J. Lloyd, medical director, United States Public Health Service, be authorized to accept and wear the decoration of the order Al Merito, bestowed by the Government of Ecuador; that Clifford R. Eskey, surgeon, United States Public Health Service, be authorized to accept and wear the decoration of the order Al Merito, bestowed by the Government of Ecuador, the foregoing decorations having been conferred upon these officers by the Republics mentioned in recognition of assistance rendered by them, as representatives of the Pan American Sanitary Bureau, in matters relating to sanitation and health; and the Department of State is hereby authorized and permitted to deliver the above-mentioned decorations to the said Hugh S. Cumming, John D. Long, Bolivar J. Lloyd, and Clifford R. Eskey, respectively.

ADDITIONAL JUDGES, SOUTHERN DISTRICT OF NEW YORK

Mr. COPELAND. Mr. President, I ask unanimous consent for the present consideration of two bills, Senate bill 3389 and Senate bill 3414. These were discussed momentarily a few days ago in connection with other judgeship bills.

Mr. McNARY. Mr. President, there is so much confusion in the Chamber that the Senator is not making himself heard on this side of the aisle. Will he kindly repeat his request?

Mr. COPELAND. I am asking unanimous consent to consider two bills providing additional judges for the State of New York. There was discussion the other day of these bills in connection with other similar bills, and I was begged not to press them at that time. Since then the Judiciary Committee has heard the Attorney General, who has requested two judges in the southern district of New York and one in the eastern district of New York. Abundant reasons are given in the reports of the committee.

Mr. McNARY. Are these the bills to appoint two or three judges in certain judicial districts in the State of New York?

Mr. COPELAND. Yes; two judges in the southern district of New York and one in the eastern district of New York.

Mr. McNARY. I thought that a few days ago on the call of the calendar all these judicial bills were considered at the same time.

Mr. COPELAND. No. It so happens that the bills to which I refer were not on the calendar. They had been on the calendar, but because of a controversy early in the session were returned to the committee. The Judiciary Committee had a message from the Attorney General on Monday and the chairman of the committee will testify that the committee gave unanimous approval to the bills.

Mr. McNARY. Has the bill been considered by the House?

Mr. COPELAND. No; it has not been considered by the House. That is the reason why I am asking action today. It has been discussed with those in authority in the House, and we are hopeful that if the bills are passed here they may be acted upon by the House.

Mr. McNARY. Did the Senate Judiciary Committee report the bills unanimously?

Mr. COPELAND. Yes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

There being no objection, the bill, S. 3389, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the President of the United States be, and he is hereby, authorized to appoint, by and with the advice and consent of the Senate, two additional judges of the District Court of the United States for the Southern District of New York.

ADDITIONAL DISTRICT JUDGE, EASTERN DISTRICT OF NEW YORK

Mr. COPELAND. I ask now that the second bill may be considered.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (S. 3414) to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of New York, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the President of the United States be, and he is hereby, authorized and directed to appoint, by and with the advice and consent of the Senate, an additional district judge in the United States District Court for the Eastern District of New York.

ROCKLAND-WESTCHESTER HUDSON RIVER BRIDGE, NEW YORK

Mr. COPELAND. Mr. President, I wish to ask one more favor of the Senate, and then I shall be through for the day. There is on the calendar a bridge bill which I am very desirous of having passed. I ask unanimous consent for the immediate consideration of the bill (S. 3030) granting the consent of Congress to the Rockland-Westchester Hudson River Crossing Authority to construct a bridge.

The PRESIDING OFFICER. Is there objection?

Mr. BARBOUR. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. Objection is heard.

Mr. COPELAND. Mr. President, I may say that this is a New York State bridge. It is not an interstate bridge. It does not involve the State of New Jersey. It is a bridge entirely within the boundaries of the State of New York. The bridge authorities are in the city of Washington today.

I beg my friend from New Jersey to withdraw his objection, because this does not involve his State and does not touch his State. If it were a matter affecting an interstate bridge, it would be different. This is a bridge which is wholly within the confines of the State of New York, and I beg my friend to withdraw his objection.

Mr. BARBOUR. I regret very much that it is impossible for me to do so. I am compelled regretfully to ask that this bill of my good friend, the distinguished Senator from New York [Mr. COPELAND], go over. This proposed new bridge, suggested to be built half way between the Bear Mountain Bridge and the new George Washington Bridge, certainly does affect the State of New Jersey, for by the same token it will affect adversely the George Washington Bridge, which is, as all know, a New Jersey-New York bridge.

I could, if the Senate would give me time, explain fully my position, which I feel in all earnestness and sincerity has great merit.

As I have said, though I do so with regret because of my friendship for the author of this measure, I must ask that it go over.

The PRESIDING OFFICER. Objection is heard.

Mr. COPELAND subsequently said: I ask unanimous consent that Senate bill 3030, Calendar No. 1423, be considered immediately. I have spoken to the Senator from New Jersey [Mr. BARBOUR], and he has withdrawn his objection.

There being no objection, the Senate proceeded to consider the bill (S. 3030) granting the consent of Congress to the Rockland-Westchester Hudson River Crossing Authority, State of New York, to construct, maintain, and operate a highway bridge and causeway across the Hudson River between a point in the vicinity of the village of Nyack, Rockland County, and the village of Tarrytown, Westchester County, N. Y., which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the consent of Congress is hereby granted to the Rockland-Westchester Hudson River Crossing Authority, State of New York, to construct, maintain, and operate a highway bridge, causeway, and approaches thereto across the Hudson River, at a point suitable to the interests of navigation, in the vicinity of the village of Nyack, Rockland County, and the village of Tarrytown, Westchester County, N. Y., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge and causeway, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge, causeway, and its approaches under economical manangement, and to provide a sinking fund sufficient to amortize the cost of the bridge, causeway, and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge and causeway shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge, causeway, and its approaches under economical management. An accurate record of the cost of the bridge, causeway, and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

ADDITIONAL FEDERAL JUDGES FOR MISSOURI

Mr. CLARK. Mr. President, I ask unanimous consent that the pending unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 2075.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. Is the motion of the Senator from Missouri debatable?

Mr. CLARK. Mr. President, if debate of any sort ensues, I shall withdraw the request.

Mr. LONG. What is the bill?

Mr. CLARK. It is a bill to create an additional judgeship in the State of Missouri.

Mr. KING. Mr. President, will the Senator yield?

Mr. CLARK. Certainly.

Mr. KING. Has not the Department of Justice declined to give its support to the bill?

Mr. CLARK. I have never understood that the Department of Justice did so decline. I have a letter from the presiding judge in that circuit in which he says that not only this judge is very urgently needed but an additional judge for another district.

Mr. ROBINSON. Mr. President, I shall not object to the request of the Senator from Missouri in view of the fact that consent has been given to the consideration of similar bills, but I give notice now that I shall demand the regular order when his bill shall have been disposed of.

Mr. KING. Mr. President——

Mr. CLARK. I withdraw the request.

The PRESIDING OFFICER. The request is withdrawn.

The Senator from Washington has the floor.

Mr. NEELY. Mr. President, will the Senator from Washington yield?

Mr. BONE. I have yielded so much now that if I continue to yield I might as well yield the floor entirely.

Mr. NEELY. If there is to be no additional debate in opposition to my motion to proceed to the consideration of the bill mentioned in my motion, will the Senator yield until a vote on that motion may be had?

Mr. BONE. Yes; if there is to be no debate, and I may have the floor, I am willing to yield.

Mr. KING. There will be some further debate.

Mr. BONE. In that event, I will not yield for that purpose.

Mr. McNARY. Mr. President, a parliamentary inquiry. What occurred as to the request made by the Senator from Missouri [Mr. CLARK] with respect to the consideration of a bill?

Mr. ROBINSON. The request was withdrawn.

The PRESIDING OFFICER. The request was withdrawn. The Senator from Washington has the floor.

COMMERCE IN MUNITIONS, ETC., IN TIME OF WAR

Mr. BONE. Mr. President, the first session of the Seventy-fourth Congress is drawing to a close, and it now appears that a measure or measures which, in my judgment, are the most important that could be considered by this body are to remain in committee at a time when the whole civilized world threatens to break into flames of war. I am referring to the so-called "neutrality joint resolutions."

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. ROBINSON. I do not know whether or not the Senator is advised of the fact, but the Committee on Foreign

Relations this morning ordered three provisions reported in a single measure.

The first provision relates to the shipment of arms. The second provision relates to the travel of American citizens on belligerent vessels and prohibits it. The third provision relates to belligerent submarines entering ports of the United States or establishing bases there.

These three provisions were incorporated in one joint resolution and ordered reported by the Foreign Relations Committee this morning, a subcommittee having been actively engaged for some time in the consideration of the matter. I thought perhaps the Senator would like to be advised of that fact.

Mr. BONE. Mr. President, I am very happy to have this information from the floor leader on this side, but I should like to have assurance from our able floor leader and from my brethren in the Senate that before this body adjourns to go home and before we make a report of our stewardship to the mothers of the country, whose boys may possibly be dying before long, there is going to be action on the joint resolution which the Senator from Arkansas says will be reported out, because this matter has been pending for months.

As a member of the Munitions Committee of the Senate I have been patiently waiting to see some action on this subject before the session ends. I do not know how my brethren feel, but I cannot go back to the State of Washington and look into the faces of the mothers of that State whose boys may be called to the colors before long, whose sons may be shouldering muskets and becoming participants in another world war, without having fully and completely discharged my duty; and I am trying to discharge it now as I stand here on my feet urging the immediate consideration of the joint resolution which the Senator from Arkansas says is to be reported out. I think it will be a high crime against humanity, against the mothers and the fathers of the country, if the present Congress does not act speedily and quickly on this joint resolution before the adjournment of the present session of Congress.

I cannot imagine Congress leaving Washington without meeting this issue head-on. Let me read a few of the headlines that appeared in the newspapers last night, indicating all too clearly the purpose of certain powerful forces in the world again to dip their hands into the blood of innocent persons and to plunge the world into another vortex of chaos similar to and even worse than the Great War of 1914–18.

Here are one or two typical headlines. These are from the Washington Evening Star of yesterday:

Europe's peace feared.
League doom and strife feared.
Britain and France unite to make final stand.
Stage seen set for struggle as in 1914.

And then follow statements through the press associations of such gloomy import as to be positively horrifying and staggering.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Louisiana?

Mr. BONE. I do.

Mr. LONG. I merely wish to assure the Senator from Washington that not only will the people of the State of Washington appreciate the effort he is making but I know the people of my State, and I hope of others, will appreciate this effort to see something done about these joint resolutions.

Mr. BONE. In response to the suggestion of the Senator from Louisiana, I desire to say that if Congress does not go home at all, if we stay here until the 1st day of January to convene again in the second session of the present Congress, I for one am perfectly willing to do it; and I should cast my vote right now to compel the Senate and the House to remain in Washington until this neutrality issue shall have been settled as fully and completely as we can settle it.

Some peculiar intimations have been made in connection with this whole subject that have seemed very startling to me, as I attempted to render service on the Munitions Committee. Frankly, I have not been able to understand why there has been so much silence here, so much pussyfooting on an issue which involves more serious consequences than anything else that has been handled in the entire first session of the Seventy-fourth Congress. Of what avail is it to us to settle the utility issue, as close as that is to my heart, to settle monetary policies, to settle strike issues, or anything else, when the peace of the whole world is involved in what we may do here and our civilization may be at stake?

I desire to say that no apology, no alibi that any Member of this body may present to the people of the country, will ever wash the stain from his hands and his conscience if we go out of this place without having discharged our last, full, and ultimate duty and without giving our last full measure of devotion to the proposition that we ought at all costs and at all hazards to keep this country out of war.

I have had assurances—how reliable they are, or how reliable is the source from which they come, I know not—but there have been intimations that this country of ours has "commitments"—"commitments", forsooth!—which may, in the event of war, again bring the tread of marching feet in our streets, and once more compel us to listen to the martial voice of the bugles. I wonder who, in God's name, in this country, under the American flag and under our form of government, has a right to make commitments which may take the life of my boy or the boys of other millions of fathers in this country? Who, in the city of Washington, has the unholy power under our Constitution to put the boys of America in uniforms, and, if need be, and against their will, send them across the seas to die in some foreign land? I wonder how we could ever answer to American mothers for such a crime. In 1917 we sent thousands of them to their deaths on foreign soil. What sort of an answer will there be in the hearts of American mothers to the echoes of the bugles when they again sound the horrible call to arms?

We have pending here three measures to which I desire to refer. I do not wish to have my country again plunged into war, and I am willing to do anything to prevent that cataclysmic horror again overcoming this country as it did in 1917. These measures may prevent such a hideous thing.

Senate Joint Resolution 99 was introduced, as I recall, in April of this year. At the same time there was introduced Senate Joint Resolution 100; and Senate Joint Resolution 120 was introduced shortly afterward by my colleagues on the Munitions Committee of this body.

These joint resolutions have lain in committee ever since, although this ghastly fire of internation strife and hatred was sweeping closer and closer to our borders all the time; and here at the last moment, when we are assured in the columns of the press that this body is going to go home in a day or two, we are told that a joint resolution is coming out embodying certain phases of these three joint resolutions introduced by the members of the committee named to investigate the munitions business. I say, however, that it will not do for us to leave here without prompt action on this matter, and to that end I rise to speak to this body.

I am not impugning the views of anybody else. The love of humanity and a due regard for my colleagues impels me to voice my own views. I am concerned chiefly, however, in trying to voice the hopes of mothers whose boys may have to die in some war that we might prevent.

Let us go back for a moment to the Great War of 1914–18 and examine some of the factors which led us into that war—factors of business, economic impulses, and economic rivalries which are present right now; inflammable material which may set off the new bonfire which threatens to engulf the world.

A short time ago two of the able and honorable members of the Munitions Committee, the Senator from Missouri [Mr. CLARK] and the Senator from North Dakota [Mr. NYE], addressed a letter to the Senator from Nevada [Mr. PITTMAN], Chairman of the Foreign Relations Committee, calling attention to the very grave nature of the crisis which was con-

fronting us. This letter was dated August 18, 1935, and I am going to read the letter to my colleagues:

AUGUST 18, 1935.

MY DEAR SENATOR PITTMAN: The subcommittee of which you are chairman has been studying for months the problem of keeping this Nation out of another war. The State Department has studied the subject for a year and a half. The United States Senate Munitions Committee has been considering the problem for over a year. We understand that you are ready to recommend such legislation to Congress this week.

In view of the overwhelming importance to the United States of blocking at this session of Congress the roads which might lead us into war for purely economic reasons, we wish to transmit forthwith for your consideration certain documents recently released to the Munitions Committee by the Department of State.

If Congress imposes no restrictions on munitions sales and shipments before a war breaks out in Europe, it will be impossible for Congress to form a policy later without incurring representations that such a new policy involves the taking of sides against one particular belligerent.

President Wilson saw this very clearly. Only a brief year after the opening of the European war he wrote to Secretary Lansing (Aug. 5, 1915) concerning a change in our policy in regard to the shipment of arms.

I am quoting now the letter which was written by Mr. Wilson:

* * * Of course, we are arguing only to the special case, and are absolutely unanswerable in our position that these things cannot be done while a war is in progress as against the parties to it. * * *

In other words, that is, to change the policy with respect to shipment of munitions.

This position was later expressly declared in the well-known note to Germany in 1915, in the course of which the United States stated:

This Government holds—and is constrained to hold in view of the present indisputable doctrines of accepted international law—that any change in its own laws of neutrality during the progress of a war which would affect unequally the relations of the United States with the nations at war would be an unjustifiable departure from the principle of strict neutrality by which it has consistently sought to direct its actions. The placing of an embargo on the trade in arms at the present time would constitute such a change and be a direct violation of the neutrality of the United States.

I digress at this point to call attention to the fact that this statement referred to a change in policy after this Government had committed itself to the unrestrained policy of shipping munitions abroad to the belligerents.

I now continue with the committee letter to the Senator from Nevada [Mr. PITTMAN]:

As your committee is aware, every embargo after a war is declared affects belligerents unequally. With these official statements before us, it is an inescapable conclusion that the policy of the United States must be fixed before the declaration of a European war or not be fixed at all. In that event we face the definite danger of drifting into another European war as we did before.

The letter of Secretary of State Lansing to President Wilson of September 6, 1915, will indicate to you the importance of immediate action on the subject of foreign loans and credits.

As you are aware, the Munitions Committee has been studying the financing of munitions sales. In 1915 four of the country's major banks had raised the question of floating foreign loans in the United States to finance the purchase of munitions. The American policy had been expressed repeatedly that the floating of foreign loans to belligerents was unneutral. In 1915 that policy was quietly reversed without discussion in Congress.

I digress again to ask my colleagues what they think of a political system that will permit some bureaucrat to retain within his power, or arrogate unto himself the power, to take the boy of any citizen and put a uniform on his back and a gun in his hand and send that boy to bloody shambles across the seas without submitting the questions of policy which might lead to that hellish thing to this body for adjudication, as befits a civilization such as ours.

Again I go back to the letter, and read:

The Lansing letter, attached hereto, indicates fairly clearly why that policy of neutrality was reversed.

Secretary Lansing, who was probably one of the Nation's ablest officials, describes in this letter the mushroom growth of war purchases by belligerents with the consequence that the European governments would go bankrupt if they tried to pay for those purchases in gold. Any demand to make them pay in gold would result in an industrial depression in this country. The alternative to this foreign-made depression was for us to loan money to the belligerents. This had previously been declared to be "inconsistent with the true spirit of neutrality" by the Department of State. In view of our financial entanglement with Europe, this policy of neutrality was now "a source of embarrassment." Neutrality could no longer stand in the way of economic interests. President Wilson acquiesced in this analysis.

One month after this letter the first great Anglo-French loan of $500,000,000 was floated by a syndicate headed by J. P. Morgan & Co. Other loans followed. André Tardieu, former Premier of France, commented that after these foreign loans had been floated, "from that time on, whether desired or not, the victory of the Allies became essential to the United States."

Since the matter of an embargo on foreign loans and credits to belligerents is before you now, we specifically invite your attention to the danger of allowing a repetition of the same historic development which led to entangling foreign economic alliances, and for which the United States still has to pay billions in uncollected war debts.

Mr. President, I shall now read to the Senate a letter of Secretary of State Lansing, dated April 6, 1915, addressed to President Wilson, and this, in my judgment, will take its place among the great historic documents of this country. This is a letter which is very, very revealing. It shows the imminent danger which we confront now by not formulating a cold, hard policy concerning neutrality, declaring the policy of Congress, and laying down inexorable, rigid rules, which will guide anyone in the Department of State or in any other department of this Government, so that those men by some improvident act shall not take the boys of this country out and have them shot to death in a war which the people of this country do not want.

I think I can say here without fear of contradiction from any Member of the Senate that the people of this country do not want war, and I think we are recreant in our duty to the people of America if we leave the city of Washington, D. C., without doing everything in our power to make war impossible. That duty is plain and inescapable.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. VANDENBERG. Entirely agreeing with the Senator's general analysis of the situation, I should like to add this conclusion, to which I think he might subscribe with equal emphasis.

It seems to me perfectly clear, from any critical analysis of our war record from 1914 to 1918, that the absence of a specific neutrality policy which was effective in its proscriptions, absolutely robbed us of any chance to direct our own subsequent destiny. In reality, we were sucked into that war irresistably in spite of anything we could do to prevent the ultimate process. It was the failure to have an affirmative neutrality policy which effectively quarantined us against the results of our own previous pseudo-neutrality, which ultimately created a situation in which we were the victims of our own failure to have the precise kind of a rule which it is now proposed the United States shall announce and announce in time.

Those who want the United States to be the captain of its own soul must want a neutrality rule written ahead of the necessity to apply it. Otherwise, we cannot be the captain of our own soul. We cannot control the events which will grip us to our doom. The time to act is now.

Mr. BONE. Mr. President, the able Senator from Michigan has so accurately and so succinctly stated this proposition that it would be a futile thing for me to attempt to improve or restate it. I heartily agree with his conclusions and the formula he lays down. Of course, we got into that war because we did not then have a definite policy respecting neutrality. The crime, the high crime, we may commit against the American people now—the crime this Congress, the Seventy-fourth Congress, the first session, may commit against the people of this country—is in not now laying down a clean-cut policy such as that prescribed and referred to by the able Senator from Michigan.

Mr. NYE. Mr. President, will the Senator yield to me?

Mr. BONE. I yield.

Mr. NYE. It seems to me the Senator from Washington might go a step farther and make the point that since that

experience of 1916–17 we have not as a Government, or as a legislative body, taken a single step to remedy the evil which existed then and which permitted our being drawn and sucked into that conflict, as was the case at that time.

Mr. BONE. Mr. President, I do not wish to fill the RECORD with a lot of material from the newspapers, but I should like to have incorporated in my remarks at this point an editorial from the Washington Daily News of today which is headed "Declare Neutrality Now", a very forceful and enlightening editorial. It calls upon the Congress of the United States not to go home, but now to lay down definitely and specifically a neutrality policy which shall guide us if, before we return, this country unhappily may be placed in a position where its peace will be endangered.

The PRESIDING OFFICER. Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DECLARE NEUTRALITY NOW!

Everyone agrees there is danger of Italian-Ethiopian war and of a world war growing out of it. Everyone agrees that we should stay out. Everyone agrees that our neutrality and munitions policies will determine largely whether we stay out or get dragged in, if there is a general war.

But almost everyone has a different idea about an effective policy. That is why there has been all of the talk about this subject and no action.

With Congress winding up to go home only a few days are left in which to pass the much-needed neutrality and munitions law. The old alibi, that we must investigate before we act, no longer holds. Congressional committees have been investigating for many months. While they may not have reached the point of complete and final wisdom, they know enough about the subject to provide minimum and temporary safeguards to meet the present acute danger.

Unfortunately, the administration cannot make up its mind that quick and incomplete legislation is better than none in this emergency. It is tangled in State Department red tape and the traditional desire of Presidents to have a free hand in foreign affairs. But just how embarrassing and expensive this executive freedom may be is proved by the Lansing-to-Wilson letter, which Senators CLARK and NYE have uncovered as a prod to congressional action now. That letter of 1915 led to reversal of the Wilsonian policy of discouraging loans to belligerents, and the new policy of making America the allied banker in turn led America into the World War, partly to protect war investments.

The point is that neutrality to be neutrality must be declared as a basic policy in advance of hostilities, otherwise it has inevitable partisan results and is resented by one of the belligerents as such. For instance, a general arms embargo would not weaken Italy but would seriously injure unprepared Ethiopia. On the other hand, an arms and credit embargo against Italy alone would be in effect a participation in the war on Ethiopia's side.

The only reason for leaving the embargo and neutrality power discretionary with the President is to permit discrimination against an aggressor. That was intelligent some years ago before the international peace machinery had been almost completely destroyed by Japan and Germany. But it is not practicable now—not unless we are ready to back up our economic weapons with American troops.

Strict neutrality is one thing. Joint international action against an aggressor is the opposite thing. For better or for worse, the American people now favor strict neutrality in foreign wars.

Neutrality, as history shows, is hard to maintain. Once America gets a stake in a foreign war, through trade or credits, we are apt to be drawn in as we were in 1917. There is no certain escape from this danger. But we at least can take obvious precautions.

While postponing the controversial question of nationalization of the munitions industry, Congress, this week, should pass a neutrality law banning American travel on belligerent ships and prohibiting munitions sales and all loans or credits to belligerents.

Mr. BONE. Mr. President, I am sorry that every citizen of this Republic has not been privileged to read Emil Ludwig's famous book, July Fourteen, referring to the month of July 1914. He tells the somber and sordid story of how the peoples of Europe were dragged into that great holocaust through the stupidity and ineptitude of old men in the chancelleries of Europe, and there are still a lot of doddering old men over there in positions of power, along with a sorry lot of confirmed megalmaniacs, egomaniacs, and psychopaths, who are literally preparing to dip their hands in blood and drag the whole world into the frightful mess they are creating for themselves.

Mr. President, I shall now read this letter from Secretary of State Lansing, addressed to President Wilson, on September 6, 1915, which proves the correctness of the views expressed by the Senator from North Dakota [Mr. NYE] and by the Senator from Michigan [Mr. VANDENBERG], and which serves to further illumine the matter I have been discussing.

However, previous to reading this letter I wish to refresh the memories of Senators by referring to a telegram which Ambassador Walter Hines Page sent from London before we got into the war. The famous Page wire indicated a very grave concern for the welfare and the possible lack of payments of the debts due to New York bankers representing war loans for the purchase of munitions, and that debt, Mr. President, was one of the outstanding factors in putting this Nation into war. Let us read this refreshingly frank and candid letter of Secretary Lansing to President Wilson:

MY DEAR MR. PRESIDENT: Doubtless Secretary McADOO has discussed with you the necessity of floating Government loans for the belligerent nations, which are purchasing such great quantities of goods in this country, in order to avoid a serious financial situation which will not only affect them but this country as well.

Let us, as we begin to read this letter, look at the effect of this economic relationship which we were establishing with the countries of Europe, which inevitably led us into war, and piled up our monstrous war debt. Everything we do today is colored and threatened by the existence of the hang-over of this gigantic war debt, which, if things continue as they are now, may never be repaid. I continue reading:

Briefly the situation, as I understand it, is this: Since December 1, 1914, to June 30, 1915, our exports have exceeded our imports by nearly a billion dollars, and it is estimated that the excess will be from July 1 to December 31, 1915, a billion and three-quarters. Thus for the year 1915 the excess will be approximately two and a half billions of dollars.

It is estimated that the European banks have about three and a half billions of dollars in gold in their vaults. To withdraw any considerable amount would disastrously affect the credit of the European nations, and the consequence would be a general state of bankruptcy.

If the European countries cannot find means to pay for the excess of goods sold to them over those purchased from them, they will have to stop buying and our present export trade will shrink proportionately. The result would be restriction of outputs, industrial depression, idle capital and idle labor, numerous failures, financial demoralization, and general unrest and suffering among the laboring classes.

Probably a billion and three-quarters of the excess of European purchases can be taken care of by the sale of American securities held in Europe and by the transfer of trade balances of oriental countries, but that will leave three-quarters of a billion to be met in some other way.

Furthermore, even if that is arranged, we will have to face a more serious situation in January 1916, as the American securities held abroad will have been exhausted.

I believe that Secretary McADOO is convinced—and I agree with him—that there is only one means of avoiding this situation which would so seriously affect economic conditions in this country, and that is the flotation of large bond issues by the belligerent governments. Our financial institutions have the money to loan and wish to do so. On account of the great balance of trade in our favor, the proceeds of these loans would be expended here. The result would be a maintenance of the credit of the borrowing nations based on their gold reserve, a continuance of our commerce at its present volume and industrial activity, with the consequent employment of capital and labor and national prosperity.

Mr. President, let me digress in the reading of this letter to point out to my fellow Senators the thing which happened after the war, which is, of course, too obvious to require comment. We saved the bankers, but in so doing, we pushed the world toward the edge of the abyss, and it finally went over with a crash resembling the crack of doom, and now every nation of the world nears bankruptcy as the result of that crushing war.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. CLARK. Does it not follow, from the facts—and they were facts rather than theory—set out in the letter of Secretary Lansing, that during the war, in order for us to continue our trade in munitions and other supplies to belligerent nations, it became necessary for us to loan the nations the money with which to buy supplies, and the loans we made them were never paid back, and that as the result of those loans and the policy then inaugurated it later became necessary for us to expend billions of dollars in the prosecution of a war of our own, and also to finance the nations which

were already engaged in the war, which sums have also never been and doubtless never will be paid?

Mr. BONE. Mr. President, the Senator from Missouri is absolutely accurate. What the Senator has stated so well and so ably is a fact known even to school children in this country. Everyone has come to recognize that the Great War was utter social insanity, and was a crazy war, and we had no business in it at all. Oh, yes; we heard a great deal of talk then about freedom of the seas. Whose seas? The seas upon which were being shipped munitions of war which served only to enrich a comparatively small group of men, and whose enrichment cost this country a staggering price, the enrichment of this group brought down upon our heads the terrible economic problems with which we wrestle right here today and we find it wellnigh impossible to solve some of them. Freedom of the seas! Out with such nonsense. For the sake of this fantastic theory that could at best serve the few and not the many, thousands have died, and our hospitals are filled with insane boys who had a right, under God's providence, to live their lives in peace. What a distortion!

Mr. CLARK. Mr. President, is it not true, as a mere matter of dollars and cents, to say nothing of the loss of lives and the loss of morale, that for every dollar of profit made by the citizens of the United States out of the munitions business during the war the American people have paid and are paying and will in the future pay a thousandfold?

Mr. BONE. Exactly; and the men whose greed for profit was the occasion of most of it come trooping blithely along and prate of their 100-percent Americanism and their patriotism. There were vast fortunes piled up out of the blood of our boys, and every drop of blood shed on a foreign battlefield was by the alchemy of big business metamorphosed into a dollar that clinked into the cash register of some war profiteer in this country.

Senators, the time has come to put an end to that sort of hell-born business if we wish to preserve the Republic. I do not want my boy to die to further enrich some American millionaire, whose conception of patriotism is the dollar sign and whose conception of proper international relations bears close resemblance to the ethical standards of old Harry Morgan.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. LONG. May I ask, where is this bill we have been looking for?

Mr. BONE. There are three bills here. I do not know what sort of a combination bill is coming out of this committee, but I know that if we are men and not mice we ought to scrutinize it with a magnifying glass to see if there is enough dynamite in it to stop this war business in its tracks before the boys are again tramping in our streets with guns on their shoulders.

Mr. LONG. Mr. President, will the Senator yield again?

Mr. BONE. I yield.

Mr. LONG. I understood from the Senator from Arkansas that this bill had been reported this morning. Perhaps I misunderstood him.

Mr. ROBINSON. Mr. President, as I stated in the beginning of the remarks of the Senator from Washington [Mr. BONE], there was an order made by the Foreign Relations Committee to report a joint resolution comprising three important provisions, one forbidding the shipment of arms, munitions, and implements of war, when a state of war exists, to any belligerent or to any neutral port for transshipment to a belligerent. The second provision forbids American citizens to travel on belligerents' ships, except under certain conditions. The third denies the right of a belligerent to send its submarines into any American port or to establish a submarine base in any American port.

The Foreign Relations Committee has been giving consideration to the matter through a subcommittee which has met almost daily. The subcommittee completed its task 2 or 3 days ago, and the full committee began the work of revising and preparing a report, which was completed at the meeting this morning; and the report will be submitted by the chairman of the committee in due course.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Louisiana?

Mr. BONE. I yield.

Mr. LONG. Was there a bill to prevent what was held to be a violation of the law by the Secretary of State, Mr. Bryan, namely, making loans to one of the belligerent countries? Was there a bill of that kind?

Mr. ROBINSON. Mr. President, I can supply the information on that subject. There was a provision advanced at the suggestion of the Senator from Idaho. No final action was attempted on that provision, because it was believed that the subject was affected with considerations which would require more deliberation. The report on that subject has not yet been made, for the reasons I have stated.

Mr. BONE. Mr. President, let me say to the Senator from Louisiana that one of these resolutions called for the regulation of the issuance of passports to American citizens in time of war, and sought to make it impossible for citizens going into a war zone to go there in such fashion as to jeopardize the peace of this country. A man who goes into a war zone in time of war ought to go there only at his own peril, and if he gets killed it is his misfortune. He ought not to exercise the right to drag a nation into war by reason of his going into a war zone. He has no business to go into a war zone, and by any misfortune there involve this country and its people in a war. I may have the legal right to cross the street where a knife fight is under way. I probably have such a constitutional right, but I would be a silly ass if I did so. If American citizens do not have brains enough to keep out of the war zone they should take the risk of being killed upon themselves. Their indifference to the welfare of millions who may become involved is antisocial.

The second was to prohibit extension of credits and issuance of foreign loans under certain conditions.

The third was to prohibit export of arms and munitions.

I say these things about Americans going into a war zone for the reason that I do not think any man has the right to bring about international strife when he is involving millions of helpless people. If he were involving only himself it would be a matter of small moment, but by some overt act he may involve this country in a war in which millions of boys may pay the price, and such a monumental war debt be created as may absolutely drag down and utterly destroy our financial structure and hopelessly involve our western civilization.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. BONE. I yield to the Senator from Maryland.

Mr. TYDINGS. What does the Senator's joint resolution propose to do with the shipment of commodities which are not per se munitions or arms of war?

Mr. BONE. I can only briefly answer the Senator—I do not want to take the time to go through the whole list—by saying that it deals with arms and ammunition.

Mr. TYDINGS. Could cotton be shipped into a war zone?

Mr. BONE. I think the joint resolutions are so framed that any American vessel going into war zones would go at their peril; at least, I would have the measure so provide, if I could.

Mr. NYE. Mr. President, if the Senator will yield, I should like to answer the Senator from Maryland.

Mr. BONE. I am happy to yield to the Senator from North Dakota.

Mr. NYE. The three joint resolutions offered by the senior Senator from Missouri [Mr. CLARK] and myself have been thought by us to constitute a well-rounded program of neutrality. One contemplates the prevention of the sailing of Americans into the war zone upon the vessels of a belligerent nation.

The second, Senate Joint Resolution 100, forbids the extension or the issuance of loans and credits to nations engaged in war.

The third resolution, being Senate Joint Resolution 120, undertakes to forbid and prevent the exportation of muni-

tions of war to nations engaged in war and contain a further provision respecting contraband commodities which are not considered under international law as being strictly munitions.

As respects contraband, Senate Joint Resolution 120 proposes that when American contraband shall be sold to nations engaged in war there shall be no undertaking to ship such supplies in American bottoms or under the American flag, but that the nation buying shall come and take its own chance respecting delivery to ports where it desires delivery made. That, in brief, is the general purpose of the three joint resolutions.

Mr. TYDINGS. May I ask the Senator if a commodity such as cotton or wheat or corn or iron or any other commodity could not be shipped to either of the belligerent nations except in bottoms belonging to the belligerent nations?

Mr. NYE. Not exactly that. The belligerent nation might get some carrier of another nation to make delivery.

Mr. TYDINGS. We could ship it, but not in our bottoms, to the belligerent nation.

Mr. NYE. That is correct.

Mr. TYDINGS. If a belligerent nation should send its ship into our ports, how long could it stay in time of war under these proposed neutrality laws?

Mr. NYE. There is no effort made to alter the provisions of the law that related to that subject during the last war.

Mr. TYDINGS. I think they had to leave within a certain time; I do not know whether it was 1 day or 3 days or 36 hours. Does the Senator from Washington know?

Mr. BONE. I have forgotten just what the limitation is.

Mr. LEWIS. Mr. President, may I take the liberty of interrupting to say that each country has a different rule on that subject?

Mr. TYDINGS. But we have our law.

Mr. LEWIS. By regulation we undertook, I take the liberty to say to my able friend, to limit the stay of such a vessel to 12 hours, with the understanding that the time could be extended to 18 hours if it were shown that the vessel could not sail in less time than that.

Mr. TYDINGS. If the Senator from Washington will yield to me for a moment further, I should like to make one concluding suggestion. If the Senator wants to cut off all possibility of a conflict by the three joint resolutions he now has before us, he should not let the ships of belligerents come in, because there might be a fight by the belligerent vessels in our territorial waters, particularly within the 12-mile limit.

Mr. NYE. The Senator raises a question which has received a great deal of consideration, but it seems to me we might better apply ourselves to the measure which we understand will be reported to the Senate by the Foreign Relations Committee, as told us by the majority leader, who is also a member of the Foreign Relations Committee.

The action taken by that committee this morning ignores the matter of contraband; it ignores all matters relating to the issuance of loans and credits to nations engaged in war. So the question which the Senator raises is not a point at issue at the moment, at least.

Mr. GLASS. Mr. President, may I inquire whether the committee proposes to make any distinction between the aggressor nation and the nonaggressor nation?

Mr. NYE. Mr. President, under the three joint resolutions offered by the Senator from Missouri and myself, there is no provision made for determination as to who is the aggressor; and in respect to the program which we understand to be now on the way from the Foreign Relations Committee, there is no provision made for anyone to determine who is the aggressor, but the action is alike upon the belligerents at war.

Mr. ROBINSON. Mr. President, the bill which has been ordered reported by the Foreign Relations Committee requires all exporters and importers of arms, munitions, and implements of war to register. It provides for licenses for the shipment of arms and munitions. It forbids the issuance of licenses for shipment to or for import from any country at war.

It does not undertake to discriminate between belligerents, to favor one as against the other, but undertakes to preserve the neutrality of the United States by forbidding its citizens to ship to or import from any belligerent country arms, munitions, and implements of war. It also extends the prohibition to neutral ports when the shipments are made for the purpose of transshipment to belligerent ports.

Mr. BONE. That is merely an amplification of the "cash and carry" principle applied to foreign countries in time of war.

Mr. LEWIS. Mr. President, may I be pardoned at this moment to call the attention of the able leader of this side, who is also a member of the Committee on Foreign Relations, to the fact that the action to which he has just referred as having been taken by the Committee on Foreign Relations was not unanimous?

I desire also to say that it is well understood by us all that the action of the committee is not intended to bind the action here on the floor of Senators who are members of that committee. I ask the able Senator, the leader on this side, if that be not a correct statement?

Mr. ROBINSON. Certainly. Any Senator is at liberty to vote as he pleases on the bill referred to just as he is at liberty to exercise his judgment on any other bill that comes before the Senate. For the benefit of the Senator from Illinois, I may say that it is my understanding that in the committee he opposed any action by the committee on any of these subjects matter; he opposed any report by the committee.

Mr. LEWIS. The Senator's statement is absolutely correct, and I abide by it.

Mr. ROBINSON. The provisions of the proposed law relating to financial arrangements were postponed, as I have suggested, largely at the instance of the Senator from Idaho, who thought there was not sufficient time in which to work out the matter satisfactorily.

Mr. BONE. Mr. President, may I ask the Senator if the committee has done anything in the matter or loans and credits?

Mr. ROBINSON. That is just exactly what in my last sentence I said had been postponed, largely acting at the instance of the Senator from Idaho [Mr. BORAH] because it was not felt that there was opportunity to frame a satisfactory provision.

Mr. BONE. Mr. President, if any Member of this body feels that my indictment has been too harsh, if I have exhibited an attitude here that is not justified, I wish to call his attention to the statements made by witnesses before the Munitions Committee who represented the greatest business institutions in America, men who were called down here as witnesses representing such organizations as the Du Ponts and the shipping and steel combines of the country. One of the questions tendered these outstanding witnesses was:

> What, in your judgment, will happen to our western civilization if the world becomes embroiled in another great international conflict?

I assure the Members of the Senate that without a single exception those men stated unhesitatingly that, in their judgment, another great international conflict would probably destroy our western civilization. That is not my conclusion. I elicited that answer from these business leaders, and they were dishonest if they did not answer truthfully. Certainly a man who would come down here and stultify himself in an answer of that kind ought to be summarily kicked out of American business life. He has no right to write that kind of an answer into a public document and lay that sort of challenge as to the ruinous consequences of such a war unless he meant it. And they did mean it, and they were sincere in their answers. If gentlemen of the vicious disposition of certain European dictators today are able, like another blind and desperate Samson, to lay brawny arms around the pillars of the social temple and pull it down around our ears, there is little hope of preserving this segment of our western civilization which we call the United States of America. If this is not a challenge to the United States Senate, then a challenge cannot be formulated that would make the slightest impression on the mentality of Senators.

I am going to return now to the Lansing letter and resume reading it. Mr. Lansing had this further to say to President Wilson:

The difficulty is—and this is what Secretary McAdoo came to see me about—that the Government early in the war announced that it considered "war loans" to be contrary to "the true spirit of neutrality." A declaration to this effect was given to the press about August 15, 1914, by Secretary Bryan. The language is as follows: "In the judgment of this Government loans by American bankers to any foreign nation at war is inconsistent with the true spirit of neutrality."

In October 1914, after a conference with you, I gave my "impressions" to certain New York bankers in reference to "credit loans", but the general statement remained unaffected. In drafting the letter of January 20, 1915, to Senator Stone I sought to leave out a broad statement and to explain merely the reasons for distinguishing between "general loans" and "credit loans." However, Mr. Bryan thought it well to repeat the August declaration and it appears in the first sentence of division 13 of the letter, a copy of which I enclose.

On March 31, 1915, another press statement was given out from the Department which reads as follows:

"The State Department has from time to time received information directly or indirectly to the effect that belligerent nations had arranged with banks in the United States for credits in various sums. While loans to belligerents have been disapproved, this Government has not felt that it was justified in interposing objection to the credit arrangements which have been brought to its attention. It has neither approved these nor disapproved—it has simply taken no action in the premises and expressed no opinion."

Manifestly the Government has committed itself to the policy of discouraging general loans to belligerent governments. The practical reasons for the policy at the time we adopted it were sound, but basing it on the ground that loans are "inconsistent with the true spirit of neutrality" is now a source of embarrassment. This latter ground is as strong today as it was a year ago, while the practical reasons for discouraging loans have largely disappeared. We have more money than we can use. Popular sympathy has become crystallized in favor of one or another of the belligerents to such an extent that the purchase of bonds would in no way increase the bitterness of partisanship or cause a possibly serious situation.

Now we can begin to see just what sort of menace this thing becomes. It reminds me of Pope's statement:

Vice is a monster of so frightful mien,
As to be hated needs but to be seen;
Yet seen too oft, familiar with her face,
We first endure, then pity, then embrace.

As we go into these matters we find the bankers were lending money to England and France, and little by little, little by little, this stealthy process was taking us nearer and yet nearer to war, and the banking interests were pushing this Government nearer and yet nearer to the point when it became hopelessly enmeshed in the net, and finally the boys had to don the uniform, put guns on their shoulders, and pay the last price on the fields of France to make the world safe for democracy and the New York bankers.

I resume the letter:

Now, on the other hand, we are face to face with what appears to be a critical economic situation, which can only be relieved apparently by the investment of American capital in foreign loans to be used in liquidating the enormous balance of trade in favor of the United States.

What a terrible thing when they accomplished it! What a mess! Here is Lansing telling what would be in store for us; and here were these wise, long-headed bankers laying out a gloomy financial future for boys and girls yet unborn, generations yet not with us, who will have to stagger under the heritage of debt created by that sort of abandoned conduct on the part of the bankers and politicians.

I resume the letter:

Can we afford to let a declaration as to our conception of "the true spirit of neutrality" made in the first days of the war stand in the way of our national interests, which seem to be seriously threatened?

National interests! In God's name, whose interests were they? They were the "interests" of the business profiteers and bankers. They were not the "interests" of those boys who are now in insane asylums as the result of war hazards. They were not the "interests" of the boys whose broken bodies lie in French soil. They were in the potential interest, if not the then direct interest, of the 23,000 new millionaires whose fortunes were soon to be coined from widows' sighs and orphans' tears.

I continue with the letter:

If we cannot afford to do this, how are we to explain away the declaration and maintain a semblance of consistency?

In order to be consistent they become utterly inconsistent, and finally wound up by plunging the country in war.

Then Mr. Lansing proceeds:

My opinion is that we ought to allow the loans to be made for our own good, and I have been seeking some means of harmonizing our policy, so unconditionally announced, with the flotation of general loans. As yet I have found no solution to the problem.

Secretary McAdoo considers that the situation is becoming acute and that something should be done at once to avoid the disastrous results which will follow a continuance of the present policy.

Faithfully yours,

ROBERT LANSING.

This letter was written September 6, 1915, and the last line of this faithful letter by Mr. Lansing was:

Secretary McAdoo considers that the situation is becoming acute and that something should be done at once to avoid the disastrous results which will follow a continuance of the present policy—

A policy which was not a policy at all. It was merely the thing the Senator from Michigan [Mr. VANDENBERG] referred to a moment ago when he said there was no policy but of drift, drift, drift, drift, until finally the Nation became enmeshed in a web of circumstances from which there could be no escape.

Who pays the price? We find the newspapers today bawling to high heaven about the heavy taxes we are levying. Those taxes are the heritage of that war. We have a pension burden in this country which is staggering. That burden will not end in your time, Mr. President, nor in mine. It is a direct heritage of that war. We are told by the ablest men in the country that another war will destroy and wreck our civilization, and yet we are going home. We have solved some problems. If we get into a war all the work we have done may be in vain.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Missouri?

Mr. BONE. I yield.

Mr. CLARK. The Senator will recall that in the last war, when the United States had permitted the war to develop without the establishment of any definite neutrality policy of its own, when the late Senator from Nebraska, Mr. Hitchcock, the ranking member of the Foreign Relations Committee of the Senate, in 1914 introduced a resolution in this body seeking to establish a definite neutrality policy having to do with the exports of munitions and supplies to the belligerent nations, protest was then made by the British Government to our Ambassador at London that the passage of any resolution after the existence of a state of war, establishing such definite neutrality policy, would itself be an unneutral act. When that protest was transmitted by Ambassador Page to the State Department, the Secretary of State, Mr. Bryan, replied to Ambassador Page disavowing responsibility for Senator Hitchcock's resolution, stating it had been introduced without any consultation with the State Department or the President, and tacitly admitting the contention of the British Government.

Mr. BONE. That is precisely the case. Such a step in time of war would unquestionably be regarded as an unfriendly act, perhaps a definitely hostile act. If we can find nations, such as one great power today, asserting that national honor is violated because some little fellow in some far-away corner of the world says something distasteful, we can understand how supersensitive great nations may become. The Senator from Missouri tells us an unhappy truth. The moment they are in war, they would regard as distinctly unneutral and unfriendly any effort to change the policy of this Government toward warring countries and belligerents.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Louisiana?

Mr. BONE. I yield.

Mr. LONG. I wonder if the Senator noticed the comment of the public press, or by experts in the press? They

take the position that war is much nearer than the Senator from Washington seems to view the matter; that we are practically on the threshold of war right now; that the relationships are such that our sales and exchanges necessarily are so treated in European countries that if they become involved over the conquest of Ethiopia by Italy, we likewise may become involved. That being the case it rather appears that as they view the matter now, and they have always been right in the past, we are almost on the brink of conflict.

Mr. BONE. I do not think there is any question about it. Let us see something about the reaction of the press. One does not have to assume the papers are always right, but news associations have men all over the world gathering news, and they keep their fingers on the pulse of things. Read the leading editorial in the Washington Star of yesterday, entitled "Europe Approaches a Crisis", and beginning:

Collapse of the three-power conference at Paris on the Ethiopian crisis has resulted from Mussolini's specific rejection of a proposal put forward by France and England. * * * There is little ground for hope that this further study will be successful—

Referring to some negotiations under way—

nor is there any prospect of effective action by the League Council to avert the catastrophe of conflict.

The editor is talking about war as though it were almost upon us. The grisly phantom of war stalks in our midst. The newspapers assume that it is right at our doors and may be upon us tomorrow, and unhappily, they may be correct.

Referring to some negotiations under way the editorial continues:

Mussolini rejected this even as a ground of discussion, demanding instead a protectorate over the major portion of Ethiopia, extensive annexation of territory, and Italian military occupation of most of the country. * * * In the present temper of Italy and in view of its evident purpose to proceed regardless of any national influence—

Imagine what a country like that would think about a shift of policy in respect to neutrality, in the middle of a war. Here is Italy going right ahead regardless of the Kellogg Peace Pact and the League of Nations and all other salutary restraining influences of an international character—

it is hardly likely that either course would serve to check Mussolini's war plans. There is a decided sentiment in England for a virtual participation through the closing of the Suez Canal to Italian troop transports and supply ships. Such an action might well result in an enlargement of the sphere of conflict, the involvement, in short, of Great Britain and possibly France. It is this possibility that causes the apprehension felt today in Europe lest the Ethiopian crisis may lead to a general conflict on the Continent.

Obviously, a general European war is going to compel us either to take sides between the two parties to it and recognize one as a belligerent who is to blame, or else do what we have suggested here and keep out of that kind of business.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Louisiana?

Mr. BONE. I yield.

Mr. LONG. It has been 17 years since we ended the war with Europe, and we have not done a thing in the world, have we, to keep from being drawn into another one? Seventeen years have gone by, and we are still just where we stood then.

Mr. BONE. Exactly. There is not a line of law that should have reflected some of the concern which Lansing and others felt because of this country's lack of preparation in the way of legislation to define policies of neutrality in case of a European war.

Now I desire to call attention just briefly to some facts which show what the inspiration was for a lot of this stuff. Here was a great market for American manufacturers, and they wanted the market, and they did not care what it cost. We have now learned the price, and we are the most inordinately stupid people under the sun—never, in all the infinite spaces of time, could a people be so stupid as we, if we permit ourselves to be dragged into another mess of that kind merely for the sake of profit in business.

Exports of domestic produce from the United States to the Allies jumped from approximately $825,000,000 on June 20, 1915, to $3,214,000,000 on June 30, 1916, an increase of almost 300 percent.

That was one of the motivating forces which dragged us into the war—the profit in the war business.

To the Central Powers they dwindled from approximately $169,000,000 on June 30, 1914, to $1,000,000 on June 30, 1916. Trade with the Allies was largely in munitions, war materials generally, and foodstuffs. This enormous trade in munitions and war supplies between the United States and the Allies presented unprecedented opportunities to American commercial interests.

There you have the whole story.

When the Allies could no longer finance the trade, the United States had to do it. The quiet change in this Government's policy regarding loans to belligerents made possible the flotation of the first big war loan—the Anglo-French loan of $500,000,000 of October 1915. That was merely a beginning. When the financial needs of the Allies could no longer be adequately met by private banking agencies, Ambassador Page in London wired an alarming telegram to this Government on March 5, 1917, in which he pointed out the threatening financial situation of the Allies, and the dire results that would befall not only the Allies but the United States if we did not go to their aid. The commercial and financial interests in the United States could not then risk any chance of failure for the Allied cause when such failure spelled economic disaster for those interests.

That is just about as blunt a statement as one may make. For the sake of profit, for dollars, to protect the loans of certain commercial interests in this country, 50,000 boys now lie buried in France. Thousands of others are in insane asylums. We have pension rolls here which will be a staggering burden when all of us in this body shall have passed away; and we now face a possibility of repeating the supreme economic and social folly of 1917.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Tennessee?

Mr. BONE. I do.

Mr. McKELLAR. I was at a picture show last night, and I saw on the screen the statement that Lloyds was betting 500 to 1 that America would not be involved in this trouble. Lloyds, as the Senator knows, is a pretty good business institution, or, I might say, a pretty good gambling institution. Those are very long odds; and I am inclined to think Lloyds is probably right.

Mr. BONE. I know the Senator's memory is sufficiently acute to recall the statement which I heard before we got into the World War. "Oh, nothing could get the United States into one of these messes in Europe. This imbroglio will not bring us in." Am I correct? Let any Senator here rise and tell me if I am wrong. I heard it said a thousand times from the platform, from churches, from every other agency under the flag, that we would not and could not get into that flaming hell that was the Europe of 1917. But in we went.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Louisiana?

Mr. BONE. Yes.

Mr. LONG. We inaugurated a President on March 4, and declared war on April 17, I think. Those things do not make any difference.

Mr. BONE. Yes; the Democratic Party elected a President because the people believed that he had kept us out of war! Oh, yes; we were perfectly safe! We elected a President in 1916 because he had kept this Nation out of war. And a few months later armies of our boys were marching down the streets with rifles on their shoulders. That is how much the American people were deceived by the vicious thing they faced. They did not know. They had no way of knowing or learning the truth. I wonder if the mothers of America would have voted for Woodrow Wilson, with the lamp of hope burning so brightly in their breasts, if they had known that a national administration would soon

put this country into war and that their boys would soon be in uniform and dying on French battlefields? I wonder if many of these mothers would have voted for him with that mother love in their hearts if they had questioned the sincerity of this implied promise for the future?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. BARKLEY. I do not wish to disagree with the general plan of the Senator's thought, but I think it ought to be stated that in the campaign referred to President Wilson himself never promised the people that he would keep them out of war. Those who campaigned for him referred to the fact that up to that time he had kept the country out of war; but I think the Senator or anybody else will fail to find that Mr. Wilson himself definitely promised such a thing in order to be elected or to get votes in that election.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Missouri?

Mr. BONE. I yield.

Mr. CLARK. Since we are beginning to get down to real cases on the question of staying out of another war and the general attitude of the American people toward the last war, while I do not recall that President Wilson himself ever said anything on the subject in the campaign, we all know that he sent Martin Glynn out to St. Louis to read the keynote speech as temporary chairman of the St. Louis convention; we all know that President Wilson read over Martin Glynn's speech before he went there; we all know that the Democratic Convention at St. Louis in 1916 deliberately pitched the campaign upon that issue; and we know that the American people elected the Democrats to power on that issue, and that within 2 months afterward we were in war.

Mr. President, I am not criticizing President Wilson for that; I am not criticizing the Democratic Party for that; but I do not wish to see another situation develop in which, if Congress should adjourn without taking action to establish a definite neutrality policy, and war should develop elsewhere before the next meeting of Congress, a chain of circumstances would be set in motion which would make some future President—President Roosevelt or any other future President—as helpless to keep the United States out of war as President Wilson was in 1917 by reason of the chain of circumstances which had been set in motion by the sailing of the first American munitions ship in 1914.

It does not involve any criticism of President Wilson or his administration to state those facts for the protection of Americans in the future.

Mr. BARKLEY. Mr. President, I am not out of sympathy with the purpose of the Senator from Washington nor the attitude of the Senator from Missouri; but, as a matter of history, I do not think it ought to be stated here, or that the impression ought to be left, that President Wilson went out in the campaign and deliberately promised the American people that he would keep them out of war in order to secure his reelection. Of course, it was legitimate for him or for his friends or for the Democratic Party to refer to the fact that up to that time he had kept them out, in spite of very annoying and embarrassing circumstances; but what I wish to impress upon the Senator is that Mr. Wilson did not himself guarantee to the American people that he could keep them out of war.

Mr. BONE. I think if the Senator will read my remarks he will see that I stated that American mothers would not have voted for Woodrow Wilson, as they did in my State, by the thousands if that slogan had not been ringing in their ears, and if they had not been going home day after day, looking into the eyes of their boys, and wondering what would happen to those same boys in case of war. They went to the ballot box in my State and voted for Woodrow Wilson because they believed that slogan, whether it was sincere or not.

Mr. BARKLEY. Because they believed it would be possible for him to pursue the same policy in the future.

Mr. BONE. Yes; and that is all the more reason why the same Democratic Party should now be brave and bold and courageous. I believe that the American people would destroy any political party which gets in the pathway of peace. Do not make any mistake about that. I would not be afraid to campaign this country on that issue. God help any political party that gets in the way of peace. I hope the mothers of America would root it out and destroy it, so that there would not be any evidence of it left, and, as in the case of Carthage, that they would sow salt over the grave of a party too cowardly to meet this issue head-on.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Kentucky?

Mr. BONE. I yield.

Mr. LOGAN. I am in full accord with what the Senator says about his joint resolution, but I think it would be well to remind the Senator that at Cincinnati, during the Wilson campaign in 1916, he warned the American people that it might not be possible to keep them out of war, and called their attention to the fact that we might be drawn into it in spite of all that could be done.

Mr. BONE. I accept that statement as true. The trouble is that we all agree with one another around here, but we are not going to do the thing that ought to be done. Of course we all agree with this. God have mercy on the political life of a man who would not at least publicly agree that this infamy called war ought to be met head-on, but the fact that we ought to agree does not get us anywhere. I want something practical done in this respect. It is possible to keep this Nation out of war and that duty rests squarely on our shoulders.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Maryland?

Mr. BONE. Just a moment, and I will yield.

Why should we have been dragged into that war? I am trying to read now, for the benefit of the American people, some of the reasons why we were dragged in and why we should eliminate elements that provoke war. The bankers had loaned this money, and they were involving us. The munition makers were selling munitions to the Allies at fabulous prices, as was revealed before the Munitions Committee, and they were involving us. Does anyone believe that the humble little homes in this country had anything at stake in these war loans? But big business interests had at stake the millions they were making in profits out of this sordid business of mass murder, and they were seemingly willing to desolate the hearthstones of this country, and politicians were willing to say that we were being dragged in. How were we being dragged in? Who dragged us in? I wonder if we could have been dragged in if we had had a Congress with intestinal stamina enough to keep us from being dragged in by such subversive and antisocial forces?

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Maryland?

Mr. BONE. I yield.

Mr. TYDINGS. I think one of the bills or joint resolutions prohibits American shipping from going into the war zone of a belligerent. That is correct, is it not?

Mr. BONE. That is correct.

Mr. TYDINGS. Of course, I realize that the Senator's resolution cannot define what a zone is, but I am wondering whether the zones would be the zones which the belligerents declare are the war zones, or would be the zones which we declared to be the war zones. The Senator can see what I mean, I am sure.

Mr. BONE. I understand. I think we can avoid much confusion by the formula for which I have always battled, that is, that any American who goes over where fighting will occur goes at his own risk. That is the thing for which I am battling. I do not care about technical differences which may exist in men's opinions as to what is a zone and what is not.

Mr. TYDINGS. Let me point out to the Senator a little better, by way of illustration, what I have in mind.

Under the rules of modern warfare, a submarine can operate two or three thousand miles from its native country,

and, therefore, unless a zone is pretty well defined, no ship at all could leave an American port, because as soon as it got out beyond the 3-mile limit it would be in the zone where in the last war German submarines sometimes operated. Therefore, it looks to me as if we would be surrendering not only freedom of the seas in the actual theater of operations near the country, but surrendering the freedom of the seas on all the seven oceans, because under present conditions submarines have a cruising radius of over 5,000 miles; and, therefore, if any ship were to leave an American port the minute it got out beyond the 3-mile limit it would run into a zone of possible war activity.

I say this not by way of criticism, but to point out to the Senator the circumstance so that he may take it into consideration in his argument and in his resolution.

Mr. BONE. I am fully aware of the fact that the marvels of science has made the world so very small that what the Senator says is true. Assuming it to be true, on the one hand we are confronted with a proposition of getting some trade and thereby violating or not violating this policy of neutrality which the Senator suggests, or saving ourselves from the possibility of war by cutting loose from the whole crowd, if need be.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. BONE. I yield.

Mr. TYDINGS. I am wondering, in pressing my inquiry a bit further, if the next war should be something like the last war, and submarines should operate on a wide scale from the home base, whether or not it is the purpose of the Senator's resolution, or the one to which he is addressing himself, to allow no ship flying the American flag to leave our ports, even though it was headed for a neutral country.

Mr. BONE. I do not think that would apply. If war were imminent in Europe, or were going on in Europe, I do not think there would be any question raised about the right of American ships to go into South American ports.

Mr. TYDINGS. But where would the war zone be?

Mr. BONE. The Senator is asking an impossible question.

Mr. TYDINGS. No; I am not, Mr. President.

Mr. BONE. Then the Senator presents an alternative so dreadful that there is no answer.

Mr. TYDINGS. No; I do not present an alternative.

Mr. BONE. I do not for a moment admit there is no answer to this difficult problem.

Mr. TYDINGS. The Senator is not discussing his resolution with me. Assuming another war like the one we had in 1917, and assuming that supplies should start to move from South America and from North America toward Europe, and the Germans should have their submarines and should operate all along the North Atlantic and South Atlantic, I ask whether or not it is contemplated by the Senator, in such a situation, that we should have no shipping going out, because the zone of war would be the entire North and South Atlantic Oceans?

Mr. VANDENBERG. Mr. President, will the Senator from Washington yield to me?

Mr. BONE. I yield.

Mr. VANDENBERG. May I say to the Senator from Washington and to the Senator from Maryland that the resolution which will be reported this afternoon from the Committee on Foreign Relations does not involve the point which is raised by the Senator from Maryland. The resolution has deliberately avoided one or two highly difficult phases of the situation, including the question of complete prohibition of all American shipping, for the purpose of attempting to lay down a few fundamental rules which are more or less incontrovertible. So far as the resolution which soon will be before the Senate is concerned, the effort is to summarily embargo the use of American ships for the shipment of arms and munitions and implements of war only, on the theory that this at least would relieve the maritime situation of its martial challenge and the justification for hostile attack on the theory upon which the enemy attacks in such circumstances.

Mr. TYDINGS. I thank the Senator from Michigan. If the Senator from Washington will yield a moment further, I understand that, but as I look at it, we want to draw a policy so broad that there will be no opportunity whatsoever for the United States to be drawn into another world war.

It occurred to me that if there is to be war on a large scale, and if we are to pursue the policy referred to to its inevitable conclusion, the only sure way by which we can stay out of war, if this philosophy is sound, is to have no shipping whatsoever because in another world war the Atlantic and the Pacific, North and South, and the Indian Ocean, to say nothing of the air, will all be used as a means of communication, and therefore my interrogatory is addressed to the Senator from Washington, not by way of criticism, or to belittle his efforts, but by way of showing him that if his philosophy is to be pursued not to the point of absurdity, it ought to be so broad, if he wants to present the issue clearly to the Senate, that we should even go so far as to stop all commerce rather than embroil this Nation in another war.

I may say to the Senator on that point, in conclusion, that I believe the human being is so constructed that while everybody will be for the resolution now, when the time comes that the cotton farmers cannot export their cotton, exporting, as they do, 50 percent of the entire crop, those men will demand the markets back which give them a living, particularly when cotton, in such a situation, will be bringing an abnormally high price. Therefore what we do, well intentioned though it is, is apt to degenerate into a set of New Year's resolutions, which will be broken about as soon as war is declared.

Mr. BONE. Mr. President, it certainly does not inspire us with any great hope for the future when, as the Senator from Maryland suggests, the fact that some cotton growers in the South are going to make a lot more money out of war may wipe off the statute books by one fell swoop, any effort of ours, however ineffective or weak it may be, to meet this situation.

It is not my fault that the world has become so small that an airplane leaves San Francisco and in a few hours is out at the Midway Islands. That is a condition which the march of science has established. It is not the fault of anyone. The fact that the world may be so much smaller tomorrow that we can circumnavigate the globe in hours instead of days is the fault of no one, but it is a harsh condition which we must confront, and if it be necessary—and I do not say that these resolutions to which I have adverted present the necessary answer to the problem—I say that if we face a condition due to scientific achievement which has made the oceans of the world nothing but mere puddles in someone's back yard, so that a ship may go across them with safety under any conditions in warfare, then we had better adopt harsh remedies and abandon our world commerce—for a short time, to preserve our civilization. I say that frankly. I would rather temporarily abandon all our world commerce than to have this Republic, which my father fought to preserve, destroyed or irreparably injured by another great war. I would rather see that than see the youth of this country don uniforms again and go out to die, only to leave a heritage of evil, financial and otherwise, in the train of a war far worse than the one we saw in 1917 and 1918.

The Senator from Maryland is a soldier and he knows what I am talking about.

Mr. TYDINGS. Mr. President, will the Senator yield again?

Mr. BONE. I yield.

Mr. TYDINGS. I have no desire to prolong this debate, but I cannot help being a bit philosophical. Many people level criticism at the President and the administration, and at the Members of the Senate and the House who sat here and declared war in 1917. They imply that the Congress acted wrongly. But none of us can calculate what would have happened if the Congress had been so paralyzed by fear that it would not have declared war. Who can tell what

the consequences of silence would have been in that time, whether or not there might not have been another map of the world made, whether these United States of America would be the country for which the Senator's forefathers fought and died?

It is always easy to criticize what someone has done, but it is very much harder to do better, and particularly when we have only the one consequence physically before us on which to base our judgments. Therefore, hating war as I do, and sympathizing with the philosophy which the Senator from Washington is expressing, I think that sometimes it is easier on humanity to fight than not to fight. I submit that for whatever it is worth.

Mr. BONE. Mr. President, I feel that the Senator from Maryland, who has experienced the hardships of soldiering, and who has discussed them on this floor repeatedly, sympathizes with my point of view. During one of his speeches a short time ago I felt tempted to speak a word to that learned Theban about the thing he has discussed here so frequently, that is, the war debts and our mounting national debt, to which he has adverted so frequently and in such an illuminating way. I know he appreciates what another war would mean to this country. It would probably mean the destruction of our national financial system. It could not stand the strain of another war. I am not speaking of sentimental things—although I think sentiment ought to play a great part in our lives. If we should abandon all things sentimental, God help us. Look at Europe, which has crucified sentiment. Look at the condition over there and ask yourselves why we should immerse ourselves again in that old world hell broth.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. BONE. I yield.

Mr. LONG. We exported only about 3,000,000 bales of cotton last year; our exports are not so large as they used to be. But there is no sacrifice in the way of trade that I can imagine—and the South, of course, leads by reason of its exportation of cotton—there is no sacrifice, temporary or permanent, which we would have to make to avoid war which would approach the sacrifice we would have to make to go into a war.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. CLARK. I wish to occupy the time of the Senate for just one moment to suggest that the philosophy expressed by my friend the Senator from Maryland [Mr. TYDINGS] is precisely the philosophy, precisely the complacent regard for war as inevitable, which has actually made war inevitable since time immemorial.

In further reference to what the Senator from Maryland said, it is not the purpose of the proponents of these joint resolutions, it is not the intention of the advocates of the establishment of a definite neutrality policy, in any way to reflect upon the President of the United States or those who made up his administration, or the Congress which voted for war.

We simply recite the facts of the last war in which we were engaged to establish the proposition that it was the lack of a definite neutrality policy established by law, which would automatically go into effect upon the declaration of war, which made war inevitable, and which tied the hands of President Wilson and the members of his administration and the Members of the Congress who finally inevitably voted for war. We seek to avoid a situation whereby the Senator from Maryland, the Senator from Washington, and other Members of this body and the body at the other end of the Capitol, may be forced into a similar impasse.

Mr. TYDINGS. Mr. President, I rise only to take particular and special and personal exception to the remarks of the Senator from Missouri insofar as he passes upon my mental processes, commenting that the philosophy I was expressing made war inevitable. I may say to the Senator that since the World War we have had a League of Nations, a World Court, and we have had the Kellogg-Briand peace pact, and I do not know how many Locarnos, and many other pacts, and those connected with such conferences have all been working to avert war; yet it looks as though we are again on the brink of war.

I desire to point out to the Senator that my philosophy is utterly different from his.

Mr. CLARK. I am glad it is.

Mr. TYDINGS. The Senator assumes that the way to end war is to pass some resolutions here in the Senate. Within the past 2 months on this floor, in an address of over 2 hours, I expounded in full my philosophy as to how to prevent war; which, boiled down, is this: Not the path of fear, but the path of courage. Not the path of an inferior nation, but the path of a superior nation. Not the path of isolation, but the path of cooperation.

The Senator knows that tariff trade embargoes carried to an extreme, the depreciation of the money system, such international questions as the failure to settle the war debts, and inability to agree upon a method to bring about disarmament, are a thousand times more responsible for the conditions existing between Ethiopia and Italy and all the other countries in Europe than any particular philosophy embraced in these joint resolutions.

I do not propose to have the Senator say that I want war or that I like war; but I think I have as much intelligence as the Senator from Missouri has, and I ought to be permitted to approach the peace question from a different angle than he does without any aspersions being cast upon my mental processes.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. BONE. I yield.

Mr. CLARK. It would be farthest from my thoughts to set up any poor opinion of mine, or any simple deduction which I may draw from a study of events of the last war, or a study of events happening before and since that war, against the colossal intellect and the vast experience of the Senator from Maryland, who, I entirely agree, is the last word on international as well as fiscal questions. My philosophy, as the Senator says, does differ very essentially from his. The Senator considers it a mark of superiority, of being a superior Nation, to assert principles of international free trade which would be violated by both sides as they were in the last war, and the result would finally be that by reason of community interest with one side we should declare war on behalf of that side, which also would have violated our rights, rather than the other.

The Senator thinks it is a mark of weakness or fear to say that a few paltry dollars of profit should not be permitted to drag the United States into war, to jeopardize the future of our civilization, and to assist in pulling down the civilization of the world. When I said that the philosophy of the Senator from Maryland was certainly the philosophy which had made war inevitable and perpetuated it from time immemorial, I took that statement from the words of the Senator from Maryland himself; and I am willing to submit this issue and my case on the words uttered just a few moments ago by the Senator from Maryland.

Mr. TYDINGS. Mr. President, I should ask to take some of the time of the Senator from Washington were there any need to answer; but I think the answer is contained in the Senator's own remarks.

Mr. CLARK. And also the remarks of the Senator from Maryland.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. COSTIGAN. No one who has listened to him can doubt the timeliness, importance, and deep sincerity of the address of the Senator from Washington [Mr. BONE]. What I am specially concerned to discover is whether in the course of his research the Senator has found any war-making factors existing at the time when the letter of Secretary Lansing was written which are not essentially in existence at this hour?

Mr. BONE. Mr. President, I think I can better answer the able Senator from Colorado a little later. Our Munitions Committee investigators are working on certain files now, and their labors seem to have stirred up a veritable

hornet's nest of opposition in certain quarters because of fear which seems to have been engendered in certain quarters that it may reveal a condition that is not pleasant to be shown to the country. I am sorry I cannot give the Senator and the Members of the Senate more information about that. I may say that I hope the Munitions Committee of the Senate will a little bit later be able to make some revelations of fact concerning those matters which will be very illuminating and probably very startling to the country and fully answer the able Senator from Colorado.

Mr. COSTIGAN. Is there not evident an extraordinary parallel between the drift toward world war in the years from 1914 to 1917 and the drift which is perceptible at this hour?

Mr. BONE. Yes; there is a parallel current of events. Of course, the sales of munitions of war are not so marked now as they were then, but we are again drifting in the same deadly current which, in 1917, carried us toward the shoals of war. That is what has so alarmed members of the Munitions Committee, who have sought to have some action taken on the neutrality bills in this session.

Mr. LONG. Mr. President, what the Senator from Colorado said calls to my mind something which it seems is almost a parallel.

Italy now threatens to jump on Ethiopia under circumstances almost like those when Austria threatened to jump on Serbia. The situations are similar. Twenty years ago one strong nation started in on another one, and the whole world burst into war flames. I see no difference in the laws, and no difference in the rules, and no difference in the customs. I may say further that there is hardly a headline in a newspaper today which does not draw the parallel as to the likelihood of the four continents being involved in a war if those conditions and the laws remain as they have remained during the 17 years since the last war.

My friend from Maryland a few moments ago, in private conversation, called my attention to one thing. Congress, for 17 years, has resisted every effort to pass a single law which would prevent this country from being drawn into war as it was in 1917.

Mr. BONE. Mr. President, a statement like that from the Senator from Maryland of course challenges not only our attention but it ought to challenge the attention and interest of the whole country, as to what strange fear or influence it is which keeps the Congress of the United States from passing this legislation.

Mr. ASHURST. Mr. President, I have listened with interest and admiration to the speech of the Senator from Washington [Mr. BONE]. It is timely and important. If the Senator will permit me to occupy a moment of his time, I shall expatiate as to some views of my own. I do this because of the suggestion made by the Senator from Louisiana [Mr. LONG]. It is a fact that the parallel is observable between a great nation now advancing upon an independent government 3,700 years old, and the advance that was made by Austria upon Serbia in 1914.

I have just finished reading with mute amazement the book written by David Lloyd George, who was Chancellor of the Exchequer in England when the World War broke out in 1914 and later became the Premier. He gives it in his book as his deliberate opinion that had there been a Gladstone or a Disraeli as Prime Minister of Great Britain, had there been a Clemenceau as Prime Minister of France, and had a certain man named by Mr. Lloyd George been President of the United States, or had any one of these contingencies existed, there would have been no war, or at least it would have been sterilized and localized.

Mr. President, the world is now sitting by watching not only the planting but the watering and the cultivating of the seeds of a world war. What is the world doing to sterilize that potential world war? Nothing; nothing.

If we choose peace and tranquillity, safety and security, rather than to assert our right, it is our lawful privilege to do so. I am in favor of the neutrality resolution.

If we pass this resolution, let us pledge ourselves and our consciences that we shall live up to it. But what will be the temptations? As soon as war begins wheat may go to $2 a bushel. Let us agree that not a bushel of wheat shall be exported. As soon as war begins copper may go to 30 cents a pound. As soon as war is declared cotton may go to 40 cents per pound, but let us agree not to export a pound.

As soon as war begins the price of mules from Missouri will quintuple. That will be true of other articles of commerce. Let us live up to the resolution if we shall pass it.

Mark my word, the speech of the Senator may become historic. I am going to vote for the joint resolution.

Mr. BONE. Mr. President, I would set off against all of these trade advantages the bodies of the boys who will surely have to go abroad along with the cotton, the steel, and the iron. I would rather that every cotton magnate in the country and every steel magnate in the country be compelled to abandon war traffic than to traffic in the lives of our boys. I would rather the whole fabric of war traffic be rent asunder than to sacrifice more boys. If we have reached the point where desire for gold supersedes our common-sense desire to save our boys, we have reached a sad stage indeed. There must be some statesmanship in the Government and in the Congress. If there is not, let us go home and abdicate.

Mr. ASHURST. Mr. President, will the Senator yield further?

Mr. BONE. I am glad to yield to the Senator from Arizona.

Mr. ASHURST. I do not know whether I read it in the speech of the able Senator from Washington [Mr. BONE] or the speech of the able Senator from Missouri [Mr. CLARK], but I did read somewhere the statement that after a war is started, after a casus belli has originated, we are too late, we are foreclosed on changing our policy, we have sinned away our day of grace. If we are going to set up a policy, we must do so now and not after eventualities have occurred.

Mr. CLARK. Mr. President, will the Senator from Washington yield?

Mr. BONE. I yield.

Mr. CLARK. I can give the Senator a reference which establishes that proposition as a matter of policy and conduct on the part of the United States.

In December 1914, Senator Hitchcock, of Nebraska, introduced a resolution in the Senate aimed at the exportations of munitions of war to any belligerent. On December 11, 1914, the American Ambassador in Great Britain, Mr. Page, cabled the Secretary of State as follows:

> Sir Edward Grey unofficially expressed the hope to me that the bill introduced by Mr. Hitchcock in the Senate will not pass, aimed to prohibit the exportation by private firms of munitions of war to any belligerent. He calls attention to the fact that this would be special legislation passed while war is in progress making a radical departure from a long-established custom and that for this reason (it would appear?) an unneutral act toward the belligerents that can profit by it.

The Minister of Foreign Affairs of Great Britain, at that time engaged in war, expressed to the American ambassador the hope that a measure introduced in the United States Senate by the ranking member of the Senate Committee on Foreign Relations would not pass—a resolution designed to preserve the neutrality of the United States and to keep us from that policy of drifting into war to which we have referred.

To this cable, Mr. Bryan, then Secretary of State, on December 14, 1914, reported to our Ambassador:

> I have explained to Ambassador Spring Rice that Mr. Hitchcock did not consult the President or the State Department in regard to his resolution. Being from Nebraska he is not personally friendly to me.

In other words, the Department of State specifically disavowed the resolution of Senator Hitchcock in response to a demand communicated to the United States Government through the American Ambassador at London.

Mr. ASHURST. Mr. President, will the Senator further yield?

Mr. BONE. Certainly.

Mr. ASHURST. I want confirmation from the Senator as to whether or not in his judgment I am correct in my conclusion that after we shall have entered the war or the eventuality shall have come to pass, it is too late.

Mr. CLARK. There is no question about that.

Mr. ASHURST. If we act it must be preceding the war.

Mr. CLARK. There can be no question about that. From the date of the sailing of the first munitions ship in 1914, even the name of which nobody remembers, the United States was helpless to prevent entry into war.

Mr. BONE. Mr. President, I think the colloquy has made it very plain that the suggestions which have been made on the floor relative to shipments of cotton, of wheat, of copper, and the like, will be inevitably followed by a shipment of bodies of our boys who go along to make the world safe for democracy and collect the loans which we may be stupid enough to make.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Louisiana?

Mr. BONE. I yield.

Mr. LONG. I was unaware of the international law which the Senator from Arizona mentioned and the Senator from Missouri read. If that is the law, as I know it is, it seems to me the Congress has but very few days in which to pass this resolution. We have very few days regardless of how willing we might be to debate the matter. It ought to be a very hurried matter. Apparently there is going to be war somewhere pretty quick unless everybody else is being misled.

Mr. BONE. I am trying to take a very practical view of this matter. The Senator from Maryland [Mr. TYDINGS] says we cannot solve this matter by passing a resolution. No; but we can pull the financial teeth out of some of these fellows who are trying to make money out of war. If I may be pardoned for lapsing into vulgar vernacular to illustrate my point, I want to completely pluck their financial tail feathers. I am not interested in a lily-fingered resolution about amity and good faith. I want to make it impossible for the business racketeers of this country to set in motion forces which may again send the boys across the ocean. I hope that is plain enough. I have endeavored to make my statement clear.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Maryland?

Mr. BONE. I yield.

Mr. TYDINGS. I did not mean at all to say or imply that the Senator was not doing the best he could to bring whatever peace is possible out of the situation. My remarks were not in criticism at all.

Mr. BONE. I fully understood that.

Mr. TYDINGS. I expect I shall vote for the Senator's resolution. I was simply trying to point out the possibilities of war occurring anyhow under the Senator's resolution, and how futile it is many times to try when there are so many avenues through which war could be declared.

Mr. BONE. I think the logical answer to that, as there can be a logical answer to it, is that all we can do is to do our best. I do not want to stop at 90 percent of the way. I want to go the whole route toward peace in this thing and utilize every single agency which a parliamentary government can employ to prevent war. If that cannot be accomplished wholly, we will at least have done our duty by doing all that we can. But if we weasel and become frowzy little politicians and pull our punches, then history will treat us exactly as we ought to be treated.

Mr. CLARK. Mr. President, will the Senator yield again?

Mr. BONE. Certainly.

Mr. CLARK. As one of the authors and introducers of the resolution I should like to say to the Senator from Maryland and to the Senate that it has never been the contention of the Senator from North Dakota [Mr. NYE] or myself, or of anyone else so far as I know, that any resolution or any act or any legislation which can be enacted by the Congress would give us a positive assurance against war. Of course, the only way to prevent our entering a war is to keep a war from occurring, which we are helpless to do by ourselves. I do say that in my judgment the measures we have proposed here will tend very much to minimize the danger of our being drawn into a conflict in which we originally have no reason to participate.

Mr. TYDINGS. I think that may be conceded, and I do not wish to repeat what has already been said; but the Senator from Arizona selected only a few examples to illustrate his very well-taken point. Not only will cotton and copper and hog meat and mules and metals and coal and everything else that goes into the life of a nation be cut off by an embargo, which may be the logical thing to do, but the steamship lines and the railroad lines will likewise be forced to lay off a certain number of men as the volume of freight decreases, and business houses of all kinds will be forced to lay them off. Perhaps that would be a good thing in the end rather than to have war; but, if I understand the human being pretty well, while this seems a very easy and pleasant discussion this afternoon, when we are talking here with no war on, if it shall become necessary to put an embargo on all exports I apprehend that many persons who are now in favor of the joint resolution, particularly outside of the Senate, will start passing resolutions which will make the lobby telegraph volume look very small indeed, asking us to give them their markets at the high prices which will prevail for all manner of commodities.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Illinois?

Mr. BONE. I yield to the Senator from Illinois.

Mr. LEWIS. I address myself to the Senator from Maryland as well as to the Senator from Washington, who is ably presenting, in a most eloquent manner, his viewpoint. In the era in which we are now living, contemplating the world in its situation and the American in his rights, does my able friend from Maryland feel that the United States can ever be wholly and completely neutral in any conflict of the world where the rights of her people and their property would be, and would have to be, protected?

Mr. TYDINGS. Mr. President, since the Senator asks me the question, of course, if a man deliberately, with malice aforethought, as it were, puts himself in the position of drawing his whole country into a controversy, that is one thing; but I still believe that the American citizen, subject to certain reasonable restrictions, ought to be pretty well permitted to walk over the globe in countries that are not fighting, and not be a boy who has to sit on the back porch and behave himself when he is a citizen of a nation of the strength and power that we have.

Mr. LEWIS. And the rights that we have.

Mr. TYDINGS. I should not oppose a mild restriction on these rights, drawn with reason; but I certainly should oppose complete isolation for this country as having evils almost as great as any I can think of.

Mr. BONE. Mr. President, I have known what it is all my life to espouse unpopular causes.

I do not care how unpopular this sort of proposal might be; if my conscience dictated that I should vote for it, I would do it regardless of its effects on my future. I cannot hope for a future if I do not serve my honest impulses. We cannot fool with this thing called war. I, for one, am willing to pay any kind of a price to avoid war so long as that price tends to preserve our civilization, the heritage of 6,000 years of human progress, this fragile thing that is in our hands today.

Now I wish to read what Mr. Bernstorff, the German Ambassador, said during the war, because this goes back to that same sordid money business which plunged us into the war.

Bernstorff said:

He—

Referring to Colonel House—

told me at that time that, as matters had turned out, Wilson no longer had the power to compel England to adhere to the principles of international law. That the reason for this was that American commerce was so completely tied up with the interests

of the Entente that it was impossible for Wilson to disturb these commercial relations without calling forth such a storm of protest on the part of the public that he would not be able to carry out his intention.

That statement confirms in part what the Senator from Maryland has said, and what the Senator from Arizona has said. There is no gainsaying that; but the challenge I lay at the root of this matter is that we should start now, in advance, and make it impossible for any set of men to inaugurate these commercial and economic ventures and relationships that become set and jelled, so that it is impossible to dislodge them without danger of international conflicts.

The Anglo-French loan of $500,000,000 was effected in October 1915, and that was just the beginning. After that, time after time, other loans were effected.

On August 15, 1914, the Department of State of the United States issued a public circular regarding neutrality, contraband, and the seizure of ships and cargo, which stated in part:

The existence of war between foreign governments does not suspend trade or commerce between this country and those at war. This right to continue to trade with belligerents is upheld by the well-recognized principles of international law, subject to the exceptions herein noted.

These exceptions had to do with the rules governing the sale or shipment of contraband of war. On the same day, in answer to an inquiry from J. P. Morgan & Co. as to the attitude of this Government in case American bankers were asked to make loans to foreign governments during the war in Europe, the Department of State announced that:

There is no reason why loans should not be made to the governments of neutral nations, but in the judgment of this Government loans by American bankers to any foreign nation which is at war are inconsistent with the true spirit of neutrality.

That was in August of 1914.

The legitimate trade of the United States with the belligerents as well as with other neutrals was to continue, subject, of course, to the laws of maritime warfare. Loans to the belligerents, however, would be unneutral in spirit. The World War, as it progressed, illustrated conclusively the inseparable relationship between our war trade and the necessity of loans to finance it, and the utter impossibility of maintaining and increasing that trade and still remaining completely neutral.

Trade in all materials of use in the conduct of war grew to great figures. In explosives alone—and in that field we can understand the very intense interests of the great Du Pont Powder Co., which was supplying powder to the Allies at almost fabulous prices—in explosives alone, as a part of the munitions trade which is here specifically under consideration, the export figures jumped from approximately $10,000,000 on June 30, 1914, to $189,000,000 on June 30, 1915, to $715,000,000 on June 30, 1916.

I merely call the attention of Senators to the fact that the export figures on explosives alone, propellants and the like, rose from June 30, 1914, from a figure of $10,000,000 to $715,000,000 on June 30, 1916, a period of 2 years.

It is not strange that Germany found it difficult to look upon our policy in this regard as particularly neutral.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Louisiana?

Mr. BONE. Yes.

Mr. LONG. I desire to make this observation, though the Senator from Maryland [Mr. TYDINGS] has left the Chamber:

Our foreign business has never, in good times, averaged more than around 7 percent of our total business. Even though we were to have something that struck paralysis to as much as half or two-thirds of our foreign business, it would not be stifling or paralytic in its general effect, and I am not so sure that it would not furnish the American people with an experiment that would be much to their advantage.

In other words, if we had a few less imported products right now, and had more of our own manufactured goods consumed, I believe we should be a good deal better off than we are, even though we have been trying to dig up an export business. But, be that as it may, regardless of its outcome, our export business is never more than 7 percent of the total in good times; and even though we were to have the consumption of our own goods decreased to the extent of 7 percent, and even though there were no increases in this country, which there would most surely be, to offset that, none the less it would be sacrificing a percentage of trade which would be more than recompensed, through the avoidance of other losses and expenditures, to say nothing of the loss of life.

Mr. BONE. I think it is obvious that if the United States of America has to rely on foreign trade, in default of which the Republic will crash economically, we are obviously in a sad position. Our foreign trade has declined now to a point where it is of no great consequence; and if we lost what we had now, it were infinitely better to lose that in toto than to plunge the Nation into war. Certainly, if we get into another war, the tax problem will not be solved here on the floor of the Senate and in the House of Representatives. The tax problem will be settled by gentlemen who do not have much reverence for parliamentary forms such as we exhibit here.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. BONE. I yield.

Mr. ASHURST. I should apologize for again injecting myself into the able Senator's remarks. Manganese is one of the prime metals used in war as well as in peace. For some years I vexed the ears of the Senate and of the country urging a high tariff on imported manganese, not that I had in view solely and only the idea of aiding the producers of manganese, for I had also in view making our country self-sufficient.

Senators cannot be oblivious to the fact that we lost some ships—notably the *Cyclops*, whose fate is unknown—ships laden with manganese bound to our country.

If we desire to be self-sufficient, we ought so to develop our own American manganese deposits so that in time of trouble we shall not, forsooth, have to send to China, Japan, Norway, Sweden, Brazil, or Russia for manganese.

With due respect to others who hold different views, I believe that in a high-protective-tariff policy is not only wrapped up a great measure of prosperity for our people, but likewise a stimulation of those energies and enterprises which makes us self-sufficient so that we may practically observe neutrality in a world war. I am glad to say that I have had the assistance at all times of the able Senator from Washington in my feeble efforts to promote the development of the manganese interests of our country.

Mr. BONE. Mr. President, there are manganese deposits in my own State, I am advised, and I have joined with the Senator from Arizona in trying to induce mining interests in this country to explore those fields and to exploit manganese deposits in this country, and I quite share the Senator's viewpoint that it is necessary to do that in order that this country may become self-sufficient in time of war.

If the United States hopes to avoid being drawn into another world war, it must decide promptly upon a policy to safeguard its neutrality. Such a policy must be determined in advance. Our experience in the last war shows plainly that it cannot be improvised after the war breaks out. In August 1914, there were no laws on the statute books forbidding American citizens to sell munitions or other war materials, to loan money, or to regulate trade with belligerents. Under international law, as generally accepted at that time, the United States was not compelled to adopt such measures. The State Department sought to lay down rules governing trade in war materials and commerce. Its decisions, however, were made hurriedly under the pressure of events, and these decisions created precedents which could not be set aside later and established policies which could not be changed without committing an unneutral act. As a result, before the end of the first year of the war, the United found itself deeply involved in a one-sided trade in with the Allies, American bankers were ad-

vancing large loans, and the Government was involved in serious controversy with both the Allies and the Central Powers over alleged violation of neutral rights. By the end of 1916, neutrality had ceased to be possible.

Today, informed observers agree that the conflict between Italy and Ethiopia carries the threat of imminent war. Such a war would have repercussions in Europe and might easily start a general conflagration. If this should happen after Congress had adjourned and before the enactment of new neutrality laws, the United States would find itself in much the same situation as in 1914. While the President has fairly wide discretionary powers, there are still no laws on the statute books to forbid trade in arms and ammunition, the extension of loans and credits, or the regulation of contraband trade.

If our national policy against foreign economic entanglements is not determined by the time the first munitions ship sails to the war zone, then our situation is absolutely no different than it was at the beginning of the last war. This situation compels us to face realities and to discharge our responsibilities before it is too late.

There are those who will object to these resolutions. Some will protest the surrender of our rights as a neutral to trade in munitions and other war materials. Others will say that a small country, which is attacked by a powerful aggressive nation, should have the right to buy arms in our market. They overlook the fact that the big country can always prevent the weaker State from getting arms in any case. Still others will object to anything which recognizes the right of belligerents to declare foodstuffs or other articles "contraband of war." They will ask why we should not stand up for our rights and protect our merchants and exporters. We are prepared to meet these objections and to answer them.

GENERAL OBSERVATIONS IN FAVOR OF THE RESOLUTIONS

The development of a large munitions traffic must almost inevitably be one-sided, as it was during the Great War.

There will presumably be a general agreement that such a one-sided traffic violates the spirit of neutrality in its effects.

This was the German contention throughout our period of neutrality in the last war. On the basis of a policy of strict neutrality the United States Government felt it could do nothing to interfere with this one-sided traffic. Woodrow Wilson justified the policy of the administration on the ground that embargoes on munitions and other measures of similar nature could not be adopted while a war is in progress as against the parties to it.

Therefore, the administration persisted in its attitude of the strictest neutrality which, in actual effect, had all the advantages for one set of belligerents and none for the other, and the development of the very profitable United States-Allies' trade throughout 1914, 1915, and 1916.

The impossibility of remaining strictly neutral toward both sides was pointed out by André Tardieu.

We remember the notes to London and Berlin during the war protesting to both sides against the violation of our neutral rights. Public opinion in the United States became inflamed at the ruthless destruction of unarmed merchant ships and passenger vessels. When the *Lusitania* was sunk in May 1915 with the loss of 124 American lives our patriots began to shout for a strong policy. President Wilson parried with the diplomatic notes and for a time Germany offered to compromise. No one, it seems, thought of asking whether private American citizens in pursuit of fat profits had a right to involve us in war. In the end we were led to the point where we had to choose. We could try to defend our neutral rights by force of arms or we could give up those rights and stay out. On April 6, 1917, Congress declared that a state of war existed between the United States and Germany.

The only logical result of attempting to enforce those neutral "rights", as they were described, is to get us into war with both sides or to force us to join hands with one violator of our rights against another. It is logical and it is crazy.

In the last war we got into the war on the side of those with whom we were doing a business of billions of dollars, yet they, too, had violated our neutral rights.

Let us see this logic ahead of time instead of later, when the only way we can be logical is to be illogical.

Let us foresee that our ships will be seized by England or bombed from the air by Germany.

Let us not claim as a right what is an impossibility.

The only way we can maintain our neutral rights is to fight the whole world.

Failing that, we can only pretend to enforce our neutral rights against one side and go to war to defend them against the other side.

The development of a large munitions traffic with one belligerent and the sinking of ships carrying munitions and contraband of war by the other belligerent tends to create a balance of industrial opinion and later of public opinion favoring our entrance into war on the side of the belligerent power which is our customer.

In addition to our general knowledge of this fact, this proposition was stated by André Tardieu and Admiral Sims.

Tardieu has written that:

> The increasing volume of Allied needs afforded the Americans almost unlimited trade possibilities. Prices had risen enormously. Profits had swollen tenfold. The Allies had become the sole customer of the United States. Loans the Allies had obtained from New York banks swept the gold of Europe into American coffers.
>
> From that time on, whether desired or not, the victory of the Allies became essential to the United States.

That, gentlemen of the Senate, is precisely what other loans of similar character may lead us to if another war comes on.

Admiral Sims has recently stated the situation in 1916 as follows:

> Thus the enormous pressure of the golden stream of war profits made us insist upon our right to make money out of the vital needs of nations fighting for their lives, and to insist upon being protected in this trade.

He added:

> The point of the whole business is this: We cannot keep out of a war and at the same time enforce the freedom of the seas—that is the freedom to make profits out of countries in a death struggle. If a war arises, we must therefore choose between two courses: Between great profits, with grave risks of war, on the one hand, or smaller profits and less risk, on the other.

The danger of having our munitions- and contraband-carrying ships sunk is greater today than ever before, because—

In a modern war almost everything is contraband and, consequently, subject to attack.

During the last war the submarines alone were so successful in sinking merchant vessels that Winston Churchill stated that toward the end of the war 1 British ship out of 4 never returned (vol. 4, p. 351, World Crisis).

During the next war the bombing of merchant ships by airplanes will supersede their destruction by submarines in volume. Merchant ships are unable to defend themselves against bombing from the air. The convoying of merchant ships by destroyers will not protect these merchant ships from aerial bombers, since destroyers cannot prevent aerial bombers from getting low enough to be effective.

The question of contraband involves the present status of international law. Mr. Charles Warren, former Assistant Attorney [General] of the United States, has summed up the present status of international law:

> When the United States entered the war in April 1917 there were at least 10 major subjects of controversy then existing between us and the Allies, and about half that number with the Central Powers, involving claims of violation of our neutral rights under international law. At the end of the war no one of these controversies had been settled. Thereafter no attempt was made to settle them by international arbitration or by diplomatic agreement (so far as is known). And on May 19, 1927, Secretary of State Kellogg exchanged notes with Great Britain, deliberately giving up any attempt to ascertain the validity of our claims against that country for violation of our neutral rights * * *

Mr. LONG. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. LONG. When I hear the remarks which have been made about the desire to engage in the trade which brings such great profits while foreign countries are aflame with war, I am almost tempted to try to make a mathematical calculation to explain the situation.

General Sherman said, "War is hell." Anyone will, of course, have a profitable business peddling ice water in hell, and if we insist that we must have our right to engage in the hellishness going on when war breaks loose, it simply means that we desire to profit from the destruction of humanity.

That is a crude way, as I see it, of getting at the problem of whether or not we are so interested in our profits that we shall keep going to the destruction of humanity, and risk our own destruction as well.

Mr. BONE. Mr. Warren goes on to say:

Some American writers on international law have now accepted the British claims as law, and American naval officers very generally take the same position. Thus Admiral William L. Rodgers has written, "The British practice will be the basis of the rules for the next war, to be modified during the war under the pressure of belligerent need and neutral outcry * * *." And again he has written, "So it is that at the close of each war, the international law of war is the practice in force at the end of the war. * * *"

Such being the situation, it is evident that one must be a hardy optimist to expect that the United States as a neutral in any future war will be able to argue Great Britain or any other major sea power out of the views now held, or to expect any substantial modification of the policies pursued in the last war.

It behooves this country, therefore, to be planning now, in advance of war, how it might adjust itself to the new conditions of warfare, and may obtain some benefit without making a direct challenge of the lawfulness of belligerent actions. The United States should now be considering whether it may not be necessary for us to make an entire readjustment and revision of our views as to neutral trade in time of war, and especially of our views as to the subject of contraband.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. TYDINGS. I hope the Senator will not think I am critical of his joint resolution or his aim or his ideal, with which I am generally in accord; but if a strong Asiatic power—a purely hypothetical case—were to attack Mexico, for example, I wonder, under those conditions, whether we would have in effect the embargo while the Asiatic power and Mexico fought it out.

Mr. BONE. I cannot answer all the hypothetical questions which the Senator may propound. It is possible that the whole world may go crazy, but I do not anticipate anything of the sort. I think any Asiatic power has plenty of troubles at home right now. Certainly disadvantages appalling to even such a power would face a nation promoting a war 6,000 miles away from its home base. But we do have a problem in Europe which is a real problem at this time.

Mr. TYDINGS. I do not wish to disconcert the Senator.

Mr. BONE. I will say that the Senator from Maryland does not disconcert the Senator from Washington.

Mr. TYDINGS. The question was not a fair one to bring into the discussion to which the Senator is addressing himself. I simply mentioned it in passing to show the difficulty which might arise in connection with the passage of something which is all-encompassing.

Mr. BONE. The difficulty as I view it, Mr. President, is that any alternative to the philosophy we have discussed is terrifying in itself. The philosophy I anchor to is that inspiration and that desire which burns in the hearts of every mother and father in this country; and if there is any alternative to that, the alternative itself is so extremely terrifying that it is like another Banquo's ghost, shaking its gory locks in our international highways.

I may be wrong, and if I am, God help everybody, because certainly I know that what I am suggesting is the only humane and decent way out. It may be that the alternative will have to be adopted; and if so, we must needs pray very earnestly for our country in that sad hour.

It may be that the alternatives will have to be adopted. However, I am telling the Senate that the suggested alternatives are a challenge to our civilization. We adopted those alternatives in 1917 and 1918, and observe the tragic results. I wonder if anyone honestly wishes to continue to pay the price those alternatives now exact from our civilization? I did not find anyone coming before our Munitions Committee who viewed those alternatives dispassionately. Almost every man who appeared before us literally held up his hands and said, "God help us and save us from another war." If that philosophy is true—and nobody challenged it—then I presume to assert that every man here ought to do his utmost to prevent another war. Certainly, there cannot be a legitimate challenge to that proposal. I do not care whether that philosophy gets athwart the bows of any philosophy, big or little, or whether any politician or an group of politicians, big or little, agree with it. Humanity comes first.

I cannot believe that our people sent us here believing that we would waste these precious hours fretting over the lost profits of prospective war profiteers when the welfare of the Republic is at stake and the lives of boys are in our hands. If that be treason, then these charming fellows who put profits above patriotism can make the most of it.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Does the Senator from Washington yield to the Senator from Missouri?

Mr. BONE. I yield.

Mr. CLARK. I merely wish to call the attention of the Senator from Washington to the example stated by the Senator from Maryland of a conflict between Mexico and some Asiatic power. That would involve another question of foreign policy which has nothing to do with the question of neutrality. The situation stated would involve violation of the Monroe Doctrine by some outside power and would present a question which would have nothing to do with the general policy of neutrality of the United States whatsoever.

Mr. BONE. In the field of mathematics one can figure out an infinite number of formulas and prove every one of them. No man can rise on the floor of the Senate and plead for common humanity without finding some able Senators who can present problems which are not easily answered. I am interested in preventing the brutal slaughter of our boys in another war, and not in any business man's profits. I wish I could burn that thought into the soul of every Senator. The boys coming on are more important than any business. The Democratic Party will do a very healthy thing if it passes this resolution and emphasizes the fact that in the face of the supreme tragedy which threatens the world now the United States intends to maintain its neutrality. In such an action, the party would stamp itself as a real friend of humanity.

Mr. LEWIS. Mr. President——

Mr. BONE. I yield to the Senator from Illinois.

Mr. LEWIS. I merely desire to observe to the Senator from Washington, and he may take it as a literal expression from me, that while he has been from time to time interrupted by a disposition to show opposition to his views, the manner in which he has handled the matter has emblazoned his name in history for his speech and himself for fame with his constituents.

Mr. BONE. I am not in any wise entitled to the generous words uttered about me by my good friend from Illinois. I fear that because of the bond of friendship between us, he has been tempted to say kind things to which I am not really entitled.

I am so deeply devoted to this struggle for peace at a time when the whole world is aflame, that I can only hope that the fervor of my appeal to you may be received in the spirit of my utterances. I want to be very sure that we can go home and face the people with the knowledge that we have been drastic about the matter at this time. If any Senator will go into any State in the Union, I care not where it is, and talk about any subject under the sun, he will be given attention, but let him go to any audience and talk to them about keeping their boys safe at home, and he will get a reception from the audience which will make him know how vital the issue is.

Let me say to Senators on both sides of the aisle—Republicans and Democrats alike—if we walk away from this issue the people will not forgive us. If we should be tempted to do that, I know the people will rebuke us.

Our civilization is at stake. We went through the valley of the shadow of death 17 years ago. In God's name, let us not go through another. Let us be manly and bold enough to meet this problem before we go away from Washington. I do not care whether we go home at the end of this week or not. I am willing to stay here until January, or not go home at all, if it is necessary to settle the issue. I would rather stay here than to go home and feel that what was left undone might endanger the country.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Louisiana?

Mr. BONE. I yield.

Mr. LONG. If I am any judge of the Senator from Washington in what he has presented to the Senate this afternoon and the necessity for the solution of this one paramount, national, and essential problem, I am led to say that above all things I think the Senator from Washington has demonstrated and has really forced upon the attention of the Senate that timely and immediate action is required. I for one feel that the Senate ought to resolve itself upon the matter at the earliest possible moment, and adopt the resolution.

I do not know whether the resolution has been reported back to the Senate or not. I submit the inquiry to the Chair. Has the resolution from the Foreign Relations Committee, which was ordered reported early this morning, been returned to us at this late hour in the afternoon?

The PRESIDING OFFICER. It has not reached the floor of the Senate yet.

Mr. LONG. I hope someone can tell us why the resolution has been all this time getting back to the Senate.

The PRESIDING OFFICER. It is true the report was ordered this morning, and the Senate is proceeding in due course.

Mr. CLARK. Mr. President——

Mr. BONE. I yield to the Senator from Missouri.

Mr. CLARK. I should like to say to the Senator from Louisiana that there has been no undue delay in the matter. The Foreign Relations Committee had adjourned just before the Senate met today. The Chairman of the Committee on Foreign Relations, the eminent President pro tempore of the Senate, has been absent from the Senate all day engaged in the preparation of the report. It is a matter of supreme importance.

I think it is of utmost importance that the legislation be considered and disposed of at this session, but it is of importance second only to that that the report be properly prepared and the resolution put in proper form. Criticism does not lie that there has been any undue delay in the preparation of the report.

Mr. LONG. I did not cast any aspersion. On the contrary, the point I am trying to find out is this: From the remarks of the Senator from Arkansas [Mr. ROBINSON] I reached the conclusion, possibly erroneously, that it was a matter of moments before the resolution would be reported. I may have reckoned without my host. I may not have interpreted correctly the remarks of the Senator from Arkansas. Probably in my intense desire I was hastening along in my own mind in the thought that it would not require so much time.

However, as we now approach the hour of 5 o'clock, perhaps the committee may meet tonight or spend the balance of the evening in preparation of the report. I should like to hear the Senator from Washington conclude his remarks after the report shall have reached the floor of the Senate. I do not see our leader or the Chairman of the Foreign Relations Committee present at this time. I should assume that we will be recessing in a little while under ordinary circumstances. That would enable the Foreign Relations Committee, no doubt, to have the time required to prepare and file the report.

However, inasmuch as the Foreign Relations Committee is in accord with the Senator from Washington and other Senators should have expressed themselves here, it seems that the Senate is nearly unanimous, I might say, for immediate consideration of the resolution or some such legislation as the Senator from Washington is now urging. That being the case, if we are not going to get the report this afternoon, apparently we ought to allow the Foreign Relations Committee to have the time between now and tomorrow morning in which to file the report.

May I inquire whether or not there is any disposition to proceed this afternoon beyond our usual time?

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BONE. Certainly.

Mr. VANDENBERG. In the absence of the chairman of that committee, I should like to make this observation regarding the status of the matter in the Foreign Relations Committee.

The committee agreed upon a report this morning, although there is a minority in the committee which is opposed to the report. In agreeing to the report the committee made numerous suggestions bearing upon the textual expression of the neutrality rules which we are proposing to recommend.

Furthermore, Mr. President, I want to say that we have had the constructive cooperation of the State Department and we have endeavored to proceed in harmony with the State Department so far as we could. I have no doubt that the Chairman of the Foreign Relations Committee is undertaking to be perfectly sure, insofar as it is possible, that the report shall meet the views of the State Department. He may not succeed entirely in that aspect, but when the resolution finally comes to the floor of the Senate—and it is a situation in which haste might have made waste—I want to say to the Senator from Washington and to the Senator from Louisiana that while it will be no guaranty that our neutrality will be protected under all circumstances, while it will be no panacea guaranteeing us against exposure to war, yet in my very humble judgment, based upon my study of the matter both in the Foreign Relations Committee and in the Munitions Committee, I would say that it will draw 90 percent of the hazards out of the situation so far as the United States is concerned, and I am unable to understand why any man should not want to do that thing.

Mr. LEWIS. Mr. President, may I answer the Senator from Louisiana in the form of information? Thanking the Senator from Washington, I add to what has been said by the able Senator from Michigan that it is necessary to make this observation:

The measure which is reported from the Foreign Relations Committee will call for placing together, in composite form, matter which at the outset appeared to be a bit inconsistent; and therefore that is being done, and is occupying a length of time which has made it a little impracticable to have the return at this hour.

In answer to the Senator from Louisiana and others interested, I think it is safe to say that it is understood that tomorrow the report will be here. There cannot be anything reported this evening; but tomorrow the document, to the extent that it is to be considered at all as necessary, will be brought in, and will embody very much what the able Senator from Michigan says it will contain. I desire to have it understood that I have opposed it, I opposed it in the committee, and I shall probably be found opposing it on the floor of the Senate.

Mr. CLARK. Mr. President——

Mr. VANDENBERG. Mr. President, will the Senator permit me to make one suggestion in which I am sure the Senator from Illinois will concur? In the absence of the Chairman of the Foreign Relations Committee, I presume to ask unanimous consent that the committee be permitted to make a report during the recess, to be printed.

Mr. CLARK. That is what I was about to do.

The PRESIDING OFFICER. Unanimous consent is asked that the Chairman of the Foreign Relations Committee be

permitted to make a report during the recess of the Senate. The Chair hears no objection, and it is so ordered.

Mr. BONE. Mr. President, the statement of the Senator from Michigan is most reassuring; and even if we could realize only the major part of that proportion of the element of safety which he suggests our country would breathe easier, and every mother in America would feel safer and happier when we go home. I want my brethren to realize what the subject we are now discussing means to the mothers of America. They are the ones for whom I speak as I stand on the floor of the Senate this afternoon—the mothers of America. Not business men, not world trade, but the mothers of America are the ones for whom I plead.

I shall go back now and finish reading this statement of Charles Warren, because all I am reading to you in this statement is just cold, routine stuff. It goes to the very heart and soul of this matter and reveals the sordid dollars-and-cents aspect of those things which were supposed to be high and holy causes in 1917.

It was from the vast extension of the term "contraband" by both the Allied and the Central Powers that most of our difficulties arose from 1914 to 1917; for it was because of that extension, combined with the expansion of the doctrine of continuous voyage, that the Allies claimed their enlarged rights to interfere with our trade with other neutral countries. * * * On the British list of contraband, compiled November 5, 1915, there were 299 articles of absolute contraband and 78 of conditional contraband. Later, conditional contraband disappeared out of the picture, and in the British list presented to Parliament April 13, 1916, there were 170 categories of absolute contraband, representing, however, far more articles than the 1915 list, owing to the fact that many separate articles were combined in each category. France and Germany paralleled the British actions and made equally extensive additions to the list of contraband.

* * * * * * *

The belligerents justified these extraordinary extensions of contraband on the ground that under modern conditions of warfare food, chemicals, clothing, and in fact anything except sporting goods and luxuries, supplied to the enemy population had the same effect as supplies to the enemy army, and were as important aids to winning the war as the primary form of contraband, viz, arms and munitions.

The conclusion which Mr. Warren and other authorities on international law have reached is that the only way in which we can defend our neutral rights in another war is to enter that war. If we want to keep out of the next war, Mr. Warren suggests, therefore, "that we remit our challenge to the right of interference with our neutral trade * * *."

Allowing the first cargo of munitions to be shipped (in default of any law forbidding such shipment) determines our foreign policy throughout the course of a whole war by creating a precedent.

When Germany suggested to the Department of State that the United States do something to stop the one-sided traffic in arms, this Government replied that anything it did to interfere with normal and legitimate trade during the progress of the war would constitute a change in policy that would very detrimentally affect one side and therefore would be unneutral. This was clearly indicated in the Department of State's answer to the German note of April 4, 1915, as follows:

In the third place, I note with sincere regret that, in discussing the sale and exportation of arms by citizens of the United States to the enemies of Germany, Your Excellency seems to be under the impression that it was within the choice of the Government of the United States, notwithstanding its professed neutrality and its diligent efforts to maintain it in other particulars, to inhibit this trade, and that its failure to do so manifested an unfair attitude toward Germany. This Government holds, as I believe Your Excellency is aware, and as it is constrained to hold in view of the present indisputable doctrines of accepted international law, that any change in its own laws of neutrality during the progress of a war which would affect unequally the relations of the United States with the nations at war would be an unjustifiable departure from the principle of strict neutrality by which it has consistently sought to direct its actions, and I respectfully submit that none of the circumstances urged in Your Excellency's memorandum alters the principle involved. The placing of an embargo on the trade in arms at the present time would constitute such a change and be a direct violation of the neutrality of the United States.

Officials in the Departments of State and Commerce in the fall of 1916 admitted that the most effective discretionary power conferred upon the President by Congress in September 1916, to retaliate against Britain's illegal interferences with our neutral trade—i. e., a virtual embargo in munitions—would have been too detrimental to our inflated munitions trade. It was easier to continue to bear with England's interferences with our neutral trade than to interrupt the munitions trade.

In discussing the best use that could be made of such discretionary powers as a means of retaliating against the British actions, the Secretary of Commerce remarked with reference to the placing of an embargo on war materials:

The embargo might prove in some cases more injurious to American manufacturers than to the countries at war, and might, in practice, effect the cancelation of a contract more highly regarded by the American concern than by the British Government.

This remark was made at the height of a two and one-fifth billion dollar increase in our war trade, and at a time when it was quite clear to us that England's intention was to continue her uninterrupted violation of our neutral rights. A complete subordination of our neutral rights of trade to our industrial interests was admitted by the Department of Commerce in these words:

We have suffered the effect of embargoes and orders in council for a long period—under protest but without retaliation. The restrictions are no more hurtful now than a year and a half ago.

Thus, it was clearly recognized that an embargo can be imposed only before the war traffic gets started. Once it has started, there is no stopping it.

Our own governmental officials recognized the important effect of which our insistence upon shipping munitions to the Allies (from which source of supply Germany was completely debarred), and our consequent failure to utilize the bargaining power which we possessed to force Britain to allow shipments of food to Germany, had on the German policy of submarine warfare.

When, on February 4, 1915, the German Admiralty proclaimed its intention of waging submarine warfare in the waters surrounding Great Britain and Ireland as a measure of retaliation against Great Britain's illegal interference with trade between neutrals and Germany, the United States Government became very concerned, and addressed a note to Germany expressing its concern. Referring to this note, Ambassador Gerard, in Germany, communicated as follows to the Secretary of State:

* * * handed note embodying yours to Secretary Foreign Affairs. He will send written answer, but am convinced from conversation with him German proclamation will be withdrawn if England will adopt Declaration of London or allow food to enter for German civil population. Suggest you can help this by suggesting that Congress will put embargo on export of arms unless England consents.

But the Department of State wired its regrets.

Embargoes are effective in keeping neutral nations from involvement in war. Only one of the European neutral countries which declared embargoes during the last war was drawn into that war. That was Italy, and Italy did not become involved as a result of the sinking of any of her ships.

SUMMARY OF OBSERVATIONS

A munitions traffic is almost inevitably one-sided. It violates the spirit of neutrality. It is practically impossible to preserve neutrality without declaring war on both sides. To attempt to do so becomes pretense. The development of such a traffic tends to commit the Nation to the side of its customer. The danger of becoming involved in the war-time disputes concerning shipments of contraband and munitions is greater today than ever before, because there has been no agreement about such matters and because the development of great fleets of bombing planes will in the next war begin where the submarines left off. Allowing the first shipment of munitions (in default of the passage of this resolution) will determine our foreign policy and bring the involvements of the last war. Our own governmental officials were aware of the fact that we did not use our discretionary powers to secure our rights from Great Britain because of the damage this might have inflicted on our munitions trade. Our own governmental officials recognized the important effect of our one-sided munitions traffic on driving Germany to renewed

submarine warfare. Embargoes are effective in keeping neutral nations from involvement in war. During the last war Italy was the only neutral drawn in of all those which had embargoes.

COMMENT ON POSSIBLE OBJECTIONS

The objection may be made that we would lose a profitable munitions trade. In case of a prolonged war that would be true. In case of a short war we would only get all the difficulties and controversies without much profit.

As Admiral Sims stated it, our choice here is frankly and simply this: "If a war arises, we must choose between two courses: Between great profits, with grave risks of war on the one hand, or smaller profits and less risk on the other."

A sudden inflation in a few industries, with the constant threat of a sudden collapse of these inflated industries upon the close of a European war, is not a healthy industrial development, even regardless of the risk to the nation which is involved.

Our proposal on contraband trade differs from some introduced in the House recently forbidding the shipment of contraband. This permits that shipment to the extent the other countries and our own private exporters are willing to assume the risk for its transportation.

Senate Resolution 120 does not place an embargo on contraband. If other nations want and need cotton or wheat or machinery, they can purchase them and make their own arrangements about securing their safe shipment. If they do not need them, they will not buy them in any case. If they do need them, they will be willing to take the risks for them.

We have seen that thing pictured so tragically in this country, the great inflation of industry and farming in the United States and its collapse after the war.

The proposition is simply that the United States Government withholds protection to exporters of contraband on the ground that any attempt to enforce our "rights" means almost certain involvement in war, especially today when aerial bombing will be used to sink merchant vessels on a large scale. It is better to avoid this attempt to defend our private exporters, and to avoid the consequences of war than not to do so.

The modern situation is different from that prevailing before and justifies a change in policy. Now practically everything is contraband. Now practically every ship stands a good chance of being sunk. The price of attempting to insist against both sides that these ships should not be sunk is too high. That price is entry into a war.

The resolution does not leave it optional with the President to impose these controls, for the reason that the policy must be fixed before a war breaks out. A President who delays will find that a later decision will be considered an unneutral act. Once a large traffic in munitions has grown up, it is asking a great deal of a President to act in opposition to it. That duty should be undertaken by Congress before such a traffic grows up.

CONCLUSION

The resolution provides that this Nation shall not become involved in entangling foreign economic alliances at the one moment when they are most dangerous to our peace.

Mr. President, the joint resolutions are urgent. I trust the Committee on Foreign Relations will bring them out as speedily as possible, and that we may get immediate action on them. And I thank my colleagues for the close attention they have given to my remarks.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 392) making appropriations to enable the Commissioners of the District of Columbia to defray certain expenses incident to conventions in the District of Columbia in August 1935, in which it requested the concurrence of the Senate.

UNEMPLOYMENT COMPENSATION IN THE DISTRICT OF COLUMBIA

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 7167) to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. KING. I move that the Senate insist upon its amendment, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KING, Mr. COPELAND, and Mr. CAPPER conferees on the part of the Senate.

BRIDGE ACROSS LAKE CHAMPLAIN NEAR WEST SWANTON, VT.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2681) to extend the times for commencing and completing the construction of a bridge across Lake Champlain at or near West Swanton, Vt., and for other purposes, which were to strike out all after the enacting clause and insert:

That the times for commencing and completing the construction of a bridge across Lake Champlain, at or near West Swanton, Vt., authorized to be built by the State Board of Public Works of the State of Vermont, by an act of Congress approved June 18, 1934, are hereby extended 1 and 3 years, respectively, from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

And to amend the title so as to read: "An act to extend the times for commencing and completing the construction of a bridge across Lake Champlain at or near West Swanton, Vt."

Mr. GIBSON. I move that the Senate concur in the House amendments.

The motion was agreed to.

IMPROVEMENT OF RIVERS AND HARBORS—CONFERENCE REPORT

Mr. COPELAND. I ask the Senate to consider at this time the conference report on the river and harbor bill, which is now on the table.

The PRESIDING OFFICER laid before the Senate the report of the committee conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was submitted by Mr. COPELAND on the 16th instant and printed at pages 13422, 13423 of the RECORD of that date.

Mr. COPELAND. I move the adoption of the report.

The report was agreed to.

Mr. COPELAND. There is an amendment of the House of Representatives to Senate amendment no. 71 to the bill

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives, receding from its disagreement to the amendment of the Senate numbered 71 to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and concurring therein with an amendment as follows:

SEC. 2. That for the purpose of controlling floods, improving navigation, regulating the flow of the streams of the United States, providing for storage and for the delivery of the stored waters thereof, for the reclamation of public lands and Indian reservations, and other beneficial uses, and for the generation of electric energy as a means of financially aiding and assisting such undertakings, the projects known as "Parker Dam" on the Colorado River and "Grand Coulee Dam", on the Columbia River, are hereby authorized and adopted, and all contracts and agreements which have been executed in connection therewith are hereby validated and ratified, and the President, acting through such agents as he may designate, is hereby authorized to construct, operate, and maintain dams, structures, canals, and incidental works necessary to such projects, and in connection therewith to make and enter into any and all necessary contracts including contracts amendatory of or supplemental to those hereby validated and ratified. The construction by the Secretary of the Interior of a dam in and across the Colorado River at or near Head Gate Rock, Ariz., and structures, canals, and incidental works necessary in connection therewith is hereby authorized, and none of the waters conserved, used, or appropriated under the works hereby authorized shall be charged against the waters allocated to the upper basin by the Colorado River Compact, nor shall any priority be established against such upper basin by reason of such conservation, use, or appropriation; nor shall said dam, structures, canals, and works, or any of them, be used as the basis of making any such charge, or establishing any such priority or right, and all contracts between the United

States and the users of said water from or by means of said instrumentalities shall provide against the making of any such charge or claim or the establishment of any priority right or claim to any part or share of the water of the Colorado River allocated to the Upper Basin by the Colorado River Compact, and all use of said instrumentalities shall be in compliance with the conditions and provisions of said Colorado River Compact and the Boulder Canyon Project Act.

Mr. COPELAND. I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 71.

The motion was agreed to.

Mr. COPELAND. I think that is all that need be done to complete action on the bill.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 392) making appropriations to enable the Commissioners of the District of Columbia to defray certain expenses incident to conventions in the District of Columbia in August 1935, was read twice by its title and referred to the Committee on Appropriations.

FARM-MORTGAGE RELIEF

Mr. CAPPER. Mr. President, before the present session shall adjourn, I hope that a vote may be taken in the Senate on the so-called "Frazier-Lemke bill", Senate bill 212, to refinance distressed farm-mortgage indebtedness. I desire to place in the RECORD, resolutions from two more Kansas county national farm-loan associations, endorsing the measure.

It is not necessary, nor is it my intention, to make an extended speech upon the measure to refinance farm-mortgage indebtedness. I believe the Senate and the country understand the purpose and provisions of the bill. The Frazier-Lemke bill proposes to refinance existing farm mortgage indebtedness at 1½-percent interest, and 1½-percent principal on the amortization plan. In the long run agriculture, the Federal Government, and the people of the United States will profit by the operations of this bill, after it becomes a law.

In case it has escaped the attention of Members of the Senate, and of the people of the country, I desire to call attention to the fact that probably no measure this Congress has considered comes before us with as nearly Nation-wide approval. And that Nation-wide approval is approval of official record.

Mr. President, 29 State legislatures have memorialized Congress to enact the Frazier-Lemke farm-mortgage refinancing bill into law. In five other States, one branch of the legislature has adopted a resolution to the same effect.

The resolution from the Legislature of the State of Kansas has been placed in the CONGRESSIONAL RECORD by myself. Other State legislatures which have adopted similar resolutions or memorials to Congress include: North Dakota, Idaho, South Carolina, Montana, California, Colorado, Ohio, Nevada, Nebraska, Oklahoma, Michigan, Wisconsin, Oregon, South Dakota, Texas, Illinois, Indiana, Tennessee, Kentucky, Minnesota, Arizona, Iowa, Wyoming, North Carolina, Arkansas, New Mexico, New Jersey, Washington. One branch of the legislature in each of the following States has adopted similar resolutions or memorials: New York, Delaware, Pennsylvania, Alabama, Missouri.

In other words, 34 of the 48 States in this Union have officially approved this legislation, through members of their legislatures directly representing the people of those States. And I would call your attention to the fact that not all of these States are agricultural States. You will find several of the largest industrial States in those lists.

Also, Mr. President, this is not a measure to encourage farmers to go into debt. It proposes to make it easier for indebted farmers to get out of debt. I believe this bill should be passed. I have been urging its passage, in committee, in the Senate, and in every way possible for several years past. I, for one, am ready for a vote right now.

I send the resolutions to the desk, and ask unanimous consent they be printed as a part of my remarks at this point.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Resolution adopted by the Franklin County National Farm Loan Association at its annual meeting held at Ottawa, Kans., on January 8, 1935

Whereas under present conditions the profits of the farming business are too low to enable the farmer to make a living and pay interest on the enormous volume of mortgage indebtedness which rests upon the farm homes of the country; and

Whereas this condition has arisen as a result of conditions over which the farmer has had no control and for which he is in no way responsible; and

Whereas the Government has loaned billions of dollars for the relief of banks, railroads, insurance companies, and other corporations at a rate of interest far below that allowed to farmers: Be it

*Resolved*, That we, the Franklin County National Farm Loan Association of Ottawa, Kans., hereby endorse the Frazier-Lemke farm-mortgage bill now pending in Congress, having for its purpose the reduction of interest on farm mortgages to 1½ percent.

As present deplorable conditions were brought about by a deliberate process of deflation which threw the losses growing out of the war on the producing classes, we are convinced that the only logical means of restoring conditions to a just and equitable basis is by a process of deflation; be it further

*Resolved*, That copies of these resolutions be sent to the Senators from the State of Kansas, our Representatives, and to other parties who may be interested in the questions involved.

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THE SABETHA NATIONAL FARM LOAN ASSOCIATION,
*Sabetha, Kans.*

Senator ARTHUR CAPPER:

We, the members of the Sabetha National Farm Loan Association, in order that we may aid and assist in the welfare of agriculture and the many people who depend thereon for livelihood and the sustenance of life, have hereby unanimously voted at a meeting held on January 8, 1935, that the following resolution be adopted:

*Resolved*, That the secretary of the Sabetha National Farm Loan Association at annual meeting held January 8, 1935, be instructed to request of the Honorable United States Senators ARTHUR CAPPER and GEORGE MCGILL that they give their undivided support to the Lemke bill which calls for a lower rate of interest on farm mortgages. Also we are in favor of the McNary-Hogan bill.

Whereas we the undersigned officers and board of directors of the Sabetha National Farm Loan Association have hereunto affixed our names.

ED. B. STRAHM,
FRED DEAVER,
WM. LUKERT,
SAM BEYER,
F. J. HERMAN,
E. E. WHITE,
*Secretary-Treasurer.*

STABILIZATION OF THE BITUMINOUS COAL MINING INDUSTRY

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia [Mr. NEELY] that the Senate proceed to the consideration of House bill 9100, to stabilize the bituminous coal mining industry, and for other purposes.

Mr. AUSTIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Copeland | La Follette | Pittman |
| Ashurst | Costigan | Lewis | Radcliffe |
| Austin | Davis | Logan | Reynolds |
| Bachman | Dieterich | Lonergan | Robinson |
| Bailey | Donahey | Long | Russell |
| Bankhead | Duffy | McAdoo | Schall |
| Barbour | Fletcher | McCarran | Schwellenbach |
| Barkley | Frazier | McGill | Sheppard |
| Black | George | McKellar | Shipstead |
| Bone | Gerry | McNary | Smith |
| Borah | Gibson | Maloney | Stelwer |
| Brown | Glass | Metcalf | Thomas, Okla. |
| Bulkley | Gore | Minton | Thomas, Utah |
| Bulow | Guffey | Moore | Trammell |
| Burke | Hale | Murphy | Truman |
| Byrd | Harrison | Murray | Tydings |
| Byrnes | Hastings | Neely | Vandenberg |
| Capper | Hatch | Norbeck | Van Nuys |
| Caraway | Hayden | Norris | Wagner |
| Chavez | Holt | Nye | Walsh |
| Clark | Johnson | O'Mahoney | Wheeler |
| Connally | King | Overton | White |

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

The question is on the motion of the Senator from West Virginia [Mr. NEELY] to proceed to the consideration of House bill 9100, to stabilize the bituminous coal mining industry, and so forth.

Mr. TYDINGS. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. NYE obtained the floor.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. COPELAND. I wish to state in advance, in explanation of the vote I shall cast on the bill, that I am going to vote against the Guffey bill, but I have no objection to the measure being presented to the Senate in order to have a straight out-and-out vote on it. Therefore, if I vote with the Senator from West Virginia [Mr. NEELY] to permit the bill to be brought before the Senate, it will be done with the mental reservation that I shall vote against the bill when it comes to a final vote.

MUNITIONS INDUSTRY—REPORT

Mr. NYE, from the Special Committee on Investigation of the Munitions Industry, submitted a preliminary report on war-time taxation and price control, pursuant to Senate Resolution 206, Seventy-third Congress, to make certain investigations concerning the manufacture and sale of arms and other war munitions, which was ordered to be printed as part 2 of Report No. 944, with illustrations.

In submitting this report, Mr. President, which is probably the last of a series of reports which the committee has presented during the present session of the Congress, I feel that a statement concerning the status of the investigation, the committee's reports and investigation, is in order. For the past several weeks the committee, in the interest of economy, with its limited funds, has refrained from holding public hearings, and has so conducted its inquiry that it will be enabled to resume hearings in December or January.

COMMERCE IN MUNITIONS, ETC., IN TIME OF WAR

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. PITTMAN. I desire to submit a report from the Foreign Relations Committee with regard to Senate Resolutions 99, 100, and 120, and Senate bill 2998; and I should like to make a brief statement, if the Senator from North Dakota will yield for that purpose.

Mr. NYE. I am delighted to yield.

Mr. PITTMAN. Mr. President, I ask that the report be read.

The VICE PRESIDENT. The clerk will read the report.

The Chief Clerk read as follows:

Senate Report No. 1419

The Committee on Foreign Relations has had under consideration Senate Joint Resolutions 99, 100, and 120, and Senate bill 2998, and hereby reports, in lieu of said bill and joint resolutions, the following joint resolution, with the recommendation that such substitute joint resolution do pass:

Senate Joint Resolution 173

Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war.

*Resolved, etc.*, That upon the outbreak or during the progress of war between, or among, two or more foreign states, the President shall proclaim such fact, and it shall thereafter be unlawful to export arms, ammunition, or implements of war from any place in the United States, or possessions of the United States, to any port of such belligerent states, or to any neutral port for transshipment to, or for the use of, a belligerent country.

The President, by proclamation, shall definitely enumerate the arms, ammunition, or implements of war, the export of which is prohibited by this act.

The President may, from time to time, by proclamation, extend such embargo upon the export of arms, ammunition, or implements of war to other States as and when they may become involved in such war.

Whoever, in violation of any of the provisions of this section, shall export, or attempt to export, or cause to be exported, arms, ammunition, or implements of war from the United States, or any of its possessions, shall be fined not more than $10,000 or imprisoned not more than 5 years, or both, and the property, vessel, or vehicle containing the same shall be subject to the provisions of sections 1 to 8, inclusive, title 6, chapter 30, of the act approved June 15, 1917 (40 Stat. 223-225; U. S. C., title 22, secs. 238-245).

In the case of the forfeiture of any arms, ammunition, or implements of war by reason of a violation of this act, no public or private sale shall be required; but such arms, ammunition, or implements of war shall be delivered to the Secretary of War for such use or disposal thereof as shall be approved by the President of the United States.

When in the judgment of the President the conditions which have caused him to issue his proclamation have ceased to exist he shall revoke the same and the provisions hereof shall thereupon cease to apply.

SEC. 2. That for the purposes of this act—

(a) The term "Board" means the National Munitions Control Board which is hereby established to carry out the provisions of this act. The Board shall consist of the Secretary of State, who shall be chairman and executive officer of the Board; the Secretary of the Treasury; the Secretary of War; the Secretary of the Navy; the Secretary of Commerce; the Chairman of the Foreign Relations Committee of the Senate; and the Chairman of the Committee on Foreign Affairs of the House of Representatives, or some member of each committee whom the chairman of the respective committees may designate. Except as otherwise provided in this act, or by other law, the administration of this act is vested in the Department of State;

(b) The term "United States" when used in a geographical sense, includes the several States and Territories, the insular possessions of the United States (including the Philippine Islands), the Canal Zone, and the District of Columbia;

(c) The term "person" includes a partnership, company, association, or corporation, as well as a natural person.

Within 90 days after the effective date of this act, or upon first engaging in business, every person who engages in the business of manufacturing, exporting, or importing any of the arms, ammunition, and implements of war referred to in this act, whether as an exporter, importer, manufacturer, or dealer, shall register with the Secretary of State his name, or business name, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war which he manufactures, imports, or exports.

Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, and implements of war which he exports, imports, or manufactures; and upon such notification the Secretary of State shall issue to such person an amended certificate of registration, free of charge, which shall remain valid until the date of expiration of the original certificate. Every person required to register under the provisions of this section shall pay a registration fee of $500, and upon receipt of such fee the Secretary of State shall issue a registration certificate valid for 5 years, which shall be renewable for further periods of 5 years upon the payment of each renewal of a fee of $500.

It shall be unlawful for any person to export, or attempt to export, from the United States any of the arms, ammunition, or implements of war referred to in this act to any other country or to import, or attempt to import, to the United States from any other country any of the arms, ammunition, or implements of war referred to in this act without first having obtained a license therefor.

Licenses shall be issued to persons who have registered as provided for, except in cases of export or import licenses where exportation of arms, ammunition, or implements of war would be in violation of this act or any other law of the United States, or of a treaty to which the United States is a party, in which cases such licenses shall not be issued.

The board shall be called by the chairman and shall hold at least one meeting a year.

No purchase of arms, ammunition, and implements of war shall be made on behalf of the United States by any officer, executive department, or independent establishment of the Government from any person who shall have failed to register under the provisions of this act.

The Board shall make an annual report to Congress, copies of which shall be distributed as are other reports transmitted to Congress. Such report shall contain such information and data collected by the Board as may be considered of value in the determination of questions connected with the control of trade in arms, ammunition, and implements of war. It shall include a list of all persons required to register under the provisions of this act, and full information concerning the licenses issued hereunder.

The Secretary of State shall promulgate such rules and regulations with regard to the enforcement of this section as he may deem necessary to carry out its provisions.

SEC. 3. Whenever the President shall issue the proclamation provided for in section 1 of this act, thereafter it shall be unlawful for any American vessel to carry any arms, ammunition, or implements of war to any port of the belligerent countries named in such proclamation as being at war, or to any neutral port for transshipment to, or for the use of, a belligerent country.

Whoever, in violation of the provisions of this section, shall take, attempt to take, or shall authorize, hire, or solicit another to take any such vessel carrying such cargo out of port or from the jurisdiction of the United States shall be fined not more than $10,000 or imprisoned not more than 5 years, or both; and, in addition, such vessel, her tackle, apparel, furniture, equipment, and the arms, ammunition, and implements of war on board shall be forfeited to the United States.

When the President finds the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation, and the provisions of this section shall thereupon cease to apply.

SEC. 4. Whenever, during any war in which the United States is neutral, the President, or any person thereunto authorized by him,

shall have cause to believe that any vessel, domestic or foreign, whether requiring clearance or not, is about to carry out of a port of the United States, or its possessions, men or fuel, arms, ammunition, implements of war, or other supplies to any warship, tender, or supply ship of a foreign belligerent nation, but the evidence is not deemed sufficient to justify forbidding the departure of the vessel as provided for by section 1, title V, chapter 30, of the act approved June 15, 1917 (40 Stat. —; U. S. C., title 18, sec. 31), and if, in the President's judgment, such action will serve to maintain peace between the United States and foreign nations, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, he shall have the power and it shall be his duty to require the owner, master, or person in command thereof, before departing from a port of the United States, or any of its possessions, for a foreign port, to give a bond to the United States, with sufficient sureties, in such amount as he shall deem proper, conditioned that the vessel will not deliver the men, or the cargo, or any part thereof, to any warship, tender, or supply ship of a belligerent nation; and, if the President, or any person thereunto authorized by him, shall find that a vessel, domestic or foreign, in a port of the United States, or one of its possessions, has previously cleared from such port during such war and delivered its cargo or any part thereof to a warship, tender, or supply ship of a belligerent nation, he may prohibit the departure of such vessel during the duration of the war.

SEC. 5. Whenever, during any war in which the United States is neutral, the President shall find that special restrictions placed on the use of the ports and territorial waters of the United States, or of its possessions, by the submarines of a foreign nation will serve to maintain peace between the United States and foreign nations, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, and shall make proclamation thereof, it shall thereafter be unlawful for any such submarine to enter a port or the territorial waters of the United States or any of its possessions, or to depart therefrom, except under such conditions and subject to such limitations as the President may prescribe. When, in his judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply.

SEC. 6. Whenever, during any war in which the United States is neutral, the President shall find that the maintenance of peace between the United States and foreign nations, or the protection of the lives of citizens of the United States, or the protection of the commercial interests of the United States and its citizens, or the security of the United States requires that the American citizens should refrain from traveling as passengers on the vessels of any belligerent nation, he shall so proclaim, and thereafter no citizen of the United States shall travel on any vessel of any belligerent nation except at his own risk, unless in accordance with such rules and regulations as the President shall prescribe: *Provided however*, That the provisions of this section shall not apply to a citizen traveling on the vessel of a belligerent whose voyage was begun in advance of the date of the President's proclamation, and who had no opportunity to discontinue his voyage after that date: *And provided further*, That they shall not apply under 90 days after the date of the President's proclamation to a citizen returning from a foreign country to the United States or to any of its possessions. When, in the President's judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply.

SEC. 7. In every case of the violation of any of the provisions of this act where a specific penalty is not herein provided, such violator or violators, upon conviction, shall be fined not more than $10,000 or imprisoned not more than 5 years, or both.

SEC. 8. If any of the provisions of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 9. The sum of $20,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended by the Secretary of State in administering this act.

Mr. PITTMAN, from the Committee on Foreign Relations, reported the foregoing joint resolution (S. J. Res. 173) providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent States; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war, and restricting travel by American citizens on belligerent ships during war, which was read twice by its title and ordered to be placed on the calendar.

Mr. PITTMAN. Mr. President, I do not expect a vote on this matter tonight. For that reason I have delayed the Senate to have the report read into the RECORD, so that the joint resolution may be read by all Senators and considered by them, subject to such amendments as they may desire to offer.

It is unnecessary for me to say that this is a very vital subject. While preparing this report and attempting to bring together the statements in the joint resolution as agreed to by the committee, I know there has been some random discussion of the question of neutrality. When a number of measures were referred to the Foreign Relations Committee, consisting of Senate Joint Resolutions 99, 100, and 120, and a bill by the Senator from Idaho [Mr. POPE], the committee gave very careful consideration to the subject, and appointed a subcommittee to confer and consider these matters with the committee of the Department of State which had been considering them for probably a year.

I may say that I was somewhat surprised, as possibly some other members of the committee were surprised, to find that the question of neutrality is quite a complex problem. I wish to say, on behalf of the subcommittee and the full committee, that we had a number of meetings during a period of 5 weeks, in which the State Department very intimately and confidentially exposed to our committee all the questions involved.

The committee invited the Senator from North Dakota [Mr. NYE], the Senator from Missouri [Mr. CLARK], and the other Senators who had introduced joint resolutions on the subject, to be present at all the conferences. I may be pardoned for saying that there was a sincere endeavor on behalf of every one present to reach an understanding. It was quite a difficult matter. I have not time to go into the difficulties which arise in determining neutrality when all the governments of the world are interested in the question. I will say to you, sir, that it was one of the most interesting and frankest discussions that have ever taken place. I think those who introduced the joint resolutions will agree with me in that statement.

In the very nature of things, there is a fundamental difference of view. I think I may as well be frank as to that fundamental difference. It is as to whether everything should be mandatory, fixed, and inflexible, or whether we should vest in the Chief Executive a discretion. That is a fundamental question on which there are differences. We cannot harmonize those differences, and yet I think the Senators who will read this joint resolution will find that there has been a great degree of harmonization.

So far as concerns the export of arms and ammunition and instruments of war to belligerent states after the President shall by proclamation have declared that they are belligerent states, the joint resolution provides that there shall be no more exports of arms and ammunition to any of the belligerents. That is mandatory.

We next took up the proposition involved in the bill of the Senator from Idaho [Mr. POPE] as to registration and licensing of those engaged in the manufacture, export, or importation of arms and ammunition. That bill has for its sole purpose the furnishing of information. Its purpose is to disclose who manufacture arms and ammunition, where they export them, and from what places they import them, so that information on the subject may be available. It provides that everyone in the United States who is engaged in the manufacture, exportation, or importation of arms and ammunition shall register with the Secretary of State, stating that he is engaged in that business, stating the arms and munitions which he manufactures or which he generally exports or imports, so that we may know the facts That is all of that subject. It is provided absolutely that those who register shall be entitled to a license to manufacture, to export, or to import, except in violation of the law of this country, which includes any treaty we may have made.

That, in brief, is the export clause. That, in brief, is the registration clause.

There was quite a difference of opinion as to whether or not it should be mandatory that an American ship should not carry arms and ammunition and instruments of war during a period of war. There are many phases of that subject. There are many oceans. It might not be necessary to exert such authority with regard to the Pacific if the war were on the Atlantic. I am not arguing that question. On that subject we reported that it should be made

unlawful for our ships to carry arms and ammunition to a belligerent country.

As to the passport provision in the bill and joint resolutions referred to us, there were many difficulties. Some had been issued years ago or months ago. Some had not expired. Some had been visaed by foreign countries. The holders of them were everywhere. So, with regard to that subject, it is declared in the substitute measure that any citizen of the United States traveling on a belligerent ship travels at his own risk, except that after the President shall have declared by proclamation that war exists between certain countries, our citizens in those countries shall have 90 days in which to leave them and come home on any ship they may find.

We already have on the statute books laws with regard to the use of our ports by belligerent ships. They are entitled to come into our ports for 24 hours for the purpose of obtaining food and going out again. We do not change the law in that respect, except there has been added to it a provision that if the Secretary of State shall have reason to believe that such a ship may be transporting arms, ammunition, or instruments of war to a belligerent government, or for transhipment to it, or for its use, he may prohibit the departure of the ship until it shall have given sufficient bond to satisfy our Government.

As to submarines, special provision is made. It is expressly provided that because of the peculiar character of submarines and the difficulty of knowing when they come into a port, how long they are there, and when they leave, the President may make special restrictions so as to insure that they shall not violate the laws of our ports.

I think, sir, that is the substance of the proposed legislation.

I wish to say frankly that there is one phase of the subject submitted to us on which we did not report, and that is legislation with regard to credit. We spent 5 weeks with the Secretary of State, the Under Secretary of State, the Assistant Secretary of State, Mr. R. Walton Moore, and others. It is an involved subject, particularly with regard to the collection and the refunding of debts due to us.

We felt that in the long run, taking into consideration the prohibitions imposed against exportations, the confiscation of ships which might violate the law, the punishment by a fine of $10,000 or imprisonment for 5 years, or both, and in view of the complicated nature of the question of refunding the debts under existing law, we were not prepared intelligently to deal with that subject but would have to wait until we knew more about it.

Mr. President, this is the report as submitted by the committee, practically unanimously, after a very sincere effort for 5 or 6 weeks, participated in by those who introduced the joint resolutions and the bill.

I wish to say, as suggested to me by our leader, the Senator from Arkansas [Mr. ROBINSON], that the Senator from Illinois [Mr. LEWIS] desired to be registered as opposed to any legislation on this subject at this session of the Congress. I may say that there are other Senators who feel the same way; they do not desire to have any legislation enacted at this session on this subject, because they do not feel that they are prepared, by reason of the subject being so involved, to pass on it at this time.

The report does not commit any member of the Committee on Foreign Relations. The members have a right to express their own views in the matter. Speaking personally, however, as chairman of the committee, knowing that we have done the best we could in a very difficult situation, much more difficult than I realized when I started on it, and more difficult than some of the other Senators realized, I hope the recommendation of the committee will be accepted.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from West Virginia [Mr. NEELY].

Mr. NYE. Mr. President, I shall not stand in the way of a vote to consider the bill referred to in the motion of the Senator from West Virginia. However, I do desire to give notice of my expectation on the convening of the Senate tomorrow, if others should not do it, to move to temporarily lay aside the so-called "coal bill" and to take up the neutrality legislation.

Mr. PITTMAN. Mr. President, I suggest that that statement is unnecessary, in view of my former statement.

### STABILIZATION OF BITUMINOUS COAL MINING INDUSTRY

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from West Virginia [Mr. NEELY] that the Senate proceed to the consideration of House bill 9100, to stabilize the bituminous coal mining industry, and for other purposes.

Mr. NEELY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. JOHNSON (when his name was called). On this vote I have a pair with the senior Senator from Virginia [Mr. GLASS]. If he were present and voting, he would vote "nay." If I were permitted to vote, I should vote "yea."

Mr. THOMAS of Utah (when his name was called). On this vote I have a pair with the senior Senator from New Hampshire [Mr. KEYES]. I transfer that pair to the junior Senator from Idaho [Mr. POPE] and vote "yea."

The roll call was concluded.

Mr. McKELLAR. On this vote I have a pair with the junior Senator from Delaware [Mr. TOWNSEND], and in his absence I withhold my vote.

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who has been called away from the city. I understand he has been specially paired on this vote, so I am free to vote. I vote "yea."

Mr. LEWIS. I announce that the Senator from Mississippi [Mr. BILBO], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Georgia [Mr. GEORGE], the Senator from Connecticut [Mr. LONERGAN], the Senator from Idaho [Mr. POPE], the Senator from Arkansas [Mrs. CARAWAY], the senior Senator from Virginia [Mr. GLASS], the junior Senator from Virginia [Mr. BYRD], the senior Senator from Florida [Mr. FLETCHER], the Senator from Iowa [Mr. MURPHY], the Senator from Louisiana [Mr. OVERTON], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], and the junior Senator from Florida [Mr. TRAMMELL] are necessarily detained from the Senate.

Mr. AUSTIN. I announce the following general pairs:

The Senator from Iowa [Mr. DICKINSON] with the Senator from Mississippi [Mr. BILBO];

The Senator from Oregon [Mr. MCNARY] with the Senator from Arkansas [Mrs. CARAWAY]; and

The Senator from Wyoming [Mr. CAREY] with the Senator from Georgia [Mr. GEORGE].

The Senator from New Hampshire [Mr. KEYES] and the Senator from Iowa [Mr. DICKINSON] would, if present, vote "nay." I am not advised how the other Senators would vote.

The Senator from Oregon [Mr. MCNARY] is detained on official business.

The result was announced—yeas 51, nays 20, as follows:

YEAS—51

| | | | |
|---|---|---|---|
| Adams | Clark | La Follette | Pittman |
| Ashurst | Connally | Lewis | Radcliffe |
| Bachman | Copeland | Long | Robinson |
| Bankhead | Costigan | McAdoo | Schwellenbach |
| Barkley | Davis | McCarran | Sheppard |
| Black | Donahey | McGill | Shipstead |
| Bone | Duffy | Maloney | Thomas, Okla. |
| Brown | Frazier | Minton | Thomas, Utah |
| Bulkley | Guffey | Moore | Truman |
| Bulow | Harrison | Murray | Van Nuys |
| Byrnes | Hatch | Neely | Wagner |
| Capper | Hayden | Norris | Wheeler |
| Chavez | Holt | O'Mahoney | |

NAYS—20

| | | | |
|---|---|---|---|
| Austin | Gibson | Logan | Steiwer |
| Bailey | Gore | Metcalf | Tydings |
| Barbour | Hale | Nye | Vandenberg |
| Burke | Hastings | Russell | Walsh |
| Dieterich | King | Schall | White |

NOT VOTING—25

| | | | |
|---|---|---|---|
| Bilbo | Dickinson | Lonergan | Reynolds |
| Borah | Fletcher | McKellar | Smith |
| Byrd | George | McNary | Townsend |
| Caraway | Gerry | Murphy | Trammell |
| Carey | Glass | Norbeck | |
| Coolidge | Johnson | Overton | |
| Couzens | Keyes | Pope | |

So the motion was agreed to; and the Senate proceeded to consider the bill (H. R. 9100) to stabilize the bituminous coal mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties.

COMMERCE IN MUNITIONS, ETC., IN TIME OF WAR

Mr. ROBINSON. Mr. President, with respect to the statement of the Chairman of the Committee on Foreign Relations, the Senator from Nevada [Mr. PITTMAN], that it is his intention to ask for the consideration at the earliest practicable moment of the neutrality measure which he reported this afternoon, I desire to say that, if an objection shall be made to laying aside temporarily the unfinished business when the Chairman of the Foreign Relations Committee shall be ready to proceed with the matter, it will be my purpose to arrange, if possible, for a motion to proceed to its consideration following the disposition of the unfinished business.

MESSAGE FROM THE HOUSE—RIVER AND HARBOR IMPROVEMENTS

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to a concurrent resolution, House Concurrent Resolution 37, in which it requested the concurrence of the Senate, as follows:

House Concurrent Resolution 37

*Resolved by the House of Representatives (the Senate concurring)*, That in the enrollment of the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, the Clerk of the House of Representatives is authorized and directed to make the following changes:

Page 16, line 11, of the Senate engrossed amendment strike out "4" and insert "3".

Page 25, line 12, of the Senate engrossed amendment strike out "5" and insert "4".

Page 26, line 2, of the Senate engrossed amendment strike out "6" and insert "5".

Page 26, line 12, of the Senate engrossed amendment strike out "7" and insert "6".

Page 26, line 13, of the Senate engrossed amendment strike out "8" and insert "7".

Page 26, line 14, of the Senate engrossed amendment strike out "9" and insert "8".

Page 26, line 15, of the Senate engrossed amendment strike out "10" and insert "9".

Page 26, line 16, of the Senate engrossed amendment strike out "11" and insert "10".

Page 26, line 18, of the Senate engrossed amendment strike out "12" and insert "11".

Page 27, line 3, of the Senate engrossed amendment strike out "13" and insert "12".

Page 27, line 5, of the Senate engrossed amendment strike out "14" and insert "13".

Page 27, line 12, of the Senate engrossed amendment strike out "15" and insert "14".

Mr. COPELAND. Mr. President, this measure merely provides for a renumbering of sections, and I ask that the Senate proceed to the consideration of the concurrent resolution, and agree to it.

There being no objection, the concurrent resolution was considered and agreed to.

TENNESSEE VALLEY AUTHORITY—CONFERENCE REPORT

Mr. SMITH submitted the following report, which was ordered to lie on the table:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (H. R. 8632) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the said bill and agree to the same with an amendment as follows: In lieu of the matter inserted by the amendment of the Senate insert the following:

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That subdivision (i) of section 4 of the Act entitled 'An Act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes', approved May 18, 1933, be, and the same is hereby, amended by adding thereto the following proviso: '*Provided*, That nothing contained herein or elsewhere in this Act shall be construed to deprive the Corporation of the rights conferred by the Act of February 26, 1931 (46 Stat. 1422, ch. 307, secs. 1 to 5, inclusive), as now compiled in section 258a to 258e, inclusive, of title 40 of the United States Code.'

"SEC. 2. That subdivision (j) of said section 4 of said Act be, and the same is hereby, amended to read as follows:

"'(j) Shall have power to construct such dams, and reservoirs, in the Tennessee River and its tributaries, as in conjunction with Wilson Dam, and Norris, Wheeler, and Pickwick Landing Dams, now under construction, will provide a nine-foot channel in the said river and maintain a water supply for the same, from Knoxville to its mouth, and will best serve to promote navigation on the Tennessee River and its tributaries and control destructive flood waters in the Tennessee and Mississippi River drainage basins; and shall have power to acquire or construct power houses, power power structures, transmission lines, navigation projects, and incidental works in the Tennessee River and its tributaries, and to unite the various power installations into one or more systems by transmission lines. The directors of the Authority are hereby directed to report to Congress their recommendations not later than April 1, 1936, for the unified development of the Tennessee River system.'

"SEC. 3. That said section 4 of said Act be, and the same is hereby, further amended by adding a new subdivision, (k), at the end of said section as follows:

"'(k) At any time before the expiration of five years from the date when this section, as amended, becomes law may in the name of and as agent for the United States and subject to approval of the President, dispose of any of such real property as in the judgment of the Board may be no longer necessary in carrying out the purposes of this Act, but no land shall be conveyed on which there is a permanent dam, hydraulic power plant, fertilizer plant or munitions plant, heretofore or hereafter built by or for the United States or for the Authority.'

"SEC. 4. That subdivision (c) of section 5 of said Act be, and the same is hereby, amended to read as follows:

"'(c) To cooperate with National, State, district, or county experimental stations or demonstration farms, with farmers, landowners, and associations of farmers or landowners, for the use of new forms of fertilizer or fertilizer practices during the initial or experimental period of their introduction, and for promoting the prevention of soil erosion by the use of fertilizers and otherwise.'

"SEC. 5. That said Act be, and the same is hereby, further amended by adding a new section after section 9 of said Act, as follows:

"'SEC. 9a. The Board is hereby directed in the operation of any dam or reservoir in its possession and control to regulate the stream flow primarily for the purposes of promoting navigation and controlling floods. So far as may be consistent with such purposes, the Board is authorized to provide and operate facilities for the generation of electric energy at any such dam for the use of the Corporation and for the use of the United States or any agency thereof, and the Board is further authorized, whenever an opportunity is afforded, to provide and operate facilities for the generation of electric energy in order to avoid the waste of water power, to transmit and market such power as in this Act provided, and thereby, so far as may be practicable, to assist in liquidating the cost or aid in the maintenance of the projects of the Authority.'

"SEC. 6. That section 10 of said Act be, and the same is hereby, amended by adding thereto a proviso as follows: '*Provided further*, That the Board is authorized to include in any contract for the sale of power such terms and conditions, including resale rate schedules, and to provide for such rules and regulations as in its judgment may be necessary or desirable for carrying out the purposes of this Act, and in case the purchaser shall fail to comply with any such terms and conditions, or violate any such rules and regulations, said contract may provide that it shall be voidable at the election of said Board: *Provided further*, That in order to supply farms and small villages with electric power directly as contemplated by this section, the Board in its discretion shall have power to acquire existing electric facilities used in serving such farms and small villages: *And provided further*, That the terms "States", "counties", and "municipalities" as used in this

Act shall be construed to include the public agencies of any of them unless the context require a different construction.'

"SEC. 7. That said Act be, and the same is hereby, further amended by adding a new section after section 12 of said Act, as follows:

"'SEC. 12a. In order (1) to facilitate the disposition of the surplus power of the Corporation according to the policies set forth in this Act; (2) to give effect to the priority herein accorded to States, counties, municipalities, and nonprofit organizations in the purchase of such power by enabling them to acquire facilities for the distribution of such power; (3) at the same time to preserve existing distribution facilities as going concerns and avoid duplication of such facilities, the Board is authorized to advise and cooperate with and assist, by extending credit for a period of not exceeding five years to, States, counties, municipalities, and nonprofit organizations situated within transmission distance from any dam where such power is generated by the Corporation in acquiring, improving, and operating (a) existing distribution facilities and incidental works, including generating plants; and (b) interconnecting transmission lines; or in acquiring any interest in such facilities, incidental works, and lines.'

"SEC. 8. That said Act be, and the same is hereby, further amended by adding to section 14 of said Act the following:

"'The Board shall, on or before January 1, 1937, file with Congress a statement of its allocation of the value of all such properties turned over to said Board, and which have been completed prior to the end of the preceding fiscal year, and shall thereafter in its annual report to Congress file a statement of its allocation of the value of such properties as have been completed during the preceding fiscal year.

"'For the purpose of accumulating data useful to the Congress in the formulation of legislative policy in matters relating to the generation, transmission, and distribution of electric energy and the production of chemicals necessary to national defense and useful in agriculture, and to the Federal Power Commission and other Federal and State agencies, and to the public, the Board shall keep complete accounts of its costs of generation, transmission, and distribution of electric energy and shall keep a complete account of the total cost of generating and transmission facilities constructed or otherwise acquired by the Corporation, and of producing such chemicals, and a description of the major components of such costs according to such uniform system of accounting for public utilities as the Federal Power Commission has, and if it have none, then it is hereby empowered and directed to prescribe such uniform system of accounting, together with records of such other physical data and operating statistics of the Authority as may be helpful in determining the actual cost and value of services, and the practices, methods, facilities, equipment, appliances, and standards and sizes, types, location, and geographical and economic integration of plants and systems best suited to promote the public interest, efficiency, and the wider and more economical use of electric energy. Such data shall be reported to the Congress by the Board from time to time with appropriate analyses and recommendations, and, so far as practicable, shall be made available to the Federal Power Commission and other Federal and State agencies which may be concerned with the administration of legislation relating to the generation, transmission, or distribution of electric energy and chemicals useful to agriculture. It is hereby declared to be the policy of this Act that, in order, as soon as practicable, to make the power projects self-supporting and self-liquidating, the surplus power shall be sold at rates which, in the opinion of the Board, when applied to the normal capacity of the Authority's power facilities, will produce gross revenues in excess of the cost of production of said power and in addition to the statement of the cost of power at each power station as required by section 9 (a) of the "Tennessee Valley Act of 1933", the Board shall file with each annual report, a statement of the total cost of all power generated by it at all power stations during each year, the average cost of such power per kilowatt-hour, the rates at which sold, and to whom sold, and copies of all contracts for the sale of power.'

"SEC. 9. That said Act be and the same is hereby further amended by adding after Section 15 of said Act a new section as follows:

"'SEC. 15a. With the approval of the Secretary of the Treasury, the Corporation is authorized to issue bonds not to exceed in the aggregate $50,000,000 outstanding at any one time, which bonds may be sold by the Corporation to obtain funds to carry out the provisions of Sec. 7 of this amendatory Act. Such bonds shall be in such forms and denominations, shall mature within such periods not more than fifty years from the date of their issue, may be redeemable at the option of the Corporation before maturity in such manner as may be stipulated therein, shall bear such rates of interest not exceeding 3½ per centum per annum, shall be subject to such terms and conditions, shall be issued in such manner and amount, and sold at such prices, as may be prescribed by the Corporation, with the approval of the Secretary of the Treasury: *Provided*, That such bonds shall not be sold at such prices or on such terms as to afford an investment yield to the holders in excess of 3½ per centum per annum. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Corporation should not pay upon demand, when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof, which is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of the Corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the Corporation shall be treated as public-debt transactions of the United States. With the approval of the Secretary of the Treasury, the Corporation shall have power to purchase such bonds in the open market at any time and at any price. No bonds shall be issued hereunder to provide funds or bonds necessary for the performance of any proposed contract negotiated by the Corporation under the authority of section 7 of this amendatory Act until the proposed contract shall have been submitted to and approved by the Federal Power Commission. When any such proposed contract shall have been submitted to the said Commission, the matter shall be given precedence and shall be in every way expedited and the Commission's determination of the matter shall be final. The authority of the Corporation to issue bonds hereunder shall expire at the end of 5 years from the date when this section as amended herein becomes law, except that such bonds may be issued at any time after the expiration of said period to provide bonds or funds necessary for the performance of any contract entered into by the Corporation, prior to the expiration of said period, under the authority of section 7 of this amendatory Act.'

"SEC. 10. That section 26 of said Act be, and the same is hereby, amended to read as follows:

"'Sec. 26. Commencing July 1, 1936, the proceeds for each fiscal year derived by the Board from the sale of power or any other products manufactured by the Corporation, and from any other activities of the Corporation including the disposition of any real or personal property, shall be paid into the Treasury of the United States at the end of each calendar year, save and except such part of such proceeds as in the opinion of the Board shall be necessary for the Corporation in the operation of dams and reservoirs, in conducting its business in generating, transmitting, and distributing electric energy and in manufacturing, selling, and distributing fertilizer and fertilizer ingredients. A continuing fund of $1,000,000.00 is also excepted from the requirements of this section and may be withheld by the Board to defray emergency expenses and to insure continuous operation. *Provided*, That nothing in this section shall be construed to prevent the use by the Board, after June 30, 1936, of proceeds accruing prior to July 1, 1936, for the payment of obligations lawfully incurred prior to such latter date.'

"SEC. 11. That said Act be, and the same is hereby, further amended by adding after section 26 of said Act a new section, as follows:

"'SEC. 26a. The unified development and regulation of the Tennessee River system requires that no dam, appurtenant works, or other obstruction, affecting navigation, flood control, or public lands or reservations shall be constructed, and thereafter operated or maintained across, along, or in the said river or any of its tributaries until plans for such construction, operation, and maintenance shall have been submitted to and approved by the Board; and the construction, commencement of construction, operation, or maintenance of such structures without such approval is hereby prohibited. When such plans shall have been approved, deviation therefrom either before or after completion of such structures is prohibited unless the modification of such plans has previously been submitted to and approved by the Board.

"'In the event the Board shall, within sixty days after their formal submission to the Board, fail to approve any plans or modifications, as the case may be, for construction, operation, or maintenance of any such structures on the Little Tennessee River, the above requirements shall be deemed satisfied, if upon application to the Secretary of War, with due notice to the Corporation, and hearing thereon, such plans or modifications are approved by the said Secretary of War as reasonably adequate and effective for the unified development and regulation of the Tennessee River system.

"'Such construction, commencement of construction, operation, or maintenance of any structures or parts thereof in violation of the provisions of this section may be prevented, and the removal or discontinuation thereof required by the injunction or order of any district court exercising jurisdiction in any district in which such structures or parts thereof may be situated, and the Corporation is hereby authorized to bring appropriate proceedings to this end.

"'The requirements of this section shall not be construed to be a substitute for the requirements of any other law of the United States or of any State, now in effect or hereafter enacted, but shall be in addition thereto, so that any approval, license, permit, or other sanction now or hereafter required by the provisions of any such law for the construction, operation, or maintenance of any structures whatever, except such as may be constructed, operated, or maintained by the Corporation, shall be required, notwithstanding the provisions of this section.'

"SEC. 12. That said Act be, and the same is hereby, further amended by adding at the end of said Act a new section, as follows:

"'SEC. 31. This Act shall be liberally construed to carry out the purposes of Congress to provide for the disposition of and make needful rules and regulations respecting Government properties entrusted to the Authority, provide for the national defense, improve navigation, control destructive floods, and promote interstate commerce and the general welfare, but no real estate shall be held except what is necessary in the opinion of the Board to carry out plans and projects actually decided upon requiring the use of such land: *Provided*, That any land purchased by the Authority and not necessary to carry out plans and projects actually decided upon shall be sold by the Authority as agent of the United States, after due advertisement, at public auction to the highest bidder, or at private sale as provided in Section 3 of this amendatory Act.'

"SEC. 13. That section 4 of said Act of May 18, 1933 (48 Stat. 58), be amended by adding subsection (l) as follows:

"'(l) Shall have power to advise and cooperate in the readjustment of the population displaced by the construction of dams, the acquisition of reservoir areas, the protection of watersheds, the acquisition of rights-of-way, and other necessary acquisitions of land, in order to effectuate the purposes of the Act; and may cooperate with Federal, State, and local agencies to that end.'

"SEC. 14. That subsection (b) of section 9 of said act be, and the same is hereby, amended to read as follows:

"'(b) All purchases and contracts for supplies or services, except for personal services, made by the Corporation, shall be made after advertising, in such manner and at such times sufficiently in advance of opening bids, as the Board shall determine to be adequate to insure notice and opportunity for competition: *Provided*, That advertisement shall not be required when, (1) an emergency requires immediate delivery of the supplies or performance of the services; or (2) repair parts, accessories, supplemental equipment, or services are required for supplies or services previously furnished or contracted for; or (3) the aggregate amount involved in any purchase of supplies or procurement of services does not exceed $500; in which cases such purchases of supplies or procurement of services may be made in the open market in the manner common among businessmen: *Provided further*, That in comparing bids and in making awards the Board may consider such factors as relative quality and adaptability of supplies or services, the bidder's financial responsibility, skill, experience, record of integrity in dealing, ability to furnish repairs and maintenance services, the time of delivery or performance offered, and whether the bidder has complied with the specifications.

"'The Comptroller General of the United States shall audit the transactions of the Corporation at such times as he shall determine, but not less frequently than once each governmental fiscal year, with personnel of his selection. In such connection he and his representatives shall have free and open access to all papers, books, records files, accounts, plants, warehouses, offices, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation, and shall be afforded full facilities for counting all cash and verifying transactions with and balances in depositaries. He shall make report of each such audit in quadruplicate, one copy for the President of the United States, one for the chairman of the Board, one for public inspection at the principal office of the Corporation, and the other to be retained by him for the uses of the Congress: *Provided*, That such report shall not be made until the Corporation shall have had reasonable opportunity to examine the exceptions and criticisms of the Comptroller General or the General Accounting Office, to point out errors therein, explain or answer the same, and to file a statement which shall be submitted by the Comptroller General with his report. The expenses for each such audit shall be paid from any appropriation or appropriations for the General Accounting Office, and such part of such expenses as may be allocated to the cost of generating, transmitting, and distributing electric energy shall be reimbursed promptly by the Corporation as billed by the Comptroller General. The Comptroller General shall make special report to the President of the United States and to the Congress of any transaction or condition found by him to be in conflict with the powers or duties entrusted to the Corporation by law.'

"SEC. 15. That the sections of this Act are hereby declared to be separable, and in the event any one or more sections of this Act, or parts thereof, be held to be unconstitutional, such holding shall not affect the validity of other sections or parts of this Act."

And the Senate agree to the same.

E. D. SMITH,
B. K. WHEELER,
G. W. NORRIS,
*Managers on the part of the Senate.*
JOHN J. MCSWAIN,
LISTER HILL,
NUMA F. MONTET,
DONALD H. MCLEAN,
CHARLES A. PLUMLEY,
*Managers on the part of the House.*

### EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

### EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing a nomination, which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

### EXECUTIVE REPORTS OF COMMITTEES

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Marine Corps.

Mr. VAN NUYS, from the Committee on the Judiciary, reported favorably the nomination of Charles W. James, of Indiana, to be United States marshal, southern district of Indiana, vice Alf O. Meloy, term expired.

He also, from the same committee, reported favorably the nomination of George C. Sweeney, of Massachusetts, to be United States district judge for the district of Massachusetts, to succeed James A. Lowell, deceased, the filling of the vacancy having been authorized by law.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

### POSTMASTER AT MARMARTH, N. DAK.—RECONSIDERATION

Mr. FRAZIER. Mr. President, I ask unanimous consent that the vote whereby the nomination of Peter J. Bott, to be postmaster at Marmarth, N. Dak., was confirmed last evening be reconsidered, and that the nomination be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The calendar is now in order.

### RESETTLEMENT ADMINISTRATION

The legislative clerk read the nomination of J. H. Jenkins, of Colorado, to be regional director.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Walter Packard, of California, to be regional director.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Elmer A. Starch, of Montana, to be regional director.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Rex E. Willard, of Washington, to be regional director, which had been reported adversely.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to this nomination?

The nomination was rejected.

### THE JUDICIARY

The legislative clerk read the nomination of Edwin D. Bolger to be United States marshal, western district of Michigan.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

### INTERSTATE COMMERCE COMMISSION

The legislative clerk read the nomination of Marion M. Caskie, of Alabama, to be Interstate Commerce Commissioner.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

### DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of George A. Lingo to be register of the land office, Anchorage, Alaska.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

### POSTMASTERS

The legislative clerk read the nomination of Clyde W. Greenwade to be postmaster at Springfield, Mo.

Mr. McKELLAR. I ask that the nomination be confirmed.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Andrew J. Daniel to be postmaster at Franklin, Ga., which had been reported adversely.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to this nomination?

The nomination was rejected.

The legislative clerk read the nomination of Peyton T. Anderson to be postmaster at Macon, Ga., which had been reported adversely.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to this nomination?

The nomination was rejected.

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters on the calendar under the heading "New reports" be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

### PAULINE M'KINNEY

The Senate resumed legislative session.

Mr. GORE. I ask unanimous consent for the immediate consideration of the bill (S. 3137) for the relief of Pauline McKinney.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with an amendment, to strike out all after the enacting clause and to insert in lieu thereof the following:

That the United States Employees' Compensation Commission shall be, and it is hereby, authorized and directed to extend to Pauline McKinney, a nonrelief administrative employee of the Emergency Relief Administration for the State of Oklahoma, the provisions of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended by the act of February 12, 1927: *Provided*, That no benefits shall accrue prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

### INTERNATIONAL BOUNDARY COMMISSION, UNITED STATES AND MEXICO

Mr. CONNALLY. Mr. President, I ask unanimous consent for the present consideration of House bill 7927.

Mr. AUSTIN. What is the calendar number?

Mr. CONNALLY. It has just been reported today. It has no calendar number. It is a bill relating to the United States and Mexico Boundary Commission, and it affects only some lands along the boundary that interfere with the irrigation ditches. It simply authorizes the secretary to restore them after the determination of the boundary.

Mr. KING. Does it call for any appropriation?

Mr. CONNALLY. I do not think so.

Mr. KING. If it is to restore the land, I should like to be advised whether that means inundated lands, and whether they are to be paid for out of the Treasury of the United States.

Mr. CONNALLY. The letter of the Secretary of State says the expense would not exceed $20,000. There is no appropriation carried in the bill, however.

Mr. KING. Does the Secretary recommend its passage?

Mr. CONNALLY. The Secretary of State recommends it.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 7927) to authorize the Secretary of State to lease to citizens of the United States any land heretofore or hereafter acquired under any act, Executive order or treaty in connection with projects, in whole or in part constructed or administered by the Secretary of State through the International Boundary Commission, United States and Mexico, American section, which was ordered to a third reading, read the third time, and passed.

### RECESS

Mr. ROBINSON. I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 57 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, August 21, 1935, at 11 o'clock a. m.

## NOMINATIONS

*Executive nominations received by the Senate August 20 (legislative day of July 29), 1935*

### UNITED STATES TARIFF COMMISSION

Raymond B. Stevens, of New Hampshire, to be a member of the United States Tariff Commission for the remainder of the term expiring June 16, 1937, vice James W. Collier, deceased.

### CONSUL GENERAL OF THE UNITED STATES

J. Theodore Marriner, of Maine, now a Foreign Service officer of class 1 and a secretary in the Diplomatic Service, to be a consul general of the United States of America.

### UNITED STATES DISTRICT JUDGE

George C. Sweeney, of Massachusetts, to be United States district judge for the district of Massachusetts, to succeed James A. Lowell, deceased, the filling of the vacancy having been authorized by act approved August 19, 1935.

### UNITED STATES MARSHAL

Charles W. James, of Indiana, to be United States marshal, southern district of Indiana, vice Alf O. Meloy, term expired.

### COLLECTOR OF INTERNAL REVENUE

Thomas S. Smith, of Hartford, Conn., to be collector of internal revenue for the district of Connecticut to fill an existing vacancy.

### WORKS PROGRESS ADMINISTRATION

Francis L. Dryden, of Maryland, to be State administrator in the Works Progress Administration for Maryland, vice John H. Mackall, resigned.

### APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

#### GENERAL OFFICERS

*To be brigadier general, Adjutant General's Department, National Guard of the United States*

Brig. Gen. Frederick Blair Kerr, Adjutant General's Department, Pennsylvania National Guard.

*To be brigadier general, National Guard of the United States*

Brig. Gen. Walter Allen DeLamater, New York National Guard.

### POSTMASTERS

#### CALIFORNIA

Cecelia C. Murphy to be postmaster at Crockett, Calif., in place of W. M. Laidlaw, removed.

Paul W. Hunter to be postmaster at Fortuna, Calif., in place of C. F. Evers. Incumbent's commission expired January 23, 1933.

#### GEORGIA

Robert L. Jackson to be postmaster at Hapeville, Ga., in place of J. H. Cash, removed.

Martha C. Aultman to be postmaster at Byron, Ga. Office became Presidential July 1, 1935.

Walter H. Maxwell to be postmaster at Winder, Ga., in place of J. W. Westbrook, removed.

#### ILLINOIS

Joseph T. Cline to be postmaster at Downers Grove, Ill., in place of H. B. Rigsbee, transferred.

Harry J. Young to be postmaster at Marissa, Ill., in place of R. R. McCreight. Incumbent's commission expired January 19, 1933.

#### INDIANA

Anthony M. Schuh to be postmaster at Kentland, Ind., in place of I. A. Dixon. Incumbent's commission expired February 25, 1935.

Reginald W. Cook to be postmaster at Montpelier, Ind., in place of Paul Buroker, removed.

KENTUCKY

Sara K. Bugg to be postmaster at Fredonia, Ky., in place of F. C. Wilson. Incumbent's commission expired January 13, 1935.

Press J. Blackburn to be postmaster at Princeton, Ky., in place of W. E. Jones. Incumbent's commission expired January 23, 1935.

James P. Mahan to be postmaster at Williamsburg, Ky., in place of T. H. Hickey. Incumbent's commission expired January 22, 1935.

MICHIGAN

Francis E. Maloney to be postmaster at Osseo, Mich., in place of Mack Harring. Incumbent's commission expired December 16, 1933.

MISSISSIPPI

Cleo S. Parker to be postmaster at Cruger, Miss., in place of S. P. Flemming. Incumbent's commission expired January 10, 1935.

MISSOURI

Gerald R. Cooper to be postmaster at Laredo, Mo., in place of J. E. Thomas. Incumbent's commission expired May 20, 1934.

MONTANA

William H. Fluhr to be postmaster at Belt, Mont., in place of Pauline Epperson. Incumbent's commission expired April 22, 1934.

NEBRASKA

Alberta Walkington to be postmaster at Bartley, Nebr., in place of J. A. Finnegan. Incumbent's commission expired June 6, 1934.

Lulu M. Kennedy to be postmaster at Bradshaw, Nebr., in place of R. W. Finley. Incumbent's commission expired February 25, 1935.

NEW HAMPSHIRE

Roland A. Lewin to be postmaster at Hanover, N. H., in place of J. P. Farnam, retired.

NEW JERSEY

Cecil R. McConnell to be postmaster at Annandale, N. J., in place of M. H. Roberson. Incumbent's commission expired June 2, 1934.

George H. Todd to be postmaster at Budd Lake, N. J., in place of A. W. Knowles. Incumbent's commission expired February 14, 1935.

Anna B. Craft to be postmaster at Columbus, N. J., in place of C. R. Bower. Incumbent's commission expired January 7, 1935.

William C. Nestor, Jr., to be postmaster at Franklin, N. J., in place of V. O. Walters. Incumbent's commission expired December 20, 1932.

Edna E. Lewis to be postmaster at Laurel Springs, N. J., in place of H. N. Denby. Incumbent's commission expired December 16, 1934.

William B. Cowperthwait to be postmaster at Medford, N. J., in place of W. F. Branin. Incumbent's commission expired February 25, 1935.

Fredrick Raymond Barker to be postmaster at Runnemede, N. J., in place of Howard Hunter. Incumbent's commission expired July 3, 1934.

Frank A. Robertson to be postmaster at Washington, N. J., in place of H. P. Humphrey. Incumbent's commission expired February 27, 1935.

NORTH CAROLINA

Olivia A. Oppelt to be postmaster at East Flat Rock, N. C., in place of R. J. Pace, removed.

John E. Patterson to be postmaster at Leaksville, N. C., in place of W. R. Stephens, removed.

OKLAHOMA

Ortho Voorhees Stevens to be postmaster at Collinsville, Okla., in place of W. J. Pattison. Incumbent's commission expired January 22, 1935.

Joseph R. Reed to be postmaster at Lawton, Okla., in place of R. B. Morford. Incumbent's commission expired January 10, 1931.

Nelle E. Murphy to be postmaster at Okemah, Okla., in place of N. V. Dolen, removed.

OREGON

Helen I. Brown to be postmaster at Canby, Oreg., in place of A. H. Knight. Incumbent's commission expired January 22, 1935.

PENNSYLVANIA

Ray E. Wagner to be postmaster at Millerstown, Pa., in place of T. V. Diffendafer. Incumbent's commission expired January 9, 1935.

Frank M. Severns to be postmaster at Southampton, Pa., in place of W. C. Dobson. Incumbent's commission expired February 25, 1935.

RHODE ISLAND

Ina M. Gwynn to be postmaster at Warwick, R. I., in place of K. E. Gardiner. Incumbent's commission expired October 31, 1933.

TENNESSEE

Hubert S. Bell to be postmaster at Madison, Tenn., in place of E. R. Doolittle. Incumbent's commission expired January 22, 1935.

Joe F. Odle to be postmaster at Camden, Tenn., in place of E. H. Smothers. Incumbent's commission expired March 2, 1935.

Leland D. Jordan to be postmaster at Shelbyville, Tenn., in place of W. S. Tune. Incumbent's commission expired May 29, 1934.

TEXAS

Bolivar C. Ivy to be postmaster at Huntington, Tex., in place of L. K. McKewen, resigned.

Zella Cook to be postmaster at Pleasanton, Tex., in place of R. C. Fechner. Incumbent's commission expired February 14, 1935.

Thomas J. Lilley to be postmaster at Whitewright, Tex., in place of F. A. King, resigned.

VERMONT

Thomas Fitzgerald to be postmaster at Bellows Falls, Vt., in place of J. H. Blakley, deceased.

WISCONSIN

Martin A. Thorpe to be postmaster at Darien, Wis., in place of G. E. Brigham. Incumbent's commission expired January 28, 1934.

John F. Gretz to be postmaster at Cleveland, Wis., in place of E. H. Jost. Incumbent's commission expired January 22, 1935.

Anna Metz to be postmaster at Little Chute, Wis., in place of S. M. Peeters. Incumbent's commission expired December 20, 1934.

John Duchateau to be postmaster at Luxemburg, Wis., in place of Albert Liebl. Incumbent's commission expired February 25, 1935.

Maude A. Whalen to be postmaster at Pelican Lake, Wis., in place of A. E. Ford. Incumbent's commission expired February 14, 1935.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate August 20 (legislative day of July 29), 1935*

INTERSTATE COMMERCE COMMISSION

Marion M. Caskie to be Interstate Commerce Commissioner.

REGISTER OF LAND OFFICE

George A. Lingo to be register of the land office, Anchorage, Alaska.

UNITED STATES MARSHAL

Edwin D. Bolger to be United States marshal, western district of Michigan.

RESETTLEMENT ADMINISTRATION

REGIONAL DIRECTORS

J. H. Jenkins, of Colorado, to be regional director of the Resettlement Administration.

Walter Packard, of California, to be regional director of the Resettlement Administration.

Elmer A. Starch, of Montana, to be regional director of the Resettlement Administration.

POSTMASTERS

ARKANSAS

William J. Martin, Humphrey.

CALIFORNIA

Catherine L. Gasich, Cupertino.
William H. Adams, Newport Beach.
Jerry J. Ryan, Pacific Beach.
Ralph W. Evans, Palo Alto.
Reid E. Shamhart, Santa Maria.
E. H. Cain, Westmoreland.

FLORIDA

Edith Boyles, Brewster.
Mell J. Barnett, Fern Park.
Beulah L. Kunberger, Florence Villa.

GEORGIA

Nathan J. Thompson, Hamilton.

IDAHO

Frank S. Wimer, Cottonwood.
Albert H. Hartshorn, Jerome.
John T. McMahon, Richfield.
Rene E. Weniger, Wallace.

ILLINOIS

James F. Horan, Antioch.
Amos C. Westphal, Herscher.
Gertrude G. Schrader, Leland.
Leroy McNary, Marshall.
James W. Duffy, Maywood.
Leo Edward Kinney, Morrisonville.
Daniel F. Maher, Sheffield.
James F. Boyle, Sycamore.
Katherine L. Colwell, Wyoming.

INDIANA

Gordon E. Faupel, East Gary.
Carl F. Bardonner, Reynolds.
Hester B. Worden, Rolling Prairie.
Henry P. Price, Sunman.

IOWA

Joseph P. Burke, Dunlap.
Eugene C. Dodds, Fontanelle.
Anker Hald, Kimballton.
Roy E. Ferguson, Lake View.
Jay A. Bargar, Lakota.
James O. Weitgenant, Lorimor.
John R. Strickland, Parkersburg.
Edwin A. Howe, Webb.

KANSAS

George S. Frere, Arma.
William J. Lyons, Jr., Fort Leavenworth.
Bertha E. McClain, Gaylord.
Albert A. Weigel, Gorham.
N. Pearl Helvern, Hiawatha.
Alfred M. Nall, Johnson.
Ernest W. McHenry, McLouth.
Hubert A. Morain, Minneola.
Robert J. Pafford, Salina.

KENTUCKY

Ben P. Edrington, Bardwell.
Sidney F. Sprake, Cynthiana.
Eugene Kelley, Pembroke.

MAINE

Jeremiah M. Minahane, South Berwick.

MASSACHUSETTS

Gertrude A. Davis, Assonet.
George A. Sweeney, Attleboro.
Arthur R. Merritt, Egypt.
Augustus J. Formhals, Erving.
Harold A. Harrington, Graniteville.
Leo B. Corcoran, Hudson.
Augustus A. Hadley, Marion.
Emma E. Murphy, Minot.
Elsie M. Dearborn, South Attleboro.
Amasa W. Baxter, West Falmouth.

MICHIGAN

Robert E. Bradin, Barryton.
Dennis D. Davis, Cedar Springs.
Gordon C. Eldred, Climax.
D. Clinton Moore, Durand.
Earl E. Young, East Lansing.
Jennie R. Bingham, Farwell.
Philip J. Debri, Grandville.
Sam B. Pizar, Harrisville.
Charles Davidson, Memphis.
Joseph Villemure, Newberry.
Thomas Edward Shine, Port Austin.
Glenn P. Adgate, Saranac.
Charles F. Crawford, Schoolcraft.
Edmund L. Ashworth, Shepherd.
Lyle O'Connor, Sparta.
Clifford B. Brown, Stephenson.
Spencer E. Pinckney, Stockbridge.
Verne C. Wolcott, Union City.
Franklin A. Kolb, Unionville.
Isla M. Messmore, Utica.
Norman J. Halmich, Warren.

MINNESOTA

Willard C. Lee, Ada.
Donald N. Geddes, Akeley.
Lyman W. Rhoads, Barnum.
James O. Low, Bingham Lake.
Floyd L. Stroud, Braham.
Stella M. Rasmussen, Brookpark.
Harry M. Koop, Crosby.
John B. Neugebauer, Ellendale.
Paul J. Kelly, Fountain.
Patrick R. Reilly, Hokah.
Fred C. Larson, Howard Lake.
Henry G. Torgerson, Lake Park.
Ella M. Mayer, Maple Lake.
Hjalmer H. Moe, Milan.
Frances A. Lamb, Moorhead.
Mamie A. Sondergaard, New York Mills.
George W. Gresty, Osakis.
Henry N. Halvorson, Pelican Rapids.
John W. Feller, Rochester.
Mary N. Chisholm, St. Charles.
John W. Lowe, Slayton.
Katherine Becker, South Haven.
Marcia Russell Tyssling, Stewartville.
Edward J. Larsen, Virginia.
Joseph P. Mettel, Wadena.
Fred F. Campbell, White Bear Lake.
Elizabeth A. McCormick, Wilmont.

MISSOURI

Frances J. Smith, Blue Springs.
Bessie I. McCue, Jamesport.
George T. Duggins, Marshall.
Henry F. Stapel, Rockport.
Clyde W. Greenwade, Springfield.

MONTANA

Edgar L. Bowers, Culbertson.

NEBRASKA

Melvin A. Brinegar, Alexandria.
Margaret E. Patterson, Gretna.

NEW JERSEY

Thomas C. Stewart, Atlantic City.
George E. Fox, Avenel.
Ralph Burnett Kinney, Butler.
Ethel Marie McMahon, Convent Station.
William H. D'Arcy, Cranford.
Fraser Bliss Price, Eatontown.
Nellie Potter, Glen Gardner.

William E. Bayley, Hackettstown.
Bertha S. Irving, Haddonfield.
Katherine A. Butler, Hampton.
Charles C. Thompson, Lakewood.
Lydia R. Masterson, Minotola.
Albert H. Gordon, Mount Arlington.
William T. Lyons, Mullica Hill.
Victor R. Keller, Northfield.
Arnold Troxler, Oakland.
Charles Ippolito, Orange.
James J. Odsted, Oxford.
Matthew P. Fusco, Palisades Park.
Michael T. O'Brien, Pleasantville.
Martin F. Gettings, Rahway.
Leander P. Eichorn, Ramsey.
Mary T. Feeney, Roseland.
Walter L. Stretch, Somers Point.
John B. Geary, Jr., South Plainfield.
Daniel J. Fitzpatrick, Summit.
Monroe H. Bea, Westville.
Nora Loughman, Wortendyke.

NEW MEXICO

Mary E. Love, Lovington.

NEW YORK

Anthony R. Maletta, Bellport.
Anne M. Young, East Chatham.
John G. Winans, Leeds.
George S. Mackey, Locke.
Olivette L. Johnson, Rensselaer.

NORTH CAROLINA

Sam H. Ingram, Burgaw.

NORTH DAKOTA

Harry Clarence Ladbury, Dazey.
Peter V. Hermes, Glen Ullin.
Leo C. Stein, Harvey.
H. Harold Bugge, Sanish.

OHIO

Frank A. Loomis, Garrettsville.
Vanessa E. Campbell, Huron.
Edgar C. Merkle, Mogadore.
William W. Norris, Ripley.
Isabel A. Downey, Somerset.
Walter J. Pinkstone, Swanton.
Daniel J. Gunsett, Van Wert.

OKLAHOMA

Murlin V. Braly, Buffalo.
Hugh Foreman, Duke.
Jesse W. Haydon, El Reno.
Ray M. Hubbert, Fargo.
Ralph M. Peach, Foss.
Louie S. Andersen, Harrah.
Earl Witten, Pauls Valley.
Charles E. Fair, Sulphur.
Watson L. Thurston, Wewoka.
Ulmer H. Still, Wright City.

PENNSYLVANIA

Jenny Paterson, Yukon.

RHODE ISLAND

Millard F. Phelan, Conimicut.

TENNESSEE

Mary Amelia Slack Copenhaver, Bristol.
Ruby Hensley, Iron City.
Lee N. Alley, Oakdale.
Walter S. Moore, Portland.

TEXAS

Dorothy A. Wilson, Beeville.
Leon C. Smith, Bishop.
Jewell M. Barber, Buda.
Walton Ingle, Caddo Mills.
Leland B. Doshier, Edcouch.
Edna Williams, Eden.
Blanche J. Bergin, Gruver.
Claude H. Hamilton, Harlingen.
Eunice N. Seale, Jasper.
John Weaver, Santa Rosa.
Marvin S. Chambers, Spearman.
Robert E. Blair, Windom.

UTAH

Oliver P. FitzGerald, Delta.
Mary Jeanette M. Smith, Farmington.

VERMONT

Margaret H. Walsh, Concord.
Martin R. McDonald, Danville.
William H. Moriarty, Northfield.
Archibald D. Flower, Woodstock.

WASHINGTON

Tollie Livingston, Bridgeport.
Floyd L. Magill, Randle.

WISCONSIN

Francis William Muenich, Argyle.
Thomas F. Boehrer, Augusta.
Denis J. Delaney, Avoca.
Patrick Raymond Sornberger, Belmont.
Walter A. Frome, Black Earth.
Mabel Jackson, Blanchardville.
Ralph W. Singleton, Camp Douglas.
Alma M. Beggs, Dallas.
Carl Newton, De Forest.
Joseph A. Podruch, Elroy.
James F. Horan, Sr., Friendship.
Oscar A. Peterson, Granton.
Sara E. Ferriter, Hillsboro.
John Michael, Humbird.
Mabel A. Dunwiddie, Juda.
George A. Sauter, Kimberly.
Roland Harpt, Mishicot.
Roy W. Hughes, Pardeeville.
Joseph H. Biever, Port Washington.
John T. Helsing, Port Wing.
Henry J. Voltz, Schofield.
James Ervin Casey, Star Prairie.
Harry W. Stimson, Trempealeau.
Clarence H. Mullendore, Viola.

## REJECTIONS

*Executive nominations rejected by the Senate August 20 (legislative day of July 29), 1935*

RESETTLEMENT ADMINISTRATION

REGIONAL DIRECTOR

Rex E. Willard, of Washington, to be regional director of the Resettlement Administration.

POSTMASTERS

GEORGIA

Andrew J. Daniel, Franklin.
Peyton T. Anderson, Macon.

## WITHDRAWAL

*Executive nomination withdrawn from the Senate August 20 (legislative day of July 29), 1935*

POSTMASTER

KANSAS

Horace G. Bodwell to be postmaster at Arlington, in the State of Kansas.

# HOUSE OF REPRESENTATIVES

## TUESDAY, AUGUST 20, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our God of the ages, we pray that we may fortify our souls by waiting on Thee and be filled with Thy goodness. We trust that we may tarry this moment with no plaintive word; bring us now to the realization that in Thee we may have the vision of duty and the grace of divine guidance.

Evil can be driven out only as we bring to bear upon it the light of truth, the charm of purity, the majesty of right, and the magic of love. Father of mercy arm us with these virtues. We praise Thee for Thy Holy Word:

*Who shall separate us from the love of Christ? Shall tribulation, or distress, or persecution, or famine, or nakedness, or peril, or sword? Nor height, nor depth, nor any other creature, shall be able to separate us from the love of God, which is in Christ Jesus our Lord.*

O bless us with the mercy of grateful hearts. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 8473. An act to provide for the compiling and publishing of the Official Register of the United States.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 3806. An act to establish a commercial airport for the District of Columbia; and

H. R. 8587. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2202. An act to add certain lands to the Cache National Forest;

S. 3002. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

S. 3194. An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3019) entitled "An act to amend sections 1, 3, and 15 of an act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, approved June 28, 1934 (48 Stat. 1269)."

The message also announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 265) entitled "Joint resolution pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando de Soto", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BARKLEY, Mr. MCKELLAR, and Mr. NORBECK to be the conferees on the part of the Senate.

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1832) to authorize the Secretary of the Interior to provide by agreement with Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, for maintenance and operation on newly reclaimed Pueblo Indian lands in the Rio Grande Valley, N. Mex., reclaimed under previous act of Congress, and authorizing an annual appropriation to pay the cost thereof for a period of not to exceed 5 years.

The Clerk read the title of the bill.

Mr. RICH. Mr. Speaker, reserving the right to object, I should like to have the gentleman explain the bill.

Mr. DEMPSEY. The Middle Rio Grande Conservancy District is a district completed by the white settlers. There are certain Indian lands adjacent to it and the Indians have been using some of the water for irrigation purposes. This measure will permit the Secretary of the Interior, to the extent the Indians use the water on their own lands, to pay the same amount per acre as do the whites; in other words, the whites will not have to carry the entire burden. Unless we do this the whites who own this conservancy district will shut off the water to the Indians and they will simply become a charge on the Government. This will permit them to raise sufficient crops to feed themselves.

Mr. RICH. Has this bill been considered by the Public Lands Committee?

Mr. DEMPSEY. It has been considered by the Indian Affairs Committee of the House and reported favorably, and, of course, it has been passed by the Senate.

Mr. RICH. Is this a unanimous report?

Mr. DEMPSEY. Yes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized to enter into an agreement with Middle Rio Grande Conservancy District, a political subdivision of the State of New Mexico, to provide for operation and maintenance on newly reclaimed Pueblo Indian lands, not exceeding 12,600 acres thereof now owned by said Indians, in the Rio Grande Valley, N. Mex., provided said lands have been benefited by improvements constructed under the act of Congress dated March 13, 1928 (45 Stat. L., 312–313) and as therein provided, and as provided for by the provisions of the contract executed by and with the Secretary of the Interior and the said district; and there is hereby authorized to be appropriated annually for a period of not to exceed 5 years, such amount as may be necessary to enable the Secretary of the Interior to pay the cost to Middle Rio Grande Conservancy District of such operation and maintenance on said newly reclaimed Pueblo Indian lands as may be irrigable during any particular year, provided the per acre cost assessable against the acreage of newly reclaimed Indian lands shall not exceed the per acre cost of operating and maintaining the district works for the irrigation of the total irrigable area within the district, including the now irrigated and newly reclaimed Indian lands: *Provided*, That any sums appropriated pursuant hereto shall be reimbursable to the United States: *Provided further*, That the district shall be required by the agreement herein authorized to be executed, to deliver water without discrimination on that part of the newly reclaimed Pueblo lands on which the per acre charge or assessment has been paid: *And provided further*, That the provisions of the contract heretofore executed pursuant to the act of March 13, 1928, requiring the district to recognize the prior and paramount water rights for the approximately 8,346 acres of now irrigated Indian lands and of their exemption from payment of any operation and maintenance or betterment cost, shall be carried into and made a part of the agreement to be executed pursuant hereto.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL PROHIBITION ACT

Mr. DUFFY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration the bill (S. 3336) to repeal titles I and II of the National Prohibition Act, to reenact certain provisions of title II thereof, to amend or repeal various liquor laws, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. RICH. Mr. Speaker, reserving the right to object, what is the purpose of the bill?

Mr. DUFFY of New York. Mr. Speaker, H. R. 8771, which is similar to bill S. 3336, just requested to be taken from the Speaker's table, was introduced by the gentleman from New York [Mr. CELLER] at the request of the Treasury Department. It was referred to the House Judiciary Committee and reported out unanimously from that committee with seven amendments. S. 3336 came up in the Senate on August 16, all the amendments suggested by the House Judiciary Committee were written into the Senate bill, and it passed unanimously.

The purpose of the bill is this:

When the twenty-first amendment was adopted, certain provisions of the old Prohibition Act were killed and fell with the eighteenth amendment. Other provisions were kept alive, for instance, everything that relates to industrial alcohol or the issuance of industrial-alcohol permits. The bill elimi-

nates those provisions of the statute that were killed by the amendment and reenact into legislation the provisions with reference to industrial alcohol and the issuance of permits.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. DUFFY of New York. Yes.

Mr. O'CONNOR. In other words, this bill has been described as a bill to repeal the Volstead Act?

Mr. DUFFY of New York. Yes.

Mr. O'CONNOR. I thought that it had been repealed sometime ago.

Mr. RICH. Is the enactment of this measure going to create better enforcement of the liquor laws so as to eliminate the bootlegger?

Mr. DUFFY of New York. It has nothing to do with the enforcement of the beverage liquor laws.

Mr. RICH. Is it going to provide better conditions now that we have done away with the Volstead Act? Are we going to have temperance rather than more liquor? After we passed the Volstead Act it was said that conditions were so bad that the repeal of prohibition would improve them. It looks now as if they are getting worse instead of better.

Mr. DUFFY of New York. This bill will promote temperance because it will control the industrial-alcohol industry.

Mr. RICH. And the gentleman thinks he can guarantee we are going to have better conditions than we had before?

Mr. DUFFY of New York. I think we will.

Mr. TREADWAY. Mr. Speaker, under a reservation of objection, I want to inquire whether this bill in any way comes in contact with, or is contrary to, the Alcohol Control Act that has been before the Ways and Means Committee but not decided upon by the Congress?

Mr. DUFFY of New York. It does not touch that act.

Mr. TREADWAY. It does not?

Mr. DUFFY of New York. No.

That part of the old law which forbids Federal officers searching premises without a warrant, and which affords relief against the assessment of taxes in the event that taxable liquor is accidentally destroyed are reenacted and made a part of this bill. I desire to call your attention to two provisions of the bill which are new—

First. That which permits the courts to remit or mitigate judicial forfeitures of automobiles seized for violations of the liquor tax laws instead of leaving this relief, as is true now, to administrative action; and second, that which permits the Government to make use of abandoned or forfeited property. This provision is highly desirable particularly with reference to forfeited cars. If a car is forfeited, and innocent interests are not allowed, the Government should be permitted to use it in its law-enforcement work rather than be compelled to sell it at the very low price which is bid, and at the risk that the car will immediately get back into the hands of the law violators. The bill is approved by the industrial-alcohol industry. The bill is not controversial, Mr. Speaker, and should be passed.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That this act may be cited as the "Liquor Law Repeal and Enforcement Act."

TITLE I

SECTION 1. Titles I and II of the National Prohibition Act, approved October 28, 1919 (41 Stat. 305), and all laws amendatory of, or supplementary to, the National Prohibition Act are hereby repealed.

SEC. 2. When used in this title or in title III of the National Prohibition Act—

(1) The word "person" shall mean and include natural persons, firms, partnerships, corporations, and associations;

(2) The word "Commissioner" shall mean Commissioner of Internal Revenue;

(3) The term "application" shall mean a formal written request supported by a verified statement of facts showing that the Commissioner may grant the request;

(4) The term "permit" shall mean a formal written authorization by the Commissioner setting forth specifically therein the things that are authorized;

(5) The term "bond" shall mean an obligation authorized or required by or under this title or title III of the National Prohibition Act, or any regulation thereunder, executed in such form and for such penal sum as may be required by the Commissioner or prescribed by regulation;

(6) The term "regulation" shall mean any regulation prescribed by the Commissioner with the approval of the Secretary of the Treasury for carrying out the provisions of this title or of title III of the National Prohibition Act, and the Commissioner is authorized to make such regulations.

(7) The term "articles" shall mean any substance or preparation in the manufacture of which denatured alcohol or denatured rum is used.

Any act authorized by this title or by title III of the National Prohibition Act to be done by the Commissioner may be performed by any assistant or agent designated by him for that purpose. Records, reports, or returns required to be filed with the Commissioner may be filed with an assistant commissioner or other person designated by the Commissioner to receive such records, reports, or returns.

SEC. 3. The Commissioner, his assistants, agents, and inspectors, shall investigate and report violations of this title and of title III of the National Prohibition Act to the United States attorney for the district in which committed, who is hereby charged with the duty of prosecuting the offenders, subject to the direction of the Attorney General, as in the case of other offenses against the laws of the United States; and the Commissioner, his assistants, agents, and inspectors, may swear out warrants before United States commissioners or other officers or courts authorized to issue the same for the apprehension of such offenders, and may, subject to the control of the said United States attorney, conduct the prosecution at the committing trial for the purpose of having the offenders held for the action of a grand jury. Section 1014 of the Revised Statutes is hereby made applicable in the enforcement of this title and of title III of the National Prohibition Act. Officers mentioned in said section 1014 are authorized to issue search warrants under the limitations provided in title XI of the act approved June 15, 1917 (40 Stat. 228; 18 U. S. C., secs. 611–633).

SEC. 4. Any person who shall produce, withdraw, sell, transport, or use denatured alcohol, denatured rum, or articles in violation of laws or regulations now or hereafter in force pertaining thereto, and all such denatured alcohol, denatured rum, or articles shall be subject to all provisions of law pertaining to alcohol that is not denatured, including those requiring the payment of tax thereon; and the person so producing, withdrawing, selling, transporting, or using the denatured alcohol, denatured rum, or articles shall be required to pay such tax.

SEC. 5. Whenever the Commissioner has reason to believe that denatured alcohol, denatured rum, or articles do not correspond with the descriptions and limitations as to such alcohol, rum, or articles provided by law and regulations, he shall cause an analysis of said alcohol, rum, or articles to be made, and if upon such analysis the Commissioner shall find that said alcohol, rum, or articles do not so correspond, he shall give not less than 15 days' notice in writing to the person who is the manufacturer thereof to show cause why said alcohol, rum, or articles should not be dealt with as other distilled spirits, such notice to be served personally or by registered mail, as the Commissioner may determine, and shall specify the time when, the place where, and the name of the agent or official before whom such person is required to appear.

If the manufacturer of said alcohol, rum, or articles fails to show to the satisfaction of the Commissioner that the alcohol, rum, or articles manufactured by him correspond to the descriptions and limitations as to such alcohol, rum, or articles provided by law and regulations, his permit to manufacture and sell the same shall be revoked. The manufacturer may by appropriate proceeding in a court of equity have the action of the Commissioner reviewed, and the court may affirm, modify, or reverse the finding of the Commissioner as the facts and law of the case may warrant, and during the pendency of such proceedings may restrain the manufacture, sale, or other disposition of such alcohol, rum, or articles.

SEC. 6. No one shall manufacture alcohol, procure it tax free, denature it, deal in or use specially denatured alcohol, recover completely or specially denatured alcohol, or transport specially denatured or tax-free alcohol, without first obtaining a permit from the Commissioner so to do. All such permits may be issued for 1 year, and shall expire on the 31st day of December next succeeding the issuance thereof: *Provided*, That the Commissioner may without formal application or new bond extend any permit granted under this title or title III of the National Prohibition Act after August 31 in any year to December 31 of the succeeding year.

Permits to purchase or procure specially denatured alcohol and tax-free alcohol shall be issued in such terms and under such conditions as the Commissioner shall by regulation prescribe.

No permit shall be issued to any person who, within 1 year prior to the application therefor or issuance thereof, shall not in good faith have conformed to the provisions of this title or title III of the National Prohibition Act, or shall have violated the terms of any permit issued under this title or title III of the National Prohibition Act, or made any false statement in the application therefor, or willfully failed to disclose any information required by regulation to be furnished, or violated any law of the United States relating to intoxicating liquor, or willfully violated any law of any State, Territory, or possession of the United States or of the District of Columbia relating to intoxicating liquor.

Every permit shall be in writing, dated when issued, and signed by the Commissioner or his authorized agent. It shall give the

name and address of the person to whom it is issued and shall designate and limit the acts that are permitted and the time when and place where such acts may be performed. No permit shall be issued until a verified, written application shall have been made therefor, setting forth the qualification of the applicant and the purpose for which the alcohol or denatured alcohol is to be used.

The Commissioner may prescribe the form of all permits and applications and the facts to be set forth therein. Before any permit is granted, the Commissioner may require a bond in such form and amount as he may prescribe to insure compliance with the terms of the permit and the provisions of this title and of title III of the National Prohibition Act. In the event of the refusal by the Commissioner of any application for a permit, the applicant may have a review of his decision before a court of equity in the manner provided in section 5 of this title.

SEC. 7. If at any time there shall be filed with the Commissioner a complaint under oath setting forth facts showing, or if the Commissioner has reason to believe, that any person who has a permit is not in good faith conforming to the provisions of this title, or of title III of the National Prohibition Act, or has violated the terms of such permit, or has made any false statement in the application therefor, or has willfully failed to disclose any information required by regulation to be furnished, or has violated any law of the United States or of any State, Territory, or possession of the United States or of the District of Columbia relating to intoxicating liquor, the Commissioner or his agent shall immediately issue an order citing such person to appear before him on a day named not more than 30 and not less than 15 days from the date of service upon such permittee of a copy of the citation, which citation shall be accompanied by a copy of such complaint, or in the event that the proceedings be initiated by the Commissioner, with a statement of the facts constituting the violation charged, at which time a hearing shall be had unless continued for cause. Such hearings shall be held within the judicial district and within 50 miles of the place where the offense is alleged to have occurred, unless the parties agree on another place. If it be found that such person is not in good faith conforming to the provisions of this title, or of title III of the National Prohibition Act, or has violated the terms of his permit, or made any false statement in the application therefor, or willfully failed to disclose any information required by regulation to be furnished, or violated any law of the United States relating to intoxicating liquor, or willfully violated any law of any State, Territory, or possession of the United States or of the District of Columbia relating to intoxicating liquor, such permit shall be revoked, and no permit shall be granted to such person within 1 year thereafter. Should the permit be revoked by the Commissioner, the permittee may have a review of his decision before a court of equity in the manner provided in section 5 of this title. During the pendency of such action such permit shall be temporarily revoked.

SEC. 8. It shall be unlawful to have or possess any liquor or property intended for use in violating the provisions of this title, or of title III of the National Prohibition Act, or the internal-revenue laws, or regulations prescribed under such title or laws, or which has been so used, and no property rights shall exist in any such liquor or property. A search warrant may issue as provided in title XI of the act approved June 15, 1917 (40 Stat. 228; 18 U. S. C., secs. 611-633), for the seizure of such liquor or property. Nothing in this section shall in any manner limit or affect any criminal or forfeiture provision of the internal-revenue laws, or of any other law. The seizure and forfeiture of any liquor or property under the provisions of this title, or under the provisions of title III of the National Prohibition Act, and the disposition of such liquor or property subsequent to seizure and forfeiture, or the disposition of the proceeds from the sale of such liquor or property, shall be in accordance with existing laws or those hereafter in existence relating to seizures, forfeitures, and disposition of property or proceeds, for violation of the internal-revenue laws.

SEC. 9. The Commissioner, his assistants, agents, and inspectors, and all other officers, employees, or agents of the United States, whose duty it is to enforce criminal laws, shall have all the rights, privileges, powers, and protection in the enforcement of the provisions of this title and of title III of the National Prohibition Act, which are conferred by law for the enforcement of any laws in respect of the taxation, importation, exportation, transportation, manufacture, possession, or use of, or traffic in, intoxicating liquors.

SEC. 10. Any person violating the provisions of this title or of any regulations issued thereunder, for which offense a special penalty is not prescribed, shall be liable to the penalty or penalties prescribed in section 15 of title III of the National Prohibition Act. It shall be the duty of the prosecuting officer to ascertain, in the case of every violation of this title or the regulations made thereunder, for which offense a special penalty is not prescribed, or of title III of the National Prohibition Act, or the regulations made thereunder, whether the defendant has been previously convicted and to plead the prior conviction in the affidavit, information, or indictment.

SEC. 11. No person shall be excused, on the ground that it may tend to incriminate him or subject him to a penalty or forfeiture, from attending and testifying, or producing books, papers, documents, and other evidence in obedience to a subpena of any court in any suit or proceeding based upon or growing out of any alleged violation of this title or of title III of the National Prohibition Act; but no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing as to which, in obedience to a subpena and under oath, he may so testify or produce evidence, but no person shall be exempt from prosecution and punishment for perjury committed in so testifying.

SEC. 12. In case of a sale of liquor or denatured alcohol or denatured rum where the delivery thereof was made by a common or other carrier the sale and delivery for purposes of prosecution or revocation of any permit shall be deemed to be made in the county or district wherein the delivery was made by such carrier to the consignee, his agent or employee, or in the county or district wherein the sale was made, or from which the shipment was made, and prosecution for such sale or delivery may be had in any such county or district.

SEC. 13. In any affidavit, information, or indictment for the violation of this title or of title III of the National Prohibition Act, or of both, separate offenses may be united in separate counts and the defendant may be tried on all at one trial and the penalty for all offenses may be imposed. It shall not be necessary in any affidavit, information, or indictment to give the name of the purchaser or to include any defensive negative averments, but it shall be sufficient to state that the act complained of was then and there prohibited and unlawful, but this provision shall not be construed to preclude the trial court from directing the furnishing the defendant a bill of particulars when it deems it proper to do so.

SEC. 14. All records and reports kept or filed under the provisions of this title or of title III of the National Prohibition Act, and all liquor or property to which such records or reports relate, shall be subject to inspection at any reasonable hour by the Commissioner or any of his agents or by any public prosecutor or by any person designated by him, or by any peace officer in the State where the records or reports are kept, and copies of such records and reports duly certified by the person with whom kept or filed may be introduced in evidence with like effect as the originals thereof, and verified copies of such records shall be furnished to the Commissioner when called for.

SEC. 15. If any act or offense is a violation of this title or of title III of the National Prohibition Act, and also of any other law in regard to the manufacture or taxation of, or traffic in, intoxicating liquor, a conviction for such act or offense under the one shall be a bar to prosecution therefor under the other.

SEC. 16. If distilled spirits upon which the internal-revenue tax has not been paid are lost by theft, accidental fire, or other casualty while in possession of a common carrier subject to the Transportation Act of 1920 or the Merchant Marine Act, 1920, or if lost by theft from a distillery or other bonded warehouse, and it shall be made to appear to the Commissioner that such losses did not occur as the result of negligence, connivance, collusion, or fraud on the part of the owner or person legally accountable for such distilled spirits, no tax shall be assessed or collected upon the distilled spirits so lost, nor shall any tax penalty be imposed or collected by reason of such loss, but the exemption from the tax and penalty shall only be allowed to the extent that the claimant is not indemnified against or recompensed for such loss. This provision shall apply to any claim for taxes or tax penalties that may have accrued since the passage of the National Prohibition Act or that may accrue hereafter. Nothing in this section shall be construed as in any manner limiting or restricting the provisions of title III of the National Prohibition Act.

SEC. 17. Section 3 of title III of the National Prohibition Act (41 Stat. 319; 27 U. S. C., sec. 73) is amended to read as follows:

"Warehouses for the storage and distribution of alcohol may be established upon filing of application and bond, and issuance of permit at such places, either in connection with the manufacturing plant or elsewhere, as the Commissioner may determine; and the entry and storage of alcohol therein, and the withdrawals of alcohol therefrom shall be made in such containers and by such means as the Commissioner by regulation may prescribe."

SEC. 18. Section 11 of title III of the National Prohibition Act (41 Stat. 321; 27 U. S. C., sec. 81) is amended to read as follows:

"Alcohol produced at any industrial alcohol plant or stored in any bonded warehouse may, under regulations, be withdrawn tax free as provided by existing law from such plant or warehouse for transfer to any denaturing plant for denaturation, or may, under regulations, before or after denaturation, be removed from any such plant or warehouse for any lawful tax-free purpose.

"Spirits of less proof than 160 degrees may, under regulations, be deemed to be alcohol for the purpose of denaturation, under the provisions of this title.

"Alcohol may be withdrawn, under regulations, from any industrial plant or bonded warehouse tax free by the United States or any governmental agency thereof, or by the several States and Territories or any municipal subdivision thereof or by the District of Columbia, or for the use of any scientific university or college of learning, any laboratory for use exclusively in scientific research, or for use in any hospital or sanitarium.

"But any person permitted to obtain alcohol tax free, except the United States and the several States and Territories and subdivisions thereof, and the District of Columbia, shall first apply for and secure a permit to purchase the same and give the bonds prescribed under section 6 of the Liquor Law Repeal and Enforcement Act, but alcohol withdrawn for nonbeverage purposes for use of the United States and the several States, Territories and subdivisions thereof, and the District of Columbia may be purchased and withdrawn subject only to such regulations as may be prescribed."

TITLE II

SECTION 201. Any officer, agent, or employee of the United States engaged in the enforcement of any law of the United States who shall search any private dwelling used and occupied as such dwelling without a warrant directing such search, or who, while engaged in such enforcement, shall without a search warrant maliciously and without reasonable cause search any other building or property, shall be guilty of a misdemeanor and upon conviction thereof shall be fined for a first offense not more than $1,000, and for a subsequent offense not more than $1,000, or imprisoned not more than 1 year, or both such fine and imprisonment: *Provided*, That nothing herein contained shall apply to any officer, agent, or employee of the United States serving a warrant of arrest, or arresting or attempting to arrest any person committing or attempting to commit an offense in the presence of such officer, agent, or employee, or who has committed, or who is suspected on reasonable grounds of having committed, a felony.

Whoever not being an officer, agent, or employee of the United States shall falsely represent himself to be such officer, agent, or employee, and in such assumed character shall arrest or detain any person or shall in any manner search the person, buildings, or other property of any person, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than $1,000 or imprisoned for not more than 1 year, or by both such fine and imprisonment.

SEC. 202. (a) The act of March 22, 1933 (48 Stat. 16), entitled "An act to provide revenue by the taxation of certain nonintoxicating liquors, and for other purposes", is hereby repealed.

(b) The shipment or transportation, in any manner or by any means whatsoever, of any spirituous, vinous, malted, fermented, or other intoxicating liquor of any kind, from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, into any other State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, which said spirituous, vinous, malted, fermented, or other intoxicating liquor is intended, by any person interested therein, to be received, possessed, sold, or in any manner used, either in the original package or otherwise, in violation of any law of such State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, is hereby prohibited.

SEC. 203. Section 12 of the Act of May 18, 1917 (40 Stat. 76), entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States", as amended, is hereby repealed.

SEC. 204. (a) Whenever, in any proceeding in court for the forfeiture, under the internal-revenue laws, of any vehicle or aircraft seized for a violation of the internal-revenue laws relating to liquors, such forfeiture is decreed, the court shall have exclusive jurisdiction to remit or mitigate the forfeiture.

(b) In any such proceeding the court shall not allow the claim of any claimant for remission or mitigation unless and until he proves (1) that he has an interest in such vehicle or aircraft, as owner or otherwise, which he acquired in good faith, (2) that he had at no time any knowledge or reason to believe that it was being or would be used in the violation of laws of the United States or of any State relating to liquor, and (3) if it appears that the interest asserted by the claimant arises out of or is in any way subject to any contract or agreement under which any person having a record or reputation for violating laws of the United States or of any State relating to liquor has a right with respect to such vehicle or aircraft, that, before such claimant acquired his interest, or such other person acquired his right under such contract or agreement, whichever occurred later, the claimant, his officer or agent, was informed in answer to his inquiry, at the headquarters of the sheriff, chief of police, principal Federal internal-revenue officer engaged in the enforcement of the liquor laws, or other principal local or Federal law-enforcement officer of the locality in which such other person acquired his right under such contract or agreement, of the locality in which such other person then resided, and of each locality in which the claimant has made any other inquiry as to the character or financial standing of such other person, that such other person had no such record or reputation.

(c) Upon the request of any claimant whose claim for remission or mitigation is allowed and whose interest is first in the order of priority among such claims allowed in such proceeding and is of an amount in excess of, or equal to, the appraised value of such vehicle or aircraft, the court shall order its return to him; and, upon the joint request of any two or more claimants whose claims are allowed and whose interests are not subject to any prior or intervening interests claimed and allowed in such proceedings, and are of a total amount in excess of, or equal to, the appraised value of such vehicle or aircraft, the court shall order its return to such of the joint requesting claimants as is designated in such request. Such return shall be made only upon payment of all expenses incident to the seizure and forfeiture incurred by the United States. In all other cases the court shall order disposition of such vehicle or aircraft as provided in title 3 of this act; and if such disposition be by public sale, payment from the proceeds thereof, after satisfaction of all such expenses, of any such claim in its order of priority among the claims allowed in such proceedings.

(d) In any proceeding in court for the forfeiture under the internal-revenue laws of any vehicle or aircraft seized for a violation of the internal-revenue laws relating to liquor, the court shall order delivery thereof to any claimant who shall establish his right to the immediate possession thereof, and shall execute, with one or more sureties approved by the court, and deliver to the court, a bond to the United States for the payment of a sum equal to the appraised value of such vehicle or aircraft. Such bond shall be conditioned to return such vehicle or aircraft at the time of the trial and to pay the difference between the appraised value of such vehicle or aircraft as of the time it shall have been so released on bond and the appraised value thereof as of the time of trial; and conditioned further that, if the vehicle or aircraft be not returned at the time of trial, the bond shall stand in lieu of, and be forfeited in the same manner as, such vehicle or aircraft. Notwithstanding the provisions of this subsection or any other provisions of law relating to the delivery of possession on bond of vehicles or aircraft sought to be forfeited under the internal-revenue laws, the court may, in its discretion and upon good cause shown by the United States, refuse to order such delivery of possession.

TITLE III

SECTION 301. As used in this title—

(1) "Property" means all personal property, including but not limited to vessels, vehicles, and aircraft;

(2) "Agency" includes any executive department, independent establishment, board, commission, bureau, service, or division of the United States, and any corporation in which the United States owns all or a majority of the stock.

(3) "Director" means the Director of the Procurement Division of the Treasury Department of the United States.

SEC. 302. In the event that any property is or has been voluntarily abandoned to any agency in such manner as to vest title thereto in the United States, it may be retained by such agency and devoted to official use only. If such agency shall not desire so to retain such property, the head thereof shall forthwith notify the Director to that effect, and the Director shall, within a reasonable time—

(a) order such agency to deliver the property to any other agency which requests and in his judgment should be given the property, or

(b) order disposal of the property as otherwise provided by law.

SEC. 303. In the event that any property seized by any agency is or has been forfeited to the United States otherwise than by court decree, it may, in the event that the property is not ordered by competent authority to be returned to any claimant, and in lieu of being disposed of as otherwise provided by law (including advertisement for sale and sale), be retained by such agency and devoted to official use only. If such agency shall not desire so to retain such property, the head thereof shall forthwith notify the Director to that effect, and such property shall—

(a) in the event that it is not ordered by competent authority to be returned to any claimant, and in lieu of being disposed of as otherwise provided by law (including advertisement for sale and sale), be delivered by such agency, upon order of the Director given within a reasonable time, to any other agency which requests and in the judgment of the Director should be given the property, or

(b) upon order of the Director given within a reasonable time, be disposed of as otherwise provided by law.

SEC. 304. In the event that proceedings are or have been commenced for the forfeiture of any property by court decree, the agency which seized such property shall forthwith notify the Director and may at the same time file with him a request for such property for its official use. The Director shall, before entry of a decree, apply to the court to order delivery of such property—

(a) to the agency filing such request; or

(b) if no such request has been filed, to any other agency which requests and in the judgment of the Director should be given such property; or

(c) if the agency which seized such property has not requested it, and no other agency has requested and in the judgment of the Director should be given such property, and if in the judgment of the Director the property may later become necessary to any agency for official use, to the seizing agency to be retained in its custody. Thereafter the Director shall, within a reasonable time, order such agency to deliver the property to any other agency which requests and in his judgment should be given such property, or to dispose of it as otherwise provided by law,

and if forfeiture thereof is decreed, the court shall, in the event that the property is not ordered by competent authority to be returned to any claimant, order delivery accordingly. All the property for which no such application is made shall be disposed of by the court in accordance with law.

SEC. 305. The appropriation available to any agency for the purchase, hire, operation, maintenance, and repair of property of any kind shall be available for the payment of expenses of operation, maintenance, and repair of property of the same kind received by it under any provision of this title for official use; for the payment of any lien recognized and allowed pursuant to law, and for the payment of all moneys found to be due any person upon the duly authorized remission or mitigation of any forfeiture; and for reimbursement of other agencies as hereafter provided. The costs of hauling, transporting, towing, and storage of such property shall be paid by the agency which has seized such property or to which it has been abandoned; and, if such property is later delivered to

another agency for official use under sections 302, 303, or 304 of this title, the latter shall make reimbursement for all such costs incurred prior to the date of delivery to it of such property.

SEC. 306. Retention or delivery of forfeited or abandoned property under this title shall be regarded as the sale thereof for the purpose of laws providing for informer's fees or remission or mitigation of any forfeiture. Any property so acquired when no longer needed for official use shall be disposed of in the same manner as other surplus property.

SEC. 307. The Director is authorized, with the approval of the Secretary of the Treasury, (1) to require any agency, from time to time, to make a report of all property abandoned to it or seized and the disposal thereof, and (2) to make such rules and regulations as may be necessary to carry out the provisions of this title.

SEC. 308. (a) The act entitled "An act relating to the use or disposal of vessels or vehicles forfeited to the United States for violation of the customs laws or the National Prohibition Act, and for other purposes" (43 Stat. 1116), approved March 3, 1925, as amended, is hereby repealed.

(b) Nothing contained in this title shall be construed as repealing any other laws relating to the disposition of forfeited or abandoned property, except such provisions of such laws as are directly in conflict with any provisions of this title.

(c) The following classes of property shall not be subject to allocation under sections 302, 303, or 304 of this title, but shall be disposed of in the manner otherwise provided by law:

(1) Arms or munitions of war included in section 4 of title VI of the act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes" (40 Stat. 223), approved June 15, 1917, as amended;

(2) Narcotic drugs, as defined in the Narcotic Drug Import and Export Act;

(3) Firearms, as defined in the National Firearms Act; and

(4) Such other classes or kinds of property as the Director, with the approval of the Secretary of the Treasury, may deem in the public interest, and may by rules and regulations provide.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 8771) was laid on the table.

EXTENSION OF REMARKS

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the permanent RECORD next to those of the gentleman from New York [Mr. CELLER] on August 19 on the same subject.

The SPEAKER. Is there objection?

There was no objection.

GRADUATION DAY ADDRESS

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address that I delivered to the graduates of Virginia Intermont College, Bristol, Va.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address I delivered to the graduates of Virginia Intermont College, Bristol, Va.:

I esteem it a high privilege to be permitted to participate in the exercises here this morning. It is not only a privilege but a privilege coupled with a responsibility to talk to young girls about to embark upon the voyage of womanhood; and if at times I shall forget myself and talk about the personal and sacred things of life, even as a father would talk to his daughter, I know that you will forgive me when I remind you of the fact that an auburn-haired, brown-eyed girl, full of life, happiness, and joy, calls me daddy, and because she does I am a better man and interested in the daughters of other daddies.

Time was, as we are now wont to view things, when the world of woman was considered circumscribed. She devoted little thought to business, not because she did not have the capacity but because business under the old order fell to the lot of men. Denied the right to vote, the only interest she manifested in politics was the partisanship she loyally displayed for the causes championed by her men. But in the realms of the home and the church and the school she reigned supreme.

We of the old order know that it was mother who dressed us in the morning, prepared our meals, kept our clothes in order, found our lost articles, made our baseballs and rag dolls, settled our quarrels and disputes, entertained us when lonesome, smiled away our troubles, kissed away our tears, gave us our Saturday night's bath, and even tucked us in bed at night with a hug and a kiss that brought sound sleep and pleasant dreams.

We of the old order know that it was mother who read us the Bible, heard our prayers, taught us our Sunday school lesson, caused us to memorize the catechism and passages of promise, hope, and comfort from the Bible, made us observe the Sabbath, instilled in us spiritual values, and then ran things in such an orderly way on Sunday morning that we were never late for Sunday school and church.

We of the old order know that it was mother who taught us our lessons at night, found our books in the morning, acted as contact man when we were in trouble with the teacher, whose faith in us dissipated our discouragements, whose pride gave us a real thrill when we outstripped the others at school, and who created in us the ambition to forge ahead.

Yes, we of the old order know that the finer, nobler things in us were planted there in childhood by mother.

And we who have given thought to the matter realize that while we speak of woman's sphere being circumscribed under the old order that such was not the case because in reality she was the most dynamic force the old order produced. She was the old order! What her children stood for was what she had taught in the home, in the church, and in the school.

Will any one question that a mother kindled the flame of liberty that consumed the very soul of Henry? Will any one question that Washington's dogged determination was but the spirit of a determined, persevering mother? Will any one question that Marshall's great decisions that knit the Union together with hoops of steel were but the expressions of a mother who wanted to hold fast to the gains we had made? Will any one question that Lincoln's abhorence for slavery was but the child of freedom a mother had planted in his breast? Will any one question that Westinghouse's great safety and labor-saving invention of the air brake was but the realized craving of a mother to relieve the hazards, hardships, and toils of the sons of men? Will any one question that Long's medical discovery of the use of anesthetics in surgical operations was but the realized longing of a mother to alleviate pain and suffering? Will any one question that a mother directed the great crusade led by Booth to reclaim lost manhood and womanhood? Will any one question that Moody's passion to save souls was but the fruition of a mother's prayers for the reign of the Prince of Peace?

Yes; my young friends, under the old order our great men, our great women, were but expressions of great mothers. Behind every great leader of progress and advancement in the past you will find that the dynamo that generated his vision, his genius, his strength was the old-fashioned mother of his childhood.

But things have changed. Woman's sphere can no longer be termed "circumscribed." We are living today under what we call, for lack of a better name, the "new order." And under the new order women are now participating, not by proxy through their children as in the days that have passed, but directly in all the activities that arrest the attention of men. And in her new role, as was to be expected, she has forged ahead; and her influence in her new fields, be it said to her credit, has been wholesome.

We find her now occupying positions of responsibility in the business world, standing in the fore ranks in many of the professions, and showing an aptitude for politics that has, in a few short years, placed her in our State legislatures upon our highest State courts, upon the Federal bench, as our representative to foreign governments, in both branches of the United States Congress, and in the President's Cabinet. The Presidency itself is now within her reach.

I am not questioning woman's right to do these things. I am not questioning her ability. I plead guilty to being among those who gave her the right because I thought she had the ability. I am only wondering where it will lead. I am only wondering, young ladies, where you will go from here.

Facts are cruel things. They have no sympathy, no emotions, no sentiment, and yet sooner or later we have to face facts. So do not think that I am cruel if, on this your gala day, I should mention something that gives me real concern. It is this: If our most intelligent, our most talented, our most refined, our most consecrated women go into business, or into one of the professions, or into politics, what is going to become of the home? And if the home degenerates, what will become of the church, of the school, of the State?

It takes mothers, you know, to run homes. And, remember, you cannot run a business and at the same time run a home. Somehow, business and the home won't mix. You cannot follow a profession and at the same time run a home. Somehow, the professions and the home won't mix. You cannot direct the affairs of state and at the same time run a home. Somehow, affairs of state and the home won't mix. And in spite of our boasted progress, we have been unable so far to find a substitute for the mother in the home. And mothers, in spite of the wizardry with which they can handle things, are unable to run homes on the 30-hour 6-days-per-week basis. It takes a full-time mother to run a genuine, old-fashioned, full-time American home.

I know that woman has brought skill and sympathy and understanding to the professions. And yet I wonder if the professions are not paying an awful price in taking them away from the home.

I know that the women have brought the golden rule to business and placed it upon a higher plane. And yet I wonder if business is not paying an awful price in taking them away from the home.

I know that women have purified politics and elevated the affairs of state. And yet I wonder if the state is not paying an awful price in taking them away from the home.

I am just wondering if America can afford to pay the price.

Do not think that I am against the progress of woman, that I am against her development, that I would hinder her mental and spiritual growth in any way. Such is not the case. I am just wondering if she cannot reach her highest development right in

the home. I know from actual experience—from my mother's home and from the home of the one whom God gave me as a helpmeet—what an old-fashioned home means; and I am only concerned in vouchsafing to our Nation God's greatest gift to the children of men—the old-fashioned, full-time Christian home.

My young friends, I know that the allurements of busines, the professions, and politics are enticing, and that the very thought of the responsibilities and the grind of presiding over the old-fashioned home is disconsolating to many of you. I know that the home is a jealous mistress. It demands industry and toil. It demands sacrifices and privations. It demands heartaches and grief. It demands smiles and sunshine. It demands sympathy and understanding. It demands faith and hope and charity. I am not unmindful of these demands. But, my young friends, remember that while it is a jealous mistress, it is also a generous mistress. It gives freely in return for its untold exactings. No institution on earth pays dividends so great. The good that radiates from an old-fashioned home blesses the whole community, ofttimes the whole State, the whole Nation. Yes; the good generated in the humble, old-fashioned home in more than one case has been felt around the world. Dividends! Why, the dividend of a sparkling-eyed baby, with its coos and smiles, is sufficient recompense for most mothers, but when that dividend grows and develops into a real man or a real woman, as the case may be, there is a possibility that that dividend will enrich not only the community, the State, the Nation, but the world, and thus make all mankind again indebted to motherhood.

I know that I am not preaching an easy doctrine. Oh, I know that the mother back of every great man, every great woman, has paid dearly for her contribution to society. But somehow I am just wondering if there is any other path that leads forward save the path of sacrifice. And if this is so, then American women, in order for us to complete the building of the greatest Commonwealth among the federation of the world, will have to continue to make sacrifices by presiding over the old-fashioned, full-time American home.

The old-fashioned home! May God ever bless it and keep it in all its purity and strength! Oh, what recollection the very name brings to mind! In an humble, old-fashioned home, at the knees of an old-fashioned mother, I learned lessons that mean more to me than all I ever learned in school or college. There I learned of the higher and nobler things of life—of truth, of honesty, of temperance, of charity. There I learned of my duties to my fellow man and of my duties to my Government. Yes; there I learned from a sainted mother, who taught me to pray, the story of a Savior who died that I might live.

I am not an alarmist, I am not a pessimist, but somehow I am afraid of the drift away from the old-fashioned mother who presided over the old-fashioned home that I have observed in the last few years. Our attitude toward the real value and real worth of the old-fashioned mother who presided over the old-fashioned home seems to be changing. Why, we are already referring to the mothers of today who are following the footsteps of the mothers of yesterday more or less in a sense of derision as old-fashioned mothers. It is with regret I say there is no need of the descriptive adjective to distinguish them. Ofttimes just a look is sufficient! One reflects the image of skepticism, the other the image of faith. One reflects the image of despair, the other the image of hope. One reflects the image of aversion, the other the image of love. One reflects the image of stress, the other the image of peace. Yes, one reflects the image of the world, the other the image of God himself.

Not long ago I was invited to an art exhibit in our Capital City. There I saw some of the master paintings of the ages—famous women, queens, even madonnas. I walked around as if in a place of enchantment. I stood before a portrait of one of the madonnas and envied the artist the vision he had caught. That night I was in the great Union Station waiting for a train that was late, and I became impatient, restless, and commenced to walk around. I saw an old woman—one of our old-fashioned mothers—sitting on one of the benches. I passed her several times, and finally took a seat beside her. There was something about her that drew me to her. She was old, the cares of the years were in the lines of her face, her hands showed that she was not unacquainted with honest toil, her raiment showed that she was not of the "400", and yet there was something, as if it were a magnet, that drew me to her. I soon discovered that she was waiting for her son whom her honest toil had sent through one of the great universities, who was coming back on a mission for one of our great corporations. I saw them meet—he was a clean-cut, manly youngster—and I knew that her dream had come true—that she had brought forth one of God's noblemen.

That night sitting in my room all alone the faces in the art gallery commenced to pass by in kaleidoscopic parade, but they no longer looked as they did that evening. There was something lacking—something that the artist had been unable to put on canvas. That something was what I had seen in the face of the old-fashioned mother at the station. What was it? The divine expression of motherhood that the Master Artist had painted there by dipping his brush in the colors produced by the trials and cares, joys and pleasures, aches and pains, smiles and laughter she had suffered and enjoyed in acting the part of mother. What was it? Oh, it was just the difference between a man-made and a God-made portrait. That's all.

My young friends, the masterpiece in the art gallery of heaven will be a portrait of an old-fashioned mother.

I hope you appreciate and cherish the responsibilities that are yours. I am not overstating the case when I say that you and the other girls in this land hold in your hands all we have fought for and secured in the past, all we hold sacred and dear, our religious freedom, our political freedom, our freedom of the press, our right to peaceably assemble, our right to petition setting forth our grievances, because the men and women of tomorrow depend upon the mothers of today.

I know that you will not shun so great a responsibility. I know that you will not prove false to the hopes and prayers of your fathers. Oh, let me tell you something about your fathers. Very little has ever been said about a father's hopes, about his ambitions, about his sacrifices, and perhaps you are too young to realize that we nurture hopes, cherish ambitions, make sacrifices, and pray. Perhaps it is altogether our fault. Perhaps—and I say it with shame—we are too busy with the cares of the day to manifest our true feelings. But I know, because I am a father, just an ordinary father, no better, no worse, I hope, than the common run of fathers, and I know, whether my daughter realizes it or not, that to me she is the sweetest, purest, cleanest girl on earth, and I cherish the hope and nightly pray that some day, even as my mother did, even as her mother did, that she will preside over one of the humble homes of this land, training boys to be men and girls to be women; and let me remind you that your fathers feel the same way.

We may appear indifferent, we may not outwardly manifest the interest we should, we may be awkward in expressing the tender feeling that ever fills our hearts, but my young friends ever remember that to a true father disgraces crowning disgrace is to prove false to those whom God has committed to his keeping.

Here you have been trained in one of our great religious schools, dedicated to the high purpose of equipping the girls of this land for lives of service and usefulness. Having been here you are now better equipped to face life's problems and conquer them. The question now arises: Where will you go from here? I am not here to give advice, because I am satisfied that the training you have received here is far better than any advice I can offer. I am only here to have a friendly talk and express the hope that your journey from here will lead to some Christian home, however humble it may be, and that the years of usefulness that God has in store for you will be dedicated to training God-fearing liberty-loving boys and girls in such a way that they will become better actors on the stage of life than we, their forebears, have been.

### EXTENSION OF REMARKS

Mr. O'CONNOR. Mr. Speaker, in order to expedite the business of the House, I ask unanimous consent that every Member may have permission as often as he sees fit until the end of the session to print in the RECORD an extension of his own remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. SNELL. It is understood that that is not to include extraneous matter?

The SPEAKER. That is the understanding.

There was no objection.

### PERMISSION TO ADDRESS THE HOUSE

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. The gentleman from California asks unanimous consent to address the House for 3 minutes. Is there objection?

There was no objection.

Mr. HOEPPEL. Mr. Speaker, yesterday I introduced a resolution providing for the promotion of a technical sergeant of the Signal Corps of the United States Army to the rank of master sergeant of the Signal Corps of the Army. The sergeant whom my resolution would promote recovered the bodies of Wiley Post and Will Rogers following the airplane accident near Point Barrow, and he stood valiantly at the radio key to flash the news to the world and to receive instructions in connection with the return of the bodies. The resolution provides for an increase in one grade only.

This morning the Military Affairs Committee of the House considered this bill, and I have just been advised that they reported it unfavorably, notwithstanding the outstandingly meritorious work of Technical Sgt. Stanley R. Morgan in connection with the unfortunate accident which befell two of our leading citizens.

I wish the American people to know the attitude of the Military Affairs Committee of the House of Representatives toward enlisted men, especially when they perform some outstanding feat such as the one I have just described.

On July 30 we passed a bill to promote approximately 5,000 officers of the Army, which will entail a potential cost in active and retired pay of from $9,000,000 to $12,000,000 per annum. This bill was unanimously favored by the Mili-

tary Affairs Committee of the House, and it is this same committee which rejects the resolution to which I have referred, providing one increase in grade for a sergeant who performed relief work in an outstandingly commendable manner. In my opinion, the House Military Affairs Committee is justly subject to criticism because of its inconsistency in failing to recognize one enlisted man for promotion, while it actively sponsored the promotion of approximately 5,000 officers.

Today's press quotes Admiral Sims, retired, as stating that the morale and efficiency of the Navy suffers because of the unfair system of promotion which operates in the Navy. My attention has been called to the fact that the same inefficiency exists in the Army, similarly lowering the morale of the service, due to the fact that officers have been promoted to high rank in such numbers that they have no commensurate command for them. I received a letter this morning advising me that one regiment at Fort Sam Houston, Tex., has 11 majors. Soon we will have more majors in the Army than we have second lieutenants, and the pathetic point is that we have no adequate command for these majors, while lieutenants will be overworked. In addition, the present promotion system which forces able-bodied graduates of Annapolis and West Point on the retired list, with high pay for the balance of their lives, is, in my opinion, an absolutely unjustifiable burden upon the taxpayers at this time.

Just a few days ago we passed a bill to provide retired pay at $262 monthly for the balance of his life for an individual who had never served a day in the Regular Army as an officer. The Military Affairs Committee, which reported this bill favorably, is thus, in my opinion, indicted by its own action in the cases I have mentioned for favoritism to the officers of the service and a deplorable lack of consideration to the enlisted men.

This attitude on the part of the Military Affairs Committee of the House is naturally a basis for its favorable consideration and report of the pending peace-time sedition bill directed against the enlisted men of the service in an effort, it would appear, to insure loyalty through coercion, and in my opinion it may be construed as an indirect confession of apprehension as to the possible reaction among thinking people to the discriminations and injustices which are so flagrantly operative against the enlisted men. Of course, it will be necessary to enact restrictive laws directed against enlisted men if the Congress of the United States continues to legislate so munificently for the officers and, at the same time, disregard the claims of simple justice in behalf of the enlisted men.

In order to bring my resolution before the House I ask unanimous consent that the resolution be read and immediately considered.

The SPEAKER. Without objection, the Clerk will report the resolution.

The Clerk read the resolution, as follows:

House Joint Resolution 390

To authorize and direct the promotion of Technical Sgt. Stanley R. Morgan, Signal Corps, United States Army, to the rank of master sergeant, Signal Corps, United States Army

*Resolved, etc.*, That the Secretary of War is hereby authorized and directed to promote Technical Sgt. Stanley R. Morgan, Signal Corps, United States Army, to the rank of master sergeant, Signal Corps, United States Army.

SEC. 2. The master sergeant hereby authorized shall be in addition to the authorized quota of master sergeant in the Signal Corps under existing law and regulations of the War Department.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. RANSLEY. Mr. Speaker, the resolution has not been considered by the committee. Therefore, I object.

Mr. HOEPPEL. I am surprised that the gentleman from Pennsylvania should object. He was one of the ardent advocates of the officers' promotion bill, to which I referred, which saddles an unnecessary burden on the taxpayers in this time of depression. He voted for that raid on the Treasury, notwithstanding that his party, the Republican Party, has criticized the Democrats for failure to balance the Budget. How can the Republicans criticize the Democratic administration for not balancing the Budget while their Republican leaders vote increasingly for unnecessary, unmerited, and uncalled-for appropriations?

Furthermore, the gentleman who claims the resolution was not considered by the Military Affairs Committee is in error, according to my information. I was twice present at the committee rooms this morning, and the gentleman from Pennsylvania was absent. I conferred with the chairman of the committee before introducing this resolution, and I am inclined to believe that he favors the passage of this resolution. Furthermore, for the information of the gentleman from Pennsylvania, I wish to state that the clerk of the committee informed me that the resolution was considered by the committee in executive session and was unfavorably reported.

OLD-AGE PENSION IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6623) to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age wants, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill H. R. 6623, with Senate amendments thereto, and concur in the same. The Clerk will report the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 2, line 8, strike out "10" and insert "9."

Page 2, line 9, after "assistance", insert ", and who has resided therein continuously for 1 year immediately preceding the said application."

Page 3, line 1, after "act", insert ", and shall make and render any and all reports required by the Federal Social Security Board or otherwise authorized or required by law."

Page 3, line 14, after "for" where it occurs the second time, insert "hearing and."

Page 4, line 21, strike out "relief" and insert "assistance."

Page 4, line 21, after "considered" insert "reviewed."

Page 5, line 6, strike out "assistance, and it may" and insert "assistance and to."

Page 5, after line 25, insert:

"SEC. 11. The kindred of any persons otherwise entitled to old-age assistance under the provisions of this act, in line and degree of spouse, father, child, or grandchild living in the District of Columbia and of sufficient ability so to do shall be bound to support such person, in the order above named and in proportion to their respective ability. If at any time during the continuance of old-age assistance the Board of Commissioners or its designated agency has reason to believe that a spouse, father, child, or grandchild is reasonably able to assist him, it shall be empowered to bring suit, after notifying such person of the amount of old-age assistance, against such spouse, father, child, or grandchild to recover the amount of assistance provided under the act, or such part thereof as such spouse, father, child, or grandchild was reasonably able to pay."

Page 6, line 1, strike out "11" and insert "12."

Page 6, line 1, after "of" insert "a."

Page 6, line 2, after "a" insert "recipient."

Page 6, line 3, after "with" insert "simple interest at the rate of."

Page 6, line 4, strike out "interest" and insert "per annum."

Page 6, line 15, strike out "security" and insert "assistance."

Page 6, line 23, after "it.", insert "If the District of Columbia collects from the estate of any recipient of old-age assistance any amount with respect to old-age assistance furnished him under this act, one-half of the net amount so collected shall be paid to the United States in accordance with the provisions of Title I of the Social Security Act."

Page 6, line 24, strike out "12" and insert "13."

Page 6, line 24, strike out "annually."

Page 6, line 24, after "appropriate", insert "annually."

Page 7, line 1, strike out "sum" and insert "sums."

Page 7, line 1, strike out "for" and insert "to pay the share of the District of Columbia for."

Page 7, line 2, after "assistance", insert "provided under this act."

Page 7, line 2, after "defray", insert "its share."

Page 7, line 4, after "annual", insert "District of Columbia."

Page 7, line 5, strike out "sum" and insert "sums."

Page 7, line 6, strike out "and."

Page 7, line 6, strike out "purpose" and insert "purposes."

Page 7, line 10, strike out "13" and insert "14."

Page 7, after line 13, insert:

"SEC. 15. The Board of Commissioners or its designated agency is hereby authorized and directed to cooperate in all necessary respects with the Social Security Board of the United States Government in the administration of this act, and to accept any sums

allotted or apportioned by such Board as are available under the provisions of the Social Security Act."

Page 7, line 14, strike out "14" and insert "16."

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, will the gentleman tell us what this is about?

Mr. PALMISANO. This is the old-age pension bill for the District of Columbia. It is similar to the Federal social-security bill which we passed sometime ago.

Mr. TABER. What do the Senate amendments do to it? What do they accomplish?

Mr. PALMISANO. The bill as originally passed by the House was a little more liberal than the Federal social-security bill and the Senate added provisions to make it conform to that bill.

Mr. TABER. Does it provide that the District will out of its own funds take care of the same things that the gentleman's State and my State will be called upon to take care of?

Mr. PALMISANO. Yes. It is in conformance with the Federal bill.

Mr. TABER. It does not impose any charge on the Federal Treasury other than the original social-security bill provides?

Mr. PALMISANO. No. The Federal Government would provide the same as it does to a State.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were concurred in and a motion to reconsider the vote by which they were concurred in was laid on the table.

APPEALS FROM RULINGS OF UTILITY COMMISSION, DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 3462, to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill H. R. 3462, with Senate amendments thereto, and concur in the same.

The Clerk will report the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 6, line 7, strike out ", if supported by substantial evidence,"
Page 6, line 9, after "are", insert "unreasonable."

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, will the gentleman explain what this bill is?

Mr. CARPENTER. Mr. Speaker, this is a bill to provide for appeals from the action of the Utilities Commission of the District of Columbia. The only amendments that were made to the House bill appear in paragraph 66 of the House print, commencing in line 7. The House bill, as originally passed, read as follows:

And the findings of fact by the Commission, if supported by substantial evidence, shall be conclusive unless it shall appear that such findings of the Commission are arbitrary or capricious.

The Senate amended the bill to read as follows:

And the findings of fact by the Commission shall be conclusive, unless it shall appear that such findings of the Commission are unreasonable, arbitrary, or capricious.

The result of the amendments is to strike out the words "if supported by substantial evidence" and to add the word "unreasonable" before the word "arbitrary." While that wording was somewhat opposed by Mr. Roberts, people's counsel, and Mr. Prettyman, for the District, in the view of the chairman of the subcommittee of the House having this bill in charge, these amendments remove any question of the unconstitutionality of this section. I think it is advisable to agree to them. When it came up in the Senate these amendments were opposed by Senator LA FOLLETTE. He won on his opposition to the amendments, and then, because there was objection to the consideration of the bill by Senator KING without the amendments, he withdrew his objection to these amendments to enable this bill to be enacted at this session of Congress.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were agreed to, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA ALCOHOL BEVERAGE CONTROL ACT

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6510) to amend the District of Columbia Alcoholic Beverage Control Act, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 3, strike out "(c)" and insert "(q)."
Page 1, line 6, strike out all after "1934", down to and including "act", in line 7.
Page 2, line 11, strike out "3" and insert "2."
Page 3, line 14, strike out "4" and insert "3."
Page 4, line 21, strike out "5" and insert "4."
Page 5, line 11, strike out "6" and insert "5."
Page 6, line 8, strike out "7" and insert "6."
Page 6, line 21, strike out "8" and insert "7."
Page 8, line 6, strike out "9" and insert "8."
Page 9, line 5, strike out "10" and insert "9."
Page 10, line 20, strike out "11" and insert "10."
Page 11, line 10, strike out "12" and insert "11."
Page 12, line 15, strike out "13" and insert "12."
Page 12, line 18, strike out all after "has", down to and including "or", in line 20.
Page 13, line 3, strike out "14" and insert "13."
Page 13, line 7, strike out "parking," and insert "parking;".
Page 13, line 7, strike out "same," and insert "same;".
Page 13, line 10, strike out "premises," and insert "premises;".
Page 13, line 20, strike out "15" and insert "14."
Page 14, line 8, strike out "16" and insert "15."
Page 16, line 1, strike out "17" and insert "16."
Page 17, line 18, strike out "18" and insert "17."
Page 18, strike out lines 1 to 17, inclusive, and insert:

"SEC. 18. The Commissioners of the District of Columbia are hereby authorized in their discretion to require by regulation that no licensee holding a retailer's license, class A, B, C, D, or E, as provided in the said act, shall transport, or cause to be transported, in any manner whatsoever into the District of Columbia any alcoholic beverage (except the regular stock on hand in a licensed railroad club or dining car or passenger-carrying marine vessel); and said Commissioners are also authorized to permit such importation under a special permit or permits, to be issued by the Alcoholic Beverage Control Board, upon application by a licensee and upon such terms and conditions and in such manner as may be prescribed by the said Commissioners. Any such regulation, permit, or system of permits may be suspended, amended, revoked, or abolished at any time by the said Commissioners."

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. JENKINS of Ohio. Reserving the right to object, I just wish to call attention to the fact that this bill has never been passed by the House.

Mr. PALMISANO. Oh, yes; it has.

Mr. JENKINS of Ohio. The calendar does not show it.

Mr. PALMISANO. It has passed the House.

The SPEAKER. The Chair is so informed.

Is there objection?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

UNITED STATES-ALASKA HIGHWAY

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1374) authorizing the survey, location, and construction of a highway to connect the northwestern part of continental United States with British Columbia, Yukon Territory, and the Territory of Alaska.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. RICH. Reserving the right to object, will the gentleman explain the bill?

Mr. ZIONCHECK. The bill merely authorizes the President to appoint a commission to conduct negotiations with the Canadian authorities for the location and survey of the

so-called "Alaska highway." The bill carries no appropriation. The Committee on Roads struck out the appropriation of $100,000 and $2,000,000. It is merely an authorization to start negotiations. It carries no appropriation whatsoever.

Mr. RICH. Has any committee reported this to the House?

Mr. ZIONCHECK. Yes; the Committee on Roads reported it unanimously.

Mr. RICH. On what calendar is the bill now?

Mr. ZIONCHECK. It is on the Consent Calendar.

Mr. RICH. Why do we not take it up in the regular order?

Mr. ZIONCHECK. For the reason that the minority leader took up bridge bills the other day—some of them cannot be taken up because of their location on the calendar.

Mr. RICH. Should we give preference to one bill over others that are on the calendar?

Mr. ZIONCHECK. I contend it should not be done as a regular thing, but there is no assurance that the Consent Calendar will be called again.

Mr. RICH. I think the gentleman himself has charge of that calendar.

Mr. ZIONCHECK. That is correct.

Mr. RICH. It seems to me we should take them right down the line.

Mr. ZIONCHECK. This is not my bill. It is a bill introduced by the Delegate from Alaska, and it is so far down on the calendar that it could not be taken up in the regular way.

Mr. RICH. I think we ought to take them in their regular order, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. ZIONCHECK]?

Mr. RICH. Mr. Speaker, I object.

### REFUND OF INCOME AND PROFITS TAXES

Mr. KOPPLEMANN. Mr. Speaker I ask unanimous consent for the immediate consideration of the bill (S. 2044) for the refund of income and profits taxes erroneously collected.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

Mr. McFARLANE. Mr. Speaker, I object.

### NAVAJO INDIAN RESERVATION IN NEW MEXICO

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6542) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, let us find out what this bill is before we let it go through by unanimous consent.

Mr. TAYLOR of Colorado. Will the gentleman yield?

Mr. ROGERS of Oklahoma. I yield.

Mr. TAYLOR of Colorado. The gentleman is Chairman of the Committee on Indian Affairs?

Mr. ROGERS of Oklahoma. Yes.

Mr. TAYLOR of Colorado. And the gentleman expects tomorrow to have the call on Calendar Wednesday and take up Indian affairs bills?

Mr. ROGERS of Oklahoma. I hope that is true.

Mr. TAYLOR of Colorado. If that is so, why take up bills now, if we expect to have the calendar tomorrow?

Mr. ROGERS of Oklahoma. The Speaker and the Chairman of the Rules Committee advised me yesterday that we might not get the call, and suggest that I try a few unanimous-consent requests.

Mr. TAYLOR of Colorado. I do not know, of course, that we will take up Calendar Wednesday business on tomorow.

Mr. SNELL. Unless we can find out something from someone on the majority side who knows something about these bills, I hope the gentleman will withdraw his request.

Mr. TABER. Mr. Speaker, tomorrow is Calendar Wednesday and the gentleman's committee will have the first call. I cannot see why they should call up bills by unanimous consent at this time. I hope the gentleman will withdraw it.

Mr. O'CONNOR. Will the gentleman yield to me?

Mr. ROGERS of Oklahoma. Yes; I yield.

Mr. O'CONNOR. Is it the intent of the gentleman, if the bills which he now has in his hand are considered under unanimous consent today, to press for Calendar Wednesday business tomorrow?

Mr. ROGERS of Oklahoma. No. I will say it is not, because there are several others.

Mr. TABER. I shall object, Mr. Speaker.

### LOAD LINES FOR AMERICAN VESSELS IN COASTWISE TRADE

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2002) to provide for the establishment of load lines for American vessels in the coastwise trade, and for other purposes.

The Clerk read the title of the bill.

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, will the gentleman tell us how this will affect lake shipping?

Mr. BLAND. The bill as reported from the House Committee excluded the Great Lakes. The bill as it passed the Senate includes the Great Lakes and makes applicable the terms of an international treaty.

It is my purpose to offer an amendment with regard to the Great Lakes situation to read as follows:

*Provided further*, That in applying the load lines to vessels on the Great Lakes the Secretary of Commerce is vested with discretion to vary the load-line marks from those established by said treaty when in his opinion the changes made by him will not be above the actual line of safety.

Mr. TABER. Mr. Speaker, will the gentleman tell us just how that will affect these lake ships?

Mr. BLAND. It will require the lake ships to have load-line marks on them, but we will give discretion to the Secretary to determine where those load-line marks shall be. In the House bill the Great Lakes were excluded because we found the situation was such that the Great Lakes might well be excluded, but the Great Lakes have been included in the Senate bill. It is very important to get the bill through applicable to coastwise ships. For that reason we added this clause so that the terms of that treaty would not be binding on the Great Lakes but would require load-line marks determining the line of safety on Great Lakes vessels.

Mr. MAPES. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Virginia whether the lake shippers were heard with reference to this provision?

Mr. BLAND. The lake shippers desired to be excluded, and they were excluded in the House bill. After the Senate bill came over with the Great Lakes included there was a meeting of the committee and it was finally decided to let the Great Lakes go in, with this amendment.

Mr. TABER. Mr. Speaker, will the gentleman yield for a question?

Mr. BLAND. I yield.

Mr. TABER. Is it not a fact that the result of this provision would be to permit the Canadian ships to carry all the traffic on the Great Lakes? I understand from some of the lake people that that is the situation.

Mr. BLAND. To do what?

Mr. TABER. It would not apply to the Canadian ships and it would let the Canadian ships carry all the traffic on the Lakes, wipe out the operation of American ships on the Great Lakes?

Mr. BLAND. I have no information to that effect.

Mr. TABER. That is what I understand.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. TABER. Mr. Speaker, until I get some further information I think I shall object.

The SPEAKER. Objection is heard.

FLOOD CONTROL

Mr. DRIVER, from the Committee on Rules, submitted the following resolution (Rept. No. 1841) to accompany House Resolution 349, which was referred to the House Calendar and ordered printed:

House Resolution 349

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 8455, a bill authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Flood Control, the bill in its entirety shall be read for amendment, following which amendments shall be in order to any paragraph of the bill, and such amendments shall be considered under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

ADJUSTMENT OF COMPENSATION OF CERTAIN EMPLOYEES IN THE CUSTOMS SERVICE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1763) to amend the act entitled "An act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended by the act of December 12, 1930.

Mr. SNELL. Mr. Speaker, I think the gentleman from Massachusetts should make a short explanation of this bill.

Mr. McCORMACK. Mr. Speaker, this Senate bill is identical with the bill (H. R. 4464) which was unanimously reported from the Committee on Ways and Means.

The situation, briefly, is that the customs inspectors have salary ranges from $2,100 to $3,300. From 90 to 95 percent of the inspectors are receiving the base pay of $2,100 after many years of service. The immigration inspectors have a salary range from $2,100 to $2,900. In the case of the immigration inspectors there are five grades and in the case of the customs inspectors there are six grades. The immigration inspectors have two automatic increases, from $2,100 to $2,300, and then to $2,500.

This bill originally provided for an automatic increase of three grades, but the committee eliminated the third grade and made the automatic promotions or increases identically the same in the case of customs inspectors as they are in the case of the immigration inspectors, from $2,100 to $2,300 and from $2,300 to $2,500. Above $2,500 it is discretionary with the head of the department.

Mr. SNELL. It puts them on exactly the same basis as the immigration inspectors.

Mr. McCORMACK. Absolutely the same.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I should like to ask the gentleman whether or not the Senate bill is identical with the House bill.

Mr. McCORMACK. It is identical.

Mr. JENKINS of Ohio. How did that happen, in view of the fact we placed many amendments on the bill?

Mr. McCORMACK. They were aware of the amendments we were going to put on, and I suppose it was one of those cases where there was a certain degree of teamwork.

Mr. JENKINS of Ohio. That is what I wanted to bring out.

Mr. RICH. Can the gentleman tell us what this is going to cost?

Mr. McCORMACK. Yes. With the three-grade increase it will cost the first year about $71,000; thereafter a little over $500,000, but striking out the third grade increase there will be a reduction of about $75,000 to $100,000 a year.

Mr. RICH. Will the gentleman tell us where he is going to get the money to pay the bill?

Mr. McCORMACK. I am sure the gentleman from Pennsylvania and myself will collaborate in that respect in the future.

Mr. JENKINS of Ohio. I would like to say that if this bill has the same effect on the customs force as the immigration bill had on the immigration force, it will pay for itself many times over.

Mr. McCORMACK. I thank the gentleman.

Mr. McFARLANE. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Texas.

Mr. McFARLANE. What change in the present law does this bill provide?

Mr. McCORMACK. It makes no change in the salary range, but does provide for an automatic promotion or increase in two grades, namely, from grade 1 to grade 2, and from grade 2 to grade 3, making it consistent with the situation existing with reference to the immigration inspectors.

Mr. McFARLANE. Will this bring about any additional appropriation or require an additional appropriation by the Government to pay for the increases set up in this bill?

Mr. McCORMACK. May I say that these men are doing unusual work. Ninety-five percent of them are getting the base pay of only $2,100 a year after years of service. This bill has the unanimous report of the Ways and Means Committee, and I can assure the gentleman there is no more meritorious piece of legislation I know of along this line.

Mr. THOMASON. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Texas.

Mr. THOMASON. Does this include the border-patrol men?

Mr. McCORMACK. It includes the border-patrol men. It takes care of all those who come within the purview of customs inspectors.

Mr. TREADWAY. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. It is a fact that the customs inspectors and immigration inspectors are as a rule long-time, steady employees?

Mr. McCORMACK. Exactly.

Mr. TREADWAY. There is no branch of the service, so far as I know, where there are more faithful men employed than in these two branches of the Government.

Mr. McCORMACK. I agree with the gentleman.

Mr. TREADWAY. It seems absurd that during all of these years since the immigration law went into effect there should be this difference in pay for men who are engaged practically in the same identical work. They work side by side as the ship comes in as immigration inspectors and as customs inspectors, and it is no more than fair that they be treated alike.

Mr. McCORMACK. I agree with the gentleman.

Mr. THOMASON. Many of these men are engaged in a most hazardous undertaking. A great many of them have been murdered along the Mexican border. I think this is a very deserving bill.

Mr. PIERCE. May I say that the poorest paid men in Portland, Oreg., are the men provided for in this bill.

Mr. PLUMLEY. The action contemplated on this bill has been too long delayed.

Mr. BACHARACH. This is a very deserving bill; it extends justice to this fine group of Federal employees and I hope there will be no objection.

Mr. McCORMACK. I thank my good friends for their contributions.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the Senate bill, as follows:

*Be it enacted, etc.*, That section 1 (e) and (f) and section 4 of the act entitled "An act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended by the act of December 12, 1930, be, and they are hereby, further amended to read as follows:

"(e) Inspectors shall be divided into six grades, as follows:

"Grade 1, salary $2,100; grade 2, salary $2,300; grade 3, salary $2,500; grade 4, salary $2,700; grade 5, salary $3,000; grade 6, salary $3,300; and hereafter inspectors shall be promoted successively to grades 2 and 3, at the beginning of the next quarter following 1 year's satisfactory service (determined by a standard of efficiency which is to be defined by the Commissioner of Customs, with the approval of the Secretary of the Treasury) in the next lower grade; not to exceed 50 percent of the force to grades 4, 5, and 6, for meritorious service after no less than

1 year's service in grades 3, 4, and 5, respectively: *Provided*, That promotion above grade 3 shall be at the discretion of the Secretary of the Treasury, upon the recommendation of the Commissioner of Customs.

"(f) Station inspectors shall be divided into four grades, as follows:

"Grade 1, salary $3,000; grade 2, salary $3,200; grade 3, salary $3,400; grade 4, salary $3,600; and hereafter station inspectors shall be promoted successively to grades 2 and 3, at the beginning of the next quarter following 1 year's satisfactory service (determined by a standard of efficiency which is to be defined by the Commissioner of Customs, with the approval of the Secretary of the Treasury) in the next lower grade; not to exceed 50 percent of the force to grade 4 for meritorious service after no less than 1 year's service in grade 3: *Provided*, That promotion above grade 3 shall be at the discretion of the Secretary of the Treasury, upon the recommendation of the Commissioner of Customs."

SEC. 2. There are hereby authorized to be appropriated such sums as may be necessary to pay the rates of compensation established by this act or amendments thereto.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 4464) was laid on the table.

HIGHWAY BETWEEN THE UNITED STATES AND ALASKA

Mr. DIMOND. Mr. Speaker, I renew the request made by the gentleman from Washington [Mr. ZIONCHECK] and ask unanimous consent for the present consideration of the bill (S. 1374) authorizing the survey, location, and construction of a highway to connect the northwestern part of continental United States with British Columbia, Yukon Territory, and the Territory of Alaska.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, may I ask the Delegate from Alaska if this contemplates that the Government of the United States in the future will construct this road through Canada or only the portion that goes through Alaska?

Mr. DIMOND. To the best of my knowledge, there is no effort on the part of anyone to have the Government of the United States build the portion of the road situated in Canada. I cannot answer for anyone except myself and repeat the statements of those with whom I have conversed.

Mr. TREADWAY. How long will the road be in Alaska which the Government will have to build if the Commission makes a favorable report?

Mr. DIMOND. One hundred and eighty-three miles.

Mr. TREADWAY. Too much.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the President of the United States is requested, through such channels as he may deem proper, to negotiate and enter into an agreement or agreements between the Governments of the United States and of the Dominion of Canada, for the survey, location, and construction of a highway to connect the Pacific northwestern part of continental United States with British Columbia and Yukon Territory, in the Dominion of Canada, and the Territory of Alaska; in cooperation with the Government of the Dominion of Canada to cause a survey or surveys to be made to determine the most practicable route for such highways, as well as specifications and estimates of the probable cost thereof, and plans for financing its construction and maintenance.

SEC. 2. The President is hereby authorized, upon the conclusion of the negotiations and the execution of the agreement or agreements herein authorized, to designate such existing agency of the Government of the United States as he may select for this purpose, or such officials or agency as he may specially appoint or create for the purposes of this act, to carry on the work of survey and location of the route for such highway, and of the construction thereof after such route shall have been determined and approved by the President. And such agency or officials, so designated or appointed by the President hereunder, shall be, and they are hereby, authorized and empowered to communicate directly with a like agency or officials to be appointed by the Government of the Dominion of Canada, for the purpose of coordinating and expediting the work of such survey, location, and construction of such highway.

SEC. 3. There is hereby authorized to be appropriated the sum of $100,000 for carrying on such negotiations and for making such surveys, locations, plans, and specifications; this sum, when appropriated, to remain continuously available until expended.

SEC. 4. There is hereby authorized to be appropriated the further sum of $2,000,000, or so much thereof as may be necessary, to be expended under the direction of the President, through such agency as the President may designate hereunder, for the construction of the road or roads, within the Territory of Alaska, to connect the existing road system in the Territory of Alaska with the city of Dawson, in the Yukon Territory, Dominion of Canada: *Provided*, That no money shall be appropriated pursuant to the authorization contained in this section until the agreement or agreements provided for in section 1 have been entered into.

With the following committee amendment:

On page 2, line 23, strike out sections 3 and 4.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "An act relative to the proposed survey, location, and construction of a highway to connect the northwestern part of continental United States with British Columbia, Yukon Territory, and the Territory of Alaska."

PENSIONS FOR BLIND PERSONS IN DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5711) to provide pensions for needy blind persons of the District of Columbia and authorize the appropriations therefor, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

Mr. PALMISANO. Mr. Speaker, I may state that the amendment of the Senate simply changes the administration of the matter from a welfare board to the District Commissioners, and compels the children and grandchildren of blind persons who are able to take care of their parents or grandparents to protect them by keeping them off this list. They are to be responsible for them under the language of the bill.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, what provision is made in the bill that will bring about that result? Does the bill require proper affidavits and proper penalties for violation?

Mr. PALMISANO. That is more a matter of administration.

Mr. McFARLANE. I understand that, but that is very important if we are to keep these people and their relatives from defrauding the Government in many instances. I know we found that to be true in Texas under similar laws.

Mr. PALMISANO. Of course, this is a District matter.

Mr. McFARLANE. We find a lot of them may thimblerig the Government as they do all over the United States.

Mr. PALMISANO. Of course, the Commissioners themselves will prescribe the rules and regulations, and no doubt will see to that.

Mr. McFARLANE. Are proper penalties for violation provided in the bill?

Mr. PALMISANO. They are not eligible unless they come within the rules and then in case of death, they have the right, if there is any estate, to recoup whatever the District has paid.

Mr. McFARLANE. Does the bill require all such assets to be properly itemized at the time they are declared eligible?

Mr. PALMISANO. Of course, the records of the Commission will show the amounts they receive.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

COMMERCIAL AIRPORT FOR THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3806) to establish a commercial airport for the District of Columbia, with a Senate amendment, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none and appoints the following conferees: Mr. PALMISANO, Mr. NICHOLS, and Mr. DIRKSEN.

VETERANS OF FOREIGN WARS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7199) to provide for the donation of certain Army equipment to posts of the Veterans of Foreign Wars, with a Senate amendment, and disagree to the Senate amendment.

Mr. SNELL. Mr. Speaker, reserving the right to object, what is this request?

Mr. McSWAIN. The request is to disagree to a Senate amendment which was offered by Senator GORE, who states he will move to recede when the bill comes over to the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

SURPLUS FEDERAL REAL PROPERTY

Mr. LANHAM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2888) to provide for the disposition, control, and use of surplus real property acquired by Federal agencies, and for other purposes.

Mr. SNELL. Mr. Speaker, reserving the right to object, I would like to have the gentleman explain this measure.

Mr. LANHAM. Mr. Speaker, this bill, which has been passed by the Senate and reported by the Committee on Public Buildings and Grounds of the House of Representatives, provides for the disposition of space outside the District of Columbia which has been declared surplus. It matches similar legislation now on the statute books with reference to the disposition of space within the District of Columbia.

Frequently a Government agency outside the District has space available and unused and if some other department cannot use it then the Government has to rent additional space when it really has space available for the purpose.

Mr. SNELL. Is that practically all your bill does—give them the right to do what the gentleman has just stated?

Mr. LANHAM. That, and also, after property has been declared surplus and there is no need for it, they can lease it temporarily and thereby get some revenue from it, or they can sell it if the necessity arises.

Mr. SNELL. Our experience has been in the disposition of surplus material from the Army and Navy that the matter has not been very well guarded, and we have not looked after it as carefully as possible, and I do not want to make the same mistake in regard to real estate.

Mr. LANHAM. This is an effort to look after that very thing and save money for the Government by not renting space when other space is available.

Mr. RICH. Mr. Speaker, reserving the right to object, we know the Government has many buildings that have not been used for Government purposes, and they lease these buildings to individuals, who in turn rent them for the purpose of storage, thus competing with people who are engaged in that particular line of business. Has the gentleman in mind any particular buildings that are going to be turned over to someone who might make some money out of a proposition of this kind?

Mr. LANHAM. I may say to the gentleman that a representative of private building interests appeared before the committee, and I am offering a committee amendment which makes it entirely satisfactory to them.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, does this bill authorize the sale of any Government property.

Mr. LANHAM. It only authorizes the sale of Government property which has been declared surplus and in excess of needs and for which time has determined there is no use.

Mr. McFARLANE. What department is going to have the right to decide whether it is surplus?

Mr. LANHAM. The Treasury Department; and any agency can protest such decision, and it is subject to review by the President.

Mr. McFARLANE. Can they sell at a private sale?

Mr. LANHAM. The provisions of the bill are similar to the ordinary sales of this kind by the Government.

Mr. McFARLANE. Does it require public advertising or can they sell at private sale and thimblerig the Government?

Mr. LANHAM. The bill provides for public sale to the highest responsible bidder after the Department has publicly advertised it.

Mr. McFARLANE. Then it is a public sale after due publicity.

Mr. LANHAM. Yes.

Mr. HOEPPEL. Will the gentleman yield?

Mr. LANHAM. I yield.

Mr. HOEPPEL. Will this apply to the obsolete Army posts? There are 55 of them.

Mr. LANHAM. Military and naval reservations are excepted from the operation of the bill.

Mr. HOEPPEL. They should be included.

Mr. LANHAM. Well, we could take that up later, but they are exempted from the present bill.

The SPEAKER. Is there objection?

There was no objection.

The bill is as follows:

*Be it enacted, etc.*, That notwithstanding any other provisions of law, whenever any real property located outside of the District of Columbia, exclusive of military or naval reservations, heretofore or hereafter acquired by any Federal agency, by judicial process or otherwise in the collection of debts, purchase, donation, condemnation, device, forfeiture, lease, or in any other manner, is, in whole or in part, declared to be in excess of its needs by the Federal agency having control thereof, or by the President on recommendation of the Secretary of the Treasury, the Director of Procurement, with the approval of the Secretary of the Treasury, is authorized (a) to assign or reassign to any Federal agency or agencies space therein: *Provided*, That if the Federal agency to which space is assigned does not desire to occupy the space so assigned to it, the decision of the Director of Procurement shall be subject to review by the President; or (b) to lease such real property on such terms and for such period not in excess of 5 years as he may deem in the public interest; or (c) to sell the same at public sale to the highest responsible bidder upon such terms and after such public advertisement as he may deem in the public interest.

SEC. 2. Whenever after investigation it is determined by the Director of Procurement that any such real property should be used for the accommodation of any Federal agency or agencies, the Director of Procurement is authorized to make any repairs thereto or alterations thereof which he deems necessary or advisable and to maintain and operate the same. To the extent that the appropriations of the Procurement Division not otherwise allocated are inadequate for such repairs, alterations, maintenance, or operation, the Director of Procurement may require each Federal agency to which space has been assigned therein pursuant to the provisions of section 1 of this act to pay promptly by check to the Procurement Division out of its appropriation for rent, either in advance of or upon or during occupancy of such space, all or part of the estimated or actual cost of such repairs, alterations, maintenance, and operation: *Provided*, That the total amount so to be paid shall be determined and equitably apportioned by the Director of Procurement among the Federal agencies to whom space has been so assigned: *Provided further*, That the amount so charged against any Federal agency shall be computed at a rate not in excess of that paid as rent by such agency immediately preceding such assignment for space in lieu of which space is so assigned to it, and if it is less the difference shall be deposited in the Treasury as miscellaneous receipts: *And provided further*, That in the event such space is not assigned in lieu of existing space, the amount so charged shall be computed at a rate not in excess of that which the Director of Procurement determines, with the approval of the Secretary of the Treasury, would have been paid as rent for corresponding space during the current fiscal year, and if it is less the difference shall be deposited in the Treasury as miscellaneous receipts. If a Federal agency subject to this proviso disagrees with the amount the Director of Procurement so determines would have been paid as rent, the determination of the Director of Procurement shall be subject to review by the President.

SEC. 3. The Director of Procurement, with the approval of the Secretary of the Treasury, is further authorized to procure space by lease, on such terms and for such period not in excess of 5 years as he may deem in the public interest, for the housing of any Federal agency or agencies outside of the District of Columbia, and to assign and reassign space therein in the same manner as is authorized with respect to surplus real property by section 1 of this act, and to require the Federal agencies to whom space is assigned therein to pay the total expenditures required under such lease during its entire term in the manner specified in section 2 of this act.

SEC. 4. The Director of Procurement, with the approval of the Secretary of the Treasury, is authorized to make such regulations as may be necessary to carry out the provisions of this act.

SEC. 5. The term "Federal agency", as used in this act, means any executive department, independent establishment, commission, board, bureau, division, or office in the executive branch, or other agency of the United States, including corporations wholly owned by the United States.

With the following committee amendments:

Page 1, line 8, after the word "condemnation", strike out the word "device" and insert the word "devise."

Page 2, line 9, after the letter "(b)", insert "pending the sale", followed by a comma.

Page 4, line 8, after the word "Columbia", strike out the comma and insert "except the Post Office Department" with a comma.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table, and a similar House bill was laid on the table.

PUBLICATION OF STATISTICS OF TOBACCO

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2215) to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. I reserve the right to object.

Mr. RICH. I will ask the gentleman to explain the bill.

Mr. CHAPMAN. The purpose of this is to make some amendments to the present law in regard to tobacco statistics. The history of the legislation is that a number of years ago the statistics law was passed authorizing the Government to collect statistics as to the amount of tobacco in the hands of tobacco dealers and manufacturers each year, for statistical purposes and for the benefit of the Department of Agriculture and of the tobacco growers.

After a few years' experience we found that those statistics were of comparatively little value, for the reason that some manufacturers, according to reliable information, would take the cheapest grades of tobacco, unsalable and unusable tobacco, even down to the floor sweepings gathered up from the warehouse floors, and keep that tobacco in stock merely for statistical purposes, and with no intention of using it in the manufacture of tobacco products. That was the strongest legislation which it was possible to obtain at that time. Afterward we secured an amendment providing that they should make reports not only of the aggregate amount of tobacco on hand but also should report by groups of grades, which in the case of burley amounted to six groups, namely, A, B, C, X, S, and N. That is the present law.

We have found that system inadequate for obvious reasons, although it also was the best obtainable at the time of its adoption. I shall take as an example "U. S. type 31", according to the Government classification. That is burley tobacco, which, blended with the bright leaf of North Carolina, goes into the manufacture of most of the popular brands of cigarettes, of which burley leaf forms the base. The most important group of burley is the B group. There are numerous classifications within the B group of burley tobacco, according to color and quality, and those groups range in price from $2 per hundred pounds to around $30 per hundred pounds, so that when the report goes out that the manufacturers have in stock a certain number of million pounds of B group of burley tobacco it does not tell how much of that tobacco is the $2 quality and how much is the $30 quality. The farmer wants the reports to differentiate between tip, leaf, and filler. That means something to him.

That enables them to manipulate the market, and it keeps the Government in the dark and the grower in the dark. I had an experience in 1933, when my colleague from Kentucky [Mr. VINSON] and I spent several weeks in Washington during the recess of Congress working with Dr. J. B. Hutson, his assistants in the Tobacco Section of the Agricultural Adjustment Administration, and representative Kentucky tobacco growers, in conference with the spokesmen of the principal tobacco manufacturers, trying to agree on a price which they would pay for that tobacco upon delivery by the growers before any processing tax was collected.

We ran into this difficulty all the way through. Their representatives would say that they had a certain number of million pounds, but we had no way of knowing what the quality or value of that tobacco was. We believe this bill will prevent the recurrence of that difficulty.

The Agriculture Committee reported this bill unanimously. It was prepared by me in collaboration with important groups of tobacco growers and the representatives of the Department of Agriculture. No opposition has been expressed to it by any part of the tobacco trade. Its purpose is to assist tobacco growers, and the growers and their representative are for it.

Mr. MARTIN of Massachusetts. What additional expense will there be for the Government?

Mr. CHAPMAN. We estimate that there will be very little, if any, additional expense. In requiring these grades to be reported, according to color and quality, thereby furnishing the information needed and desired by the Department of Agriculture and the tobacco growers, it will place an additional burden upon the trade in making those reports, and additional work on the Department of Agriculture in collecting and publishing them. But we believe that is compensated for by the fact that we provide for eliminating the requirements of the present law, that they report these groups by separating them into old crops and new crops, which differentiated has been of no practical value to growers of tobacco.

Mr. MARTIN of Massachusetts. I imagine the main purpose of the bill is to provide additional jobs for Democrats?

Mr. CHAPMAN. Not at all. It is not contemplated that it will require much, if any, additional force. These reports are invaluable and are greatly needed by the tobacco growers of the country and at the same time it is estimated that there will be little, if any, increase of work and expense to the Department of Agriculture.

Mr. MARTIN of Massachusetts. As long as it does not require any more employees, I shall not object.

Mr. McFARLANE. For the benefit of the gentleman from Massachusetts, let me say that if it did provide any additional jobs, the Democrats would not get them.

Mr. MARTIN of Massachusetts. I am not so optimistic as that.

Mr. CHAPMAN. The bill provides also that no statistics shall be required of anyone owning or having in stock less than 50,000 pounds of leaf tobacco. That protects the small dealer from making reports that would be of no benefit to the growers.

Tobacco growers want this bill passed. Most of the county control committees selected by the growers to administer the production-control program of the A. A. A. have endorsed it. We believe, as they believe, that it will benefit them very much.

The SPEAKER. Is there objection?

Mr. HAINES. Mr. Speaker, I reserve the right to object. Does this apply to burley tobacco only?

Mr. CHAPMAN. No; it applies to all tobaccos. With the approval of the Department of Agriculture one of the amendments written into the bill was that which includes Puerto Rican tobacco for the protection of cigar-tobacco producers in a State like that which the gentleman from Pennsylvania so ably represents.

Mr. HAINES. Will the gentleman say whether he is going to ask for four reports a year as in the past?

Mr. CHAPMAN. Yes; and also for the publication of an annual report.

Mr. HAINES. I think it is a lot of foolishness to have four reports a year. It is ridiculous.

Mr. CHAPMAN. We exempt from the operation of the law the small manufacturers.

Mr. HAINES. The cigar manufacturers do not need four reports a year.

Mr. CHAPMAN. There is not a line in this bill to injure any honest manufacturer, and all who have considered its provisions are convinced that its enactment will be of great benefit to the producers of this great money crop upon which millions depend for a living and which pays nearly half a billion dollars annually into the coffers of the Federal Government.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Without objection, the Clerk will report the committee amendment.

There was no objection, and the Clerk read as follows:

Strike out all after the enacting clause and insert:

"That section 1 of the act entitled 'An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture', approved January 14, 1929, as amended, is hereby further amended to read as follows:

"'That the Secretary of Agriculture be, and he is hereby, authorized and directed to collect and publish statistics of the quantity of leaf tobacco in all forms in the United States, owned by or in the possession of dealers, manufacturers, quasi-manufacturers, growers' cooperative associations, warehousemen, brokers, holders, or owners, other than the original growers of tobacco. The statistics shall show the quantity of tobacco in such detail as to types, groups of grades, and such other subdivisions, as to quality, color, and/or grade for particular types, as the Secretary of Agriculture shall deem to be practical and necessary for the purposes of this act, shall be summarized as of January 1, April 1, July 1, and October 1 of each year, and an annual report on tobacco statistics shall be issued: *Provided*, That the Secretary of Agriculture shall not be required to collect statistics of leaf tobacco from any manufacturer of tobacco who, in the first three-quarters of the preceding calendar year, according to the returns of the Commissioner of Internal Revenue, manufactured less than 35,000 pounds of tobacco, or from any manufacturer of cigars who, during the first three-quarters of the preceding calendar year, manufactured less than 185,000 cigars, or from any manufacturer of cigarettes who, during the first three-quarters of the preceding year, manufactured less than 750,000 cigarettes: *And provided further*, That the Secretary of Agriculture may in his discretion omit the collection of statistics from any dealer, manufacturer, growers' cooperative association, warehouseman, broker, holder, or owner who does not own and/or have in stock, in the aggregate, 25,000 pounds or more of leaf tobacco on the date as of which the reports are made. For the purposes of this act, any tobacco which has deteriorated on account of age or other causes to the extent that it is not merchantable or is unsuitable for use in manufacturing tobacco products shall be classified with other nondescript tobacco and reported in the "N" group of the type to which it belongs.'

"SEC. 2. Section 2 of the said act of January 14, 1929, as amended, is hereby amended to read as follows:

"'SEC. 2. The Secretary of Agriculture shall establish standards for the classification of leaf tobacco, and he is authorized to demonstrate such standards, to prepare and distribute samples thereof, and to make reasonable charges therefor. He shall specify the types, groups of grades, qualities, colors, and/or grades, which shall be included in the returns required by this act. The Secretary of Agriculture shall prepare appropriate blanks upon which the returns shall be made, shall, upon request, furnish copies to persons who are required by this act to make returns, and such returns shall show the types, groups of grades, qualities, colors, and/or grades and such other information as the Secretary may require.'

"SEC. 3. Section 5 of the said act of January 14, 1929, as amended, is hereby amended to read as follows:

"'SEC. 5. The Secretary of Agriculture shall have access to the tobacco records of the Commissioner of Internal Revenue and of the several collectors of internal revenue for the purpose of obtaining lists of the persons subject to this act and for the purpose of aiding the collection of the information herein required, and the Commissioner of Internal Revenue and the several collectors of internal revenue shall cooperate with the Secretary of Agriculture in effectuating the provisions of this act. The Secretary of Agriculture shall have access to the stocks, stock records, and internal-revenue records of all persons or firms subject to this act and may make such examinations and inspections as he shall deem necessary for the purposes of this act.'"

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### PROTECTION OF DOMESTIC SOURCES OF TIN

Mr. FADDIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of H. R. 4754, to provide for the protection and preservation of domestic sources of tin.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. TABER. Reserving the right to object, will the gentleman explain this bill?

Mr. FADDIS. This is a bill to prohibit the exportation of tin scrap from the United States, except on permission of the President. Various foreign countries have been draining us of the tin scrap within the United States, which tin scrap is our only source of secondary tin metal, as we produce no virgin tin in the United States. They are destroying our detinning industry in doing so.

Mr. TABER. That particular bill was up for consideration last year, as I remember it, and we went into it quite thoroughly and we found that the amount of exports were comparatively small and it was not a good thing.

Mr. FADDIS. The gentleman is mistaken. The bill was passed last year and it was vetoed by the President because of a pending tin investigation by another committee. Since that time that committee has found that they cannot get their legislation in shape to pass at this time and they want this bill to protect it until it does get through. There is a great deal of tin scrap exported from the United States all the time.

Mr. TABER. Why should there be such a lot of tin scrap exported? Are foreign sources prepared to pay much more than domestic sources?

Mr. FADDIS. Yes; because of the fact that in getting this tin scrap there are certain foreign nations that also get high-grade steel along with the tin scrap that they use for armor plate. In order to do that and also in order to destroy our detinning industry they will pay exorbitant prices for it. It is not the fact that they want the tin. The fact is that they want to destroy the detinning industry in this Nation, which acts as a reserve in time of war.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. FADDIS. I yield.

Mr. FITZPATRICK. Is it a fact that scrap tin went from $2 a ton to $18 a ton? Japan is buying most of this tin. From 23 to 30 percent of all the tin used in this country is reclaimed tin.

Mr. TABER. How much is raw tin?

Mr. FITZPATRICK. Raw tin—about one-quarter of 1 percent is produced in this country.

Mr. FADDIS. Does the gentleman mean what is the price of raw tin?

Mr. TABER. Yes.

Mr. FADDIS. Raw tin has taken a tremendous jump in the last few days. I could not tell the gentleman exactly the price, but I think it is about $125 per hundred.

Mr. McFARLANE. Will the gentleman yield?

Mr. FADDIS. I yield.

Mr. McFARLANE. Can the gentleman tell us what caused tin to jump that way?

Mr. FADDIS. Yes. It is a combination on the part of the nations of the world which control the tin deposits, of which we have none whatever. We produce no tin in the United States, except from our detinning plants.

Mr. TABER. This bill prohibits exportation?

Mr. FADDIS. Except on permission of the President. It provides that our supply of tin scrap can be protected in case war should be pending. Then we can stop the exportation of tin scrap from the country in order that we may have that much tin within the country. At times, as high as 45 percent of the tin we have used in the United States came from the detinning of tin scrap.

Mr. TABER. I understand that the people who operate canning factories have been obliged, because of the situation that was created, in order to get by, to put in plants of their own, and that there were only two of those detinning plants in the United States which operated, and that they had an unduly depressed price for scrap tin. There is a great deal in that situation.

Mr. FADDIS. I think the gentleman is mistaken in the number of detinning plants. There are two in New Jersey; there is one in Pittsburgh; there are several in Chicago. There are quite a few detinning plants in the country.

Mr. RICH. Will the gentleman yield?

Mr. FADDIS. I yield.

Mr. RICH. What is the object of trying to prohibit the exportation of any products that we might have in this country today when we have been talking about trying to secure the business of foreign countries? If the people in this country want to sell their tin and can get more in foreign countries than they can from people who want to buy it in this country, why should they not have the privilege of selling it to foreign countries?

Mr. FADDIS. It is a matter of protecting the industry within the United States, which acts as a reserve in time of war.

Mr. RICH. What industry?

Mr. FADDIS. The detinning industry. If the detinning industry in the United States is destroyed, then in case of emergency we have nothing to fall back upon, because we produce no tin in this country.

Mr. RICH. Would the country suffer if we shipped this tin out? People could get it from other sources.

Mr. FADDIS. We would be forced to import that much more. If we can keep our detinning plants running, we can employ just that many more men.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. FADDIS]?

Mr. TABER. Mr. Speaker, I object.

PENSIONS TO WIDOWS OF SOLDIERS AND SAILORS OF THE CIVIL WAR

Mr. SECREST. Mr. Speaker, by direction of the Chairman of the Committee on Invalid Pensions, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8421) granting pensions to certain widows of soldiers and sailors of the Civil War, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 23, strike out lines 21 to 24, inclusive.

Page 72, after line 18, insert:

"The name of Sarah A. Martin, widow of Edgar C. Martin, late of Company K, Sixth Regiment West Virginia Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Belle Shanholtzen McGary, widow of Wilson McGary, late of Battery F, First Regiment Ohio Heavy Artillery, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Ella A. Barker, widow of James H. Barker, late of Company D, Eighth Regiment West Virginia Volunteer Infantry, and pay her a pension at the rate of $20 per month and $30 per month when she attains the age of 60 years."

Page 72, after line 18, insert:

"The name of Lucy W. Farwell, widow of Selah B. Farwell, late of Company A, Thirty-third Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Lottie Flint, widow of Samuel H. Flint, late of Company D, Twelfth Regiment Iowa Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Mary E. Bordwell, widow of Rufus Bordwell, late of Company A, One Hundred and Seventeenth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Lydia C. Wark, widow of George D. Wark, late of Company D, One Hundred and Forty-ninth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Helen R. Benson, widow of Emry J. Benson, late of Company C, One Hundred and Sixty-fifth Regiment Ohio National Guard Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Celia K. Crow, widow of Benjamin F. Crow, late of Company C, One Hundred and Thirty-third Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Margaret Ledgerwood, widow of Samuel Ledgerwood, late of Company E, Fifty-eighth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Anna M. Shumaker, widow of John H. Shumaker, late of Company B, Twenty-fifth Regiment Iowa Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Jermima E. Trowbridge, widow of Lorenzo Trowbridge, late of the Battery, Thirteenth Wisconsin Light Artillery, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Pearl F. Warren, widow of Valentine F. Warren, late of Company A, Thirty-sixth Regiment Iowa Volunteer Infantry, and pay her a pension at the rate of $20 per month and $30 per month when she attains the age of 60 years."

Page 72, after line 18, insert:

"The name of Belle Harmon, widow of James A. Harmon, late of Company A, Thirty-fifth Regiment Iowa Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Elnora Shirk, widow of William A. Shirk, late of Company E, Thirteenth Regiment Iowa Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Emeline Valentine, widow of Jefferson Valentine, late of Company K, Thirty-sixth Regiment United States Colored Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Mary Ida Cox, widow of Andrew Cox, late of Company F, Twelfth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Mary C. Smith, widow of John H. Smith, late of Company D, Fourth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Martha A. Childs, widow of Addison Childs, late of Company A, Thirtieth Regiment Michigan Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Mary Ann Fox, widow of Clarence K. Fox, late of Troop M, Third Regiment Michigan Volunteer Cavalry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Florence L. Collins, widow of Austin F. Collins, late of Company C, Ninety-ninth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Carrie L. Warner, widow of Peter Warner, late of Company D, Thirty-sixth Regiment Iowa Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Mary Nightingale, widow of William H. Nightingale, alias William H. Raymond, late of Company C, Seventieth Regiment New York Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Christiana L. Todd, widow of Silas Newton Todd, late of Company D, One Hundred and Fifty-sixth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Alice H. Palmer, widow of George R. Palmer, late of Company I, Nineteenth Regiment Maine Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Angie L. Moulton, widow of Charles E. Moulton, late of Troop G, First Regiment District of Columbia Cavalry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Nellie Fredericks, widow of Louis N. Fredericks, late of Company A, Twelfth Regiment Michigan Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Elsie Blanchard, widow of David B. Blanchard, late of Troop E, First Regiment Maine Cavalry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Mary L. Bryant, widow of William H. Bryant, late of the Nineteenth Unassigned Company Maine Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Ida Miller, widow of Alfred F. Miller, late of Company F, One Hundred and Thirty-first Regiment Pennsylvania Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Minnie Phelps, widow of Charles E. Phelps, late of Company K, Fifteenth Regiment Michigan Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Minnie L. Stewart, widow of Jeremiah P. Stewart, late of Company B, Forty-eighth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Annie J. Maddox, widow of John H. Maddox, late of Company F, Eleventh Regiment Maryland Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Abbie V. Hull, widow of Americus K. V. Hull, late of Telegrapher's Corps, Civil War, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Mary A. Phillips, widow of William T. Phillips, late of Company H, Fifth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Beesie Kirkman, widow of Lorenzo D. Kirkman, late of Company C, Eighty-first Regiment Enrolled Missouri Militia, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Josephine Morton, widow of Edward R. Morton, late of Troop I, Ninth Regiment Missouri State Militia Cavalry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Elizabeth J. C. Young, widow of James S. Young, late of Company C, Nineteenth Regiment Kentucky Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:

"The name of Mary Lee Pryor, widow of John M. Pryor, late of the United States Navy, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:
"The name of Ann E. Rickards, widow of T. M. Rickards, late of Company D, Sixty-ninth Regiment Enrolled Missouri Militia, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Theresa Elizabeth Mapes, widow of Rufus Mapes, late of Company I, Second Regiment Illinois Volunteer Light Artillery, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Angeline M. Rolfe, widow of Lemuel Rolfe, late of Company C, Twenty-fifth Regiment Maine Volunteer Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Addie M. Mandeville, widow of Charles R. Mandeville, late of Company G, One Hundred and Fifty-third Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Mary Perry, widow of William Perry, late of Company —, One Hundred and Ninety-third Regiment New York Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Juriah Hyden, widow of Allen C. Hyden, late of Company C, Three Forks Battalion Kentucky State Troops, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Mattie Sebastian, widow of Charles Sebastian, late of unassigned company, One Hundred and Twentieth Regiment United States Colored Infantry, and pay her a pension at the rate of $20 per month."
Page 72, after line 18, insert:
"The name of Maggie Wilson, widow of John W. Wilson, late of Company C, South Cumberland Battalion Kentucky State Troops, and pay her a pension at the rate of $20 per month."
Page 72, after line 18, insert:
"The name of Ellanor Green, widow of William F. Green, late of Company D, Seventh Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Ella Noe, widow of George Noe, late of Company F, Twenty-eighth Regiment Kentucky Volunteer Infantry, and pay her a pension at the rate of $20 per month and $30 per month when she attains the age of 60 years."
Page 72, after line 18, insert:
"The name of Lydia Ann Hollingsworth, widow of Henry C. A. Hollingsworth, late of Company F, One Hundred and First Regiment United States Colored Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Minnie Harrison, widow of John P. Harrison, late of Company K, Ninth Regiment Kentucky Volunteer Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Nancy C. Buck, widow of Bethewel A. Buck, late of Troop D, Fifth Regiment Kentucky Volunteer Cavalry, and pay her a pension at the rate of $20 per month and $30 per month when she attains the age of 60 years."
Page 72, after line 18, insert:
"The name of Elizabeth M. Runnels, widow of Elisha Runnels, late of Troop I, Twelfth Regiment Kentucky Volunteer Cavalry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Jennie Alexander, widow of William J. Alexander, late of Troop A, Second Wisconsin Cavalry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Matilda Davison, widow of Burnett Davison, late of Company B, One Hundred and Twelfth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Lottie A. Torrance, widow of Stiles C. Torrance, late of Company E, One Hundred and Third Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Clara V. Crossland, widow of George T. Crossland, late of Battery L, First Illinois Light Artillery, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Mary P. Champion, widow of Orison B. Champion, alias George McDonald, late of Company G, First Regiment Delaware Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Ida Lott, widow of Gamaliel Lott, late of Troop D, Third Missouri Cavalry, and pay her a pension at the rate of $20 per month and $30 per month when she attains the age of 60 years."
Page 72, after line 18, insert:
"The name of Sarah J. Lake, widow of ———, late of Company I, Sixteenth Michigan Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Martha C. Smith, widow of Justin M. Smith, late of Troop L, Fifth Regiment ——— Volunteer Cavalry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Annie W. Austin, widow of Lloyd W. Austin, late of Company G, Fourth Regiment Massachusetts Militia Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Elsie M. Cotton, widow of Dennet Cotton, late of Company K, Twenty-eighth Regiment Massachusetts Volunteer Infantry, and pay her a pension at the rate of $20 per month and upon reaching the age of 60 years, $30 per month."
Page 72, after line 18, insert:
"The name of Lina Buckley, widow of George W. Buckley, late of the Eleventh Independent Battery, Ohio Light Artillery, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Harriet V. Carson, widow of Harlan P. Carson, late of Company F, One Hundred and Thirty-third Regiment Illinois Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Margaret E. Lackey, widow of John H. Lackey, late of Company C, South Cumberland Battalion Kentucky State Troops, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Emily S. Marlett, widow of Charles T. D. Marlett, late of Company H, First Regiment Minnesota Mounted Rangers, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Mariah A. House, widow of William House, late of Company A, Thirtieth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Ida R. Haynes, widow of Asbury F. Haynes, late of Company C, Seventh Regiment Maine Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Kitty A. Miller, widow of James Miller, late of Company F, Eighty-fourth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Laura A. Spanswick, widow of Frank Spanswick, late of Company H, Fourth Kentucky Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Charlotte C. Oliver, widow of William Oliver, late of Company H, Twentieth Regiment Wisconsin Volunteer Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Mary E. Troutman, widow of William D. Troutman, late of Company G, One Hundred and Twenty-eighth Indiana Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Amanda Bastian, widow of Huston N. Bastian, late of Company H, One Hundred and Thirty-first Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Dora J. Mayberry, widow of William H. Mayberry, late of Company G, Twenty-fourth Regiment Missouri Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Mattie M. Jarrett, widow of Philip Jarrett, late of Company I, One Hundred and Eighty-sixth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $20 per month, and $30 per month when she attains the age of 60 years."
Page 72, after line 18, insert:
"The name of Mary Pratt, widow of Alfred Pratt, late of Company D, Seventh Regiment Wisconsin Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Martha J. Ward, widow of Iverson M Ward, late of Company D, Sixty-eighth Regiment Enrolled Missouri Militia, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Jessamine L. Benson, widow of Thomas S. Benson, late of Company A, Twentieth Regiment Maine Volunteer Infantry, and pay her a pension at the rate of $20 per month, and when she attains the age of 60 years, $30 per month."
Page 72, after line 18, insert:
"The name of Alice E. Pillsbury, widow of George E. Pillsbury, late of Company D, First Regiment West Virginia Light Artillery, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Emma Williams, widow of Marian Williams, late of Company K, Eighteenth Regiment Illinois Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Mary Hart, widow of John Hart, late of Company B, Seventy-second Enrolled Militia of Missouri, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Martha E. Cox, widow of Warren Cox, late of Company I, Ninth Regiment Kentucky Volunteer Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Dixie Louise Shane, widow of John Wesley Shane, late of Company K, Forty-sixth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $30 per month."

Page 72, after line 18, insert:
"The name of Ila May Grindell, widow of Pearl L. Grindell, late of Company I, Twenty-eighth Regiment Maine Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Elizabeth Fahrenwald, widow of Charles Fahrenwald, late of Company F, Fifteenth Regiment New York Cavalry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Carrie Taylor Shockley, widow of Jasper Taylor, late of Company E, Eighteenth Regiment Wisconsin Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Margaret E. Srout, widow of George Srout, late of Company C, One Hundred and Ninety-third Regiment Ohio Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Lenora B. Easterday, widow of Simon P. Easterday, late of Company D, Ninety-sixth Regiment Ohio Infantry, and pay her a pension at the rate of $30 per month."
Page 72, after line 18, insert:
"The name of Mary L. Robinson, widow of Joseph E. Robinson, late of Company A, Twenty-fifth Indiana Infantry, and pay her a pension at the rate of $30 per month."

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. SECREST]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

PENSIONS TO FORMER WIDOWS OF SOLDIERS AND SAILORS OF THE CIVIL WAR

Mr. SECREST. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8422) granting pensions to certain former widows of soldiers and sailors of the Civil War, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, strike out lines 7 to 10, inclusive.
Page 6, after line 4, insert:
"The name of Nancy Jane Ruffin, former widow of Samuel Spires, late of Company E, Eleventh Regiment Pennsylvania Reserve Volunteer Infantry, and pay her a pension at the rate of $30 per month."
Page 6, after line 4, insert:
"The name of Hannah A. Smith, former widow of George H. Hermeling, late of Company G, Fifty-ninth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $30 per month."
Page 6, after line 4, insert:
"The name of Sarah J. Langdon, former widow of Hiram Lewis, late of Company D, Three Forks Battalion Kentucky State Troops, and pay her a pension at the rate of $30 per month."
Page 6, after line 4, insert:
"The name of Iva B. Erickson, former widow of Jonathan F. Whitson, late of Troop K, Eighth Regiment Illinois Volunteer Cavalry, and pay her a pension at the rate of $20 per month and $30 per month when she attains the age of 60 years."
Page 6, after line 4, insert:
"The name of Effie Howard, former widow of Ednoch J. Hewitt, late of Company C, Seventh Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $20 per month and $30 per month when she attains the age of 60 years."
Page 6, after line 4, insert:
"The name of Sarah J. Parker, former widow of Berry Parker, late of Troop D, Eighth Regiment Missouri Volunteer Cavalry, and pay her a pension at the rate of $30 per month."
Page 6, after line 4, insert:
"The name of Lucy A. Rose, former widow of Ross Reed, late of Company D, Sixty-eighth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $20 per month and $30 per month when she attains the age of 60 years."

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. SECREST]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

WIDOWS OF SOLDIERS AND SAILORS OF THE CIVIL WAR

Mr. SECREST. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8423) granting increase of pensions to certain former widows of soldiers and sailors of the Civil War, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman if the appropriate committee has considered this bill?

Mr. SECREST. This bill and the three following bills were considered and unanimously passed in the House. These are Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 6, after line 22, insert:
"The name of Sarah J. Pitts, former widow of Christian Ellendorf, late of Battery F, First Regiment United States Artillery, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 6, after line 22, insert:
"The name of Lovina Kenyon, former widow of Andrew F. Kenyon, late of Company K, Eighty-first Regiment New York Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 6, after line 22, insert:
"The name of Ellen Mullis Baker, former widow of Robert Mullis, late of Company E, Ninety-seventh Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 6, after line 22, insert:
"The name of Carnelia A. Damrell, former widow of Adonis Anderson, late of Company E, One Hundred and Forty-eighth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

PENSIONS TO WIDOWS OF SOLDIERS AND SAILORS OF THE CIVIL WAR

Mr. SECREST. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8424, an act granting increase of pensions to certain widows of soldiers and sailors of the Civil War, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 15, strike out lines 6 to 9, inclusive.
Page 20, strike out lines 18 to 22, inclusive.
Page 22, strike out lines 15 to 18, inclusive.
Page 33, strike out lines 7 to 10, inclusive.
Page 54, strike out lines 9 to 12, inclusive.
Page 66, strike out lines 11 to 14, inclusive.
Page 75, strike out lines 10 to 13, inclusive.
Page 76, strike out lines 3 to 7, inclusive.
Page 86, after line 8, insert:
"The name of Lena Bradshaw, widow of John W. Bradshaw, late of Company B, Second West Virginia Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Minnie Mahler, widow of Paul R. Mahler, late of Company C, One Hundred and Twenty-eighth Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Jane A. McNelly, widow of Matthew McNelly, late of Company B, Fourth Battalion District of Columbia Militia Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Martha J. Morgan, widow of Elijah Morgan, late of Company H, First West Virginia Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Hannah Morrison, widow of Perry A. Morrison, late of Company F, Twenty-sixth Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Mary L. Parker, widow of Robert S. Parker, late of Company H, Forty-fourth Iowa Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.
Page 86, after line 8, insert:
"The name of Mary A. Phillippi, widow of William Phillippi, late of Company H, First Provisional Battalion Pennsylvania Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Ellen M. Thomas, widow of John H. Thomas, late of Troop C, Eleventh Kansas Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Nancy J. Walker, widow of Adam R. Walker, late of Company A, Sixty-sixth Indiana Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Terressa Willoughby, widow of Francis Willoughby, late of Company A, Twenty-ninth Indiana Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Drusilla Wright, widow of James F. Wright, late of Company F, One Hundred and Thirty-seventh Illinois Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Eliza A. Perry, widow of Henry A. Perry, late of Troop E, Eleventh Kansas Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Lydia J. Barton, widow of Thomas J. Barton, late of Company I, Fourteenth Iowa Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving: *Provided*, That in the event of the death of Fred E. Barton, helpless and dependent son of said Lydia J. Barton, the additional pension herein granted shall cease and determine: *And provided further*, That in the event of the death of Lydia J. Barton, the name of said Fred E. Barton shall be placed on the pension roll, subject to the provisions and limitations of the pension laws, at the rate of $20 per month from and after the date of death of said Lydia J. Barton."

Page 86, after line 8, insert:

"The name of Lizzie Wilford, widow of Louis Wilford, late of Company K, Forty-seventh Iowa Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Mary E. Fowler, widow of John Fowler, late of Troop I, Thirteenth Regiment Kentucky Volunteer Cavalry, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Letha C. Durflinger, widow of Virgil M. Durflinger, late of Company K, Twenty-sixth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Polly Fuller, widow of Harry Fuller, late of Company I, Eighty-eighth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Rachel Heizman, widow of Christopher Heizman, late of Company I, One Hundred and Fifty-fifth Regiment National Guard Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Alice V. Keeler, widow of David A. Keeler, late of Company F, Eleventh Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Margaret Jane Loar, widow of Thomas M. Loar, late of Company C, Sixty-eighth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Lucy Montgomery, widow of Russell E. Montgomery, late of Troop D, First Regiment Ohio Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Anna Robinson, widow of John Robinson, late of Company D, Fifth Regiment United States Colored Infantry, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Amelia Shultz, widow of John L. Shultz, late of Company A, Twenty-second Regiment Pennsylvania Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Tennessee F. Maynard, widow of John H. Maynard, late of Troop F, Fifth Regiment Tennessee Cavalry, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Blanche C. Hurd, widow of Charles E. Hurd, late of Company K, First Regiment Minnesota Heavy Artillery, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Martha L. Trefethen, widow of Epps A. Trefethen, late of the Sixth Battery, First Battalion Maine Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Charlotte W. Stevens, widow of Alfred A. Stevens, late of Company F, Seventh Regiment Maine Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Frances V. Morrill, widow of Warren J. Morrill, late of Company B, Sixth Regiment New Hampshire Infantry, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Susie D. Hanscome, widow of John W. Hanscome, late of Troop D, Second Regiment Maine Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Mary Coles, widow of Samuel Coles, late of Troop I, Thirteenth Regiment Pennsylvania Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Elizabeth Burrell, widow of Albert M. Burrell, late of Company H, First Battalion, Seventeenth Regiment United States Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Elizabeth Dunn, widow of Peter Dunn, late of Company E, Seventeenth Regiment Wisconsin Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Catherine Merritt, widow of William Merritt, late of Company A, Second Regiment Maryland Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Kate O'Donnell Wood, widow of Frederick B. Wood, late of Company A, Twenty-ninth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Catherine A. Riley, widow of William Riley, late of Company F, Ninety-second Regiment New York Infantry, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Dora White, widow of Frank G. White, late of Company K, Eighty-ninth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Annie S. Wynne, widow of John Wynne, late of Company F, Seventy-eighth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Achsah E. Purinton, widow of Granville Purinton, late of Company C, First Regiment Maine Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Mary C. Boothe, widow of John A. Boothe, late of Company G, Twenty-seventh Regiment Wisconsin Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Louisa J. Rubbendall, widow of Jeremiah Rubendall, late of Battalion I, First Illinois Volunteer Artillery, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Anna Olson, widow of Halver H. Olson, late of Company I, Eighty-second Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Emma J. Bratton, widow of Joseph M. Bratton, late of Company E, Twelfth Regiment Kansas Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Laurence C. Southwick, widow of George Southwick, late of the First Battery Vermont Volunteer Light Artillery, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Mary E. Jasper, widow of Robert D. Jasper, late of Troop C, Ninth Regiment Missouri State Militia Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:

"The name of Alzina M. Wilson, widow of Robert B. Wilson, late of Company G, Seventy-second Regiment New York Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

Page 86, after line 8, insert:
"The name of Mary Watkins, widow of Charles M. Watkins, late of Company H, Seventy-first Regiment New York State Militia Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Lucy S. Kemp, widow of Charles B. Kemp, late of Company F, Fifty-seventh Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Missouri E. Griffith, widow of William L. Griffith, late of Company A, Fourth Regiment Missouri State Militia Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Dora Bridges, widow of Owen W. Bridges, late of Company I, Twenty-second Regiment Maine Volunteer Infantry, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Mary E. Wooten, widow of John Wooten, late of Troop C, Ninth Regiment Kansas Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Fanny Cunningham, widow of Josephus Cunningham, late of Company H, Seventy-third Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Amelia Mathias, widow of Hans Mathias, late of Company I, Fifty-third Regiment Illinois Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Lillie Dowdney, widow of Abraham Dowdney, late of Company C, One Hundred and Thirty-second Regiment New York Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of May S. King, widow of David W. King, late of Company E, Fifteenth Regiment Vermont Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Mary E. Stevenson, widow of Melvin S. Stevenson, late of Battery F, First Maine Heavy Artillery, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."
Page 86, after line 8, insert:
"The name of Ruth A. Dana, widow of Loren C. Dana, late of Company H, One Hundred and Forty-fifth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving."

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

### PENSIONS TO CERTAIN HELPLESS AND DEPENDENT CHILDREN OF SOLDIERS AND SAILORS OF THE CIVIL WAR

Mr. SECREST. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8425) granting pensions and increase of pensions to certain helpless and dependent children of soldiers and sailors of the Civil War, with Senate amendments, and concur in the Senate amendments.

Mr. RICH. Mr. Speaker, reserving the right to object, has this bill been considered by the House committee?

Mr. SECREST. Every one of these bills has been considered by the House committee.

Mr. RICH. When consideration was given to them was a quorum present?

Mr. SECREST. There was a quorum present when they were reported to the House.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 26, strike out lines 17 to 21, inclusive.
Page 29, after line 5, insert:
"The name of John C. Denbo, helpless child of Marcus L. Denbo, late of Company D, One Hundred and Forty-fourth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving."
Page 29, after line 5, insert:
"The name of Hulda Dodds, dependent child of James Dodds, late of Company H, Tenth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of William Edward Fugatt, dependent child of Edward Fugatt, late of Company A, Fourth Regiment Tennessee Volunteer Infantry, and pay him a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Alma Blance Shipman, dependent child of Wesly C. Shipman, late of Company F, Nineteenth Regiment Iowa Volunteer Infantry, and pay her a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Clarence Edward Shipman, dependent child of Wesley C. Shipman, late of Company F, Nineteenth Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Minnie O. Draper, dependent child of Alvin L. Draper, late of Troop B, First Regiment Rhode Island Volunteer Cavalry, and pay her a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Frank C. Comstock, dependent child of Daniel E. Comstock, late of Company K, Twenty-seventh Regiment Massachusetts Infantry, and pay him a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Alzurah Long, dependent child of Samuel Long, late of Troop E, Thirteenth Regiment Kentucky Volunteer Infantry, and pay her a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Florcilla Roe, dependent child of Eli Roe, late of Company D, One Hundred and Fifty-second Regiment Ohio National Guard Infantry, and pay her a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Catherine Ott, dependent child of Jacob Ott, late of Company C, One Hundred and Sixth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Viola May Snow, dependent child of George Snow, late of Troop D, First Regiment Rhode Island Volunteer Cavalry, and pay her a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Earnest G. Harvey, dependent child of Thomas D. Harvey, late of Company B, Sixty-fourth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Warren A. Small, dependent child of Nathaniel P. Small, late of Company E, Thirteenth Regiment Maine Volunteer Infantry, and pay him a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Roland Burkhart, dependent child of Napoleon B. Burkhart, late of Battery —, Thirteenth Regiment Ohio Light Artillery, and pay him a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of John Doane Gardiner, dependent child of Asa B. Gardiner, late of Ninth and Twenty-second United States Infantry, and First United States Artillery, and pay him a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Lottie Rumrill, dependent child of Moses C. Rumrill, late of Company G, Seventh Regiment Vermont Volunteer Infantry, and pay her a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Jacob R. Stiltner, dependent child of Frederick Stiltner, late of Company I, Thirty-ninth Regiment Kentucky Infantry, and pay him a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Fieldon Adkins, dependent child of James P. Adkins, late of Company G, Forty-seventh Regiment Kentucky Infantry, and pay him a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Sam H. Hadley, helpless child of Edwin Hadley, late of Company C, South Cumberland Battalion Kentucky State Troops, and pay him a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Joseph F. Haynes, helpless child of John R. Haynes, late of Company B, Third Regiment United States Volunteer Infantry, and pay him a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Mable Forrer, helpless and dependent child of John Forrer, late of Company I, Twenty-second Regiment Wisconsin Volunteer Infantry, and pay her a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Willard Hyser, helpless child of Judson Hyser, late of Company D, One Hundred and Thirty-seventh Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Blanche Walker, helpless child of William C. Walker, late of Company A, Eighth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Edward Morgan, helpless child of Sylvester Robinson, known as Charles Morgan, late of Company H, Fourteenth Regiment United States Infantry, and pay him a pension at the rate of $20 per month."
Page 29, after line 5, insert:
"The name of Lizzie Sarver, helpless child of Henry H. Sarver, late of Company I, One Hundred and Forty-sixth Regiment

Indiana Infantry, and pay her a pension at the rate of $20 per month."

Page 29, after line 5, insert:

"The name of Nellie Minerva Woodward, helpless child of James T. Woodward, late of Company G, Thirty-first Regiment Iowa Volunteer Infantry, and pay her a pension at the rate of $20 per month."

Page 29, after line 5, insert:

"The name of Frederick L. Long, helpless child of Edward F. Long, late of the United States Navy, and pay him a pension at the rate of $20 per month."

Page 29, after line 5, insert:

"The name of Ada Hooker, helpless child of Enoch Hooker, late of Company K, Forty-fourth Regiment Missouri Infantry, and pay her a pension at the rate of $20 per month."

Page 29, after line 5, insert:

"The name of William Henry Kelly, helpless child of William Kelly, late of Company I, Ninety-first Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $20 per month."

Page 29, after line 5, insert:

"The name of Charles Rufus Koon, helpless child of Isaac Koon, late of Company D, Sixth Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $20 per month."

Page 29, after line 5, insert:

"The name of Hattie Jane Koon, helpless child of Isaac Koon, late of Campany D, Sixth Regiment West Virginia Volunteer Infantry, and pay her a pension at the rate of $20 per month."

Page 29, after line 5, insert:

"The name of Fannie R. Sperzel, helpless child of Lewis Sperzel, late of Company K, Ninety-third Regiment Indiana Infantry, and pay her a pension at the rate of $20 per month."

Page 29, after line 5, insert:

"The name of John Wesley Heal, helpless child of Henry A. Heal, late of Company H, Sixteenth Regiment Maine Volunteer Infantry, and pay him a pension at the rate of $20 per month."

Page 29, after line 5, insert:

"The name of Roy Joyce, helpless and dependent child of Minos Joyce, late of Company H, Fourteenth Regiment United States Colored Infantry, and pay him a pension at the rate of $20 per month."

The Senate amendments were agreed to, and a motion to reconsider was laid on the table.

PENSIONS TO CERTAIN SOLDIERS OF THE CIVIL WAR

Mr. SECREST. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8426) granting pensions to certain soldiers of the Civil War, with Senate amendments, and concur in the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 5, strike out lines 1 to 4, inclusive.

Page 5, after line 4, insert:

"The name of Taylor C. Lyon, late of Company K, Seventy-seventh Regiment Enrolled Missouri Militia, and pay him a pension at the rate of $50 per month."

The Senate amendments were agreed to, and a motion to reconsider was laid on the table.

SQUAW ISLAND FREIGHT TERMINAL CO.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1817) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N. Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island.

Mr. RICH. Mr. Speaker, reserving the right to object, what calendar is this bill on?

Mr. BLOOM. On the Consent Calendar.

Mr. RICH. Why bring it up out of its regular order?

Mr. BLOOM. For the simple reason that it was brought up sometime ago. It was heard by the subcommittee. The objectors at that time [Mr. MCFARLAND and Mr. COSTELLO] have withdrawn their objection. The bill has passed the Senate and has passed the House once before.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the lapse of time or any statute of limitations or other limitations upon the jurisdiction of such court, to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., for just compensation to it for loss of property and/or damages occasioned by the breaking of an inadequate and/or improperly and insufficiently constructed Government dike on Squaw Island between Black Rock Canal and the Niagara River in December 1921 and January 1922.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POST OFFICE AT COLUMBUS, MISS.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8977) to authorize the Secretary of the Treasury to acquire a site for the erection of a post-office building at Columbus, Miss.

Mr. RICH. Mr. Speaker, reserving the right to object, has the Post Office Department recommended this building?

Mr. RANKIN. This is not for a building; it is for a site.

Mr. RICH. Why bring the bill up in this way?

Mr. RANKIN. This bill is not for the erection of a building; it is to permit a building to be erected on the sixteenth section.

One hundred years ago, when this land was taken over from the Indians, there was a provision inserted in the law to the effect that every sixteenth section should be leased for 99 years for school purposes. The Post Office Department investigated and has decided they need this bill passed to permit them to build on one of these sixteenth sections.

Mr. RICH. What is the size of this town?

Mr. RANKIN. Between 12,000 and 14,000 population.

Mr. RICH. And the bill has been recommended by the Fourth Assistant Postmaster General?

Mr. RANKIN. Yes; it has.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury, subject to the availability of appropriated moneys therefor, is authorized, in his discretion, to acquire a new site in the city of Columbus, county of Lowndes, State of Mississippi, and to construct a post-office building thereon.

SEC. 2. The Secretary of the Treasury may acquire such site by lease rather than by purchase, if in his discretion it is deemed desirable that the site should be located in section 16, fractional township 18, south of range 18, west of the basis meridian of Madison County, Ala., in which section the said city of Columbus is in large part situated; in which case the Secretary of the Treasury may lease such site from the mayor and city council of the city of Columbus, at such rental as he deems reasonable, for a term of 99 years from the 1st day of August 1921, renewable forever, as provided by acts of the Legislature of Mississippi approved December 13, 1830 (Laws of Mississippi, 1830, ch. II), and March 20, 1914 (Laws of Mississippi, 1914, ch. 462), or may obtain by assignment, by condemnation, or otherwise, an existing lease, for the same term, of such site.

SEC. 3. There is authorized to be appropriated, without regard to the limitations of section 322 of part II of the Legislative Appropriation Act for the fiscal year ending June 30, 1933, approved June 30, 1932, such amounts as may be necessary to pay the installments of rent provided for in a lease obtained pursuant to the authority contained in section 2 of this act: *Provided*, That the first annual installment of rent and the original purchase price, if any, of such lease shall be paid out of any funds made available for the acquisition of the site and the construction of a building thereon.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUITS UNDER SECTION 19, WORLD WAR VETERANS' ACT, 1924

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 65, to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended.

Mr. MILLARD. Mr. Speaker, reserving the right to object, will the gentleman explain the resolution?

Mr. RANKIN. I may say to the gentleman from New York that this resolution has been unanimously recommended by the Committee on World War Veterans' Legislation. It has already passed the Senate, and I am sure the gentleman will have no objection to it.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the Senate resolution, as follows:

*Resolved, etc.*, That in addition to the suspension of the limitation for the period elapsing between the filing of the Veterans' Administration of the claim under a contract of insurance and the denial thereof by the Administrator of Veterans' Affairs or someone acting in his name, the claimant shall have 90 days from the date of such denial within which to file suit as herein provided. This resolution is made effective as of July 3, 1930, and shall apply to all suits now pending against the United States under the provisions of section 19, World War Veterans' Act, 1924, as amended, and any suit which has been dismissed solely on the ground that the period for filing suit has elapsed but wherein the extension of the period for filing suit as prescribed herein would have permitted such suit to have been heard and determined, may be reinstated within 90 days from the date of enactment of this resolution: *Provided*, That on and after the date of enactment of this resolution, notice of denial of the claim under a contract of insurance by the Administrator of Veterans' Affairs or someone acting in his name shall be by registered mail directed to the claimant's last address of record.

Mr. RANKIN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANKIN: Page 1, line 4, strike out the word "of" and insert the word "in."

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

VETERANS SERVING IN RUSSIA DURING WORLD WAR

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 9116) to extend the provisions of veterans' laws and regulations to persons who served in Russia during the World War, and their dependents.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. SNELL. Mr. Speaker, reserving the right to object, I think a matter of this kind should be explained.

Mr. RANKIN. Mr. Speaker, I will ask that the Clerk read the bill. It is short and when read will be self-explanatory I may say to the gentleman from New York.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That notwithstanding any provisions of Public Law No. 2, Seventy-third Congress, and the veterans' regulations issued pursuant thereto, for the purpose of payment of pension for disability not shown to have been incurred in military or naval service, the World War shall be deemed to have ended April 1, 1920, for those persons who served with the United States military forces in Russia.

SEC. 2. Veterans who entered active military service subsequent to November 11, 1918, and who served with the United States military forces in Russia prior to April 2, 1920, and their dependents, shall be entitled to the benefits of Public Law No. 141, Seventy-third Congress, provided they meet the other requirements thereof.

Mr. SNELL. Mr. Speaker, I think the gentleman should make some explanation of the bill. Why should we make special exception to these particular veterans?

Mr. RANKIN. We do not make any special exception, I may say to the gentleman from New York. There are a few of these men involved who were sent to Russia. Of course, so far as they were concerned they did not know whether we had declared war on Russia or not. The average veteran did not ask when he got into the war whether war had been declared on a particular country or not. There are just a few of these men involved who have been deprived of some of the benefits which accrued to other veterans of the World War.

Mr. SNELL. Were they regular enlisted soldiers?

Mr. RANKIN. Yes. I may say to the gentleman from New York and also to the gentleman from Pennsylvania that this does not apply to civilians at all.

Mr. FADDIS. Or to railroad employees either?

Mr. RANKIN. No.

Mr. McFARLANE. And it does not cover employees outside of the Government service, but only those who had enlisted in the Army or Navy at that time?

Mr. RANKIN. The gentleman is correct.

Mr. SNELL. Why did not these men receive the benefits that the other World War veterans received?

Mr. RANKIN. In the passage of the Economy Act there was a limitation that left these men out. I believe we brought them up to the armistice when as a matter of fact these men were fighting after the armistice closed.

Mr. THURSTON. The facts are that these men served longer than the average World War veteran served and their service was very arduous and in a very cold climate.

Mr. RANKIN. Yes.

Mrs. KAHN. When the gentleman says Russia, does that include Siberia, where a number of these men served?

Mr. RANKIN. If they were in the Regular Establishment and served in Siberia at that time this would apply to them.

Mrs. KAHN. It would apply to them?

Mr. RANKIN. Yes. This merely wipes out the discrimination that was caused inadvertently.

Mrs. KAHN. There were men in the Regular Army who were sent over to Siberia and suffered great hardships. They could not get any benefits at all. That is the reason I wanted to make sure this bill covered them and that the word "Russia" would include Siberia.

Mr. MILLARD. Does the bill have the approval of the Veterans' Bureau and of General Hines?

Mr. RANKIN. Yes.

Mr. SNELL. How many men does this affect?

Mr. RANKIN. I do not know the exact number, but it will be very small.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCHANGE OF CERTAIN PARK LANDS IN DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3353) providing for the exchange of certain park lands at and near Western Avenue and West Beach Drive for other lands more suitable to the development of Rock Creek Park and the street system of the District of Columbia, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the immediate consideration of the bill?

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. RANDOLPH. Mr. Speaker, this simply calls for the exchange of private property for park property adjacent to Rock Creek Park so there may be a consolidation. It calls for an exchange of land and there is no money involved.

Mr. SNELL. Here in the District?

Mr. RANDOLPH. Here in the District. It has the endorsement of the District Commissioners.

Mr. McFARLANE. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Texas.

Mr. McFARLANE. We cannot hear back here, and I would like to know what we are doing. Will the gentleman explain the bill?

Mr. RANDOLPH. As I stated previously, this bill simply calls for an exchange of property. The National Capitol Park and Planning Commission has found there is a certain needed amount of private property which they would like to consolidate with their park property. It is perfectly agreeable with the owner of the private property to make this exchange of land so that there may be no interruption to the park property in Rock Creek Park.

Mr. McFARLANE. What does the exchange involve, and how does the Government come out?

Mr. RANDOLPH. It is an exchange of private property in the amount of 58,500 square feet for 55,000 square feet of Government land.

Mr. McFARLANE. What about the location? What is the valuation of the property for taxation purposes? What is the comparative value of the property to be exchanged? In other words, does the Government win or lose by the trade?

Mr. RANDOLPH. The Government does not lose by the trade. It is an even exchange and consolidates the park property in keeping with the permanent policy for highways in the District of Columbia.

Mr. McFARLANE. I understand all about the consolidation, but I am wondering who is going to get the best of the trade? Is there going to be proper safeguards placed around this transaction to protect the Government?

Mr. RANDOLPH. As Chairman of the Subcommittee on Parks and Playgrounds, I may say it is an equal trade. The District Commissioners believe it is an equal trade, and the National Capital Park and Planning Commission believes it is a fair exchange.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in order to extend Beach Parkway northward to Western Avenue as provided for by the plans of the National Capital Park and Planning Commission for the park system of the District of Columbia and to preserve the flow of water in Rock Creek Park and to extend West Beach Drive to connect Beach Drive and Rock Creek Park with Western Avenue, the Secretary of the Interior is authorized to convey by and on behalf of the United States of America to the owners of parcel 78/5, or to such party or parties as said owner or owners shall designate, the title of the United States in and to a piece of land containing approximately 55,000 square feet at and near the intersection of Western Avenue and West Beach Drive as proposed in accordance with the plan of the permanent system of highways of the District of Columbia, being a part of reservation 339: *Provided*, That the owners of said parcel 78/5 shall furnish the United States of America with a good and sufficient title in fee simple, free of all encumbrances, to that piece of land lying along and east of the center line of West Beach Drive as proposed in accordance with the plan of the permanent system of highways of the District of Columbia, and extending east to the creek immediately north of the present north line of United States reservation 432 and extending north to United States reservation 339 and containing approximately 58,500 square feet: *Provided further*, That the owners of parcel 78/5 dedicate to the District of Columbia for street purposes the west half, 45 feet in width, of West Beach Drive as proposed in accordance with the plan of the permanent system of highways of the District of Columbia, along their property immediately north of the north line of reservation 432.

SEC. 2. The dedication and transfers provided for in section 1 are designated approximately upon plat file no. 3.9–97 in the files of the National Capital Park and Planning Commission. The dedication and conveyances shall be by proper deed and other instruments containing full legal description by exact survey of the land exchanged and dedicated as provided for by law.

SEC. 3. Nothing in this act shall be construed as curtailing the power of the Secretary of the Interior to sell the remainder of parcel 4 as provided for in Public Law No. 299, Seventy-second Congress, and should the exchange and dedication as provided for in section 1 fail to become effective the Secretary of the Interior is still authorized to sell the entire area of parcel 4 as provided for in that act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

### USE OF PIPE LINES IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3270) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Commissioners of the District of Columbia be, and are hereby, authorized and empowered to grant permission to the Decatur Corporation, a corporation organized in the State of Delaware, owner of that part of square 1067, bounded by L Street SE. on the north, Fourteenth Street SE. on the west, Fifteenth Street SE. on the east, and to the right-of-way of the Philadelphia, Baltimore & Washington Railroad on the south, in the city of Washington, in the District of Columbia, its successor and assigns, to lay down, construct, maintain, and use not more than five pipe lines for the carriage of petroleum and petroleum products from a point or points north of said railroad right-of-way within square 1067, in and through Fifteenth Street SE. due south to the pier-head line of the Anacostia River.

SEC. 2. That all the construction and use provided for herein shall be under such regulations and rentals as the Commissioners of the District of Columbia may make and establish in connection therewith and all plans and specifications for such construction shall be subject to their approval. The Commissioners of the District of Columbia shall have full authority to designate the location and to cause such repairs or relocation of said pipe lines as the public necessity may require, any such repairs or relocation to be at the expense of the Decatur Corporation, its successors or assigns.

SEC. 3. That no permission granted or enjoyed hereunder shall vest any title or interest in or to the land within Fifteenth Street SE.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### STATE OF NEBRASKA

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1864) for the relief of the State of Nebraska.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That notwithstanding the provisions of section 3646, as amended, of the Revised Statutes of the United States, the issue of a duplicate check is hereby authorized and directed, without the requirement of an indemnity bond, said check to be a duplicate of original check numbered 15757, drawn by the disbursing clerk, Department of Agriculture, January 17, 1934, in favor of "State treasurer of Nebraska, trust fund", for $10,451.12 and lost, stolen, or miscarried in the mails.

The SPEAKER. Is there objection to the request of the present consideration of the bill?

Mr. SNELL. Mr. Speaker, I think the gentleman should explain this bill. If I recall correctly, the gentleman spoke to me about it, and the bill is just for the purpose of giving a new check for one that was lost.

Mr. McLAUGHLIN. That is correct.

Mr. SNELL. And, as I understand, there is proof that the check has never been cashed or found?

Mr. McLAUGHLIN. That is correct.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### AIRPLANE LANDING FIELD IN HAWAII

Mr. KING. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7974) to withdraw and restore to their previous status under the control of the Territory of Hawaii certain Hawaiian homes lands now in use as an airplane landing field.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, what does this bill do?

Mr. KING. This land is set aside for Hawaiian home settlement and this particular small area is being used as a commercial airport and we want to restore it to the control of the Territory so it can be developed as such. The bill is introduced at the request of the Governor.

Mr. SNELL. From what committee does this bill come?

Mr. KING. From the Committee on Territories and it was reported unanimously by that committee.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, will this bill cost the Government anything?

Mr. KING. Not a cent.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That so much of section 203 of title 2 of the act entitled "Hawaiian Homes Commission Act, 1920", approved July 9, 1921 (42 Stat. 108), as designates the land hereinafter described as "available lands" within the meaning of that act, is hereby repealed and the land restored to its previous status under the control of the Territory of Hawaii.

On the Island of Molokai: Those portions of Hoolehua, apana 2, and Palaau, apana 2, comprising the Molokai airplane landing field as set aside for public purposes by Executive Order No. 307

of the Governor of the Territory of Hawaii, dated December 15, 1927, consisting of 204 acres, more or less, and particularly described as follows:

Beginning at a point on the southeast corner of the said land, from which the azimuth (measured clockwise from true south) and distance to United States Coast and Geodetic Survey Triangulation Station Middle Hill (Kaulapuu) is 272°23'39", 12,720 feet, thence from said point of beginning by metes and bounds; 85°10'30", 3,427 feet; 180°56'30", 2,630 feet, 279°55'30", 4,907 feet, 346°20', 342 feet near west edge of Kakainapahao Gulch; 3°26', 427 feet; 83°24', 1,468 feet; 5°58', 571 feet to the point of beginning.

SEC. 2. This act shall take effect upon its approval.

The bill was ordered to be engrossed, read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATURALIZATION OF CERTAIN ALIENS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 286) to authorize the naturalization of certain aliens residing in the United States prior to February 9, 1923, and now married to native-born citizens of the United States.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, I think we should have an explanation of this joint resolution.

Mr. DONDERO. Mr. Speaker, this bill affects but one alien and it is brought up for the relief of one person who came here as a student, tried to become a citizen and before his citizenship could be made complete, a decision of the Supreme Court of the United States made it impossible for him to do so. He is married to an American girl.

Mr. SNELL. This is not the bill I thought it was. I have no objection.

There being no objection, the Clerk read the House joint resolution, as follows:

*Resolved, etc.*, That notwithstanding the racial limitations contained within section 2169 of the Revised Statutes of the United States, as amended (U. S. C., title 8, sec. 359), and within section 14 of the act of May 6, 1882, as amended (U. S. C., title 8, sec. 363), any alien heretofore ineligible to citizenship because not a free white person or of African nativity or of African descent may be naturalized under this act if he—

(a) Prior to July 1, 1924, was lawfully admitted to the United States;

(b) Prior to February 19, 1923, had filed a declaration of intention to become a citizen of the United States;

(c) And who since that date has maintained a legal residence in the United States;

(d) And who has been and now is married to a native-born citizen of the United States; upon compliance with all the requirements of the naturalization laws, except—

(e) No certificate of arrival and no declaration of intention shall be required.

(f) No additional residence shall be required before the filing of the petition for citizenship; and

(g) The petition for citizenship shall be filed with a court having naturalization jurisdiction prior to January 1, 1937.

With the following committee amendments:

Page 1, line 7, after the figures "363)", strike out lines 7, 8, and 9, and on page 2, strike out down to and including line 8, and insert: "Kam N. Kathju, if found otherwise admissible to citizenship, may be naturalized under this act."

Page 2, line 17, after the word "to", strike out the words "January 1, 1937", and insert "the expiration of 4 months immediately following the effective date of this act."

The amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read, "Joint resolution for the relief of Kam N. Kathju."

FEDERAL HOUSING ADMINISTRATION

Mr. MEAD. Mr. Speaker, I call up House Resolution 332, a privileged resolution, and ask that the Clerk report the same. I may say that I shall move that the resolution be laid on the table.

The Clerk read the resolution, as follows:

*Resolved*, That the Postmaster General be, and he is hereby, directed to transmit to the House of Representatives at the earliest possible moment such information as may be in possession of the Post Office Department showing the result of an investigation by said Department of the alleged violation of the postal laws and regulations by the Federal Housing Administration by the unauthorized and illegal use of the "penalty envelop" for purposes other than for official business, and also what action, if any, has been taken by said Department to enforce the law and to inflict penalties upon its violators.

Mr. MEAD. Mr. Speaker, I move that the resolution be laid on the table.

The motion was agreed to.

A motion to reconsider was laid on the table.

HITLERISM IS FOUNDED ON TYRANNY AND INTOLERANCE

Mr. FORD of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FORD of California. Mr. Speaker, Hitlerism is founded on tyranny and intolerance.

Where intolerance flourishes, justice and liberty wither and die.

A system founded on the principles of intolerance, prejudice, injustice, and fear is a menace to the world. For such a system is in direct conflict with the great constructive forces that shape the destiny of nations.

That is why all liberals feel that Hitlerism is something to be condemned by lovers of liberty and justice everywhere.

More particularly should free Americans be aroused to the menace to free thought and free institutions that Hitlerism exemplifies.

This great Nation of ours was founded on the sacred belief in religious and political liberty. A free people, free to choose and follow their own religion, is the foundation of America. With this goes political liberty, social justice, and free speech. When we find these principles throttled and opposed in any nation, through any system, we must protest. For the very spirit of liberty is menaced everywhere when it is menaced anywhere.

We, as Americans, recognize the full right of every people to choose their own form of government, without interference from any other nation. But when a government takes overt steps against sound and just principles recognized as basic, other nations are bound to take notice.

Authorities we are bound to accept assure us that in Germany religious liberty is gone. In that land where a love of freedom broke out in 1919 and was nobly expressed in the Weimar Constitution, we now find persecution, discrimination, tyranny, and all kinds of injustice.

Those who have always respected the sound basis of German character are amazed to find that nation under base and unlightened leadership now denying freedom of religion to their people and taking shocking measures to enforce outrageous edicts.

When to the persecution of her Jewish nationals Germany adds the denial of their right to worship in their own churches to established and recognized Christian creeds, the world stands aghast.

We all recognize that every protest must be made here in this free country; Germany must be made to realize that the people and the Government of the United States deplore and resent those acts of her Government that violate the principles of free speech, free press, and the right for every man and woman to worship according to his or her conscience.

Civilized mankind everywhere stands aghast at the monstrous, brutal, and inhuman pogrom of the present German Government.

I, therefore, urge that every possible measure be taken in this country to influence Hitler into the ways of sanity.

JANESVILLE ANNIVERSARY

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a speech of my father, the Lieutenant Governor of Wisconsin, on the occasion of the one hundredth anniversary of the founding of Janesville, Wis.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. O'MALLEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech of Lt. Gov. Thomas J. O'Malley on the occasion of the one hundredth anniversary of the founding of Janesville, Wis.

As the Governor is absent from the State upon business of great concern to all the people of Wisconsin, it falls to me to represent the State of Wisconsin and to present the congratulations of the chief executive upon this centennial celebration of the settlement and founding of this community.

I appreciate with what mixed views an occasion of this character is considered, especially by those who participate in it. To some it is an excuse for getting together for a good time; to some it is an incentive to temporarily spur business and hustle trade; to some it is an opportunity for old friends and their families to be reunited and to renew the strongest ties of life; to some it is an occasion to bring back the historical facts and traditions of the origin, the struggles, the failures, and the successes of the men and women who have builded this community. In the consideration of the great achievements of these hardy pioneers and of the many years of development, and of the principles which motivated and kept alive the faith of these men and women, we find not only justification for the happiness of the present, but the basis of a new faith to inspire the belief that however worthy and glorious may have been the past a greater and a more glorious future lies ahead.

One hundred years, looking backward, is a short time. Looking forward, it is a long, long time. The sturdy men and women who came out of New York and New England and other places in the East, and from Norway and Ireland, to make the first settlements of this community, standing in the doorway of Henry Jane's log cabin and looking over the fields, could not realize the wonderful changes that were to be wrought not only in the physical aspects of the immediate community, but in the mode of life of the generations to succeed them. Henry Jane, in his day, did not experience great difficulty in running away from and keeping ahead of the railway. Neither he nor any of those hardy pioneers who first hewed the ash and the maple that lined the Rock River ever visioned this present community with great factories, with splendid places of business, with magnificent churches and schools, and above all, a city of more than 22,000 intelligent, educated men and women and children, all of whom now have available to them opportunities for improvement and culture and comforts which were not available to the wealthiest a hundred years ago.

It is not my purpose to attempt any review of the years that have passed since the first white men made settlement at this point on the Rock River. Many here can tell more of the struggles and achievements of the hardy pioneers who tamed the wilderness in this section, of their accomplishments in business, of their contributions to the framing of the constitution and the laws of this State, of their effective promotion of education and religion, of art, and of literature, of how broadly they builded here a community which is not only an honor to, but through all its years has been a great factor in the building of, and in bringing glory to Wisconsin.

Without particularizing as to the work of individuals, I want to say that from the very beginnings of Wisconsin as a Territory of the United States, and as a State, Janesville and Rock County, through the vision and experience of its citizenry and through their devotion to the ideals which brought them in the first instance to this section of the country, always furnished a leadership which not only was honored but was looked up to by the other parts of this State. In law, in medicine, in Government, in the maintenance of its loyalties to the United States, in the leadership which submerged party to the common good, this community has maintained a place of love and affection in the hearts of the people of this State.

Brave, fearless, independent men, fired with one ambition, namely, that they should build here a new civilization which would express in every phase of its life, the highest ideals of American manhood and American womanhood; that would preserve the liberties guaranteed in the Constitution of the United States, and bettered in the constitution of Wisconsin, and that this soil should be maintained always as the home of that perfect and orderly freedom so essential to the success of a democratic form of government.

In looking back to the sacrifices which the men of this community made when the slave power challenged the Government of the United States, I feel justified in saying that Wisconsin again could look to this community for right thinking, for patriotic action, and for individual sacrifices so necessary in times of national stress in order to solve the problems which now confront this State and this country. I have faith that the men of Janesville of today will not fall behind the great examples of sacrifice found in the lives of the pioneers of this community, and of the men who in the Civil War times made supreme sacrifices in order that our Government should be preserved for the welfare of all of its people. With a new expression of an old problem, this State and this country today face a new crisis. It will call for the best there is in each of us, and I have faith that Janesville and Rock County in this hour of trial will be true to its heritage of the true ideals of American manhood, and will do its part to continue our country on a plane to promote the true happiness of all of its people.

TAX-EXEMPT BONDS

Mr. PIERCE. Mr. Speaker, I ask unanimous consent that I may insert in my extension of remarks on the issue of tax-exempt securities a short letter published in the Hood River paper from a farmer who has suffered foreclosure.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PIERCE. Mr. Speaker, a few days ago, on this floor, in discussing the tax bill, I incidentally mentioned that I had signed the petition to discharge the Judiciary Committee from further consideration of the resolutions offered in this House for adopting a constitutional amendment providing that there be no further issuance of tax-exempt bonds. The resolutions also carried instructions to devise ways and means for taxing, so far as possible, the so-called "tax-exempt securities" now existing. The discharge of the committee would bring before us for immediate action this very important fiscal matter.

Following my brief remarks upon this subject, the Chairman of the Judiciary Committee of this House defended at considerable length the action of his committee in refusing to bring to the floor for our consideration the constitutional amendment referred to. In reply to the explanation of my colleague from Texas, I wish to say that nothing that he has said so far has in any way, manner, or form shaken my belief that there should be no tax-exempt securities issued in this Nation. I cannot see how he could have made many converts by his remarks.

The Judiciary Committee Chairman first stated that, practically speaking, there were no tax-exempt securities in this country. To this old farmer from the Northwest that was an astonishing statement, even though it came from as great an authority as Judge HATTON SUMNERS, a man who has been favored by many reelections to the Congress and holds such an important chairmanship.

I do not know what he means by that expression, "There are no tax-exempt securities, practically speaking." I have seen the figures stated as high as forty billions. That may not be a large sum to my Texas colleague, but to me, an Oregonian, it is colossal, and it must appear so to all who suffer under the burden of excessive taxation, especially when it bears on real property used for homes and farms.

I do not know that anyone knows the exact amount, but one high in Government authority recently admitted that there were more than fifteen billions of Government securities that were entirely exempt from taxation. The income from the other fifteen billions of Government bonds is partially exempt. Since I have been a Member of Congress we have authorized the issuance of two billions of bonds for farm mortgages and four and three-fourths billions for home loan, making a total of six and three-fourths billions entirely exempt from taxation.

We do know that the Nation's debt now approximates thirty billions, the income of which is only partially taxed. A careful study, with accurate calculations, should be made so that the truth may be known in regard to the exact amount of income-bearing Government securities that bear no part of the burden of government, as well as the amount of securities where the income is partially taxed.

I do not think anyone will deny that the tax-exempt securities and the income from them, practically all exempt from taxation, amount to more than thirty billions. I have heard it stated in this House as high as fifty billions, which is 20 percent of the entire wealth of the Nation.

The three States in the Pacific Northwest that I know best are Oregon, Washington, and Idaho, the old Oregon country, a marvelous section of fertile lands and grassy plains, a magnificent region with untold millions of kilowatts of electricity in our snow-fed rivers not yet harnessed, forests the greatest in the world, and still the assessed value of those three States is only three billions. Tax-exempt securities in the United States is 10 times, perhaps 15 times, the assessed value of this important part of this Federal Union. So I think the statement of the learned judge that "practically speaking,

there are no tax-exempt securities", is wholly and entirely erroneous. In his remarks he further stated that he would have to increase the interest on the bonds, if the income became subject to taxation. I will admit this is probably true. He further said that the interest now paid for Government securities is very low, owing to that tax-exempt feature. This is also probably true, but it is certainly no reason why we should build up in this country an aristocracy of tax-exempt bondholders.

PUBLIC DEBT THE WRONG POLICY

Easy credit has ruined many a business man. It is just possible that credit has been too easy for this administration. Our children must pay these debts or repudiate them. Either course spells trouble and possible disaster to our national life to which they are our heirs. Laws of inheritance are never set aside in such cases of debt, nor are the privileged classes likely to lose their gains. We must protect our citizen heirs by a constitutional provision against any tax-exempt bonds, giving assurance that there shall be no class of citizens exempt from the burdens of citizenship while sharing or monopolizing its privileges. Pending the adoption of a constitutional amendment providing for taxation of all State and local bond issues, the Congress should provide that the practice of issuing tax-exempt bonds should cease so far as Federal issues are concerned.

I have, in Oregon, for many years, as State Senator and as Governor, fought the issuance of bonds, which always mean bondage. I fought the road bonds, and lost the cause because the paving companies with their publicity avenues could reach so many more voters. Now Oregon has a great debt, and with no better roads than our neighboring State which refused the bondage. I very much regret the policy of governmental encouragement of bond issues for anything but emergencies. I believe that an interest-bearing debt should not be created for anything which can possibly be financed otherwise. I believe this Congress should take whatever action is possible to discourage and curtail Government loans to States and municipalities because the money used by the lending Government and the borrowing State or city is all furnished by tax-exempt bondholders, and must be repaid by a generation of citizens who are being grievously wronged by this policy.

Those who inherit large sums of money do not know what it cost to earn it, and it is often spent with a too-lavish hand. Full well do I know that the hungry and ragged must be fed and clothed, but perhaps a few millions could have been saved if those in authority had realized that the costs of the program would mount to such heights. I am proud, as all Americans should be, that our Government can borrow money on short-term loans as low as one-eighth of 1 percent per annum and on long terms as low as 2¾ percent per annum.

The people would, if given a chance to vote on it, pass, by a tremendous majority, this proposed constitutional amendment to prohibit tax-free classes. The people do not want a specially favored class in this land of freedom and equality.

The eloquent judge also stated that the proposed constitutional amendment would probably allow the Federal Government to have the right to tax the income from State securities and give the States the same taxing privilege for Federal securities. Why not? I believe this is right. Why should not those who enjoy a certain income, as sure as the existence of government, pay their share? He says that when we admit the element of uncertainty, as we will if we pass this amendment, that we will have to pay a sort of insurance. Perhaps. What of it? Is the evil of that half as great as the building up of a large group in this country which is in no way concerned with the cost of government, because it bears no part of the cost?

He says we must not look at it from one angle. I wonder if he and his committee are not looking at it from the angle of the banker and the investor? I do not claim to know all about it, but I do know that there is danger ahead—and not far ahead, either, and serious danger—in having a portion of our people drawing incomes and freed from paying their part of the burden of government. This Government cannot continue to exist if that portion with little or no net income must bear the larger part of the cost of government.

UNEMPLOYMENT THE RESULT OF MACHINE AGE

One of our great mistakes has been the belief that we were in a depression and that in a few short months, or brief years at least, the clouds would roll by and we could all be again living easily and without financial anxiety—peace and prosperity everywhere. I have never found it possible to believe this dream will come true. The financial condition in which we found ourselves in March 1933, and in which we still find ourselves today, is a condition brought about by the flowering, the fruition of this, the most marvelous civilization of all the ages. Machinery in every shape, manner, and form has retired men and women from vocations and trades they have formerly followed, until idle millions have been piled up in our cities and industrial centers. This condition is aggravated by selling millions of tax-exempt bonds, which have consumed capital that should have been invested in industry and productive enterprises.

Last Monday there appeared in the Washington Post a news item that the Youngstown Sheet & Tube Co., one of the largest sheet-steel firms in Ohio, had just built a new plant in which they would manufacture sheet steel, using 90 men to do the same work for which they had formerly employed 800. Tell me where those 710 discarded men are going to be and how they are to find work. Will they be in the breadline?

The article further stated that the other steel mills in that vicinity were making the same changes in their operations. A recent article in the Literary Digest states that with modern machinery the Ford plant can bore an 8-cylinder shaft, polish, and complete it in 5 minutes. It formerly took one high-class workman to finish one cylinder an entire day.

On my own ranch, at this time of the year, I formerly employed about 40 men harvesting grain. My son today on that ranch is employing 12 men and harvesting as much each day as I formerly did with 40. Look into the city of Washington, where they are improving parks and streets, and see the mechanical shovels, the concrete mixers, and you can see some of the causes that have thrown us into this new era, this new day, this new age.

PROBLEM CANNOT BE SOLVED BY BORROWING

The problems thrust upon us by such amazing changes cannot be solved by borrowing millions upon millions of money from those who want to hide it, draw an income from it, and be freed from any part of the burden of government. Each must bear his part in the great struggle for readjustment. Times are certainly better than when President Roosevelt was inaugurated, but we are a long, long way from being out of the dark woods.

In that brief speech, which provoked the answer from the Chairman of the Judiciary Committee, I talked about balancing the Budget. I have no apology to make; I believe that it should be done. I believe it should have been done from the very beginning of this administration. I know it would be a tremendous task. I know it will cause great dislocation and possibly many political disasters, but those are trifling compared to the great work of saving this Government.

The judge said that as a nation we are the greatest borrowers on earth, and he appears to sanction it. I cannot agree that it is desirable to live on borrowed money. I remember reading a history of the French revolution, and one of the causes that the author gave for that great social upheaval was the fact that a large percentage of the land and income-bearing property of France had passed into the hands of persons and groups that were freed either partially or wholly from taxation in any form. The oppression upon the masses finally became so excessive that often three-fourths of the income of the poor people was taken by the authorities in some form of taxation. Finally the strain became too great. The mob came, and down the streets of Paris came the boys from the Gironde singing the Marsellaise.

Those who read Tolstoi will recall how graphically he describes the back-breaking levies of taxes raised for govern-

mental purposes from the peasants eking out a bare living on the steppes of Russia. Finally the revolution came and the proud government of the czars perished.

May I, a Member of this Congress, one who desires to support this administration fully and loyally, plead with the learned judge, Chairman of the Judiciary Committee, and his 24 associates who, he tells, are so patriotic, loyal, and sound, to reconvene and consider this amendment that the people are demanding?

It is not a matter of party politics. It is and must be a nonpartisan issue. We who love America must fight for equality of taxation as our fathers fought for equality in courts of law. It was a wise man who first said, "Taxation without representation is tyranny." To this age-old statement may I add, "Representation without taxation leads to anarchy."

TAX-EXEMPTION A WRECKING DEVICE FOR GOVERNMENT

The extremely poor cannot pay taxes on their property. Millions more can be reached only by some sort of a sales tax which decreases their consuming power. The rebellion against this most unjust and discriminating form of taxation is now breaking forth. The sales tax cannot last. The extremely rich will put their savings in tax-exempt securities if we continue their issuance. Two elements represented in our Government, with the right to vote and make laws, will continue to be free from all part in the support of government in which they participate as voters. The ability to pay is the only real basis for the formation of a tax program. Who is better able to pay than those whose income is as certain as the existence of government itself?

My dear Judge, and your 24 learned committee members, do not miss your opportunity to write into the Constitution of our land a provision which will lead to equal and equitable taxation on everything in our country, based upon the principle of ability to pay.

My reading and study has convinced me that interest and fixed dividends are two of the largest factors in wrecking this civilization. Certainly tax exemption must be classed with these two wrecking devices. Because of that upturn, taxes are piled high on the few.

It is easy to see why a church, a community center, or a public building should not be taxed. But I cannot, by any process of reasoning, find any justifiable cause for building up in this country a large group of property owners entirely free from the burden of support of our Government.

TAX-EXEMPT-BOND HOLDERS FORECLOSE TAX-PAYING FARMERS

One of our Oregon newspapers recently published a striking letter from one of my old friends just evicted by the Government through its land-bank agency. This statement by A. I. Mason, an orchardist of Hood River, is a striking commentary on our vicious system of establishing a privileged tax-free class:

Today, the 13th day of July 1935, I have witnessed evidence of one of the most dangerous problems ever known to farmers of America. This is the wholesale foreclosure process of farm mortgages, as now being enforced by our so-called "Federal land bank" of the United States. Three farm mortgages were foreclosed, mine being one of them. In my case it was the final chapter of nearly 40 years' struggle to save a little for a rainy day. But now, at the age of 75 years, through no fault of my own, I must turn it over to the non-taxable-bond holder.

Each of these other mortgaged farmers, while not so advanced in years, with all the hopes of every mortgaged farmer, was looking toward provision for that rainy day. They, like myself, were obliged to turn their hard-won earnings over to the Federal land bank to be distributed to the non-taxable-bond holders.

Herein lies the danger ahead for our farmers of America. This system of financing our farmers is so unfair and un-American that it would seem to any fair-minded person that it should be abolished at once and the whole farm-mortgage business turned over to the Government.

Our present land-bank system, as now permitted to feed on our suffering farmers, is private and is controlled, under the protection of our Government, as a shield to protect its highly paid employees, politically appointed.

Our whole national land-bank system is now so securely rooted in our political set-up that it is almost impossible to get our Congress to correct any of its many encroachments upon the American farmer.

Can anyone tell us why the American farmer is compelled to pay his taxes for the support of our schools, our roads, and our Government, while our land-bank bondholders do not contribute one penny for such noble work? Oh, how much longer will the American people permit this crime to be forced upon them?

INVESTIGATION OF SMUGGLING OF ALIENS INTO THE UNITED STATES

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 271, to authorize an investigation of smuggling of aliens into the United States and a study of the land-border patrol of the Immigration Service.

The SPEAKER. Is there objection?

Mr. McFARLANE. Reserving the right to object, I should like to have the resolution explained as to how much of an appropriation will be asked, and what committee will do the investigating?

Mr. DICKSTEIN. This is a very important resolution with respect to the smuggling of aliens into the United States. The Committee on Immigration and Naturalization has had before it for the last 3 or 4 years a number of complaints about organized smuggling groups and the highly elusive methods they use by which aliens are smuggled into this country, particularly along the Mexican border.

For the last 2 or 3 years from across the Mexican border there has been thrown over here 2,400 Chinamen, and we have had to deport them. Twenty-two agents have been shot in cold blood because there are certain regulations. The Committee on Immigration and Naturalization wants to make this investigation for the purpose of discovering, from actual study of conditions in the field, some way of putting some teeth into the law to prevent smuggling of aliens into the United States across our land and water boundaries and over the Mexican border. I submit to my friend from Texas that it is a very worthy investigation, which the resolution proposes being made by a special committee appointed by the Speaker from among the membership of the Immigration and Naturalization Committee.

Mr. McFARLANE. How much will it cost; how much are you asking for an appropriation?

Mr. DICKSTEIN. I have not asked for the appropriation, but I am willing to go before the Committee on Accounts just as soon as the investigation is authorized by the adoption of this present resolution.

Mr. McFARLANE. How much does the gentleman anticipate calling for?

Mr. DICKSTEIN. I do not think it will cost more than $15,000, and we will bring back to Congress a definite plan whereby practical legislation to curtail this smuggling of aliens can be considered by this House next session.

Mr. McFARLANE. Has the Rules Committee approved of it?

Mr. DICKSTEIN. I spoke to the Chairman of the Committee on Rules, and he suggested I bring it up today.

Mr. TABER. Has the committee reported this resolution?

Mr. DICKSTEIN. No. But I am asking unanimous consent of the House for its immediate consideration at this time.

Mr. TABER. I do not see how we can let this come up without a report from a committee, and I object.

INSPECTION OF VESSELS

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8598) to provide for the inspection and regulation of vessels engaged in the transporation of inflammable, explosive, and like dangerous cargoes in navigable waters of the United States.

The SPEAKER. Is there objection?

Mr. McFARLANE. Mr. Speaker, I reserve the right to object. I want the bill explained.

Mr. BLAND. At the present time there is no way for the Bureau of Navigation and Inspection to inspect vessels that are engaged in the transportation of inflammable, explosive, and dangerous cargoes. Take the city of New York, for example. Many vessels are engaged there in the harbor in transporting dangerous cargoes. There is no inspection. The evidence shows in one case where a vessel that had become obsolete so far as the War Department is concerned

was sold for a negligible sum; it was bought in at a low price and used for carrying dangerous cargoes. In a little while a fire occurred because of a backfire, and it caused the loss of life.

Mr. McFARLANE. What does this bill do to correct that, and how much is asked for?

Mr. BLAND. The bill has no specific appropriation. The sum would be very small. It puts the matter under the present Inspection Service and asks that the Bureau of Navigation and Inspection have the right to inspect those vessels.

Mr. SNELL. I will ask the gentleman from New York [Mr. CULKIN] in respect to the bill.

Mr. CULKIN. This is the dangerous cargo bill?

Mr. BLAND. Yes.

Mr. CULKIN. I think that is a proper bill and it should pass.

Mr. DONDERO. Does this also apply to the Great Lakes section of the country?

Mr. BLAND. This would apply to any section of the country.

Mr. O'CONNOR. This is the bill H. R. 8598?

Mr. BLAND. Yes.

Mr. O'CONNOR. The Port Authority of New York is very much interested. They fear that some of their bridges will be blown up.

Mr. BLAND. Yes; and also that destruction would occur along the water front. There has been some trouble and loss of life because these vessels are not under inspection.

Mr. SIROVICH. This bill has the unanimous report of our committee.

Mr. BLAND. That is true.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That no vessel, regardless of size or rig, excepting public vessels of the United States, shall transport on the navigable waters of the United States, from point to point in the continental United States, any inflammable, explosive, or like dangerous cargo, or anchor in such waters or go into drydock for repairs while having on board such dangerous cargo, until such vessel has been inspected by the board of local inspectors to determine that such cargo may be carried on such vessel with safety, and a permit issued to her for the presence on board of such cargo, which permit shall be framed under glass and posted in a conspicuous part of the vessel.

The Secretary of Commerce is authorized and directed to promulgate rules and regulations concerning construction, the appliances, and apparatus for stowage, of vessels used in the transportation of inflammable, explosive, or like dangerous cargo on said vessels in order to preserve life and property while in operation or at anchor. The local board of inspectors shall not issue a permit to any vessel until it finds that said vessel is in substantial compliance with the rules and regulations promulgated by the Secretary of Commerce: *Provided*, That this act shall not apply to a vessel covered by an unexpired certificate of inspection duly issued in accordance with law by the local inspectors of the Bureau of Marine Inspection and Navigation or, if a foreign vessel, by an unexpired certificate of inspection issued under the authority of its own government and recognized under law or treaty by the Government of the United States.

SEC. 2. A penalty of not to exceed $500 may be imposed for each violation of any of the provisions of this act or of any of the rules and regulations promulgated under the authority of this act. The vessel shall be liable for the said penalty and may be seized and proceeded against, by way of libel, in the District Court of the United States for any district within which such vessel may be found.

SEC. 3. This act shall become effective 60 days after its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

AMENDING SECTION 10A OF FEDERAL FOOD AND DRUGS ACT

Mr. COLMER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3194) to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 10A of the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended, is amended to read as follows:

"SEC. 10A. The Secretary of Agriculture, upon application of any packer of any sea food for shipment or sale within the jurisdiction of this act, may, at his discretion, designate inspectors to examine and inspect such food and the production, packing, and labeling thereof. If on such examination and inspection compliance is found with the provisions of this act and regulations promulgated thereunder, the applicant shall be authorized or required to mark the food as provided by regulation to show such compliance. Services under this section shall be rendered only upon payment by the applicant of fees fixed by regulation in such amounts as may be necessary to provide, equip, and maintain an adequate and efficient inspection service. Receipts from such fees shall be covered into the Treasury and shall be available to the Secretary of Agriculture for expenditures incurred in carrying out the purposes of this section, including expenditures for salaries of additional inspectors when necessary to supplement the number of inspectors for whose salaries Congress has appropriated. The Secretary is hereby authorized to promulgate regulations governing the sanitary and other conditions under which the service herein provided shall be granted and maintained, and for otherwise carrying out the purposes of this section. Any person who forges, counterfeits, simulates, or falsely represents, or without proper authority uses any mark, stamp, tag, label, or other identification devices authorized or required by the provisions of this section or regulations thereunder, shall be guilty of a misdemeanor, and shall on conviction thereof be subject to imprisonment for not more than 1 year or a fine of not less than $1,000 nor more than $5,000, or both such imprisonment and fine."

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

AMENDING THE BANKRUPTCY ACT

Mr. LLOYD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3002), to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The SPEAKER. The gentleman from Washington asks unanimous consent for the present consideration of the bill S. 3002, of which the Clerk will report the title.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, that is a very comprehensive measure and I would like to have some explanation of it.

Mr. LLOYD. Mr. Speaker, this is a bill that has been rewritten by the Committee on the Judiciary as a substitute for the bill that the Supreme Court declared unconstitutional. The committee has given very careful consideration to the bill. We have in no way reduced the security of the mortgagee. We have left his security intact, but we have made it possible for the bankruptcy court to retain jurisdiction for a period not to exceed 3 years. It is the feeling of the committee that if the farmers have a breathing spell they will be able to work out their own salvation. The bill we passed last year was declared unconstitutional on the ground that it impaired the security of the mortgagee.

Mr. SNELL. Is this the Frazier-Lemke bill?

Mr. LLOYD. This is the bankruptcy amendment bill. The gentleman should not confuse it with the Frazier-Lemke refinancing bill.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. LLOYD. Yes.

Mr. CELLER. It was my understanding that the members of the Committee on the Judiciary of which I am one and particularly the majority members, of which I also am one, would have an opportunity to file a minority report against this bill. I did not know the bill would be taken up under unanimous consent. I am personally opposed to the bill and I most reluctantly have to object. I think the minority should be given opportunity to file a report so that the Members may know what there is in the bill.

The SPEAKER. Objection is heard.

PISGAH NATIONAL FOREST

Mr. DOXEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1787) to add certain

lands to the Pisgah National Forest in the State of North Carolina.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection?

Mr. SNELL. What is this?

Mr. DOXEY. The Government owns 435 acres for a veterans' hospital. It is surrounded by land already owned by the Government in the Pisgah National Forest. The Veterans' Department wants the Forest Service to take charge of it and maintain it.

The Forest Service said they would be delighted, but that it would take legislation to do it. Therefore, the Senate passed the bill. It came to our Committee on Agriculture.

Mr. SNELL. All it does is transfer from one department of the Government to the other?

Mr. DOXEY. That is all it does.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the tract of land in Buncombe County, N. C., locally known as the "Grove Tract", acquired by the United States on December 19, 1927, for the use of the Veterans' Administration, being approximately 442 acres, be, and the same is hereby, added to the Pisgah National Forest and made subject to all laws and regulations relating to the use and administration of the national forests: *Provided, however*, That the tract shall be so managed as to conserve and protect the water thereon, which water shall remain available for the use of the Veterans' Administration.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRESCOTT NATIONAL FOREST, ARIZ.

Mr. DOXEY. Mr. Speaker, there is one other bill from the Committee on Agriculture. I ask unanimous consent for the immediate consideration of S. 2649, to provide for a recreation area within the Prescott National Forest, Ariz.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of Agriculture is hereby authorized in his discretion to designate and segregate for recreational development any lands not to exceed 4,000 acres within the Prescott National Forest, Ariz., which, in his opinion, are available for such purpose, and he is hereby authorized to enter into such form of cooperative agreement with, or issue such permits to the city of Phoenix, Ariz., for occupancy of said area for recreation purposes as in his opinion will permit the fullest use of the lands for such purposes without interfering with the object for which the national forest was established. Lands so designated and segregated under the provisions of this act shall not be subject to the mining laws of the United States: *Provided, however*, That such designation and segregation shall not affect valid existing mineral locations of record on the date of such segregation so long as such locations are legally maintained.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE PRIVATE CALENDAR

OMNIBUS BILL H. R. 8060

The SPEAKER. When the omnibus bill was under consideration on July 16 last there was pending as the unfinished business a vote on an amendment offered by the gentleman from California [Mr. COSTELLO] upon which a demand for a quorum failed.

The question is on the amendment offered by the gentleman from California [Mr. COSTELLO].

Mr. McFARLANE. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 174]

| | | | |
|---|---|---|---|
| Bankhead | Eaton | Kniffin | Peyser |
| Berlin | Eckert | Lemke | Ramspeck |
| Blanton | Eicher | Lesinski | Reece |
| Boileau | Fernandez | Lucas | Rogers, N. H. |
| Brewster | Fish | McGroarty | Romjue |
| Brooks | Gasque | McLean | Rudd |
| Buckbee | Gassaway | McLeod | Shannon |
| Buckley, N. Y. | Gillette | McMillan | Smith, Wash. |
| Bulwinkle | Gingery | McSwain | Snyder |
| Cannon, Wis. | Goodwin | Maas | South |
| Carter | Gray, Pa. | May | Sutphin |
| Cartwright | Greenway | Mitchell, Ill. | Sweeney |
| Claiborne | Halleck | Montague | Underwood |
| Clark, Idaho | Hancock, N. C. | Montet | Weaver |
| Cochran | Hartley | Moritz | Werner |
| Collins | Higgins, Conn. | Murdock | Wilson, La. |
| Crowther | Hill, Ala. | Norton | Wilson, Pa. |
| Dietrich | Hill, Knute | Oliver | Wolfenden |
| Dirksen | Hook | Parks | Wood |
| Dockweiler | Kimball | Patman | |
| Dunn, Miss. | Kleberg | Pettengill | |

Mr. PLUMLEY. Mr. Speaker, the gentleman from South Carolina [Mr. McSWAIN], the gentleman from Louisiana, and the gentleman from Alabama [Mr. HILL] are in conference with the Senate and detained.

The SPEAKER pro tempore (Mr. BOLAND). Three hundred and forty-seven Members are present, a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

APPROPRIATION FOR CONVENTIONS IN THE DISTRICT OF COLUMBIA

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 392, making appropriations to enable the Commissioners of the District of Columbia to defray certain expenses incident to conventions in the District of Columbia in August 1935.

The Clerk read the title of the House joint resolution.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The Clerk read as follows:

House Joint Resolution 392

*Resolved, etc.*, That for carrying out the provisions of Public Resolution No. 48 of the Seventy-fourth Congress, approved August 13, 1935, within the limitations and for the purposes therein expressed, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $20,000, payable wholly from the revenues of the District of Columbia.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE PRIVATE CALENDAR

OMNIBUS BILL—H. R. 8060

The SPEAKER. The question is on the amendment offered by the gentleman from California [Mr. COSTELLO].

Without objection, the Clerk will again report the amendment.

The Clerk read as follows:

Amendment by Mr. COSTELLO: Page 4, line 7, strike all down to and including line 4 on page 6.

The SPEAKER. The question is on the amendment of the gentleman from California.

The amendment was agreed to.

The Clerk read as follows:

H. R. 968

For the relief of James P. Spelman

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the United States Treasury not otherwise appropriated, the sum of $1,471.82 to James P. Spelman in full settlement of the claim which the said James P. Spelman has against the Government of the United States for loss he sustained under a sales agreement entered into on April 27, 1928, with the United States Indian warehouse service, said agreement having been entered into and executed under mistake of fact.

With the following committee amendments:

On page 6, line 9, strike out "$1,471.82" and insert "$429.16."

Page 6, line 15, insert the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent

thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The SPEAKER. The question is on the committee amendment.

The committee amendments were agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. COSTELLO: Page 6, line 5 to line 2, page 7, strike out all of the paragraph.

Mr. COSTELLO. Mr. Speaker, this particular bill would authorize the payment of $429.16 to James P. Spelman. Spelman contracted with the Government to supply paint brushes according to very definite specifications. After he had procured the contract, he claims that he discovered the contract was a little different from what he had anticipated; that he made several bids prior to that time where the specifications were different; and that he had not studied the specifications close enough. As a result he claims he lost money in completing the contract of the Government. Now this bill has been introduced to afford him a refund of the difference between the amount of his contract and that of the next higher bid that was offered to the Government.

I do not believe such refund should be granted, because it will establish a precedent whereby any contractor who receives a contract with the Government and sustains a loss would be justified in coming before Congress and asking us to refund the difference between his bid at the time he received the contract and the amount of money which he would have received had he made the next higher bid. The effect of allowing this claim would be that if a contractor, by reason of a low bid, won a contract, he could then ask the Government to indemnify him for any loss. It would completely nullify the practice of letting contracts under competitive bidding.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. PITTENGER. Is not this the case of a mistake as to the kind of material to be furnished?

Mr. COSTELLO. No; it was as to the requirements of the specifications. Changes were made in the type of brushes to be furnished and the contractor in bidding failed to study the changed specifications accurately. As a result he guessed they were the same as the original specifications. That is the reason he claims he suffered a loss.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. McFARLANE. If this kind of bill is passed will it not encourage contractors dealing with the Government intentionally to substitute something on their contracts and ask to be paid for the difference in cost, even though they intentionally violated their contract?

Mr. COSTELLO. The gentleman is correct. I think this would be a very dangerous precedent to establish.

The SPEAKER. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

The Clerk read as follows:

H. R. 1299

Giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.

That the Court of Claims of the United States be, and hereby is, given jurisdiction to hear and determine the claim of the Cherokee Fuel Co., Inc., Kansas City, Mo., for damages and for losses resulting from the cancelation by the depot quartermaster at St. Louis, Mo., of a contract between the United States Quartermaster Corps and the claimant, dated July 1, 1920, for furnishing coal at Camp Funston, Kans., to the Quartermaster Corps.

H. R. 1550

For the relief of Douglas B. Espy

That the Secretary of the Treasury be, and he is hereby, authorized and directed to reimburse Douglas B. Espy, chief machinists' mate, United States Navy, the sum of $1,033, out of any money in the Treasury not otherwise appropriated, for the loss of uniforms, clothing, and other personal property belonging to him and his wife, as a result of a fire in the quarters at the naval radio station, Cavite, P. I., on the 15th day of March 1927.

With the following committee amendments:

On page 7, line 16, strike out the word "reimburse" and insert the words "pay to."

On page 7, line 18, strike out "$1,033" and insert "$743.50."

On page 7, line 23, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: Page 7, line 14, strike out all of lines 14 to 25, inclusive, and all of lines 1 to 10, inclusive, on page 8.

Mr. HANCOCK of New York. Mr. Speaker, I have made this motion to strike out H. R. 1550 in order to get the judgment of the House on this type of claims.

The claimant in this case was an enlisted man in the Navy stationed in the Philippines. A fire occurred in the quarters where he was living which caused the destruction of some of his personal belongings. A very feeble attempt was made to base the claim on the theory of negligence. It is claimed that ants infested the quarters where this man lived and ate the insulation off the electric wires, thus causing a short circuit, which set his place on fire. There is no proof of this; it is mere surmise, so you can dismiss it from your minds. As a matter of fact, if there was any negligence, it was on the part of the man himself in not sweeping out the ants' nest from his own clothes locker.

We have a great many claims of this kind. There are a number of items on this calendar where officers of the Army or Navy or the State Department stationed abroad, through fire, earthquake, theft, or some other disaster, lost their personal belongings and ask to be reimbursed out of the Treasury. We ought to establish the policy the House is going to follow in these cases. If the Members feel that we should reimburse all the employees of the Government in the Foreign Service for loss of their personal belongings while stationed abroad, I shall be perfectly content with that judgment; but I think we ought to consider the question before we establish the policy. I have personally objected to paying these claims, but I want the Members to give some thought to the question of making a precedent which will be a guide to the men who examine this calendar. There are items of a similar character here today ranging from a few hundred dollars to several thousand dollars. Personally I do not see that the Government is under any obligation whatever to reimburse men for the loss of personal effects caused by disaster, fire, or theft. It is perfectly possible for these men to take out fire insurance and other forms of insurance, if they wish, to protect themselves. I see no reason why the Government should insure all its employees in the Foreign Service against loss.

There is no provision of law authorizing the payment of such claims except in the case of shipwreck and marine disaster. In such cases the men may be reimbursed for the loss of personal effects.

If we are going to reimburse employees of the Government in the Foreign Service for their personal losses, there ought to be a general law to that effect in order that all may be treated alike. Somebody should be charged with the responsibility of actually examining their claims to determine the real amount of the losses. As it is we have a hit-or-miss system under which an aggressive man will go to his Congressman, ask him to introduce a bill, give him

a general idea of what the loss is, and if the Congressman is particularly alert and active he will get his bill through and the man will get his money. The other man who takes his medicine, who is not quite so eager and aggressive, gets nothing.

There ought to be a general law covering cases like this. Personally, I think the amendment that I have offered should be adopted, and the item stricken from the bill along with a great many others of the same character. But, as I say, I want the judgment of the Members of the House on this question. I have no particular pride of opinion. I am glad that we have the opportunity through these omnibus bills to find out what the sentiment of the House is on various classes of bills that come before us. That is all I have to say, and I hope that the Members understand fully what the bill means and the importance of the policy it establishes.

Mr. PITTENGER. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, the opposition to this bill has been very ably and forcibly stated by my distinguished colleague, the gentleman from New York. I have no personal interest in this bill, but as a Member of the Claims Committee which considered it, I want to give you the attitude of the committee. We have a great deal of sympathy for these men in the Army and Navy who are moved about by our Government all over the world and subjected to special hazards such as are covered in this bill. I think I am correct when I say that bills of this character have been passed by preceding Congresses. It is a matter of opinion whether you want to deal fairly with these men. They are moved about every year or every 2 years. They travel here, there, and every place and until some man of the ability, the foresight, and broad-minded attitude of the gentleman from New York gets a general bill through and passed, we are working a hardship on these men in the Army and Navy.

The Navy Department recommends this bill favorably. The Claims Committee proceeded to follow the Navy Department. This appears on page 41 of the omnibus bill report down near the end of the page, if it is desired to refer to this question. My colleague from New York appeared before the subcommittee that put this bill in the omnibus bill and made a very able presentation, just as he has made here on the floor of the House today. It is a question of policy. If you want to be mean, if you want to be penurious, and if you want to count your pennies as against the members of the Army and Navy, then vote for the amendment, but the Committee on Claims did not feel that way about the matter.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New York.

The question was taken and on a division (demanded by Mr. HANCOCK of New York) there were—ayes 37, noes 40.

Mr. McFARLANE. Mr. Speaker, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

The Clerk read as follows:

H. R. 1771

For the relief of Pauline Fornabaio

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, the sum of $5,000 to Pauline Fornabaio on account of the death of her husband, Domenico Fornabaio, who was killed June 24, 1927, by a truck owned and operated by the Post Office Department.

With the following committee amendment:

On page 8, line 18, after the word "department", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendment was agreed to.

Mr. McFARLANE. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. McFARLANE: Page 8, line 11, down to line 5, on page 9, strike out the paragraph.

Mr. McFARLANE. Mr. Speaker, I hope I will have the attention of the Members of the House for just a minute to explain this bill. This bill provides for the payment of $5,000 for the death of a man by the name of Fornabaio, who was alleged to have been killed by a post-office truck back in 1927. There was no claim filed nor any affidavits secured in this case by anyone until 5 years after the accident. At the coroner's inquest the driver of the Government truck was completely exonerated of any negligence. The facts in this case show upon investigation by the Post Office Department that the driver of the truck was not negligent.

Mr. Speaker, this is typical of certain bills which appear on this calendar. These bills are brought in here and you gentlemen are asked, on affidavits secured 5 years or more after the accident, where the Government has had no opportunity to cross-examine the witnesses, to appropriate Government money to settle a disputed case of negligence. These affidavits would not be evidence in any court of law in the country. I hope the Members will give attention to this proposition, because we ought to settle it here and now, because this is typical of a number of bills that are being brought in here in this way.

We are asked on late affidavits to pay out Government money on a disputed question of negligence. I believe it will be agreed that it is wrong to pay Government money where there is a serious doubt as to whether or not the accident was the fault of the Government employee.

Mr. TABER. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that the claimant in this case refused to submit affidavits to the Post Office Department?

Mr. McFARLANE. I am not sure about that, but I know that the affidavits were submitted to the committee more than 5 years after the accident occurred. This shows very clearly that there is little or no merit to the claim, yet they come in here and ask that these claims be paid.

Mr. Speaker, I submit this proposition to the House in all sincerity. Where we have a disputed case of negligence on the part of Government employees all of these matters ought to be submitted to a fact-finding body where the Government side of the question may be fully presented. In other words, instead of introducing a bill requiring the payment of money by the Congress, a bill should be introduced asking for permission to go to the Court of Claims to adjudicate the disputed facts. Then, if there is any merit, they can come back here and ask for payment. I submit it is entirely wrong for Members to bring bill after bill of this kind and have them put on this calendar, which is full of such bills, involving questions of disputed negligence, and ask the Members of Congress to appropriate money with which to pay these claims based on affidavits secured years after the accident occurred. The Congress should not back up that sort of a proposition. Of course, the hue and cry is made that there is a widow and orphans—yes; and think of the other side, there are a lot of widows and orphans who will have to rub and scrub to pay taxes to pay such worthless claims as this.

Mr. PITTENGER. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Minnesota.

Mr. PITTENGER. May I say to the gentleman that I am a member of the Claims Committee and do not vote to report a bill unless the bill has merit. I hope the author of the bill is here to reply.

Mr. McFARLANE. He is here.

Mr. PITTENGER. Is it not a fact that there was a coroner's inquest and that all of the things the gentleman is referring to were established at a one-sided star chamber session of a coroner's proceeding, and the members of the deceased family were not present at all?

Mr. McFARLANE. That is not true, according to the record.

The records on file in the Post Office Department, including the report of the post-office inspector, show that the investigation of this case show that the mail truck which hit Fornabaio was being driven from the Bronxville branch to the post-office garage in Yonkers; that G. M. C. truck was traveling west on right side of Palmer Avenue about 12 to 15 miles per hour. As carrier approached Kimball Avenue he noticed a man standing in the street on Palmer Avenue and talking to another man in a car parked on the south side of Palmer Avenue; that the carrier blew his whistle and as he came within about 12 feet of the man he walked to the middle of Palmer Avenue and continued to talk to the man in the car parked on the south side. The carrier applied brakes and swerved his mail truck to the left to avoid hitting the man who appeared to be confused.

The man was struck by right side of bumper and right mud guard and carried about 20 feet until the mail truck was brought to a stop alongside of a Mack truck which was waiting to cross Palmer Avenue and standing on Kimball Avenue. The man fell from right mud guard of mail truck when brought to a stop and rolled under Mack truck which had moved slightly, so as to have right hand of man caught under left rear wheel of Mack truck. It appears that Fornabaio was talking to a man in a truck who had paid him a check and had hailed a bus to wait on the opposite side of the street.

There are several conflicting affidavits on file by eyewitnesses who state that the post-office truck was traveling at a rate in excess of 35 miles per hour. However, there is proof in the files of the Post Office Department that the truck was equipped with a governor limiting the speed of the truck to 18 miles per hour, and that after the accident the governor and the truck were examined and they were still sealed as they came from the factory and that the truck could not travel over 18 miles per hour.

The Post Office Department is opposed to the passage of this bill due to the fact that Fornabaio's death resulted from his own negligence and that the Government chauffeur was not responsible. At the coroner's inquest, the driver of the Government truck was acquitted. Fornabaio was not crossing at a regular intersection.

[Here the gavel fell.]

Mr. FITZPATRICK. Mr. Speaker, this claim grows out of an accident that happened in Westchester County at a place called Tuckahoe. Here was a man who was receiving his pay check from an automobile parked close to the crosswalk. He started to go across to the north side of the street when two mail trucks appeared going at a terrific speed. There are affidavits from three disinterested witnesses that they were racing. One of the automobiles struck this man.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield for a question?

Mr. FITZPATRICK. I shall yield to the gentleman in a moment.

The witnesses stated the automobile went 150 feet before the driver could stop it and it threw the deceased over on the wheels of another automobile.

The gentleman from Texas has referred to the statements of two witnesses who were brought into the coroner's court, which is a criminal court and has nothing to do with any civil action and where the plaintiffs never show their hands, because it is the criminal charge that is tried in such court.

There is a widow left and she is now living on charity. If this accident was caused by a privately owned truck, this widow would have received $25,000 from the courts in the State of New York from the owner of such truck.

Mr. McFARLANE. Is it not true that there were not any affidavits secured in this case until 5 years after the accident happened?

Mr. FITZPATRICK. That was the fault of the Government, because you cannot sue the Government. You simply submit your claim, which they did, to the Post Office Department without the affidavits, as no affidavits were requested, and they denied it. I then introduced a bill in the Seventy-second Congress and we are now considering the bill.

I may say to you that this widow is living on charity, her husband having been killed as a result of the negligence of this driver according to the testimony of three disinterested and reliable witnesses, not the kind of witness that went into the coroner's court and testified in order to free the driver.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. FITZPATRICK. Yes; I yield.

Mr. McFARLANE. According to the affidavits the gentleman has submitted in this case, one of the affidavits showed that the truck was traveling 35 miles an hour when the truck itself, under seal, could not travel more than 18 miles an hour, and this is the kind of evidence the gentleman is trying this case on and this is what the record shows.

Mr. FITZPATRICK. I know that is not true.

Mr. McFARLANE. I know it is true.

Mr. FITZPATRICK. That is like other statements the gentleman makes, with nothing to back up his statement except talk.

It is very seldom I bring in a case here, and I would not bring this case in if there were not merit in it. This man was killed through the negligence of the driver of this mail truck, and any man who votes against this bill is voting to deprive this widow of what she is legally entitled to, and if this case was tried in the civil courts of New York she would receive at least $25,000.

I am going to leave this up to your good judgment. Three disinterested witnesses claim that this automobile was going at a terrific speed and traveled 150 feet after striking this man.

I ask you to vote down the amendment. [Applause.]

The amendment was rejected.

The Clerk read as follows:

H. R. 1912

For the relief of William J. Ryan, chaplain, United States Army

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William J. Ryan, United States Army chaplain, Fort Winfield Scott, Calif., the sum of $225.75, in full satisfaction of his claim against the United States for damage to his automobile as the result of an operation of the United States Army on Lincoln Boulevard, Presidio of San Francisco, Calif., on April 18, 1929:

With the following committee amendment:

Page 9, line 15, insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendment was agreed to.

The Clerk read as follows:

H. R. 1962

For the relief of Albert H. Jacobson

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Albert H. Jacobson, of Miami, Dade County, Fla., the sum of $2,000, to compensate said Albert H. Jacobson for the loss of one master-six Buick sedan, serially numbered 1550359, which said automobile was seized by agents of the United States Government on the 27th day of April 1926 and has never been returned to the said Albert H. Jacobson: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. RICH. Mr. Speaker, I move to strike out the last word.

The SPEAKER pro tempore (Mr. O'CONNOR). The Chair cannot recognize the gentleman for that purpose.

The Clerk read as follows:

H. R. 2336

For the relief of the estate of Harry F. Stern

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal representatives of Harry F. Stern the sum of $18,704.89, but such payment shall not be made unless the Secretary of the Treasury receives evidence satisfactory to him that such legal representatives have paid a like sum (plus any penalty imposed by the Commonwealth of Pennsylvania) to the Commonwealth of Pennsylvania before the expiration of 90 days after the date of the enactment of this act. Such sum, payable to the Commonwealth of Pennsylvania as part of the inheritance tax imposed by the laws of such Commonwealth on the estate of the said Harry F. Stern, was erroneously paid to the United States as part of the Federal estate tax and its recovery has been barred by the statute of limitations.

Mr. PITTENGER (interrupting the reading of the paragraph). Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be printed in the RECORD.

Mr. TABER and Mr. RICH objected.

The Clerk resumed and concluded the reading of the paragraph.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 11, lines 1 to 17, strike out all the paragraph.

Mr. COSTELLO. This claim on behalf of the estate of Harry F. Stern is for a refund of inheritance taxes. The Federal return showed the total amount of tax against the estate to be $48,452. At that time a suit was pending in the court to determine the legality of the law of the State of Pennsylvania demanding 80 percent of the tax should be paid to the State of Pennsylvania rather than to the Federal Government. The law of Pennsylvania was sustained, and as a result out of the $28,000 that was paid to the Federal Government $18,000 is claimed as being erroneously paid to the Treasury instead of the State of Pennsylvania.

By the terms of this bill it would make it possible for the Federal Government to return the sum of $18,000 to the estate of Harry F. Stern. In a case of this sort where the attorney has passed on the inheritance tax and the payment has become final the suit should run against the attorney and not the Federal Government. If the attorney was at fault it is not the responsibility of the Federal Government. For that reason I move to strike out the paragraph.

Mr. PITTENGER. Mr. Speaker, as a member of the Claims Committee I am asking this question. I have no interest in Pennsylvania, as it is a long ways from my home. I want to ask the gentleman if it is not a fact, and as a result of the payment to the Federal Treasury, has not the Treasury $18,000 to which it has no legal right? And is it not a fact that the reason why the claim was not made against the Federal Government earlier was due to the long time that the case was before the Court on the constitutional question? They did not know that they were entitled to a refund until it was too late.

Mr. COSTELLO. Will the gentleman tell me when the court in Pennsylvania handed down its decision?

Mr. PITTENGER. I do not know that I can give the gentleman the date, but I have a letter that was written to a colleague.

Mr. COSTELLO. Can the gentleman give the date of the judgment rendered by the Pennsylvania court?

Mr. PITTENGER. No; I cannot. This letter says that the time expired while the suit was pending.

Mr. COSTELLO. While the Government received $18,000 that now may be collected again from the estate by the State of Pennsylvania, still that is no reason why the Federal Government should be forced to pay out this money, nor why we should be called upon to waive the statute of limitations. The same question is raised here in a number of bills asking us to waive the statute of limitations and for the Government to pay back money. We should not do this in every case that comes in without very real justification.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. TURPIN. Mr. Speaker, I rise in opposition to the amendment. The total inheritance tax that was due on this estate was approximately $48,000. At about the same time that Mr. Stern died, a bill was introduced in the Legislature of the State of Pennsylvania, and enacted, creating what is known as the "Recapture Act" providing for 80 percent of the inheritance tax to go to the State of Pennsylvania. The attorney for this estate settled the estate and paid the tax within 3 months following the death of Mr. Stern, a notable achievement, and as had been the rate of tax up to that time, sent a check for $20,000 to the State of Pennsylvania, and a check for $28,000 to the Government. The Recapture Act was in the Supreme Court, its constitutionality being in doubt. Everyone knows that you do not get decisions from the Supreme Court overnight. The thing dragged on and finally the Supreme Court upheld the Recapture Act. Neither the estate nor the attorney for the estate was notified until 3 or 4 days after the time limit had expired, prior to which time the attorney could have come to Washington and simply asked for his refunding check and received it. The facts resolve themselves down to this. The Government has $18,000 that it had no right to in the first place, and that it has no right to now.

Mr. EKWALL. As I understand the matter, disregarding the question of the statute of limitations, the Government has some money that it is not entitled to.

Mr. TURPIN. That is the fact.

Mr. EKWALL. That money ought to go to the State of Pennsylvania.

Mr. TURPIN. Positively, in all fairness. There was an error, and everybody makes errors, from the highest to the most lowly. This bill has been passed twice by the Senate, it was passed last session, and again this session, and I believe you will concede the Senate is made up of fair-minded, intelligent, and conscientious men.

The bill has been twice approved and favorably reported out of the committee in the House, after close study. I do not understand why anyone should protest against returning this money. If any man here received money to which he was not entitled, and it was called to his attention, I am sure that he would give it back.

Mr. COSTELLO. Is it not a fact that the Government was entitled to the full $48,000 of the inheritance tax, but by reason of the Pennsylvania law $20,000 was paid to the State of Pennsylvania? It was not until subsequently that $28,000 was paid to the Federal Government. The Federal Government collected the money under a right to collect it.

Mr. TURPIN. No; it was an error upon the part of the estate.

Mr. COSTELLO. It was an error on the part of the attorney for the estate.

Mr. TURPIN. Absolutely it was an error; but who made the error is not the question before us.

Mr. COSTELLO. Does the gentleman think that the estate would be willing to waive the statute of limitation had there not been a sufficient amount paid to the Federal Government? In other words, if the situation were reversed, would the estate be willing to waive the statute of limitations?

Mr. TURPIN. Certainly; if it was the honorable thing to do. In all fairness, and in view of the fact that the Senate has passed the bill twice, that both your committee and the Senate committee have favorably reported it twice, I ask that the House vote down the amendment as conscientiously as it would expect an overpaid creditor to be fair with each of you.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California.

The amendment was rejected.

The Clerk read as follows:

H. R. 2936

For the relief of J. H. Taylor & Son

That the Secretary of the Tresaury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not

otherwise appropriated, the sum of $3,500 to J. H. Taylor & Son, said sum representing a deduction by the Comptroller General of the United States from the contract price for the purchase of the Atlanta (Ga.) post-office building site.

With the following committee amendments:

Page 11, line 21, strike out the word "to" and insert in lieu thereof "in full settlement of all claims against the Government of the United States of."

Page 12, line 2, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. McFARLANE. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 11, line 18, down to and including line 14 on page 12, strike out all of the paragraph.

Mr. McFARLANE. Mr. Speaker, this is a claim for $3,500 by Taylor & Son, of Atlanta, Ga. They were real-estate brokers and had a contract with the Government for the sale of a post-office site for $880,000. It turned out that they had no title whatever to the land in question, and the Government had to secure the site through court proceedings, under the right of eminent domain. In condemning and buying in the property the Government lacked $3,500 of paying as much as the original price stipulated to these real-estate brokers, and they come in now and ask the Government to pay them, when they had no title to the property and no legal claim whatever to support their position. In a letter from Mr. Ogden Mills, then Secretary of the Treasury, on February 2, 1933, to Hon. L. M. Black, Chairman of the Claims Committee, he said:

The United States attorney states in letter to the Attorney General dated May 23, 1931, that neither J. H. Taylor nor J. H. Taylor & Sons owned one foot of property included in the new post-office tract, although the contract of purchase was made with them as agents.

It will be noted from copy of the bond executed by J. H. Taylor, that J. H. Taylor & Sons were to receive from the owners of the land a commission of approximately $4,000 should the site be acquired by the United States by direct sale, condemnation, or otherwise. The Treasury Department is without authority to pay commissions for the acquisition of land for Federal building sites.

The Comptroller General, in a decision dated May 13, 1931 (0324682-A-35701), disallowed the claim of $3,500, and the following excerpt is quoted from the aforesaid decision:

"The claimants were not the owners of the two parcels of land in question, nor did they purport to act for the owners. As stated, the United States had to obtain the land through condemnation proceedings. At best, the claimant was a broker in the condemnation proceedings. There was clearly no authority for contracting with the claimant to purchase from him something which he did not own and which he could not obtain—a contract for the purchase of something which the United States had to secure under its constitutional power of eminent domain. Such a contract is even worse than a wagering contract, for in such a case the contractor may be required to deliver the thing specified, while in this case it was known that the contractor was unable to deliver title to the two parcels of land and that it would be necessary for the United States to institute condemnation proceedings to secure such title.

"There was no authority of law for the contract in question, and consequently the contractor is not entitled to the item of $3,500 claimed, which is the difference between $880,000 as guaranteed in the contract and the amount of $876,500 which the United States was required to pay for the land. The item of $3,500 could not be allowed on the theory that the contract should be interpreted as one for the removal of the structures on the two parcels of land, for the item may be more or less than the cost of the removal of the structures and the law has specifically provided that such work shall be done after advertising, which has not been had here. As to the nullity of an alleged contract entered into without authority of law, see *American Standard Ship Fittings Corporation v. United States* ('0 Ct. Cls. 679).

"The claim must be and is disallowed."

In view of the foregoing, this Department is not in a position to make a favorable report on the proposed legislation.

They are merely outsiders, but that is typical of a number of these claimants that are coming in here sandbagging the Government.

If the Members of this House want to approve this kind of claim it is entirely up to you. Under the facts they have no merits in their claims, in my opinion. There is no reason in the world why we should pay such a claim as this. The Government had to condemn the property and had to buy it under legal proceedings, yet these people come here and ask us to pay them $3,500 for property which they had no title to, and the facts developed clearly showed they have no authority to contract to sell the Government this land they did not own and did not have any right to contract for the true owners. The Comptroller General held that their contract was worse than wagering, for they knew they could not perform their part and that the Government would be forced to condemn the land to secure title, which was done. There is no reason in the world why it should be paid.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. ZIONCHECK. Is this for a commission in a condemnation proceeding?

Mr. McFARLANE. Yes.

Mr. ZIONCHECK. Is this the commission they want for a condemnation proceeding?

Mr. McFARLANE. I suppose it is. They probably watched the trial of the case in court, and that is as close as they came to being due anything under the circumstances.

I hope the amendment will be adopted.

Mr. OWEN. Mr. Speaker, the author of this bill, the gentleman from Georgia [Mr. RAMSPECK], is necessarily detained from the House today due to a serious illness in his family, and he asked me to submit these facts for your consideration.

The claimants, J. H. Taylor & Son, entered into a contract with the Government, according to the letter of Mr. Ogden Mills, who was then Secretary of the Treasury. This letter stipulated in substance as follows:

The Treasury Department, under date of August 18, 1930, accepted the proposal of J. H. Taylor & Son for the sale to the United States of the land comprising the new post-office site for the sum of $880,000.

J. H. Taylor & Son is the claimant.

Mr. McFARLANE. Will the gentleman yield?

Mr. OWEN. I yield.

Mr. McFARLANE. This is the statement that comes from the Department on that. The Comptroller General refused the claim because he had no authority to make a contract for land they did not own. The Comptroller General further held that the contract was worse than a wager contract, for in such case the contractor must be required to deliver the thing specified, while in this case it was not known that the contractor was unable to deliver title to the two parcels of land in question and that it would be necessary for the Government to institute condemnation proceedings to clear the title, which they finally did.

Mr. OWEN. Yes, sir; I am reading from the statement submitted over the signature of Ogden Mills, the Secretary of the Treasury:

The Treasury Department, under date of August 18, 1930, accepted the proposal of J. H. Taylor & Son for the sale to the United States of the land comprising the new post-office site for the sum of $880,000. The acceptance contained the following conditions.

Now, J. H. Taylor & Son acted as agent for both the Government and the owners of these several sites that the Government was buying on which to erect a post office in Atlanta. It became necessary to clear title to two pieces of property that were to be selected. Hence, condemnation proceedings were adopted in order to clear the title, so Mr. Mills states in his letter. It was a friendly proceeding. Now, with reference to that, there was an error of $3,500. J. H. Taylor & Son guaranteed the Government against

any sum in excess of $880,000. The sum awarded was $876,500.

Mr. COSTELLO. Will the gentleman yield?

Mr. OWEN. I yield.

Mr. COSTELLO. I understood the gentleman to say it was a friendly condemnation suit?

Mr. OWEN. That is my understanding.

Mr. COSTELLO. I understand from reading the report that $800,000 was friendly, but the balance, $75,000, was not obtained in a friendly suit, but, rather, in a hostile suit. Part of it was obtained in a friendly eminent-domain action by the Government, but the balance of it was not.

Mr. OWEN. Yes. So these claimants are out this sum of $3,500. They accepted this contract as the agent of the Government and the property owners for this site. They are out this $3,500, fully expecting the Government to reimburse them up to the sum of $880,000, the sum agreed upon by the Government and by the landowners.

Mr. PITTENGER. Will the gentleman yield?

Mr. OWEN. I yield.

Mr. PITTENGER. And if this $3,500 is not paid, the Government breaks faith to that extent?

Mr. OWEN. The Government has paid $876,500, when the Government entered into a contract to pay the sum of $880,000. It has only paid $876,500.

Mr. PITTENGER. So that the gentleman from Texas [Mr. MCFARLANE] was just as correct as usual when he tries to kick up a lot of dust about this being an unwarranted claim?

[Here the gavel fell.]

The SPEAKER pro tempore (Mr. O'CONNOR). The question is on the amendment offered by the gentleman from Texas [Mr. MCFARLANE].

The question was taken; and on a division (demanded by Mr. MCFARLANE) there were ayes 14 and noes 42.

Mr. MCFARLANE. Mr. Speaker, I object to the vote on the ground that there is not a quorum present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 54, nays 278, not voting 98, as follows:

[Roll No. 175]

YEAS—54

| | | | |
|---|---|---|---|
| Allen | Edmiston | Kocialkowski | Romjue |
| Amlie | Faddis | Kramer | Sauthoff |
| Ashbrook | Fletcher | Lewis, Colo. | Scott |
| Biermann | Ford, Miss. | Luckey | Smith, Conn. |
| Binderup | Gavagan | McFarlane | Taber |
| Carpenter | Gehrmann | Maverick | Terry |
| Chandler | Hancock, N. Y. | Moran | Thom |
| Citron | Hildebrandt | Nelson | Turpin |
| Colden | Hoffman | O'Malley | Utterback |
| Costello | Johnson, Tex. | Patterson | White |
| Darden | Jones | Pierce | Young |
| Driscoll | Kennedy, N. Y. | Polk | Zioncheck |
| Eagle | Kloeb | Ramsay | |
| Eckert | Knutson | Rankin | |

NAYS—278

| | | | |
|---|---|---|---|
| Adair | Buckler, Minn. | Crosser, Ohio | Farley |
| Andresen | Burdick | Crowe | Fenerty |
| Andrew, Mass. | Burnham | Culkin | Ferguson |
| Arends | Caldwell | Cullen | Fitzpatrick |
| Arnold | Cannon, Mo. | Daly | Flannagan |
| Ayers | Carlson | Darrow | Focht |
| Bacharach | Carmichael | Deen | Ford, Calif. |
| Bacon | Cary | Delaney | Frey |
| Barden | Casey | Dempsey | Fuller |
| Beam | Castellow | Dickstein | Gearhart |
| Beiter | Celler | Dies | Gifford |
| Bell | Chapman | Dingell | Gilchrist |
| Berlin | Christianson | Ditter | Gildea |
| Blackney | Church | Dondero | Goldsborough |
| Bland | Claiborne | Dorsey | Granfield |
| Bloom | Coffee | Doutrich | Gray, Ind. |
| Boehne | Cole, Md. | Drewry | Gray, Pa. |
| Boland | Cole, N. Y. | Driver | Green |
| Boykin | Colmer | Duffey, Ohio | Greenway |
| Boylan | Cooley | Duffy, N. Y. | Greenwood |
| Brennan | Cooper, Ohio | Duncan | Greever |
| Brewster | Cooper, Tenn. | Dunn, Pa. | Gregory |
| Brooks | Cox | Ekwall | Griswold |
| Brown, Ga. | Cravens | Ellenbogen | Guyer |
| Brown, Mich. | Crawford | Engel | Gwynne |
| Brunner | Crosby | Englebright | Haines |
| Buck | Cross, Tex. | Evans | Halleck |
| Hancock, N. C. | Lundeen | Pittenger | Steagall |
| Harlan | McAndrews | Plumley | Stefan |
| Hart | McClellan | Powers | Stewart |
| Harter | McCormack | Quinn | Sullivan |
| Healey | McGehee | Rabaut | Sumners, Tex. |
| Hennings | McGrath | Randolph | Tarver |
| Hess | McKeough | Ransley | Taylor, Colo. |
| Higgins, Conn. | McLaughlin | Rayburn | Taylor, S. C. |
| Higgins, Mass. | McReynolds | Reed, Ill. | Taylor, Tenn. |
| Hill, Ala. | McSwain | Reed, N. Y. | Thomas |
| Hill, Samuel B. | Mahon | Reilly | Thomason |
| Hobbs | Mansfield | Rich | Thompson |
| Hoeppel | Mapes | Richards | Thurston |
| Hollister | Marcantonio | Richardson | Tinkham |
| Holmes | Marshall | Risk | Tobey |
| Hope | Martin, Colo. | Robertson | Tolan |
| Houston | Martin, Mass. | Robinson, Utah | Tonry |
| Huddleston | Mason | Robsion, Ky. | Treadway |
| Hull | Massingale | Rogers, Mass. | Turner |
| Imhoff | Mead | Rogers, Okla. | Umstead |
| Jenckes, Ind. | Meeks | Russell | Vinson, Ga. |
| Jenkins, Ohio | Merritt, Conn. | Ryan | Vinson, Ky. |
| Johnson, Okla. | Merritt, N. Y. | Sadowski | Wadsworth |
| Johnson, W. Va. | Michener | Sanders, Tex. | Wallgren |
| Kahn | Millard | Sandlin | Walter |
| Kee | Mitchell, Ill. | Schaefer | Warren |
| Keller | Mitchell, Tenn. | Schuetz | Weaver |
| Kelly | Monaghan | Schulte | Welch |
| Kennedy, Md. | Mott | Scrugham | Werner |
| Kenney | Murdock | Sears | Whelchel |
| Kerr | O'Brien | Secrest | Whittington |
| Kinzer | O'Connor | Seger | Wigglesworth |
| Kvale | O'Day | Shanley | Wilcox |
| Lambertson | O'Leary | Sirovich | Williams |
| Lambeth | O'Neal | Sisson | Withrow |
| Lamneck | Owen | Smith, Va. | Wolcott |
| Lanham | Palmisano | Smith, W. Va. | Wolfenden |
| Lee, Okla. | Parsons | Snell | Wolverton |
| Lehlbach | Pearson | Somers, N. Y. | Wood |
| Lemke | Perkins | South | Woodruff |
| Lewis, Md. | Peterson, Fla. | Spence | Woodrum |
| Lord | Peterson, Ga. | Stack | |
| Ludlow | Pfeifer | Starnes | |

NOT VOTING—98

| | | | |
|---|---|---|---|
| Andrews, N. Y. | Dirksen | Kleberg | Patton |
| Bankhead | Disney | Kniffin | Pettengill |
| Blanton | Dobbins | Kopplemann | Peyser |
| Boileau | Dockweiler | Larrabee | Ramspeck |
| Bolton | Doughton | Lea, Calif. | Reece |
| Buchanan | Doxey | Lesinski | Rogers, N. H. |
| Buckbee | Dunn, Miss. | Lloyd | Rudd |
| Buckley, N. Y. | Eaton | Lucas | Sabath |
| Bulwinkle | Eicher | McGroarty | Sanders, La. |
| Burch | Fernandez | McLean | Schneider |
| Cannon, Wis. | Fiesinger | McLeod | Shannon |
| Carter | Fish | McMillan | Short |
| Cartwright | Fulmer | Maas | Smith, Wash. |
| Cavicchia | Gambrill | Maloney | Snyder |
| Clark, Idaho | Gasque | May | Stubbs |
| Clark, N. C. | Gassaway | Miller | Sutphin |
| Cochran | Gillette | Montague | Sweeney |
| Collins | Gingery | Montet | Underwood |
| Connery | Goodwin | Moritz | Wearin |
| Corning | Hamlin | Nichols | West |
| Crowther | Hartley | Norton | Wilson, La. |
| Cummings | Hill, Knute | O'Connell | Wilson, Pa. |
| Dear | Hook | Oliver | Zimmerman |
| DeRouen | Jacobsen | Parks | |
| Dietrich | Kimball | Patman | |

So the amendment was rejected.

Mr. ROBINSON of Utah, Mr. BEITER, Mr. HOEPPEL, and Mr. MANSFIELD changed their vote from "yea" to "nay."

Mr. TURPIN and Mr. COLDEN changed their vote from "nay" to "yea."

The Clerk announced the following pairs:

Until further notice:

Mr. Doughton with Mr. Crowther.
Mr. Buchanan with Mr. Bolton.
Mr. Cochran with Mr. Carter.
Mr. Corning with Mr. Goodwin.
Mr. Lea of California with Mr. McLean.
Mr. Blanton with Mr. Wilson of Pennsylvania.
Mr. Miller with Mr. Short.
Mr. Oliver with Mr. Maas.
Mr. Connery with Mr. Hartley.
Mr. McMillan with Mr. Cavicchia.
Mr. Patman with Mr. Andrews of New York.
Mr. Doxey with Mr. Eaton.
Mr. Moritz with Mr. Buckbee.
Mr. Parks with Mr. Collins.
Mr. Fulmer with Mr. Dirksen.
Mr. Gasque with Mr. Fish.
Mr. Wilson of Louisiana with Mr. Kimball.
Mr. Kleberg with Mr. McLeod.
Mr. Sanders of Louisiana with Mr. Boileau.
Mr. Montague with Mr. Reece.
Mr. Burch with Mr. Schneider.
Mr. May with Mr. Dear.
Mr. Clark of North Carolina with Mr. Pettengill.
Mr. Sweeney with Mr. Eicher.
Mr. Underwood with Mr. Smith of Washington.

Mr. Kniffin with Mr. Gillette.
Mr. West with Mr. Zimmerman.
Mr. Knute Hill with Mr. Jacobsen.
Mr. Wearin with Mr. Hook.
Mr. Stubbs with Mr. Snyder.
Mr. Gingery with Mr. Dunn of Mississippi.
Mr. Fiesinger with Mr. Rudd.
Mr. Ramspeck with Mr. Dobbins.
Mr. Cummings with Mr. Lloyd.
Mr. Patman with Mr. Cannon of Wisconsin.
Mr. Disney with Mrs. Norton.
Mr. Dockweiler with Mr. Gassaway.
Mr. Rogers of New Hampshire with Mr. Sutphin.
Mr. Gambrill with Mr. Fernandez.
Mr. Dietrich with Mr. O'Connell.
Mr. DeRouen with Mr. Clark of Idaho.
Mr. Nichols with Mr. Lucas.
Mr. Larrabee with Mr. Biermann.
Mr. Bankhead with Mr. Buckley of New York.
Mr. Maloney with Mr. Lesinski.
Mr. Bulwinkle with Mr. McGroarty.
Mr. Cartwright with Mr. Montet.

The result of the vote was announced as above recorded.

The doors were opened.

The Clerk read as follows:

H. R. 3184

For the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to H. D. Henion, Harry Wolfe, and R. W. McSorley, State of Washington, the sum of $2,500. Such sum shall be in full settlement of all claims against the United States on account of injuries sustained March 10, 1931, as a result of blasting on the North Cispus Road, Ranier National Forest, Wash.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 12, beginning at line 19, strike out "to H. D. Henion, Harry Wolfe, and R. W. McSorley, State of Washington, the sum of $2,500. Such sum shall be" and insert in lieu thereof the following: "to H. D. Henion the sum of $2,300, to Harry Wolfe the sum of $100, and to R. W. McSorley the sum of $100, in all, $2,500."

The committee amendment was agreed to.

The Clerk read as follows:

H. R. 3557

For the relief of Helena C. VonGroning and Stephan VonGroning

Whereas during the late war with the Imperial German Government 25 shares of the preferred stock of the American Smelting & Refining Co. belonging to Helena C. VonGroning, a native-born citizen of the United States who had married a German subject, and 25 shares of said preferred stock belonging to Stephan VonGroning, her son, were seized by the Alien Property Custodian, together with other property belonging to the said Helena C. VonGroning and Stephan VonGroning; and

Whereas after the termination of the said war and pursuant to the acts of Congress in such cases made and provided, the said Helena C. VonGroning and Stephan VonGroning were entitled to the return of their said property and duly filed claims therefor; and

Whereas all of the said property so seized has been returned to the said Helena C. VonGroning and Stephan VonGroning except the said 50 shares of the preferred stock of the American Smelting & Refining Co., which could not be returned because the said Alien Property Custodian had erroneously delivered the same to a certain Mrs. Henschen, of Hamburg, Germany; and

Whereas the said Helena C. and Stephan VonGroning are entitled in right and justice to recover from the United States the value of said stock, together with the dividends paid thereon since the delivery to said Mrs. Henschen: Therefore

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $11,312.50 in full settlement against the Government, to Helena C. and Stephan VonGroning for and on account of the wrongful transfer of the 50 shares of preferred stock of the American Smelting & Refining Co. seized by the Alien Property Custodian, to Mrs. Henschen, of Hamburg, Germany, instead of to Helena C. and Stephan VonGroning, and for and on account of the failure to return and deliver the same to the said Helena C. VonGroning and Stephan VonGroning, together with the dividends thereon as required by law.

With the following committee amendments:

Page 13, after line 15, and on page 14, before line 1, strike out the preamble.

Page 14, line 13, after the word "law", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. CELLER. Mr. Speaker, I rise in opposition to the committee amendment, but do so only to make a few observations.

Mr. Speaker, it is not my purpose in any sense of the word to object to this bill. I want to draw the attention of the Members of the House to the fact that a bill of this character could not, in common parlance, "get to first base" if it were brought up in the Reichstag or any German assembly.

This bill provides for the payment of American money—American dollars—to a subject of Germany. Let us pause a minute. I say I am not objecting to the bill, but let this sink into the minds of each and every one of you—there is owing to Americans in this country more than $2,000,000,000 as holders of bonds, securities, and contractual obligations against German subjects, entities, corporations, and governmental units. The German Government has refused—deliberately refused in the face of diplomatic protests from this Government—to allow one penny of this indebtedness to be paid to American claimants despite the fact there are vast sums of money held in American banks to the credit of these German subjects, German municipalities, and entities. We can do nothing, however, because of what is known as "blocked marks." No money can be paid to Americans, although there may be standing to their credit millions of marks in German banks. Those marks are "blocked."

Now, think of this: There was on deposit in this country about $65,000,000 to service various German bonds. By absolute fraud, lies, and deceit the German Government imposed upon American bondholders and said it was unable to meet the interest to service those bonds, as a result of which the bonds dropped to ridiculously low figures. The German Government and its agents then deliberately took that interest money on deposit in American banks and bought those bonds at artificially low prices to the extent of $240,000,000 and canceled them. It really stole this interest money and bought the bonds—to the extent of four times the amount of the interest. If a private person would set out to depress by such fraud and deceit the market for its bonds and then go out and buy these bonds at depressed prices he would go to jail.

I say, Mr. Speaker, it is a very serious situation. Americans are unable to get their money due them. Over $2,000,000,000 is tied up in this way—frozen.

We could retaliate, of course; we could refuse to pay claims of the character of this bill; we could visit punishment on the innocent. The Germans do that with "blocked marks." We do not do that, however. I would be the last man in the world to urge you to do that; but certainly we ought to pause in our deliberations to learn something of the situation.

Mr. COSTELLO. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. COSTELLO. In this particular case the Alien Property Custodian actually paid this money to people other than the Von Gronings, to people who had absolutely no right to it. It was due to an error on the part of the Alien Property Custodian and it is perfectly justifiable that we should pay this claim. The gentleman does not feel, I hope, that because somebody else has committed one wrong that, therefore, the United States is justified in committing another wrong.

Mr. CELLER. The gentleman very probably was not paying attention to what I uttered a few moments ago when I said I did not oppose this bill. This bill should pass. My only purpose was to contrast our action with what we know would be the action of Germany under similar circumstances. It is interesting to note that Germany tried her tricks upon

England, Belgium, and other countries, but to no avail. Those countries threatened retaliation and to set up an exchange control as against Germany. Germany quailed. She failed to carry out her plans and made most important concessions.

[Here the gavel fell.]

The SPEAKER pro tempore. The question is on the committee amendments.

The committee amendments were agreed to.

The Clerk read as follows:

H. R. 3709

For the relief of the Norfolk Southern Railroad Co.

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Norfolk Southern Railroad Co. in the sum of $103,419.23 in full settlement of all claims against the Government of the United States for the removal of the old bridge and the construction of a new drawbridge and fender system over the Albemarle and Chesapeake Canal near Great Bridge, Va., to comply with the order of the War Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to, or received by, any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Beginning with line 15 of page 15, strike out down to and including line 11, on page 16, and insert in lieu thereof the following: "That jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding any limitations upon the jurisdiction and power of such court, to hear, determine, and render judgment upon the claim of the Norfolk Southern Railroad Co. against the United States, arising out of or incident to the removal of an old bridge and the construction of a new drawbridge and fender system over the Albemarle and Chesapeake Canal, now the Virginia cut of the Inland Waterway, near Great Bridge, Va., to comply with orders of the War Department."

The committee amendment was agreed to.

The Clerk read as follows:

H. R. 3783

For the relief of George W. Rhine, doing business under the name of Rhine & Co.

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George W. Rhine, of Alexandria, Va., doing business under the name of Rhine & Co., the sum of $20,000, in full satisfaction of his claim against the United States for damages resulting from (1) the occupation by the so-called "bonus marchers" during the months of May, June, and July 1932, of certain property owned by the United States in the District of Columbia on which such George W. Rhine was engaged under contract with the United States in wrecking and salvaging work, and (2) the interference by such bonus marchers with such work; such damages representing loss of salvaged material and ordinary sales return thereon, cost of insurance, and continuation of operations at a loss under orders from the Office of the Supervising Architect, Treasury Department, damage to the trucks and other property of such George W. Rhine, and subsequent inability to engage in the business of wrecking buildings due to loss of working capital.

With the following committee amendment:

At the end of line 17 insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The Clerk read as follows:

H. R. 4086

For the relief of Ellis Duke, also known as "Elias Duke"

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ellis Duke, also known as "Elias Duke", of the District of Columbia, the owner of the truck hereinafter referred to, the sum of $2,250, to compensate said Ellis Duke, also known as "Elias Duke", for the loss of one Dodge truck, serially numbered A918785, which said Dodge truck was illegally seized and confiscated by agents of the United States Government on the 16th day of April 1928 and which said Dodge truck was appropriated by the United States, and has never been returned to the said Ellis Duke, also known as "Elias Duke": *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

On page 18, line 11, strike out "$2,250" and insert in lieu thereof "$1,750."

The committee amendment was agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. COSTELLO: On page 18, line 5, strike out down to the end of line 4 on page 19, the entire paragraph.

Mr. COSTELLO. Mr. Speaker, in connection with this bill the claimant seeks to recover $1,750 for a truck that was taken by the prohibition authorities due to the fact that the truck was being used in the illegal transportation of liquor. The Committee on Claims state in their report that—

Had the claimant been properly represented in court * * * he would have been able to repossess the truck in question.

In other words, we again come to one of these cases where the attorney has failed to properly represent his client. Once again the claimant comes before Congress and asks that the Congress remedy the mistakes his attorney made in an attempt to protect him.

Mr. Speaker, it seems to me it is not the duty of the Congress to give redress for the errors that are committed by counsel. If there is any action for damages at all it would lie against the attorney and in no case against the Treasurer of the United States. During the course of the court proceedings the records in this case were changed and we find that numerous erasures were made upon the court records and other writings were inserted. As a result the court record appears to the benefit of the claimant involved in this bill. Who is guilty of the erasures or who made them has not been shown, but they were made for the benefit of the claimant here.

Mr. McFARLANE. Will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Texas.

Mr. McFARLANE. In the legal proceeding he did not recover title to the truck in question?

Mr. COSTELLO. He not only failed to recover title, but a petition for rehearing was asked, and in order to make it appear that the petition for rehearing was valid the dates on court records were erased and certain other dates inserted. In one instance a Sunday was inserted as a date upon which the court had rendered one of its decisions.

Mr. PITTENGER. Will the gentleman yield?

Mr. COSTELLO. I yield to the gentleman from Minnesota.

Mr. PITTENGER. There is nothing in any of the evidence to show that the claimant was a party to that sort of procedure.

Mr. COSTELLO. The records do not show that the claimant individually had anything to do with these erasures that were made on the court record, but it was done for his benefit. Even though he and his attorney were not guilty of making them, the erasures were made for the claimant's benefit in order to make it appear that he was justified in getting his petition for rehearing before the court, which the court denied. I simply want the Members of Congress to know that this matter has been adjudicated by the courts and the Committee on Claims is presenting it back to the

Congress to overrule the decision of the court and allow the man a judgment for the sum of $1,750.

[Here the gavel fell.]

Mr. PITTENGER. Mr. Speaker, I rise in opposition to the amendment.

I may say to the Members of Congress that this claimant lives in the District. In view of the statements which have been made, I should like the Members to give me their attention for a minute. This bill was introduced by the gentleman from Maryland [Mr. KENNEDY], Chairman of the Committee on Claims. I made the report.

Mr. COSTELLO. I believe the gentleman wants to be correct. He is the author of the bill.

Mr. PITTENGER. Then I am the author of the bill.

Mr. COSTELLO. The gentleman from Maryland [Mr. KENNEDY] made the report.

Mr. PITTENGER. Then, the reverse of what I said is correct. In a preceding Congress I made the report. The gentleman does not know about that, but that is a fact, so that I know exactly what this bill is about, because I wrote the report 3 or 4 years ago. Last year, when the bill was reached on the Private Calendar, the gentleman from Ohio [Mr. Truax] said that if the claimant would consent to reduce the amount to $1,750 he would have no objection. He was satisfied at that time.

The whole thing in a nutshell is that the Government seized this truck. The claimant, Duke, was acquitted. Anyone who has had anything to do with the prohibition laws knows that when a man is acquitted his automobile goes back to him. They did in this case what they have done on other occasions; that is, turned the truck over to the Treasury Department, which proceeded to wear it out, then they were not in shape to give it back to this claimant. They took advantage of legal technicalities instead of doing justice to Mr. Duke.

There were some changes made in the court records, but there is nothing to show that Duke had anything whatever to do with that matter. He may or may not have been a party.

Mr. McFARLANE. Will the gentleman yield?

Mr. PITTENGER. I yield to the gentleman from Texas.

Mr. McFARLANE. If such a thing is done in connection with the trial of a defendant in court that is for his benefit, it must be done by him or his attorney.

Mr. PITTENGER. That is right, or by someone else.

Mr. McFARLANE. If he is the beneficiary of it, naturally he is charged with the responsibility of his own paper. And where court papers are changed favorable to the defendant, naturally he or his attorney were to blame, and should receive no compensation from this Congress for that kind of conduct if for no other reason.

Mr. PITTENGER. No. The gentleman may draw all the wrong conclusions he wants, but that is one he is not going to draw. The amendment should be defeated. This man had his car taken away from him and it should be given back to him.

Mr. McFARLANE. Why did not the court give it back to him. The court held against him. He could not prove title to the car in court yet he wants Congress to now pay him for it.

Mr. PITTENGER. He may have had a poor lawyer to represent him. However, I am not sitting in judgment on that. I do know he was deprived of his car and he should have the price of it back.

Mr. MILLARD. Will the gentleman yield?

Mr. PITTENGER. I yield to the gentleman from New York.

Mr. MILLARD. The Department is of the opinion that the claim is without merit and they do not recommend the enactment of this bill.

Mr. PITTENGER. I say that the Department is wrong more times than it is right and this amendment ought to be defeated.

[Here the gavel fell.]

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. COSTELLO) there were—ayes 14, noes 42.

Mr. COSTELLO. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER pro tempore. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 97, nays 222, not voting 111, as follows:

[Roll No. 176]

YEAS—97

| | | | |
|---|---|---|---|
| Amlie | Edmiston | Kocialkowski | Rogers, Okla. |
| Ashbrook | Ellenbogen | Kramer | Romjue |
| Barden | Faddis | Lambeth | Russell |
| Binderup | Ferguson | Lanham | Sauthoff |
| Cannon, Mo. | Fiesinger | Lewis, Colo. | Scott |
| Carpenter | Fletcher | Luckey | Secrest |
| Casey | Ford, Calif. | McClellan | South |
| Castellow | Ford, Miss. | McFarlane | Starnes |
| Coffee | Fuller | McSwain | Taber |
| Colden | Gehrmann | Mahon | Tarver |
| Cole, N. Y. | Greever | Massingale | Taylor, Colo. |
| Colmer | Gregory | Maverick | Taylor, S. C. |
| Cooley | Hancock, N. Y. | Millard | Thomason |
| Cooper, Tenn. | Hancock, N. C. | Mitchell, Tenn. | Thurston |
| Costello | Harter | Murdock | Turner |
| Cox | Hildebrandt | Nelson | Utterback |
| Cross, Tex. | Hobbs | O'Day | Wearin |
| Crosser, Ohio | Hoffman | O'Malley | Whelchel |
| Deen | Hull | Patterson | Whittington |
| Dies | Imhoff | Pierce | Wood |
| Dorsey | Johnson, Okla. | Polk | Young |
| Doxey | Johnson, Tex. | Ramsay | Zioncheck |
| Driscoll | Jones | Rankin | |
| Duffey, Ohio | Keller | Rayburn | |
| Eckert | Kloeb | Rich | |

NAYS—222

| | | | |
|---|---|---|---|
| Adair | Doutrich | Kopplemann | Robinson, Utah |
| Allen | Drewry | Kvale | Robsion, Ky. |
| Andresen | Duffy, N. Y. | Lambertson | Rogers, Mass. |
| Andrew, Mass. | Duncan | Lamneck | Ryan |
| Andrews, N. Y. | Dunn, Pa. | Lee, Okla. | Sabath |
| Arends | Eagle | Lewis, Md. | Sadowski |
| Arnold | Ekwall | Lord | Sanders, Tex. |
| Ayers | Engel | Ludlow | Schaefer |
| Bacharach | Englebright | Lundeen | Schneider |
| Bacon | Evans | McAndrews | Schuetz |
| Beam | Farley | McCormack | Scrugham |
| Beiter | Fenerty | McGehee | Sears |
| Biermann | Fitzpatrick | McGrath | Seger |
| Blackney | Flannagan | McKeough | Shanley |
| Bland | Focht | McLaughlin | Sirovich |
| Bloom | Frey | McLean | Sisson |
| Boehne | Gasque | McReynolds | Smith, Conn. |
| Boland | Gavagan | Mansfield | Smith, Va. |
| Bolton | Gearhart | Mapes | Snell |
| Boykin | Gifford | Marcantonio | Somers, N. Y. |
| Boylan | Gilchrist | Marshall | Spence |
| Brennan | Gildea | Martin, Colo. | Stack |
| Brewster | Granfield | Martin, Mass. | Steagall |
| Brooks | Gray, Ind. | Mason | Stefan |
| Brown, Ga. | Gray, Pa. | Mead | Stewart |
| Brown, Mich. | Greenway | Meeks | Sullivan |
| Brunner | Greenwood | Merritt, Conn. | Taylor, Tenn. |
| Buck | Griswold | Merritt, N. Y. | Terry |
| Buckler, Minn. | Gwynne | Michener | Thomas |
| Burdick | Halleck | Monaghan | Thompson |
| Burnham | Harlan | O'Brien | Tinkham |
| Caldwell | Hart | O'Connell | Tobey |
| Carlson | Healey | O'Connor | Tolan |
| Carmichael | Hennings | O'Leary | Tonry |
| Cary | Hess | O'Neal | Treadway |
| Celler | Higgins, Mass. | Owen | Turpin |
| Christianson | Hill, Ala. | Palmisano | Umstead |
| Church | Hill, Samuel B. | Parsons | Vinson, Ky. |
| Clark, N. C. | Hollister | Pearson | Wadsworth |
| Cole, Md. | Holmes | Perkins | Wallgren |
| Cravens | Hope | Peterson, Fla. | Walter |
| Crawford | Houston | Pettengill | Warren |
| Crosby | Huddleston | Pfeifer | Weaver |
| Crowe | Jacobsen | Pittenger | Welch |
| Culkin | Jenckes, Ind. | Plumley | Werner |
| Cullen | Jenkins, Ohio | Powers | White |
| Daly | Johnson, W. Va. | Quinn | Wigglesworth |
| Darden | Kahn | Rabaut | Wilcox |
| Darrow | Kee | Randolph | Williams |
| Delaney | Kelly | Ransley | Withrow |
| Dempsey | Kennedy, Md. | Reed, Ill. | Wolcott |
| Dickstein | Kennedy, N. Y. | Reed, N. Y. | Wolfenden |
| Ditter | Kenney | Reilly | Wolverton |
| Dobbins | Kinzer | Richardson | Zimmerman |
| Dondero | Kniffin | Risk | |
| Doughton | Knutson | Robertson | |

NOT VOTING—111

| | | | |
|---|---|---|---|
| Bankhead | Bolleau | Bulwinkle | Cartwright |
| Bell | Buchanan | Burch | Cavicchia |
| Berlin | Buckbee | Cannon, Wis. | Chandler |
| Blanton | Buckley, N. Y. | Carter | Chapman |

| | | | |
|---|---|---|---|
| Citron | Gambrill | Lucas | Richards |
| Claiborne | Gassaway | McGroarty | Rogers, N. H. |
| Clark, Idaho | Gillette | McLeod | Rudd |
| Cochran | Gingery | McMillan | Sanders, La. |
| Collins | Goldsborough | Maas | Sandlin |
| Connery | Goodwin | Maloney | Schulte |
| Cooper, Ohio | Green | May | Shannon |
| Corning | Guyer | Miller | Short |
| Crowther | Haines | Mitchell, Ill. | Smith, Wash. |
| Cummings | Hamlin | Montague | Smith, W. Va. |
| Dear | Hartley | Montet | Snyder |
| DeRouen | Higgins, Conn. | Moran | Stubbs |
| Dietrich | Hill, Knute | Moritz | Sumners, Tex. |
| Dingell | Hoeppel | Mott | Sutphin |
| Dirksen | Hook | Nichols | Sweeney |
| Disney | Kerr | Norton | Thom |
| Dockweiler | Kimball | Oliver | Underwood |
| Driver | Kleberg | Parks | Vinson, Ga. |
| Dunn, Miss. | Larrabee | Patman | West |
| Eaton | Lea, Calif. | Patton | Wilson, La. |
| Eicher | Lehlbach | Peterson, Ga. | Wilson, Pa. |
| Fernandez | Lemke | Peyser | Woodruff |
| Fish | Lesinski | Ramspeck | Woodrum |
| Fulmer | Lloyd | Reece | |

So the amendment was rejected.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Buchanan with Mr. Cooper of Ohio.
Mr. Vinson of Georgia with Mr. Guyer.
Mr. Woodrum with Mr. Lehlbach.
Mr. Sandlin with Mr. Crowther.
Mr. Driver with Mr. Eaton.
Mr. Green with Mr. Short.
Mr. Kerr with Mr. Fish.
Mr. Patman with Mr. Woodruff.
Mr. Sumners of Texas with Mr. Lemke.
Mr. Ramspeck with Mr. Higgins of Connecticut.
Mr. Lea of California with Mr. Mott.
Mr. Haines with Mr. Schulte.
Mr. Rudd with Mr. Bell.
Mr. Smith of West Virginia with Mr. Chapman.
Mr. Thom with Mr. West.
Mr. Berlin with Mr. Claiborne.
Mr. Moran with Mr. Hill, Knute.
Mr. Richards with Mr. Wearin.
Mr. Peterson of Georgia with Mr. Larrabee.
Mr. Hoeppel with Mr. Hamlin.
Mr. Burch with Mr. Chandler.
Mr. Goldsborough with Mr. Dietrich.
Mr. Gillette with Mr. Peyser.

Mr. KELLER and Mr. HOBBS changed their votes from "nay" to "aye."

Mr. STEAGALL changed his vote from "aye" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed, read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. McFARLANE) there were—ayes 161, noes 49.

Mr. McFARLANE. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and seventeen Members are present, a quorum.

Mr. McFARLANE. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

So the bill was passed.

### PUBLIC WORKS ON RIVERS AND HARBORS

Mr. BEITER. Mr. Speaker, I ask unanimous consent for the present consideration of a House concurrent resolution (H. Con. Res. 37).

The Clerk read the House concurrent resolution, as follows:

House Concurrent Resolution 37

*Resolved by the House of Representatives (the Senate concurring)*, That in the enrollment of the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, the Clerk of the House of Representatives is authorized and directed to make the following changes:

Page 16, line 11, of the Senate engrossed amendments, strike out "4" and insert "3."

Page 25, line 12, of the Senate engrossed amendments, strike out "5" and insert "4."

Page 26, line 2, of the Senate engrossed amendments, strike out "6" and insert "5."

Page 26, line 12, of the Senate engrossed amendments, strike out "7" and insert "6."

Page 26, line 13, of the Senate engrossed amendments, strike out "8" and insert "7."

Page 26, line 14, of the Senate engrossed amendments, strike out "9" and insert "8."

Page 26, line 15, of the Senate engrossed amendments, strike out "10" and insert "9."

Page 26, line 16, of the Senate engrossed amendments, strike out "11" and insert "10."

Page 26, line 18, of the Senate engrossed amendments, strike out "12" and insert "11."

Page 27, line 3, of the Senate engrossed amendments, strike out "13" and insert "12."

Page 27, line 5, of the Senate engrossed amendments, strike out "14" and insert "13."

Page 27, line 12, of the Senate engrossed amendments, strike out "15" and insert "14."

The SPEAKER pro tempore. Is there objection to the present consideration of the House concurrent resolution?

Mr. SNELL. Mr. Speaker, as I understand, these are just some changes made necessary on account of the enrollment of the bill?

The SPEAKER pro tempore. The Chair so understands.

There was no objection.

The House concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

### OMNIBUS BILL—H. R. 8108

The SPEAKER pro tempore. The Clerk will report the next omnibus bill on the calendar.

The Clerk called the bill (H. R. 8108) for the relief of sundry claimants, and for other purposes.

The Clerk, proceeding with the reading of the bill, read as follows:

*Be it enacted, etc.*—

Title I—H. R. 531

Granting compensation to Walter F. Northrop

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Walter F. Northrop, of Tenafly, N. J., as compensation for injuries sustained by the said Walter F. Northrop when shot by a soldier at Edgewater, N. J., November 15, 1919.

With the following committee amendments:

Page 1, line 7, strike out the figures "$10,000" and insert "$2,500."

Page 1, line 8, after the words "New Jersey", strike out "as compensation" and insert "in full settlement of all claims against the Government of the United States."

Page 2, line 3, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

Mr. HOPE. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, beginning with line 3, strike out everything to and including line 15, on page 2.

Mr. HOPE. Mr. Speaker, the amendment which I have offered is for the purpose of striking this item from the bill. The facts in connection with this case are these: The claimant, while the guest of the driver of a taxicab, was shot by a passenger.

There is nothing in the evidence or in the report which shows that the man who did the shooting was a soldier of the United States Army, except that he wore a uniform.

Admitting that this is prima facie evidence, the fact remains that a most extensive search was made by both military and civil authorities to locate this alleged soldier, but without any success whatever. It seems very unusual that if the man was actually a soldier in Camp Merritt that no trace was ever found of him there.

We may admit for the purpose of argument that this man was a soldier, but the further fact remains that at the time

the shooting took place he was off duty, traveling around in a taxicab in the evening, apparently for recreation or pleasure, and the shooting was not in any way connected with his duty as a soldier.

He was not on duty, he was not in camp, and had gone to several places in the taxicab in the course of the evening.

I have every sympathy for the man who suffered this injury, but the fact remains that if we are going on record as holding that the United States Government is responsible for the acts of its employees, either military or civil while off duty, then we have gone a great ways.

There is no difference, as I see it, between this case and a case where an employee of the Treasury Department might happen to murder someone or run over someone with his car while off duty. In other words, the question is, Are we going to hold that the Government of the United States is responsible for the tortious acts of its employees when they are off duty?

Mr. McFARLANE. That is the question I was just going to ask. If we are to pass this kind of legislation it is going to make the Government of the United States an insurer for the tortious acts of all employees while they are off duty.

Mr. PITTENGER. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. PITTENGER. Were you in the committee room when the author of the bill was there and made the statement that he made the claim against the Government on the fact that this was probably a shell-shocked soldier, and if the Government had exercised proper supervision, it would not have occurred.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mr. KENNEY. Mr. Speaker, I rise in opposition to the amendment. I am rather surprised that the gentleman from Kansas [Mr. HOPE] should take the view he does of this case, and so, too, am I surprised at the statement of the gentleman from Texas [Mr. McFARLANE]. Both have gone off on the wrong theory.

This man who did the shooting wore the uniform of the United States Army. There is proof of that before the committee. You will find it in the report. It was a regulation uniform of the United States Army. Therefore, the presumption is that he was a United States soldier. This soldier, on the night of the shooting, in November 1919, left Camp Merritt, N. J. It should be borne in mind that that camp was an embarkation camp during the World War and served as a debarkation camp for the American Expeditionary Forces when they came back from the war. The returning soldiers went there to be looked over by physicians, to be passed on, as to their fitness condition, to find out whether they were shell shocked or mentally or otherwise affected as a result of their service on the battlefields of Europe. They were not kept there very long. When they were examined and if found defective in any way they were given hospitalization, and if found fit they were sent to the camps nearest their homes, to be discharged.

What did this soldier do? First of all, bear in mind that the prima facie evidence is that this man was a soldier of the United States Army, and we have to presume that as a matter of law, if we are to look at this as a jury. This soldier, responsible for the sad plight of Walter Northrop, presented himself at the Tenafly railroad station near Camp Merritt—and, remember, there was a military police in and around the camp and railroad station, looking for imposters and men absent without leave. The proof is that he accosted the driver of a taxicab who had Northrop with him, and said he wanted to go to Closter, which is nearby, to see his girl.

He hired the taxicab and he was driven to Closter by the driver, Northrop going along in the front seat with the driver, the soldier occupying the rear seat. When they got to Closter he did not know the whereabouts of any girl and ordered the taxi driver to Pearl River, N. Y. There, without leaving the cab, he asked to be driven to Edgewater, in New Jersey, and at the foot of Fort Lee Hill he shouted to stop the cab, that his hat had dropped out. Walter Northrop, who will be benefited by your act if this bill be passed, stepped out of the taxi as it stopped to get the hat and thereupon without warning the soldier shot him in the back, the bullet striking his spine. He is one of the finest boys you could ever meet in your life, but he is hopelessly paralyzed and for the rest of his natural life.

When residents in the neighborhood came to the scene the soldier was leaning over the back of the front seat as if he had put on the brake of the car. The soldier had also shot and killed the chauffeur. Asked what had happened, he said that "somebody must have run into us." He then got out of the car, said "get the police", and walked down toward the river and was never heard or seen again, although an extensive search was made for him. No one knows whether he jumped in or not or whatever became of him. All of these facts constitute evidence of derangement. That soldier was deranged. It is the only fair inference to be drawn from the facts and circumstances. A United States Army veteran returning from the World War would not do that sort of thing if he was out for recreation or pleasure, as the gentleman from Kansas [Mr. HOPE] says. I fail to perceive how he can ask you to believe any such thing—that a man in the uniform of the United States Army coming back from overseas would go out for recreation or pleasure as he says, such a short distance from the great debarkation camp, and deliberately commit murder for which there was no motive. There was no attempt at robbery and he did not run or flee from the scene of the tragedy.

I do not charge to a soldier of the United States any such cold-blooded murder, unprovoked and without reason. This man was not an imposter. He was too close to the camp. An impostor might pose at a distance from the camp but would hardly do so at the threshold of the camp. This, Mr. Speaker, is a meritorious case on the law and the facts. The man was wearing the uniform of the United States Army. All of the facts tend to show that the man was deranged, and if he was, it was neglect of duty on the part of the officers of the camp who let him out with the result that it devolved upon us to right the wrong resulting in the sad and serious injuries sustained by Walter Northrop. The case is most deplorable, and I urge the passage of the bill.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Kansas.

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 45, noes 70.

So the amendment was rejected.

The Clerk read as follows:

Title II—H. R. 1830

For the relief of Julia Santiago

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, to the legal guardian of Julia Santiago, of San Juan, P. R., the sum of $8,000 for injuries of a permanent nature arising out of a gunshot wound inflicted by Private Agustin Alvarez, United States Army, at San Juan, P. R., on June 30, 1924.

With the following committee amendments:

Page 2, line 21, strike out the words "the legal guardian of", and in line 22 strike out "$8,000" and insert "$2,500 in full settlement of all claims against the Government of the United States."

Page 3, line 2, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Mr. HANCOCK of New York offers the following amendment: Page 2, strike out all of title II.

Mr. HANCOCK of New York. Mr. Speaker, the facts in the case now under consideration are somewhat similar to those in the bill just passed. The House is in a peculiarly generous mood this afternoon, and I assume that this bill will be passed also. There is this distinction which can be made between the two. In the bill we are now considering there is no claim that the soldier involved was acting under orders or in any way within the scope of his duty. An American soldier stationed in Puerto Rico went to town on leave, became drunk, got into a fight with two of his noncommissioned officers, drew his gun, and tried to shoot one or both of them. Unfortunately he hit a passer-by, a little girl, who was very seriously and perhaps permanently injured, although there is some doubt about that fact. The soldier was court-martialed for shooting the girl, but the case was dismissed because the court found there was not sufficient evidence to justify conviction. If we are going to pay claims like this purely out of sympathy, there being no obligation whatever resting on the Federal Government to pay, then let us consider the advisability of passing a bill to reimburse that taxicab driver who got a judgment against a Member of Congress a year ago because of injuries alleged to have been received in an altercation with him.

I understand judgment was rendered for something like $2,000, which remains unpaid. Certainly that Congressman was not acting as a Member of Congress when he got into a fight with a taxicab driver. Neither was this soldier acting as a member of the Army when he got into a fight with the noncommissioned officers off duty.

Mr. EKWALL. Will the gentleman yield?

Mr. HANCOCK of New York. I yield.

Mr. EKWALL. He certainly was not acting as a Member of Congress when he won a fight, that is a cinch.

Mr. HANCOCK of New York. It depends on which side of the House he sits.

Mr. RICH. Will the gentleman yield?

Mr. HANCOCK of New York. I yield.

Mr. RICH. The gentleman made the statement that Congress seems to be in a good spending mood. Did the gentleman ever know of anybody that was a freer spender than this Congress?

Mr. PITTENGER. Mr. Speaker, the regular order.

Mr. HANCOCK of New York. Now, let us just assume that a clerk in the War Department going home tonight has an accident and injures somebody on the street. Is there any reason why the Federal Treasury should reimburse that injured party? There is no reason why this little girl, painfully injured as she was, should be reimbursed at the public expense. There is no theory on which payment of any such claim can be justified.

Mr. PITTENGER. Will the gentleman yield?

Mr. HANCOCK of New York. I yield.

Mr. PITTENGER. Cannot this distinction be drawn? Does not the gentleman think that when the Government has a group of soldiers or sailors, it owes a little different duty to the public than in the case of a clerk in one of the departments?

Mr. HANCOCK of New York. When the soldier is under orders, yes; and when he is under control of an officer, yes; when he is on leave, no.

Mr. PITTENGER. This man was down town and was drunk, was he not?

Mr. HANCOCK of New York. He certainly was not ordered to go down town and get drunk.

Mr. PITTENGER. But should not the Government have done something to supervise him so that he would not?

Mr. HANCOCK of New York. I say "No." Of course, that is a matter of opinion.

[Here the gavel fell.]

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New York [Mr. HANCOCK].

The question was taken; and on a division (demanded by Mr. HANCOCK of New York) there were ayes 63 and noes 40.

So the amendment was agreed to.

The Clerk read as follows:

Title III—H. R. 3596

For the relief of William H. Ames

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William H. Ames, of Boston, Mass., in full settlement against the Government, the sum of $5,000 for medical expenses and permanent injuries sustained by said William H. Ames when the automobile in which he was riding on November 5, 1919, was struck by an American Railway Express Co. wagon when the said company was under the control of the Director General of Railroads of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 3, line 21, strike out "$5,000" and insert in lieu thereof "$2,000."

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. McFARLANE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McFARLANE: Page 3, line 15, strike out title III.

Mr. RICH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. McSWAIN) there were ayes 75 and noes 82.

So the House refused to adjourn.

Mr. McFARLANE. Mr. Speaker, I ask for the yeas and nays.

Mr. SNELL. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count.

Mr. McFARLANE. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER pro tempore. The House can adjourn without a quorum. Evidently there is no quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 177]

| | | | |
|---|---|---|---|
| Adair | Clark, Idaho | Fulmer | McMillan |
| Andrews, N. Y. | Cochran | Gambrill | Maas |
| Bankhead | Collins | Gasaway | Maloney |
| Barden | Connery | Gillette | May |
| Bell | Corning | Gingery | Miller |
| Berlin | Crowther | Goldsborough | Mitchell, Ill. |
| Binderup | Culkin | Goodwin | Montague |
| Blanton | Cummings | Hamlin | Moran |
| Boileau | Darden | Harlan | Moritz |
| Bolton | DeRouen | Hartley | Mott |
| Boykin | Dietrich | Higgins, Conn. | Nichols |
| Brennan | Dingell | Hook | Norton |
| Brooks | Dirksen | Kerr | Oliver |
| Buckbee | Ditter | Kimball | Owen |
| Buckley, N. Y. | Dockweiler | Kleberg | Parks |
| Bulwinkle | Driver | Lambertson | Patman |
| Burnham | Duffey, Ohio | Lamneck | Patton |
| Cannon, Wis. | Dunn, Miss. | Lea, Calif. | Richardson |
| Carter | Eaton | Lemke | Peyser |
| Cartwright | Eicher | Lloyd | Ramspeck |
| Chandler | Faddis | Lucas | Reece |
| Chapman | Fernandes | McGroarty | Richardson |
| Claiborne | Fish | McLeod | Rogers, N. H. |

| | | | |
|---|---|---|---|
| Rudd | Smith, Wash. | Sweeney | Underwood |
| Schulte | Snyder | Thom | White |
| Shannon | Stubbs | Tolan | Wilson, La. |
| Short | Sutphin | Treadway | Wilson, Pa. |
| Smith, Va. | | | |

The SPEAKER. Three hundred and twenty-one Members have answered to their names, a quorum.

On motion of Mr. McSWAIN, further proceedings under the call were dispensed with.

TENNESSEE VALLEY AUTHORITY

Mr. McSWAIN, from the Committee on Military Affairs, filed a conference report and statement on the bill (H. R. 8632) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River, to provide for reforestation and the proper use of marginal lands in the Tennessee Valley, to provide for the agricultural and industrial development of said valley, to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933, for printing under the rule.

PUBLIC GRAZING LANDS

Mr. ROBINSON of Utah, from the Committee on Public Lands, filed a conference report and statement on the bill (H. R. 3019) to amend sections 1, 3, and 15 of an act to stop injury to public grazing lands, and for other purposes, for printing under the rule.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6732) entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 21 to the foregoing bill.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 7167) entitled "An act to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KING, Mr. COPELAND, and Mr. CAPPER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2681. An act to extend the times for commencing and completing the construction of a bridge across Lake Champlain at or near West Swanton, Vt.

The message also announced that the Senate had agreed to a concurrent resolution of the House of the following title:

H. Con. Res. 37. Concurrent resolution authorizing the Clerk of the House of Representatives, in the enrollment of H. R. 6732, to make certain changes in said bill.

THE PRIVATE CALENDAR

The SPEAKER. The gentleman from Texas is recognized for 5 minutes on the amendment.

Mr. McFARLANE. Mr. Speaker, in offering this amendment to strike out title III of this bill, I do so for this reason: This bill authorizes payment of a $2,000 claim to a man for an injury suffered November 5, 1919. The man was riding in a car which was struck by an American Railway Express Co. wagon. For that injury suffered back in 1919 he asks us now to pay him this sum of money.

The Department calls to our attention these facts: That this party was offered the opportunity of filing his claim for injury but did not do so until after the statute of limitations had run. The Department calls to our attention that if in the present status of this bill we allow this claim to be paid it will serve as a precedent for similar claims being filed long after the statute of limitations has run and perhaps the Government side of the case and its evidence have been destroyed.

For the reasons given for the enactment of the statute of limitations on all matters of this nature I think we ought not to set this kind of precedent. I think we ought to strike this claim out, that it should be disallowed. I hope the committee will vote for the amendment to strike out this section.

Mr. KOPPLEMANN. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. KOPPLEMANN. Did the Department say whether or not the claim was justified, whether or not the man was entitled to payment for the injuries?

Mr. McFARLANE. The Department called to our attention the fact that he did not file his claim with the Department until long after the statute of limitations had run.

Mr. KOPPLEMANN. That does not answer my question.

Mr. PITTENGER. He cannot answer it, either.

Mr. McFARLANE. Answering the gentleman, I may say that the Government offered the claimant $1,000 in settlement of the claim but the claimant did not accept it nor did he file his claim within the statutory period, but comes in here at this late hour asking settlement of injury suffered in 1919.

Mr. KOPPLEMANN. The answer to my question, then, is that the claim is justified.

Mr. McFARLANE. I do not know whether it is justified or not. If he had a justifiable case he ought to have tried it in the Court of Claims and have the matter adjudicated instead of letting it run along and coming to Congress asking Congress to give this to him on self-serving affidavits served long after the accident. No such affidavits are admissible in court and Congress should stop paying these claims of disputed negligence. According to Mr. A. M. Hartung in a letter to Mr. S. F. Andrews of the United States Railway Administration, dated February 5, 1930, he said:

> I enclose our office file in this matter which please return after it has served your purpose. You will see that the accident occurred about 5:40 p. m., November 5, 1919, during a snow and sleet storm, and that it was probably due to the negligence of Mr. Ames in driving too rapidly to permit him to stop in time to avert a collision with our vehicle. Our driver had just made a call at the Ginn Publishing Co.'s place of business in First Street, Cambridge, and was driving from First Street onto Commercial Street. There was a question, however, as to whether our driver had not made too short a turn onto Commercial Street, and as we were unable to locate any disinterested witnesses we thought it advisable to effect a settlement with Mr. Ames.
>
> Dr. George W. Morse examined Mr. Ames on January 30, 1920, and his report was to the effect that Mr. Ames received a severe injury of the right upper arm, the effects of which were rapidly disappearing, and that in his opinion there would be no permanent disability, and that he would probably be entirely well in 2 weeks.

Mr. PITTENGER. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I shall take but 1 minute only. I am sorry to take any time, but my colleague from Massachusetts asked me to explain this bill.

I may say that some 4 years ago I handled this matter when the gentleman from Illinois, Mr. Irwin, was Chairman of the Claims Committee. At that time the Claims Committee favorably reported this bill.

There is one simple answer to the statement of my colleague, the gentleman from Texas. In the first place, if there were not so many objectors to meritorious bills this would have been passed long ago, so there is no point to his argument that there was delay in filing the claim. Secondly, the claim agent of the Government, who was the claim agent of the express company, fooled along with this aged man until after the statute of limitation had run. He did not say they would pay him $1,000. The old man claimed $4,000. His injuries were very serious. The day after the statute of limitations ran the agent told the old man to "Go to hell", that the Government did not owe him anything and would not pay him anything.

I want to say that, under these circumstances, the gentleman is "barking up the wrong tree", and his amendment ought to be defeated. The vote is "no" on this amendment.

The SPEAKER. The question is on the amendment of the gentleman from Texas.

The amendment was rejected.

The Clerk read as follows:

Title IV—H. R. 3662

For the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918

That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, in accordance with certifications of the Comptroller General of the United States under this act, to each claimant or its or his heirs, representatives, administrators, executors, successors, or assigns, the amount of whose loss on account of fire originating from the operation of railroads by the United States in the State of Minnesota on or about October 12, 1918, has been determined by court proceedings or by the Director General of Railroads, the difference between the amount of such loss so determined and the amount actually paid by the United States to such claimant less any amount paid to such claimant by any fire insurance company on account of such fire: *Provided*, That notwithstanding the terms and conditions of any policy of insurance, or the provisions of any law, no fire insurance company, except farmers' mutual fire insurance companies shall have any rights in and to funds herein appropriated, the payments herein provided for, nor to any right of subrogation whatsoever. That said farmers' mutual fire insurance companies shall be paid in the same manner and to the same extent as other claimants: *Provided further*, That no person who makes claim under this act by virtue of having acquired and succeeded to the rights of the original claimant through purchase and assignment from said claimant of said claim, shall receive more than the amount actually paid for such claim and assignment.

SEC. 2. No payment under the provisions of this act shall be made unless an application therefor is filed with the Comptroller General of the United States by or on behalf of the person entitled to payment within 2 years after the date of the enactment of this act. The Comptroller General of the United States shall determine the amount due on any application, and the person entitled thereto under this act, and shall certify such determination to the Secretary of the Treasury, which determination shall be final. The Comptroller General shall promulgate rules and regulations as to the identity of claimants, the validity of assignments, and all other matters in connection with the determination of the amounts due and the persons to whom such amounts shall be paid under this act. The amount to be paid under this act shall be ascertained from the records of the Director General of Railroads, and such records shall be conclusive evidence of the amount of any such loss, the amount paid by the United States with respect thereto, and the amount paid by any insurance company with respect thereto. Such records shall also be conclusive evidence of the person entitled to payment, except that if any judicial proceeding in which final judgment has been rendered the right of any person to succeed to the rights of the person who suffered the loss by the fire has been determined, such judgment shall be conclusive as to the heir, representative, administrator, executor, successor, or assignee, as the case may be, entitled to payment.

SEC. 3. The words "person" and "claimant", as used in the act, shall include an individual, two or more persons having a joint or common interest, company, partnership, and municipal and private corporations.

SEC. 4. Any person or group of persons individually or collectively who charge or collect, or attempt to charge or collect, either directly or indirectly, any fee or other compensation for assisting in any manner any person in obtaining the benefits of this act in excess of 10 percent of the amount of the claim actually paid under this act, shall, upon conviction thereof, be subject to a fine of not more than $500 or imprisonment for not more than 1 year or both.

Mr. COX. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COX: Beginning on page 4, line 15, strike out everything down to and including line 8 on page 7.

Mr. COX. Mr. Speaker, this bill is the notorious Minnesota fire-claim case, in behalf of which a lobby has been maintained here during the whole of the present administration. It is inconceivable that a group of men and women devoted to the public interest could for a moment consider the adoption of this bill were they acquainted with the facts in the case. It will be recalled from a previous examination of this bill and from what has been stated on the floor with reference thereto that the claim grows out of a fire in the State of Minnesota which occurred in 1918, which was alleged to have been the result of the negligent setting of fire to the forests by a railroad then under the control of the Government. Many thousands of these claims were filed.

Mr. KVALE. Will the gentleman yield?

Mr. COX. I yield to the gentleman from Minnesota.

Mr. KVALE. The gentleman refers to an allegation when it is not an allegation. It is a fact substantiated time and time again in the courts and through other agencies.

Mr. COX. Anyway, there was a very terrible fire that took place in the State, which destroyed a great deal of property and cost many lives.

Claims were filed against the Government with the view of making collection to the extent of the damage alleged to have been sustained. Many of these cases were tried in the State courts of the State of Minnesota, with the result that findings were made against the Government on the facts in the case. Yet the record is full of testimony to the effect that there were other fires which may have caused the damage and with which the Government had no connection whatsoever.

After many of these test cases were tried with findings against the Government, the representatives of the Government proposed a settlement. A settlement was made as between the Government and all of the claimants and the matter was ended. Many years subsequent to the adjudication of the rights and after settlement was made as between the parties, these people come back and ask Congress to reopen the case and make settlement upon the basis of the amount of claims as originally made.

Mr. Speaker, let me make the observation that except for the political significance of the measure it would never have gotten this far.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. COX. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. The gentleman and I are both interested, I believe, as supporters of the war-minerals claims bill. I assure him there are no more politics in the present measure than in the other.

Mr. COX. Mr. Speaker, this bill is commonly referred to as a bare-faced bid for the political support of a State. Whether this be true or not it is the giving away of more than sixteen millions of the people's money.

Mr. PITTENGER. I take exception to that statement.

Mr. CHRISTIANSON. I challenge the statement.

Mr. COX. Mr. Speaker, this amendment should prevail. The bill ought to be defeated.

[Here the gavel fell.]

Mr. RYAN. Mr. Speaker, I rise in opposition to the amendment.

In reference to what the gentleman just said that this is a political bill, may I say that the bill was introduced in the House many, many years before the present administration came into power. It was introduced in this session by myself, a Democrat, by Mr. KVALE, a Farm-Laborite, and by Mr. PITTENGER, a Republican. All of the Representatives from Minnesota, regardless of party, have supported this bill unanimously.

On October 12, 1918, fires that started from the use of the railroads by the Government burned over 2,000 square miles of timber and woodland in northeastern Minnesota. Five hundred people lost their lives in that fire. Thirty million dollars' worth of property was destroyed. Litigation resulted, which remained in the courts of Minnesota for several years. Finally test cases involving the various areas concerned with in this bill got to the Supreme Court of Minnesota and that court determined liability against the Government.

Up to that time the Director General of Railroads had led these people to believe that if these test cases were decided against the Government he would pay 100 cents on every dollar of damages sustained. After the test cases were decided, he said:

No; I will not do that. I will pay you 50 percent of what you actually lost.

Mr. KVALE. Will the gentleman yield?

Mr. RYAN. I yield to the gentleman from Minnesota.

Mr. KVALE. He said also:

Unless you agree to accept 50 percent or nothing, you will get exactly nothing, and unless you go out and force all of your associates to make the same agreement none of you will get anything.

Mr. RYAN. He said if they did not take this 50 percent they could try their cases in the courts, which would have taken 10 years in the State of Minnesota. The courts in the area affected by these fires, taken together with all of the courts in the State, could not have tried all of these cases.

The Government sent out its adjusters to determine these losses. They determined how much the people had lost, how many cattle, chickens, hogs, and other property they had lost, and settled upon a figure as to the actual loss sustained. They then paid 50 percent of that loss.

Mr. Speaker, some of the Members say that this was a compromise settlement. People who had been living in tarpaper shacks for 10 or 12 years, with no resources and who were destitute, were told to try their cases in the courts when they had no money or opportunity to try them.

Mr. PITTENGER. Will the gentleman yield?

Mr. RYAN. I yield to the gentleman from Minnesota.

Mr. PITTENGER. The gentleman from Georgia stated that other fires may have done the damage. That question was all tried out in the courts and decided against the Government?

Mr. RYAN. Yes; very extensive evidence was taken on that matter.

Mr. KVALE. On page 15 of the report will be found a letter showing that the whole thing has been carefully investigated by the Attorney General at the request of the President, and that the President himself personally has given his stamp of approval to the justice of this claim.

Mr. RYAN. That is true. This matter involved extensive hearings on the part of the Committee on Claims. It has been reported by that committee several times. The bill has passed the Senate twice. The Attorney General of the United States has made an investigation and has reported that these claims have merit.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. RYAN. I yield.

Mr. SABATH. The evidence disclosed also that these people were absolutely wiped out and were penniless, and it was due to this fact that they were obliged to accept the settlement of 50 cents on the dollar.

Mr. RYAN. That is true.

There was no question about the liability being determined, and there was no compromise on the amount, because the Government agents determined the amount and paid half, and we are asking in this bill that they pay the other half, without interest; and remember that we are asking only that they pay what the Government agents determined was due.

Mr. PITTENGER. Mr. Speaker, will my colleague yield to me?

Mr. RYAN. I yield.

Mr. PITTENGER. In response to the suggestion of the gentleman from Georgia that this is an old bill, is it not a fact that this bill was introduced in Congress within 2 years after the last settlement made by the Government?

Mr. RYAN. Yes; that is true.

Mr. PITTENGER. And objections have prevented its consideration ever since.

Mr. RYAN. A vote for this bill is a vote to correct a great injustice which has been done to thousands of Minnesota citizens.

[Here the gavel fell.]

The SPEAKER. The question is on the amendment.

Mr. KVALE. Mr. Speaker, a parliamentary inquiry. Is this vote on the amendment of the gentleman from Georgia to strike out the paragraph?

The SPEAKER. It is.

The question was taken; and on a division (demanded by Mr. Cox) there were—ayes 64, noes 100.

Mr. COX. Mr. Speaker, I object to the vote on the ground there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and thirty-eight Members are present, a quorum.

Mr. COX. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 130, nays 168, answered "present" 1, not voting 131, as follows:

[Roll No. 178]

YEAS—130

| | | | |
|---|---|---|---|
| Adair | Driver | Lamneck | Ransley |
| Arnold | Duffey, Ohio | Lanham | Rich |
| Ashbrook | Eagle | Lesinski | Richards |
| Beam | Eckert | Lewis, Colo. | Robertson |
| Biermann | Edmiston | Ludlow | Russell |
| Bland | Ellenbogen | McAndrews | Sanders, Tex. |
| Boehne | Farley | McClellan | Schaefer |
| Brown, Ga. | Fiesinger | McFarlane | Secrest |
| Buchanan | Fletcher | McGehee | Shanley |
| Cannon, Mo. | Ford, Calif. | McLean | Smith, W. Va. |
| Carpenter | Ford, Miss. | McReynolds | South |
| Casey | Gasque | McSwain | Spence |
| Castellow | Gavagan | Mahon | Starnes |
| Chapman | Granfield | Mason | Taber |
| Church | Green | Meeks | Tarver |
| Citron | Griswold | Merritt, Conn. | Taylor, Colo. |
| Clark, N. C. | Halleck | Millard | Taylor, S. C. |
| Colden | Hancock, N. Y. | Mitchell, Tenn. | Terry |
| Cole, N. Y. | Higgins, Mass. | Moran | Thom |
| Colmer | Hill, Ala. | Murdock | Thomason |
| Cooley | Hobbs | O'Brien | Turner |
| Cooper, Tenn. | Hoffman | O'Day | Umstead |
| Costello | Hollister | O'Neal | Utterback |
| Cox | Holmes | Parsons | Vinson, Ky. |
| Cravens | Huddleston | Patterson | Weaver |
| Cross, Tex. | Imhoff | Pearson | West |
| Crosser, Ohio | Johnson, Tex. | Perkins | Whelchel |
| Darrow | Johnson, W. Va. | Peterson, Ga. | Whittington |
| Deen | Kee | Pettengill | Williams |
| Dies | Kelly | Pierce | Young |
| Ditter | Kloeb | Polk | Zimmerman |
| Dondero | Kniffin | Powers | |
| Doxey | Lambeth | Rankin | |

NAYS—168

| | | | |
|---|---|---|---|
| Allen | Dunn, Pa. | Kinzer | Reilly |
| Amlie | Ekwall | Knutson | Rogers, Mass. |
| Andresen | Engel | Kocialkowski | Rogers, Okla. |
| Andrew, Mass. | Evans | Koppelmann | Romjue |
| Andrews, N. Y. | Fenerty | Kramer | Ryan |
| Arends | Ferguson | Kvale | Sabath |
| Ayers | Fitzpatrick | Lee, Okla. | Sadowski |
| Bacharach | Flannagan | Lehlbach | Sandlin |
| Bacon | Focht | Lemke | Sauthoff |
| Beiter | Frey | Lloyd | Scott |
| Binderup | Gearhart | Lord | Sears |
| Blackney | Gehrmann | Luckey | Seger |
| Bloom | Gilchrist | Lundeen | Sirovich |
| Boland | Gildea | McCormack | Smith, Conn. |
| Brewster | Gingery | McKeough | Snell |
| Brown, Mich. | Goldsborough | McLaughlin | Somers, N. Y. |
| Brunner | Gray, Ind. | Mapes | Stack |
| Buck | Greenway | Marcantonio | Steagall |
| Buckler, Minn. | Greenwood | Marshall | Stefan |
| Burdick | Greever | Martin, Colo. | Stewart |
| Burnham | Gregory | Martin, Mass. | Taylor, Tenn. |
| Cannon, Wis. | Guyer | Massingale | Thomas |
| Carlson | Gwynne | Maverick | Thompson |
| Cavicchia | Hart | Merritt, N. Y. | Thurston |
| Christianson | Harter | Michener | Tobey |
| Coffee | Healey | Monaghan | Tonry |
| Cole, Md. | Hess | Nelson | Turpin |
| Cooper, Ohio | Higgins, Conn. | Nichols | Wadsworth |
| Crawford | Hildebrandt | O'Connell | Walter |
| Crosby | Hill, Samuel B. | O'Connor | Warren |
| Crowe | Hope | O'Leary | Wearin |
| Cullen | Houston | O'Malley | Welch |
| Daly | Hull | Palmisano | Werner |
| Delaney | Jacobsen | Peterson, Fla. | Wilcox |
| Dempsey | Jenckes, Ind. | Pfeifer | Wilson, La. |
| Dingell | Jenkins, Ohio | Pittenger | Withrow |
| Dobbins | Johnson, Okla. | Plumley | Wolcott |
| Dorsey | Kahn | Rabaut | Wolfenden |
| Drewry | Keller | Ramsay | Wolverton |
| Driscoll | Kennedy, Md. | Randolph | Wood |
| Duffy, N. Y. | Kennedy, N. Y. | Reed, Ill. | Woodruff |
| Duncan | Kenney | Reed, N. Y. | Zioncheck |

ANSWERED "PRESENT"—1

Wigglesworth

NOT VOTING—131

| | | | |
|---|---|---|---|
| Bankhead | Buckbee | Claiborne | DeRouen |
| Barden | Buckley, N. Y. | Clark, Idaho | Dickstein |
| Bell | Bulwinkle | Cochran | Dietrich |
| Berlin | Burch | Collins | Dirksen |
| Blanton | Caldwell | Connery | Disney |
| Boileau | Carmichael | Corning | Dockweiler |
| Bolton | Carter | Crowther | Doughton |
| Boykin | Cartwright | Culkin | Doutrich |
| Boylan | Cary | Cummings | Dunn, Miss. |
| Brennan | Celler | Darden | Eaton |
| Brooks | Chandler | Dear | Eicher |

| | | | |
|---|---|---|---|
| Englebright | Kerr | Mott | Scrugham |
| Faddis | Kimball | Norton | Shannon |
| Fernandez | Kleberg | Oliver | Short |
| Fish | Lambertson | Owen | Sisson |
| Fuller | Larrabee | Parks | Smith, Va. |
| Fulmer | Lea, Calif. | Patman | Smith, Wash. |
| Gambrill | Lewis, Md. | Patton | Snyder |
| Gasaaway | Lucas | Peyser | Stubbs |
| Gifford | McGrath | Quinn | Sullivan |
| Gillette | McGroarty | Ramspeck | Sumners, Tex. |
| Goodwin | McLeod | Rayburn | Sutphin |
| Gray, Pa. | McMillan | Reece | Sweeney |
| Haines | Maas | Richardson | Tinkham |
| Hamlin | Maloney | Risk | Tolan |
| Hancock, N. C. | Mansfield | Robinson, Utah | Treadway |
| Harlan | May | Robsion, Ky. | Underwood |
| Hartley | Mead | Rogers, N. H. | Vinson, Ga. |
| Hennings | Miller | Rudd | Wallgren |
| Hill, Knute | Mitchell, Ill. | Sanders, La. | White |
| Hoeppel | Montague | Schneider | Wilson, Pa. |
| Hook | Montet | Schuetz | Woodrum |
| Jones | Moritz | Schulte | |

So the amendment was rejected.

The Clerk announced the following additional pairs:

On this vote:

Mr. Maas (for) with Mr. Wigglesworth (against).

Until further notice:

Mr. Smith of Virginia with Mr. Treadway.
Mr. Sisson with Mr. Bolton.
Mr. Boylan with Mr. Gifford.
Mr. Cary with Mr. Culkin.
Mr. Doughton with Mr. Risk.
Mr. Fuller with Mr. Robsion of Kentucky.
Mr. Sullivan with Mr. Doutrich.
Mr. Mansfield with Mr. Tinkham.
Mr. Rayburn with Mr. Lambertson.
Mr. Mead with Mr. Englebright.
Mr. Jones with Mr. Schuetz.
Mr. Barden with Mr. Tolan.
Mr. Brooks with Mr. Robinson of Utah.
Mr. Schrugham with Mr. Berlin.
Mr. Wallgren with Mr. Faddis.
Mr. Lewis of Maryland with Mr. Owen.
Mr. Hennings with Mr. Mitchell of Illinois.
Mr. White with Mr. Boykin.
Mr. Darden with Mr. Hancock of North Carolina.
Mr. Quinn with Mr. McGrath.
Mr. Gray of Pennsylvania with Mr. Carmichael.
Mr. Dickstein with Mr. Brennan.

Mr. McANDREWS and Mr. PARSONS changed their votes from "no" to "aye."

Mr. GREEVER, Mr. FOCHT, and Mr. NELSON changed their votes from "aye" to "no."

Mr. WIGGLESWORTH. Mr. Speaker, on this vote I have a pair with the gentleman from Minnesota [Mr. MAAS], who, if present, would vote "no." I therefore withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

### MINNESOTA FIRE-CLAIMANTS BILL

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in connection with this bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PITTENGER. Mr. Speaker, the so-called "Minnesota fire-claimants bill" is known as "H. R. 3662." It is now a part of H. R. 8108, which is an omnibus claims bill, and in this bill is designated as follows: "Title IV—H. R. 3662. For the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918."

Briefly summarized, the facts which give rise to this legislation are as follows:

On October 12, 1918, the United States Government, through its Director General of Railroads, was operating the railroads in this country. On October 12, 1918, Government-operated railroads set various fires along their rights-of-way in northeastern Minnesota. A holocaust resulted, burning over an enormous amount of territory, destroying property and life. The Director General of Railroads denied liability on the part of the United States Government, and set up various defenses. Litigation ensued. The courts held against the Government, in various cases in test areas. Up to this time, the Government had refused to make any adjustment of the loss.

Negotiations were then entered into for an adjustment of the loss, although the Director General of Railroads had indicated that if liability was established against the Government, the loss would be paid in full.

The Director General finally announced that settlements would be made in areas selected by him; that before settlements were made, he would send his own investigators into the field, investigate every claim against the Government, determine for himself the amount of the loss, and then pay a percentage of that loss. When the claimants protested, he told them "they could take it or leave it."

Thousands of law suits were pending. It was impossible for the courts to try them. The expense involved and the fact that many years of litigation would be necessary left no other alternative for the fire claimants except to take the amounts offered. They were then told that in every case they must agree in the estimate by the Director General of Railroads as to the amount of damage; that they must agree in writing to accept in full settlement of their loss a percentage of said amount; that they must then agree to have judgment entered against the Government for that percentage, and that they must then satisfy that judgment.

According to my information, this procedure was followed in practically all cases, if not in all instances. At any rate, the Director General admitted at the hearings before the House committee in connection with H. R. 5660, Seventy-first Congress, second session, that there was a basis for legal claim in connection with every settlement he made, and that he determined the amount of loss each claimant suffered, and paid only a portion of that loss.

This bill, H. R. 3662, included in title IV of the omnibus bill, H. R. 8108, applies to every claimant with whom the Government made settlement for loss incurred by fires set by Government-operated railroads in the area affected by the bill on October 12, 1918. While negotiations may have been carried on between the claimants on the one hand, and the Director General of Railroads on the other hand, his testimony shows that the railroad claim agents, who were then Government claim agents, investigated every claim and determined for themselves the amount of loss. The purpose of this bill, which was prepared in consultation with legislative counsel in the House of Representatives, is to pay to each such person or claimant the difference between the amount they received and the amount that the Director General fixed as their actual loss.

The bill is fair and just and ought to pass. The Director General admitted in his testimony in March 1930 that there was a basis for a legal claim against the Government in every case that he settled, and the evidence clearly shows that the Government itself determined the amount of loss and the percentage of payment. This bill covers every such case. The legislative counsel drafted it for that purpose, and that was the intention when it was introduced. It does not cover any claim which was not made against the Government at that time, and where the Government did not make a partial payment.

In response to those who say that these people had their legal rights, let me call attention to the fact that the vast majority of these claims are small in amount, and the cost of trying any one lawsuit would amount to thousands of dollars. This was due to the fact that numerous witnesses had to be called to trace the course of the fire, and as I recall, in one lawsuit, it took several months to present the testimony. Then, the courts refused to try these cases. They took the position that other litigation occupied their time. It was suggested, at one point during the efforts to secure payment to the fire claimants, that the State legislature pass a law and create many additional judgeships, so as to have some of these cases proceed to trial, because they had been pending for 2 or 3 years, at that time.

It was estimated that it would take all of the courts in the State of Minnesota, doing nothing else, 10 years to try the fire claims. The State legislature took no action on the matter of providing for additional judges, when the poor and penniless people agreed to accept what the Director General

said he would pay them. Those who will benefit from the passage of this bill, for the greater part, are people in ordinary circumstances. A great many people now on relief rolls will benefit by the passage of this measure. It is proper for this great Government of ours to pay its honest obligations, and a vote for this bill is a vote to do just that and no more.

The Clerk read as follows:

Title V—H. R. 8725

To carry out the findings of the Court of Claims in the claim of the Morse Dry Dock & Repair Co.

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Morse Dry Dock & Repair Co., a corporation organized and existing under the laws of the State of New York, out of any money in the Treasury not otherwise appropriated, the sum of $331,879.25, as reimbursement for repairing and reconditioning the steamships *Princess Matoika, Pocahontas, Susquehanna, Potomac, America,* and *George Washington,* as found by the Court of Claims and reported in Senate Document No. 141, Seventy-third Congress, second session.

With the following committee amendments:

Page 7, line 17, strike out the words "as reimbursement" and insert "in full settlement of all claims against the Government of the United States."

Page 7, line 23, insert the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. SADOWSKI. Mr. Speaker, I rise in opposition to the committee amendment.

Mr. Speaker, I have not abused the privilege of this Well, and I ask unanimous consent that I be allowed to proceed for 5 minutes out of order at this time.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SADOWSKI. Mr. Speaker, on Saturday, August 17, the gentleman from Missouri [Mr. CANNON] made some misstatements relative to the meat strike in Detroit that should be corrected. I was not present at the time he spoke but was informed of his remarks and tried to find them in the RECORD. They did not appear until this morning in the Appendix.

I am sure the gentleman is fair and does not desire to willfully misrepresent to the House.

In the first place, the gentleman is under the misapprehension that this strike is aimed at the farmer. This is not true. The Congressmen from Detroit have voted wholeheartedly to increase the purchasing power of the farmer and to help him out of his miserable condition. The women have not criticized the farmer or opposed the plan to help him because they realize that they are partners in misery. They are not fighting the farmer; and the gentleman from Missouri should not make such accusations. They are fighting against the tremendous increase in prices—that is between the price of what the farmer gets and what the consumer has to pay. Their fight is aimed at the packers, processors, and middlemen.

It is a fact that there is no processing tax on beef and that the increase in both beef and pork to the consumer has been entirely out of reason with what the farmer receives. Cows can be purchased today for 4½ cents per pound, and yet the price of meat has increased 350 percent, in some instances, to the consumer, in the last 2 years. These women want to investigate the packers and processors and this request is reasonable. If the packers are gouging the public, certainly this Congress and the people are entitled to know.

Meat is a necessity to the man who labors hard.

The gentleman refers to the increase in the hourly wage that is paid to the automobile worker. The reports that I have received from the workers themselves do not bear this out since the N. R. A. went out of existence. We must realize that there is an oversupply of labor in Detroit; that a great number of people are on relief work; that in thousands of cases these workers receive only $10 or $12 per week and must pay rent and buy food and clothing out of that. They cannot afford to pay those exorbitant prices for meat on that kind of wage. I agree with the gentleman that if they received 70 cents per hour and worked regularly that there should be no complaint. But I challenge the gentleman to show that the husbands of these meat-striking wives receive any such wages.

With the advanced machinery and the mass-production system that has been developed, the automobile worker is indeed fortunate who can receive employmuent 4 or 5 months out of the year. The First District of Michigan, where this strike originated, was the darkest district on the depression map of America. There were areas where 9 out of 10 families were hungry and absolutely destitute, entirely dependent on public charity or welfare. I can show you photographs of people sleeping in the Perrien Park, using old newspapers to protect themselves from the frost and cold; children going through alleys ransacking garbage pails looking for something to eat.

These people are grateful to President Roosevelt and this Democratic administration that these conditions have been eliminated.

There are two resolutions pending before this Congress relating to the high price of meat that should be passed immediately. The first is Senate Joint Resolution No. 9, authorizing the Federal Trade Commission to investigate the monopolistic, oppressive, and unfair methods and practices of various middlemen, warehouses, processors, manufacturers, packers, and handlers who are responsible for these high prices.

This resolution was passed by the Senate and reported out of my Committee on Interstate and Foreign Commerce on July 23, 1935. It has since been reported out by the Rules Committee and should be brought out on the floor of the House.

If the gentleman from Missouri wishes to be of real service to the farmers in his district and to the consumers in my district he will cease attacking the housewives and work diligently for the passage of this resolution.

The other is a House resolution introduced by my colleague, Congressman DINGELL, asking for a House investigation.

I was deeply hurt to have these women referred to as foreigners and Communists. I resent very much having such remarks made about the people in my district. The city of Hamtramck, where this strike originated, cast a vote of about 11,000 in the last Presidential election. About 10,000 of these votes went for Roosevelt. In fact, in precinct no. 11, city of Hamtramck, Roosevelt received 637 votes and Hoover zero.

This is the strongest Democratic district in the State of Michigan.

Some people would still label a man a foreigner even though he were a third or fourth generation American simply because he carries the name that his forefathers brought from Poland, Italy, Russia, Rumania, or Czechoslovakia.

Perhaps to please them we should pass a law to change all these names to Jones, so that they would be like Pop-Eye's friend, "Whimpy", just one of the Jones boys.

Let me remind the gentleman that this district sent as many soldiers to the battle front in the last war as any district of equal population in the United States of America.

Let me say again, this is not a fight between the consumers and the farmers. This is a fight in the interest of both the consumer and the farmer. They are both entitled to know where this vast difference between the prices to the consumer and what the farmer receives goes to; that the present disparity between what the farmer receives and what the consumer pays be so equalized as to make meat within the purchasing power of the consumer.

I have no quarrel with the independent butcher. As a rule they have tough going from chain-store competition as it is. They have been the unfortunate victims of this meat strike. Senate Joint Resolution 9 should be passed quickly

so as to put an end to this meat strike, and I hope that the gentleman from Missouri, and the other Congressmen representing agricultural districts, will support it. [Applause.]

The committee amendments were agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 7, line 9, strike out all of title V.

The SPEAKER. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. MCFARLANE) there were—ayes 29, noes 67.

Mr. MCFARLANE. Mr. Speaker, I make the point of order that there is no quorum present, and object to the vote upon the ground that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. Evidently there is no quorum present. The call is automatic. The Doorkeeper will close the doors. The Clerk will call the roll.

The question is on the amendment offered by the gentleman from California [Mr. COSTELLO].

The question was taken; and there were—yeas 177, nays 102, not voting 151, as follows:

[Roll No. 179]

YEAS—177

| | | | |
|---|---|---|---|
| Adair | Fenerty | Ludlow | Schaefer |
| Allen | Flesinger | McAndrews | Schneider |
| Amlie | Fletcher | McClellan | Scott |
| Andrew, Mass. | Ford, Miss. | McFarlane | Sears |
| Arnold | Gasque | McGehee | Secrest |
| Ashbrook | Gearhart | McKeough | Seger |
| Bacon | Gehrmann | McLean | Smith, Conn. |
| Biermann | Gilchrist | Mahon | Smith, W. Va. |
| Blackney | Gingery | Mapes | Snell |
| Bland | Goldsborough | Marcantonio | Spence |
| Boehne | Gray, Ind. | Martin, Mass. | Starnes |
| Brewster | Greenway | Mason | Steagall |
| Brown, Ga. | Greenwood | Massingale | Stefan |
| Brown, Mich. | Gregory | Maverick | Stewart |
| Buchanan | Griswold | Meeks | Taber |
| Burnham | Guyer | Michener | Tarver |
| Carlson | Hancock, N. Y. | Millard | Taylor, Colo. |
| Carpenter | Hess | Mitchell, Tenn. | Taylor, S. C. |
| Castellow | Hill, Ala. | Monaghan | Terry |
| Chapman | Hobbs | Murdock | Thom |
| Church | Hoffman | O'Day | Thomas |
| Citron | Hollister | O'Neal | Thomason |
| Coffee | Holmes | Owen | Thurston |
| Colden | Hope | Parsons | Tobey |
| Colmer | Huddleston | Pearson | Umstead |
| Cooley | Hull | Perkins | Utterback |
| Cooper, Tenn. | Imhoff | Pettengill | Vinson, Ky. |
| Costello | Jenckes, Ind. | Pierce | Wadsworth |
| Cox | Jenkins, Ohio | Polk | Wallgren |
| Crawford | Johnson, Okla. | Powers | Wearin |
| Crosby | Johnson, Tex. | Randolph | Welch |
| Cross, Tex. | Johnson, W. Va. | Rankin | Whelchel |
| Crosser, Ohio | Jones | Reed, Ill. | Whittington |
| Crowe | Kee | Reed, N. Y. | Wigglesworth |
| Darrow | Keller | Reilly | Wilcox |
| Dies | Kinzer | Rich | Williams |
| Disney | Kloeb | Richards | Withrow |
| Ditter | Lambeth | Robertson | Wolfenden |
| Dobbins | Lamneck | Rogers, Mass. | Wolverton |
| Doxey | Lanham | Rogers, Okla. | Wood |
| Driscoll | Lesinski | Romjue | Woodruff |
| Engle | Lewis, Colo. | Russell | Young |
| Edmiston | Lewis, Md. | Sanders, Tex. | Zimmerman |
| Engel | Lloyd | Sauthoff | Zioncheck |
| Farley | | | |

NAYS—102

| | | | |
|---|---|---|---|
| Andresen | Delaney | Gray, Pa. | Lord |
| Andrews, N. Y. | Dempsey | Green | Lundeen |
| Arends | Dickstein | Gwynne | McCormack |
| Beam | Dingell | Halleck | McLaughlin |
| Beiter | Dorsey | Hart | McReynolds |
| Bloom | Duffey, Ohio | Healey | Martin, Colo. |
| Boland | Duffy, N. Y. | Higgins, Conn. | Merritt, N. Y. |
| Boykin | Dunn, Pa. | Higgins, Mass. | Nelson |
| Brunner | Eckert | Hildebrandt | Nichols |
| Buck | Ekwall | Hill, Samuel B. | O'Brien |
| Buckler, Minn. | Ellenbogen | Houston | O'Connell |
| Burdick | Englebright | Jacobsen | O'Connor |
| Casey | Evans | Kahn | O'Leary |
| Cavicchia | Ferguson | Kelly | Palmisano |
| Christianson | Fitzpatrick | Kennedy, Md. | Patterson |
| Clark, N. C. | Focht | Kennedy, N. Y. | Peterson, Fla. |
| Cole, Md. | Frey | Kenney | Pfeifer |
| Cole, N. Y. | Fuller | Kniffin | Pittenger |
| Cullen | Gavagan | Knutson | Plumley |
| Daly | Gildea | Kocialkowski | Rabaut |
| Deen | Granfield | Kvale | Robsion, Ky. |
| Ryan | South | Tonry | West |
| Sadowski | Stack | Turpin | White |
| Shanley | Taylor, Tenn. | Walter | Wilson, La. |
| Sirovich | Thompson | Werner | Wolcott |
| Somers, N. Y. | Tinkham | | |

NOT VOTING—151

| | | | |
|---|---|---|---|
| Ayers | Dear | Kleberg | Quinn |
| Bacharach | DeRouen | Kopplemann | Ramsay |
| Bankhead | Dietrich | Kramer | Rampeck |
| Barden | Dirksen | Lambertson | Ransley |
| Bell | Dockweiler | Larrabee | Rayburn |
| Berlin | Dondero | Lea, Calif. | Reece |
| Binderup | Doughton | Lee, Okla. | Richardson |
| Blanton | Doutrich | Lehlbach | Risk |
| Bolleau | Drewry | Lemke | Robinson, Utah |
| Bolton | Driver | Lucas | Rogers, N. H. |
| Boylan | Duncan | Luckey | Rudd |
| Brennan | Dunn, Miss. | McGrath | Sabath |
| Brooks | Eaton | McGroarty | Sanders, La. |
| Buckbee | Eicher | McLeod | Sandlin |
| Buckley, N. Y. | Faddis | McMillan | Schuetz |
| Bulwinkle | Fernandez | McSwain | Schulte |
| Burch | Fish | Maas | Scrugham |
| Caldwell | Flannagan | Maloney | Shannon |
| Cannon, Mo. | Ford, Calif. | Mansfield | Short |
| Cannon, Wis. | Fulmer | Marshall | Sisson |
| Carmichael | Gambrill | May | Smith, Va. |
| Carter | Gassaway | Mead | Smith, Wash. |
| Cartwright | Gifford | Merritt, Conn. | Snyder |
| Cary | Gillette | Miller | Stubbs |
| Celler | Goodwin | Mitchell, Ill. | Sullivan |
| Chandler | Greever | Montague | Sumners, Tex. |
| Claiborne | Haines | Montet | Sutphin |
| Clark, Idaho | Hamlin | Moran | Sweeney |
| Cochran | Hancock, N. C. | Moritz | Tolan |
| Collins | Harlan | Mott | Treadway |
| Connery | Harter | Norton | Turner |
| Cooper, Ohio | Hartley | Oliver | Underwood |
| Corning | Hennings | O'Malley | Vinson, Ga. |
| Cravens | Hill, Knute | Parks | Warren |
| Crowther | Hoeppel | Patman | Weaver |
| Culkin | Hook | Patton | Wilson, Pa. |
| Cummings | Kerr | Peterson, Ga. | Woodrum |
| Darden | Kimball | Peyser | |

So the amendment was agreed to.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Warren with Mr. Darrow.
Mr. Doughton with Mr. Maas.
Mr. Cravens with Mr. Bacharach.
Mr. Drewry with Mr. Cooper of Ohio.
Mr. McSwain with Mr. Marshall.
Mr. Sandlin with Mr. Ransley.
Mr. Cannon of Missouri with Mr. Merritt of Connecticut.
Mr. Boylan with Mr. Dondero.
Mr. Flannagan with Mr. Luckey.
Mr. Greever with Mr. Ashbrook.
Mr. O'Malley with Mr. Ramsay
Mr. Sabath with Mr. Turner.
Mr. Harter with Mr. Moritz.
Mr. Ayers with Mr. Brennan.
Mr. Caldwell with Mr. Duncan.
Mr. Richardson with Mr. Ford of California.
Mr. Patton with Mr. Lee of Oklahoma.

Mr. DOBBINS, Mr. BROWN of Michigan, Mr. ALLEN, and Mr. GREGORY changed their votes from "no" to "aye."

Mr. KELLY changed his vote from "aye" to "no."

Mr. SIROVICH changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. LEE of Oklahoma, for the remainder of the week on account of going to Claremore, Okla., to deliver the funeral oration at the Will Rogers memorial services.

To Mr. MAY for today on account of temporary illness.

THE PRIVATE CALENDAR

OMNIBUS BILL—H. R. 8108

The SPEAKER. The Clerk will read.

The Clerk read as follows:

Title VI—H. R. 4178

For the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, out of any money in the Treasury not otherwise appropriated, the sum of $968,748.12 in full settlement of all claims against the Government of the United States for losses sustained by the said International Manufacturers' Sales Corporation of America, Inc., during the years 1918 and 1919 while engaged, at the invitation of the United States Government, in furnishing articles of necessity to the

Siberian population of Russia under and in pursuance to the plan formulated by the War Trade Board in the fall of the year 1918 for extending economic aid to the Siberian population of Russia, said losses having been incurred through the inability of the said International Manufacturers' Sales Co. of America, Inc., to exchange the Russian rubles received from the sale of said articles of prime necessity into American dollars because of the regulation issued by the Federal Reserve Board under date of February 14, 1919, under authority of the Executive order of January 26, 1918, prohibiting the exportation or importation of Russian rubles or the transfer of funds for their purchase by persons or dealers in the United States.

With the following committee amendments:

Page 8, line 19, after the word "settlement", insert "of all claims against the Government of the United States."

Page 9, line 11, strike out the period, insert a colon, and the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

Mr. COSTELLO. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Beginning on page 8, line 11, strike out all of title VI.

Mr. COSTELLO. Mr. Speaker, the present bill is for the relief of the International Manufacturers Sales Co. of America. This company during the time of the great World War had sent to Russia a large shipment of shoes, in an attempt to sell them in Russia. As the price in Russia completely disappeared, it was proposed by the company to reship the shoes back to America, as they knew that because of the high prices in this country they could sell their shoes at a profit. At that time President Wilson proposed to bring relief to the Russians. He therefore had the agent of the United States War Trade Board in Russia contact Mr. Postnikoff, the head of this shoe company, and had him dispose of these shoes through the War Trade Board. In that way the War Trade Board agent took over the shoes and sold them to the Russians and collected from the Russians the entire purchase price in Russian rubles. The entire amount was paid to Mr. Postnikoff. He deposited it in a bank in Russia. At about this time a ruling was issued by the Federal Reserve Board prohibiting the exchange of American dollars into Russian rubles. The American dollar at that time was the sole medium of exchange or the basis whereby all currencies were valued throughout the world. Due to this ruling of the Reserve Board it was impossible for the International Sales Co. to exchange their Russian rubles for American dollars. As a result of that ruling, the claimant is now here before Congress asking that this Congress reimburse the International Sales Co. for the amount of Russian rubles which he lost in the bank in Russia.

The amount of this claim is $968,748.12. The only question that arises here is whether this Congress wishes to assume the obligation and decide that it is up to the Treasury Department to reimburse the International Sales Co. because of the fact that the Russian ruble was worthless, because it was impossible to exchange into any other currency, and because of the fact that the sales company was unable to do anything with these Russian rubles which they had on deposit in the bank in Russia.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. Yes.

Mr. HANCOCK of New York. Is it a fact that the International Sales Co. could not change the rubles into any money?

Mr. COSTELLO. I understand that because of the fact that the United States Government prohibited the exchange of Russian rubles into American dollars it was also impossible to get pounds sterling or French francs, since the American dollar was the medium of exchange.

Mr. HANCOCK of New York. I do not understand that to be the fact, but I am willing to take the gentleman's word for it.

Mr. COSTELLO. I understand it was not possible to make any exchange of Russian rubles into any other currency.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. MARTIN of Massachusetts. In other words, the reason this man did not convert his property into cash was because of an order of the United States Government?

Mr. COSTELLO. The order of the United States Government was made in order to protect American currency. The currencies of the countries throughout the world were in a complete turmoil. Values had disappeared, and the only means whereby values were estimated was in terms of the American dollar.

Mr. HOBBS. Will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. HOBBS. If the sale had gone through as originally planned, what money would the shoe company have received?

Mr. COSTELLO. Which sale does the gentleman mean? The sale contemplated when the shoes were first shipped to Russia?

Mr. HOBBS. Yes.

Mr. COSTELLO. The first sale that was planned would have called for payment to the International Sales Co. in rubles. In this particular instance, the first sale did not carry out because the price of commodities in Russia had completely disappeared and the American Government made possible the second sale.

Mr. PITTENGER. Will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. PITTENGER. It was presented before the Claims Committee, of which I was a member, which heard this matter.

Mr. COSTELLO. All bills that are presented in both the first and second as well as the third omnibus claims bill have been presented to the Claims Committee, have been passed upon by the Claims Committee and have been reported to the House and are now before the House. It is presumed that the Claims Committee acted in perfect good faith in passing upon the claims when they were before them, and I commend the committee for the work it has done during the present session.

The SPEAKER. The time of the gentleman from California [Mr. COSTELLO] has expired.

Mr. CLARK of North Carolina. Mr. Speaker, may I first make a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. CLARK of North Carolina. Is there an amendment pending to strike this section of the bill?

The SPEAKER. There is.

Mr. CLARK of North Carolina. I rise in opposition to the amendment.

The statement of the gentleman from California [Mr. COSTELLO] is so eminently fair that I was a little in doubt as to whether his motion was to strike this section from the bill.

I have no interest, near or remote, in this proposal, other than to see done what I believe to be justice. I happened, several years ago, to sit as a subcommittee of the Committee on Claims, for the purpose of hearing this claim. I did hear it at great length, in much detail, during a great deal of time. I am thoroughly convinced——

Mr. TABER. Would the gentleman yield right there for a question?

Mr. CLARK of North Carolina. In just a moment.

Mr. TABER. The question is if any other claims of this character have been allowed by the Government?

Mr. CLARK of North Carolina. The gentleman has been here longer than I have. I cannot answer that question.

Mr. TABER. Not in my time.

Mr. CLARK of North Carolina. I do not know whether such a claim has been allowed or not.

Mr. TABER. Not that I ever heard of.

Mr. CLARK of North Carolina. Well, this is a new day, you know; a new deal. [Applause and laughter.]

Mr. WIGGLESWORTH. Will the gentleman yield at that point?

Mr. CLARK of North Carolina. I cannot yield right now until I get a little farther with my statement.

This bill was introduced by the gentleman from New York [Mr. O'CONNOR]. I am having this to say about it simply because I acted as a subcommittee of the Committee on Claims.

There are three distinct facts which I think support the justice of this bill. First, these shoes were diverted by the owner from Vladivostock, where they were, almost, by accident. At the request of the Government agent at Vladivostok they were shipped into interior Siberia and sold for the purpose of relieving a condition that the administration was trying to relieve, in pursuance of which policy this Congress had appropriated five million or more dollars. The owner of these shoes sent them into Siberia at the invitation of the Government and sold them in pursuance of the Government's policy.

Mr. COSTELLO. Will the gentleman yield?

Mr. CLARK of North Carolina. Pardon me; I cannot yield now.

This Government was trying to maintain order in Siberia and keep that government from going the route that the government in European Russia had gone. These goods were shipped into interior Siberia under the supervision of the Government agent by trains that were being used by the Red Cross. They had to be sold on terms. They were sold on terms. Every dollar of the money was collected in Russian rubles and put in banks throughout Siberia—into many banks. The amount was much larger in Russian rubles than the amount of this bill, which represents the fair exchange value of Russian rubles at that time.

These facts were testified to before the subcommittee by gentlemen from the State Department and from the Federal Reserve Board. At that moment the Federal Reserve Board issued the order that appears upon page 32 of the report, prohibiting absolutely the importation or exportation of Russian rubles or exchange based thereupon, so that the owner of this money found himself unexpectedly and suddenly absolutely unable to get from Russia to the United States the money that he had deposited in those banks in Siberia.

The result was, after trying the Army, the Y. M. C. A., and every other agency in that country which might be interested in purchasing Russian rubles, and after trying to convert them into French or English exchange, he was unable to get a dollar of his money out of those banks; the whole of Siberia went Bolshevik, all the banks broke, and this claimant lost every dollar arising from the sale of goods made at the request of this Government and as the direct result of the order of the Federal Reserve Board prohibiting the importation or exportation of rubles or dealing in exchange based thereon.

Mr. O'CONNOR. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: Page 8, line 10, after the word "of", strike out "$968,748.12" and insert in lieu thereof "$968,740.12."

Mr. O'CONNOR. Mr. Speaker, obviously this is an amendment reducing the amount, so I may explain the bill to the House.

Mr. TABER. Mr. Speaker, I make the point of order that the amendment is not offered to the amendment, and thus is not in order.

Mr. O'CONNOR. Mr. Speaker, it is a perfecting amendment.

Mr. TABER. No; it is not a perfecting amendment.

Mr. O'CONNOR. The amendment offered was to strike out the entire clause.

Mr. TABER. It should have been offered as a perfecting amendment before the motion to strike was offered.

Mr. O'CONNOR. Mr. Speaker, the motion to strike out the entire paragraph can be held in abeyance until this perfecting amendment is acted upon.

The SPEAKER. The Chair understands this is a perfecting amendment to the paragraph.

Mr. TABER. And that it should be considered ahead of the amendment to strike out the paragraph.

The SPEAKER. And, of course, this motion would have precedence over a motion to strike out the paragraph.

Mr. TABER. It would if it were offered at the same time the motion to strike out the paragraph was offered, but it was not offered until the other amendment had been adopted.

The SPEAKER. It is not necessary that it be offered in advance of the motion to strike out the paragraph. The Chair thinks the amendment has been offered in time, and overrules the point of order.

Mr. O'CONNOR. Mr. Speaker, my only purpose in rising is to explain to the House that this bill was inherited by me from my predecessor. This company has been knocking at the gates of Congress for 17 or 18 years. I have never gone into the details of this bill as has the gentleman from North Carolina [Mr. CLARK], the gentleman from Oklahoma [Mr. NICHOLS], and the gentleman from Alabama [Mr. BANKHEAD], but these gentlemen who have, say it is absolutely justified on its merits. It has passed the Senate in three Congresses. It has been objected to in the House solely because of the amount involved. I realize the amount is large, but as I have maintained on this floor, if our Government does a wrong to one of its citizens, whether it is to the extent of $5 or $5,000,000,000, it should reimburse the citizen. In this case the Federal Reserve System and the State Department say that our Government did a wrong to this man and his company which cost him this money. No one has attempted to dispute this fact.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. PITTENGER. Is it not a fact that three different Secretaries of State have favorably recommended action on this bill?

Mr. O'CONNOR. Yes. The Federal Reserve Board has always. Now, that is the situation. I probably know less about this bill than any member of the Claims Committee who has studied the bill, but those who have studied the bill support it whole-heartedly and favor it.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to withdraw my amendment.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. McFARLANE) there were—ayes, 53, noes 110.

Mr. McFARLANE. Mr. Speaker, I object to the vote on the ground there is not a quorum present, and make the point of order there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-seven Members are present, a quorum.

Mr. McFARLANE. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

So the amendment was rejected.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 9, lines 13 and 19, strike out the figures "10" and insert the figure "5."

Mr. COSTELLO. Mr. Speaker, this amendment simply reduces the attorney's fee from 10 percent to 5 percent. If allowed at the rate of 10 percent, it would be approximately $100,000.

The SPEAKER. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

Mr. McFARLANE. Mr. Speaker, I offer another amendment to this section, which I send to the desk:

The Clerk read as follows:

Amendment by Mr. McFARLANE: Strike out "968,748.12" wherever it appears in the bill and insert "$500,000."

Mr. McFARLANE. Mr. Speaker, I believe that if all the facts in this case were known to the Members of Congress in the short time we have to debate this matter, we would strike out the full amount rather than giving them half or a little more, as this amendment does. This is a war claim from away back in 1918. If it had any merit at all, it would have been paid long before now. The most that can be said about this bill is that it is a moral obligation. This money had been placed in a bank and left there for more than a month when this order of the Federal Reserve, that has been mentioned, was given. I do not think there is any moral obligation that requires the United States to pay any amount. Very little information can be secured from the State Department because they do not have any information about this matter, apparently. Since the House has voted to pay this amount, I think the Members should be given the opportunity of saying whether or not $500,000 is a reasonable sum to pay in this instance. I think it is more than liberal. I think it is more than generous. I see no reason why the Government should pay any amount in this case, but if we are going to have the Government pay something, I believe $500,000 is a very liberal amount.

Mr. Speaker, I trust the amendment I have offered will be adopted.

Mr. HANCOCK of New York. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from New York.

Mr. HANCOCK of New York. It is fair to assume there were a great many American companies and American individuals which held money in Russian banks at the same time and were caught in the same manner. This is only the beginning of what it is going to cost the Government. It is probably fair to assume there will be a great many claims of the same sort based on the same theory, and this will result eventually in the Government's paying out not $500,000 or $1,000,000, but an untold sum.

Mr. McFARLANE. I thank the gentleman for his contribution. I am sure our grandchildren will be paying claims which will be brought in here on a similar statement of fact. This is going to set a precedent for the payment of any number of claims of this kind and character. Where is it going to end? Who is going to furnish the money? How are the taxpayers of this country ever going to raise the money to pay these so-called "moral obligations"?

Mr. ZIONCHECK. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Washington.

Mr. ZIONCHECK. Did the gentleman point out that the International Sales Co. had this money under their own control in banks over there for a period of 1 month before this order came out and as reasonably prudent people should have gotten this money out of Russia?

Mr. McFARLANE. Yes. I tried to call that fact to the attention of the House. There is no reason why we should be responsible for the negligence of those people; yet, that is what we are doing. We are putting an additional liability upon the poor overburdened taxpayers of this country for the negligence of this company. I cannot understand why we should do that.

Mr. ENGEL. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Michigan.

Mr. ENGEL. I lost $300 in the French Exchange while serving in the American Army in France during the war. It seems that if we are going to pay claims like this I should put in a claim for the amount due me.

Mr. McFARLANE. The gentleman has a better claim than the one we are considering.

This is going to set a precedent for the payment of many millions of dollars on just such worthless, flimsy bills. I hope the House will adopt my amendment and save at least $468,748.12.

Mr. O'CONNOR. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, the gentleman has been indulging in a post mortem principally as to the merits of the bill. If the gentleman had offered his amendment calling for the payment of $500,000 in the beginning I would have opposed it, and stated that we should give this man the amount which Congress after Congress has determined, after an exact calculation. The gentleman from Texas or nobody else is entitled to stand up here and compute the amount arbitrarily which that concern is entitled to. They are entitled to the whole amount or nothing. There is no basis for figuring a less amount. An amendment was offered cutting the attorney's fee in half. I did not oppose that matter, because as far as I am concerned the attorney's fee may be nothing. Now it is sought to inject into the bill an arbitrary fixing of the claim at the last minute after the bill has virtually passed. Now, if the House wants to do that they should not have committees to consider what the amount of these claims should be.

Mr. NICHOLS. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. The gentleman from Texas stated that this company had the money in the bank for 30 days, a bank that they had selected in Russia. Ordinary prudent people would have removed the money long before. I would like to know if the gentleman from Texas thinks these folks left the money in the bank in Russia for the purpose of fixing it so that they could get American exchange and file a claim against the Government?

Mr. O'CONNOR. That matter has been gone into many times. The Federal Reserve and the State Department time and time again said it was their order which caused this loss. The loss was the amount stated in the bill. The loss was not $500,000 or $600,000, or $700,000.

Mr. NICHOLS. Did not this company make an effort after it found they could not exchange the rubles for American dollars to get exchange in the English pound or the franc or any other exchange they could secure? They say that was the only exchange in Russia at that time. Could they not get it into any exchange?

Mr. O'CONNOR. These rubles were absolutely worthless, as the Federal Reserve admits.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Washington.

Mr. ZIONCHECK. In the event they held these rubles in Russian banks for 60 days and the rubles had advanced as far as the American dollar was concerned, and they made a million dollars, would they have turned that money over to the United States.

Mr. McFARLANE. I do not believe that enters into the matter at all.

Mr. ZIONCHECK. They took a chance and lost.

The SPEAKER. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. McFARLANE) there were—ayes 78, noes 92.

Mr. McFARLANE. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and eight Members present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 120, nays 156, not voting 153, answered "present" 1, as follows:

[Roll No. 180]

YEAS—120

| | | | |
|---|---|---|---|
| Allen | Doxey | Keller | Pettengill |
| Amlie | Eagle | Kelly | Pierce |
| Arends | Engel | Kinzer | Polk |
| Arnold | Englebright | Kloeb | Rankin |
| Ayers | Fiesinger | Kniffin | Rich |
| Beam | Fletcher | Lamneck | Robertson |
| Blackney | Ford, Miss. | Lanham | Rogers, Okla. |
| Bland | Gearhart | Lesinski | Romjue |
| Brewster | Gehrmann | Lewis, Md. | Sauthoff |
| Brown, Ga. | Gilchrist | Luckey | Schneider |
| Buchanan | Gray, Ind. | Ludlow | Scott |
| Carlson | Green | McClellan | South |
| Carpenter | Gregory | McFarlane | Starnes |
| Casey | Griswold | McGehee | Steagall |
| Castellow | Halleck | McSwain | Stefan |
| Church | Hancock, N. Y. | Mahon | Taber |
| Coffee | Hess | Mapes | Tarver |
| Colden | Hill, Ala. | Massingale | Taylor, Colo. |
| Cole, N. Y. | Hobbs | Mecks | Taylor, S. C. |
| Colmer | Hoffman | Michener | Terry |
| Cooley | Hollister | Millard | Thom |
| Cooper, Tenn | Huddleston | Mitchell, Tenn. | Thomas |
| Costello | Hull | Moritz | Thomason |
| Cox | Imhoff | Murdock | Wearin |
| Crawford | Jacobsen | Nelson | Whelchel |
| Cross, Tex. | Jenckes, Ind. | O'Brien | Whittington |
| Darrow | Jenkins, Ohio | O'Neal | Williams |
| Deen | Johnson, Okla. | Owen | Withrow |
| Disney | Jones | Patterson | Zimmerman |
| Doughton | Kee | Pearson | Zioncheck |

NAYS—156

| | | | |
|---|---|---|---|
| Adair | Driscoll | Knutson | Reilly |
| Andresen | Duffey, Ohio | Kocialkowski | Richards |
| Andrew, Mass. | Duffy, N. Y. | Kramer | Robsion, Ky. |
| Andrews, N. Y. | Duncan | Kvale | Rogers, Mass. |
| Ashbrook | Dunn, Pa. | Lambeth | Russell |
| Bacharach | Eckert | Lea, Calif. | Ryan |
| Bacon | Edmiston | Lewis, Colo. | Sabath |
| Barden | Ekwall | Lundeen | Sadowski |
| Beiter | Ellenbogen | McAndrews | Sandlin |
| Biermann | Evans | McCormack | Schulte |
| Bloom | Farley | McKeough | Sears |
| Boehne | Fenerty | McLaughlin | Seger |
| Boland | Ferguson | McLean | Shanley |
| Boylan | Focht | McReynolds | Sirovich |
| Brown, Mich. | Frey | Marcantonio | Smith, Conn. |
| Brunner | Gasque | Martin, Colo. | Smith, W. Va. |
| Buck | Gavagan | Martin, Mass. | Snell |
| Buckler, Minn. | Gildea | Mason | Somers, N. Y. |
| Burdick | Gingery | Maverick | Spence |
| Cannon, Wis. | Granfield | Mead | Stack |
| Cavicchia | Greenway | Merritt, N. Y. | Stewart |
| Celler | Greenwood | Monaghan | Thompson |
| Chapman | Guyer | Nichols | Tonry |
| Christianson | Gwynne | O'Connell | Turpin |
| Citron | Haines | O'Connor | Umstead |
| Clark, N. C. | Hart | O'Leary | Utterback |
| Cole, Md. | Healey | Palmisano | Vinson, Ky. |
| Cooper, Ohio | Higgins, Conn. | Parsons | Wadsworth |
| Crosby | Higgins, Mass. | Patman | Weaver |
| Crosser, Ohio | Hildebrandt | Perkins | Werner |
| Cullen | Hill, Samuel B. | Peterson, Fla. | White |
| Daly | Holmes | Pfeifer | Wigglesworth |
| Delaney | Hope | Pittinger | Wilcox |
| Dempsey | Houston | Plumley | Wilson, La. |
| Dickstein | Johnson, W. Va. | Powers | Wolcott |
| Dies | Kahn | Rabaut | Wolfenden |
| Dingell | Kennedy, Md. | Randolph | Wolverton |
| Dobbins | Kennedy, N. Y. | Reed, Ill. | Wood |
| Dorsey | Kenney | Reed, N. Y. | Young |

ANSWERED "PRESENT"—1

O'Day

NOT VOTING—153

| | | | |
|---|---|---|---|
| Bankhead | Cravens | Gassaway | Lucas |
| Bell | Crowe | Gifford | McGrath |
| Berlin | Crowther | Gillette | McGroarty |
| Binderup | Culkin | Goldsborough | McLeod |
| Blanton | Cummings | Goodwin | McMillan |
| Bolleau | Darden | Gray, Pa. | Maas |
| Bolton | Dear | Greever | Maloney |
| Boykin | DeRouen | Hamlin | Mansfield |
| Brennan | Dietrich | Hancock, N. C. | Marshall |
| Brooks | Dirksen | Harlan | May |
| Buckbee | Ditter | Harter | Merritt, Conn. |
| Buckley, N. Y. | Dockweiler | Hartley | Miller |
| Bulwinkle | Dondero | Hennings | Mitchell, Ill. |
| Burch | Doutrich | Hill, Knute | Montague |
| Burnham | Drewry | Hoeppel | Montet |
| Caldwell | Driver | Hook | Moran |
| Cannon, Mo. | Dunn, Miss. | Johnson, Tex. | Mott |
| Carmichael | Eaton | Kerr | Norton |
| Carter | Eicher | Kimball | Oliver |
| Cartwright | Faddis | Kleberg | O'Malley |
| Cary | Fernandez | Kopplemann | Parks |
| Chandler | Fish | Lambertson | Patton |
| Claiborne | Fitzpatrick | Larrabee | Peterson, Ga. |
| Clark, Idaho | Flannagan | Lee, Okla. | Peyser |
| Cochran | Ford, Calif. | Lehlbach | Quinn |
| Collins | Fuller | Lemke | Ramsay |
| Connery | Fulmer | Lloyd | Ramspeck |
| Corning | Gambrill | Lord | Ransley |
| Rayburn | Scrugham | Sumners, Tex. | Underwood |
| Reece | Secrest | Sutphin | Vinson, Ga. |
| Richardson | Shannon | Sweeney | Wallgren |
| Risk | Short | Taylor, Tenn. | Walter |
| Robinson, Utah | Sisson | Thurston | Warren |
| Rogers, N. H. | Smith, Va. | Tinkham | Welch |
| Rudd | Smith, Wash. | Tobey | West |
| Sanders, La. | Snyder | Tolan | Wilson, Pa. |
| Sanders, Tex. | Stubbs | Treadway | Woodruff |
| Schaefer | Sullivan | Turner | Woodrum |
| Schuetz | | | |

So the amendment was rejected.

Mr. GUYER and Mr. COOPER of Ohio changed their votes from "aye" to "no."

The Clerk announced the following additional pairs:

Until further notice:

Mr. Crowe with Mr. Burnham.
Mr. Fitzpatrick with Mr. Ditter.
Mr. Fuller with Mr. Lord.
Mr. Johnson of Texas with Mr. Marshall.
Mr. Kopplemann with Mr. Taylor of Tennessee.
Mr. Sanders of Texas with Mr. Thurston.
Mr. Secrest with Mr. Tobey.
Mr. Walter with Mr. Welch.
Mr. Warren with Mr. Woodruff.

The result of the vote was announced as above recorded.

Mr. MILLARD. Mr. Speaker, I offer a short qualifying amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLARD: Page 8, line 18, after the figures add the following: "Payable in the so-called 'new Roosevelt mills.'"

The amendment was rejected.

The Clerk read as follows:

Title VII—H. R. 4799

To provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $38,122.89, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps, for losses of and damages to reasonable and necessary personal property resulting from the earthquake which occurred at Managua, Nicaragua, on March 31, 1931:

With the following committee amendment:

Page 10, line 11, strike out "$38,122.89" and insert in lieu thereof "$38,487.04."

After line 18, insert the following:

*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed, read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. MCFARLANE) there were—ayes 126, noes 74.

Mr. MCFARLANE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 146, nays 115, answered "present" 1, not voting 168, as follows:

[Roll No. 181]

YEAS—146

| | | | |
|---|---|---|---|
| Amlie | Ayers | Blackney | Brown, Mich. |
| Andresen | Bacharach | Bloom | Brunner |
| Andrew, Mass. | Bacon | Boland | Buck |
| Andrews, N. Y. | Beiter | Boylan | Buckler, Minn. |

| | | | |
|---|---|---|---|
| Burdick | Frey | McAndrews | Sadowski |
| Cannon, Wis. | Gasque | McCormack | Sauthoff |
| Carlson | Gavagan | McKeough | Schneider |
| Cavicchia | Gehrmann | McLaughlin | Schulte |
| Celler | Gilchrist | McReynolds | Seger |
| Christianson | Granfield | Marcantonio | Shanley |
| Cole, Md. | Gray, Pa. | Martin, Colo. | Sirovich |
| Cole, N. Y. | Greenway | Martin, Mass. | Smith, Conn. |
| Cooper, Ohio | Greenwood | Maverick | Snell |
| Crosby | Guyer | Mead | Somers, N. Y. |
| Crowe | Gwynne | Merritt, N. Y. | Spence |
| Cullen | Haines | Michener | Stack |
| Daly | Halleck | Monaghan | Steagall |
| Delaney | Hart | Nichols | Stewart |
| Dempsey | Healey | O'Connell | Thomas |
| Dickstein | Hildebrandt | O'Connor | Thompson |
| Dingell | Hill, Samuel B. | O'Day | Thurston |
| Ditter | Holmes | O'Leary | Tonry |
| Dobbins | Houston | O'Neal | Turpin |
| Dorsey | Hull | Palmisano | Utterback |
| Driscoll | Jenkins, Ohio | Perkins | Vinson, Ky. |
| Duffey, Ohio | Kahn | Pfeifer | Wadsworth |
| Duffy, N. Y. | Kennedy, Md. | Pittenger | Weaver |
| Duncan | Kennedy, N. Y. | Plumley | Welch |
| Dunn, Pa. | Kenney | Rabaut | Werner |
| Eckert | Kinzer | Reed, Ill. | White |
| Edmiston | Knutson | Reed, N. Y. | Wilcox |
| Ekwall | Kocialkowski | Reilly | Wilson, La. |
| Ellenbogen | Kramer | Robsion, Ky. | Withrow |
| Englebright | Kvale | Rogers, Mass. | Wolcott |
| Evans | Lea, Calif. | Ryan | Wolfenden |
| Fenerty | Lemke | Sabath | Wolverton |
| Ferguson | Lundeen | | |

NAYS—115

| | | | |
|---|---|---|---|
| Adair | Disney | Lambeth | Randolph |
| Allen | Doxey | Lanham | Rankin |
| Arends | Eagle | Lesinski | Rich |
| Ashbrook | Engel | Lewis, Colo. | Richards |
| Barden | Farley | Luckey | Robertson |
| Biermann | Fiesinger | Ludlow | Rogers, Okla. |
| Bland | Fletcher | McClellan | Romjue |
| Boehne | Focht | McFarlane | Russell |
| Brewster | Ford, Miss. | McGehee | Scott |
| Brown, Ga. | Gingery | McSwain | Sears |
| Buchanan | Gray, Ind. | Mahon | Smith, W. Va. |
| Cannon, Mo. | Green | Mapes | South |
| Carpenter | Gregory | Massingale | Starnes |
| Casey | Griswold | Meeks | Stefan |
| Castellow | Hancock, N. Y. | Millard | Tarver |
| Church | Hill, Ala. | Mitchell, Tenn. | Taylor, Colo. |
| Citron | Hobbs | Moritz | Taylor, S. C. |
| Clark, N. C. | Hoffman | Murdock | Terry |
| Coffee | Huddleston | Nelson | Thom |
| Colden | Imhoff | O'Brien | Umstead |
| Colmer | Jacobsen | Owen | Wearin |
| Cooley | Johnson, Okla. | Parsons | Whelchel |
| Cooper, Tenn. | Johnson, W. Va. | Patman | Whittington |
| Costello | Jones | Patterson | Williams |
| Cox | Kee | Pearson | Wood |
| Crawford | Keller | Pettengill | Young |
| Cross, Tex. | Kloeb | Pierce | Zimmerman |
| Darrow | Kniffin | Polk | Zioncheck |
| Deen | Kopplemann | Powers | |

ANSWERED "PRESENT"—1

Taber

NOT VOTING—168

| | | | |
|---|---|---|---|
| Arnold | DeRouen | Higgins, Conn. | Montet |
| Bankhead | Dies | Higgins, Mass. | Moran |
| Beam | Dietrich | Hill, Knute | Mott |
| Bell | Dirksen | Hoeppel | Norton |
| Berlin | Dockweiler | Hollister | Oliver |
| Binderup | Dondero | Hook | O'Malley |
| Blanton | Doughton | Hope | Parks |
| Boileau | Doutrich | Jenckes, Ind. | Patton |
| Bolton | Drewry | Johnson, Tex. | Peterson, Fla. |
| Boykin | Driver | Kelly | Peterson, Ga. |
| Brennan | Dunn, Miss. | Kerr | Peyser |
| Brooks | Eaton | Kimball | Quinn |
| Buckbee | Eicher | Kleberg | Ramsay |
| Buckley, N. Y. | Faddis | Lambertson | Ramspeck |
| Bulwinkle | Fernandez | Lamneck | Ransley |
| Burch | Fish | Larrabee | Rayburn |
| Burnham | Fitzpatrick | Lee, Okla. | Reece |
| Caldwell | Flannagan | Lehlbach | Richardson |
| Carmichael | Ford, Calif. | Lewis, Md. | Risk |
| Carter | Fuller | Lloyd | Robinson, Utah |
| Cartwright | Fulmer | Lord | Rogers, N. H. |
| Cary | Gambrill | Lucas | Rudd |
| Chandler | Gassaway | McGrath | Sanders, La. |
| Chapman | Gearhart | McGroarty | Sanders, Tex. |
| Claiborne | Gifford | McLean | Sandlin |
| Clark, Idaho | Gildea | McLeod | Schaefer |
| Cochran | Gillette | McMillan | Schuetz |
| Collins | Goldsborough | Maas | Scrugham |
| Connery | Goodwin | Maloney | Secrest |
| Corning | Greever | Mansfield | Shannon |
| Cravens | Hamlin | Marshall | Short |
| Crosser, Ohio | Hancock, N. C. | Mason | Sisson |
| Crowther | Harlan | May | Smith, Va. |
| Culkin | Harter | Merritt, Conn. | Smith, Wash. |
| Cummings | Hartley | Miller | Snyder |
| Darden | Hennings | Mitchell, Ill. | Stubbs |
| Dear | Hess | Montague | Sullivan |
| Sumners, Tex. | Tinkham | Underwood | West |
| Sutphin | Tobey | Vinson, Ga. | Wigglesworth |
| Sweeney | Tolan | Wallgren | Wilson, Pa. |
| Taylor, Tenn. | Treadway | Walter | Woodruff |
| Thomason | Turner | Warren | Woodrum |

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Boileau (for) with Mr. Thomason (against).
Mr. Maas (for) with Mr. Taber (against).

General pairs:

Mr. Burch with Mr. Treadway.
Mr. Blanton with Mr. Marshall.
Mr. Mansfield with Mr. Lord.
Mr. Arnold with Mr. Eaton.
Mr. Miller with Mr. Bolton.
Mr. Cochran with Mr. Carter.
Mr. McMillan with Mr. Collins.
Mr. Cartwright with Mr. Fish.
Mr. Connery with Mr. Hess.
Mr. Oliver with Mr. Kimball.
Mr. Corning with Mr. McLean.
Mr. Cravens with Mr. Short.
Mr. Parks with Mr. Tinkham.
Mr. Dies with Mr. Wilson of Pennsylvania.
Mr. Johnson of Texas with Mr. Reece.
Mr. Crosser of Ohio with Mr. Woodruff.
Mr. Doughton with Mr. Risk.
Mr. Rayburn with Mr. Mott.
Mr. Sanders of Texas with Mr. Wigglesworth.
Mr. Flannagan with Mr. Tobey.
Mr. Driver with Mr. Ransley.
Mr. Sandlin with Mr. Hollister.
Mr. Fuller with Mr. Buckbee.
Mr. Sullivan with Mr. Crowder.
Mr. Vinson of Georgia with Mr. Dirksen.
Mr. Warren with Mr. Gifford.
Mr. Kelly with Mr. Lambertson.
Mr. Woodrum with Mr. McLeod.
Mr. Kleberg with Mr. Taylor of Tennessee.
Mr. Goldsborough with Mr. Lehlbach.
Mr. Snyder with Mr. Hope.
Mr. Fulmer with Mr. Goodwin.
Mr. Sisson with Mr. Higgins of Connecticut.
Mr. Kerr with Mr. Gearhart.
Mr. Fitzpatrick with Mr. Dondero.
Mr. Drewry with Mr. Burnham.
Mr. Ramspeck with Mr. Culkin.
Mr. DeRouen with Mr. Doutrich.
Mr. Dear with Mr. Moran.
Mr. Lucas with Mr. Claiborne.
Mr. Boykin with Mr. Lamneck.
Mr. McGrath with Mr. Caldwell.
Mr. Bankhead with Mr. Larrabee.
Mr. Bean with Mr. Mason.
Mr. Carmichael with Mr. Dietrich.
Mr. Montague with Mr. Patton.
Mr. Cummings with Mr. Richardson.
Mr. Schuetz with Mr. Eicher.
Mr. Gillette with Mr. Sweeney.
Mr. West with Mrs. Jenckes of Indiana.
Mr. Tolan with Mr. Hook.
Mr. Harter with Mr. Stubbs.
Mr. Rogers of New Hampshire with Mr. Gildea.
Mr. Faddis with Mr. Scrugham.
Mr. Dockweiler with Mrs. Norton.
Mr. Maloney with Mr. Chapman.
Mr. Binderup with Mr. Lee of Oklahoma.
Mr. McGroarty with Mr. Bell.
Mr. Cary with Mr. Darden.
Mr. Montet with Mr. Peterson of Georgia.
Mr. Rudd with Mr. Schaefer.
Mr. Smith of Connecticut with Mr. Ford of California.
Mr. Greever with Mr. Hamlin.
Mr. Hoeppel with Mr. Turner.
Mr. Walter with Mr. Hill, Knute.
Mr. Hennings with Mr. Underwood.
Mr. Smith of Washington with Mr. Gambrill.
Mr. Robinson of Utah with Mr. Smith of Virginia.
Mr. May with Mr. Dunn of Mississippi.
Mr. Clark of Idaho with Mr. Peterson of Florida.
Mr. Bulwinkle with Mr. Lewis of Maryland.
Mr. Brennan with Mr. Lloyd.
Mr. Buckley of New York with Mr. Brooks.
Mr. Chandler with Mr. Fernandez.
Mr. Hancock of North Carolina with Mr. Wallgren.
Mr. Sumners of Texas with Mr. Harlan.
Mr. Gassaway with Mr. Secrest.
Mr. Higgins of Massachusetts with Mr. Sutphin.
Mr. Sanders of Louisiana with Mr. Ramsay.
Mr. Quinn with Mr. Peyser.

Mr. DIES changed his vote from "aye" to "no."

Mr. CANNON of Missouri changed his vote from "aye" to "no."

Mr. DITTER changed his vote from "no" to "aye."

Mr. LEWIS of Maryland. Mr. Speaker, I desire to vote "aye."

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. LEWIS of Maryland. I am afraid I cannot qualify.

Mr. TABER. Mr. Speaker, I have a pair with the gentleman from Minnesota [Mr. MAAS]. I voted "no." If Mr. MAAS were present, he would vote "aye." I withdraw my vote of "no" and answer "present."

Mr. McFARLANE. Mr. Speaker, if Mr. THOMASON were present he would vote "no."

The result of the vote was announced as above recorded.

BUREAU OF NAVIGATION AND STEAMBOAT INSPECTION

Mr. O'CONNOR, from the Committee on Rules, submitted the following resolution for printing under the rule.

House Resolution 355

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 8599, a bill to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat inspection laws, and for other purposes. That after general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

AMERICAN SEAMEN IN MERCHANT MARINE

Mr. O'CONNOR, from the Committee on Rules, submitted the following resolution for printing under the rule:

House Resolution 356

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 8597, a bill to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea;" to maintain discipline on shipboard, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

LOAD LINES FOR AMERICAN VESSELS IN COASTWISE TRADE

Mr. O'CONNOR, from the Committee on Rules, submitted the following resolution for printing under the rule:

House Resolution 357

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 6036, a bill to provide for the establishment of load lines for American vessels in the coastwise trade, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority members of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

ORDER OF BUSINESS—RECESS

Mr. O'CONNOR, from the Committee on Rules, submitted the following resolution for printing under the rule:

House Resolution 358

That during the remainder of the first session of the Seventy-fourth Congress it shall be in order for the acting majority leader or the Chairman of the Committee on Rules to move that the House take a recess, and said motion is hereby made of the highest privilege; and it shall also be in order at any time during the remainder of the first session of the Seventy-fourth Congress to consider reports of the Committee on Rules, as provided in clause 45, rule XI, except that the provision requiring a two-thirds vote to consider such reports is hereby suspended during the remainder of this session of Congress.

OMNIBUS BILL

Mr. TURPIN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 2644.

The SPEAKER. Is that in the omnibus bill?

Mr. TURPIN. Yes; it was passed on July 29 in the Senate.

The SPEAKER. There were several of those bills, and the Chair asks the gentleman to withhold his request until tomorrow.

THE TAX BILL AND YOUR LIFE INSURANCE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address I delivered last Friday night.

The SPEAKER. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by me over the National Broadcasting System, August 16, 1935:

I have been asked to talk to you tonight about the tax bill and how it alters your life-insurance policy. I have received many requests from all over the country—and especially from the women—to explain why there should be delay and changes made in the tax bill before its final passage. I realized early that the bill, which was misleadingly called a "tax the wealthy" bill, in reality would do grave injustice to all—the so-called "little man" as well as the big, and most particularly would it hurt the widows and dependents.

Since the passage of the revenue bill by the House of Representatives on August 5, and since its future harmful effects have become known, I have received a great number of protests from Federal employees' organizations, business men, and especially from women, about the injustice of the proposal to tax life insurance. One such came from an association representing 100,000 Federal employees banded together for the purpose of group insurance. Others came from the North, the South, the East, and the West—from farmers' wives, industrial workers, and small merchants. Women are organizing everywhere. They have so much at stake they are aroused and alarmed. Ninety-five percent of life-insurance policies go to women and dependents.

The people who protest are not large policyholders. They are average American citizens who have taken out insurance with the thought of providing immediate protection for their families in the event of death. Some of them hold policies for only $200, or less, to cover burial expenses.

Under the provisions of the bill as it passed the House these small policies will be affected. One of the strongest selling points any life-insurance agent has is the promise of prompt payment in case of death. You and I know that great stress is laid upon this. We have seen the agent exhibit facsimiles of checks which have been paid the day following the decease of the policyholder. If the House bill becomes law, prompt payments will not be possible, for no insurance company will dare to pay the policy until the Government has been satisfied that the amount is not sufficient for taxation or the exact tax has been determined. Obviously this will mean months of delay.

Of course, the insurance companies might assume personal liability for the tax, but they would not, and it is unreasonable to expect them to. The delayed payment will cause real distress and will place more people on relief, for they will not be able to borrow from the banks. No bank will loan upon the policy until it finds the amount of the tax.

The danger of the delayed payment of insurance required under the bill is very great also in the case of many large estates. It frequently happens when men die they have large loans on collateral. If their death is at the time of a depressed security market, only a prompt payment on account can prevent the sale of the collateral, and thereby save the whole estate from wreckage. Insurance often offers the only source of money for such a payment.

People have asked why this provision was allowed to remain in the bill in the House of Representatives. There is but one answer, and that is lack of careful and complete study of the measure both in committee and on the floor of the House. While the bill was under consideration, Representative HANCOCK, Republican Member from New York, introduced an amendment which would have nullified to a large extent this unfair provision. The amendment failed of adoption. This is the first time in history that a revenue bill has been forced through Congress in this way. On the floor of the House, in spite of the able and vigorous attacks on the bill by Congressman TREADWAY, ranking minority member of the Ways and Means Committee, and others, it was hurried through to a vote, and passed.

Republican members of the Ways and Means Committee had not even seen the bill when it was reported. They knew nothing of what it contained. It should not have been a political issue.

It is distinctly an economic question. There is no doubt but that the enormous expenditures by the present administration make an increase in taxes inevitable sometime. But these should be raised in an orderly way, and such a bill should be carefully thought out. It is my belief that today, if all the provisions of this bill were known, there would be more protests against its passage than there have been against any legislation which has come before the House.

The amount of revenue raised by the entire bill is so small that it is almost infinitesimal when compared with the amount which will have to be raised to pay for some of the ill-considered expenditures and extravagances of the administration. It has been said that this bill will produce only sufficient revenue to run the Government for a few weeks.

The unfairness of it is evident. Any citizen who is affected by legislation should have the opportunity to present his objections or his suggestions to the committee prior to the reporting of the bill. If this had been done in this instance, I believe that this insurance feature of the bill, as well as some others which are unfair, would not have been permitted to remain.

Is it to be wondered at that the people of America are frightened? Some of the letters I have received are pitiful in their tone of desperation and fear of loss of security. Americans have always been accustomed to provide for emergencies. The average citizen carries life insurance with the idea that it will be available to his dependents in the crucial period immediately following his death, when the remainder of his estate, if he has one, may be tied up in probate court. One man wrote me: "I have nothing to leave my wife and children but my life insurance. I have scraped and maneuvered through this depression to keep up the premiums. Now, I find that the administration is contemplating either a delay in the payment of this money or a tax upon it. What can I do?"—and there are thousands all over the United States in a similar plight.

You have no idea how bitter, how outraged, these people feel. They do not object to paying just taxes. They are willing to contribute their share to lift the burden from the Government, because they know that sometime these tremendous expenditures which have been made must be paid for by taxation. But they will not countenance any law that interferes with the protection of those dependent upon them. From the days of the Stone Age man has fought to protect his own from the attacks of others. One of his first instincts was to provide for his family in event of his death. The men have a vital interest in this matter.

Americans are more generous, more interested, in safeguarding their wives and families than are the men of any nation in the world. If this bill should become law, the men of this country will fight steadily, as will the women, until the law is repealed.

It seems incredible that such a thing could happen in our country. It is the ruthless taking away of things like this that has undermined the confidence of patriotic citizens. It is outrageous. It is confiscatory. It must be rectified.

I could not even smile when one indignant mother wrote me that she had changed her complaint of the high cost of living to the high cost of death. She was in dead earnest and ready to fight for justice.

There is another feature of the bill which is not a life-insurance matter but about which the women are greatly frightened. This provision also shows the necessity for careful study and argues for delay in passing such a measure. This also affects women and dependents, as does the proposed tax on insurance. This is subsection 6 of paragraph A of section 203, found on page 18. Frequently on the purchase of real estate or the opening of a savings account it is put in the joint name of husband and wife in such form that at the death of either it goes to the other automatically and without going through the courts or the laws relating to estates. The money in most cases with which the account is built up or the real estate bought comes from the earnings or other income of the husband, plus the savings of the wife from money given her by the husband.

Under the language of the section above referred to, the wife would have in such a case to prove either that the money was originally her own or that she gave the husband "full and adequate consideration in money or money's worth." To put a widow to the proof that her housekeeping, her thrift, and her other services to her husband constituted an "adequate consideration in money's worth" would be intolerable. This is also thoroughly un-American.

Securities are sometimes similarly purchased and put in the joint name with right of survivorship, but this is less frequent than real estate and savings accounts.

This whole section should be changed radically. Of course, as to savings accounts in joint names, the bank would be in the same position of inability to pay the survivor without taking liability for the tax until the estate was settled and the tax paid, and therefore the cash funds carried in the joint name for emergency use would be unavailable in the time of greatest need.

There are other features of the revenue bill which affect those of you who carry life insurance. Under the provision for an increased graduated corporation tax the increase will take away about two and one-half million dollars more from the insurance companies. Especially does this affect those who carry policies in mutual companies, for it will mean a decrease in the amount of dividends paid. Some companies have been very hard hit financially in these trying days, and it might put them in jeopardy. This would mean the loss of your security and the ruin of your plans for the future.

The fact that 63,000,000 people are holders of life insurance, beneficiaries, and dependents shows the tremendous expression of confidence in life insurance. It represents also a confidence of the people in the future of our country and their faith in the justice of our form of government. Life insurance is more than a savings account. It is a definite provision for the future. The Congress of the United States should not be allowed to jeopardize that security.

That is why I plead and fight for a delay in the passage of this unfair bill. There is no vital or pressing need for its immediate enactment. A delay in its enactment can do no possible harm and will do great good.

I believe a full discussion of the bill will point unmistakably to the inadvisability of this hasty action. A measure which affects the lives of so many people in so vital a way should not be treated as hastily considered emergency or "must" legislation. Each step of the way should be considered from every angle. We do not expect that the debts of our great Government can be paid from the pittances left to widows, children, and other dependents.

Every American is familiar with the quotation, "Taxation without representation." The very foundation of the independence of this country was based on that principle. This is a government of the people and for the people and by the people. The people must not be taxed without representation.

To quickly draft such legislation and force it through Congress without even permitting sufficient debate is taxation of the people without representation. It is not only the way of autocracy but also the method of a dictator. It certainly is not representative government. The people of our country must not tolerate this kind of legislation. It is un-American. It is not American justice. Our American Revolution was fought because of taxation without representation.

Yesterday afternoon the Senate passed the revenue bill in record time. It was railroaded through after only 2 days of consideration. In the Senate the House bill was somewhat changed and these differences between the two measures will have to be adjusted in conference. The lack of even an attempt at definite defense by the majority party of the Senate was very marked and unique in legislative history. It looked as if they were ashamed of it. "Get rid of the bill" seemed to be the slogan.

While the Senate bill is bad, it is better in respect to the insurance feature than the one passed by the House. I firmly believe that if enough protests are made the entire measure can be deadlocked in conference and delayed sufficiently to permit calm and sane deliberation next January. It is delay for wiser legislation for which we must fight.

### BANG'S DISEASE ELIMINATION

Mr. RYAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter from the secretary of the Minnesota Livestock Sanitary Board.

The SPEAKER. Is there objection?

There was no objection.

Mr. RYAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from Charles E. Cotton, secretary of the Minnesota Livestock Sanitary Board. This letter is inserted in the RECORD at the request of that board.

STATE OF MINNESOTA,
LIVESTOCK SANITARY BOARD,
*St. Paul, August 13, 1935.*

Hon. ELMER J. RYAN,
*House of Representatives, Washington, D. C.*

DEAR SIR: At a recent special meeting of this board I was directed to write this letter to you and request that you present it to the House of Representatives in order that it can be printed in the CONGRESSIONAL RECORD and referred to the Committee on Agriculture.

Under date of June 6, 1935, as directed by this board, I wrote a letter to United States Senator THOMAS D. SCHALL, requesting him to present it to the United States Senate in order that it could be printed in the CONGRESSIONAL RECORD and referred to the Committee on Agriculture and Forestry. I informed Senator SCHALL that the Minnesota State Livestock Sanitary Board made this request of him for the reason that on March 22, 1935, he made a statement to the United States Senate regarding the attitude of the United States Department of Agriculture relative to a remedy for Bang's disease of cattle. Following his statement to the Senate he presented a letter written by the late John Thompson, who was then editor of Wallace's Farmer and the Iowa Homestead, published at Des Moines, Iowa, and also another letter, both of which with his introductory remarks were published in the CONGRESSIONAL RECORD on pages 4251 and 4252 on March 22, 1935.

I did not hear from Senator SCHALL until after writing him under date of June 21. On July 1 I received a telegram from Senator SCHALL as follows: "Your letter will go into RECORD next week." I acknowledged receipt of his telegram and requested him to have his office mail me a copy of the CONGRESSIONAL RECORD in which my letter would be published. I did not hear from the Senator, and under date of July 26 I again wrote him informing him that at the regular quarterly meeting of this board

I was directed to again request him to "immediately advise if you cannot see your way clear to introduce this letter, in order that this board can take further action." Senator SCHALL has not replied to my letter of July 26. For this reason I again referred it to this board, and, as above stated, I was directed to request that you introduce this letter.

In all fairness to the work in the control and elimination of cattle affected with Bang's disease that the Federal Government, in cooperation with the various States, is now carrying out, and also in all fairness to the livestock interests of the United States, it is very important that this letter refuting the statements made in the letter written by the late John Thompson become a matter of record of this present session of Congress.

We wish to correct statements contained in the letter of the late John Thompson referring to experiences of S. L. Bennett & Sons, of Owatonna, Minn., in the attempt to free their dairy herd from Bang's disease. Mr. Thompson's letter stated, in effect, that after the Bennett herd had been under the care and supervision of this board, without result, for a period of 2 years, the herd was finally cleaned up through the use of the Bowman remedy. This statement is contrary to fact, as the only contact or service rendered by this board to S. L. Bennett & Son's herd was to extend the service of our laboratory to make the agglutination blood test of the cattle in the herd in May 1932. They failed to have the 10 animals that gave suspicious reactions subjected to a retest within 60 days, as we recommended, in order to determine whether they were safe animals to remain with the clean animals in the herd. They also did not endeavor to segregate the reacting animals from the remainder of the herd. The Thompson letter leaves the reader with the impression that after this board had failed to clean up the Bennett herd the Bowman treatment was resorted to and the herd became disease free.

The services of this board to the Bennett herd, which terminated following the test of the herd in May 1932, were resumed when, on April 17, 1935, Mr. Bennett requested this board to retest the herd he now owned. One of our State field representatives collected the blood samples of all the cattle in the herd, and the test was made at our laboratory on April 20, disclosing 4 animals that reacted positively and 10 animals giving suspicious reactions of the 40 animals tested. In this test there were only 12 cattle that were in the herd when our laboratory made the test in May 1932, thus proving that the herd is still infected with the disease. Of the 41 animals tested in this herd by our laboratory in May 1932, 8 gave positive reactions, 10 suspicious, and 23 gave negative reactions; the 8 animals were identified by our official Bang reactor tags immediately following the test.

All the cattle that gave a positive reaction to our laboratory test in May 1932 with the exception of one animal, and all the suspicious animals with the exception of three, were sold or disposed of prior to February 5, 1934. Mr. Bennett's own sales records bear proof that the Bowman remedy did not cure the animals our tests had found to be affected or suspicious. Mr. Thompson's claims relative to the efficiency of the Bowman remedy in cleaning up the Bennett herd are unfounded, as all of the positive reactors with the exception of one animal, and all the suspicious animals to our test in May 1932 with the exception of three, were disposed of, and the disease still remains in the herd, as is disclosed by the recent retest of this herd in April 1935. In this last test 1 of the 4 animals that gave a positive reaction was the only one of the 8 animals that gave a positive reaction to our test in May 1932 that had been retained in the herd.

We have a statement of Harvey Bennett, one of the owners of this herd, which includes a statement that seven of the eight animals that gave a positive reaction to the blood test made by our laboratory in May 1932 and which were tagged with our official Bang reactor tags, were disposed of contrary to the rules and regulations of this board, and also that all but three of the animals that gave a suspicious reaction in that test were sold and removed from the herd prior to February 5, 1934. His reason given for the disposal of these animals was that they were not successful in getting them to breed, that they developed mastitis and other affections of their udders. During this interim, May 1932 to February 1934, they disposed of 25 of their animals for these reasons. He further states that the service of this board in the control and elimination of Bang's disease in their herd was limited to the one blood test that was made at our laboratory, and that they did not carry out our request and recommendation that the 10 animals giving suspicious reactions be retested.

If you or any Member of the House or Senate wish to obtain the complete data of the Bennett herd, including a copy of the above statement of the owner, records of test, etc., we will be pleased to furnish the same.

Trusting that you will comply with this request by this board, I am,

Very respectfully,

CHAS. E. COTTON,
*Secretary and Executive Officer*
*Minnesota Live Stock Sanitary Board.*

### EXTENSION OF REMARKS

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain excerpts.

The SPEAKER. Is there objection?

There was no objection.

Mr. FENERTY. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection?

There was no objection.

### ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3462. An act to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913," and for other purposes;

H. R. 5711. An act to provide aid for needy blind persons of the District of Columbia and authorizing appropriations therefor;

H. R. 6510. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H. R. 6623. An act to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want;

H. R. 7617. An act to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes;

H. R. 8421. An act granting pensions to certain widows of soldiers and sailors of the Civil War;

H. R. 8422. An act granting pensions to certain former widows of soldiers and sailors of the Civil War;

H. R. 8423. An act granting increase of pensions to certain former widows of soldiers and sailors of the Civil War;

H. R. 8424. An act granting increase of pensions to certain widows of soldiers and sailors of the Civil War;

H. R. 8425. An act granting pensions and increase of pensions to certain helpless and dependent children of soldiers and sailors of the Civil War; and

H. R. 8426. An act granting pensions to certain soldiers of the Civil War.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 3050. An act granting the consent of Congress to the States of New York and Vermont to construct, maintain, and operate a bridge across Lake Champlain between Rouses Point, N. Y., and Alburg, Vt.; and

S. 3105. An act to amend the act approved June 12, 1934, relating to the granting of the consent of Congress to certain bridge construction across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala.

### BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 258. An act for the relief of Emma B. Hine;

H. R. 607. An act for the relief of Florence Overly;

H. R. 616. An act for the relief of Homer J. Williamson;

H. R. 704. An act for the relief of Thelbert Davis;

H. R. 760. An act for the relief of John L. Hoffman;

H. R. 830. An act for the relief of Sanford Madison Strange;

H. R. 1368. An act for the relief of Virden Thompson;

H. R. 1420. An act to provide for the Andrew Johnson Homestead National Monument;

H. R. 1437. An act for the relief of August A. Carminati;

H. R. 1714. An act for the relief of Russell H. Lindsay;

H. R. 1880. An act for the relief of Ivan H. McCormack;

H. R. 2024. An act for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899;

H. R. 2118. An act for the relief of John P. Seabrook;

H. R. 2126. An act for the relief of Hugh G. Lisk;

H. R. 2130. An act for the relief of John M. McNulty;

H. R. 2319. An act for the relief of Oswald Orlando;

H. R. 2411. An act for the relief of E. F. Purvis;

H. R. 2432. An act for the relief of the Weis-Patterson Lumber Co., Inc.;

H. R. 2443. An act for the relief of Milton Hatch;

H. R. 2476. An act to grant a patent to Albert M. Johnson and Walter Scott;

H. R. 2555. An act to extend to Sgt. Maj. Edmund S. Sayer, United States Marine Corps (retired), the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men;

H. R. 2690. An act for the relief of John B. Grayson;

H. R. 2730. An act for the relief of Thomas Harris McLaughlin;

H. R. 2970. An act for the relief of Jose Munden;

H. R. 3147. An act for the relief of Will A. Helmer;

H. R. 3202. An act for the relief of W. H. Greene;

H. R. 3282. An act for the relief of Nina Drips;

H. R. 3509. An act for the relief of the legal guardian of Nick Vasilzevic;

H. R. 3546. An act for the relief of Sarah Elizabeth Ballentyne;

H. R. 3759. An act for the relief of E. H. Jennings;

H. R. 3965. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of Prince Royal, Sr., Kathleen Royal Hayes, Victor A. Royal, Lucile Royal, Prince Royal, Jr., Maggie Fields Ramsey, and R. J. Ramsey;

H. R. 3967. An act for the relief of Raymond Parramore;

H. R. 4513. An act to authorize payment of claims for unauthorized emergency treatment of World War veterans;

H. R. 4568. An act for the relief of Forrest D. Stout;

H. R. 4827. An act for the relief of Don C. Fees;

H. R. 4831. An act for the relief of L. E. Geary;

H. R. 4860. An act for the relief of Judson Stokes;

H. R. 4923. An act for the relief of Maj. E. Leslie Medford, United States property and disbursing officer for Maryland;

H. R. 5099. An act for the relief of Albert Henry George;

H. R. 5122. An act for the relief of R. C. McCoy, J. L. Garner, C. G. Kauffman, W. G. Smiley, R. A. Burks, C. W. Brazzelton, R. F. Brazzelton, Dave Cash, Mrs. A. W. Dykes, Jim Thereldkeld, R. R. Crain, J. B. Tolson, J. C. Rogers, S. K. Broach, Albert Easterling, J. L. Rivers, F. C. Wilson, E. C. Finley, W. W. Mitchell, J. G. Carey, Carl Graves, Jerome Dupree, J. R. Mitchell, J. L. Mitchell, and J. C. Russell;

H. R. 5325. An act for the relief of Ira L. Reeves;

H. R. 5347. An Act for the relief of Bertha Moseley Bottoms;

H. R. 5375. An act relating to the compensation of certain charwomen;

H. R. 5415. An act to confer jurisdiction on the District Court of the United States for the Eastern District of North Carolina to hear, determine, and render judgment upon the claims of the Pamlico Timber Corporation against the United States;

H. R. 5492. An act for the relief of Henry Scipper;

H. R. 5550. An act for the relief of Malachy Ryan;

H. R. 5654. An act to authorize the Court of Claims of the United States to hear and determine the claim of Samuel W. Carter;

H. R. 5816. An act for the relief of May C. Gustin;

H. R. 5838. An act to place David J. Fitzgerald on the retired list of the United States Army as a first lieutenant;

H. R. 5971. An act for the relief of Charles Pine;

H. R. 6177. An act for the relief of Brooker T. Wilkins;

H. R. 6267. An act for the relief of Wint Rowland;

H. R. 6268. An act for the relief of W. C. Wright;

H. R. 6269. An act for the relief of W. H. Keyes;

H. R. 6275. An act for the relief of John Livingston and Mrs. John Livingston;

H. R. 6602. An act for the relief of Dr. Ernest B. Dunlap;

H. R. 6869. An act authorizing the Chippewa Indians of Wisconsin to submit claims to the Court of Claims;

H. R. 7099. An act for the relief of Rocco D'Amato;

H. R. 7438. An act to amend the act entitled "An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.", approved June 4, 1934;

H. R. 7520. An act for the relief of David A. Trousdale;

H. R. 7577. An act for the relief of Mrs. William E. Smith and Clara Smith;

H. R. 7938. An act to authorize the transfer of the Otter Cliffs radio station on Mount Desert Island in the State of Maine as an addition to the Acadia National Park, and for other purposes;

H. R. 7955. An act to establish a new division of the northern district of Georgia with terms of court to be held at Newnan, Ga.;

H. R. 7998. An act to exempt from taxation official compensation of certain foreign representatives and to provide for the deductibility from income of certain dividends on preferred stock owned by the United States or instrumentalities thereof;

H. R. 8026. An act to establish and promote the use of standards of classification for tobacco, to provide and maintain an official tobacco inspection service, and for other purposes;

H. R. 8492. An act to amend the Agricultural Adjustment Act, and for other purposes;

H. R. 8519. An act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States, and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work;

H. R. 8580. An act to amend the law with respect to the time for jury service in the police court of the District of Columbia;

H. R. 8581. An act to amend the law providing for exemptions from jury service in the District of Columbia;

H. R. 8668. An act providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Fort Pierce, Fla.;

H. R. 8710. An act to authorize the Secretary of War to lend to the reunion committee of the United Confederate Veterans 3,000 blankets, olive drab, no. 4, and 3,000 canvas cots, to be used at their annual encampment to be held at Amarillo, Tex., in September 1935;

H. R. 8790. An act to amend section 6 of the act of February 28, 1925;

H. R. 8845. An act to authorize the incorporated town of Cordova, Alaska, to construct, reconstruct, enlarge, extend, improve, renew, and repair certain municipal public structures, utilities, works, and improvements, and for such purposes to issue bonds in any amount not exceeding $50,000, and for other purposes;

H. R. 8991. An act to authorize the Administrator of Veterans' Affairs to exchange certain property rights now vested in the United States at Veterans' Administration facility, Perry Point, Md., for certain property and rights of the Pennsylvania Railroad Co. in that vicinity;

H. J. Res. 129. Joint resolution to amend the joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, to permit an adjudication with respect to liens of the United States arising by virtue of loans under such joint resolution;

H. J. Res. 189. Joint resolution relating to the continuance on the pay rolls of certain employees in cases of death or resignation of Members of the House of Representatives, Delegates, and Resident Commissioners; and

H. J. Res. 257. Joint resolution to amend a joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, as amended by the Second Deficiency Act, fiscal year 1929, approved March 4, 1929.

## EXTENSION OF REMARKS

### THE PRESIDENT'S ATTITUDE TOWARD SPANISH-AMERICAN WAR VETERANS COMMENDABLE AND PRAISEWORTHY

Mr. HOEPPEL. Mr. Speaker, the 13th of August, 1935, will be memorable in the annals of veteran history as the day on which our President captured the hearts of the Spanish-

American War veterans and their dependents through his approval of the Smith bill, H. R. 6995, on the thirty-seventh anniversary of the capture of Manila by the American forces under General Merritt and Admiral Dewey, both Civil War veterans.

I am confident that if the President had been accurately advised, the Economy Act in its application to Spanish War veterans would not have been so drastic, but that the Spanish War veterans would have been extended the same consideration in the Economy Act as was extended to Civil War and Indian war veterans. In this connection it is significant that 9,657 Spanish War veterans under the age of 55 years were removed from the pension rolls regardless of where they had served during the Spanish-American War on the suggestion of a Member of Congress, a distinguished World War veteran, who told me that he personally advised the President in reference to this age restriction, as he did not believe there were any Spanish War veterans under 55 years of age.

The denial of pension to this large group of 9,657 Spanish War veterans under 55 years of age, many of whom had served in Cuba and the Philippines and were suffering serious disability, worked unusual hardships upon them. My limited time prevents giving specific details of unusual distress and loss of property as a result of the Executive order on this subject. I took the matter up immediately with the President and later met him personally and explained in detail the unfairness of the pension inhibition against Spanish War veterans under 55 years of age. In my presence he personally figured the cost involved in the restoration of this group to the pension rolls, indicating to me a most commendable open-mindedness and an outstanding sense of fairness, which was further demonstrated by his action on January 19, 1934, in issuing an Executive order restoring this worthy group of Spanish War veterans to the pension lists.

As a further illustration of the President's fairness where the veteran question is fully presented to him I am pleased to recall that on my personal request after carefully considering the facts which I presented to him in reference to the subject he authorized reciprocal hospital treatment for retired personnel of the service in Army or Navy hospitals. This was indeed an act of justice toward this worthy group of veterans of 2 or more wars.

My object in discussing this subject today is to combat the criticism which some few periodicals have directed against the President because of his approval of pension restoration to Spanish War veterans and their dependents.

It is a matter of official record that the passage of H. R. 6995 was not a partisan matter. Democrats, Republicans, Progressives, and Farmer-Laborites all joined in passing this measure in the House of Representatives without a dissenting vote, and in the Senate, it was passed by an overwhelming vote of 74 to 1, thus emphasizing in the minds of the American people the fact that the Congress of the United States is not ungrateful to the veterans of our wars.

Under leave to insert in the RECORD, at this point I wish to include the White House press release on the subject of the bill restoring Spanish War veterans and their dependents to former benefits. I quote:

AUGUST 13, 1935.

The President, in signing today H. R. 6995, a bill reenacting laws dealing with pensions granted to veterans and the dependents of veterans of the Spanish-American War, the Philippine Insurrection, and the Boxer Rebellion, made clear the definite distinction between legislation relating to veterans of early wars and the veterans of the World War.

The Congress on many occasions has recognized that because of the complete absence of any system or policy initiated during or immediately following the Civil War, the Indian wars, and the Spanish-American War, and because of lack of adequate medical care from the point of view of modern standards the veterans of these earlier wars could be compensated and taken care of only through some form of pension system.

In the case of the World War, however, the Congress at the very beginning of the war adopted an entirely new system of care and benefits. This new system applied to all who fought in the World War, extended to them additional compensation if they had dependents, as well as insurance, hospitalization, vocational rehabilitation, and the adjusted-service certificates (the bonus).

The veterans of the Spanish-American War, now approaching an average age of 62 years, had none of these advantages, except hospitalization, in recent years. Their case, therefore, cannot be compared to the case of World War veterans. For the same reason, the approval of this bill establishes no ground or precedent for pensions for the World War group; theirs is an entirely different case.

There are some inequalities involved in this legislation, but the President recognizes the fact that the Spanish-American veterans were once on the rolls under prior legislation, that they are approaching advanced age, that their disabilities are increasing.

The President's action today is taken appropriately on the anniversary date of the occupation of Manila by the American forces.

I served during the Spanish-American War and have been directly and indirectly associated with the Army and a student of the veteran question since that time. I am not, however, myself in receipt of pension, nor will I benefit personally from the enactment of H. R. 6995, and it is, therefore, merely as an American citizen and a taxpayer, interested only from the standpoint of justice, that I am taking this opportunity to express my deep appreciation to the President for his action in signing the bill to restore Spanish-American pensions to their former level, which, in my opinion, merits not only the gratitude of the Spanish-American War veterans and their dependents but the approval of all fair-minded Americans.

## REPEAL OF NATIONAL PROHIBITION ACT

Mr. BOYLAN. Mr. Speaker, I approve of the major objectives of this bill, as indicated in the report of the Committee on the Judiciary, especially as it is a measure intended to supplement Title III of the National Prohibition Act, which survived repeal of the eighteenth amendment and is now being affirmed and strengthened by the Congress. The purpose of that Title was to protect and promote the uses of alcohol—pure and denatured—in the arts, sciences, and industries. In fact, Section 13 of such Title III carries a Congressional mandate as follows:

The Commissioner shall from time to time issue regulations respecting the establishment, bonding, and operation of industrial-alcohol plants, denaturing plants, and bonded warehouses authorized herein, and the distribution, sale, export, and use of alcohol which may be necessary, advisable, or proper, to secure the revenue, to prevent diversion of the alcohol to illegal uses, and to place the nonbeverage-alcohol industry and other industries using such alcohol as a chemical raw material or for other lawful purpose upon the highest possible plane of scientific and commercial efficiency consistent with the interests of the Government, and which shall insure an ample supply of such alcohol and promote its use in scientific research and the development of fuels, dyes, and other lawful products.

Alcohol is second only to water in importance to the chemical industry. Our Government classifies its production as a "key" industry in time of war. As the United States Treasury Department said in a publication entitled "The Uses of Alcohol as an Essential Chemical in the Arts, Sciences, and Industries", dated June 30, 1932:

The aim of this publication is to present facts relating to *alcohol as an indispensable chemical product* and to show its importance to every civilized person. * * *

The diversified uses are so numerous that it is not possible to elaborate all of them in technical detail in the limited space of this booklet.

So let us review very briefly some of the hundreds of ways in which the average individual comes in close touch daily with products made with alcohol.

Take, for example, the average business man. Observe him through an entire day. It will be seen that alcohol enters vitally into the manufacture of most of his necessities, luxuries, or conveniences.

Figuratively, he touches alcohol directly or indirectly, everywhere, although many alcoholic products may not contain alcohol in their marketed form.

His first step upon arising is to use soap that contains a trace of alcohol. Alcohol has been used in making his mercerized underwear. His shirt, lisle, and artificial-silk socks; the dye with which his suit is colored; the colors of his necktie; and the buttons which hold his collar have been made with alcohol at some stage of manufacture.

Alcohol is used in making the fabric of his hose supporters and his suspenders. His belt buckle reflects the use of alcohol in the lacquer. Alcohol is in his shaving cream. The silver backing to the mirror before which he shaves has been produced with alcohol. The toilet water or bay rum which he dashes on his face is largely alcohol.

Alcohol also enters into making the handle of his hairbrush. It has played a part in the process of making the soles of his shoes. Shoe polish contains alcohol. The lacquer with which his watch-chain is protected has been treated with alcohol. It enters into the manufacture of the rims of his glasses.

When he comes downstairs before breakfast he looks at his thermometer to decide whether he will need his overcoat. If he does, and the coat is cravenetted, it will have been waterproofed with alcohol.

At breakfast his chair and the table from which he eats have been finished with varnish made with alcohol. He walks on an alcohol mixture when he steps on his varnished floor on the way out.

Alcohol is in the glue which holds his felt hat together. Alcohol is used in the finish if he wears a straw hat. He finds it has been used in the finish of the cane which he carries or in the umbrella which he uses on rainy days.

Alcohol has been used in making the lacquer on the automobile he enters. On a winter's day there is a plentiful supply of antifreeze alcohol in his radiator.

Alcohol enters into the manufacture of the goods with which his automobile is upholstered. His hand on the steering wheel touches a product made with alcohol. The billboards which confront him on his route to work contain dyes made with alcohol in their colorings.

Arriving at his office, he sits down to a desk varnished or lacquered with an alcohol mixture. It is in the ink with which he signs his name. He touches it again if he signs with a rubber stamp.

It enters into making the lacquer on his typewriter, his ashtray, his telephone, his filing cabinets, adding machine, check protector, and the clock or watch he carries. Alcohol has been used in making the ink on every piece of printed matter which comes to his desk, including his letterheads, his checks, his office forms, the circulars he reads, the calendar on the wall, and the postage stamps on his mail. Alcohol has been used in making the mucilage which stands beside his inkwell. It is used in the finish on his desk lamp and in the filaments of every light bulb. The women shoppers who pass him on the street reveal alcohol uses. It is used in making the flowers on their hats and the coloring of their clothes. Alcohol is used in the manufacture of their face creams, rouge, lipstick, eyelash beautifier, eyebrow pencil, shampoo, toilet soap, bath salts, cuticle remover, and vanity cases.

He confronts it at dinner just as he did at breakfast, and finds it is used in making much of the seasoning and flavorings of his food. Alcohol is used in the manufacture of flavors for his after-dinner cigar. Going to a movie in the evening, he is again reminded of the use of alcohol in every inch of the film that is being run. It is in the aluminum lacquer with which the silver sheet is painted, and protects the finish of the instruments used by the orchestra.

Should he meet with an accident or be taken ill before he gets home, there will be alcohol in practically every liniment or lotion or prescription he may buy at the drug store. If he goes to the hospital and is put under ether or chloroform, they, too, are made with alcohol.

When he reaches home he will listen in on the radio. Alcohol is used in making the insulating panel on his radio set. At the end of a busy day he refreshes himself with an alcohol rub, uses an alcohol hair tonic, and brushes his teeth before retiring with a dentifrice containing alcohol.

Alcohol is with us from the cradle to the grave, in the baby's rattle and the embalmer's fluid. One of the great romances of modern industry is the story of industrial-alcohol manufacture and application to thousands of comforts and utilities that enter into the fabric of our commercial and social life.

I voice the hope and expectation of all scientific societies and trade organizations concerned with the manufacture, distribution, sale, or use of industrial alcohol that the Treasury Department will so discharge its duty under these statutes as to give to Section 13 of Title III of the National Prohibition Act the widest possible scope and effect in furtherance of the congressional intent.

### HAWAII'S PLEA FOR STATEHOOD

Mr. KING. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me before the House Committee on the Territories, House of Representatives, Seventy-fourth Congress, first session, on Friday, May 31, 1935, which committee had under consideration H. R. 3034, as introduced by me, a bill "To enable the people of Hawaii to form a constitution and a State government":

When the great English circumnavigator, Capt. James Cook, discovered the Hawaiian Islands in 1778, he started a train of events that has logically and in natural sequence led up to this moment, when I stand before you as the representative of the people of those islands asking the Congress of the United States to grant their plea for admission into the Union as a sovereign State.

Hawaii was made known to the world when America was just beginning its long fight for independence; when the United States of America had yet to be born out of the aspirations of the Thirteen Colonies to perpetuate that independence; when the western empire was yet to be carved out of the wilderness and organized into States that were taken into the Union on terms of equality with the original group; and when this Nation had yet to absorb into its vast domain the many peoples that found here a refuge against tyranny and an opportunity to enjoy the fruits of liberty, denied them in their former homes.

The Nation created in that period has endured since then, because its principles of government were based on fundamentals of democracy, and because its institutions applied those principles to all alike. The right of a free people to rule themselves, the right of the governed to participate in their government, is the keystone of this edifice of freedom. New lands were promptly organized as Territories and as promptly admitted as States; new peoples were offered the privilege of joining with their predecessors in allegiance to this Nation, and in sharing with the older peoples the duties and responsibilities, and the rights, of American citizenship.

Thus has America grown great, in moral leadership, in area, in population, and in wealth. Soon the young Nation had spanned a continent, and faced the Pacific Ocean as well as the Atlantic. A war fought to gain the blessings of freedom to a neighboring people brought America out of its continental isolation, to the position of a colonial empire, a condition not previously experienced nor contemplated. Now comes the time when America must decide what place in the Nation these new communities may take; whether the American ideal and the historical precedents shall be followed; or whether a new, an undemocratic and un-American policy shall be adopted.

As an American; as one whose Yankee forebears helped conquer the wilderness to create this Nation, and fought to throw off the colonial yoke; whose immediate ancestors helped bring Hawaii under the American flag; and one who speaks for a people loyal to that flag, proud to serve it, and anxious to do so as full-fledged citizens; I say there can be only one answer. When a community can show it possesses the fundamental necessities for self-government, this Nation can only answer, "The right to become a State is yours. We grant you that inestimable right on proof of your capacity for self-government, of your ability to maintain a republican form of government for your people, of your loyalty to the National Government, and of your desire to share its burdens."

Hawaii is in every respect fit for statehood. In area it exceeds three States, and is nearly equal to two others. In population, it exceeds that of four States, and is running a close race with four others. In taxes it pays into the Federal Treasury more than some 16 States and five times more than is expended upon it for local purposes. As an organized Territory for over 35 years it has developed into a modern American community, on a par with any other part of the Union by the ordinary standards of American life.

Historically, Hawaii has even a better claim to an affirmative answer to its plea. From the time of Captain Cook, to the time of annexation in 1898, Hawaii maintained itself as an independent nation; first as a monarchy, and later as a republic. Through the influence of the American missionaries who first brought Christianity to Hawaii in 1820, through its own Hawaiian leaders, and through the work of later missionaries of different religious sects, Hawaii has been a Christian nation for over 100 years. Its government follows the best western models. Its statute law was adopted from that of New York; its public-school system from Massachusetts. Its language is English. It has no other background than that of independence until it came under the American flag. At the time of annexation, its entire body of law and its administrative organization was incorporated as part of the new Territorial government with a minimum of adjustment. Its president became the first governor, and its public-service employees retained their positions with practically no changes.

The reason for this is the fact that the influence of America, closer by far to Hawaii than any other nation, had been paramount for many years. There had been times when perhaps Hawaii's destinies might have been diverted into other channels. Russia showed some interest in the islands when that nation was still in possession of Alaska and had outposts in California. France had at one time the desire to add Hawaii to its South Pacific establishment. Great Britain might easily have become Hawaii's ruler but for its own indifferent policy and the active efforts of Hawaii's American colony to prevent such an end to their hopes. But certainly from 1875 to the time of annexation the entire trend of Hawaiian history was toward union with America.

In every step toward such a consummation it was recognized that Hawaii had certain inalienable rights, that her status must be an honorable one under the American flag, and that the surrender of her sovereignty to the United States carried with it an obligation on the part of the latter to see that the citizens of Hawaii should have no just cause of complaint as to the treatment accorded them. These considerations were accepted by America, were incorporated in the joint resolution of annexation, and were further expressed and carried out in the organic act.

There is no argument against Hawaii as to size, as to numbers, as to wealth, as to its capacity to maintain a republican form of government, nor as to the historical obligation of the United States to at some time grant it statehood. I quote the late great Champ Clark, former Speaker of the House, that "a perpetual chrysalis existence as a Territory is repugnant to the genius of our institutions and out of harmony with our entire history. Home rule has been our policy from the beginning."

What, then, might be the arguments against our plea? Is it the racial ancestry of our citizenry? Is that an argument that can be raised against a community already under the American flag any more than it can be raised against any other part of the United States? In a population of 368,336 we have only 62,336

alien people. All the rest are citizens or American nationals, of whom 299,744 are native-born Americans.

Is it a doubt as to the loyalty of our citizenry? How anyone can possibly seriously doubt that loyalty is inconceivable. Our absolute American patriotism during the World War, in every phase of the national effort, the National Guard, the Naval Volunteers, the Liberty-bond drives, the food-conservation exactions, is a matter of record. Are we to be found lacking through fear or suspicion of our people without just cause? Is a community that will soon be peopled almost entirely by native-born citizens, whose young formative years have been thoroughly American, to be judged in advance as to their loyalty when every item of evidence shows its complete assimilation of American ideals? In all sincerity as one with 20 years' service in the Navy and a wide acquaintance with mainland communities, I doubt if there is under the America flag a more loyal part of America than Hawaii. We accepted annexation whole-heartedly, with all its implications, its burdens, and responsibilities; and we have welded our people into a community united in a spirit of devotion to America, its institutions and ideals, that needs only a brief acquaintance to be recognized.

There is no nationalistic group in Hawaii, no other desire than to continue to be a part of America. There is no group among its citizens looking toward any other nation under whose flag it might work out its destiny. Hawaii is as American as Maine or Texas, as Florida, or Washington.

Perhaps the last question that might arise is, "Do the people of Hawaii desire statehood at this time?" Yes; of course they do. They have desired this culmination of their aspirations since that day in Honolulu when the Hawaiian flag was hauled down and the American flag was hoisted in its place. The platforms of both political parties in Hawaii have always carried a plank in favor of statehood; the biennial legislatures invariably petition Congress for statehood; my bill is but a repetition of similar bills introduced by my predecessors, and no candidate has ever attempted to run for office without pledging his support of this desire. In other words, the people of Hawaii, the great majority of them, ardently desire statehood. The Hawaiian people as a whole will never be satisfied with any other political organization but that of a sovereign State of the Union.

The people of Hawaii already share every burden that is laid upon the people of America. Every Federal law of national import applies to Hawaii as it does to continental United States. At the time of annexation American immigration and tariff laws became effective in Hawaii immediately. The whole body of Federal taxation is just as much in force in the Territory as in any other part of the Union. Whether it be income taxes, inheritance taxes, or other internal-revenue imposts, customs, or gas taxes; or today's processing taxes and code levies, Hawaii pays its share on exactly the same basis as the rest of the country. Indeed, the only difference the change of status would make is in Hawaii's participation in national elections and in the deliberations of the United States Congress and the election rather than the appointment of some of the Territorial officers.

As to Hawaii's place in the scheme of national defense, the question of statehood has no adverse effect on that important phase of Hawaii's value to the Nation. Other communities contain major military establishments without destroying the liberties of the adjacent civilian population. I have yet to hear of any military authority seriously advocating that the Hawaiian people must be denied their civil rights as a measure of national defense; that an area greater than Connecticut and Rhode Island, with nearly 400,000 people, organized into a highly developed community, representing hundreds of millions of dollars of capital, and responsible for an average annual trade of $200,000,000, should be denied any degree of self-government as a preventative measure. Such hypotheses are the talk of jingoes, of an occasional irresponsible layman, of unauthorized and self-appointed spokesmen for the military services. The national defense will be loyally supported by the people of Hawaii whatever their status, and their cooperation would be obtained in the fullest degree if their condition were the most honorable attainable, that of citizens of a sovereign State.

### GET THE FARMER OUT OF THE MUD

Mr. LORD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by me on National Grange Hour, WMAL and associated stations, August 17, 1935:

During my entire time in the Legislature of the State of New York, which has covered a period of some 20 years, I have campaigned for better highways and my slogan has been "Get the Farmer Out of the Mud."

When I arrived in Washington at the beginning of the session this year it was my great desire to be a member of the Committee on Roads. I received this appointment and have endeavored to assist in getting appropriations for all highways and for farm-to-market roads in particular.

Our committee reported a bill carrying an appropriation of $1,000,000,000 for highways, three hundred million of this amount was to be for farmers' back roads. Opposition grew up to this three hundred millions for the farmers' roads, and it was eventually eliminated from the bill.

About this time the $5,000,000,000 appropriation for public works was passed, and it came to my mind that we could appropriate $600,000,000 from this fund to build farm-to-market roads.

I got in touch with the National Grange office, Mr. Brenchman, and Mr. McCloskey, and members of other farm and road organizations and they agreed with me that this was a good project and have given me their whole-hearted support in bringing this about.

I called on Harry L. Hopkins, F. E. R. A. Administrator, and succeeded in interesting him in this proposition. I also called on Secretary of Agriculture Wallace, Thomas MacDonald, Chief of the Bureau of Roads, and President Roosevelt, and interested them in this plan.

If we can have just a good stone and gravel road to every back farm, we can keep our people living there and they can get to town at any season of the year. This will make the farm lands more valuable and make it much easier for the people to live on the back farm. If the locality wants it, a hard surface can be put on these roads either at the time they are constructed or later.

We have many people out of work, and this will be one of the best projects we can have, to build these stone and gravel roads to the back farms, and give employment to people out of work.

We can construct these roads where stone and gravel is near at hand for from $1,000 to $2,500 per mile. Build a road of at least 12 inches in thickness and this kind of a road would be impossible to ever cut through. We have constructed this kind of a road in my section for the past 25 years, and with little care during the time, they are good roads yet.

The principles governing the construction of these roads will be promulgated by the Federal Works Administration under Harry L. Hopkins. In each State there is a State works progress administrator. The States themselves are divided into districts with district directors. There are over 300 of these districts in the country.

The money that will be spent in this connection will be in addition to the regular Federal-aid appropriation for farm-to-market highways amounting to $125,000,000, which will be disbursed under supervision of the United States Bureau of Roads. This work is not carried out through the State highway departments or the departments of public works in any of the States.

Applications for projects are made by the town supervisor and town board for town projects; by county board of supervisors for county projects, or in States where they have county commissioners the applications are made through the county commissioners.

There are no rigid rules and regulations governing the expenditure of these available funds. There are, however, provisions that must be met:

1. There must be a real need for unemployment relief.
2. There must be an economic need for the work proposed.
3. A specific program must be proposed.
4. Expenditure of money must be under competent supervision.

Furthermore, in formulating projects, the sponsoring agency should confer with the local district office of the W. P. A. for information concerning the number and occupation of persons on relief rolls who are to be put to work.

Sponsors should utilize the facilities of local and State planning boards in the formulation of projects.

The sponsoring governmental agency is expected to contribute equipment, materials, and services to the maximum amount possible. The priority of the project will depend in part on the amount of such contributions and the extent to which they increase the proportion of labor cost to the total Federal funds required for the project.

The project application when completed is filed with the district director of the W. P. A. When approved by the district director, this is passed on to the State director for his approval, and if approved by the State director the application is forwarded to Washington for the approval of the Works Progress Administrator, the Allotment Board, the President of the United States, the Treasurer, and the Comptroller General.

When the project has been approved by all of these departments and returned to the local office, work can be started immediately, provided there are men on the relief rolls who have no other employment.

It is estimated that this may take from 20 to 30 days, or possibly more, to pass this through the various departments in Washington. The time that is taken to approve the plans is very important, especially at this season of the year when men are out of work and cold weather will soon be coming on. I believe that there should be some shorter route to get the plans approved and underway so men can get to work. This is a problem that the department should work out without delay.

There is a demand for roads of the type that will stand up during all kinds of weather and which may be constructed at a reasonable outlay per mile.

The number of miles of farm-to-market roads constructed during this year and next depends to a great extent on the number of unemployed in the rural sections and the promptness of the local officials in getting the work started.

In addition to the funds that will be expended on dirt roads, Congress appropriated a sum not exceeding $800,000,000 for highway construction and grade-crossing elimination. The President has allocated $400,000,000 for these purposes, to be divided about equally. It is stipulated in the works relief appropriation that not less than 25 percent of the money apportioned for highways shall be spent on secondary roads.

There are more than 3,000,000 miles of highways outside of cities in the United States. Out of the total, 422,582 miles are on Federal and State highway systems. Of the remaining 2,646,000 miles, 564,000 are improved to some extent. The remainder, more than 2,000,000 miles, are mud roads, a large percentage of which would be passable under favorable weather conditions, but cannot

be depended upon throughout the year. Over 4,000,000 farms, two-thirds of the total in the United States, are located on these unimproved roads, which provide the only means of communication and transportation of crops, livestock, and other agricultural products from farm to markets.

This plan of building farm-to-market roads applies to every State in the Nation and many States have their set-up ready and are approving plans to start the work at once.

Next year the work will get going in full speed and many farmers who are now on mud roads will have a good hard road to travel over. While this is a relief measure at present we are planning to make it permanent and continue this work until every farmer is "out of the mud" and living on a good hard good.

RELIGIOUS INTOLERANCE

Mr. SHANLEY. Mr. Speaker, the religious situation in both Mexico and Germany presents in its fullest light the entire doctrine of intervention. We can best put our thoughts into focus by defining intervention as "the interference by one nation with the political independence of another, irrespective of the will of that other, in what concerns either its domestic affairs or its intercourse with foreign states."

Obviously, according to the best thought in the family of nations, a state has the right to enjoy political independence with whatever form of government it desires, and live its own life in its own way.

However, with the increase of transportation and communication, and especially the opportunities that are possible in aerial improvements, the affairs of one state are more and more closely linked with those of others in the great family of nations.

It might be readily said that no event in any nation can happen without a repercussion in another.

Obviously a nation may treat its own nationals as it will, even though it shock the sensibility of the entire outside world. But it cannot stop world opinion. In dealing with its own nationals a nation is given the utmost freedom. But when, however, the conduct of a state, through its own suggestions, is so heinous and so tyrannical as to directly affect numerous classes of subjects in other states, who may be connected by blood, there is a growing demand for interposition.

Certainly we know that where such treatment results in the immigration of those affected nationals into other lands that the nations to which they have gone have a right to protest against increased burdens of relief. This is an admitted right in international law.

Obviously, the situation in Germany is such that millions of American citizens connected by blood, race, and religion with those oppressed in Germany are deeply concerned over the situation. Obviously, in all cases for the most part Germany is treating its own nationals, and we are face to face with the great problem of international law, but this should not prevent us from raising our voices in protest and declaring to the world that we view these acts as reprehensible in an enlightened civilization. This is the more true in America, where differences of religion have produced toleration and minorities have ample protection. Let world opinion speak.

WHY THE INTERNATIONAL MANUFACTURERS SALES CO. CLAIM SHOULD NOT BE PAID

Mr. McFARLANE. Mr. Speaker, we have under consideration a bill for the relief of the International Manufacturers Sales Co., A. S. Postnikoff, trustee.

Under authority granted me to extend and revise my remarks in the RECORD I am going to enclose a letter from the Comptroller General to Senator Howell, then Chairman of the Senate Committee on Claims, dated July 30, 1930, which gives a fair history of this bill. There were also printed hearings before the Committee on Claims of the House with respect to this same bill when it was being considered in the Seventy-first Congress. The hearings contained a fairly complete history of the claim in a statement by Mr. Francis M. Anderson, assistant to the Solicitor of the Department of State, beginning on page 13 of the hearings. It will be noted that the shoes in question had been in Vladivostok, Siberia, for a period of 2 months before the War Trades Board was organized to relieve the distress of the Siberians. The Executive order creating the War Trades Board stated that the Board would cooperate with American firms in shipping and disposing of goods in Siberia. It will be noted from the committee hearings that the International Sales Co. had been doing business in Siberia for several years prior to the war. It has been claimed by the proponents of the bill that this company, out of the goodness of its heart, practically heeded a request of a United States Government agent having authority and went into Russia to sell these shoes at the request of the Government. The records of the State Department do not substantiate this. The only statement that substantiates this is the statement of Mr. Posnikoff himself. This company had good stores and probably 40 warehouses throughout Russia, and the Bolshevist uprising occurred and they lost all that material. The Bolshevists took it and paid nothing for it. Siberia at that time had not been overrun by the Bolshevists.

The transaction in question could not be considered as a transaction coming under the War Trades Board, for the company had the goods already there. They had to get rid of them, and the only alternative was to get rid of them under the arrangements which they carried out with the people of Siberia. As the result of that arrangement, which was purely a business transaction, they lost money due to a situation in Russia over which our Government had no control. If the International Sales Co. had made a profit of a million dollars instead of losing that amount, they would not have given the United States Government one penny.

The company sold over 107,000 pairs of shoes to the Siberian Government at a price of $10.80 per pair. This included cost of manufacture, transportation from Boston to Vladivostok, and cost of transportation and distribution to points in Siberia, some of which were 3,000 miles away from Vladivostok, and included a reasonable profit according to Mr. Postnikoff. The cost of transportation per pair of shoes and distribution amounted to approximately $5 and if Congress sees fit to pass this bill, the taxpayers of the United States should not be made to bear the burden of the transportation of the shoes, which would have been lost to claimant even though the United States Government had entered into a binding agreement with Mr. Postnikoff, for the Government would only have been liable for the actual cash value of the shoes at Vladivostok as Postnikoff himself stated that he was getting ready to ship the shoes back out of the country.

I think that after you hear the excerpts read from the Comptroller General's report, you will feel convinced that the taxpayers of the United States Government do not owe this concern one penny, either from a legal or moral standpoint, and that if anything is given it will be a mere gratuity.

EXCERPTS FROM LETTER WRITTEN BY J. R. M'CARL, COMPTROLLER GENERAL, TO HON. R. B. HOWELL, CHAIRMAN COMMITTEE ON CLAIMS, UNITED STATES SENATE, JULY 30, 1930, RELATIVE TO THE CLAIM OF THE INTERNATIONAL MANUFACTURERS SALES CO.

I am unable to recommend favorable action on the bill.

It may be stated that the matter has never been before this office nor the former Comptroller of the Treasury for consideration as a claim, and there are no papers, etc., on file in this office with reference thereto. Hence, this report is based entirely on the records which accompany your request.

It appears that in the fall of 1918, with the approval of the President of the United States, a provisional plan was formulated by the War Trade Board for the purpose of extending economic aid to the Siberian population in Russia; that the War Trade Board was intrusted with carrying out this plan and was placed in control of the supplies licensed for exporting to Vladivostok, one August Heid being appointed as Chief of the Vladivostok Bureau and representative of the War Trade Board in that city; and that the supplies to be shipped were to be obtained partly by the use of revolving fund placed at the disposal of the Board by the President. The plan for the relief is fully set forth in an "Aide Memoire" and a telegram to the American consul at Vladivostok, Siberia, both dated October 10, 1918.

In order to carry out the plan of aid as outlined, supra, American merchants, manufacturers, and so forth, were invited to sell goods in Siberia and advised that they could obtain information as to the method of selling goods, and so forth, from the Vladivostok Bureau of the War Trade Board, and pursuant to said invitation one A. S. Postnikoff, then in Vladivostok and representing himself as being the president of the International Manufacturers Sales

Co. of America, Inc., discussed with Mr. Heid in detail the plan of relief of the Siberian people. Mr. Postnikoff informed Mr. Heid that his company (International Manufacturers Sales Co. of America, Inc.), had a quantity of shoes in Vladivostok and Mr. Heid encouraged the sale of said shoes as being in line with the United States Government's plan of supplying the needs of the Siberian population (see in this connection par. 5 of Mr. Heid's affidavit of Dec. 16, 1921); and that in December 1918, and January and February 1919, said International Manufacturers Sales Co. of America, Inc., sold and delivered approximately 107,471 pairs of shoes at a price of $10.80 per pair, the statement of account therefor as furnished by the said International Manufacturers Sales Co. of America, Inc., being made up as follows:

| To whom sold | Pairs of shoes | Price in rubles and dollars | Amount in— | |
|---|---|---|---|---|
| | | | Rubles | Dollars (18 cents per ruble) |
| Ekaterinburg Zemstvo | 18,880 | (1) | 1,133,100 | $203,958.80 |
| Irkutsk Cooperative Society | 20,517 | (1) | 1,231,020 | 221,583.60 |
| Omsk Provincial Government | 46,959 | (1) | 2,817,540 | 507,157.20 |
| Tomsk Provincial Zemstvo | 21,109 | (1) | 1,266,540 | 227,977.20 |
| Total | 107,471 | | 6,448,200 | 1,160,686.80 |

[1] 60, or $10.80, at the rate of 18 cents per ruble.

In the price of $10.80 per pair of shoes are included: Railroad freight from Boston, Mass., to Vancouver, British Columbia; ocean freight from Vancouver, British Columbia, to Vladivostok, Siberia; rail and marine insurance; customs duty in Vladivostok; rail transportation to Tomsk, Omsk, Irkutsk, and Ekaterinburg (the latter town about 3,260 miles from Vladivostok); cost of handling; and other overhead expenses, which in all amounted to approximately $4.65 per pair.

From the amount of rubles, 6,448,260, 3,000,000 were deposited in three Omsk banks, 1,000,000 in each, and the balance of rubles, 3,448,260, in two Vladivostok banks.

It appears that under date of February 14, 1919, pursuant to an Executive order dated January 26, 1918—Executive order prescribing rules and regulations under section 5 of the Trading With the Enemy Act and supplementing rules and regulations theretofore prescribed—the Federal Reserve Board issued the following regulation:

"Until otherwise instructed, the exportation or importation of Russian rubles or the transfer of funds for their purchase by 'person' and 'dealers' in the United States as described under the Executive order of the President of January 26, 1918, is prohibited."

Following the ruling of the Federal Reserve Board, supra, the Siberian Government issued a ruling prohibiting ruble exchange, the effect of which was to allow withdrawals from the banks only in the amount of 1,000 rubles per week.

The said International Manufacturers Sales Co. of America, Inc., states that by reason of the said regulation of the Federal Reserve Board of February 14, 1919, it was unable to convert the rubles into American dollars—this despite its every effort to do so; that as a result thereof the rubles had to remain and still remain in Russian banks, and in the meantime the depreciation in value of rubles has reduced the amount to practically nothing, meaning a total loss to the company; and that the total amount received by reason of the sale of said shoes and on deposit, including interest to the 1st of January 1922, on the basis of an exchange of 18 cents in American money, amounts to $1,308,816.46.

The substance of above appears in a printed pamphlet entitled "Statement Explanatory of Senate Bill S. 3588 and House Bill H. R. 10064", Seventy-first Congress, second session, by said International Manufacturers Sales Co. of America, Inc., hereto attached, marked "Exhibit A" (pp. 11, 12, 13, 14, and 15). As will be seen (p. 14), the company admits it has no legal claim against the United States by reason of said matters, but urges it has a moral claim.

"* * * in conversation with Mr. A. S. Postnikoff, I encouraged the sale of shoes because it would be in line with the United States Government's plan of supplying the needs of the Siberian population."

As to the matter of profit (b) and (c), and the statement by the said company that no profit was made and that the transaction was purely a relief measure, attention is invited to a telegram dated March 17, 1919, from the American consul at Vladivostok to the Department of State, as follows:

[Paraphrase of telegram from American consul at Vladivostok to Department of State]

MARCH 17, 1919.

SECRETARY OF STATE,
*Washington.*

Routine 151, War Trade Board 116:

The shoes mentioned in your telegram no. 127 were property of the International Manufacturers Sales Co. of New York. There were 26,000 pairs of the shoes. They were products of the M. A. Packard Co., of Brockton, Mass., and Thomas G. Plant Co., of Boston. A. S. Postnikoff, who is president of the Sales Co., is in Vladivostok now and came highly recommended by the Secretary of State, Mr. Lansing; L. D. Snow, Bureau of Foreign and Domestic Commerce; and with the endorsement of five influential American banks. He has pledged that the shoes would be sold at a small profit, not in excess of 10 percent. Eleven thousand pairs have been reported as sold. Mr. Heid advises that he will send more information later.

CALDWELL.

See also telegram of July 12, 1919, from the American Minister at Peking to the Department of State, as follows:

[Paraphrase of telegram from American Minister at Peking to Department of State]

OMSK, *July 12, 1919.*

SECRETARY OF STATE,
*Washington.*

The following message, no. 322, and dated July 12, 7 p. m., has been received from Omsk:

Reference is made to the Department's telegram of March 22, 6 p. m. The following is a copy of a telegram which I have sent to Mr. Heid:

"The municipality of Tomsk has made a complaint to me to the effect that the International Sales Co., of America, through its agent, Postnikoff, sold to the Tomsk municipal supplies committee a quantity of shoes valued at 300,000 rubles. At the time the order was placed Mr. Postnikoff presented a letter of introduction signed by Mr. Robert Lansing, and written at the request of Senator Joshua Walcott, of Delaware. The shoes were brought to Siberia last winter as the property of the War Trade Board on a Red Cross train. They were in charge of a man named Fishman. After the delivery of the goods the municipal authorities at Tomsk found them to be very inferior to the samples presented at the time the order was placed. Fishman has disappeared, and the authorities at Tomsk have refused to accept the shoes. They have requested the American vice consul at Tomsk, Mr. Dille, to inform the proper authorities of their attitude. In January of this year, it should be noted, a similar transaction was effected by Mr. Fishman in Ekaterinburg. Fishman is said by Mr. Heid, of the War Trade Board, to have had no connection with the board. Have you any information in regard to this matter? Harris."

REINSCH.

As to (d), (e), (f), and (g), there is no doubt but that the amounts due for the shoes were deposited in various banks and that rubles are at the present time practically worthless; and while the United States assisted and arranged for the transportation of the shoes to the various municipalities, etc., it had nothing whatever to do with the payment for the shoes. On the contrary, payment therefor appears to have been arranged and controlled by representatives of the said International Manufacturers Sales Co. of America, Inc., and no suggestion appears on the part of the representatives of the United States as to what disposition could be made of the money after receipt thereof. While the regulation of February 14, 1919, supra, issued by the Federal Reserve Board, did prevent the exportation or importation of rubles or the transfer of funds for their purchase by persons and dealers in the United States, it did not prevent the withdrawal of such funds from the banks in which they were deposited in Siberia; but it was because of the subsequent regulation issued by the Siberian Government that prevented such withdrawal. There must also be considered in connection with the depreciation of rubles and the exchange thereof for American money that the establishment of the medium of exchange or currency was specifically brought to the attention of all allied Ambassadors in the Aide Memoire of October 10, 1918, supra. Furthermore, it is conclusively shown that the said International Manufacturers Sales Co. of America, Inc., is made up of 42 American concerns and was incorporated in the State of Illinois in 1910 and reincorporated in the State of New York in 1916, and that the sole and only purpose of the corporation was to carry on a general sales business in Russia and other European countries; that since the incorporation, and up to and including the time of the transactions in question, it has been doing business in Russia and other foreign countries and had maintained at practically all times a representative in Russia; that for some time prior to the formulation of the plan of extending aid to Siberia by the United States the said company was doing business through its representative then in Russia and was thoroughly familiar with conditions that existed, especially with reference to the possibility of the overthrow of the Government and the establishment of a new medium of exchange, thereby making the then existing exchange or currency practically of no value whatever. In fact, prior to the sale in question it had lost considerable money on account of the sale of shoes and supplies in other parts of Russia by reason of the depreciation in value of rubles.

---

Mr. A. S. POSTNIKOFF,
*Washington, D. C.*

SIR: The Department refers to your letters of February 17 and February 20, 1922, and to your conversations with members of the Solicitor's office and the Russian Division concerning the desire of the International Manufacturers' Sale Co. of America, Inc., to obtain reimbursement of losses said to have been sustained by it in connection with the sale of shoes in Siberia from November 1918 to the end of April 1919. You stated that the operations of the company in Siberia were conducted in accordance with plans outlined by the War Trade Board in October 1918 and with the

personal encouragement of Mr. August Heid, a special assistant to the Department of State, acting as head of the Russian bureau of the War Trade Board at Vladivostok; that Mr. Heid assured you that there would be no trouble in obtaining American dollars in exchange for the Kerensky and imperial rubles in which payment was made for the shoes; and that you were surprised to learn at the conclusion of the sale that, in consequence of an order of the Federal Reserve Board dated February 14, 1919, you could neither bring the rubles to the United States nor exchange them in Siberia for American dollars. You requested a letter from the Department for presentation to Congress with a petition for relief.

The only information which the Department possesses with reference to the Siberian operations of the International Manufacturers Sales Co. of America, Inc., is that which was supplied by you. The records of the Department show that a provisional plan for rendering economic aid to Russia was approved by the President prior to October 3, 1918, and that under this plan, the execution of which was intrusted to the War Trade Board, supplies required by Russian civilians were to be licensed for export to Vladivostok for distribution and sale in Russia under the control of the War Trade Board. The records show that Mr. Heid, a special assistant to the Department stationed at Vladivostok for the performance of duties assigned by him by the War Trade Board, was instructed that in exercising the control which he would be given over the manner, place, and terms of the sale of supplies exported in pursuance of the plan above mentioned, he should bear in mind that while a profit must be allowed the exporter which would be reasonable in view of the risks involved, it was of the utmost importance that excessive profits be avoided and that no basis be permitted for charges of exploitation. The War Trade Board, it should be stated in this connection, was not incorporated with the Department until July 1, 1919.

The Department does not perceive that the circumstances attending the Siberian operations of the International Manufacturers Sales Co. of America, Inc., as set forth in your letters and conversations, were such as to impose upon this Government any obligation to indemnify you and the company for the losses said to have resulted from an order of the Federal Reserve Board. The spirit in which the operations were apparently conducted is, however, appreciated, and in the losses sustained you have the Department's sincere sympathy.

I am, sir, your obedient servant,

F. M. DEARING
(For the Secretary of State).

NOT SO MANY DRUNKEN DRIVERS SINCE LEGAL BEER AND REPEAL

Mr. HESS. Mr. Speaker, there has been persistent propaganda by professional drys since legal beer and repeal of the eighteenth amendment that there has been an alarming increase in drunken drivers on the public streets and highways.

It is a gratifying fact that a survey of the police records of 324 cities of the United States, having a combined population of 36,547,027, shows a big decline in arrests of intoxicated drivers in 1933 and 1934 as compared with the four typical prohibition years of 1928, 1929, 1930, and 1931. The statistics from these police departments, when grouped by States, show a decrease in arrests of intoxicated drivers from 20 to 40 percent, with few minor exceptions.

In my home State, for example, complete statistics from 30 of the larger cities, having a population of 2,634,000, show a decrease of 23.3 percent. Forty-three New York cities, with a population of 8,895,828—more than two-thirds of the entire State—show a decline of 33 percent. Other States reporting big decreases are: Connecticut, 32.2 percent; Washington, D. C., 26.6 percent; Illinois, 33.8 percent; Indiana, 35.5 percent; Iowa, 40 percent; New Jersey, 15 percent; Texas, 33 percent; Virginia, 33 percent; Wisconsin, 24.5 percent; and Michigan, 34 percent. Of the larger States, Pennsylvania alone showed an increase—29 percent.

The official records from the 324 cities show the following number of arrests for drunken driving:

| | |
|---|---|
| 1928 | 24,996 |
| 1929 | 24,947 |
| 1930 | 24,816 |
| 1931 | 24,899 |
| 1932 | 19,351 |
| 1933 | 19,033 |
| 1934 | 23,683 |

The 4 years which show the highest number of arrests were 1928, 1929, 1930, and 1931—which may be properly classified as typical prohibition years. The year 1932 was the year of changing public opinion, or perhaps more properly speaking, the year in which the people determined to repeal national prohibition. Under act of Congress beer was legalized in April 1933, hence that year may be designated the beer year. Repeal became effective in December 1933, and consequently 1934 was the first repeal year in which the sale of all alcoholic liquors was legal so far as the Federal Government was concerned.

The average number of arrests for the four typical prohibition years was 24,514, and for the beer and repeal years, 21,359—the average decrease for the entire group of cities being 14 percent. The highest record, 24,996 in 1928, was 5,961 in excess of the beer year of 1933, and 1,316 in excess of the repeal year of 1934.

The records show a decided improvement in the matter of drunken drivers since legal beer and repeal, in spite of the insistence of the professional drys that just the opposite would be true.

Unfortunately, automobile accidents take a frightful death toll. Since 1926 the record has been above 20,000 deaths every year. In 1930, according to Census Bureau records, deaths from such accidents were 31,678. In 1931, they were 32,429; in 1932 they dropped to 28,361, and rose again in 1933 to 31,363. No later figures for the entire country have been compiled by the Census Bureau, except for the 86 cities each having a population in excess of 100,000 which make weekly reports to the Bureau.

The combined population of the 86 cities is 37,424,402. The Census Bureau reports, which go back only to 1930, show the following number of deaths in these 86 cities:

| | |
|---|---|
| 1930 | 8,934 |
| 1931 | 9,120 |
| 1932 | 8,001 |
| 1933 | 8,215 |
| 1934 | 9,042 |

About 25 percent of these deaths results from accidents outside of the limits of the cities. The Census Bureau statistics for the first 32 weeks of 1935 show a slight decrease in the number of death from traffic accidents when compared with corresponding periods of 1930, 1931, and 1934. Here is that record for six such periods:

| | |
|---|---|
| 1930 | 5,113 |
| 1931 | 5,364 |
| 1932 | 4,711 |
| 1933 | 4,500 |
| 1934 | 5,156 |
| 1935 | 5,100 |

The three groups of Census Bureau figures show the highest record of automobile fatalities in 1930 and 1931, when the Volstead Act and the eighteenth amendment were unrepealed. The Census Bureau record for the entire country for 1934 has not been completed.

Some private organizations estimate the number of deaths in 1934 at 35,500, but this has not been confirmed by Government records. At the same time they estimate the number of persons killed by accidents in and around the home at 33,000, thus indicating that there were only 2,500 more deaths from automobile accidents last year than from home accidents. These statistics were recently read into the CONGRESSIONAL RECORD by a member—Mr. LUNDEEN—from Minnesota.

When the fact is considered that more than 25,000,000 automobiles and trucks were in operation last year, and that, on the basis of gasoline consumption, they traveled approximately 215,000,000,000 miles, it is quite remarkable that there were so few more deaths than from accidents in the homes.

All analysts of automobile accidents generally agree that high speed and carelessness are the principal causes of automobile accidents, and that drunken driving is a negligible factor—figuring perhaps in 3 percent of accidents. On the basis of police statistics back to 1928, the drunken driver must have been more of a menace to public safety before legal beer and repeal than since that time.

Since 1925 the horsepower of the low-priced cars has been more than quadrupled, and of the medium- and high-priced cars doubled. Practically all automobiles now have a potential speed of 80 miles an hour. When accidents occur at high rates of speed the danger of death or serious injury is greatly increased. The American Automobile Association has prepared a table showing the increase in horsepower of the three different classifications of automobiles. Here it is:

| | Low-priced cars | Medium-priced cars | High-priced cars |
|---|---|---|---|
| 1925 | 20 | 70 | 83 |
| 1926 | 20 | 78 | 83 |
| 1927 | 20 | 78 | 105 |
| 1928 | 40 | 78 | 105 |
| 1929 | 40 | 90 | 105 |
| 1930 | 40 | 98 | 105 |
| 1931 | 40 | 100 | 120 |
| 1932 | 60 | 108 | 145 |
| 1933 | 80 | 112 | 158 |
| 1934 | 92 | 118 | 160 |

When all the factors in the automobile-traffic problem are given proper consideration it will be seen that the great majority of the people have the good sense not to drive under the influence of liquor. The attempt on the part of the professional drys to make it appear that legal beer and repeal increased the danger from accidents on the public highways must be classed as propaganda without facts to support it. Both the police statistics and Census Bureau records refute the propaganda.

It is particularly gratifying to me that Ohio cities reporting in the survey should make such an excellent record. Thirty cities reported statistics complete from 1928 to 1934, showing a drop of 23.3 percent in the arrest of drunken drivers. These cities have a population of 2,634,000—more than one-third of the population of the State. They show an average of 1,506 arrests for drunken driving in the 4 typical prohibition years, as compared with 1,154 for the beer and repeal years. Here is the Ohio record:

| | Prohibition years, National and State | | | | Year of changing opinion, 1932 | Beer, 1933 | Repeal, 1934 |
|---|---|---|---|---|---|---|---|
| | 1928 | 1929 | 1930 | 1931 | | | |
| Akron | 261 | 275 | 184 | 130 | 123 | 155 | 194 |
| Ashtabula | 13 | 19 | 17 | 20 | 12 | 13 | 18 |
| Barberton | 80 | 55 | 65 | 49 | 18 | 25 | 24 |
| Bellevue | 2 | 1 | 1 | 2 | 2 | 3 | 5 |
| Cambridge | 21 | 33 | 42 | 19 | 14 | 22 | 31 |
| Canton | 119 | 79 | 53 | 56 | 20 | 19 | 23 |
| Cincinnati | 139 | 77 | 70 | 50 | 47 | 43 | 46 |
| Cleveland | 381 | 279 | 169 | 131 | 115 | 70 | 146 |
| Cleveland Heights | 50 | 58 | 56 | 49 | 48 | 37 | 40 |
| Dayton | 71 | 96 | 53 | 72 | 81 | 94 | 109 |
| Delphos | 13 | 2 | 3 | 0 | 2 | 7 | 7 |
| East Liverpool | 36 | 37 | 36 | 26 | 31 | 21 | 30 |
| Findlay | 8 | 11 | 12 | 16 | 13 | 12 | 18 |
| Hamilton | 57 | 43 | 36 | 39 | 24 | 20 | 41 |
| Kenton | 6 | 4 | 9 | 5 | 4 | 11 | 15 |
| Lakewood | 121 | 137 | 118 | 132 | 129 | 144 | 155 |
| Lorain | 23 | 29 | 21 | 10 | 7 | 3 | 11 |
| Mansfield | 77 | 68 | 49 | 40 | 33 | 50 | 65 |
| Marietta | 44 | 33 | 20 | 29 | 29 | 22 | 46 |
| Massillon | 65 | 41 | 51 | 23 | 25 | 20 | 52 |
| Middletown | 95 | 91 | 57 | 43 | 46 | 43 | 55 |
| New Philadelphia | 19 | 8 | 8 | 14 | 6 | 5 | 18 |
| Norwalk | 13 | 2 | 13 | 7 | 2 | 2 | 1 |
| Piqua | 8 | 17 | 19 | 16 | 14 | 18 | 6 |
| Ravenna | 1 | 5 | 4 | 1 | 5 | 1 | 3 |
| Sandusky | 19 | 10 | 12 | 17 | 21 | 6 | 13 |
| Springfield | 63 | 81 | 55 | 58 | 23 | 23 | 46 |
| Van Wert | 0 | 0 | 0 | 0 | 2 | 4 | 0 |
| Youngstown | 67 | 53 | 35 | 43 | 27 | 57 | 89 |
| Zanesville | 45 | 39 | 31 | 30 | 27 | 13 | 30 |
| | 1,917 | 1,683 | 1,297 | 1,127 | 720 | 972 | 1,337 |
| INCOMPLETE REPORT FROM 9 ADDITIONAL CITIES, POPULATION 727,300 | | | | | | | |
| Columbus | ------ | ------ | 145 | 175 | 138 | 112 | 138 |
| Delaware | ------ | ------ | ------ | ------ | ------ | ------ | 3 |
| Elyria | ------ | 39 | 36 | 30 | 25 | 11 | 32 |
| Galion | ------ | 0 | ------ | 1 | 1 | 3 | 7 |
| Lima | ------ | ------ | ------ | 13 | 24 | 19 | 17 |
| Newark | ------ | ------ | ------ | 28 | 21 | 16 | 44 |
| Struthers | ------ | 25 | 15 | 11 | 5 | 6 | 10 |
| Tiffin | ------ | ------ | ------ | 9 | 13 | 9 | 29 |
| Toledo | ------ | ------ | ------ | 220 | 151 | 148 | 236 |

As another illustration I offer the record of New York:

New York cities representing two-thirds of the State's population show a drop of 33 percent in arrests of drunken drivers since legal beer and repeal.

Official police statistics from 43 cities, complete from 1928 to 1934, show an average of 2,273 arrests annually during the four typical prohibition years, as compared with 1,419 in the beer and repeal years.

Population of reporting cities, 8,985,828; of entire State, 12,588,066.

| | Prohibition years, national and State | | | | Year of changing opinion, 1932 | Beer, 1933 | Repeal, 1934 |
|---|---|---|---|---|---|---|---|
| | 1928 | 1929 | 1930 | 1931 | | | |
| New York City | 1,511 | 1,434 | 1,399 | 1,214 | 874 | 835 | 887 |
| Buffalo | 314 | 302 | 363 | 326 | 154 | 76 | 147 |
| Auburn | 66 | 28 | 24 | 25 | 33 | 22 | 14 |
| Batavia | 18 | 7 | 4 | 14 | 10 | 4 | 11 |
| Beacon | 1 | 2 | 2 | 0 | 0 | 0 | 1 |
| Binghamton | 33 | 28 | 43 | 44 | 22 | 20 | 37 |
| Corning | 14 | 15 | 13 | 9 | 6 | 1 | 10 |
| Cortland | 5 | 7 | 11 | 10 | 14 | 10 | 8 |
| Depew | 3 | 1 | 4 | 2 | 1 | 2 | 2 |
| Freeport | 38 | 19 | 16 | 9 | 19 | 15 | 15 |
| Glens Falls | 13 | 10 | 20 | 12 | 4 | 5 | 9 |
| Gloversville | 9 | 4 | 5 | 2 | 5 | 6 | 11 |
| Herkimer | 6 | 2 | 5 | 8 | 4 | 3 | 4 |
| Hornell | 0 | 3 | 0 | 2 | 6 | 1 | 15 |
| Ithaca | 13 | 4 | 11 | 9 | 8 | 5 | 4 |
| Jamestown | 24 | 50 | 44 | 26 | 25 | 11 | 25 |
| Kingston | 25 | 9 | 5 | 10 | 7 | 6 | 8 |
| Little Falls | 3 | 11 | 9 | 7 | 1 | 2 | 1 |
| Lockport | 22 | 24 | 7 | 10 | 9 | 8 | 5 |
| Mechanicville | 0 | 0 | 0 | 3 | 0 | 0 | 1 |
| Medina | 2 | 1 | 2 | 2 | 0 | 0 | 0 |
| Newark | 0 | 4 | 14 | 1 | 6 | 7 | 3 |
| Newburgh | 16 | 13 | 19 | 17 | 10 | 9 | 20 |
| New Rochelle | 27 | 29 | 24 | 31 | 38 | 32 | 38 |
| North Tarrytown | 1 | 1 | 0 | 0 | 2 | 2 | 1 |
| North Tonawanda | 9 | 8 | 5 | 4 | 0 | 1 | 4 |
| Oneida | 10 | 4 | 2 | 4 | 1 | 2 | 1 |
| Ossining | 3 | 6 | 4 | 4 | 3 | 2 | 2 |
| Peekskill | 15 | 5 | 15 | 2 | 2 | 11 | 6 |
| Plattsburgh | 9 | 14 | 18 | 18 | 17 | 15 | 14 |
| Portchester | 12 | 20 | 8 | 21 | 10 | 19 | 35 |
| Poughkeepsie | 20 | 29 | 27 | 17 | 17 | 15 | 31 |
| Rensselaer | 0 | 1 | 2 | 2 | 0 | 1 | 1 |
| Rochester | 65 | 88 | 72 | 83 | 63 | 52 | 89 |
| Rome | 21 | 15 | 19 | 10 | 8 | 3 | 20 |
| Salamanca | 16 | 12 | 6 | 2 | 6 | 18 | 11 |
| Saranac Lake | 13 | 17 | 12 | 8 | 7 | 11 | 9 |
| Schenectady | 36 | 34 | 28 | 28 | 35 | 21 | 25 |
| Solvay | 15 | 7 | 10 | 11 | 8 | 5 | 3 |
| Tarrytown | 0 | 2 | 1 | 0 | 5 | 7 | 5 |
| Tonawanda | 4 | 2 | 3 | 4 | 2 | 2 | 3 |
| Utica | 14 | 10 | 10 | 9 | 7 | 7 | 3 |
| Watertown | 16 | 15 | 26 | 25 | 13 | 11 | 14 |
| Total | 2,439 | 2,297 | 2,312 | 2,045 | 1,462 | 1,285 | 1,553 |
| INCOMPLETE REPORTS FROM 9 ADDITIONAL CITIES, POPULATION 351,352 | | | | | | | |
| Canandaigua | ------ | 9 | 17 | 11 | 12 | 11 | 1 |
| Johnson City | ------ | ------ | ------ | ------ | ------ | ------ | 3 |
| Malone | ------ | ------ | ------ | ------ | ------ | 6 | |
| Middletown | ------ | 4 | 0 | 11 | 5 | 0 | |
| Niagara Falls | ------ | 28 | 19 | 33 | 14 | 25 | 4 |
| Norwich | ------ | ------ | ------ | 5 | 2 | 9 | |
| Oswego | ------ | ------ | ------ | 4 | 7 | 6 | |
| Troy | ------ | ------ | 10 | 8 | 8 | 22 | 1 |
| Yonkers | ------ | ------ | 26 | 28 | 18 | 11 | 1 |

I also offer the complete record of the 324 cities, and the record of 77 additional cities which furnished some statistics, together with other records relating to the problem of automobile traffic accidents:

OFFICIAL STATISTICS ON INTOXICATED DRIVERS

Official records, complete from 1928 to 1934, inclusive, of arrests of drunken drivers as reported by the police departments of 324 cities having an estimated 1933 population of 36,547,627, show the following result:

| | |
|---|---|
| Prohibition years, National and State: | |
| 1928 | 24,996 |
| 1929 | 24,947 |
| 1930 | 24,816 |
| 1931 | 24,899 |
| Year of changing opinion, 1932 | 19,351 |
| Legal-beer year, 1933 | 19,035 |
| Repeal year, 1934 | 23,683 |
| *Averages* | |
| Average for prohibition years | 24,914 |
| Average for beer and repeal years | 21,359 |
| *Comparisons* | |
| Highest record, 1928 (prohibition) | 24,996 |
| Lowest record, 1933 (legal beer) | 19,035 |
| Excess of 1928 (prohibition) over 1933 (beer) | 5,961 |
| Excess of 1928 (prohibition) over 1934 (repeal) | 1,316 |

SUMMARY OF RECORDS OF CITIES OF DIFFERENT POPULATION CLASSIFICATION

Six cities of 1,000,000 or more population (1933 Census Bureau estimate) of 16,556,300:

| | |
|---|---|
| Prohibition years, National and State: | |
| 1928 | 5,935 |
| 1929 | 5,428 |
| 1930 | 5,822 |
| 1931 | 5,422 |

SUMMARY OF RECORDS OF CITIES OF DIFFERENT POPULATION CLASSIFICATION—Continued

Year of changing opinion, 1932 ..... 4,029
Legal-beer year, 1933 ..... 4,042
Repeal year, 1934 ..... 4,860

Fifty-three cities of approximately 100,000 population and over, but less than 1,000,000, with total population (1933 Census Bureau estimate) of 13,335,610:

Prohibition years, National and State:
1928 ..... 10,525
1929 ..... 10,938
1930 ..... 10,915
1931 ..... 11,093
Year of changing opinion, 1932 ..... 8,832
Legal-beer year, 1933 ..... 8,329
Repeal year, 1934 ..... 10,273

Two hundred and sixty-five smaller cities. Estimated population, 1933, of 215 of these cities having a population in excess of 10,000, is 6,655,117:

Prohibition years, National and State:
1928 ..... 8,476
1929 ..... 8,481
1930 ..... 8,179
1931 ..... 8,348
Year of changing opinion, 1932 ..... 6,490
Legal-beer year, 1933 ..... 6,664
Repeal year, 1934 ..... 8,550

*Record of cities of 1,000,000 or more population*

| Prohibition years, National and State | 1928 | 1929 | 1930 | 1931 | Year of changing opinion 1932 | Legal-beer year 1933 | Repeal year 1934 |
|---|---|---|---|---|---|---|---|
| New York City | 1,511 | 1,434 | 1,399 | 1,214 | 874 | 835 | 887 |
| Chicago | 1,144 | 990 | 1,103 | 959 | 741 | 658 | 695 |
| Philadelphia | 816 | 994 | 1,470 | 1,607 | 1,210 | 1,327 | 1,949 |
| Los Angeles | 957 | 930 | 1,022 | 797 | 709 | 865 | 489 |
| Detroit | 1,126 | 783 | 659 | 624 | 374 | 287 | 694 |
| Cleveland | 381 | 279 | 169 | 131 | 115 | 70 | 146 |
| | 5,935 | 5,428 | 5,822 | 5,422 | 4,029 | 4,042 | 4,860 |

Yearly average, prohibition years ..... 5,521
Average, beer and repeal years ..... 4,451

*Records of cities of approximately 100,000 and over, but less than 1,000,000*

| | 1928 | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 |
|---|---|---|---|---|---|---|---|
| Boston, Mass.[1] | | 705 | 611 | 651 | 599 | 565 | 672 |
| Baltimore, Md | 356 | 289 | 335 | 410 | 279 | 327 | 302 |
| Washington, D. C | 389 | 352 | 316 | 342 | 265 | 224 | 288 |
| San Francisco, Calif | 317 | 299 | 228 | 203 | 152 | 118 | 151 |
| Denver, Colo | 281 | 212 | 306 | 547 | 280 | 385 | 156 |
| Hartford, Conn | 221 | 209 | 161 | 150 | 136 | 114 | 137 |
| Louisville, Ky | 897 | 730 | 836 | 790 | 771 | 663 | 885 |
| Grand Rapids, Mich | 403 | 287 | 312 | 258 | 173 | 149 | 170 |
| Minneapolis, Minn | 383 | 394 | 509 | 642 | 405 | 278 | 438 |
| St. Paul, Minn | 187 | 178 | 228 | 199 | 125 | 136 | 205 |
| Omaha, Nebr | 425 | 408 | 410 | 488 | 374 | 367 | 544 |
| Newark, N. J | 72 | 106 | 82 | 78 | 44 | 37 | 46 |
| Jersey City, N. J | 65 | 59 | 70 | 74 | 68 | 61 | 44 |
| Buffalo, N. Y | 314 | 302 | 363 | 326 | 154 | 76 | 147 |
| Rochester, N. Y | 65 | 88 | 72 | 83 | 63 | 52 | 89 |
| Akron, Ohio | 261 | 275 | 184 | 130 | 123 | 155 | 194 |
| Cincinnati, Ohio | 139 | 77 | 70 | 50 | 47 | 43 | 46 |
| Portland, Oreg | 235 | 314 | 380 | 365 | 358 | 153 | 172 |
| Providence, R. I | 137 | 137 | 106 | 120 | 149 | 89 | 130 |
| Houston, Tex | 67 | 161 | 130 | 201 | 185 | 130 | 183 |
| Richmond, Va | 263 | 207 | 328 | 231 | 213 | 194 | 280 |
| Little Rock, Ark | 247 | 211 | 202 | 184 | 147 | 167 | 206 |
| Atlanta, Ga | 685 | 726 | 617 | 669 | 682 | 796 | 1,070 |
| Wichita, Kans | 224 | 264 | 280 | 233 | 141 | 185 | 272 |
| Springfield, Mass | 164 | 174 | 152 | 141 | 129 | 87 | 122 |
| Flint, Mich | 450 | 444 | 311 | 297 | 243 | 245 | 316 |
| Atlantic City, N. J | 47 | 52 | 70 | 108 | 76 | 81 | 77 |
| New Haven, Conn | 129 | 156 | 132 | 155 | 40 | 40 | 32 |
| Gary, Ind | 101 | 77 | 104 | 109 | 34 | 39 | 39 |
| South Bend, Ind | 151 | 126 | 122 | 160 | 75 | 65 | 83 |
| Jacksonville, Fla | 244 | 115 | 136 | 125 | 92 | 147 | 185 |
| Highland Park, Mich | 152 | 198 | 164 | 159 | 167 | 158 | 187 |
| Knoxville, Tenn | 40 | 99 | 160 | 202 | 114 | 130 | 156 |
| Norfolk, Va | 147 | 171 | 150 | 153 | 138 | 95 | 180 |
| Madison, Wis | 108 | 79 | 79 | 140 | 128 | 114 | 129 |
| Oakland, Calif | 108 | 90 | 46 | 57 | 111 | 88 | 294 |
| Bridgeport, Conn | 53 | 63 | 66 | 67 | 40 | 41 | 73 |
| Cambridge, Mass | 19 | 16 | 15 | 20 | 21 | 17 | 15 |
| Lynn, Mass | 91 | 122 | 102 | 122 | 91 | 89 | 100 |
| Worcester, Mass | 129 | 199 | 180 | 195 | 155 | 164 | 196 |
| Duluth, Minn | 16 | 16 | 28 | 56 | 63 | 24 | 61 |
| Camden, N. J | 39 | 40 | 36 | 31 | 35 | 29 | 28 |
| Elizabeth, N. J | 57 | 67 | 52 | 34 | 26 | 34 | 37 |
| Trenton, N. J | 72 | 65 | 54 | 52 | 29 | 36 | 49 |

[1] Boston, Mass., not included in 1928 totals. Average of 655 arrests in 3 succeeding years should be added for a more accurate comparison.

Average, prohibition years ..... 10,880
Average, beer and repeal years ..... 9,301

*Records of cities of approximately 100,000 and over, but less than 1,000,000*—Continued

| | 1928 | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 |
|---|---|---|---|---|---|---|---|
| Utica, N. Y | 14 | 10 | 10 | 9 | 7 | 7 | 3 |
| Canton, Ohio | 119 | 79 | 53 | 56 | 20 | 19 | 23 |
| Allentown, Pa | 16 | 18 | 15 | 21 | 16 | 13 | 17 |
| Fort Worth, Tex | 49 | 19 | 9 | 8 | 12 | 28 | 32 |
| Roanoke, Va | 382 | 228 | 259 | 256 | 208 | 205 | 134 |
| Dallas, Tex | 197 | 177 | 384 | 210 | 114 | 100 | 33 |
| New Orleans, La | 123 | 142 | 137 | 170 | 196 | 194 | 237 |
| Seattle, Wash | 194 | 127 | 64 | 62 | 87 | 200 | 190 |
| Milwaukee, Wis | 541 | 699 | 739 | 554 | 413 | 385 | 418 |
| | 10,585 | 10,938 | 10,915 | 11,093 | 8,832 | 8,329 | 10,273 |

Record of arrests of drunken drivers, 1928–34, inclusive, in 253 cities of less than 500,000 population as reported by their police departments. Census Bureau estimate of the 1933 population of 209 of these cities of 10,000 or more population is 6,351,717. Included in this list are 44 cities of less than 10,000 population. Census Bureau makes no estimates of the population of such cities. The Bureau made no estimates of population for 1934:

| | 1928 | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 |
|---|---|---|---|---|---|---|---|
| Bakersfield, Calif | 5 | 13 | 13 | 25 | 29 | 60 | 150 |
| Modesto, Calif | 25 | 17 | 31 | 28 | 17 | 22 | 26 |
| Richmond, Calif | 25 | 38 | 32 | 23 | 26 | 57 | 66 |
| Santa Ana, Calif | 34 | 29 | 51 | 53 | 44 | 55 | 54 |
| Santa Clara, Calif | 7 | 4 | 7 | 15 | 8 | 6 | 6 |
| San Leandro, Calif | 0 | 0 | 0 | 1 | 1 | 4 | 4 |
| Derby, Conn | 15 | 19 | 14 | 8 | 12 | 10 | 14 |
| East Hartford, Conn | 41 | 30 | 43 | 55 | 37 | 36 | 54 |
| Enfield, Conn | 2 | 3 | 8 | 5 | 7 | 3 | 1 |
| Manchester, Conn | 47 | 41 | 57 | 43 | 29 | 54 | 63 |
| Meriden, Conn | 38 | 23 | 33 | 36 | 30 | 16 | 27 |
| Middletown, Conn | 14 | 3 | 14 | 29 | 19 | 19 | 24 |
| Milford, Conn | 21 | 14 | 10 | 6 | 7 | 14 | 15 |
| Norwich, Conn | 47 | 37 | 35 | 26 | 18 | 22 | 27 |
| New London, Conn | 61 | 69 | 55 | 68 | 36 | 47 | 57 |
| Stamford, Conn | 54 | 43 | 50 | 44 | 29 | 20 | 16 |
| Stratford, Conn | 55 | 60 | 69 | 69 | 50 | 48 | 16 |
| Willimantic, Conn | 15 | 15 | 7 | 16 | 10 | 16 | 5 |
| Wilmington, Del | 164 | 159 | 179 | 129 | 133 | 94 | 129 |
| Boise City, Idaho | 32 | 13 | 18 | 31 | 19 | 13 | 32 |
| Pocatello, Idaho | 26 | 22 | 27 | 21 | 21 | 16 | 42 |
| Cairo, Ill | 18 | 16 | 19 | 15 | 20 | 18 | 15 |
| Oak Park, Ill | 72 | 73 | 58 | 48 | 23 | 24 | 44 |
| Quincy, Ill | 22 | 19 | 18 | 15 | 10 | 12 | 15 |
| Rockford, Ill | 199 | 165 | 188 | 120 | 50 | 82 | 131 |
| Rock Island, Ill | 64 | 75 | 45 | 45 | 35 | 41 | 38 |
| Waukegan, Ill | 116 | 88 | 64 | 68 | 60 | 62 | 76 |
| Elkhart, Ind | 66 | 53 | 26 | 31 | 20 | 14 | 26 |
| Goshen, Ind | 9 | 3 | 10 | 9 | 2 | 3 | 2 |
| Logansport, Ind | 2 | 4 | 1 | 6 | 4 | 6 | 19 |
| Madison, Ind | 4 | 4 | 10 | 5 | 6 | 10 | 2 |
| Marion, Ind | 14 | 3 | 11 | 12 | 6 | 15 | 31 |
| New Albany, Ind | 14 | 13 | 18 | 27 | 23 | 18 | 6 |
| Vincennes, Ind | 5 | 8 | 10 | 39 | 22 | 41 | 30 |
| Whiting, Ind | 23 | 22 | 10 | 20 | 14 | 20 | 18 |
| Burlington, Iowa | 9 | 11 | 12 | 4 | 3 | 2 | 10 |
| Cedar Rapids, Iowa | 53 | 99 | 134 | 104 | 57 | 24 | 56 |
| Fort Dodge, Iowa | 16 | 17 | 7 | 11 | 9 | 19 | 24 |
| Fort Madison, Iowa | 8 | 4 | 3 | 3 | 4 | 6 | 2 |
| Keokuk, Iowa | 23 | 41 | 14 | 26 | 9 | 20 | 22 |
| Sioux City, Iowa | 12 | 24 | 18 | 25 | 15 | 25 | 36 |
| Kansas City, Kans | 139 | 142 | 172 | 129 | 106 | 114 | 91 |
| Newport, Ky | 47 | 15 | 19 | 2 | 6 | 11 | 7 |
| Auburn, Maine | 6 | 7 | 15 | 20 | 13 | 8 | 24 |
| Augusta, Maine | 25 | 38 | 39 | 38 | 39 | 31 | 48 |
| Brewer, Maine | 2 | 2 | 6 | 3 | 2 | 6 | 3 |
| Calais, Maine | 2 | 1 | 2 | 3 | 2 | 1 | 1 |
| Lewiston, Maine | 40 | 51 | 42 | 58 | 44 | 55 | 62 |
| Portland, Maine | 59 | 73 | 49 | 74 | 49 | 65 | 80 |
| Rockland, Maine | 5 | 1 | 1 | 3 | 5 | 8 | 9 |
| Westbrook, Maine | 9 | 5 | 7 | 4 | 8 | 7 | 10 |
| Hagerstown, Md | 42 | 60 | 42 | 66 | 64 | 49 | 46 |
| Abington, Mass | 7 | 7 | 9 | 11 | 10 | 8 | 24 |
| Adams, Mass | 28 | 23 | 31 | 20 | 27 | 19 | 38 |
| Athol, Mass | 8 | 11 | 16 | 17 | 9 | 13 | 17 |
| Brookline, Mass | 26 | 49 | 51 | 48 | 35 | 39 | 65 |
| Chelsea, Mass | 41 | 64 | 45 | 69 | 26 | 31 | 18 |
| Chicopee, Mass | 51 | 49 | 34 | 40 | 19 | 28 | 47 |
| Clinton, Mass | 9 | 7 | 10 | 13 | 8 | 11 | 9 |
| Concord, Mass | 22 | 16 | 25 | 26 | 18 | 26 | 25 |
| Danvers, Mass | 20 | 29 | 23 | 19 | 21 | 21 | 27 |
| Dedham, Mass | 34 | 35 | 36 | 40 | 28 | 26 | 20 |
| Easthampton, Mass | 13 | 6 | 5 | 9 | 2 | 4 | 11 |
| Gloucester, Mass | 13 | 34 | 26 | 22 | 21 | 18 | 36 |
| Haverhill, Mass | 57 | 50 | 62 | 57 | 45 | 41 | 46 |
| Lawrence, Mass | 68 | 69 | 50 | 53 | 34 | 44 | 37 |
| Leominster, Mass | 18 | 30 | 20 | 16 | 18 | 16 | 28 |
| Lowell, Mass | 100 | 85 | 92 | 111 | 73 | 96 | 109 |
| Malden, Mass | 39 | 40 | 61 | 43 | 41 | 41 | 68 |
| Marblehead, Mass | 7 | 15 | 16 | 14 | 10 | 15 | 15 |
| Marlborough, Mass | 19 | 24 | 28 | 33 | 21 | 28 | 27 |
| Medford, Mass | 67 | 32 | 52 | 69 | 68 | 61 | 100 |
| Melrose, Mass | 9 | 15 | 14 | 13 | 9 | 15 | 15 |
| Methuen, Mass | 29 | 34 | 27 | 35 | 24 | 21 | 25 |
| Natick, Mass | 13 | 16 | 27 | 27 | 12 | 9 | 28 |
| Needham, Mass | 18 | 16 | 25 | 25 | 13 | 17 | 21 |
| Newburyport, Mass | 9 | 12 | 9 | 15 | 8 | 17 | 19 |
| Newton, Mass | 81 | 66 | 74 | 63 | 84 | 61 | 86 |
| North Adams, Mass | 15 | 11 | 7 | 6 | 5 | 4 | 10 |
| Northbridge, Mass | 8 | 12 | 3 | 14 | 11 | 6 | 20 |
| Orange, Mass | 3 | 5 | 1 | 1 | 2 | 5 | 6 |

| | 1928 | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 |
|---|---|---|---|---|---|---|---|
| Pittsfield, Mass | 27 | 99 | 69 | 62 | 30 | 44 | 45 |
| Plymouth, Mass | 23 | 24 | 20 | 21 | 12 | 17 | 21 |
| Quincy, Mass | 81 | 78 | 76 | 117 | 82 | 91 | 141 |
| Reading, Mass | 40 | 32 | 41 | 39 | 32 | 24 | 36 |
| Revere, Mass | 12 | 41 | 25 | 11 | 12 | 26 | 28 |
| Salem, Mass | 29 | 33 | 24 | 37 | 15 | 5 | 19 |
| Southbridge, Mass | 7 | 11 | 5 | 10 | 4 | 5 | 11 |
| Swampscott, Mass | 12 | 13 | 12 | 13 | 9 | 7 | 12 |
| Taunton, Mass | 40 | 38 | 49 | 60 | 31 | 31 | 49 |
| Wakefield, Mass | 40 | 30 | 28 | 31 | 18 | 11 | 17 |
| Waltham, Mass | 59 | 43 | 39 | 50 | 44 | 51 | 81 |
| Ware, Mass | 7 | 10 | 10 | 5 | 9 | 8 | 2 |
| Westfield, Mass | 47 | 57 | 61 | 57 | 46 | 46 | 65 |
| Winchendon, Mass | 7 | 4 | 13 | 7 | 5 | 4 | 9 |
| Winthrop, Mass | 1 | 2 | 3 | 2 | 4 | 2 | 5 |
| Alma, Mich | 1 | 1 | 1 | 3 | 4 | 1 | 2 |
| Alpena, Mich | 21 | 22 | 8 | 14 | 10 | 12 | 9 |
| Ann Arbor, Mich | 18 | 30 | 16 | 18 | 22 | 22 | 25 |
| Cadillac, Mich | 5 | 2 | 3 | 5 | 7 | 0 | 3 |
| Grand Haven, Mich | 9 | 6 | 10 | 9 | 7 | 9 | 9 |
| Holland, Mich | 4 | 6 | 7 | 2 | 7 | 5 | 13 |
| Ishpeming, Mich | 11 | 15 | 13 | 11 | 8 | 12 | 8 |
| Jackson, Mich | 98 | 55 | 58 | 63 | 20 | 24 | 35 |
| Kalamazoo, Mich | 97 | 83 | 65 | 56 | 41 | 36 | 59 |
| Lansing, Mich | 162 | 192 | 163 | 156 | 134 | 107 | 106 |
| Laurium, Mich | 0 | 0 | 2 | 0 | 0 | 0 | 0 |
| Menominee, Mich | 2 | 4 | 3 | 12 | 7 | 10 | 4 |
| Owosso, Mich | 0 | 2 | 8 | 13 | 10 | 9 | 12 |
| Pontiac, Mich | 146 | 99 | 69 | 65 | 50 | 30 | 53 |
| Saginaw, Mich | 164 | 159 | 161 | 139 | 76 | 83 | 54 |
| Albert Lea, Minn | 6 | 8 | 10 | 20 | 10 | 15 | 26 |
| Brainerd, Minn | 2 | 3 | 5 | 5 | 8 | 5 | 1 |
| Mankato, Minn | 6 | 4 | 2 | 12 | 19 | 19 | 47 |
| Owatonna, Minn | 6 | 5 | 9 | 16 | 2 | 2 | 24 |
| Rochester, Minn | 11 | 9 | 16 | 10 | 44 | 45 | 49 |
| Greenwood, Miss | 5 | 17 | 6 | 6 | 5 | 3 | 4 |
| Vicksburg, Miss | 29 | 24 | 26 | 21 | 31 | 34 | 33 |
| Livingston, Mont | 15 | 3 | 3 | 5 | 5 | 3 | 7 |
| Billings, Mont | 25 | 17 | 23 | 27 | 45 | 31 | 25 |
| Beatrice, Nebr | 13 | 13 | 9 | 8 | 3 | 4 | 5 |
| Lincoln, Nebr | 56 | 35 | 49 | 73 | 48 | 62 | 52 |
| Berlin, N. H | 17 | 19 | 18 | 10 | 6 | 13 | 17 |
| Dover, N. H | 11 | 8 | 8 | 11 | 8 | 7 | 30 |
| Laconia, N. H | 27 | 16 | 22 | 27 | 21 | 28 | 22 |
| Manchester, N. H | 53 | 59 | 38 | 52 | 40 | 35 | 67 |
| Rochester, N. H | 8 | 12 | 3 | 6 | 16 | 22 | 27 |
| Somersworth, N. H | 1 | 8 | 6 | 6 | 7 | 4 | 10 |
| Asbury Park, N. J | 10 | 16 | 18 | 11 | 10 | 5 | 7 |
| Clifton, N. J | 3 | 5 | 6 | 4 | 1 | 6 | 8 |
| East Orange, N. J | 61 | 81 | 64 | 43 | 47 | 31 | 41 |
| Hackensack, N. J | 9 | 22 | 14 | 14 | 12 | 12 | 23 |
| Haddonfield, N. J | 0 | 1 | 2 | 1 | 2 | 0 | 0 |
| Montclair, N. J | 24 | 16 | 17 | 23 | 10 | 12 | 8 |
| Nutley, N. J | 4 | 3 | 2 | 7 | 7 | 14 | 17 |
| Passaic, N. J | 19 | 33 | 25 | 19 | 36 | 54 | 64 |
| Roselle, N. J | 9 | 8 | 6 | 9 | 4 | 13 | 13 |
| South River, N. J | 9 | 7 | 6 | 3 | 4 | 6 | 8 |
| Summit, N. J | 28 | 20 | 8 | 14 | 21 | 14 | 16 |
| Westfield, N. J | 6 | 2 | 5 | 13 | 6 | 7 | 6 |
| West Orange, N. J | 2 | 2 | 3 | 3 | 2 | 1 | 1 |
| Albuquerque, N. Mex | 186 | 130 | 172 | 138 | 107 | 147 | 136 |
| Auburn, N. Y | 63 | 28 | 24 | 25 | 33 | 22 | 14 |
| Batavia, N. Y | 18 | 7 | 4 | 14 | 10 | 4 | 11 |
| Beacon, N. Y | 1 | 2 | 2 | 0 | 0 | 0 | 1 |
| Binghamton, N. Y | 33 | 28 | 43 | 44 | 23 | 20 | 37 |
| Corning, N. Y | 14 | 15 | 13 | 9 | 6 | 1 | 10 |
| Cortland, N. Y | 5 | 7 | 11 | 10 | 14 | 10 | 8 |
| Depew, N. Y | 3 | 1 | 4 | 2 | 1 | 2 | 2 |
| Freeport, N. Y | 38 | 19 | 16 | 9 | 19 | 15 | 18 |
| Glens Falls, N. Y | 13 | 10 | 20 | 12 | 4 | 5 | 9 |
| Gloversville, N. Y | 9 | 4 | 5 | 2 | 5 | 6 | 11 |
| Herkimer, N. Y | 6 | 2 | 5 | 8 | 4 | 3 | 4 |
| Hornell, N. Y | 0 | 3 | 0 | 2 | 6 | 1 | 15 |
| Ithaca, N. Y | 13 | 4 | 11 | 9 | 8 | 5 | 4 |
| Jamestown, N. Y | 24 | 50 | 44 | 26 | 25 | 11 | 25 |
| Kingston, N. Y | 25 | 9 | 5 | 10 | 7 | 6 | 8 |
| Little Falls, N. Y | 3 | 11 | 9 | 7 | 1 | 2 | 1 |
| Lockport, N. Y | 22 | 24 | 7 | 10 | 9 | 8 | 5 |
| Mechanicville, N. Y | 0 | 0 | 0 | 3 | 0 | 0 | 1 |
| Medina, N. Y | 2 | 1 | 2 | 2 | 0 | 0 | 0 |
| Newark, N. Y | 0 | 4 | 14 | 1 | 6 | 7 | 3 |
| Newburgh, N. Y | 16 | 13 | 19 | 17 | 10 | 9 | 20 |
| New Rochelle, N. Y | 27 | 29 | 24 | 31 | 38 | 32 | 38 |
| North Tarrytown, N. Y | 1 | 1 | 0 | 0 | 2 | 2 | 1 |
| North Tonawanda, N. Y | 9 | 8 | 5 | 4 | 0 | 1 | 4 |
| Oneida, N. Y | 10 | 4 | 2 | 4 | 1 | 2 | 1 |
| Ossining, N. Y | 3 | 6 | 4 | 4 | 3 | 2 | 2 |
| Peekskill, N. Y | 15 | 5 | 15 | 2 | 2 | 11 | 6 |
| Plattsburg, N. Y | 9 | 14 | 18 | 18 | 17 | 15 | 14 |
| Portchester, N. Y | 12 | 20 | 8 | 21 | 10 | 19 | 35 |
| Poughkeepsie, N. Y | 20 | 29 | 27 | 17 | 17 | 15 | 31 |
| Rensselaer, N. Y | 0 | 1 | 2 | 2 | 0 | 1 | 1 |
| Rome, N. Y | 21 | 15 | 19 | 10 | 8 | 3 | 20 |
| Salamanca, N. Y | 16 | 12 | 6 | 2 | 6 | 18 | 11 |
| Saranac Lake, N. Y | 13 | 17 | 12 | 8 | 7 | 11 | 9 |
| Schenectady, N. Y | 36 | 34 | 28 | 28 | 35 | 21 | 25 |
| Solvay, N. Y | 15 | 7 | 10 | 11 | 8 | 5 | 3 |
| Tarrytown, N. Y | 0 | 2 | 1 | 0 | 5 | 7 | 5 |
| Tonawanda, N. Y | 4 | 2 | 3 | 4 | 2 | 2 | 3 |
| Watertown, N. Y | 16 | 15 | 26 | 25 | 13 | 11 | 14 |
| Durham, N. C | 102 | 121 | 125 | 140 | 86 | 91 | 102 |
| Gastonia, N. C | 39 | 35 | 34 | 49 | 37 | 61 | 42 |
| Wilmington, N. C | 66 | 61 | 72 | 147 | 82 | 66 | 66 |
| Winston-Salem, N. C | 177 | 269 | 196 | 418 | 388 | 252 | 251 |
| Fargo, N. Dak | 45 | 34 | 41 | 59 | 3 | 16 | 56 |
| Grand Forks, N. Dak | 15 | 27 | 17 | 20 | 20 | 15 | 18 |
| Ashtabula, Ohio | 13 | 19 | 17 | 20 | 12 | 13 | 18 |
| Barberton, Ohio | 60 | 55 | 65 | 49 | 18 | 25 | 24 |
| Bellevue, Ohio | 2 | 1 | 1 | 2 | 2 | 3 | 5 |
| Cambridge, Ohio | 21 | 33 | 42 | 19 | 14 | 22 | 31 |
| Cleveland Heights, Ohio | 50 | 58 | 56 | 49 | 38 | 37 | 40 |
| Dayton, Ohio | 71 | 96 | 53 | 72 | 81 | 94 | 109 |
| Delphos, Ohio | 13 | 2 | 3 | 0 | 2 | 7 | 7 |
| East Liverpool, Ohio | 36 | 37 | 36 | 26 | 31 | 21 | 30 |
| Findlay, Ohio | 8 | 11 | 12 | 16 | 13 | 12 | 13 |
| Hamilton, Ohio | 57 | 43 | 36 | 39 | 24 | 29 | 41 |
| Kenton, Ohio | 6 | 4 | 9 | 5 | 4 | 11 | 15 |
| Lakewood, Ohio | 121 | 137 | 118 | 132 | 129 | 144 | 155 |
| Lorain, Ohio | 23 | 29 | 21 | 10 | 7 | 3 | 11 |
| Mansfield, Ohio | 77 | 68 | 49 | 40 | 33 | 50 | 65 |
| Marietta, Ohio | 44 | 33 | 20 | 29 | 29 | 22 | 46 |
| Massillon, Ohio | 65 | 41 | 51 | 23 | 25 | 20 | 52 |
| Middletown, Ohio | 95 | 91 | 57 | 43 | 46 | 43 | 55 |
| New Philadelphia, Ohio | 19 | 8 | 8 | 14 | 6 | 5 | 18 |
| Norwalk, Ohio | 13 | 2 | 13 | 7 | 2 | 2 | 1 |
| Piqua, Ohio | 8 | 17 | 19 | 16 | 14 | 18 | 6 |
| Ravenna, Ohio | 1 | 5 | 4 | 1 | 5 | 1 | 3 |
| Salem, Ohio | 26 | 7 | 14 | 29 | 14 | 17 | 22 |
| Sandusky, Ohio | 10 | 10 | 12 | 17 | 21 | 6 | 13 |
| Springfield, Ohio | 63 | 81 | 55 | 58 | 23 | 23 | 45 |
| Van Wert, Ohio | 0 | 0 | 0 | 0 | 2 | 4 | 0 |
| Youngstown, Ohio | 67 | 53 | 35 | 43 | 27 | 57 | 89 |
| Zanesville, Ohio | 45 | 39 | 31 | 30 | 27 | 13 | 30 |
| Lawton, Okla | 28 | 40 | 52 | 32 | 30 | 38 | 55 |
| Astoria, Oreg | 9 | 18 | 7 | 15 | 6 | 5 | 4 |
| Berwick, Pa | 1 | 3 | 4 | 0 | 1 | 2 | 2 |
| Bradford, Pa | 4 | 8 | 14 | 7 | 9 | 5 | 12 |
| Chambersburg, Pa | 10 | 9 | 8 | 8 | 2 | 6 | 9 |
| Harrisburg, Pa | 87 | 88 | 68 | 74 | 81 | 82 | 89 |
| Lebanon, Pa | 9 | 29 | 12 | 13 | 11 | 8 | 8 |
| Munhall, Pa | 3 | 3 | 5 | 3 | 3 | 4 | 3 |
| Norristown, Pa | 21 | 16 | 28 | 19 | 12 | 17 | 24 |
| Pottstown, Pa | 7 | 1 | 0 | 2 | 0 | 3 | 6 |
| Titusville, Pa | 4 | 2 | 9 | 2 | 2 | 1 | 9 |
| York, Pa | 8 | 6 | 4 | 1 | 51 | 38 | 40 |
| Newport, R. I | 27 | 38 | 32 | 66 | 20 | 13 | 31 |
| Pawtucket, R. I | 45 | 69 | 68 | 35 | 21 | 42 | 76 |
| Westerly, R. I | 12 | 7 | 3 | 14 | 7 | 6 | 21 |
| Woonsocket, R. I | 31 | 21 | 23 | 24 | 10 | 13 | 19 |
| Charleston, S. C | 140 | 159 | 88 | 92 | 108 | 172 | 153 |
| Columbia, S. C | 128 | 151 | 133 | 168 | 149 | 121 | 211 |
| Greenville, S. C | 164 | 182 | 118 | 116 | 126 | 120 | 170 |
| Huron, S. Dak | 10 | 16 | 11 | 11 | 12 | 12 | 9 |
| Watertown, S. Dak | 4 | 7 | 8 | 7 | 13 | 15 | 12 |
| Beaumont, Tex | 28 | 38 | 12 | 30 | 73 | 42 | 29 |
| Brigham, Utah | 1 | 2 | 0 | 1 | 0 | 0 | 0 |
| Burlington, Vt | 24 | 14 | 11 | 24 | 10 | 16 | 26 |
| Rutland, Vt | 14 | 19 | 18 | 18 | 14 | 11 | 11 |
| Springfield, Vt | 7 | 6 | 11 | 7 | 5 | 5 | 22 |
| St. Johnsbury, Vt | 9 | 14 | 9 | 8 | 3 | 5 | 0 |
| Charlottesville, Va | 67 | 91 | 72 | 56 | 54 | 49 | 78 |
| Lynchburg, Va | 84 | 91 | 87 | 73 | 52 | 77 | 75 |
| Newport News, Va | 71 | 67 | 71 | 113 | 54 | 62 | 69 |
| Petersburg, Va | 75 | 67 | 79 | 65 | 38 | 41 | 36 |
| Aberdeen, Wash | 123 | 91 | 96 | 50 | 25 | 48 | 47 |
| Everett, Wash | 50 | 44 | 57 | 41 | 19 | 31 | 41 |
| Wenatchee, Wash | 20 | 31 | 41 | 41 | 31 | 30 | 32 |
| Hoquiam, Wash | 49 | 33 | 31 | 25 | 18 | 28 | 31 |
| Clarksburg, W. Va | 54 | 51 | 29 | 29 | 50 | 38 | 76 |
| Ashland, Wis | 26 | 31 | 41 | 32 | 16 | 19 | 19 |
| Beaver Dam, Wis | 18 | 12 | 17 | 26 | 15 | 17 | 14 |
| Beloit, Wis | 65 | 32 | 32 | 26 | 10 | 23 | 27 |
| Berlin, Wis | 6 | 5 | 10 | 5 | 9 | 2 | 3 |
| Delavan, Wis | 15 | 11 | 27 | 11 | 21 | 9 | 22 |
| Eau Claire, Wis | 27 | 30 | 40 | 47 | 30 | 27 | 37 |
| Janesville, Wis | 18 | 18 | 28 | 29 | 23 | 21 | 37 |
| La Crosse, Wis | 48 | 50 | 51 | 61 | 45 | 55 | 50 |
| Manitowoc, Wis | 13 | 21 | 10 | 14 | 4 | 7 | 13 |
| Marinette, Wis | 31 | 24 | 26 | 33 | 14 | 21 | 23 |
| Menasha, Wis | 18 | 11 | 7 | 11 | 8 | 4 | 2 |
| Menominie, Wis | 2 | 3 | 3 | 5 | 4 | 4 | 2 |
| Oshkosh, Wis | 11 | 14 | 18 | 26 | 27 | 34 | 27 |
| Racine, Wis | 17 | 21 | 25 | 27 | 30 | 68 | 76 |
| Sheboygan, Wis | 55 | 27 | 33 | 29 | 31 | 22 | 21 |
| Sturgeon Bay, Wis | 9 | 11 | 19 | 15 | 6 | 3 | 10 |
| Wasau, Wis | 20 | 11 | 11 | 24 | 14 | 14 | 26 |
| West Allis, Wis | 101 | 108 | 217 | 127 | 85 | 60 | 89 |
| Total | 8,476 | 8,481 | 8,179 | 8,348 | 6,490 | 6,664 | 8,550 |

Incomplete records from police departments of 77 additional cities. These records are given as a matter of information, but since they are not complete they cannot be used in comparative statistics. Population of 60 of these cities of 10,000 and over, 3,375,866.

| | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 |
|---|---|---|---|---|---|---|
| Berkeley, Calif | | 40 | 51 | 56 | 58 | 61 |
| Sacramento, Calif | | | 18 | 22 | 14 | 80 |
| Greeley, Colo | | | | | 17 | 17 |
| Rockville, Conn | 2 | 3 | 3 | 1 | 5 | 4 |
| Tampa, Fla | | 268 | 339 | 268 | 344 | 436 |
| Athens, Ga | | | 31 | | | 64 |
| Evansville, Ind | | | 77 | 53 | 61 | 55 |
| Fort Wayne, Ind | | 86 | 60 | 48 | 50 | 76 |
| Richmond, Ind | | | 56 | 43 | 35 | 32 |
| Ames, Iowa | | | 9 | 8 | 13 | 17 |
| Clinton, Iowa | | | 18 | 12 | 8 | 34 |
| Davenport, Iowa | | 81 | 26 | 12 | [1] 104 | [1] 123 |

[1] Reckless driving.

| | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 |
|---|---|---|---|---|---|---|
| Mason City, Iowa | | | | | | 14 |
| Eldorado, Kans | | | | 3 | 11 | 21 |
| Emporia, Kans | | | 3 | 7 | 7 | 8 |
| Newton, Kans | | | 3 | 2 | 4 | 6 |
| Covington, Ky | | | 4 | 3 | 9 | 11 |
| Lexington, Ky | | | 109 | 85 | 83 | 123 |
| Alexandria, Va | | | 19 | 17 | 15 | 40 |
| Monroe, La | | | 78 | 71 | 71 | 93 |
| Bath, Maine | 9 | 7 | 5 | 7 | 1 | 4 |
| Belmont, Mass | | | 29 | 30 | 17 | 36 |
| Braintree, Mass | | | 12 | 19 | 21 | 29 |
| Everett, Mass | | | 50 | 23 | 31 | 38 |
| Fitchburg, Mass | | | | 22 | 26 | 43 |
| New Bedford, Mass | 68 | 58 | 77 | 61 | 84 | 79 |
| Saugus, Mass | | 24 | 17 | 29 | 35 | 49 |
| Somerville, Mass | | | | | 75 | 93 |
| Wellesley, Mass | | 24 | 27 | 20 | 24 | 29 |
| Muncie, Ind | | | 38 | 18 | 14 | 18 |
| Bay City, Mich | | | 118 | 45 | 67 | 119 |
| River Rouge, Mich | | | | | 24 | 20 |
| St. Joseph, Mich | | | | 11 | 11 | 11 |
| Traverse City, Mich | | | 9 | 3 | 16 | 14 |
| Wyandotte, Mich | | | 25 | 15 | 27 | 31 |
| Crookston, Minn | 1 | 1 | 9 | 8 | 0 | 3 |
| Cape Girardeau, Mo | | | | | 8 | 12 |
| Clinton, Mo | | | | | | 1 |
| St. Joseph, Mo | | | | | 23 | 33 |
| Norfolk, Nebr | | | | | 18 | 15 |
| Garfield, N. J | | | | | 8 | 20 |
| Kearney, N. J | | 12 | 12 | 9 | 18 | 8 |
| Red Bank, N. J | | | 8 | 5 | 6 | 9 |
| Secaucus, N. J | | | | 1 | 1 | 1 |
| Town of Union, N. J | 24 | 33 | 19 | 12 | 15 | 14 |
| Canandaigua, N. Y | 9 | 17 | 11 | 12 | 11 | 14 |
| Johnson City, N. Y | | | | | | 30 |
| Malone, N. Y | | | | | 6 | 4 |
| Middletown, N. Y | 4 | 0 | 11 | 5 | 0 | 1 |
| Niagara Falls, N. Y | 28 | 19 | 33 | 14 | 25 | 45 |
| Norwich, N. Y | | | 5 | 2 | 9 | 8 |
| Oswego, N. Y | | | 4 | 7 | 6 | 3 |
| Troy, N. Y | | 10 | 8 | 8 | 22 | 10 |
| Yonkers, N. Y | | 26 | 28 | 18 | 11 | 11 |
| Rocky Mount, N. C | | | | 49 | 44 | 38 |
| Columbus, Ohio | | 145 | 175 | 138 | 112 | 138 |
| Delaware, Ohio | | | | | | 3 |
| Elyria, Ohio | 39 | 36 | 30 | 25 | 11 | 32 |
| Galion, Ohio | 0 | 0 | 1 | 1 | 3 | 7 |
| Lima, Ohio | | | 13 | 24 | 19 | 17 |
| Newark, Ohio | | | 28 | 21 | 16 | 44 |
| Struthers, Ohio | 25 | 15 | 11 | 5 | 6 | 10 |
| Tiffin, Ohio | | | 9 | 13 | 9 | 29 |
| Toledo, Ohio | | | 220 | 151 | 148 | 236 |
| Oklahoma City, Okla | | | | 220 | 244 | 366 |
| Coatesville, Pa | | | | | 4 | 5 |
| Erie, Pa | | | 21 | 38 | 45 | 66 |
| Reading, Pa | | | | | 33 | 56 |
| Anderson, S. C | | 44 | 59 | 60 | 78 | 82 |
| Sumter, S. C | | | | 3 | 14 | 33 |
| Galveston, Tex | 53 | 33 | 29 | 23 | 16 | 26 |
| Sherman, Tex | | 3 | 3 | 3 | 3 | 2 |
| Bellingham, Wash | | 32 | 31 | 16 | 27 | 25 |
| Charleston, W. Va | | | 142 | 110 | 113 | 119 |
| Antigo, Wis | | | 52 | 4 | 2 | 4 |
| Kenosha, Wis | | 43 | 44 | 29 | 31 | 30 |
| Merrill, Wis | | 32 | 30 | 19 | 15 | 18 |

STATE OF MISSOURI, PERCENTAGE OF INTOXICATED DRIVERS INVOLVED IN ACCIDENTS

Statistical record compiled by the Missouri State Highway Commission of accidents in which persons were either killed or injured in Missouri from 1928 up to November 1, 1934.

| | 1928 | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 |
|---|---|---|---|---|---|---|---|
| Drivers involved in accidents in which persons were killed or injured | 15,014 | 14,040 | 11,935 | 10,206 | 8,706 | 9,800 | 8,590 |
| Total fatalities | 836 | 807 | 880 | 929 | 713 | 852 | 755 |
| Drunken drivers involved in these accidents | 359 | 252 | 240 | 241 | 186 | 186 | 116 |
| Percentage of drunken drivers involved | +2.4 | +1.8 | +2.0 | +2.3 | +2.1 | −1.9 | −1.4 |

*Deaths and death rates from all motor-vehicle accidents*

[As officially reported by the U. S. Census Bureau]

| | 1928 | 1929 | 1930 | 1931 | 1932 | 1933 |
|---|---|---|---|---|---|---|
| Total deaths | 26,680 | 20,873 | 31,678 | 32,429 | 28,361 | [1] 31,363 |
| Rate per 100,000 of population | 23.4 | 25.7 | 26.7 | 27.2 | 23.6 | 25.0 |

[1] The 1933 report includes 1,355 deaths from Texas. Texas not included in earlier reports.

*Deaths and death rates from all motor vehicle accidents in 86 cities of 100,000 or more*

[Combined population of the 86 cities, 1933 Census Bureau estimate, 37,424,402]

| | 1930 | 1931 | 1932 | 1933 | 1934 |
|---|---|---|---|---|---|
| Total deaths | 8,984 | 9,120 | 8,001 | 8,215 | 9,012 |
| Rate per 100,000 of population | 28.0 | 28.1 | 24.5 | 25.2 | (1) |

[1] Death rate not computed as Census Bureau made no population estimates for 1934.

*Deaths from automobile accidents in 86 cities of 100,000 or more*

[Beer only was legal April to December 1933]

| | |
|---|---|
| 1930 | 6,298 |
| 1931 | 6,352 |
| 1932 | 5,350 |
| 1933 | 6,594 |
| 1934 | 6,127 |

*Deaths and death rates from alcoholism*

[United States Census Bureau reports]

| | 1928 | 1929 | 1930 | 1931 | 1932 | 1933 |
|---|---|---|---|---|---|---|
| Total deaths | 4,627 | 4,339 | 4,158 | 3,993 | 3,049 | 3,297 |
| Rate per 100,000 of population | 4.0 | 3.7 | 3.5 | 3.5 | 2.5 | 2.6 |

STATISTICS ON AUTOMOBILE REGISTRATIONS AND GASOLINE CONSUMPTION, 1928–34

From the records of the Bureau of Roads, United States Department of Agriculture (1934 records supplied by American Automobile Association).

| | Registrations | Gasoline consumption |
|---|---|---|
| 1928 | 24,493,121 | 10,178,344,771 |
| 1929 | 26,501,413 | 13,400,180,052 |
| 1930 | 26,523,779 | 14,751,308,978 |
| 1931 | 25,814,103 | 13,103,180,062 |
| 1932 | 24,114,977 | 14,250,173,291 |
| 1933 | 23,827,290 | 14,224,321,270 |
| 1934 | 24,926,185 | 16,617,050,000 |

These records show the registration of 1,098,895 more motor vehicles in 1934 than in 1933, and the consumption of 2,392,728,730 gallons more of gasoline in 1934 than in 1933.

Estimating 13 miles of motor-vehicle travel to the gallon of gasoline, it would appear that automobiles, trucks, etc., traveled 30,096,650,000 more miles in 1934 than in 1933, and approximately that much more than in 1932, 1931, and 1930. Total distance traveled was more than 215,000,000,000 miles.

Not all States taxed gasoline in 1928 and 1929. Records of consumption for those years are not complete.

TAXATION OF WINE AND THE REVENUE—H. R. 191

Mr. BUCK. Mr. Speaker, when the eighteenth amendment was suddenly and somewhat dramatically repealed, the Congress was presented with the question of enacting suitable tax legislation which would provide adequate revenue for the Federal Government without unduly restricting the now legalized consumption of wine. Almost everyone at the beginning of the year 1934 had an exaggerated idea of what the consumption of any alcoholic beverage would be, once prohibition restrictions were released, and accordingly had exaggerated ideas of what taxation could be borne. An interdepartmental committee had suggested to the Congress that the tax rate on wines could start at 16 cents per gallon on still wine of less than 14 percent alcoholic content and be progressively graduated upward. This proposal was so out of line with all preceding taxation on wine that I appeared at the joint hearings before the Committee on Ways and Means of the House and the Committee on Finance of the United States Senate in December 1933 to suggest, first, that at least the dry wines should be considered as foods and not taxed at all; and, secondly, if a tax were to be levied, that it should start at a much lower rate than that suggested by the interdepartmental committee.

The Committee on Ways and Means adopted a schedule of taxation starting with 10 cents a gallon on dry wines of less

than 14 percent alcoholic content, 20 cents on the sweet wines of 14 percent to 21 percent alcoholic content, and graduated upward. This tax compared with 4 cents a gallon tax on dry wines during the prohibition era and 10 cents a gallon on sweet wines. It will thus be seen that, though the committee accepted a reduction from the interdepartmental estimates, it was still penalizing wine makers more even than it had under the eighteenth amendment. I have no quarrel with that judgment of the Committee on Ways and Means; all taxation on alcoholic liquors at that time was a matter of guess, and it might have been thought that the people of the United States would choose to drink wine even under the heavy tax imposed.

Such has not proved to be the case. The present rates are so high as to continue to encourage illicit manufacture and sale of wine and deprive the Treasury of revenue. As against an average annual consumption of wine in the United States prior to the adoption of the eighteenth amendment of 51,000,000 gallons, the year 1934 showed a consumption of tax-paid wine of only 21,000,000 gallons. Nearly as much wine, testimony before our committee showed, is being made in basements out of fresh grapes, shipped chiefly from California, and it is being sold through underground and bootlegging channels. These figures can be checked, because we know from railroad loadings how many cars of wine grapes, distinct from table grapes, left California in 1934. Knowing the amount of wine that each ton of grapes will make, it has been an easy thing to calculate, making necessary allowance for shrinkage, waste, and spoilage, that at least 21,000,000 gallons of tax-free illicit wine has gone into commercial channels. Home wine makers are at present entitled to manufacture 200 gallons of wine tax free. It would have taken 110,000 families to have made up legitimately the amount of wine that was made from wine grapes shipped east from California in the year 1934. This is highly improbable. I do not think I need go further to convince you that most of these grape shipments must have been illicitly manufactured into wine and sold tax free.

Is it not important to adopt a policy of reasonable taxation, so that the movement of these grapes and this wine may be through tax-paid channels? The policy of the Nation since its foundation has been to encourage the use of milder alcoholic beverages. Prior to the World War no tax at all was imposed upon wine. The bill which I have introduced, and which has been approved by the Ways and Means Committee, will only bring back the rates on still wine to the tax rate in effect during the prohibition era. Certainly it will be an encouragement to the cause of temperance to make the cost of wine, with a relatively light alcoholic content, as cheap as possible.

While I come from California, it should be realized the problem is not a local problem. Grape growers in New York, Ohio, Michigan, Missouri, Arkansas, and elsewhere are dependent upon the sale of their grapes to vintners. Every cent of tax that the vintner has to pay is reflected in a decreased price of about $1.50 a ton to the grower for his grapes. This amount is often the difference between profit and loss in the production of grapes.

That the rate of tax has an actual effect upon the sales of wine was shown by a table presented to the committee comparing for 1934 the consumption in several States with low taxes with several States with high taxes.

*States with relatively low tax rates*

| State | Population (1930 census) | Tax rate per gallon | Wine consumed | Per capita consumption |
|---|---|---|---|---|
| New York | 12,588,066 | 10 cents | [1] 6,500,000 | 0.52 |
| Connecticut | 1,606,903 | 10 cents | 522,000 | .32 |
| California | 5,677,351 | 2 cents | 14,058,643 | 2.34 |
| Massachusetts | 4,249,614 | 10 cents | 649,000 | .15 |
| New Jersey | 4,041,334 | 10 cents | [1] 985,000 | .24 |
| Louisiana | 2,101,593 | 5 and 10 cents | [1] 750,000 | .35 |
| Rhode Island | 687,497 | 20 cents<br>Now 5 and 10 cents | 109,066 | .16 |
| Total | 30,952,258 | | 23,573,709 | |

[1] Figures not final but close estimates.

*States with high tax rates and restrictive regulations that consume little commercial taxable wine*

| State | Population (1930 census) | Tax rate per gallon | Wine consumed | Per capita consumption |
|---|---|---|---|---|
| Pennsylvania | 9,631,350 | Approximately 75 cents.[1] | 484,000 | 0.05 |
| Wisconsin | 2,930,006 | 25 cents | 312,000 | .10 |
| Minnesota | 2,563,953 | 10 and 20 cents | 231,000 | .09 |
| Illinois | 7,630,654 | 10 and 25 cents | 950,000 | .12 |
| Indiana | 3,238,503 | 50 cents [2] | 50,000 | .01 |
| Virginia | 2,421,851 | Approximately 50 cents.[1] | 136,000 | .06 |
| Total | 28,416,317 | | 2,118,000 | |

[1] State stores; figures represent amount added to cost on sales.
[2] Now reduced to 25 cents.

There is no essential difference between California and the other States with the exception that there wine has been recognized as a food, taxed as a food, and also like a food is little burdened with regulation. Other States that have fixed high tax rates have found that they are deriving little revenue from them. In this past spring and summer many of them have reduced their taxes to a basis comparable with my proposed bill. The House and the Senate have themselves approved this plan by reducing the rates on both still and sparkling wines in the District of Columbia beverage-control bill. A program which has been worked out by the Wine Institute, an organization formed to promote standards of quality and encourage consumption of wine in the United States, calls for an effort to have the States limit their taxation on wine to the same amount that the Federal Government taxes, and to have the Federal Government's rate start as it does in this bill, or 5 cents on still wine of less than 14 percent alcoholic content. If the program is adopted generally, it will make the tax rates uniform throughout the country and so promote a uniform distribution and consumption.

Wine is a food. Normally it is drunk with meals. I doubt if any of you have ever seen a man order a glass of wine as he would a cocktail or a highball. It has definite food value, and it should be regarded as such a food and taxed accordingly. I urge all of you to take this opportunity of setting an example to the States of the Union by seeing that the Federal Government shall no longer overtax what is indeed a food and drink combined. The passage of this bill will mean a slight loss to the Treasury based on 1934 figures of consumption, but I confidently believe, and the members of my committee agree with me, that the legitimate sales of taxed wine will be materially increased by this program of reduced National and State taxes to the point where our annual prohibition consumption of 50,000,000 gallons per annum will be equaled or exceeded. Thus the paper loss will be more than made up and there will be a net gain in revenue to the Treasury.

In addition to the general tax reduction, the bill provides for remedying two injustices now existing in law of double taxation.

Vermouth is made from still wine, on which the normal tax has been paid, when it is removed from storage to a rectifying plant, where it is steeped with herbs. A rectifying tax is there paid. The finished product, however, is still classed as wine and is required to pay a second tax when removed for sale. This bill does away with the second or duplicating tax. This has been accepted by the Treasury.

A similar duplicate tax exists in the case of liqueurs and cordials containing over 24-percent alcohol. The spirits that go into them have already been taxed at the full rate, and under present law the finished products, if over 24-percent alcoholic content, are again taxed the full rate on spirits. This bill removes this duplication, which I believe was unintentionally put into the Liquor Taxing Act of 1934.

Mr. Speaker and ladies and gentlemen of the House, the passage of this bill will do more to stimulate the consumption of tax-paid wines than any other legislation that can be enacted at this Congress. It will have a beneficial effect not only by permitting the sale of a beverage that is a food at

a reasonable price but by showing that the Congress intends to encourage the wine industry, as it formerly did, in the interests of temperance, and all of this will be accomplished without the loss of a cent to the Treasury.

THE TRUTH ABOUT M'CORMACK AND KRAMER BILLS—FREEDOM OF SPEECH AND PRESS PRESERVED

Mr. McSWAIN. Mr. Speaker, it is strange that so much misunderstanding and misinformation have gone abroad concerning the McCormack bill and the Kramer bill. Many people—editors and private citizens—write as though these bills in some way infringe freedom of speech or freedom of the press. There is absolutely no foundation for such impression. Just why such impression has been created in order to delay and to try to defeat action on these bills I am unable to say.

Now, Mr. Speaker, take up the Kramer bill first. This bill, as amended by the Committee on the Judiciary of the House of Representatives, consists of less than five lines, and provides that any person who knowingly and willfully advocates the overthrow of the Government of the United States by force and violence shall be subject to indictment, trial, and punishment. Now, mark the language carefully. It simply means that any person who shall advocate civil war shall be subject to punishment. Civil war is nothing but an attempt to overthrow the existing Government by force and violence. Whoever advocates civil war should be guilty of treason. Certainly no sane person can properly object to a law which proposes to punish people who knowingly and willfully urge the overthrow of our Government by force and violence in civil war.

Mr. Speaker, advocating the outbreak of civil war in order to overthrow the Government by force and violence is a very different thing from advocating an amendment to the Constitution which might be so radical as to change our form of government. The latter is entirely in the right and privilege of every citizen. It is the fundamental principle of the Declaration of Independence. That right to urge the change in our form of government by amendment to the Constitution is recognized and preserved in the Constitution itself. But revolution at the ballot box is a very different thing from revolution by bayonet and bullet and poisonous gas and bombs and every other destructive instrumentality of modern war. Surely any fair and reasonable person can see the difference, and can see that the Kramer bill is but an expression of the power that must remain in every government to preserve itself and to punish those who would try by any sort of advocacy to bring about civil war.

M'CORMACK BILL

Now, Mr. Speaker, as to the McCormack bill, there is an equally grave misunderstanding. As amended by the Committee on Military Affairs of the House of Representatives, this bill merely provides that whoever, with intent to incite disaffection among our soldiers and sailors, shall urge any such soldiers and sailors to disobey the laws or regulations governing them shall be subject to indictment, trial, and punishment. Where is there anything in this which interferes with any freedom of speech or of press that any law-abiding citizen wants? Who wants to have the right to urge soldiers and sailors to disobey the laws or regulations governing them? Why should any man object to having soldiers and sailors obey the laws and regulations governing them? What is the use of having soldiers and sailors unless they will obey the laws and regulations governing them? The only conclusion that I can come to as to why any person should oppose the simple provisions of the McCormack bill is that such person does not wish us to have an efficient Army and Navy. Such person evidently wishes the privilege of undermining the morale of our soldiers and sailors by inculcating sedition and sentiments of mutiny among them. We all know how human beings are subject to influence. We know how easy it would be for a designing and crafty person to enlist the interest of soldiers and sailors by professing great sympathy for them, and, having gained their confidence, to implant in their minds and hearts feelings of disloyalty and the purpose to disobey.

Now, Mr. Speaker, unless we can count upon the obedience of our soldiers and sailors, there is no use having an Army and a Navy. We would but deceive ourselves and sustain a great expense without adequate return by maintaining an Army and a Navy whose personnel would refuse to obey when the time for action came.

So, Mr. Speaker, despite the pretense of learning and the flourish of patriotic sentiment, despite the pretense of fear that freedom of speech or freedom of the press may be impaired by either the McCormack bill or the Kramer bill, there is nothing about them that any loyal American citizen can fairly and reasonably object to. Some people have raised a great hue and cry against any proposed legislation to have school teachers take an oath to support and defend the Constitution of the United States. Why any person in any capacity should object to taking an oath to defend the Constitution of our Republic and the constitutions of the respective States is more than I can understand. I am perfectly willing and should be glad to take the oath every morning to support the Constitution of the United States and of the State of South Carolina. Each of these has provisions for their proper amendment. I have heretofore advocated amendments to the Federal Constitution and amendments to the State constitution, and I may in the future, if I live long enough, advocate other amendments. Just now I am not advocating any amendment to either of these constitutions. But the right of amendment is sacred. Since the right of amendment exists, whoever would seek to overthrow either of these governments by force and violence is an outlaw, is a traitor, is an enemy to society, and should be appropriately punished. I do not see any use of having a police force unless the police obey the laws and regulations governing them. Armies and navies are in a wider sense police forces, either domestic or international. It was an old common-law doctrine that a person who enticed from the employment of another person a servant should be guilty of a crime. Whoever should persuade a soldier or a sailor to desert either in peace or in war commits a grave offense against both the country and the soldier. But desertion is no worse than disobedience. In fact, in a certain sense disobedience is worse than desertion. To continue in the employ of the Government, to continue to receive its money, its food, its clothing, and its shelter, and then when the critical time comes to refuse to obey laws and regulations, is worse than the man who deserted. The one who deserts advises us in advance of his disloyalty, and we know we cannot count upon him, and we replace him with a soldier or a sailor whom we regard as loyal.

Now, Mr. Speaker, all we are trying to do is to take every reasonable precaution that our soldiers and sailors are loyal and will obey the law and regulations. If it is not a crime, it ought to be a crime for any citizen to urge and advise any other citizen to disobey any law. And yet it should all the more be a crime for any person to urge a policeman or a fireman or a soldier or a sailor to disobey the law and regulations governing them. These are selected groups who have volunteered to serve the public, and our security depends upon their loyalty and their obedience to law and regulations. Therefore, let those who oppose the McCormack bill say that they are willing to oppose a bill which would punish any person for advising or urging a policeman or fireman to do his duty. A pedestrian is held up by a robber. The pedestrian cries to a policeman to protect him. The policeman refuses to do it because John Smith urges the policeman not to do his duty. What would the pedestrian think of John Smith? My house is on fire and I summon the fire department, but they refuse to respond and stand by and see the hungry flames lick my possessions into ruins, because John Smith has advised the firemen not to do their duty. By the same token some disorder arises, or even the invasion of our country occurs, and when our soldiers and sailors are ordered to act to suppress insurrection, or to repel invasion, they refuse to do so, they mutiny, because John Smith has been urging and advising them to disobey the laws and regulations governing them. What would you think of John Smith? What are we going to do with such John Smiths over this country?

What 100-percent American claims for such John Smith the right to urge and advise policemen and firemen and soldiers and sailors to refuse to do their duty? We understand there are about 30,000 Communists in this country, and ac-

cording to the literature they put out, every one of them is such a John Smith, urging and advising soldiers and sailors to disobey the laws and regulations governing them. Do any of our law-abiding citizens, acting through a misconception and a misunderstanding of the provisions of the Kramer bill and the McCormack bill, join with these communistic John Smiths in their efforts to incite disaffection and disobedience and mutiny among our soldiers and sailors?

FARM RECOVERY NEEDS

Mr. SCHNEIDER. Mr. Speaker, with this congressional session about to close, I again desire to call to your attention and to the attention of the leaders and Membership of the House the deplorable economic situation of the American farmer and the need for more adequate legislation to bring economic equality to the men and women who produce our food.

Unfortunately the farmers get a great deal of lip service from demagogues, but there are entirely too few men who have the interests of the farmers at heart and are willing to sit down around a table and work out a sane, substantial, and workable legislative program to meet the farm problem. There is greater need now than ever for effective farm organizations and particularly a vigorous, well-directed, and well-supported cooperative movement.

VICTIM OF TARIFF INJUSTICES FOR YEARS

The depression for the farmer dates back even earlier than 1920. As a result of tariff policies of the two old parties, the farmer operated his business under decidedly disadvantageous bargaining conditions for many years prior to the depression affecting the farmer in 1921. The tariff laws favored the eastern and industrial sections of the country, compelling the farmer to buy his machinery, clothing, and other necessities at prices held high by the tariff walls as well as by great financial combinations and trusts, which controlled prices. The farmer, on the other hand, got scant tariff protection and had to sell his product at the buyer's price, while he bought his own goods at the seller's price. Prior to the depression of 1921, due to this unfavorable situation, the farmer was sometimes able to break even by working unusually long days and by living in a very thrifty and economical manner.

Today with most industrial tariff rates sky-high, the duty on farm products is so low that the country is being flooded with foreign farm produce and the American farm market is being destroyed as a result of these importations. As I pointed out on March 2, the American farm market is further threatened by the negotiations being held behind closed doors of the State Department, looking toward the signing of a reciprocal trade treaty with Canada. Under the terms of the Reciprocal Trade Act which was passed in 1934, when I was not a Member of this House, the authority to raise and lower tariffs as much as 50 percent is vested in the State Department and the President.

DANGER IN RECIPROCAL TRADE TREATIES

There is even greater danger to American agriculture because under the most-favored-nations treaties we have agreed to extend tariff concessions to most of the leading countries if they are extended to one of the countries. For instance, the State Department may reduce the rate on agricultural products imported from Canada, and at the same time the same concession must be extended to Australia, Argentina, and the other countries with which we have signed the most-favored-nations agreements. I pointed out in March that our purchases of Canadian agricultural, dairy, and animal products, according to official Canadian figures, reached a value of $62,000,000 during the 11-month period from April 1933 to February 1934. On March 23 I called the attention of the State Department to later figures released by the foreign agricultural service of the Department of Agriculture, showing that in the last 6 months of 1934 the importations of butter into the United States more than doubled, as compared with a similar period in 1933. Barley malt imports jumped from 74,443,000 pounds to 98,980,000 pounds. At that time I gave more recent figures for the month of January 1935, showing that during that month alone 7 pounds of butter were imported for every pound which came into the country during the entire previous year.

I read now from the latest foreign trade survey issued on August 24 by the Bureau of Foreign and Domestic Commerce, showing that in July of this year imports increased 13 percent, whereas usually in the month of July there is a seasonal decline of 3 percent. This report shows further that importations of butter for the first 7 months of the year 1935 jumped to 21,677,000 pounds as compared with imports of 435,000 pounds for the same period in 1934. There was brought into this country up to August 1, 1935, 67,202,000 pounds of meat products as compared to importations of 32,069,000 during the same 7-month period a year before. Sharp increases are also shown in other farm-produce importations.

These figures show conclusively that we must renew our opposition to reduction of farm tariff rates under reciprocal trade agreements and fight the pressure being brought on the State Department to sell the Midwest farm markets down the river for the benefit of the eastern industrial interests which have in the past always manipulated tariffs so as to enrich themselves at the expense of the farmers in Wisconsin and other States in our section. We must do more than this, however. We must secure prompt action by the President under the authority vested in him to protect the American farm market and prepare a legislative program which will prevent our farm markets from being destroyed by foreign competition.

DELIBERATE DEFLATION IN 1921

After fighting an uneven battle for many years, the farmer was plunged into a real depression in 1921 as a result of the deliberate action of Federal Reserve officials prompted by Republican and Democratic politicians, doing the bidding of the financial pirates who had control over our credit system. Since this deliberate deflation of the farmer by the credit manipulators agricultural interests have experienced a steady depression extending over a 15-year period. The effect of the tariff policies mentioned above and the depression forced upon the farmer in 1921 is graphically illustrated by the following figures showing a steady increase in the number of farms operated by tenants instead of owners:

| | *Percent* |
|---|---|
| 1890 | 28 |
| 1900 | 35 |
| 1910 | 37 |
| 1920 | 38 |
| 1925 | 39 |
| 1930 | 42 |

In 1890 over half—52 percent—of the farmers owned their farms free and clear of debt. At the present time less than one-third—31.3 percent—of the farmers own their farms free of debt. The net farm income per family has decreased rather steadily from 1927, when the average net income for a farm family was $940, to 1932, when the net farm-family income reached a new low of less than $250.

It can be readily seen that at this average rate of income it has been necessary for the farmer to draw upon any credits that he may have and mortgage to the limit the last dollar's worth of property in his possession in order to exist. It is unnecessary for me to now repeat the staggering number of foreclosures in which farmers have lost their homes.

COURT DECISION BLOCKS FARM AID

An attempt was made to improve the farm credit situation by passage of the Frazier-Lemke bill in 1934. This law was declared unconstitutional by the Supreme Court, however, and the new Frazier-Lemke moratorium bill, which we have just enacted and which has not yet been signed by the President, gives scant protection from foreclosure to the debt-ridden farmers.

To keep within the constitutional limitations, as viewed by the present Supreme Court, as you all know, this House was precluded from making this legislation as strong and beneficial for the protection of debt-burdened farmers as I am sure we would like to have done.

Under the terms of this Moratorium Act the farmer must go into the bankruptcy court in the usual manner. His prop-

erty then becomes subject to court jurisdiction and may be held for 3 years, at the discretion of the judge. The farmer has a right to retain possession during the moratorium period, paying a reasonable rental, and may redeem his property at any time during the 3-year period or within 90 days after sale.

PASS FRAZIER-LEMKE REFINANCING BILL

In order to give any genuine farm credit relief it will be necessary to enact the Frazier-Lemke refinancing bill, which gives the farmer a better opportunity to refund his indebtedness by payment of lower interest rates. This bill provides for interest rates of 1½ percent and payment of 1½ percent in reduction of the farm debt.

Despite a continued drive on the part of the progressive Members of Congress from Wisconsin and other liberals from the Farm Belt, it was not possible to force a vote on the Frazier-Lemke refinancing bill at this session of Congress. While more than the necessary 218 Members indicated their interest in the bill at various times, the pressure was so strong that signatures on the petition to force a vote were withdrawn, and the 218 signatures necessary to get the bill out on the floor for action were never secured at any one time.

I want to serve notice now that the fight for passage of this bill will be continued, with a view to force its consideration by the House at the earliest possible time.

TEXT OF FARM-PRICE RESOLUTION

We have just passed a resolution directing the Federal Trade Commission to make an investigation of agricultural and commodity prices. Under the terms of this resolution the Commission is directed to investigate and report at the next session of Congress—

First. (1) The extent of the decline in agricultural income in recent years, including the amount and percentage of such decline;

(2) The extent of the increases or decreases in recent years in the income of the principal corporations engaged in the sale, manufacturing, warehousing, and/or processing of the principal farm products, as compared with the decline in agricultural income, including the amount and percentage of such changes; and

(3) The proportion of total consumer cost of representative products manufactured or processed from the principal farm products which is represented by the proceeds received by (a) the farmer; (b) the manufacturers, processors, and warehousemen; and (c) the distributors.

Second. The financial position of the principal corporations engaged in the manufacturing, processing, warehousing, distribution, and marketing of the representative major products manufactured from such principal farm products, including—

(1) The capitalization and assets of such corporations and the means and sources of the growth of such capitalization and assets;

(2) The investment, costs, profits, and rates of return of such corporations;

(3) The salaries of the officers of such companies; and

(4) The extent to which said corporations avoid income taxes, if at all, and the extent to which officers receiving such salaries paid income taxes thereon.

Third. The extent of concentration of control and of monopoly in the manufacturing, processing, warehousing, distribution, and marketing of representative major farm products which is maintained or has been obtained by any corporation or other organization, including—

(1) Methods and devices used by such corporations for obtaining and maintaining their control or monopoly of the manufacturing, marketing, processing, warehousing, and distribution of such commodities, and the proportions of any such major farm commodity handled by each of the large units involved; and

(2) The extent to which fraudulent, dishonest, unfair, and injurious methods are employed in the grading, warehousing, and transportation of such farm products, including combinations, monopolies, price fixing, and manipulation of prices on the commodity exchanges.

Fourth. The extent to which the cooperative agencies have entered into the processing, warehousing, and marketing of representative major farm products and the general effects of such cooperative agencies upon the producer and consumer.

Fifth. The extent to which other countries have adopted or promoted processing, warehousing, and marketing agencies of a public, quasi-public, or cooperative sort for the simplification and cheapening of the processing, warehousing, and marketing of agricultural products, and other administrative agencies which may have been set up for the protection of the farmer-producer and the consumer.

Sixth. Any conclusion and/or recommendations with regard to increasing the income of farm producers or other recommendations with regard to the improvement of the economic position of farmers or consumers growing out of the inquiry.

Everyone who has any knowledge of farm prices and retail prices knows that there is too great a spread between the amount the producer receives and the amount that the consumer pays. Recent figures show that in 1928, the farmer got 47 cents of the consumer's dollar; the distributor and processor 53 cents. Only 2 years later, in 1931, before the depression had gotten under full way, the farmer got 38 cents out of the consumer's dollar instead of 47 cents, while the processor and distributor got 62 cents. Stepping up again in 1932, just 12 months later, the farmer got only 33 cents while the distributor and processor got 67 cents.

FARMER'S SHARE DECREASES

In other words, from 1928 to 1932, the share of the farmer fell from 47 cents out of the dollar to 33 cents. Now, if you multiply that by billions, you get an indication of the colassal slump in agricultural income and the colossal increase in the distributor's share. This downward drift has been checked to some extent in 1933 and 1934, but even now the farmer is getting only about 36 cents out of every dollar spent by the consumer.

Figures compiled by the various Government departments show a sharp increase in dividends and enormous salaries being paid to officials of huge dairy, packing, and other combines of processors handling the farmer's produce. Obviously there must be fundamental and drastic readjustments in order to give the farmer cost of production, which is essential to any business. If the farmer continues in the status of a serf producing below cost, there can be no national recovery.

I believe that the Federal Trade Commission survey will give us detailed facts on these inequalities, which are now self-evident. Upon the basis of the information collected in this investigation, we must at the very beginning of the next session enact legislation to save the American farm industry.

FARM AND CITY PRODUCERS SHOULD UNITE

At this point let me add, Mr. Speaker, that the farmer producer as a class must organize in order to get results for his group. He must fight this battle shoulder to shoulder with that other great group of producers, the American laboring men. Interests of these two great groups of producers are similar. Divided they will only be the pawns of other interests in the future as in the past.

There is now a close relationship between the organized farm and labor groups. Both groups, however, should extend their membership and influence. Their continued, closer, united, and more vigorous cooperative efforts are essential.

MUST FIGHT INEQUALITIES

The fight will be a strenuous one, as the vested interests, which have exploited both labor and the farmer for years, will not yield without a last ditch fight. We saw the influence of the lobbyists of the vested interests during this session as in past sessions.

Farm organizations and those Members of Congress genuinely interested in bringing about beneficial and fundamental readjustments to help American agriculture must join in preparing and submitting at the very beginning of the next session of Congress an adequate and workable farm program. These fundamental inequalities and maladjustments must be corrected.

THE MATANUSKA VALLEY COLONIZATION PROJECT OF THE FEDERAL EMERGENCY RELIEF ADMINISTRATION

Mr. DIETRICH. Mr. Speaker, after my recent trip to Alaska and my personal inspection of the Matanuska Valley colony, sponsored and developed by the Federal Emergency Relief Administration, I am utterly at a loss to understand the criticism which has been heretofore directed against this project. I can only assume that such criticism by men of great learning is due to the fact that they are misinformed, or that they are deliberately attempting to belittle and retard this project for other reasons.

Upon my arrival at the colony I was forcefully struck by the look of happiness and confidence which showed so plainly on the faces of the pioneer citizens who now compose this settlement. I interviewed many of the families in the colony, and all of them were confidently and enthusiastically looking to the future.

It is true that after the 200 families were first sent to this section they met with some unexpected and unavoidable difficulties. These difficulties were due to the sinking of a large supply ship loaded with neccssities for the colony and to the fact that the strike in the lumber industry in the Northwestern States prevented immediate shipment of lumber to the colonists for the building of their permanent homes. These difficulties have now been overcome, and the colonists are busily building their permanent homes. All of them will be comfortably and substantially housed before winter weather commences.

It is also true that some few families have returned to the States. I found that these families were unfit either physically or by nature to carry on and that they lacked the qualities necessary to stand the acid test of frontier life.

I found that a community center is under construction which will provide hospital facilities, a trading center, and entertainment for the citizens of this community. Roads are being constructed to connect the various stations of the settlement, and a large number of wells have been sunk which provide pure water.

The Matanuska Valley is located about 125 miles in a direct line from the southern coast of Alaska and about 40 miles from Anchorage, which is on the west coast. I am told that owing to the close proximity of this region to the warm Japan current in the Pacific Ocean, the climate is comparatively mild and ranges in temperature from 85° above to 20° below zero. The unusually long days during the growing period tend to cause crops to yield abundantly, and the total annual rainfall ranges from 12 to 20 inches.

The fertility of the soil in the Matanuska Valley has been amply demonstrated by the agricultural university, which conducts an experimental farm near the center of the valley, as well as by actual crops produced by earlier settlers in the valley. The surface soil is a black loamy clay, ranging from 20 inches to 15 feet, and is very fertile.

The native timber is mainly spruce, which is ideal for building log houses, many of which have already been built in a very substantial and attractive manner. The roots of the timber lay close to the surface, which makes the clearing of land very easy, and at a cost of about $65 per acre.

The valley is suitable for most any kind of farming—dairying, mutton, and pork. Vegetables and most grains are very productive. Berries yield in abundance. Poultry raising should be profitable.

I found that oats yield from 50 to 90 bushels per acre; barley, 25 to 40 bushels per acre; and spring wheat, from 25 to 45 bushels per acre.

While I was in the valley gardens were flourishing and the vegetables grown in this section have no parallel in any part of the States. The production of cabbage is seldom equaled in any region. The quality of the cabbage grown in the valley is excellent, and heads weighing as much as 35 pounds each are grown.

I am fully convinced that the Matanuska Valley can support a large number of settlers. They can make easy disposition of their products, and it is estimated that there is a market for a million and a quarter of food products alone.

I share with the citizens of the Matanuska Valley colony their spirit of optimism, and I congratulate and commend the Federal Emergency Relief Administration in making possible to these citizens a happy and substantial future.

POTATO-CONTROL BILL

Mr. WOLVERTON. Mr. Speaker, the growing tendency to regiment the farmers of America through a system of crop-production control is becoming more and more apparent. Already 14 basic farm commodities have been subjected to Federal regulation and supervision. The potato is the latest farm product to be placed under Federal control of production. When and where this policy or system of regimentation will end no one can determine. The number and variety of crops being brought under governmental authority is continually increasing. This fact greatly disturbs thoughtful farmers. They can readily see in the continued expansion of this policy a time, not distant, when a farmer will not be permitted to plant what and how much he may desire without first obtaining the consent of a governmental agency. In the past American farmers have enjoyed freedom of action. Government control of crop production restricts, curtails, and rescinds this long-established American principle.

The plan to control production of potatoes, as provided by the Senate amendment to the Agricultural Adjustment Act, is neither fair nor just to the vast majority of growers who raise potatoes on their farms or in truck gardens.

This legislation was sought by the large commercial potato growers. The hearings conducted by the committee revealed that there are but a comparatively few thousand of such, located in a few counties in a small number of States, as against approximately 4,000,000 farmers, located in every county and State, who plant potatoes and sell them as occasion may require or as the result of the yield may determine. No national farm organization sought the enactment of this law in its present form. It was opposed by many who spoke in behalf of the great body of farmers who are not classed as commercial growers. It is a commercial growers' measure. To benefit this small class, millions of other farmers are regulated, supervised, and controlled in the growing of one of the most used of all vegetables.

The plan, as provided in the bill, is far more drastic than all previous crop production control measures in that it is compulsory and not voluntary. Other measures affecting basic crops generally require the consent of a certain percentage of the growers before the plan becomes effective. Potato control is effective without such consent first having been obtained. It does, however, provide a referendum, after the first year of its operation, as to whether it shall be continued. But even this provision is unfair to the small general farmer in providing that every producer is entitled to one vote for every 60 pounds of potatoes apportioned to him during the preceding allotment year. In other words, to perpetuate their special privileges, a few producers, a few counties, a few localities in a few States which now produce a high percentage of the whole crop will be allowed to vote by bushel and not per capita. This is a system based on property or production suffrage and not individual suffrage. If you produce 20,000 bushels of potatoes, you get 20,000 votes. The intention is, of course, to destroy any influence the small potato growers might have in determining the future course of the act and to continue the subjection of the small grower.

The hearings showed that last year nearly one-fourth of the potatoes that were shipped in carload lots came from the State of Maine and that the greater part of that crop came from one county. Under the plan of voting provided by the terms of this bill, it will be possible for that one county, together with a few more large producing counties in other States, to control protato production in the entire United States. Nothing could be more unfair or inequitable. Men, not bushels, should vote. The effect of the bill is to give immediately to a few counties a preferred status in the enjoyment of the potato business in this country. Never again, as long as this bill remains the law of the land, can 3,000,000 or 4,000,000 American farmers raise or sell potatoes without restraint, even in a small way in their own small communities, or trade them for the necessities of life. They will be continually subject to Government regulation and

the will of a few large potato-producing counties of the Nation.

A further study of the bill reveals such a vast number of details to be complied with or severe penalties to be incurred, all of which have been designed to make control of production effective, that no one can doubt that the farmer who desires to grow potatoes hereafter is regimented beyond any possibility of free or individual action.

Every farmer who seeks to raise potatoes must procure a permit and a production allotment or quota from the Secretary of Agriculture at Washington. The amount he will be privileged to raise will be based upon the amount previously raised on that particular farm over a fixed period of years. For every bushel sold in excess of this allotment he will be required to pay a tax of 45 cents. Such a tax is prohibitive. It was meant to be so. It was fixed at an amount that would make it impossible for anyone to profitably grow any potatoes in excess of his fixed quota.

The bill does provide a so-called "exemption", but it is a misnomer in fact, because the language of the bill allows no exemption unless the farm produces less than 300 pounds of potatoes. In case of any farm for which average sales are 300 pounds or less, then such average sales shall be exempt from any percentage reduction and the farm shall receive an apportionment equal to such average sales. This small allotment of 300 pounds or less is allowed free of taxation. But even if this exemption is granted such small grower, before sale, is required to put his potatoes into expensive packages and to get exempt stamps and attach the stamps to the packages and comply with other intricate rules and regulations.

As a matter of fact no exemption is granted to any individual farmer, but only to the farm. It goes with the farm and not with the farmer. This is also true of all other allotments or quotas given by the Secretary of Agriculture even to the largest. It attaches to the farm and no farmer can remove from the particular farm and take with him to another farm the allotment made to the previous farm. The effect of the bill is to freeze potato production to designated farms and fixed amounts. No tenant could move on to a farm and raise potatoes unless that farm possessed through the owner a potato allotment already in effect. Nor could the son, daughter, or wife of any farmer raise any potatoes, even in a small garden patch, unless there was a production allotment that permitted the same.

Why has no sustantial exemption been made for the small potato grower? Why is less consideration given to him than to the grower of cotton or to the man who raises hogs? The values of exemptions allowed in all other allotment bills are substantial in amount and might run up to hundreds of dollars. The value of 300 pounds of potatoes is negligible. There is all through this bill an evident intent to protect the large commercial grower. This explains many of the unusual features to be found in this and no other production-control measure.

The affidavits to be taken and the proofs to be submitted before an allotment is made, or a quota received, the details to be complied with in operating under the allotment, the questions to be answered, the books and records to be kept, the reports to be made, and the innumerable requirements to be fulfilled, before the farmer is free and clear of the severe penalties provided, make for the average farmer an almost impossible barrier to be overcome. Many will give up in disgust. All of which will be to the benefit of the few large commercial growers.

The bill is extremely interesting in its endeavor to preclude any possibility of bootlegging potatoes. All through the hearings are expressions that indicate a fear that many farmers will refuse to be bound by what some term "un-American principles", and will be inclined to raise and sell potatoes as free men. To prevent this, or, at least, reduce it to a minimum, the most intricate of details are required to be complied with, and penalties are provided which, in some instances, are even more severe than were adopted to prevent the bootlegging of intoxicating liquor during prohibition.

Every individual farmer selling or trading in potatoes will be required to put all potatoes into packages of the kind and character fixed by rules and regulations promulgated by the Secretary of Agriculture, and affix such stamps and tags upon them as shall be designated by the Secretary. Even as to the 5 bushels of so-called "free allotment" allowed by a generous Government it will be necessary to purchase packages for them, if sold, and to secure and put exempt stamps on all such packages. The effect of all this trouble and red tape will be to take the small and limited growers out of the market.

The penalties that have been provided are almost unbelievable in their severity. Every farmer who grows potatoes, even though not sold, will be required to make returns, render statements, give information, and keep such records as the Secretary of the Treasury or the Secretary of Agriculture may deem necessary. Failure to do so may be punished by a fine of $1,000, or 1 year in jail, or both. A similar fine is provided for any person who offers to sell potatoes not properly packaged, or offers to sell potatoes in packages not properly stamped. These same penalties apply to the person who buys or even offers to buy any such potatoes. Never in all the days of prohibition was any penalty provided for the person who bought intoxicating liquors. It applied only to the one who sold. This statute, however, works both ways in its effort to stop bootlegging of potatoes. A fine may be imposed for failure to destroy stamps on packages, or for placing potatoes in a package which has been previously used or stamped without first destroying the stamps formerly used. The number and variety of fines makes possible a method of drastic enforcement seldom, if ever, exceeded.

Already can be heard the voice of discontent raised against this new effort to restrict, curtail, and deny the use of land for the purposes to which it has been adapted. Nor can there be any sufficient justification for a course that denies to the farmers of America the right to utilize their land in the production of this great common food product, when millions of pounds of potatoes are being imported into this country from foreign countries to compete in our markets with our own domestic-grown potatoes.

It would be far more helpful to farmer and consumer if the Secretary of Agriculture and the Department under him would give attention to devising ways and means of reducing the wide spread in price between what the farmer receives and what the consumer pays. If this should be accomplished, proposals similar to that contained in the present bill would be unnecessary.

During the past year the consumer in the city of Washington has paid 2½ to 3 cents per pound for potatoes, amounting to $1.50 or $1.80 per bushel At the same time farmers in many instances have not received a price that would cover the cost of production. The middleman benefits by the low price paid to the farmer and the high price charged to the consumer. It is this condition that should receive the earnest and thoughtful attention of the Secretary of Agriculture.

A method should be sought that will bring producer and consumer closer together to the mutual advantage of each. It may be done by cooperative marketing agreements, limitation of middleman profits, or otherwise; but by all means a remedy should be sought to take the place of the un-American method of production control provided for in this bill.

A system or policy that regiments American farmers into a production-control program and makes them liable to severe penalties upon failure to comply with each and every rule and regulation set up in a bureau at Washington, and fills the land with thousands of snoopers, additional agents, and employees at an estimated cost of $12,000,000 the first year, not including cost of enforcement and prosecutions, is unreasonable and unjust.

The solution of the problem can and must be found in the application of established American principles.

### H. R. 6472—BLOCK BOOKING AND BLIND SELLING

Mr. PETTENGILL. Mr. Speaker, as the present session of Congress is coming to a close without action on H. R. 6472, a bill to prohibit and to prevent the trade practices known as "compulsory block booking" and "blind selling" in the leasing of motion-picture films in interstate and foreign commerce, I am making this statement for the information of the proponents of the bill and the industry with reference to its legislative position and its general purposes and objectives.

This bill is pending before the House Committee on Interstate and Foreign Commerce, of which I am a member. A similar bill has been introduced by Senator NEELY, of West Virginia. Somewhat similar bills have been introduced by Congressman CULKIN, of New York; Congressman KELLER, of Illinois; and Congressman OWEN, of Georgia.

In the tremendous pressure of work before the Interstate and Foreign Commerce Committee during the session now closing it was impossible to secure hearings on these bills. Over the recess of Congress they retain their legislative status, and at the January session every effort will be made to secure hearings before the committee, with a view toward having the same reported favorably for action by the Congress.

These pending bills differ somewhat one from the other. As the sponsor of H. R. 6472, I wish to make it plain that I am not committed to its exact phraseology, and if, as a result of suggestions made at the hearings, the bill can be improved I shall welcome amendments. I would not be frank, however, if I did not say that I doubt whether Congress is prepared at this time to enact a strictly censorship bill. It is my belief that for the present at least we ought not to undertake to go much beyond the objectives set forth in H. R. 6472. This is not a censorship bill. It is limited to preventing the movement in interstate commerce of films leased to the trade under the practices of block booking and blind selling, and to prevent monopolistic practices in the industry. It is anticipated, of course, that if the bill becomes law it will result indirectly and effectively in contributing toward the showing of better and cleaner films. This is for the reason that the local exhibitor, reflecting the views of his constituents, will be able to secure films desired by his patrons, and will not be under compulsion to show films not desired by them. I have a profound belief that with the right of free selection the American public will demand better films than they have been seeing during the past 10 years. This bill will, therefore, enable their wishes to be made effective.

H. R. 6472, introduced by me, was prepared by representatives of the Motion Picture Research Council, aided by suggestions from many other sources.

Fundamentally, we all recognize the truth of Abraham Lincoln's saying that "in a democracy public opinion is everything. Without it nothing can succeed and with it nothing can fail. He, therefore, who influences public opinion tends to write or repeal the statutes of the Nation." The same thought was also expressed by Brand Whitlock, former ambassador to Belgium, in the profound saying that "law is whatever the public backs up." We lean upon a frail reed when we rely on statutes only.

I pay my tribute, therefore, to the unofficial organizations such as the Catholic Legion of Decency and many other groups reflecting the best ideals of Protestants and Jews in developing a better public opinion with reference to motion pictures. What they do is what is important. What we as legislators do is simply to implement and make effective the work of organizations such as these. Nor do I overlook the official and unofficial action of State and municipal governments. The States, however, under the Federal Constitution have no control over interstate commerce and Federal legislation affecting interstate commerce of motion-picture films seems necessary to supplement the work of these other organizations.

H. R. 6472 either specifically or with respect to its objectives has been endorsed by the following among many others: American Association of University Women, Knights of Columbus, Catholic Central Verein (national association of German-American Catholics), Catholic Order of Foresters, National Committee on Education by Radio, National Council of Catholic Women, National Congress of Parents and Teachers, Young Men's Christian Association, Young Women's Christian Association, Motion Picture Research Council, American Federation of Teachers, National Council of Women for Home Missions, Editorial Council of the Religious Press, National Education Association, National W. C. T. U., Independent Motion Picture Exhibitors, Federal Council of Churches of Christ in America. Among prominent individuals who have given it their endorsement are Dr. A. Lawrence Lowell, former president of Harvard University; Mrs. Sarah Delano Roosevelt; Daniel L. Marsh, president Boston University; Carl Taylor Compton, president Massachusetts Institute of Technology; Ada Comstock, president of Radcliffe College; Rear Admiral William S. Sims, United States Navy; Carleton Washburne, vice president of the Progressive Education Association, and hundreds of others equally prominent.

Dr. Lowell in his endorsement says:

> Being unable to see that the practices of block booking and blind selling have any object except that of supporting a monopoly and obliging exhibitors to use films which, for moral or other reasons they do not desire to exhibit, I am wholly in favor of restraining these practices, so far as they come into interstate commerce by act of Congress; and the bill H. R. 6472, now pending, seems to me well adapted for the purpose.

A particularly effective statement of the purposes sought to be accomplished by this legislation was made by Walter Lippman on January 12, 1935, as follows:

> Effective reform depends, it seems to me, on a clear understanding of what, given the American traditions of freedom and the variety of American tastes and American moral standards, reform ought to aim at. I would rest reform of the movies on this basic principle: That audiences shall have greater freedom to choose their pictures and that artists and producers shall have greater freedom to make pictures. Within the obvious limits of the ordinary law about obscenity and provocation to crime, the best regulation would be that exercise by the customers at the box office of a theater. The best way to improve the movies would be to open the door to intense competition by independent and experimenting producers.
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> If the customers had freedom of choice, each community would be able to enforce the moral standards it believes in. Each exhibitor would have to take the business risk of estimating correctly the tastes of his customers, and educators, dramatic critics, moral leaders in each community would be able to exert effectively whatever influence they can command. This is the system under which theaters, books, magazines, and newspapers operate, and it is not an unsatisfactory system. Anyone who can find a little capital can produce what he chooses. But then he has to submit his production to the test of circulation. The highbrow and the lowbrow, the libertine and the Puritan, tend to find their own audiences.
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> Now this is not the system under which the movies operate. Among them the control of the means of production is concentrated in a few giant corporations; the means of distribution are monopolized in part by direct ownership of strategic theaters and for the rest by monopolistic contracts known in the trade as "block booking" and "blind selling." In substance, they mean that a local theater owner must rent his pictures in large blocks sight unseen. As a result he has no real choice as to what he will exhibit. The result of that is that his customers can exercise no real choice.
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> The effect of this monopolistic system is to pile up great profits based on an immense volume of sales. To keep up the volume the producers must therefore manufacture films designed to suit the largest common denominator in the public taste, and that is likely, on the average, to be a low denominator. At the same time, the existence of these large profits is a direct incentive to extravagance; this has brought about an inflation of salaries, production costs, and overhead which make it almost as difficult for an independent to make pictures as for you or me to build another transcontinental railroad.
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> Thus there is in motion pictures an artificial but effective impediment to the production of films for relatively small but cultivated audiences. Yet it is from these audiences in the theater, in book, magazine, and newspaper publishing, that the forces are generated which conserve, refine, and elevate the public taste. The movies have neither the benefit of this kind of competition nor are they subject to the kind of pressure which it exerts in other popular arts. The lack of competition from independent, experimental, and occasionally first rate enterprises, the sterilizing effect of monopoly, can be seen among the writers in Hollywood. How many writers of any distinction have the movies found and developed? Are there any? Is it not the fact that Hollywood lives by drawing to itself authors who have made their mark first in the legitimate theater or in writing book and magazine fiction? Except perhaps for the

cameramen and some of the technical directors, Hollywood is an artistic parasite living upon the talents evoked in the healthier open competition of the older arts.

If this is the truth, then the remedy for the undeniably low condition of the movies is not to impose standards on the existing monopolistic corporations, but by invoking the antitrust laws and perhaps new legislation to break their power. It is not so much regulation as it is emancipation that the movies need. For the evils of the movies come not from too much liberty for the giants but from the destruction of real liberty by the giants.

There are two underlying reasons why it should be enacted.

First. Thousands of our local communities have no control over what is shown on the moving-picture screens in their neighborhoods.

Second. The monopolistic practices attacked in the bill not only oppress legitimate small business enterprise but also stifle the free development of one of the great arts of modern times.

This bill is one of the very important measures that will come before Congress next session. It is the result of years of investigation and agitation. The members of the House will probably be subjected to the fiercest as well as to the most subtle kind of pressure on the part of the big producers, a group which has unlimited resources and great powers of publicity at its disposal.

The proponents of this bill represent the inarticulate boy and girl who sit entranced before the screen, watching with bated breath the exaggerated caricatures which are often spread before their believing eyes as portrayals of real life.

It is therefore highly important that we carefully examine the basic conditions which cry out for the enactment of this legislation.

It has been carefully estimated that 77,000,000 persons attend the movies every week in the United States, and that more than one-third of these are minors.

The power of the screen, however, lies not in the total of its myriad of audiences but in the powerful effect the moving picture has on the individual who sees it. An authoritative study of the effect of motion pictures on children known as the "Payne fund studies", carried on from 1929 to 1933 by 16 well-known psychologists, sociologists, and educators, under the direction of Dr. W. W. Charters, of Ohio State University, and published in nine volumes by the MacMillan Co., shows that the attitudes, health, emotions, behavior, patterns, conduct, and social philosophy of children are greatly affected by motion pictures.

Attitudes: It was found that motion pictures dealing with racial questions profoundly influenced the attitudes of children. By repeated exhibitions of such pictures as the Birth of a Nation and All Quiet on the Western Front, preconceived ideas about the Negro question and war were changed or modified.

Health: Studies of a controlled group of children showed that movie attendance in the evening may be very disturbing to their sleep, having an effect like the drinking of 2 cups of coffee in the evening.

Emotions: It was found further that the effect of pictures of horror and violence on young children was frequently so great that for a time they were transported out of their normal conduct and completely subjugated by their impulses. Children live over again for weeks, months, and sometimes even longer scenes of horror witnessed in the movies. During the adolescent period emotional reactions leading to serious delinquency have been linked to erotic scenes witnessed in the movies. Much testimony to this effect has been gathered in these volumes from delinquent girls and boys in reformatories.

Behavior patterns: The motion picture is an extremely powerful medium for imparting information. Children and adolescents learn from Hollywood pictures how to make love, how to dress, how to behave, and how to misbehave. With young children reenactment of motion-picture scenes in play is a common matter of observation by every teacher and parent.

Conduct: With older children techniques of behavior learned from the screen include methods of committing crime. In 115 pictures selected at random in the theater of a midwestern city 59 pictures showed homicide or attempted homicide. Techniques of committing other crimes are numerous and concretely portrayed, such as how to open a safe by the feel of the dial, how to force an automobile door with a piece of pipe, putting burglar alarms out of commission, and so forth. Studies made in high-delinquency areas show a direct correlation between movie attendance, truancy, and delinquency. The constant portrayal of crime scenes plants thoughts in the minds of children predisposed to delinquency which later lead to delinquent and criminal careers.

Social philosophy: Children get warped views of life from the movies. They see money easily acquired without hard work; luxury displayed as if it were the common right of all; constant drinking scenes and frequent drinking to excess. The Payne fund studies and Father Daniel A. Lord's analysis of 133 motion pictures show a large percentage of crime pictures give many instances of vice made attractive, the double standard, adultery, and other violations of moral standards. Steeped in this weekly diet of crime, low moral standards, and distorted views of life, the youth of the land are having their characters formed.

The network through which the products of Hollywood and other places are circulated is vast, complex, and well organized. Distribution is almost as necessary a part of the present motion-picture industry as production or exhibition. There are 32 distributing centers in the United States. In many of these each one of the so-called "big eight" producers, Columbia, Fox, Metro-Goldwyn-Mayer, Paramount, R. K. O., United Artists, Universal, and Warner-First National, maintain agencies. These agencies or exchanges distribute the films to the exhibiting theaters in their area according to a schedule which allows their maximum use. Distribution is made both to the affiliated theaters—those controlled by a producing company—and to the independent theaters—those which have no such affiliation. Although the number of theaters in operation varies from time to time, a recent estimate places it at 12,500 for 1933. The Darrow report, published in 1934, states that there are 18,300 theaters in the country, and that of these, 13,500, or more than three-fourths, are independent of the big producer-distributor chains.

The independents are usually the smaller theaters (35 percent of the theaters of this country are located in towns of less than 2,000 population). The large metropolitan first-run houses are usually producer owned or controlled. In the case of an independent the films to which he is entitled are only those for which he has previously contracted with the home office of the distributing company. Although he arranges details of dates, and so forth, with the exchange center, he is bound to take all the pictures he has personally contracted for.

Here is the root of the evil. It is alleged that it is a common practice that when these contracts are made (some time between May and September of each year) the independent exhibitors are forced to take all or a substantial block of a company's product, or else be offered none. This is known as "compulsory block booking." It is full line forcing of one company's output. The restrictive effect is immediate.

For instance, a certain independent exhibitor perhaps changes his pictures twice a week. Thus he can show 104 pictures a year on his screen. Three blocks of 34 each would fill his theater for the entire year. If he wants a particularly good picture, he must take many inferior ones with it. Furthermore, the information furnished him about the picture which then, of course, is not even in existence, is of such a scanty nature, sometimes consisting only of a number, that he can exercise only the slightest judgment as to the character of the picture. The contract is thus made in ignorance of the picture's character. This practice is known as "blind selling."

These two trade practices virtually rob the local theater man of any discretion—and he has to show pictures which he knows his community does not want to see. I do not mean to suggest that theater managers are philanthropists. As a rule they are only occasionally ready to sacrifice their

profit for the benefit of the community and to put on the shelf some picture which they have already paid for. However, it is obvious that they would prefer to be able to please their community if they could, and this is not possible under the present system.

Mr. Speaker, the practice of compulsory block booking and blind selling destroys the normal selective process of good taste in any community. The manager cannot choose to suit his patrons and local control is reduced to a shadow. Today the only things that are possible are either the crude limitations of a local government censor or, under the recent dispensation which has been granted us by the overlords of American entertainment since July 15, a protest of a well-organized local group which must see the picture first or the spasmodic effect of an organized boycott.

Recently we have seen a distinct improvement in the type of picture due to the organized boycott threatened by the Legion of Decency and other groups. A national censor has been installed in Hollywood. But he may be withdrawn at any time that his salary does not pay. If he is, we may soon be back to the days of the 1933–34 season. As you know, the Chicago council of the legion classified many pictures last summer into three grades—A, B, and C. The Legion of Decency classification summary published on November 9, 1934, and covering lists of the previous 4 months, shows that a surprisingly large number were produced by the big companies in the category of "indecent, immoral, and unfit for public entertainment"—class C—as compared with those which were "unobjectionable and suitable for public entertainment"—class A. A table has been furnished me of the 1933–34 pictures contained in that list of November 9. I shall read first the name of the company, then the number of class A, or "unobjectionable" pictures for that company, and then the number of class C, or "indecent" pictures, without mentioning any intermediate group—class B.

| | Class A, unobjectionable, and suitable for public entertainment | Class C, indecent, immoral, and unfit for public entertainment |
|---|---|---|
| Columbia | 14 | 1 |
| Fox | 11 | 3 |
| Metro-Goldwyn-Mayer | 7 | 7 |
| Paramount | 9 | 6 |
| Radio-Keith-Orpheum | 6 | 4 |
| Universal | 9 | 6 |
| Warner-First National | 3 | 11 |

So much for the lack of local control and the results we have experienced under it.

I need say only a word about the dangers of a trade monopoly. Essentially they can be boiled down to (1) suppression of legitimate enterprise, and (2) an inferior product to the consumer.

Compulsory block booking accomplishes both. The independent theater owner is shoved aside by the affiliated chains. The movie audience has to take what is served up to it—good, bad, and indifferent. It cannot choose. The waste of an industry in the form of worthless pictures is forced into the eyes and ears of a victimized public instead of being discarded by the producers and written off as the loss it actually is.

To this wrong there is added another. The development of the art itself is restricted. Unless a producer has a large block of pictures to sell, he is at a great disadvantage in competition with the producer who has such a block. Thus on the production end, pioneering in creative work is limited to the large studios, and on the exhibition end the cream of the year's work, whether by little or big producer, must be mixed with skimmed milk, if, indeed, it is shown at all. The net result is that the creative work of one of the greatest forms of modern entertainment is forced to grow like a plant without enough light and air.

For these reasons I have introduced this bill, which invokes the Federal power over interstate commerce.

Section 1 briefly states its purpose.

Section 2 defines its terms.

Section 3 defines and outlaws compulsory block booking.

Section 4 prohibits blind selling and requires a synopsis.

Section 5 provides for enforcement in the Federal district courts by penalty and for injunctive relief.

Sections 6 and 7, respectively, provide for constitutionality of separate provisions and postpone the taking effect of the act for 12 months.

I wish particularly to call your attention to the portion of section 4 which provides not only for an outline of the story but for a statement of the manner of treatment. It is, I think, the considered opinion of many who have been close to this problem that the important thing about a picture is not so much the subject matter but the way in which it is handled. Thus Hamlet and Macbeth are classics, though they deal with revenge and murder. The social value of a play is determined by the way in which its subjects are treated—whether, for instance, it makes vice attractive, crime honorable, or license justified. Accordingly I have included a provision that the description of the film must state the manner in which certain subjects are treated.

If enacted, this bill will release the normal selective processes of good taste all over the country. Above all, it will do so in harmony with American traditions which call for (1) local control over neighborhood conditions affecting customs, morals, and conduct, and (2) a fair chance for small independent enterprise; and which abhor Federal censorship of news or entertainment.

In closing, I particularly wish to express my appreciation to my colleague, Hon. F. D. CULKIN, of New York, and call attention to his remarks on this subject in a recent issue of the CONGRESSIONAL RECORD.

I attach copy of the bill, as follows:

A bill to prohibit and to prevent the trade practices known as "compulsory blockbooking" and "blind selling" in the leasing of motion-picture films in interstate and foreign commerce

*Be it enacted, etc.*, That the methods of distribution of motion-picture films in commerce whereby (a) exhibitors are required to lease all or a specified number of an offered group of films in order to obtain any individual desired film or films in the group, a trade practice sometimes known as "compulsory blockbooking", and (b) films are leased before they are produced and without opportunity for the exhibitor to ascertain the content of such films, a trade practice sometimes known as "blind selling", are hereby declared to be contrary to public policy in that such practices interfere with the free and informed selection of films on the part of exhibitors and to prevent the people of the several States and the local communities thereof from influencing such selection in the best interests of the public, and tend to create a monopoly in the production, distribution, and exhibition of films. The Congress finds and declares that such methods and practices adversely affect and constitute a burden upon commerce, and it is the purpose of this act to prohibit and to prevent such methods and practices in commerce.

SEC. 2. For the purpose of this act, unless the context otherwise requires—

(1) The term "motion-picture film" or "film" means all motion-picture films (whether copyrighted or uncopyrighted), including positive and negative prints, and copies or reproductions of such prints, which films contain photoplays or other subjects and are produced for public exhibition: *Provided*, That the term shall not include films commonly known as "news reels" or other films containing picturizations of news events.

(2) The term "to lease" includes the making of a license agreement, contract, or any type of agreement whereby a film, the distribution of which is controlled by one of the parties, is to be supplied to and exhibited in a theater owned, controlled, or operated by the other party.

(3) The term "person" includes an individual, partnership, association, joint-stock company, trust, or corporation.

(4) The term "distributor" includes any person who engages or contracts to engage in the distribution of motion-picture films.

(5) The term "exhibitor" includes any person who engages or contracts to engage in the exhibition of motion-picture films.

(6) The term "commerce" means commerce between any State, Territory, or the District of Columbia and any place outside thereof; or between points within the same State, Territory, or the District of Columbia but through any place outside thereof; or within any Territory or the District of Columbia.

For the purposes of this act (but in nowise limiting the definition of commerce) a transaction in respect of any film shall be considered to be in commerce if the film is part of that current of commerce usual in the motion-picture industry whereby films are produced in one State, leased for exhibition in other States, and distributed to them through local exchanges in the several States, the films circulating from the exchanges and between the various exhibitors. Films normally in such current of commerce shall not be considered out of such commerce through resort being had to any means or device intended to remove transactions in respect thereto from the provisions of this act. For the purpose of this

paragraph the word "State" includes Territory, the District of Columbia, and foreign country.

SEC. 3. (1) It shall be unlawful for any distributor of motion-picture films in commerce to lease or offer to lease for public exhibition films in a block or group of two or more films at a designated lump-sum price for the entire block or group only and to require the exhibitor to lease all such films or permit him to lease none; or to lease or offer to lease for public exhibition films in a block or group of two or more at a designated lump-sum price for the entire block or group and at separate and several prices for separate and several films, or for a number or numbers thereof less than the total number, which total or lump-sum price and separate and several prices shall bear to each other such relation (a) as to operate as an unreasonable restraint upon the freedom of an exhibitor to select and lease for use and exhibition only such film or films of such block or group as he may desire and prefer to procure for exhibition, or (b) as tends to require an exhibitor to lease such entire block or group or forego the lease of any number or numbers thereof, or (c) that the effect of the lease or offer to lease of such films may be substantially to lessen competition or tend to create a monopoly in the production, distribution, and exhibition of films; or to lease or offer to lease for public exhibition films in any other manner or by any other means the effect of which would be to defeat the purpose of this act.

(2) It shall be unlawful for any person knowingly to transport or cause to be transported in commerce any motion-picture film which is leased, or intended to be leased, in violation of subdivision (1) of this section.

SEC. 4. It shall be unlawful for any distributor of motion-picture films in commerce to lease or offer to lease for public exhibition any motion-picture film over 2,000 feet in length unless such distributor shall furnish the exhibitor, at or before the time of making such lease or offer to lease, a complete and true synopsis of the contents of such film. Such synopsis shall be made a part of the lease and shall include (a) an outline of the story, incidents, and scenes depicted or to be depicted, and (b) a statement describing the manner of treatment of dialogs concerning and scenes depicting vice, crime, or suggestive of sexual passion. It is the purpose of this section to make available to the exhibitor sufficient information concerning the contents of the film and the manner of treatment to enable him to determine whether he desires to select the film for exhibition and later to determine whether the film is fairly described by the synopsis.

If a motion-picture film which has been leased in commerce is substantially different from the synopsis hereinabove required, whether in respect of the outline or the manner of treatment, the exhibitor may cancel the lease as to such film without liability for breach of contract and may recover all damages suffered by him because of such difference, or he may retain the lease and recover damages as for a breach of warranty.

SEC. 5. (1) Every person who violates section 3, or who fails to furnish the synopsis required by section 4, or knowingly makes any false statement in such synopsis, shall be deemed guilty of a misdemeanor and, on conviction thereof, shall be punished by a fine of not exceeding $5,000 or by imprisonment for not exceeding 1 year, or by both such fine and imprisonment, in the discretion of the court.

(2) The several district courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations. Such proceedings may be by way of petition, setting forth the case and praying that such violation shall be enjoined or otherwise prohibited. When the parties complained of shall have been duly notified of such petition, the court shall proceed, as soon as may be, to the hearing and determination of the case; and pending such petition, and before final decree, the court may at any time make such temporary restraining order or prohibition as shall be deemed just in the premises. Whenever it shall appear to the court before which any such proceeding may be pending that the ends of justice require that other parties should be brought before the court, the court may cause them to be summoned, whether they reside in the district in which the court is held or not, and subpenas to that end may be served in any district by the marshal thereof.

SEC. 6. If any provision of this act is declared unconstitutional, or the applicability thereof to any person or circumstances is held invalid, the validity of the remainder of the act and the applicability of such provision to other persons and circumstances shall not be affected thereby.

SEC. 7. This act shall become effective 12 months after its enactment.

### PAYMENT OF ADJUSTED-SERVICE CERTIFICATES TO VETERANS

Mr. SEARS. Mr. Speaker, as briefly as possible, under leave to extend my remarks in the RECORD, I desire to discuss H. R. 2860, my bill to provide for the issuance of notes in payment of the face value of the adjusted-service certificates to veterans. I do this because of my sincere desire to have this matter settled once for all, in order that it may no longer be used as a political football. I prepared this bill during the Seventy-third Congress, but did not introduce it because I did not want to be accused of muddying the water, and I thought it barely possible some bill settling the bonus question would be passed. In January of the Seventy-fourth Congress I introduced the bill. At that time the Patman bill and the Vinson bill were being considered by the House. After introducing the bill I appeared before the House Ways and Means Committee and made a statement before them, which said statement can be found on page 169 of their hearing of March 4 and 5, 1935. As all bonus bills, except for the method of payment, are practically the same, I shall only discuss those paragraphs of my bill where a change is made, and which should be called to the attention of the country and the veterans. As all of us know who are familiar with this subject, and who have followed it from the beginning, when the law providing for adjusted-service certificates was passed in 1925, the law provided for $1 per day for home service, not to exceed $500, and $1.25 for overseas service, not to exceed $625. Due to the fact that the war ended on November 11, 1918, or about 6 years before the adjusted-service-certificate law was passed, 25 percent of the amount due the ex-service man was added to the amount due him.

There is now, in round figures, about $2,000,000,000 due the ex-service men on adjusted-service certificates issued. That sum matures in 1945. The thought therefore occurred to me, as interest was paid from the end of the war up to the time the certificate was issued, and interest has been calculated on same up to 1945, the only way to settle this question equitably, both to the ex-service men and the taxpayers of the country, would be upon a discount basis. Of course, you understand the exact amount of the discount to be deducted cannot be determined, but I have carefully worked on this, beginning with a 2-percent discount up to a 12-percent discount, and I had reached the conclusion that a 10-percent discount would be fair to everyone, and that these certificates should be paid now and on that basis. I reached this conclusion because the ex-service men will get their money now instead of 1945, less 10 percent, and the use of this money until 1945 will offset this discount. This proposal is contained in my bill, section 509 (a), as follows:

The Administrator of Veterans' Affairs is authorized and directed to pay, in veterans' Treasury notes as hereinafter provided, to any veteran to whom an adjusted-service certificate has been issued, upon application by him and surrender of his certificate and all rights thereunder (with or without the consent of the beneficiary thereof), the amount of the face value of the certificate as computed in accordance with section 501, less a deduction of 10 percent of such amount for the payment of all necessary clerical, administrative, or other expenses of the Treasury Department, the Veterans' Administration, or any other agency of the United States Government incurred in engraving, issuing, or distributing, or connected with the redemption of, such notes.

Section 512 provides for the manner of payment, as follows:

Payment of the face value of the adjusted-service certificates under section 509 or 510 shall be made in veterans' Treasury notes. The Secretary of the Treasury is authorized and directed to issue such notes to the extent required to make such payments. Such notes shall be printed in the same size as Federal Reserve notes, in denominations of $1, $5, $10, and $20, and in such form as the Secretary may prescribe. Such notes shall be obligations of the United States, and shall be redeemable in lawful money on January 1, 1945, or at any time prior to such date, in the discretion of the Secretary of the Treasury. When countersigned by the veteran to whom issued under this act, in the presence of two witnesses, such notes shall be a lawful circulating medium, and shall be receivable for customs, taxes, and all public dues, and when so received shall be reissued. Such notes, when held by any national banking association or member bank of the Federal Reserve System, may be counted as a part of its lawful reserve up to 100 percent of their face value. The term "obligation or other security of the United States" as used in section 147 of the Criminal Code, as amended (U. S. C., title 18, sec. 261), shall be deemed to include veterans' Treasury notes issued under this act. The Secretary of the Treasury and the Administrator of Veterans' Affairs shall prescribe such rules and regulations as may be necessary to provide for the withdrawal of such notes from the Treasury and their issuance in making payments pursuant to the provisions of this act.

To this section I intend to propose an amendment as follows:

There shall be printed on the veterans' Treasury notes the following: "These notes are in exchange for the outstanding adjusted-service certificates, and shall be redeemed by the Government on or before 1945."

I am adding this amendment in order that it will clearly be shown there will be no inflation of the currency, but the effect will be rather the opposite, for by 1945 these obligations

will be redeemed and the indebtedness of the country will be reduced by $2,000,000,000. However, even if some should consider this inflation, which I do not so consider it, the plan which I have proposed should be adopted, for, as I have just stated, it will reduce the indebtedness and at the same time add no additional expense to the taxpayers. If my colleagues will look into the matter, they will find we have 5,467 national banks—that is, of December 31, 1934—and in those banks of that date there was $21,676,303,000. We also have 10,472 banks on that date with a deposit of $26,739,459,000—or a total of over $47,000,000,000. My information is that these deposits have been increased several billions of dollars during the past 16 months. I, therefore, am satisfied I can state, without fear of successful controversy, that the $2,000,000,000 payment in full of the adjusted-service certificates by Federal Treasury notes can and will be absorbed by the banks of our country, and will not in the least affect our monetary system.

Also, as section 512 provides that any national bank or member of the Federal Reserve System having these notes on deposit or in their possession shall be permitted to count same as a part of its lawful reserves up to 100 percent of their face value, no bank will hesitate to accept the veterans' notes. As these notes are held by ex-service men throughout the country, and as the notes will be legal tender in payment of taxes and all purposes, in addition to the ability of the banks to absorb the notes, local merchants can use them as a medium of exchange, and thereby aid in the absorption of the notes.

I desire also to call your attention to section 514 of the bill, which specifically states that beginning 1 year after the date of enactment of this bill these notes shall be redeemed in amounts of not less than $200,000,000 in each year, with the exception that if during any year a lesser amount is outstanding or presented for redemption or the President finds and by proclamation declares that such an emergency exists that it is in the public interest to redeem a lesser amount which he shall fix.

You can, therefore, see by 1945 the $2,000,000,000 will have been retired and, as stated to you above, our indebtedness will be reduced $2,000,000,000. Personally, I think this is the best feature of the bill, for I have always contended during my public career of 20 years that the only way for the Government to get out of debt was to pay outstanding obligations.

If the bill is not accepted, or some bill along the same line is not accepted, in 1945 we will still owe $2,000,000,000; bonds will have to be issued, and the interest on these bonds at maturity will equal or perhaps exceed the $2,000,000,000 of indebtedness—without any benefit to the ex-service men. As practically everybody pays taxes, either directly or indirectly—for whenever we purchase anything the tax is added—either the ex-service man, his relatives, or his friends will eventually pay the $2,000,000,000 interest for which they receive nothing.

I have always been the friend of the ex-service man, and I sincerely trust my attitude in introducing this bill will not be misunderstood, nor I hope will I be misunderstood when I state I shall hesitate a long time before I can bring myself to put an additional indebtedness of $2,000,000,000 for interest on our citizenship, for already the tax burden is more than they can bear.

I feel satisfied that the sensible, sincere ex-service man will agree with me on this attitude. Unless my plan is followed or some plan somewhat similar is followed, within the next 10 years they will realize to the fullest extent their error and realize I was right in the conclusion I have reached. I doubt if there is a business man who has not at some time discounted a debt due him over 25 percent or more, if he felt at the time of discount the cash would be of more benefit to him than to wait the maturity of the debt for his money. I sincerely believe the ex-service man has reached the conclusion that the 10 percent suggested in my bill is fair and just, and that all, or at least a majority of them, will not complain if the bill becomes a law. During times like these, when there is suffering throughout the land, I am firmly convinced the payment of the adjusted-service certificates at the present time on a discount basis of 10 percent will relieve suffering and will keep many of those brave boys, who fought for their country during the World War, off the relief rolls.

In conclusion may I state I have not gone into this as fully as I would like to, for I realize only an explanation of the bill can be made, and each ex-service man must reach his own conclusion. It is for him to work out the details and decide whether or not he approves the bill.

I have talked with many ex-service men, bankers, and business men, and I have yet to find the first to object to H. R. 2860. In fact, several of my banker friends say it is the best proposal they have had submitted, for it does justice to the ex-service man and, by retiring $2,000,000,000 of adjusted-service certificates without additional taxes, it does justice to the citizenship of our country also.

Mr. Speaker, in conclusion, I prepared this bill with the honest and sincere hope that the adjusted-service certificate question could be put behind us. I have never asked an ex-service man to vote for me because of anything that I might have done for him, because I can never repay him for what he did for me, mine, and our country.

The adjusted-service question has been a football of politics ever since the war ended. The House has passed a bonus bill and the Senate refused to act. The Senate fearlessly passed the bonus bill and the House, because of lack of time, did not act. The Senate and the House have passed a bill which the President vetoed, and it could not be passed over his veto. Personally I am tired of making this a political football, either to my advantage or to my disadvantage. I want it settled and settled right. I want the boys, during these times, to have money with which they can make payments on their homes and get off of relief rolls.

I believe the Government can do as I have suggested. I have simply brought these suggestions to my colleagues so that you as business men—and I know you as such—will pass the bill or take such of merit as there may be in the bill and incorporate in some other bill. I have no pride of authorship, but I will say to you that there are several reasons why I believe that the bill should be passed.

First. The use of the money, if received now, will offset the discount. In other words, the ex-service men getting the money now and having the use of it for 9 or 10 years, that will offset the 10 percent discount.

Second. The discount works to the advantage of the Government. It is to their advantage to pay the certificates now, saving of interest, printing of bonds, and so forth.

Third. The bill does not add one cent of cost to the Government, but is a saving to the Government.

Fourth. The bill will not cost either the ex-service man or any citizen of our country one cent in the form of a direct or indirect tax.

Fifth. While I must admit that it is one form of inflation, it is so drawn as to make the inflation harmless, as the same can and will be absorbed by the banks and local communities.

Sixth. The bill provided for the retirement of the bonus certificates in an orderly, businesslike manner, so that in 1945 the Government will have retired the full amount of the adjusted-service certificates and no bond issue will be necessary.

Seventh. While no one can speak for the President or the administration, I sincerely believe if H. R. 2860 is enacted into law, it will not be vetoed by the President, because it meets every objection the administration has raised to bonus bills.

Unfortunately, the Veterans of Foreign Wars and the American Legion are divided over the best plan to settle the bonus question. It should be immaterial to anyone as to who killed cock robin. What we all desire is a settlement of this question once and for all, and the pride of authorship of any bill settling this should be the last thing to be considered by any person or any organization. Only the most equitable plan both for the ex-service men and the taxpayers should be considered. I therefore sincerely trust and believe the Veterans of Foreign Wars and the American Legion may smooth out all differences. Let us all work together for the good of all.

### A HUMANITARIAN PROGRAM FOR THE AGED, UNEMPLOYED, AND HELPLESS

Mr. RANDOLPH. Mr. Speaker, there is a wide-spread interest in my district and State in the social-security legislation passed during the first session of the Seventy-fourth Congress which has become a law through the signature of President Roosevelt.

During the consideration of this humanitarian measure in the House of Representatives it was my pleasure and responsibility to speak in behalf of the program which will be of real benefit to the aged, unemployed, and helpless.

Desiring to be of every assistance to my people, I have had compiled in a most understandable manner the provisions of this act, which I hereby include, believing that correct information on this subject should be available now.

#### OLD-AGE ASSISTANCE PAYMENTS TO AGED INDIVIDUALS

What it does: Gives a monthly payment to those who qualify and who are 65 to 70 years of age or older when the plan begins to operate.

The State is to create a plan setting some age between 65 and 70 at which the assistance is to start.

Payments: The amount is to be fixed by the State plan, and can be any amount, but will probably be approximately $30 a month.

Those who qualify: You must have reached the age set by the State plan; and

Also you must have lived in the State a total of at least 5 years in the 9 years before making application; and

Further, you must have lived in the State continuously for at least 1 year immediately before making application; and

You must also meet other requirements which may be set by the State plan.

Inmates of public institutions cannot qualify.

When and where to make application: When the State adopts a plan providing for old-age assistance, and when the plan is approved by the Federal Government.

You may make application at certain places to be fixed later.

#### UNEMPLOYMENT-COMPENSATION PAYMENTS IN CASE OF UNEMPLOYMENT

What it does: If you lose your job, you will receive money for a certain number of weeks while you are out of work, subject to certain conditions to be fixed by a plan to be created by the State.

Payments: The State plan will fix the amount of the payments and the number of weeks they will continue after you lose your job. Some States have enacted or are considering plans which pay about one-half of the previous weekly pay for from 10 to 12 weeks, or until you get a new job within that time.

Those who qualify: Employees of employers who have 8 or more employees working on 20 different days in the year, each day being in a different week, except:

Agricultural employees.

Domestic employees in private homes.

Employees on a vessel sailing on the waters of the United States.

Those in the employ of their son, daughter, husband, or wife, and a son or daughter under age 21 in the employ of his father or mother.

Federal, State, city, or township employees.

Employees of charitable organizations.

When the plan starts: No unemployment compensation will be made until 2 years after the date an approved State plan starts to require contributions from employers, except in those States which now have plans working.

For example: If a State plan is approved by the Federal Government before January 1, 1936, which requires contributions to start on that day, only unemployment occurring on or after January 1, 1938, would be considered. If the State plan should start later, compensation would not be considered until 2 years later.

Tax on employers: All employers of individuals coming under "Those Who Qualify", must on January 1, 1936, start paying the following tax on the total wages paid to his employees, whether or not a State plan has been approved.

One percent for the year of 1936.

Two percent for the year of 1937.

Three percent thereafter.

Certain credits against the Federal tax may be allowed for unemployment taxes paid under State plans and for certain good employment records.

Safeguards to employees: Employers cannot make any deductions from wages paid to his employees on account of this tax.

Unemployment payments shall not be refused an individual for not accepting new work:

If the position offered is vacant due to a strike, lockout, or other labor dispute.

If the wages, hours, or other conditions of the new work are substantially less favorable than those prevailing for similar work in the locality.

If, as a condition of employment on new work, you would be required to join a company union or to resign from or refrain from joining any bona fide labor organization.

#### DEPENDENT CHILDREN—PAYMENTS TO ASSIST NEEDY DEPENDENT CHILDREN

What it does: Gives monthly payments for the support of needy children (under age 16) who have been deprived of the support of one or both parents, and who are living with either parent, stepparent, grandfather, grandmother, brother or stepbrother, sister or stepsister, uncle or aunt.

The State is to create a plan under which the payments will be made.

Payments: The amount is to be fixed by the State plan and can be any amount, but will probably be approximately $18 a month for one child and $12 for each additional child in the same household.

Those who qualify: Children who have lived at least 1 year in the State immediately before making application; and

Who were born within the State 1 year immediately preceding the application, if the mother had resided in the State at least 1 year immediately preceding the birth.

When to make application: When the State adopts a plan providing for assistance to dependent children; and

When the plan is approved by the Federal Government.

You may make application at certain places to be fixed later.

#### MATERNAL AND CHILD WELFARE, MEDICAL AND HEALTH AND VOCATIONAL ASSISTANCE

What it does:

Section 1. Promotes better health for mothers and children.

Section 2. Health assistance for crippled children.

Section 3. Protection and care of homeless, dependent, and neglected children and the protection of children who are in danger of becoming delinquents.

Section 4. Vocational training of the physically disabled and assistance in obtaining industrial employment for them.

The service: A State health agency will be established to render the services listed above and will be in accordance with a State plan to be created by the State.

When it starts: As soon as the State creates a plan and it is approved by the Federal Government the plan for each section will begin to operate.

Certain places in the State will be established where the service will be rendered.

#### PUBLIC-HEALTH SERVICE—ASSISTS STATES IN PUBLIC-HEALTH SERVICE

What it does: Makes grants and assistance to States, counties, health districts, or other political subdivisions of the States to help in establishing and maintaining adequate public-health services, including the training of personnel for health-service work.

When it starts: When plans are submitted by the health authorities of the States and the plan approved by the Surgeon General of the Public Health Service.

#### AID TO THE BLIND—PAYMENTS TO NEEDY BLIND INDIVIDUALS

What it does: Gives a monthly payment to those needy blind individuals who qualify after a State plan has been created and approved.

Payments: The amount is to be fixed by the State plan and can be any amount, but will probably be approximately $30 a month.

Those who qualify: You must have lived in the State a total of at least 5 years in the 9 years before making application; and

Further, you must have lived in the State continuously for at least 1 year before making application; and

You must also meet other requirements which may be set by the State plan.

Inmates of public institutions and those receiving old-age assistance under the Social Security Act cannot qualify.

When and where to make application: When the State adopts a plan providing for aid to the blind and when the plan is approved by the Federal Government.

You may make application at certain places to be fixed later.

#### OLD-AGE BENEFITS —PENSIONS TO THOSE WHO BECOME AGED IN THE FUTURE

What it does: Makes monthly payments for life to those who qualify and who are 65 years old or older on January 1, 1942, or become 65 years old after January 1, 1942.

Amount of payments: If you are a qualified individual, you will receive up to $85 a month, depending on the total of your admissible wages for the time between December 31, 1936, and January 1, 1942, or when you become 65 years old after that date.

Qualified individuals: If you are older than 65 on January 1, 1942; or

If you become 65 years old on or after January 1, 1942; and, in addition,

If the total of your admissible wages during this time is at least $2,000; and also

If you have worked at least 1 day in each year of any 5 years of the above periods.

Admissible wages: Includes cash, plus the cash value of things given you instead of cash (such as lodging, food, fuel, stocks, and bonds, etc.) paid to you after December 31, 1936. Admissible wages include the first $3,000 of yearly wages.

No credit is to be given for wages earned in employment outside of the United States; or as

Agricultural labor.

Domestic service in a private home.

Casual labor not in the course of the employer's trade or business.

Officer or member of the crew of a vessel sailing under the laws of the United States or a foreign country.

Employee of the Federal Government, a State, or political subdivision of a State.

Employee of a charitable organization.

Payments to those who do not qualify for payments: If, on or after January 1, 1942, you are 65 years old or older and you are not

a "qualified individual", you will receive 3½ percent of the total of your "admissible wages" received after December 31, 1936.

Death before beginning to receive payments: If, after December 31, 1936, you should die your family will receive 3½ percent of your total "admissible wages" up to the time of your death.

Death while receiving payments: If, after January 1, 1942, while you are receiving payments you should die, your family will receive 3½ percent of the total "admissible wages" paid to you from December 31, 1936, to age 65 less the total amount of payments received by you up to the time of your death.

Restrictions: For each month or part thereof you receive "admissible wages" after age 65 there will be deducted from the old-age benefits payable to such "qualified individual" an amount equal to 1 month's payment.

You cannot sell, assign, or transfer old-age benefits, nor can they be taken from you by any process of law.

Tax on employee (to be deducted from wage payments by employers and paid over to the Government): Starting with January 1, 1937, an employee shall pay a tax on his "admissible wages" as follows:

One percent for years of 1937, 1938, and 1939.

One and one-half percent for the years of 1940, 1941, and 1942.

Two percent for the years of 1943, 1944, and 1945.

Two and one-half percent for the years of 1946, 1947, and 1948.

Three percent for years after 1948.

Tax on employers: Starting with January 1, 1937, each employer shall pay a tax on "admissible wages" paid to his employees.

The tax is the same as the tax to be paid by employees and has the effect of matching the employees' tax or contribution.

OLD-AGE BENEFITS—SCHEDULE OF PAYMENTS AND TAXES

Schedule of payments: The amount of the monthly payments is based on the following scale for "qualified individuals":

One-half of 1 percent for the first $3,000 of total "admissible wages", plus

One-twelfth of 1 percent for the next $4,200 of total "admissible wages."

One twenty-fourth of 1 percent for all above $4,500 of total "admissible wages."

*Example*

If you are now 40 years old and if your wages should average $1,200 yearly until you become 65 years old, you would receive the following monthly payments for life, beginning at age 65:

| | |
|---|---|
| Total "admissible wages", $1,200 for 25 years | $30,000.00 |
| One-half of 1 percent of $3,000 per month | 15.00 |
| One-twelfth of 1 percent of $27,000 do | 22.50 |
| Total payments for life | 37.50 |

Your contribution taxes to be paid to the Government, which means to your savings for old age, would be as follows:

| For the years of— | Total |
|---|---|
| 1937, 1938, and 1939, $12 yearly | $36 |
| 1940, 1941, and 1942, $18 yearly | 54 |
| 1943, 1944, and 1945, $24 yearly | 72 |
| 1946, 1947, and 1948, $30 yearly | 90 |
| | 252 |
| For the years thereafter (up to the time you become age 65 in 1961), $36 yearly | 468 |
| Total contribution | 720 |

Your employer pays contributions to the Government equal to yours.

THE REPUBLICAN POSITION ON BANKING AND CURRENCY LEGISLATION

Mr. HOLLISTER. Mr. Speaker, I shall take this opportunity of summarizing the position of the Republican minority on legislation emanating during the past session of Congress from the Committee on Banking and Currency of the House of Representatives. This committee held hearings almost steadily throughout the whole session, and as a result four major bills were reported out, in the following chronological order:

First. The extension of the Reconstruction Finance Corporation.

Second. The enlargement of the activities of the Home Owners' Loan Corporation.

Third. The Banking Act of 1935.

Fourth. The "gold clause" bill.

RECONSTRUCTION FINANCE CORPORATION EXTENSION

(Approved Jan. 31, 1935)

This measure was necessitated chiefly by the fact that the activities of the Reconstruction Finance Corporation had been limited by law to January 31, 1935, so if no further action by Congress were taken, the Corporation could make no further loans or extensions of existing loans beyond that date.

The most important element in the bill was an extension to February 1, 1937, of the right of the Corporation to exercise its manifold functions. In addition it was provided that 10-year instead of 5-year loans might be made; greater latitude was given to assist in railroad reorganizations; authority was given to subscribe to stock in national mortgage associations; the provisions for loans to industry were broadened; and the life of the Commodity Credit Corporation and of the Export-Import Bank were lengthened.

The chief purposes of this bill were noncontroversial, and the Republican minority was glad to join in its passage.

HOME OWNERS' LOAN CORPORATION AMENDMENTS

(Approved May 28, 1935)

This measure contained various amendments to the Federal Home Loan Bank Act, the Home Owners' Loan Act, and the National Housing Act, chief among which were the liberalization of the provisions governing the discounting of mortgages at the home-loan banks; the right to lend to nonmembers on mortgages insured under the Housing Act; the extension for 30 days beyond the date of the new act of the time in which application for relief under the Home Owners' Loan Act could be made; an increase of one and three-quarters billions in funds available for the purchase of mortgages under the same act; the extension of the right of insurance under section 2 of the Housing Act to loans up to $50,000 in a broad class of cases; and provisions making easier the organization of national mortgage associations.

There was little controversy over the salient features of this measure, except with respect to the date to which the right to make new applications for Home Owners' Loan Corporation assistance should be extended, and the amount of additional money to be made available for such assistance. In this the Republican minority was glad to follow the recommendations of the Board of the Home Owners' Loan Corporation, and joined in the perfecting of legislation which had proved so helpful to hundreds of thousands of distressed home owners. We opposed, however, the inclusion in the bill of various provisions tending to decrease the efficiency of the Corporation by placing the selection of its employees on a basis of local political control.

THE BANKING ACT OF 1935

(Approved Aug. 23, 1935)

The most important legislation to come before the committee, and perhaps the most important considered by the Congress at this session was the so-called "Banking Act of 1935." This consisted of three parts: Title I, putting into effect the permanent insurance of the deposits of banks in place of the temporary plan established by the 1933 Banking Act; title III, containing many changes in the Federal banking laws; and, sandwiched in between these two titles, title II, containing highly controversial changes in the Federal Reserve System.

When this bill was first introduced it was announced that it bore the approval of a joint committee representing the Federal Deposit Insurance Corporation, the Treasury, the Comptroller, and the Federal Reserve Board, but it soon became manifest that the guiding spirit behind title II was the newly appointed Governor of the Federal Reserve Board, Marriner S. Eccles, a man with no training in central banking, but with revolutionary views on the functions of the Federal Reserve System. While hearings were still being held by the committee, Mr. Eccles presented an almost completely rewritten title II, and it was forced through the committee by administration pressure over strenuous minority objections.

This amended title II was opposed by almost all who were familiar with the proper functioning of the Federal Reserve System, and by those who understood the danger of subjecting the banking system of the country to political control. It made the Federal Reserve Board more subservient to the administration than under existing law; it gave the Board greater control over the management of the Federal Reserve banks; and it granted the Board vastly increased powers over the credit supply of the country. Worst of all, it placed in the hands of the Federal Reserve Board the right to compel the Federal Reserve banks to participate in open-market opera-

tions, thus giving the administration, working through the Board, the dangerous power of assisting the financing of its program through the use of the reserves of the thousands of Federal Reserve member banks of the country.

These provisions were bitterly fought on the floor of the House by the minority, which stood almost to a man against them, both on a motion to recommit to eliminate the objectionable provisions, and on final passage when the motion to recommit failed. It was impossible, however, to withstand the steam-roller tactics of the majority, and the bill passed the House in almost exactly the form which Governor Eccles, purporting to speak for the President, had demanded.

Later the Senate changed the bill materially, to elminate or modify greatly all of the matters to which the minority had objected, and the conference approved most of these changes. It was essential that other provisions of the bill should become effective as soon as possible, particularly those with reference to the Federal Deposit Insurance Corporation, so although title II, as it came from conference, was far from perfect, the most dangerous provisions had been obviated, and the Republican minority joined in the vote on final passage of the conference report, feeling they had won their battle to protect the Federal Reserve System from another usurpation of power of the kind which has so signally marked the present administration.

THE "GOLD CLAUSE" BILL

(Approved Aug. 27, 1935)

One of the most outrageous examples of proposed new-deal legislation was the so-called "gold clause" bill, which should rightly have been called the "repudiation bill." This was introduced at the request of the administration as a result of the decision of the Supreme Court in the gold-clause cases to the effect that Congress had exceeded its constitutional powers in declaring void the gold clause in Government obligations. The Court had said, however, in the Perry case, that there could be no recovery because no damage was shown, intimating that, if damage had been proved, there would be recovery. The President followed this decision with a message to the Congress suggesting that the right to sue the Government to recover more than the face value of the obligation be withdrawn. The President asked, in other words, that since Congress had been unable to take away the right because the Constitution protected it, it should take away the remedy.

The administration bill, however, as introduced, not only would have accomplished what the President suggested but would have removed all right to sue on any obligation of the Government for the repayment of money, thus outlawing even interpretative suits, and leaving the holder of a Government obligation at the arbitrary mercy of the bureau in charge of disbursement. Such legislation would have abolished at one sweep a right at present granted by every civilized country to its subjects and granted to the citizens of this country for almost a century. It is hard to conceive of a more arbitrary, unnecessary, or revolutionary piece of legislation, and its passage might have had a serious effect on the credit of the United States.

The Republican minority opposed this bill in vain both in committee and on the floor of the House, but it was much modified in the Senate. It was rewritten in conference so that it would not take effect until January 1, 1936, and after that date the withdrawal of the right to sue was limited to cases where claim was made for more than the face value of the obligation. In this form the bill finally passed, without a roll call, on the next to last day of the session.

SUMMARY

The Republican record on these measures shows a desire to cooperate in the adoption of sound and constructive legislation tending to assist recovery and ease the effects of the depression. It shows equally strenuous opposition to legislation tending to wreck the Federal Reserve System and injure Government credit.

MOUNT RUSHMORE NATIONAL MEMORIAL

Mr. WERNER. Mr. Speaker, from the standpoint of continental location, historic association, scenic interest, and accessibility, I regard the site of the Mount Rushmore National Memorial, in the Black Hills of South Dakota, as the most symbolic and distinctively American that could be selected in the entire United States.

It is in the center of continental North America. It is also in the center of the great Louisiana Purchase. The figures of the distinguished presidents of the United States who have loomed large in the building of this great Nation are being carved on an elevation that is one of the highest points between the Rocky Mountains and the Atlantic seaboard, situated in one of the world's most beautiful scenic environments, and accessible from every point on the continent.

The territory in which it is situated has been dominated by three great nations, and over it have fluttered the flags of these nations before its purchase by the United States. The first of these was the Kingdom of France, under the Bourbon dynasty, with Louis XV claiming it by right of discovery; its subsequent cession by Spain to France as the Louisiana Territory, purchased from the Emperor Napoleon I during the presidency of the Republic by Thomas Jefferson.

It has been the history of civilization that as nations advanced in wealth, culture, and political domain they have been inspired to leave to posterity some great memorials of their achievements in progress.

The Pyramids and the Sphinx of Egypt, the temples of Greece and ancient Rome, the cathedrals of mediaeval European cities and the mysterious temples and pyramids of Mayan civilization in many of the Latin republics south of us testify to this urge of peoples and civilizations, that have long since passed away, to speak in the language of art, to posterity.

Here in South Dakota, one of the newest States of the Union, peopled by folk who were of the old pioneer strain and whose native forebears had advanced the course of empire from the shores of New England and the mountains of Virginia west to the Pacific coast, sought this as the last frontier for the work of their conquering spirit and inspired by the American tradition, gave conception to this wonderful memorial.

It was characteristic of them that they visioned to wrest from the cold granite of one of their most rugged mountains, by use of the sculptor's art and labor, colossal statues of men who were colossal in their work for the Nation.

Not mere desire for physical greatness alone created their inspiration, for they had the knowledge of perspective that is inherent in people of the mountains and prairies, hills and valleys, and they wanted to set these heroic figures so high that a passing world, through the ages to come, could not help but see—not the symbolism of size but the symbolism of the four great epochs, characterized by the four great men who had the initiative to adventure, administer, and consolidate what is now our United States.

And so without a great population or great wealth they set the incidents in motion that have led to the present development of the Mount Rushmore National Memorial, and, with a sense that it is national, they feel, without apology, that all the people of the United States should share in the fulfillment of their great dream through the cooperation of the Nation itself in that financing which shall accomplish its completion.

With traditional American spirit, when the idea was born, the people of South Dakota sought a great sculptor, an artist engineer, if you please, that had the genius to give warmth to cold stone, and to chisel out of its enduring fabric the noble lineaments of Washington, the visioning spirit of Jefferson, the kindliness of Lincoln, and the aggressiveness of Roosevelt, endowing each with the expression of soul that made them great.

They found the man—Gutzon Borglum—a man whose sympathies and whose artistry would be an enduring inspiration to him while on the job.

Then came the task of finding the rock on which the figures were to be carved. After much labor, in which many places were rejected, Mount Rushmore was selected; first, because of its rugged prominence, commanding a perspective miles

in area; next, because of the almost perfect quality of endurance of its fabric, a stone which seemed designed to lend itself to the artist and his assistants and destined to last with the ages. Lastly, because it had a long exposure on all sides each day to sunlight.

The next step taken was to legalize the Mount Rushmore National Memorial, which was done by the passage of an act of Congress, approved by President Coolidge March 4, 1925, which provided—

That the Mount Harney Memorial Association, hereafter to be created by the Legislature of South Dakota, is hereby authorized to carve a memorial in heroic figures, commemorative of our national history and progress, upon a suitable exposure of the Harney Mountain Range located within the boundaries of Harney National Forest in the State of South Dakota. Such association is further authorized to select the name, location, and design of such memorial, and that the United States be put to no expense in respect to such memorial, and that the Secretary of Agriculture finds that the location of the site will not interfere with the administration of the Harney National Forest.

This act was ratified by the Legislature of the State of South Dakota, which passed a bill with like provisions.

In January 1927 the Mount Harney Association was reorganized under the act of 1925. Finally, the Seventieth Congress passed an act creating the Mount Rushmore National Commission and defining its purposes and powers, which was approved February 25, 1929.

Under its provisions a commission was created consisting of 12 members, who shall be appointed by the President. The members shall serve at the pleasure of the President, who shall fill all vacancies that from time to time occur. The members shall serve without compensation.

The purpose of the commission is to complete the carving of the Mount Rushmore National Memorial, to consist of heroic figures of Washington, Jefferson, Lincoln, and Roosevelt, and to landscape the contiguous grounds and construct the entrances thereto.

The commission was authorized to receive and take over all property, contracts, rights, and moneys possessed by the Mount Harney Memorial Association; to receive funds and pledges to cover the expenses of finishing such memorial; to pay out funds and to exercise such powers and functions as are necessary and proper to carry out the purposes of the act; that not more than one-half the cost of such memorial and landscaping shall be borne by the United States, and not to exceed $250,000 was authorized by the act to be appropriated for the purpose. It was also provided by the act that such commission, on or before the 1st day of December of each year, shall transmit to Congress a report of its activities and proceedings for the preceding year, including a full and complete statement of its receipts and expenditures.

Immediately thereafter the people of South Dakota and their friends raised by popular subscription cash and material donations approximating $70,500, and the work on the memorial went ahead.

The sculptor selected as the historical background to be symbolized in the heroic figures to be carved the men and events that embodied the beginning, expansion, preservation, and stupendous growth of the United States of America; Columbus, discoverer of America, while seeking trade routes to the Orient; Louis XV, king during the French explorations which added to France the Louisiana Territory; Jefferson, author of the Declaration of Independence, who purchased while President the Louisiana Territory from Napoleon I, following negotiations by Robert R. Livingston, American Minister to France; Washington, founder-father of the Republic and its first President; Madison, father of the Constitution, through his "Virginia plan" and President when the Mississippi Basin was saved to the Union by the Battle of New Orleans; Lincoln, President, who preserved the Union through the Civil War; Roosevelt, President, under whom was completed the dream of Columbus, and the East and West united by the Panama Canal.

In this, too, is epitomized the admission of Texas, 1848; the acquisition of Oregon, 1849; the admission of California, 1865, when it was determined that the Union should stand as erected; and the cutting of the Panama Canal in 1904.

With such an heroic subject in mind the sculptor realized that there should be a scenic environment in keeping with the majesty of the memorial. I doubt if in the broad expanse of the United States a more ideal setting can be provided than Mount Rushmore, as the two completed figures—that of Washington and Jefferson—today demonstrate.

Rushmore Mountain, an outstanding peak of the Harney Range of the Black Hills of South Dakota, is an eye-compelling granite upthrust, having a sheer precipice of more than 300 feet, below which is approximately 300 more feet almost as precipitate. It commands a beautiful scenic view of deep valleys, rugged peaks, awe-inspiring gorges, and gentler pine-clad hills, with Mount Harney, whose elevation is over 7,000 feet, as a near neighbor. In fact, it is one of the most beautiful natural parks ever created by the hand of God for the edification of mankind.

Usually, when the hand of man supplements the hand of God, in an effort to enhance, artificially, the beauty of that which nature has already endowed, the result is sacrilege. But in this instance, I assure you the colossal figures that already adorn Mount Rushmore add to the majesty of Nature's work, and those who approach it subconsciously do so with the reverence of devotees to a shrine, so naturally do carving and scenic environment harmonize.

To make this memorial accessible the State of South Dakota has expended much money in the construction of roads of easy grade, following the contours of the valleys and the hills, and Mount Rushmore is now in easy access of every point in the country.

That the appeal of this great memorial is not merely parochial, but that it is the essence of America, in spirit, symbolism, and location, is evidenced by the address made by the late President Coolidge, who in the consecration ceremony, August 10, 1927, said:

The union of these four Presidents carved on the face of the everlasting hills of South Dakota will constitute a distinctly national monument. It will be decidedly American in its conception, in its magnitude and meaning, and altogether worthy of our country. No one can look upon it understandingly without realizing it as a picture of hope fulfilled.

Its location will be significant. Here in the heart of the continent, on the side of a mountain which probably no white man had ever beheld in the days of Washington, in territory which was acquired by the action of Jefferson, which remained an almost unbroken wilderness beyond the days of Lincoln, which was especially beloved by Roosevelt, the people of the future will see history and art combined to portray the spirit of patriotism. They will know that the figures of these Presidents have been placed here because by following the truth they build for territory. The fundamental principles which they represented have been wrought into the very being of our country. They are as steadfast as these ancient hills.

The people of South Dakota are taking the lead in the preparation of this memorial out of their meager resources because the American spirit is strong among them. Their effort and courage entitle them to the sympathy and support of private benefaction and the National Government.

I hold, with President Coolidge, that this is an American conception. I hold, too, that it will be a sad day in American affairs when the people no longer study the character of our great American leaders and their ideals. I can visualize in them, their characters and ideals, a symposium of the characters and the ideals of the millions of men and women, who in the 150 years of American history have wrought, suffered, sacrificed, and builded the great Nation that we know today.

As long as we study the lives of these four great leaders we will be inspired to new heights of patriotism to build this Nation into greater and nobler proportions because of the example and precepts they have set us.

As long as this memorial shall endure it will excite admiration for the historic figures which, completed, will be exposed to our view, and it will inculcate in us and our children and their children's children the determination to preserve and perpetuate the institutions which the lives of these leaders revealed and established.

Too, I hold that it is an inspiring thought that the people of South Dakota, of whom President Coolidge well said out of their meager resources started the work of building this great American shrine as a tribute to the truly great lives that have symbolized the life of America to this time, have laid the foundation for an inspiration to patriotism, not only for the present generation but for generations of all time.

Had not the vicissitudes of economic misfortune prevented, they would have gone ahead with the obligation they assumed on the organization of the Mount Harney Association. Our country is exceedingly fortunate to have the benefit of such inspired citizenship, for this would be a sordid land indeed had we no ideals, no visions, no urge to perpetuate the great in our history in some form of memorial.

In fact, the progress of our Republic has been advanced in the face of every obstacle by this American spirit, and it rests in this American spirit to produce through all the coming generations leaders who will be inspired by the lives of Washington, Jefferson, Lincoln, and Roosevelt.

What an inspiration it is to the American of today and the future to visit this shrine of patriotism, and on beholding the completed figure carved there practically the history of the Nation. To realize that the four great empires which were added to the Republic almost in a generation, Louisiana, Texas, California, Oregon, consolidated it into continental dimensions so as to permit its people to sweep from the Atlantic to the Pacific, building economically, socially, politically, and spiritually in their march following the course of destiny—the course of empire.

A people of the past carved the wonder of the ancient world, the great Sphinx of Egypt—and they reared their colossal pyramids as memorials to their great. In the popular mind the story is that they wrought their wonders with slave labor, using the brawn and brain of conquered peoples to erect their monuments, and that every one of these is a monument to the shedding of human blood, the sacrifice of human misery, and the immolation of whole races to glorify the gods of rapine and greed.

But this great monument, which dwarfs the memorials of a pagan age because of its colossal proportions, is a labor of love by men actuated by the ideals of our institutions and by laborers who are free—laborers who are worthy of their hire.

Each figure in the memorial group scales to the proportion of men 465 feet high, fading to the ledge on the waistline, the tops of the heads being upon the skyline, and all in the round—perfect in proportion and lifelike in expression. There is no mystery in the nobility of their several lineaments. The heads are over 60 feet high, and an average-sized man can stand upright in the nostril of each figure.

In describing the proportions of this monument, I do not do so with vainglory but with the idea that the proportions of our national heartbeats should be as great as the lives that our four great leaders symbolize. I believe, too, that the completed memorial will not be the heritage of the people of South Dakota alone to posterity but a heritage of inspiration that shall be passed on to the unborn from the patriotic largess of the people as a national heritage.

When we come to consider the expense in human blood and suffering involved in the erection of memorials in the ancient days, the years of toil of enslaved people and the years of rapine of inferior communities upon which toll was levied by conquering races for the completion of their monuments, we can realize the lofty idealism involved in the erection of this memorial in these enlightened times. Thus far the money expenditure for the memorial, considering its colossal size, has been very modest for the great progress made.

In asking from the people of the United States, through Congress and the President, authorization of an additional $200,000 for the completion of the Mount Rushmore National Memorial, we are but following what we consider a patriotic duty. To leave the monument unfinished I consider would be desecration of the memories of the two great men who would be effaced, Lincoln and Roosevelt.

Such authorization at this time would be in accord with the legislation that has been designed to reduce unemployment. The most of the money would be spent in wages for the laborers who are assisting in the work. In turn, their purchasing power would benefit the marginal farmers in the same territory who supply meat, vegetables, and dairy products to the workers.

It is meet and just that this great memorial, as originally designed, should be completed, as it will create, near the backbone of the Nation, the Rockies, and the heart of the continent, far removed from the crowded haunts of men, where man and nature are yet unspoiled, as imperishable as the rock out of which it is created, a monument that shall not be a memorial of the oppression of men, but one that shall extol the ideals of freedom, justice, truth, and through which American tradition and institutions endow all our citizens—a national shrine patriotism.

### DEVELOPMENT OF THE MONONGAHELA NATIONAL FOREST IN WEST VIRGINIA

Mr. RANDOLPH. Mr. Speaker, the Monongahela National Forest in Tucker, Preston, Grant, Pendleton, Randolph, and Pocahontas Counties in 1931 had an area of approximately 275,000 acres; extended in 1933 to include additional lands in some of these counties and the additional counties of Nicholas, Webster, Greenbrier, it now has a gross area of 1,705,110 acres and a net area of acquired or approved lands of 817,000 acres.

Agricultural, grazing, and other nonpurchaseable lands within the boundaries of the forest will approach one-half million acres, making a possible ultimate forest of about 1,200,000 acres.

During the years of 1933, 1934, and 1935 the presence of the national forest in central West Virginia has made possible the employment of a large number of men on Federal lands who would otherwise have received no employment. The examination and survey of lands during this period has given employment to the maximum of 125 men, practically all local. Men trained in survey work on this forest have been transferred to other States and received employment for approximately 1 year outside of West Virginia due to their training on the Monongahela Forest.

Because we have a national forest in central West Virginia, 15 C. C. C. camps, giving employment and training to 3,000 West Virginians, have been established. Engaged in the supervision of these young men are 145 men employed as camp superintendents, foremen, mechanics, machine operators, and technicians.

These men are employed at Federal expense in construction of improvements which benefit the central West Virginia counties, in many instances relieving the counties of the expense of construction and maintenance of roads necessary for the citizens of the forest area.

Aside from the employment furnished by the C. C. C. under the local program, provision has been made for the employment of 16 local experienced men in each camp, aggregating, for the 15 Monongahela National Forest camps, a total of 240 local men.

The presence of more than 3,000 men in these 15 camps has materially stimulated agriculture, the building trades, and retail business within the forest area.

Under the public-works program, more than 150 men are being employed in the forest in the construction of roads, recreational developments, and stream improvement.

Projects have been submitted which would furnish further employment for approximately 1,000 men.

Some have felt that the withdrawal of large areas of mountain land from the tax rolls of the counties might restrict materially the local revenue formerly derived from these lands when they were profitable timber-producing properties. As a matter of fact, many of these lands have ceased to produce revenue for the counties since the timber has been cut, the owners having allowed them to become delinquent for nonpayment of taxes. In many cases a large portion of the purchase price of these lands is paid to the counties in the redemption of delinquent lands, thus the counties receive the back taxes which would not otherwise have been collected.

The lands are put under protection, giving the hope of future revenue to the counties from the 35-percent funds allocated by the Forest Service in lieu of taxes. It is obvious

that the protection and administration of lands, which would otherwise be nonproductive, by the Federal Government will increase the wealth of the counties concerned and provide a basis for future industries based on forest products.

The Forest Service Nursery, which has been expanded to produce annually 5,000,000 trees for planting on national-forest lands, is one of the important small industries of Tucker County. While this small industry furnishes full-time employment to only a few men, it furnishes part-time employment to as many as 80 men and women of Tucker County.

Tucker County is fortunate in having within its borders the only experimental forest area on the Monongahela National Forest. This project occupies approximately 5,000 acres on the waters of Elk Lick and has made material contributions to the employment of men from this county.

By the development of roads and recreational facilities, the Forest Service hopes to make available to tourists as well as home people the scenic values and recreational possibilities of Tucker County, and stands ready to cooperate with the people of the county in obtaining its just share of the benefits to be derived from the tourist business, which should be an important new industry in central West Virginia.

Although the virgin timber crop of the area now comprising the Monongahela National Forest has been harvested, the road systems being developed will make available a considerable amount of forest products which, when the demand develops, will be made available by sale under Forest Service regulations for the building up of new industries in the forest area.

The development of wildlife resources on a million-acre project in West Virginia is one which is commanding the best thought and planning of the State conservation commission. The Forest Service, in connection with the C. C. C. program, is offering every possible cooperation to the State conservation commission in the improvement of fishing streams and the betterment of wildlife conditions within the forest area.

Arthur A. Wood, supervisor of the forest, is doing a splendid work, ably assisted by a group of coworkers.

APPROPRIATIONS

Mr. BOLTON. Mr. Speaker, at the close of the last session of the Seventy-third Congress I inserted in the RECORD a review of appropriations and tabulations showing the enormous sums appropriated by that Congress and made available for expenditure by the executive branch of the Government. I commented on the dangers of the present administration's fiscal policy and the fact that the American people had a right to expect that campaign promises of economy and reduction in expenditures of Government be kept. Since that time there has been no change for the better in the fiscal policy of the administration. The requests for large appropriations have continued, and the amounts appropriated by the session just ending are likewise enormous. If anything, the situation is worse because of the fact that last year we heard some claims that the Budget would be balanced by 1937. At this time the balancing of the Budget appears to have been forgotten and the emphasis is on how to spend the money appropriated.

The present administration, in direct contradiction of the Democratic platform of 1932 and the promises of their candidate for the Presidency at that time, continues to add to the public debt at an alarming rate.

Bureaucracy is expanding and reaching its tentacles out further and further into private activities.

The cost of Government instead of decreasing as promised by the new-deal candidate in 1932 has risen alarmingly.

We find no attempt at meeting the promises of 1932 to effect a saving of 25 percent in Government expenditures.

Budget balancing is a forgotten art. It is only mentioned as a hope for the future. Deficit is piling upon deficit and they are reflected in the mounting of our national debt and the resulting carrying charges.

Apparently little thought is being given to the maintenance of our national credit. The Federal Government is still operating on borrowed money.

I am reminded of the statement of Candidate Roosevelt at Pittsburgh in 1932, when he said:

> Now the credit of the family depends chiefly on whether that family is living within its income. And this is so of the Nation * * * if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing up to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy.

That is good, sound philosophy, but on this, as on practically all other promises made to the American people by the Democratic standard-bearer in 1932, President Roosevelt has done an about-face and has ignored and forgotten what Candidate Roosevelt promised the voters.

A total of 563,000 civilian employees in the executive branch of the Government on March 1, 1933, had increased to 644,000 in April of 1934. As of July 31, 1935, the Civil Service Commission states there are 729,769 on the pay roll as reported to them. For instance, there are 21,500 more first-, second-, and third-class postmasters shown on Post Office Department records than on Civil Service Commission records. No doubt the actual total of employees on the Government rolls is considerably larger than the figure reported by the Commission. These figures are exclusive of the 469,000 in the Civilian Conservation Corps and of course do not include the enlisted personnel of the armed forces. In addition, these figures do not include agencies which do not report to the Civil Service Commission. This number has grown during the past 2 years.

It is estimated that more than 70 new boards, commissions, and other agencies have been created, although no one knows just how many because of the confusion and intricate machinery of the new deal. The result is inefficiency and overlapping of Government activities, bringing waste and extravagance. And it is well to remember that attempts to have the financial operations of these agencies subject to the audit of the General Accounting Office under the Comptroller General have failed, and they are operating without the safeguards applied to the regular Government establishments.

A year ago I called attention to the inconceivable total of $18,781,000,000 appropriated by the Seventy-third Congress for the new deal, in addition to $1,879,000,000 appropriated by the last session of the Seventy-second Congress for the fiscal year 1934, which was also at the disposal of the present administration, a grand total of $20,600,000,000 in appropriations. At the same time I listed figures in excess of $8,000,000,000 which I termed "contingent obligations." Some criticism was offered because of these figures. It was claimed that the statements did not represent a true picture of the actual situation and were misleading. May I state that at that time I referred, as I do now, to appropriations made by the legislative branch of the Government, which action is in accordance with the authority imposed upon Congress by the Constitution. This means designating funds of the Government for expenditure by the executive branch for purposes indicated in the appropriations and is the legal method of providing money for Government operations.

Consequently all funds placed at the disposal of the executive branch, whether for immediate expenditure or sometime in the future, very properly should be considered as appropriations and listed as such. The funds may legally be expended and must be ultimately paid for by the people when expended.

Some criticism was raised because in these tabulations there were included appropriations made through the R. F. C. While these appropriations may be repaid in whole or in part, they represent actual expenditures and as such are chargeable against the cost of operation of our Government.

Some disagreed with the use of the sum of $2,000,000,000 appropriated for a stabilization fund. In the statement of the Budget for the fiscal year ending June 30, 1936, there is found in the general-fund balance figures indicating receipts in the year 1934 of $2,811,375,000 as the "increment on gold resulting in reduction of the weight of the gold dollar." In the same table, under expenditures for the year, there is shown the sum of $2,000,000,000 for exchange stabilization, indicating quite clearly that this sum was charged as subject

to expenditure, and consequently the result of definite appropriation. In this connection it is of interest to note that the difference, namely, $811,375,000, listed as increment on gold, was added to the total general-fund balance of the United States Treasury and as such is reflected as a credit against the deficit.

To those who question the correctness of using the figures termed "contingent obligations" I would point to the United States Treasury statements of the public debt issued periodically, wherein we find these items carried as contingent liabilities. There are already defaults on payments due the United States under these items, and in view of the fact that they are guaranteed by the Government they are, to that extent, actual liabilities and no longer contingent.

Another feature that it would be well to remember is the fact that the huge processing taxes collected under the Agricultural Adjustment Act and paid out as benefits to the farmers do not show in the tabulation of appropriations. The basic Agricultural Adjustment Act authorized the collection of such taxes and disbursement of the funds so collected at the discretion of the Executive without any further authority from Congress. The Budget message for the fiscal year 1936 indicates processing taxes collected in 1934 amounted to $353,000,000, while expenditures for that period were $290,000,000. In 1935 the collections were $589,000,000, with expenditures far in excess, totaling $788,000,000. The estimates for 1936 show anticipated collections from processing taxes of $570,000,000, with expenditures of $472,000,000. Attention is called to the fact that expenditures for the 3 years exceed the total receipts by approximately $40,000,000. This must be provided directly by the taxpayers, who, as consumers, also pay for all processing taxes.

Some realization of the enormous spending program under the present administration for the years 1934, 1935, and 1936 may be had from the following comparisons. From 1789 to and including 1913, during the first 124 years of its existence, the total expenditures of the Federal Government were $24,521,000,000. Appropriations for expenditure during the first 3 years of the present administration total $30,720,000,000. This latter figure also compares with the direct cost of American participation in the World War for fighting and demobilization, from 1917 to 1921, which was $26,250,000,000.

For the third year of the present administration there was appropriated by the first session of the Seventy-fourth Congress about to adjourn $10,198,000,000, a 3-year total of $30,720,000,000, available for expenditure by the present administration. In addition, the accompanying table lists $9,400,000,000 of contingent obligations to which must be added numerous indefinite items. The Federal appropriations decried by Candidate Roosevelt in 1932 have been dwarfed into insignificance by the figures representing appropriations asked for by President Roosevelt in the years following.

Candidate Roosevelt talked often and long in 1932, claiming sincerity in his demands for a balanced Budget, maintenance of our national credit, strict economy, and elimination of deficits. President Roosevelt has not only put these statements aside but has entirely ignored the promises of Candidate Roosevelt and of the Democratic Party as contained in its platform. It must be admitted that there has been no bona fide attempt to balance the Budget or to reduce expenditures.

In 1932 Candidate Roosevelt said, with great emphasis, at Albany:

Let us have courage to stop borrowing to meet continuing deficits.

He was then speaking of a billion-dollar deficit. Now, in 1935, as President, he has, to use his own figures, created deficits during the first 3 years of his administration of approximately $13,000,000,000. At the end of the present fiscal year our national debt will have been increased by that amount, or from $22,000,000,000 at the time he took office to approximately thirty-five billions by June 30, 1936, according to Treasury estimates. Other estimates run as high as $40,000,000,000, which certainly is not out of line with the present rate of expenditures, with another session of this Congress to come, if expenditures are continued at the present rate and the lack of confidence in our governmental affairs continues to retard business activities and revenue possibilities.

While it is recognized that a large part of this huge deficit was for the purpose of recovery and relief, it is equally apparent that the general operations of Government continued at their ordinary rate, in fact increased. Apparently no attempt was made to transfer the cost of a part of these operations to the relief program; but the theory seemed accepted that increased operations of every sort, even to sweeping leaves from one side of the street to the other, could be carried on without damage to our country and our credit. Far too much emphasis has been placed on reform in our financial program, and recovery has been considered only of equal importance but not attempted with any determination for economy.

Let us compare this condition with the message of January 3, 1934, transmitting the Budget. In commenting on the Budget for that fiscal year, the President stated the total debt, if increased by the sum of $2,000,000,000 during the fiscal year 1935, which in his judgment would answer for relief purposes, would amount to approximately $31,834,000,000. In that message he said:

It is my belief that, so far as we can make estimates with our present knowledge, the Government should seek to hold the total debt within this amount. Furthermore, the Government during the balance of this calendar year should plan to bring its 1936 expenditures, including recovery and relief, within the revenues expected in the fiscal year 1936.

Now let us refer to the Budget message of January 3, 1935, in which the President stated:

In the Budget message of last year I said, speaking of the fiscal year 1936, that we should plan to have a definitely balanced Budget for the third year of recovery, and from that time on to seek a continued reduction of the national debt.

Despite the substantial measure of recovery achieved since that statement was made, unemployment is still large.

For this reason it is evident that we have not yet reached a point at which a complete balance of the Budget can be obtained. I am, however, submitting to the Congress a Budget for the fiscal year 1936 which balances except for expenditures to give work to the unemployed. If this Budget receives the approval of the Congress, the country will henceforth have the assurance that, with the single exception of this item, every current expenditure of whatever nature will be fully covered by our estimates of current receipts.

Further on in the message the President stated:

The estimated expenditures for the fiscal year 1936, as shown in the general Budget summary, total in round figures $8,520,000,000.

Compare this statement with the appropriations of $10,200,000,000 made by the last session of Congress for the fiscal year 1936, and bear in mind that there is still to follow another session of this Congress which will undoubtedly be requested to make additional appropriations for expenditure during the current fiscal year. Even though there have been repeated boasts of recovery being attained, it is apparent that the plans of the administration do not contemplate a balanced Budget as forecast a year ago.

History tells us that increasing the national debt is a consistent habit of the Democratic Party. A reduction of the national debt has always been left to the Republicans. There has never been a Democratic administration which can point to the reduction of our national debt as an accomplishment. Up to this time the administration has managed to obtain the necessary funds to cover its spendthrift program, as the Government, to a great extent, controls the banks of the country, and the banks in turn have large credits due to the fact that the new-deal policies are not conducive to putting that credit into productive channels. Until confidence has been restored and there is a demand from legitimate business for the use of this credit, it is apparent the Government can continue to utilize this reservoir of credit as a means of financing its obligations.

How long can this continue?

The administration has repudiated outstanding Government obligations by decreasing the gold content of the dollar. This in itself has broken down the faith of the investing public. Continued borrowings with no attempt to curb the rapidly increasing debt and Government expenditures are serving to further undermine the confidence of the people in

**Government credit. Of one thing I am certain—we cannot go on as we are indefinitely without seriously impairing our national credit to the extent of adversely affecting our entire economic situation. If we do not call a halt, there is only one answer—currency inflation, and suffering far beyond what we have known during this depression period.**

**The following comparison of appropriations for the first 3 years of the present administration shows conclusively the utter failure to carry out the promises made.**

| | Appropriations 2d sess., 72d Congress, and 1st sess., 73d Congress for year 1934 | Appropriations 2d sess., 73d Congress, for year 1935 | Appropriations 1st sess., 74th Congress, for year 1936 |
|---|---|---|---|
| General: | | | |
| Agriculture | [1] $100,209,001 | $62,621,673 | $125,157,983 |
| Independent offices | 631,802,546 | 588,574,714 | 777,501,956 |
| District of Columbia | 30,375,834 | 35,411,178 | 40,547,115 |
| Interior | [1] 43,753,936 | 31,474,319 | 61,220,028 |
| Legislative | [1] 16,689,285 | 25,075,995 | 20,746,760 |
| Navy | [1] 308,669,562 | 284,059,799 | 458,084,379 |
| Treasury | [1] 244,383,219 | 150,092,430 | 175,786,109 |
| Post Office | [1] 713,033,378 | 669,628,940 | 727,849,569 |
| State | [1] 12,196,519 | 13,885,618 | 14,013,895 |
| Justice | [1] 41,154,059 | 28,709,778 | 34,556,500 |
| Commerce | [1] 36,589,465 | 32,267,321 | 34,631,500 |
| Labor | [1] 12,677,365 | 14,030,805 | 15,360,000 |
| War | [1] 349,840,719 | 316,[2] 8,991 | 401,998,170 |
| Total regular annual | 2,541,373,999 | 2,252,651,561 | 2,888,054,864 |
| Independent offices, annual—indefinite | | 190,000,000 | |
| Third deficiency, 1933 | [2] 904,598 | | |
| Fourth deficiency, 1933 | [3] 3,082,630 | | |
| Deficiency resolution—Legislative—Public Resolution No. 12, 73d Cong. | | 213,500 | |
| Deficiency resolution—District of Columbia—Public Resolution No. 13, 73d Cong | | [3] 6,667 | |
| Urgent deficiency resolution—Public Resolution No. 23, 73d Cong. | | 335,000 | |
| Deficiency and supplemental, Public, No. 412, 73d Cong. | 4,099,153 | 11,543,545 | |
| First deficiency, 1935 | | | 112,633,830 |
| Second deficiency, 1935 | | | 272,901,233 |
| Ninth Pan American Conference—Public Resolution No. 42, 73d Cong. | | 3,000 | |
| Fort Niagara Celebration—Public Resolution No. 50, 73d Cong. | | 6,000 | |
| Miscellaneous and deficiency resolution, Public Resolution No. 51, 73d Cong. | | 121,000 | |
| Chinch-bug control, Public Resolution No. 30, 73d Cong. | | 1,000,000 | |
| Interior—Duchesne County, Utah School (Indians) Public, No 265, 74th Cong. | | | 50,000 |
| Agricultural Adjustment Administration, Public, No. 320, 74th Cong., eliminate diseased cattle (sec. 37), $10,000,000; agricultural adjustment and relief, 30 percent of customs duties (sec. 32) $86,913,739 | | | 96,913,739 |
| Deficiency resolution, Public Resolution No. 3, 74th Cong | | | 1,771,750 |
| George Washington Bicentennial Commission, Public Resolution No. 6, 74th Cong. | | | 35,000 |
| Federal Communications Commission, American Telephone & Telegraph Investigation, Public Resolution No 8, 74th Cong. | | | 750,000 |
| District of Columbia—Shrine Convention, Public Resolution No. 17, 74th Cong. | | | 54,000 |
| District of Columbia, Grand Army of the Republic Encampment (Public Res. No. 40, 74th Cong.) | | | 15,000 |
| Total general | 2,549,550,380 | | 3,373,179,416 |
| Emergency: | | | |
| Public Works Administration (Public, No. 77, 73d Cong.) | 3,300,000,000 | | |
| Emergency Bank Act, (Public, No. 1, 73d Cong.) | 2,000,000 | | |
| Agricultural Adjustment Administration (Public, No. 10, 73d Cong.) | 100,000,000 | | |
| Federal Savings & Loan Associations (Public, No. 77, 73d Cong.) | 50,000,000 | | |
| Federal land banks (Public, No. 77, 73d Cong.) | 65,000,000 | | |
| Farm Credit Administration (Public, No. 77, 73d Cong.) | 42,000,000 | | |
| Emergency—Continued. | | | |
| Federal Deposit Insurance Corporation (Public, No. 77, 73d Cong.) | $150,000,000 | | |
| Gold Reserve Act (Public, No. 87, 73d Cong.) | | $2,000,000,000 | |
| Federal Relief and Civil Works Administration (Public, No. 93, 73d Cong.) | | 950,000,000 | |
| Crop production loans (Public Res. No. 16, 73d Cong.) | | 40,000,000 | |
| Agricultural Adjustment Administration (cattle) (Public, Res. No. 27, 73d Cong.) | | 150,000,000 | |
| Deficiency and supplemental (Public, No. 412, 73d Cong.) | | 1,808,270,000 | |
| Federal Reserve banks, payments to surplus—loans to industry (Public, No. 417, 73d Cong.) | | 139,299,557 | |
| Work relief (Public Res. No. 11, 74th Cong.) | | | [4] $4,000,000,000 |
| Total emergency | 3,709,000,000 | 5,087,569,557 | 4,000,000,000 |
| Reconstruction Finance Corporation (see following table) | 1,105,075,000 | 1,910,000,000 | 625,000,000 |
| Permanent and indefinite | 1,397,977,695 | 2,304,784,450 | 2,200,191,127 |
| Total appropriations | 8,761,603,075 | 11,758,254,280 | 10,198,370,543 |

[1] Passed last session Seventy-second Congress for fiscal year 1934.
[2] In later tables $972,323 apportioned in 1933; $22,275 in 1934.
[3] In later tables $755,720 apportioned in 1933; $2,326,910 in 1934.
[4] Plus $500,000,000 from Reconstruction Finance Corporation and $380,000,000 reappropriated.

***Appropriations through the Reconstruction Finance Corporation***

| | Seventy-third Congress | | Seventy-fourth Congress |
|---|---|---|---|
| | First session | Second session | First session |
| Farm Relief Act, 1933 (Public, No. 10): | | | |
| Loans to— | | | |
| Joint-stock land banks $100,000,000 | | | |
| Farmers 200,000,000 | | | |
| Drainage and irrigation districts 50,000,000 | | | |
| Advances to reclamation projects 5,000,000 | | | |
| | $355,000,000 | | |
| Unemployment relief (Public, No. 15, 73d Cong.) | 500,000,000 | | |
| Securities Act, 1933, Corporation of Foreign Security Holders (Public, No. 22, 73d Cong.) | 75,000 | | |
| Loans to insurance companies (Public No. 35, 73d Cong.) | 50,000,000 | | |
| Home Owners' Loan Act, 1933, capital stock of corporation (Public, No. 43, 73d Cong.) | 200,000,000 | | |
| Increased authorization (Public, No. 84, 73d Cong.) | | $950,000,000 | |
| Deficiency and Supplemental Appropriation Act, 1934 and 1935 (Public, No. 412, 73d Cong.): | | | |
| Public Works Administration $500,000,000 | | | |
| Purchase of securities held by Public Works Administration 250,000,000 | | | |
| | | 750,000,000 | |
| Loans to industry (Public, No. 417, 73d Cong.) | | 300,000,000 | |
| National Housing Act (excluding unlimited and indefinite authority (Public, No. 479, 73d Cong.) | | 10,000,000 | |
| Work relief (Public Resolution No. 11, 74th Cong.) | | | $500,000,000 |
| Loans to national mortgage associations (Public, No. 1, 74th Cong.) | | | 100,000,000 |
| Increase in loans to insurance companies (Public, No. 1, 74th Cong.) | | | 25,000,000 |
| Total | 1,105,075,000 | 1,910,000,000 | 625,000,000 |

***Contingent obligations guaranteed by the Government as issued***

**(Not included as appropriations)**

| | |
|---|---|
| Guaranty of farm-loan bonds (Public, No. 88, 73d Cong.) | $2,000,000,000 |
| Guaranty of interest on farm-loan bonds (Public, No. 88, 73d Cong.) | (?) |
| Guaranty of home-loan bonds (Public, No. 178, 73d Cong.) | 2,000,000,000 |
| Guaranty of interest on home-loan bonds (Public, No. 178, 73d Cong.) | (?) |

[See footnotes at end of table]

*Contingent obligations guaranteed by the Government as issued*—Continued

| | |
|---|---|
| Repairs on mortgaged property covered by home-loan bonds (Public, No. 178, 73d Cong.) | $200,000,000 |
| Increase in authority of Home Owners' Loan Corporation to issue bonds (Public, No. 479, 73d Cong.), also guaranteed as to principal and interest | 1,000,000,000 |
| National Housing Act (Public, No. 479, 73d Cong.): | |
| Insurance on present mortgages | 1,000,000,000 |
| Insurance on new mortgages to be issued | 1,000,000,000 |
| Guaranty of interest on these mortgages | (?) |
| Guaranty of National Mortgage Association bonds | (?) |
| Guaranty of interest on National Mortgage Association bonds | (?) |
| Additional for repairs on mortgaged property | 100,000,000 |
| Insurance of financial institutions | 200,000,000 |
| Replacement of P. W. A. funds for which authorization has been given to divert to emergency purposes (Public, No. 412, 73d Cong.) | (?) |
| Increase in authority of Home Owners' Loan Corporation to issue bonds, also guaranteed as to principal and interest (Public, No. 76, 74th Cong.) | 1,750,000,000 |
| Additional for repairs on mortgaged property (Public, No. 76, 74th Cong.) | 100,000,000 |
| Tennessee Valley Act (Public, No. 412, 74th Cong.) | 50,000,000 |
| | 9,400,000,000 |

To summarize, the new-deal candidate in 1932, by his acceptance of the Democratic platform 100 percent, and by his repeated statements thereafter during the campaign, promised—

(1) To eliminate bureaucracy.

(2) To reduce the cost of Government 25 percent.

(3) To balance the Federal Budget and avoid deficits.

(4) To maintain our national credit and a sound and stable currency.

(1) TO ELIMINATE BUREAUCRACY

This subject has already been touched upon, and it is only necessary to call attention to the fact that the increase in the number of agencies and the unwarranted and unheard-of increase in Government personnel is reflected in the appropriation figures shown above. New agencies are still being created, and the administration is still endeavoring to find ways and means to dominate private industry and dictate the activities of private citizens. During the session just closed we have witnessed the spectacle repeatedly of action by Congress at the dictation of the White House involving laws, the constitutionality of which is seriously questioned, and in some instances where competent authorities are practically unanimous in their opinion that the Supreme Court must declare the statutes to be unconstitutional, if and when the issue is raised.

We have not had orderly procedure but a frenzied effort at reform, dictated by a President and influenced by theories not born of practice, and suggested by those whose thought of reform is limited to the vision of the Utopia they are trying to bring about. There is more interference today with private activity and private business than ever before in the history of our country, and this is reflected in the uncertainty of those who would otherwise carry on, expand, and create employment.

(2) TO REDUCE THE COST OF GOVERNMENT 25 PERCENT

This promise is completely forgotten. At first it was argued that this promise applied only to the general activities of our Government, but a comparison of that subdivision of the accompanying tabulation will indicate that even with consolidation and transfer of the various activities the established departments of our Government continue to have increasing appropriations granted them, instead of a reduction of 25 percent as promised. Not only has the administration failed utterly to make any attempt to carry out a bona fide reduction in expenditures but there has been a desire to spend which is far beyond the comprehension or imagination of the people of this country heretofore.

Instead of a reduction of 25 percent, we find an increase of more than 10 percent in the regular annual appropriations made during the recent session of Congress, as compared with those for the fiscal year 1934. The increase over 1935 is more than 20 percent. Emergency expenditures are being made at approximately the same rate as during the past 2 years. There has been absolutely no bona fide effort to reduce Government expenditures or to protect the taxpayers.

(3) TO BALANCE THE FEDERAL BUDGET AND AVOID DEFICITS

Attention is called to the enormous totals carried by appropriation measures for the fiscal years 1934, 1935, and 1936, which amount to $8,761,000,000, $9,758,000,000, and $10,198,000,000, respectively, which show a steady increase in annual appropriations, and do not take into account the $2,000,000,000 appropriated under the Gold Reserve Act during the fiscal year 1935.

The general appropriations for the various governmental departments and agencies show an increase for the fiscal year 1936 of more than $800,000,000 over the total for 1934, and approximately $900,000,000 over the total for 1935.

As previously stated, a dual system of bookkeeping was set up to make it appear that Government expenditures would not be increased. Under this new scheme public works and other activities were transferred to a so-called "emergency budget", which was to be charged to the depression period and not considered in efforts to balance the Budget. Even this has failed in its purpose, since the so-called "general budget" shows a substantial increase in total appropriations for the regular agencies.

The tables appearing at the end of these remarks explain clearly that although regular appropriation measures for the fiscal year 1935 showed a slight decrease under the total for 1934, this was more than made up by allocations to the various departments from the public-works fund. No argument can substantiate any claim that public-works allotments to the departments did not supplement regular departmental activities. In fact, these allocations in many instances replaced items which were eliminated from the regular appropriation measures. The public will not be fooled by double bookkeeping. The taxpayer knows that whether appropriation figures are carried in one column or another they must be paid for.

The promise to stop the deficits is another link in the chain of broken promises. In 1932 the new-deal candidate was bewailing the fact that we were facing a deficit approximating $2,000,000,000. Since his incumbency in the White House we have not had a year when the deficit failed to reach $3,500,000,000 or more. The deficit for the fiscal year 1934 was $3,989,496,000, while the estimated deficit for the fiscal year 1935 was estimated at $4,869,418,000, and there is an anticipated deficit for the fiscal year 1936 of $4,528,508,000, as given in the Budget message of January 1935.

There has been no effort on the part of the administration to eliminate these deficits by enacting a tax program which will meet the expenditures of the Federal Government and which will place Federal finances on a sound basis. On the contrary, the Federal Government is today existing on borrowed capital, just as has been the case during the past 3 years of the new deal. We have no businesslike fiscal policy as was promised on so many occasions by the candidate of 1932.

(4) TO MAINTAIN OUR NATIONAL CREDIT AND A SOUND AND STABLE CURRENCY

In order to maintain national credit we must not only have a sound currency but must conduct the fiscal affairs of the Government in a manner which lends confidence in the financial policies, and which demonstrates beyond the question of a doubt that a bona fide attempt is being made at a balanced Budget and an effort being put forth to bring Government expenditures within its income.

No lending agency, even among those of the Federal Government has any sympathy or confidence in an applicant who is endeavoring to borrow and whose own affairs are not on a businesslike basis. To be eligible for consideration, a borrower must first show that he can bring this cost within his income and carry the expense involved without a net loss. The same situation applies to Government. Our deficits represent a net loss, and they are immediately reflected in a rapidly increasing national debt, which will, if we do not

call a halt, soon reach a point where the interest and sinking-fund charges of the debt alone will approximate the total cost of Government at the time of the advent of the new deal.

The people of this country are becoming gradually more and more aware of the situation. It is not the custom of the American people to spend what they do not have. They do not want their Government to follow such an unsound policy. Unless some immediate attempt is made in good faith to check the spending orgy and to place our national affairs on a sound fiscal basis we will soon have reached a point where the American people will have every reason to be not only discouraged but alarmed. The Federal Government should set the example. Up to this time the only example which has been set by the new deal is one of confusion and uncertainty.

Important as is sound progress, we should not seek to let reform theories dominate national policies to the detriment of recovery. We must keep in mind that the basic principle of recovery from our national crisis is a sound financial policy embodying real economy in Government, the balancing of the Federal Budget by carrying on our governmental activities within our national income.

*Summary of regular, deficiency, and special appropriations*

| | Fiscal year 1933 appropriations | Fiscal year 1934 | | Fiscal year 1935 | | Fiscal year 1936 | |
|---|---|---|---|---|---|---|---|
| | | Appropriations | Public Works allotments | Appropriations | Supplemental appropriations | Appropriations | Work relief appropriations |
| Agriculture | $306,673,811 | $142,229,959 | $566,040,887 | $154,081,843 | $644,500,000 | $136,607,551 | $800,000,000 |
| Independent offices | 1,022,876,324 | 1,238,235,987 | 3,376,594 | 1,930,546,714 | | 964,407,029 | |
| New agencies | | [1] 600,000,000 | 997,286,900 | 1,810,000,000 | 999,675,000 | 696,913,739 | 2,850,000,000 |
| District of Columbia | 41,257,564 | 30,718,674 | 1,759,500 | 35,447,845 | | 41,401,156 | |
| Interior | 69,387,945 | 44,048,302 | 202,341,012 | 35,500,801 | 1,500,000 | 77,970,429 | 213,308,831 |
| Legislative | 19,227,747 | 17,374,401 | 2,800,000 | 18,756,531 | | 23,909,407 | |
| Navy | 327,724,856 | 309,292,430 | 277,098,924 | 284,669,799 | | 484,597,720 | |
| Treasury | 380,598,015 | 511,451,590 | 94,740,053 | 2,289,513,357 | 163,595,000 | 301,451,240 | |
| Post Office | 805,970,571 | 713,092,094 | 532,600 | 669,028,940 | | 734,082,385 | |
| State | 14,104,731 | 12,318,617 | 4,761,000 | 22,877,484 | | 16,047,458 | |
| Justice | 46,198,970 | 41,295,727 | 785,512 | 31,021,209 | | 36,641,565 | |
| Commerce | 45,510,045 | 36,669,700 | 15,652,600 | 32,723,511 | | 34,737,951 | |
| Labor | 13,576,010 | 14,204,945 | 2,268,980 | 14,030,805 | | 15,703,047 | |
| War | 458,067,930 | 350,946,458 | 362,352,928 | 316,400,991 | | 433,108,739 | 136,693,169 |
| Total, regular, deficiency, and special | 3,551,234,519 | 4,061,899,487 | 2,531,798,000 | 7,645,199,830 | 1,808,270,000 | 3,998,179,416 | 4,000,000,000 |
| Non-Federal and other allotments not carried in departmental tables | | | 768,201,910 | | | | |
| Total, Public Works | | | [2] 3,300,000,000 | | | | |
| Permanent and indefinite | 1,285,191,028 | 1,397,077,695 | | 2,304,784,450 | | 2,200,191,127 | |
| Add Public Works, supplemental and work relief | | 3,300,000,000 | | 1,808,270,000 | | 4,000,000,000 | |
| Grand total | 4,836,425,547 | [3] 8,759,877,182 | | 11,758,254,240 | | 10,198,370,543 | |

[1] Does not include $3,300,000,000 Public Works appropriation covered in next column.
[2] This total could be shown under Public Works Administration in new agencies, but is broken down by departmental allocations instead.
[3] Includes $2,150 (2d Deficiency, 1933) not shown in previous table; does not include items (3d Deficiency, 1933, and 4th Deficiency, 1933) apportioned to 1933. (See footnotes 2 and 3 of previous table.)

*Regular, deficiency, and special appropriations*

DEPARTMENT OF AGRICULTURE

| | Fiscal year 1933 appropriations | Fiscal year 1934 | | Fiscal year 1935 | | Fiscal year 1936 | |
|---|---|---|---|---|---|---|---|
| | | Appropriations | Public Works allotments | Appropriations | Supplemental appropriations | Appropriations | Work relief appropriations |
| Secretary's office | $13,076,911 | $12,754,854 | $13,443 | $11,225,567 | | $11,622,554 | |
| Weather Bureau | 4,164,038 | 3,731,235 | 183,840 | 3,032,292 | | 3,439,204 | |
| Animal Industry | 12,283,622 | 11,358,964 | 1,611,240 | 8,802,787 | | 11,313,419 | |
| Dairy Industry | 717,448 | 655,130 | 202,420 | 559,862 | | 636,179 | |
| Plant Industry | 4,930,874 | 4,496,155 | 4,822,007 | 3,476,342 | | 4,908,497 | |
| Forest Service | 12,383,304 | 11,531,039 | 40,967,745 | 8,394,323 | | 11,600,973 | |
| Chemistry and Soils | 1,825,080 | 1,670,194 | 163,919 | 1,311,698 | | 1,279,431 | |
| Entomology | 2,471,700 | 2,213,968 | 2,386,535 | 3,130,536 | | [1] 7,801,421 | |
| Biological Survey | 1,750,177 | 1,356,280 | 976,050 | 1,054,084 | | 1,421,492 | |
| Public Roads | 100,000,000 | 35,000,000 | [2] 412,696,000 | 8,000,000 | [2] $119,500,000 | 51,059,256 | [4] $800,000,000 |
| Forest Roads | 8,905,000 | 4,457,400 | | | | 7,082,000 | |
| Agricultural Engineering | 518,690 | 411,810 | 281,538 | 350,318 | | 423,269 | |
| Agricultural Economics | 6,640,841 | 6,095,260 | | 4,916,031 | | 5,724,801 | |
| Home Economics | 233,365 | 212,749 | 1,200 | 178,701 | | 193,485 | |
| Plant Quarantine | 2,490,125 | 2,158,514 | (1) | (1) | | (1) | |
| Grain Futures Act | 218,838 | 200,000 | | 181,498 | | 196,500 | |
| Food and Drug Administration | 1,716,167 | 1,589,505 | 70,000 | 1,557,713 | | 1,908,637 | |
| Miscellaneous | 1,330,485 | 316,034 | | 4,060,255 | | 396,262 | |
| Experiment Stations | | | 4,950 | | | | |
| Farm Credit Administration | | | 101,600,000 | 2,389,665 | | 4,000,000 | |
| Drought relief | | | | | 525,000,000 | | |
| Total, regular | 175,671,665 | 100,209,091 | 566,040,887 | 62,621,673 | 644,500,000 | 125,157,983 | 800,000,000 |
| **Deficiency appropriations:** | | | | | | | |
| First deficiency, 1933 | 1,000,173 | | | | | | |
| Second deficiency, 1933 | 1,590 | | | | | | |
| Third deficiency, 1933 | 29 | | | | | | |
| Fourth deficiency, 1933 | 354 | 42,000,000 | | | | | |
| Deficiency, 1934 and 1935 | | 20,868 | | 460,170 | | | |
| First deficiency, 1935 | | | | | | 2,370,738 | |
| Second deficiency, 1935 | | | | | | 9,078,830 | |
| **Special acts:** | | | | | | | |
| Emergency Relief and Construction Act (Public, No. 302, 72d Cong.): | | | | | | | |
| Highway-aid system | 120,000,000 | | | | | | |
| Forest roads | 5,000,000 | | | | | | |
| Forest improvements | 5,000,000 | | | | | | |
| Crop production loans (Public Res. No. 16, 73d Cong.) | | | | 40,000,000 | | | |
| Eradication of cattle diseases (Public Res. No. 27, 73d Cong.) | | | | 50,000,000 | | | |

[See footnotes at end of table]

*Regular, deficiency, and special appropriations*—Continued

DEPARTMENT OF AGRICULTURE—Continued

| | Fiscal year 1933 appropriations | Fiscal year 1934 | | Fiscal year 1935 | | Fiscal year 1936 | |
|---|---|---|---|---|---|---|---|
| | | Appropriations | Public Works allotments | Appropriations | Supplemental appropriations | Appropriations | Work relief appropriations |
| Special acts—Continued. | | | | | | | |
| Control of chinch bugs (Public Res. No. 30, 73d Cong.) | | | | $1,000,000 | | | |
| Total, regular, deficiency, and special | $300,673,811 | $142,229,959 | $566,040,887 | 64,081,843 | $544,500,000 | $136,607,551 | $800,000,000 |
| Permanent and indefinite | 11,211,571 | 10,303,116 | | 840,280,600 | | 578,452,596 | |
| Add Public Works, supplemental, and work relief | | 566,040,887 | | 644,500,000 | | 800,000,000 | |
| Grand total | 317,885,382 | 718,573,962 | | 1,634,862,443 | | 1,515,060,147 | |

INDEPENDENT OFFICES

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Executive offices | $392,000 | $369,483 | $6,000 | $442,050 | | $437,232 | |
| Battle Monuments Commission | 275,000 | 129,000 | | | | 199,059 | |
| Arlington Bridge Commission | 340,000 | 198,000 | | | | | |
| Board of Mediation | 152,135 | 120,000 | | 125,564 | | 336,450 | |
| Board of Tax Appeals | 560,000 | 490,000 | | 502,116 | | 540,000 | |
| Bureau of Efficiency | 159,500 | (5) | | | | | |
| Civil Service Commission | 1,312,370 | 1,050,000 | | 1,522,816 | | 42,595,000 | |
| Commission of Fine Arts | 7,800 | 8,800 | | (6) | | | |
| Employees' Compensation Commission | 4,890,000 | 4,169,000 | | 4,353,410 | | 4,719,000 | |
| Federal Board for Vocational Education | 2,864,000 | 2,487,700 | | | | | |
| Federal Oil Conservation Board | 10,000 | 7,803 | | | | | |
| Federal Power Commission | 254,000 | 210,000 | 700,000 | 277,303 | | 312,600 | |
| Federal Communications Commission [7] | 382,000 | 640,000 | | 666,895 | | 1,525,000 | |
| Federal Home Loan Bank Board | | | | | | 264,043 | |
| Federal Trade Commission | 1,466,500 | 920,000 | | 1,742,739 | | 1,403,309 | |
| General Accounting Office | 4,262,620 | 3,280,000 | [8] 506,000 | 3,461,920 | | 4,970,000 | |
| Clark Sesquicentennial Commission | 400,009 | 96,650 | | | | | |
| George Washington Bicentennial Commission | 200,000 | (9) | | | | | |
| Interstate Commerce Commission | 7,148,560 | 5,190,000 | | 5,430,970 | | 5,850,656 | |
| Mount Rushmore Commission | 25,000 | 10,000 | | (6) | | | |
| National Advisory Committee for Aeronautics | 920,000 | 695,000 | 247,944 | 726,492 | | 839,500 | |
| Personnel Classification Board | 145,116 | (5) | | | | | |
| Public Buildings and Parks | 4,025,933 | 3,322,500 | | (6) | | | |
| Public Buildings Commission | 100,000 | 80,000 | | | | | |
| Securities Exchange Commission | | | | | | 2,264,494 | |
| Smithsonian Institution | 1,074,829 | 820,000 | | 874,024 | | 950,189 | |
| Supreme Court Commission | 1,000,000 | 3,490,000 | | | | | |
| Tariff Commission | 1,020,000 | 800,000 | | 840,898 | | 970,000 | |
| Geographic Board | 9,678 | 9,000 | | 9,440 | | | |
| Shipping Board | 360,000 | 310,000 | | (10) | | | |
| Veterans' Administration | 948,699,000 | 602,838,000 | 1,916,650 | 567,598,096 | | 705,120,000 | |
| International Institute of Agriculture | | 48,500 | | (11) | | | |
| Black Bass Act | | 13,110 | | (11) | | | |
| Employees abroad, account devaluation | | | | | | 3,904,824 | |
| Total, regular | 982,446,041 | 631,802,546 | 3,376,594 | 588,574,714 | | 777,501,956 | |
| Deficiency appropriations: | | | | | | | |
| First deficiency, 1933 | 38,052 | | | | | | |
| Second deficiency, 1933 | 247 | | | | | | |
| Third deficiency, 1933 | 5,111 | | | | | | |
| Fourth deficiency, 1933 | 36,873 | 665,000 | | | | | |
| Deficiency, 1934 and 1935 | | 693,441 | | 1,972,000 | | | |
| First deficiency, 1935 | | | | | | 95,706,994 | |
| Second deficiency, 1935 | | | | | | 63,856,329 | |
| Special acts: | | | | | | | |
| Veterans' Administration (Public Res. 35, 72d Cong.) | 100,000 | | | | | | |
| Home Loan Bank Board (Public, No. 305, 72d Cong.) | 250,000 | | | | | | |
| Federal Farm Board (Public Res. 43, 72d Cong.) | 40,000,000 | | | | | | |
| Farm Relief Act (Public, No. 10, 73d Cong.), Reconstruction Finance Corporation loans | | 355,000,000 | | | | | |
| Foreign Securities Holders Corporation (Public, No. 22, 73d Cong.) | | 75,000 | | | | | |
| Loans to insurance companies (Public, No. 35, 73d Cong.) through Reconstruction Finance Corporation | | 50,000,000 | | | | | |
| Home Owners' Loan Act (Public, No. 43, 73d Cong.), capital stock by Reconstruction Finance Corporation | | 200,000,000 | | | | | |
| Increased authorization for Reconstruction Finance Corporation (Public, No. 84, 73d Cong.) | | | | 850,000,000 | | | |
| Loans to industry (Public, No. 417, 73d Cong.) through Reconstruction Finance Corporation | | | | 300,000,000 | | | |
| Independent offices, Veterans' Administration indefinite, estimated | | | | 190,000,000 | | | |
| Deficiency resolution (Public Res. 3, 74th Cong.) | | | | | | 1,556,750 | |
| George Washington Bicentennial Commission (Public Res. 6, 74th Cong.) | | | | | | 35,000 | |
| Federal Communications Commission (Public Res. 8, 74th Cong.) | | | | | | 750,000 | |

[See footnotes at end of table]

*Regular, deficiency, and special appropriations*—Continued

INDEPENDENT OFFICES—continued

| | Fiscal year 1933 appropriations | Fiscal year 1934 | | Fiscal year 1935 | | Fiscal year 1936 | |
|---|---|---|---|---|---|---|---|
| | | Appropriations | Public Works allotments | Appropriations | Supplemental appropriations | Appropriations | Work relief appropriations |
| Special acts—Continued. | | | | | | | |
| Loans to insurance companies, increase (Public, No. 1, 74th Cong.), through Reconstruction Finance Corporation | | | | | | $25,000,000 | |
| Total, regular, deficiency and special | $1,022,876,324 | $1,238,235,987 | $3,376,594 | $1,930,546,714 | | 964,407,029 | |
| Permanent and indefinite | 81,070,850 | 79,575,443 | | 68,505,695 | | 69,290,409 | |
| Add public works, supplemental and work relief | | 3,376,594 | | | | | |
| Grand total | 1,103,947,174 | 1,321,188,024 | | 1,999,052,409 | | 1,033,697,438 | |

[1] Bureaus of Entomology and Plant Quarantine have been consolidated.

[2] Includes—

| | |
|---|---|
| Public roads | $400,000,000 |
| Public-land highways | 5,015,000 |
| Drought-relief highways | 7,431,000 |
| Administrative fund | 250,000 |
| Total | 412,696,000 |

[3] Includes—

| | |
|---|---|
| Public roads | 100,000,000 |
| Highway Act, Nov. 9, 1921, to remain available | 10,000,000 |
| Federal reservation roads | 2,500,000 |
| National park roads | 5,000,000 |
| Indian reservation roads | 2,000,000 |
| Total | 119,500,000 |

In addition $100,000,000 is appropriated for 1936, and $100,000,000 for 1937, the latter amount to be matched by the States.

[4] Highways and grade crossings.

[5] Discontinued Bureau of Efficiency and George Washington Bicentennial Commission.

[6] Transferred to Department of the Interior.

[7] Formerly Federal Radio Commission.

[8] This sum was used for auditing expenditures of the new agencies.

[9] Functions of Personnel Classification Board taken over by the Civil Service Commission.

[10] Now the Shipping Bureau under the Department of Commerce.

[11] International Institute for Agriculture, appropriation of $43,500 later transferred to Department of State. Black Bass Act, appropriation of $13,110 later transferred to Department of Commerce.

NEW AGENCIES

| | Fiscal year 1934 | | Fiscal year 1935 | | Fiscal year 1936 | |
|---|---|---|---|---|---|---|
| | Appropriations | Public-works allotments | Appropriations | Supplemental appropriations | Appropriations | Work relief appropriations |
| Tennessee Valley Authority | | $50,000,000 | | | | |
| National Recovery Administration | | 9,665,000 | | | | |
| Civilian Conservation Corps | | 324,362,315 | | | | $600,000,000 |
| Federal Emergency Relief Administration | | 901,880 | | $899,675,000 | | 300,000,000 |
| Works Progress Administration | | | | | | 900,000,000 |
| National Planning Board | | 351,000 | | | | |
| Civil Works Administration | | 400,005,000 | | | | |
| Public Works Administration | | 11,412,205 | | | | |
| Public Works Emergency Housing Corporation | | 123,671,500 | | | | 450,000,000 |
| Public Works Administration, reserves | | 49,934,000 | | | | |
| Central Statistical Board | | [1] 113,000 | | | | |
| Executive Council | | [2] 60,000 | | | | |
| Federal Alcohol Control Administration | | [2] 500,000 | | | | |
| National Emergency Council | | [2] 310,000 | | | | |
| Electric Farm and Home Authority | | [2] 1,000,000 | | | | |
| Federal Surplus Relief Corporation | | 25,000,000 | | | | |
| Emergency Leasing Corporation | | [2] 1,000 | | | | |
| Agricultural Adjustment Administration | | | | 100,000,000 | | |
| National Housing Act, National Mortgage Association from Reconstruction Finance Corporation | | | $10,000,000 | | | |
| Rural Resettlement Administration | | | | | | [3] 500,000,000 |
| Rural Electrification Administration | | | | | | 100,000,000 |
| Total | | 997,286,900 | 10,000,000 | 999,675,000 | | 2,850,000,000 |
| Deficiency appropriations: | | | | | | |
| Fourth Deficiency, 1933 and 1934, Public Works | [4]$3,300,000,000 | | | | | |
| Deficiency, 1934 and 1935, Public Works Administration, through Reconstruction Finance Corporation | | | 750,000,000 | | | |
| Special acts: | | | | | | |
| Agricultural Adjustment Administration (Public, No. 10, 73d Cong.) | 100,000,000 | | | | | |
| Unemployment Relief (Public, No. 15, 73d Cong.) | 500,000,000 | | | | | |
| Federal Emergency Relief and Civil Works Administration (Public, No. 93, 73d Cong.) | | | 950,000,000 | | | |
| Agricultural Adjustment Administration (cattle) (Public Res. 27, 73d Cong.) | | | 100,000,000 | | | |
| Agricultural Adjustment Administration (including $86,913,739 from customs receipts) (Public, No. 320, 74th Cong.) | | | | | $96,913,739 | |
| National Mortgage Association (Public, No. 1, 74th Cong.), through Reconstruction Finance Corporation | | | | | 100,000,000 | |
| Work Relief (Public Res. 11, 74th Cong.) through Reconstruction Finance Corporation | | | | | 500,000,000 | |
| Total, regular, deficiency and special | 600,000,000 | 997,286,900 | 1,810,000,000 | 999,675,000 | 696,913,739 | 2,850,000,000 |
| Add Public Works, supplemental, and work relief | 997,286,900 | | 999,675,000 | | 2,850,000,000 | |
| Grand total | 1,597,286,900 | | 2,809,675,000 | | 3,546,913,739 | |

[1] The sum of $93,000 was added by Executive Order No. 6718 of May 25, 1934, to the $20,000 item shown in Public Works Administration report of May 7, 1934.

[2] Carried as "special allotments" in Public Works Administration report of May 7, 1934.

[3] Includes irrigation and reclamation.

[4] Shown here but not added in total as this fund is distributed in next column.

*Regular, deficiency, and special appropriations*—Continued

DISTRICT OF COLUMBIA

| | Fiscal year 1933 appropriations | Fiscal year 1934 | | Fiscal year 1935 | | Fiscal year 1936 | |
|---|---|---|---|---|---|---|---|
| | | Appropriations | Public Works allotments | Appropriations | Supplemental appropriations | Appropriations | Work relief appropriations |
| Total appropriation | $41,245,622 | $30,375,834 | [1] $1,759,500 | $35,411,178 | | $40,547,115 | |
| District of Columbia-Virginia Commission | | | | [2] 10,000 | | | |
| Total, regular | 41,245,622 | 30,375,834 | 1,759,500 | 35,421,178 | | 40,547,115 | |
| Deficiency appropriations: | | | | | | | |
| Fourth deficiency, 1933 | 11,942 | | | | | | |
| Deficiency, 1934 and 1935 | | 342,840 | | | | | |
| First deficiency, 1935 | | | | | | 35,070 | |
| Second deficiency, 1935 | | | | | | 750,041 | |
| Special acts: | | | | | | | |
| Public Resolution 13 (73d Cong.) | | | | 26,667 | | | |
| Shrine Convention (Public Res. 17, 74th Cong.) | | | | | | 54,000 | |
| Grand Army of the Republic Encampment (Public Res. 40, 74th Cong.) | | | | | | 15,000 | |
| Total, regular, deficiency, and special | 41,257,564 | 30,718,674 | 1,759,500 | 35,447,845 | | 41,401,156 | |
| Permanent and indefinite | 3,252,000 | 2,697,500 | | 2,430,000 | | 1,460,000 | |
| Add Public Works | | 1,759,500 | | | | | |
| Grand total | 44,509,564 | 35,175,674 | | 37,877,845 | | 42,861,156 | |

DEPARTMENT OF INTERIOR

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Secretary's Office | $694,380 | $704,270 | [3] $18,071 | $1,175,285 | | $1,740,190 | |
| General Land Office | 1,883,300 | 1,742,050 | 1,090,000 | 822,000 | | 1,810,700 | |
| Indian Affairs | 20,845,439 | 18,966,546 | 19,034,550 | 16,275,185 | | 27,538,132 | |
| Bureau of Reclamation | 8,414,500 | 11,051,000 | 103,535,000 | 860,750 | | 1,072,100 | |
| Geological Survey | 2,181,000 | 1,992,500 | 4,497,164 | 1,313,500 | | 2,285,760 | |
| Bureau of Mines | | | | (4) | | 1,970,311 | |
| National Park Service | 7,640,620 | 5,072,790 | [5] 32,091,350 | 6,319,640 | | 10,199,290 | |
| Bureau of Education | 320,000 | 270,000 | | 1,538,000 | | 4,781,220 | |
| Territories | 1,212,300 | 1,347,250 | [6] 3,284,358 | 1,113,168 | | 1,522,355 | |
| Hospitals and universities | 2,342,133 | 2,607,530 | 3,319,311 | 2,047,711 | | 2,291,060 | |
| Petroleum Industry Administration | | | 559,000 | | $1,500,000 | | |
| Service division and special account | | | [7] 2,208 | | | | |
| Soil-erosion service | | | 10,000,000 | | | | [8] $213,306,831 |
| Subsistence homesteads | | | 25,000,000 | | | | |
| Commission of Fine Arts | | | | [9] 9,080 | | | |
| Total, regular | 45,533,672 | 43,753,946 | 202,341,012 | 31,474,319 | 1,500,000 | 61,220,928 | 213,306,831 |
| Deficiency appropriations: | | | | | | | |
| Second deficiency, 1932 | 7,155,702 | | | | | | |
| First deficiency, 1933 | 1,216 | | | | | | |
| Second deficiency, 1933 | 463,499 | | | | | | |
| Third deficiency, 1933 | 121 | | | | | | |
| Fourth deficiency, 1933 | 233,705 | | | | | | |
| Deficiency, 1934 and 1935 | | 294,366 | | 4,026,482 | | | |
| First deficiency, 1935 | | | | | | 10,414 | |
| Second deficiency, 1935 | | | | | | 16,689,087 | |
| Special acts: | | | | | | | |
| Emergency Relief and Construction Act (Public, No. 302, 72d Cong.) | 16,000,000 | | | | | | |
| Indian Affairs (Public, No. 265, 74th Cong.) | | | | | | 50,000 | |
| Total, regular, deficiency, and special | 69,387,915 | 44,048,302 | 202,341,012 | 35,500,801 | 1,500,000 | 77,970,429 | 213,306,831 |
| Permanent and indefinite | 13,921,830 | 12,122,600 | | 15,503,050 | | 16,786,040 | |
| Add Public Works, supplemental, and work relief | | 202,341,012 | | 1,500,000 | | 213,306,831 | |
| Grand total | 83,309,745 | 258,511,914 | | 52,503,851 | | 308,063,300 | |

LEGISLATIVE

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Senate | $3,095,490 | $2,848,716 | | $2,945,711 | | $3,320,302 | |
| House | 8,178,924 | 7,415,399 | | 7,421,008 | | 8,289,932 | |
| Capitol Police | 95,430 | 87,940 | | 100,106 | | 110,650 | |
| Joint Committee on Printing | 11,620 | 10,785 | | 10,618 | | 11,620 | |
| Legislative Counsel | 75,000 | 70,000 | | 70,000 | | 75,000 | |
| Statement of appropriations | 4,000 | 3,330 | | 4,000 | | 4,000 | |
| Architect's Office | 1,900,580 | 1,580,355 | $2,800,000 | 1,692,010 | | 1,900,622 | |
| Botanic Gardens | 140,000 | 113,725 | | 111,595 | | 114,987 | |
| Library of Congress | 2,162,147 | 2,000,235 | | 2,091,335 | | 2,419,647 | |
| Government Printing Office | 3,010,800 | 2,402,800 | | 3,181,612 | | 4,500,000 | |
| Total, regular | 18,673,991 | 16,689,285 | 2,800,000 | [10] 17,627,995 | | 20,746,760 | |
| Deficiency appropriations: | | | | | | | |
| Second deficiency, 1932 | 32,150 | | | | | | |
| First deficiency, 1933 | 168,040 | | | | | | |
| Second deficiency, 1933 | 250,860 | 2,150 | | | | | |
| Third deficiency, 1933 | 81,560 | 22,275 | | | | | |
| Fourth deficiency, 1933 | 2,318 | 126,210 | | | | | |
| Deficiency, 1934 and 1935 | | 534,484 | | 620,036 | | | |
| First deficiency, 1935 | | | | | | 51,502 | |
| Second deficiency, 1935 | | | | | | 2,896,145 | |
| Special acts: | | | | | | | |
| Senate and House pages (Public Res. 34, 72d Cong.) | 3,720 | | | | | | |
| Senate and House pages (Public Res. 41, 72d Cong.) | 2,480 | | | | | | |
| Senate and House pages (Public Res. 4, 73d Cong.) | 12,628 | | | | | | |
| Senate and House (Public Res. 12, 73d Cong.) | | | | 213,500 | | | |
| Senate and House (Public Res. 23, 73d Cong.) | | | | 185,000 | | | |

[See footnotes at end of table]

*Regular, deficiency, and special appropriations*—Continued

LEGISLATIVE—continued

| | Fiscal year 1933 appropriations | Fiscal year 1934 | | Fiscal year 1935 | | Fiscal year 1936 | |
|---|---|---|---|---|---|---|---|
| | | Appropriations | Public Works allotments | Appropriations | Supplemental appropriations | Appropriations | Work relief appropriations |
| Special acts—Continued. | | | | | | | |
| House, select committees (Public Res. 51, 73d Cong.) | | | | $110,000 | | | |
| Senate (Public Res. 3, 74th Cong.) | | | | | | $215,000 | |
| Total, regular, deficiency, and special | $19,227,747 | $17,374,404 | $2,800,000 | 18,756,531 | | 23,000,407 | |
| Permanent and indefinite | 109,800 | 70,800 | | 62,800 | | 70,800 | |
| Add Public Works, supplemental, and work relief | | 2,800,000 | | | | | |
| Grand total | 19,337,547 | 20,245,204 | | 18,819,331 | | 23,980,207 | |

NAVY DEPARTMENT

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Secretary's office | $2,837,980 | $2,278,504 | [11] $2,850,000 | $2,111,400 | | $2,190,850 | |
| Naval records and library | 39,240 | 35,970 | | 30,672 | | 54,080 | |
| Judge Advocate General | 130,240 | 117,087 | | 104,940 | | 116,780 | |
| Naval operations | 73,760 | 69,423 | | 61,830 | | 70,000 | |
| Board of Inspection and Survey | 20,780 | 17,454 | | 15,516 | | 17,240 | |
| Naval Communications | 134,980 | 123,272 | | 108,720 | | 125,000 | |
| Naval Intelligence | 41,440 | 36,978 | | 32,760 | | 56,080 | |
| Bureau Navigation | 6,530,141 | 6,304,327 | | 5,372,584 | | 11,161,787 | |
| Bureau Engineering | 18,363,040 | 18,248,497 | 712,500 | 15,810,470 | | 19,959,500 | |
| Bureau Construction and Repair | 16,211,900 | 15,792,674 | 238,000,000 | 13,974,870 | | 18,635,479 | |
| Bureau Ordnance | 11,436,000 | 11,000,995 | 330,225 | 10,680,303 | | 21,349,000 | |
| Bureau Supplies and Accounts | 166,978,331 | 159,188,348 | 205,662 | 152,326,320 | | 185,210,923 | |
| Bureau Medicine and Surgery | 1,995,560 | 1,934,842 | | 2,031,714 | | 2,332,640 | |
| Bureau Yards and Docks | 11,342,320 | 10,297,129 | 27,500,537 | 6,828,335 | | 9,844,600 | |
| Bureau Aeronautics | 25,535,820 | 22,220,879 | 7,500,000 | 18,880,398 | | 41,069,310 | |
| Naval Academy | 1,881,217 | 1,741,237 | | 1,549,786 | | 1,928,000 | |
| Marine Corps | 21,914,839 | 20,349,251 | | 20,648,447 | | 23,768,110 | |
| Increase in Navy | 18,063,000 | 33,412,785 | | 33,619,334 | | 120,795,000 | |
| Modernizing ships | 14,000,000 | 5,500,000 | | 470,400 | | | |
| Total regular | 317,583,591 | 308,669,562 | 277,098,924 | 284,653,799 | | 458,684,379 | |
| Deficiency appropriations: | | | | | | | |
| First deficiency, 1933 | 3,803 | | | | | | |
| Second deficiency, 1933 | 1,634 | | | | | | |
| Third deficiency, 1933 | 33,188 | | | | | | |
| Fourth deficiency, 1933 | 102,640 | | | | | | |
| Deficiency, 1934 and 1935 | | 622,868 | | | | | |
| First deficiency, 1935 | | | | | | 553,157 | |
| Second deficiency, 1935 | | | | | | 25,360,184 | |
| Special acts: | | | | | | | |
| Emergency Relief and Construction Act (Public, No 302, 72d Cong.) | 10,000,000 | | | | | | |
| Marine Band expenses (Public Res 51, 73d Cong.) | | | | 11,000 | | | |
| Total regular, deficiency, and special | 327,724,856 | 309,292,430 | 277,098,924 | 284,669,799 | | 484,597,720 | |
| Permanent and indefinite | 1,322,550 | 997,598 | | 1,698,333 | | 1,737,500 | |
| Add Public Works | | 277,098,924 | | | | | |
| Grand total | 329,047,406 | 587,388,952 | | 286,368,132 | | 486,335,220 | |

TREASURY DEPARTMENT

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Secretary's office | $5,886,220 | $5,255,130 | | $4,641,964 | $4,000,000 | $6,811,960 | |
| Customs Service | 22,000,000 | 19,900,000 | | 18,500,000 | | 34,255,410 | |
| Bureau of the Budget | 190,000 | 177,700 | | 171,851 | | 192,000 | |
| Farm Loan Bureau | 950,000 | 900,000 | | [12] | | | |
| Office of the Treasurer | 1,601,746 | 1,478,586 | [13] $100,000 | 1,374,300 | | 1,469,700 | |
| Comptroller of the Currency | 315,340 | 291,740 | | 257,202 | | 283,800 | |
| Internal Revenue | 33,650,000 | [14] 85,800,000 | | 67,450,520 | 10,000,000 | [15] 83,004,700 | |
| Bureau of Industrial Alcohol | 4,525,000 | 4,000,000 | | 4,086,974 | | [16] | |
| Bureau of Narcotics | 1,525,000 | 1,400,000 | | 1,244,899 | | 1,249,470 | |
| Coast Guard | 28,172,220 | 25,772,950 | 25,031,872 | 18,346,400 | | 22,761,315 | |
| Bureau of Engraving and Printing | 6,430,000 | 5,060,640 | | 4,568,060 | | 5,988,247 | |
| Secret Service | 703,419 | 679,238 | | 595,390 | 45,000 | 833,640 | |
| Public Health Service | 11,021,413 | 10,386,328 | 2,207,128 | 9,155,869 | | 10,777,567 | |
| Mints and Assay Office | 1,387,870 | 1,296,842 | | 1,108,559 | | 1,256,600 | |
| Procurement Division | [17] 131,884,930 | [18] 81,919,025 | 67,401,653 | [19] 18,425,442 | 65,000,000 | [20] 6,836,700 | [21] |
| Printing House for the Blind | 65,000 | 65,000 | | 65,000 | | 65,000 | |
| Federal land banks, interest and surplus | | | | | 82,950,000 | | |
| Total, regular | 250,308,158 | 244,383,219 | 94,740,653 | 150,092,430 | 102,595,000 | 175,786,109 | [21] |
| Deficiency appropriations: | | | | | | | |
| First deficiency, 1933 | 1,457 | | | | | | |
| Second deficiency, 1933 | 28,266,061 | | | | | | |
| Third deficiency, 1933 | 21,266 | | | | | | |
| Fourth deficiency, 1933 | 1,073 | 205,000,000 | | | | | |
| Deficiency, 1934 and 1935 | | 68,371 | | 121,370 | | | |
| First deficiency, 1935 | | | | | | 1,715,808 | |
| Second deficiency, 1935 | | | | | | 123,949,323 | |
| Special acts: | | | | | | | |
| Emergency Relief and Construction Act, public buildings (Public, No. 302, 72d Cong.) | $100,000,000 | | | | | | |
| Bank Conservation Act (Public, No. 1, 73d Cong.) | | $2,000,000 | | | | | |
| Gold stabilization fund (Public Res. 87, 73d Cong.) | | | | $2,000,000,000 | | | |
| Federal Reserve banks, loans to industry (Public No. 417, 73d Cong.) | | | | 139,209,557 | | | |
| Total, regular, deficiency and special | 378,598,015 | 511,451,590 | $94,740,653 | 2,289,513,357 | $102,595,000 | $301,451,240 | [21] |
| Permanent and indefinite | 1,161,522,917 | 1,278,731,138 | | 1,363,494,072 | | 1,529,604,580 | |
| Add Public Works, supplemental, and work relief | | 94,740,653 | | 162,595,000 | | [21] | |
| Grand total | 1,540,120,932 | 1,884,923,381 | | 3,815,602,429 | | 1,831,055,820 | |

[See footnotes at end of table]

*Regular, deficiency, and special appropriations*—Continued

POST OFFICE DEPARTMENT

| | Fiscal year 1933 appropriations | Fiscal year 1934 | | Fiscal year 1935 | | Fiscal year 1936 | |
|---|---|---|---|---|---|---|---|
| | | Appropriations | Public Works allotments | Appropriations | Supplemental appropriations | Appropriations | Work relief appropriations |
| Departmental (District of Columbia) | $4,383,275 | $3,746,557 | | $3,287,022 | | $3,706,664 | |
| Field service: | | | | | | | |
| Postmaster General | 3,397,450 | 3,088,450 | $532,600 | 2,633,145 | | 3,212,500 | |
| First Assistant | 497,817,900 | 443,616,995 | | 398,046,031 | | 352,395,995 | |
| Second Assistant | 254,626,800 | 221,952,867 | | 213,640,600 | | 313,095,000 | |
| Third Assistant | 6,424,750 | 5,622,775 | | 4,145,940 | | 5,082,150 | |
| Fourth Assistant | 39,289,500 | 35,005,734 | | 47,876,202 | | 50,357,260 | |
| Total, regular | 805,939,675 | 713,033,378 | 532,600 | 669,628,940 | | 727,849,569 | |
| Deficiency appropriations: | | | | | | | |
| First deficiency, 1933 | 13,532 | | | | | | |
| Second deficiency, 1933 | 5,196 | | | | | | |
| Third deficiency, 1933 | 5,238 | | | | | | |
| Fourth deficiency, 1933 | 6,930 | | | | | | |
| Deficiency, 1934 and 1935 | | 49,316 | | | | | |
| First deficiency, 1935 | | | | | | 3,111,750 | |
| Second deficiency, 1935 | | | | | | 3,721,066 | |
| Total, regular and deficiency | 805,970,571 | 713,082,694 | 532,600 | 669,628,940 | | 734,682,385 | |
| Permanent and indefinite | 165,000 | 165,000 | | 165,000 | | | |
| Add Public Works | | 532,600 | | | | | |
| Grand total | 806,135,571 | 713,780,294 | | 669,793,940 | | 734,682,385 | |

DEPARTMENT OF STATE

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Domestic | $2,265,540 | $2,017,312 | | $1,754,015 | | $2,124,030 | |
| Foreign | 11,398,253 | 10,179,207 | $4,761,000 | 12,151,573 | | [22] 11,889,865 | |
| Foreign pay adjustment | | | | [23] 7,438,000 | | | |
| Total, regular | 13,663,793 | 12,196,519 | 4,761,000 | 21,323,618 | | [22] 14,013,895 | |
| Deficiency appropriations: | | | | | | | |
| First deficiency, 1933 | 190,000 | | | | | | |
| Second deficiency, 1933 | 185,455 | | | | | | |
| Third deficiency, 1933 | 435 | | | | | | |
| Fourth deficiency, 1933 | 125,048 | 35,700 | | | | | |
| Deficiency, 1934 and 1935 | | 116,398 | | 1,550,866 | | | |
| First deficiency, 1935 | | | | | | 100,010 | |
| Second deficiency, 1935 | | | | | | 1,933,553 | |
| Special act: Ninth Pan American Sanitary Conference (Public Res. 42, 73d Cong.) | | | | 3,000 | | | |
| Total, regular, deficiency, and special | 14,164,731 | 12,348,617 | 4,761,000 | 22,877,484 | | [22] 16,047,458 | |
| Permanent and indefinite | 31,000 | 31,000 | | 31,000 | | 20,000 | |
| Add Public Works | | 4,761,000 | | | | | |
| Grand total | 14,195,731 | 17,140,617 | | 22,908,484 | | [22] 16,067,458 | |

DEPARTMENT OF JUSTICE

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Department proper | $15,413,500 | $13,403,133 | | $6,285,430 | | $8,951,500 | |
| Judicial | 18,457,000 | 17,474,374 | | 14,940,435 | | 16,309,455 | |
| Penal institutions | 12,125,500 | 10,276,543 | $785,512 | 7,474,913 | | 9,295,565 | |
| Total, regular | 45,996,000 | 41,154,050 | 785,512 | 28,700,778 | | 34,556,500 | |
| Deficiency appropriations: | | | | | | | |
| First deficiency, 1933 | 178,282 | | | | | | |
| Second deficiency, 1933 | 1,449 | | | | | | |
| Third deficiency, 1933 | 2,016 | | | | | | |
| Fourth deficiency, 1933 | 21,223 | | | | | | |
| Deficiency, 1934 and 1935 | | 141,677 | | 2,320,431 | | | |
| First deficiency, 1935 | | | | | | 942,526 | |
| Second deficiency, 1935 | | | | | | 1,142,539 | |
| Total, regular and deficiency | 46,198,970 | 41,295,727 | 785,512 | 31,021,209 | | 36,641,565 | |
| Permanent and indefinite | | 800,000 | | 785,000 | | 850,000 | |
| Add Public Works | | 785,512 | | | | | |
| Grand total | 46,198,970 | 42,881,239 | | 31,805,209 | | 37,491,565 | |

DEPARTMENT OF COMMERCE

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Secretary's office | $10,271,700 | $8,685,370 | | $837,410 | | $900,000 | |
| Bureau of Air Commerce [24] | | | $2,558,803 | 5,205,250 | | 5,909,800 | |
| Bureau of Foreign and Domestic Commerce | 3,988,000 | 3,514,370 | | 2,164,157 | | 2,705,100 | |
| Bureau of the Census | 862,125 | 1,903,000 | | 3,863,500 | | 3,434,000 | |
| Bureau of Navigation and Steamboat Inspection | 1,476,165 | 1,405,000 | 33,043 | 1,337,752 | | 1,598,000 | |
| Bureau of Standards | 2,137,280 | 2,056,045 | 100,000 | 1,436,908 | | 1,802,500 | |
| Bureau of Lighthouses | 9,849,280 | 9,114,600 | 5,620,334 | 8,517,373 | | 9,431,000 | |
| Coast and Geodetic Survey | 2,399,813 | 2,205,000 | 6,503,120 | 2,126,061 | | 2,360,900 | |
| Bureau of Fisheries | 1,076,020 | 1,765,740 | 564,500 | 1,291,547 | | 1,564,300 | |
| Patent Office | 4,890,700 | 4,424,950 | | 4,070,231 | | 4,715,000 | |
| Bureau of Mines | 1,800,325 | 1,514,300 | 272,800 | 1,197,926 | | [25] | |
| Shipping Bureau | | | | 219,216 | | [26] 211,000 | |
| Total, regular | 39,711,408 | [27] 36,588,465 | 15,652,600 | 32,267,321 | | 34,631,500 | |
| Deficiency appropriations: | | | | | | | |
| First deficiency, 1933 | 1,086 | | | | | | |
| Second deficiency, 1933 | 200,284 | | | | | | |
| Third deficiency, 1933 | 33,346 | | | | | | |
| Fourth deficiency, 1933 | 3,921 | | | | | | |

[See footnotes at end of table]

*Regular, deficiency, and special appropriations*—Continued

DEPARTMENT OF COMMERCE—continued

| | Fiscal year 1933 appropriations | Fiscal year 1934 | | Fiscal year 1935 | | Fiscal year 1936 | |
|---|---|---|---|---|---|---|---|
| | | Appropriations | Public Works allotments | Appropriations | Supplemental appropriations | Appropriations | Work relief appropriations |
| Deficiency appropriations—Continued. | | | | | | | |
| Deficiency 1934 and 1935 | | $81,235 | | $456,190 | | | |
| First deficiency, 1935 | | | | | | $14,407 | |
| Second deficiency, 1935 | | | | | | 92,044 | |
| Special acts: | | | | | | | |
| Emergency Relief and Construction Act (Public, 302, 72d Cong.) | $5,560,000 | | | | | | |
| Total, regular, deficiency, and special | 45,510,045 | 36,669,700 | $15,652,600 | 32,723,511 | | 34,737,951 | |
| Permanent and indefinite | 3,000 | 17,000 | | 21,000 | | 110,500 | |
| Add Public Works | | 15,652,600 | | | | | |
| Grand total | 45,513,045 | 52,339,300 | | 32,744,511 | | 34,848,451 | |

DEPARTMENT OF LABOR

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Secretary's office | $700,500 | $645,000 | $26,000 | $691,815 | | $914,300 | |
| Bureau of Labor Statistics | 450,000 | 414,000 | 10,000 | 668,720 | | 1,084,600 | |
| Bureau of Immigration | 9,480,000 | 9,404,000 | 1,422,980 | 8,485,000 | | 9,595,000 | |
| Bureau of Naturalization | 975,770 | 890,000 | | [28] | | [28] | |
| Children's Bureau | 375,500 | 344,000 | | 337,030 | | 403,300 | |
| Women's Bureau | 160,000 | 147,000 | | 139,160 | | 154,500 | |
| Employment Service | 765,000 | 734,865 | 800,000 | 3,700,000 | | 3,200,000 | |
| Housing Corporation | 14,000 | 8,500 | | 9,080 | | 9,300 | |
| Conciliation Service | | | 10,000 | | | | |
| Total, regular | 12,920,770 | 12,677,365 | 2,268,980 | 14,030,805 | | 15,360,000 | |
| Deficiency appropriations: | | | | | | | |
| First deficiency, 1933 | 200,000 | | | | | | |
| Second deficiency, 1933 | 450,208 | | | | | | |
| Third deficiency, 1933 | 3,500 | | | | | | |
| Fourth deficiency, 1933 | 1,532 | 1,500,000 | | | | | |
| Deficiency, 1934 and 1935 | | 27,580 | | | | | |
| First deficiency, 1935 | | | | | | 4,616 | |
| Second deficiency, 1935 | | | | | | 338,431 | |
| Total, regular, deficiency, and special | 13,576,010 | 14,204,945 | 2,268,980 | 14,030,805 | | 15,703,047 | |
| Permanent and indefinite | 4,000 | 4,000 | | 4,000 | | | |
| Add Public Works | | 2,268,980 | | | | | |
| Grand total | 13,580,010 | 16,477,925 | | 14,034,805 | | 15,703,047 | |

WAR DEPARTMENT

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Military: | | | | | | | |
| Secretary's office | $940,310 | $868,184 | | $849,892 | | $982,028 | |
| General Staff | 349,034 | 312,621 | | 282,012 | | 368,061 | |
| Adjutant General | 1,821,767 | 1,607,753 | | 4,051,570 | | 1,956,483 | |
| Inspector General | 28,345 | 24,467 | | 24,005 | | 27,220 | |
| Judge Advocate General | 113,294 | 103,542 | | 95,095 | | 107,280 | |
| Finance | 138,346,589 | 130,155,611 | | 122,867,084 | | 165,303,075 | |
| Quartermaster General | 55,263,174 | 51,227,609 | $71,000,926 | 44,224,208 | | 50,543,956 | |
| Seacoast defense | 2,338,136 | 2,035,431 | [29] 7,000,000 | 1,161,805 | | 1,284,970 | |
| Signal Corps | 2,650,895 | 2,499,129 | | 2,040,520 | | 4,037,410 | |
| Air Corps | 25,673,236 | 23,537,769 | 7,500,000 | 27,591,793 | | 45,600,444 | |
| Medical Corps | 1,640,489 | 1,504,189 | | 1,406,333 | | 1,483,176 | |
| Insular Affairs | 85,413 | 77,636 | 1,500,000 | 72,035 | | 60,300 | |
| Engineer Corps | 596,036 | 540,831 | | 441,284 | | 528,834 | |
| Ordnance | 11,209,014 | 10,641,340 | 6,000,000 | 10,153,204 | | 16,744,578 | |
| Chemical Warfare | 1,274,279 | 1,303,485 | | 1,302,681 | | 1,438,667 | |
| Infantry | $67,610 | $60,583 | | $59,805 | | $63,830 | |
| Cavalry | 21,000 | 19,690 | | 19,432 | | 21,000 | |
| Field Artillery | 25,000 | 24,220 | | 23,718 | | 24,654 | |
| Coast Artillery | 53,720 | 50,905 | | 49,679 | | 53,880 | |
| Military Academy | 2,394,808 | 2,344,584 | | 2,193,290 | | 2,357,256 | |
| Militia Bureau | 31,413,369 | 35,621,498 | $2,238,624 | 28,075,034 | | 34,130,866 | |
| Organized Reserves | 6,354,348 | 6,354,348 | | 4,278,859 | | 6,372,178 | |
| C. M. T. C. | 6,692,008 | 5,975,431 | | 4,117,601 | | 6,461,204 | |
| National Board for Rifle Practice | 139,150 | 159,465 | | 145,178 | | 491,054 | |
| Motorization | | | [29] 10,000,000 | | | | |
| Total, military | 289,500,024 | 277,050,381 | 105,248,550 | 255,526,147 | | 341,348,204 | |
| Nonmilitary: | | | | | | | |
| Quartermaster Corps | 1,131,049 | 1,109,675 | | 715,927 | | 760,341 | |
| Signal Corps | 161,285 | 160,772 | 176,170 | 146,055 | | 156,753 | |
| Engineer Corps | 94,130,494 | 60,413,517 | [30] 255,928,208 | 53,307,936 | | 50,135,926 | [31] $136,693,169 |
| Panama Canal | 11,146,661 | 11,106,404 | 1,000,000 | 6,532,926 | | 8,797,597 | |
| United States Soldiers Home | | | | | | 799,349 | |
| Total, nonmilitary | 106,578,489 | 72,790,368 | 257,104,378 | 60,702,844 | | 60,649,966 | 136,693,169 |
| Total, regular | 396,078,513 | 349,840,749 | 362,352,928 | 316,228,991 | | 401,998,170 | 136,693,169 |
| Deficiency appropriations: | | | | | | | |
| First deficiency, 1933 | 4,198 | | | | | | |
| Second deficiency, 1933 | 326,546 | | | | | | |
| Third deficiency, 1933 | 786,512 | | | | | | |
| Fourth deficiency, 1933 | 208,161 | | | | | | |
| Deficiency, 1934 and 1935 | | 1,105,709 | | 16,000 | | | |
| First deficiency, 1935 | | | | | | 8,016,908 | |
| Second deficiency, 1935 | | | | | | 23,093,661 | |
| Special acts: | | | | | | | |
| Emergency Relief and Construction Act (Public, No. 302, 72d Cong.): | | | | | | | |
| Military, Quartermaster General | 15,164,000 | | | | | | |
| Nonmilitary, Engineer Corps | 45,500,000 | | | | | | |

[See footnotes at end of table]

*Regular, deficiency, and special appropriations*—Continued

WAR DEPARTMENT—Continued

| | Fiscal year 1933 appropriations | Fiscal year 1934 | | Fiscal year 1935 | | Fiscal year 1936 | |
|---|---|---|---|---|---|---|---|
| | | Appropriations | Public Works allotments | Appropriations | Supplemental appropriations | Appropriations | Work relief appropriations |
| Military—Continued. | | | | | | | |
| Urgent deficiency resolution (Public Res. 23, 73d Cong.) | | | | $150,000 | | | |
| Fort Niagara Celebration (Public Res. 50, 73d Cong.) | | | | 6,000 | | | |
| Total, regular, deficiency, and special | $458,067,930 | $350,946,458 | $362,352,928 | 316,400,991 | | $433,108,739 | $136,693,169 |
| Permanent and indefinite | 12,576,540 | 12,462,500 | | 11,803,900 | | 1,908,702 | |
| Add Public Works and work relief | | 362,352,928 | | | | 136,693,169 | |
| Grand total | 470,644,470 | 725,761,886 | | 328,204,891 | | 571,610,610 | |

[1] An allotment was made to the District of Columbia from Public Works Administration funds of $1,759,500 for sewer construction.
[2] Additional appropriation to legislative establishment for this purpose transferred to District of Columbia
[3] Of this amount, $14,731 was carried as a special allotment in Public Works Administration report of May 7, 1934. The balance of $3,340 is listed in a table as of May 21, 1934, shown in the hearing before the Subcommittee of House Committee on Appropriations in charge of deficiency appropriations.
[4] See Department of Commerce ($1,197,926).
[5] Includes $7,202,306 for physical improvements and $24,884,144 for roads and trails.
[6] Includes $1,981,508 for Alaska, and $1,320,850 for Virgin Islands.
[7] Carried as a special allotment in Public Works Administration report of May 7, 1934.
[8] Balance under War Department; also covers sanitation and reforestation.
[9] Transferred from independent offices; 1936 appropriation included in Secretary's office.
[10] Regular legislative appropriation ..... $17,627,995
Riders on Legislative Appropriation Act:
District of Columbia (Virginia Commission included under District of Columbia) ..... 10,000
Foreign pay adjustments, included under State Department ..... 7,438,000
Total ..... 25,075,995
[11] Machine tools, $2,850,000.
[12] Transferred to Farm Credit Administration.
[13] Carried as a special allotment for relief (or adjustments) to contractors in Public Works Administration report of May 7, 1934.
[14] Includes $55,000,000 for refund of taxes.
[15] Includes $35,000,000 for tax refunds.
[16] Discontinued and consolidated.
[17] Includes $108,000,000 for construction.
[18] Includes $53,200,000 for construction.
[19] Public Buildings has been made the procurement division, Public Works branch. This figure includes:
Supply branch ..... $225,792
Public Works branch ..... 14,064,615
Repairs and equipment ..... 2,065,035
Operating expenses ..... 1,800,000
Departmental salaries ..... 270,000
Total ..... 18,425,442
[20] Includes only $2,000,000 for construction.
[21] Allocations from Work Relief appropriations unknown
[22] Independent Offices bill carried $3,904,824 for pay of employees abroad account devaluation of dollar.
[23] Additional appropriation for this purpose to legislative establishment transferred to State Department.
[24] Formerly Bureau of Aeronautics.
[25] Transferred to Department of the Interior.
[26] Plus indefinite appropriations.
[27] Does not include $13,110 later transferred from (Black Bass Act) Independent Offices Appropriation Act.
[28] Bureaus of Immigration and Naturalization consolidated into Bureau of Immigration and Naturalization.
[29] Carried in Public Works Administration report of May 7, 1934, under War Department.
[30] Engineer Corps:
Flood control ..... $63,187,000
Rivers and harbors ..... 179,741,208
Seacoast defense ..... 7,000,000
Total ..... 255,928,208
[31] Actually allocated as of Aug. 28, 1935.

### THEY SHOULD TAKE WHO HAVE THE POWER, AND THEY SHOULD KEEP WHO CAN

Mr. SNELL. Mr. Speaker, the first session of the Seventy-fourth Congress since it convened January 3, last, has made a record without precedent or parallel in American history. It is a record of which the American people have no reason to be proud.

First. It has enacted a mass of legislation admittedly unconstitutional and practically certain of being thrown out when brought to the test in the Federal courts. This creates uncertainty and confusion in all fields of private enterprise, a condition that will continue until the laws have been tested and interpreted by the courts so that individuals and corporations may know what they may or may not lawfully do. Thus, the road to economic recovery is obstructed, and the day of better times for both employee and employer is indefinitely postponed.

Second. This condition has been aggravated because much of the legislation is not only unconstitutional, but un-American—some of it socialistic, some revolutionary, such as the gold-clause law, which, for the first time in our history, denies the citizen his day in court. All of it has been dictatorially demanded by the President, with his frank avowal that it is necessary as a part of his program to wreck the economic and social structure which the United States has known since the establishment of our Government, under which, and because of which, our Nation has developed and our people have prospered to a degree not known or enjoyed by any other Nation or people, in order that he and his socialistic advisers may reconstruct our economic and social fabric after a pattern of their own design. The legislation thus demanded and obtained by the President penalizes individual thrift, forbids individual initiative, confiscates property honestly acquired and already possessed, denies the right of citizens to accumulate for future generations or the right of future generations to inherit what their parents have accumulated through the years by industry, foresight, and saving.

#### NEW-DEAL LEGISLATION PATTERNED AFTER SOVIET THEORY OF GOVERNMENT

It goes even further than this. Not only is property to be confiscated for use by the state but the individual is to be regimented, his rights and liberties to be circumscribed or wholly denied just as the new-deal Federal bureaucracy may demand and direct. All of this is merely the introduction into America of the Soviet theory and system of government, where the life and property of those under its authority belong to the state, where individuals are not citizens but subjects.

Third. The manner in which this un-American and unconstitutional legislation has been enacted, insofar as the House of Representatives is concerned, has been as unconstitutional

as the legislation itself, and as much in violation of the traditions of this body as the products of its misguided energies are of the spirit and traditions of the American people.

The record of this House has not been that of a coordinate branch of the Federal Government, exercising the sovereign legislative powers vested in it by the Federal Constitution. It has not been the record of even a body of free and upstanding American citizens.

It has been a record by a majority party which abjectly surrendered not only the constitutional prerogatives of Congress but also its own freedom of action, its mental integrity and independence, and finally, its self-respect.

Upon one or two occasions leaders of Congress have been summoned to the White House as representing a coordinate branch of the Government, and standing as equals before the Executive, but upon their arrival they were not treated as equals. They were given orders as though they were bound boys. They were handed a list of measures already drafted and told by the President the entire list "must" be passed before they would be permitted to adjourn. Although that incident has been denied through the usual secretarial agencies of the White House, there can be no doubt that it transpired, for too many reputable Members of both branches of Congress, who were present, agree that the dictatorial word "must" was used and the dictatorial Presidential fist pounded the White House table in order to emphasize his orders.

That Members of the legislative branch of the Government, holding their commissions from the sovereign people, and answerable only to the sovereign people, should permit themselves to be thus ordered around, furnished a humiliating spectacle for which the annals of American history afford no parallel.

Having thus been convinced that the so-called leadership of this Congress was subservient to the point of servility, the President no longer engaged in the pretense of treating them as equals. He then began treating them as political dependents, sending his orders through the medium of a lot of bureaucratic whippersnappers and official under-strappers. Minor officials of executive agencies, who held no commission from the people, who had no political experience and no legislative knowledge, swarmed the corridors of Congress, established themselves in office buildings reserved for Members of the House, and assumed charge of the legislative machinery. Democratic Congressmen were sent for, and, hat in hand, they went and received their orders as to how they should talk and how they should vote. The debasement of Congress was complete. As a coordinate branch of the Government, it became a farce. As a body representative of the people, it was a travesty.

AT PRESIDENT'S DEMAND HOUSE OF REPRESENTATIVES SURRENDERED ITS FREEDOM OF DEBATE

Fourth. This House not only surrendered its right to legislate in its own judgment and of its own free will, and became a rubber stamp in the hands of the President but also, at his instance, it surrendered its right of freedom of debate.

Practically all the administration measures have been put through this body under gag rule, a procedure which strips this body of all claim of being more representative of the people than any other branch of the Federal Government.

Representatives of the people cannot function if forbidden the right to debate public measures, the right to criticize, and the right even to denounce the policies of the Executive and to deny his requests. Real Representatives of the people do not ask permission of the President to voice their opinions. Neither do they tolerate the denial of that right. Certainly they do not wait to be told by messengers and liaison men of the White House as to what they may say when they are given a few brief moments to speak upon administration measures on the floor of this body.

Freedom of discussion in legislative bodies is the very essence of popular government. Abridge that freedom and you deny public opinion its day in court, its right to be heard, even though it may be outvoted. The essential difference between a free government and a dictatorship is that in a free government the people, or their duly elected representatives, have ample opportunity for free discussion of any question affecting the public welfare, ample opportunity to analyze publicly all proposals, hear all arguments, and reach a decision only after the fullest and freest debate.

The explanation offered by representatives of the White House for application of the gag rule is the necessity for haste in order to handle emergencies. There may have been some legitimacy to this explanation during the first session of the Seventy-third Congress, called in extraordinary session by President Roosevelt immediately after his inauguration.

Some emergencies existed at that time, although never a fraction of the number, in reality, that existed in the propaganda put out by the administration, or in the titles of bills introduced. Practically all of the legislation enacted during that first new-deal Congress was labeled emergency, and nearly all of the set-ups were labeled emergency, such as the Federal Emergency Relief Administration, the Federal Emergency Administration of Public Works, and so forth. It was not hard to get a supine, partisan Congress to enact a law, the title of which declared an emergency existed, but it did not necessarily follow that emergencies existed merely because an obsequious legislative body declared they existed.

EMERGENCIES DECLARED TO EXIST ONLY IN ORDER TO EVADE CONSTITUTION

It is now a matter of common knowledge that those emergency laws were written in the executive end of the Government by "brain trust" lawyers. All of them declared emergencies existed calling for the legislation contained in the acts. That was necessary in order to set up a legal justification of the transference to the President by Congress of powers vested in Congress by the Constitution.

In answer to the protests which instantly arose against these unconstitutional acts, the single and consistent defense of the entire new deal, from the President down, was that the powers against which the protests were registered were both necessary and Constitutional because of the great emergencies which existed.

It was that argument which the Supreme Court kicked into smithereens in the oil case and in the N. R. A. decision. In the oil case the Supreme Court stated:

> The question whether such delegation of legislative power is permitted by the Constitution is not answered by the argument that it should be assumed that the President has acted, and will act, for what he believes to be the public good. The point is not one of motives but of constitutional authority, for which the best of motives is not a substitute.

In the N. R. A. decision the Court again held that even if emergencies did exist, such a fact did not give the Congress the right to confer upon the President "A roving commission to inquire into evils and, upon discovery, correct them."

Justice Cardozo, in his supplemental decision on the N. R. A., said:

> This is delegation running riot and no such plenitude of power is susceptible of transfer.

Carl W. Ackerman, dean of the Columbia University School of Journalism, discussing the methods of the new deal in an address before the National Federation of Business and Professional Women's Clubs, in Seattle, Wash., July 16 last, said:

> Taking advantage of the overwhelming sentiment of the American people for better social conditions and an improvement in the economic welfare of the millions of business, professional, and manual workers, those whose object is a new social order based on governmental control tell us that we must make haste or all will be lost.
>
> That is not true. All will be lost if we do make haste. Haste precipitated the World War. Haste made communism, facism, and nazi-ism possible in Russia, Italy, and Germany. Haste prolongs a national crisis. It makes every emergency acute because it chokes opinion, reason, justice, and faith.

No one speaks out of a fuller knowledge of what has transpired in the Old World since the World War than Dean Ackerman, who, for many years, represented the larger American newspapers in the capitals of Europe, and saw at first hand the makings of the present European chaotic political conditions. History since the World War shows that the curse of Europe has been the individuals who had political ambitions and were in a hurry.

As Dean Ackerman states, haste chokes opinion; it prolongs national crises; it creates emergencies where there are none; it prevents sober judgment; it prevents seasoned discussion; it prevents sound legislation. The short-cut to utopia, which the demagogic leader always promises, and demands haste in reaching that destination, leads nowhere but to the destruction of orderly government and the loss of liberty by the individual.

PRESIDENT INSISTED UPON GAG RULE BECAUSE HE FEARED FREE DEBATE

That has been the studied policy of the new deal under President Roosevelt. It was the studied policy during the first session of the Seventy-third Congress. It has been the studied policy during this session of Congress. There has been no emergency existing since this Congress convened last January calling for snap judgment on proposed legislation. Bills have been railroaded through this body not because there was an emergency existing which could be remedied or eliminated by their hasty passage, but because the President and his advisers did not desire the legislation to be closely scrutinized. They were afraid of letting the light of reason and deliberation in on their socialistic proposals.

The leaders of this body, in surrendering to the will of the White House and attempting to jam through revolutionary legislation, have not only violated the rules of parliamentary procedure of a representative body—rules which are justified by the test of 150 years of practice—but they have betrayed the American people in closing one of the two public forums which they have in their Federal Government.

The administration has insisted upon haste, upon gag rule in the House of Representatives in connection with the discussion of the various measures the President insisted must be enacted into law. His insistence upon haste and restriction of discussion was not due to the existence of any economic emergency awaiting correction or alleviation. It was because he feared the effect of a thorough discussion of those measures. He feared such a discussion would result in their being defeated. Undoubtedly much of the President's "must" legislation was clearly unconstitutional.

Even he himself admitted in at least one instance that the legislation he demanded was of doubtful constitutionality. His letter, addressed to the chairman of the House subcommittee in charge of the Guffey bill, urging the bill be passed regardless of its very doubtful constitutionality, is destined to become historic. His exact words in that letter were:

I hope your committee will not permit doubts as to constitutionality, however reasonable, to block the suggested legislation.

That a President of the United States, sworn to uphold the Constitution, should advise a Member of Congress, also sworn to uphold the Constitution, and, through him, urge the Congress—all Members of which have sworn to uphold the Constitution—to pass a bill about which there is a reasonable doubt as to its constitutionality, not only exhibits an amazing disregard for his own oath of office and the processes of constitutional government, but what is far worse, he encourages public contempt for the actions of the highest law in the land.

Public commentators, close to administration officials, have publicly expressed the opinion that the President has been insistent upon his program of "must" legislation because he has good reason to believe that practically all of it will be immediately challenged in the Federal courts, and that most, if not all, of it will be eventually declared unconstitutional by the Supreme Court. They say this will give the President the opportunity to go before the country next year on the issue that he has done the best he could do to bring about rectifications of alleged economic and social injustices, but that organized wealth, through the medium of Federal courts, has been able to thwart his efforts. He will then insist the Constitution must be radically modified in order that the new deal may carry on. Dumping a load of unconstitutional legislation on the bench of the Supreme Court, fully aware in advance of its inevitable decision, would give him the club with which to belabor both the Supreme Court and the United States Constitution.

PRESIDENT LAYING FOUNDATION FOR CAMPAIGN AGAINST THE CONSTITUTION

On June 18 of this year, Arthur Krock, head of the Washington bureau of the New York Times, whose articles appear on the editorial page of that great Democratic paper, said:

Critics of the new deal, studying reform bills now before Congress and listening to the debate, are becoming convinced that the measures reveal a continued administration effort to get around the Constitution as expounded by the present Supreme Court; and, if further Court reverses come, to look to these to solidify public opinion in favor of the modernization of the national charter.

Mr. Krock named the social-security bill, the Guffey coal bill, the amendments to the Agricultural Adjustment Act, and the T. V. A. amendments. Continuing, Mr. Krock said:

Suppose, as is being daily urged in congressional and public debate, the Guffey or the social-security bill, after enactment, are thrown out by the Supreme Court on constitutional grounds—what will be the political effect? * * * Will it support the President's contention that new Federal sanctions are necessary to effect reforms overwhelmingly endorsed in Congress and among the people? Will he not, as a candidate for reelection, receive great credit and millions of votes for trying in every way possible to improve the status of the underprivileged and the victims of predatory business, and be, in time, given legal instruments to achieve them?

In another article under his name, appearing in the New York Times of Sunday, June 23, 1935, Mr. Krock said:

Under the White House spur there moved forward on the legislative dockets, or toward the President for signature, these measures, the constitutionality of all of which is seriously in question: The Wagner-Connery labor-disputes bill, the Guffey coal bill, the amendments broadening the A. A. A., and the great social-security system. To critics, and many anxious friends of the administration, it seemed as if the word was: "Forward, damn the Supreme Court torpedoes. The people will find a way to sustain us, for we are right in spirit and objective, whatever legalism may say."

Even those who consider the tactics immoral and damaging to the respect of the people for their ancient institutions concede the daring. They are willing further to say that at least debatable is this reasoning: That the more social and economic reforms are stopped by Supreme Court decisions, the stronger will be the support of the President's comment about the "horse and buggy" aspect of certain constitutional limitations.

PLAN TO WHIP UP PUBLIC PASSIONS AND PUT SUPREME COURT "ON SPOT"

There can be little doubt that such tactics may be politically shrewd. The whipping up of public passions during a period of unrest, anxiety, and discontent is a comparatively easy task. Let the administration pursue such tactics long enough, let it force through a subservient Congress a series of laws that are undoubtedly unconstitutional in order that the Supreme Court may be put "on the spot" by new-deal propaganda and public clamor, and there can be little doubt as to the result. Our Constitution and our institutions are the fruit of generations of sober thinking and seasoned public opinion. But the history of other nations and other peoples shows that institutions of slow growth, created by intelligent public opinion, can be destroyed overnight by inflamed passions of the mob. Mob law and mob rule are not the creation of those dupes who practice them, but of the artful demagogue who incites them to riot and destruction.

That President Roosevelt and his advisers intend to make an attack upon the Constitution a part of their campaign next year is perfectly obvious. It does not rest upon speculation. Their record clearly indicates it.

Throughout both sessions of the first Congress of his administration, President Roosevelt insisted not only that Congress pass, without debate or discussion, the legislation which he demanded and which was written by members of the "brain trust" and not by members of Congress, but he demanded that important legislation should be so phrased as to vest in him dictatorial powers not only as to administration of laws, but also as to their interpretation. The President insisted that in writing legislation the Congress not restrict his powers—not define, as the Constitution provides, the limits and boundaries beyond which the administrative officers of the Government might not step and remain within the law.

The President insisted not only that he be given unlimited power as to his interpretation and administration of laws, but that he also be given unlimited power in the appointment

of administrative officers; in the definition of their duties; in the fixing of their compensation; in the setting up of agencies to carry out what, in his opinion, was necessary to further his experiments; and finally, to redelegate any and all powers, which Congress vested in him, to a veritable army of subordinates.

He not only insisted upon this throughout the first Congress of his administration, but he has insisted upon it in an even more rigorous degree in the current session of the present Congress. A notable example, and a very significant one, was the fight he made to keep absolute control of the handling of the $5,000,000,000 work-relief fund within his own hands. He successfully resisted all efforts upon the part of the Congress to attempt the allocation of any part of this fund, to attempt to define what public activities should be financed out of this fund, and to attempt to set up a fairly definite and workable program and insist that its general outlines be followed by those intrusted with the distribution of the funds.

Undoubtedly the legal division of the "brain trust"—which it is now admitted wrote the legislation rushed through the Congress in the summer of 1933—was fully aware of the danger of its being declared unconstitutional, for in every important bill they resorted to the strategy of attempting to evade the Constitution by declaring an emergency existed which justified the unconstitutional provisions the bill contained.

At first it was impossible to arouse public opinion to the realization of the immediate futility and the ultimate danger of the new-deal program. Specious promises were accepted in place of actual performances. Ballyhoo elbowed statesmanship off the national stage.

The President continued to rivet public attention by pulling rabbits out of a hat, while his appointees and associates worked overtime to undermine and subvert our form of Government and break down the civic morale of great groups of our citizens.

Other factors contributed to prevent an honest expression of public opinion, the chief of which was the use of hundreds of millions of dollars of public funds to influence, and in many instances, corrupt the electorate in the 1934 election.

WAS 1934 ELECTION MANDATE FOR NEW DEAL TO INAUGURATE SOCIALISM?

The result of that election was an increase in the number of blind supporters which the President could count upon in both branches of Congress. It was, and still is, argued that the result of the 1934 congressional election justified the President in the repudiation of his party's 1932 platform and his own preelection pledges and promises. It was argued, and still is argued, that the 1934 elections justify the Congress in letting the President continue to ride rough-shod over it, and to continue his socialistic, un-American, unconstitutional career. No less a personage, counselor, intimate, and mouthpiece of President Roosevelt than Raymond Moley, editor of Today, in an issue of that publication of the date of August 3, 1935, stated:

> In 1934 another election was held in which the predominant issue was the political and economic policy of Franklin D. Roosevelt. The people swept aside in one mighty affirmation those who protested against it. No amount of captious reasoning can destroy the meaning of the 1934 election.

All went well until the Supreme Court decisions in the N. R. A. and farm-mortgage cases. The decisions in both cases were unanimous. They stated what every student of the Constitution knew, that the legislative branch of the Government cannot abjectly surrender its constitutional powers and permit the President or other executive officers to do what the Constitution plainly and expressly says the legislative branch must do. The decisions also plainly stated that under no pretense, not even the plea of an emergency, can the Federal Government invade the rights of the sovereign States—rights that were expressly withheld by the Constitution from being exercised by the Federal Government.

Obviously legislation written in violation of the Constitution could not be enforced. The whole new deal collapsed as a result of these decisions because of the very simple, fundamental fact that practically all the legislation which the new deal had jammed through Congress was on a par with the N. R. A. It had all been unconstitutional. Proof of this was instantly furnished by the administration leaders in Congress. Instantly amendments began to be prepared to existing laws in an attempt to make them constitutional, and pending legislation, some of which had been reported from committees and was under consideration by one or the other branch of the Congress, was recalled in order that it might be rewritten more in conformity with the Constitution. The palpable effort of the President to become dictator, under the plea of emergency, was for the time being thwarted.

PRESIDENT'S REACTION CERTAINLY NOT CONSISTENT WITH HIS OATH OF OFFICE

What was the reaction? Certainly not that of an officer who had taken an oath to "preserve, protect, and defend the Constitution." Certainly not the reaction one would expect from a Chief Executive of the United States, who, quite aside from his oath, had stated repeatedly in the early part of his administration that he was engaged in experiments and if he found his experiments were not worthy, he would be the first to admit it.

To the contrary, after a week of conference with the same crowd who had collaborated in writing the unconstitutional legislation, he held a press conference at which he announced that he was not willing to permit the United States Supreme Court or the United States Constitution to stand beween him and the carrying on of his experimental program. He announced it to be his intention to start a campaign for the purpose of having the Constitution amended so that it would not stand in the way of the socialistic and communistic theories and policies of the new deal.

Such is the path to dictatorship. The pages of history are replete with examples of ambitious individuals who, finding the laws of their country, or the parliamentary body of their citizens, or the well-established customs and practices of their countrymen standing in the way of their desire to acquire and hold power, ruthlessly overrode orderly processes, or parliamentary bodies and national laws and constitutions.

There can be no doubt but that the President's statement to 300 newspaper correspondents was made deliberately—it was no offhand expression in answer to a chance question. It was a statement of an hour and a half in length, in which no suggestions were made to him which might have influenced his words. The stories all agree that he spoke from notes.

The outcry from the American people was instant and angry—without party distinction or geographical location. This astounded the President almost as much as had the unanimous decision of the Supreme Court. As a result, his spokesmen began to explain that the President's statement had been misinterpreted. A great newspaper in New York City, which has been his apologist, characterized his hour-and-a-half statement as only "a casual remark." The President himself made a gesture of obeying the Supreme Court's decision by announcing that he would not attempt to set up a new N. R. A.

But we have contributory evidence other than the stage-setting of the details surrounding his one-and-a-half-hour press conference to prove conclusively that his direct attack upon the Constitution and his inferential attack upon the decision of the Supreme Court were not casual remarks, nor was his attitude misinterpreted by the American people.

It is a matter of common knowledge that one of the closest advisers of the President, from the very outset of his Administration, has been Under Secretary of Agriculture, Prof. Rexford Tugwell. In addition to promoting him to that position, the President has more recently appointed him Director of the Rural Resettlement Administration, which forms one of the most important segments of the President's $5,000,000,000 work-relief program.

CABINET MEMBERS AND OTHER HIGH OFFICIALS JOIN IN ATTACK ON CONSTITUTION

The President's memorable press conference was May 31. June 10, in a commencement address at the University of New Mexico, Albuquerque, N. Mex., Professor Tugwell attacked the Constitution, and called upon his visible and in-

visible audience to join in a movement to have that document rewritten.

The same day, Gen. Hugh Johnson, in an address at New York City, launched an attack upon the Supreme Court for its decision, and stated that the great national issue revolved around Constitutional changes or interpretations.

June 11, Assistant Secretary of State, R. Walton Moore, in a commencement address at the National University, Washington, D. C., advanced the doctrine there should be a change in the Constitution so that the acts of Congress would not be subject to the final approval or disapproval of the Supreme Court.

On the same day, James Roosevelt, son of the President, addressing a State conference of Young Democrats, at Excelsior Springs, Mo., advocated that a change should be made in the Constitution so that the Supreme Court might be shorn of its power of passing upon the constitutionality of legislative action.

The same day, Postmaster General James A. Farley, delivering a commencement address at Niagara University, Niagara Falls, N. Y., assured the audience that notwithstanding the temporary set-back the new deal had received at the hands of the Supreme Court, you need not fear that our program will be balked.

June 12, Donald Richberg, during the course of a commencement address at Knox College, Galesburg, Ill., announced that unless the Constitution were changed so that the purposes of the new deal might be accomplished, it (the Constitution) would prove to be a mockery and a delusion.

June 15, United States Senator JOSEPH O'MAHONEY, of Wyoming, former Assistant Postmaster General, addressing a Flag Day exercise from the steps of the Capitol, in Washington, D. C., demanded a new interpretation of and a rewriting of the Constitution.

June 22, A. A. Berle, Jr., now with the New York City administration, but one of the President's advisers and formerly in his "brain trust" council at Washington, stated before the New England Council, at Manchester, Vt., that before the economic and social advances contemplated by the new deal could be attained, there must be a complete reinterpretation of the United States Constitution.

Twice since the President's famous press conference, Henry A. Wallace, Secretary of Agriculture, upon two occasions—once at Columbia University and once at Harvard University—has pronounced the United States Constitution as being unfit to meet the present situation.

PROFESSOR MOLEY, PRESIDENT'S CLOSEST ADVISER, DEMANDS CONSTITUTION BE REWRITTEN

If any doubt should remain as to the determined purpose of President Roosevelt and his advisers to force a fight against the present Constitution, that doubt should be dissolved by the editorial statement of Raymond Moley, in the August 3 issue of Today. Mr. Moley was, during the campaign of 1932, and has been continuously since then, the closest adviser of President Roosevelt. He is Brain Truster No. 1. He is editor of a publication which is established, owned, and financed by Vincent Astor, another confidant of the President, a very large contributor to his campaign fund, and his host upon those occasions when the President takes a vacation on Mr. Astor's yacht, the *Nourmahal*.

Mr. Moley, in the August 3 issue of Today, writes as follows:

In 1935 the Supreme Court declared the N. I. R. A. unconstitutional. Its language, in that decision, indicated grave doubt on the part of the Court as to whether any effective N. R. A., any effective national agricultural legislation, any adequate protection of the investor can be permanently sustained.

One of the keenest of students of constitutional language in America, Howard Lee McVane, Ruggles Professor of Constitutional Law, at Columbia University, made it clear in the New York Times on July 7 that the basic economic changes proposed by the new deal cannot be preserved without constitutional amendment.

In other words, the establishment of the relationship between the Government and business, for which the people voted in 1932 and 1934, cannot be had without amending the Constitution.

I am not blaming the Court for its decision in the Schechter case. I think it properly took the position that as the Constitution now stands the N. R. A. was unconstitutional. We are, therefore, reduced to the necessity of amending the Constitution in order to permit Congress to do what the people want it to do.

There is the issue. The Constitution must give way to the socialistic, un-American policies of the new deal, or they must give way to it. It is an issue which has been drawn by the President. It is of his making. He has forced it upon the country. The Republican Party is prepared to meet that challenge. We will welcome a straight-out fight to the finish on that issue.

Millions of Americans listening over the radio to the inaugural ceremonies, March 4, 1933, heard Franklin D. Roosevelt take the solemn oath to "preserve, protect, and defend the Constitution of the United States." It was beyond their wildest imagination or most irrational thought that midway of his term he would commit the unthinkable act of openly flouting that oath, because he found the United States Constitution stood between him and the realization of his political fantasies, as embodied in the new deal.

Yet that is exactly what has come to pass. When the Supreme Court of the United States handed down the N. R. A. decision, he and his coterie of socialistic advisers found themselves at the crossroads. He could, and should have, in the fullest measure, lived up to his oath of office. He could, and should have recognized in the Supreme Court's decision the voice of a coordinate branch of the Government, fulfilling its constitutional duty of passing upon the legality and constitutionality of laws written by the United States Congress.

Instead, he held the Court and its decision up to public ridicule. He declared it to be an obstacle to his so-called "social justice" program. He exclaimed the decision threw the country back to the "horse and buggy" days. When the choice between the United States Constitution and the new deal was placed squarely before him for a decision, he dishonored his oath of office and decided in favor of the new deal.

PRESIDENT HIMSELF HAS MADE FEDERAL CONSTITUTION THE 1936 ISSUE

The test is now before the American people. The President and his administration insist the bulwark of their rights and liberties is to be either materially modified or removed. The barriers which the people of the United States set up in their Constitution to restrict the Federal Government from encroaching upon the rights and liberties of citizens of sovereign States are to be swept away in order that the new deal and a subservient Congress may do as they please with our States and with the lives and property of our citizens. That is the threat. That is the menace. Be not deceived.

So long as the Federal Constitution stands as it is, American citizens will be guaranteed their liberty and the right to order their lives, improve their opportunities, use their property, whether it be a dollar in the savings bank or a far-flung industrial plant, like the Ford Motor Co., to their own benefit and profit, so long as they do not trespass upon the liberties of their neighbors and fellow citizens.

The American Constitution does not give the citizen these rights. They were his rights from the beginning. When the Constitution was written they were reserved to him and for him. These guaranties, in the form of reservations, are valid and binding against the Federal Government or any officer of it, even the President. With the Federal Constitution, as it now is, and as the present Supreme Court has interpreted it, liberty is the right of the citizen. Without the Federal Constitution, as it now is, liberty would become a privilege which the citizen might enjoy, provided a benevolent dictator and a considerate bureaucracy permitted him to do so.

Suppose these guaranties against the Government's encroachment upon State rights and individual liberties are taken away, as the President is attempting to do through his "must" legislation. Suppose the Government, in the name of "more abundant life" or "social justice", can take away the property of one citizen and give it to another, or confiscate it for the use of a vast Federal bureaucracy. Once that is established as a law, and sustained as constitutional, either by an amendment to the Constitution making it law-

ful, or by changing the complexion of the Supreme Court so that it would become as subservient to the whims and dictates of the Chief Executive, as the Congress now is, no man is going to work and accumulate property.

If that can be done, within the Constitution, then the Government can also take away the individual's right to seek employment, or it can prescribe terms upon which he must work, and we would have a return, in a modified form, to human slavery and indentured labor. If that can be done, within the Constitution, then the Government can prescribe how an individual may invest his money, in what he may invest it, and how much, if any, profit he may make from his investment.

If that can be done, within the Constitution, then the Government can set up any regulation prescribing how any citizen or citizens may earn their livelihood and what shall be their compensation.

NEW DEAL HAS ESTABLISHED SOCIALISM INSOFAR AS IT CAN UNDER OUR CONSTITUTION

And that is pure socialism—where everyone works for the state, and individual initiative, individual enterprise, and individual or private profit are abolished.

Insofar as the administration has been able to bring it about, we have state socialism now; but outside the Constitution and contrary to it. It is because they wish to make socialism—which always leads to dictatorship—the permanent economic and political system of this country, that the President and his advisers have determined to attempt to get rid of the Constitution, insofar as it blocks their plans. The statement that under the Roosevelt administration socialism has become a fixed policy of the Government, insofar as the President is able to make it such, is no figure of speech. It is a plain statement of the record and of existing conditions known to every citizen.

The sum and total of all the important new-deal legislation—other than the appropriation of billions of dollars to be used ostensibly to relieve unemployment and finance public charity, but actually to control Congress now, and, later on, to influence and debauch the electorate, if possible—has been the erection of a socialistic system wherein the Government assumes the functions heretofore carried on by private enterprise and exercised by the individual. This has been done under the name of "planned economy", which is merely a seductive synonym for socialism.

All of the important legislation since Roosevelt was inaugurated, and all of the extraordinary powers that have been exercised by him and his Executive subordinates, both within and without the Constitution, have operated to place a whole people in lock-step, and to deny to the individual the right to exercise his own judgment in the management of his own business, farm, or factory. It has reduced, insofar as it can, every citizen to the status of an automaton, taking orders from a Government bureaucrat, neither elected by nor accountable to the people. There could be no more complete denial of the principles and practices of representative Government.

The public is thoroughly familiar with two outstanding examples of such legislation—the N. I. R. A., which has been declared unconstitutional by the United States Supreme Court, and the Agricultural Adjustment Act, which many Federal district courts have declared unconstitutional, and which even the administration admits is of such doubtful constitutionality that it attempted to doctor it in this session of Congress by a series of amendments, in the hope that these amendments would save it from the fate of the N. I. R. A.

RURAL RESETTLEMENT PROGRAM MERELY TRANSPLANTS SOVIETISM TO THIS COUNTRY

More recent has been the establishment, by Executive order, of the Rural Resettlement Administration, under powers granted the President in the $5,000,000,000 work-relief resolution, and the appointment by the President of Prof. Rexford Tugwell, Assistant Secretary of Agriculture, as Rural Resettlement Administrator. The President has allocated $100,000,000 out of the work-relief fund to carry on the work of the Rural Resettlement Administration. What is that Administration, and what are its purposes? Reduced to plain language, it is inauguration of the Soviet system of taking farmers off of the land where they have been born, or where they have lived and reared their families, and transplanting them to strange communities, on land owned by the Government, thereby reducing them from the status of free, independent citizens to that of wards of the Government.

It is begging the question to advance the argument that under this plan those so transplanted are given 40 years in which to pay the Government for the land on which they have been moved. That argument does not disguise the fact that it is Government ownership of land, which is the last step in socialism or dictatorship. The first step is rigid Government control or ownership of public utilities and transportation systems; then various forms of industrial and commercial enterprises; then the control of the people's money, which they have placed in savings institutions or banks; finally there comes Government control or ownership of land, which is the basic source of all wealth. Even admitting that in 40 years those so transplanted will have paid out, it cannot be denied that from now until the time they are free from complete governmental proprietorship they must till the land, which the Government owns and on which they have been moved, according to the rules, regulations, and administrative orders issued by various executive agencies. In other words, they are not free to cultivate the new land to which they have been transplanted according to their judgment and out of their experience as practical farmers.

NEW-DEAL LEGISLATION IS MAKING LABOR SUBJECT TO FEDERAL DOMINATION

The policy of regimenting industry, business and agriculture, which has been initiated by the new deal, is now being extended to cover labor by the enactment of the Labor Relations Act, familiarly known as the "Wagner bill", and the Coal Control Act. Both of these acts, if they are honestly enforced, will make the workingman as subject to Federal bureaucracy as the Agricultural Adjustment Act has made the farmer, and as the National Industrial Recovery Act made industry and business, before the Supreme Court declared it to be unconstitutional.

Notwithstanding the fact that both these acts were supported by prominent leaders in the field of organized labor, they run contrary to the real, enduring welfare of labor. The philosophy of compulsory arbitration upon the part of the Government, which underlies these acts, has been opposed by organized labor since its earliest days. There was nothing which the late Samuel Gompers, veteran leader of the American Federation of Labor, so consistently and vehemently fought as any effort upon the part of either State or Federal Government to place upon the books any legislation which compelled the workingman to surrender his own right of decision as to whether he would work or not work, and upon what terms he would work if he did work, to a board or commission having the authority, under the law, to deny that right and compel him to work under such conditions and for such terms as the governmental authority might decide.

Yet that is the whole principle of the Labor Relations Act and the Coal Control Act. If organized labor ever reaches the point where it is dominant, not only within the field of labor, but dominant over all other classes in the United States, it need not fear its interests and liberties will be denied by these acts. But in view of the fact that organized labor today comprises only one-eighth of industrial workers, and in view of the further fact that all industrial workers, organized or unorganized, are decidedly in the minority in this country, there is no indication that labor will be able to dictate the terms of arbitration which will be imposed upon it by governmental authorities under these two acts. These two bills as completely socialize and nationalize the laboring classes as the Agricultural Adjustment Act and the Rural Resettlement Administration nationalize land and deprive individual farmers of their property rights.

BANK DEPOSITS SOCIALIZED AND CREDIT MADE A POLITICAL FOOTBALL

There is no need to elaborate upon the theme that the Federal Government has taken over absolute control of all

credit, and has socialized the deposits in banks and savings institutions. The implication of this upon all productive enterprises and private activities in this country cannot be escaped. Financial credit has been a matter, under private control, of proper collateral, sound business management, and the integrity of the individual who sought a loan. The late J. P. Morgan, in his testimony before the Pujo committee some years ago, made the statement that the great Morgan banking house was more interested in the personal integrity and character of the individual who sought a loan than it was in the actual collateral he was able to offer as security. The growth of America in every field of human endeavor, until it reached the position of the outstanding industrial and commercial nation of the globe, was due almost wholly to the fact that individuals who desired to explore new fields, develop new industries, and pioneer new ideas, were able to finance themselves through private credit, extended almost wholly upon the ground they were men with the mental equipment and personal integrity to carry their plans to success. Their politics, religion, or nationality did not enter into the equation.

Under this administration all this has been changed. Credit has become nationalized. Men are now able to borrow from Government agencies and from banks controlled through Federal machinery only if and when they subscribe to the political viewpoint of those who sit in the seats of the mighty at Washington. Vision, ideas, sobriety, diligence, foresight, and integrity upon the part of those who seek to borrow money from governmental agencies no longer count. In agriculture, industry, and commerce, in order to obtain credit to carry on any private enterprise, those seeking credit must subscribe to the political theories of the new deal and sign on the dotted line that they will abide by the arbitrary rulings issued by any individual or group of the vast army of theoretical bureaucrats who now control the machinery of our Federal Government, and whose avowed purpose is to wreck our present economic system and to subvert, if not destroy, our present political system.

LOSS OF INDIVIDUAL LIBERTY EXTENDED EVEN TO FIELD OF CHARITY

This loss of individual liberty has even extended to the field of charity. The power of the Executive to spend Federal funds without any regulation was won when the President succeeded in securing the passage of the $5,000,000,000 work-relief resolution, which left it wholly to his discretion as to how, and where, and for what purpose that vast sum was to be expended, as well as the agencies through which it was to be expended, and the individuals who were directly to supervise its expenditure. Thus a subservient Congress yielded the control of the Nation's purse strings for the first time in the history of this Government. The result has been the setting up of work-relief and public-relief organizations completely under the control of Federal bureaucracy.

Under these organizations, worthy men are permitted to starve while the shiftless, the worthless, the wastrel, the agitator, even the alien and the disloyal, are put on the public pay rolls, provided they swear political allegiance to the local Democratic boss and agree to permit their votes to be delivered by him on election day.

Furthermore, this $5,000,000,000 work-relief fund has been so manipulated that Democratic Members of this Congress have been threatened with political death unless they blindly took their orders from the White House or from messengers of the White House.

So the new deal is synonymous with socialistic dictation, which brings, to those who oppose its political theories and refuse to obey its political orders, economic death if they are engaged in industry, business, or agriculture, and penury for themselves and their families if they refuse to barter away their rights of citizenship as the price of being put on public-relief rolls.

Are these the policies for which the American people voted when they elected Franklin D. Roosevelt President in 1932? Every individual citizen must answer that question for himself. It is significant, however, that some of the close advisers of the President say the people did vote for the socialistic policies which have been put into practice by this administration. Not the least conspicuous in this group is Raymond Moley, who, in the August 3, 1935, issue of Today stated in an editorial that—

> Most of the new deal was explicit in Roosevelt's campaign speeches. The N. R. A. was implicit. * * * The voters passed judgment. There can be no mistake about the mandate which they gave Mr. Roosevelt, if there is any such thing as a mandate in this world of ours.

If Mr. Moley and his "brain trust" socialistic associates are right, then those who have been leaders in the Democratic Party for a quarter of a century are wrong, for their exceptions to and denunciations of the Roosevelt new-deal policies have been continuous since the President first attempted to put them into practice. Moreover, these exceptions and denunciations are a matter of record, uttered on the floor of both branches of Congress, on the public platform, over the radio, in newspaper and magazine articles, and in the editorial columns of our public press.

REPUDIATION OF 1932 PLATFORM MATTER FOR DEMOCRATIC PARTY ACTION

Insofar as the Democratic Party itself is concerned, it is not important to the public whether what the President and his administration have done constitutes a violation of the fundamental theories of the Democratic Party and a brazen repudiation of the specific promises that the party platform and Candidate Roosevelt himself made in 1932. That, primarily, is a question which the Democratic Party itself must solve. The important question is whether or not the policies which have been launched by this administration, and the laws which have been enacted, are a violation of the fundamental principle of representative government, such as is our Government under our Federal Constitution.

The only useful purpose the comparison of the promises made by the Democratic Party in its national platform of 1932, and those which its candidate personally made in that year, with the performances of the Roosevelt administration, can serve, is to furnish a yardstick by which the sincerity, integrity, and plain veracity of the Democratic Party and its leaders may be measured. If we cannot believe what they promised in 1932 there is no possible argument which may be advanced to justify our believing what they may promise in 1936. The only question which arises in this connection is whether or not the party and the candidate solemnly made a covenant with the American people in an effort to get power, and then cynically repudiated those promises after they obtained the power.

WHAT THEODORE ROOSEVELT SAID REGARDING BETRAYAL OF PARTY PLEDGES

There was another Roosevelt who was President—Theodore Roosevelt. In 1914 he expressed his opinion of the obligation of a party and an administration to live up to its campaign platform and pledges. That opinion was expressed in connection with an act of the Democratic administration which was placed in control of the Government by the national election of 1912. May 2, 1914, in a cablegram addressed to United States Senator Miles Poindexter, of Washington, in connection with the Panama Canal tolls question, which was then pending in the Senate, Theodore Roosevelt said:

> The plank in the Democratic platform was put in either with the knowledge that what it promised was false or with the determination to disavow it when once it had served its purpose of deceiving the voters.
>
> There is nothing we need more to raise the standard of public life than to insist that promises made on the stump shall be kept off the stump and there are few more revolting types of public immorality, more damaging to public conscience and more deeply discreditable to those responsible for them, than those which exhibit a readiness to make promises before election coupled with an equal readiness to repudiate them afterwards.
>
> Nor is this all. It will be bad enough if the administration shamelessly admitted it had won the election on false pretenses; but that it should now feel it would be immoral to carry out the promises solemnly made to the American people is much worse.

Had he been endowed with the power of divination, Theodore Roosevelt could not have more accurately described the duplicity of the present administration in relation to the pledges it made in its platform in 1932—which pledges were repeatedly underwritten by its candidate, who now sits in the White House.

PRESIDENT ROOSEVELT GAVE AMPLE WARNING OF HIS SOCIALISTIC PURPOSES

There is this to be said, however, on the side of Professor Moley and those who insist that the present policies of the new deal are consistent with what the President himself promised before he was inaugurated. In rereading some of the campaign speeches of Governor Roosevelt, and, more particularly, his Inaugural Address, one is struck by the fact that insofar as he personally is concerned, the new deal and its philosophy are not the creatures of impulse.

At Lamy Junction, N. Mex., in September 1932, Governor Roosevelt said:

We are going to reconstruct the Government in Washington after next March 4.

In a lengthy address a few days later, at San Francisco, before the Commonwealth Club, he served notice that he regarded the task of the Government to be the development of a new economic constitutional system.

But it is in his inaugural address that we find words to which no serious significance was attached at the time of their utterance, but which, in the light of the events which followed, we now know were pregnant with new-deal prophecy. In his inaugural address he emphasized the necessity of the people sacrificing property and lives to a "common discipline" under "a leadership which aims at a larger good", the essence of the philosophy of socialism. Coming dictatorships cast their shadows before them, when rulers of a land urge sacrifices of lives and property to a common discipline under a leadership which looks to the larger good.

But the warning was even more pointed. The President, with his oath of office still on his lips, gave blunt notice that in event the Congress did not bring to speedy adoption the measures which he recommended, he would ask for broad Executive powers:

As great as the power that would be given me were we in fact invaded by a foreign foe.

In short, he served notice upon his countrymen and the incoming Congress that he would do exactly as he eventually did, in asking that Congress surrender its constitutional prerogatives to the Executive without let or hindrance, and that the constitutional guaranties which had been reserved to the people and the sovereign States be suspended. At least the President can truthfully say he gave the American people fair warning of his intentions to carry out the adage that "they should take who have the power, and they should keep who can."

GOVERNMENT IN BUSINESS

Mr. PETTENGILL. Mr. Speaker, the American people are willing to hazard a large sum as the price of recovery. When the present administration came into power, millions of people were idle and the credit of thousands of communities had broken down, either through the inability to sell more bonds, levy more taxes, or on account of constitutional limitations on further bond issues or tax levies. It seemed necessary, therefore, for the Federal Government to embark upon a vast program of relief and reemployment both to relieve suffering and also to "prime the pump." The money so spent was in the nature of a premium for social insurance. Unless these expenditures had been made, the social fabric might have been subjected to stresses which it could not have withstood.

One can, therefore, be entirely sympathetic with, and not critical of, what has been done, but at the same time clearly recognize that if the enormous increase in the public debt is to be liquidated that it can be done only through taxes levied by the Government upon private enterprise. Liquidation through taxation is the only alternative to repudiation. That being so, it seems that the time has come when every encouragement should now be given by Government to private enterprise and that the Government should withdraw as rapidly as it can from doing those things which in normal times are done by private business.

As a member of the party in power, I think from now on we should place major emphasis upon the plank in the Democratic platform of 1932, which called for the withdrawal by Government from the field of private enterprise, with the single exception, as stated in the platform, of the development of natural resources and businesses which are essentially monopolies.

I look with real apprehension upon the gradual extension of government in the field of private enterprise. I know that it is the fashion of many today to say that the American system has broken down and cannot be restored. Let us admit that it broke down in 1929, still it does not follow that it cannot be restored, and we must remember that if it is not restored the only alternative is the eventual nationalization of all industry and commerce. The breakdown was essentially in the field of finance and banking. Institutions had loaned their resources to a Nation-wide orgy of speculation. It was not essentially a breakdown in the management of business as such. With a remodeling of our banking and financing structure and the erection of safeguards against the unwise extension of credit and the sale of worthless securities, I see no reason why we cannot hope that the old American system of privately owned and operated enterprises will pull us out of the present depression as it has pulled us out of the depressions in the past.

As a matter of fact, it is private enterprise which is leading the Nation out of the depression today. Take for example the automobile industry: New ideas, new inventions, new models, hooked up to the profit motive, are today making the greatest single contribution toward real recovery. When people say that American business and private enterprise have broken down, it is worth while to point out that every man, woman, and child in the United States could get into the 26,000,000 automobiles now in use and manufactured during the depression period, and ride on rubber at the same instant of time—a Nation on wheels. American-owned automobiles placed end to end would go twice around the globe. This miracle of achievement was not the product of Government bureaucrats, it was the result of the old American system of private enterprise.

I venture to suggest that if the automobile industry was conducted by the Government under bureaucratic control, we would be riding in vehicles whose mechanical design and price would be similar to those of the pre-war days.

But the achievements of private enterprise in the automotive industry, striking as they are, constitute but one of many examples familiar to every schoolboy. The development of sound and speech in motion pictures was wholly an American invention, worked out in American research laboratories, and developed and adapted through the risk of many millions of American dollars. Sound pictures are today being shown in nearly 25,000 theaters to a weekly audience exceeding 100,000,000 persons.

In 1930, at the begininng of the depression, 12,000,000 American homes were equipped with radio sets, whereas only 4 years later we find that 25,000,000 receiving sets are bringing entertainment to 20,000,000 families and in addition there are 2,000,000 families with radio-equipped automobiles who listen as they ride.

No such progress has been made in Europe where there is government ownership and operation of broadcasting systems. In Europe we find only 40 receiving sets to each thousand inhabitants, whereas in the United States under private enterprise we find 150 sets per thousand.

Similar contrasts between public and private ownership are found in the field of aviation. In Europe with five times the population we find 23,000 passengers carried against 50,000 passengers in the United States. Airplanes in Europe flew 380,000 miles compared with 550,000 in this country. This industry, which was only in its infancy when the depression began, now employs and provides a livelihood for 50,000 American workmen.

Perhaps the development and use of the telephone is our best illustration of the achievements of private industry as compared with those of government. In Europe telephone systems are for the most part governmentally owned and operated, and with the result that with five times the population, Europe has only one-half the number of telephones. Under private ownership the per capita use of the telephone is not only 10 times greater and, according to foreign

travelers, the service more than 10 times better, but the American industry under private ownership pays annually a hundred million dollars for the support of government.

And so it is with electric and gas refrigerators, streamlined and air-conditioned trains, the great inventions in the chemical field by which silk is made from wood pulp, and the universally used cellophane and similar products are synthetically produced.

And let us not forget, my fellow Members, that many of these great accomplishments have taken place during the time of the great depression when business and profits were at their lowest ebb, when private enterprise, the so-called "capitalistic system", according to our socialistic friends, had broken down. When Mussolini or Stalin or Hitler do half as much for European industry, it will be twice as much as they have done.

But these comparisons would be incomplete if we failed to consider the contributions which industry, even in these times of stress, has contributed to the support of our National Government. While the socialized industries of Europe have doubtless imposed heavy tax burdens upon her citizens, many of these American industries which I have mentioned have been the mainstay of Federal support. American industry, privately owned and privately operated, is paying billions for the support of Government—for example, the cigarette industry makes an annual contribution of $400,000,000. The annual Federal tax bill of the automotive industry, railroads, and power utilities is a quarter of a billion each. If only our public utilities (transportation, communications, power and gas) were publicly owned, the additional burden thus imposed upon the people would approach a billion dollars annually or a yearly average increase of $25 in the tax bill of every American family.

Queer it is, that Government bureaucrats are unable to understand the ancient fable of the "killing of the goose that laid the golden egg." Queer that they are unable to understand how impossible it is for the Government to compete with industry on the one hand and tax industry on the other.

Doubtless the reason that American industries under private ownership have so far outstripped their European contemporaries is due to the fact that private enterprise can undertake experiments and hazard private funds but the Government as a trustee of the people is not justified in speculating with public tax moneys in the development of new industrial products. It must be plain to all who think that, even if the Government had a bureaucracy sufficiently skilled and intelligent to supplant private industry, the inhibitions imposed by governmental procedure and the necessary safeguards thrown around public spending would put America in the class with Europeans.

I am sure it is needless for me to point out to my colleagues that in opposing public ownership of industry and the socialization of American business—the socialism which Government bureaucrats seek to admit through the back door—I, in nowise, refer to public regulation. I yield to no one in this Chamber in my desire and in my efforts for full, fair, and adequate regulation of industry, of commerce, and of finance. Such regulation is essential for the protection of our citizens, for the protection of investors, and for the protection of the very industries themselves.

I mention these facts as an offset against the arguments that are being made today that we must look to Government and to Government alone to carry on business.

Assuming that the national debt is not to be repudiated but is to be paid through taxation, we have to recognize that every time Government takes over a private business it narrows the tax base. When a business is taken over by the Federal Government, it is taken out of the taxable property of the Nation—both Federal income tax and local and State property tax. The burden of supporting the Government, therefore, tends to be concentrated more and more upon such business as remains in private hands. It is like the steel columns of a building resting upon the brick wall of the basement and in turn supporting the wall above. Every time Government takes over another private business, it is like taking a brick out of the wall in the basement which supports the steel columns, and placing it on the wall above, which the columns must support.

It is time for the American public to wake up to the far-reaching consequences involved, which must inevitably result from this invasion by Government in private enterprise. It is necessary for every person, however humble, to realize that the burden of taxation must bear more heavily upon his shoulders unless a halt is called. The difficulty has been in getting the average man, the wage earner, salary man, and farmer, to realize this. He thinks that the problem of supporting the Government and especially the Federal Government does not concern him for the reason that he does not pay an income tax, and he is inclined to say: "Let George do it. Let the rich worry with that problem." The cold fact is, however, that at the present time some 60 percent of the total revenues of the Federal Government come from indirect taxation, and only about 40 percent from Federal income and Federal estate taxes. Every person who buys a package of cigarettes ought to realize that because of the little blue stamp on the package he is paying 6 cents to support the United States Government. The same is true with reference to gasoline, lubricating oil, sporting goods, amusement taxes, firearms, and scores, if not hundreds, of other articles that enter every American home. To the extent that the selling price of articles is increased by the amount of the indirect Federal tax, to that same extent the purchaser has that much less money to spend for the comforts and necessities of life. It is probably true that there is not a single person of our 125,000,000 people who either does not pay, or have paid for him, taxes to support the Federal Government. I know of nothing that would create a healthier public opinion, leading to the curtailment of bureaucracy and the retrenchment of Government spending, than to drive home to the butcher, the baker, and the candlestick maker the fact that the cost of Government concerns him, and is constantly reaching an invisible hand into his pay envelop and pocketbook. Unfortunately even the men who pay substantial income taxes and corporation executives fail to understand that the amount of their tax is dependent upon the amount of Federal expenditure and the number of individuals and corporations among whom such expenditure must be divided.

There are those who openly and sincerely advocate the socialization of industry, railroads, public utilities, banking, insurance, warehousing, and so forth. If the American people want to adopt that program realizing that they are doing it, no one could reasonably object however much he disapproved of it, because in a democracy the will of the majority must prevail. What I object to is the adoption of that program by default, by ignorance of what is going on. If we are to have socialization of industry in this country, let us do it as a result of open debate upon the public forums of America where the issue is clearly presented and not through indirection and stealth. If we are to have socialism, let it come through the front door and not through the back door. The fact of the matter is that bureaucrats are advancing socialism by indirection and ignorance on the part of the people far more than Norman Thomas or others who openly champion that as the program of their political party.

In 1932 I was a member of a special committee of the House to investigate Government competition in private enterprise. It was known as the "Shannon Committee", headed by Hon. JOSEPH B. SHANNON, of Missouri. Our committee spent some 6 months in hearing the complaints of the infiltration of Government in business. Our report was filed on February 7, 1933. It was unfortunate that it was filed at that time because the attention of the Nation was then occupied with the crash of banks and the expiration of one administration and the going into office of another. The report, therefore, was largely lost sight of. The conclusions of our committee, however, must be dug out of the debris of the financial avalanche that overtook us at that time and be brought again to the attention of the American people. The astounding facts which we unearthed must be made known to every taxpayer and every voter in the country. Our committee found then that without anyone realizing it was going on, the United States Government had already reached into nearly

200 different businesses formerly privately owned and managed. With respect to some of them, it may be admitted that a good argument can be made that they should be carried on by the Government. I refer, for example, to the building of battleships. Perhaps that should be a business in which no one has the motive of private profit. Other examples might be given. But, except for these, the Government has no business in business; as for example, the proposed furniture factory at Reedsville, W. Va., and any one of scores of others which might be mentioned.

Do not gain the impression, my friends, that Government competition is an academic matter and that it only affects a few isolated industries, business, firms, and workingmen. Among the two-hundred-odd businesses, with which we found the Federal Government competing, we discovered those which directly or indirectly are of vital concern to thousands of business firms and millions of American workingmen. It may be of interest to you, my colleagues, who, like myself, are deeply concerned with the mounting costs of Government and an unbalanced budget, that our National Government through authorization, direct or implied, of the Congress of which we are Members, is making mattresses, ink, paste, mucilage, blank books, uniforms, shirts, underwear, and clothing of all kinds, binoculars, drums, paint, and varnish, furniture, hammocks, propellers, Diesel and gasoline engines, lockers, anchor chains, fire extinguishers, harness, saddles, mess tables, engine valves, shoes, brushes, cotton cloth, tents, automobile tags, computing and tabulating machines, and countless other items, all of which our committee found are available through private producers at lower than Government costs. That it is printing envelops in competition with the printers of our country to an amount exceeding $5,000,000 per year.

It may be of interest to you to know that under our authorization, direct or implied, Government bureaus are conducting laundries, dry-cleaning plants, restaurants, and cafeterias, and that they are engaged in the contracting business and purchase equipment and execute work on a day-labor basis.

Perhaps the far-reaching inroads which our Federal Government has made in the domain of private enterprise may be conveyed if I read you the following general classification of industries with which our many departments and bureaus are competing:

Agriculture.
Amusements.
Architecture.
Baking.
Banking.
Livestock.
Ship chandlery.
Printing and binding.
Brickmaking.
Canning.
Brush and broom manufacture.
Canvas products.
Cement dealers.
Chemicals.
Clothing.
Coal business.
Coffee importation.
Contracting.
The cotton industry.
Creameries.
Animal and fowl feeds.
Fruit and vegetable shippers.
Furs.
The grain trade.
Ice manufacture.
Laundries.
Mechanical shop and marine work.
Shoe factories.
The wool industry.
Dairy farming.
Engraving.
Envelops and stationery.
Explosives.
The express industry.
Fertilizer products.
Furniture dealers and manufacturers.
Gasoline and oils.
Hotels and restaurants.
Insurance.
Lumber.
Saddlery and harness manufacture.

This brings me to the question of Government cost-accounting. During the hearings of the Shannon committee, American business men complained bitterly of the fact that they were obliged to bid for Government contracts, as for example the making of Army blankets, in ignorance of what it costs the Government to manufacture the same article in a Government factory. Government in business has a distinct tendency to hide its costs. Every bureaucrat wants to make the best showing he can and it thus is sometimes made to appear that the Government does things much cheaper than private business. A Government factory, for example, pays no taxes, it does not carry workmen's compensation, it carries no fire or windstorm insurance, it is not apt to charge enough for depreciation and absolescence and amortization of capital cost. Although all of these expenses actually exist and must be paid for, they are hidden in the deficiency appropriation bill and are not clearly and directly charged to the operation itself. At the hearings of our committee, therefore, American business men said that nothing more constructive could be done than to require all hidden costs of Government operation to be brought to light and spread on the cost sheets where those who run may read. American business men said that they could maintain the same wage scales, maintain the same working conditions for their employees, and still do at a profit what Government does at a loss due to the greater efficiency of private management.

The members of the Shannon committee have therefore been sponsoring a bill to require Government cost accounting. It is now known as the "Clark-Shannon bill", introduced in the Senate by Senator CLARK, of Missouri, and in the House by Congressman SHANNON, of Missouri.

It seems to me that if American business men want to save their business against socialism through the back door, that they must get behind this bill and let Members of Congress know of their interest in it. Not only must they themselves express their opposition but they must see to it that the public generally is enlightened and aroused. The average Congressman is so overwhelmed with work that it is only natural that he gives his time and attention only to those matters in which his constituents are known to be interested. I believe that the enactment of the Clark-Shannon bill into law would be one of the most constructive things which the next session of Congress could do. I believe it would disclose clearly what government actually costs. I believe that with the facts clearly shown it would result in putting on the brakes on further governmental invasion of private enterprise and would thus result in a saving of many millions of dollars annually.

I know that the average business man is so engrossed with his own problems that he is apt to take only an academic interest, if any, in this question until the Government enters into competition with him. He waits until his own ox is gored; but if business men continue with that attitude they may wake up some day and find that the Government has all their oxen.

With all its faults, follies, and crimes, the American system of private enterprise has produced and distributed more of the comforts of living to more people over a greater territory and for a longer period of time than any other system since civilization began. Neither the princes of Babylon, the pharoahs of Egypt, the emperors of Rome, the lords of feudalism, nor the dictators of today have ever served the common man one-half so well. Let us not, in a moment of break-down, lose faith in the Constitution of our country or the courage and initiative of her people.

### IS AMENDMENT NECESSARY?—SHALL THERE BE A CHANGE IN THE FUNDAMENTAL LAW OF THE UNITED STATES OF AMERICA?

Mr. RICHARDSON. Mr. Speaker, this is no longer an academic question to be debated by "parlor pinks" who find themselves tragic misfits in a stupid world; by college professors, protected in the functioning of pure reason by the cloistered halls of learning; by masters of economic theory who in verse moderne cry out their desires to remake America.

At long last this proposal is sought to be brought forth from the laboratory into the great field of American politics.

There can no longer be any doubt that there is under way a definite movement to change the form of the Constitution of the United States. This change is being advocated by a certain group in our Federal Government and finds its principal support, not in the legislative branch but in the executive and administrative departments of the Government. It receives rather vague but loud endorsement from self-appointed saviors of the people whose demagogic pronouncements and promises have burned the radio waves and befuddled the minds of millions of listeners-in.

The purpose of those who are fostering this movement is to bring about a fundamental change in the relationship of the Federal Government to the national economy by amendment to the Constitution. The object sought is increased Federal power in the control of the economic system. From now on the state and not the individual shall be responsible

for the successful functioning of the economic system, and in order that the state shall be capable of assuming that responsibility it shall be endowed with new powers of control. There is no longer any doubt that the objective sought by these proponents of change is some form of Federal control of the national economy.

The suggested change in the form of our Government is basic. It is not a minor but a major change. It goes not to the form but to the substance. In fact, the change which is being advocated is more than a change in the written law; it involves the adoption of a new political philosophy. It is sought to change fundamentals. The foundation of Uncle Sam's House is to be changed, not merely the structure by an addition or by the demolition of some outworn wing.

It is hardly necessary to state that this suggested change is of the utmost importance to every man, woman, and child in the United States. The proposal, if carried out, would vitally affect the daily lives of all. Napoleon may conquer Europe and the heads of government may change, but the ordinary man goes about his daily life as usual. Political issues of paramount importance may be decided one way or the other, but the farmer and the industrial worker continue with their ordinary tasks. But when government, as in the Soviet Union or in the Fascist state, takes charge of the national economy, then no single individual in the entire nation remains unaffected or untouched by each governmental decision.

We of this generation are seeing something new in the Old World. Political dictatorship is an old story. Economic dictatorship is something new. In Russia we have seen a minority of less than 2,000,000 persons seize control of the national economy, acquire ownership of all the means of production and transportation, and then place the entire population of 140,000,000 on rations. No food in the cellar, no savings in the old sock. What other possible result, but complete subservience of the 140,000,000, and absolute rule by the small minority? We also witness fascism exercising complete government regulation and control of the national economy with the result that both capital and labor are no longer free and both function only through the permissive direction of government autocracy. Truly, economic control has possibilities.

There is, however, no reason why this proposal to amend the Constitution should not be approached with an open mind. Certainly there should be no undue timidity. Veneration for the Constitution is highly praiseworthy. Respect for justly established authority is particularly necessary and essential in a republic. But veneration does not mean hidebound objection to change. The Constitution was not intended to "freeze" our institutions, political or economic. Although a written set of rules, it was fully intended that these rules should be changed by amendment whenever social or economic conditions required such action. The American people should not hesitate to amend the Constitution and even write into it a new fundamental principle, if they are entirely satisfied that they know what they want.

There is, moreover, every reason why any suggestion of change touching our economic institutions should, at this time, be given full and earnest consideration. The great outstanding fact in our present distressful situation is the fact that the economic system of America is not supporting all of our people. A national economy which does not support the national population deserves critical examination. The fundamental purpose of any economic system is the support of the people who live under it. That the American economic system needs either a revival or a revision is painfully evident. The question whether or not the Government should become active within the economic system and take over part or all of the responsibility for the proper support of the population is, therefore, highly pertinent under the circumstances.

Nothwithstanding the urgency of the situation, the suggested change is so vital, so much at variance with our time-worn economic tradition, that it must be considered with the greatest care and deliberation. There should be a thorough review of the various stages in the evolution of our present system. Past experience should prove a guide for future action. There is no a priori economic knowledge. Emotion has no place in the direction of economic activity. Economic facts are cold. Whatever the decision, it should be made in the light of past experiences in our economic history which point to the necessity for change.

Changes in our fundamental law are not to be entered into lightly or frivolously. There should be no change to satisfy anyone's curiosity—a remodeling of the machine just to see if it will work. The American people have no desire to amend the Constitution in order to give "brain trusters" the legal right to experiment, or in order to make legal what are, so far, only experiments. Certainly there is no one in the Government who would assert that the emergency measures adopted during the first critical years of the present administration have so far advanced beyond the experimental stage that they should now be established as permanent economic institutions, by legal authorization. Surely no prudent man can say, for instance, that N. R. A. and A. A. A. have been sufficiently tested so as to demonstrate that they are entitled to a permanent place in our economic system.

Is greater governmental control necessary for the welfare of our people?

The Constitution of the United States set up a government based on the idealistic philosophy of individual liberty. It was conceived to serve a nation of men, not a herd of animals. Whether the founders of our governmental structure were dreamers who failed to take full cognizance of the real nature of human beings perhaps only time will tell. Nevertheless they visualized a government founded on the principle of freedom for the individual.

Within this conception of individual freedom there seems also to have been included some idea of economic freedom. It is quite certain that the fathers of our fundamental law contemplated a country functioning economically under a free economy. The individual was to be permitted to proceed in the economic field with as little interference as possible. The citizen should be free to decide the manner of his life; free to make his living as he saw fit; free to seek any reward, great or small, for his labor and service.

Because of this deep-rooted conception of individual freedom, or perhaps because of the rich and undeveloped country in which our forefathers found themselves—whatever the reason—the American economy proceeded to operate under a system based on a free economy. The competitive-profit system has, from the first, been the economic system of America. Legislation dealing with economics has, until recently, had for its primary purpose the preservation of free markets in order that the competitive-profit system could function with the least possible interference.

Has the competitive-profit system outworn its usefulness? Have science and the modern technique so altered economic conditions that it is no longer possible for the competitive-profit system to operate effectively? Is economic competition possible when the scope of markets becomes national instead of local? Can profit, which is the motivating force of the competitive-profit system, still be counted upon to provide the greatest production for use and the widest distribution? Can our economic system be relied upon to steadily support all of the population? Should we demand more from our economic system than we have heretofore required? These are questions which can well be asked when considering the value of our present economic system.

But we cannot stop with an examination of the system; we must also consider the individual. Is the individual no longer fitted to conduct a free economic system? Have people in America changed so that they have now become incapable of acting as rugged individualists? Have we unwittingly evolved the collectivized man in America? Did Marx and Lenin, after all, prophesy correctly? Have the American people lost faith in their ability to successfully manage an individualistic economy? Does the recent startling behavior of our people, in taking all of their economic troubles to Washington, indicate that the majority of our citizens demand that the Government take charge of the national economy?

If the competitive-profit system cannot function under modern economic conditions, or the nature of the American citizen has so changed that he is no longer capable of conducting an individualistic economy, then, most certainly, a change must be made in the fundamental law of the land. The Federal Government, as at present constituted, has not the legal power to take over the task of conducting the national economy. We have already stretched the governmental structure to the limit. If the Federal Government is to assume control of the economic system an amendment to the Constitution is necessary.

If, on the other hand, our economic difficulties are caused by an abuse of the competitive-profit system, and we are suffering not because the system has outworn its usefulness, then there is no reason in the world for changing the Constitution. If the failure of our national economy to support the population is not the fault of the system but is due to the sins of the people, then the remedy lies beyond the field of government. Government cannot make people honest or moral. Free governments are of the people. The form of government is a reflection of the morality and social consciousness of its people. Democratic forms of government are usually as good or as bad as the people who create them.

If private leadership has debauched the economic system, by substituting plunder for profit, cutthroat competition for economic competition; if it has bled the economy white instead of taking a reasonable reward for service and forgotten utterly that with economic power goes social responsibility, then surely the remedy does not lie in the destruction of the system itself. No economic system can function successfully if its management is motivated by greed, dishonesty, and a low standard of ethics. If the system is suffering from abuses the remedy is correction, not destruction. Governments, State, municipal, and Federal, have sufficient power to punish offenders and cleanse the system of its iniquities. A few long jail sentences for prominent economic racketeers would go a long way toward renewing the health of our economic system. Dishonest corporate organization, perhaps the very greatest single cause of our present economic distress, can readily be dealt with, and prevented, by law, and through the exercise of existing legislative powers. There has been a lamentable lack of vigilence on the part of the people's officials, especially in State governments.

If, however, after careful consideration, we reach the inevitable conclusion that our present economic system, as constituted, cannot satisfactorily serve the needs of our people and give to them that degree of economic security to which they are entitled, then a choice of alternatives becomes necessary. In what manner shall the relationship of our Government to the national economy be changed? What shall be the nature of the powers with which we propose to endow the Federal Government by constitutional amendment? If we in America are to choose new economic pathways in what direction shall we travel?

Three forms of national economy today hold the center of the stage in this modern world. They are socialism, fascism, and the competitive-profit system, popularly termed "capitalism."

The competitive-profit system, which has been the system in the United States, is well known to all. It is purely individualistic. It involves private property, profits, free markets, and competition. Under the system the individual owns, operates, controls, and plans. The only function of the Government, under this system, is to protect the system so it can function freely and with the least possible interference.

The Socialist economic system is based on the principle of public ownership of the means of production. Where the system has been tried, as in the Soviet Union, public ownership has become state ownership. Under this system the state owns, operates, controls, and plans.

The Fascist economic system retains individual ownership but, under it, the state creates the forms and fixes the limitations within which economic activity may function. Under this system the individual owns and operates, but the state controls and plans.

In giving the Federal Government more power over the national economy, it would seem impossible to escape the acceptance, to some degree at least, of the economic principles of fascism or socialism. It would also appear that in order to adopt a logical and efficient method, there could not be a combination of two or more of the economic systems. The principles on which these three economic systems are founded are not harmonious. The adherents of the several systems are bitter opponents, in fact, frequently, mortal enemies.

If a change is necessary a choice should be made. The choice should be made without prejudice. If public ownership is desirable the fact that such ownership is called socialism should frighten no one. If Government control seems better, it should receive full consideration, although a Fascist doctrine. Names are not important. On the other hand, no fundamental change should be made until our people are convinced that the present economic system has failed and that another one offers a better chance of success—a better social and economic life.

The decision lies with the American people. Needless to say they will never knowingly approve any change in the fundamental law which might destroy their liberties. No one will be endowed with arbitrary powers.

Certainly no thinking American would for a moment tolerate any change in the fundamental law which would give arbitrary power to an individual; such emergency powers, for instance, as were given to the Secretary of Agriculture under the A. A. A. and subsequent agricultural control legislation. The granting of any additional governmental powers should be confined to the legislative department. Exercise of the power of economic control should be subject to the will of the Congress. The scope of the legislative field may be enlarged but not the power of individuals.

In this connection it might be well to consider whether any economic system except a free market, competitive system can exist without arbitrary power in the Government. Certainly in Russia under socialism, and in Italy under fascism, in order to keep the economic system working and supporting the people, even at a very low standard of living, it has been necessary to give the Government extremely arbitrary and dictatorial powers. In fact, so far, Russia and Italy have proved only one thing—that a Socialist economy, or a Fascist economy, can only exist through force and an absolute dictatorship.

If it is proposed to give our economic system a Fascist or Socialist flavor, there must be found a way to conduct that system through democratic control under a free government. There should be no curtailment of our free institutions. We shall continue to have a government of law and not of men. Whatever the change, American liberties and free institutions must and shall be preserved.

## NULLIFICATION OF ACTS OF CONGRESS

### THE SISSON RESOLUTION (H. RES. 224)

Mr. LEWIS of Maryland. Mr. Speaker, my reason for taking the time of the House today is that we are face to face with the gravest question presented in my experience in Congress. An unparalleled economic situation has dictated that Congress should do something. A coordinate department of the Government has just told us we may not.

When 2 years ago we first faced this depression we found that the separate States, because of geographical limitations, were organically incompetent to act. We then took national action, as any other nation might do. The refusal of the courts, a coordinate department of the Government, to apply the law has produced such a crisis that an honorable Member of this body, Representative SISSON, of the State of New York, has offered a resolution asking the House to ask the Judiciary Committee to advise us—

Whether the legislative power of the Congress does or does not extend to the enactment of laws making provision for the general welfare of the United States and to insure the domestic tranquillity.

Whether the authority of the courts of the United States, including the Supreme Court, extends to the annulment of statutes duly enacted by the Congress to provide for the general welfare of the United States and insure the domestic tranquillity.

Ladies and gentlemen, let us not mistake or neglect the import of this resolution. Does the United States possess a national parliament like other nations, of which surely it

stands in like need? The questions it raises of the competency of the Nation under the Constitution to deal with national subjects involving the general welfare and tranquillity of the American people command immediate consideration. I am for the Constitution as it is written. If we take out of it two unauthorized amendments interpolated in the courthouses, and put back into it a fundamental part forced out of it by like interpolation, our beloved Constitution is as ample to meet our needs today as the fathers designed it to be. It is only these unauthorized amendments by interpolation which leave this National Parliament alone among parliaments stripped of power to defend the Nation against an economic depression more devastating than ordinary war (A).

FIRST INTERPOLATION

Mr. Speaker, the first amendment interpolated is the power assumed by the courts to invalidate an act of Congress. It reads in effect as follows:

Provided that at any time after the passage of an act by the Congress any person adversely interested may deny any duty thereunder and the validity of such act in any legal proceeding; and if the judge consider that such act is not authorized by the Constitution, then he shall hold such act to be invalid, the judgment of the Congress and the President to the contrary notwithstanding.

Certainly no such power is expressly granted the judge in any of the parts of the instrument defining the jurisdiction of the courts. Such a power, even as proposed by Madison in the form of a veto, namely, that " a convenient number of judges " must join with the President in order to approve bills passed by Congress, was four times rejected by decisive votes of the Constitutional Convention.

Here is a power to void our national statutes unknown when the Constitution was forming to the national governing institutions of the world—ancient, medieval, or modern. Is it conceivably probable that such an innovation was consciously intended without any expression of the purpose in the Constitution itself?

In an address to Congress on June 16, 1789, Mr. Madison said:

The legislative powers are vested in Congress, and are to be exercised by them uncontrolled by any other department, except the Constitution has qualified it otherwise. The Constitution has qualified the legislative power by authorizing the President to object to any act it may pass, requiring, in the case, two-thirds of both Houses to concur in making a law; but still the absolute legislative power is vested in the Congress, with this qualification alone. (Fourth Elliot Debates, p. 456.)

Sir, in order to avoid conflicts between State and national laws, Madison had proposed that State laws should be subject to approval by Congress. Governeur Morris, Sherman, Martin opposed the motion; Pinkney and Madison approved it. Sherman " thought it unnecessary, as the courts of the States would not consider as valid any law contravening the authority of the Union." The Sherman suggestion that the State judges should negative the conflicting State laws was adopted instead. The Journal recites:

Mr. Luther Martin moved the following resolution: " That the legislative acts of the United States made by virtue and in pursuance of the articles of Union, and all treaties made and ratified under the authority of the United States, shall be the supreme law of the respective States, as far as those acts or treaties shall relate to the said States, or their citizens and inhabitants, and that the judiciaries of the several States shall be bound thereby in their decisions, anything in the respective laws of the individual States to the contrary notwithstanding ", which was agreed to nem con. (Documents, Formation Constitution, pp. 391–392.)

It was thus, sir, that the power of State judges to adjudge State acts void, and State acts only, as in conflict with Federal law came into the Constitution. Changes of wording for conciseness without change of meaning or intention were made by the Committee on " Stile and Arrangement ", so that it now reads:

This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.

To enforce this clause the Judiciary Act was passed in 1789. In this act jurisdiction was given the Federal courts to review decisions of the State courts where rights under Federal laws had been claimed, if the decision of the State court had been against such rights. If the decision was favorable to the Federal right claimed, the State decision was not appealable. (B)

The casual reader of the above clause is sometimes confused by the word " pursuance." It has an unquestioned relevancy to parliamentary procedural steps required expressly by the Constitution in the passage of an act of Congress. For example:

First. The bill must be passed by both Houses.
Second. There must be the favoring vote of a majority of a quorum of each House.
Third. (a) It must be approved by the President; (b) or in his hands and not disapproved for 10 days, etc.; and (c) or if vetoed by him, receive two-thirds of the votes of each House by yeas and nays entered on the Journals.

These are express procedural formalities to be pursued or followed by Congress in the enactment of a law.

Thus Congress in 1789, while expressly requiring the courts to nullify State legislation in conflict with the Federal law, reposed no such power in the courts to nullify Federal statutes. Nor—except for a dictum of Marshall in 1802—was such a power exercised until 1857. That is for 68 years. The cases differed in their nature. Where two legislatures act on the same subject a conflict may result. Some power must determine which law is to be supreme. The Constitution expressly gave supremacy to the Federal law, and the act of 1789 gave the courts power to so declare.

Justice Holmes emphasized the importance of this distinction when he said:

I do not think the United States would come to an end if we lost our power to declare an act of Congress void. I do think the Union would be imperiled if we could not make that declaration as to the laws of the several States (Collected Legal Papers of, pp. 295–296).

Ladies and gentlemen of the House, there never was a contention that the nullifying power was expressly given. And if such an innovation were an intended branch of the Court's jurisdiction would not so great a departure be found stated in terms as concrete as the Court's jurisdiction of suits between States and the veto power of the President?

FIRST UNWRITTEN AMENDMENT

So far as I can learn, the question of nullification was first discussed before that eminent tribunal in the case of *Ware* v. *Hilton* in 1796 (3d Dallas at pp. 211 and 223). It was raised by Marshall as an attorney for the defendant. In his brief he declared:

The legislative authority of any country can only be restrained by its own municipal constitution. This is a principle that springs from the very nature of society; and the judicial authority can have no right to question the validity of a law unless such a jurisdiction is expressly given by the Constitution. It is not necessary to inquire how the judicial authority should act, if the legislation were evidently to violate any of the laws of God; but property is the creature of civil society and subject in all respects to the disposition and control of civil institutions.

There being no express grant of this power, the matter stood thus until the pronouncement of a dictum in 1802 by Marshall, then Chief Justice, in the case of *Marbury* v. *James Madison, Secretary of State* (1 Cranch, beginning at p. 137).

Mr. Speaker, the case was a proceeding ex parte so far as argument went. Secretary Madison refused to appear. Neither the question of the Court's power to set aside an act of Congress or the question of the act's constitutionality were raised or discussed at the bar. The public had no notice that the occasion was pregnant with a coup d'état, no notice that it was destined to resurrect Hamilton's principle of autocracy rejected by the Convention when he proposed life terms for the President and Members of the Senate in the form of an irreviewable veto to be exercised by life-term judges who, like Hamilton's President-King and Senate Lords, should act as lords judiciary, answerable to neither the States, the Congress, or the people. The suggestion of nullification, the argument and opinion came all together sua sponte from the Judge. Had the subject been considered in open Court, such a decision is not likely to have been given. The whole conception was volunteered. Why did Marshall volunteer it? Answer, politics. The Hamilton-Jefferson feud was then in

full fury. Marshall, a Hamiltonian, was Secretary of State to Adams, also a Hamiltonian and Federalist. Upon the defeat of the Federalists, Adams, before retiring, appointed Marshall Chief Justice, so that for a time Marshall was both Secretary of State and Chief Justice.

Discountenancing his former opinion as attorney, Judge Marshall said:

So if a law be in opposition to the Constitution, if both the law and the Constitution apply to a particular case, so that the Court must either decide that case comformably to the law, disregarding the Constitution, or conformably to the Constitution, disregarding the law, the Court must determine which of these conflicting rules governs the case. This is of the very essence of judicial duty.

Thus the particular phraseology of the Constitution of the United States confirms and strengthens the principle, supposed to be essential to all written constitutions, that a law repugnant to the Constitution is void; and that courts, as well as other departments, are bound by that instrument (C).

However, within 2 years Marshall himself, in a letter to Judge Chase, which only became public in recent times, abandoned the claim of a final authority in the courts to nullify acts of Congress. Beveridge, who brought the letter into public light, speaking of its sentiments, declares:

They were in direct contradiction to his reasoning in *Marbury* v. *Madison*, and utterly destructive of the Federalist philosophy of judicial control of legislation.

I shall have occasion to refer to this third position of Marshall again (E).

Marbury had been appointed by Adams, just before retiring, as a justice in the District of Columbia. But Secretary Marshall forgot to deliver him his commission. So when Marshall became Chief Justice, Marbury went to the Court to ask for a mandamus ordering Madison, the new Secretary of State, to deliver it. The Court decided that Marbury was entitled to his commission and that mandamus was the proper writ. At this point comes the rub, ladies and gentlemen. What would Madison, what would the red-headed apostle of democracy, Thomas Jefferson, say to the writ? Would it be defied. Marshall believed it would be defied, and he himself suffer the resulting humiliation. An escape must be found. The writ must not be issued. But how deny it? Ignore the Court's former precedents, and declare the mandamus law unconstitutional. And this was what the Court did.

Thomas Jefferson regarded the decision as a usurpation as appears in his correspondence. On September 11, 1804, he wrote to Mrs. Adams on the matter as follows:

* * * But the opinion, which gives to the judges the right to decide what laws are constitutional and what not, not only for themselves in their own sphere of action but for the legislature and Executive also in their spheres, would make a judiciary a despotic branch (Jefferson's Works, vol. IV, p. 26).

Each department "in their own sphere of action", says Jefferson. That is, Congress enacts the law against piracy, but only the courts can punish the pirate. Congress alone can declare war, but only the Executive can conduct it. Congress can enact a bankruptcy law, but only the courts can declare a man a bankrupt. Should Congress order that John Smith be hanged as a pirate, or declare John Smith a bankrupt, it would be invading the judicial function. By the same token, when a court declares what is proper legislation and what is not proper legislation as to piracy and bankruptcy it is invading the legislative function. Nowhere else in the world was this separateness of function denied.

And later he wrote to Jarvis:

I know of no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them but to inform their discretion by education. This is the true corrective of abuses of constitutional power (William Charles Jarvis, Sept. 26, 1820) (D).

Mr. Speaker, Thomas Jefferson's protest scotched the Marshall dictum for some 55 years. From 1789 to 1857 the acts of Congress stood undisturbed by judicial nullification, not to become a practice until about 1880.

A word about the courts in general. I am for them with all my heart when acting *under* and not *above* the Constitution. It is my view that they are indispensable. Their absence means anarchy. I believe that we should contribute to filling the one gap left in human society by joining the World Court, and granting it the same jurisdiction over controversies between nations given our Supreme Court over controversies between the States. The legislature could not discharge their function; should it assume to try a controversy between citizens according to legislative procedure, only confusion and injustice could result. Only the courts' methods are sufficiently adapted to such work. This is proved by all the experience of mankind. But the same experience indicates that the courts are unfitted to determine national policy or to make laws for a people. So long, long before our Constitution court and legislative functions had been rigorously separated. I have no patience with the lawmaker who would invade the judicial field. I have no more for the nullifying acts of courts.

INTERPRETATION OF THE CONSTITUTION—BY WHOM AND WHEN

"Somebody should determine whether an act of Congress is repugnant to the Constitution," it is argued; "then why not the judge?" Answer, "Why not the House of Representatives, the Senate, and the President, who are sworn to support the Constitution and who speak the will of the people?" This was the answer made by the Convention which formed the Constitution. And their reasons are convincing enough to the thoughtful.

The first reason is that—

(a) The Constitution is not a deed or mortgage, a contract or private document, usually supplied with sufficient detail to enable the judge to interpret it fully and where the interpretation of the judge is of consequence only to the litigants concerned.

(b) Conversely, the Constitution is a statesman's document, composed largely of abstract phrases, phrases which of necessity, in such an abbreviated instrument, are of general but indeterminate significance; phrases whose interpretations call for whole statutes which in turn call for the exercise of the lawmaker's discretion. Such general phrases are like the subject index of a book and call for defining statutes as the book index calls for a book.

Hence, while in disputed cases the private or lawyer's document calls for judicial interpretation, the statesman's document needs to be interpreted in the legislative laboratory where and when the statute is being made (F).

The second reason is—

(c) The interpretation needs be finally made by the Congress and President before the law goes into operation because the life of the citizen or security of the country may depend upon the immediate and unconditional operation of the statute.

(d) The citizen is conclusively presumed to know the law. Hence he is entitled to know whether it is a law when it passes, so that he may fashion his conduct accordingly. Any veto should therefore take place before the obligations of the law attach. The Constitution has made ample protective provision for such a veto on constitutional grounds. A bill may be vetoed by a majority in the House or Senate, where it is first proposed; if not vetoed there, then by a majority in the other House; and if not vetoed by either House, then by the President. If vetoed by none of these, the people at the next election can elect a new Congress to repeal the act. Here are three successive occasions when responsible officials, sworn to support the Constitution, elected by and responsible to the people, may, as they often do, exercise a preventive veto. The unwise or the unconstitutional bill is thus stopped before obligations are fixed on the citizen. From 1789 to 1857—68 years—this kind of veto alone obtained. It surely sufficed the Republic through its period of greatest development, a chapter of changes and of progress, I venture to affirm, without parallel in the history of nations.

THE LAWSUIT VETO

The lawsuit veto by the method of nullification fails to provide the protection for the country and citizen given by the veto provided in the Constitution; because—

First. It can only be exercised if and when some interested litigant invokes it in the courts.

Second. Meanwhile contingent obligation attaches to all citizens, conditional upon some litigant successfully attacking the law.

Third. The statute becomes a mere order nisi dependent upon courthouse litigation conducted not by officials responsible to the people but by private litigants, whose approach is only individual, and not pro bono publico, as designed by the Constitution and as justly expected of the Members of Congress.

Fourth. Such a lawsuit veto does not operate ab initio on the citizen. If he has not brought suit in the courts, in many cases his effective rights may be one thing; if he has, they may be wholly different, the present processing-tax situation being an example.

Mr. Speaker, Chief Justice Marshall concluded his decision with the statement:

> That a law repugnant to the Constitution is void, and that courts, as well as other departments, are bound by that instrument.

Please observe what this power signifies if thus incontinently derived by mere inference. Not only the Supreme Court, officers in the departments, and the lower courts but the humblest justice of the peace is empowered to nullify the statute before him if he thinks it is repugnant to the Constitution.

Such a case happened in my own State. A justice of the peace was trying a commercial traveler from some other State for violation of a Maryland law. He concluded that the Maryland law violated the Federal Constitution, and actually held the Maryland law void. The case went to a Maryland circuit court, where the justice of the peace was promptly reversed. The commercial traveler carried his case to the Court of Appeals of Maryland, and the justice of the peace was reversed again. The case at length reached the Supreme Court. That Court reversed our court of appeals and circuit court and affirmed the squire.

Now, mark you, not only may the justice of the peace nullify a statute under this unbridled power which carries no limitations as to who shall exercise it, but officers of "other departments are bound by the Constitution" to do so should the sworn official applying the act infer that it was repugnant to the Constitution. All judicial officers may nullify; any executive officer may nullify an act of Congress. Certainly here is the philosophy of anarchy issuing from the fountain of the law. And anarchy it proved to be when this dictum of Marshall was first applied 57 years later in the Dred Scott decision.

The highest intelligence and wisdom will be freely granted the makers of the Constitution. Hence the credibility of an undeclared intention imputed to them may be judged by the consequences it involves. A consequence of inferring such a power is that it carries all the power of the veto but carries no limitations as to the time when or the official by whom it shall be exercised. It is also a veto which may not be reversed. The Missouri Compromise Act was passed in 1820 and permitted to perform its high purpose of insuring the "domestic tranquillity" for 37 years before its veto by a divided Court in 1857. Is it conceivable, I ask you, my colleagues, that such a gathering of lawmakers would propose a veto that might be exercised by any sworn official—judicial or executive—without limit of time or opportunity to the Congress to revise the legislative mandate? If not, how can such an intention be imputed to the makers of the Constitution?

Other able judges of the time, Judge Bland, of Maryland, Chief Justice Gibson, of Pennsylvania, among them, discountenanced the Marshall view. Professor Haines, the foremost student of this subject, remarks:

> Anyone who carefully considers the opinions of Judges Bland and Gibson can readily perceive that reason and logic had comparatively little weight with those who are resolutely about to make judicial review of legislation a part of the American political system.

The comment of the late Chief Justice Clarke, of North Carolina, also seems fitting:

> The power to set aside or nullify an act of Congress or a State legislature is a purely political power, and is so recognized by the constitutions which give the veto to the Executive. It comes under no definition or conception of the judicial power, which is to judge between the parties to a controversy. Neither the Government nor the State is a party to these proceedings, in which its supremest power—that of enacting laws—is nullified. As claimed and exercised by the courts, it is the absolute, autocratic power, because it is irreviewable. Those whose interest it is to have such power over the legislative and executive assert it for their own ends. The wonder is that it has ever been acquiesced in at all under a free form of government.

Let us not forget that the Republic grew and prospered without the nullifying of the acts of its Congress from 1789 to 1857. The world will never forget what followed the assumption of this power in the Dred Scott decision.

MISSOURI COMPROMISE ACT AND DRED SCOTT

Mr. Speaker, attending the birth of the Constitution was the unhappy institution of slavery, regretted by the noble spirits of the South, like Washington and Jefferson and others, as much as by humanitarians anywhere. A Representative from the South myself, I am happy now to look into the faces of other southern Representatives and say the southern conscience on the subject was not a less Christian conscience than the veriest reformer's. Here before me are a hundred grandsons of soldiers of the Confederacy. If anyone were to offer a single one of you the ownership of a slave today, you would repulse him with disgust. It was with such a feeling that your great-grandfathers joined in the passage of the Missouri Compromise Act prohibiting the extension of slavery north of the Mason and Dixon's line. This act passed in 1820, was the product of the statesmanship of both the North and the South, patriotically designed to insure the national tranquillity; and with its passage some of the greatest names in our history—Clay, Calhoun, Webster, and other worthies—are immortally associated.

Let it be noted that it was a private litigant in a private suit, not a State of the South, that gave challenge to Dred Scott's right to freedom under this law. His master, and owner, though knowing the law, had still carried a slave into free territory, with notice that such an act on his part would emancipate him. In 1772 Lord Mansfield, under similar circumstances, had ruled "a slave cannot breathe the free air of England and not be emancipated." This was the declared intent of the Missouri Compromise Act, which gave freedom to Dred Scott when his master voluntarily took him into free territory.

SECOND INTERPOLATION AND THE DUE-PROCESS CLAUSE

This act of Congress conferred freedom on Dred Scott thus taken by his master into free territory. But his master insisted on holding him, despite the law. Dred Scott then invoked the protection of the courts to compel his release. Another act of Congress, the fugitive slave law, provided that slaves escaping into another State should be delivered back to the owners. But Dred Scott was not an escaped slave, and when he sought his day in court he was proceeding under a like act of Congress which entitled him to freedom. What can the court do but grant its protection? Here we meet the second amendment by interpolation.

The due-process-of-law clause in the fifth amendment, the Bill of Rights designed by Jefferson, was subjected to an interpolation, and under this interpolation the Missouri Compromise Act was held void. The relevant parts of the fifth amendment read as follows:

> No person shall be * * * subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law. * * *.

The life, liberty, and property clause was clearly meant to be an epitome of Magna Carta. King John had been throwing his subjects into the Tower and denying them a trial, had been confiscating their property and even hanging them without trial, without a day in court; that is, without due process of law. Magna Carta was wrested from him by his rebellious subjects to guarantee a day in court and proper trial before their lives, liberties, or properties should be condemned.

But the Court ruled that the words "due process of law" meant something other and besides a just and regular trial by a competent court, and that the fifth amendment to the Constitution should suffer an interpolation to read, in effect, as follows:

> Provided that if the law under which the person claims his right be an act of Congress, the judge shall consider and decide whether such law conforms to his ideas of right and wrong and invalidate

the act if he considers it to be wrong, the judgment of the Congress that it be right to the contrary notwithstanding.

It was recognized, of course, that Congress would have to enact laws as to crimes with penalties involving the life, liberty, or property of the offender. True to their instincts, the fathers placed life first, liberty second, and property third, and never imagined an addition by way of interpolation which should so pervert a constitutional provision designed to protect a just liberty of the human being. Nevertheless, a divided Court declared that Dred Scott had no right to sue under the Missouri compromise law because, forsooth, it deprived the master, Sanford, of property under its wholly unauthorized interpolation. Here is a second unwritten amendment interpolated by a divided Court in what can only be characterized as the most ill-fated decision ever given by a tribunal which was designed, and wished to be considered, as a purely judicial body.

Says Dr. Edward S. Corwin, McCormick professor of jurisprudence in Princeton University:

When the fifth amendment was added to the Constitution in 1792 no one, so far as I am aware, had even suggested that the term "due process of law" had any other than its anciently established and self-evident meaning of correct procedure; nor was such a suggestion to be accepted by any court, in any jurisdiction, for many years to come (p. 95, Twilight of the Supreme Court).

And later discussing the illegitimacy of this interpolation in the Dred Scott case Dr. Corwin says:

Indeed, at one point, and that a vital one, he (Chief Justice Taney) departs from the course of historical fact so flagrantly that one can hardly believe that he did not do so knowingly. This is where he boldly invokes the "due process" clause of amendment V as invalidating section 8 of the Missouri Compromise. As was pointed out in the previous chapter, no one at the time of the framing and adoption of the Constitution had any idea that this clause did more than consecrate a method of procedure against accused persons, and the modern doctrine of due process of law, the most important single basis of judicial review today, could never have been laid down except in defiance of history. (Ibid. p. 118.)

Thomas Jefferson, expositor of human rights and apostle of democracy, could not have supported it had he imagined such a perversion of this bill of human rights. It is easier to think of him as choosing a martyr's grave. Consider his statute repealing the law of primogeniture. Could it have survived such an interpolation into his bill of rights?

Mr. Speaker, let it be clearly understood that these words "life, liberty, and property" embrace all the civil rights and wrongs of the human being. They are titular words, each a title to a large branch of the law. Whole law libraries are necessary in our day to describe such rights; and for a courthouse tribunal to assume final power to veto legislative acts dealing with such all-embracive categories is bluntly to serve notice on us that the judge has assumed a suzerainty over the whole legislative domain. Consider well that he will do his legislating without committee investigation or report, without public discussion by responsible representatives of the people and in a forum of private litigants upon the arguments of their interested advocates.

Life, liberty, property. Under titles so lacking in specificity, without standards to guide judgment, it is the sociologist, not the legalist or judge, whose reaction is secured. And to whose philosophy of human rights shall he react? To Sir William Blackstone or Jeremy Benthams? To John Stuart Mill, the economist of the laissez faire, or to John Stuart Mill, the Socialist? Upon the answer to this question the progress of legal justice, the life of the Nation may depend. The history of the subject emphasizes the importance of the answer. Note the reaction of Justice Field to the income tax of 1894:

The income-tax law under consideration is marked by discriminating features which affect the whole law. It discriminates between those who receive an income of $4,000 and those who do not. It thus vitiates, in my judgment, by this arbitrary discrimination, the whole legislation. * * * Whenever a distinction is made in the burdens a law imposes or in the benefits it confers on any citizens by reason of their birth or wealth or religion, it is class legislation, and leads inevitably to oppression and abuses, and to general unrest and disturbance in society.

To which the judge, naively overlooking his own usurpation, adds an expression of his apprehensions:

Where is the course of usurpation to end? The present assault upon capital is but the beginning. It will be but the stepping stone to others, larger and more sweeping, until our political contests will become a war of the poor against the rich; a war constantly growing in intensity and bitterness.

What else might be expected from the judge? The litigant invites his opinion on the right or wrong of particular legislation regarding life, liberty, and property. A graduated income tax was unknown to the common law, to Blackstone, or Story. He answers according to his pre-Victorian lights. The due-process-of-law interpolation puts him under no standards for guidance. He will choose his own.

Criticizing the tendency of the courts to find implied limits on legislatures in the phrase, "due process of law", a great justice of the Supreme Court, Justice Holmes, has said:

There is nothing that I more deprecate than the use of the fourteenth amendment beyond the absolute compulsion of its words to prevent the making of social experiments that an important part of the community desires, in the insulated chambers afforded by the several States, even though the experiments may seem futile or even noxious to me and to those whose judgment I respect. (A Government of Laws or a Government of Men, p. 36, Professor Haines.)

Ladies and gentlemen, the application of this interpolation to State statutes proved so destructive to their welfare laws that the judges had to call a halt. Stare decisis forbade them to strike out the Dred Scott interpolation; so that they had to invent and add another interpolation, the well-known legal fiction of a police power. Such a power will be sought in vain in any written constitution. How fitting, therefore, is the remark of Governor Hughes, now Chief Justice:

We are under a Constitution, but the Constitution is what the judges say it is.

THIRD INTERPOLATION AND THE GENERAL-WELFARE CLAUSE

Mr. Speaker, Congressman SISSON in his resolution asks the Judiciary Committee to investigate and report—

Whether the legislative power of the Congress does or does not extend to the enactment of laws making provision for the general welfare of the United States and to insure the domestic tranquillity.

Well, how about the Constitution on the subject? The general welfare is found in the trilogy of great objectives mentioned in its preamble. It also received specific attention in the enumeration of our legislative powers.

Mr. Speaker, when the subject matter transcended the powers of the State to reach both cause and effect, because of its geographical limitation, they recognized a general-welfare subject. In such cases the Federal Government was given legislative power to act. The makers of the Constitution did not intend a vacuum in the Constitution as to national legislative subject matter on which the State was geographically incompetent to act. They left no such vacuum in the judicial power to act where plaintiff and defendant reside in different States. The intention of the Convention was often made manifest: That the sum total of the powers of the State legislature plus the power of the National Legislature should equal the sum total of the powers of the Colonial Legislature and the House of Commons before their separation. Why not? There was no vacuum in colonial days. And so the general-welfare clause was adopted as a residuary power.

But, sir, that clause has suffered destructively at the hands of the interpolator. It has been subjected to two interpolations which have shorn it of all meaning. The interpolations are in brackets:

Congress shall have power to lay and collect taxes, imposts and excises [in order] to pay the debts and provide for the common defense and the general welfare [in manner following, viz].

Mr. Speaker, under these interpolations the general-welfare clause has become a neglected power; indeed, is treated as if only a euphemistic tail to the power of taxation.

Sir, I have now to make a surprising statement. This general-welfare clause has never been examined, has never had a hearing as a power in the Supreme Court. In no case has that Court critically examined its history to ascertain whether it was intended as an enumerated legislative power. I make this statement on the authority of Dr. James F. Lawson, who has made a thorough-going study of the history of the Constitution with particular reference to the legislative powers and published an exhaustive work called "The

General-Welfare Clause, a Study of the Power of Congress Under the Constitution of the United States" (G).

I have come to know Dr. Lawson personally, and feel warranted in making the above statement on the basis of his character as well as the scholarship manifest in his book. Certain it is that the N. R. A. statute involved this subject and referred to the general welfare as its objective. Yet I do not remember a single reference to the welfare clause in the Court's opinion with reference to the act. Hence the following discussion of the subject which I think necessary.

Let me trace, in a running fashion, the history of this neglected power.

CONVENTION ACTIONS ON WELFARE CLAUSE

General Washington, Governor Randolph, Madison, and other distinguished associates, reaching Philadelphia sometime before the other delegates to the Convention, prepared a plan for a constitution and a national organization of government. Its preamble read:

*Resolved*, That the Articles of Confederation ought to be so corrected and enlarged as to accomplish the objects proposed by their institution; namely, common defense, security of liberty and general welfare.

The plan, since known as the "Virginia plan", was a comprehensive one. It embraced full legislative, executive and judicial organizations. I shall restrict myself to a discussion of its legislative phases alone.

Let us follow chronologically the stream of thought and action of the Convention as to the Virginia proposal through the 3½ months of its history.

I begin with the introduction of the Washington Virginia plan on May 29. Its preamble reads:

*May 29*

*Resolved*, That the Articles of Confederation ought to be so corrected and enlarged as to accomplish the objects proposed by their institution; namely, common defense, security of liberty and general welfare.

And that Congress shall—

(1) Enjoy the legislative rights vested in Congress by the confederation.

(2) Moreover to legislate in all cases to which the separate States are incompetent.

(3) Or in which the harmony of the United States might be interrupted by the exercise of individual legislation.

*July 17*

On July 17 Sherman moved to limit the above proposal in the Virginia plan so as—

Not to interfere with the government of the individual States in any of the matters of the internal police which respect the governments of such States only and with which the general welfare of the United States is not concerned. (1 D. H. C. 96.)

This limitation was rejected by the convention.

*July 17*

Later in the same day the convention passed Bedford's resolution, adopting an amended Virginia proposal—

(1) That the national legislature ought to possess the legislative rights vested in Congress by the confederation;

(2) and moreover to legislate in all cases for the general interest of the United States;

(3) and also in those to which the States are separately incompetent;

(4) or in which the harmony of the United States may be interrupted by the exercise of individual legislation. (1 D. H. C. 96.)

You will note that the phrase "general interest" is a rough synonym for the phrase "general welfare" employed in the Virginia plan.

*July 26*

In the 2 months of its session the Convention had agreed upon 23 resolutions defining the structure and functions of the proposed government. On July 26 it adopted a motion that these resolutions "for the establishment of a national government be referred to a committee of five (Rutledge, Randolph, Gorman, Ellsworth and Wilson) to prepare and report a constitution conformable thereto." Among these 23 resolutions so referred was the following:

VI. *Resolved*, That the national legislature ought to possess the legislative rights vested in Congress by the Confederation and moreover to legislate in all cases for the general interest of the United States and also in those to which the States are separately incompetent or in which the harmony of the United States may be interrupted by the exercise of individual legislation. (Elliot's Debates, vol. 1, 221; 3 D. H. C. 413–414.)

*August 22*

This Committee of Five (Rutledge) made a special report amending the August 6 draft of the Constitution and recommending:

That at the end of the sixteenth clause of the seventh article the following words be added:

*"And to provide as may become necessary from time to time for the well managing and security of the common property and general interest and welfare of the United States* in such manner as shall not interfere with the governments of individual States in matters which respect only their internal police or for which their individual authorities may be competent" (Elliot, p. 256). [Italics supplied.]

In the August 6 printed draft of the Constitution article VII carried the legislative powers in 17 clauses. The welfare clause was thus assigned at the end of the legislative powers and wholly disconnected from the clause on taxation.

*September 4*

Subsequently, on September 4, Mr. Brearly, of the Committee of Eleven, reported eight revisions of the printed Constitution draft of August 6, among which was the following:

The Legislature shall have power to lay and collect taxes, duties, imposts and excises; to pay the debts and provide for the common defense and general welfare of the United States.

And the clause was read twice and adopted by the Convention on September 4 (Elliot, pp. 281–282). By this action the welfare clause was shifted up from the sixteenth paragraph to the first paragraph.

*September 12*

On September 12 Dr. Johnson, from the Committee on Stile and Arrangement, to which the adopted portions had been referred, reported the second printed draft of the Constitution.

General Washington was President of the Convention. The following portion of the legislative section is from a photostat of his desk copy printed for intra-Convention use:

WASHINGTON COPY, DRAFT OF SEPTEMBER 12

SEC. 8. The Congress shall have power—

To lay and collect taxes, duties, imposts, and excises; to pay the debts and provide for the common defense and general welfare of the United States (but all duties imposts, and excises shall be uniform throughout the United States).

To borrow money on the credit of the United States.

To regulate commerce with foreign nations and among the several States, and with the Indian tribes.

To establish an uniform rule of naturalization, and uniform laws on the subject of bankruptcies throughout the United States—

And so forth.

The sentence in parenthesis, "but all taxes shall be uniform throughout the United States", was first proposed and adopted on September 14, 3 days before the signing of the great document.

Mr. Speaker, surveying the history of this subject, I ask with confidence, what can be more certain about the Convention than that the Convention intended to vest in Congress this power to legislate as to the general welfare?

THE WELFARE CLAUSE A POWER

Thus the Washington, or Virginia, plan became the general-welfare clause in the Constitution. And now I have to call attention to an accident in punctuation. The Washington copy was turned over to a copyist, to write out in hand on parchment for engrossment, who substituted a comma for the semicolon. The journal indicates that no such change was authorized and that members of the Convention signing the Constitution were entirely unadvised of the change.

There was no Convention print of the written copy they signed. The engrossed written document was "read" to them (Elliot, p. 317) as like documents are read to us here from the desk. Of the semicolon they were conscious. Printed copies carrying the semicolon were before the Members.

I continue the exposition by quoting from a dialog with Senator NORRIS and the late Senator Walsh in the Judiciary Committee of the Senate:

Senator WALSH of Montana. If I understand the question of the chairman [Mr. NORRIS] right, the idea in his mind is that it is equally as well when you put a comma there, it is equally as well set apart from what goes before as though there was a semicolon there, and if the clause "to provide for the payment of debts and general welfare" is a modification of what precedes, you should not have either a comma or a semicolon.

Mr. LEWIS. Exactly so. The erroneous comma is meaningless as a modifier, unless you interpolate some phrase like "in order." If the comma be read to mean "and", as the history of the subject requires, then a distinct legislative power is carried.

Senator WALSH of Montana. As I understand you, Mr. LEWIS, you contend it should be construed as though Congress had power to lay and collect taxes, imposts and excises; that Congress shall have the power to pay the debts of the United States; that Congress shall have the power to provide for the common defense and the general welfare of the United States?

The other contention is that Congress shall have the power to lay and collect taxes, imposts, and excises "in order" to pay the debts and provide for——

The CHAIRMAN. It seems to me to get the last construction you would have to take the comma out. What is the use of the comma?

Exactly. The rules of punctuation sustain the chairman. (H)

INTERPOLATIONS IN WELFARE CLAUSE

It was Story, himself a contractionist, who first resorted to an interpolation. He was in ignorance of the erroneous substitution of the comma for the semicolon. I quote from him:

The reading therefor which will be maintained in these commentaries. * * *

"The Congress shall have power to lay and collect taxes, duties, imposts, and excises [in order] to pay the debts and provide for the common defense and general welfare of the United States."

That is, for the purpose of paying the public debts and providing for the common defense and general welfare.

Even this interpolation of Story leaves the welfare idea still standing as a legislative objective for which Congress can lay taxes as well as appropriate. The destructionist will have none of this milk-and-water contraction. He argues that the welfare clause carries no kind of legislative power but is only a preamble to the particular powers, and so is to be regarded as mere surplusage. The contractionist would give objective meaning to the words "provide for the general welfare." The destructionist would eliminate all meaning. To do so, like the contractionist, he must get rid of the comma by interpolation of the words "in order." Even so, the idea "general welfare" still remains as an objective under the taxing clause to raise "implied legislative power." Now, how can he destroy this power also? Only by a second interpolation of such words as "in manner following, viz." The clause then would read:

Congress shall have power to lay and collect taxes, imposts, and excises [in order] to pay the debts and provide for the common defense and the general welfare [in manner following, viz].

The contractionist, Story, must use one interpolation "in order"; the destructionist must supplement it with a second interpolation "in manner following, viz."

But even Story protests in his Commentaries (vol. I, sec. 913) against this second interpolation. I quote him:

It is not said to "provide for the common defense and general welfare, in manner following, viz", which would be the natural expression to indicate such an intention. But it stands entirely disconnected from every subsequent clause, both in sense and punctuation, and is no more a part of them than they are of the power to lay taxes.

Mr. Speaker, between them these interpolators and their kind have contrived to prevent the application of this necessary power to social and economic subjects when they do not fall clearly under the commerce clause. Hence a vacuum in the legislative field, although the "State is incompetent to act" (H).

A NECESSARY POWER

I think it is clear that equally with comma or semicolon the clause expresses a power as its history shows it to have been intended. Hence Congress may provide for the general welfare not merely through the levying of a tax but by other logical and legitimate methods; for example, the prescription of justiciable rights and duties generally. It is true that such a power is applicable to but a limited part of the total field of legislative subject matter. But when applicable it possesses properties like the postal clause, enabling the lawmaker to fully control the subject matter. The breakdown of the principle of competition in farming and coal mining which calls for a limitation of the production of such products, the equal right of competent men to work and to a share of the Nation's employment asset, all subjects which the separate State is organically unable to encompass for geographical reasons, are examples of interstate subjects, the evils of which may run into catastrophes if an equal national power to treat them be denied.

Legislative power to effect such control exists in all the leading countries, most of which have taken some action. Such a legislative power unquestionably existed in the sum total of the legislative powers of the colony and Parliament taken together. It was to conserve this necessary legislative power that the welfare provision of the Virginia plan and the general-welfare clause was designed.

WHY WAS THE VIRGINIA PLAN PROPOSED?

To prevent national anarchy Washington declared—

We are descending into the vale of confusion and darkness. The confederation appears to me to be little more than a shadow and Congress a nugatory body. To me it is a solecism in politics * * * that we should confederate as a nation and yet be afraid to give the rulers of the nation who are the creatures of our own making * * * sufficient powers to order and direct the affairs of the same.

And it is in such a state, sir, that the denial of these constitutional powers is placing the country again.

REVENUE ACTS NULLIFIED

*Income taxes*

Ladies and gentlemen, may I give you a few examples of what has happened to laws passed by this body under these interpolations? They are taken by permission from the comprehensive work of Professor Haines, published by the University of California, entitled the "American Doctrine of Judicial Supremacy", an excellent treatise (F).

We have, first, the courts nullifying the income-tax law of 1894. Here is a veto by the Court coming after a similar act had been once sustained by the Court. Dissenting opinions were rendered by Justices Harlan, Brown, Jackson, and White. Justice Harlan claimed that by reversing the earlier law and practice of the Government the majority of the Court rendered it necessary to amend the Constitution to secure principles of right, justice, and equality in Federal taxation; and he insisted that policy and economic considerations, rather than law, actuated the majority in their conclusions.

*Stock dividends income*

More recently, a decade ago, the courts struck down the income tax on net income paid stockholders through stock dividends. This decision, according to careful estimate, has already cost the Government more than a billion dollars (I).

Professor Haines says:

The Revenue Act of 1916 imposed a tax on stock dividends of corporations issued from the profits accumulated since the adoption of the sixteenth amendment. The imposition of such a tax was held void. A stock dividend was held not to be income within the meaning of that term as comprised in the sixteenth amendment. Justice Pitney delivered the opinion. Justices Holmes, Day, Brandeis, and Clarke dissented. Justice Holmes believed that the word "income" in the sixteenth amendment should be read in "a sense most obvious to the common understanding at the time of its adoption", and that according to this meaning the amendment clearly justified the tax. Justice Brandeis also contended that stock dividends were income within the authority granted to Congress under the sixteenth amendment, and he claimed that the majority of the Court departed from the rule that "the high prerogative of declaring an act of Congress invalid should never be exercised except in a clear case" (*Eisner* v. *Macomber*, 252 U. S. 189).

*Why judges do not pay income taxes*

Again, the Revenue Act of 1919, which levied a tax on the net income of individuals, provided that the salaries of all Government officials, including the President, Congressmen, and judges, should be included in their income-tax returns. This act was held void as to the judges on the far-fetched and empty argument that the Constitution provided that the compensation of the judges shall not be diminished during their continuance in office. Justices Holmes and Brandeis dissented. Justice Holmes said he found nothing in the Constitution to exonerate a judge from the ordinary duties of a citizen. A tax that applied to all other citizens seemed to be properly levied against the salaries of Federal judges. The income-tax, or sixteenth, amendment provides that Congress may levy taxes on incomes "from whatever source derived" (253 U. S., p. 245).

Similarly, all the employees of the State, county and city governments escape payment of Federal taxes on their sala-

ries. The familiar legal fiction, "The power to tax is the power to destroy", is made to do service for this purpose in the absence of any such an exemption in the Constitution. If the salaries of State officials were included in their taxable incomes, they might resign, forsooth, and imperil the sovereignty of their State. A fine pain easer, sir, is this legal fiction. There is nothing in all the poets so apt to warm the cockles of the taxdodger's heart. The fiction also works to exempt Federal officeholders from the payment of State income taxes to the States which protect them as residents.

Sections 319 to 324 of the Revenue Act of 1924 were interpreted so as to impose a tax on gifts fully consummated before its provisions came before Congress, and were held invalid as contrary to the due-process-of-law clause.

Justices Holmes, Brandeis, Sanford, and Stone thought these provisions should be construed as operating only from the date of the act and applicable only to gifts thereafter made, and thus they would be clearly valid (275 U. S., p. 142).

*Social justice*

Here is the Child Labor Act voided by a 5-to-4 decision. This law was held invalid on the ground that it was an attempt to invade the State's police power over local trade and manufacture and hence not warranted by the authority delegated to Congress over interstate commerce.

Justice Day delivered the opinion of the Court. Justices Holmes, McKenna, Brandeis, and Clarke dissented. Justice Holmes thought the statute should have been upheld because its prohibitions applied only to the carriage of certain goods in interstate and foreign commerce which brought it clearly within one of the express powers granted to Congress.

He observed:

I should have thought that the most conspicuous decisions of this Court had made it clear that the power to regulate commerce and other constitutional powers could not be cut down or qualified by the fact that it might interfere with the carrying out of the domestic policy of any State.

But he added:

The act does not meddle with anything belonging to the States. They may regulate their internal affairs and their domestic commerce as they like. But when they seek to send their products across the State line, they are no longer within their rights (*Hammer* v. *Dagenhart*, 247 U. S. 251 (1918)).

*The right to work*

And the right to work—here is an act of Congress safeguarding the right to work by prohibiting the dismissal of an employee in interstate commerce because of membership in a labor union. A majority of the Court voted it down. Justice McKenna emphatically dissented, finding that entire act presented—

A well-coordinated plan for the settlement of disputes between carriers and their employees by bringing the disputes to arbitration and accommodation and thereby prevent strikes and the public disorder and derangement of business that may be consequent upon them.

Justice Holmes, also dissenting, said:

I also think that the statute is constitutional, and but for the decision of my brethren I should have felt pretty clear about it. * * * The section simply prohibits the more powerful party to exact certain undertakings, or to threaten dismissal or unjustly discriminate on certain grounds against those already employed. * * * I confess that I think that the right to make contracts at will that has been derived from the word "liberty" in the amendments has been stretched to its extreme by the decisions; but they agree that sometimes the right may be restrained. When there is, or generally is believed to be, an important ground of public policy for restraint, the Constitution does not forbid it, whether this Court agrees or disagrees with the policy pursued.

*Minimum wages for women*

This House once passed a statute fixing minimum wages for women in the District of Columbia, as to which Congress has full parliamentary powers under the Constitution. The Court voided it under its interpolation to the fifth amendment. It declared this law an interference with the right to contract thus set above the woman's right to the means of life by this perverting interpolation. The act was condemned as a price-fixing measure in private employment and characterized as "the product of a naked, arbitrary exercise of power."

Justice Sutherland delivered the opinion of the Court. Justice Brandeis took no part in the decision. Chief Justice Taft and Justices Sanford and Holmes dissented. Chief Justice Taft declared that—

It is not the function of this Court to hold congressional acts invalid simply because they are passed to carry out economic views which the Court believes to be unwise or unsound.

The Chief Justice believed that former decisions of the Court gave ample warrant for the action which Congress had taken. Justice Holmes, also dissenting, said:

I confess that I do not understand the principle on which the power to fix a minimum for the wages of women can be denied by those who admit the power to fix a maximum for their hours of work * * *.

The criterion of constitutionality is not whether we believe the law to be for the public good. We certainly cannot be prepared to deny that a reasonable man reasonably might have that belief in view of the legislation of Great Britain, Victoria, and a number of the States of the Union (*Adkins* v. *Children's Hospital*, 261 U. S. 525 (1923)).

*Judges' pensions, yes; workers' pensions, no*

Sir, very recently, by 5-to-4 decision, the Railway Old-Age Pension Act has been nullified. However, a law granting full-salary pensions to the judges does not offend. An act passed by the Congress assuming to reduce such pensions of retired Federal judges was even held void. Some 70 statutes of the United States have been thus voided so far, of which I give a descriptive list in the appendixes (J).

WHAT ABOUT THE STATES?

Mr. Speaker, the fourteenth amendment to the Constitution, which carries the same life, liberty, and property clause with respect to legislation by the States, has been subjected by the courts to the same interpolation as to "due process of law", and many thousands of State laws have been similarly nullified.

It is the habit to excuse such nullification by saying that the judge is but protecting the State powers against impairment by Federal invasion; that the powers of the State have been almost destroyed by Federal action. There is, sir, just ground for this complaint. Consider what the State once was, clothed in her majestic colonial powers. Within the colonial boundaries she could exercise legislative powers like those of the British Parliament. Look at her now. Her legislative powers have been stripped to the bone. But who stripped them? Not this House. I challenge them to point to a single act of Congress impairing the State's power to legislate. Who stripped them? I answer boldly, these interpolating courts who have palsied the legislative organs of the States with the same destructive interpolation invented in the Dred Scott case. Let me rehearse a list, by titles, of subjects on which the State could once legislate, all of them purely domestic subjects which are partly or wholly forbidden them now; forbidden them by the edicts of judges issued under this perverting "due process" interpolation:

*Federal decisions*

1. Bakeries.
2. Banks.
3. Bedding.
4. Chain stores.
5. Creameries.
6. Education.
7. Employment agencies.
8. Flags.
9. Labor disputes.
10. Labor unions.
11. Laundries.
12. Lotteries.
13. Minimum-wage laws.
14. Mining.
15. Mortgages.
16. Negroes.
17. Newspapers.
18. Old-age homes.
19. Picketing.
20. Political parties.
21. Public utilities.
22. Railroads.
23. Railway conductors.
24. Rents.
25. Sleeping cars.
26. Statute of limitations.
27. Taxation.
28. Theater tickets.
29. Trust-made articles.
30. Use of highways.

*State decisions*

1. Alien employees.
2. Antitrust exemptions.
3. Barbers.
4. Chinese immigration.
5. Chinese labor.
6. Company stores.
7. Compulsory labor.
8. Convict-made goods.
9. Discharging employees.
10. Employment agencies.
11. Garnishment. (K)
12. Municipal ice.
13. Plumbers.
14. Public works.
15. Scrip payments.
16. Store orders.
17. Tips.
18. Union labels.
19. Weekly wage.
20. Women.
21. Employment.

Yes, ladies and gentlemen, consider what the States once were. And look at them now—impotent to protect the helpless or the wronged against cunning and selfishness.

Meanwhile the Congress, as well as the States, is forbidden by like edicts, sanctioned only by interpolations, to act where the State is organically incapable to act, under the pretense that we should be encroaching on State powers. Away with this mockery. Let us hope never to hear its false voice in this Chamber again (K).

RÉSUMÉ

Ladies and gentlemen, may I detain you a little longer to summarize. If our beloved Constitution fails us in our generation it fails only because of these interpolations which, like the serpents encoiling themselves about the giant limbs of Laocoön, are paralyzing its preservative powers.

*First interpolation*

Provided that at any time after the passage of an act by the Congress any person adversely interested may deny any duty thereunder and the validity of such act in any legal proceeding; and if the judge shall consider that such act is not authorized by the Constitution, then he shall hold such act to be invalid, the judgment of the Congress and the President that it is valid to the contrary notwithstanding.

*Second interpolation*

Provided that if the law under which the litigant party claims his right be an act of Congress, the judge shall consider whether such law conforms to his ideas of right and wrong and invalidate the act if he considers it to be wrong, the judgment of the Congress that it be right to the contrary notwithstanding.

*Third interpolation*

The Congress shall have power to lay and collect taxes, duties, imposts, and excises [in order] to pay the debts and provide for the common defense and general welfare of the United States.

The first interpolation, which adds to the expressed judicial powers a jurisdiction to invalidate our acts, is a power to prorogue this Congress so far as our present problems are concerned. The second actually perverts the life, liberty and property clause to provide that all new laws relating to life, liberty, or property, must conform to the opinions of the judges as to right and wrong, the opinion of Congress as to right and wrong to the contrary notwithstanding. Its effect is to crystallize the preexisting laws as to personal and property rules, whether right or wrong, and to sterilize all legislative power for the advancement of legal justice, or adaptation of the laws, even to profound changes in industrial and social conditions.

Certainly its great author never foresaw such a perversion of his Bill of Rights converting it into an instrument which, under the rule of stare decisis, would " peg " the preexisting order and block progress in the field of legal justice. Stare decisis, stare Blackstone. Stare ye common law and ancient statutes. Long live ye philosophers of the laissez faire. Now, sir, I am a lawyer by profession and have no prejudice against the principle of stare decisis as applied in the interpretation of statutes. That a judge has decided a disputed legal question is to my advantage. It enables me to advise my client as to what the law actually is. It enables me to pilot him safely through his affairs. In such cases no ultimate denial of human rights or progress is involved. If the judge has erred in his decision, or if the statute has not been properly worded to express the purpose of the lawmaker, the statute can be amended at the next session of the legislature, sure to meet at an early time. But, sir, when this rule of stare decisis is applied to decisions as to the meaning of the Constitution and there is no constitutional convention in waiting to rectify the effect of the judge's decision, then I say such application is revolutionary, is subversive of justice and the Constitution, and ominously destructive of necessary functions of government.

The third interpolation would destroy a grant of national power to legislate for the general welfare, even where the separate State is organically incapable. It would leave a vacuum in the power of the Nation to protect itself, without example among the nations of the earth.

REMEDIAL SUGGESTIONS

Let me here repeat my opening statement that if we take out of it these false interpolations and restore to it its express power to legislate for the general welfare, our beloved Constitution is as ample to meet our needs today as it was designed to be by the fathers.

How can this work of restoration be performed? May I say our task is mostly a work of elimination of these unwritten interpolations. That it can be performed I am without doubt. The people, acting through their Congress, are still paramount.

It is the purpose of the Sisson resolution to have the Judiciary Committee examine the subject and advise the House as to methods. Bills have already been introduced proposing various methods. May I refer to the Ramsay bills, one providing for a constitutional amendment and another bill requiring that three-fourths of the judges should have to agree in a judgment competent to invalidate; the bill of Congressman MONAGHAN vacating the office of a judge invalidating an act; the resolutions of Senator NORRIS and Representative KELLER proposing a constitutional amendment to be passed upon by conventions in the respective States and a bill of Congressman CROSSER; also the bills of Representatives HILL and HILDEBRANDT. Of course, a general convention to revise the Constitution in any of its parts may be called by the States.

REGULATIONS—EXCEPTIONS

Now, sir, let me refer to a statutory method of treatment provided in the Constitution itself where it deals with the jurisdiction of the courts. I read:

In all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be a party, the Supreme Court shall have original jurisdiction.

Sir, this clause confers the Supreme Court's entire original jurisdiction. All its other jurisdiction is conferred by Congress under the following clause:

In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions and under such regulations as the Congress shall make.

In one instance at least this power to make exceptions in its jurisdiction was exercised in a challenging way (*McCardle*, 7 Wall. 506 (1868)). The power was also recognized as early as 1799 (*Turner* v. *Bank, etc.*, 4 Dallas, 8). It is understood, of course, that the inferior courts have only such jurisdiction as Congress may confer on them.

Many acts passed by the Congress have been invalidated at the mere instance of private litigants on the charge they impaired the sovereign power of the States. Surely only a State itself should be heard by the courts to utter such a complaint. The private litigant commonly is only seeking to avoid a personal obligation on the ground that the State alone can legislate thereon. A regulation by statute providing that the State alone be allowed to complain seems justified.

My service as a member of the Committee on Ways and Means has brought me to think that the disastrous experience of the country with frustration of its just and necessary revenue laws by court nullification demands a denial of such jurisdiction at the mere instance of private litigants in the courts. Are the Members of Congress under oath, the President under his high oath, who have been selected by the taxpayers themselves, and who must face them frequently for vindication or dismissal, not as responsible in the matter of taxation as elective members of Parliament in the other countries of the world? It is of interest to recall that the House of Lords, like our Federal judges, a life-office-holding body, had at length to be divorced from power over revenue bills by the British people.

Let me also refer to regulations which might be applied as to Bill of Rights and other prohibitions found in the Constitution. Many of the prohibitions concern concrete and specific subjects, as in the first amendment, for example, habeas corpus, freedom of religion, speech, or of the press, right to assemble and to petition, and various others. Jurisdiction might well be left in the courts to pass upon the validity of acts relating to such fully described subjects. In the case of such specific prohibitions the courts themselves can feel a real confidence in their opinions. Here is a list of most of such inalienable rights.

INALIENABLE RIGHTS

Habeas corpus.
Bills of attainder.
Ex post facto laws.
Duties on exports from a State.
Preference to ports of any State.

Proof of treason, two witnesses, etc.
Religious qualifications for office, not to be.
No law establishing religion, or prohibiting its exercise.
No law to abridge—
(a) Freedom of speech.
(b) Freedom of the press.
(c) Freedom of peaceable assembly.
(d) Freedom of right of petition.
No law to infringe right to State to militia.
Soldiers not to be quartered "in any house", etc.
Unreasonable searches and seizures.
Denial of presentment and indictment, certain crimes.
Twice in jeopardy, or witness against oneself.
Excessive bail, fines, or cruel and unusual punishments.
Questioning validity of public debt.
Denial right to vote on account of race, slavery, sex.
Treason not to work corruption of blood, etc.
Right of trial by jury, etc.

GENERAL AND INDETERMINATE PHRASES

But, sir, not all the phrases in the great document are or could be as concrete as the above. In truth the Constitution is a denotive rather than a descriptive statement couched, of necessity, in phrases so general that discretion is necessary in their definition and application. Expressions like "commerce among the States", "the general welfare", and others call, not for a dictionary but for the adjusting, even compromising, discretion of the statesman and lawmaker selected in a democracy by society to express its will. The result of this generality in the phrases is to confer an elasticity very necessary in lawmaking. Hence, the facility supplied by nullification to private litigants to raise questions of constitutionality. Professor Haines, author of the most comprehensive work on the subject, concludes:

There are relatively few instances in which there is a direct and unequivocal conflict between the express terms of a written constitution and a definite provision of a legislative enactment.

Most of the cases now passed upon by the courts do not involve two express provisions definitely in conflict. They are concerned with the application of vague and general words of the Constitution in relation to the significance to be accorded to certain facts and to a political, economic, or social policy selected by the legislature to meet the resulting conditions.

It is not so much, then, the higher law prevailing over the lower law as it is a court's judgment of facts and of the social and economic policy in relation thereto prevailing over a legislative or administrative determination of facts and of public policies. (A Government of Laws or a Government of Men, pp. 15-16.)

Now, sir, with regard to titles like life, liberty, and property which describe no right in particular, specificity of subject is utterly lacking, and it is apparent that the only office a judge discharges in declaring a child-labor law, a minimum-wage, or a maximum-hour law as in violation of the rights of life, liberty, or property is to assume that he has a better understanding of social justice and wise legislation than the Congress selected by the people to act upon these subjects. Bluntly, he must decide that he is wiser than society and Congress. He is not wiser. In my view the courts should be denied jurisdiction to invalidate acts of the State legislature or of the Congress on titles as nonparticularizing as "life, liberty, and property", unless the right intended, a regular trial, be actually denied by a statute. Our high Court has but recently declared an act of Congress ineffective because, although Congress was competent to deal with the subject, we had failed to provide sufficiently specific standards, it thought, to guide the Chief Executive in applying it.

By the same philosophy should the judge's power to invalidate be judged. Where are his standards in such all-comprehensive and often conflicting fields of thought as "life, liberty, and property?" No man not secretly wishing to enjoy arbitrary power would seek this power in the first instance; and no responsible tribunal would accept it, even unsought, did it not feel bounden by the doctrine of stare decisis and the binding power of precedent. I would relieve the fallible judge of power to pronounce such irreparable judgments. Many of them, seeing that they can give no initiative in this legislative field but can act only negatively, and even so without prescribed standards for guidance, would doubtless welcome relief from such responsibility.

*Proposed jurisdictional statutes*

Mr. Speaker, may I continue to say that an exit from the dilemma in which these decisions have placed the Nation is found in the express provision of the Constitution just quoted, giving to Congress the power to prescribe the appellate jurisdiction of the Supreme Court and to determine the jurisdiction of the "inferior courts." I should approach the problem by a statute providing that the "inferior courts" should have no jurisdiction to entertain, hear, or adjudge any suit in which the plaintiff alleged, in any of his pleading, that an act of Congress—relating to the subjects enumerated below—to be unconstitutional, or to entertain any plea, answer demurrer, or other pleading on the part of the defendant alleging any such act of Congress to be unconstitutional. The statute would also provide that the circuit court of appeals and the Supreme Court should have no jurisdiction to entertain, hear, or adjudge any suit on appeal from such "inferior courts" by the plaintiff or defendant below in which the appellant relied upon a contention of unconstitutionality in such an act of Congress.

Thus, sir, a statutory exception is provided, first, in the original jurisdiction of the "inferior courts" and, second, in the granted jurisdiction of the appellate courts, withdrawing the constitutional aspect of such specified subjects wholly from the courts' jurisdiction.

The subjects which I think should be withdrawn from such nullifying power are: Some constitutional phrases, which of necessity in such an instrument are of only general and therefore of indeterminate significance; phrases whose interpretation call for statutes and the exercise of the lawmakers' discretion; phrases, like the title page in a book, call for a defining statute, as the title calls for the book's contents. These subjects are five in number, as follows:

(1) The general welfare.
(2) Commerce among the States.
(3) Taxation.
(4) Due process of law.
(5) Money; legal tender.

The relevant portions of the constitutional clauses involved read as follows:

The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts, and provide for the common defense and general welfare of the United States (art. I, sec. 8).

To regulate commerce with foreign nations, and among the several States, and with the Indian tribes (art. I, sec. 8).

To coin money, regulate the value thereof (art. I, sec. 8).

Nor be deprived of life, liberty, or property (by Congress) without due process of law (art. V).

Nor shall any State deprive any person of life, liberty, or property without due process of law (art. XIV, sec. 1).

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States and without regard to any census or enumeration (amendment XVI).

No other subjects in the Constitution would be affected, and the relation of the courts to the inalienable rights would remain as now.

Another remedial suggestion: It comes from a source certainly in "pari materia", as lawyers would say. It is a way out of its dilemma for the country, suggested by Judge Marshall himself in a letter to Judge Chase, only to become known in recent times.

In this letter to Judge Chase in 1804, Chief Justice Marshall took the position that it might be well to concede to Congress a veto of the Court's decisions. Judge Marshall used this language:

A reversal of those legal opinions deemed unsound by the legislature would certainly better comport with the mildness of our character than the removal of the judge who has rendered them, unknowing of his faults (E).

In effect Judge Marshall advises that the Court's decision against a statute be taken by Congress as advisory only, and that Congress might restore the statute by reaffirming it.

Mr. Speaker, summarized, the jurisdictional statute I suggest would carry the following propositions:

(a) That no court of the United States or within a State exercising original jurisdiction shall possess jurisdiction whether at law or in equity to entertain, hear, or adjudge any suit in which the plaintiff alleges in his pleading or otherwise that an act of Congress be void which relates to (1) the general welfare of the United States, (2) commerce among the States, (3) taxation, (4) the issuance of money or the

prescription of the legal-tender rights thereof, or (5) relating solely to the substantive rights of persons under the fifth amendment to the Constitution; or to entertain, hear, or adjudge any plea, answer, demurrer, or other pleading in any proceeding at law or in equity or otherwise alleging an act of Congress to be void which relates to the above subjects.

(b) No court of the United States or within the States when exercising an appellate jurisdiction shall have jurisdiction to entertain, hear, or adjudge any pleading at law or in equity on an appeal in which the plaintiff or defendant alleges an act of Congress relating to such subjects to be void.

Mr. Speaker, I think this treatment falls distinctly within the express provision of the Constitution empowering Congress to determine the jurisdiction of the inferior courts and specifying that "the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions and under such regulations as the Congress shall make." I think the principal trouble may be reached by this limited statutory treatment. Certainly, sir, the proposal is a moderate proposal. It involves no coup d'état. That role was exhausted by Taney in the Dred Scott case. The proposal simply removes the courts from a field they took by trespass, and from only a part of that field, a part which past history shows they have not cultivated, and cannot cultivate, with profit or with safety to the Republic.

But, sir, we are told it is too late, too late; that the Court's interpolations have become the law of the land by acquiescence. By whose acquiescence? I summon the first protectors of the Constitution and the people:

Thomas Jefferson, did you acquiesce?

No, no, my countrymen. The opinion which gives to the judges the right to decide what laws are constitutional and what are not * * * makes the judiciary a despotic branch. The Constitution has erected no such single tribunal, that to whatever hands confided * * * its members would become despots.

Andrew Jackson, military spokesman of democracy, what say you? Did you acquiesce?

I acquiesce? I repudiate the assumption entirely.

Abraham Lincoln, savior of the Union, what was your answer to the Dred Scott decision?

My answer: Somebody has to reverse that decision and we mean to reverse it. If the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court * * * in ordinary litigation between parties in personal actions, the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal. "Why should there not be a patient confidence in the ultimate justice of the people? Is there any better or equal hope in the world?"

President Grant, they have struck down the Legal Tender Act giving character to the greenbacks with which you won the war. Do you acquiesce?

Acquiesce? Never! I will reconstitute that Court.

And he did.

Theodore Roosevelt, militant spokesman of the Republican Party, speak:

I do speak. Let the people recall the decision. The highest right of a free people is the right to make their own laws; and this right does not exist if under the pretense of interpretations an outside body can nullify the laws. I hold that the people should say finally whether these decisions are or are not to stand as the laws of the land (L).

And our present Chief Magistrate. He has pleaded, too, for a public understanding of the dilemma of the Government. Under his leadership the Nation is engaged in a war to conquer the worst depression in history. The solutions have been thrown back into our faces by the refusal of a coordinate department to enforce regularly enacted laws.

What shall we do? For myself I have sworn to support and to defend our beloved Constitution—to defend it against domestic as well as foreign foes. Judge Marshall's oath, Judge Taney's oath meant no more to them than my oath means to me. It is the oath taken by Jefferson, by Lincoln. I interpret it as they interpreted it. I cannot do other—I cannot do better—than follow in their path.

LIST OF REFERENCES

A. Foreign Countries and Nullification.
B. Constitutional Provisions and Judiciary Act 1789.
C. Leading Opinions as to Nullification.
D. Marshall's Relations to Marbury Case.
E. Marshall's Letter to Chase—Beveridge Comments.
F. Frued—Differing Legislative and Judicial Standards.
G. Doctor Lawson's Challenge—Welfare Clause.
H. "Welfare" References and Remarks.
I. Revenue Losses by Nullification.
J. Acts of Congress Nullified.
K. Examples Impairment State Legislative Power by Nullification.
L. Positions of Jefferson, Lincoln, Grant, and Theodore Roosevelt.
M. General Bibliography.

REFERENCE A

FOREIGN COUNTRIES AND NULLIFICATION

In the Union of South Africa Parliament is supreme. The courts have no power to declare an act of parliament unconstitutional.[1]

The Supreme Court of Canada has hardly any power of interpreting the constitution, since powers of the Provinces are enumerated and powers of the Dominion are residual.[2]

The federal court in Switzerland cannot declare a law unconstitutional even when it appears to be so. The legislative authority is the sole judge of the validity of its own acts unless recourse is had to the federal council, which is the executive in Switzerland.[3]

The constitution of Australia provides that parliament may make laws conferring original jurisdiction on the high court in any matter arising under the constitution or involving its interpretation, and in any matter arising under any laws made by the parliament (ch. III, sec. 76).

The constitution further provides: "The parliament of Australia has power to make laws with respect to matters necessary and incidental to the execution of any power vested by the constitution in the federal judicature" (ch. I, sec. 51 (XXXIX)).[4]

The courts in Norway assumed the right to declare laws unconstitutional in 1904, and in Rumania in 1912.[5]

Of the Latin-American States Shepherd said: "In no republic do the federal or national courts possess either the degree of independence or the right to interpret and apply the constitution to the extent enjoyed by the Supreme Court of the United States."[6]

The constitution of Colombia provided that the supreme court shall have power to decide upon the constitutionality of legislative acts, which may have been objected to by the Government as unconstitutional.[7]

In Salvador, Honduras, and Nicaragua bills modifying or repealing any section of the codes or affecting the administration or justice may not be passed until the opinion of the supreme court has been heard.

In Salvador the justices of the supreme court may initiate legislation necessary to correct imperfections or deficiencies in the existing law that have been noticed in the course of its application.[8]

The supreme court of justice in Mexico has exclusive jurisdiction in all controversies arising between the powers of government of any state as to the constitutionality of their acts.[9]

In France the legislative authority is the interpreter of its own powers. Of the power of the President of France to administer law Woodrow Wilson wrote:

"[The power of the President of France] to execute and administer the laws means, according to immemorial practice in France, that he may freely interpret them to meet circumstances and cover cases which the legislature did not foresee and provide for. The laws are for the most part themselves without detailed provisions. They give the officers of state who are to execute them a principle by which to go, rather than a body of minute instructions. He may not disregard the plain principles of the law, indeed, but he is not restrained by detail; and in shaping administrative arrangements, instructing officials, and developing plans to meet the requirements of public business the executive authority exercised by the ministers through the President's decrees is in most cases wholly free from the trammels of statute. The legality of administrative action, moreover, is tested, when challenged, not by the ordinary courts of law, in which private rights are determined and guarded, but by special administrative tribunals, in which the utmost latitude of discretion on the part of officers of state is the principle chiefly respected and enforced."[10]

[1] Woodrow Wilson, The State (1918 ed.), p. 257.
[2] C. F. Strong, Modern Political Constitutions, p. 116.
[3] James Bryce, The American Commonwealth (1926 rev.), vol. I, p. 260; Woodrow Wilson, The State, pp. 408, 415.
[4] The Commonwealth of Australia Constitution Act, 63 and 64 Vict., c. 12, as amended. The text is printed in K. O. Warner's Introduction to Some Problems of Australian Federalism, University of Washington Press, 1933, p. 271. For provisions concerning the judiciary see pp. 289–291.
[5] C. F. Strong, Modern Political Constitutions, p. 270.
[6] W. R. Shepherd, Latin America, p. 149.
[7] Art. 151 (IV), text of the constitution in Bernard Moses' Constitution of the Republic of Colombia. Supplement to Annals of the American Academy of Political and Social Science, January 1893, p. 56.
[8] Robert Luce, Legislative Procedure, Boston, 1922, p. 588.
[9] Art. 105, Constitution of 1917. Text printed in M. H. Andrews' Twelve Leading Constitutions. Compton, Calif., 1931, p. 268.
[10] Woodrow Wilson, The State, New York, 1918, pp. 164–165.

The Parliament in Belgium is likewise sole interpreter of its own powers.

Dicey explains the French and Belgian system by saying that "the statesmen of these countries may have thought that parliamentary invasions of the Constitution were a less evil than the participation of the judges in politics." [11] In New Zealand and Finland no act of Parliament can be unconstitutional.[12]

In Japan no court of law may take cognizance of any suit which relates to rights alleged to have been infringed by the illegal measures of executive authority. Administrative courts were established by law in 1890.[13]

The Constitution of Italy expressly prohibits any power other than the legislative from passing upon the validity of its acts. Article 73 of the constitution reads as follows: "The interpretation of the laws, in the form obligatory upon all citizens, belongs exclusively to the legislative power." [14]

A preliminary law to the constitution and by its own terms an integral part of the Constitution of Czechoslovakia provided for the creation of a constitutional court to determine whether laws of the Czechoslovak Republic and the Diet of Carpathian Ruthenia conform with the constitution or with laws which may supplement or amend it.[15]

The Constitution of Czechoslovakia prohibits the ordinary courts to pass on the constitutionality of laws. In a special instance, however, there is an exception. The committee which sits in the interim of sessions of the National Assembly may promulgate emergency measures which must be submitted to the constitutional court for review before they become law. This court determines whether the measure is in harmony with the constitution.[16]

Under article 102 of the constitution judges are authorized to examine into the validity of a government decree. In the case of a law, however, they may only inquire into the question whether it was properly promulgated.[17]

No court in England will pass on the constitutionality of an act of Parliament, not because England, as it is sometimes said, has no constitution, but because an act of Parliament amends the constitution. This attitude of the courts dates from the seventeenth century, when Parliament became the supreme power in England. Before that time the Magna Carta was held by the courts to be superior to Parliament or the Crown, and judges interpreted the law in the light of the great charter. Coke maintained that common law was superior to acts of Parliament. Sir Thomas More contested the right of Parliament to make the King the supreme head of the English Church.[18]

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REFERENCE B

CONSTITUTIONAL PROVISIONS AND JUDICIARY ACT, 1789

The constitutional provisions important to be borne in mind in connection with the discussion are:

ARTICLE III

SECTION 1. The judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish. The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, and shall, at stated times, receive for their services a compensation, which shall not be diminished during their continuance in office.

SEC. 2. The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority; to all cases affecting ambassadors, other public ministers and consuls; to all cases of admiralty and maritime jurisdiction; to controversies to which the United States shall be a party; to controversies between two or more States; between a State and citizens of another State; between citizens of different States; between citizens of the same State claiming lands under grants of different States, and between a State, or the citizens thereof, and foreign states, citizens, or subjects.

In all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be a party, the Supreme Court shall have original jurisdiction. In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and facts, with such exceptions and under such regulations as the Congress shall make.

ARTICLE VI

This Constitution and the laws of the United States which shall be made in pursuance thereof, and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding.

ARTICLE XI.—AMENDMENT

The judicial power of the United States shall not be construed to extend to any suit in law or equity commenced or prosecuted against one of the United States by citizens of another State, or by citizens or subjects of any foreign state.

I extract from the Judiciary Act enacted September 24, 1789, section 25:

SEC. 25. *And be it further enacted,* That a final judgment or decree in any suit in the highest court of law or equity of a State in which a decision in the suit could be had where is drawn in question the validity of a treaty or statute of, or an authority exercised under the United States, and the decision is against their validity; or where is drawn in question the validity of a statute of, or an authority exercised under any State, on the ground of their being repugnant to the Constitution, treaties, or laws of the United States, and the decision is in favor of such their validity, or where is drawn in question the construction of any clause of the Constitution, or of a treaty, or statute of, or commission held under the United States, and the decision is against the title, right, privilege, or exemption specially set up or claimed by either party, under such clause of the said Constitution, treaty, statute, or commission, may be reexamined and reversed or affirmed in the Supreme Court of the United States upon a writ of error, the citation being signed by the Chief Justice or judge or chancellor of the court rendering or passing the judgment or decree complained of, or by a justice of the Supreme Court of the United States, in the same manner and under the same regulations, and the writ shall have the same effect as if the judgment or decree complained of had been rendered or passed in a circuit court, and the proceeding upon the reversal shall also be the same, except that the Supreme Court, instead of remanding the cause for a final decision as before provided, may at their discretion, if the cause shall have been once remanded before, proceed to a final decision of the same, and award execution. But no other error shall be assigned or regarded as a ground of reversal in any such case as aforesaid, than such as appears on the face of the record, and immediately respects the before-mentioned questions of validity or construction of the said Constitution, treaties, statutes, commissions, or authorities in dispute.

Commenting on the above act in his book, The Judicial Veto, Prof. Horace A Davis says:

A critical study of the Constitution and the statute leads me to the following conclusions: The Constitution leaves to Congress not only the organization of the entire judiciary department but also the practical definition of its jurisdiction except in a negligible number of cases; the statute does not use apt words to give any Federal court the power of annulling statutes as unconstitutional; but on the contrary, it does expressly, by an elementary canon of construction, deprive the Supreme Court of such power.

Practically, then, what did Congress do? It was in a position to make the Supreme Court custodian of the Constitution or to give that authority to the States. What did it do? The answer is contained in the Judiciary Act of September 24, 1789 (1 Stat. 73, chap. 20), unilluminated by any of the usual aids to statutory construction—precedent, report, debate, criticism, or record of amendment.

That act is largely devoted to the mere machinery of organization—division of the country into districts, provision for sessions and officers of court, process, and like matters. Its significant features are as follows: (1) It creates the district courts (sec. 3), with jurisdiction (sec. 9) of certain crimes, admiralty and revenue, certain cases where an alien sues, certain suits brought by the United States, and suits against consuls and vice consuls; (2) it creates the circuit courts (sec. 4), with jurisdiction (sec. 11) in certain suits brought by the United States, or where an alien is a party, or between citizens of different States, over certain crimes and over appeals from the district courts; (3) it organizes a Supreme Court (sec. 1), with original jurisdiction (sec. 13) cases where a State, an ambassador, public minister, consul, or vice consul is a party and appellate jurisdiction from the circuit court (sec. 22), and also (sec. 25) from a State court "where is drawn in question the validity of a treaty or statute of, or an authority exercised under the United States, and the decision is against their validity", and where a State statute is questioned, and "where is drawn in question the construction of any clause of the Constitution, or of a treaty, or statute of, or commission held under, the United States, and the decision is against the title, right, privilege, or exemption specially set up or claimed by either party under such clause of the said Constitution, treaty, statute, or commission.

I am unable to find in this statute, either expressly or by implication, any grant of power to annul an act of Congress. It is

[11] Quoted by C. F. Strong, Modern Political Constitutions, N. Y. 1930, p. 270.

[12] Ibid.

[13] Article 61, Constitution of Japan. Text in C. E. Martin and W. H. George, Representative Modern Constitutions, Los Angeles, 1923, p. 224.

[14] Article 73, Constitution of Italy. Text printed in Supplement to the Annals of the American Academy of Political and Social Science, Nov. 1894, p. 39. The validity of the Constitution has not been brought into question by the Fascisti. See C. F. Strong, Modern Political Constitutions, pp. 142–144. Text in H. L. McBain and Lindsay Rogers, The New Constitutions of Europe, 1923, Garden City, p. 559.

[15] M. H. Andrews, Twelve Leading Constitutions. Text of this law p. 5; Kamil Krofta, A Short History of Czechoslovakia, New York, 1934, p. 194.

[16] Malbone W. Graham, New Governments of Central Europe, New York, 1924, pp. 304, 305, 311. Article 54, Constitution of Czechoslovakia. Text printed in M. H. Andrews, Twelve Leading Constitutions, 1931, pp. 19–22.

[17] Article 49 of the constitution provides that a law must be promulgated within 8 week days after its passage by Parliament. McBain and Rogers, New Constitutions of Europe, 1923 edition, p. 320.

[18] C. H. McIlwain, The High Court of Parliament, Yale Press, 1910, pp. 55–64; Ch. Petit-Dutaillis, Studies and Notes Supplementary to Stubbs' Constitutional History, Manchester University Press, 1930, pp. 144, 145; James Bryce, The American Commonwealth, New York, 1926 edition, vol. I, p. 242.

highly significant that the jurisdiction of none of the courts is extended to "cases in law and equity arising under the Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority." If Congress had intended to give the power of judicial control, the inevitable inference is that at least the words of the Constitution would have been inserted in the statute (as they were by Randolph in his draft); intending not to give it, Congress need only omit these words. It may be argued that the insertion of these words was unnecessary; that if any courts were created, they acquired such jurisdiction by operation of the Constitution itself. This invites a highly technical line of discussion which cannot be pursued in this article, but I may express the opinion that the Constitution does not directly vest jurisdiction in any inferior court but only describes the limits of possible jurisdiction. In any case it cannot be supposed that Congress would have left so important a matter to mere construction; and it is the intent of Congress that we are seeking—its actual human common-sense intent, and not a fictitious intent by legal implication.

If the inferior courts had no such authority, the Supreme Court could not acquire it as a normal appellate function. Nor is such authority expressly given by the statute. On the contrary, it is expressly withheld.

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REFERENCE C

LEADING OPINIONS ON NULLIFICATION

Judge Bland's opinion was rendered in 1816 in the case of Evans and Dwinn against Randall and Payson, Baltimore County Court, March 1816. Judge Bland said:

Judicial review presumes a right in one department to construe, control, or vacate the acts of another department, which is itself invested with discretionary power to determine on the limitations and circumstances under which it may or may not act; it presumes specific limitations to be imposed on one set of agents, which such agents may interpret and are enjoined strictly to observe; and yet supposes a power in another set of organs, also to expound such limitations, and to annul any acts that may run counter to them.

The right to enforce the observance of limitations—

He continued—

rests with and belongs exclusively to the people, and cannot, in any manner, be enforced by the judiciary. A constitutional limitation is then the voice of the people addressed to the public agents, respectively, in relation to their separate and distinct duties. * * * It is the business and duty of each department to attend to the Constitution, only so far as regards its own proper checks and limitations, and not as relates to those of others.

Chief Justice Gibson, of the Supreme Court of Pennsylvania, discussing the subject, said:

The official oath, then, relates only to the official conduct of the officer, and does not prove that he ought to stray from the path of his ordinary business to search for violations of duty in the business of others, nor does it, as supposed, define the powers of the officer.

And also:

The Constitution and the right of the legislature to pass the act may be in collision. But is that a legitimate subject for judicial determination? If it be, the judiciary must be a peculiar organ to revise the proceedings of the legislature and to correct its mistakes; and in what part of the Constitution are we to look for this proud preeminence? Viewing the matter in the opposite direction, what would be thought of an act of assembly in which it should be declared that the Supreme Court had, in a particular case, put a wrong construction on the Constitution of the United States, and that the judgment should therefore be reversed? It would doubtless be thought a usurpation of judicial power. But it is by no means clear that to declare a law void which has been enacted according to the forms described in the Constitution is not a usurpation of legislative power. It is an act of sovereignty; and sovereignty and legislative power are said by Sir William Blackstone to be convertible terms. It is the business of the judiciary to interpret the laws, not scan the authority of the lawgiver; and without the latter it cannot take cognizance of a collision between a law and the Constitution. So that to affirm that the judiciary has a right to judge of the existence of such collisions is to take for granted the very thing to be proved. (12 S. and R. Pa. 348.)

Brooks Adams, in his Theory of Social Revolutions (p. 75), says:

* * * I contend that no court can, because of the nature of its being, effectively check a popular majority acting through a coordinate legislative assembly, and I submit that the precedents which I have cited prove this contention. The only result of an attempt and failure is to bring courts of justice into odium or contempt, and, in any event, to make them objects of attack by a dominant social force in order to use them as an instrument, much as Charles II used Jeffreys.

Prof. W. F. Dodd, writing in the Political Science Quarterly, volume 28, no. 1, remarks:

The exercise of policy-determining functions by the courts causes no difficulty so long as judicial action is in accord with sober popular sentiment on social and industrial questions. But the power of the courts in recent years to declare laws invalid as depriving persons of "due process of law" has been exercised in direct opposition to growing popular sentiment and to present social and industrial conditions; and the "due process of law" clause, meaning what the judges in any particular case may decide that it means, is, as now interpreted, simply a means of vesting judges with power to declare unconstitutional any laws of which they disapprove. There are under this clause no fixed or definite standards for determining what laws are constitutional and what are unconstitutional. Judges are thus exercising political functions without corresponding political responsibility; and, inasmuch as such functions are being exercised in a manner opposed to public sentiment, popular criticism of the courts is a necessary consequence.

William L. Ransom in Majority Rule and the Judiciary (p. 4):

The judge has no more right than any other official to be set up over the people as an irremovable and irresponsible despot. He has no more right than any other official to decide for the people what the people ought to think about questions of vital public policy, such as the proper handling of corporations and the proper methods of securing the welfare of farmers, wageworkers, small business men, and small professional men.

Mr. Ransom, on page 168 of his work, quotes The Nation (p. 203), by Elisha Mulford, as follows:

* * * To make the opinions of the judiciary a finality in the political order would fetter the free spirit of the people, confining it not in the assertion and regulation of law as the determination of the organic will but in the conformance to a mere legality. The past, by its precedents, would impose its authority upon the present. The energy of the people perishes when precedents become the substitute for the action of a living will and the strength of a living spirit. * * * The formative political power must belong only to the power which is representative of the political will.

Prof. J. Allen Smith, in the Spirit of American Government, expresses himself to this effect:

With the progress of democracy it must become more and more evident that a system which places this far-reaching power in the hands of a body not amenable to popular control is a constant menace to liberty. It may not only be made to serve the purpose of defeating reform but may even accomplish the overthrow of popular rights which the Constitution expressly guarantees. In proof of this statement we need but refer to the recent history of our Federal judiciary. The sixth amendment to the Constitution guarantees the right of trial by jury in all criminal prosecutions; but it is a matter of common knowledge that this time-honored safeguard against the tyranny and oppression of ruling classes has been overthrown by the Federal courts. With the ascendancy of corporate wealth and influence, government by injunction has become an important feature of our system. The use made of the injunction in recent years in the conflicts between labor and capital has placed a large and important class of crimes beyond the pale of this constitutional provision. Moreover, this particular class of crimes is the one where denial of the right of trial by jury is most likely to result in oppression. Under this mode of procedure the court has virtually assumed the power to enact criminal legislation, and may punish as crimes acts which neither law nor public opinion condemns. It insures conviction in many cases where the constitutional right of trial by jury would mean acquittal. It places a powerful weapon in the hands of organized wealth which it is not slow to use.

Dean William Trickett, in American Law Review (vol. 44, p. 650), writes as follows:

* * * The people will never be masters of their own house so long as a majority of nine gentlemen, pretending to have Marconigrams from the defunct men of 1787 and 1788 concerning their meaning when they adopted this or that phrase of the Constitution, arrogate to themselves the power to veto, and not merely refuse to aid in the enforcement of statutes, but even launch prohibitions against the carrying out of these statutes by those who, unhindered by them, would legally execute them.

Very pointedly Prof. Edward S. Corwin (American Political Science Review, May 1912) said:

The truth of the matter is that the modern concept of due process of law is not a legal concept of all; it comprises nothing more or less than a roving commission to judges to sink whatever legislative craft may appear to them to be, from the standpoint of vested interests, of a piratical tendency.

Judge Wannamaker, of Ohio (Illinois State Bar Association, Year Book 1912, pp. 181–182), says:

No English court for more than 200 years has held an act of Parliament unconstitutional. Such jurisdiction had not been exercised by any English court for 75 years prior to the formation of our Federal Constitution. The fathers never intended to confer such an extraordinary jurisdiction, then unknown * * *. It is an usurpation of judicial power.

The exercise of this unwarranted and usurped governmental power against the public interest, against the public health, safety,

and life, has done more than any other single thing to arouse the present popular hostile feeling toward our courts of last resort.

Mr. Gilbert E. Roe, in Our Judicial Autocracy, takes positions similar to those already outlined.

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REFERENCE D

MARSHALL AND THE MARBURY CASE

Professor Haines writes:

Marshall was personally interested in the cause and upon this ground should have declined to pass upon the issue. The commission was made out during the time when Marshall was holding two offices, Secretary of State and Chief Justice. Marshall himself was responsible for the failure to deliver the commission. Regarding the matter, he wrote: "I should, however, have sent out the commissions which had been signed and sealed but for the extreme hurry of the time and absence of Mr. Wagner, who had been called on by the President to act as his private secretary." Under these circumstances it was rather inappropriate for the Chief Justice to participate in the decision of the case, and especially to render the opinion of the Court. Moreover, the act of Congress could have been so interpreted as to sustain its validity (The American Doctrine of Judicial Supremacy, p. 194).

Professor Corwin, discussing the Marbury case, writes:

This decision bears many of the earmarks of a deliberate partisan coup (The Doctrine of Judicial Review, p. 10).

Horace A. Davis concludes that—

Marshall's opinion in the case of *Marbury* v. *Madison* was a shrewd political manifesto, rather than a logical foundation for the decision of that highly technical case (7 American Political Science Review, p. 543).

Andrew C. McLaughlin, writing in the Journal of the American Bar Association, declares:

The learned Chief Justice did pass upon a constitutional question * * * in a case he had no right so much as to entertain if his own decision was correct * * *. The learned Chief Justice really manufactured an opportunity to declare an act void (13 American Bar Association Journal, 156–157).

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REFERENCE E

MARSHALL-CHASE LETTER

Discussing the subject, the Honorable R. Walton Moore calls attention to the Marshall-Chase letter:

In passing, I may remind you of a curious circumstance. That case (*Marbury* v. *Madison*) was decided in February 1803, and in January 1804 Marshall wrote a letter to Mr. Justice Chase, then involved in an impeachment proceeding based upon the charge that in various ways he had acted as a sort of judicial dictator. In that letter Marshall took the position that it might be well to concede to Congress a veto of the Court decisions, using this language: "A reversal of those legal opinions deemed unsound by the legislature would certainly better comport with the mildness of our character than the removal of the judge who has rendered them, unknowing of his faults." Mr. Beveridge, who in general is Marshall's unreserved eulogist, makes the following comment on the letter: "Marshall thus suggested the most radical method of correcting judicial decisions ever advanced before or since by any man of the first class. * * * Had we not the evidence of Marshall's signature to a letter written in his well-known hand, it could not be credited that he ever entertained such sentiments. They were in direct contradiction to his reasoning in *Marbury* v. *Madison*, and utterly destructive of the Federalist philosophy of judicial control of legislation." (Extract from address of Hon. R. Walton Moore, Assistant Secretary of State, former Member of Congress, of Virginia, on June 11, 1935.) The letter of Marshall apparently never became public until the publication of Beveridge's work.

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REFERENCE F

DIFFERING LEGISLATIVE AND JUDICIAL STANDARDS

Professor Freund, of the University of Chicago, in his work, Standards of American Legislation (p. 285), says:

The spirit of adjudication is after all a very different one from the spirit of legislation. Adjudication decides between contentions for the full measure of abstract rights carried to their logical conclusions, unaffected by the possible expediency of indulgence and concession, for courts deal with human relations in an atmosphere of controversy and extreme self-assertion; they touch life mainly at the point of abnormal disturbance. The function of legislation, on the other hand, is to prevent controversy, and is therefore dominated by the spirit of compromise and adjustment; it is for this reason that legislative rights are likely to be more qualified than common-law rights. The result is that the principle of judicial rule or justice is the minimum, the principle of legislative rule or justice the maximum, of reciprocal concession. If so, judge-made law is ill-suited for guiding legislation, and we should not look to the courts for the development of rules of legislative justice.

REFERENCE G

LAWSON CHALLENGE WELFARE CLAUSE

Dr. James F. Lawson, testifying as to the general-welfare clause before the Committee on Labor of the House of Representatives, January 27, 1933, at pages 211–212 of the hearing, stated:

THE COURT HAS NEVER CONSTRUED THIS CLAUSE

I may now observe that in more than 286 volumes of the reported decisions of the Supreme Court, among which are scarcely more than a score of decisions holding that Congress has gone beyond the enumerated powers, there is not one opinion dealing with the immensely significant expression. In *United States* v. *Realty Co* (163 U. S. 427), the Court said:

"Under the provisions of the Constitution (art. I, sec. 8) Congress has power to lay and collect taxes, etc., 'to pay the debts' of the United States. Having power to raise money for that purpose, it, of course, follows that it has power, when the money is raised, to appropriate it to the same object."

Again, in *Juillard* v. *Greenman* (110 U. S. 421), the Court said:

"That clause of the Constitution which declares that 'the Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States', either embodies a grant of power to pay the debts of the United States or presupposes and assumes that power as inherent in the United States as a sovereign Government."

These were cases in which the action of Congress was upheld. It is passing strange that, in the cases where acts of Congress are held void as not being within the enumerated powers, not once is any reason given why the same clause cannot be construed as a grant of power to provide for the general welfare or a presumption that the powers following must in their sum total equal such a grant. There are innumerable examples of dicta declaring this a government of limited powers. These did not ripen into an actual annulment of an act of Congress, based upon the lack of an enumerated power, until after the Civil War. But neither in dictum nor in decision is there a reason, giving consideration to this clause, why the enumeration excludes the particular exercise of power. I challenge the courts, the Congress, and the public to apply to this clause the ordinary rules of statutory construction, as they are applied to other clauses of the Constitution, to statutes, and to the common legal instruments of the people.

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REFERENCE H

ROBERTSON'S RULES OF PUNCTUATION

"Several verbs in the infinitive modes, depending on one common word (e. g., "The Congress shall have power"—D. J. L.), and immediately succeeding one another, are divided by commas.

"EXAMPLES

"The Spartan youth were accustomed to go barefoot, to lie on the ground, to suffer heat and cold, to live on the most ordinary provisions, to be engaged in continual exercise, and to be enured to blows and wounds.

"To relieve the indigent, to comfort the afflicted, to protect the innocent, to instruct the ignorant, to reward the deserving, is a great and godlike employment" (An Essay On Punctuation, p. 39, by Robertson, published in London in 1776).

"WELFARE" REFERENCES AND REMARKS

The references to "Elliot" are to volume I of Elliot's Debates on the Federal Constitution, which reproduces the Official Journal of the Convention, first printed by order of Congress in 1819. The references "D. H. C." are to Documentary History of the Constitution.

STORY'S ARGUMENT FOR AN INTERPOLATION

Story, who argued that the general-welfare clause was not a power, frankly resorted to an express interpolation of the words "in order" saying:

"The reading therefor which will be maintained in these commentaries * * *.

"'The Congress shall have power to lay and collect taxes, duties, imposts, and excises in order to pay the debts and provide for the common defense and general welfare of the United States.'

"That is, for the purpose of paying the public debts and providing for the common defense and general welfare."

Under such a reading only a money use would result; justiciable rights and duties could not be prescribed. In defense of this interpretation so supported by the interpolation, he argues that the clause serves as a preamble merely, adding:

"Nothing is more natural or common than first to use a general phrase and then to qualify it by a recital of particulars."

Answer. The general-welfare clause was not intended as a preamble to the particular powers. It was intended as a residuary power. It did not come first in the development of the legislative powers by the Convention. It came last. The particular powers were reported and adopted weeks before. There was no such clause in the first draft of the Constitution presenting the particular powers to the Convention on August 6, four weeks before the welfare clause. The draft of the welfare clause was not brought in until September 4, and then only as the result of several actions of the Convention demanding it or its equivalent. There were the Madison and Pinckney resolutions, of August 18, the report of the Committee of Five (Rutledge) of August 22, the Convention action

of August 23. The Journal and proceedings leave no doubt on this point. The clause was, in fact, a postscript to the other powers, and (about) the last to be adopted. In its first appearance, August 22, in the Rutledge report it was assigned not to the first paragraph, containing the power of taxation, but "at the end of the sixteenth clause." The chronology of the clause and its history in the Convention discountenance the introductory or preamble function.

Again, Story asks:

"For what purpose these particular powers, if they are included in the defense and welfare clause?"

The answer is that there were natural, even peremptory, purposes. Of current subjects of legislation they had experience, and this experience indicated particular ways in which they wished such current problems to be handled. They wished to limit the discretion of Congress in dealing with them, or they wished to place limitations on the States. In order to state these limitations, such subjects had to be particularized. Hence, a plenary or general-welfare power would not suffice. To state the limitations it was necessary to specify the military subject, e. g., Congress shall have power "to raise and support armies." However, "but no (such) appropriation * * * shall be for a longer term than 2 years."

Again, Congress shall have power "to provide and maintain a Navy", but no State shall, without the consent of Congress * * * keep troops or ships of war in time of peace."

Observe that the National Congress could provide troops and Navy at any time. But the States were to be disarmed. It is doubtful whether Congress under the power to act for the common defense alone could have constitutionally imposed such peacetime disarmament. Hence, the special treatment of the common-defense power.

Again, a power to provide for the general welfare would include commerce among the States. The Convention concluded Congress should exert the power, but subject to particular limitations. Thus:

"Congress shall have power to regulate interstate and foreign commerce."

But in doing so it—

"Shall give no preference to the ports of one State over those of another, etc.

"Shall pass no law prohibiting immigration or emigration before 1808.

"Shall lay no tax or duty * * * on articles exported from any State.

"No State shall * * * lay any imposts or duties on imports or exports."

Congress might have imposed duties on exports as it does on imports. The Convention did not desire this. So, too, the States must be restrained; if the restraint on the States were lacking, the power of Congress over commerce might be frustrated.

Again, Congress may "coin money (and) regulate the value thereof", but "no State shall coin money, emit bills of credit, or make anything but gold or silver coin a tender in payment of debts."

Under the general-welfare clause, standing alone, Congress could have issued money, whether paper or coin. The sad experience with the continental paper money doubtless induced the restriction. But the States must be restrained, and so the direct prohibition on them. Experience has shown that had the States retained this power a successful national currency would have been impossible.

### WHAT ABOUT FUTURE PROBLEMS?

We see how natural and even necessary it was to place limitations on the lawmaker, as to existing social or property subjects of which they had had experience. Their experience would suggest the qualifications.

But what of subjects yet unborn, subjects unforeseeable, inevitable in the life of a nation which they planned to live through the centuries? Of these they could only know that they must arise. What of these? Should statesmen ignore them?

Of the evils which are afflicting us now they could have had no prescience; our industrial system was then unborn. The breakdown, in farming and mining, of the regulating principle of competition, the monopoly control of local services through general holding companies which mock State laws, the need of blue-sky laws to protect honesty property—could they foresee just what limitations they should place on the legislative power which should have to deal with these problems or with industrial break-downs, present unemployment, agriculture, or mining stabilization? And so rather than leave a gap in the legislative power, leave a nation helpless under its constitution, they conferred this residuary power. This is not a new thought. I quote from the Federalist (no. 34):

"Constitutions of government are not to be framed upon a calculation of existing exigencies; but on a combination of these with the probable exigencies of ages, according to the natural and tried course of human affairs. There ought to be a capacity to provide for future contingencies as they may happen, * * *."

Now, then, to summarize, why are these particular powers specified, when they could have been derived from a general-welfare power? The answer is that, as to what the Convention could see then moving on the face of the earth, it could be specific and wisely qualify the power; but anticipating subjects whose nature they could not foresee, as to which they could not be specific, to save us from anarchy, they gave us this residuary, general-welfare power to act where the State is organically incompetent to act.

### REFERENCE I

### REVENUE LOSSES BY NULLIFICATION

JUNE 12, 1935.

Hon. DAVID J. LEWIS,
*House of Representatives, Washington, D. C.*

MY DEAR CONGRESSMAN: Supplementing my letter to you of June 11, I desire to submit the following additional information as to the loss in revenue occasioned by the Supreme Court decision in the case of *Eisner* v. *Macomber* (252 U. S. 189), holding that stock dividends were not subject to the income tax:

| | |
|---|---|
| 1916, 1917, and 1918 | $35,000,000 |
| 1919 | 70,000,000 |
| 1920 | 250,000,000 |
| 1921 | 250,000,000 |
| 1922 | 207,000,000 |
| 1923 | 36,000,000 |
| 1924 | 25,000,000 |
| 1925 | 22,000,000 |
| 1926 | 30,000,000 |
| 1927 | 29,000,000 |
| 1928 | 25,000,000 |
| 1929 | 47,000,000 |
| 1930 | 10,000,000 |
| 1931 | 3,000,000 |
| 1933 | 4,000,000 |
| Total | 1,043,000,000 |

You will note that these figures slightly exceed the estimate of $1,000,000,000 given you yesterday.

Very respectfully,

L. H. PARKER, *Chief of Staff.*

Hon. DAVID J. LEWIS,
*House of Representatives, Washington, D. C.*

MY DEAR CONGRESSMAN: With reference to your inquiry as to the compensation received by Federal judges, I wish to submit the following information:

| | *Salary* |
|---|---|
| Supreme Court: | |
| Chief Justice | $20,500 |
| Associate Justices | 20,000 |
| Circuit courts of appeals, all judges | 12,500 |
| District courts, all judges | 10,000 |
| Court of Claims, all judges | 12,500 |
| Court of Customs and Patent Appeals, all judges | 12,500 |

The Supreme Court has held that the salaries of judges of constitutional courts are not subject to the income tax. The first case on this point was that of *Evans* v. *Gore* (253 U. S. 245), and related to the salary of a United States district judge for the western district of Kentucky. This judge was appointed by the President with the advice and consent of the Senate in 1899. The Supreme Court held that his salary could not be taxed for income-tax purposes under the Revenue Act of 1918.

The next case involved the taxability of the salary of a judge of the Court of Claims. This was the case of *Miles* v. *Graham* (268 U. S. 501), in which the Supreme Court held that Judge Graham was entitled to a refund of the income tax paid on his salary for the years 1919 and 1920. However, since the *Miles* v. *Graham* decision the Supreme Court has held that the Court of Claims, as well as the Court of Customs and Patent Appeals, is not a constitutional court, but a legislative court. *Ex parte Bakelite Corporation* (279 U. S. 453), *Williams* v. *United States* (289 U. S. 553). It would appear, therefore, that the salaries of judges of the Court of Claims and the Court of Customs and Patent Appeals are no longer exempt from the income tax, in spite of the decision of the Supreme Court in the *Miles* v. *Graham* case, which overlooked the fact that the Court of Claims was a legislative and not a constitutional court.

Judges of the district courts, the circuit courts of appeals, and the Supreme Court, being judges of constitutional courts, are exempt from the income tax on their salaries in all cases where they were appointed prior to the Revenue Act of 1932. An attempt has been made to include in income the salaries of judges of constitutional courts appointed after the Revenue Act of 1932, but it is extremely doubtful whether this provision will be sustained by the Supreme Court.

Not only are judges of constitutional courts exempt from the income tax on their salaries but also their salaries are not subject to reduction by Congress even where Congress finds it necessary in the interest of economy to reduce the compensation of all Federal employees (*O'Donohue* v. *United States*, 289 U. S. 516). Moreover, the salaries of retired judges of constitutional courts are not subject to the income tax, nor can such salaries be diminished after retirement (*Booth* v. *United States*, 291 U. S. 339).

I am listing below most of the tax provisions held unconstitutional by the Supreme Court. I have not been able to complete my data as to the loss in revenue from the decisions involving such provisions, but will supplement this letter with additional information as soon as same is available.

Very respectfully,

L. H. PARKER,
*Chief of Staff.*

(1) Taxing salaries of State officers and employees by the Federal Government: The Supreme Court, in *Collector* v. *Day* (11 Wall. 813 (Apr. 3, 1871)), held that the Federal Government had no authority to subject to the income tax the salary of a State officer or employee.

(2) The income tax of 1894 was held unconstitutional by the Supreme Court in *Pollock* v. *Farmers Loan & Trust Co.* (151 U. S. 429; 158 U. S. 601).

(3) The stamp tax on foreign bills of lading was held unconstitutional in *Fairbanks* v. *United States* (181 U. S. 283).

(4) The stamp tax on charter parties was held unconstitutional in *United States* v. *Rivesclf* (237 U. S. 1).

Turning to the income-tax field, we find the following:

(1) Stock dividends are not subject to the income tax (*Eisner* v. *Macomber* (252 U. S. 189)).

(2) The income from oil lands leased by a State to a private corporation is not subject to the income tax (*Burnet* v. *Coronado Oil & Gas Co.* (285 U. S 393)).

(3) In *National Life Insurance Co.* v. *United States* (277 U. S. 508) the Supreme Court held that treatment of tax-exempt interest in the manner set out in the Revenue Act of 1921 in computing the deduction allowed for interest in the case of life-insurance companies was unconstitutional. This decision resulted in refunds of about $36,000,000.

In the estate-tax field we find the following:

(1) The Supreme Court held, in *Heiner* v. *Donnan* (285 U. S. 312), that Congress could not provide by statute that a gift made within 2 years prior to death was conclusively presumed to be in contemplation of death. This cost the Government about $5,000,000.

(2) In *Nichols* v. *Coolidge* (274 U. S. 531) the Supreme Court held that Congress could not include in the gross estate for estate-tax purposes a gift made prior to the enactment of the Revenue Act of 1918, even though such gift was made in contemplation of death. This cost the Government about $10,000,000.

In the gift-tax cases of *Blodgett* v. *Holden* (275 U. S. 142) and *Untermeyer* v. *Anderson* (276 U. S. 440) the Supreme Court held that Congress could not impose a gift tax retroactively. This cost the Government about $3,500,000.

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REFERENCE J

ACTS OF CONGRESS NULLIFIED

(From Professor Haines, American Doctrine of Judicial Supremacy, by permission of publishers, the University of California)

CLASSIFICATION OF ACTS DECLARED VOID

I. REFUSAL TO ACCEPT JURISDICTION CONFERRED BY CONGRESS, BECAUSE AUTHORITY GRANTED NOT WITHIN POWERS GRANTED BY CONSTITUTION OR NOT JUDICIAL IN NATURE

1. *Hayburn's Case, Chandler* v. *The Secretary of War,* and *United States* v. *Todd* (1792–94) (see 13 How. 52): Refusal to pass on invalid pension claims.

2. *Marbury* v. *Madison* (1 Cr. 137 (1803)): Authority to issue mandamus under original jurisdiction of Supreme Court denied.

3. *Gordon* v. *United States* (2 Wall. 561 (1865)): Refusal to accept jurisdiction on appeal from Court of Claims, because authority to control decisions was vested in other departments.

4. *The Alicia* (7 Wall. 571 (1869)): Prize cases could not be transferred from circuit courts, because not within grant of original jurisdiction.

5. *United States* v. *Klein* (13 Wall. 128 (1872)): Jurisdiction denied because of attempt of Congress to restrict pardoning power of President and to prescribe rules for decisions in Federal courts.

6. *United States* v. *Evans* (213 U. S. 297 (1909)): Refusal of jurisdiction because there was no real case before court.

7. *Muskrat* v. *United States* (219 U. S. 346 (1911)): Congress cannot refer issue to Court for an advisory opinion on validity of a law.

8. *Keller* v. *Potomac Electric Power Co.* (261 U. S. 428 (1921)): Authority to revise orders and proceedings of District of Columbia Public Utilities Commission not within jurisdiction of court.

II. ACTS WHICH ENCROACHED ON THE POWERS OF THE STATES

1. *United States* v. *Dewitt* (9 Wall. 41 (1870)): Standard for sale of petroleum oil fixed by Congress held interference with internal trade of State.

2. *Collector* v. *Day* (11 Wall. 113 (1871)): Federal tax on salary of State judicial officer held void.

3. *United States* v. *Railroad Co.* (17 Wall. 322 (1873)): Federal tax on interest from municipal bonds held void as an interference with an agency of the State.

4. *United States* v. *Reese* (92 U. S. 214 (1876)): Regulation of elections by Congress deemed beyond authority granted by fifteenth amendment.

5. *United States* v. *Fox* (95 U. S. 670 (1878)): Acts not directly related to bankruptcy cannot be regulated by Congress under guise of bankruptcy law.

6. *Trade mark cases* (100 U. S. 82 (1879)): Regulation of trade marks not confined to foreign and interstate commerce held beyond authority of Congress.

7. *United States* v. *Harris* (106 U. S. 629 (1883)): Conspiracy to deprive persons of equal protection of laws not subject to regulation by Congress under Civil War amendments.

8. *Civil Rights cases* (109 U. S. 3 (1883)): Congress cannot require equal enjoyment of facilities of inns, theaters, etc., to citizens of every race and color under authority granted by thirteenth and fourteenth amendments.

9. *Baldwin* v. *Franks* (120 U. S. 678 (1887)): Ruling of United States against Harris applied to aliens.

10. *James* v. *Bowman* (190 U. S. 127 (1903)): Attempt of Congress to provide for punishment of individuals for interfering with right of suffrage at all elections held not warranted by fifteenth amendment.

11. *Hodges* v. *United States* (203 U. S. 1 (1906)): Congress has no authority to punish a conspiracy in a State to prevent Negroes from making or carrying out contracts of labor.

12. *Employers' Liability cases* (207 U. S. 463 (1908)): Federal Employers' Liability Act not limited to interstate and foreign commerce held void.

13. *Keller* v. *United States* (213 U. S. 138 (1909)): Congress cannot control aliens for police purposes for 3 years after their entry to United States.

14. *Coyle* v. *Smith* (221 U. S. 559 (1911)): Provision of enabling act for admission of a State limiting right to locate State capitol held void.

15. *Hammer* v. *Dagenhart* (247 U. S. 251 (1918)): Congress cannot prohibit interstate shipments of goods produced by child labor.

16. *Newberry* v. *United States* (256 U. S. 232 (1910)): Federal Corrupt Practices Act held not to apply to primary elections for Senators.

III. ENCROACHMENTS UPON INDIVIDUAL RIGHTS

1. *Ex parte Garland* (4 Wall. 333 (1867)): Test oath held void as an ex post facto law and as an interference with pardoning power of President.

2. *Reichart* v. *Felps* (6 Wall. 160 (1868)): Congress could not interfere with patents to land confirmed by Continental Congress in 1788.

3. *The Justices* v. *Murray* (9 Wall. 274 (1870)): Removal of certain cases for retrial on facts and law held to violate guaranty of jury trial of seventh amendment.

4. *Boyd* v. *United States* (116 U. S. 616 (1886)): Compulsory production of papers in action for forfeiture of goods for fraud held to violate guaranties of fourth and fifth amendments.

5. *Callan* v. *Wilson* (127 U. S. 540 (1888)): Trial by jury cannot be dispensed with in the courts of District of Columbia in a trial for the crime of conspiracy.

6. *Counselman* v. *Hitchcock* (142 U. S. 547 (1892)): Self-incrimination clause of fifth amendment held to prohibit compulsory testimony even though a person is protected against a personal criminal action.

7. *Monongahela Navigation Co.* v. *United States* (148 U. S. 312 (1893)): The value of a franchise to collect tolls must be included in appraisal in eminent domain proceedings in order to meet the requirements of due process of law of the fifth amendment.

8. *Wong Wing* v. *United States* (163 U. S. 228 (1896)): Conviction of an alien for being unlawfully within United States on a summary hearing and sentence of imprisonment at hard labor held to violate fifth and sixth amendments.

9. *Kirby* v. *United States* (174 U. S. 47 (1899)): A judgment of conviction against an embezzler cannot be made conclusive evidence of the theft in an action for receiving stolen property.

10. *Matter of Heff* (197 U. S. 488 (1905)): Act of Congress prohibiting sales of liquor to Indians held void as applicable to Indians who were presumed to be citizens of the United States. Overruled by *United States* v. *Nice* (241 U. S. 591).

11. *Rassmussen* v. *United States* (197 U. S. 516 (1905)): Sixth amendment held to require trial by jury in Alaska because the Territory was incorporated.

12. *Adair* v. *United States* (208 U. S. 161 (1908)): Congress cannot make it a criminal offense for an employer engaged in interstate commerce to dismiss an employee because of membership in a labor organization.

13. *Butts* v. *Merchants Trans. Co.* (230 U. S. 126 (1913)): Provisions of Civil Rights Act held void in its application outside of the States.

14. *Choate* v. *Trapp* (224 U. S. 665 (1912)): Tax exemption in issuance of patents to Indians held a vested right and not subject to repeal under due process clause of fifth amendment.

15. *United States* v. *L. Cohen Grocery Co.* (255 U. S. 81 (1921)): Sections of Food Control Act inflicting a penalty for any person making an unreasonable charge for handling necessaries of life held void.

16. *United States* v. *Moreland* (258 U. S. 433 (1922)): Imprisonment at hard labor in workhouse held an infamous punishment and hence subject to limitations of fifth amendment.

17. *Adkins* v. *Children's Hospital* (261 U. S. 525 (1923)): Congress cannot authorize the fixing of minimum wage standards for adult women in District of Columbia under requirements of due process of law of fifth amendment.

18. *A. B. Small* v. *American Sugar Ref. Co.* (267 U. S. 233 (1925)): Reasoning of Cohen Grocery Co. case held applicable to consideration of validity of a contract for the sale of a commodity and applied to civil as well as to criminal proceedings.

IV. LIMITATIONS ON THE POWERS OF CONGRESS TO LEVY TAXES

1. *Hepburn* v. *Griswold* (8 Wall. 603 (1870)): Congress denied authority to make United States notes legal tender in the payment of debts, public and private.

2. *Pollock* v. *Farmers Loan & Trust Co.* (157 U. S. 429, and 158 U. S. 601 (1895)): Income-tax provisions of revenue act held void because not apportioned among the States as a direct tax as required by article 1, section 2, of the Constitution.

3. *Fairbanks* v. *United States* (181 U. S. 283 (1901)): Stamp tax on bills of lading for goods destined for export deemed void as tax on exports.

4. *United States* v. *Hvoslef* (237 U. S. 1 (1915)): Stamp tax on charter parties held void as tax on exports.

5. *Thames & Mersey Ins. Co.* v. *United States* (237 U. S. 19 (1915)): Stamp tax on marine insurance policies held void as tax on exports.

6. *Eisner* v. *Macomber* (252 U. S. 189 (1920)): Taxation of net income on stock dividends distributed from profits of corporation held not authorized by sixteenth amendment.

7. *Evans* v. *Gore* (253 U. S. 245 (1920)): Income tax on salaries of Federal judges held void because judges' salaries may not be diminished while they are in office.

8. *Bailey* v. *Drexel Furniture* Co. (259 U. S. 20 (1922)): Tax of 10 percent on net profits of any person employing children under certain ages in a mine or factory held interference with exclusive authority of State.

9. *Lipke* v. *Lederer* (259 U. S. 557 (1922)): Assessment of additional tax upon evidence of illegal manufacture or sale of liquor held invalid as penalty and not a tax and not enforceable except under requirements of due process of law of fifth amendment.

10. *Hill* v. *Wallace* (259 U. S. 44 (1922)): Tax on contracts for sale of grain for future delivery held void as not within authority of Congress to tax or regulate. This case may also be regarded as an interference with powers belonging to the States.

11. *Trusler* v. *Crooks* (269 U. S. 475 (1926)): Principle of *Hill* v. *Wallace* applied in declaring tax on future trading a penalty.

12. *Nichols* v. *Coolidge* (274 U. S. 531 (1927)): Retroactive provision of estate tax of 1919 held void.

13. *Untermeyer* v. *Anderson* (276 U. S. 440 (1928)): Tax on gifts made before approval of statute held invalid.

V. MISCELLANEOUS DECISIONS

1. *Scott* v. *Sandford* (19 How. 393 (1857)): Congress cannot prohibit the introduction of slavery in the Louisiana territory north of Missouri.

2. *Knickerbocker Ice Co.* v. *Stewart* (253 U. S. 149 (1920)): Congress cannot adopt workmen's compensation laws of States in relation to maritime transactions.

SUPPLEMENT

ACTS OF CONGRESS INVALIDATED BY THE SUPREME COURT

(By Library of Congress)

Decisions of the United States Supreme Court invalidating acts of Congress are listed in Dr. Charles Grove Haines' work on the American Doctrine of Judicial Supremacy, pages 567–572 (1932). His list is complete through volume 276 of the United States Reports. Subsequent decisions declaring acts of Congress unconstitutional are noted below (complete through the October term, 1934).

I. Refusal to accept jurisdiction conferred.

(Add none.)

II. Acts which encroached on the powers of the State.

(Add none.)

III. Encroachment upon individual rights.

19. *Lynch* v. *United States* (292 U. S. 571 (1934)): War-risk insurance policies are property protected by the fifth amendment. Congress cannot repudiate such obligations (sec. 17, Economy Act of Mar. 20, 1933).

20. *Railroad Retirement Board* v. *Alton R. Co.* (79 Law ed., adb. op., p. 803 (1935)): Statute requiring a compulsory pension system takes property in violation of fifth amendment.

21. *Louisville Joint Stock Land Bank* v. *Radford* (— U. S. — (May 27, 1935)). Frazier-Lemke Act (47 Stat. 1470) violates fifth amendment.

IV. Limitations on the power of Congress to levy taxes.

14. *National Life Insurance Co.* v. *United States* (277 U. S. 508 (1928)). Revenue Act of 1921 is void insofar as it attempts to place a direct tax on exempt securities.

15. *Indian Motorcycle Co.* v. *United States* (283 U. S. 570 (1931)). Section 600 of the Revenue Act of 1924 is invalid when it taxes motorcycles sold to State police.

16. *Heiner* v. *Donnan* (285 U. S. 312 (1932)). Section 302 (c) of the Revenue Act of 1926 violates fifth amendment in imposing death transfer tax on gifts made 2 years prior to death of donor.

17. *Burnet* v. *Coronado Oil & Gas Co.* (285 U. S. 393 (1932)). Application of Federal income tax to income derived from land leased by the State is unconstitutional, it being a tax on an instrumentality of the State.

V. Miscellaneous decisions.

5. *Booth* v. *United States* (291 U. S. 320 (1934)). Act decreasing salaries of retired Federal judges (48 Stat. 283, 307) is unconstitutional.

6. *Panama Refining Co.* v. *Ryan* (293 U. S. 388 (1935)). Section 9 (c) of the N. I. R. A. and orders issued thereunder concerning "hot oil" are an unconstitutional delegation of power.

7. *Schechter Poultry Corporation* v. *United States* (— U. S. — (May 27, 1935)). N. R. A. as created by Forty-eighth Statutes, 195, is unconstitutional—improper delegation of power by Congress and an unlawful attempt to regulate intrastate commerce.

According to these tables, 70 acts of Congress, or sections thereof, have been invalidated by decisions of the United States Supreme Court (1789–June 3, 1935).

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REFERENCE K

EXAMPLES OF IMPAIRMENT OF STATE LEGISLATIVE POWERS BY NULLIFICATION

Since the adoption of the fourteenth amendment with its interpolation State legislation has had to run the gantlet of Federal courts—tax legislation and social legislation in particular.

In the following cases attempts of the States to control certain evils or encourage certain policies have been frustrated in the United States Supreme Court. These cases, arranged under concrete and simple headings, are suggestive and not exhaustive. They indicate the limitations which have been imposed upon the sovereign powers of the States in matters of social, tax, and police legislation. It is not necessary to approve all these acts to disapprove the interpolations into the Constitution under which they were nullified.

BAKERIES

*Lochner* v. *New York* (198 U. S. 45): The limitation of employment in bakeries to 60 hours a week and 10 hours a day is an arbitrary interference with freedom of contract.

BANKS

*Dodge* v. *Woolsey* (18 How. 331): A charter of a bank fixed a rate of taxation in lieu of all other taxes. Held that any other tax is expressly forbidden.

BEDDING

*Weaver* v. *Palmer Bros. Co.* (270 U. S. 402): Prohibition of all use of shoddy, new or old, even when sterilized, in the manufacture of comfortables for beds is unreasonable and arbitrary.

CHAIN STORES

*Louis K. Liggett Co.* v. *Lee* (288 U. S. 517): A graduated chain-store tax law which imposes a greater tax per store where stores are located in more than one county than where they are all in the same county violates the equal-protection clause of the fourteenth amendment.

CREAMERIES

*Fairmont Creamery Co.* v. *Minnesota* (274 U. S. 1): A State statute forbidding creameries to purchase cream at higher prices in one locality than in another, after allowance for difference in cost of transportation, impairs the right of freedom of contract.

EDUCATION

*Pierce* v. *Society of the Sisters* (268 U. S. 510): An Oregon law requiring all children between the ages of 8 and 16 to attend the public schools interferes with liberty of parents to direct the upbringing and education of children under their control.

*Bartles* v. *Iowa* (262 U. S. 404): A State act forbidding the teaching of foreign languages in schools under the eighth grade or requiring all school branches to be taught in schools in the English language violates the constitutional guaranty of liberty in the Federal Constitution.

*Meyer* v. *Nebraska* (262 U. S. 390): An act forbidding the teaching in the schools of any other than the English language until after the pupil has passed the eighth grade violates the fourteenth amendment.

EMPLOYMENT AGENCIES

*Adams* v. *Tanner* (244 U. S. 590): A State law forbidding employment agencies from receiving fees from workers for whom they find employment violates the fourteenth amendment.

FLAGS

*Stromberg* v. *California* (283 U. S. 359): A statute penalizing the public display of a flag, banner, or device "as a sign, symbol, or emblem of opposition to organized government" infringes the right of free speech.

LABOR DISPUTES

*Charles Wolff Packing Co.* v. *Court of Industrial Relations* (267 U. S. 552): A statute providing for compulsory arbitration of labor disputes violates the fourteenth amendment.

LABOR UNIONS

*Coppage* v. *Kansas* (236 U. S. 1): An act making employer criminally punishable for prescribing as a condition of employment an agreement by the employee not to become or remain a member of any labor organization violates freedom of contract.

LAUNDRIES

*Yick Wo* v. *Hopkins* (118 U. S. 358): A city ordinance declaring it unlawful without the consent of the city supervisors to establish or maintain a laundry unless in a building of brick or stone is captious and arbitrary.

LOTTERIES

*New Orleans* v. *Houston* (119 U. S. 265): The State of Louisiana had incorporated a lottery company, limiting taxation upon it to $40,000 per annum. In 1880 (Act No. 77) the State legislature attempted to increase said taxes. Held an impairment of the obligation of contract.

MINIMUM-WAGE LAWS

*Adkins* v. *Children's Hospital* (261 U. S. 525): An act for the District of Columbia allowing a board to fix a minimum wage for women to protect their health and morals violates due process of law.

MINING

*Pennsylvania Coal Co.* v. *Mahon* (260 U. S. 393): A statute forbidding the mining of coal under private dwellings or streets in places where the right to mine such coal is reserved in the grant is unconstitutional taking of property without due process of law.

MORTGAGES

*Louisville Gas Co.* v. *Coleman* (277 U. S. 32): A Kentucky statute taxing the recording of mortgages not maturing within 5 years while exempting others violates equal protection of the law.

NEGROES

*Buchanan* v. *Warley* (245 U. S. 60): A city ordinance prohibited colored persons from occupying houses in any block in which the majority of residences were occupied by white people. Held a violation of property rights guaranteed by fourteenth amendment.

NEWSPAPERS

*Near* v. *Minnesota ex rel. Olson* (283 U. S. 697): State statute making the publisher of a scandalous or defamatory newspaper guilty of a nuisance violates liberty of press guaranteed by the fourteenth amendment.

OLD-AGE HOMES

*Washington ex rel. Seattle Title Trust Co.* v. *Roberge* (278 U. S. 116): A zoning ordinance making the right to maintain a home for aged persons depend upon consent of two-thirds of property owners within a radius of 400 feet violates due process.

PICKETING

*Truax* v. *Corrigan* (257 U. S. 312): A State statute protecting picketing is unconstitutional.

POLITICAL PARTIES

*Nixon* v. *Condon* (286 U. S. 73): A State law allowing political parties to prescribe qualifications for membership on the basis of color violates fourteenth amendment.

PUBLIC UTILITIES

*Michigan Public Utilities Co.* v. *Duke* (266 U. S. 570): A State cannot by legislative fiat convert a private carrier into a public utility.

RAILROADS

*Great Northern R. Co.* v. *Cahill* (253 U. S. 71): Railroad companies cannot be compelled by State administrative order to install cattle weighing scales at stations from which cattle are shipped.

*Wilmington & W. R. Co.* v. *Reid* (13 Wall. 264): The charter of the railroad company exempted its property from taxation. An attempt to tax the franchises and rolling stock violates such contract.

RAILWAY CONDUCTORS

*Smith* v. *Texas* (233 U. S. 630): A Texas statute making it a misdemeanor for a person to act as a railway conductor who has not had 2 years' experience as a freight conductor or brakeman is invalid.

RENTS

*Chastleton Corp.* v. *Sinclair* (264 U. S. 543): When the housing emergency has been relieved, a statute fixing rents can no longer be upheld.

SLEEPING CARS

*Chicago, M. & St. P. R. Co.* v. *Wisconsin* (238 U. S. 491): A State law prohibiting the letting down of an unengaged and unoccupied upper berth when the lower berth in the same section is occupied violates the fourteenth amendment.

STATUTE OF LIMITATIONS

*Campbell* v. *Holt* (115 U. S. 620): When legal title to property has been vested in a party by the statute of limitations, an attempt by the repeal of such statute to annul his title takes one's property without due process of law.

TAXATION

*American Smelting Co.* v. *Colorado* (2-4 U. S. 103): After admitting a foreign corporation on an equality with domestic, a subsequent statute imposing higher fees is void even though the power to alter charters is reserved by the State constitution.

THEATER TICKETS

*Tyson & Bro.* v. *Banton* (275 U. S. 418): A New York law regulating the price of theater tickets in an effort to eliminate "scalpers" is invalid.

TRUST-MADE ARTICLES

*Connolly* v. *Union Sewer Pipe Co.* (184 U. S. 540): An Illinois act of June 20, 1893, attempted to favor agricultural products or livestock in the hands of the producer over trust-made articles. Such an act violates equal protection of the laws.

USE OF HIGHWAYS

*Frost* v. *Railroad Commission of California* (271 U. S. 583): A State statute requiring a private carrier to become a public carrier in order to secure a permit to use the public highways for transportation purposes is unconstitutional.

(For more complete lists of U. S. Supreme Court decisions declaring State legislation unconstitutional, see Blaine F. Moore, The Supreme Court and Unconstitutional Legislation, 1913, appendix II, covering vols. 1-219; CONGRESSIONAL RECORD, 64th Cong., 4th sess., pp. 4569-4570, covering vols. 220-257 to p. 311.)

State constitutions which are in force today are, for the most part, post Civil War creations. They contain elaborate bills of rights. And embodied therein, in language obviously plagiarized, are not infrequently the due-process and equal-protection clauses of the fourteenth amendment. Where the latter phrase has been omitted there has generally been substituted a section forbidding special legislation.

Such clauses have given to the State courts almost unlimited prerogatives of judicial review. It is not surprising that experiments in social legislation never hurdle the first barrier, inasmuch as the State and lower Federal courts wield a double-edged sword—they may declare the act of the State legislation in violation of either the Federal or the State constitution.

True, since 1914 a decision of a State court adverse to the constitutionality of an act of the State legislation can be appealed to the Supreme Court, but only if the State court held the act to contravene the Federal Constitution. The Supreme Court has uniformly held that the State courts are the final interpreters of their own constitution. Hence, if the act was adjudged to violate the constitution of the State, then there is no appeal. But, needless to say, if the law is deemed valid by the lower courts, there is almost always an opportunity to test its validity before the Supreme Court of the United States.

In the following cases the State and lower Federal courts have declared invalid attempts of the State legislatures and city councils to pass remedial social and economic measures:

ALIEN EMPLOYEES

*Ex Parte Kotta* (187 Calif. 27): A statute levying a poll tax on all alien male inhabitants of the State and authorizing employers to withhold such sums from alien employees in event of delinquency was a denial of equal protection.

ANTITRUST EXEMPTIONS

*Niagara Fire Ins. Co.* v. *Cornell* (110 Fed. 816): The Nebraska Anti-Trust Act exempting labor associations from its provisions denies equal protection of the law.

BARBERS

*State* v. *Walker* (48 Wash. 8): A provision requiring barbers to serve an apprenticeship of 2 years is unreasonable and arbitrary and not within the police power of the State.

CHINESE IMMIGRATION

*Ex Parte Ah Cue* (101 Calif. 197): The State Chinese Exclusion Act conflicts with the powers of the Federal Government to regulate immigration and is void.

CHINESE LABOR

*Chapman* v. *Toy Long* (Fed. Cases, No. 2610): A mining regulation forbidding Chinamen from working a placer mining claim violates a treaty provision and is void.

COMPANY STORES

*Luman* v. *Hitchens Bros. Co.* (90 Md. 14): An act prohibiting directors of mining corporations from selling goods or holding an interest in a general store violates equal protection clause of fourteenth amendment.

COMPULSORY LABOR

*Ex Parte Hudgins* (86 W. Va. 526): A war-time statute requiring able-bodied men to work at least 36 hours per week is an unreasonable restraint upon personal liberty.

CONVICT-MADE GOODS

*People* v. *Hawkins* (157 N. Y. 1): A New York statute requiring all prison-made goods to be so labeled if sold in that State violates the right of the Federal Government to regulate commerce.

DISCHARGING EMPLOYEES

*Gillespie* v. *People* (188 Ill. 176): A State statute prohibiting employers from discharging employees because of their membership in a labor union violates freedom of contract.

EMPLOYMENT AGENCIES

*Ex Parte Dickey* (144 Calif. 234): A State statute limiting fees to be charged by employment agencies deprives one of freedom of contract and violates the Constitution.

GARNISHMENT

*Badenoch* v. *City of Chicago* (22 Ill. 71): A State law subjecting the salaries of certain municipal employees to garnishment and attachment is special legislation and therefore violates the Illinois constitution.

MUNICIPAL ICE

*State* v. *Orear* (277 Mo. 303): A city, even though authorized by its charter and a two-thirds vote of the electorate, cannot lawfully issue bonds to construct and operate a municipal ice plant.

PLUMBERS

*State* v. *Smith* (42 Wash. 237): A State statute requiring plumbers to secure a license cannot be sustained as a health regulation, being an infringement on one's right to pursue a chosen calling.

PUBLIC WORKS

*People ex rel. Treat* v. *Coler* (166 N. Y. 144): State statutes requiring contractors on public works to use stone cut, carved, or dressed in New York is void under the commerce and freedom of contract clauses of the United States Constitution.

SCRIP

*State* v. *Missouri Tie & Timber Co.* (181 Mo. 536): A statute making it a misdemeanor to use scrip in payment of wages violates freedom of contract.

STORE ORDERS

*Jordan* v. *State* (51 Tex. Crim. App. 531): A statute prohibiting the use of store orders in payment of wages interferes with freedom of contract and is void.

TIPS

*Dunahoo* v. *Huber* (185 Iowa 753): A State law prohibiting an employee from accepting a tip but allowing his employer who is engaged in the same services to solicit gratuities is void, being in violation of the State constitution prohibiting the granting of special privileges.

UNION LABELS

*Marshall & Bruce Co.* v. *Nashville* (109 Tenn. 495): A city ordinance requiring a union label to be affixed to all public printing is discriminatory in character and void.

WEEKLY WAGES

*Republic Iron & Steel Co.* v. *State* (160 Ind. 379): A statute requiring the weekly payment of wages is an unreasonable restriction upon the freedom of contract.

WOMEN

*In re Maguire* (57 Calif. 604): A city ordinance prohibiting the employment of females in dance cellars, wine cellars, etc., is an unconstitutional discrimination on the basis of sex, prohibited by the State constitution.

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REFERENCE L

The answers of Jefferson, of Lincoln, and of the two Roosevelts are in their own words. Those of Jackson and Grant are based on their well-known actions.

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REFERENCE M

BIBLIOGRAPHY

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WHY A POTATO-CONTROL PROGRAM?

Mr. BREWSTER. Mr. Speaker, the agricultural affluence of the West and South now shows the first promise of appearing in New England as the potato program convulses the Nation. The profound commotion created by this measure hardly seems warranted by its character in a country which for some years has been experimenting with control programs in 14 other major and minor agricultural commodities.

As we read the columns of the metropolitan press and magazines, we may well inquire, "What is all the shooting about?"

PLIGHT OF POTATOES

The plight of the potato farmer with prices under 50 percent of parity, while the prices of 14 other controlled crops were around 100 percent of parity, and the prices of everything else which he must use and wear far above 100 percent of parity, has not disturbed at all the peace of mind of the metropolitan editors.

It means nothing in their lives to have potatoes sell for 10 cents a barrel, or approximately 1 cent a peck, except that they may save a few cents on a peck of potatoes in case the spread is not entirely absorbed between the producer and the consumer.

Ten-cent potatoes mean a great deal, however, to citizens of eastern Maine, as everyone in this area well realizes. Potatoes are now for the first time recognized as a basic commodity and are no longer "the forgotten crop." This means that a division is set up in A. A. A. to consider the plight of the potato, and this means that there is a place to which we may go to discuss potatoes with the assurance of sympathetic interest and that all the resources of the Government in information and organization are at the disposal of those responsible for formulating a potato program.

Potatoes selling at 10 cents a barrel reveal the terrific impact of control programs operating in 14 other crops. Surplus acreage from all these other crops could and did turn most easily to potatoes.

SAUCE FOR THE GOOSE

Iowa alone, boasting munificent benefits under its corn-hog program, showed an increase of 50 percent in its potato production this year, according to the last Government estimate. The bitter opposition of Iowa Representatives to a potato program under these circumstances reveals an unfortunate trait in human nature. One wonders how much of the present commotion about the potato program is traceable to a similar source.

DELIBERATE CONSIDERATION

Now it is insinuated that the potato-control legislation was adopted with practically no deliberation. As a matter of fact, probably no measure before the present Congress received more exhaustive consideration.

The critics of the measure realize full well that the formulation of a bill is not performed by the full House or Senate, but must necessarily be worked out in a committee composed of Members familiar with the particular problem that is involved.

In the case of the potato bill the Committee on Agriculture of the House, composed of 24 Members, representing both parties and all sections of the country, had this bill before them for 6 months from the time it was introduced early in February until it was reported early in August.

Even before its introduction it was the subject of two public conferences of Senators and Representatives from widely scattered States and its formulation was gone over most carefully in all-day sessions with representatives of the Department of Agriculture. Subsequently extended hearings were held over a period of many weeks and the measure was repeatedly and carefully revised. Full opportunity was afforded all critics and opponents to appear and present their views and the proponents of the measure were examined at great length.

Nor was this a case of a packed committee railroading a bill, as a sharp division of opinion developed within the committee, led by the Representatives from Iowa on both the Democratic and Republican sides, and they submitted a lengthy report outlining their objections, and this report was printed at their request and placed by them in the hands of every Member of the House.

The prospects and the character of the proposed potato legislation were discussed by the magazine Time as early as February, and by practically every other publication dealing with current topics. Repeatedly through the winter and spring I called the attention of the House to the absolute necessity of some action to care for the plight of the potato farmer and to the legislation which was contemplated.

The legislation was discussed individually with practically every Member of the Senate before its adoption by the Senate with but five dissenting votes. Certainly an agricultural control program that is adopted by the Senate without objection from Senators BORAH and GLASS and with the active and militant support of Senators HALE and WHITE, of Maine, cannot be dismissed as airily as some of its critics would desire.

PUBLIC DISCUSSION

One critic suggests that the kindest thing one can say about a Representative or Senator who voted for this measure is that he has not read the bill. The kindest thing one can say about this critic is that he has not read the newspapers, else he would know that the potato-control bill was deliberately discussed and explained at an all-day mass meeting of 3,000 Aroostook farmers, with copies of the bill in circulation, and was endorsed by them with practically complete unanimity as the only feasible way of bringing them any measure of relief. Subsequently the measure was carefully considered by the Aroostook County Council and by chambers of commerce throughout Aroostook and by most of the leaders in potato production in Maine.

They all joined in urging Maine Senators and Representatives to support this legislation as a long-deferred act of justice to potato growers, who were being terribly prejudiced by the inundation of land from other crops.

As the Representative of eastern Maine in the Congress, I should welcome the fullest discussion of this subject and explanations to the potato growers in Maine why potatoes—the fourth food crop of the United States—should continue to be the dumping ground for surplus acreage from 14 other controlled crops—even including the peanut crop, which was formerly one-tenth the value of the potato crop.

CONDITION AND NOT THEORY

It is not necessary to take sides in the bitter contest that rages between the advocates and the opponents of control programs in order to recognize that the programs are going to be operative for the next 2 years unless a Supreme Court decision intervenes. The experience of the past 2 years has amply demonstrated that potatoes can no longer be left outside the fold unless the potato growers of the United States are to be reduced to the condition of serfs.

No criticism is involved of the New England representative on the Committee on Agriculture who 2 years ago left potatoes out as a basic commodity in the confident belief—then widely shared by individualistic Yankees—that agriculture control would soon demonstrate its economic unsoundness.

Maine this year was confronted by a condition and not a theory. Potatoes were selling at 10 cents a barrel. The triple A program was more firmly established than ever with amplifying and clarifying amendments in process of adoption that would considerably expand the powers of triple A and were designed to make triple A more nearly immune to constitutional attack in the light of recent Supreme Court decisions.

POTATOES LEFT OUT

It seemed perfectly obvious that potatoes must have a seat in the agricultural control train or be left hopelessly in the rear. When, as, and if the train goes into a constitutional ditch we must all take our chances in the unscrambling that must follow.

This was exactly the position taken by every Maine Senator and Congressman without regard to party, and with the practically unanimous endorsement of every citizen of Maine who gave the matter attention. Even the parliamentary situation expressed this point of view as the entire potato-control program went through as an amendment to the so-called "triple A amendments." This said in substance that Maine insisted that potatoes now be included in whatever agriculture-control program was operative.

No critic of the program in Washington in his loftiest flights ever questioned that the plan was very much for the advantage of Maine. The line of attack was entirely that it was too much for the advantage of Maine and certain other large potato-raising States. It was intimated that the measure would tend to give a monopoly on potato raising to the States which have devoted a large acreage to potatoes in the past. This is precisely what we have understood was happening with cotton, wheat, tobacco, and corn hogs.

It was curious and distressing to hear Iowa Representatives inveighing against such a program for potatoes from the safe shelter of their unprecedented prices for hogs in addition to their benefit payments under triple A.

Their 50-percent increase in estimated potato production for this year made their criticisms completely cynical. The exposure of this Iowa situation on the floor of the House during the consideration of the potato bill did much to discredit their arguments and to gain the narrow margin of seven votes in the House by which the potato-control measure was finally adopted.

COTTON AND TOBACCO REPRESENTATIVES

Great credit should be given to the Representatives from the cotton and tobacco sections of the country for supporting the potato program, and particularly to Representative LINDSAY C. WARREN, of North Carolina, who sponsored and piloted the measure through the House and stood for justice to Maine and all other Northern States in all the difficult and delicate discussions as to the form of the bill, and particularly as to the allocation of quotas.

It must also be borne in mind that the authorities in triple A viewed potatoes very much askance. From top to bottom they preferred to leave potatoes outside the agricultural pale—perhaps on the theory that the areas devoted to specialized potato production were of negligible political importance. Such coolness on their part was naturally one of the most formidable obstacles to the enactment of the bill.

In justice to triple A and to its administrator, Chester C. Davis, however, it must be said that they meticulously performed their obligations in assisting to formulate the bill throughout 6 months of distinctly exhausting labor and also that they have shown every indication of whole-hearted cooperation in carrying out the program now that it has been adopted.

FUTURE ADMINISTRATION

Potatoes have been placed in the division with tobacco, sugar, rice, and peanuts, and it is significant that these commodities have been handled with remarkable felicity, as they have received more benefit with less controversy than perhaps any other commodities. This may be due in no small measure to the admirable administration of John B. Hutson, chief of the division, who has shown the same wisdom in his initial step in the potato program by his selection of A. E. Mercker as chief of the potato section. Mr. Mercker is well known to many Maine citizens through his visits here, and he is undoubtedly more familiar with the potato problem than any other man in Washington and more keenly interested in a constructive solution. Mr. Mercker also brings to the potato section an intimate knowledge of the Maine situation and of the marketing problem along the whole Atlantic seaboard.

It is interesting and illuminating to find a Maine newspaper querying the quota provisions of the potato act as unbelievably favorable to Maine.

No intelligent criticism thus far has suggested how this act can be otherwise than most beneficial to the State of Maine, and the entire endeavor of its opposition in Congress was to characterize it as a Maine-made bill with a southern dressing to make it palatable to the Representatives from the cotton and tobacco States. This characterization, however, was made for the purpose of arousing sectional antagonism and entirely failed to do justice to the Herculean efforts of the gentlemen from North Carolina, Representatives WARREN and BARDEN, and the gentleman from Virginia, Representative BLAND, in the formulation and adoption of this long-deferred act of justice to the potato growers of the United States without regard to section.

Thus far this discussion is open to the very proper criticism that it considers the potato problem entirely from the standpoint of a State or a crop. One is reminded rather constantly in Washington that selfishness is not abolished by any legislation thus far enacted even in this new legislative day.

EFFECT ON COUNTRY AND CONSUMER

But what of the country and the consumer? The whole philosophy of the agricultural program is that we are all parts of an interdependent whole and must rise or fall together. Prosperity and poverty on a wholesale scale cannot long exist together. The country cannot indefinitely continue half pauper and half prince. This surely is not considered treason under either the new deal or the old deal.

The price of potatoes affects more than 15,000,000 Americans for better or worse. Their prosperity is the intimate concern of every other industrial and agricultural activity.

No consumer in this country is permanently or even temporarily benefited by permitting distributors to buy potatoes from the farmer at 1 cent a peck and sell them to the consumer at 15 cents a peck as happened repeatedly this last spring.

NO PROCESSING TAX OR BENEFIT PAYMENTS

It is to be borne in mind that the potato-control program provides no processing tax or benefit payments to create of potato growers a specially privileged class and to impose the burden of their recovery on the consumer. In this respect, the potato plan differs from almost every other adjustment program.

If the hopes of its authors are realized it will impose negligible burdens upon all producers and consumers and provide only an equitable revenue for those who produce one of our most essential food crops.

POTATO PROSPERITY

But the critic asks, Why seek to regiment? The eager advocate of the ancient day must face the uncomfortable fact that the controlled crops of the country were selling this spring at approximately 100 percent of their parity price while potatoes were bringing less than 50 percent of parity and the plight of the potato farmer was constantly growing worse.

Detroit is interested in selling automobiles to Aroostook. Maine and the Nation are alike interested in the capacity of Aroostook and every other section to pay the taxes that are necessary to support the Government if repudiation is to be avoided.

No merely selfish or sectional attitude is required to support a program designed to restore to the potato growers of

this country their fair share of the national income whatever it may be.

If the worst fears or hopes of the critics are realized and the entire agricultural program is declared unconstitutional by the Supreme Court then the potato growers will be ready to face their problem on an equality with all the other major crops. We ask no more, we can expect no less.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 32 minutes p. m.) the House adjourned until tomorrow, Wednesday, August 21, 1935, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

481. Under clause 2 of rule XXIV, a letter from the Comptroller General of the United States, transmitting a further report on the survey made of the inactive and permanent appropriations and funds on the books of the Government, and also certain funds in the custody of officers and employees of the United States in which the Government is financially concerned for which no accounting is rendered to the General Accounting Office, and recommendations for such changes in existing law that would be of public interest (H. Doc. No. 301), was taken from the Speaker's table, referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DRIVER: Committee on Rules. House Resolution 349. Resolution providing for the consideration of H. R. 8455; without amendment (Rept. No. 1841). Referred to the House Calendar.

Mr. SOMERS of New York: Committee on Coinage, Weights, and Measures. H. R. 7678. A bill to authorize the Director of the Mint to supplement the approved design of the 50-cent piece commemorating the two hundredth anniversary of the birth of Daniel Boone, the coinage of which was authoried by act of the Seventy-third Congress (Public, No. 258, S. 3355); without amendment (Rept. No. 1842). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 8074. A bill to amend the act of March 3, 1925, relating to Fort McHenry; without amendment (Rept. No. 1843). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Alabama: Committee on Military Affairs. S. 3018. An act to authorize the Secretary of War to acquire by donation land at Valparaiso in Okaloosa County, Fla., for aviation field, military, or other public purposes; without amendment (Rept. No. 1844). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 241. Joint resolution to provide for the observance and celebration of the one hundredth anniversary of the founding of Prattville, Ala.; with amendment (Rept. No. 1856). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 355. Resolution providing for the consideration of H. R. 8599; without amendment (Rept. No. 1857). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. House Resolution 356. Resolution providing for the consideration of H. R. 8597; without amendment (Rept. No. 1858). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. House Resolution 357. Resolution providing for the consideration of H. R. 6036; without amendment (Rept. No. 1859). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. House Resolution 358. Resolution providing for recesses and consideration of reports from the Committee on Rules during the remainder of the first session of the Seventy-fourth Congress; without amendment (Rept. No. 1860). Referred to the House Calendar.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. FADDIS: Committee on Military Affairs. H. R. 3340. A bill for the relief of Jesse S. Post; with amendment (Rept. No. 1845). Referred to the Committee of the Whole House.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 9195. A bill for the relief of sundry claimants, and for other purposes; without amendment (Rept. No. 1848). Referred to the Committee of the Whole House.

Mr. HARTER: Committee on Military Affairs. H. R. 6548. A bill to provide for a review by the Department of War of the case of the late Capt. Bartlett James; with amendment (Rept. No. 1849). Referred to the Committee of the Whole House.

Mr. FADDIS: Committee on Military Affairs. S. 166. A bill for the relief of Jack Doyle; with amendment (Rept. No. 1850). Referred to the Committee of the Whole House.

Mr. FADDIS: Committee on Military Affairs. S. 246. A bill for the relief of Elmer Blair; with amendment (Rept. No. 1851). Referred to the Committee of the Whole House.

Mr. HARTER: Committee on Military Affairs. S. 272. A bill for the relief of William Frank Lipps; with amendment (Rept. No. 1852). Referred to the Committee of the Whole House.

Mr. FADDIS: Committee on Military Affairs. S. 889. A bill for the relief of Albert A. Marquardt; with amendment (Rept. No. 1853). Referred to the Committee of the Whole House.

Mr. FADDIS: Committee on Military Affairs. S. 1010. A bill for the relief of Fred Edward Nordstrom; with amendment (Rept. No. 1854). Referred to the Committee of the Whole House.

Mr. FADDIS: Committee on Military Affairs. S. 1176. A bill for the relief of Thomas A. Coyne; with amendment (Rept. No. 1855). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McCLELLAN: A bill (H. R. 9183) to provide for the extension of the boundaries of the Hot Springs National Park in the State of Arkansas, and for other purposes; to the Committee on the Public Lands.

By Mr. STEFAN: A bill (H. R. 9184) authorizing the County Board of Supervisors of Burt County, Nebr., its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Decatur, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. BUCK: A bill (H. R. 9185) to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes; to the Committee on Ways and Means.

By Mrs. O'DAY: A bill (H. R. 9186) granting the consent of Congress to the Rockland-Westchester Hudson River Crossing Authority, State of New York, to construct, maintain, and operate a highway bridge and causeway across the Hudson River between a point in the vicinity of the village of Nyack, Rockland County, and the village of Tarrytown, Westchester County, N. Y.; to the Committee on Interstate and Foreign Commerce.

Also, resolution (H. Res. 350) requesting that the Commissioner of Immigration and Naturalization be requested to continue the stay of deportation in the cases of aliens of good character in which deportation would result in unusual hardship until Congress has had adequate time to consider proposed legislation; to the Committee on Immigration and Naturalization.

By Mr. KRAMER: Resolution (H. Res. 351) to authorize an investigation of smuggling of aliens into the United States and a study of the land border patrol of the Immigration Service; to the Committee on Rules.

By Mr. SABATH: Resolution (H. Res. 352) authorizing further expenditures of $20,000 to be paid out of the contingent fund of the House for the continuance of the investigation by the Select Committee to Investigate Real Estate Bondholders Reorganizations; to the Committee on Accounts.

By Mr. O'MALLEY: Resolution (H. Res. 353) authorizing an investigation of the expenditure of Federal funds in the construction of highways in the United States; to the Committee on Rules.

By Mr. SABATH: Resolution (H. Res. 354) granting additional powers to the Select Committee to Investigate Real Estate Bondholders Reorganizations authorized under House Resolution 412, Seventy-third Congress, and supplemented by House Resolutions 39 and 79 of the Seventy-fourth Congress; to the Committee on Rules.

By Mr. CORNING: Joint resolution (H. J. Res. 393) authorizing the issuance of a special postage stamp in honor of Will Rogers; to the Committee on the Post Office and Post Roads.

By Mr. McREYNOLDS: Joint resolution (H. J. Res. 394) to continue Electric Home and Farm Authority as an agency of the United States until February 1937, or for other purposes; to the Committee on Banking and Currency.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CROSBY: A bill (H. R. 9187) granting a pension as to Myra Struchen; to the Committee on Invalid Pensions.

By Mr. DIES: A bill (H. R. 9188) granting an increase of pension to Kate Anderson; to the Committee on Invalid Pensions.

By Mr. HART: A bill (H. R. 9189) for the relief of the heirs of Thomas P. Mitchell; to the Committee on War Claims.

By Mr. JONES: A bill (H. R. 9190) for the relief of J. P. Moore; to the Committee on Claims.

By Mr. LORD: A bill (H. R. 9191) for the relief of dependents of James B. Kiley; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 9192) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Ida Yount; to the Committee on Claims.

By Mr. SHORT: A bill (H. R. 9193) granting a pension to Rachel Nash; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 9194) for the relief of Mrs. Charles R. Yopp; to the Committee on Claims.

By Mr. ROBINSON: A bill (H. R. 9195) for the relief of sundry claimants, and for other purposes; to the Committee on the Public Lands.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9326. By Mr. BRUNNER: Resolution of the Allied League of Independent Voters, Long Island City, N. Y., at a regular meeting held at the club rooms on August 2, 1935, that the Allied League of Independent Voters petition the Honorable WILLIAM F. BRUNNER to introduce a bill in the House of Representatives creating a body which would be empowered with interpreting the Constitution of the United States of America for those citizens whose constitutional privileges or rights have been abridged and who are not financially capable of obtaining justice in the courts of the land; to the Committee on the Judiciary.

9327. By Mr. KRAMER: Resolution of the Southeast District Chamber of Commerce of the City of Huntington Park, Los Angeles County, Calif., relative to the mail deliveries in the business district of the city of Huntington Park; to the Committee on the Post Office and Post Roads.

# SENATE

## WEDNESDAY, AUGUST 21, 1935

*(Legislative day of Monday, July 29, 1935)*

The Senate met at 11 o'clock a. m., on the expiration of the recess.

### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, August 20, 1935, was dispensed with, and the Journal was approved.

### CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Costigan | Logan | Robinson |
| Ashurst | Davis | Lonergan | Russell |
| Austin | Dieterich | Long | Schall |
| Bachman | Donahey | McAdoo | Schwellenbach |
| Bailey | Duffy | McCarran | Sheppard |
| Bankhead | Fletcher | McGill | Shipstead |
| Barbour | Frazier | McKellar | Smith |
| Barkley | George | McNary | Steiwer |
| Black | Gerry | Maloney | Thomas, Okla. |
| Bone | Gibson | Metcalf | Thomas, Utah |
| Borah | Glass | Minton | Townsend |
| Brown | Gore | Moore | Trammell |
| Bulkley | Guffey | Murphy | Truman |
| Bulow | Hale | Murray | Tydings |
| Burke | Harrison | Neely | Vandenberg |
| Byrd | Hastings | Norbeck | Van Nuys |
| Byrnes | Hatch | Norris | Wagner |
| Capper | Hayden | Nye | Walsh |
| Caraway | Holt | O'Mahoney | Wheeler |
| Chavez | Johnson | Overton | White |
| Clark | King | Pittman | |
| Connally | La Follette | Radcliffe | |
| Copeland | Lewis | Reynolds | |

Mr. LEWIS. I announce the absence of the Senator from Mississippi [Mr. BILBO], the Senator from Massachusetts [Mr. COOLIDGE], and the Senator from Idaho [Mr. POPE], who are necessarily detained. I ask that the announcement be entered in the RECORD for the day.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] and the Senator from New Hampshire [Mr. KEYES] are necessarily detained from the Senate, and that the Senator from Wyoming [Mr. CAREY] is absent on official business.

Mr. VANDENBERG. I repeat the announcement heretofore made by me that my colleague the senior Senator from Michigan [Mr. COUZENS] is absent because of illness.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

### ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The VICE PRESIDENT announced his signature to the following enrolled bills and joint resolutions, which had previously been signed by the Speaker of the House of Representatives:

S. 491. An act for the relief of Fred Herrick;

S. 1988. An act to extend the times for the commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr.;

S. 2626. An act to authorize the sale of Federal buildings;

S. 2743. An act to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone;

S. 3135. An act to authorize the purchase of the *Winnie Mae* by the Smithsonian Institution;

S. 3060. An act to amend section 6 of title I of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, as amended; to extend the time within which applications for benefits under the World War Adjusted Compensation Act, as amended, may be filed, and for other purposes;

S. J. Res. 59. Joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formation of the Constitution of the United States;

S. J. Res. 122. Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission; and

S. J. Res. 168. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 16 to May 23, 1936, inclusive.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1763. An act to amend the act entitled "An act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended by the act of December 12, 1930;

S. 1787. An act to add certain lands to the Pisgah National Forest in the State of North Carolina;

S. 1817. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N. Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island;

S. 1864. An act for the relief of the State of Nebraska;

S. 2649. An act to provide for a recreation area within the Prescott National Forest, Ariz.;

S. 3194. An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended;

S. 3270. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia; and

S. 3353. An act providing for the exchange of certain park lands at and near Western Avenue and West Beach Drive for other lands more suitable to the development of Rock Creek Park and the street system of the District of Columbia, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7199) to provide for the donation of certain Army equipment to posts of the Veterans of Foreign Wars.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 3806) to establish a commercial airport for the District of Columbia, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PALMISANO, Mr. NICHOLS, and Mr. DIRKSEN were appointed managers on the part of the House at the conference.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 3462. An act to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes;

H. R. 5711. An act to provide pensions for needy blind persons of the District of Columbia and authorizing appropriations therefor;

H. R. 6510. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H. R. 6623. An act to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want;

H. R. 8421. An act granting pensions to certain widows of soldiers and sailors of the Civil War;

H. R. 8422. An act granting pensions to certain former widows of soldiers and sailors of the Civil War;

H. R. 8423. An act granting increase of pensions to certain former widows of soldiers and sailors of the Civil War;

H. R. 8424. An act granting increase of pensions to certain widows of soldiers and sailors of the Civil War;

H. R. 8425. An act granting pensions and increase of pensions to certain helpless and dependent children of soldiers and sailors of the Civil War; and

H. R. 8426. An act granting pensions to certain soldiers of the Civil War.

SANFORD & BROOKS CO.—VETO MESSAGE (S. DOC. NO. 125)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, referred to the Committee on Claims, and ordered to be printed, as follows:

*To the Senate:*

I return herewith, without my approval, S. 685, "An act for the relief of the Sanford & Brooks Co."

This bill authorizes and directs the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to the Sanford & Brooks Co. the sum of $53,208.49 in full satisfaction of its claim against the United States for refund of income taxes assessed and collected for the year 1920 on amounts paid in that year by the United States to the Sanford & Brooks Co. to compensate that company for the cost to it of certain work done for the United States during the years 1913 to 1916, both inclusive. This bill would authorize the refund of such taxes regardless of the fact that the Supreme Court has determined that such taxes were properly paid in accordance with the provisions of the revenue acts applicable thereto (*Burnet* v. *Sanford & Brooks Co.*, 262 U. S. 359).

It is alleged that although the payment of the above-mentioned tax was technically required under the statutes, as determined by the Supreme Court, such a levy is unjust and inequitable in the instant case. The inequity is stated to arise out of the fact that the Sanford & Brooks Co. was taxed on the money which was paid to it in 1920 by the United States as compensation for losses sustained in prior years in the consummation of work performed for the benefit of the Government, although that company did not derive a net profit from such transaction, which result was ascertainable only when the transaction was completed.

Congress has determined that it is sound policy to ascertain and compute income annually as to the net result of all transactions within that particular year. That system of taxation is designed to produce revenue ascertainable, and payable to the Government at regular intervals, and to make possible the application of methods of accounting, assessment, and collection capable of practical operation. There are many cases in which a particular taxpayer, engaged in a transaction which extends over several taxable periods, may, in accordance with his method of accounting, report income from that transaction in some of those years and losses from that transaction in other years, even though the given transaction in its entirety does not result in a net profit. But it has never been supposed that such a result "affords any reason for postponing the assessment of the tax until the end of a lifetime, or for some other indefinite period, to ascertain more precisely whether the final outcome of the period, or of a given transaction, will be a gain or a loss." (The Sanford & Brooks case, supra, at p. 365.) It is conceivable that a different system might have been devised by which the tax could be assessed on the basis of the finally ascertained results of particular transactions rather than at the end of each taxable period. However, Congress did not adopt such a system, and it is obvious that such a system would not necessarily obviate the kind of inequalities of which complaint is made in the instant case.

S. 685, however, selects a particular taxpayer for special treatment by excepting that taxpayer from the enacted policy of Congress in this matter and from the uniform operation of the revenue laws. The whole body of Federal taxpayers is thus discriminated against, and the precedent is established, opening up a wide field for legislation, opposed to sound public policy, in cases in which the present system operates to the prejudice of a particular taxpayer.

I have on prior occasions expressed my belief that the field of special legislation should not be opened to relieve special classes of taxpayers from the uniform operation of the reve-

nue laws. I know of no circumstances which would justify the exception made by S. 685 to the long-continued policy of Congress as expressed in the present system of taxation and to my convictions in this matter.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 19, 1935.*

Mr. BAILEY subsequently said: Mr. President, in view of the veto message in relation to Senate bill 685, for the relief of Sanford & Brooks Co., I desire to have printed in the RECORD the report on the bill from the House Committee on Claims and the report from the Senate Committee on Claims concerning the proposed legislation. I ask unanimous consent to print the reports for the information of the Senate, in view of the veto.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

[H. Rept. No. 1005, 74th Cong., 1st sess.]

The Committee on Claims, to whom was referred the bill (S. 685) for the relief of the Sanford & Brooks Co., having considered the same, report thereon with the recommendation that it do pass.

STATEMENT OF FACTS

The Sanford & Brooks Co. is and for many years has been engaged in dredging operations and similar contracting work.

In 1913, 1914, 1915, and 1916 it was engaged in making excavations in the Delaware River under contract with the United States, the contract having been made with the Atlantic Dredging Co. for which the Sanford & Brooks Co. was acting as agent. In those years the expenses incurred by it incident to doing the dredging exceeded the contract price received for the work by $176,271.88, allocated to the 4 years as follows:

| | |
|---|---|
| 1913 | $28,241.03 |
| 1914 | 68,117.81 |
| 1915 | 69,705.15 |
| 1916 | 10,207.89 |
| Total | 176,271.88 |

The taxpayer assumed that the losses had been made because it had taken an unprofitable contract. Subsequent to 1916, however, it learned that certain representations made on behalf of the Federal Government in reliance upon which the contract had been entered into were incorrect. It discontinued the work and entered suit in the Court of Claims for the amount of its damages. The Court of Claims, in an opinion by Judge Hay, determined that the loss sustained by the taxpayer was $211,050 and allowed this amount. On appeal to the Supreme Court of the United States, the judgment of the Court of Claims was affirmed. The litigation extended over some years and payment was not made to the taxpayer in accordance with the decision of the Supreme Court until 1920, when the amount of the judgment was paid together with interest. Its principal, Atlantic Dredging Co., incurred $34,778.21 of the amount paid, making the net amount received by Sanford & Brooks Co., $192,579.59.

The taxpayer accounted for the interest ($16,305.71) in its income-tax returns for 1920, the year in which the payment was made. This left a balance of $176,273.88, which the taxpayer insisted was not income for the year 1920 but was taxable for the years 1913, 1914, 1915, and 1916, the years in which the loss was sustained. It accordingly filed amended returns for those 4 years, increasing its income as originally reported each year by the amount of the loss sustained in that year in the amounts hereinabove set out. The Government insisted that the entire amount of the recovery was income for the year 1920. The taxpayer, the Sanford & Brooks Co., contested the position of the Government before the Board of Tax Appeals, which by a divided court sustained the contention of the Government and held that the entire amount received in payment of the judgment was income for the year 1920, the year in which it was paid. From this decision the taxpayer appealed to the Circuit Court of Appeals of the United States for the Fourth Circuit. That court, one judge dissenting, reversed the decision of the Board of Tax Appeals and held that the amount of the judgment, exclusive of the interest which the taxpayer had accounted for as income for the year 1920, was income for the years 1913 to 1916, when the loss was sustained for the recovery of which the judgment was rendered.

On writ of certiorari the Supreme Court of the United States reversed the decision of the United States Circuit Court of Appeals and held that the entire amount received was income for the year 1920 as contended for by the Government. As a result of this decision the tax was assessed and paid, the entire amount paid being $72,032.11.

The amount paid was not income in the sense that it represented no gain to the taxpayer but was a refund to it of amounts which it had expended for the account of the Federal Government in the prosecution of work of which it got the benefit. The Supreme Court of the United States, in affirming the judgment of the Court of Claims holding the Government liable, held that the amount of the judgment was "simply compensatory of the cost of the work, of which the Government got the benefit."

In the opinion of the circuit court of appeals, the majority of the court finding in favor of the taxpayer, makes this statement:

"After all has been said that can be said with regard to the various technical aspects of the case at bar, the fact remains that to sustain the tax on the $176,271.88 recovered as reimbursement for loss is to sustain a tax on income where no income has been in fact received. We do not see how this could be justified either under the income-tax law itself or under any legal principle which could be invoked in its interpretation There can be no doubt that the right and justice of the case require that the $176,271.88 be treated not as income but as reimbursement of loss; and we know of no legal principle under which what is so manifestly just and right may be defeated and the Government placed in the unseemly position of reimbursing a loss with one hand and, under the guise of taxation, taking away a part of the reimbursement with the other."

The Supreme Court of the United States, in reversing the decision of the circuit court of appeals and holding the taxpayer liable, decided that under the statute and regulations, there was no relief that could be granted to the taxpayer, and in closing its opinion makes this statement:

"The assessment was properly made under the statutes. Relief from their alleged burdensome operation which may not be secured under these provisions can be afforded only by legislation, not by the courts."

The decisions of the two courts, the lower court holding in favor of the taxpayer and the Supreme Court holding in favor of the Government, from both of which opinions we have quoted, justify us, we think, in asking relief of Congress for a payment which, although technically required under the statutes as the Supreme Court held, is unjust and inequitable in that it exacts an income tax on money which was in no sense income but represented only a return of moneys expended, of which the Government got the benefit.

Had the controversy been one between two taxpayers, our request for a refund would have been sound and we think meritorious; it is certainly so in view of the fact that it was the Federal Government which, through its default, caused the loss and it was the Federal Government which has exacted a tax on the amount which it was required to pay to recompense a loss sustained through its default.

If the amount of the tax is not refunded, the facts will be (a) that the Federal Government wrongfully caused the loss; (b) that, acting under a decision of the Supreme Court, the Federal Government refunded the amount of the loss; and (c) that the Federal Government took by way of a tax more than one-third of the amount which it was required to refund.

The decision of the Court of Claims will be found in 53 Court of Claims Reports, page 490; the decision of the Supreme Court requiring the Government to make the refund is reported in 253 U. S., page 1; the decision of the Circuit Court of Appeals for the Fourth Circuit is reported in 35 Federal Reporter (2d series) at page 312; and the decision of the Supreme Court requiring the taxpayer to account for the entire amount paid as income for 1920 will be found in 282 U. S., page 359.

TREASURY DEPARTMENT,
*Washington, March 3, 1933.*

Hon. LORING M. BLACK,
*Chairman Committee on Claims, House of Representatives.*

MY DEAR MR. CHAIRMAN: Further reference is made to your letter of December 16, 1932, transmitting to the Treasury Department for report a copy of a bill designated "H. R. 13619" (72d Cong., 2d sess.), for the relief of the Sanford & Brooks Co., Baltimore, Md.

The bill would authorize and direct the Secretary of the Treasury to pay to the Sanford & Brooks Co. the sum of $72,032.11 in full satisfaction of its claim against the United States for income and profits taxes alleged to have been erroneously assessed and collected for the year 1920.

This taxpayer during the years 1913 to 1916, inclusive, acted as agent for the Atlantic Dredging Co. in making excavations in the Delaware River under a contract with the United States. During these years the expenses incurred in this work exceeded the contract price by $172,921.88. Subsequent to 1916 this taxpayer learned that certain representations made on behalf of the Federal Government, and on which the contract was based, were incorrect, and as a result work was discontinued and suit instituted in the Court of Claims for damages. The Court of Claims determined that the loss sustained on the contract was $211,050, and on appeal to the Supreme Court of the United States the judgment of the lower court was affirmed.

The amount paid in settlement in the year 1920 was $227,355.80, including interest. Of this amount $34,758.21 was taken by the Atlantic Dredging Co., the principal in the contract, and the remainder of $192,597.59 was received by the Sanford & Brooks Co. In prosecuting the suit, this taxpayer expended the sum of $44,390.42, leaving a net amount of $148,207.17 which was credited to surplus on the books of the company during the year 1920. In the audit of the return for that year, the Bureau of Internal Revenue added the amount of $148,207.17 to the income reported by the taxpayer, which together with other minor changes resulted in an additional tax of $50,883.90 for the year. The taxpayer conceded the minor adjustments and also admitted that $16,305.71 interest included in the award was correctly added to the 1920 income by the Bureau of Internal Revenue, but contended that the balance of $131,901.46 did not represent income since it was awarded as damages for losses incurred in earlier years.

The case was appealed to the United States Board of Tax Appeals, where the action of the Commissioner of Internal Revenue was sustained. On appeal to the Circuit Court of the United

States for the Fourth Circuit, the action of the Board of Tax Appeals was reversed and on a writ of certiorari the case was taken to the Supreme Court of the United States. That body reversed the decision of the lower court and held that the entire amount received on the award was properly included in the income for the year 1920. The additional tax was accordingly assessed and is being paid on the installment basis by the taxpayer. The bill H. R. 13619 would return to the taxpayer the total tax to be paid for the year, $53,673.68, together with interest of $18,358.43. Not all of this tax and interest has as yet been received by the Government.

The Supreme Court in its findings stated that the assessment had been properly made under the statutes and that any relief from the alleged burdensome operations must be secured through legislation and not through the courts. The Bureau of Internal Revenue recognized the injustice to this taxpayer of computing the tax in the usual manner, and accordingly computed the profits tax under the provisions of section 328 of the Revenue Act of 1918, a relief provision of the act. Since the major portion of the award represented damages for losses incurred in earlier years, the Department recognizes the fact that the amount received is not all income in its true sense, and that the taxpayer has been deprived of a portion of its relief by being taxed on the full amount of the award.

Attention is, however, called to the fact that a certain amount of tax and interest is due from this taxpayer on the income earned during the year 1920, as follows:

| | |
|---|---|
| Net income shown in revenue agent's report dated July 25, 1924 | $194,027.57 |
| Less net amount received from award, exclusive of interest | 131,901.46 |
| Income from operations and interest | 62,126.11 |
| Invested capital shown in revenue agent's report dated July 25, 1924 | 220,425.26 |
| Excess-profits credit | 20,634.02 |
| Excess-profits tax | 11,906.63 |
| Income tax | 4,821.95 |
| Total tax liability | 16,728.58 |

In view of the unusual circumstances in this case, the Department will interpose no objection to a bill granting special relief to the Sanford & Brooks Co., for all taxes paid for the year 1920 in excess of $16,728.58 plus legal interest thereon.

Very truly yours,

OGDEN L. MILLS,
*Secretary of the Treasury.*

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[S. Rept. 268, 74th Cong., 1st sess.]

The Committee on Claims, to whom was referred the bill (S. 685) for the relief of Sanford & Brooks Co., having considered the same, report favorably thereon with the recommendation that the bill do pass with the following amendment:

At the end of the bill add the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

An identical bill passed the Senate in the Seventy-third Congress.

The facts are fully set forth in the Senate Report No. 437, Seventy-third Congress, second session, which is appended hereto and made a part of this report.

[S. Rept. No. 437, 73d Cong., 2d sess.]

The Committee on Claims, to whom was referred the bill (S. 2879) for the relief of Sanford & Brooks Co., having considered the same, report favorably thereon with the recommendation that the bill do pass with the following amendment:

At the end of the bill add the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The facts are fully set forth in House Report No. 806, Seventy-third Congress, second session, which is appended hereto and made a part of this report.

[H. Rept. No. 806, 73d Cong., 2d sess.]

The Committee on Claims, to whom was referred the bill (H. R. 2042) for the relief of the Sanford & Brooks Co., having considered the same, report thereon with the recommendation that it do pass, with the following amendments:

In line 7, strike out the word "Delaware" and insert in lieu thereof the word "Maryland."

In line 7, also, strike out the figures "$72,032.11" and insert in lieu thereof the figures "$53,208.49."

At the end of the bill, on page 2, insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The Treasury Department interposes no objection to the passage of this bill, as amended, and the report of that Department is attached to and made a part of this report.

STATEMENT OF FACTS

The Sanford & Brooks Co. is, and for many years has been, engaged in dredging operations and similar contracting work.

In 1913, 1914, 1915, and 1916, it was engaged in making excavations in the Delaware River under contract with the United States, the contract having been made with the Atlantic Dredging Co. for which the Sanford & Brooks Co. was acting as agent. In those years the expenses incurred by it incident to doing the dredging exceeded the contract price received for the work by $172,291.88, allocated to the 4 years as follows:

| | |
|---|---|
| 1913 | $28,241.03 |
| 1914 | 68,117.81 |
| 1915 | 69,705.15 |
| 1916 | 10,207.89 |
| Total | 176,271.88 |

The taxpayer assumed that the losses had been made because it had taken an unprofitable contract. Subsequent to 1916, however, it learned that certain representations made on behalf of the Federal Government in reliance upon which the contract had been entered into were incorrect. It discontinued the work and entered suit in the Court of Claims for the amount of its damages. The Court of Claims, in an opinion by Judge Hay, determined that the loss sustained by the taxpayer was $211,050, and allowed this amount. On appeal to the Supreme Court of the United States the judgment of the Court of Claims was affirmed. The litigation extended over some years and payment was not made to the taxpayer in accordance with the decision of the Supreme Court, until 1920, when the amount of the judgment was paid, together with interest. Its principal, Atlantic Dredging Co., incurred $34,778.21 of the amount paid, making the net amount received by Sanford & Brooks Co. $192,579.59.

The taxpayer accounted for the interest ($16,305.71) in its income-tax returns for 1920, the year in which the payment was made. This left a balance of $176,273.88 which the taxpayer insisted was not income for the year 1920 but was taxable for the years 1913, 1914, 1915, and 1916, the years in which the loss was sustained. It accordingly filed amended returns for those 4 years, increasing its income as originally reported each year by the amount of the loss sustained in that year, in the amounts hereinabove set out. The Government insisted that the entire amount of the recovery was income for the year 1920. The taxpayer, the Sanford & Brooks Co., contested the position of the Government before the Board of Tax Appeals, which by a divided court, sustained the contention of the Government and held that the entire amount received in payment of the judgment was income for the year 1920, the year in which it was paid. From this decision the taxpayer appealed to the Circuit Court of Appeals of the United States for the Fourth Circuit. That court, one judge dissenting, reversed the decision of the Board of Tax Appeals and held that the amount of the judgment, exclusive of the interest which the taxpayer had accounted for as income for the year 1920, was income for the years 1913–1916, when the loss was sustained for the recovery of which the judgment was rendered.

On writ of certiorari, the Supreme Court of the United States reversed the decision of the United States Circuit Court of Appeals and held that the entire amount received was income for the year 1920 as contended for by the Government. As a result of this decision, the tax was assessed and paid, the entire amount paid being $72,032.11.

The amount paid was not income in the sense that it represented no gain to the taxpayer but was a refund to it of amounts which it had expended for the account of the Federal Government in the prosecution of work of which it got the benefit. The Supreme Court of the United States in affirming the judgment of the Court of Claims holding the Government liable, held that the amount of the judgment was "simply compensatory of the cost of the work, of which the Government got the benefit."

In the opinion of the circuit court of appeals, the majority of the court finding in favor of the taxpayer, makes this statement:

"After all has been said that can be said with regard to the various technical aspects of the case at bar, the fact remains that to sustain the tax on the $176,271.88 recovered as reimbursement for loss is to sustain a tax on income where no income has been in fact received. We do not see how this could be justified either under the income-tax law itself or under any legal principle which could be invoked in its interpretation. There can be no doubt that the right and justice of the case require that the $176,271.88 be treated, not as income but as reimbursement of loss; and we know of no legal principle under which what is so manifestly just and right may be defeated and the Government placed in the un-

seemly position of reimbursing a loss with one hand and, under the guise of taxation, taking away a part of the reimbursement with the other."

The Supreme Court of the United States, in reversing the decision of the circuit court of appeals and holding the taxpayer liable, decided that under the statute and regulations there was no relief that could be granted to the taxpayer, and in closing its opinion makes this statement:

"The assessment was properly made under the statutes. Relief from their alleged burdensome operation, which may not be secured under these provisions, can be afforded only by legislation, not by the courts."

The decisions of the two courts, the lower court holding in favor of the taxpayer and the Supreme Court holding in favor of the Government, from both of which opinions we have quoted, justify us, we think, in asking relief of Congress for a payment which although technically required under the statutes as the Supreme Court held, is unjust and inequitable in that it exacts an income tax on money which was in no sense income but represented only a return of money expended, of which the Government got the benefit.

Had the controversy been one between two taxpayers, our request for a refund would have been sound and we think meritorious; it is certainly so in view of the fact that it was the Federal Government which through its default caused the loss, and it was the Federal Government which has exacted a tax on the amount which it was required to pay to recompense a loss sustained through its default.

If the amount of the tax is not refunded, the facts will be (a) that the Federal Government wrongfully caused the loss; (b) that acting under a decision of the Supreme Court, the Federal Government refunded the amount of the loss; and (c) that the Federal Government took by way of a tax more than one-third of the amount which it was required to refund.

The decision of the Court of Claims will be found in 53 Court of Claims Reports, page 490: The decision of the Supreme Court requiring the Government to make the refund is reported in 253 U. S., page 1, and the decision of the Circuit Court of Appeals for the Fourth Circuit is reported in 35 Federal Reporter (2d series) at page 312, and the decision of the Supreme Court requiring the taxpayer to account for the entire amount paid as income for 1920 will be found in 282 U. S., page 359.

TREASURY DEPARTMENT,
*Washington, March 3, 1933.*

Hon. LORING M. BLACK,
*Chairman Committee on Claims, House of Representatives.*

MY DEAR MR. CHAIRMAN: Further reference is made to your letter of December 16, 1932, transmitting to the Treasury Department for report a copy of a bill designated H. R. 13619 (72d Cong., 2d sess.), for the relief of the Sanford & Brooks Co., Baltimore, Md.

The bill would authorize and direct the Secretary of the Treasury to pay to the Sanford & Brooks Co. the sum of $72,032.11 in full satisfaction of its claim against the United States for income and profits taxes alleged to have been erroneously assessed and collected for the year 1920.

This taxpayer during the years 1913 to 1916, inclusive, acted as agent for the Atlantic Dredging Co. in making excavations in the Delaware River under a contract with the United States. During these years the expenses incurred in this work exceeded the contract price by $172,291.88. Subsequent to 1916 this taxpayer learned that certain representations made on behalf of the Federal Government and on which the contract was based were incorrect, and as a result work was discontinued and suit instituted in the Court of Claims for damages. The Court of Claims determined that the loss sustained on the contract was $211,050 and on appeal to the Supreme Court of the United States the judgment of the lower court was affirmed.

The amount paid in settlement in the year 1920 was $227,355.80, including interest. Of this amount $34,758.21 was taken by the Atlantic Dredging Co., the principal in the contract, and the remainder of $192,597.59 was received by the Sanford & Brooks Co. In prosecuting the suit, this taxpayer expended the sum of $44,390.42, leaving a net amount of $148,207.17 which was credited to surplus on the books of the company during the year 1920. In the audit of the return for that year, the Bureau of Internal Revenue added the amount of $148,207.17 to the income reported by the taxpayer, which together with other minor changes resulted in an additional tax of $50,883.90 for the year. The taxpayer conceded the minor adjustments and also admitted that $16,305.71 interest included in the award was correctly added to the 1920 income by the Bureau of Internal Revenue, but contended that the balance of $131,901.46 did not represent income since it was awarded as damages for losses incurred in earlier years.

The case was appealed to the United States Board of Tax Appeals, where the action of the Commissioner of Internal Revenue was sustained. On appeal to the Circuit Court of the United States for the Fourth Circuit, the action of the Board of Tax Appeals was reversed, and on a writ of certiorari the case was taken to the Supreme Court of the United States. That body reversed the decision of the lower court and held that the entire amount received on the award was properly included in the income for the year 1920. The additional tax was accordingly assessed and is being paid on the installment basis by the taxpayer. The bill H. R. 13619 would return to the taxpayer the total tax to be paid for the year, $53,673.68, together with interest of $18,358.43. Not all of this tax and interest has as yet been received by the Government.

The Supreme Court in its findings stated that the assessment had been properly made under the statutes and that any relief from the alleged burdensome operations must be secured through legislation and not through the courts. The Bureau of Internal Revenue recognized the injustice to this taxpayer of computing the tax in the usual manner, and accordingly computed the profits tax under the provisions of section 328 of the Revenue Act of 1918, a relief provision of the act. Since the major portion of the award represented damages for losses incurred in earlier years, the Department recognizes the fact that the amount received is not all income in its true sense, and that the taxpayer has been deprived of a portion of its relief by being taxed on the full amount of the award.

Attention is, however, called to the fact that a certain amount of tax and interest is due from this taxpayer on the income earned during the year 1920, as follows:

| | |
|---|---|
| Net income shown in revenue agent's report dated July 25, 1924 | $194,027.57 |
| Less net amount received from award, exclusive of interest | 131,901.46 |
| Income from operations and interest | 62,126.11 |
| Invested capital shown in revenue agent's report dated July 25, 1924 | 220,425.26 |
| Excess-profits credit | 20,634.02 |
| Excess-profits tax | 11,906.63 |
| Income tax | 4,821.95 |
| Total tax liability | 16,728.58 |

In view of the unusual circumstances in this case, the Department will interpose no objection to a bill granting special relief to the Sanford & Brooks Co. for all taxes paid for the year 1920 in excess of $16,728.58, plus legal interest thereon.

Very truly yours,

OGDEN L. MILLS,
*Secretary of the Treasury.*

## AMENDMENT OF POSTAL LAWS RELATING TO RELIGIOUS PERIODICALS—VETO MESSAGE (S. DOC. NO. 121)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, referred to the Committee on Post Offices and Post Roads, and, with the accompanying paper, ordered to be printed, as follows:

*To the Senate:*

I return, without my approval, S. 1439, entitled "An act amending the postal laws to include as second-class matter religious periodicals publishing local information."

This bill would amend existing law (subsection "Fourth" of section 14 of the act approved Mar. 3, 1879; 39 U. S. C., 226) concerning publications entitled to entry as second-class mail matter, as follows, the new language being underscored to distinguish it from the language of the existing law:

Fourth. It must be originated and published for the dissemination of information of a public character, *or for the dissemination of local information by religious organizations*, or devoted to literature, the sciences, arts, or some special industry, and having a legitimate list of subscribers. Nothing herein contained shall be so construed as to admit to the second-class rate regular publications designed primarily for advertising purposes, or for free circulation, or for circulation at nominal rates.

Publications of churches and religious organizations are now admitted as second-class mail matter, provided they meet the requirements of the act of March 3, 1879, including the provision cited above. The amendment proposed by this bill would provide for the entry as second-class matter of additional religious publications devoted in their entirety to information of a local character, as distinguished from a public character, relating to the particular churches or religious organizations publishing them. If an exception should be made to existing law in favor of religious organizations, it would constitute a precedent under which other social organizations and associations, such as clubs, chambers of commerce, charitable organizations, and many others, would no doubt request legislation conferring upon them similar benefits.

The cost of handling and transporting second-class matter in the mails is greatly in excess of the revenue derived therefrom. This excess cost amounts to more than $77,000,000 per year. I am advised that under the provisions of this

bill the cost of handling second-class mail in excess of revenues will be materially increased. I do not feel that a further increase in the cost of handling second-class mail matter should be placed upon the taxpayers, notwithstanding the meritorious character of the publications by the religious organizations which the bill seeks to favor.

For the reasons stated above and because of the facts and adverse recommendation contained in the attached letter of the Acting Postmaster General I do not feel justified in approving this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 20, 1935.*

OFFICE OF THE POSTMASTER GENERAL,
*Washington, D. C., August 14, 1935.*

The PRESIDENT,
*The White House.*

MY DEAR MR. PRESIDENT: With reference to the communication of August 10, from your assistant secretary, submitting the accompanying bill (S. 1439) with the request that you be advised whether there are any objections to its approval, I have to say that it is believed the bill should not be approved for the following reasons:

The purpose of the bill, as indicated by its title, is "to include as second-class matter religious periodicals publishing local information."

Under the existing law, act of March 3, 1879, newspapers and other periodical publications to be entitled to entry as second-class matter must, among other things, "be originated and published for the dissemination of information of a public character or devoted to literature, the sciences, arts, or some special industry." For many years it has been held by the Post Office Department that the bulletins issued by churches, when consisting merely or in the main of announcements of their services and meetings, either with or without items pertaining to the auxiliary bodies of such churches and their members, are not "originated and published for the dissemination of information of a public character", but are in fact simply programs or circulars of restricted interest which do not constitute newspapers or other periodical publications within the ordinary meaning of those terms.

Second-class mail matter, according to the cost ascertainment of this Department, is handled at a tremendous loss. For the fiscal year ended June 30, 1934, such loss was estimated at $77,757,821. The loss would be materially increased should bill S. 1439 become law, as it would make it possible for thousands of churches throughout the country to secure the low second-class postage rates for their church bulletins and announcements. Most of these are quite small, running from 25 to 160 or more copies to the pound, on which postage would be only 1 cent a pound for their handling, transportation, and delivery, including delivery by letter carriers in the case of weeklies mailed for local subscribers at post offices having city letter-carrier service. Furthermore, should this concession be made to church periodicals, other organizations such as charitable institutions, clubs, etc., would seek the same privilege for their programs and circulars.

I am not unmindful of the meritorious character of the organizations which the bill seeks to favor, and am in sympathy with every reasonable effort in their behalf. Nevertheless, in view of the burden which would be placed upon the Postal Service and the additional loss that would result from the approval of the bill—which loss would have to be made up by general taxation—it is recommended that the bill be not approved.

I may add, however, that this does not mean that church publications are excluded from the second-class mailing privilege. On the contrary, many such publications are now entered as second-class matter, having met the requirements of the present law by carrying a sufficient proportion of matter other than mere announcements or other items pertaining only to the particular churches; that is, they contain a reasonable amount of matter of general interest, which may, of course, be of a religious nature or otherwise in keeping with the character and purpose of the publishing organization. Under these conditions publications constitute newspapers or other periodical publications within the commonly understood meaning of those terms and are consequently entitled to admission to the second class of mail matter.

Very truly yours,

W. W. HOWES,
*Acting Postmaster General.*

Mr. WALSH. Mr. President, I present and ask to have printed in the RECORD copy of a letter I have addressed to one of the leading proponents of the measure, Rev. George E. Heath, pastor of the Wesley Methodist Episcopal Church, Worcester, Mass., regarding the President's veto message on Senate bill 1439. I request that this be printed in the RECORD immediately after the veto message and accompanying letter.

There being no objection, the letter was ordered printed in the RECORD as follows:

UNITED STATES SENATE,
*August 21, 1935.*

Rev. GEORGE E. HEATH,
*Wesley Methodist Episcopal Church, Worcester, Mass.*

MY DEAR DR. HEATH: I regret very much to have to inform you that the bill (S. 1439) entitled "An act amending the postal laws to include as second-class matter religious periodicals publishing local information", in which you and other ministers of the gospel, as well as church organizations, were deeply interested, was vetoed by the President.

The President, in his veto message, failed to take into consideration the fact that the privilege endeavored to be extended by this bill to religious publications and organizations—namely, to permit them to publish religious papers with purely local news only—is already extended to fraternal organizations, such as the Eagles and the Elks, the Moose, Knights of Columbus, Odd Fellows, and others, and also to papers relating to the sciences, arts, or some special industry. All these enjoy second-class mailing privileges without the requirement that one-half the textual matter be of a general public nature. Religious publications, on the other hand, are given second-class mailing privileges, only upon the fulfillment of the condition that at least one-half their textual matter be devoted to other than local news.

As you and others pointed out, the requirement that 50 percent of the news of the paper be of a general public nature simply resulted in increasing the size of the publication, as well as in padding the textual matter with information which was not of special interest locally.

For myself, I have been unable to understand why local religious organizations should not have the same rights which are extended to fraternal or benevolent societies and organizations, which, by an amendment in 1912, were exempted and permitted to enjoy second-class mailing privileges without the requirement that one-half the textual matter be of a general public nature. In other words, I feel that this same exemption as to mailing privileges should be given to religious organizations publishing weekly or monthly bulletins which contain only local matter of interest solely to the parishioners of the particular church.

In view of the fact that I transmitted to the President for his personal consideration the record of the hearings and the reports of both the Senate and the House committees favoring this measure and their reasons therefor, I feel that every step looking toward the final enactment of this salutary law has been taken by me.

Regretting that we have not been successful in our efforts to obtain the same privilege for religious publications that are enjoyed by fraternal or benevolent societies,

Sincerely yours,

DAVID I. WALSH.

## PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the petition of members of Lodge 121 of the Slovene National Benefit Society, Detroit, Mich., praying for the enactment of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, which was referred to the Committee on Immigration.

He also laid before the Senate a telegram from Christian Dan Frederiksen, of Highland Park, Detroit, Mich., relative to income, corporation, and inheritance taxes, which was ordered to lie on the table.

Mr. TYDINGS presented a petition of sundry citizens of Baltimore and vicinity, in the State of Maryland, praying for the enactment of House bill 3263, to amend the fourth section of the Interstate Commerce Act so as to permit lower rates to distant points than to intermediate points when in the same route and direction, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of sundry citizens of Baltimore, Md., being stockholders and employees of Swift & Co., remonstrating against the enactment of legislation embodying higher income taxes on large corporations than on small ones, which was ordered to lie on the table.

He also presented petitions of sundry citizens of Hagerstown and vicinity, in the State of Maryland, praying for the preservation of peace and the outlawry of war as a national policy in the settlement of international disputes, which were ordered to lie on the table.

## BANG'S DISEASE OF CATTLE

Mr. SCHALL. Mr. President, I ask leave to have printed in the RECORD and appropriately referred a letter from the secretary of the Minnesota Livestock Board, which requests that I insert it in the RECORD, to be referred to the Committee on Agriculture and Forestry. I also ask leave to print and

likewise refer another letter, with enclosures, in answer to the letter from Secretary Cotton, of the Minnesota board. The letters deal with the treatment of Bang's disease in cattle.

There being no objection, the letters were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
LIVESTOCK SANITARY BOARD,
*St. Paul, June 6, 1935.*

Hon. THOMAS D. SCHALL,
*United States Senate, Washington, D. C.*

DEAR SIR: At the last meeting of this board I was directed to write this letter to you and to request that you present it to the United States Senate in order that it can be printed in the CONGRESSIONAL RECORD and referred to the Committee on Agriculture and Forestry.

This board makes this request of you for the reason that on March 22, 1935, you made a statement to the United States Senate regarding the attitude of the United States Department of Agriculture relative to a remedy for Bang's disease of cattle. With this statement you included a letter written by the late John Thompson, who was then editor of Wallace's Farmer and Iowa Homestead, published at Des Moines, Iowa, and also another letter, both of which, with your introductory remarks, were published in the CONGRESSIONAL RECORD on pages 4251 and 4252 on March 22, 1935.

We wish to correct statements contained in the letter of the late John Thompson referring to the experiences of S. L. Bennett & Son, of Owatonna, Minn., in the attempt to free their dairy herd from Bang's disease. Mr. Thompson's letter stated, in effect, that after the Bennett herd had been under the care and supervision of this board, without result, for a period of 2 years, the herd was finally cleaned up through the use of the Bowman remedy. This statement is contrary to fact, as the only contact or service rendered by this board to S. L. Bennett & Son's herd was to extend the service of our laboratory to make the agglutination blood test of the cattle in the herd in May 1932. They failed to have the 10 animals that gave suspicious reactions subjected to a retest within 60 days, as we recommended, in order to determine whether they were safe animals to remain with the clean animals in the herd. They also did not endeavor to segregate the reacting animals from the remainder of the herd. The Thompson letter leaves the reader with the impression that after this board had failed to clean up the Bennett herd, the Bowman treatment was resorted to and the herd became disease free.

The services of this board to the Bennett herd, which terminated following the test of the herd in May 1932, were resumed when on April 17, 1935, Mr. Bennett requested this board to retest the herd he now owned. One of our State field representatives collected the blood samples of all the cattle in the herd, and the test was made at our laboratory on April 20, disclosing 4 animals that reacted positively and 10 animals giving suspicious reactions, of the 40 animals tested. In this test there were only 12 cattle that were in the herd when our laboratory made the test in May 1932, thus proving that the herd is still infected with the disease. Of the 41 animals tested in this herd by our laboratory in May 1932, 8 gave positive reactions, 10 suspicious, and 23 gave negative reactions; the 8 animals were identified by our official Bang reactor tags immediately following the test.

All the cattle that gave a positive reaction to our laboratory test in May 1932 with the exception of 1 animal and all the suspicious animals with the exception of 3 were sold or disposed of prior to February 5, 1934. Mr. Bennett's own sales records bear proof that the Bowman remedy did not cure the animals our tests had found to be affected or suspicious. Mr. Thompson's claims relative to the efficiency of the Bowman remedy in cleaning up the Bennett herd are unfounded as all of the positive reactors with the exception of one animal, and all the suspicious animals to our test in May 1932 with the exception of 3 were disposed of, and the disease still remains in the herd as is disclosed by the recent retest of this herd in April 1935. In this last test 1 of the 4 animals that gave a positive reaction was the only 1 of 8 animals that gave a positive reaction to our test in May 1932 that had been retained in the herd.

We have a statement of Harvey Bennett, one of the owners of this herd, which includes a statement that 7 of the 8 animals that gave a positive reaction to the blood test made by our laboratory in May 1932 and which were tagged with our official Bang reactor tags were disposed of contrary to the rules and regulations of this board, and also that all but three of the animals that gave a suspicious reaction in that test were sold and removed from the herd prior to February 5, 1934. His reason given for the disposal of these animals was that they were not successful in getting them to breed, that they developed mastitis and other affections of their udders. During this interim, May 1932 to February 1934, they disposed of 25 of their animals for these reasons. He further states that the service of this board in the control and elimination of Bang's disease in their herd was limited to the one blood test that was made at our laboratory and that they did not carry out our request and recommendation that the 10 animals giving suspicious reactions be retested.

If you or any Member of the Senate or House wish to obtain the complete data of the Bennett herd, including a copy of the above statement of the owner, records of the tests, etc., we will be pleased to furnish the same.

This board desires, as stated in the first paragraph of this communication, that you present this matter to the United States Senate.

Very truly yours,

CHAS. E. COTTON,
*Secretary and Executive Officer*
*Minnesota Livestock Sanitary Board.*

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THE BOWMAN LABORATORY,
*Owatonna, Minn., August 3, 1935.*

Hon. Senator THOMAS D. SCHALL,
*Senate Office Building, Washington, D. C.*

DEAR SENATOR SCHALL: I shall now enter into the Bennett herd and Mr Thompson's letter to Secretary Wallace, and I shall give you the facts: On May 30, 1932, Dr. Dooley, veterinarian, of Mankato, Minn., drew blood samples on S. L. Bennett & Son's herd and sent those samples to the State department for test. I have copy of the test, and it is as Mr. Bennett states in his letter written to me. On September 7, 1932, I drew blood samples from the Bennett herd and tested the herd in the presence of the two Bennetts and their herdsman. I used dilutions 1: 50 down, which is, as I understand, the standard of test mostly used, and is used in connection with the test and slaughter program. In the material I am sending you to prove this I have included a copy of an official test, using the same standard of test. My test on Bennett herd practically checked with the State test with exception, that the cattle that showed to be suspicious reactors 5 months later when I tested them they were positive straight through on about all dilutions. They had gone from the suspicious stage to the positive stage. After the State test Dr. Dooley went to Bennetts to do some work. Bennetts were sustaining severe loss in their herd. Dr. Dooley then told Mr. Bennett that he had better contact me. He also told me about the Bennett case. I drove out to Bennett's and talked to the younger Bennett. The first time his father came to the farm they came in to see me. We went into things very thoroughly and they decided to turn their herd over to me for treatment, although a veterinarian in Chicago had told the other Bennett that he would just be wasting his money. The first dose of Bowman remedy was given to that herd on September 7, 1932. After that the result has been as Mr. Bennett states in his letter to me. Now, bear in mind that it is 3 years since the State tested this herd of Bennett's the first time.

On February 5, 1934, I drew blood samples again and tested those samples in the presence of Mr. Bennett and Dr. Sweeney. The result was just as Mr. Thompson stated in his letter to Secretary Wallace. Two showed to be positive on 2 dilutions out of 5, using the same standard of test as was used the first time from 1:50 down. One showed agglutination on dilution 1:50; two showed agglutination on dilution 1:100. These tests were run very carefully. These reactors were given another Bowman treatment; nothing further was done with them because the herd was producing absolutely healthy and that was satisfactory to them.

Now, 3 years later the State men came down and drew samples on the Bennett herd but here is what they did. They gave that herd the severest test that can be given. Even the veterinarian that came down to the Bennett farm told the younger Bennett that they hardly ever used that severe test. They used dilution 1:25 on down. Now, dilution 1:25 has double the amount of serum that dilution 1:50 has. Dilution 1:100 has half the amount of serum from the blood that dilution 1:50 has and so on down. Now then, you will get agglutination on 1:25 and no agglutination on 1:50 down. This last test run by the State as above mentioned, they claimed several of those animals in the herd showed agglutination on 1:25. The ones they had marked as slightly suspicious or suspicious, they would get that probably on dilution 1:25. In fact, I know that is where they got it.

Now, according to this last test of theirs, they claim that four cows in the herd are positive. I ran a test on the cows, not the younger stock, on April 16, 1935, in the presence of Mr. Bennett, using same standard of test that I always use and which is supposed to be the test according to standard most generally used. I found one that showed a reaction on dilution 1:50. One more showed a slight suspicion on dilution 1:50. But it was so slight that we did not even check her. Now, because of the unreliability of the test and 3 years from the time the herd was first treated, such results can show up. You will again note the enclosed variation on the same blood drawn at the same time and sent to different places for test.

I am treating those cattle that Dr. Cotton said are reactors. I just took their word for it, because I think I have got them where I want them and I am going to meet the severest test they can make on them and I'll bet you when I am ready for them they will not want to run a test on them. Now here is where Mr. Thompson more than likely got mixed up a little bit and it absolutely amounts to nothing, but these State fellows make mountains out of molehills when they know Bowman remedy has been used. You will note in Mr. Bennetts' letter to me dated February 9, 1934, that they sold one herd because of abortion disease. That was when they were still living at Mankato, Minn. At the time the State ran their first test on the present Bennett herd, which was May 30, 1932, Bennetts, not knowing about the Bowman remedy and me, signed a contract with the State, agreeing to place the herd under their supervision. That contract provided that they were to use no remedies, or anything else on

those cattle. When they found out about the Bowman remedy, Bennetts ignored that contract. That is what the veterinarians do not like, and they hitched up with me.

So Thompson was right about the contract and cleaning up and the like, as you will again note by Bennett's own letter. But Thompson made an error and got mixed up on the herds where he stated they worked along with the State veterinarian for about 2 years. Now, that is the size of the whole thing, because it had only been 5 months since the Bennetts signed the contract with the State in connection with the present herd until Bowman treatment was commenced on the herd.

Here is another thing the State veterinarians make capital of: Bennetts have only home-made stanchions in their barn. The cows stand very close together, and there is no partition between each cow. Since they started using the remedy on the herd, cow lying down and another one by her side getting up stepped upon teats and ruined the teat and the udder. Such cases Bennetts do not keep. They are sold. But no cows were sold because they were or had been reactors or because of abortion. They had no abortion trouble in the herd. It made no difference whether a cow had been a reactor or whether she was negative by the blood test; they disposed of her. Then, too, sometimes in a herd of cows, when they are getting young stock coming on there are cows that do not produce in milk production as they should, and it doesn't pay to keep them. Bennett may have sold one or two on account of that. But no cows were sold because of abortion. The above is according to Mr. Bennett's own story to me, and I know it is true. But the veterinarians make capital of that because Bennetts ignored their contract and hooked up with me. All the contract provided for was the test program and separation of the negatives and the positives. The State did nothing to correct and overcome the loss Bennetts were sustaining; therefore the contract was absolutely no good to them.

This material I am sending you is but a very small amount of that which I have. I have stacks of all kinds. Read the letter written by Mr. Thomas E. Cashman addressed to Andy Rock. Go into the brief that looks like a catalog and under index read what Mr. Cashman wrote to John Thompson. You will see the kind of stuff these veterinarians pull where they know Bowman remedy has been used. You will find about everything you need in this material I am sending you. Have Mrs. Schall read it to you. I am also enclosing a copy. It is no copy. It is a letter, rather, bearing the name Senator SCHALL at the top, and you will know what is going on. I will swear to the truth of its contents. It is long, but it will show you.

In regard to Mr. Thompson I want to say I and my family have known him very well since 1923. I have never met a man of cleaner mind, more honest, and more sincere for the best interest of the farmers than Mr. Thompson was. People who knew him had such respect for him in gatherings that when he was there they would not even use a smutty word. Truly he was a good man. Mr. Thompson and I were in quite close contact on the Bowman remedy for all these years. He conducted three investigations, and he knew what the Bowman remedy was doing, and had he been owner of the paper, his readers would have learned more of what the Bowman remedy was doing. My advertisement ran steadily in the Iowa Homestead up until the time Wallace bought the Homestead. Then my advertisement was stopped immediately. Wallace's Farmer is one of the publications that I tell about in the exposure addressed Senator SCHALL.

If I were in your place, Senator, I would not mar or allow to be marred Mr. Thompson's reputation, since he is now dead and cannot defend himself. When he wrote those letters he was not a sick man, but the fellows running the paper still in Wallace's name play with a gang and will make things out that aren't true now since Mr. Thompson has passed on. That paper will not run my advertisement as long as it is still run under the Wallace name. I can produce a letter that is not so very old to that effect, indicating that when the paper is changed over to the Pierce Publishing Co., and not run in Wallace's name, it would be different then. I can attach affidavit, if you want it, to this letter.

Very truly yours,

THE BOWMAN LABORATORY,
ERICK BOWMAN.

P. S.—The bulk of the material is coming forward to you under separate cover, first-class mail.

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OWATONNA, MINN., *February 9, 1934.*

Mr. ERICK BOWMAN,
*The Bowman Laboratory, Owatonna, Minn.*

DEAR MR. BOWMAN: For 6 years we were having severe losses from contagious abortion. During that time we sold our entire herd of high-grade Holsteins in an effort to stamp out the disease. After cleaning up in every possible way and waiting several months, we purchased a carload of Guernseys and shipped in here from Illinois.

The same disease soon broke out in this herd, and we were much discouraged, as we lost most of the calves before maturity, and the afterbirth had to be taken in every case. After deciding to try your abortion remedy, we had the entire herd blood-tested, and over 50 percent showed positive reactors. We then gave the treatments on September 7, 1932. On September 8, during the night, a 2-year-old heifer lost her calf and the afterbirth had to be taken. Since that time every bred female in our herd has gone the entire time and delivered a strong healthy calf with the afterbirth following very soon.

Every nonbreeder has got in calf, and our herd is in a very healthy and thrifty condition.

We gladly recommend your treatment to anyone in the cattle breeding business, and will be very happy to help you in any way possible in your good work, as we know that the Bowman remedy has changed the condition of our herd to one which we are proud to own.

Wishing you continued success, we are,

Yours very truly,

S. L. BENNETT & SON.

R. F. D. No. 6.

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MAY 6, 1935.

Dr. C. E. COTTON,
*Livestock Sanitary Board, State Office Building, St. Paul, Minn.*

DEAR SIR: Since talking with you Saturday morning I have done a lot of thinking, and must say that I do not like the way you talked to me over the phone. I do not think that I am under any obligation to you whatever, and the first time I talked with you at your office you told me you wanted to be absolutely fair with Bowman and everyone else. Since talking with you Saturday I am convinced that this is not the case, and I have decided not to call at your office.

I am thoroughly convinced that Mr. Thompson, in his anxiety to help in eradication of abortion, got my two herds mixed up, and now that he is dead and buried I can see no reason for making a mountain out of a molehill. If you see fit to quarantine the reactors I do not know as I can prevent that, but I am going to give Bowman a chance to prove his remedy. If he can clean up my herd after what your test shows, I would like to see it done. If he cannot do so, and we have any abortions, I will see that the animals are disposed of and slaughtered according to law.

I want to be fair about this whole situation, but I am not so sure of your attitude.

Yours very truly,

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JUNE 7, 1935.

Dr. C. E. COTTON,
*Livestock Sanitary Board,*
*State Office Building, St. Paul, Minn.*

DEAR DR. COTTON: I was out to the L. S. Bennett farm last night, and Mr. Bennett, Harvey, showed me your letter addressed to Mr. L. S. Bennett bearing date of May 8, 1935. Also a letter Mr. Bennett had written to you.

I took copies of those letters and I am going to quote a part of your letter in the fifth paragraph.

"It is further noted, that you are going to give Mr. Bowman a chance to prove his remedy, and the cure, in your opinion, will be based upon the discontinuance of abortions in your herd."

I want to inform you that abortion discontinued in Mr. Bennett's herd almost immediately after the treatment was given in September 1932. He has had but one abortion and that was a heifer that was a calf at the time the herd was treated and was only given a half treatment, and we straightened that heifer up.

Now, Mr. Bennett is not going to use his judgment, as you say, that the Bowman remedy is a cure because of discontinuance of actual abortions. He knows the remedy will do that already. Mr. Bennett is giving me a chance to turn the animals in his herd, which, according to your test, showed to be positive and suspicious reactors. Now, then, putting the herd into a healthy producing condition, which has been done, or we might say in a healthy breeding condition, and now I am going to turn the reactors negative according to your own test and the highest test given.

After you see this with your own eyes, will you then admit the facts? There are other things you say in this letter of yours that I can knock all to pieces, but I am not going to bother with it. Farmers have been misled for years into the belief that abortion is self-eliminating. They know different, but the farmers do not say anything. They suffer in silence. Facts remain, however, that if abortion disease is self-eliminating, that a large percentage of cows only abort once and then go on and produce as they should, breed as they should, abortion disease would have been a thing of the past long ago. But facts remain that losses from abortion disease has doubled in the United States during the last 10 years and was doubling right along up until 1929. Therefore, you fellows only feed the public a lot of bunk. I don't care how much you fellows claim to have studied the disease, the actual existing facts do not balance with what you men preach.

Very truly yours,

THE BOWMAN LABORATORY.

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[Part of copy of recent release from the United States Department of Agriculture Bureau of Animal Industry]

BANG'S DISEASE

(By W. E. Cotton, superintendent of experiment station, Bureau of Animal Industry, United States Department of Agriculture, Bethesda, Md.)

RELIABILITY OF THE TEST

The agglutination test has certain shortcomings which have led some persons to question its reliability. Perhaps the most serious of these is the tardiness with which some animals begin to react after becoming infected. In most animals the reactions begin to appear in a few weeks after infection, but in some this does not occur until after several months, and occasionally, in pregnant animals, not until after their periods of gestation have been terminated by an abortion or parturition. In a few cases, infected

animals have been reported as never reacting, but it is believed that such animals are rare.

The tardiness with which the reactions sometimes appear is a rather serious failing because some infected animals may become spreaders of large amount of infection before they can be detected. Moreover, the test does not tell whether an animal will abort or not and, as before stated, does not always sharply distinguish between present and past infection.

While the blood test has these limitations it gives much valuable information as to whether infectious abortion is present in the herd and the extent of the infection, and points out animals that are or may become dangerous. It has the advantage that it can be repeated as often as desired and by proper interpretation will greatly aid in combating the disease. Already it is rendering good service in aiding cattle owners to free their herds from the disease and in keeping them free. The test is not always successful doing this, but it goes a long way in the desired direction. Further experience should lead to a better understanding of the test and an increase in its efficiency.

REPORTS OF COMMITTEES

Mr. COPELAND, from the Committee on Immigration, to which was referred the bill (S. 3399) for the relief of Rosalie Piar Sprecher (nee Rosa Piar), reported it without amendment and submitted a report (No. 1421) thereon.

He also, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 2005. A bill to provide for the inspection and regulation of vessels engaged in the transportation of inflammable, explosive, and like dangerous cargoes in navigable waters of the United States (Rept. No. 1424);

S. 3218. A bill to amend section 201 of the Merchant Marine Act, 1928 (Rept. No. 1425); and

S. 3327. A bill to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes (Rept. No. 1426).

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (H. R. 6057) for the relief of Joe Brumit, reported it without amendment and submitted a report (No. 1422) thereon.

Mr. BURKE, from the Committee on Claims, to which was referred the bill (H. R. 7137) for the relief of Cassie M. Lyne, reported it without amendment and submitted a report (No. 1423) thereon.

Mr. FRAZIER, from the Committee on Indian Affairs, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 3091. A bill to provide funds for cooperation with Trenton School District, Williams County, N. Dak., for extension of public-school buildings to be available for Indian children (Rept. No. 1427); and

S. 3093. A bill to provide funds for cooperation with Sanish School District No. 1, Mountrail County, N. Dak., for extension of public-school buildings to be available for Indian children (Rept. No. 1428).

Mr. SHIPSTEAD, from the Committee on Foreign Relations, to which was referred the bill (S. 3425) authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen*, reported it without amendment and submitted a report (No. 1429) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes, reported it with amendments and submitted a report (No. 1431) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 3393) to create a Federal Board of Foreign Trade, reported it without amendment and submitted a report (No. 1432) thereon.

Mr. SCHWELLENBACH, from the Committee on Claims, to which was referred the bill (H. R. 4428) for the relief of Caroline (Stever) Dykstra, reported it without amendment and submitted a report (No. 1433) thereon.

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (S. 1724) to repeal section 2 of the act entitled "An act to create an additional judge in the district of South Dakota", approved February 26, 1929, reported it without amendment and submitted a report (No. 1435) thereon.

Mr. COSTIGAN, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3118) to provide for the creation of the Perry's Victory and International Peace Memorial National Monument, on Put in Bay, South Bass Island, in the State of Ohio, and for other purposes, reported it with amendments and submitted a report (No. 1436) thereon.

Mr. THOMAS of Utah, from the Committee on Mines and Mining, to which was referred the bill (S. 2424) to provide for the establishment and maintenance of a central research and experiment station of the Bureau of Mines at Salt Lake City, Utah, reported it with amendments and submitted a report (No. 1437) thereon.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 5049. A bill providing punishment for forging or counterfeiting any postmarking stamp (Rept. No. 1438);

H. R. 5162. A bill providing for punishment for attempts to obtain mail by fraud or deception (Rept. No. 1439);

H. R. 5360. A bill providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property (Rept. No. 1440); and

H. R. 5540. A bill extending the period during which no demurrage is charged on collect-on-delivery parcels and excepting the imposition of demurrage charged on collect-on-delivery parcels exchanged between the continental and island possessions (Rept. No. 1441).

PRINTING OF HEARINGS BEFORE FINANCE COMMITTEE

Mr. HAYDEN. Mr. President, by direction of the Committee on Printing, I report favorably a resolution (S. Res. 196) and ask for its immediate consideration.

There being no objection, the resolution was read, considered, and agreed to, as follows:

*Resolved*, That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Finance of the Senate be, and is hereby, authorized and empowered to have printed for its use 1,000 additional copies of the hearings held before said committee during the current session of the Seventy-fourth Congress on the bill (H. R. 8974) entitled "Revenue Act of 1935."

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma (by request):

A bill (S. 3452) to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes"; to the Committee on Indian Affairs.

By Mr. BARKLEY:

A bill (S. 3453) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to certain counsel; to the Committee on the Judiciary.

By Mr. BORAH:

A bill (S. 3454) granting a pension to Effie M. Guynon (with accompanying papers); to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 3455) granting an increase of pension to Helene H. Davis; to the Committee on Pensions.

By Mr. BYRD:

A joint resolution (S. J. Res. 174) to establish the James Madison Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of James Madison; to the Committee on the Library.

STABILIZATION OF BITUMINOUS COAL MINING INDUSTRY

Mr. O'MAHONEY. Mr. President, I understand that later in the day an amendment is to be offered to strike out the first sentence of section 4 of the pending bill, the so-called

"Guffey coal bill." I now offer a substitute for the first sentence of section 4; and I desire to state that, if the other amendment to which I have alluded shall be adopted, I will not press my amendment, but I will urge it if the other amendment shall not be adopted. I ask that the amendment intended to be proposed by me may be printed in the RECORD.

There being no objection, the amendment intended to be proposed by Mr. O'MAHONEY was ordered to be printed in the RECORD, as follows:

On page 8, beginning with line 13, strike out down to and including the period in line 19, and in lieu thereof insert the following:

SEC. 4. No action complying with the provisions of this section taken while this act is in effect or within 60 days thereafter by any producer of bituminous coal who has accepted and obligated himself to comply with such provisions, or by any marketing agency or board created under this section, shall be construed to be within the prohibitions of the antitrust laws of the United States.

CIVIL SUITS—AMENDMENT

Mr. BARBOUR submitted an amendment intended to be proposed by him to the bill (S. 2524) amending section 112 of the United States Code, Annotated (title 28; subtitle "Civil Suits, where to be brought"), which was ordered to lie on the table and to be printed.

THE MERCHANT MARINE—AMENDMENT

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

PRODUCTION COSTS OF WOOD PULP OR PULP WOOD

Mr. BORAH. I submit a resolution and ask unanimous consent for its immediate consideration.

There being no objection, the resolution (S. Res. 195) was read, considered, and agreed to, as follows:

*Resolved*, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the Tariff Act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic articles and of any like or similar foreign articles: Wood pulp or pulp wood.

COMMERCIAL AIRPORT FOR DISTRICT OF COLUMBIA

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 3806) to establish a commercial airport for the District of Columbia, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. KING. I move that the Senate insist upon its amendment, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. KING, Mr. TYDINGS, and Mr. AUSTIN conferees on the part of the Senate.

THE PRESENT TREND IN GOVERNMENT

Mr. GLASS. Mr. President, I ask unanimous consent for publication in the RECORD of a speech delivered before the Virginia Bar Association on August 9, 1935, by C. O'Conor Goolrick, a very distinguished lawyer of my State and president of the Virginia Bar Association, at its annual meeting at White Sulphur Springs, W. Va.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

This is the first opportunity I have had to formally express to the members of the Virginia Bar Association my very deep appreciation of the honor conferred in electing me your president. This appreciation is intensified when I read the names of distinguished Virginia lawyers who in the past have received a like honor at your hands.

Contemplating this list, I find myself overcome by a sense of embarrassment in addressing you this morning. Not only have you chosen as your presidents in the past lawyers of high repute, but they, in turn, when called upon to address you, as I do today, have distinguished themselves by scholarly and learned discussion of topics covering a wide range of law, government, history, and economics. One compelled to follow in their footsteps does so with hesitation and diffidence.

I trust, therefore, that you will bear in mind Hamlet's direction to Polonius concerning the players, when he said:

"Use them after your own honor and dignity:
The less they deserve, the more merit is in your bounty."

and give me a quantum of your bounty, which, even though it be not deserved, will be gratefully received.

I think it perhaps proper at the outset to disabuse your minds of any idea that you are about to listen to a discussion of one of the many interesting questions of law which from time to time engage the thought of the more studious of our profession. I find myself under the necessity of confessing, though the confession may appear superfluous, that while I am a practitioner of law I am far removed from a student thereof. I admit this to my deep regret, and my only excuse is that the active practice of our profession, without the assistance of a partner, has deprived me of opportunity to delve deeply into its philosophy.

Fortunately, however, most lawyers are, or ought to be, as much interested in government as in law, and certainly at the present time not only members of our profession but all other classes of our people find themselves confronted with public problems which challenge the attention of every citizen possessing the least spark of public spirit. These problems are so varied, so complex, and so numerous that one finds great difficulty in segregating those of major from those of minor importance, and, indeed, few people agree on the distinction which should be made. Thus the business man points to one as paramount, the farmer to another, the laboring man to yet another, and so it goes on down through the different classes of our diversified population.

Perhaps to the lawyer no problem of government is quite so compelling as that which involves the constitutional structure of the country. Certainly there can be found no more fascinating subject of study from a governmental standpoint. Not since the decision of the Supreme Court of the United States in the Dred Scott case has this subject excited so much interest among lawyers, and for that matter, among all classes of intelligent citizens, as at the present time.

The recent decision of this same Court in United States against Schechter (commonly known as the "sick-chicken case") is, perhaps, as outstanding in this day as was the Dred Scott decision in its day, the two cases ranking in importance with the notable decision of Judge Marshall in *Marbury* v. *Madison*, in which that great jurist, for the first time, definitely declared the power of the Court to invalidate those acts of the Congress which were in contravention of the Constitution. While the Schechter case does not in any way involve this particular question, yet, like the Dred Scott case, it is of such far-flung importance and was at first blush so disappointing to numbers of our people in all walks of life that it was immediately followed by a revival of the oft repeated, but always unsuccessful, demand that the Supreme Court be deprived of the power to declare unconstitutional acts of the Congress. Certain Senators and Congressman, a small section of the press, and a few organizations aggrieved by the Court's destruction of the N. R. A. immediately threatened a movement for a constitutional amendment to so limit the power of the Court, and some remarks of the President himself led many to conclude that he might lend a sympathetic ear to such demand, though, personally, I do not believe such inference justified.

In the light of this threat, which may or may not develop in the near future, and in view of the contention still made by those behind it that the decision in *Marbury* v. *Madison* was arbitrary and constituted an usurpation of judicial power, not contemplated by the framers of the Constitution, it is pertinent to review the foundation upon which this decision rests.

Investigation and study of the question readily discloses that the view expressed in that case was not original with Chief Justice Marshall, though he must be given full and complete credit for the courage and vigor with which he asserted and maintained, under trying circumstances, the power of the great Court over which he then presided. On the contrary the question had previously been introduced and discussed in the Constitutional Convention of 1787, and later in the famous letters of Hamilton and Madison, addressed to the people of the State of New York, in defense of the Constitution as submitted by that Convention.

Those who would deprive the Court of the power which it has consistently, though infrequently exercised since the decision in *Marbury* v. *Madison*, tell us that the assertion of this power constitutes judicial usurpation and in effect creates a superiority of the judicial over the legislative branch of the Government. They further tell us that the doctrine of *Marbury* v. *Madison*, which was established as far back as 1803, tends to create a judicial despotism.

It must be admitted that there is important historic precedent for this claim, found in the writings of one of our greatest statesmen and philosophers, no lesser person than Thomas Jefferson. That he entertained this belief cannot be denied, and it is equally true that he continued of the same opinion many years after the decision of the case mentioned. Notwithstanding this view, tenaciously held and forcibly expressed by the most popular statesman of his time, both Congress and the country accepted the construction of Marshall, and despite sporadic criticism, accompanied by demands from powerful political quarters for popular referendum and recall of judicial decisions and for constitutional amendment declaring the power of Congress supreme, this construction remains and will, in my opinion, continue to remain, the law of the land, certainly for many years to come.

Those who on the one hand contend that Congress is supreme, or on the other, that superiority rests in the Court under the Constitution, lose sight of the fact that neither Court nor Congress is supreme, but that ultimate power lies in the people, the creator of both. They have in their wisdom delegated to their representatives in Congress certain limited powers, carefully and definitely set out in the written instrument, which we call the Constitution. Within these limitations Congress is supreme; beyond it is, and should be, impotent to impose its will upon the Nation.

To prevent the abuse of legislative power and to guard against the danger of legislative tyranny, which, if the distinction must be made, is far more dangerous than judicial, the people, through their representatives in the Convention of 1787, created a system of checks and balances, the check on Congress being first the veto power of the Executive, and second, the power of the courts to pass on the constitutionality of its acts. Let us briefly examine the history of that Convention with regard to the latter.

It will be remembered that on May 30, 1787, Edmund Randolph, a member of the Convention, then Governor of Virginia, presented what is known as the "Virginia plan", which he supported by an elaborate argument. There are variant texts of this plan, but so far as the question under consideration is concerned, they are practically similar. The plan consisted of a number of resolutions, but the eighth, is the only one we need refer to. This resolution reads, as follows:

"*Resolved*, That the Executive and a convenient number of the National Judiciary, ought to compose a council of revision with authority to examine every act of the National Legislature, before it shall operate, and every act of a particular legislature, before a negative thereon shall be final; and that the dissent of the said council shall amount to a rejection, unless the act of the National Legislature be again passed, or that of a particular legislature be again negatived by ——— of the members of each branch."

It will be observed that the object of this resolution was to create a combined check on Congress by uniting the President and a portion of the judiciary in what was called a "council of revision", with power to reject its acts, regardless of any question of constitutionality. Evidently Randolph and his colleagues from Virginia were unwilling to vest in the Congress unlimited powers of national legislation, and at the very outset of the Convention they sought to guard the people from what they evidently conceived to be a very grave danger.

The first clause of proposition 8, relating to a council of revision, appears to have been under consideration by the Convention, sitting in committee of the whole on June 4. By reference to the debates we find that opposition to the proposal was quickly expressed, and it is interesting to note that Elbridge Gerry, a delegate from Massachusetts Bay, who on this particular day led the opposition, is reported by Madison to have expressed himself as follows:

"Mr. Gerry doubts whether the judiciary ought to form a part of it, as they will have a sufficient check against encroachments on their own department by their exposition of the laws, which involved a power of deciding on their constitutionality. In some States the judges had actually set aside laws as being against the Constitution. This was done, too, with general approbation. It was quite foreign from the nature of ye office to make them judges of the policy of public measures."

He was supported in this position by Rufus King, also a delegate from Massachusetts Bay, who "observed that the judges ought to be able to expound the law, as it shall come before them, free from the bias of having participated in its formation."

The question was postponed, but it sufficiently appears that both of these delegates were of the opinion that the Supreme Court to be created should inherently possess the power of passing upon the constitutionality of congressional acts. On the other hand, we find, later on the same day, Mr. Bedford, a delegate from Delaware, expressing opposition to every suggested check on the legislative branch, extending to the proposed Council of Revision.

According to Madison, Bedford "thought it would be sufficient to mark out in the Constitution the boundaries to the legislative authority, which would give all the requisite security to the rights of the other departments. The representatives of the people are the best judges of what was for their interest, and ought to be under no external control whatever. The two branches would produce a sufficient control within the legislature itself."

Later on the same day a motion by Wilson, seconded by Madison, to reconsider the partial negative by the President and to vest this power in him jointly with the judiciary, was rejected; but still later in the Convention, as will hereafter be seen, the same question was taken up and extensively discussed.

On June 6, Wilson again attempted to have the Convention approve the Council of Revision, but was unsuccessful. The debate on that day is not reported.

The second reported debate on the proposed Council of Revision occurred July 21, at which time Mr. Wilson moved that the "supreme national judiciary should be associated with the Executive in the revisionary power." A perusal of the Madison notes shows, however, that he based his motion on the belief that "the judiciary ought to have opportunity of remonstrating against projected encroachments on the people, as well as on themselves."

Answering the argument that the judges, as expositors of the law, would have opportunity of defending their constitutional rights, he admitted the weight of this argument, but asserted that this power did no go far enough. Later he said, "Laws may be unjust, may be unwise, may be dangerous, may be destructive, and yet may not be so unconstitutional as to justify the judges in refusing to give them effect."

In seconding Wilson's motion, Madison entered the debate and, like Wilson, insisted that the participation of the judiciary in the Council of Revision "would give it opportunity of defending itself against legislative encroachments, and, moreover, that it would be useful to the community at large, as an additional check against a pursuit of those unwise and injust measures which constitute so great a portion of our calamities."

In this position he was supported by another distinguished Virginian, George Mason, of Gunston. The latter, while not a lawyer, was admittedly one of the outstanding leaders of the Convention, taking an active part in all of its discussions. His opinion is, therefore, entitled to great weight, and it is interesting to analyze same, as we gather it from the notes on the debates.

It clearly appears that while Mason entertained the same fear of legislative abuse as that expressed by many of his colleagues, and sought to guard against this danger by creating the so-called "Council of Revision", yet it equally appears that he entertained no doubt whatever of the inherent right which the court, to be created, would have to pass on the constitutionality of laws, whether first submitted to the Council of Revision or not.

Replying to Luther Martin, a Delegate from Maryland, and noted lawyer, who suggested that "if the judges were joined in this check on the law, they would have a double negative since in the expository capacity of judges they would have one negative."

He argued that in the latter capacity they could impede the operation of law in one case only; that is "they could declare an unconstitutional law void. With regard to every other law", said Mason, "however unjust, oppressive, or pernicious, they would be under the necessity, as judges, to give it a free course."

Arguing for the Council of Revision, he "wished the further use to be made of the judges of giving aid in preventing every improper law", expressing the opinion that their "aid will be the more valuable, as they are in the habit and practice of considering the law in their true principles and in all their consequences."

Once again, at this point, Elbridge Gerry expresses his preference for an absolute negative in the Executive, rather than the blending together of the judicial and executive departments in an offensive and defensive alliance against the legislature. In this position he was joined by others, including John Rutledge, of South Carolina, who not only thought "the judges, of all men, the most unfit to be considered in the revisionary council", but further that they "ought never to give their opinion on the law until it comes before them."

Mr. Wilson's motion for joining the judiciary in the revision of laws passed in the negative, with only Maryland and Virginia voting "aye" and with Pennsylvania and Georgia divided.

The same question, in effect, was again before the Convention on August 15, when Madison "moved that all acts, before they become laws, should be submitted both to the executive and supreme judiciary departments, that if either of these should object two-thirds of each House, if both should object, three-fourths of each House, should be necessary to overrule the objections and give to the acts the force of law."

We find Wilson, of Pennsylvania, seconding this motion, and Mercer, of Virginia, approving. The latter's views, as reported, indicate that while he favored the Council of Revision, he thought in the long run that "laws ought to be well and cautiously made and then to be uncontrollable."

Mercer, in turn, was supported by John Dickinson, of Delaware. He seems to have been of the opinion that no absolute power should rest in the judges to set aside the law, but is quoted as, "at a loss what was expedient to substitute." Mr. Dickinson observed that "The Justiciary of Arragon became by degrees the lawgiver."

In the course of this most important debate on the proposed powers of the Court and the Government to be created, one of the ablest leaders of the Convention, to wit, Gouverneur Morris, of Pennsylvania, took direct issue with those just quoted. After referring to the instability of legislative assemblies, he expressed his dissent with the view that the judiciary "should be bound to say that a direct violation of the Constitution was law." Admitting that control over the legislature might have its inconveniences, he found many dangers on the other side and asserted that "encroachments of the popular branch of the Government ought to be guarded against." Apparently, at that time, he favored an absolute negative in the Executive.

As a result of the debate Madison's motion was defeated, only Virginia, Maryland, and Delaware voting "aye."

I think it plain, from what has been said above, that while a minority of the Convention very strongly felt that congressional acts, before becoming final, should run the gantlet of both Executive and judicial approval, yet the leaders of the minority, as well as those of the majority, entertained no doubt that the Court, in any event, would inherently possess the power to say what was and what was not within the constitutional authority of Congress. This is clearly indicated by the reply of George Mason to Luther Martin, cited above. We may, therefore, accept it as a fact that the Convention, as a whole, with possibly two or three exceptions, concurred in this view, and in this fact we may find explanation of its failure to definitely declare, in the Constitution, as submitted, that the Supreme Court should possess such power.

Failure, however, of the Convention to affirmatively vest the Court with this authority eventually led to both argument and confusion, which was only partially ended by the decision in *Marbury* v. *Madison*. As a matter of fact that decision itself was bitterly criticized in some quarters, and, for that matter, still is.

Students of American history are aware of what followed the submission of the new Constitution to the States and, therefore, familiar with the famous analysis and defense of that document by James Madison and Alexander Hamilton, in their series of letters, addressed to the people of the State of New York. Perhaps no two men in the Convention were better qualified for this important task than the New Yorker on the one hand and the Virginian, on the other. It must not be understood, however, that during the Convention their views were in accord, because Hamilton far outdistanced Madison in his advocacy of strong central power, but they both accepted the Constitution as finally drafted, and collaborated in presenting it in favorable light to the people of the States. It is, therefore, interesting to note their construction of the power of the Court under the Constitution.

While this construction appears in one of the letters definitely attributed to Alexander Hamilton, it may be assumed, under the circumstances, that the view therein expressed was concurred in by Madison. In this letter Hamilton was discussing the judiciary department of the proposed Government. Answering attacks on this branch of the Government then current, he sets out facts which established, at least to his satisfaction, that the judiciary is, beyond comparison, the weakest of the three departments of power; that it can never attack with success either of the other two, and that all possible care is required to enable it to defend itself from their attacks. To him, the complete independence of courts of justice was peculiarly essential in a limited constitution. Referring to some of the limitations contained therein, he declared:

"Limitations of this kind can be preserved in practice no other way than through the medium of courts of justice, whose duties it must be to declare all acts contrary to the manifest tenor of the Constitution void. Without this all of the reservations of particular right or privilege would amount to nothing."

With this premise he proceeds to answer those who sought to curtail the power of the court in the following language:

"Some perplexity respecting the rights of the courts to pronounce legislative acts void, because contrary to the Constitution, has arisen from an imagination that the doctrine would imply a superiority of the judiciary to the legislative power. It is urged that the authority which can declare the acts of another void must necessarily be superior to the one whose acts may be declared void. As this doctrine is of great importance in all the American constitutions, a brief discussion of the ground on which it rests cannot be unacceptable.

"There is no position which depends on clearer principles, than that every act of a delegated authority, contrary to the tenor of the commission under which it is exercised, is void. No legislative act, therefore, contrary to the Constitution can be valid. To deny this, would be to affirm that the deputy is greater than his principle, that the servant is above his master, that the representatives of the people are superior to the people themselves; that men acting by virtue of powers, may do not only what their powers do not authorize, but what they forbid.

"If it be said that the legislative body are themselves the constitutional judges of their own powers, and that the construction they put on them is conclusive upon the other departments, it may be answered that this cannot be the natural presumption where it is not to be collected from any particular provisions in the Constitution. It is not otherwise to be supposed, that the Constitution would intend to enable the representatives of the people to substitute their will to that of their constituents. It is far more rational to suppose that the courts were designed to be the intermediate body between the people and the legislature, in order, among other things, to keep the latter within the limits assigned to their authority. The interpretation of the laws is the proper and peculiar province of the courts. A constitution is, in fact, and must be regarded by the judges as a fundamental law. It, therefore, belongs to them to ascertain its meaning, as well as the meaning of any particular act proceeding from the legislative body. If there should happen to be an irreconcilable variance between the two, that which has the superior obligation and validity ought, of course, to be preferred; or, in other words, the Constitution ought to be preferred to the statute, the intention of the people to the intention of their agents.

"Nor does this conclusion by any means suppose a superiority of the judicial to the legislative power. It only supposes that the power of the people is superior to both; that where the will of the legislature declared in its statutes stands in opposition to that of the people declared in the Constitution the judges ought to be governed by the latter rather than the former. They ought to regulate their decisions by the fundamental laws rather than by those which are not fundamental."

In the course of years since Hamilton interpreted the power of the courts under the Constitution no one has more forcibly or explicitly set it forth. His logic is unanswerable and his construction must be adhered to if the Constitution is to survive. Any other would make it the plaything of our legislative bodies and might prove fatal to our liberties.

It might have been supposed from the expressions of leaders of the Convention of 1787, quoted above, that no further question would arise as to the power of the Court, but that was far from true. On the contrary, the Nation was deeply agitated shortly thereafter by a bitter dispute as to this power, partly as a result of politics and partly because of unwise judicial conduct by certain Federal judges.

Undemocratic statutes called forth the Virginia and Kentucky resolutions, and following them came the theatrical and bitter debate in the Senate of the United States in the winter of 1802. This debate revolved around the question of the supervisory power of the Court over the Legislature.

At this very time, there was pending before the Supreme Court, the case of Marbury against Madison. Marshall, with this debate and its results fresh in his mind, realized as no other man did, the necessity of bold action. He was fully aware that no actual language of the Constitution authorized the judiciary to annul legislation, but at the same time he was cognizant of the opinion entertained by the leaders of the Convention and he had been deeply impressed by Hamilton's subsequent construction of the powers of the Court. Previously, in the Virginia convention of 1788, he had announced, as a fundamental principle, that "if Congress shall pass an unconstitutional law, the courts would declare it void." Nevertheless, he was confronted with a duty which called for an exhibition of both courage and determination. In order to sustain the power of the Court it was necessary for him to oppose the views entertained by the then Chief Executive, as well as by a majority of the Congress, and yet his duty must be performed, lest the Constitution perish. The history of that case, decided the following year, and the results which followed, are known to every lawyer.

Bitter criticism was directed at the decision, no lesser person than Thomas Jefferson declaring that "the opinion which gives the judges the right to declare what laws are constitutional and what are not, make the judiciary a despotic branch."

Criticism was followed by action, and this action took form in the impeachment of Justice Chase. So strong was the feeling in Congress against the latter, and for that matter against the entire Court, that Marshall himself seems to have become thoroughly alarmed and in a letter to Chase, written in 1804, and quoted by Beveridge, the Chief Justice said:

"A reversal of those legal opinions deemed unsound by the legislature, would certainly better comport with the mildness of our character, than the removal of the judge who has rendered them, unknowing of his faults."

Thus it appears that Marshall contemplated a surrender to the legislative branch of the Government; but, fortunately, Chase was acquitted, this did not become necessary and the doctrine expressed in *Marbury* v. *Madison* remained the law of the land. It has resisted attack throughout the intervening years, but it is significant of the delicate situation which existed, that during a period of 52 years thereafter no act of Congress was declared unconstitutional by the Court. Beveridge expresses the opinion that had Marshall not taken his stand in *Marbury* v. *Madison* judicial acquiesence in congressional supremacy would have been completely established.

I have attempted to show upon what a solid foundation rests the power of the Court under the Constitution, in order to disabuse the minds of those who, disregarding the history of this power, assume that it was acquired by usurpation of legislative prerogative. In view of the opinion of those who founded the Nation, buttressed by the long-established and accepted doctrine of Marbury against Madison, it is difficult, if not impossible, to understand the basis of the movement to weaken or destroy the power of the courts; and it may be safely predicted that should such movement, now or hereafter, take form and substance and receive the support of any recognized political party, an issue will be precipitated creating political chaos with party lines obliterated in every section of the country.

I do not believe that any responsible political leader in America will sponsor such issue, nor that any party will give it support, but in the improbable event that the people are forced to decide whether the Congress should construe finally the limitations of its own power or whether this should remain with the Supreme Court, then my prophecy is that an aroused nation will overwhelmingly prefer the Court to the Congress.

I have reviewed the long-drawn-out dispute over the authority of the judiciary, solely because of its historic interest, and not because of any fear on my part that the present administration seeks either to weaken or destroy the power of the courts. Neither do I share the belief expressed in some quarters that the Constitution is endangered by existing governmental policies or that there exists any legislative or Executive purpose to discard its long-established principles.

Despite assertations to the contrary, nothing has transpired upon which to base them. They find no solid foundation in the mere fact that recent legislation has been declared unconstitutional, though it has been sought to draw such deduction therefrom. The National Recovery Act, as well as the Frazier-Lemke Act, was unanimously rejected by the Supreme Court as plainly unconstitutional, while lower Federal courts have invalidated, so far as lies in their power, other so-called "recovery" legislation; but the action of the courts establishes nothing beyond the fact that both the legislative and executive branches of the Government were striving desperately to relieve an intolerable and threatening emergency. It is, of course, unfortunate that they should have chosen, in part, unconstitutional measures to this end; but it strains one's credulity to be asked to believe that the N. R. A., or any of the other laws which have shared its fate, were enacted by Congress or approved by the Executive in conscious disregard of constitutional limitations.

Such an inference reflects not only upon the good faith but upon the integrity of both Congress and the President, and will, when drawn, be overwhelmingly rejected by the American people. Rather it is fair to assume that, faced with desperate conditions, Congress felt the necessity of desperate remedies, and this is best proven by the fact that in the vote of both Houses on many of the measures involved party lines were completely ignored.

Following the decision in the Schechter case, some hasty expressions of rather natural disappointment by the President were seized upon as evidence of executive intent to curtail, if possible, the constitutional control of the courts over future legislation, but these expressions cannot be so interpreted, though it may well be that the President had in mind at the time, and may still, a future amendment to the Constitution extending, if it be possible, the scope of the commerce clause of that instrument. If such be the case, and his purpose contemplates a surrender of any of the present rights still reserved to the States under the Constitution, it may be observed that, after all, the States cannot be deprived of these rights save by their own consent and in the orderly manner prescribed by the Constitution itself.

It cannot be successfully alleged that such a purpose, if it exists, in any manner threatens the constitutional structure of the country. This has survived many amendments in the past, some admittedly sound, others notoriously unsound. Despite the latter class of amendments, the vigor and force of the Constitution remains unimpaired. That it may continue so is the hope and prayer of every patriotic citizen.

Seldom in the history of the country has public attention been so focused on National Government as in the past few years. Of course, the reason for this is obvious and is found in the bitter experience of the people during a period of both economic and social distress. Despite the reason, the awakened interest of the citizen in his Government is a healthy sign, particularly among a people as politically apathetic at times as ours appear to be. It is not strange, therefore, that volumes have been written in newspapers and periodicals during the past months on legislative subjects, that there have been heated debates both in and out of Congress, and that there now exists a wide diversity of opinion on almost every subject under discussion, this difference extending far beyond party lines or political affiliation.

In briefly vouching an opinion as to existing conditions, in the light of the legislative history of the past few years, I wish to assure you that I do so not in a spirit of partisanship but in a spirit of optimism. I recognize that few, if any, of our citizens, including public men, have been able to entirely digest the legislative diet which has been handed out from Washington, but we know that at least some of it has contributed toward the restoration of healthy conditions in the body politic. If one were asked to balance wise legislation against unwise, it would possibly be a difficult undertaking, but there are certain outstanding achievements of the present administration which are worthy of note.

The closing of the banks of the country, in the early days of the administration, required a rare degree of courage and coming at a time when banks were failing by hundreds and thousands throughout the country, undoubtedly saved us from financial disaster; even rarer courage was required to bring about the speedy repeal of the eighteenth amendment, an act which in itself is to the eternal credit of the administration; the creation of the citizens' conservation camps has proved wise and beneficial in every respect; even the N. R. A., with all of its defects, arrested a price-cutting trend which threatened numerous lines of business, and was in many respects a boon to labor; the bank-deposit guarantee legislation is commended throughout the country and has insured the stability of the American banking system; the much abused A. A. A. measure, while admittedly unsound in some respects, has restored confidence and credit to the farming class in this country, than whom no class admittedly has been in more acute need of assistance; monetary legislation resulting in the reduction of the gold content of the dollar may be regarded as an economic necessity, without which the average debtor in this country would have found it impossible to liquidate his debts; the act which established the Home Owners' Loan Corporation prevented the sacrifice of hundreds of thousands of American homes, and their sales under mortgages, while the R. F. C. Act has been splendidly administered in the interest of business and industrial recovery.

Foreign-trade pacts, some of which have already been successfully negotiated by Secretary of State Hull, with others in progress of negotiation, hold out the only hope of an early restoration of this country's business abroad, and in spite of criticism in some quarters, the policy of this Department may be regarded as highly constructive.

I might go on to cite other legislation which, in my opinion, has proved of benefit to the country, but time prevents. Brief reference, however, may be made to one or two other subjects, among which are old-age pensions and the appropriation of public moneys.

Taking these up in inverse order, it is interesting to note that despite far-flung criticism of recent appropriations, the last P. W. A. act, carrying over $4,000,000,000, passed the House of Representatives by a vote of 329 ayes to 78 nays, and the Senate by a vote of 68 ayes to 16 nays. An analysis of this vote shows that party lines were totally disregarded in both Houses of Congress.

Much pessimism has been expressed as to this and other appropriation bills passed by the Congress, and each one has been greeted with a demand for a balanced Budget, but those who so earnestly plead for a balanced Budget apparently lose sight of the fact that human needs are more vital than budgetary needs. Of course, it is quite easy to assert that conditions would rectify themselves, if left alone, but such assertions are very difficult to prove. If the expenditure of this money contributes, as I believe it will, to the more speedy return of normal conditions, then we may rest assured that the public debt will be quickly reduced, just as it was in the period which followed the World War. I feel no pessimism on this score, though I realize that many in this audience and throughout the country take an entirely different view of the matter.

Apropos of Federal appropriations, I have secured some figures which should be of interest to the people of Virginia. For instance, from May 23, 1933, through June 30, 1935, the Federal Emergency Relief Administration has turned over to the State of Virginia $22,583,351. The Public Works Administration, from its inception up until July 5, 1935, has turned over to the State for non-Federal projects $12,561,920, approximately. Up to July 1, 1935, the latter administration turned over to Virginia for Federal projects $75,327,668.

In reference to the amounts for relief it may be noted that aside from some small contributions by cities the State has, during the period mentioned above, appropriated nothing directly for this purpose, so that relief in Virginia has been substantially supplied by the Federal Government. Under such circumstances, while we may regret the necessity of accepting this money, we should hesitate, since we did accept it, to be overly critical of its appropriation.

Personally, I should rejoice if Virginia had been in a position to have declared her financial ability to supply relief to her citizens without Federal aid, but we all know that this was impossible. I should likewise have rejoiced had Virginia been able, without the appropriation of over $88,000,000 of Federal money for public works in this State, to have supplied labor for her people, but it is obvious that this could not have been during the past 2 years.

As far as old-age pensions are concerned, they present no new problem and I would not refer to them but for the fact that in my opinion the question of their establishment in Virginia will be before the next general assembly for action. Inevitably, this action will and should be favorable. Of this I entertain not the slightest doubt.

It is interesting to note that the first old-age law in this country was that of Alaska in 1915, followed by Montana and Nevada in 1923, Wisconsin, 1925, Kentucky, 1926, and a long procession of States down to and including Iowa in 1934 and Arkansas in 1935, so that 29 or more of our States have already adopted this system, while before this, many foreign countries had so acted.

The cost in Virginia has been variously estimated, but the most reliable figures are furnished by William R. Shands, director of division of statutory research and drafting, who, in a recent address on this subject, estimated the cost of such pensions and administration, based on 65 years of age, at approximately $4,868,923, while his estimate for 70 years of age, is $2,779,317. Of course, in either instance, one-half of this cost would be borne by the Federal Government, under pending security legislation. The figures given by Mr. Shands rest on the actual experience of other States.

In this connection it should be borne in mind that for the year ending July 1, 1935, the Confederate pensions in Virginia to all classes amounted to $745,260, and these pensions would be hereafter included in the appropriations under the old-age system.

The legislature will have to determine from what source taxes will come to meet such pensions, but it may not be out of place to point out that the State Tax Commissioner of Virginia estimates that a 1-percent sales tax in this State would yield, exclusive of the tax on gasoline, already under sales tax, something over three and one-half million dollars, or more than sufficient for the purpose.

I would not have it understood from what has been said that I endorse all of the legislation enacted in the past few years in an effort to relieve a great economic emergency. Much of it has proved unsound and some of it unconstitutional, but on the other hand I admire the courage which both Congress and the Executive have displayed under trying circumstances. A do-nothing policy would have banded together all of the radical elements in this country, giving them unprecedented strength, and possibly power to cause disaster.

One of the ablest editorial writers in Virginia recently dubbed as "claptrap" many of this year's speeches about liberty, regimentation, tyranny, and bureaucracy. The reference is perhaps justified. Certainly this line of argument has been overdone. We are subject to no tyranny and we have lost no liberty. On the other hand, every well-informed person knows that conditions in this country are vastly improved over what they were several years back. We only need to read the financial and industrial columns of the daily press to ascertain this fact. On every hand we find evidences of business improvement. One of the latest is cited by the New York Times of last Sunday, in that in the final week of July electric-power output in the United States exceeded by 5.8 percent the previous mid-summer peak set in 1929. Other instances, such as the increased output of automobiles, the revival of our heavy industries, the increased sales in department stores, the rise in stock prices, better agricultural returns, increased wages, might be cited, but all of this is too well known to require extended comment.

Even more encouraging than all of these are the restored confidence of the American people and their determination to overcome all obstacles in the long, drawn-out fight against adverse conditions. Their spirit may be illustrated by an incident in the life of Napoleon. At Marengo the Austrians had overwhelmed the French, commanded by the Emperor in person, and retreat seemed inevitable. At that moment Desaix, who early in the morning at the first sound of the guns on the plains of Marengo, had put his corps into motion to join the main army, galloped into the

presence of his great commander. Turning quickly, Napoleon said to his lieutenant:

"What think you of the battle?" "Sire", replied Desaix, glancing at his watch, "the battle is lost but there is yet time to gain another."

Instantly Napoleon ordered the charge and Desaix, placing himself at the head of his squadrons, met and crushed the Austrian assault at the cost of his own life, but that night the Emperor slept on the field of battle.

In such a spirit, under courageous and sympathetic leadership, have the American people fought and won this battle, and while the future presents its difficulties, it is bright with promise. My own attitude is perhaps best expressed by these lines:

"I hold not with the pessimists that all things are ill,
Or with the optimists that all things are well;
All things are not ill and all things are not well,
But all things shall be well,
Because God lives."

### AIRPORT FOR DISTRICT OF COLUMBIA

Mr. GIBSON. Mr. President, with respect to the bill now pending, providing a commercial airport for the District of Columbia, I ask unanimous consent to have printed in the RECORD two letters from the Chairman of the National Capital Park and Planning Commission.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL CAPITAL PARK AND PLANNING COMMISSION,
*July 1, 1935.*

Hon. WILLIAM H. KING,
*Chairman of the Committee on the District of Columbia,*
*United States Senate, Washington, D. C.*

MY DEAR SENATOR KING: The National Capital Park and Planning Commission, at its meeting June 29, had before it for consideration the so-called "Gibson bill" (S. 797), providing for a commercial airport for the District of Columbia at Gravelly Point, and H. R. 3806, providing for a commission of nine to select an airport site, and another commission to be appointed by the President to construct and operate the airport.

After thorough discussion, the Commission voted unanimously in favor of the Gibson bill. The Commission is of the opinion that the Gravelly Point site is the logical location for the ultimate airport for the District of Columbia, and believes that its construction should begin at once. The Commission further believes that the arrangement for a temporary airport in the interim of completion, as set forth in the Gibson bill, is logical and wise. The Commission, therefore, recommends favorable consideration of the Gibson bill by your subcommittee and your committee, and the passage of this legislation by Congress.

I attach hereto copy of letter transmitted some weeks ago to the House District Committee, setting forth our reasons for recommending Gravelly Point.

Respectfully yours,

FREDERIC A. DELANO,
*Chairman.*

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NATIONAL CAPITAL PARK AND PLANNING COMMISSION,
*March 9, 1935.*

Hon. JENNINGS RANDOLPH,
*Chairman Subcommittee on Parks and Playgrounds*
*of the Committee on the District of Columbia,*
*House of Representatives, Washington, D. C.*

MY DEAR MR. RANDOLPH: I regret that, due to our previously scheduled monthly Commission meeting over which I preside, I was unable to be present to make a statement at the close of the hearing on H. R. 3806, providing for immediate development of the site known as "Gravelly Point" for a public airport.

The National Capital Park and Planning Commission has given continuous study to the problem of an airport for the National Capital ever since 1927, and during this 9-year period has consistently and repeatedly endorsed the Gravelly Point site as being the only appropriate area suitable for a central commercial airport. This conclusion has not been dogmatic, for consideration and study have been given to more than 48 different sites in and around the District of Columbia. Consultation has been had with the various authorities concerned and with other experts.

The selection of a central commercial airport to serve the National Capital is vested with a larger public interest than obtains anywhere else in the United States. To and from Washington travel public officials from all over the United States, private citizens of all degrees of prominence, and leadership in national life having business with the Government. An airport that shall be most convenient and adequate for future needs is a first essential.

With these necessities as a background, the Commission feels that the Gravelly Point site should be chosen for the following principal reasons:

1. It is the most accessible to the Government departments, the Post Office, the leading hotels, the White House and Capitol, of any site of comparable size and freedom from uncontrolled hazards.

2. In comparison with travel time to the central business district prevailing elsewhere in the United States, Gravelly Point is less than one-half the average distance or about 10 minutes to the principal destination points in Washington.

3. A field of adequate size and of the highest standard can be developed within a reasonable period, for not exceeding $2,500,000, less than 5 percent of which need be spent for acquisition of land.

4. There is adequate area to extend the airport for future needs.

5. Reliable estimates given in the testimony of the Army engineers indicate that the site can be filled during a period of between 1 to 5 years depending on the appropriation made available.

6. The work can be coordinated with the deepening of the channels of the Potomac and Anacostia Rivers and anticipate future maintenance work, thus saving on future regular appropriations for this purpose.

7. In respect to the disputed contention that the proximity to Bolling Field is a hazard, the Commission is of the opinion, after weighing all the evidence, that as both airports will be under the control of the Federal Government, regulations could be adopted and enforced that will insure safe operation. Cooperation in the design of the runways for the two airports would likewise insure the least interference. Both airports are so located as to be well adapted to the wind directions which, for over 70 percent of the time, are approximately parallel with the river valley at this point.

8. Ample precedent for the foregoing conclusions can be found in the satisfactory and safe operation for a number of years of the Army and Navy airports at Bolling Field and at the existing Washington and Hoover Airports.

9. As between a commercial airport and the military airport for Washington, an in-town convenient location for the commercial airport should take precedence. Military air maneuvers take place relatively infrequently compared with hourly commercial operation, and in time of emergency the commercial airport could be taken over for military use.

10. The sentiments of the public and civic agencies desiring an adequate commercial airport for Washington are united on the Gravelly Point site. These include the Commissioners of the District of Columbia, the National Capital Park and Planning Commission, the District Engineer, the Board of Trade, the Merchants and Manufacturers' Association, the Federation of Citizens' Associations, the Interfederation of Citizens' Associations, the Washington Aero Club, the Washington Air Derby, and others.

During the period in which Gravelly Point would be under construction, the National Capital Park and Planning Commission believes that the present Washington airport could be made safe and more usable by closing Military Road, provided that a substitute road be constructed to accommodate the public that would be inconvenienced, and that the title to the road remain in the United States. Because of the definite limitations of size and the uncontrolled hazards surrounding Washington Airport, the Commission cannot endorse it as the central commercial airport for Washington.

Your committee may inquire why, with such repeated endorsements of the Gravelly Point site, no action has as yet been obtained. The answer is simple. Whenever legislation for Gravelly Point is before a committee of Congress and its many obvious advantages have been presented, those desiring to sell other sites to the Government intervene, request inspections of their sites, and have on several occasions asked for a special commission to investigate and report later. Before the committee concerned can make these inspections and complete hearings Congress is adjourned.

The question of who shall finance the airport has also caused delay.

It is my earnest hope that your committee, having taken such complete testimony, will proceed to adjust the financial question as seems equitable and recommend Gravelly Point as the central commercial airport for the National Capital.

Respectfully yours,

FREDERIC A. DELANO, *Chairman.*

### NEUTRALITY—EDITORIAL IN NEW YORK POST

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the New York Post of Tuesday, August 20, 1935, entitled "The Warning", dealing with United States neutrality.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Post of Aug. 20, 1935]

THE WARNING

A British youth laughs as he strolls with his girl at Folkestone. On the banks of the Moselle a German youth is singing as he makes his grapes ready for the wine press. Deep in the Maine woods a carefree fisherman casts his line.

This was so in August of 1914. It is so today.

In 1914 Austria was hunting for an excuse to meddle in Serbia. Sarajevo provided one.

In 1935 Mussolini does not even bother to hunt for an excuse. He intends to seize Ethiopia. He says so.

The so-called "peace parley" between French, British, and Italian envoys has collapsed completely.

With Mussolini determined upon having Ethiopia at any cost, this collapse was inevitable.

What chills the spines of European statesmen, what drives fear into the hearts of European peoples, is the consciousness that Mussolini's imperialistic ambitions are not bounded by Ethiopia—that while the Frenchman, the Britisher, the Russian, or the German may have no direct concern in an Italo-Ethiopian conflict,

yet all may be dragged into a new whirlpool of war as a result of that conflict.

Collapse of the "peace conference" merely brings home the nearness of that possibility.

It would be folly for any man to underestimate the dangers in Europe today.

It will be even greater folly if the Congress of the United States does not act at once to prevent a repetition of the stupidity which, in 1917, sucked this Nation into the bloody holocaust across the Atlantic.

England has a stake in the Mediterranean, also in Africa. Her Empire is involved. France has her stake in Africa, her own selfish interests to consider. The mad leaders of Germany, secretly gloating, only await the war spark to drive for new plunder and old revenge.

The United States of America has no stake whatever in the Italo-Ethiopian dispute now.

But we know today that we were dragged into the World War to save the vast investment we had made in the allied cause.

We know now, or ought to know, that if we repeat our tactics of the World War, sell to belligerents and lend to belligerents—we can only end up by again becoming a belligerent ourselves.

Already Great Britain is scheming to draw the United States into the European whirlpool under the guise of "consultation."

Congress has before it a comprehensive neutrality program—a program which would provide for real neutrality the moment war starts. Such a program will cost us "war prosperity." But it will spare us the blight of war itself, not to mention the rigors of the inevitable post-war economic collapse.

Mr. President, call for enactment of that neutrality program—and Congress will follow your leadership.

Fight for peace—and the Nation will stand behind you.

### SGT. STANLEY R. MORGAN—STORY OF AIRPLANE CRASH

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the RECORD the military history of Sgt. Stanley R. Morgan, Signal Corps, United States Army, and Stanley Morgan's graphic story of the crash which resulted in the deaths of Will Rogers and Wiley Post.

This story of Stanley Morgan's is a graphic and thoughtful recital of incidents as they occurred told by one who has been trained by our American Army in reporting details. The writing is a compliment both to Stanley Morgan and to the Army. Stanley Morgan's character and resourcefulness are well reflected in the communication.

In connection with the insertion of these two statements in the RECORD, I should like to stress a fact which is surely of public interest; that is the efficiency, the devotion to duty and the caliber of our men who occupy unpretentious, but extremely important positions for our Nation in various parts of the world.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The Army's representative at Uncle Sam's most northern village, Staff Sgt. Stanley R. Morgan, Signal Corps, has lived in Point Barrow for 5 years. He was born in Payson, Utah, February 26, 1901, his present home, where his mother, Mrs. Joseph C. Morgan, resides. He first enlisted at San Francisco, Calif., January 20, 1920, and stated in his last enlistment papers that he was married and had two children. He gave his occupation as farmer, with a high-school education. Sergeant Morgan is unquestionably one of the busiest men in Alaska, for he holds practically all Government and civil positions in this section. He is in charge of the Signal Corps radio station, United States Commissioner, acting postmaster, Weather Bureau observer, news broadcaster, and amateur archeologist. In fact, Sergeant Morgan is the entire new deal in this community. He is a real friend and benefactor to the natives and is vitally interested in their welfare. The sergeant has an excellent collection of primitive tools and implements, which he obtained through much toil in excavating, now on display at the Smithsonian Institution in Washington, D. C. It has been definitely proved that these prehistoric tools and implements date back to the year 1100 A. D.

Sergeant Morgan is one of the most resourceful and highly trained noncommissioned officers in the Signal Corps, and the officer in charge was confident that he would exert every effort to erect properly the new radio station and home which had been shipped to him. This confidence was not misplaced, and this is what the sergeant did.

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### SERGEANT MORGAN'S GRAPHIC STORY OF CRASH

SEATTLE, WASH., AUGUST 16, 1935.—Following from Point Barrow: "10 p. m. last night attracted by a group of excited natives on beach, I walked down and discovered one native all out of breath gasping out in pidgin English a strange tale 'airplane she blew up.' After repeated questioning, I learned this native witnessed a crash of an airplane at his sealing camp some 15 miles south of Barrow and had run the entire distance to summon aid. The native claimed a plane flying very low suddenly appeared from the south. Apparently sighting the tents the plane then circled several times finally settled down on a small river near the camp. Two men climbed out, one wearing 'rag on sore eye' and other 'big man with boots.' The big man then called a native to the water's edge and asked the direction and distance to Point Barrow. The direction given, the men then climbed back into the plane and taxied off to the far side of the river for take-off into wind.

"After a short run the plane slowly lifted from water to a height of about 50 feet, banking slightly to the right, when, evidently, the motor stalled, the plane slipped off on its right wing and nosed down into the water, turning completely over, and the native claimed a dull explosion occurred and most of the right wing dropped off and a film of gasoline and oil soon covered the water. The native, frightened by the explosion, turned and ran, but soon controlled his fright and returned, calling loudly to the men in the plane. Receiving no answer, the native then made the decision to come to Barrow for help. With completion of story we knew the plane to be that of Post and Rogers and quickly assembled a crew of 14 Eskimos and departed in open whaleboat powered with a small gas motor. Hampered by recent ice floes and a strong adverse current, it took nearly 3 hours to reach destination. A dense fog with semidarkness gave the upturned plane a most ghostly appearance, and our hearts chilled at thought of what we might find there. As we approached nearer the plane we soon realized no human could possibly survive the terrific crash. The plane was but a huge mass of twisted broken wood and metal. The natives by this time had managed to cut into the cabin and extricate the body of Rogers, who had apparently been well back in the cabin when the plane struck and was more or less protected by the baggage carried therein.

"We soon learned we would have a difficult job freeing Post from the wreckage as the plane had struck with such terrific speed and had forced the engine well back into the cabin, pinning the body of Post securely. With some little difficulty we managed to tear the plane apart, and eventually released the body of Post. Both bodies were then carefully laid out and wrapped with eider-down sleeping bags found in the wreckage; then carefully placed in the boat. It is believed the natives felt the loss of these two great men as keenly as we, and as we started our slow trip back to Barrow one of the Eskimo boys began to sing a hymn in Eskimo, and soon all voices joined in this singing, and continued until our arrival at Barrow, when we silently bore the bodies from the beach to the hospital where they were turned over to Dr. Greist, who, with the kindly help of Mr. Brower, prepared and dressed the bodies. It is doubtful if a person in this little village slept that night; all sat around the hospital with bowed heads and with little or no talking."

### RELIGIOUS PERSECUTION IN MEXICO

Mr. WALSH. Mr. President, I request to have inserted in the CONGRESSIONAL RECORD some data, compiled and published by the Baltimore Archdiocesan Confederation for the Defense of Religious Liberty in Mexico, in reference to the extent of religious persecution in Mexico.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

#### I. PERSECUTION OF BISHOPS

A. Mexican prelates exiled from the country:
1. Most Rev. Archbishop L. Ruiz y Flores, apostolic delegate, San Antonio, Tex.
2. Most Rev. Archbishop Francisco Orozco y Jimenez.
3. Rt. Rev. Bishop J. Manriquez y Zarate.
4. Rt. Rev. Bishop S. Armora.
5. Rt. Rev. Bishop A. Guizar.

B. Mexican prelates exiled from their respective dioceses:
1. Archbishop of Durango.
2. Archbishop of Oaxaca.
3. Bishop of Campeche.
4. Bishop of Chiapas.
5. Bishop of Chilapa.
6. Bishop of Colima.
7. Bishop of Papantla.
8. Bishop of Sonora.
9. Bishop of Tabasco.
10. Bishop of Tehuantepec.
11. Bishop of Veracruz.
12. Bishop of Zacatecas.

C. Mexican prelates arrested, but later released:
1. Most Rev. Pascual Diaz, Archbishop of Mexico.
2. Rt. Rev. Joseph Echavarria, Bishop of Saltillo.
3. Rt. Rev. L. Altamirano y Bulnes, Bishop of Tulancingo.
4. Rt. Rev. Jose Garibi Rivera, Aux. Bishop of Guadalajara.

#### II. PERSECUTION OF PRIESTS

A. Martyrdom of priests (we use the term "martyr" without intention of anticipating the judgment of the church. The list is by no means complete):
Rev. Crescenciano Aguilar, Juanacatlan, Jalisco, 1925.
Rev. Luis Batis, Chalchihuites, Durango, 1926.
Rev. Jenaro Sanchez, Tamazulita, Jalisco, 1927.
Rev. Mateo Correa, Durango, Durango, 1927.
Rev. Julio Alvarez, San Julian, Jalisco, 1927.
Rev. Sabas Reyes, Tolotlan, Jalisco, 1927.
Rev. Vicente Lopez, San Martin, Mexico, 1927.
Rev. Ramon Adame, Yahualica, Jalisco, 1927.
Rev. Andres Sola, San Joaquin, Jalisco, 1927.
Rev. J. Trinidad Rangel, San Joaquin, Jalisco, 1927.
Rev. David Uribe, Cuernavaca, Morelos, 1927.

Rev. Espiridion Jimenez, Atenguillo, Jalisco, 1927.
Rev. Agustin Caloca, Colotlan, Jalisco, 1927.
Rev. Cristobal Magallanes, Colotlan, Jalisco, 1927.
Rev. Felix C. Castaneda, Jerez, Zacatecas, 1927.
Rev. Jose Maria Robles, Quilla, Jalisco, 1927.
Rev. Jose Isabel Flores, Zapotlanejo, Jalisco, 1927.
Rev. Miguel de la Mora, Colima, Colima, 1927.
Rev. Gumersindo Sedano, Ciudad Guzman, Jalisco, 1927.
Rev. Rodrigo Aguilar, Ejutla, Jalisco, 1927.
Rev. Miguel Pro, Mexico, Federal District, 1927.
Rev. Pedro Esqueda, Tecualtitan, Jalisco, 1927.
Rev. Margarito Flores, Tuliman, Mexico, 1927.
Rev. Pedro Razo, Dolores Hidalgo, Guanajuato, 1927.
Rev. Enrique Contreras, Pozos, Guanajuato, 1927.
Rev. Gregorio Gutierrez, San Rosa, Guanajuato, 1927.
Rev. Daniel Perez, Irapuato, Guanajuato, 1927.
Rev. Angel Martinez, Pueblo Nuevo, Guanajuato, 1928.
Rev. Junipero Vera, Falconi, Michoacan, 1928.
Rev. Jesus Mendez, Valtierra, Michoacan, 1928.
Rev. Agustin Martinez, Pueblo Nuevo, Guanajuato, 1928.
Rev. Toribio Romo, Tequila, Jalisco, 1928.
Rev. Rafael Alvarez, Dolores Hidalgo, Guanajuato, 1928.
Rev. Antonio Mendez, Armadillo, San Luis Potosi, 1928.
Rev. Jose Ramirez, Pareja, Michoacan, 1928.
Rev. Jose Perez, Panales, Guanajuato, 1928.
Rev. Justino Orona, Cuquio, Jalisco, 1928.
Rev. Atilano Cruz, Cuquio, Jalisco, 1928.
Rev. Martin Lawers, Irapuato, Guanajuato, 1933.
Rev. Vicente Silva, Nejapa, Oaxaca, 1934.

The diminution of the number of priests killed in recent years does not mean that the persecution has abated but that the persecutors have adopted other methods, since the killing of priests was found by them to injure their own cause.

"The blood of martyrs is the seed of Christians."

B. Limitation and exiling of priests.

When the violent persecution began in 1926, there were in Mexico about 3,000 priests, scattered throughout the country. This number has been drastically reduced by the State legislatures, through an abuse of the power granted to them by article 130 of the constitution, which reads, in part, as follows: "* * * The State legislatures shall have the exclusive power of determining the maximum number of ministers of religious creeds according to the needs of each locality * * *." The reduction has at present reached the ridiculous figure of 334 priests to minister to about 15,000,000 people. The following list will illustrate the present condition:

| State | Number of priests | Population per priest |
|---|---|---|
| Aguascalientes | 2 | 66,450 |
| Coahuila | 5 | 87,285 |
| Durango | 2 | 246,765 |
| Federal District | 25 | 49,183 |
| Guanajuato | 39 | 25,000 |
| Hidalgo | 5 | 133,400 |
| Jalisco | 50 | 25,104 |
| Mexico | 34 | 29,120 |
| Michoacan | 33 | 31,769 |
| Morelos | 40 | 3,318 |
| Nayarit | 5 | 33,545 |
| Nuevo Leon | 28 | 14,920 |
| Oaxaca | 1 | 1,082,191 |
| Puebla | 23 | 50,018 |
| Queretaro | 2 | 16,827 |
| San Luis Potosi | 40 | 14,495 |

The limiting power has been so abused in some States that no bishops or priests are allowed to minister and have therefore been exiled. The following States are in this class: (a) Campeche; (b) Colima; (c) Chihuahua; (d) Chiapas; (e) Guerrero; (f) Lower California; (g) Sinaloa; (h) Sonora; (i) Tabasco; (j) Tamaulipas; (k) Tlaxcala; (l) Veracruz; (m) Yucatan; (n) Zacatecas.

Total area, without priests, 435,551 square miles.

Total population, without priests, 6,037,438 people.

As a result of this action, there are more than 2,500 persecuted priests living in hiding in various parts of Mexico. The majority of these priests are in Mexico City, where the size of the city and the possibility of ministering privately in the homes of faithful Catholics makes hiding more easy and assistance more certain.

Even the few duly registered priests are at times molested and arrested, but return to their flocks as soon as released. This general condition may be illustrated by the example of the archdiocese of Guadalajara, Jalisco, where from December 1934 to March 1935, 34 priests were imprisoned and 10 exiled.

III. PERSECUTION OF SEMINARIES

The seminaries being the source of the priesthood, the persecutors have made them, too, a target for their violences.

The seminaries of the following dioceses have been closed and confiscated: Mexico, Puebla, Aguascalientes, Leon, Guadalajara, Huejutla, Oaxaca, Morelia, Saltillo, Veracruz, Tacambaro, Yucatan.

The seminarians have traveled a long road of trials, many have been molested, and at least the seminarians of Mexico, Saltillo, and Puebla have been arrested as a body.

## MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 3050. An act granting the consent of Congress to the States of New York and Vermont to construct, maintain, and operate a bridge across Lake Champlain between Rouses Point, N. Y., and Alburg, Vt.;

S. 3105. An act to amend the act approved June 12, 1934, relating to the granting of the consent of Congress to certain bridge construction across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala.;

H. R. 3462. An act to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes;

H. R. 5711. An act to provide aid for needy blind persons of the District of Columbia and authorizing appropriations therefor;

H. R. 6510. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H. R. 6623. An act to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want;

H. R. 7617. An act to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes;

H. R. 8421. An act granting pensions to certain widows of soldiers and sailors of the Civil War;

H. R. 8422. An act granting pensions to certain former widows of soldiers and sailors of the Civil War;

H. R. 8423. An act granting increase of pensions to certain former widows of soldiers and sailors of the Civil War;

H. R. 8424. An act granting increase of pensions to certain widows of soldiers and sailors of the Civil War;

H. R. 8425. An act granting pensions and increase of pensions to certain helpless and dependent children of soldiers and sailors of the Civil War; and

H. R. 8426. An act granting pensions to certain soldiers of the Civil War.

## CHANGE OF NAME OF INTERIOR DEPARTMENT

Mr. LEWIS. Mr. President, I announce that at the conclusion of the consideration of the bill in which the Senator from Pennsylvania [Mr. GUFFEY] is interested, I shall move to proceed to the consideration of the bill (S. 2665) to change the name of the Department of the Interior and to coordinate certain governmental functions, of which I have previously given an explanation to this body.

Mr. LONG. Mr. President, I understand the Senator from Illinois has an idea that he is going to pass the Ickes bill. I wish to make the prophecy that he is not going to do that at this time.

## STABILIZATION OF BITUMINOUS COAL MINING INDUSTRY

The Senate resumed the consideration of the bill (H. R. 9100) to stabilize the bituminous coal mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties.

Mr. GUFFEY. Mr. President, I believe that this bill, to control and regulate the bituminous-coal industry, because of its far-reaching effects, is one of the important measures brought before this Congress.

The objects of the bill are:

First. To stabilize the bituminous coal mining industry and promote interstate commerce in bituminous coal.

Second. To provide for cooperative marketing of bituminous coal.

Third. To levy a tax on bituminous coal and provide for a drawback under certain conditions.

Fourth. To declare the production, distribution, and use of bituminous coal to be affected with a national public interest.

Fifth. To conserve the bituminous-coal resources of the United States.

Sixth. To provide for the general welfare, and for other purposes.

This bill deals with a great national resource, upon which a majority of our people depend for heat and light, and a very large part of our industry for power. It touches the people directly, going into every home, every business, every industry. No one in America can escape its effect and influence.

This is true, not just for today, but for future years, so long as bituminous coal continues to be a chief source of heat and energy for the American people.

This measure has the support of operators producing a majority of the commercial tonnage in America. It is backed by 90 percent of the men engaged in mining coal; and, with the exception of a few selfish interests, it has not been opposed by the consumer.

The proponents of this bill are intensely interested in its success. They believe that its failure would bring immediate catastrophe to the bituminous-coal industry, ruining many producers, impoverishing half a million miners and their 2,000,000 dependents, and jeopardizing the Nation's fuel supply.

The production and distribution of bituminous coal is a basic necessity not only for industry but also for transportation, and for the health and comfort of the people. Any stoppage of its supply faces the Nation with disaster. It is, therefore, affected with a public interest, justifying regulation and control.

Interstate commerce depends heavily upon it. Not only is it the principal source of power in transportation, but also of the energy required in the manufacture of most articles of trade between the States. The class I railroads of the country draw about 85 percent of their motive power directly from bituminous coal. Slightly more than 20 percent of the annual coal output goes for railroad use. Industrial users, including electric public utilities and byproduct plants, consume approximately 56 percent of the output. Thus, the very life of America's commerce has its origin in bituminous coal. To foster and safeguard the industry is a national problem and a national obligation.

America's future place among the nations of the world depends largely for its supply of energy upon bituminous coal. For that reason we have a duty to conserve it.

By the absence of effective regulation, this industry has, despite its best efforts, been unable to conduct itself in a manner that assures safety and equitable profits to its owners, fair wages and working conditions to labor, and a dependable supply for consumers at all times at reasonable prices. It indeed, in the absence of regulated conditions, faces chaos and destruction.

Unrestricted production and cutthroat competition have resulted in mining practices that waste 20 percent of our best bituminous reserves, and at the same time bring ruin to producers, and poverty to labor.

The Nation's major supply of fuel is in danger from day to day. Operators in the industry were bankrupt and miners on the verge of starvation when saved temporarily by the Government through the N. R. A.

This bill is designed to remedy these conditions by its provisions:

First. To conserve America's most important natural resource, now, through wasteful mining and operating practices, being so rapidly depleted that the National Government already is calculating the time when our most valuable bituminous deposits will be exhausted.

Second. To assure the consumer an adequate supply of fuel at reasonable prices, not only for the present, but in the long future when America will be forced to compete with other countries with respect to fuel and power.

Third. To stabilize an industry which for 50 years has failed to conduct successfully its own business, and to do this in the interest of the entire Nation, whose fuel supply is at stake.

Fourth. To provide a living wage for the 500,000 men in the industry and their 2,000,000 dependents, all of whom most of the time have lived close to starvation.

Fifth. To restore to the workmen and their families their rights as American citizens, and to put an end to conditions in those mining communities where many civil rights have been taken away from the miners.

Sixth. To accomplish these things without cost to the Government through private ownership and operation under Government supervision.

Let me tell you briefly, without making a complete analysis of the bill, how these ends are to be attained under the proposed legislation, and why I believe the plan set up is basically sound and practicable.

What first appeals to me is that the rights of all interests—the consumer, the producer, and the workman—are safeguarded by placing the industry under the control of a national commission appointed by the President by and with the advice and consent of the Senate, the commission reporting to the Congress through the Department of the Interior.

This means that the bituminous-coal industry will be managed and operated in the interest and for the welfare of the entire Nation, but as a private enterprise, with due regard for consumer, investor, and workman. The commission has been given powers sufficiently broad to carry out effectively such intents.

What makes the plan so practicable, guaranteeing the greatest measure of success in operation, is that under the commission, for its assistance, are boards of producers upon which labor also is represented. These boards are thoroughly representative, being elected by the producers, marketing agencies, and labor in each of the twenty-odd districts to be established.

Thus under the commission and cooperating with it are practical coal men—operators and miners—who have not only a complete knowledge of the business but a personal interest in it. This should insure intelligent and successful administration.

To stabilize the industry several steps are necessary. Every authority and interest admits that the demoralization of the bituminous-coal industry comes from overproduction. With present facilities America can produce 100 percent more coal than it can consume. This has resulted in cutthroat competition and unfair trade practices, with ruin for the operator and starvation for the miner.

The fundamental remedy, then, as agreed by all, is to control production, prices, and trade practices. This is to be accomplished through the commission.

The bituminous-coal industry, for a little more than a year under the N. R. A., for the first time in half a century, except during the World War, was conducted successfully for both producer and miner, with reasonable prices for the consumer.

The second step in stabilization calls for fixing standard hours of labor and wages. This is absolutely vital, or competing sections of the country will be cutting each other's throats.

To make working hours in the industry uniform throughout the country, the daily and weekly hours agreed upon in contracts between producers of more than two-thirds the annual national tonnage and the representatives of more than half the mine workers shall be accepted by all producers.

As the cost of living differs in various sections of the country, the wage scale is to be negotiated by collective bargaining between employer and employee in each district, using the same principle of representation as that established for determining hours of labor.

The next step is to determine fair minimum and maximum prices for the consumer. This is made easier in the coal industry because labor costs amount to about 65 percent of the cost of production, as against a lower percentage in most industries. With the labor contracts agreed upon the district boards are to establish minimum prices for each grade and size of coal. These prices are to become effective, however, only with the approval of the commission, which shall confirm, modify, or disapprove them.

As the commission is to have power to require the producers to maintain uniform systems of accounting covering costs, wages, operations, sales profits, losses, and the like, the consumer is given adequate protection against unfair prices. As an additional safeguard the consumer is to be

represented by a consumers' counsel and given the right of appeal to the commission if he believes prices excessive or oppressive.

For the purposes of preventing unfair practices, as defined in the bill, and to facilitate the movement of coal in interstate commerce, joint marketing agencies may be created under direction of the district boards, with the approval of the commission.

Carrying out the ideals of the N. R. A. with respect to the rights of labor, provision is made for collective bargaining and the rights of the workmen are fully protected in the bill. To assist in maintaining harmonious relations between the producer and the miner a labor board, to be appointed by the President and reporting to the Congress through the Department of Labor, is provided for.

A sincere effort has been made throughout to safeguard every interest, and to give each the fullest right to hearings in every controversy that may arise under the bill.

In practically every instance appeals from the district boards may be made either to the commission or to the labor board, and it is further provided that judicial review of any order of the commission or of the labor board may be had by an aggrieved party.

With the present successful operation of the industry assured, the commission is then empowered to plan for the future of bituminous coal. Because at least 20 percent of our most valuable coal reserve is being wasted through inefficient mining practices, the commission is authorized to investigate the problem with a view toward conserving this valuable resource.

First. The administrative costs of the commission and of the labor board are in effect to be paid for by the industry.

Second. The district boards are to be supported by their own members, assessments being made upon a tonnage basis.

Senators may be inclined to believe that eventually these costs will fall upon the consumer. This should not be true, as, by increased efficiency of operation under the plan set up, cost of production may be reduced even to a greater extent than the tax imposed. This is not an academic argument or mere theory. It is a very simple business proposition. Today, on account of gross overproduction, a majority of the mines in America are operating not more than 3 days a week, and yet there is the investment and administrative overhead to carry. Put the most efficient of these mines on full-time schedule, close the others, and the cost of coal to the consumer will be materially reduced.

Having outlined as briefly as possible the principal features of the bill, let me proceed to show the absolute need for some measure of this kind.

Almost the entire history of bituminous coal in America has been one of disaster and calamity for both workman and employer. The miner and his family have suffered and starved, and the operator and investor have gone broke.

At the same time, on account of unrestricted, cutthroat competition, the operators have resorted to wasteful methods of mining, so that the rich fields of bituminous coal upon which much of America's prosperity rests are fast being depleted. In this mad, competitive struggle, great quantities of valuable coal have been left in the ground in such condition that they never can be reclaimed. There is thus lost to the American people a considerable portion of its most valuable natural resource, upon which the Nation depends for most of its heat, light, and power, upon which steel and other metallurgical processes are dependent, and around which have been built many of our great industries, with their cities of millions. In our industrial civilization coal is as important to America as its food supply.

Let me say, as a warning to the American people, that we must very soon return even more to coal as the principal source of power. Today, like the profligates we have always been, we are rapidly depleting our oil reserves. According to conservative estimates, we shall consume during the next 16 years as much oil as we have consumed in the past 75 years.

This cannot continue indefinitely. The day is already in sight when oil can be used only for certain special purposes. For heat, light, and power generally we must return to coal, eventually obtaining even our motor fuel from some of its distillates. In the meantime, we must keep the coal industry alive; we must conserve its resources, protect the capital invested, and build up a body of strong, capable, intelligent workmen who will add their strength to the best citizenship of the American Nation.

Let me make one thing very clear before going further. Conditions in the bituminous industry, which this bill seeks to remedy, are not the result of the depression. For many years the production of bituminous coal has been a sick industry. With the single exception of the war period, the mine worker's income in the bituminous districts ranged from $500 to $800 annually. That is not a living wage for the 500,000 men in the industry and for their 2,000,000 dependents. Health, happiness, or good American citizenship cannot be built upon such a wage, and the operator, except during the war, has been steadily losing money over a long period of years. Even during the boom days of 1929, when all other industry was thriving, bituminous coal operated at a loss.

With these general facts before us—and I desire to deal only with facts—let us look at some of the details.

In considering the necessities for this legislation from the broad national viewpoint, I would say that the first concern of this Congress should be the conservation of this most valuable resource.

In no better way can I show you the immediate necessity for such conservation than to quote from the report of the National Resources Board recently submitted to the Congress by our President. This Board made exhaustive studies of our national resources, and has offered valuable recommendations for their conservation. In discussing the conservation of bituminous coal the report states—I quote:

> Stabilization of the coal industry is needed to minimize waste of the resource.
>
> In western Europe the average loss of coal in the mining of the beds now worked is from 5 to 10 percent. In the United States, according to careful field studies in 1923 by engineers of the Bureau of Mines and the United States Coal Commission, the average loss is 35 percent. Of this loss, 15 percent was considered unavoidable and 20 percent avoidable, using the standards of engineering already shown to be feasible by the practice of better companies. This meant that the avoidable loss amounted to 150,000,000 tons a year, left behind under conditions that virtually prevent its being recovered.
>
> * * * In the United States we are prone to ignore the loss in mining because coal seems so abundant, but the facts are that while our reserves of lignite and low-grade bituminous are indeed enormous, we are exhausting our best bituminous coals at a rate that makes their conservation a serious national problem. For example, with production at the 1929 rate, the life of the magnificent Pittsburgh bed in Pennsylvania is limited to a hundred years, and the high-grade portions of the steam in the gas and coking coal districts will be gone long before that.
>
> In the famous smokeless fields of southern West Virginia, the reserves in beds of commercial thickness are placed by Evanson at four and eight-tenths billion tons, which, at the 1929 rate of production, would last but 85 years. The same authority states that the highest grade gas and metallurgical coals are 11 percent exhausted in Kentucky and 22 percent exhausted in southern West Virginia and Virginia. Yet these coals, the Pittsburgh bed in Pennsylvania and the southern low and high volatile metallurgical coals, are the foundation of the American steel industry and their depletion will handicap not only steel itself but all industries depending on steel.
>
> The causes of the excessive waste attending the mining of our coals are complex, but the great underlying cause is destructive competition. The losses are nobody's fault in particular, for the individual operator is driven by economic pressure * * *. Prevention of such losses depends on relieving the conditions of poverty which have surrounded the industry. The members of this committee, who have given most thought to the question, are convinced that the necessary first step in reducing the waste of coal in mining is to aid the industry in establishing itself on a stable and profitable basis.
>
> Reduction in waste may also be expected from other results of a program of production control. * * * With some check on the expansion of capacity, steadier operation of the mines remaining will ensue, thereby increasing the percentage of extraction. It is well known that recovery of pillars depends on maintenance of a regular breakline and a systematic schedule of operations, and some part of the present waste is due to the simple fact of irregular and intermittent operations.

Mr. President, need we seek any higher or more authoritative source than this report to convince us that immediate action is necessary in order to prevent waste and to

establish a program of conservation in the bituminous industry?

My concern for the consumer is that we have an adequate supply of coal at a reasonable price. In that I am looking into the future. In the past he has had more coal than he could use and at prices frequently below the cost of production. But if there shall not be conservation of coal resources and the elimination of wasteful methods of mining, the consumer of the future will suffer both through limited supply and exorbitant prices.

My next interest—personally my first—relates to the condition of men in the industry. Half a million men are engaged in the bituminous-coal industry, and, as previously stated, with the single exception of the war period, these men have been paid a pitiful wage, upon which no human being in a so-called " civilized country " could live adequately.

Because of unstable market conditions coal mining has been a seasonal industry, and the miner has never had anything like full-time work. For example, in 1923 he averaged only 179 days; in 1930, 187 days; in 1931, 160 days; in 1932, 146 days; and in 1933, 167 days. In many instances the pay was from $2.50 to $3 a day. The highest wage scale during this period was $5, and this usually was paid in districts with fewer workdays than the national average.

I take these figures from the Bureau of Mines as national averages. I could cite thousands of cases where both the days of work and the wage were less. Men were working in some of the bituminous-coal fields in nearby States for as little as $1.50 a day for 12 or 14 hours of work. Even during the golden era for coal under the N. R. A. the average miner did not make over $15 a week.

The condition of many of these miners, our fellow American citizens, has been worse than that of the serfs of old Russia. Not only were they forced to subsist on starvation wages but many civil rights were taken from them.

If nothing more demanded regulation of the coal industry by the Federal Government, this alone should. How the Nation has tolerated such conditions for years is beyond my understanding. Cannot the American people realize that this is the most certain way to break down our democratic institutions?

And now, what about the operator? So far as profits are concerned, he, as a rule, has fared as badly as the miner. The bituminous-coal industry has been losing money for years. I take my figures from the tax returns made to the Bureau of Internal Revenue.

In 1925 the industry lost $27,000,000. In 1928 the losses went to $28,000,000. During the boom year of 1929 the bituminous-coal industry operated at a loss of $15,822,000. As the depression came on this loss mounted in 1930 to $44,708,000, in 1931 to $48,784,000, and in 1932 to $51,944,000.

Common sense should tell us that such a condition cannot long continue without destroying the industry. And yet America as an industrial nation is dependent for its very life upon coal. Therefore, this is a national problem and one that must be accepted and settled by the Nation.

True, the bituminous-coal industry had some relief through the N. R. A., but this was only temporary. We must seek other measures for a permanent cure, and the time to make such provision is now.

Those who may not be familiar with the bituminous-coal industry may ask the very pertinent question, Does the bituminous-coal industry so differ from other great American industries that it must be given special consideration by the National Government?

Let the National Resources Board answer that question. Let me quote again from its recent report:

The bituminous-coal industry, as the oldest and the most important source of energy, has suffered loss of markets to oil, natural gas, and water power. Competition within the industry has always been intense because of the widely scattered reserves and the thousands of producing units. Rivalries between districts and the legal obstacles of the antitrust laws have hitherto prevented any form of centralized organization.

Lack of adequate profits has meant inadequate wages and excessive waste of coal resources. Coal was therefore one of the industries which could gain the most from the facilities for collective action offered by the National Industrial Recovery Act. Its experience under the Bituminous Coal Code indicates that continuation of some form of production control is necessary to effect the stabilization of this industry.

Stabilization of the coal industry is needed to protect capital. In 1929, according to the Treasury Statistics of Income, there were 1,437 bitminous-coal companies producing approximately 46 percent of the total output that operated at a loss, and their deficits exceeded the income of the companies making a profit, so that the industry as a whole reported a net loss even during that year of boom. Virtually no other business covered by the Treasury's record showed such wide-spread money losses as the mining of bituminous coal.

Stabilization of the industry is needed to protect wage standards. The pressure of low prices upon wages in coal mining is direct and cruel. Whereas in manufacturing wages constitute 23 percent of the cost of the product, in coal mining they make up 65 percent. Any savings the operator can make in supplies, in power, in overhead, look small in comparison with the wage cost, and the pressure to reduce wages in periods of low prices is almost irresistible. Hence arises on the part of mine workers the insistent demand for collective bargaining. Fifty years of bitter experience have proven beyond question that underlying the turbulent history of labor relations in this industry is the competitive pressure which often made it difficult or impossible for the employer to pay a decent wage or earn a profit.

And that brings us to another question, namely, why cannot the bituminous-coal industry stabilize its own business, without Government supervision? The simple answer is that in 50 years it never has done so. Never during all that time, except during the war period, when the whole world was crying for American coal, has the business been conducted on a fairly satisfactory basis, either for the operator or the miner.

The reason is that the productive capacity of the American bituminous-coal industry is at least 100 percent greater than the consuming needs of the country. America today is using annually 350,000,000 tons of bituminous coal, but the industry can easily throw upon the market 800,000,000 tons or more with present mines and equipment.

During brief periods of boom times mines have been opened everywhere in coal-bearing sections of the country. They run from large operations with heavy investments to small ones operated by a few men. These small openings are so great in number that they have been given various descriptive names, such as " father-and-son mines ", " pigeonhole mines ", " gopher holes ", and " snowball mines." Yet small as the individual mines may be, their number has a serious unstabilizing effect upon both market prices and labor.

Fifty years of bituminous-coal mining have proven that the industry cannot regulate itself, either for the good of the operator, or his employees, or for the country. If added proof were needed, it could be found in the records of the subcommittee of the Interstate Commerce Committee of the Senate, which gave weeks to hearings on this bill. Almost every operator—the leading coal producers of America—told this committee that the bituminous-coal industry needed governmental supervision. And they were all equally candid in admitting that, except for certain unusual periods, the bituminous-coal industry never had any prosperity except through the aid of the Government under the N. R. A.

An editorial published in the Black Diamond, a trade weekly publication of the coal industry, dated March 2, 1935, and entitled " Government Control ", states the matter frankly.

As a matter of fact—

It says—

such stability, or approximate stability, that the industry has ever attained has inevitably come from forces other than those exercised by the producers. It was due to the stabilization of labor through union control of wages that a large section of the bituminous-coal industry for a time enjoyed a degree of prosperity; it was only when N. R. A. forced standardized wages upon the remainder of the industry that figures approximating profits were found in the books of many companies in the heretofore nonunion fields. Frequently enough, it is true, high rates of wage for union labor have penalized the union operators, but there are few of them that would go back, if they could, to the days before the union.

If we are to take the word of the operators themselves—and who better should know the needs and exigencies of their business—the Federal Government must keep some supervision over the bituminous-coal industry. Added to that is the affirmation of the men laboring in the industry;

and finally the declarations of various governmental agencies.

From the testimony of operators before the subcommittee, the chief difference of opinion related to the form and method of governmental supervision.

To my mind this is a question that must be settled now. There must be supervision over the industry or it will suffer the most violent and disastrous collapse in its history.

The code, under the N. R. A., failed for the simple reason that the act did not give sufficient authority to supervise the industry successfully. The administrative authorities, therefore, hesitated to resort to the courts to force compliance or to punish for violations of the code.

It operated practically on a voluntary basis. This succeeded for a comparatively short time when the industry was in a bankrupt, chaotic condition. But with a few months' profitable operation—small as the gain may have been—certain producers began to cut prices in violation of their code agreements. This tended to unstabilize the industry. I believe the number of violations was comparatively small—perhaps not more than 5 or 10 percent; but it was sufficient to dislocate the entire industry and to nullify the code. As Mr. Roberts said in his testimony, "It was like a weak link in a chain."

The Government made little effort to punish for such violations because it was not sure of its ground under the N. R. A. The chief violations of the code agreements came about through cutting prices below those established under the code. But as there was grave doubt whether the National Industrial Recovery Act gave the right to fix prices—and it has now been decided by the Supreme Court that the act did not give such power—there were few prosecutions for price cutting.

To show the seriousness of the situation under the N. R. A., let me again quote from the subcommittee's record. This is a paragraph from a letter sent out March 2, 1935, by Appalachian Coals, Inc., to the members of its marketing association, which produces 40,000,000 tons of coal a year. It reads as follows:

> Chiseling has reached such an acute state all but one subdivision of division 1 agreed that drastic measures must be taken to protect contract tonnages for those producers who are observing code prices. A resolution authorizing code authorities to permit special competitive prices to be named to protect such producers on renewals of contracts was presented to the National Coal Board of Arbitration for prompt decision.

This is a frank declaration that code violations so seriously affected price structures that the law-abiding operator was compelled to appeal to the code authorities for permission to cut prices in line with those of the violators of the code. In other words, the market was controlled by the so-called "chiseler."

We do not definitely set up a method of production control in the bill, but we recognize its importance by instructing the Commission to study methods for such control and to report its findings and conclusions to the next Congress.

We now have before us, after months of constant work, study, and revision, a bill which I believe meets the present situation and lays the groundwork for permanent stabilization of the bituminous-coal industry.

CONSTITUTIONALITY

Concluding, let me say that, to my mind, the problem of bituminous coal narrows down to these simple propositions:

To safeguard the country's future supply of fuel; to insure the economic and civic welfare of millions of our citizens; and to establish on a sound basis an industry that is vital to the whole people, some form of regulation by the Congress is imperative.

The N. R. A., though temporarily beneficial to the industry, failed to give permanent relief. For that reason we cannot consider voluntary code control as a solution of the problem.

There remains, then, the only alternative: To regulate the industry fully through public agencies for the welfare of the Nation.

It is that or chaos.

During the delivery of Mr. GUFFEY'S speech the following debate occurred:

Mr. BAILEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from North Carolina?

Mr. GUFFEY. I do.

Mr. BAILEY. I have listened with great interest to what the Senator is having to say. He mentioned the matter of prices. I have been rather concerned to find, as definitely as possible just what is in contemplation with respect to prices to the consumer of bituminous coal. How much is it proposed to raise the price per ton?

Mr. GUFFEY. The maximum increase that will take place under this bill is 2¾ cents a ton.

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. GUFFEY. I yield for a question.

Mr. DIETERICH. I am much interested in what the Senator from Pennsylvania says to the effect that our first concern should be conservation. I will ask him if it is not a fact that the measure now pending before the Senate has nothing to do with conservation; that the conservation provisions which were in the former bill have been eliminated?

Mr. GUFFEY. A study is to be made under the pending bill.

Mr. DIETERICH. There is no plan provided looking to conservation?

Mr. GUFFEY. Oh, yes, there is; a study is to be made in an effort to find a means of conserving 20 percent, which is now wasted. The commission to be set up will be expected to establish rules to prevent the waste of that 20 percent.

Mr. DIETERICH. The Senator does not understand my question.

Mr. GUFFEY. Yes; I understand the Senator's question.

Mr. DIETERICH. There is no plan provided in the pending bill as to what should be done along the line of conserving the coal, except that the Commission is to make an investigation?

Mr. GUFFEY. That is correct. We eliminated the $300,000,000 provision found in the original bill.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. GUFFEY. I yield.

Mr. BAILEY. On the point of the price, as I understood the Senator, he stated that the price would be increased by 2½ percent. Is that correct?

Mr. GUFFEY. Two and three-quarters percent above the code price.

Mr. BAILEY. Is that all the consumer would be required to pay extra?

Mr. GUFFEY. That is all, if the code price were established.

Mr. BAILEY. One of the objects of the bill is to increase the wages of the coal miners. Is not that true?

Mr. GUFFEY. No; the present wage scale will continue.

Mr. BAILEY. There is no intention of providing any increase?

Mr. GUFFEY. That would be a matter of negotiation between the mine owners and the workers.

Mr. BAILEY. I had been under the impression that there was an effort here to relieve the very bad conditions with respect to the wages of the miners. Now the Senator says that that is not the intention of the bill; that the intention is not to help the miners by increasing their wages.

Mr. GUFFEY. The same wage scale would be used. Wages will depend entirely on the amount of production and the number of days of work the miners can be given. They were profitably employed during the days of the N. R. A.

Mr. BAILEY. We can have a great deal of argument, and then we can have a great deal of information. It all depends on what we are driving at. Will the bill increase the wages of the miners, or will it not?

Mr. GUFFEY. The present wage will be continued under the proposed plan.

Mr. BAILEY. So the Senator's answer is that it will not increase the wages?

Mr. GUFFEY. We hope it will increase the amount of employment for the miners in the respective districts. In some districts it will increase the wages very materially. It will stop cutthroat competition, such as there is in Logan

County, W. Va., and Harlan County, Ky., where all civil rights have been taken away from the miners and workers.

Mr. BAILEY. As to the matter of the civil rights, of course I will defend the civil rights. But if I am to vote for the bill, the prospect of increasing the wages would be an inducement. The Senator tells me, however, that there is no prospect of that. The Senator is the sponsor for the bill. Let us get the facts.

Mr. GUFFEY. I said that under the present scale the increase would be 2¾ percent. The wage agreements are to be negotiated through collective bargaining between the mine owners and the mine workers. What they will do I do not know. I will not predict as to that.

Mr. BAILEY. There is no intention, though, of increasing the wages of the miners above the present scale; that is, the pay they are now receiving?

Mr. GUFFEY. I cannot say that. I cannot answer that question. That is a matter of bargaining.

Mr. BAILEY. Is that a part of the purpose of the bill?

Mr. GUFFEY. Collective bargaining?

Mr. BAILEY. No; an increase in the wages of the miners?

Mr. GUFFEY. I hope that the result of the bill will be to raise the standard of living and the incomes of the miners engaged in the industry.

Mr. BAILEY. That would increase their wages.

Mr. GUFFEY. Yes.

Mr. BAILEY. Let me call the Senator's attention to the fact that he said it would increase the cost of coal by 2½ or 2¾ percent. Is that correct?

Mr. GUFFEY. That is correct, under the present scale.

Mr. BAILEY. Three hundred and fifty-eight million tons of coal are mined and sold in the United States. That appears from the report on the bill.

Mr. GUFFEY. That is correct.

Mr. BAILEY. Two and a half percent of that is nine million. Is that all that is intended to be divided among the miners?

Mr. GUFFEY. That goes to the Government.

Mr. BAILEY. That is just the expense of operating, is it not?

Mr. GUFFEY. No; the maximum expense, as estimated under the old Labor Board, was about $1,700,000. The balance goes into the Public Treasury; that is the revenue.

Mr. BAILEY. I am interested in knowing what the miners will get under the Senator's statement. I want to know what the miners will get. Is the intention back of the bill to increase his wages, or is it not?

Mr. GUFFEY. I hope it will; but that is a matter of negotiation between the mine owner and the worker.

Mr. BAILEY. Let us come right down to the point. Assume that it will. By how much will that increase the price of a ton of coal to the consumer? That is what I am interested in.

Mr. GUFFEY. If wages were increased 10 percent, the increase would be about 6½ cents per ton.

Mr. BAILEY. That would be just 10 percent of the daily wage of the miner. What is that?

Mr. GUFFEY. It depends on the district. There are thirty some districts in the country. It depends on the vein and the district.

Mr. NEELY. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. GUFFEY. I yield.

Mr. NEELY. Mr. President, let me inform the Senator from North Carolina that the record of the hearings held by the Senate committee shows that the average compensation of a coal miner in the United States is now less than $57 a month.

Mr. BAILEY. Then it is certainly intended to give him an increase of more than 10 percent.

Mr. NEELY. It is hoped that this bill will prevent reductions in the present inadequate wages of the miners; and stabilize the mining industry so that the miners, the operators, and the public will all enjoy increased prosperity. Since the National Recovery Act was declared unconstitutional many wage reductions and many increases in hours of service have been effected. If this bill is not passed, the wage-slashing practice may be expected to extend into every bituminous-coal mining region in the country.

Mr. BAILEY. Since the Senator has undertaken to clear the matter I am very much obliged to him, and I do not wish to press him further. I am looking for information. It is not in view that we are going by this legislation to undertake to increase the wages of the miners who are receiving only $57 a month, by the small sum of $5.70 a month. We know we do not have that in mind. Do we not really intend to increase the wages of the miners by at least 50 percent per ton, which would give them only $75 a month?

Mr. GUFFEY. Mr. President, that statement is ridiculous and absurd. To say we are endeavoring to increase the wages 50 percent per ton would be absurd. We do hope to increase the earning power by stabilizing the industry, and increase the consumption of coal, if possible.

Mr. BAILEY. I desired to get at what the miner was going to get out of this in the first instance. I should like to have a frank statement. We do not intend to continue the system under which he gets $57 a month. Now what do we intend? Do we intend that he shall get $75 a month, $80 a month, or $100 a month?

Mr. NEELY. Mr. President, will the Senator from Pennsylvania yield?

Mr. GUFFEY. I yield.

Mr. NEELY. The intention of the bill, Mr. President, is not greatly to increase the wages by increasing the price of a ton of coal. The purpose is to stabilize the coal industry so that the miner who is now employed 2 days a week will be employed 4 or 5 days a week. The object is to increase wages not by raising the price of a ton of coal, but by destroying the cutthroat competition which has made bankrupts of 90 percent of the coal operators and beggars of untold thousands of miners. The miner's wages will obviously be doubled if his employment is increased from 2 to 4 days a week.

Mr. BAILEY. Let us assume that state of facts. The miners are working now 2 days a week and producing a certain number of tons a day.

Mr. NEELY. Between 2 or 3 days a week on the average.

Mr. BAILEY. If they work 4 days a week, I suppose they produce twice as many tons as they do if they work 2 days a week?

Mr. NEELY. If they work 4 days a week they would produce approximately twice as many tons of coal as they produce now.

Mr. BAILEY. Then in order that they shall receive their reward they will have to be double the present consumption of coal.

Mr. NEELY. Yes.

Mr. BAILEY. Is there any provision in this bill whereby the consumption of coal may be increased in America?

Mr. NEELY. Yes; because any legislation which increases the prosperity of any of the great basic industries of the United States increases the prosperity of all the people, and consequently their capacity to consume the necessaries of life.

Mr. BAILEY. The theory is that by way of increasing the wages of the miners they are made more prosperous, and they will buy more groceries, and the grocery-store man will buy more coal? Is that the theory of the bill?

Mr. NEELY. In my opinion, the Senator from North Carolina now correctly indicates the philosophy of the legislation.

Mr. BAILEY. That is the philosophy of the legislation. Then we are out on a limb, are we not?

Mr. NEELY. No; we are on solid ground.

Mr. BAILEY. How do we increase the consumption of any article by way of increasing its price? I always thought we increased consumption by decreasing price. Is it the theory that we can increase prices and then expect an increase of consumption in a country in which 20,000,000 men are not able to buy anything without Government aid, and

in a country in which the tax charged is rising every time the Congress meets? Those are practical questions.

Mr. NEELY. The Senator is usually very practical and instructive, but his experience during the last 5 years should have taught him that the consumption of foods in this country depends not upon their cheapness but upon the prosperity of those who desire them. The fact of the matter is that, as a rule, we consume most when both wages and commodity prices are high. For example, in 1930 and 1931, when all the products of the farm were on the bargain counter, when wheat in Nebraska was 23 cents a bushel, the American people consumed less wheat than they consume now when wheat is more than a dollar a bushel, because the people now have money with which to buy.

Mr. BAILEY. Let the Senator at this point turn his argument to hogs, the price of which has gone up, and tell us whether the consumption of hogs is increasing or decreasing. Then we shall have the complete picture.

Mr. NEELY. Mr. President, on the subject of hogs the Senator from North Carolina is a better authority than the Senator from West Virginia. But in the matter of coal the Senator from West Virginia makes no such admission.

Mr. BAILEY. I would not think of matching my authority with the authority of the Senator from West Virginia on the question of hogs or of coal either. I simply desire to sit, as Paul did, at the feet of Gamaliel and try to learn some facts; that is all. I am asking the Senator simply one fact: If the increase in the price of hogs has not reached the point where there is a consumer's strike on?

Mr. NEELY. If the Senator from North Carolina will be as amiable and sincere as the Apostle Paul, sitting at the feet of Gamaliel, he will not find it difficult to support the Guffey coal bill. But to revert to hogs, we have deliberately made them scarce, and have thus increased the price of pork. But there is no such thing as a scarcity of coal. One great trouble with the coal industry has been that ever since the World War our productive capacity has been 40 percent greater than our power to consume. There is no sound basis for a comparison between hogs and coal in this case.

Mr. BAILEY. Mr. President, I made no comparison between hogs and coal. I made an analogy as between hogs and wheat in order that the argument may have presented both those phases of the question. The Senator has totally misapprehended my statement. I should like to say something about the Apostle Paul. I do not see just where he comes into this situation. I have heard of his repute as the great Apostle and the transformer of a great religion. I have heard many things said about his literary capacity, and he did have a great literary capacity. It was he who said: Though I speak with the tongues of men and angels "——

Mr. NEELY. "And of angels." Please do not omit the second preposition. It would grate upon, if not jar, my eardrums for the distinguished Senator to misquote the Scriptures.

Mr. BAILEY Mr. President, I would not jar the Senator's ears for anything on earth, because I feel if I did it might destroy some remnants there which—well, I will say no further.

Mr. NEELY. The Senator is urged to refrain from withholding the expression of a single relevant thought, however uncomplimentary it may be to me.

Mr. BAILEY. But I never before heard the Apostle Paul put forward as an example of amiability. I have made a discovery this morning. I knew he was a great theologian and a great orator and a great logician, but I never before heard the example of Paul held up as being one of amiability.

Mr. NEELY. Will the Senator yield?

Mr. GUFFEY. I yield.

Mr. NEELY. Does the Senator from North Carolina think that he could have been less than amiable who said:

> And though I bestow all my goods to feed the poor, and though I give my body to be burned and have not charity, it profiteth me nothing.

Mr. HATCH. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator will suspend until we have order in the Chamber.

Mr. HATCH. Mr. President, I ask who has the floor?

The VICE PRESIDENT. The Senator from Pennsylvania [Mr. GUFFEY] had the floor, and still has the floor theoretically.

Mr. GUFFEY. Mr. President, I shall now resume my remarks.

Mr. NEELY. Mr. Drummond, in a remarkable sermon, translates "charity" as "love", and using "love" as a substitute for "charity", the language of Paul would be:

> Though I give my body to be burned and have not love——

Mr. BAILEY. That is, to be burned by coal, I take it.

Mr. NEELY. That is one more irrelevancy. Does the Senator from North Carolina think that anyone who had such love for humanity as the great Apostle manifests in the 13th chapter of First Corinthians could be destitute of amiability?

Mr. BAILEY. I would not call that amiability. I think that was a very heroic attitude.

Mr. TYDINGS. Mr. President——

Mr. GUFFEY. I shall now resume my discussion, and I decline to yield further until I finish my remarks.

Mr. TYDINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Maryland?

Mr. GUFFEY. No; I must decline to yield at this moment.

After the conclusion of Mr. GUFFEY's speech,

### MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On August 19, 1935:

S. 208. An act for the relief of the Consolidated Ashcroft Hancock Co., Inc., Bridgeport, Conn.;

S. 447. An act conferring jurisdiction on the United States District Court for the District of Oregon to hear, determine, and render judgment upon the suit in equity of Rakha Singh Gherwal against the United States;

S. 1347. An act for the relief of Robert J. Smith, alias William McClocklin;

S. 1577. An act for the relief of Skelton Mack McCray;

S. 1640. An act for the relief of Dan Meehan;

S. 2076. An act for the relief of Domenico Politano;

S. 2140. An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey;

S. 2160. An act for the relief of the George C. Mansfield Co. and George D. Mansfield;

S. 2168. An act for the relief of the Bell Telephone Co. of Pennsylvania;

S. 2225. An act authorizing adjustment of the claim of the Western Union Telegraph Co.;

S. 2247. An act directing the conveyance of certain lands to the regents of the University of New Mexico;

S. 2388. An act authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge;

S. 2577. An act to eliminate the requirement of cultivation in connection with certain homestead entries;

S. 2635. An act for the relief of Sudden & Christenson, Inc., John A. Hooper, Emil T. Kruse, Edward Kruse, Gilbert Loken, and G. W. McNear, Inc., or their successors in interest; and

S. 2751. An act for the relief of Walter C. Price and Joseph C. Le Sage.

On August 20, 1935:

S. 280. An act for the relief of Hazel B. Lowe, Tess H. Johnston, and Esther L. Teckmeyer;

S. 490. An act for the relief of F. T. Wade, M. L. Dearing, E. D. Wagner, and G. M. Judd;

S. 540. An act for the relief of Fred Luscher;

S. 658. An act for the relief of K. W. Boring;

S. 1045. An act for the relief of A. Cyril Crilley;

S. 1046. An act for the relief of E. Jeanmonod;

S. 1070. An act for the relief of William A. Thompson;

S. 1214. An act for the relief of Oliver B. Huston, Anne Huston, Jane Huston, and Harriet Huston;

S. 1326. An act for the relief of Robert A. Dunham;

S. 1409. An act for the relief of the General Baking Co.;

S. 2374. An act for the relief of Elliott H. Tasso and Emma Tasso;

S. 2393. An act for the relief of the widow of Ray Sutton;

S. 2426. An act to provide for the creation of a memorial park at Tampa, in the State of Florida, to be known as "The Spanish War Memorial Park", and for other purposes;

S. 2695. An act to add certain lands to the Medicine Bow National Forest, Wyo.; and

S. 3058. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed the following bill and joint resolution of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 2215. An act to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended; and

S. J. Res. 65. Joint resolution to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended.

The message also announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 1374. An act authorizing the survey, location, and construction of a highway to connect the northwestern part of continental United States with British Columbia, Yukon Territory, and the Territory of Alaska; and

S. 2888. An act to provide for the disposition, control, and use of surplus real property acquired by Federal agencies, and for other purposes.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 7974. An act to withdraw and restore to their previous status under the control of the Territory of Hawaii certain Hawaiian homes lands now in use as an airplane landing field;

H. R. 8598. An act to provide for the inspection and regulation of vessels engaged in the transportation of inflammable, explosive, and like dangerous cargoes in navigable waters of the United States;

H. R. 8977. An act to authorize the Secretary of the Treasury to acquire a site for the erection of a post-office building at Columbus, Miss.;

H. R. 9116. An act to extend the provisions of veterans' laws and regulations to persons who served in Russia during the World War, and their dependents; and

H. J. Res. 286. Joint resolution for the relief of Kam N. Kathju.

COMMERCE IN MUNITIONS, ETC., IN TIME OF WAR

Mr. DIETERICH obtained the floor.

Mr. PITTMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SMITH in the chair). Does the Senator from Illinois yield to the Senator from Nevada?

Mr. DIETERICH. I yield.

Mr. PITTMAN. I thank the Senator for his courtesy.

Yesterday on behalf of the Foreign Relations Committee I reported Senate Joint Resolution 173 intended as a substitute for all the neutrality resolutions and bills which have been referred to the Foreign Relations Committee. With the consent of the Senator from Illinois, I desire to make a very brief statement.

A subcommittee of the Senate was appointed about 30 days ago to confer with a committee of the State Department which has been studying these questions for about a year. We had a number of meetings jointly with that committee of the State Department. I feel that I have a right to say that the State Department is seriously and sincerely desirous of having legislation dealing with neutrality, as were the members of the subcommittee.

For the past week we have had meetings every day. Yesterday at 11 o'clock the full committee, with the exception of the senior Senator from Illinois [Mr. LEWIS], and, I think, one other Senator, voted to report the joint resolution. That announcement was also made yesterday afternoon.

Mr. President, I feel that if unanimous consent should be given temporarily to lay aside the unfinished business and those who favor the joint resolution so intensely would desist from any further speeches, we might get a vote in a very few minutes on it. If the debate should be prolonged, under the rule of the Senate any Senator could call for the regular order at any time, and then the Senate would recur to the consideration of the unfinished business.

In view of that statement, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate Joint Resolution 173.

The PRESIDING OFFICER. Does the Senator from Illinois yield for that purpose?

Mr. DIETERICH. I yield for that purpose.

Mr. LEWIS. Mr. President, may I be pardoned to say that while I shall not object to the request for appropriate consent as suggested by the able Chairman of the Foreign Relations Committee, I do not wish it understood that my silence in this regard or my acquiescence in the request at all obligates me to support the measure. I am opposed to the measure, but I am not against the request of the able chairman of the committee.

The PRESIDING OFFICER. Is there objection? The Senator from Nevada asks unanimous consent to lay aside temporarily the unfinished business and proceed to the consideration of Senate Joint Resolution 173. Is there objection?

Mr. McNARY. Mr. President, may we not have the joint resolution reported by title?

The PRESIDING OFFICER. The joint resolution will be reported by title.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 173) providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war.

Mr. DIETERICH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIETERICH. I understand the parliamentary situation to be that when consideration of the joint resolution shall have been completed, I shall be entitled to the floor?

The PRESIDING OFFICER. That is the understanding of the present occupant of the chair.

Mr. McNARY. Mr. President, personally I have no objection to the proposal made by the Senator from Nevada, but I think there should be a larger attendance; and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Byrnes | Gibson | Long |
| Ashurst | Capper | Glass | McAdoo |
| Austin | Caraway | Gore | McCarran |
| Bachman | Chavez | Guffey | McGill |
| Bailey | Clark | Hale | McKellar |
| Bankhead | Connally | Harrison | McNary |
| Barbour | Copeland | Hastings | Maloney |
| Barkley | Costigan | Hatch | Metcalf |
| Black | Davis | Hayden | Minton |
| Bone | Dieterich | Holt | Moore |
| Borah | Donahey | Johnson | Murphy |
| Brown | Duffy | King | Murray |
| Bulkley | Fletcher | La Follette | Neely |
| Bulow | Frazier | Lewis | Norbeck |
| Burke | George | Logan | Norris |
| Byrd | Gerry | Lonergan | Nye |

| | | | |
|---|---|---|---|
| O'Mahoney | Schall | Thomas, Utah | Wagner |
| Overton | Schwellenbach | Townsend | Walsh |
| Pittman | Sheppard | Trammell | Wheeler |
| Radcliffe | Shipstead | Truman | White |
| Reynolds | Smith | Tydings | |
| Robinson | Steiwer | Vandenberg | |
| Russell | Thomas, Okla. | Van Nuys | |

The PRESIDING OFFICER. Eighty-nine Senators have answered to their names. A quorum is present.

The Senator from Nevada asks unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate Joint Resolution 173. Is there objection?

Mr. NEELY. Mr. President, reserving the right to object, I give notice that if, after unanimous consent shall have been given, what appears to be a prolonged debate shall ensue, I will feel constrained to call for the regular order.

Mr. BORAH. Mr. President, I did not quite understand the statement of the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia stated that if the joint resolution should seem likely to lead to prolonged debate he would call for the regular order. The Chair understands that that is the rule, anyway.

Mr. BORAH. I ask the Senator from West Virginia to restate his position.

Mr. NEELY. Mr. President, my statement was to the effect that if granting the request of the Senator from Nevada shall result in prolonged debate on the joint resolution—although I intend to vote for the joint resolution and I am enthusiastically in favor of it—I shall nevertheless feel constrained to call for the regular order, because I am convinced that if the Guffey coal bill shall not be passed before the adjournment of the present session of Congress there will be a Nation-wide coal strike and such distress in the coal fields as we have never before had.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

Mr. TYDINGS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TYDINGS. If the unanimous-consent request of the Senator from Nevada shall be granted, may the Senator from West Virginia or any Senator then set aside the consideration of the joint resolution when he wishes to do so?

The PRESIDING OFFICER. The Chair is informed by the parliamentary clerk that at any time during the proceedings any Senator may call for the regular order.

Is there objection to the request of the Senator from Nevada?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 173) providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war, which had been reported as an original joint resolution from the Committee on Foreign Relations.

Mr. PITTMAN. I ask unanimous consent that the formal reading of the joint resolution be dispensed with, because it was read in full to the Senate yesterday, and appears in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution is as follows:

*Resolved, etc.*, That upon the outbreak or during the progress of war between, or among, two or more foreign states, the President shall proclaim such fact, and it shall thereafter be unlawful to export arms, ammunition, or implements of war from any place in the United States, or possessions of the United States, to any port of such belligerent states, or to any neutral port for transshipment to, or for the use of, a belligerent country.

The President, by proclamation, shall definitely enumerate the arms, ammunition, or implements of war the export of which is prohibited by this act.

The President may, from time to time, by proclamation, extend such embargo upon the export of arms, ammunition, or implements of war to other states as and when they may become involved in such war.

Whoever, in violation of any of the provisions of this section, shall export, or attempt to export, or cause to be exported, arms, ammunition, or implements of war from the United States, or any of its possessions, shall be fined not more than $10,000 or imprisoned not more than 5 years, or both, and the property, vessel, or vehicle containing the same shall be subject to the provisions of sections 1 to 8, inclusive, title 6, chapter 30, of the act approved June 15, 1917 (40 Stat. 223–225; U. S. C., title 22, secs. 238–245).

In the case of the forfeiture of any arms, ammunition, or implements of war by reason of a violation of this act, no public or private sale shall be required; but such arms, ammunition, or implements of war shall be delivered to the Secretary of War for such use or disposal thereof as shall be approved by the President of the United States.

When in the judgment of the President the conditions which have caused him to issue his proclamation have ceased to exist he shall revoke the same and the provisions hereof shall thereupon cease to apply.

SEC. 2. That for the purposes of this act—

(a) The term "Board" means the National Munitions Control Board, which is hereby established to carry out the provisions of this act. The Board shall consist of the Secretary of State, who shall be chairman and executive officer of the Board; the Secretary of the Treasury; the Secretary of War; the Secretary of the Navy; the Secretary of Commerce; the Chairman of the Foreign Relations Committee of the Senate; and the Chairman of the Committee on Foreign Affairs of the House of Representatives, or some member of each committee whom the chairman of the respective committees may designate. Except as otherwise provided in this act, or by other law, the administration of this act is vested in the Department of State;

(b) The term "United States" when used in a geographical sense, includes the several States and Territories, the insular possessions of the United States (including the Philippine Islands), the Canal Zone, and the District of Columbia;

(c) The term "person" includes a partnership, company, association, or corporation, as well as a natural person.

Within 90 days after the effective date of this act, or upon first engaging in business, every person who engages in the business of manufacturing, exporting, or importing any of the arms, ammunition, and implements of war referred to in this act, whether as an exporter, importer, manufacturer, or dealer, shall register with the Secretary of State his name, or business name, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war which he manufactures, imports, or exports.

Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, and implements of war which he exports, imports, or manufactures; and upon such notification the Secretary of State shall issue to such person an amended certificate of registration, free of charge, which shall remain valid until the date of expiration of the original certificate. Every person required to register under the provisions of this section shall pay a registration fee of $500, and upon receipt of such fee the Secretary of State shall issue a registration certificate valid for 5 years, which shall be renewable for further periods of 5 years upon the payment of each renewal of a fee of $500.

It shall be unlawful for any person to export, or attempt to export, from the United States any of the arms, ammunition, or implements of war referred to in this act to any other country or to import, or attempt to import, to the United States from any other country any of the arms, ammunition, or implements of war referred to in this act without first having obtained a license therefor.

Licenses shall be issued to persons who have registered as provided for, except in cases of export or import licenses where exportation of arms, ammunition, or implements of war would be in violation of this act or any other law of the United States, or of a treaty to which the United States is a party, in which cases such licenses shall not be issued.

The Board shall be called by the chairman and shall hold at least one meeting a year.

No purchase of arms, ammunition, and implements of war shall be made on behalf of the United States by any officer, executive department, or independent establishment of the Government from any person who shall have failed to register under the provisions of this act.

The Board shall make an annual report to Congress, copies of which shall be distributed as are other reports transmitted to Congress. Such report shall contain such information and data collected by the Board as may be considered of value in the determination of questions connected with the control of trade in arms, ammunition, and implements of war. It shall include a list of all persons required to register under the provisions of this act, and full information concerning the licenses issued hereunder.

The Secretary of State shall promulgate such rules and regulations with regard to the enforcement of this section as he may deem necessary to carry out its provisions.

SEC. 3. Whenever the President shall issue the proclamation provided for in section 1 of this act, thereafter it shall be unlawful for any American vessel to carry any arms, ammunition, or implements of war to any port of the belligerent countries named in such proclamation as being at war, or to any neutral port for transshipment to, or for the use of, a belligerent country.

Whoever, in violation of the provisions of this section, shall take, attempt to take, or shall authorize, hire, or solicit another to take any such vessel carrying such cargo out of port or from the juris-

diction of the United States shall be fined not more than $10,000 or imprisoned not more than 5 years, or both; and, in addition, such vessel, her tackle, apparel, furniture, equipment, and the arms, ammunition, and implements of war on board shall be forfeited to the United States.

When the President finds the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation, and the provisions of this section shall thereupon cease to apply.

SEC. 4. Whenever, during any war in which the United States is neutral, the President, or any person thereunto authorized by him, shall have cause to believe that any vessel, domestic or foreign, whether requiring clearance or not, is about to carry out of a port of the United States, or its possession, men or fuel, arms, ammunition, implements of war, or other supplies to any warship, tender, or supply ship of a foreign belligerent nation, but the evidence is not deemed sufficient to justify forbidding the departure of the vessel as provided for by section 1, title V, chapter 30, of the act approved June 15, 1917 (40 Stat. —; U. S. C., title 18, sec. 31), and if, in the President's judgment, such action will serve to maintain peace between the United States and foreign nations, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, he shall have the power and it shall be his duty to require the owner, master, or person in command thereof, before departing from a port of the United States, or any of its possessions, for a foreign port, to give a bond to the United States, with sufficient sureties, in such amount as he shall deem proper, conditioned that the vessel will not deliver the men, or the cargo, or any part thereof, to any warship, tender, or supply ship of a belligerent nation; and, if the President, or any person thereunto authorized by him, shall find that a vessel, domestic or foreign, in a port of the United States, or one of its possessions, has previously cleared from such port during such war and delivered its cargo or any part thereof to a warship, tender, or supply ship of a belligerent nation, he may prohibit the departure of such vessel during the duration of the war.

SEC. 5. Whenever, during any war in which the United States is neutral, the President shall find that special restrictions placed on the use of the ports and territorial waters of the United States, or of its possessions, by the submarines of a foreign nation will serve to maintain peace between the United States and foreign nations, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, and shall make proclamation thereof, it shall thereafter be unlawful for any such submarine to enter a port or the territorial waters of the United States or any of its possessions, or to depart therefrom, except under such conditions and subject to such limitations as the President may prescribe. When, in his judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply.

SEC. 6. Whenever, during any war in which the United States is neutral, the President shall find that the maintenance of peace between the United States and foreign nations, or the protection of the lives of citizens of the United States, or the protection of the commercial interests of the United States and its citizens, or the security of the United States requires that the American citizens should refrain from traveling as passengers on the vessels of any belligerent nation, he shall so proclaim, and thereafter no citizen of the United States shall travel on any vessel of any belligerent nation except at his own risk, unless in accordance with such rules and regulations as the President shall prescribe: *Provided, however*, That the provisions of this section shall not apply to a citizen traveling on the vessel of a belligerent whose voyage was begun in advance of the date of the President's proclamation, and who had no opportunity to discontinue his voyage after that date: *And provided further*, That they shall not apply under 90 days after the date of the President's proclamation to a citizen returning from a foreign country to the United States or to any of its possessions. When, in the President's judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply.

SEC. 7. In every case of the violation of any of the provisions of this act where a specific penalty is not herein provided, such violator or violators, upon conviction, shall be fined not more than $10,000 or imprisoned not more than 5 years, or both.

SEC. 8. If any of the provisions of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 9. The sum of $20,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended by the Secretary of State in administering this act.

Mr. LEWIS. Mr. President, I tender a resolution which I ask to have read and remain on the table, subject to the debate as it proceeds.

The PRESIDING OFFICER. The clerk will read the resolution.

The resolution (S. Res. 194) was read, as follows:

*Resolved*, That there be no further legislation in the present session of the Congress upon the subject contained in the joint resolution (S. J. Res. 173) providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war, and that the whole subject of the measure to be left to the President, to be acted upon under appropriate Executive orders as conditions and circumstances arise and shall call for.

Mr. ROBINSON. Mr. President, will the Senator from Illinois yield for a question?

Mr. LEWIS. I yield.

Mr. ROBINSON. Is the Senator proposing the resolution which has just been read as a substitute for the joint resolution of the Senator from Nevada?

Mr. LEWIS. I am, sir. Such is the proposal I shall make later.

The PRESIDING OFFICER. The Senator from Illinois offers the resolution which has just been read as a substitute for the joint resolution reported by the committee.

Mr. PITTMAN. Question!

Mr. BORAH. Mr. President, is this resolution offered as a substitute?

Mr. LEWIS. I answer "yes"; it is offered as a substitute for the joint resolution.

Mr. BORAH. The effect of the resolution is to postpone further legislation?

Mr. LEWIS. For this session, remitting the whole subject to the President for the utilization of Executive orders on the subject if it shall become necessary.

Mr. BARKLEY. Mr. President, would not that be the effect if we should vote down the proposal which is before the Senate?

Mr. LEWIS. Whatever may be the effect, I tender the resolution as expressing my purpose.

Mr. LONG (and other Senators). Vote!

Mr. LEWIS. I do not ask for a vote at this time. Such would not be consistent with my request that the resolution lie on the table.

The PRESIDING OFFICER. The question is on the amendment, in the nature of a substitute, offered by the Senator from Illinois.

Several Senators called for the yeas and nays.

Mr. LEWIS. Mr. President, I do not ask for a vote at this time. I ask that the resolution remain on the table. Later, as the debate proceeds, I shall possibly——

Mr. PITTMAN. I ask, then, for a vote on the joint resolution.

Mr. McNARY. Mr. President, I think it is eminently fair that some one conversant with the proposed legislation should make a statement about it. I was willing to permit discussion of the joint resolution without having it read; but certainly we should have some explanation of the measure.

Mr. PITTMAN. Mr. President, I made a brief statement explanatory of the joint resolution yesterday, when I presented it. I also had the joint resolution published in the RECORD. However, in about 10 minutes I will describe its meaning.

The first provision of the joint resolution is as follows:

That upon the outbreak or during the progress of war between, or among, two or more foreign states, the President shall proclaim such fact, and it shall thereafter be unlawful to export arms, ammunition, or implements of war from any place in the United States, or possessions of the United States, to any port of such belligerent states, or to any neutral port for transshipment to, or for the use of, a belligerent country.

That provision is mandatory, and is to apply to all the warring countries when the President shall proclaim the existence of war. The other provisions of section 1 are designed to implement the first provision. They provide a penalty of a fine not exceeding $10,000, or imprisonment for not more than 5 years, or both, and the confiscation of the property.

The second provision of the joint resolution is with regard to the licensing of manufacturers, exporters, and importers of arms, ammunition, or implements of war. They must

register, and a license will be given to them when they register, except that a license will not be given to them in contravention of the provision I have just read, or any other law or treaty of the United States. That is the registration provision. It was originally carried in a bill called the "Pope bill", which is on the calendar. We have greatly abbreviated the registration bill, because that was a separate measure requiring rules and regulations and separate punishment, separate fines, and so on. Now it is all being carried in one measure, so we abbreviated it.

The third provision of the joint resolution is section 4, which is as follows:

Whenever, during any war in which the United States is neutral, the President, or any person thereunto authorized by him, shall have cause to believe that any vessel, domestic or foreign, whether requiring clearance or not, is about to carry out of a port of the United States, or its possessions, men or fuel, arms, ammunition, implements of war, or other supplies to any warship, tender, or supply ship of a foreign belligerent nation, but the evidence is not deemed sufficient to justify forbidding the departure of the vessel as provided for by section 1, title V, chapter 30, of the act approved June 15, 1917 (40 Stat. —; U. S. C., title 18, sec. 31), and if, in the President's judgment, such action will serve to maintain peace between the United States and foreign nations, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, he shall have the power and it shall be his duty to require the owner, master, or person in command thereof, before departing from a port of the United States, or any of its possessions, for a foreign port, to give a bond to the United States, with sufficient sureties, in such amount as he shall deem proper, conditioned that the vessel will not deliver the men, or the cargo, or any part thereof, to any warship, tender, or supply ship of a belligerent nation; and, if the President, or any person thereunto authorized by him, shall find that a vessel, domestic or foreign, in a port of the United States, or one of its possessions, has previously cleared from such port during such war and delivered its cargo or any part thereof to a warship, tender, or supply ship of a belligerent nation, he may prohibit the departure of such vessel during the duration of the war.

That is the existing law, with the exception that where the President has not the necessary evidence to justify forbidding departure of a vessel, but has reason to believe it is about to violate our neutrality, he may require a bond.

Mr. FLETCHER. Mr. President, may I inquire of the Senator whether the articles mentioned—implements of war, and so forth—include such commodities as wheat, corn, cotton, meat, and other food products?

Mr. PITTMAN. In my opinion, they do not; nor do I believe they do in the opinion of the committee, for the reason that today the definition of arms, ammunition, and implements of war is very generally recognized in international law. As a matter of fact, at this very session the Senate ratified a treaty or convention dealing with arms and implements of war, in which they were categorically described; so I think there is no fear of that.

Section 5 deals with submarines. It merely provides that in time of war submarines of belligerent countries may have special regulations imposed on them in addition to the provisions of the law now in existence. For instance, submarines may be required to notify the Navy Department when they are coming into a port, and they may be required to stay on the surface and depart on the surface. That was found necessary, also.

Section 6 is intended to restrain citizens of the United States from traveling on vessels of belligerent countries. It provides, in effect, that if they travel on the ship of a belligerent country after the proclamation of the President that war exists between certain countries, they travel at their own risk. It expressly provides, however, that those who are on ships of belligerent countries when war is declared to exist by the proclamation, and are traveling to ports, will naturally be allowed to go to those ports.

It also provides that on the outbreak of war between two or more foreign states, if the President declares such states to be at war, then 90 days will be given to any citizen to take any ship he desires to take, belligerent or neutral, so that he may get out of the war zone and return home.

These are the provisions of the joint resolution, mandatory provisions against the export of arms and munitions to any warring country; regulations with regard to the registration of those engaged in the manufacture, export, or import of arms. Mandatory license shall be granted to them except to make exports contrary to the proposed act, or any other law or treaty of the United States. There is a provision restraining citizens from traveling on vessels of belligerent countries. There is a provision regulating our ships carrying munitions of war to or for belligerent countries during the period of the war, and also a provision, as I have stated, restraining our citizens from traveling on ships of belligerent countries.

Mr. President, I have stated the substance of the entire joint resolution. I say frankly that the committee did not deal with the question of credits during war, although a joint resolution on behalf of the Senator from Missouri [Mr. CLARK], the Senator from North Dakota [Mr. NYE], and the Senator from Idaho [Mr. POPE], and others, did deal with that question and was referred to our committee.

After long conferences and many meetings with the committee of the office of the Secretary of State, including the Secretary himself, the Under Secretary, Mr. Moore, the Assistant Secretary, and their experts, our subcommittee came to the unanimous conclusion that these provisions were so protective in themselves that there would be little reason for a country wishing to borrow money from the United States, and there were other reasons why they would not; that the whole question of existing debts owing to the United States by foreign countries under the legislation which has already been enacted with regard to those countries, which have not paid their debts, reached the large countries, and the committee were unanimously of the opinion that the subject was too intricate, too involved, for us to attempt to pass a measure dealing with it at this session of the Congress.

I hope we may have a vote on the joint resolution as soon as possible.

Mr. HALE. Mr. President, will not the Senator explain section 5?

Mr. PITTMAN. Section 5 reads:

SEC. 5. Whenever, during any war in which the United States is neutral, the President shall find that special restrictions placed on the use of the ports and territorial waters of the United States, or of its possessions, by the submarines of a foreign nation will serve to maintain peace between the United States and foreign nations, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, and shall make proclamation thereof, it shall thereafter be unlawful for any such submarine to enter a port or the territorial waters of the United States or any of its possessions, or to depart therefrom, except under such conditions and subject to such limitations as the President may prescribe. When, in his judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply.

We have found that submarines may come into a port without knowledge, stay as long as they choose without knowledge, go outside of our territorial waters, and possibly engage in war right beyond our borders, and it is undoubtedly necessary to place additional restrictions on them, that is, to put them in the same position in which surface ships are placed.

Mr. ROBINSON. Mr. President, will the Senator from Nevada yield to me?

Mr. PITTMAN. I yield.

Mr. ROBINSON. When it becomes known that the submarines of nations at war are operating from a base within the territorial waters of the United States, or from a port in the United States, that fact very seriously endangers the peace of the United States.

Mr. HALE. Mr. President, I am not inclined to oppose the joint resolution, but it occurred to me that under the terms of international law warships of foreign countries have a right, in time of war, to come within our borders, and to stay 24 hours, to recoal, to refuel, to reprovision, and then leave. I understand we have agreed to such a regulation.

Mr. PITTMAN. But that does not limit us.

Mr. HALE. This provision would take us out from that agreement, would it not?

Mr. PITTMAN. I do not think any reasonable regulation in harmony with that would be objectionable, because these regulations were all originally adopted with reference to

surface ships. Now there is a new instrument, namely, the submarine. It can travel both under the water and on the water. I think it is entirely reasonable to require them to travel on the surface of the water.

Mr. HALE. Might there not be the contention that we were not allowing them a privilege which other ships of war had?

Mr. PITTMAN. I do not think so, nor do I think we would ever object to having a foreign country say to us, "Your submarines must travel on the surface when in our waters."

Mr. ROBINSON. Mr. President, will the Senator from Nevada yield to me?

Mr. PITTMAN. I yield.

Mr. ROBINSON. Take the illustration the Senator from Nevada has given. So long as a warship remains upon the surface its presence is known, and all warships other than submarines remain on the surface. It would be a very wholesome restriction to require a submarine of a belligerent entering a port of the United States, the United States being neutral, to make its movements entirely upon the surface, as suggested by the Senator from Nevada.

Mr. HALE. But we could go further, under this measure, and refuse them the right to come within the borders of the United States; and could not that be considered as an act of war?

Mr. PITTMAN. There is a statute now on the books, to which we refer in the pending joint resolution. We merely modify the statute by requiring a bond in certain cases.

The plain intent is that the President may in time of war place other limitations upon the submarines of a belligerent; that is, he may do so if he finds it to be necessary in order to preserve our neutrality and our peace. I cannot conceive of anything on earth of that kind or character that could be considered an unneutral act.

Mr. LA FOLLETTE. Mr. President, it seems to me perfectly clear that all that is intended and all that is done by the section under discussion is the placing of submarines under the same regulations under which other vessels of a belligerent power are placed in time of war. We now have on the books a statute which regulates their use of our ports in time of war and gives power to carry out and to effectuate that policy, but, obviously, a vessel which operates under the surface can violate the existing statute with regard to surface vessels of a belligerent power without our being aware of it. The only intent is to meet that situation; and I think all this section does is to place the submarine in the same category and under the same regulations, for the purpose of using our ports in time of war, in which all other naval arms or vessels of a belligerent power are placed.

Mr. GERRY. Mr. President, I should like to ask the Senator from Nevada a question in regard to section 5.

Section 5 provides that the President may make proclamation, after which it shall be unlawful for a submarine to enter a port or the territorial waters of the United States, or any of its possessions, or to depart therefrom, except under certain conditions specified. I understand that present international usage, which the Senator has just been discussing, is that any war vessel may come into a port for about 24 hours in order to refuel, and then leave.

It seems to me this section raises another question. If a nation is at war and the President issues a proclamation regulating how that nation's submarines may come into United States ports, the American regulation differing from that of other nations, would not that raise a very serious question, and might it not involve us in war?

Mr. PITTMAN. I do not think so at all. I think it is a common-sense question. We have applying to surface ships a law which was enacted when there were nothing but surface ships, and which allowed them to come into our ports and remain for 24 hours for the purpose of refueling and obtaining provisions. That applies today to submarines, as well as to any other kind of craft. But when we merely impose a requirement that they shall travel on the surface, I think that any nation which would object to that would be captious.

Mr. ROBINSON. Mr. President, will the Senator from Rhode Island yield to me?

Mr. GERRY. Certainly.

Mr. ROBINSON. In my judgment, it would not be an unneutral act if the United States should see fit to prohibit submarines from entering into the territorial waters of the United States or into its ports, provided the prohibition extended to all belligerents. If it were made to apply to a single belligerent and not to apply to other belligerents, there might arise a claim that it constituted an unneutral policy or act. But the United States has the right to protect its neutrality, and in order to do so it may say to every nation at war, "Keep your warships out of our waters. Keep your armed forces out of our territory." Of course, if they do not observe the order, another question arises.

Mr. GERRY. The point I was raising was just what the Senator from Arkansas has brought out. Does this resolution apply to all nations or only to one or two?

Mr. ROBINSON. It applies to all belligerents.

Mr. GERRY. But the President could otherwise apply it?

Mr. ROBINSON. No; I think not. The special restrictions which section 5 contemplates may be directed at submarines, apply clearly, in my judgment, to all belligerents.

Mr. GERRY. Then the Senator thinks that if it applies to all, none can complain?

Mr. ROBINSON. If it applies to all, none can complain.

Mr. GERRY. Was not that question raised in connection with some of the blockading operations during the World War?

Mr. ROBINSON. Many questions may be raised, and in case of another war numerous questions heretofore not presented will be raised; but before applying the special restriction, the President must determine that it is calculated to preserve the security of the United States and the neutrality of the United States.

Mr. GERRY. And apply to all nations.

Mr. ROBINSON. Yes; to all belligerents.

Mr. PITTMAN. Let me call the attention of the Senator to the fact that the restriction applies to all nations. The language in section 5 requires proclamation by the President when one or more foreign states engage in war. In section 5, line 21, the language is—

> And shall make proclamation thereof.

It further provides—

> It shall thereafter be unlawful for any submarine—

That language refers to a submarine of the belligerent powers coming under the declaration of the President's proclamation, so it must be universal.

The PRESIDING OFFICER. The joint resolution is still before the Senate, and is open to amendment.

Mr. BORAH. Mr. President, I am not going to detain the Senate by offering an amendment or by seeking to change the joint resolution, since there is little hope of success. But I wish to express an individual view with reference to one provision of the measure. That provision is found on page 9, section 6:

> SEC. 6. Whenever, during any war in which the United States is neutral, the President shall find that the maintenance of peace between the United States and foreign nations, or the protection of the lives of citizens of the United States, or the protection of the commercial interests of the United States and its citizens, or the security of the United States requires that the American citizens should refrain from traveling as passengers on the vessels of any belligerent nation, he shall so proclaim, and thereafter no citizen of the United States shall travel on any vessel of any belligerent nation except at his own risk.

Mr. President, I expressed the view in the committee, with which view the committee did not agree, that passing a resolution which went no farther than placing the risk on the citizen himself did not reach the real issue. I do not think that an American citizen should be permitted to travel at all upon a belligerent ship when we are a neutral. To say that he shall travel at his own risk only solves a part of the question. It is the Nation which is most vitally concerned, and no citizen should be permitted to place himself in a place of peril, all the evil consequences of which cannot be confined to the citizen.

If he ventures into the war zone, if he goes upon a belligerent ship, to a certain extent he involves, or may involve, his nation in case he is killed. The killing of a citizen is one of the things which contributes to a feeling of war psychology and a feeling of resentment. It ought not to be permitted to occur. In other words, Mr. President, it is not alone the citizen who is involved, but the entire nation. It is not only the citizen who is concerned, but the entire nation is concerned.

My contention was, and my contention now is, that the citizen ought to be prohibited from traveling upon belligerent ships. It is not sufficient to say that he travels at his own risk, because it to some extent may involve his nation, even if he is personally willing to assume the risk.

I, myself, should have much preferred, therefore, to see the resolution so worded as to prevent the traveling of our citizens upon belligerent ships, except under such circumstances as that of returning home or escaping from a war zone, when they might take any ship they could find. But for an American citizen to initiate a movement, for an American citizen to start from the United States and go to Ethiopia or to Italy, or a group of American citizens to go into the war zone, in my opinion, is a risk which they or he ought not to be permitted to take under any circumstances.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. PITTMAN. I suggest the absence of a quorum by reason of the fact that the junior Senator from Illinois [Mr. DIETERICH] has just stepped out of the Chamber and had the floor when I interrupted for the purpose of having the joint resolution considered.

Mr. ROBINSON. The junior Senator from Illinois had the floor.

Mr. PITTMAN. Yes; he had the floor. I see that the Senator from Illinois has now returned so I withdraw my suggestion of the absence of a quorum.

Mr. ROBINSON. Mr. President, I move to reconsider the vote by which the joint resolution (S. J. Res. 173) was passed.

Mr. PITTMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

### ROCKLAND-WESTCHESTER HUDSON RIVER BRIDGE, N. Y.

Mr. BARBOUR. Mr. President, I wish to recur to the bill (S. 3030) granting the consent of the Congress to the Rockland-Westchester Hudson River Crossing Authority to construct a bridge. On page 13775 of the CONGRESSIONAL RECORD of yesterday there appears a statement which I am sure was made through inadvertence and misunderstanding or mistake on the part of the senior Senator from New York [Mr. COPELAND]. The Senator quotes me as saying that I withdrew my objection to the passage of Senate bill S. 3030. This, indeed, was not the case. I now ask therefore that the vote by which that bill was passed be reconsidered.

Mr. COPELAND. Mr. President, I certainly misunderstood the Senator yesterday, and what he has said this morning is in full accord with the understanding we now have. Therefore I interpose no objection whatever.

The PRESIDENT pro tempore. The Chair understands that the Senator from New Jersey [Mr. BARBOUR] asks unanimous consent that the vote by which the bill was passed be reconsidered.

Mr. BARBOUR. Yes, Mr. President.

The PRESIDENT pro tempore. Without objection, the vote by which the bill was passed is reconsidered.

### COLLECTION AND PUBLICATION OF TOBACCO STATISTICS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2215) to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended, which was to strike out all after the enacting clause and insert:

That section 1 of the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended, is hereby further amended to read as follows:

"That the Secretary of Agriculture be, and he is hereby, authorized and directed to collect and publish statistics of the quantity of leaf tobacco in all forms in the United States and Puerto Rico, owned by or in the possession of dealers, manufacturers, quasi-manufacturers, growers' cooperative associations, warehousemen, brokers, holders, or owners, other than the original growers of tobacco. The statistics shall show the quantity of tobacco in such detail as to types, groups of grades, and such other subdivisions as to quality, color, and/or grade for particular types, as the Secretary shall deem to be practical and necessary for the purposes of this act, shall be summarized as of January 1, April 1, July 1, and October 1 of each year, and an annual report on tobacco statistics shall be issued: *Provided*, That the Secretary of Agriculture shall not be required to collect statistics of leaf tobacco from any manufacturer of tobacco who, in the first three-quarters of the preceding calendar year, according to the returns of the Commissioner of Internal Revenue or the record of the Treasurer of Puerto Rico, manufactured less than 35,000 pounds of tobacco, or from any manufacturer of cigars, who, during the first three-quarters of the preceding calendar year, manufactured less than 185,000 cigars, or from any manufacturer of cigarettes who, during the first three-quarters of the preceding year, manufactured less than 750,000 cigarettes: *And provided further*, That the Secretary of Agriculture shall omit the collection of statistics from any dealer, manufacturer, growers' cooperative association, warehouseman, broker, holder, or owner who does not own and/or have in stock, in the aggregate, 50,000 pounds or more of leaf tobacco on the date as of which the reports are made. For the purposes of this act, any tobacco which has deteriorated on account of age or other causes to the extent that it is not merchantable or is unsuitable for use in manufacturing tobacco products shall be classified with other nondescript tobacco and reported in the 'N' group of the type to which it belongs."

SEC. 2. Section 2 of said act of January 14, 1929, as amended, is hereby amended to read as follows:

"SEC. 2. The Secretary of Agriculture shall establish standards for the classification of leaf tobacco, and he is authorized to demonstrate such standards, to prepare and distribute samples thereof, and to make reasonable charges therefor. He shall specify the types, groups of grades, qualities, colors, and/or grades, which shall be included in the returns required by this act. The Secretary of Agriculture shall prepare appropriate blanks upon which the returns shall be made, shall, upon request, furnish copies to persons who are required by this act to make returns, and such returns shall show the types, groups of grades, qualities, colors, and/or grades and such other information as the Secretary may require."

SEC. 3. Section 5 of the said act of January 14, 1929, as amended, is hereby amended to read as follows:

"SEC. 5. The Secretary of Agriculture shall have access to the tobacco records of the Commissioner of Internal Revenue and of the several collectors of internal revenue for the purpose of obtaining lists of the persons subject to this act and for the purpose of aiding the collection of the information herein required, and the Commissioner of Internal Revenue and the several collectors of internal revenue shall cooperate with the Secretary of Agriculture in effectuating the provisions of this act."

SEC. 4. If any provision of this act, or the application of such provision to any person or circumstances, is held invalid, the remainder of the act and the application of such provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Mr. BARKLEY. I move that the Senate concur in the amendment of the House with an amendment, on page 2, line 16, of the House engrossed amendment to strike out "shall" and insert "may."

The motion was agreed to.

### STABILIZATION OF BITUMINOUS-COAL-MINING INDUSTRY

The Senate resumed the consideration of the bill (H. R. 9100) to stabilize the bituminous-coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a draw-back under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties.

Mr. MURPHY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

Mr. DIETERICH. Mr. President——

Mr. MURPHY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Costigan | Logan | Robinson |
| Ashurst | Davis | Lonergan | Russell |
| Austin | Dieterich | Long | Schall |
| Bachman | Donahey | McAdoo | Schwellenbach |
| Bailey | Duffy | McCarran | Sheppard |
| Bankhead | Fletcher | McGill | Shipstead |
| Barbour | Frazier | McKellar | Smith |
| Barkley | George | McNary | Steiwer |
| Black | Gerry | Maloney | Thomas, Okla. |
| Bone | Gibson | Metcalf | Thomas, Utah |
| Borah | Glass | Minton | Townsend |
| Brown | Gore | Moore | Trammell |
| Bulkley | Guffey | Murphy | Truman |
| Bulow | Hale | Murray | Tydings |
| Burke | Harrison | Neely | Vandenberg |
| Byrd | Hastings | Norbeck | Van Nuys |
| Byrnes | Hatch | Norris | Wagner |
| Capper | Hayden | Nye | Walsh |
| Caraway | Holt | O'Mahoney | Wheeler |
| Chavez | Johnson | Overton | White |
| Clark | King | Pittman | |
| Connally | La Follette | Radcliffe | |
| Copeland | Lewis | Reynolds | |

The PRESIDENT pro tempore. Eighty-nine Senators having answered to their names, a quorum is present.

Mr. DIETERICH. Mr. President, I should like to have the attention of Senators present while I make some observations concerning the pending measure.

I was very much interested in the discussion of the subject by the Senator from Pennsylvania [Mr. GUFFEY]. He discussed the bill generally without explaining just exactly what the bill which we are asked to enact would effectuate and what the result would be upon the coal and other industries and upon labor. No one would quarrel with his statement as to the desirability of conserving the Nation's resources. The first bill presented seemed to major upon that particular proposition, but the bill afterward passed by the House, and which is under consideration by the Senate at the present time, has nothing whatever to do with the conservation of coal except that it provides that a study shall be made of the subject by the commission to be appointed under the bill.

So far as the Senate is concerned, this particular bill has never been considered by any committee. We have not had the advantage of the hearings before the committee that we should have had to enable us properly to pass upon an important measure of this kind. It is true a subcommittee was appointed to hold hearings on a former bill, a bill which those interested now admit has been materially changed, and judging by the propaganda coming to me from those who are interested, the bill has been materially improved by the change. There were hearings held under the old bill by the subcommittee under the direction of the chairman, the senior Senator from West Virginia [Mr. NEELY]. Those hearings were reported to the full committee but before they were in print the bill was voted out with a favorable recommendation, upon condition, as stated by most of the Senators, that they reserved the right to take whatever position they desired concerning the bill when it reached the floor of the Senate. I was among that particular group.

I do not know of any measure that has attracted more attention and concerning which there has been more propaganda and more solicitation, one way or the other, than the pending measure. I think, perhaps, every source that possibly could be conceived of as being able to influence the vote of a Member of Congress has been brought to bear for or against this particular bill. Every kind of pressure and influence has been brought to bear to try to induce Members of Congress to support the measure.

I was somewhat shocked at the statement of the senior Senator from West Virginia to the Senate that if this bill should not pass there would be a Nation-wide coal strike. That particular sort of pressure has been availed of from various sources since this bill has been under consideration. My answer to that is that whenever any group can by the threat of violence cause a deliberative body such as the Senate to pursue a certain course of action, this Republic and the laws of this Republic have failed.

I wonder how many Senators and how many Members of the other House of Congress are here who would probably have stayed at home if someone had put them under fire. There is something inherent in the American spirit, and especially in Members of the Congress, which resents anyone thinking that we are cowards and uninformed as to subjects which come before us.

That does not mean much in this body but to the membership of any group it is heralded that the threat, the fear produced in the legislators is what brought about the enactment or disapproval of a measure. I do not think any Member of the Senate would possibly deviate from what he thought was his duty and his responsibility by reason of the fact that some threat of violence had been made.

I do not know of any measure in my State that has brought about more activity for and against it than has this particular bill. I have received numerous telegrams and other communications relative to it. In my State the miners are divided on the subject. One particular group wants the bill enacted; the other particular group wants it defeated. The business men and the chambers of commerce in my State, who represent the business interests of the State, are almost unanimous in asking me to oppose this measure. I conceive it to be my duty, as a Member of the Senate, to use my own judgment, to avail myself of my own knowledge of the business affairs of my State and of the country, to study the measure that is to be enacted into law, and then to give to my people the benefit of my honest judgment upon it, and not to follow the solicitation of someone of whose motive and interest I may not be fully cognizant.

I am for the conservation of the bituminous-coal industry of this country. I am for an adequate wage being paid to those who toil in the mines. I am for an adequate return upon the investment of those who have invested their money in coal properties.

So far as the general statement of the Senator from Pennsylvania [Mr. GUFFEY] is concerned, I am for all the principles which he has enunciated, but this bill violates every single one of them.

I am not going to discuss the constitutionality of the proposed measure, not that I believe it is constitutional, but because enough discussion has been had along that line. I am going to discuss its effect upon the business, the industries, and the labor of my own State, and when I discuss that it will likewise apply to every other State in the Union except two—West Virginia and Pennsylvania.

If this bill were properly labeled and bore its correct title, it should be entitled "A bill to provide a means by which West Virginia and Pennsylvania may control the coal markets of the United States of America."

I am interested in its effect upon my people. I am opposed to the bill in behalf of every business interest in my State except possibly some coal companies in Illinois that have extensive holdings in Pennsylvania and West Virginia and that are speaking or representing themselves as speaking for the coal production of Illinois. I am opposing the bill on behalf of labor in my State. I am opposing it on behalf of the miners of my State.

The history of mining in Illinois is interesting. This bill is an evidence of ingratitude to those who have toiled and fought for a decent wage. The story of the production of coal in Illinois, when the workmen were unionized, and met the competition of coal produced in fields where unfair labor was employed, is an interesting one. They saw their coal market taken away from them by reason of the fact that they remained loyal to the principles of labor. From 1918 down to 1932 there was a gradual decline, when the tonnage became less and less, while on the other hand in the State of West Virginia, which now stands sponsor for a labor cause operated by unfair labor, the tonnage increased and doubled itself time and again. Now the bill seeks in an indirect way to allocate the coal production of my State, where it has reached the bottom, with the coal production of West Virginia and Pennsylvania, where it has reached the peak.

It is true that under N. R. A. the coal industry was benefited. I am not opposing the principle of N. R. A. It

may be that in enacting that principle a great deal of difficulty was met in translating the Golden Rule into a rule of business conduct, but N. R. A. is the best example of what propaganda can do. Propaganda from all the service clubs brought it into being. Propaganda has brought it into disrepute. Yet the underlying principles of N. R. A. are the correct principles in the business conduct of any industry.

I say the coal business was benefited to some extent under N. R. A., but N. R. A. has not been followed in this bill. In the code authority pertaining to coal under N. R. A. the country was divided into five districts. District no. 1 was composed of Ohio, Pennsylvania, West Virginia, part of Virginia, and the Eastern States. There was a reason for that. It was because there was producton and a market within that district. It was compact. At that time the natural market to which the coal produced in Pennsylvania, since the fires in the furnaces of the manufacturers have died out, naturally was the markets in New York State and the seaboard.

District no. 2, under the N. R. A., was comprised of Indiana, Illinois, and Iowa, another sensible, compact district, a district with a market within itself, containing the great metropolitan city of Chicago with its manufacturing activities and its various other activities which consume bituminous coal. That market at one time was supplied from the three States in that little group. It was our home market. Only a small percentage of the coal produced in Illinois finds its way into interstate commerce. It is mined in the State of Illinois, and it is consumed by the manufacturing industries and the homes of the State of Illinois. But when, as I say, Illinois, remaining faithful to labor, could not produce its coal at the same price and compete with the States of West Virginia and Pennsylvania, the coal from those States began to find its way into the Illinois market.

What does this bill do? Why does it do it? It consolidates districts nos. 1 and 2. It reaches from the eastern line of the State of Pennsylvania to the western line of Iowa. It takes in part of the coal fields of Tennessee and Kentucky. It takes in an area which produces 90 percent of the bituminous coal used in the United States. Pennsylvania and West Virginia are the mountain regions where "old king coal" dwells. Those States have the market of the Eastern States. They have the market on the Atlantic seaboard; but they desire to take in the market of Chicago, unfairly acquired so far as labor is concerned; and I am talking now about labor. They are going to fix a price in order that they may avail themselves of the market of Chicago, which means that we in Illinois cannot sell our coal in our own home market, in our own home State, not for interstate consumption but for intrastate consumption, except by fixing a competitive price which will enable coal to be shipped from eastern Pennsylvania and sold in our territory at a profit.

Mr. NEELY. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from West Virginia?

Mr. DIETERICH. I yield for a question; yes.

Mr. NEELY. Does the Senator from Illinois believe the enactment of the pending bill would inure to the benefit of the coal operators of West Virginia at the expense of the coal operators of the State of Illinois?

Mr. DIETERICH. I certainly do.

Mr. NEELY. Then, does not the Senator from Illinois think it is remarkable that three or four of the greatest——

Mr. DIETERICH. Mr. President, I do not wish to be interrupted for that purpose. The Senator from West Virginia may have the floor later. I do not expect him to agree with me, but I am telling him what my investigation of this bill discloses to me. I think it is my duty to represent my State and its people. I think it is my duty to prevent its people and its industries from suffering hardships which will inure to the benefit of the citizens of some other State. I am here defending my people and their interests; and the interests of my people are the same as the interests of the people of every other State outside of West Virginia and Pennsylvania.

Mr. GUFFEY. Mr. President, may I interrupt the Senator to ask him a question?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Pennsylvania?

Mr. DIETERICH. I yield.

Mr. GUFFEY. A few moments ago the Senator stated that district no. 1 extended from eastern Pennsylvania clear to Illinois.

Mr. DIETERICH. Minimum price-fixing area no. 1 extends from eastern Pennsylvania to western Iowa.

Mr. GUFFEY. Oh, the Senator is talking about the other district? That is all right.

Mr. DIETERICH. Yes. It takes in some 10 or 15 districts. I am talking about the price-fixing area. I am talking about the kernel of this bill, and that is found on page 14, in the minimum price-fixing area.

The mechanics of the bill are as follows: The districts within themselves ascertain the cost of production, and fix a price at the mine for consumption where no outside competition exists. Then, when coal from other districts finds its way to such a marketing area, the price is fixed to meet competition, to make them fair competitors one with the other. In other words, the mines located 50 miles from the city of Chicago must fix a price which is a fair competitive price with the mines of eastern Pennsylvania, 1,200 miles away; and they do not do it by lowering freight rates. They do not do it by lowering wages. They do it by forcing our poor people—and coal is the fuel of the poor—to pay a price which is exorbitant for Illinois coal.

That is the policy of this bill, and that is the purpose behind the bill. Its advocates may conceal it and veneer it over with all the beautiful lectures on labor they desire; and no one wishes to see labor trodden under foot. They may do it on the basis of conservation, but the real forces behind the bill are the coal barons of Pennsylvania and West Virginia.

Mr. NEELY. Mr. President, will the Senator yield once more?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from West Virginia?

Mr. DIETERICH. I do.

Mr. NEELY. Does not the Senator from Illinois know that the most prominent coal operators of West Virginia are not only opposed to the bill, but they have sent out an appeal for $25,000 to maintain a lobby to defeat it?

Mr. DIETERICH. I do not know anything about that. There has been a great amount of propaganda going on. I know of one concern which was represented to be for the bill which afterward came and denied it. The coal operators do not understand the bill. The bill has been misrepresented. The bill is misunderstood.

I realize that in making this talk I take the hazard of being misquoted and misunderstood. I am stating what the text of the bill is. I do not care who is for it or who is against it. That does not change the cold letter of the law which we are asked to enact here.

Mr. NEELY. Mr. President——

Mr. DIETERICH. I do not care for a running discussion. That is not my nature at all. I am more of a peaceful disposition. [Laughter.]

Mr. NEELY. I assure the Senator that there is no intention of engaging in any sort of warfare. May I call the Senator's attention to some testimony which was given in behalf of some coal operators of West Virginia? Then I promise not to interrupt him again.

Mr. DIETERICH. I do not wish to be discourteous to the Senator, but I was not there to cross-examine the witnesses. I do not know what interest they had in the matter. I do not know how truthful they were. It might have been possible to impeach them. Much of this testimony, when we read the record of hearings, is the testimony of those who have been schooled and primed. In other words, expert testimony, when truthful, is the most valuable testimony in the world. When it is not truthful, it is the most damaging and of less weight than any other testimony that can be adduced.

Mr. NEELY. Will the Senator from Illinois permit me to tell him—and the record will verify the fact—that Mr.

Francis, the president of the Island Creek Coal Co., of West Virginia, one of the greatest coal companies in the world, appeared before both the Senate and the House committees in opposition to the bill?

Mr. DIETERICH. I have tried to be courteous to my friend from West Virginia. I know he is a friend of mine, and I am a friend of his; but I would rather not have him interrupt me. If I make any statements to which he does not agree, he may, in an orderly way, refute those statements. I do not know what took place before his committee. We had no means of knowing, because the original bill was never considered by the committee but was withdrawn, and finally this bill was put in.

Mr. NEELY. Mr. President, this will be my last interruption.

Mr. DIETERICH. I have seen the hearings before the committee. I have read those hearings.

Mr. NEELY. Will not the Senator permit me to call his attention to the fact——

Mr. DIETERICH. I am not going to let this matter turn on what some operator wants or does not want. I wish to stay with the text of the bill. Too many smoke screens have been thrown around the real purpose of the bill. I do not care what the operators may have said about it.

Mr. NEELY. I assure the Senator I do not wish to read any testimony; but I should like to correct one statement, to the effect that no Senator was given an opportunity to know what went on before the committee.

Mr. DIETERICH. Oh, they probably were given an opportunity to know.

Mr. NEELY. Here are 700 pages of printed evidence that was taken.

Mr. DIETERICH. Certainly; and if we had time to read all the 700 pages of evidence we should be here 24 hours in the day, and we should have to have a longer year. If you want to hide anything, put it in one of those volumes of evidence taken before a committee, and you have it completely hidden, unless somebody wishes to fish it out to use it for his own purposes.

Mr. NEELY rose.

Mr. DIETERICH. Mr. President, I respectfully ask that I not be interfered with any further.

I have stated the real purpose of the bill. I am not going to burden the Senate by analyzing its provisions in the matter of the minimum price-fixing areas which attempt to put Pennsylvania and West Virginia on a fair competitive basis with Iowa, Indiana, and Illinois for the Chicago coal market.

I wish to call the attention of the Senate to some of the provisions of part II, and this is the real meat of the bill. If this were left out, those back of the bill would not care for codes of fair competition or anything else. I am not saying that the author of the bill is trying to do anything improper. I do not blame him for trying to get an advantage for the State of Pennsylvania; and if it were not a fact that the citizenship of my State would have to pay for that advantage, and if it were not a fact that it would be an injustice to citizens of other States in the United States, I might not be opposing the bill. I do not know of anyone more lovable and whose reasonable measures I would rather support than the junior Senator from Pennsylvania, but we cannot vote for the junior Senator from Pennsylvania in this bill. In acting on the bill, we have to vote with the knowledge that it is going to have its effect on the citizenship of the United States outside of West Virginia and Pennsylvania, who will have to pay the price that is laid down.

Talk about an increase in the price of coal of 2¾ cents; when you fix the minimum market areas for coal produced in Illinois, and Indiana coal, which finds its way into the Illinois markets and to its own market at Gary, when you have to raise that to meet the price of coal shipped from eastern Pennsylvania, to say that it is 2½ cents is simply nonsense.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Does the Senator from Illinois yield to the Senator from Louisiana?

Mr. DIETERICH. I yield.

Mr. LONG. As I understand the Senator, if the benefit Pennsylvania is to get had to be paid for by the people of Wyoming, the Senator from Illinois would not be arguing against the bill?

Mr. DIETERICH. I said Illinois or any other State.

Mr. LONG. I beg the Senator's pardon.

Mr. DIETERICH. Oh, no; I referred to other States as well as my own.

In paragraph 2, on page 13, it is provided:

Each district board shall, from time to time on its own motion or when directed by the Commission, establish minimum prices free on board transporation facilities at the mines for kinds, qualities, and sizes of coal produced in said district, with full authority, in establishing such minimum prices, to make such classification of coals and price variations as to mines and consuming market areas as it may deem necessary and proper.

Mr. President, this is the significant part of title II of the bill. I read from page 17, paragraph (b):

(b) District boards shall, under rules and regulations established by the Commission, coordinate in common consuming market areas upon a fair competitive basis the minimum prices and the rules and regulations established by them, respectively, under subsection (a) hereof. Such coordination, among other factors, but without limitation, shall take into account the various kinds, qualities, and sizes of coal, and transporation charges upon coal. All minimum prices established for any kind, quality, or size of coal for shipment into any consuming market area shall be just and equitable, and not unduly prejudicial or preferential, as between and among districts.

I will not read from this provision further, but on page 14 there is a provision for nine areas, as follows:

Area 1: Eastern Pennsylvania, district 1; western Pennsylvania, district 2; northern West Virginia, district 3; Ohio, district 4; Michigan, district 5; Panhandle, district 6; southern no. 1, district 7; southern no. 2, district 8; west Kentucky, district 9; Illinois, district 10; Indiana, district 11; Iowa, district 12; that part of southeastern, district 13, comprising Van Buren, Warren, and McMinn Counties in Tennessee:

Area 2: Southeastern, district 13, except Van Buren, Warren, and McMinn Counties in Tennessee.

Area 3: Arkansas-Oklahoma, district 14.

Area 4: Southwestern, district 15.

Area 5: Northern Colorado, district 16; southern Colorado, district 17; New Mexico, district 18.

Area 6: Wyoming, district 19; Utah, district 20.

Area 7: North Dakota and South Dakota, district 21.

Area 8: Montana, district 22.

Area 9: Washington, district 23.

If those who drew the bill wanted to have this board do something, if they wanted to be equitable about it, why did they not leave it to the board to investigate and determine what the minimum-price area should be under this particular bill? Who drafted the bill? Who suggested that these districts be as they are proposed to be established? If they wanted to follow N. R. A., why did they not follow N. R. A.?

Mr. President, I do not know that I care to take up any further time of the Senate. As I have said, I could not be true to myself, to the business interests of my State, or to the labor interests of my State and vote for a bill which would do what this one would accomplish.

It allocates the tonnage which can be mined in each district. It allocates it according to the production of 1934, which was practically the production of 1933. In my State it allocates it down to the very bottom, when, as I have said, other States, operating under unfair labor conditions, have taken away the markets of my own State. It gives them the advantage of what their cheap labor and their cheap mining has produced for them, and pegged it and practically stabilized it at those figures.

It simply means, regardless of what scale of wages will be paid—and it is no improvement over N. R. A. in the matter of wage scales—that less and less miners will be employed, with a minority employed, perhaps, at a fair wage.

It is not labor that is back of this bill. Back of the bill, as I have said, are the extensive coal interests which are intermingled in Pennsylvania and West Virginia and the moving spirit of Illinois, the Peabody Coal Co., is interested in those coal fields.

I thank the Senate.

## DONATION OF ARMY EQUIPMENT TO POSTS OF THE VETERANS OF FOREIGN WARS

The PRESIDING OFFICER (Mr. TRUMAN in the chair) laid before the Senate the action of the House of Repre-

sentatives disagreeing to the amendments of the Senate to the bill (H. R. 7199) to provide for the donation of certain Army equipment to posts of the Veterans of Foreign Wars.

Mr. GORE. Mr. President, I move that the Senate recede from the amendments it adopted a few days ago to the bill. I may say that I have found other ways and means of accomplishing the object which was designed to be accomplished.

The motion was agreed to.

DISPOSITION OF SURPLUS REAL PROPERTY OF FEDERAL AGENCIES

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2888) to provide for the disposition, control, and use of surplus real property acquired by Federal agencies, and for other purposes, which were, on page 1, line 8, to strike out "device" and insert "devise"; on page 2, line 10, after "(b)" to insert "pending a sale", and on page 4, line 11, after "Columbia", to insert "except the Post Office Department."

Mr. CONNALLY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

HIGHWAY TO CONNECT NORTHWESTERN PART OF UNITED STATES WITH BRITISH COLUMBIA, YUKON TERRITORY, AND ALASKA

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1374) authorizing the survey, location, and construction of a highway to connect the northwestern part of continental United States with British Columbia, Yukon Territory, and the Territory of Alaska, which were, on pages 2 and 3, to strike out all of sections 3 and 4, and to amend the title so as to read: "An act relative to the proposed survey, location, and construction of a highway to connect the northwestern part of continental United States with British Columbia, Yukon Territory, and the Territory of Alaska."

Mr. McNARY. I move that the Senate concur in the House amendments.

The amendment was agreed to.

POST-OFFICE BUILDING AT COLUMBUS, MISS.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 8977) to authorize the Secretary of the Treasury to acquire a site for the erection of a post-office building at Columbus, Miss., reported it without amendment and submitted a report (No. 1434) thereon.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated below:

H. R. 7974. An act to withdraw and restore to their previous status under the control of the Territory of Hawaii certain Hawaiian homes lands now in use as an airplane landing field: to the Committee on Territories and Insular Affairs.

H. R. 8598. An act to provide for the inspection and regulation of vessels engaged in the transportation of inflammable, explosive, and like dangerous cargoes in navigable waters of the United States; to the Committee on Commerce.

H. R. 8977. An act to authorize the Secretary of the Treasury to acquire a site for the erection of a post-office building at Columbus, Miss.; to the Committee on Public Buildings and Grounds.

H. R. 9116. An act to extend the provisions of veterans' laws and regulations to persons who served in Russia during the World War and their dependents; to the Committee on Finance.

H. J. Res. 286. Joint resolution for the relief of Kam N. Kathju; to the Committee on Immigration.

LOANS BY THE RECONSTRUCTION FINANCE CORPORATION

Mr. LEWIS obtained the floor.

Mr. COSTIGAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Colorado?

Mr. LEWIS. I yield.

Mr. COSTIGAN. Mr. President, I desire to have the Senate consider House bill 6776, to amend section 36 of the Emergency Farm Mortgage Act of 1933, and ask unanimous consent that it may be considered at this time.

The PRESIDING OFFICER. The clerk will state, by title, the bill to which the Senator refers.

The CHIEF CLERK. A bill (H. R. 6776) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended.

Mr. McNARY. Mr. President, my attention was diverted. Has the Senator made request for the consideration of a bill?

Mr. COSTIGAN. I have.

Mr. McNARY. Is it on the calendar?

Mr. COSTIGAN. It is on the calendar, and was brought to the attention of the able Senator from Oregon by the Senator from Texas [Mr. SHEPPARD].

Mr. McNARY. Is that the bill about which the Senator is speaking?

Mr. COSTIGAN. It is a bill to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended. The Senator from Texas [Mr. SHEPPARD] discussed it with the Senator from Oregon today.

Mr. McNARY. I think my colleague in the House, Mr. PIERCE, introduced the bill there.

Mr. COSTIGAN. That is true.

Mr. McNARY. I offered the bill in the Senate, and it is coupled now, I understand, with the House amendment.

Mr. COSTIGAN. Yes.

Mr. McNARY. Will the Senator briefly advise us of the contents of the bill?

Mr. COSTIGAN. Mr. President, the bill is in the nature of an amendment to section 36 of the Emergency Farm Mortgage Act of 1933, which, as heretofore amended, authorizes the Reconstruction Finance Corporation to loan not exceeding $125,000,000 on reasonable and adequate security for the benefit of drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts, also mutual nonprofit corporations and incorporated water users' associations. The bill presented here, as amended in the Senate committee, adds reclamation districts, and, furthermore, deals with a special situation which, in part contributed to the introduction of the amendment. It has been found as an incident of the Government's policy of buying and arranging to buy considerable tracts of land, including cut-over forest lands, that the Federal Government has frequently been reducing to a substantial extent the taxable resources of various tax units in several States.

Testimony, for example, before the Committee on Banking and Currency indicated that in one county in Texas approximately one-third of the county's land has thus been taken out of the taxable unit. It is urged that such counties and other political subdivisions and lawful districts ought to be aided in reasonable efforts to refinance their outstanding obligations if possible to do so advantageously. The amendment to section 36, in the form of a new section called "36A", is designed to advance that possibility.

In the committee, which carefully considered the subject and heard witnesses, it was further proposed that the suggested authorization be extended to and for the benefit of counties, other political subdivisions of States, and State-authorized districts in which the United States has acquired lands for watershed protection, timber production and conservation, protection of grazing areas, or preservation of wildlife.

The bill was appropriately referred to the Farm Credit Administration, the Agricultural Department, and the Reconstruction Finance Corporation, and comes to the Senate without any present objection from those agencies. The Chairman of the Reconstruction Finance Corporation appeared before the committee at its final session and stated in effect that it would be possible, he believes, out of existing funds already appropriated for the Reconstruction Finance Corporation for the stated uses, if required, to find the sum of not exceeding $10,000,000 specified in the bill, to be safeguarded by adequate security, and that he had no objection to offer on behalf of the Reconstruction Finance Corporation to the enactment of the measure as amended by the Senate committee.

Mr. NORRIS. Mr. President, is the bill before the Senate for consideration?

Mr. COSTIGAN. As I understand the parliamentary situation, the request has been made that the bill be considered, but the request has not been acted upon.

Mr. CONNALLY. The Senate committee had made a favorable report of the bill?

Mr. COSTIGAN. The Senate committee favorably reported the measure.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6776) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, which had been reported from the Committee on Banking and Currency with an amendment in section 1, page 1, line 11, after the words "drainage district" to insert "reclamation district", so as to make the section read:

*Be it enacted, etc.*, That the first two sentences of section 36 of the Emergency Farm Mortgage Act of 1933, as amended, are amended to read as follows:

"The Reconstruction Finance Corporation is authorized and empowered to make loans as hereinafter provided, in an aggregate amount not exceeding $125,000,000, including commitments and disbursements heretofore made, to or for the benefit of drainage districts, levee districts, levee and drainage districts, reclamation districts, irrigation districts, and similar districts, mutual nonprofit companies and incorporated water-users' associations duly organized under the laws of any State, and to or for the benefit of political subdivisions of States which have or propose to purchase or otherwise acquire projects or portions thereof devoted chiefly to the improvement of lands for agricultural purposes. Such loans shall be made for the purpose of enabling any such district, political subdivision, company, or association (hereafter referred to as the 'borrower') to reduce and refinance its outstanding indebtedness incurred in connection with any such project; or, whether or not it has any such indebtedness, to purchase, acquire, construct, or complete such a project or any part thereof, or to purchase or acquire additional drainage, levee, or irrigation works, or property, rights, or appurtenances in connection therewith, and to repair, extend, or improve any such project or make such additions thereto as are consonant with or necessary or desirable for the proper functioning thereof or for the further assurance of the ability of the borrower to repay its loan: *Provided*, That it is not intended that additional lands will thereby be brought into production."

The amendment was agreed to.

The next committee amendment was on page 3, after line 11, to insert a new section, as follows:

SEC. 3. The Emergency Farm Mortgage Act of 1933 as amended, is further amended by adding after section 36 thereof the following new section:

"SEC. 36A. In addition to the authority granted to the Reconstruction Finance Corporation by section 36 of this act, as amended, the Corporation is authorized and empowered to make loans, as hereinafter provided, in an aggregate amount not exceeding $10,000,000 to or for the benefit of counties, political subdivisions of States, political subdivisions of counties, and districts, duly organized under the laws of any State, in which the United States has acquired or shall hereafter acquire lands for purposes of watershed protection, timber production and conservation, protection of grazing areas, or preservation of wildlife. Such loans shall be made for the purpose of enabling any such county, political subdivision, or district (hereinafter referred to as the 'borrower') to refinance its outstanding indebtedness existing at the time the United States acquired or shall have acquired such land.

"Such loans shall be subject to the same terms and conditions as loans made under section 5 of the Reconstruction Finance Corporation Act, as amended, except that (1) the terms of any such loans shall not exceed 40 years; (2) each such loan shall, in the opinion of the Corporation, be reasonably and adequately secured, and, in respect to the type of security, shall be secured (a) by bonds, notes, or other obligations for the payment of which shall be pledged the full faith and credit and taxing power of the borrower or of such taxing authority as may be authorized pursuant to State law to levy assessments, taxes, or other charges for the repayment of said obligations, or (b) by bonds, notes, or other obligations which are a lien on real property situated within the boundaries of the borrower, which is taxable under existing laws, or shall be secured by both of such methods, and (c) by such other collateral as may be acceptable to the Corporation; and (3) the borrower shall agree, insofar as it may lawfully do so, that so long as any part of such loan shall remain unpaid the borrower will in each year apply to the repayment of such loan, or to the purchase or redemption of the obligations issued to evidence such loan, an amount equivalent to a proportionate part of the principal of the loan, taking into consideration the number of years through which the loan will mature and taking into consideration the intention to place on the taxpayers a burden as nearly uniform as practicable throughout the entire term of the loan, and that it shall at all times make provision for such reasonable reserves as may be approved by the Corporation. No loan shall be made under this section until the Reconstruction Finance Corporation (a) shall have determined that by reason of the acquisition of said land by the Government the financial condition of the borrower has been sufficiently affected to warrant the making of such loan; (b) has satisfied itself as to the security supporting the outstanding bonds or other obligations of the applicant; and (c) in the case of a loan to reduce or refinance the outstanding indebtedness of an applicant, has been satisfied that an agreement has been entered into between the applicant and holder of its outstanding bonds or other obligations under which the applicant will be able to purchase or refund all or a major portion of such bonds or other obligations at a price determined by the Corporation to be reasonable after taking into consideration the average market price of such bonds over the 6 months' period ending July 1, 1935, and under which a reduction will be brought about in the amount of the outstanding indebtedness of the applicant, or under which a reduction in its annual charges of principal and interest will be accomplished, resulting in benefit to the community and promoting its general welfare. Loans made under this section shall bear interest at a rate or rates to be fixed by the Corporation.

"When a loan is authorized pursuant to the provisions of this section and it shall then or thereafter appear that repairs and necessary extensions or improvements to the properties of borrower are necessary or desirable for the further assurance of the ability of the borrower to repay such loan, the Corporation, within the limitation as to total amount provided in this section, may make an additional loan or loans to such borrower for such purposes.

"The proceeds of any loan applied for by a borrower under this section may be paid either to such borrower or to the holders or representatives of the holders of the bonds, notes, or other obligations to be reduced and refinanced in connection with such loan, and such loans may be made upon promissory notes collateraled by such bonds, notes, or other obligations, or through the purchase of securities issued or to be issued by such borrower. In the discretion of the Corporation, the borrower may, if consistent with State law, be authorized to deliver to the holders of such original obligations, refunding bonds bearing the same rate of interest and issued on the same basis of the refunding bonds to be held by the Corporation."

The amendment was agreed to.

Mr. NORRIS. Mr. President, have all the committee amendments been acted upon?

The PRESIDING OFFICER. Yes.

Mr. NORRIS. I have an amendment with which the Senator from Colorado [Mr. COSTIGAN] is familiar.

I offer as an amendment the bill which has been acted upon favorably and unanimously by the Judiciary Committee, which extends for 2 years the life of the Electric Home and Farm Authority. It is very desirable that this action be had at this session, because the Electric Authority is contemplated to be used very much in connection with rural electrification. The object is to continue the sale of electric facilities. There is no objection to this amendment, so far as I know, from any private power company or from any public power company of any kind.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 7, after line 3, after the committee amendment heretofore agreed to, it is proposed to insert a new section, as follows:

SEC. 4. That notwithstanding any other provision of law, Electric Home and Farm Authority, a corporation organized under the laws of the District of Columbia, shall continue until February 1, 1937, or such earlier date as may be fixed by the President by Executive order, to be an agency of the United States. During the continuance of such agency the present investment in the capital stock of such corporation, for the use and benefit of the United States, shall be continued, and such corporation is hereby authorized to use all its assets, including capital and net earnings therefrom, and all moneys which have been or may hereafter be allocated to or borrowed by it, in the exercise of its functions as such agency.

Mr. NORRIS. The amendment reincorporates the Electric Home and Farm Authority, the operation of which was carried on by the officers of the T. V. A., although they had no investment in it. The President had designated them as the officers of the Electric Home and Farm Authority.

That brought forth some criticism against the T. V. A., which it was desired to avoid, because the T. V. A. had no more interest in it than anyone else. In fact, the private power companies in direct competition in Tennessee, Georgia, and Alabama were the greatest beneficiaries from it by reason of the sale of the increased current which was brought about by this corporation, which has induced manufacturers of various electrical appliances to manufacture the appli-

ances, which the Authority helped them to sell. It has resulted so far in a financial gain for the private power companies. There has been no loss of money. It enables homes to be supplied with electric refrigerators, electric hot-water heaters, electric irons and wringers at practically half the price the purchasers are now compelled to pay.

In connection with the national scope of electrifying rural communities, the Electric Home and Farm Authority desires to carry on the same sort of sales methods in other parts of the country that it has carried on in the States where the Authority has been so successful. So it has reincorporated in the District of Columbia; and the officers of the T. V. A., who were formerly officers of this organization, are no longer officers and have nothing to do with the corporation.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. I was wondering how they could sell for one-half of the price charged by manufacturers, since they are not a manufacturing concern.

Mr. NORRIS. Here is a chart showing the number of major appliance sales per 1,000 domestic customers for 40 of the largest power companies. The Tennessee Electric Power Co., operating in Tennessee, has increased by 140 per 1,000 customers. The next one is the Georgia Power Co. Then comes the Alabama Power Co. All these companies have largely increased the sale of electric current, because the people buy these electric appliances for one-half what they used to pay for them. This organization, the Electric Home and Farm Authority, which is incorporated, borrows its money from the R. F. C. The organization has made arrangements with the manufacturers of large electric appliances, such as the General Electric Co. and other companies manufacturing various electric appliances, to manufacture an appliance which is not so glittering or so beautiful to look at, but is just as good and possesses all the superior qualities of the best that are made; and, on account of the increased sales it procures, it makes these special prices. That is the total object of this corporation. It does not do anything else.

Mr. KING. Mr. President, how large an appropriation is the corporation seeking?

Mr. NORRIS. No appropriation whatever. There will be no such thing as an appropriation.

Mr. KING. They are reincorporating in the District of Columbia?

Mr. NORRIS. They are now reincorporated.

Mr. KING. Is the Delaware corporation dissolved?

Mr. NORRIS. It is dissolved. It goes out of existence and everything is turned over to the new corporation.

Mr. KING. It is merged in the new corporation?

Mr. NORRIS. It is merged in the new corporation, which is to last only 2 years.

Mr. KING. Mr. President, I shall not object to consideration of the measure. It seems to me, however, that it is in line with some of the policies of some of the organizations under this administration to project the Federal Government into fields of endeavor which heretofore have been regarded, and properly regarded, as belonging to private initiative. If we may loan Federal money at a low rate of interest to corporations and put them into competition with organizations or individuals——

Mr. NORRIS. Mr. President, the private corporations have benefited because of the existence of this organization. For instance, the Tennessee Electric Power Co. has made greater advancement in the sale of electric current in the past year than has any other company, I think, in the world.

It was given a badge of honor by some large associations. The Alabama Power Co. has also increased its sales. But there was some prejudice against the Electric Home and Farm Authority, because when it was previously operating its officers were officers of the T. V. A., though they received no salary from it. In order to avoid all that and to extend its operations into sections of the country where they are going to try to introduce rural electrification, the President thought it was better to incorporate it. That has already been done; it has already been incorporated.

I ask unanimous consent, Mr. President, as part of my remarks, to have printed an analysis of its activities, showing what it has done, also a copy of the articles of incorporation here in the District, and, so that anyone may read them who wants to, and also the order of the President setting it up.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matters referred to are as follows:

ELECTRIC HOME AND FARM AUTHORITY

(A District of Columbia corporation)

(1) Electric Home and Farm Authority began operations as an agency of N. R. A. in January 1934. Its purpose was to make electrical appliances more easily available to purchasers through (a) offering to such purchasers the advantages of low financing rates (5 percent per annum) and long-term credit (3 to 4 years); (b) inducing manufacturers to reduce the price of such appliances; and (c) inducing utility companies to offer power for the operation of such appliances at cheaper rates. The corporation has not entered the distributing or selling fields—those functions have been performed by the regularly established distributors, dealers, and utilities.

To date the corporation has operated in a comparatively small area in the Southeastern States (Alabama, Georgia, Mississippi, Tennessee). Its operations have been so successful that those States have become the most progressive in the Union in the purchase of appliances. At the same time, the leading power companies in the area while voluntarily reducing rates to come within the E. H. F. A. plan have taken the lead over all other utility companies in the country in sales of appliances and per-customer increase of kilowatt-hour consumption (see exhibits A, B, and C attached hereto).

(2) The private utility companies have indicated a willingness to cooperate in the rural electrification program by building new lines into rural areas on condition that credit for the purchase of load-building appliances be made available throughout the country in the manner in which E. H. F. A. has made that credit available in the southeastern States. Particularly as an adjunct of the rural-electrification program, therefore, it has become important to extend the benefits of the E. H. F. A. to the rest of the country in connection with the purchase of electrical appliances and inside plumbing appliances which become practicable on the farm with the availability of the electric water pump.

(3) To meet the criticism that E. H. F. A.'s original Delaware charter was too broad and to place it in a position to render service on a national scale, E. H. F. A. has been reincorporated under the laws of the District of Columbia with a very simple charter and control of its board of directors has been transferred from the Tennessee Valley Authority to the Reconstruction Finance Corporation and the Rural Electrification Administration. (Copies of the certificate of incorporation of the District of Columbia corporation, and of an Executive order under which the District corporation has taken over the business of the Delaware corporation are attached hereto as exhibits D and E, respectively). The Delaware charter is to be surrendered immediately.

(4) The purpose of the proposed statute is to give to the District of Columbia corporation until February 1937, the same kind of legislative confirmation as was given in January (in the statute extending the powers of the R. F. C.) to Commodity Credit Corporation and Export-Import Bank, two other virtual R. F. C. subsidiaries. (See pp. 3–4, exhibit F, as marked.) February 1937 is the date of expiration of the lending powers of R. F. C. The statute will give the Corporation a period of life sufficient to justify manufacturers, utilities, distributors, and dealers in making any adjustments necessary to cooperate under the E. H. F. A. plan.

EXHIBIT A

*Relative position of C. & S. companies on electrical world chart of appliance sales by 100 power companies serving more than 10,000,000 domestic customers*

| | Number of domestic meters | Refrigerators | | Ranges | | Water heaters | |
|---|---|---|---|---|---|---|---|
| | | 1934 | 1933 | 1934 | 1933 | 1934 | 1933 |
| Tennessee Electric Power Co | 30 | 2 | 19 | 1 | 5 | 3 | 5 |
| Georgia Power Co | 23 | 1 | 5 | 2 | 11 | 1 | 16 |
| Alabama Power Co | 40 | 4 | 12 | 13 | 25 | 13 | 21 |

*Refrigerator sales increases reported by E. E. I.*

| State | Rank of State by percent increase | 1933 | 1934 | Increase | Percent increase |
|---|---|---|---|---|---|
| Tennessee | 1 | 9,793 | 26,822 | 17,029 | 173.9 |
| Georgia | 2 | 11,828 | 29,363 | 17,535 | 148.2 |
| Alabama | 8 | 9,785 | 16,914 | 7,129 | 72.9 |

*Percent realization manufacturers' quota, 1934*

| | Percent | Rank in United States |
|---|---|---|
| Georgia | 353.4 | 1 |
| Tennessee | 274.2 | 2 |
| Alabama | 235.3 | 3 |

Average U. S. percent realization 135.8.

EXHIBIT D

CERTIFICATE OF INCORPORATION OF ELECTRIC HOME AND FARM AUTHORITY—No. 23346

Know all men by these presents, that we, the undersigned citizens of the United States, the majority being citizens and residents of the District of Columbia, to form a corporation for the purposes hereinafter stated under and pursuant to title 5, chapter 9, section 261, of the Code of the District of Columbia, enacted by the Congress and approved by the President of the United States, do hereby certify that—

First. The name of the corporation shall be "Electric Home and Farm Authority", and the object or purpose for which it is formed is to aid in the distribution, sale, and installation of electrical apparatus, equipment and appliances (together with plumbing and other apparatus, equipment and appliances, operated thereby or in connection therewith), and in furtherance of such purposes.

(a) To lend money; and to purchase, discount, sell, rediscount, and otherwise deal in notes, conditional sale contracts, chattel mortgages, trust receipts, and other evidences of debt; to endorse or guarantee the notes or obligations of others; and to acquire the property and assets and assume the liabilities of Electric Home and Farm Authority, Inc., a Delaware corporation.

(b) To borrow a sum or sums of money not exceeding in the aggregate the sum by which the total face amount of obligations of others held by the corporation at the time of borrowing, exceeds the amount, if any, of all then existing liens upon or charges against such obligations; and to issue notes, bonds, or other evidences of debt, and as security therefor, with the consent of stockholders, to mortgage, pledge, hypothecate, assign, or otherwise give a lien on all or any part of the corporate estate.

The corporation shall exercise and enjoy all the powers, rights, and privileges granted to or conferred upon corporations of a similar character by the Code of the District of Columbia now or hereafter in force and the enumeration of the foregoing powers shall not be deemed to exclude any powers, rights, or privileges so granted or conferred.

Second. The corporation shall exist for 2 years from the date of its incorporation.

Third. The amount of capital stock of the corporation shall be $850,000, divided into 8,500 shares of par value of $100 each.

Fourth. During the first year of its existence the corporation shall be managed by a board of eight trustees, namely, Gladding B. Coit, George R. Cooksey, Thomas G. Corcoran, Sam Husbands, John K. McKee, Emil Schram, and Max O. Truitt (each of them so long as he may continue to be an officer or employee of the Reconstruction Finance Corporation), and Morris L. Cooke or his successor in office as Administrator of the Rural Electrification Administration. By vote of a majority of the trustees then holding office, the membership of the board of trustees may at any time be increased to 10 members and the vacancy thereby created filled.

The board of trustees by affirmative vote of the majority of the entire board may appoint from the trustees an executive committee of three members, a majority of whom shall constitute a quorum and, to such extent as may be provided by the bylaws, shall have and may exercise all or any of the powers of the board of trustees.

Fifth. The principal office of the corporation shall be at 1825 H Street NW., in the city of Washington, D. C., but the corporation shall have the power to maintain other offices within or without the District of Columbia.

Sixth. The corporation reserves the right to amend, alter, change or repeal any provision in the certificate of incorporation in the manner now or hereafter prescribed by statute and all rights conferred on the stockholders are granted subject to this reservation.

In witness whereof, we have hereunto set our hands and seals this 1st day of August 1935.

| | |
|---|---|
| GLADDING B. COIT. | [L. S. |
| MORRIS L. COOKE. | [L. S. |
| GEORGE R. COOKSEY. | [L. S. |
| THOMAS G. CORCORAN. | [L. S. |
| SAM HUSBANDS. | [L. S. |
| JOHN K. MCKEE. | [L. S. |
| EMIL SCHRAM. | [L. S.] |
| MAX O'RELL TRUITT. | [L. S.] |

CITY OF WASHINGTON,
*District of Columbia, ss:*

I, Ann E. Saur, a notary public in and for the District of Columbia, do hereby certify that Gladding B. Coit, Morris L. Cooke, George R. Cooksey, Thomas G. Corcoran, Sam Husbands, John K. McKee, Emil Schram, and Max O. Truitt, parties to the foregoing and annexed certificate of incorporation of the Electric Home and Farm Authority, bearing date on the 1st day of August 1935, personally appeared before me in the said city of Washington, the said Gladding B. Coit, Morris L. Cooke, George R. Cooksey, Thomas G. Corcoran, Sam Husbands, John K. McKee, Emil Schram, and Max O. Truitt, being personally known to me as the persons who signed the said certificate, and each of said persons acknowledged the same to be his act and deed.

Given under my hand and seal this 1st day of August 1935.

[SEAL] ANN E. SAUR, *Notary Public.*

My commission expires August 31, 1927.

OFFICE OF THE RECORDER OF DEEDS,
*District of Columbia.*

This is to certify that the foregoing is a true and verified copy of the certificate of incorporation of the Electric Home and Farm Authority and of the whole of said certificate of incorporation, as filed in this office the 1st day of August, A. D. 1935.

In testimony whereof I have hereunto set my hand and affixed the seal of this office this 2d day of August, A. D. 1935.

[SEAL] W. J. THOMPKINS,
*Recorder of Deeds, District of Columbia.*

EXHIBIT E

AUGUST 13, 1935.

EXECUTIVE ORDER DESIGNATING THE ELECTRIC HOME AND FARM AUTHORITY, A CORPORATION ORGANIZED UNDER THE LAWS OF THE DISTRICT OF COLUMBIA, AS AN AGENCY OF THE UNITED STATES

I hereby designate the Electric Home and Farm Authority, a corporation organized under the laws of the District of Columbia, as an agency of the United States to continue, insofar as permitted by its certificate of incorporation, the functions of, and to carry on the business hitherto engaged in by, Electric Home and Farm Authority, Inc., a corporation organized under the laws of the State of Delaware.

The direction included in Executive Order No. 6514, of December 19, 1933, that the outstanding stock of the Electric Home and Farm Authority, Inc., a corporation organized under the laws of Delaware, be voted by the directors of the Tennessee Valley Authority, is hereby rescinded, and I hereby direct that the outstanding stock of the said Electric Home and Farm Authority, Inc., be voted jointly by the trustees of the Electric Home and Farm Authority, a corporation organized under the laws of the District of Columbia.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 12, 1935.*

Mr. KING. Mr. President, I should like now to complete what I was saying.

Mr. NORRIS. I beg the Senator's pardon; I thought he had concluded.

Mr. KING. I was not directing my very brief remarks—I came into the Chamber after the Senator had submitted this bill—to the T. V. A. or its manifold activities, although I wish to be entirely frank in stating that I did not vote for the Tennessee Valley Authority measure, for I believed that it would be the mother of a large number of agencies that would derive their funds from the Federal Government, and that such agencies would enter into a field which properly under our concept of the utilization of capital had been occupied by private individuals or by organizations of individuals to carry on legitimate business.

It is a very easy thing, if one can borrow money at a small rate of interest or have it given to him by large grants from the Federal Treasury, to engage in competitive business to the disadvantage of legitimate private business.

Mr. NORRIS. Mr. President, will the Senator yield there?

Mr. KING. I yield.

Mr. NORRIS. That does not occur under this bill in any respect. Manufacturing concerns are not competed with; they manufacture the appliances themselves. The dealers are not interfered with; the dealers handle them. There is no competition with anybody in this matter, because the same people are manufacturing the cheaper refrigerators and appliances as are manufacturing expensive ones. It is merely a means by which, by reducing the price and thereby increasing consumption, a larger number may take advantage of the benefits of electricity, for instance.

Mr. KING. It is a selling agency, then?

Mr. NORRIS. Yes; it is a selling agency, and it does not cost the taxpayers a cent. As a matter of fact, this corporation has operated with a profit. They get something out of the sales, because they guarantee the sales which are made and the corporation superintends the sales. So, as a matter of fact, they make some money out of it.

Mr. KING. I shall not object to the consideration of the bill. It is not a proposition de novo. If it were, it would probably result in some discussion.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

The amendment, as amended, was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes."

Mr. COSTIGAN. Mr. President, I want to thank the able Senator from Illinois for his helpful and unvarying courtesy.

Mr. LEWIS. I appreciate the thanks of the Senator from Colorado.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8632) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for the reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes", approved May 18, 1933.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate;

H. R. 396. An act for the relief of the Virginia Engineering Co., Inc.;

H. R. 531. An act granting compensation to Walter F. Northrop;

H. R. 918. An act for the relief of Flensburger Dampfercompagnie;

H. R. 1299. An act giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.;

H. R. 1550. An act for the relief of Douglas B. Espy;

H. R. 1771. An act for the relief of Pauline Fornabaio;

H. R. 1912. An act for the relief of William J. Ryan, chaplain, United States Army;

H. R. 1962. An act for the relief of Albert H. Jacobson;

H. R. 2936. An act for the relief of J. H. Taylor & Son;

H. R. 3184. An act for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley;

H. R. 3557. An act for the relief of Helena C. VonGroning and Stephan VonGroning;

H. R. 3596. An act for the relief of William H. Ames;

H. R. 3709. An act for the relief of the Norfolk Southern Railroad Co.;

H. R. 3783. An act for the relief of George W. Rhine, doing business under the name of Rhine & Co.;

H. R. 4086. An act for the relief of Ellis Duke, also known as "Elias Duke";

H. R. 4178. An act for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee; and

H. R. 4799. An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on Claims:

H. R. 396. An act for the relief of the Virginia Engineering Co., Inc.;

H. R. 531. An act granting compensation to Walter F. Northrop;

H. R. 918. An act for the relief of Flensburger Dampfercompagnie;

H. R. 1299. An act giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.;

H. R. 1550. An act for the relief of Douglas B. Espy;

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H. R. 4799. An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931.

FILING OF SUITS UNDER WORLD WAR VETERANS ACT, 1924

The PRESIDING OFFICER laid before the Senate the amendment of the House to the joint resolution (S. J. Res. 65) to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended, which was, on page 1, line 4, to strike out "of" and insert "in."

Mr. BLACK. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PRINTING AND BINDING OF CERTAIN PUBLIC DOCUMENTS

Mr. HAYDEN. By direction of the Committee on Printing, I report back favorably without amendment the bill (S. 3440) to amend certain acts relating to public printing and binding and the distribution of public documents and acts amendatory thereof, and I submit a report (No. 1430) thereon. The report of the committee is unanimous, and I ask for the present consideration of the bill. I may explain that the purpose of the proposed legislation, among other things, is to increase the number of daily copies of the CONGRESSIONAL RECORD apportioned to Senators and Representatives in Congress and to reduce the number of bound copies. It has been found, by a study, that there are in storage many hundreds of bound copies of the CONGRESSIONAL RECORD unused which will have to be sold for waste paper.

In further explanation, and to be more explicit, let me say that the passage of this bill will not cause any additional cost to the Government. It proposes to increase the number of copies of the daily CONGRESSIONAL RECORD for each Senator from 88 to 105, and for each Representative from 60 to 75 copies, which the Public Printer estimates will involve an additional cost of $62,522.30. It also proposes to reduce the number of bound copies of the CONGRESSIONAL RECORD from 4,000 copies to approximately 1,800 copies, which it is estimated will result in a reduction of $45,496.85.

By eliminating the printing of the combined volume of laws for the entire Congress and printing the laws for each session of Congress as Statutes at Large will effect a saving of $17,005.54. It is estimated that there will be a saving of approximately $1,000 by reducing the number of copies of memorial addresses. Thus it will be seen that there is an estimated reduction of $63,502.39 against the increase in the daily RECORD of $62,522.30.

It is important that this bill should be passed by the close of the present session of Congress as it would be impractical to begin distribution in the middle of a Congress, particularly

as to Statutes at Large, which will be distributed to the various judicial offices throughout the United States.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3440) to amend certain acts relating to public printing and binding and the distribution of public documents and acts amendatory thereof, which was read, as follows:

*Be it enacted, etc.,* That certain acts relating to the public printing and binding and the distribution of public documents and acts amendatory thereof, be amended as follows:

TITLE I

MEMORIAL ADDRESSES

That so much of chapter 23, section 73 (28 Stat. 616) of the Printing Act, approved January 12, 1895 (U. S. C., title 44, sec. 151), as relates to the publication of eulogies of deceased Members of Congress, be, and is hereby, amended to read as follows:

151. Memorial addresses; preparation; distribution: There shall be compiled, prepared, printed with illustrations, and bound in cloth in one volume, in such style, form, and manner as may be directed by the Joint Committee on Printing, without extra compensation to any employee therefor, the legislative proceedings of Congress and the exercises at the general memorial services held in the House of Representatives during each session relative to the death of any Member of Congress, together with all memorial addresses and eulogies published in the CONGRESSIONAL RECORD during the same session of Congress in connection therewith, and such other matter as the committee may consider relevant thereto; and there shall be printed as many copies as may be required to supply the total quantity hereinafter provided, of which number 50 copies, bound in full morocco, with gilt edges, suitably lettered as may be requested, shall be delivered to the family of the deceased, and the remaining copies shall be distributed as follows:

Of all eulogies on deceased Members of Congress there shall be delivered, through the Postmaster of each House, to each Senator, Representative, Delegate, and Resident Commissioner, one copy.

Of the eulogies on deceased Senators there shall be furnished 250 copies for each Senator of the State represented by the deceased and 20 copies for each Representative therefrom.

Of the eulogies on deceased Representatives, Delegates, and Resident Commissioners there shall be furnished 250 copies for the successor in office of the deceased Member; 20 copies for each of the other Representatives, Delegates, or Resident Commissioners of the State, Territory, or insular possession represented by the deceased, and 20 copies for each Senator therefrom.

TITLE II

CONGRESSIONAL RECORD

That chapter 23, section 14 (28 Stat. 603), of the Printing Act, approved January 12, 1895 (U. S. C., title 44, sec. 182), be, and is hereby, amended to read as follows:

182. CONGRESSIONAL RECORD; indexes: The Joint Committee on Printing shall designate to the Public Printer competent persons to prepare the semimonthly and the session index to the CONGRESSIONAL RECORD and shall fix and regulate the compensation to be paid by the Public Printer for the said work and direct the form and manner of its publication and distribution.

182a. Same; daily and permanent forms: That the public proceedings of each House of Congress, as reported by the Official Reporters thereof, shall be printed in the CONGRESSIONAL RECORD, which shall be issued in daily form during each session and shall be revised, printed, and bound promptly, as may be directed by the Joint Committee on Printing, in permanent form, for distribution during and after the close of each session of Congress. The daily and the permanent RECORD shall bear the same date, which shall be that of the actual day's proceedings reported therein. The "usual number" of the CONGRESSIONAL RECORD shall not be printed.

182b. Same; illustrations; maps; diagrams: No maps, diagrams, or illustrations may be inserted in the RECORD without the approval of the Joint Committee on Printing. All requests for such approval should be submitted to the Joint Committee on Printing, through the Chairman of the Committee on Printing of the respective House in which the speech desired to be illustrated may be delivered. Illustrations shall not exceed in size a page of the RECORD and shall be line cuts only.

That chapter 23, section 73 (28 Stat. 617), of the Printing Act, approved January 12, 1895, as amended (U. S. C., title 44, sec. 183), be, and is hereby, amended to read as follows:

183. Same; gratuitous copies; subscriptions: The Public Printer shall furnish the CONGRESSIONAL RECORD as follows and shall furnish gratuitously no others in addition thereto:

Of the bound edition to the folding room of the Senate 5 copies for the Vice President and each Senator; to the Secretary and Sergeant at Arms of the Senate, each, 2 copies, and to the Joint Committee on Printing not to exceed 100 copies; to the folding room of the House of Representatives 3 copies for each Representative, Delegate, and Resident Commissioner, and to the Clerk, Sergeant at Arms, and Doorkeeper of the House of Representatives, each, 2 copies.

Of the daily edition to the Vice President and each Senator, 105 copies; to the Secretary and Sergeant at Arms of the Senate, each, 25 copies; to the Secretary, for official use, not to exceed 35 copies; and to the Sergeant at Arms for use on the floor of the Senate, not to exceed 50 copies.

To each Representative, Delegate, and Resident Commissioner in Congress, 75 copies; to the Clerk, Sergeant at Arms, and Doorkeeper of the House of Representatives, each, 25 copies; to the Clerk, for official use, not to exceed 50 copies, and to the Doorkeeper for use on the floor of the House of Representatives, not to exceed 75 copies.

To the Vice President and each Senator, Representative, Delegate, and Resident Commissioner in Congress, there shall also be furnished (and shall not be transferable) 3 copies of the daily RECORD, of which 1 shall be delivered at his residence, 1 at his office, and 1 at the Capitol.

In addition to the foregoing the CONGRESSIONAL RECORD shall also be furnished as follows:

There shall be printed and held in reserve by the Public Printer, in unstitched form, as many copies of the daily RECORD as may be required to supply a semimonthly edition, which shall be bound in paper cover together with each semimonthly index when the same is issued and shall then be delivered promptly and without delay as hereinafter provided.

To each committee and commission of Congress, 1 daily and 1 semimonthly copy.

To each Senator, Representative, Delegate, and Resident Commissioner in Congress, 1 semimonthly copy.

To the President of the United States, for the use of the Executive Office, 10 copies of the daily, 2 semimonthly copies, and 1 bound copy.

To the Chief Justice of the United States and each of the Associate Justices of the Supreme Court of the United States, 1 copy of the daily.

To the offices of the marshal and clerk of the Supreme Court of the United States, each, 2 copies of the daily and 1 semimonthly copy.

To the offices of the Vice President and the Speaker of the House of Representatives, each, 6 copies of the daily and 1 semimonthly copy.

To the Sergeant at Arms, the Chaplain, the Postmaster, the superintendent and the foreman of the folding room of the Senate and House of Representatives, respectively; to the Secretaries to the Majority and the Minority of the Senate, and to the Doorkeeper of the House of Representatives, each, one copy of the daily.

To the offices of the Official Reporters of Debates of the Senate and House of Representatives, respectively, each, 15 copies of the daily, 1 semimonthly copy, and 3 bound copies.

To the office of the stenographers to committees of the House of Representatives, 4 copies of the daily and 1 semimonthly copy.

To the office of the Congressional Record Index, 10 copies of the daily and 2 semimonthly copies.

To the offices of the superintendents of the Senate and House document rooms, each, 3 copies of the daily, 1 semimonthly copy, and 1 bound copy.

To the offices of the superintendents of the Senate and House press galleries, each, 2 copies of the daily, 1 semimonthly copy, and 1 bound copy.

To the offices of the Legislative Counsel of the Senate and House of Representatives, respectively, and the Architect of the Capitol, each, 3 copies of the daily, 1 semimonthly copy, and 1 bound copy.

To the Library of Congress for international exchange and for official use in Washington, D. C., not to exceed 145 copies of the daily, 5 semimonthly copies, and 150 bound copies.

To the library of the Senate and House of Representatives, respectively, each, 3 copies of the daily, 2 semimonthly copies, and not to exceed 15 bound copies.

To the library of the Supreme Court of the United States, 2 copies of the daily, 2 semimonthly copies, and not to exceed 5 bound copies.

To the Public Printer for official use, not to exceed 75 copies of the daily, 10 semimonthly copies, and 2 bound copies.

To the Director of the Botanic Garden, two copies of the daily.

To The National Archives, 5 copies of the daily, 2 semimonthly copies, and 2 bound copies.

To the library of each executive department, independent office, and establishment of the Government now in Washington, D. C., or which may be created, except those designated as depository libraries, and to the libraries of the municipal government of the District of Columbia, the Naval Observatory, and the Smithsonian Institution, each, 2 copies of the daily, 1 semimonthly copy, and 1 bound copy.

To the Government of the Philippine Islands at Manila, 10 copies in both daily and bound form.

To the offices of the Governors of Alaska, Hawaii, Puerto Rico, and the Virgin Islands, each, five copies in both daily and bound form.

To the office of the Governor of the Panama Canal, five copies in both daily and bound form.

To each ex-President and ex-Vice President of the United States, one copy of the daily.

To the Governor of each State, one copy in both daily and bound form.

To the United States Soldiers' Home and to each of the national homes for disabled volunteer soldiers, and to each of the State soldiers' homes now established or which hereafter may be created for either Federal or Confederate soldiers, one copy of the daily.

To the Superintendent of Documents, as many bound copies as may be required for distribution to depository libraries.

To the Department of State, not to exceed 150 copies of the daily, for distribution to each of our embassies and legations abroad, and to the principal consular offices in the discretion of the Secretary of State.

To each foreign legation in Washington whose government extends a like courtesy to our embassies and legations abroad, one copy of the daily, to be furnished upon requisition of and sent through the Secretary of State.

To each newspaper correspondent whose name appears in the Congressional Directory, and who makes application therefor, for his personal use and that of the paper or papers he represents, one copy of the daily and one copy of the bound, the same to be sent to the office address of each member of the press or elsewhere as he may direct: *Provided, however*, That not to exceed four copies in all shall be furnished to members of the same press bureau.

All copies of the daily edition shall, unless otherwise directed by the Joint Committee on Printing, be supplied and delivered promptly on the day after the actual day's proceedings as originally published Each order for the daily RECORD shall begin with the current issues thereof, if previous issues of the same session are not available. The apportionment herein specified for daily copies shall not be transferable for the bound form and any allotment of daily copies not used by any Member during a session shall lapse when the session ends.

The Public Printer is authorized to furnish to subscribers the daily RECORD at $1.50 per month, payable in advance.

That chapter 23, section 24 (28 Stat. 604), of the Printing Act, approved January 12, 1895 (U. S. C., title 44, sec. 184), and Public Resolution No. 25 (35 Stat. 1169), approved March 4, 1909 (U. S. C., title 44, sec. 186), be, and are hereby, repealed.

TITLE III

DECISIONS OF THE SUPREME COURT

334. (Judicial Code, sec. 227, amended.) Printing, binding, and distribution of reports and digests: That so much of section 683 of the Revised Statutes, as amended (U. S. C., title 28, sec. 334), as relates to the distribution of reports and digests of the decisions of the Supreme Court of the United States to the law library of the Supreme Court, be, and is hereby, amended by striking out the words "to the law library of the Supreme Court, 25 copies" and inserting in lieu thereof the following:

"To the Library of Congress for the use of the law library and for international exchange, not to exceed 150 copies each of the bound and advance editions."

TITLE IV

PUBLICATIONS TO THE LIBRARY OF CONGRESS

139. International exchange of Government publications: That, for the purpose of more fully carrying into effect the provisions of the convention concluded at Brussels on March 15, 1886, and proclaimed by the President of the United States on January 15, 1889, there shall hereafter be supplied to the Library of Congress not to exceed 125 copies each of all Government publications for distribution, through the Smithsonian Institution, to such foreign governments as may agree to send to the United States similar publications of their governments for delivery to the Library of Congress.

139a. Distribution of Government publications to the Library of Congress: That there shall be printed and furnished to the Library of Congress for official use in Washington, D. C., and for international exchange as provided in section 139 of this title, not to exceed 150 copies of the publications described in this section, to wit: House documents and reports, bound; Senate documents and reports, bound; Senate and House journals, bound; public bills and resolutions; the United States Code and supplements, bound; the Official Register of the United States, bound; and all other publications and maps which are printed, or otherwise reproduced, under authority of law, upon the requisition of any congressional committee, executive department, bureau, independent office, establishment, commission, or officer of the Government: *Provided*, That confidential matter, blank forms, and circular letters not of a public character shall be excepted.

In addition to the foregoing, there shall be delivered as printed to the Library of Congress 10 copies of each House document and report, unbound; 10 copies of each Senate document and report, unbound; and 10 copies of each private bill and resolution and 50 copies of the laws in slip form.

That Public Resolution No. 16 (31 Stat. 1464), to regulate the distribution of public documents to the Library of Congress for its own use and for international exchange, approved March 2, 1901 (U. S. C., title 44, sec. 139), and Public Resolution No. 25 (35 Stat. 1169), approved March 4, 1909 (U. S. C., title 44, sec. 186), and section 7 of the act (43 Stat. 1106) approved March 3, 1925 (U. S. C., title 44, sec. 139a), be, and are hereby, repealed.

TITLE V

MANUSCRIPT OF ANNUAL REPORTS

That chapter 209, section 3 (39 Stat. 336), of the Sundry Civil Appropriation Act for the fiscal year ending June 30, 1917, approved July 1, 1916 (U. S. C., title 5, sec. 108), be, and is hereby, amended to read as follows:

108. Manuscript of annual reports and accompanying documents: The appropriations made for printing and binding shall not be used for any annual report or the accompanying documents unless the manuscript and proof therefor is furnished to the Public Printer in the following manner: Manuscript of the documents accompanying such annual reports on or before the 15th day of November of each year; manuscript of the annual reports on or before the 10th day of December of each year; complete revised proofs of the accompanying documents and the annual reports on the 5th and 10th days of December of each year respectively; and all of said annual reports and accompanying documents shall be printed, made public, and available for distribution not later than within the first 5 days after the assembling of each regular session of Congress. The provisions of this section shall not apply to the annual reports of the Smithsonian Institution, the Commissioner of Patents, the Comptroller of the Currency, or the Secretary of the Treasury.

TITLE VI

STATUTES AT LARGE

That so much of chapter 23, section 73 (28 Stat. 615), of the Printing Act, approved January 12, 1895, as amended, as relates to the publication and distribution of the Statutes at Large (U. S. C., title 1, sec. 30, and title 44, sec. 196), be, and is hereby, amended to read as follows:

196. Statutes at Large; contents; admissibility in evidence: The Secretary of State shall cause to be compiled, edited, and indexed the United States Statutes at Large, which shall contain all the laws and concurrent resolutions enacted during each session of Congress, and also all conventions, treaties, and international agreements to which the United States is a party and which have come into force since the date of the adjournment of the session of Congress next preceding, including all proclamations issued since that date.

196a. Same; distribution: The Public Printer shall print, and after the final adjournment of each session of Congress, bind and deliver to the Superintendent of Documents as many copies of the Statutes at Large as may be required for distribution as follows:

To the President of the United States, 4 copies, 1 of which shall be for the library of the Executive Mansion;

To the Vice President of the United States, 2 copies;

To each Senator, Representative, Delegate, and Resident Commissioner in Congress, 1 copy;

To the Chief Justice of the United States and to each of the Associate Justices of the Supreme Court of the United States, 1 copy;

To the offices of the Legislative Counsel of the Senate and House of Representatives, each, 1 copy;

To the Senate Library, not to exceed 25 copies;

To the House Library, not to exceed 50 copies;

To the Library of Congress for international exchange and for official use in Washington, D. C., not to exceed 150 copies;

To the library of the Supreme Court of the United States, 2 copies;

To the Architect of the Capitol, 1 copy;

To the Public Printer, 2 copies;

To the National Archives, not to exceed 5 copies;

To the Department of State, including those for the use of embassies, legations, and consulates, not to exceed 600 copies;

To the Treasury Department, including those for the use of officers of customs, not to exceed 300 copies;

To the War Department, not to exceed 200 copies;

To the Navy Department, not to exceed 100 copies;

To the Department of the Interior, including those for the use of the United States Supervisor of Surveys and registers and receivers of public-land offices, not to exceed 300 copies;

To the Post Office Department, not to exceed 50 copies;

To the Department of Justice, including those for the judges and the officers of the United States and territorial courts, not to exceed 800 copies;

To the Department of Agriculture, not to exceed 100 copies;

To the Department of Commerce, not to exceed 100 copies;

To the Department of Labor, including those for the officers of the Immigration and Naturalization Service, not to exceed 175 copies;

To the government of the Philippine Islands, at Manila, 10 copies;

To the offices of the Governors of Alaska, Hawaii, Puerto Rico, and the Virgin Islands, each, two copies;

To the office of the Governor of the Panama Canal, three copies;

To the library of the court of last resort of each State, Territory, and insular possession, and of the District of Columbia, each, one copy;

To each designated depository library in each State, Territory, and insular possession, one copy;

To each independent office and establishment of the Government now in Washington, D. C., or which hereafter may be created, not to exceed six copies; and

To the library of the municipal government of the District of Columbia, the Naval Observatory, and the Smithsonian Institution, each, one copy.

In addition to the foregoing the Public Printer shall print 1,200 copies of the Statutes at Large, of which 300 copies shall be for the use of the Senate and 900 copies for the use of the House of Representatives. The "usual number" shall not be printed.

That so much of chapter 23, section 73 (28 Stat. 614), of the Printing Act, approved January 12, 1895, as relates to the publication and distribution of pamphlet copies of the statutes of each session of Congress (U. S. C., title 44, sec. 195), be, and is hereby, repealed.

TITLE VII

OWNERSHIP OF GOVERNMENT PUBLICATIONS

Government publications shall remain public property: All Government publications furnished by authority of law to officers of the United States Government, for their official use, shall be

stamped "Property of the United States Government", and shall be preserved by such officers and by them delivered to their successors in office as a part of the property appertaining to the office. Government publications furnished depository libraries shall be made available for the free use of the general public and must not be disposed of except as the Superintendent of Documents may direct.

That section 1777 of the Revised Statutes of the United States (U. S. C., title 5, sec. 89), and so much of chapter 433, section 1 (22 Stat. 336), of the Sundry Civil Appropriation Act, for 1883, approved August 7, 1882, relating to statutes furnished judges to remain public property (U. S. C., title 5, sec. 90), and section 506 of the Revised Statutes of the United States (U. S. C., title 44, sec. 90), and chapter 23, section 74 (28 Stat. 620) of the Printing Act, approved January 12, 1895 (U. S. C., title 44, sec. 92), relating to ownership of publications furnished officers for official use be, and are hereby, repealed.

That all acts or parts of acts inconsistent with this act are hereby repealed.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TENNESSEE VALLEY AUTHORITY—CONFERENCE REPORT

Mr. SMITH. Mr. President, I ask unanimous consent for the present consideration of the conference report on House bill 8632, being the bill amending the Tennessee Valley Authority Act.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8632) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at or near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

FOREIGN DEBTS DUE THE UNITED STATES AS PAYMENT OF TAX LEVIED BY CONGRESS ON THE UNITED STATES

Mr. LEWIS. Mr. President, this morning when the able Chairman of the Foreign Relations Committee [Mr. PITTMAN] presented the joint resolution touching the matter of embargo and neutrality, he informed the Senate, in response to a query from one of the Senators on the opposite side of the aisle, that, among other details, the subject of the lending of money to belligerents at war or the matter of the debts of foreign nations now due to the United States was to be regarded as being too delicate and intricate to be then intruded into the discussion or attempted to be embodied in an expression of the then defined legislation.

Mr. President, at this moment I cannot avoid adverting to the fact that the Congress have just now passed a tax bill levying $250,000,000 upon the taxpayers of our country, at once payable, and that my honorable colleagues passed a few moments ago a measure termed an "embargo and neutrality measure", which, as I view it, deprives America of an equal opportunity for trade as against the other nations of the world while the other nations of the world are accorded complete opportunity over and through the world as against us. That is my view of the effect of the measure. I take the liberty now to call attention to the fact in connection with the foreign debts due this country and which are now payable, that if one-fourth of the interest now due on the debts were paid by our foreign debtors, the exact amount of the taxes we today lay upon our Nation would at once be met and could at once be paid to our Nation and be lifted from our citizens.

(At this point Mr. LEWIS was interrupted by a message from the House of Representatives, by requests for the consideration of bills and a conference report, which appear under the appropriate headings.)

Mr. LEWIS. Now I trust I may resume. It is reported that the Secretary of the Treasury, John Sherman, when Senator from Ohio, touching resumption of specie payments uttered the apothegm that "the way to resume is to resume." Thus, I trust I may follow that example. I resume my speech.

Mr. President, I ask the serious attention of my colleagues to what I now wish to express to them.

The amount of $250,000,000 which we are to pay in addition to vast other sums we will be called on to pay, the sum referred to being represented by the tax passed by both bodies, is interesting, sir, in the comparison to the situation of our debtors as stated for them. We have a report of yesterday, which comes from England, reading as follows:

The report sent in to us from yesterday's note issue redemption offers further evidence that this August the nation's holiday is extending well beyond the bank holiday week-end. The rise of £3,500,000 in the circulation is recorded. The increase is all the more remarkable because it follows an upward leap of over £7,000,000 the week before.

The report continues:

This is another indication of the rapid rising of the prosperity of England.

Adding further that "the coming month will show much more in proportion to the gain thus disclosed in these other months, including August and the months preceding it", all this is disclosed by this very favorable report and an appropriate boast upon the record.

Following that, sir, we have the statement from another source of the Government. Turning from the other actual facts, we have the further recital, "The bankers' clearing-house return for the week ending August 7 indicates a total value of checks of £103,000,000 in excess of the week before." It will be observed that this last increase enabled the Treasury of England quite to exceed that which is reported from many other treasuries measured by their outstanding debt.

I am rising now to suggest, with the record before us, that England has in the last week arranged a dual loan, part of which will go to those who are supporting Ethiopia, and part to those who are supporting Italy. This is on the basis of financing national loans.

While she is able to do this from her plethora, as to which we, of course, all extend congratulations, I cannot but submit that at such moment England should be paying to the United States, out of the abounding sum which is the legitimate object of her boast, something of the debt she owes to the United States, surely now, and, particularly, a portion of the interest that was due to be paid this Monday just passed. By such contribution to her debt England could offset completely the obligation of $250,000,000 which we are now newly fastening upon the people of the United States.

I now bring to the attention of the Senate that France has lately closed a new compact with Russia by which Russia arranges a compromise of the 7,000,000,000 francs which Russia had borrowed from France at the outset of the World War as a sustaining power to Russia to enter into the war in aid of France. The subsequent course of Russia in the World War is too familiar to those who sit about me to call for any further reference other than to say that, of course, France became exceedingly resentful of the attitude of Russia and for awhile declined every form of commercial undertaking or what may be termed "industrial compact."

Now, France is enabled, by a new arrangement with Russia, to obtain a compromise of this 7,000,000,000 francs, the exact sum of which I am unable to reveal, not that I should not be glad to do so, but that feature has not been communicated to me. However, France has obtained this advantage, for which we praise her, and in the meantime France is extending a loan to Italy under conditions favorable, I dare say, to Italy, and the uses of which all of us now understand. Also France, in the meantime, engages a new trade treaty with Russia that excludes in its operation any benefits to the United States. I cannot but call the attention of this artistic and proud land with its patriotic people that a sense of duty and patriotism would be well exhibited and clearly demonstrated if they would likewise contribute something of the debt owing to the United States, particularly of the interest they owe.

If these two lands I describe should now pay to us the money due this week as interest we could lift the whole tax

of this year's expenses from our United States. Note, sirs, I beseech you, since the sum is but a small proportion of the amount these debtor lands are now arranging to lend to lands entering into military conflict, that this honorable body shall, by appropriate course, demand of the Government of the United States and the officials in power in the United States that they take official notice of these loans which are being executed, and of these advances which are being consummated, and that our Government call upon those nations, who now show their full capacity to pay their debts, to contribute to the United States a part of that which they owe us, that we may from such money lift a part of the burden which we are compelled to lay upon our own people out of the necessities of the situation which now exists in our land, exceeding in all respects $50,000,000,000, including the twenty-five billion due the United States from the foreign debtor nations.

Mr. President, I do not know what course this administration expects to take. I do not wish to mask my disappointment that through the long session I have not seen anything brought forward that advised this coordinating body in our national affairs as to any particular arrangement suggested that seems to promise or lead to the payment of these debts or their adjustment upon any basis whatsoever. For myself, I could not allow this session to end, so far as my duty lies to my beloved people of the State of Illinois who, in common with those in other States of the United States, must bend under the obligations and burdens that were placed upon our land, by our necessities, without protesting my country granting for any reason whatsoever any cancelation of these debts due or surrendering the adjustment of these debts that the result may be applied at this time and credited to the calls of our own Nation.

Mr. President, I trust as we all do, that the conflict, which seems promised from reports in the public press, may not materialize. We beseech the fates that no war shall break forth with its furious lightning that shall flame with all the hell that it carries against the lives of men and the civilization of the earth. Sirs, let us not forget that we have seen wars breaking out and extending themselves from just so little a cause as now prevailing between Ethiopia and Italy. We revive the memory of Austria and Serbia, and remember that the Holy Scripture admonishes mankind to "beware of the cloud no larger than a man's hand." I summon you to the thought that if these possibilities shall arise in these nations heretofore characterized as our Allies, to whom we advanced with large generosity our money and our aid, in their travail, but who by manner in their silence, and by silence in their form of speech, decline even to concede their existence, and I call to their attention and to the attention of the eminent statesmen who represent them that if the hour shall move on, as is now feared, which shall involve those nations again in conflict, it will be this Nation—this United States—that will be the very first one to whom they will turn for aid.

We will hear from their envoys the cry, "Help me, Cassius, or I sink." Having that possibility before us, which is clearly without their contemplation, I make free to admonish that one of the methods by which they may obtain future favors from this over-generous land is to disclose a willingness to pay their debts and to deal with them with a standard of national honor.

I therefore avail myself of the moment during which I have obtruded in the debate on measures before the Senate again to call attention to the debtors that the hour is ripe for some payment of the debts, and the hour of necessity when America commands. I insist on the duty of my administration to exact action in some form and method by which the citizens of my beloved country may be relieved of the unconscious burden of taxation now to be laid upon them, and at the same time our America as a great nation of independence may stand before the world as a people who, fulfilling their obligations to all nations, will press in every proper cause all other nations to fulfill their obligations to us, and to prepare them for what we hold our immediate right, we exclaim, "Gentlemen, this is America."

## STABILIZATION OF BITUMINOUS-COAL-MINING INDUSTRY

The Senate resumed the consideration of the bill (H. R. 9100) to stabilize the bituminous-coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties.

Mr. BORAH. Mr. President, I refer to page 8, section 4, of the pending measure. The first sentence thereof reads as follows:

> While this act is in effect and for 60 days thereafter, the provisions of the antitrust laws of the United States shall not apply to any producer of bituminous coal who has accepted and obligated himself to comply, and who complies with the provisions of this section, or to any marketing agency or board created under and operating in compliance with this section.

It will be observed that this provision relates alone to the producers and to their agents. It does not and cannot possibly confer any benefit upon labor. I venture to say that this provision did not originate in the councils of labor. I cannot conceive of a workingman desiring to have coal, a fuel, controlled by monopoly. I regard the provision not only as not in the interest of labor but as distinctly against the interest of labor.

I have just been advised that the authors of the bill are willing to accept the amendment; and I, therefore, move to strike out the following language:

> While this act is in effect and for 60 days thereafter, the provisions of the antitrust laws of the United States shall not apply to any producer of bituminous coal who has accepted and obligated himself to comply, and who complies with the provisions of this section, or to any marketing agency or board created under and operating in compliance with this section.

Mr. NEELY. Mr. President, I am authorized to say, on behalf of the Senator from Pennsylvania [Mr. GUFFEY], and to speak for myself and the others who are in favor of the proposed legislation, that there is no objection to the amendment offered by the Senator from Idaho.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Idaho.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, on page 10, in line 9, after the word "industry", I move to insert the words "of the district in question", so as to read:

> The remaining member of each district board shall be selected by the national organization of employees representing the preponderant number of employees in the industry of the district in question.

Mr. NEELY. Mr. President, there is no objection to that amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WHITE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out paragraph (g), part II, on page 22, in the following words:

> (g) The price provisions of this act shall not be evaded or violated by or through the use of docks or other storage facilities or transportation facilities, or by or through the use of subsidiaries, affiliated sales or transportation companies or other intermediaries or instrumentalities, or by or through the absorption, directly or indirectly, of any transportation or incidental charge of whatsoever kind or character, or any part thereof. The Commission is hereby authorized, after investigation and hearing, and upon notice to the interested parties, to make and issue rules and regulations to make this subsection effective.

Mr. WHITE. Mr. President, this paragraph, as I understand, lodges in the Bituminous Coal Commission Authority to put into effect rules and regulations which of necessity must affect the prices charged for the use of docks or other storage facilities or transportation facilities.

It seems to me this is a section which ought to be of real interest to all Members of the Senate who have within their

several States dock facilities, whether they be upon the Great Lakes or in the other ports along the Atlantic and Pacific seaboard. I do not see, either, how any such language as is contained in this section can be anything but in derogation of the general authority conferred upon the Interstate Commerce Commission over all transportation facilities.

It strikes me, too, that the language is wholly unnecessary, because, as I understand, it is provided in another part of the bill that the minimum price shall be f. o. b. on the transportation facilities at the mine.

The character of control and the degree of control which ought to be exercised over docks are matters which were pretty thoroughly discussed at the time the water-carrier bill was pending before the Interstate Commerce Committee of the Senate. There was so much divergence of view, so much opposition to that proposed legislation, that the authority originally intended to be conferred was eliminated from the bill when it was reported to the Senate. It seems to me every consideration which eliminated control over docks and wharves from that proposed legislation speaks against this control in that particular in this bill. This paragraph trespasses, it impinges upon the legislation which, through a long course of years, has conferred jurisdiction on the Interstate Commerce Commission.

For these reasons, the subsection to which my amendment refers ought to be eliminated from the bill.

Mr. NEELY. Mr. President, I hope the amendment offered by the Senator from Maine will not prevail. If it should prevail, it would put every coal operator and every mining establishment in the country at the mercy of such concerns as the United States Steel Corporation, which own transportation systems which are used in marketing their captive coal. In my judgment, it would be very injurious to the whole purpose of the bill if the amendment should be adopted; and I hope it will be voted down.

The PRESIDING OFFICER (Mr. MINTON in the chair). The question is on the amendment offered by the Senator from Maine [Mr. WHITE].

The amendment was rejected.

Mr. BARKLEY. Mr. President, I wish to address a question to the Senator from West Virginia [Mr. NEELY] and the Senator from Pennsylvania [Mr. GUFFEY] as to the formation of the district boards provided for under subsection (a) of part I, pages 9 and 10. The inquiry I have in mind pertains to the next to the last sentence of the first paragraph on page 10.

After providing that the district boards shall consist of not less than 3 nor more than 17 members, all of whom except 1 shall be producers, the bill, as amended, provides that—

> The remaining member of each district board shall be selected by the national organization of employees representing the preponderant number of employees in the industry of the district in question.

What would happen in the case of any district where there was no national organization? Would the employees in that case have any representation? And, if not, does the Senator think they ought to be denied any representation?

I am seeking the Senator's view about the matter. It has been brought to my attention. It is possible that there might be such a district that had no national organization in it. It might be desirable that it should have; but, if it did not have, I am wondering whether the employees would have any representation at all on this board.

Mr. NEELY. Mr. President, I am informed that at the present time there is no such district in the United States; that in all districts in which coal is commercially produced and marketed, there is a national organization.

Mr. BARKLEY. What would happen in this case: Suppose there were a district—and I have one in mind—in which the national organization is in existence, but it may not represent a preponderance of all the employees in the district. In that case, would the employees be denied representation on this board?

As I understand the language of this section, one member, representing the employees, must be selected from the national organization which represents a preponderance of all the employees in that district. If it had no preponderance—in other words, if there were no other organization in the district, and the national organization did not have a preponderance of employees in the district—it seems to me they would be without representation. I am wondering whether it is desirable to enact a provision which would bring about that result.

Mr. NEELY. Mr. President, I invite the attention of the Senator from Kentucky to the paragraph following the one from which he has just read, and inquire if he does not believe that paragraph contains sufficient authority to justify the appointment of an additional member or members of the board.

Mr. BARKLEY. Does the Senator refer to the following paragraph, or the following sentence?

Mr. NEELY. The following paragraph.

Mr. BARKLEY. It reads:

> In case any marketing agency comprising a substantial number of code members in any producing field within a district establishes, to the satisfaction of the Commission, that it has no representation upon the district board and that it is fairly entitled thereto, the Commission may, in its discretion, after hearing, increase the membership of such district board so as to provide for such representation.

I think that applies to a marketing agency and I do not think that any organization of employees could be designated as a marketing agency.

Mr. NEELY. Mr. President, the Senator from Kentucky may be correct about that. The Senator from West Virginia was under the impression that the authority provided was probably broad enough to enable the Commission to make an appointment of representatives of the employees.

Mr. BARKLEY. I can understand how under that language in any such district where a national organization such as the United Mine Workers has within its membership a majority of all the employees in the district, it would have representation on the board, but if its membership represented only a minority of the total number of employees in the district, I do not believe under that language that any representation of the employees at all could be selected.

Mr. TYDINGS. Mr. President, I desire to vote for the pending bill, if I possibly can, and with the amendment which has just been adopted with the acquiescence of the authors of the bill the measure is greatly improved. I think that is a very fair concession. It will probably be more difficult for the authors of the bill to accede to the amendment which I shall now propose; but, if they could do so, I believe I would be in a position to support the bill, for whatever that may be worth.

To those who are interested in the proposed legislation, I may point out that on page 7, section 3, under the title "Tax on bituminous coal", I wish to offer an amendment to strike out all after "Sec. 3", in line 2, down to and including the words "internal revenue" in line 12.

If we want to help the miners and the operators to sell coal and to permit the miners to get shorter working hours and more pay, it is not necessary to levy a tax upon coal in order to do it. There is no reason in the world why a tax upon coal will make any more work for a miner. As a matter of fact, the greater the tax is on coal the greater its cost and the smaller the quantity of coal purchased, because people could not, with the money they have, buy the same amount of expensive coal which they would buy if they were purchasing cheaper coal. Therefore there can be no sound or valid argument why a tax upon coal will help a single miner in the United States.

On the other hand, there is any amount of data, there are any number of facts, to support the statement that a tax upon coal will be greatly harmful to the millions of people all over the country who have to use soft coal as a means of keeping warm in the wintertime.

Furthermore, the more we increase the price of coal, whether by taxes or otherwise, the greater we make the necessity of industrial concerns using some other kind of fuel than coal. As a matter of fact, if this tax shall stand, I predict it will cause many industrial concerns to turn to oil as a means of generating steam and power, rather than

coal, which they may now be using, and to that extent we will accentuate rather than decrease the grief of the miners who must have markets in order to sell the products which they work to mine.

May I ask, Would the amendment I have suggested be satisfactory to the authors of the bill?

Mr. NEELY. Mr. President, I am sorry to say it would not be, unless the authors of the bill were willing entirely to withdraw the proposed legislation.

Mr. TYDINGS. Mr. President, I say, with no reflection on the authors of the bill, that there can be no reason whatsoever, except the reason of naked camouflage, for taxing soft coal 15 percent of its value at the mine and saying that that will be beneficial to the miner. Every tax upon coal makes it cost more, and to that extent decreases the ability of those who must have coal to consume it, and to that extent makes less work for the miners who must mine it, and it makes less work for the operators who must sell it.

There can be no reason in the world for levying this tax on coal. This is a tax on the fuel of the poor, a tax on the fuel of industry, in Kansas, Colorado, Illinois, Montana, Iowa, Missouri, and every other State in the Union. It is a tax upon the fuel of the 20,000,000 people who either are now or lately have been upon the relief rolls of the country. As it increases the price of coal, it will increase the money which the Federal Government must expend in order to take care of those who are the victims of the depression. It would be almost equivalent to putting a tax upon bread, because people have to have food by which to live, and in the wintertime they have to have fuel by which to live.

There can be no justification in the interest of the burdened coal miner for putting a tax upon the product of his toil. On the other hand, his market will be decreased without his receiving any commensurate benefit at all with the decrease of his market.

I hope Senators will give this amendment their consideration. I ask anyone, either the author of the bill or anyone else, what justification there can be for putting a tax of 15 percent upon the fuel of the poor. Is there any man here who will rise and defend the wisdom of putting a tax upon coal? I shall be glad to yield to him if there is one in the Chamber. No one dares defend a tax upon soft coal, the fuel of the poor in Baltimore, Philadelphia, New York, Chicago, St. Louis, San Francisco, and all the other large populous centers of this country, where the poor cannot afford to buy hard coal, and must forsooth depend upon soft coal in order to keep them warm through the winter.

Furthermore, it is a tax upon industry, increasing the cost of manufacturing goods, which every farmer must pay, as the cost of production of goods requires an increase in the price.

In order that Senators may know on what they are about to vote, I will state that my amendment is to strike from the bill the following provision:

> There is hereby imposed upon the sale or other disposal of all bituminous coal produced within the United States an excise tax of 15 percent on the sale price at the mine, or in the case of captive coal the fair market value of such coal at the mine, such tax, subject to the later provisions of this section, to be payable to the United States by the producers of such coal, and to be payable monthly for each calendar month, on or before the first business day of the second succeeding month, and under such regulations, and in such manner, as shall be prescribed by the Commissioner of Internal Revenue.

I submit this thought: Let us assume that a ton of soft coal costs $4 at the mine. By the pending bill the cost would be increased 15 percent, or 60 cents; so that the man who required a ton of soft coal, instead of paying $4 a ton for the soft coal with which to heat his house in the wintertime, by virtue of the language of the pending bill, would be required to pay $4.60 a ton, and not one miner in the United States would get one extra cent by virtue of that tax. The cost of the coal the consumer would have to buy would be increased, in the illustration I present, by 60 cents a ton, and not one miner in the United States would get 1 cent more a day because of that increase.

Are we willing to do that? Are we willing to increase the cost of a ton of soft coal? It will be noted that hard coal is not taxed under the bill, although it is notorious that the distress in the anthracite districts is greater than is the distress in the bituminous districts. Hard coal is the coal of the well-to-do and the rich, but soft coal is the fuel of the poor. We cannot tax the coal of the rich in order to help the anthracite miner—if the assistance of the miner is what is desired—but we can tax the coal of the poor in order to help the bituminous miner.

Let every consumer of coal of this Nation know that if this bill shall become a law there will be added to the cost of every ton of coal purchased an increase of 15 percent, none of which will go to the miner, none of which will go to the operator, but all of which will go to the Government.

There is a provision in the bill to the effect that a certain group of producers is to receive 90 percent of the so-called "tax" as a rebate. I know that; but how about the man who will not receive the rebate? He is not going to pay a 15-percent tax on the value of the coal at the mouth of the mine and take the tax out of his pocket. He is going to pass it on to the consumer. We may have all the other provisions of the bill without the 15-percent tax, and I make the prophecy, for whatever it is worth, that if this tax shall remain in the bill the net result will be to accentuate the distress in the mining fields of the Nation, because by increasing the cost of the product many industrial concerns will be driven to use oil or some other means of fuel in their respective plants.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. VANDENBERG. Or we shall confront precisely the same situation we confronted under A. A. A., and we shall be asked to put compensatory taxes upon oil or electric energy.

Mr. TYDINGS. I do not like constitutional arguments on the floor of the Senate. I think men ought to resolve those things in their own minds, because lawyers may differ; but, if I may be permitted just a passing sentence, I think even if this bill is a good bill, and even if every sentence of it is good as a matter of political philosophy to help the coal miners, the inclusion of the tax provision and the wording which is used here will nullify the whole act as soon as it can be carried to the courts.

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. DIETERICH. Has the Senator's attention been called to section 12, page 40, of the bill:

> SEC. 12. No coal may be delivered upon a contract made prior to the effective date of this act at a price below the minimum price at the time of delivery upon such contract, as established pursuant to part II of section 4 of this act, and such contract shall be invalid and unenforceable.

Does the Senator think that provision is constitutional?

Mr. TYDINGS. I certainly do not. I do not think there is a single exception in the decisions of the Supreme Court where contracts within the category mentioned in the description just given us by the language of this bill have ever been permitted to be set aside by law by an act of the Congress or an act of the legislature of any State in the Nation.

If that opinion is worth anything, the Senator is welcome to have it.

Mr. DIETERICH. I think it is good.

Mr. TYDINGS. Even that is a minor issue, however, because the bill may contain provisions that although certain parts of it are unconstitutional, if so found by the courts, that shall not invalidate other parts of the bill. What I desire to leave with the Senate is the thought that by this bill we are taxing a commodity the same as if we should tax bread, the same as if we should tax shoes, the same as if we should tax shelter. What justification can there be for doing so when there is going to be no benefit whatsoever to the miner? If it is possible to get benefits for the miner by way of minimum wages, maximum hours of work, and the like, why not get them directly? Why whip the devil around the stump through the medium of taxation, and unnecessarily increase the cost of the fuel of the poor, and take work from the miner, because the fuel will cost more, which

will decrease its consumption and force industry to look for other means of energy than coal?

I hope my amendment to strike out all after section 3, line 2, page 7, down to and including the words "Internal Revenue" in line 12, will prevail.

Mr. NEELY. Mr. President, if this amendment should be adopted, the purpose of the bill would be entirely defeated.

Of course, everyone who has read the bill and who has studied its philosophy knows that the purpose of this particular section is to prevent the destruction of this bill, if enacted, by chiseling coal operators, who were described by one of the witnesses before the Senate committee in the aggregate and in their competitive wars against each other as being a frantic mob. If this amendment should prevail, there would be no means of compelling a truce on the part of the operator who wishes to continue to engage in his murderous competitive practices, which sooner or later in every mining community end in wiping out the wage scales and lowering the standard of living of those who dig the coal and load it upon the coal cars.

Mr. DIETERICH. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Illinois?

Mr. NEELY. I will set my distinguished friend from Illinois an example, and I will yield to him just as frequently as he wishes to interrupt me, although he refused to yield to me a little while ago.

Mr. DIETERICH. Will the Senator from West Virginia explain why, in dividing the various districts throughout the United States into nine minimum-price areas, those who did so did not conform to the division which was made by the coal code authority of N. R. A.?

Mr. NEELY. I cannot answer that question. I do not know why it was done.

Mr. DIETERICH. The Senator does not know?

Mr. NEELY. No; I do not know why this bill did not adopt some other principle. I do know that I approve the principle which was adopted; but why some other principle was not adopted, I do not know.

Mr. DIETERICH. That was the principle which was in existence, and that was the principle the bill is intended to perpetuate, as I understand. Why were not the provisions adopted which were made by the Coal Code Authority of N. R. A.?

Mr. NEELY. I think what the Senator from Illinois really means is, Why is not this bill drawn so as to conform in every particular to the N. R. A. legislation, in order that the Supreme Court would certainly hold it to be unconstitutional? A studious effort was made to avoid that contingency.

Mr. DIETERICH. Mr. President, will the Senator yield to me again?

Mr. NEELY. I yield.

Mr. DIETERICH. There could not be any more constitutional questions raised by virtue of the nine districts in existence under the N. R. A. than by virtue of those provided for by this bill. To give the Senator an illustration, was it not the purpose of the bill that Pittsburgh, using Pennsylvania coal, could purchase the coal at the price which was fixed at the mouth of the mine, at the place of delivery, and that Chicago, which is a marketing area, and Gary, Ind., would have to pay the competitive price fixed upon the cost of coal delivered in Chicago and at Gary from the fields of Pennsylvania and West Virginia?

Mr. NEELY. No; Mr. President. That thought was not in the mind of anyone, and the result indicated could not possibly occur.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. NEELY. I yield.

Mr. MURPHY. On the contrary, if the Senator pleases, my reading of the bill indicates that that is clearly the thought; and if I am in error I shall be glad to have the Senator point out wherein the error lies.

I read beginning with line 12 on page 13, describing the duties of the district boards:

> Each district board shall, from time to time on its own motion or when directed by the Commission, establish minimum prices free on board transportation facilities at the mines for kinds, qualities, and sizes of coal produced in said district, with full authority, in establishing such minimum prices, to make such classification of coals and price variations as to mines and consuming market areas as it may deem necessary and proper. In order to sustain the stabilization of wages, working conditions, and maximum hours of labor, said prices shall be established so as to yield a return per net ton for each district in a minimum price area, as such districts are identified and such area is defined in the subjoined table designated "Minimum-price area table", equal as nearly as may be to the weighted average of the total costs, per net ton, determined as hereinafter provided, of the tonnage of such minimum-price area.

As I understand, the district board fixes an f. o. b. minimum price for the district. There is created a market area, and a market area I assume to be a city where nonnative coal is received in competition with native coal. To illustrate, the State of Iowa is created a single district. Let us assume that an f. o. b. mine price of $2 a ton is fixed. That is the minimum price. But embraced in the State of Iowa are the city of Des Moines, the city of Sioux City, and the city of Davenport, the city of Burlington, the city of Ottumwa, and other cities which are designated market areas. Also in Iowa are numerous small towns, such as, for instance, Adel. The point is that the mine price f. o. b., or the district price, will apply in a town like Adel, a small community, but the mine price f. o. b., or the district price, will not apply in the market area defined in the bill. The question arises as to how that price shall be fixed, and that is covered by paragraph (b) on page 17 in this language:

> (b) District boards shall, under rules and regulations established by the Commission, coordinate in common consuming-market areas upon a fair competitive basis the minimum prices and the rules and regulations established by them, respectively, under subsection (a) hereof. Such coordination, among other factors, but without limitation, shall take into account the various kinds, qualities, and sizes of coal, and transportation charges upon coal.

So that the boards representing the various districts embraced in this area meet together and fix not the mine price f. o. b. for coal, but they take into account the mine prices f. o. b. for coal in every one of the districts; having done which they take into consideration as coordinating factors the various kinds, qualities, and sizes of coal and the transportation charges upon that coal.

I submit from my reading of the bill—and if I am in error I should like to have that error pointed out, because I think it is fraught with great significance to my State and to the State represented in part by the junior Senator from Illinois [Mr. DIETERICH] who preceded me—that means we shall have two prices for coal in a given district. We shall have one minimum price for coal in the small towns in my State and we shall have a market area price in the market areas, or the larger cities of the State; and the price in the large cities of the State will be fixed after taking into account the transportation charges, from West Virginia and Pennsylvania. In other words, the freight differential, which now operates to the advantage of the producers in Illinois and Iowa and Indiana, will be wiped out. We have to meet their coal not at the mine price f. o. b., but at the price of coal f. o. b. at the point of delivery. The miner who produces the coal does not get any more wages; his wages are covered in the f. o. b. mine price of coal.

What is the purpose of that provision? I am apprehensive that its purpose is to open our market to the coal of West Virginia and of Pennsylvania.

Mr. GUFFEY. Mr. President, will the Senator yield?

Mr. MURPHY. I yield.

Mr. GUFFEY. How great is the difference between the freight rates from Pennsylvania and West Virginia to Iowa and the local freight rates to the respective markets in the Senator's State?

Mr. MURPHY. I am not carrying in my mind the exact figures as to freight rates.

Mr. GUFFEY. I have them to give to our friend from Illinois, who said it was about 1,200 miles from Chicago to Pennsylvania, while the greatest distance it can be carried from Pennsylvania to Chicago is 640 miles, and the maximum freight rate from Pennsylvania to Chicago is $3.29 a ton; and from the western part of the State it is $3.04 a ton; the lowest local freight rate to Chicago, Ill., from within

the State of Illinois is $1.50 a ton; and the maximum to Chicago from within Illinois is $1.79 a ton.

Mr. MURPHY. Where are the latter rates from?

Mr. GUFFEY. From the respective coal fields in Illinois.

Mr. MURPHY. From points in Illinois?

Mr. GUFFEY. To points in Illinois.

Mr. MURPHY. There is a differential of how much?

Mr. GUFFEY. It is $1.57 in one case. The provision is designed to protect the consumer.

Mr. MURPHY. How does it protect him?

Mr. GUFFEY. The freight rate cannot be added. The purchaser buys a carload f. o. b. and pays his own freight.

Mr. MURPHY. On the contrary, what I have just read will not protect the consumer.

Mr. GUFFEY. The Senator and I read the English language a little differently then. The provision is put in there to protect the consumer.

Mr. MURPHY. I refer again to page 17, where it is plain that "such coordination, among other factors", determines what the market price shall be, the cordination being effected by the district boards, and such coordination of prices shall take into account the transportation charges upon coal.

Wherein is there any protection to the consumer at all? As I read it——

Mr. GUFFEY. One cannot pay a dollar and a half in one case and $3.29 in the other case and pretend to say that the one is competitive with the other. The market is going to absorb it. The whole intention is to protect the consumer of the coal.

Mr. MURPHY. The whole intention of this bill, as I read it, is to protect the right of West Virginia and Pennsylvania to go into these markets and to protect their right to go in.

Mr. GUFFEY. How can the Senator say that, in view of the difference in the freight rate?

Mr. MURPHY. We have the benefit now of the differential. It costs that much more for Pennsylvania coal to reach our market, does it not?

Mr. GUFFEY. Who changes the freight rate? The proposed coal commission cannot change the freight rate. Is not that under the control of the Interstate Commerce Commission?

Mr. MURPHY. That is absolutely true, but the proposed commission shall, under this provision, take into account the difference in the transportation charges in fixing the market prices of coal in a given market area. It can undo what the Interstate Commerce Commission has done, if I read the provision correctly.

I agree with the Senator from Pennsylvania that the bituminous-coal board proposed to be set up cannot change the freight rate; no; but they can change the effect of the freight rate in fixing the market price for coal in a market area. By fixing that market price, the miner does not get any more; he is not particularly benefited; his benefit is confined to the mine price.

What will be the effect upon the industries of our area of taking away the advantage to them of a freight differential? It will obviously hamper their ability to compete.

Now, taking a different approach to it, let us assume a Pennsylvania district, an industrial district, if you please, where Pennsylvania coal is used and the market-area price does not govern. The industrialists buy their coal more cheaply at the district price than at the market-area price. They are competing with the industries in my section of the country that have to pay the market-area price.

I have taken great care to try to understand these provisions of the bill. I recognize that a tremendous problem confronts the coal industry of West Virginia and of Pennsylvania, and I should like to help in the solution of the problem, but I do not want the interest of my State to be hurt when the problem is being solved.

If I have made an error in the statement of my interpretation of this bill I should like to have pointed out wherein I am in error.

Mr. GUFFEY. It was not the idea of the framers of the bill to hurt any one State. Thirty-one States produce bituminous coal, and I think every market area is properly protected as to its market and as to price. That was the idea of this bill, and those who advocate it stand on that.

Mr. DIETERICH. Mr. President, I should like to ask the author of the bill a question. He was not present when I asked the chairman of the subcommittee the question. Why did not the framers of the bill in drawing it adopt the districts as set out in the bituminous code authority under the N. R. A.? In that instance, there were five districts. Ohio, Pennsylvania, West Virginia, a part of Virginia, and the Eastern States up to the Atlantic seaboard constituted one district, and Illinois, Iowa, and Indiana another district. What is the reason the framers of the bill did not adopt those districts? If it is intended by this bill to preserve the benefits which it is said the industry derived from the N. R. A., why did not its framers adopt those districts if it was not for the purpose pointed out by the Senator from Iowa?

Mr. TYDINGS. Mr. President, I hold in my hand the statistical abstract of the United States for the year 1934. I am going to read what this tax will cost every State in the Union, and I wish to prove the case as I go along.

Mr. GUFFEY. Mr. President, I should like to ask the Senator on what basis he is basing the tax?

Mr. TYDINGS. Just a moment.

Mr. GUFFEY. Fifteen percent on a $2 rate is how much?

Mr. TYDINGS. Let us see about that.

Mr. GUFFEY. Wait a moment. How much rebate, how much draw-back is there? Let the Senator be honest and fair with his auditors.

Mr. TYDINGS. Just let the Senator sit still, because this is the part that hurts when people find out how much they are going to pay for it.

First of all, there were produced in the United States last year 327,000,000 tons of bituminous coal. We exported that same year, in round numbers, more than we imported about 20,000,000 tons of coal. So, for the purposes of my argument, I am going to assume that 300,000,000 tons of coal were used by business and individual consumers in the United States.

I have here figures showing the average cost of soft coal by States, and, after taking all the cities in the country from one end of it to the other, I find the average retail cost of a ton of soft coal is $7. It is higher than that in some communities and slightly lower than that in a few others.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TYDINGS. Let me develop these figures; then I will yield; but I cannot give the picture if in the middle of it I am interrupted. Then, I will be delighted to yield to the Senator.

Mr. BARKLEY. I may not want the Senator to yield then.

Mr. GUFFEY. May I call the Senator's attention to a fact which perhaps he has overlooked?

Mr. TYDINGS. No; not until I finish.

So, as I was saying, we have 300,000,000 tons of coal used in the United States, and the average retail price of that coal is $7 a ton.

That means that the bituminous coal bill for the United States is seven times $300,000,000 or $2,100,000,000.

Let us assume, for the sake of argument, that coal sells at the mine for $2 a ton, with which I do not agree, but I shall take the illustration of the Senator from Pennsylvania. This bill would put a tax of 15 percent on that coal bill.

Mr. GUFFEY rose.

Mr. TYDINGS. Just a moment. What does that mean? It means a 15-percent tax, and a 15-percent tax on $2 per ton means 30 cents per ton.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TYDINGS. In just a moment. Thirty cents extra per ton on 300,000,000 tons means $100,000,000 that comes out of the pockets of the consumers of this country. Those figures cannot be denied.

Mr. GUFFEY. Mr. President, I deny the figures. The Senator has not read the bill.

Mr. TYDINGS. The Senator from Maryland is going to rely on the facts.

Mr. GUFFEY. There is a 90-percent rebate on that 15 percent. In other words, the total tax is 3 cents per ton, which would bring the tax down considerably below the Senator's figure. A tax of 3 cents per ton on 350,000,000 tons a year would make the country's total tax paid to the Government about $10,000,000.

Mr. TYDINGS. Under the Senator's peculiar brand of mathematics, 15 percent of $2 is 3 cents. [Laughter.] What the Senator is trying to say is that those operators who come under the code will get 90 percent of the tax rebated to them. But how do we know they are going to rebate that 90 percent of the tax to the consumer, and will not let those who are under the code pay that tax out of their own pocket?

Mr. LONG. Mr. President——

Mr. TYDINGS. Just a moment. I cannot yield now.

I wish to consider these figures by States. I have taken only $2 a ton and I have shown by the figures, which cannot be gainsaid, that without the rebate this will cost the American consumer $100,000,000 a year on $2-a-ton coal.

Mr. GUFFEY. Mr. President, may I ask the Senator from Maryland a question?

Mr. TYDINGS. Not now. The Senator would not yield to me at all when he was speaking. I have already yielded twice and I shall yield again when I finish with him on the witness stand.

Mr. GUFFEY. I am perfectly willing.

Mr. TYDINGS. Understand, the Statistical Abstract, page 681, giving the cost of coal by States, enables me to tell any Senator, I believe, what coal sold for in his State last year. A fair average price was around $7 a ton. Is the Senator from Pennsylvania so naive as to suppose that the imposition of a 15-percent tax at the mine will not be utilized by every intermediate holder all the way down to the ultimate consumer to boost that price; that it will remain at the original 30 cents paid at the mine? Will not the shipper add something on because he will tell the dealer it is taxed, and will not the retailer add something more because of the tax, and the ultimate consumer will pay it all because of this tax? But, for the purposes of the argument, I take the $2 figure mentioned by the Senator from Pennsylvania.

Let us see how it affects the various States. As I stated originally, there were 320,000,000 tons of bituminous coal consumed in the United States in 1934. There are 120,000,000 men, women, and children in the country. The per capita consumption of bituminous coal is about 2½ tons. If the increase is 30 cents a ton on the $2 coal of the Senator from Pennsylvania, 2½ tons per person means two and one-half times 30 cents, or 75 cents per capita tax on every man, woman, and child in the country.

Let us translate that into dollars by States. All we have to do is to take the population of a State and multiply it by 75 cents, or take three-quarters of the figure, and that will give us in round numbers what the tax would be on the consumption of coal in the respective States.

In the State of Maine it would cost the people $600,000 a year.

Mr. GUFFEY. Mr. President, why not stick to the facts?

Mr. TYDINGS. In New England it would cost the people $6,000,000 a year. In Maine, having a population of 800,000 people, it would cost $600,000 a year. In New Hampshire it would cost $300,000 a year extra. In Vermont it would cost about $225,000 a year extra; in Massachusetts, $1,000,000; in Rhode Island, nearly $200,000; in Connecticut, $1,150,000.

In the Middle Atlantic States, having a population of 26,945,000, it would cost the people three-quarters of that amount, or, in round numbers, about $18,500,000. It would cost New York $8,000,000 extra. It would cost New Jersey over $1,000,000 extra. It would cost Pennsylvania about $7,000,000 extra.

In the east north central States, having a population of 25,000,000, it would cost about $18,000,000 extra, of which Ohio would pay $4,500,000 extra; Indiana would pay $2,400,000 extra; Illinois would pay $6,000,000 extra; Michigan would pay $3,600,000 extra; Wisconsin would pay about $2,400,000 extra.

In the west north central States, having a population of 13,425,000, those States altogether would pay in round numbers about $10,000,000 extra. Minnesota would pay $1,800,000 a year extra. Iowa would pay $1,800,000 a year extra. Missouri would pay $2,500,000 a year extra; North Dakota $400,000; South Dakota nearly $600,000.

Nebraska would pay about $1,000,000 a year extra. Kansas would pay about $1,400,000 a year extra. Delaware would pay $180,000 a year extra. Maryland would pay $1,200,000 a year extra.

The District of Columbia would pay $300,000 a year extra. Virginia would pay $1,800,000 a year extra. West Virginia would pay $1,300,000 a year extra. North Carolina would pay $2,400,000 a year extra. South Carolina would pay $1,200,000 a year extra. Georgia would pay $2,300,000 a year extra.

Florida would pay $1,100,000 a year extra. Kentucky would pay $1,800,000 a year extra. Tennessee would pay $1,800,000 a year extra and so would Alabama. Mississippi would pay $1,500,000 a year extra. Arkansas would pay $1,200,000 extra. Louisiana would pay $1,500,000 extra.

Mr. LONG. Oh, no, we would not. [Laughter.]

Mr. TYDINGS. Oklahoma would pay $1,800,000 extra. Texas would pay $4,500,000 a year extra.

Montana would pay $350,000 a year extra. Idaho would pay $100,000 a year extra. Wyoming would pay $150,000 a year extra.

Colorado would pay $750,000 a year extra, New Mexico $100,000, Arizona $100,000, Utah $100,000, and Nevada $75,000 extra.

The State of Washington would pay about $1,000,000 extra. Oregon $700,000 extra, and California $4,500,000 extra of this tax; and that is on the basis of $2 coal.

Mr. COSTIGAN. Mr. President——

Mr. TYDINGS. I yield to the Senator from Colorado.

Mr. COSTIGAN. The able Senator from Maryland [Mr. TYDINGS] has used calculations which he must concede are subject to numerous and material modifications. I wish to ask him whether he has counted the cost in terms of dollars to society of a disorganized bituminous-coal industry in which lowered living standards and other dangerously antisocial conditions have long been tragic consequences of the failure of government to introduce into that industry some ordered control in the public interest?

Mr. TYDINGS. I thank the Senator from Colorado for giving me a delightful bit of logic with which to buttress my argument.

He asks whether I have counted the cost to society of this bill. I have been counting the cost to society in increased cost of coal, the fuel of the poor, bituminous coal—not anthracite, not the fuel of the house that is heated by an oil-burning system, but the fuel of the poor, with 20,000,000 on relief, those who are unemployed. I have been counting the extra cost of the 15-percent governmental tax on this coal, and that upon coal which costs but $2 a ton. In conclusion, I am only adopting the same argument which the Senator from Colorado himself adopted when, as a member of the Tariff Commission, he continually pointed out how tariff taxes increase the cost of goods to the consumers of the United States.

Mr. COSTIGAN. Mr. President, the Senator from Maryland, in his remarks, has estimated for the State of Colorado, under his far too liberal calculation, an approximate increase in the total cost of coal of $750,000. I recall very well a succession of great coal strikes in the State of Colorado, making his questionable figures less impressive, in which many millions of dollars in increased costs were thrown upon the taxpayers and coal consumers of that State, and in which uncounted lives were sacrificed because of lawlessness and disorganization dominating the bituminous-coal industry. May I again ask the Senator from Maryland whether he has made any calculation, and, if so, whether he will give it to the Senate, showing the cost to the people of the United States of critical and prolonged coal strikes during which the prices of coal have been raised to the consumers of the United States as much as $2 to $10 per ton?

Mr. TYDINGS. I again thank the Senator for giving me another bit of logic with which I may buttress my argument.

I have just read in the newspapers that a number of the housewives in Detroit are organizing a Nation-wide consumers' league, complaining against the high price of meat. I understand that on one occasion it was necessary to call out the police force in the town of Detroit to prevent the rioting of the poor, who could not afford to get the necessities of life because of another tax which Congress levied upon those necessities. If we should keep on taxing the necessities of life and the necessities of fuel, I ask the Senator whether the little strike to which he refers, bad though it was, might not take on Nation-wide proportions.

Mr. DIETERICH. Mr. President——

Mr. TYDINGS. I yield to the Senator from Illinois.

Mr. DIETERICH. I have been somewhat concerned about the language of this bill. Since the Senator from Maryland has paid considerable attention to it, I should like to ask him what he understands by the language found in various places in the bill where appeals are allowed to the board, to the circuit courts of the United States, and the circuit courts of appeals of the United States, from actions of the Commission and the Labor Board in the matter of finding the facts, where the bill says, for instance, on page 33, under the title of "Organization of the code":

> The finding of the Commission or Labor Board as to the facts, if supported by substantial evidence, shall be conclusive.

I notice that the term "substantial evidence" is used there. Does that mean that if there is any evidence which substantiates the finding, no matter what the weight or preponderance of the evidence may be, and no matter whether it is manifestly against the weight or preponderance of the evidence, it is to be taken as conclusive?

Mr. TYDINGS. Yes. Does the Senator desire an actual illustration of the phrase about which he is asking?

Mr. DIETERICH. I should like to have it.

Mr. TYDINGS. I will tell the Senator what "substantial evidence" is.

We will suppose that a man was shot on the steps of the Capitol, and that 15 people saw the slayer shoot the victim, and all 15 of them said he had on brown shoes and blue pants and a white shirt and a light hat. Therefore, we go out in the streets somewhere and find a man dressed in that way. We bring him before the bar of justice. We describe the clothing he has on. We find it tallies with the testimony of 15 witnesses. That would be substantial evidence. Therefore, we ought to hang the man. [Laughter.]

Mr. LONG. Mr. President, I desire to ask the Senator one question.

Mr. TYDINGS. I yield to the Senator from Louisiana.

Mr. LONG. Regarding one State, if the Senator will investigate, he will find that Louisiana is blessed with natural gas, which is burned in the stoves.

Mr. TYDINGS. That is true; but the amount of which Louisiana would be relieved according to the figures I have read would be added to some other State, for I viewed the Nation as a whole, and took only an average.

Mr. President, in my judgment there is not a miner in the country who is going to profit by this tax. If we desire to bring in a minimum-wage scale and maximum hours of work, let us bring them in frontally. If we are not going to bring them in frontally, then, for heaven's sake, let us not disguise them by penalizing the consumers of the country 15 percent on the mine cost of every ton of coal they have to have.

This argument about the rebate is not a fair argument, because the rebate of 90 percent of the tax goes back to the mine owner provided he complies with the rules and the regulations of the central commission.

Any mine owner who does not wish to comply with the rules and regulations of the central commission does not get his money back. There will be plenty of mine owners who will not wish to comply with the rules and regulations of the central authority. The tax is going all the way on to the consuming public, and it is going to be added to as it goes along.

There is no justification for the proposed tax; and, indeed, I doubt whether anyone seriously contends that the Congress has a right to levy a commodity tax of this character on a product at the mouth of the mine for the purposes enumerated in the bill. It is not a regulation of interstate and foreign commerce, although the title of the bill says the bill is enacted in order better to control interstate commerce.

I do not wish to get in the position of delaying the bill by speaking more than is necessary. I rose only to show what this tax would mean to the consumer. I shall now take my seat, expressing the hope that the tax will be taken from the bill.

### LET AMERICA BEWARE!

Mr. LONG. Mr. President, all day yesterday and today I have been trying to get 3 or 4 or 5 minutes, or perhaps a little bit longer, for the purpose of putting in the RECORD some data relating to this Ethiopian-Italian-British situation, and, perhaps I should add, the situation as it affects Europe and Africa as a whole.

I have before me an editorial from a paper published today in Washington. I seldom find in this newspaper anything in an editorial way which impresses me; but on its front page there is this editorial, which is headed "Will Congress Keep Us Out of War?"

And it continues this particular comment:

> Britain to ask United States to help curb war. Diplomats already moving to get Washington to line up against Italy. This is the news from Europe. It may prove the most fateful news for us since the World War.

I ask to have this entire editorial printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. VAN NUYS in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. LONG. Mr. President, I was furnished by a friend last night with a copy of the first history, I think, about which we know anything, written by Herodotus, and I find the following note on page 187:

> Where the south declines towards the setting sun lies the country called Ethiopia, the last inhabited land in that direction. There gold is obtained in great plenty.

I think I can explain to the Senate, learned as the Members are, by reading from this book I have here, which cost only $1, which can be purchased at any drugstore [laughter], and the World Almanac, which now sells for 50 cents—with $1.50 worth of information—I think I can explain the cause of nearly all the European and African trouble. [Laughter.]

"There gold is obtained in great plenty," says this man, writing 2,480 years ago:

> Huge elephants abound, with wild trees of all sorts, and ebony, and the men are taller, handsomer, and longer-lived than anywhere else.

I was surprised at what the World Almanac contained about this country. I showed it to a learned Member of this body this morning, and found that he was as much affected by the disclosures as I was. Therefore I shall read an extract from a very short article which appears in the World Almanac of 1935, which will be found on page 637:

> Ethiopia—Empire of Abyssinia.
> Area, estimated, 350,000 square miles.
> Population, estimated, 10,000,000.
> Capital, Addis Ababa; population, estimated, 70,000.

I read the following:

> Ethiopia (or Abyssinia) is a mountainous volcanic country in northeast Africa. * * * The agricultural and mineral resources of the country are comparatively undeveloped.

In other words, they have remained there ever since this history was written, 2,484 years ago.

> And its wealth of water power is unused. In the lower country and deep valleys, which are very hot, sugarcane, cotton, coffee, and rubber are produced, while grain, fruit, tobacco, potatoes, etc., are grown in the higher temperate country. The upper slopes are given over to cattle raising. Hides, skins, coffee, and beeswax are the chief exports and cotton goods the chief imports.
>
> A railroad 487 miles long, built under French auspices, runs from Jibuti, the French-owned port on the Red Sea, to the capital.

Trade through Jibuti, the Anglo-Egyptian Sudan, and British Somaliland in 1929–30 was: Imports, $4,758,955; and exports, $4,614,843.

Trade with the United States was: 1933, imports, $27,078; exports, $181,164; 1932, imports, $38,024; exports, $229,214.

The religion is Christianity of the Coptic sect. Education is for the clergy alone, and the people are generally illiterate.

German scientists describe the Abyssinians as "a mixed Hamito-Semitic people", and other ethnologists assert that the "true Abyssinian type contains no Negro blood whatever and none of the Negro qualities, either physical or mental." The royal family claims descent from Menelik, the son of King Solomon and the Queen of Sheba. Ethiopia (or Abyssinia) is the only country in Africa that was neutral in the World War. It applied for membership in the League of Nations in 1923. After an investigation into the existence of slavery in the kingdom and the promulgation of a decree in June 1923 making slave trading punishable by death the country was admitted into the League, September 28, 1923.

Now I come to something to which I want every Senator to listen, and I hope I may have the undivided attention of all Senators, in order that I may give them note of something which has never been brought out in the public press. This may be changed next year—it probably will be changed the next time the World Almanac is printed—but these are the facts, nonetheless:

Great Britain and Italy agreed among themselves in December of 1925 that they would support each other to secure for the British the right to build a dam at Lake Tsana, the source of the Blue Nile, for the irrigation of the Sudan, and the Italians to build a railway between Eritrea and Italian Somaliland.

In other words, a contract was entered into by Great Britain and Italy that they would mutually exploit Ethiopia in 1925. One of them was to have the power and water resources, the other was to have the right to build a railroad across the country.

Mr. COPELAND. Whose country?

Mr. LONG. Ethiopia. These countries were going down there together to exploit it for both of them in 1925.

Lake Tsana is at an altitude of about 6,000 feet.

Senators can imagine a lake 6,000 feet above sea level. I do not think there is a lake in this country to compare with that. The potentialities of a lake 6,000 feet above the level of the sea are more immense than we can comprehend, compared with what we have in this country. The lake—

Is about 40 miles long, 30 miles wide, with an area of about 1,200 square miles. The Blue Nile flows out a relatively broad stream, and 21 miles from the lake makes a plunge of 80 feet into a narrow gorge.

We all know how important it is that Great Britain shall have the control of the immense supply of the waters of the Nile and the headwaters of the Nile.

In the next 30 miles it descends 2,000 feet in a series of falls, and near the Sudan Plains there is an additional fall of 2,000 feet. Possibilities of easy power development are great.

Ethiopia, who had not been consulted, protested to the League of Nations in 1926.

In other words, Ethiopia had not been consulted about this trade which had been made by Great Britain and Italy to go down there as partners and exploit this undeveloped, rich country which had been in that condition for 2,400 years or more. Therefore Ethiopia, which had been admitted to the League of Nations in 1923, after complying with certain requirements which had been demanded by the countries composing the League of Nations, filed a complaint over what Italy and Great Britain had agreed to in the way of exploiting this country, over which the Ethiopians had set up their own government.

What happened when they made this complaint?—

Great Britain and Italy protested that no encroachment was intended and the matter was dropped. Italy and Ethiopia, in a joint statement issued in Rome September 29, 1934, reiterated their mutual attitude of friendship and nonaggression.

In other words, when Ethiopia exposed the thing in a plea filed with the League of Nations, Great Britain and Italy stated that they intended no such thing, and Italy went on the side lines and made a still deeper friendship with them, and issued one of these pronouncements to the world of their undying friendship, and stating that there would be no aggression by either party, Italy or Ethiopia, or anybody else.

The United States, after a lapse of 20 years, reestablished diplomatic relations with Ethiopia in 1928, Addison E. Southard being sent to Addis Ababa as minister and consul general. Emperor Haile Selassie, on July 16, 1931, gave the people a constitution providing a legislative body of two chambers with responsible ministers to carry out its decisions.

I will read no further, because that is about all of the article; but I will make a statement, and then read one further excerpt.

Ethiopia has been found to be a very rich country. Its resources are very badly needed. Not only is the population of these countries demanding an outlet, but the fact is that even the rocks of the Ethiopian country have been found to be petroliferous. They have found various and sundry mineral resources. The colonies of Great Britain need the water supply, they need the water power. Those resources are needed by these various countries so much so that they speculated upon going into a mutual contract for the conquest, or development, or whatever they wish to call it, of this country, now called Abyssinia.

Mr. President, this country of America may be brought into a war. We passed a joint resolution today which means a good deal, but will not prevent this country from being dragged into a war again. I am calling to the attention of the Senate the fact that Ethiopia's trade does not mean anything to this country; that it has been but a few years since we reestablished our diplomatic relations with them. However, as cruel as the Italian policy is, whether Mr. Mussolini is justified or not is not a matter of moment. I trust that before we meet here again there will be no such thing as a security floated in the United States or that the President of the United States will permit any action of any kind that will entangle us by cords of sympathy or by trade understandings that will lead us into a possible conflict, regardless of the merits or demerits of the cause of anybody else.

Of course, most of the people in this country are of English descent, and there is a natural bond of sympathy between us. We all have more or less English blood in our veins. Nonetheless, we have to look at England a little bit. We have to remember how the French acquired their colonies in Africa, and we have to remember how England acquired her colonies in Africa.

Then, again, in connection with these so-called "philanthropic expeditions" which are pursued by the countries composing Great Britain, it is well that we bear in mind something I now read as reflecting that policy. I read this for a particular further reason. Ethiopia is a country wherein there are produced large quantities of opium, as well as containing minerals and water-power resources which are available.

I read from Ridpath's History of the World, volume 7, page 286, the following:

Following the course of events, we come now to consider the history of the so-called "opium war" between England and China.

We never find this printed in an American schoolbook. I know of no schoolbook today that is taught in the United States which tells of the opium war between England and China. Perhaps I am one of the Senators late to learn about it, but it has only been a relatively few years that I was particularly acquainted with the matter.

The circumstances leading to this unfortunate and disgraceful catastrophe had their root partly in the industrial and political constitution of the Chinese Empire, partly in the commercial transactions of the British East India Co., but more properly in the wanton avarice and conscienceless policy of the home Government of Great Britain. The matter at issue related to the introduction and sale of opium by British traders in the ports of China.

And they might have said, in the ports of the United States, through China.

Such importation had begun under the auspices of the East Indian Co., and was carried on by that gigantic corporation until 1834, when the charter and exclusive rights of the company expired. Meanwhile the opium trade had become important. Many districts in India produced the poppy in exuberant abundance. The drug drawn therefrom was carried by the ships of the company to the Chinese ports and sold to native merchants, under whose encouragement the opium-smoking habit spread rapidly among the people. The Imperial Government—

That is, the Government of China—

took the alarm and adopted the policy of excluding the opium ships from all the harbors of China.

The measures looking to this end were reasonable in the highest degree. The right of the Chinese authorities to protect the people of the Empire from the disastrous effects of the opium habit could not be gainsaid with the slightest show of reason. The trade in opium had meanwhile passed from the monopoly of the British East India Co. to the general merchant marine of the Kingdom. At this time the ports which were open to English commerce and English intercourse in general were Canton and Macao. In these ports of entry the British Government had planted superintendents, whose conduct, instead of being directed with judicial fairness and in accordance with the principles of international law, was wholly biased by the interests of the illicit trade of their countrymen.

Nor did the home Government in this emergency take the first step toward the maintenance of the right and honor in its dealing with the Chinese authorities. Even when Captain Elliott, chief superintendent in the port of Canton, made one appeal after another to the ministry for instructions covering the discharge of his duties, he received no reply. Matters were allowed to drift in their own pernicious course. The British traders became bolder and bolder, discharging enormous cargoes of the deadly drug under the very eyes of the Chinese officers. After a while the Government sent out a dispatch to Captain Elliott telling him virtually that those who traded in opium against the edict of the Emperor would have to take the consequences; that the British authorities would not interfere to protect those merchants who were engaged in the illicit trade, but that they must bear such losses as their own persistency and the execution of the Chinese laws might entail. This was equivalent to saying that the British traders in the East might provoke a war with China, with the implied inference that after the war was begun Great Britain would defend her interests without looking into the justice or injustice of the conflict. It was clear that as soon as hostilities should be precipitated, excesses would be committed by the Chinese, and unacquainted as they were with the usages of European warfare, and that the home Government of England would be obliged to take up the cause of its traders and other subjects on the coast of China.

The war came on. The imperial officers in the Chinese ports demanded that the introduction of opium should absolutely cease, and that the cargoes now in store should be given up for destruction.

The cause of the war was that the Chinese Government demanded that the importation of opium into China by Great Britain and her loyal merchants should be brought to a close, and because the Chinese closed their ports to the opium trade that England had foisted upon China the war came on.

At length, in 1839, Captain Elliott was constrained to comply with this demand. It was agreed that all the opium then in the hands of Englishmen should be surrendered to the native officers, and he also exacted a pledge—of no validity—from the merchants that they would cease to traffic in the drug. Accordingly, on the 3d of April, in the year just named, 20,383 chests of opium were given up to the mandarins, and, under direction of Imperial Commissioner Lin, were destroyed. It was this event—though the same had been brought about in virtual conformity with the instructions which Captain Elliott had received—that precipitated hostilities. A declaration of war was made by the English Government in 1840, and the East Indian Fleet was sent to the Chinese coast. Native armies were thrown into the field; but in the conflict which ensued they were like sheep for the slaughter. There could be but one result. What could the diminutive, undisciplined, half-armed men of the Orient, though fired with the valor of Spartans, do before the shining bayonets and vomiting cannon of Great Britain?

As a matter of course, the English were constantly victorious. In the first year the British Fleet captured the town of Chusan, and in 1841 the Bogue Forts were easily taken. It is narrated that when one of the Chinese towns was captured, the Tartar general, in the hour of defeat, shut himself up in his house, and ordered his servants to burn him to death. It was the custom of the routed Chinese to drive their wives and children into wells and ponds, and then cut their own throats in the very frenzy of their hopeless rage. When the British squadron sailed up the River Peiho against the Chinese capital, some futile efforts were made at negotiations, but the movement came to naught. The important city of Ningpo, distant somewhat from the sea, was taken, and then Amoy, far to the south, fell into the hands of the British.

Not, however, until an army was planted in front of Nankin, did the Imperial Government realize the hopelessness of further resistance.

At any rate, without reading further, Mr. President, the results of the opium war are pretty well known, and I read this conclusion:

It is that of the opium war of Great Britain with China. If there be a single instance in the recent history of mankind more highly illustrative of the possible meanness, avarice, and arrogance of the strong—an example of the willful persecution and unmerited punishment of an unoffending people by one less numerous but more mighty than themselves—it is that of the opium war of Great Britain with China.

What else did they do? When they had forced the opium trade on China, what else did they do? Here is a little further article which relates to what happened to this oriental country which undertook to throw the opium trade from its borders and to civilize and protect its people.

It goes on to tell—

Finally, an indemnity of four and a half million pounds sterling was wrung from the Chinese Government as the price of war, and to this was added another large sum to pay for the opium which had been destroyed at the outbreak of hostilities.

Great and wonderful Great Britain! So this is that friend of civilization and of humanity which forced the opium trade on China, which entered into agreement to exploit Ethiopia, which can carry on a war as long as there is an American dollar afloat or as long as there is a soldier of its own or some other country in the trench.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. COPELAND. May I add a word as to the modern conditions regarding the opium traffic which will add to the strength of what the Senator is saying. In order that the Indian monopoly in opium might be continued, about 1910, as I recall it, there was an arrangement, which I suppose was a forced arrangement, by which Great Britain insisted that China should decrease her acreage of opium 10 percent a year. By that time the drug addicts, the opium addicts of China had been developed largely through the effort spoken of by the Senator from Louisiana [Mr. LONG], and there was a demand in China for opium; naturally they turned to the development of the poppy cultivation in China, and that became such a serious menace to the monopoly in India that, as I say, about 1910, as I recall it, an arrangement was entered into, forced I suppose upon China, by which there was to be a 10-percent reduction a year in the acreage, so that by the end of 1920 there might be no poppies developed in China. The war intervened, and I do not know what the situation is now. But I think, as much as I admire the British nation, that what it has done is to perpetuate the opium traffic of the world, and through what we call the free ports of China to make possible by carrying opium into those ports and then by free exportation from those ports we have found the opium business of the world promoted.

I wanted to say that much, not alone to reinforce what the Senator has said, but in order that we might realize just exactly where the responsibility lies in the continuation of the opium business of the world. I think the Senator, regardless of what his main purpose may be in his presentation of these facts, has rendered a public service, a world service, by calling attention to this particular evil.

Mr. LONG. Mr. President, I thank the Senator from New York. America owes a great deal to this European diplomacy. We are indebted to them for our opium trouble not only in America but throughout the world today.

As the statesman from New York has pointed out, not only did England force this evil in China and through China into the world, but when this evil became so profitable that the Chinese began to participate in it they forced the Chinese to cease their participation in the growing of poppies and the production of opium, in order that they might control the profits out of what we know to be a curse against the human race.

We had a little experience in 1918. We were drawn into a war, step by step, until when the time came for actual declaration of war as a matter of fact, to large extent we found that we had already been in the war. The American people should look askance upon these so-called "humane" efforts insofar as concerns Ethiopia.

The only reason why Italy and Great Britain did not go in there together in 1925 was because the exposure seemed to be too imminent at the time, and they were not in a position to justify that kind of encroachment upon territory which did not belong to them. Ethiopia has water power, has many resources, including minerals, and various and sundry products, including the product of opium. Ethiopia

is desired by many countries, probably by Italy to some extent and probably by Great Britain to some extent.

But let America not be deluded or fooled any further. There is no good purpose on the part of those countries in their exploitation or even defenses. They are over there only to use someone else for their marauding encroachment which they are making either upon one another or upon someone probably innocent. There is nothing to be gained by an alliance with them. Let America be a burned child afraid of the fire. Eleven billion dollars of indebtedness owed to us, never to be paid, is the reward for our last adventure, to say nothing of our wounded and dead and the hatred of the entire European and probably Asiatic countries, which resulted from that move which we were told would make free the world for the sake of democracy, but which was to carry along such activities as are indicated in the articles which I have read.

America beware. In the name of the soldiers who sleep in unmarked graves; in the name of the millions suffering for our last mistake; in the name of all humanity let America beware.

EXHIBIT A

[From the Washington Daily News of Aug. 21, 1935]

WILL CONGRESS KEEP US OUT OF WAR?

Britain to ask United States to help curb war. Diplomats already moving to get Washington to line up against Italy. This is the news from Europe. It may prove the most fateful news for us since the World War. It means that we are close to the edge. Powerful forces are pulling us toward the swift and treacherous current of Old World conflict. Once we are in none can predict the disaster which may engulf us.

If it is true that the United States Government is discussing economic action against Italy, as the cables state, our neutrality and safety already are jeopardized. Anyway, the British pressure is strong. We have succumbed before. Will we succumb again?

Congress must answer. The gravest responsibility laid on Congress by the Constitution is the power over peace and war. That does not mean merely the power to make or to withhold a declaration of war after events have made the decision for Congress. It means the power so to mold events and to make policies in advance that will keep us free from such war entanglements.

The domestic legislation engaging Congress in its closing week is important, but only infinitesimal beside the colossal question of American neutrality in the threatened African-European war. This is its first and supreme job now. If Congress adjourns without passing the pending neutrality bills, it will betray its trust.

If Congress and the administration avoid passing the neutrality laws, it will be for the specific purpose of permitting possible American intervention. We believe that is the road of destruction. We believe the American public—which pays the price—is overwhelmingly opposed to such action, regardless of the excuse.

There are plenty of impressive reasons given, of course. We should help the Ethiopian under dog, it is said. We should join with other powers in protecting the peace machinery from the Italian aggressor, it is said. All we would have to do would be to give our moral, diplomatic, and economic support to Britain or the League; there is no thought of military intervention by us, it is said.

Not one of these arguments can stand before the facts. We cannot save the Ethiopian for democracy, because Ethiopia already is a country of slavery. Much as we deplore the domination of the weak by the strong in the Italian-Ethiopian case, it is less fateful to the world than Japanese conquest of China, British domination in India, and other imperialist domination elsewhere. If we are going out to protect the weak from the strong, we shall have to fight all of the great powers—including ourselves.

There was a time not so long ago when we had a gambler's chance to save the world-peace machinery. The United States—wisely, we believe—took that chance. But we lost. We lost when the British tories broke up the Coolidge Geneva Arms Conference. We lost in the Manchurian crisis when the British tories sided with the Japanese militarists against us and prevented a united front of world powers to save the world-peace machinery. And we lost a few weeks ago when these same British tories deserted France and Italy and made a separate naval deal with Hitler, which reverses the naval situation in which we are so vitally interested.

Now this same British Tory Government wants our help against Italy. Why? Not because of some poor black semisavage in Ethiopia, whose lot is about the same as similar natives under Italian and British rule. The real issue is between British Tory imperialism and Italian Fascist imperialism. Mussolini challenges British naval dominance of the Mediterranean. The Mediterrancan, the Suez, and Egypt are the keys to India and the whole British Empire.

If Britain goes to war, it will not be to protect the Ethiopian or the League of Nations but to save her own skin. Certainly we do not blame her for that. Nor do we blame her for trying to draw us in on her side. We doubtless would do the same if we were in her place.

Far from being anti-British, all of our national sympathies are with the British people. But our sympathy does not extend to the point of wanting to fight a war to curb Fascist imperialism and to protect British imperialism.

We learned in the World War, and at the Paris Peace Conference and at the Geneva Arms Conference and during the Manchurian desertion, and through the recent Baldwin-Hitler naval deal, that we simply cannot make the world safe for peace with the present set-up; that we can only endanger our own peace in the effort.

That explains American public sentiment today in favor of neutrality in this crisis. The most dangerous thing we can do is drift. The only direction we can drift is toward war, if not today then tomorrow.

If we escape, it will be because the President and Congress put us in a position to maintain that difficult position. The first, and by far the most essential step, is passage of the pending neutrality bill, particularly the ban on all war credits, now.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 414. An act to convey certain lands and buildings to the city of Reno, Nev.;

S. 1448. An act for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918;

S. 2578. An act authorizing distribution of funds to the credit of the Wyandotte Indians, Oklahoma;

S. 2644. An act for the relief of the estate of Harry F. Stern; and

S. 3092. An act to provide funds for cooperation with White Bird School District, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3019) to amend sections 1, 3, and 15 of "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269).

## UNEMPLOYMENT COMPENSATION IN THE DISTRICT—CONFERENCE REPORT

Mr. KING submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7167) to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with the following amendments:

On page 4 of the Senate engrossed amendment, in line 20, strike out "7" and insert "8"; on page 5 of the Senate engrossed amendment, lines 11 and 12, strike out "or by the District"; on page 8 of the Senate engrossed amendment, after line 20, insert the following:

"DISTRICT CONTRIBUTIONS

"Sec. 5. (a) The District of Columbia shall pay contributions, in addition to its contributions as an employer, in the following amounts: For the calendar year 1936, $100,000; for the calendar year 1937, $125,000; and for the calendar year 1938, $175,000.

"(b) The contributions required by this section for each calendar year shall be paid by the District to the Board, and shall, immediately upon receipt by the Board, be paid into the District Unemployment Fund."

On page 9 of the Senate engrossed amendment, line 2, strike out "5" and insert "6"; on page 9 of the Senate engrossed amendment, line 8, strike out "6" and insert "7"; on page 9 of the Senate engrossed amendment, line 15, strike out "7" and insert "8"; on page 11 of the Senate engrossed amendment, line 12, strike out "8" and insert "9"; on page 12 of the Senate engrossed amendment, line 2, strike out "9" and insert "10"; on page 13 of the Senate engrossed amendment, line 17, strike out "10" and insert "11"; on page 14 of the Senate engrossed amendment, line 2, strike out "three" and insert "one"; on page 15 of the Senate engrossed amendment, line 12, strike out "11" and insert "12"; on page 18 of the Senate engrossed amendment, line 3, strike out "12" and insert "13"; on page 18 of the Senate engrossed amendment, line 5, strike out "decisison" and insert "decision"; on page 19 of the Senate engrossed amendment, line 21, strike out "12" and insert

"13"; on page 20 of the Senate engrossed amendment, line 10, strike out "13" and insert "14"; on page 21 of the Senate engrossed amendment, line 9, strike out "act" and insert "Act"; on page 21 of the Senate engrossed amendment, line 22, strike out "14" and insert "15"; on page 22 of the Senate engrossed amendment, line 7, strike out "15" and insert "16"; on page 23 of the Senate engrossed amendment, line 6, strike out "16" and insert "17"; on page 23 of the Senate engrossed amendment, line 21, strike out "17" and insert "18"; on page 24 of the Senate engrossed amendment, line 21, strike out "18" and insert "19"; on page 26 of the Senate engrossed amendment, line 6, strike out "19" and insert "20"; on page 27 of the Senate engrossed amendment, line 2, strike out "20" and insert "21"; on page 27 of the Senate engrossed amendment, line 6, strike out "21" and insert "22"; on page 27 of the Senate engrossed amendment, line 17, strike out "22" and insert "23"; on page 27 of the Senate engrossed amendment, line 22, strike out "23" and insert "24"; and on page 28 of the Senate engrossed amendment, line 5, strike out "24" and insert "25"; and the Senate agree to the same.

WILLIAM H. KING,
R. S. COPELAND,
ARTHUR CAPPER,
*Managers on the part of the Senate.*
VINCENT L. PALMISANO,
HENRY ELLENBOGEN,
*Managers on the part of the House.*

The report was agreed to.

THE BUSINESS AND POLITICAL SITUATION

Mr. HASTINGS obtained the floor.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Costigan | Logan | Robinson |
| Ashurst | Davis | Lonergan | Russell |
| Austin | Dieterich | Long | Schall |
| Bachman | Donahey | McAdoo | Schwellenbach |
| Bailey | Duffy | McCarran | Sheppard |
| Bankhead | Fletcher | McGill | Shipstead |
| Barbour | Frazier | McKellar | Smith |
| Barkley | George | McNary | Steiwer |
| Black | Gerry | Maloney | Thomas, Okla. |
| Bone | Gibson | Metcalf | Thomas, Utah |
| Borah | Glass | Minton | Townsend |
| Brown | Gore | Moore | Trammell |
| Bulkley | Guffey | Murphy | Truman |
| Bulow | Hale | Murray | Tydings |
| Burke | Harrison | Neely | Vandenberg |
| Byrd | Hastings | Norbeck | Van Nuys |
| Byrnes | Hatch | Norris | Wagner |
| Capper | Hayden | Nye | Walsh |
| Caraway | Holt | O'Mahoney | Wheeler |
| Chavez | Johnson | Overton | White |
| Clark | King | Pittman | |
| Connally | La Follette | Radcliffe | |
| Copeland | Lewis | Reynolds | |

The PRESIDING OFFICER. Eighty-nine Senators have answered to their names. A quorum is present.

"BY THEIR FRUITS YE SHALL KNOW THEM"

Mr. HASTINGS. Mr. President, on August 13 the distinguished Senator from Tennessee [Mr. MCKELLAR], in a speech on the floor of the Senate, called attention to the fact that for some time there has been considerable criticism of the present administration. The distinguished Senator then said he desired to say a few words about what the administration has done in the 2 years and 5 months since it has been in power.

Mr. President, I heard part of that speech, and I have since read it with great care. I was particularly interested in the following paragraph:

> Mr. President, nearly 2,000 years ago the great Savior of mankind, who spake as never man spake, said, among other things, "By their fruits ye shall know them." This wise method of judging the works of men never has been and never will be improved upon. Whatever anyone may think about the matter, it will be by this rule that President Roosevelt and his administration will be judged.

As I thought about this statement and this administration, I was reminded of a quotation which I think is in the Bible also; namely—

> Their folly shall be manifest unto all men.

And, Mr. President, as I heard the praise by the distinguished Senator from Tennessee of this administration, my mind drifted to the Democratic platform of 1932. It seemed to me the American people might well be cautioned, as was done by Paul the Apostle in his letter to the Ephesians, when he said:

> That we henceforth be no more children, tossed to and fro, and carried about with every wind of doctrine, by the sleight of men, and cunning craftiness, whereby they lie in wait to deceive.

Certainly the people of America have been tossed to and fro, and certainly they have been carried away with every wind of doctrine; and it seems to me not too much to say that the sleight and cunning craftiness of the "brain trust" have been lying in wait to deceive them. It is well known that there are persons who are so certain of their position that they think they are justified in a certain kind of deception in order that they may bring great reward to the people whom they deceive. The average "brain truster" looks upon the American people as an ignorant and howling mob, and seems to think that in order to get results for them he must exercise a certain amount of craftiness and a certain amount of deception.

However, Mr. President, I agree with the doctrine laid down by the distinguished Senator from Tennessee when he says:

> By their fruits ye shall know them.

Instead of that text, he might well have taken some one of these:

> Whatsoever a man soweth, that shall he also reap.

Or this:

> The way of transgressors is hard.

Or perhaps this:

> We are perplexed, but not in despair.

And if he had been sufficiently familiar with the Bible, he undoubtedly would have turned to the book of Job and quoted this language:

> Thou shalt be secure, because there is hope.

Or this from the book of Romans:

> And being fully persuaded that, what he had promised, he was able also to perform.

But after all, Mr. President, I am not quite so sure that the American people can attach to the word "promise" so much importance as they gave to it in 1932. Neither am I certain that the word "hope" means quite so much to them, so far as this administration is concerned, as it did a year or two ago; and it may be that the considerable criticism of the present administration, of which the Senator from Tennessee speaks, is largely due to the fact that this administration has forgotten the definition of the word "promise", and has left to the American people little or nothing but hope, and "hope deferred maketh the heart sick."

The N. R. A. bill, of which he speaks, was full of promise and hope. The magnificent Blue Eagle was supposed to control the field, the factory, and the forest. As the Senator from Tennessee grieves over its dead body he finds satisfaction in knowing that this great bird once lived, and that its soul still flutters about, protecting the children from labor, the wage earner from long hours, and monopolies from the threatened hand of the Department of Justice; and it might well be noted that to sustain the angelic wings of this defunct bird it is costing the taxpayers something like $700,000 or $800,000 every month.

The Senator from Tennessee goes on to say:

> The goal of Mr. Roosevelt's policies has been recovery. * * * Two years and five months of unrelenting toil and masterful leadership have removed substantially every distress that afflicted our people on March 4, 1933. * * * Now some are forgetting everything except inconsequential mistakes, and they are beginning to criticize the President.

Mr. President, I think the country will be a little surprised to learn that the goal of Mr. Roosevelt's policies has been recovery; and I am sure they will be greatly relieved to know that every distress that afflicted our people on March 4, 1933, has been substantially removed.

Some of us have begged the administration to center its attack upon a recovery program; but if we apply the prin-

ciple laid down by the Senator from Tennessee, namely, that "by their fruits ye shall know them", I think we shall discover that the administration has put reform ahead of recovery, and it is that kind of fruit by which Mr. Roosevelt expects to be known to future generations.

I doubt whether the 10,000,000 persons now out of work, a number but slightly below the number unemployed when this administration began, can be persuaded that the masterful leadership of Mr. Roosevelt has removed substantially every distress that afflicted them. I doubt whether the 20,000,000 persons who are now on relief will agree with the Senator from Tennessee when he says that recovery is here, and that the distress that afflicted us has disappeared. I am not yet persuaded that the people of the land who walk the streets and receive their daily bread from the hands of a central government are entirely content. Neither am I satisfied that they are content to receive from the Federal Government money for doing useless things. I think the Senator from Tennessee has overstated his case when he assures us that we are free from distress, and that the country is once more enjoying prosperity.

The Senator from Tennessee is pleased to note that the farmers have gotten out of the depression and are back to normal, and he contends that when that condition exists the whole country is also prosperous. I doubt whether it may be said that the farmer is back to normal when his prosperity depends upon the size of the check he receives from the Federal Government, based upon a promise not to grow things.

It may be that the Agricultural Adjustment Act is the distinguished accomplishment of the Roosevelt administration; but, oh, how proud we should be now if we could bring back the lives of the 6,000,000 little pigs that Mr. Wallace destroyed. How much happier the average housewife would be if, when she went into a butcher ship, she could purchase at a reasonable price enough pork for dinner, instead of looking at it with wistful eyes and watering mouth, and realizing that pork is now one of the dainty dishes that only the well-to-do can afford.

It is a strange sort of philosophy, Mr. President, when the fruits of a great administration shall be known and praised by the scarcity of the food and clothing it creates.

The distinguished Senator from Tennessee says:

> Some say that what has been done is not economically sound. Perhaps it is not; but it has done the job.

Mr. President, does the Senator from Tennessee admit that the prosperity that has come to the farmer has been brought about by a policy that is not economically sound? If it be true, as the Senator from Tennessee says, that perhaps the policy is not sound, what hope does he hold out for the farmer in the years to come from the adoption of such a policy? If we adopt the Senator's test to this policy—namely, "By their fruits ye shall know them"—may I inquire whether it may not be reasonably expected that the fruits of a policy that is not economically sound will some day bring discredit upon the administration that is responsible for such a policy. And, of course, there can be no sound economic policy which has for its base the largess, the bounty of the Federal Treasury. Prosperity that is bought and paid for cannot be relied upon by either this or future generations. Prosperity that is built upon a false economic plan cannot be a thing of which people may proudly boast. So, even if it be admitted that the condition of the farmer is that described by the Senator from Tennessee, it should not be looked upon as anything more than a temporary relief for the farmer, and that at the expense of other people of the Nation.

But, Mr. President, the Senator from Tennessee says that in addition to the farmer there are two other classes of persons that have been greatly benefited. Those two classes are the bankers and the laboring men.

I am glad to know the Senator thinks this administration has done so much for these two classes of persons. It may be that it has done great things for the banker; but, if that be true, it seems to me rather strange that the banker does not appreciate it. I thought the banker was in the mind of the President when he promised to drive the money changers from the temple. He certainly has had but little if any defense here. I have not heard a banker spoken of respectfully in the Senate during the past 2½ years. I really did not know we had done so much for him. The bankers with whom I come in contact do not even mention what has been done for the banker, but they are constantly talking about what has been done to the banker. I know that an effort has been made to place the control of banks in this administration. I know that this administration desired to have that done, and we have just gone through a difficult fight to prevent it. I realize that we have invested Government funds in the preferred stock of many of the banks of the Nation, and that in itself gives the administration a certain amount of control over all of them; but it never occurred to me that this could be pointed to with pride as one of the great things that had been done for the bankers.

But, after all, it seems to me that this is not of very great importance, because the bankers are not very numerous, and none of them has more than one vote; so it becomes of little importance whether the administration has done much or little for them.

But, Mr. President, it is entirely different with the working man. There are a great many working men in the country, and if we add the 10,000,000 who have no jobs, we have a real host, indeed. I should think, however, that if we could find jobs for the 10,000,000 who are now idle the Senator from Tennessee would have very much greater reason to rejoice about what had been done for the working man than he could possibly have under the present conditions. Men and women who have jobs are not entirely happy when there are millions walking the streets and ready and willing to take the job occupied by another. The worker cannot maintain his normal independence under conditions of this kind. Neither can the worker be entirely happy when he finds that the pay envelop has not been increased, while the food and clothing he buys has increased in price from 50 to 100 percent. It is difficult for the average worker to get much consolation out of what this administration has tried to do for him when thousands of them have lost their jobs and homes because of the processing tax. It will be difficult for the Senator from Tennessee to satisfy the worker out of a job because of the importation of the kind of articles he has been accustomed to make.

Mr. President, I do not deny that this administration has made some effort to assist the workingman, but it cannot be true that it has been very successful when we remember that there have been more strikes during this administration than during the same length of time in any previous administration.

The Guffey coal bill is urged upon us by certain classes of workers, and the President is so anxious to comply with their request that he is urging upon the Congress not to permit doubts as to its constitutionality to prevent us from passing it. But it is of but little credit to the administration to seek the popularity of the workingman by urging the adoption of unconstitutional acts by the Congress, and thus endeavor to place the blame for its failure upon the Supreme Court.

The effort made to assist the worker has not been in the right direction. The worker wants a job. He wants freedom and a job requiring reasonable hours of work and at a living wage. This cannot be brought about by direct congressional action, or by an Executive order of any kind. It can be ultimately done and only be done by a revival of the business of the country.

But, Mr. President, we are assured by the Senator from Tennessee that this administration has also done great things for the business man, for he says, "Nor has the business man's plight been overlooked", and further, "There has likewise been a vast improvement in the transportation business." It may be, as the Senator says, that the business man's plight has not been overlooked, but he might very well have added that everything the President and his advisers could think of that would disturb and distress

the business man has been recommended to the Congress; everything that would destroy his confidence and make the future more uncertain has been in progress since the first 2 or 3 months of this administration.

The recommendations of the Chamber of Commerce, which represents the business people of the Nation, have been scornfully rejected and ignored, and the Chamber of Commerce itself has been spoken of in this body in such uncomplimentary terms by administration Senators that one is bound to reach the conclusion that there is but little sympathy here for its objectives.

The business man has pleaded with us not to disturb him at this time by increased taxes, but the President had recommended it, and there was no turning back.

Under the social-security bill we have laid a tax so drastic and revolutionary in character that he knows not where he stands.

I do not deny that there has been improvement, but whatever improvement there has been, has been in spite of the administration's activities instead of as a result of them.

My own judgment is that the declaration by the Supreme Court that the National Recovery Act was void was the greatest incentive to business that has come since the adoption of the Economy Act. The last shreds of the Economy Act, as we all know, have but recently passed out of the picture with the approval of the President.

No, Mr. President; the Senator from Tennessee can gather but little fruit to store up for the credit of this administration by any reference to what it has done for the business man.

But let me pass on and make one further observation. The Senator from Tennessee says:

> Therefore we find that $2,500,000,000 of our regular annual income is paid by the consumers of the country, rich and poor alike, men and women alike.

And further along he says:

> Of course, in the foregoing figures I have not included some $600,000,000 or $700,000,000 known as the "processing tax", which the Government receives and pays out as a special fund.

I assume the Senator would admit that the processing tax must be paid by the consumer also, and that this makes a total of $3,200,000,000 that is being paid annually by the consumers of the Nation. This, as I understand it, is being paid in part by the banker and the workingman, for whom the Senator says this administration has done so much. This demonstrates that all classes of people of the Nation ought to be interested in the amount of money that is being expended by this administration.

If the Senator from Tennessee had desired to show that President Roosevelt had greater qualities than other Presidents, he might with accuracy have pointed to his record and said, "Here is the greatest spending President this country has ever known." He could with accuracy have said that Mr. Roosevelt has found and will have spent during the first 3 years in office a sum of money about equal to all of that that had been spent by all of the Presidents from Washington to Wilson, a period of 124 years, a sum of about $24,500,000,000.

I wonder if he feels that the consumers of the Nation, who he says are paying all of the annual taxes, with the exception of about $500,000,000, will be proud of this record when they realize, as they must realize ultimately, that the greater burden of it all is to fall upon them.

Is it to be considered a great accomplishment to create an annual deficit of about $4,000,000,000 a year in the face of a promise that there should be no deficit at all? Is it to be considered a great accomplishment to promise to reduce Government expenses by something like 25 percent, and then at the very first opportunity to increase them by pretty nearly 100 percent? Is it to be considered a great accomplishment to promise economy by reducing the bureaus and commissions and the number of Government employees, and right in the face of it to increase the number of bureaus a hundredfold and the number of employees by nearly 200,000?

The economy bill, enacted early in this administration, was supposed to save a billion dollars. It was urged upon the Congress to save the country from bankruptcy, but the itching palm of the great spender could not permit it to last long. He soon began to whittle it away, until the other day, the last chip fell into the basket.

If putting the Government into competition with private enterprise is an accomplishment; if extravagance, want, and waste form an accomplishment; if the taking of a sullen attitude toward the decision of the Supreme Court is an accomplishment; if the undertaking of a change of our form of government and making out of it a new social order is an accomplishment; if the Senator from Tennessee wants to list all of these in his laudatory remarks about the President of the United States, then I am again willing to apply the test to President Roosevelt, and say, "By their fruits ye shall know them."

Mr. President, I might continue, but I doubt whether it is worth while. The country knows the facts, and I am satisfied that the people of the Nation will follow the Senator's suggestion and judge the President by the rule suggested. If that be done, however, the criticism of the President, of which the Senator so bitterly complains, will grow as the appalling facts are more fully appreciated. His promises will not be forgotten. His ruthless disregard of them will not be forgiven. The Federal Constitution shall not be destroyed. The rights of the several States shall be preserved. This country shall pay its honest debt. The unemployed shall not be permitted to go without a job, but, Mr. President, if these things are to be done, we must get rid of the vagaries that beset us. We must not be led into the social order that destroys freedom of action. We must hold fast to principles that have made us great; discover and correct the faults that come with the growth of progress, and, in my judgment, these things cannot be done unless we have courage enough to freely and vigorously criticize the mistakes of those in authority as such mistakes from time to time appear.

### COTTON TEXTILE INDUSTRY (S. DOC. NO. 126)

Mr. WALSH. I ask the Chair to lay before the Senate the President's message pertaining to the cotton-textile industry.

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, which will be read and lie on the table:

The legislative clerk read as follows:

*To the Congress:*

Last April I appointed a Cabinet committee, consisting of the Secretary of Commerce, as chairman, the Secretary of State, the Secretary of Agriculture, and the Secretary of Labor, to make a survey of the conditions and problems of the cotton-textile industry. I am now in receipt of a communication signed by the members of the committee, with which they submit their findings and recommendations.

This letter and these findings and recommendations of the committee I am immediately transmitting herewith for the information of the Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 21, 1935.*

Mr. WALSH. Mr. President, this report will command a great deal of public interest and attention. Therefore, I move that the message, with the accompanying papers, be printed with illustrations as a Senate document.

The motion was agreed to.

### MARY SKY NECKLACE—VETO MESSAGE (S. DOC. NO. 122)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read, referred to the Committee on Indian Affairs, and ordered to be printed, as follows:

*To the Senate:*

I return herewith, without my approval, S. 1696, "An act for the relief of Mary Sky Necklace."

The bill provides for the payment to the county of Bon Homme, S. Dak., of the sum of $374.43 in settlement of its claim against Mary Sky Necklace for taxes assessed

against property which she purchased, with the approval of the Office of Indian Affairs, from trust funds held to her credit by the Federal Government, and with an understanding on her part that the property would be nontaxable.

It does not seem to me that the Federal Government is properly chargeable with any obligation to pay the taxes on such property, either as to the accumulated taxes contemplated by the bill, or as to the future taxes which, by that principle, would be assumed to be a governmental obligation as long as the land remained in Indian ownership.

There are, moreover, many cases of a similar character for which this proposed enactment would constitute an unwise precedent.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 21, 1935.*

JOHN W. BECK—VETO MESSAGE (S. DOC. NO. 123)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read, referred to the Committee on Military Affairs, and ordered to be printed, as follows:

*To the Senate:*

I return herewith without my approval, S. 457, authorizing me to summon John W. Beck, lieutenant, United States Army, retired, before a retiring board, to inquire whether at the time of his retirement under section 24b, National Defense Act, as amended, he was incapacitated for active service, and whether such incapacity was a result of an incident of service, and if, as a result of such inquiry, it is found that he was so incapacitated, I am authorized to nominate and appoint, by and with the advice and consent of the Senate, the said John W. Beck, a first lieutenant, Regular Army, and place him immediately thereafter upon the retired list of the Army, with the same privileges and retired pay as are now or may hereafter be provided by law or regulation for officers of the Regular Army.

The measure further provides that no back pay or allowances shall be held to have accrued prior to its passage.

From the facts in this case on record in the War Department, I find that John W. Beck's retirement was accomplished in strict accordance with the provisions of existing law and his rights were duly safeguarded. The records clearly indicate that he had no incapacitating disability at the time of his retirement, but was retired under the provisions of section 24b of the National Defense Act, as amended, because of unfavorable records of service. Therefore, I can see no reason for singling him out for preferential treatment at this time for the purpose of changing his retired status and thereby increasing his compensation.

Further, I note that the Seventy-fourth Congress, first session, House of Representatives, Report No. 1272, and Seventy-fourth Congress, first session, Senate Report No. 200, contains a letter from the Veterans' Administration which recites the military service record of an individual who is not the beneficiary of this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 21, 1935.*

HARRY T. HERRING—VETO MESSAGE (S. DOC. NO. 124)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read, referred to the Committee on Military Affairs, and ordered to be printed, as follows:

*To the Senate:*

I return herewith, without my approval, S. 1426, authorizing me to appoint Harry T. Herring as a lieutenant colonel, United States Army, and to place him on the retired list of the Army as a lieutenant colonel, with the retired pay and allowance of that grade.

From the facts in this case of record in the War Department, it appears that Harry T. Herring never held a commission in the Regular Army. He was graduated from the United States Military Academy on June 13, 1905; and was honorably discharged as a graduated cadet, July 12, 1905, having been found physically not qualified to perform the full duties of an officer of the Army because of organic heart disease. He subsequently served during the World War as an emergency officer in the Ordnance Department in the grades of captain, major, and lieutenant colonel. In 1920, he was one of the many emergency officers examined for commission in the Regular Army, and was again found not qualified for such appointment because of physical disability.

I am also advised that Colonel Herring is now receiving compensation from the United States Veterans' Administration amounting to $35 per month.

In view of the foregoing, I do not consider that this former emergency officer is entitled to the benefits of the Regular Army retired list. It would be unjustly discriminatory to place him on the retired list of the Army, when many others in similar circumstances are denied equal consideration. The retirement system of the Regular Army was provided for the twofold purpose of attracting desirable permanent personnel to the service and of vitalizing the active list. Its maintenance for such purpose is vital to the national defense and should not be jeopardized by utilizing it as a means of relief, or for placing upon such retired list persons other than the permanent personnel of the military stablishment.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 21, 1935.*

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

STABILIZATION OF BITUMINOUS COAL-MINING INDUSTRY

The Senate resumed the consideration of the bill (H. R. 9100) to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a draw-back under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. TYDINGS].

Mr. NEELY. Mr. President, before a vote is taken on the Tydings amendment I wish to express the hope that it may be defeated, for the reason that if it shall prevail the only means of enforcing the provisions of the proposed law will have been stricken from the measure. Therefore, I hope that the amendment will be defeated.

Mr. TYDINGS. Mr. President, I should like a yea-and-nay vote on the amendment. I will ask the friends of the bill to join me in getting a roll call on this amendment. I demand the yeas and nays on this question.

The yeas and nays were ordered.

Mr. McNARY. Mr. President, I rose a moment ago for the purpose of asking that the clerk state the amendment before the vote is taken.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 7, line 2, after "Sec. 3", it is proposed to strike out all down to and including the words "Internal Revenue" in line 12.

Mr. TYDINGS. The amendment simply provides for striking out the tax.

The PRESIDENT pro tempore. The clerk will proceed with the roll call.

Mr. NEELY. I suggest the absence of a quorum. This is a very important amendment, and a majority of the Senators should be present when it is voted upon.

The PRESIDENT pro tempore. The clerk will call the roll to ascertain the presence of a quorum.

The Chief Clerk called the roll, and the following Senators answered to their names.

| | | | |
|---|---|---|---|
| Adams | Dieterich | Lonergan | Robinson |
| Austin | Donahey | Long | Russell |
| Bachman | Duffy | McAdoo | Schall |
| Bailey | Fletcher | McGill | Schwellenbach |
| Bankhead | Frazier | McNary | Sheppard |
| Barbour | George | Maloney | Shipstead |
| Black | Gerry | Metcalf | Smith |
| Brown | Gibson | Minton | Steiwer |
| Bulkley | Glass | Moore | Thomas, Okla. |
| Bulow | Gore | Murray | Thomas, Utah |
| Burke | Guffey | Neely | Townsend |
| Byrd | Hale | Norbeck | Trammell |
| Byrnes | Harrison | Norris | Truman |
| Capper | Hastings | Nye | Tydings |
| Caraway | Hayden | O'Mahoney | Van Nuys |
| Clark | Holt | Overton | Wagner |
| Copeland | Johnson | Pittman | Walsh |
| Costigan | King | Radcliffe | White |
| Davis | La Follette | Reynolds | |

The PRESIDENT pro tempore. Seventy-five Senators have answered to their names. A quorum is present.

The question is on the amendment of the Senator from Maryland [Mr. TYDINGS] on which the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BULKLEY (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CAREY] who is absent from the city. I understand on this vote he has been specially paired, which leaves me free to vote. I vote "nay."

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from New Mexico [Mr. HATCH]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. THOMAS of Utah (when his name was called). On this vote I have a pair with the senior Senator from New Hampshire [Mr. KEYES]. I transfer that pair to the junior Senator from Idaho [Mr. POPE] and vote "nay."

Mr. TOWNSEND (when his name was called). Has the senior Senator from Tennessee [Mr. McKELLAR] voted?

The PRESIDENT pro tempore. He has not.

Mr. TOWNSEND. I have a general pair with that Senator. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. AUSTIN. I announce the following general pairs:

The Senator from Wyoming [Mr. CAREY] with the Senator from Massachusetts [Mr. COOLIDGE];

The Senator from Iowa [Mr. DICKINSON] with the Senator from Mississippi [Mr. BILBO]; and

The Senator from Michigan [Mr. VANDENBERG] with the Senator from Texas [Mr. CONNALLY].

The Senator from Iowa [Mr. DICKINSON] and the Senator from New Hampshire [Mr. KEYES] are necessarily absent.

The Senator from Wyoming [Mr. CAREY] is absent on official business.

Mr. DAVIS (after having voted in the negative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. If present, that Senator would vote "nay." Therefore, I allow my vote to stand.

Mr. NEELY. The senior Senator from Kentucky [Mr. BARKLEY] was called to the White House a few moments ago and authorized me to say that if he were present on this roll call he would vote "nay."

Mr. ROBINSON. I announce that the following Senators are detained in important committee meetings: The Senator from Arizona [Mr. ASHURST], the Senator from Washington [Mr. BONE], the junior Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the senior Senator from New Mexico [Mr. HATCH], the Senator from Illinois [Mr. LEWIS], the Senator from Nevada [Mr. McCARRAN], the Senator from Tennessee [Mr. McKELLAR], the Senator from Iowa [Mr. MURPHY], and the Senator from Montana [Mr. WHEELER].

I also announce that the Senator from Kentucky [Mr. LOGAN] is detained on important departmental matters.

I wish further to announce that the Senator from Idaho [Mr. POPE], the Senator from Mississippi [Mr. BILBO], and the Senator from Massachusetts [Mr. COOLIDGE] are unavoidably detained.

The result was announced—yeas 29, nays 44, as follows:

YEAS—29

| | | | |
|---|---|---|---|
| Austin | Dieterich | Hastings | Trammell |
| Bailey | Duffy | King | Truman |
| Barbour | George | Metcalf | Tydings |
| Burke | Gerry | Norbeck | Walsh |
| Byrd | Gibson | Overton | White |
| Caraway | Glass | Russell | |
| Clark | Gore | Schall | |
| Copeland | Hale | Smith | |

NAYS—44

| | | | |
|---|---|---|---|
| Adams | Donahey | McAdoo | Radcliffe |
| Bachman | Fletcher | McGill | Reynolds |
| Bankhead | Frazier | Maloney | Robinson |
| Black | Guffey | Minton | Schwellenbach |
| Brown | Harrison | Moore | Sheppard |
| Bulkley | Hayden | Murray | Shipstead |
| Bulow | Holt | Neely | Steiwer |
| Byrnes | Johnson | Norris | Thomas, Okla. |
| Capper | La Follette | Nye | Thomas, Utah |
| Costigan | Lonergan | O'Mahoney | Van Nuys |
| Davis | Long | Pittman | Wagner |

NOT VOTING—23

| | | | |
|---|---|---|---|
| Ashurst | Chavez | Keyes | Murphy |
| Barkley | Connally | Lewis | Pope |
| Bilbo | Coolidge | Logan | Townsend |
| Bone | Couzens | McCarran | Vandenberg |
| Borah | Dickinson | McKellar | Wheeler |
| Carey | Hatch | McNary | |

So Mr. TYDING's amendment was rejected.

Mr. COPELAND obtained the floor.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. COPELAND. I yield.

Mr. TYDINGS. May I ask the Senator if he intends at some time during his remarks to offer an amendment?

Mr. COPELAND. No.

Mr. TYDINGS. I wonder if the Senator would mind if I should offer an amendment of one word only to the bill. Then, of course, the Senator would have the floor; but, as many Senators are on the floor at this time, I should like them to know what the next amendment will be.

Mr. COPELAND. I will yield at any time to a Senator who has an amendment so short as one word.

Mr. TYDINGS. Then, Mr. President, on page 7, line 4, I move to strike out "15" and insert in lieu thereof "5." That will simply reduce the tax from 15 percent to 5 percent.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Maryland. The Senator from New York has the floor.

Mr. COPELAND. Mr. President, at this late hour in the session I dislike to take even a moment in discussing the bill. There are certain circumstances, however, which, to my mind, necessitate saying something about it.

It is strange how the passage of time changes the alinement regarding measures which appear before us. On May 3, 1926, I introduced in the Senate what was known as "Senate bill 1477", to regulate interstate and foreign commerce in coal and to promote the general welfare dependent upon the use of coal.

Again on January 4, 1928, I introduced what was known as "Senate bill 2029", to promote consolidations and cooperation in the mining and marketing of bituminous coal. The latter bill provided for voluntary cooperation and consolidation of the soft-coal mines. I was aware then, as I am now, of the great number of miners out of work. The war, with the need for larger quantities of coal, particularly soft coal, had necessitated a much larger production. The hard coal was used by our naval vessels and vessels in foreign trade at that time. Soft coal was in unusual and unheard-of demand. Everybody who had any coal land opened a mine, and by reason of that emergency thousands of men were induced to go into mining.

When the war ended and there was no longer the same demand for labor, thousands of coal miners—if I remember correctly, at that time 450,000 of them—found themselves without work. The bill to which I last referred was introduced in the House by the then Representative from Rochester, N. Y., Mr. Jacobstein, a very able economist, and was introduced by me in the Senate.

We took counsel of those who had knowledge of constitutional law, and concluded that the bill was a proper one.

It legalized consolidations by exempting them from the operation of the Sherman antitrust law. It limited these consolidations to regional areas approved by the Secretary of Commerce. It set up the necessary legal machinery for restricting the overproduction of soft coal. It placed in the Secretary of Commerce the responsibility and power to supervise such consolidations in order to protect the public, the independent mine owners, and mine labor from exploitation.

At that time I had a running battle with my very able colleague, whom I love dearly—the Senator from West Virginia [Mr. NEELY]—who was then opposing my bill which had to do with the improvement of the conditions of the coal miners. He had able support from the then Senator from Pennsylvania, Mr. David A. Reed. Knowing so much more about the rules than I did, they knew just exactly how to defeat me in my efforts; and they did a fine job.

The first bill was introduced in 1926, and the next one in 1928. Those bills, as I have reviewed them, might seem to indicate that if I favored legislation of that sort in 1926 and 1928, I ought to favor this bill.

My first bill was pretty broad. It set up a fact-finding body in the coal industry. It created a separate and distinct labor board to deal with labor relations in the coal industry. It provided for complete control and operation of the industry in the case of an emergency.

The second bill, that of 1928, was more limited in scope. I had hoped at that time that I might gain the support of the Senator from West Virginia—I mean the present Senator, Mr. NEELY. The Senator no doubt recalls the battles we had, when I had to remind him all the time of my love and affection in spite of his opposition to the bill, and to promise him that in time of his candidacy for reelection I should go down and help him.

The 1928 bill legalized consolidations in the coal industry, primarily for the purpose of controlling production. We had come to believe the first bill was too broad, and consequently the 1928 bill was much more limited in scope.

Without going into detail, it is a fact, as we demonstrated at that time, that there may be half a dozen mines, three or four of them in reality valueless, while the rest of the group may be very valuable. But it was impossible legally to bring about those consolidations which would make for more profitable production of coal, and we were seeking to permit consolidations of that sort.

When we come to the present bill, however, it really earmarks the coal industry as a public utility—I do not think I should dispute the thought back of that—and yet, after all, it goes far beyond either of the bills I have mentioned, or both of them combined. The Guffey bill, as I understand it, seeks to solve the problem of overproduction by two methods: First, by the establishment of a minimum price, with penalties for violation; second, by the establishment of quotas for districts and for mines.

It seems to me, as I view the bill, that the writer of it must have been familiar with the British coal-mine statute, because in much the same way as here proposed they attempt to control the industry in England. It works pretty well over there, but they do not have State rights and a Supreme Court, as we have, and which we must consider.

The coal bills which we presented in 1926 and 1928 left the problem to the industry itself through cooperative methods, while in the Guffey bill the solution is sought through price fixing, through a Government agency, and with penalties imposed by the Government. It is a Government set-up.

Mr. President, I never like to be in opposition to any measure which may be helpful to labor. When I think of three or four hundred thousand or four hundred and fifty thousand families who are in distress, of course my heart goes out to them. But I cannot and must not disregard the fact that I represent in part a State which has a population of 13,000,000, one-tenth of the population of the United States. It has an urban population, speaking of the cities, villages, and towns, of ten and a half million, a rural population is immediately adjacent to these urban communities of about a million and a half, and a farm population of 1,717,000.

Mr. President, what could I say to the 3,152,000 families in New York State if I voted for this bill? Fifteen thousand of those families are living on Government bounties, but over 3,000,000 of them are paying their share of the processing tax and other mounting costs of government.

I say to my brethren on this side of the aisle that we cannot afford to disregard what the housewives are saying at the breakfast tables of the United States. I have no question that in every household in the United States when the bacon and eggs are served, if they are lucky enough to have them, the wife says to her husband, "John, do you know how much this bacon cost? It cost 40 cents a pound."

Pork chops, which some of us used to enjoy, 2 years ago were 19 cents a pound, and now they are 38 cents a pound.

Lard 2 years ago cost 10 cents a pound, and is now selling for 19 cents a pound.

When the women of the country are distressed we can well afford, as a party, to give thought to what is going on. No matter what benefits may have been given to our people by reason of legislative enactments, the fact remains that every family in this country on a budget is suffering great distress by reason of the high prices, not alone of food but of the textiles and of all the things they buy.

Mr. President, what can I say to the more than 3,000,000 families in my State when the price of coal is increased materially, as it will be under this bill? It is not alone those who suffer in the coal regions who must be considered. If I had gifts at my disposal, I would give them prosperity and happiness and even luxury; but I cannot think alone of those poor people, distressed as they are, living in the coal regions. I have to think of 3,000,000 families in my own State who are suffering because of high prices.

If the figures given us by the Senator from Maryland [Mr. TYDINGS] are correct, the enactment of this bill will mean that in my State $10,000,000 a year will be added to the price of coal. The people—the six or seven million—in the great city of New York, not in the palaces of Fifth Avenue alone, but in the tenement houses, burn no wood. We have 500,000 persons living in 1 square mile in New York City, and in every one of those little tenement apartments is a coal stove. Those people have no money with which to go out and buy a ton of coal—they buy it by the bushel. Think of the added burden to the people of my city when we add 40 or 50 cents a ton to the price of coal, pyramided as it will be, buying as they are in small amounts.

Mr. President, I wish I might vote for the pending bill. I was approached this morning by a very influential official, not of our administration, but of a powerful and useful organization in this country, a man I love and admire and respect; he hoped I might support this bill. But I am here to represent in part the biggest State in the Union in population, one-tenth of all our citizens. How can I go back to New York and tell my fellow citizens that I voted a tax of $10,000,000 on my State?

This is all I shall say about the matter. I am truly regretful that I cannot vote for the bill. I have not given all the reasons why I cannot. There are others.

I have consulted with eminent constitutional lawyers in this body and out of it, and I am assured that we have not the power under the Constitution to enact this measure. Therefore, because in my opinion it is unconstitutional, and because it imposes a further and great burden upon the people of my State and upon the people of the Nation, I am forced, much against my heart and inclination, to vote against the measure.

Mr. GEORGE. Mr. President, I shall not engage in argument on this bill, because, as I interpret the senatorial mind, it is scarcely open to argument upon the proposal. If it were I would have no hesitancy in saying that it could easily be convinced that this bill, from the standpoint of justice, as well from the standpoint of the legality of the measure, should be discarded by the Senate.

I do not care to present a legal argument, Mr. President, on this bill, because under the actual cases decided there can, in my judgment, be no question about the invalidity of this bill. Outside of political and official circles it is questionable whether five reputable lawyers of established

reputation as lawyers in the United States could be found who would give it their full approval. However, that is not the worst aspect of this bill. The worst feature of this bill, Mr. President, is an infirmity and defect in the legislative program as we are now developing it. This Nation cannot remain free and happy if we are to legislate for groups. But beyond all that, Mr. President, if groups are to legislate for themselves, the end of things is not very far distant. That is the situation confronting us, and to this program the Democratic Party is willing to commit itself.

I have heard it said, Mr. President, that we must pass this bill because we face chaos if we do not pass it. We invite chaos when we refuse to consider a measure on its merits. We invite chaos inevitably when we do not candidly examine the grounds upon which legislation is based and determine whether there is legal basis for such legislation.

I do not put my judgment on any legal question above that of anyone else, nor do I undertake to pass upon any bill with respect to its validity for any other Senator. However, Mr. President, I am the judge of my own oath to support the Constitution of the United States, without mental evasion or equivocation, and so far as I am concerned, if I supported this bill, I would be voting for a bill which upon every leg of it could not stand the test of independent court judgment.

Mr. President, I am going to make this statement now, as a great jurist of Massachusetts long ago made it. The stress and strain of our constitutional system or of the system of free government in America will not come upon the executive branch, it will not rest upon the legislative branch. Both may be weak and vacillating; both may be ambitious for power. But it will rest at last upon a free, upon a courageous, upon an upright judiciary, and when that fails us, all fails us.

Is it right for me as a Member of this body to vote for a measure and send it to the court of this country when I know that that court ought to hold the act invalid? Am I fair to the judiciary, am I fair to the court, but beyond that, am I fair to the American people when I do that?

There is no chance for individual liberty to last, there is no chance for it to survive, if we break down the judiciary. It is the function of the court, it is the function of our Government, to uphold the right of the one man against the ninety and nine, and if that is not Americanism then Americanism is not worth defending.

Absolutism we might have had without the sacrifices of the Revolution. Yet the doctrine, essentially American, is reversed. If the majority desires to do something, the rights of the minority account for nothing and may be overridden. If there are chiselers in this or that occupation, and we mean by that the minority, then we may override them, when the heart and soul of the American system, of all of it, is to protect the rights of the minority, those inalienable and immemorial rights of free men, that we did not surrender either to State governments or to the National Government. And we think we are getting somewhere, we think we are getting somewhere by going back to the doctrine of absolutism in all of its hideousness, legislating not only for groups but permitting groups to write legislation for a population of free people.

Mr. President, there is nothing new in the theory of representative government. A thousand years before the American Government was established our English ancestors, the Anglo-Saxon branch, from which so many of us sprang, had evolved the system of representative government. There is nothing new, Mr. President, in the division and distribution of public powers. A great Frenchman had taught it. It was familiar doctrine to almost every man who sat in the Constitutional Convention, although it is an important principle. There is nothing new in the fact that we have a written Constitution.

Mr. President, the one new principle in the American system of government, upon which it rests, upon which it has been builded, and upon which it must rest if our people shall remain free, is simply the concept of individual liberty as the inalienable right of every man by virtue of the fact that he is a responsible moral being.

No one granted us liberty. No one granted us freedom. The men who had the courage to carve out this Republic and to set it on its way, and for a century and a half to drive it forward—those men did not concede that liberty came down from anyone. They asserted that every man, by virtue of the fact that he was a responsible moral being, was of right free and equal with every other man, and they surrendered the liberty of the individual only in the interest of the common welfare.

They wrote into the Constitution the safeguard of the rights of the individual. They wrote them there because they knew the individual had to have his rights protected in an organic law and they set up a judicial system to guarantee the enforcement of those rights.

What does the majority need with the Constitution unless it is going to obey it? What need has an all-powerful majority of the Constitution to enable it to ride roughshod over a helpless minority? We may indulge ourselves as we please, but the hateful doctrine which proceeds upon any other theory and contrary to what I am feebly trying to say is not an American doctrine. We shall never solve American problems or the problems of a free people by any such legislation.

Let me repeat: Every man must interpret his oath to support the Constitution. I quarrel with no man who interprets any particular legislation or any particular proposal contrary to the interpretation which I place upon it. But I must put my own interpretation upon it. I shall not knowingly under any condition or circumstance vote to place upon the shoulders of our courts the responsibility of deciding the validity of an act when I am convinced—convinced, Mr. President, and I use the word "convinced" in its full significance—that the act is invalid.

Mr. President, beyond the obvious infirmities of the bill, and of far greater importance, as it seems to me, are the things which we are attempting to do not only in the face of decided cases, but contrary to the universal experience of the race. I know that the restraints under which men must live if they are to enjoy freedom and liberty may sometimes become irksome. We may become impatient of those restraints. But there is no other way so far as I know, and certainly not under our system, for us to retain our full freedom unless we are willing to suffer the seeming inconveniences and apparent hardships imposed by those restraints upon us as a people.

Mr. President, I had not expected to speak, but I have felt compelled to speak upon this measure. I felt compelled to register my own position upon it. I felt compelled to make this declaration upon the bill before the final vote is taken upon it. That it is not a sound economic measure will be demonstrated by time, I think, if it is enacted. But upon that point I do not care to speak because it is not upon that ground that I place my vote.

I place my vote not only upon the conviction, but the very firm conviction, that upon several legs, indeed upon all the legs upon which this legislation stands, it falls clearly under the condemnation not only of general principles, but of decided cases.

I base it further than that, Mr. President, upon the broader proposition that we now seek in America to impose the will of a majority upon the minority with respect to matter which lies wholly without the field of Federal action and control, if indeed it does not lie without the field of governmental control altogether; for, be it remembered, when those who built our institutions were doing so they said they were delegating some powers to the Federal Government; they recognized that others would necessarily be drawn along by implication; they stated they were reserving some other powers to the States; but it is as clear as the sun at noontime that they were also reserving other powers unto the people themselves and were not vesting them in any government, State or Federal.

We are impatient to meet our problems in the way in which we have always met them and always solved them, and we seek now to ride roughshod over the rights of the minority, over the rights of those who are less than the

majority, and impose our will upon the minority with respect to the thing which free men have reserved to themselves—the right to regulate and to control, certainly as against the Federal or general Government, a domestic industry, an industry operating wholly within a single State.

Mr. TYDINGS. Mr. President, I ask those who are in favor of the bill to join me in having the yeas and nays. I have no desire to delay the matter. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. NEELY obtained the floor.

Mr. TYDINGS. Mr. President, were the yeas and nays ordered?

The PRESIDENT pro tempore. The yeas and nays were ordered.

Mr. NEELY. Mr. President, this amendment proposes to reduce the tax provided in the bill from 15 to 5 percent.

The cost of producing coal in Indiana and Illinois is considerably less than the cost of producing similar coal in West Virginia and Pennsylvania. The cost of producing coal in Iowa is about 40 cents a ton more than it is in West Virginia and Pennsylvania. If this amendment should prevail, the unethical operators of the States which enjoy low production cost would pay the 5 percent tax, deduct it from the wages of their miners, continue their ruthless competitive practices, and thereby defeat the purposes of the law. If this amendment prevails, the bill will lose much, if not all, of its value.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from West Virginia yield to the Senator from Maryland?

Mr. NEELY. Certainly.

Mr. TYDINGS. In view of the fact that 90 percent of the tax assessed goes back to the operator anyhow, what difference does it make if the tax is made 100 percent, insofar as that argument is concerned?

Mr. NEELY. All the difference in the world. The rebate of 90 percent of the 15 percent tax is the seductive inducement that will impel the coal operators of unethical proclivities to obey the law.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Maryland [Mr. TYDINGS]. On that amendment the yeas and nays have been demanded and ordered. The clerk will call the roll.

Mr. McNARY. Mr. President, I desire to ask the Senator in charge of the bill if it is the purpose to complete the measure this evening, or to go forward with it tomorrow.

Mr. NEELY. Mr. President, it is the hope of those who are in charge of the bill that it may be passed tonight, but in order to accommodate some Senators who are absent, and some who desire to leave, I now submit the following unanimous-consent request:

That hereafter no Senator shall speak more than once nor for more than 10 minutes on the bill, nor more than once on any amendment, nor for more than 5 minutes on any amendment.

The PRESIDENT pro tempore. Is there objection?

Mr. KING. Mr. President, some of us have not had an opportunity to say a word in regard to the bill. I have no objection to a limitation of debate to half an hour on the bill and 5 or 10 minutes on any amendment. I think very few Senators will avail themselves of that opportunity. I am not so sure that I shall do so. If the Senator will modify the proposed agreement as suggested, I shall not object to it.

Mr. BAILEY. Mr. President, I shall object to the proposed unanimous-consent agreement.

The PRESIDENT pro tempore. Objection is made.

The clerk will call the roll on the amendment of the Senator from Maryland [Mr. TYDINGS].

The legislative clerk proceeded to call the roll.

Mr. ROBINSON. Mr. President, I have been asked by a number of Senators to request that the amendment be stated. I realize that it is out of order after the roll call has begun.

The PRESIDENT pro tempore. Without objection, by unanimous consent, the amendment will be stated.

The LEGISLATIVE CLERK. On page 7, line 4, it is proposed to strike out "15" and to insert in lieu thereof "5", so as to read:

SEC. 3. There is hereby imposed upon the sale or other disposal of all bituminous coal produced within the United States an excise tax of 5 percent on the sale price at the mine—

And so forth.

The PRESIDENT pro tempore. The clerk will continue the calling of the roll.

The calling of the roll was resumed.

Mr. BULKLEY (when his name was called). I repeat the announcement of my general pair with the senior Senator from Wyoming [Mr. CAREY] and that he is specially paired on this question. I vote "nay."

Mr. McNARY (when his name was called). Again referring to my pair, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. THOMAS of Utah (when his name was called). On this question I have a pair with the senior Senator from New Hampshire [Mr. KEYES]. I transfer that pair to the junior Senator from Idaho [Mr. POPE] and will vote. I vote "nay."

The roll call was concluded.

Mr. DAVIS (after having voted in the negative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. If present, however, he would vote as I have voted. Therefore I shall allow my vote to stand.

Mr. NYE (after having voted in the negative). Has the senior Senator from Virginia [Mr. GLASS] voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. NYE. I have a pair with the senior Senator from Virginia. If he were present he would vote "yea". Having voted "nay", I shall have to withdraw my vote.

Mr. ROBINSON. I announce that the following Senators are detained in important committee meetings:

The Senator from Arizona [Mr. ASHURST], the Senator from Kentucky [Mr. BARKLEY], the Senator from Alabama [Mr. BLACK], the Senator from Washington [Mr. BONE], the junior Senator from New Mexico [Mr. CHAVEZ], the Senator from Virginia [Mr. GLASS], the senior Senator from New Mexico [Mr. HATCH], the Senator from Illinois [Mr. LEWIS], the Senator from Louisiana [Mr. OVERTON], and the Senator from Montana [Mr. WHEELER].

I also announce that the Senator from Mississippi [Mr. BILBO], the Senator from Massachusetts [Mr. COOLIDGE], and the Senator from Idaho [Mr. POPE] are unavoidably detained.

I further announce that the Senator from Kentucky [Mr. LOGAN] is detained on important departmental matters.

Mr. AUSTIN. I announce the following pairs:

The Senator from Iowa [Mr. DICKINSON] with the Senator from Mississippi [Mr. BILBO]; and

The Senator from Wyoming [Mr. CAREY] with the Senator from Massachusetts [Mr. COOLIDGE].

The result was announced—yeas 36, nays 40, as follows:

YEAS—36

| | | | |
|---|---|---|---|
| Austin | Connally | Hale | Schall |
| Bailey | Copeland | Hastings | Smith |
| Barbour | Dieterich | King | Townsend |
| Borah | Duffy | McKellar | Trammell |
| Brown | Fletcher | Maloney | Truman |
| Burke | George | Metcalf | Tydings |
| Byrd | Gerry | Norbeck | Vandenberg |
| Caraway | Gibson | Radcliffe | Walsh |
| Clark | Gore | Russell | White |

NAYS—40

| | | | |
|---|---|---|---|
| Adams | Frazier | McCarran | Reynolds |
| Bachman | Guffey | McGill | Robinson |
| Bankhead | Harrison | Minton | Schwellenbach |
| Bulkley | Hayden | Moore | Sheppard |
| Bulow | Holt | Murphy | Shipstead |
| Byrnes | Johnson | Murray | Steiwer |
| Capper | La Follette | Neely | Thomas, Okla. |
| Costigan | Lonergan | Norris | Thomas, Utah |
| Davis | Long | O'Mahoney | Van Nuys |
| Donahey | McAdoo | Pittman | Wagner |

NOT VOTING—20

| | | | |
|---|---|---|---|
| Ashurst | Carey | Glass | McNary |
| Barkley | Chavez | Hatch | Nye |
| Bilbo | Coolidge | Keyes | Overton |
| Black | Couzens | Lewis | Pope |
| Bone | Dickinson | Logan | Wheeler |

So Mr. TYDING's amendment was rejected.

Mr. ROBINSON. Mr. President, with the approval of the Senator in charge of the bill, I desire to submit a request for unanimous consent. I have not had an opportunity of conferring with the Senator from Oregon [Mr. McNARY] regarding it. I am sure, however, the Senator will approve it.

I ask unanimous consent that when the Senate concludes its labors today it take a recess until 12 o'clock noon tomorrow; that after the meeting of the Senate tomorrow no Senator shall speak more than once or longer than 20 minutes on the bill, or more than once or longer than 10 minutes on any amendment which may be pending or which may be offered.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. McNARY. May I ask the Senator whether he thinks it is impossible to conclude consideration of the bill tonight?

Mr. ROBINSON. I have been informed that it is, by Senators who say they desire to speak on it.

Mr. McNARY. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated. The clerk will state the amendment.

The CHIEF CLERK. On page 3, line 23, after the word "title" it is proposed to insert the words "*Provided*, That not more than three members of the commission shall be members of the same political party."

Mr. NEELY. Mr. President, there is no objection to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KING. Mr. President, I desired to offer an amendment to the amendment, and I did not know that the Chair had put the question. The amendment I had in mind was to strike out "five" in the provision for the membership of the commission, and to insert "three."

Mr. McNARY. That goes to the number of members of the board?

Mr. KING. Yes.

Mr. McNARY. I am not reaching that; I am simply asking that there shall be representation of both the two major parties.

Mr. KING. I did not want to be cut off from offering the amendment.

### ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, August 21, 1935, that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 491. An act for the relief of Fred Herrick;

S. 1988. An act to extend the times for the commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr.;

S. 2626. An act to authorize the sale of Federal buildings;

S. 2743. An act to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone;

S. 3060. An act to amend section 6 of title I of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, as amended; to extend the time within which applications for benefits under the World War Adjusted Compensation Act, as amended, may be filed; and for other purposes;

S. 3050. An act granting the consent of Congress to the States of New York and Vermont to construct, maintain, and operate a bridge across Lake Champlain between Rouses Point, N. Y., and Alburg, Vt.;

S. 3105. An act to amend the act approved June 12, 1934, relating to the granting of the consent of Congress to certain bridge construction across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala.;

S. 3135. An act to authorize the purchase of the *Winnie Mae* by the Smithsonian Institution;

S. J. Res. 59. Joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formation of the Constitution of the United States;

S. J. Res. 122. Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission; and

S. J. Res. 168. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 16 to May 23, 1936, inclusive.

### CONSTRUCTION OF CERTAIN BRIDGES

Mr. SHEPPARD. From the Committee on Commerce I report back favorably with amendments the bill (H. R. 9070) to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes, and I submit a report (No. 1442) thereon. I ask for the present consideration of the bill.

There being no objection, the Senate proceeded to consider the bill.

The first amendment of the Committee on Commerce was, on page 54, after line 3, to insert:

ST. CROIX RIVER AT HUDSON, WIS.

SEC. 28 (a). That in order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes, the Highway Commission of the State of Wisconsin and the Department of Highways of the State of Minnesota are hereby authorized to construct, maintain, and operate a free highway bridge and approaches thereto across the St. Croix River, at a point suitable to the interests of navigation, at or near the city of Hudson, Wis., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

(b) There is hereby conferred upon the Highway Commission of the State of Wisconsin and the Department of Highways of the State of Minnesota all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

The amendment was agreed to.

The next amendment was, on page 54, after line 3, after the amendment heretofore agreed to, to insert:

MISSOURI RIVER AT DECATUR, NEBR.

SEC. 29. (a) That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the county of Burt, State of Nebraska, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation between the towns of Decatur, Nebr., and Onawa, Iowa, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon the county of Burt, State of Nebraska, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The said county of Burt, State of Nebraska, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall

have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

The amendment was agreed to.

The next amendment was, on page 54, after line 3, after the amendment heretofore agreed to, to insert:

MISSOURI RIVER AT SOUTH SIOUX CITY, NEBR.

SEC. 30 (a). That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the county of Dakota, State of Nebraska, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point suitable to the interests of navigation, at or near the cities of South Sioux City, Nebr., and Sioux City, Iowa, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon the county of Dakota, State of Nebraska, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The said county of Dakota, State of Nebraska, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

The amendment was agreed to.

The next amendment was, on page 54, after line 3, after the amendment heretofore agreed to, to insert:

HUDSON RIVER AT NYACK, N. Y.

SEC. 31 (a). That the consent of Congress is hereby granted to the Rockland-Westchester Hudson River Crossing Authority, State of New York, to construct, maintain, and operate a highway bridge, causeway, and approaches thereto across the Hudson River, at a point suitable to the interests of navigation, in the vicinity of the village of Nyack, Rockland County, and the village of Tarrytown, Westchester County, N. Y., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) If tolls are charged for the use of such bridge and causeway, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge, causeway, and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge, causeway, and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge and causeway shall thereafter be maintained and operated free of tolls, or the rates of tolls shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge, causeway, and its approaches under economical management. An accurate record of the cost of the bridge, causeway, and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

The amendment was agreed to.

The next amendment was, on page 54, after line 3, after the amendment heretofore agreed to, to insert:

MISSOURI RIVER AT NIOBRARA, NEBR.

SEC. 32 (a). That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the village board of the village of Niobrara, county of Knox, State of Nebraska, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point suitable to the interests of navigation, at or near Niobrara, Nebr., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

(b) There is hereby conferred upon the Village Board of the Village of Niobrara, county of Knox, State of Nebraska, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

(c) The said Village Board of the Village of Niobrara, county of Knox, State of Nebraska, is hereby authorized to fix the charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

(d) In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

The amendment was agreed to.

The next amendment was, on page 54, line 4, to change the section number from 28 to 33.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONTROL OF AIR TRANSPORTATION

Mr. McCARRAN. Mr. President, with reference to Senate bill 3027, granting certain powers to the Interstate Commerce Commission with respect to air transportation, I ask to have printed in the RECORD a letter from the Secretary of State bearing on the subject.

I also ask that amendments in keeping with the letter be printed and lie on the table.

There being no objection, the amendments were ordered to be printed and to lie on the table, and the letter was ordered to be printed in the RECORD, as follows:

AUGUST 19, 1935.

The Honorable BURTON K. WHEELER,
*Chairman Committee on Interstate Commerce,*
*United States Senate.*

MY DEAR SENATOR WHEELER: I am in receipt of your letter of August 9, 1935, requesting that I comment on the latest committee print of Senate bill 3027, which confers upon the Interstate Commerce Commission certain regulatory powers with respect to the establishment of and control over transportation by air of passengers and property in interstate and foreign commerce.

Among the powers which the bill confers upon the Interstate Commerce Commission to exercise control over foreign air commerce are those enumerated in section 405 (a) relating to the issuance of certificates of public convenience and necessity and the powers conferred under section 408 (a) relating to control over rates, fares, charges, classifications, and practices.

Under general international practice no air transport enterprise may operate over any country, with or without landing, except by permission of the country over which the enterprise would operate. In granting to foreign air transport companies an authorization to operate over its territory any government may, in the exercise of its sovereign rights, specify the conditions under which the line will be permitted to operate. It is suggested, therefore, that in

vesting in the Interstate Commerce Commission control over air transportation such control should be consistent with the sovereign rights of foreign governments to determine the conditions under which air transport enterprises may be established and operated in their territories.

The Department had occasion to consider the terms of the bill H. R. 5174, entitled "A bill to encourage and regulate the use of aircraft in commerce and for other purposes", known as the "Lea bill", which was referred to the Department of State for an expression of views by the Chairman of the Committee on Interstate and Foreign Commerce of the House of Representatives on February 11, 1935. The views of the Secretary of State in regard to certain provisions of the bill H. R. 5174, in which it was sought to confer upon a proposed air commerce commission certain powers with regard to foreign air commerce, were as follows:

"Paragraph (18) of section 301 of the bill provides that any person engaging or desiring to engage in foreign air commerce shall make application to the proposed Air Commerce Commission for the approval of the air line operation. While it may be implied from the present language of this section that the authority of the Commission with respect to the matters covered thereby is to be exercised only so far as American territory is concerned, it is, nevertheless, believed to be preferable to incorporate in this section language showing that the authority of the Commission with respect to the various matters covered thereby is to be exercised so far as United States territory is concerned. The operation of an air transport line in any foreign country is, of course, regulated by the laws and regulations of that country.

"It also seems to be desirable to provide in paragraph (1) of section 303 that the authority of the Commission with respect to the regulation and control of rates, charges, etc., in interstate and/or foreign air commerce, as stated in the paragraph, is to be exercised, with respect to foreign air commerce, insofar as United States territory is concerned."

In connection with the foregoing, mention may be made of the multilateral convention known as the "Habana Convention on Commercial Aviation", signed at Habana, Cuba, on February 20, 1928, to which the United States is a party, Treaty series, no. 840, a copy of which is enclosed. Article I of this convention reads:

"The high contracting parties recognize that every state has complete and exclusive sovereignty over the air space above its territory and territorial waters."

While under the terms of the Habana convention (art. IV) each contracting state undertakes in time of peace to accord freedom of innocent passage above its territory to the private aircraft of other contracting states, it is specifically provided that the operation of aircraft over the territory of any contracting state shall be in accordance with the conditions laid down in the convention. The convention sets forth a number of conditions that may be imposed by a contracting party with respect to flights over its territory by aircraft of other contracting parties. Among the rights reserved by the convention to each contracting state the following may be cited: To prescribe the routes to be flown over (art. V); to require certificates of airworthiness (art. XII); and certificates of competency of the members of the operating crew (art. XIII); to prohibit the transportation of certain commodities (arts. XV, XVI, and XVII); and to establish reservations and restrictions in favor of national aircraft with respect to commercial operations wholly between points in national territory (art. XXII).

An air transport company of any country a party to the Habana Convention on Commercial Aviation desiring to secure operating rights over territory of another country also a party to the convention is, under the practice followed in applying the provisions of the convention, required to apply for the necessary authorization to the government of the country in which the company desires to operate.

The United States is also a party to the multilateral convention known as "the Convention for the Unification of Certain Rules Relating to International Transportation by Air", signed at Warsaw, Poland, on October 12, 1929, Treaty Series No. 876, a copy of which is enclosed. The more important provisions of this convention are those of chapter II, relating to the form and legal effect of transportation documents—passenger tickets, baggage checks, and air waybills—and those of chapter III, establishing the conditions under which the aerial carrier shall be liable for damages caused in the transportation of passengers and property. Mention may also be made of chapter IV, providing in effect that in the case of transportation performed partly by air and partly by some other mode of transportation the provisions of the convention shall apply only to transportation by air as defined in article 1 of the convention.

Section 403 (m) of Senate bill 3027 reads:

"The term 'foreign commerce' means commerce between any place in the United States and any place in a foreign country, whether such commerce moves wholly by air or partly by air and partly by other forms of transportation."

It is of interest to compare the above definition of foreign commerce with the provisions of article 1 of the Warsaw Convention of October 12, 1929, which article relates to the scope of the convention and is as follows:

"(1) This convention shall apply to all international transportation of persons, baggage, or goods performed by aircraft for hire. It shall apply equally to gratuitous transportation by aircraft performed by an air transportation enterprise.

"(2) For the purposes of this convention the expression 'international transportation' shall mean any transportation in which, according to the contract made by the parties, the place of departure and the place of destination, whether or not there be a break in the transportation or a transshipment, are situated either within the territories of two high contracting parties, or within the territory of a single high contracting party, if there is an agreed stopping place within a territory subject to the sovereignty, suzerainty, mandate or authority of another power, even though that power is not a party to this convention. Transportation without such an agreed stopping place between territories subject to the sovereignty, suzerainty, mandate, or authority of the same high contracting party shall not be deemed to be international for the purposes of this convention.

"(3) Transportation to be performed by several successive air carriers shall be deemed, for the purposes of this convention, to be one undivided transportation, if it has been regarded by the parties as a single operation, whether it has been agreed upon under the form of a single contract or of a series of contracts, and it shall not lose its international character merely because one contract or a series of contracts is to be performed entirely within a territory subject to the sovereignty, suzerainty, mandate, or authority of the same high contracting party."

It will be observed that while under subsection (k) of section 403 of Senate bill 3027 commerce between places in territory under the jurisdiction of the United States but partly over the air space of a foreign country would apparently constitute "interstate commerce", such transportation would, under article 1 of the Warsaw convention of October 12, 1929, constitute international transportation within the meaning of this article, if there should be an agreed stopping place in the foreign country. It will also be observed that the term "foreign commerce" as defined in subsection (m) of section 403 of Senate bill 3027 includes transportation partly by air and partly by other forms of transportation as well as transportation wholly by air, while chapter IV of the Warsaw convention provides that in the case of combined transportation partly by air and partly by any other mode of transportation, the provisions of the convention shall apply only to the transportation by air. It is stated, however, that nothing in the convention shall prevent the parties in the case of combined transport from inserting in the document of air transportation conditions relating to other modes of transportation, provided that the provisions of the convention are observed as regards the transportation by air.

In connection with the Warsaw convention referred to, attention is also invited to section 408 (a) of Senate bill 3027. Subsection (a) states that it shall be the duty of every carrier subject to the provisions of the bill to establish, observe, and enforce just and reasonable regulations and practices relating to the issuance, form, and substance of tickets, receipts, bills of lading, and manifests, the manner and method of presenting, marking, packing, and delivering property for transportation, etc. It is suggested that, so far as concerns international transportation by air as defined by the Warsaw convention, the Interstate Commerce Commission should, in adopting any regulations relating to transportation documents, be required to conform to the provisions of this convention.

Mention may also be made of article 34 of the Warsaw Convention, which states that the convention shall not apply to international transportation by air performed by way of experimental trial by air-navigation enterprises with a view to the establishment of regular lines of air navigation, nor to transportation performed in extraordinary circumstances outside the normal scope of an air carrier's business.

The United States has entered into bilateral air navigation agreements with the following countries: Canada (Executive Agreement Series, No. 2); Italy (Executive Agreement Series, No. 24); Union of South Africa (Executive Agreement Series, No. 54); Germany (Executive Agreement Series, No. 38); Sweden (Executive Agreement Series, No. 47); Norway (Executive Agreement Series, No. 50); Denmark (Executive Agreement Series, No. 58); Great Britain (Executive Agreement Series, No. 76).

This Government is conducting negotiations for similar agreements with several other countries. Each of these agreements sets forth the conditions under which civil aircraft of each party may be flown over territory of the other party. While these agreements relate to air navigation in general, all of them, with the exception of the one between the United States and Canada, specifically provide that no regular air transport route may be operated over the territory of the parties to the agreements without their consent. It is the general international practice to make a reservation of this kind in the negotiation of international air navigation agreements. The agreement with Canada is, in accordance with this international practice, interpreted to require special consent for the operation of a regular air route over the territory of either party. Under all the agreements referred to commercial operations where the point of origin and the point of destination are both within the territory of any of the parties may be reserved to national aircraft.

These bilateral air-navigation agreements are based upon the authority conferred upon the Secretary of Commerce in subsections (b) and (c) of section 6 of the Air Commerce Act, approved May 20, 1926, to permit foreign civil aircraft and/or airmen serving in connection therewith to operate aircraft in the United States on a reciprocal basis. In cases where the United States has no air navigation agreement with a foreign country, American aircraft may not enter that country without special authorization, and the agreements referred to were negotiated largely for the purpose of relieving the Department of Commerce, the Department of State, and American diplomatic missions abroad of the burden of han-

dling individual requests of American aviators for permission to make flights in foreign territory.

In addition to the agreements referred to, there is one between the United States and Colombia (Department of State press release dated Feb. 23, 1929) relating to the operation of aircraft for commercial purposes in the United States, the Canal Zone, and Colombia. The agreement with Colombia is based upon the Air Commerce Act of May 20, 1926, and upon laws and regulations pertaining to the Government of the Canal Zone.

Copies of all the bilateral agreements referred to above are enclosed.

The United States has also concluded with several countries a series of bilateral agreements providing in each case for the reciprocal recognition by each country of certificates of airworthiness in connection with aircraft exported from the other country as merchandise, as well as another series of bilateral agreements providing for the issuance by each country of licenses to nationals of the other country authorizing them to pilot civil aircraft. It is assumed that it is unnecessary to furnish detailed information in regard to these agreements for the reason that they would not appear to have any direct bearing on the questions presented in the pending Senate bill, unless perhaps there should be some intention to confer upon the Interstate Commerce Commission authority to issue certificates of airworthiness for export and to license pilots of civil aircraft.

It would seem that the provisions of the Senate bill 3027 conferring upon the Interstate Commerce Commission the authority to require an air carrier to obtain a certificate of public convenience and necessity in order to engage in interstate or foreign transportation applies to foreign aircraft entering or departing from United States territory as well as to American aircraft engaged in such services. While the bilateral air navigation agreements which the United States has negotiated with a number of countries, as referred to above, require special authorization for the establishment and operation of a regular air transport route, a principle also found in air navigation agreements between the European countries, it does not appear that it would be necessary for aircraft of a country which is a party to an air agreement with the United States to obtain an authorization from this Government in order to carry passengers and property on an occasional flight to United States territory. It is suggested, therefore, that, if the Interstate Commerce Commission is to be clothed with authority to require foreign aircraft to obtain a certificate of public convenience and necessity in order to transport passengers and property in United States territory, it would be well to provide that such certificates will be required only in the event that the operators of the foreign aircraft should seek to establish a regular air transport route in United States territory.

It seems to be clear that the effect of the pending bill, S. 3027, would be to repeal certain provisions of the Air Commerce Act, approved May 20, 1926, as amended, but it does not seem to be entirely clear as to what effect the pending bill would have upon subsections (b) and (c) of section 6 of the Air Commerce Act of May 20, 1926, relating to the entry of foreign civil aircraft and airmen on a reciprocal basis. It is my understanding that subsections (b) and (c) of section 6 of the Air Commerce Act of May 20, 1926, confer upon the Secretary of Commerce authority to permit not only the entry of foreign aircraft engaged in special or touring flights but also the operation of foreign aircraft in United States territory in commercial operations on a regular route. If the effect of Senate bill 3027 should be to repeal subsections (b) and (c) of section 6 of the Air Commerce Act of May 20, 1926, it is suggested that an unsatisfactory situation may result in that a question may be raised as to the validity of the bilateral reciprocal air navigation agreements between the United States and other countries, which are based upon the authority conferred upon the Secretary of Commerce under subsections (b) and (c) of section 6 of the Air Commerce Act of May 20, 1926, to permit the entry of foreign civil aircraft. In this connection I invite attention to the importance of retaining some general provision of law which may be relied upon as authority for the negotiation of these bilateral air navigation agreements.

If it is the purpose of the pending Senate bill to repeal subsections (b) and (c) of section 6 of the Air Commerce Act only to the extent of conferring upon the Interstate Commerce Commission authority to determine whether foreign aircraft may operate commercial air routes in United States territory on a regular schedule, it is suggested that it would be well for this to be made clear in the pending bill.

Subsection (c) of section 6 of the Air Commerce Act of May 20, 1926, states that no foreign aircraft shall engage in interstate or intrastate air commerce. The term "air commerce" is defined in section 1 of that act to mean "transporation in whole or in part by aircraft of persons or property for hire, navigation of aircraft in furtherance of a business, or navigation of aircraft from one place to another for operation in the conduct of a business."

Since the provisions of Senate bill 3027 have to do particularly with the matter of conferring upon the Interstate Commerce Commission authority to regulate the transportation of passengers and property, there seems to be some doubt as to the effect which the bill would have on the regulation of interstate air commerce as mentioned in subsection (c) of section 6 of the Air Commerce Act of May 20, 1926, considered in connection with the broad definition of air commerce contained in section 1 of that act.

The matter of the establishment of air transport lines to be operated to and from American territory will probably be interwoven to a great extent with the foreign policy of this Government. It is suggested, therefore, that if the Interstate Commerce Commission is to be authorized to pass upon applications for air lines to operate to or from foreign countries, your committee might desire to consider whether the interest which the Department of State has in this matter might not be appropriately recognized to the extent of having it stated in the bill that the Secretary of State shall be consulted to such extent as he may consider advisable from the standpoint of international policy before approval is granted by the Interstate Commerce Commisison for the establishment of any air transport line to be operated to or from United States territory, and that the Secretary of State shall conduct the negotiations with foreign governments whenever it may be necessary in order to enable the Interstate Commerce Commission to pass upon applications for authority to establish air transport lines to be operated to or from foreign territory. A similar recommendation was made by this Department in commenting on the bill H. R. 5174, referred to elsewhere in the present report.

I earnestly recommend that there be included in the pending Senate bill a provision to the effect that nothing in the bill shall be construed to modify the obligations imposed upon the Government of the United States by any treaty, convention, or agreement to which the United States is a party or to empower the Interstate Commerce Commission to make any regulation in contravention of any such treaty, convention, or agreement.

Sincerely yours,

CORDELL HULL.

### EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

### EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

### EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of Brig. Gen. Frederick Blair Kerr, Adjutant General's Department, Pennsylvania National Guard, to be brigadier general Adjutant General's Department, National Guard of the United States, and also Brig. Gen. Walter Allen DeLamater, New York National Guard, to be brigadier general, National Guard of the United States.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of J. Theodore Marriner, of Maine, now a Foreign Service officer of class 1 and a secretary in the Diplomatic Service, to be also a consul general.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

### THE JUDICIARY

The legislative clerk read the nomination of George C. Sweeney to be United States Judge, district of Massachusetts.

Mr. WALSH. I move that this nomination be confirmed.

The motion was agreed to.

The legislative clerk read the nomination of Charles W. James to be United States marshal, southern district of Indiana.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLER. I ask unanimous consent that the nomination of Daniel S. Foster to be postmaster at Saranac Lake, N. Y., be passed over, and that it be recommitted to the committee.

The PRESIDENT pro tempore. Without objection, the nomination will be recommitted to the Committee on Post Offices and Post Roads.

Mr. McKELLAR. As to all the other nominations of postmasters on the calendar, I ask unanimous consent that they be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. ROBINSON. I ask that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

RECESS

Mr. ROBINSON. I move that the Senate take a recess in accordance with the order heretofore entered.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m.), under the order previously entered, the Senate took a recess until tomorrow, Thursday, August 22, 1935, at 12 o'clock meridian.

## NOMINATIONS

*Executive nominations received by the Senate August 21 (legislative day of July 29), 1935*

UNITED STATES CIRCUIT JUDGE

Bert E. Haney, of Oregon, to be United States circuit judge, ninth circuit, to fill an additional position created by the act approved August 2, 1935.

UNITED STATES DISTRICT JUDGES

Michael J. Roche, of California, to be United States district judge, northern district of California, vice Frank H. Kerrigan, deceased.

Leon R. Yankwich, of California, to be United States district judge, southern district of California. (To fill position created by act approved Aug. 2, 1935.)

Albert Lee Stephens, of California, to be United States district judge, southern district of California. (To fill position created by act approved Aug. 2, 1935.)

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICER

*To be major general, Reserve*

Maj. Gen. John Francis O'Ryan, Reserve, from December 15, 1935.

APPOINTMENTS AND PROMOTIONS IN THE NAVY

Commander Newton L. Nichols to be a captain in the Navy from the 30th day of June 1935.

Lt. Comdr. Allan W. Ashbrook to be a commander in the Navy from the 30th day of June 1935.

Lt. Comdr. Robert O. Glover to be a commander in the Navy from the 1st day of July 1935.

The following-named lieutenants to be lieutenant commanders in the Navy from the 30th day of June 1935:

Lunsford Y. Mason, Jr.
Paul S. Slawson
Valentine M. Davis

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 2d day of June 1935:

Harry Sosnoski
Joseph A. Jaap
Louis A. Bryan
Joseph H. Kuhl
Francis D. Foley
William M. Ryon
Louis J. Kirn
Robert H. Kerr
Travis R. Leverett
William P. Schroeder
Wallace H. Weston
Paul E. Emrick
William A. Stuart
Salem A. Van Every, Jr.
Marcus W. Williamson
Harmon T. Utter
Frederic N. Howe
Ralph C. Johnson
Clarence E. Kasparek
Walter D. Innis
George F. Rice
Kenneth P. Letts
William C. Jonson, Jr.
Robert L. Strickler
Magruder H. Tuttle
Roland E. Stieler
Charles B. Lanman
Frank E. Wigelius
Emerson E. Fawkes
Sheldon W. Brown
John H. Morse, Jr.
Roland H. Dale
Richard H. Best
James V. Reilly
William L. Richards
John Munholland
William B. Short, Jr.
John R. Van Evera
Harry S. Cook
Ray M. Pitts
George E. Hughes
Herbert J. Campbell
Archibald W. Greenlee
Earl R. Eastwold
DeWitt W. Shumway
Truman E. Carpenter
Harry G. Moore
Alfred R. Matter
Robert J. C. Maulsby
Burdette E. Close
James G. Craig, Jr.
Edwin C. Asman
Theodore S. Lank
George E. Pierce
Richard H. Gorsline
Peris G. Bunce
John L. Chittenden
Robert E. Coombs, Jr.
George L. Bellinger
Dennis S. Crowley
Aquilla G. Dibrell, Jr.
Robert B. Moore
Samuel S. McCornock
Daniel F. Smith, Jr.
Donald K. McLeod
Isador J. Schwartz
Lionel A. Arthur
James M. Clement
Thomas W. Hopkins
Arthur A. Goodhue
Howard E. Born
Carl F. Faires, Jr.
Thomas P. Lowndes
Richard O. Greene
Wallace C. Short, Jr.
William B. B. Lyons
Richard D. Adams

Lt. John F. Rees to be a lieutenant commander in the Navy from the 30th day of June 1935.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 30th day of June 1935:

Harry F. Miller
Everett E. Mann
James M. Hicks

The following-named surgeons to be medical inspectors in the Navy, with the rank of commander, from the 30th day of June 1935:

Joel J. White
Edwards M. Riley
Lewis W. Johnson
Wilbur O. Manning
John L. Frazer, Jr.

Assistant Dental Surgeon (Temporary) Richard F. Redden to be an assistant dental surgeon in the Navy, with the rank of lieutenant (junior grade), from the 17th day of August 1935.

William A. Smith, a citizen of New Jersey, to be an assistant dental surgeon in the Navy, with the rank of lieutenant (junior grade), from the 17th day of August 1935.

POSTMASTERS

CALIFORNIA

James A. Lee, to be postmaster at Glendora, Calif., in place of Frederick Weik. Incumbent's commission expired January 22, 1935.

CONNECTICUT

Francis L. Bibeault to be postmaster at Moosup, Conn., in place of W. F. Sheldon. Incumbent's commission expired February 4, 1935.

IOWA

Vivian A. Meredith to be postmaster at Norway, Iowa, in place of I. G. Schloeman. Incumbent's commission expired April 22, 1934.

MASSACHUSETTS

Alice E. Roberts to be postmaster at Nantucket, Mass., in place of A. E. Smith. Incumbent's commission expired February 25, 1935.

NEBRASKA

William Fred Hund to be postmaster at Cedar Bluffs, Nebr., in place of O. M. Fenstermacher, removed.

Chris A. Weber to be postmaster at Spalding, Nebr., in place of H. A. Riley. Incumbent's commission expired February 5, 1935.

NEW JERSEY

Edward Willis Hoagland to be postmaster at Neshanic Station, N. J., in place of C. M. Ekholm. Incumbent's commission expired December 16, 1934.

PENNSYLVANIA

Bernard H. Kerrigan to be postmaster at Bryn Mawr, Pa., in place of J. C. Whitby. Incumbent's commission expired February 25, 1935.

WASHINGTON

Clyde F. Shrauger to be postmaster at Mount Vernon, Wash., in place of Alfred Polson. Incumbent's commission expired January 22, 1935.

WEST VIRGINIA

Wilma J. Starcher to be postmaster at Cowen, W. Va., in place of E. E. Miller, removed.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate August 21 (legislative day of July 29), 1935*

UNITED STATES DISTRICT JUDGE

George C. Sweeney to be United States district judge, District of Massachusetts.

UNITED STATES MARSHAL

Charles W. James to be United States marshal, southern district of Indiana.

PROMOTIONS IN THE NAVY

MARINE CORPS

*To be colonels*

Harold L. Parsons
Julian C. Smith

*To be lieutenant colonels*

Louis W. Whaley
Frank Whitehead
Roswell Winans
Alfred H. Noble

*To be majors*

Richard O. Sanderson
Edwin J. Mund
Harold C. Major
Herman R. Anderson
Clarence M. Ruffner
Julian P. Brown

*To be captains*

James E. Jones
James H. N. Hudnall
Thomas C. Perrin

POSTMASTERS

COLORADO

George H. Duke, Hotchkiss.

CONNECTICUT

Stephen T. Platt, Centerbrook.
Edward Champlion, Eagleville.
Marian C. Adams, Glenville.
Robert A. Brookes, Higganum.
Martin W. Sinnott, New Hartford.
Patrick H. McCarthy, Newtown.
William J. Rourke, Orange.
James O. White, Taftville.

GEORGIA

Blanche Chambless, Alapaha.
Martha C. Aultman, Byron.
Mary L. Ellis, Experiment.
Robert L. Jackson, Hapeville.
Walter H. Maxwell, Winder.

ILLINOIS

Joseph T. Cline, Downers Grove.
Harry J. Young, Marissa.

INDIANA

Anthony M. Schuh, Kentland.
Luther M. Shoemaker, Kewanna.
Reginald W. Cook, Montpelier.
Henry T. Cain, Remington.
Leo Bertram Whitehead, Syracuse.

KENTUCKY

Sara K. Bugg, Fredonia.
Press J. Blackburn, Princeton.
James P. Mahan, Williamsburg.

MARYLAND

Orlando Harrison, Berlin.
Thomas Bayard Crew, Betterton.
Egbert L. Quinn, Jr., Crisfield.
Showard T. Culver, Hebron.
Mary C. Bishop, Queenstown.
Edward L. Bachtell, Smithsburg.

MICHIGAN

Francis E. Maloney, Osseo.

MISSOURI

Francis T. McClure, Alma.
Paul C. Catlett, Birch Tree.
James E. Sharp, Gideon.
William L. Klein, Harris.
William A. Bickel, Lockwood.
Walter E. Evans, Meadville.

MONTANA

William H. Fluhr, Belt.
Carl A. Walker, Musselshell.

NEBRASKA

Alberta Walkington, Bartley.
Lulu M. Kennedy, Bradshaw.
George D. Carroll, Brady.
Nick Warth, Carroll.
Albert Bernard Hassman, Coleridge.
George L. O'Gara, Laurel.
Frank E. Faling, Maywood.
Patrick F. Tully, North Bend.
James A. Dunlay, Orleans.
Emil H. Mack, Petersburg.
Bruce P. Boyd, Pierce.
Frank L. Cummins, Plattsmouth.
Justus H. LaMunyon, Shelby.
Ransler M. Hefner, South Sioux City.
Earl W. Isgrig, Tekamah.
Mary E. Corkle, Tilden.
William M. Gross, Wisner.

NEW HAMPSHIRE

Clayton F. Bamford, Center Ossipee.
Lester Nathaniel Plummer, Enfield.
Rowland A. Lewin, Hanover.

NEW JERSEY

Cecil R. McConnell, Annandale.
George H. Todd, Budd Lake.
Anna B. Craft, Columbus.
William C. Nestor, Jr., Franklin.
Edna E. Lewis, Laurel Springs.
William B. Cowperthwait, Medford.
Frederick Raymond Barker, Runnemede.
Frank A. Robertson, Washington.

NEW YORK

Nellie B. Taillon, Fort Covington.
John L. McDermott, Manlius.
Lena C. Freeborn, Randolph.
Eva W. Wheat, Rose Hill.
Thomas F. Cunningham, Ticonderoga.
Mildred E. Perry, Wampsville.

NORTH CAROLINA

Olivia A. Oppelt, East Flat Rock.
John E. Patterson, Leaksville.

OKLAHOMA

Mabelene M. Hudspeth, Afton.
Paul L. Anderson, Jr., Boley.
Ortho Voorhees Stevens, Collinsville.
Alice L. Woolman, Coweta.
Edith White, Dustin.
Clay B. Burnham, Hanna.
Joseph R. Reed, Lawton.
Nelle E. Murphy, Okemah.
Mary A. Ferren, Shamrock.
Fred Allison, Westville.

OREGON

Otis A. Snook, Drain.

PENNSYLVANIA

Ray E. Wagner, Millerstown.

SOUTH CAROLINA

Houston Manning, Latta.

SOUTH DAKOTA

Walter Ulmer, Hosmer.
Henry J. Werner, Ramona.
Strauther M. Blair, Sturgis.
Peter S. Frohlech, Willow Lake.

TENNESSEE

Joe F. Odle, Camden.
Hubert S. Bell, Madison.
Leland D. Jordan, Shelbyville.

TEXAS

Bolivar C. Ivy, Huntington.
Zella Cook, Pleasanton.

VIRGINIA

Elizabeth B. Mosby, Columbia.
Margaret T. Daniel, Craigsville.
John Wesley Moore, Eastville.
Adrian Garrett Carter, Edinburg.
Harry Thomas Scarborough, Parksley.
William W. Ware, Jr., Toano.

WASHINGTON

Dirk C. Thiemens, Ephrata.

WEST VIRGINIA

Marion T. Jones, Kimball.
Clyde M. Rightmire, Mill Creek.
David J. Blackwood, Milton.
Joseph F. Graham, Tunnelton.

WISCONSIN

John F. Gretz, Cleveland.
Martin A. Thorpe, Darien.
Anna Metz, Little Chute.
John Duchateau, Luxemburg.
Maude A. Whalen, Pelican Lake.

# HOUSE OF REPRESENTATIVES

## WEDNESDAY, AUGUST 21, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou, O God, our strength and shield, accept our thanksgiving and praise for the dawn and the promise of another day. Hear, we beseech Thee, for the groanings of the great human family which is striving against fears, turmoils, and threatened tragedies. Many feel themselves to be only beasts of prey, weary on the long, long road and waiting for the night to come. Almighty God, help and comfort all who linger so frightfully in these realms and thrust into them by the tyranny of unholy ambitions. Lord God of Hosts, subdue and defeat all agencies of intolerance, bigotry, hate, and the gods of war. We pray Thee to touch the soul of every nation and every tongue that man may rise as the child of our common Father. Bless all instrumentalities by which light, faith, and happiness are diffused throughout our land. Inspire seriousness in the heart of the Congress, and may we never undervalue the preciousness of that which has been committed to us. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 7927. An act to authorize the Secretary of State to lease to citizens of the United States any land heretofore or hereafter acquired under any act, Executive order, or treaty in connection with projects, in whole or in part constructed or administered by the Secretary of State through the International Boundary Commission, United States and Mexico, American section.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 3137. An act for the relief of Pauline McKinney;

S. 3389. An act to provide for the appointment of two additional judges for the southern district of New York;

S. 3414. An act to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of New York;

S. 3433. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases; and

S. J. Res. 173. Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 3806) entitled "An act to establish a commercial airport for the District of Columbia", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KING, Mr. TYDINGS, and Mr. AUSTIN to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2215. An act to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended.

### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On August 12, 1935:

H. R. 351. An act for the relief of Jane B. Smith and Dora D. Smith;

H. R. 2125. An act for the relief of George William Henning;

H. R. 3090. An act for the relief of Mayme Hughes;

H. R. 3230. An act for the relief of Rufus Hunter Blackwell, Jr.;

H. R. 3979. An act to safeguard the estates of veterans derived from payments of pension, compensation, emergency officers' retirement pay and insurance, and for other purposes;

H. R. 7022. An act to authorize the selection, construction, installation, and modification of permanent stations and depots for the Army Air Corps and frontier air defense bases generally; and

H. R. 8554. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1935, and June 30, 1936, and for other purposes.

On August 13, 1935:

H. R. 4507. An act to amend sections 1, 2, and 3 of the act entitled "An act to provide for the commemoration of the termination of the War between the States at Appomattox Court House, Va.", approved June 18, 1930, and to establish the Appomattox Court House National Historical Monument, and for other purposes; and

H. R. 6995. An act granting pensions to veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, their widows and dependents, and for other purposes.

On August 14, 1935:

H. R. 6511. An act to amend the air mail laws and to authorize the extension of the Air Mail Service;

H. R. 6990. An act to fix the hours of duty of postal employes, and for other purposes; and

H. R. 7260. An act to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, blind persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a social-security board; to raise revenue; and for other purposes.

On August 15, 1935:

H. R. 6228. An act authorizing a capital fund for the Chippewa Indian Cooperative Marketing Association; and

H. R. 8963. An act granting the consent of Congress to the State of Connecticut and Middlesex County to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Middletown, Conn.

On August 19, 1935:

H. R. 4665. An act authorizing the filling of vacancies in certain judgeships; and

H. R. 6453. An act to amend the act of May 13, 1924, entitled "An act providing for a study regarding the equitable use of the waters of the Rio Grande", etc., as amended by the public resolution of March 3, 1927.

On August 17, 1935:

H. J. Res. 351. Joint resolution authorizing the use of public parks, reservations, and other public spaces in the District of Columbia, and the use of tents, cots, hospital appliances, flags, and other decorations, property of the United States, by Washington (D. C.) 1935 Improved, Benevolent, and Protective Order of Elks of the World, and for other purposes.

On August 20, 1935:

H. J. Res. 290. Joint resolution to amend an act entitled "An act providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico", approved June 18, 1934.

OMNIBUS PRIVATE BILLS

The SPEAKER. Permit the Chair to make a statement. In the omnibus bills which were passed on yesterday there were included several bills which had previously passed the Senate and were on the Speaker's table. The Chair feels that those Members who are interested in those particular bills should have an opportunity to ask unanimous consent for the immediate consideration of the Senate bills, so that they can be taken out of the omnibus bills when they are reported to the Senate. The Chair will therefore first recognize Members who have such bills. The Chair understands there are a number of Members on the floor who have such bills.

MINNESOTA FIRE CLAIMS

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1448) for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918.

The SPEAKER. Is that one of the bills in the omnibus bill that was passed yesterday?

Mr. PITTENGER. It is one of the bills in the omnibus bill passed on yesterday.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection the procedure by which title IV of the omnibus bill (H. R. 3662) was passed on yesterday will be vacated, and the House bill laid on the table.

There was no objection.

ESTATE OF HARRY F. STERN

Mr. TURPIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2644) for the relief of the estate of Harry F. Stern.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection, the proceedings by which the bill H. R. 2386 was passed on yesterday will be vacated and the bill H. R. 2386 laid on the table.

There was no objection.

PROMOTION OF MASTER SGT. STANLEY R. MORGAN

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I observe from the RECORD that yesterday Mr. HOEPPEL, the gentleman from California, took occasion to criticize the Military Affairs Committee of the House with respect to its attitude toward enlisted men because it tabled a resolution introduced by him providing for the promotion of a technical sergeant of the Signal Corps in the Army to the rank of master sergeant of the Signal Corps of the Army. The sergeant involved is and was the then technical sergeant, Stanley R. Morgan, who rendered such outstanding and valiant service in connection with the accident in which two of America's most distinguished and beloved citizens met their death.

To keep the record clear, I desire to state that the criticism and the remarks of Mr. HOEPPEL were unjustified, uncalled for, and unwarranted by reason of the fact, which he ought to and might have known, that prior to the introduction by him of his resolution in the House the Chief Signal Corps Officer of the Army had already recommended the creation of a vacancy in and the promotion of Technical Sgt. Stanley R. Morgan to the grade of master sergeant. In the second place, prior to the presentation of the resolution to the committee for its consideration—in fact, to be precise and exact, the recommendation of the Chief Signal Corps Officer was and had been approved by General MacArthur, Chief of Staff, shortly after 9:30 yesterday morning. This fact was released to the press at or about 9:45 o'clock.

It follows, therefore, there was nothing to be accomplished by any action which might be taken by the committee with respect to the Hoeppel resolution, inasmuch as former Technical Sergeant Morgan had already been promoted by an order which had been approved, which action had been taken by the War Department.

At the time the resolution of Mr. HOEPPEL was before the committee for consideration, which was near noon yesterday, Sergeant Morgan had been a master sergeant for 2 hours.

It is a fact that the resolution was tabled. I think that the records will show that it was done on my motion, for the reasons which I have given. Any other action would have been one of supererogation, and nothing but an idle gesture, if not an affront to the War Department. In the third place, at the time Mr. HOEPPEL sought consideration of his resolution by the House, there was, therefore, no occasion, necessity, nor reason for any such contemplated action, nor for the critical remarks he made.

It is undoubtedly true that Mr. HOEPPEL is entitled to credit for originally suggesting the advisability of the action which was taken by the War Department, and I do not desire to detract from any credit therefor to which he is entitled in the premises.

ELECTION OF MEMBER TO COMMITTEES

Mr. SNELL. Mr. Speaker, I offer a resolution (H. Res. 359), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 359

*Resolved*, That CHARLES F. RISK, of Rhode Island, be, and he is hereby, elected a member of the following standing committees of

the House of Representatives, to wit: Patents, Pensions, and World War Veterans' Legislation.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ORDER OF BUSINESS

The SPEAKER. Permit the Chair to make a statement. This is Calendar Wednesday. Business can only be transacted, except business which comes regularly on Calendar Wednesday, by unanimous consent. The Chair feels that the conference reports upon the Speaker's table should be quickly disposed of. The Chair would also like to have the opportunity of recognizing Members who have bills which have been advanced through both Houses and are awaiting action upon some amendment, in order that they may be finally disposed of, just as was done upon yesterday. If permitted, the Chair proposes to spend a reasonable time to that effect before taking up the business on Calendar Wednesday, but the Chair feels the most important thing before the House, and the Chair hopes the House will agree with him, in view of the fact that adjournment may be taken at an early date, is the disposition of the conference reports.

The Chair, therefore, recognizes the gentleman from South Carolina [Mr. McSWAIN].

TENNESSEE VALLEY AUTHORITY

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent for the present consideration of a conference report on the bill (H. R. 8632) to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes. In view of the fact that the House must act first, it seems imperative that consideration be had now.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I yield to the gentleman from California [Mr. BUCK].

COLLECTION OF THE REVENUE ON INTOXICATING LIQUOR

Mr. BUCK. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on the bill H. R. 9185, to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

TENNESSEE VALLEY AUTHORITY

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the report and that the name of the gentleman from New Jersey [Mr. McLEAN], which was by clerical error omitted from the statement of the managers, be added thereto.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (H. R. 8632) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the said bill, and agree to the same with an amendment as follows: In lieu of the matter inserted by the amendment of the Senate insert the following:

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That subdivision (i) of section 4 of the Act entitled 'An Act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes', approved May 18, 1933, be, and the same is hereby, amended by adding thereto the following proviso: '*Provided*, That nothing contained herein or elsewhere in this Act shall be construed to deprive the Corporation of the rights conferred by the Act of February 26, 1931 (46 Stat. 1422, ch. 307, secs. 1 to 5, inclusive), as now compiled in section 258a to 258e, inclusive, of Title 40 of the United States Code.'

"SEC. 2. That subdivision (j) of said section 4 of said Act be, and the same is hereby, amended to read as follows:

"'(j) Shall have power to construct such dams, and reservoirs, in the Tennessee River and its tributaries, as in conjunction with Wilson Dam, and Norris, Wheeler, and Pickwick Landing Dams, now under construction, will provide a nine-foot channel in the said river and maintain a water supply for the same, from Knoxville to its mouth, and will best serve to promote navigation on the Tennessee River and its tributaries and control destructive flood waters in the Tennessee and Mississippi River drainage basins; and shall have power to acquire or construct power houses, power structures, transmission lines, navigation projects, and incidental works in the Tennessee River and its tributaries, and to unite the various power installations into one or more systems by transmission lines. The directors of the Authority are hereby directed to report to Congress their recommendations not later than April 1, 1936, for the unified development of the Tennessee River system.'

"SEC. 3. That said section 4 of said Act be, and the same is hereby, further amended by adding a new subdivision, (k), at the end of said section as follows:

"'(k) At any time before the expiration of five years from the date when this section, as amended, becomes law may in the name of and as agent for the United States and subject to approval of the President, dispose of any of such real property as in the judgment of the Board may be no longer necessary in carrying out the purposes of this act, but no land shall be conveyed on which there is a permanent dam, hydraulic power plant, fertilizer plant or munitions plant, heretofore or hereafter built by or for the United States or for the Authority.'

"SEC. 4. That subdivision (c) of section 5 of said Act be, and the same is hereby, amended to read as follows:

"'(c) To cooperate with National, State, district, or county experimental stations or demonstration farms, with farmers, landowners, and associations of farmers or landowners, for the use of new forms of fertilizer or fertilizer practices during the initial or experimental period of their introduction, and for promoting the prevention of soil erosion by the use of fertilizers and otherwise.'

"SEC. 5. That said Act be, and the same is hereby, further amended by adding a new section after section 9 of said Act, as follows:

"'SEC. 9a. The Board is hereby directed in the operation of any dam or reservoir in its possession and control to regulate the stream flow primarily for the purposes of promoting navigation and controlling floods. So far as may be consistent with such purposes, the Board is authorized to provide and operate facilities for the generation of electric energy at any such dam for the use of the Corporation and for the use of the United States or any agency thereof, and the Board is further authorized, whenever an opportunity is afforded, to provide and operate facilities for the generation of electric energy in order to avoid the waste of water power, to transmit and market such power as in this Act provided, and thereby, so far as may be practicable, to assist in liquidating the cost or aid in the maintenance of the projects of the Authority.'

"SEC. 6. That section 10 of said Act be, and the same is hereby, amended by adding thereto a proviso as follows: '*Provided further*, That the Board is authorized to include in any contract for the sale of power such terms and conditions, including resale rate schedules, and to provide for such rules and regulations as in its judgment may be necessary or desirable for carrying out the purposes of this Act, and in case the purchaser shall fail to comply with any such terms and conditions, or violate any such rules and regulations, said contract may provide that it shall be voidable at the election of the Board: *Provided further*, That in order to supply farms and small villages with electric power directly as contemplated by this section, the Board in its discretion shall have power to acquire existing electric facilities used in serving such farms and small villages: *And provided further*, That the terms "States", "counties", and "municipalities" as used in this Act shall be construed to include the public agencies of any of them unless the context requires a different construction.'

"SEC. 7. That said Act be, and the same is hereby, further amended by adding a new section after section 12 of said Act, as follows:

"'SEC. 12a. In order (1) to facilitate the disposition of the surplus power of the Corporation according to the policies set forth in this Act; (2) to give effect to the priority herein accorded to States, counties, municipalities, and nonprofit organizations in the purchase of such power by enabling them to acquire facilities for the distribution of such power; and (3) at the same time to preserve existing distribution facilities as going concerns and avoid duplication of such facilities, the Board is authorized to advise and cooperate with and assist, by extending credit for a period of not exceeding five years to, States, counties, municipalities, and nonprofit organizations situated within transmission distance from any dam where such power is generated by the Corporation in acquiring, improving, and operating (a) existing distribution facilities and incidental works, including generating plants; and (b) interconnecting transmission lines; or in acquiring any interest in such facilities, incidental works, and lines.'

"SEC. 8. That said Act be, and the same is hereby, further amended by adding to section 14 of said Act the following:

"'The Board shall, on or before January 1, 1937, file with Congress a statement of its allocation of the value of all such properties turned over to said Board, and which have been completed prior to the end of the preceding fiscal year, and shall thereafter in its annual report to Congress file a statement of its allocation of the value of such properties as have been completed during the preceding fiscal year.

"'For the purpose of accumulating data useful to the Congress in the formulation of legislative policy in matters relating to the generation, transmission, and distribution of electric energy and the production of chemicals necessary to national defense and useful in agriculture, and to the Federal Power Commission and other Federal and State agencies, and to the public, the Board shall keep complete accounts of its costs of generation, transmission, and distribution of electric energy and shall keep a complete account of the total cost of generating and transmission facilities constructed or otherwise acquired by the Corporation, and of producing such chemicals, and a description of the major components of such costs according to such uniform system of accounting for public utilities as the Federal Power Commission has, and if it have none, then it is hereby empowered and directed to prescribe such uniform system of accounting, together with records of such other physical data and operating statistics of the Authority as may be helpful in determining the actual cost and value of services, and the practices, methods, facilities, equipment, appliances, and standards and sizes, types, location, and geographical and economic integration of plants and systems best suited to promote the public interest, efficiency, and the wider and more economical use of electric energy. Such data shall be reported to the Congress by the Board from time to time with appropriate analyses and recommendations, and, so far as practicable, shall be made available to the Federal Power Commission and other Federal and State agencies which may be concerned with the administration of legislation relating to the generation, transmission, or distribution of electric energy and chemicals useful to agriculture. It is hereby declared to be the policy of this Act that, in order, as soon as practicable, to make the power projects self-supporting and self-liquidating, the surplus power shall be sold at rates which, in the opinion of the Board, when applied to the normal capacity of the Authority's power facilities, will produce gross revenues in excess of the cost of production of said power and in addition to the statement of the cost of power at each power station as required by section 9 (a) of the "Tennessee Valley Act of 1933", the Board shall file with each annual report, a statement of the total cost of all power generated by it at all power stations during each year, the average cost of such power per kilowatt hour, the rates at which sold, and to whom sold, and copies of all contracts for the sale of power.'

"SEC. 9. That said Act be, and the same is hereby, further amended by adding after Section 15 of said Act a new section as follows:

"'SEC. 15a. With the approval of the Secretary of the Treasury, the Corporation is authorized to issue bonds not to exceed in the aggregate $50,000,000 outstanding at any one time, which bonds may be sold by the Corporation to obtain funds to carry out the provisions of Sec. 7 of this amendatory Act. Such bonds shall be in such forms and denominations, shall mature within such periods not more than fifty years from the date of their issue, may be redeemable at the option of the Corporation before maturity in such manner as may be stipulated therein, shall bear such rates of interest not exceeding 3½ per centum per annum, shall be subject to such terms and conditions, shall be issued in such manner and amount, and sold at such prices, as may be prescribed by the Corporation, with the approval of the Secretary of the Treasury: *Provided*, That such bonds shall not be sold at such prices or on such terms as to afford an investment yield to the holders in excess of 3½ per centum per annum. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Corporation should not pay upon demand, when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof, which is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of the Corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the Corporation shall be treated as public-debt transactions of the United States. With the approval of the Secretary of the Treasury, the Corporation shall have power to purchase such bonds in the open market at any time and at any price. No bonds shall be issued hereunder to provide funds or bonds necessary for the performance of any proposed contract negotiated by the Corporation under the authority of section 7 of this amendatory Act until the proposed contract shall have been submitted to and approved by the Federal Power Commission. When any such proposed contract shall have been submitted to the said Commission, the matter shall be given precedence and shall be in every way expedited and the Commission's determination of the matter shall be final. The authority of the Corporation to issue bonds hereunder shall expire at the end of five years from the date when this section as amended herein becomes law, except that such bonds may be issued at any time after the expiration of said period to provide bonds or funds necessary for the performance of any contract entered into by the Corporation, prior to the expiration of said period, under the authority of section 7 of this amendatory Act.'

"SEC. 10. That section 26 of said Act be, and the same is hereby, amended to read as follows:

"'SEC. 26. Commencing July 1, 1936, the proceeds for each fiscal year derived by the Board from the sale of power or any other products manufactured by the Corporation, and from any other activities of the Corporation including the disposition of any real or personal property, shall be paid into the Treasury of the United States at the end of each calendar year, save and except such part of such proceeds as in the opinion of the Board shall be necessary for the Corporation in the operation of dams and reservoirs, in conducting its business in generating, transmitting, and distributing electric energy and in manufacturing, selling, and distributing fertilizer and fertilizer ingredients. A continuing fund of $1,000,000.00 is also excepted from the requirements of this section and may be withheld by the Board to defray emergency expenses and to insure continuous operation: *Provided*, That nothing in this section shall be construed to prevent the use by the Board, after June 30, 1936, of proceeds accruing prior to July 1, 1936, for the payment of obligations lawfully incurred prior to such latter date.'

"SEC. 11. That said act be, and the same is hereby, further amended by adding after section 26 of said act a new section, as follows:

"'SEC. 26a. The unified development and regulation of the Tennessee River system requires that no dam, appurtenant works, or other obstruction, affecting navigation, flood control, or public lands or reservations shall be constructed, and thereafter operated or maintained across, along, or in the said river or any of its tributaries until plans for such construction, operation, and maintenance shall have been submitted to and approved by the Board; and the construction, commencement of construction, operation, or maintenance of such structures without such approval is hereby prohibited. When such plans shall have been approved, deviation therefrom either before or after completion of such structures is prohibited unless the modification of such plans has previously been submitted to and approved by the Board.

"'In the event the Board shall, within 60 days after their formal submission to the Board, fail to approve any plans or modifications, as the case may be, for construction, operation, or maintenance of any such structures on the Little Tennessee River, the above requirements shall be deemed satisfied, if upon application to the Secretary of War, with due notice to the Corporation, and hearing thereon, such plans or modifications are approved by the said Secretary of War as reasonably adequate and effective for the unified development and regulation of the Tennessee River system.

"'Such construction, commencement of construction, operation, or maintenance of any structures or parts thereof in violation of the provisions of this section may be prevented, and the removal or discontinuation thereof required by the injunction or order of any district court exercising jurisdiction in any district in which such structures or parts thereof may be situated, and the Corporation is hereby authorized to bring appropriate proceedings to this end.

"'The requirements of this section shall not be construed to be a substitute for the requirements of any other law of the United States or of any State, now in effect or hereafter enacted, but shall be in addition thereto, so that any approval, license, permit, or other sanction now or hereafter required by the provisions of any such law for the construction, operation, or maintenance of any structures whatever, except such as may be constructed, operated, or maintained by the Corporation, shall be required, notwithstanding the provisions of this section.'

"SEC. 12. That said Act be, and the same is hereby, further amended by adding at the end of said Act a new section, as follows:

"'SEC. 31. This Act shall be liberally construed to carry out the purposes of Congress to provide for the disposition of and make needful rules and regulations respecting Government properties entrusted to the Authority, provide for the national defense,

improve navigation, control destructive floods, and promote interstate commerce and the general welfare, but no real estate shall be held except what is necessary in the opinion of the Board to carry out plans and projects actually decided upon requiring the use of such land: *Provided*, That any land purchased by the Authority and not necessary to carry out plans and projects actually decided upon shall be sold by the Authority as agent of the United States, after due advertisement, at public auction to the highest bidder, or at private sale as provided in Sec. 3 of this amendatory Act.'

"SEC. 13. That section 4 of said Act of May 18, 1933 (48 Stat. 58), be amended by adding subsection (l) as follows:

"'(l) Shall have power to advise and cooperate in the readjustment of the population displaced by the construction of dams, the acquisition of reservoir areas, the protection of watersheds, the acquisition of rights-of-way, and other necessary acquisitions of land, in order to effectuate the purposes of the Act; and may cooperate with Federal, State, and local agencies to that end.'

"SEC. 14. That subsection (b) of sec. 9 of said Act be and the same is hereby amended to read as follows:

"'(b) All purchases and contracts for supplies or services, except for personal services, made by the Corporation, shall be made after advertising, in such manner and at such times sufficiently in advance of opening bids, as the Board shall determine to be adequate to insure notice and opportunity for competition: *Provided*, That advertisement shall not be required when, (1) an emergency requires immediate delivery of the supplies or performance of the services; or (2) repair parts, accessories, supplemental equipment, or services are required for supplies or services previously furnished or contracted for; or (3) the aggregate amount involved in any purchase of supplies or procurement of services does not exceed $500; in which cases such purchases of supplies or procurement of services may be made in the open market in the manner common among businessmen: *Provided further*, That in comparing bids and in making awards the Board may consider such factors as relative quality and adaptability of supplies or services, the bidder's financial responsibility, skill, experience, record of integrity in dealing, ability to furnish repairs and maintenance services, the time of delivery or performance offered, and whether the bidder has complied with the specifications.

"'The Comptroller General of the United States shall audit the transactions of the Corporation at such times as he shall determine, but not less frequently than once each governmental fiscal year, with personnel of his selection. In such connection he and his representatives shall have free and open access to all papers, books, records, files, accounts, plants, warehouses, offices, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation, and shall be afforded full facilities for counting all cash and verifying transactions with and balances in depositaries. He shall make report of each such audit in quadruplicate, one copy for the President of the United States, one for the chairman of the Board, one for public inspection at the principal office of the Corporation, and the other to be retained by him for the uses of the Congress: *Provided*, That such report shall not be made until the Corporation shall have had reasonable opportunity to examine the exceptions and criticisms of the Comptroller General or the General Accounting Office, to point out errors therein, explain or answer the same, and to file a statement which shall be submitted by the Comptroller General with his report. The expenses for each such audit shall be paid from any appropriation or appropriations for the General Accounting Office, and such part of such expenses as may be allocated to the cost of generating, transmitting, and distributing electric energy shall be reimbursed promptly by the Corporation as billed by the Comptroller General. The Comptroller General shall make special report to the President of the United States and to the Congress of any transaction or condition found by him to be in conflict with the powers or duties entrusted to the Corporation by law.'

"SEC. 15. That the sections of this Act are hereby declared to be separable, and in the event any one or more sections of this Act, or parts thereof, be held to be unconstitutional, such holding shall not affect the validity of other sections or parts of this Act."

And the Senate agree to the same.

JOHN J. MCSWAIN,
LISTER HILL,
NUMA MONTET,
DONALD H. MCLEAN,
CHARLES A. PLUMLEY,
*Managers on the part of the House.*

E. D. SMITH,
B. K. WHEELER,
G. W. NORRIS,
*Managers on the part of the Senate.*

STATEMENT

We will discuss amendments adopted in conference by referring section by section to the House bill, H. R. 8632, because the amendment as agreed upon consists of one amendment from a parliamentary standpoint.

Section 1 remains the same.

Section 2 remains the same except that the Directors of the Authority shall report their recommendations as to the unified development of the Tennessee River System to the Congress not later than April 1, 1936. The House bill provided that such report should be included in their next annual report to be filed in December 1935, and except in changing of a dam.

Section 3 is practically the same, though there is a verbal change by substituting some language of the Senate bill for the House language.

Section 4 remains the same.

Section 5 remains the same.

Section 6 remains the same.

Section 7 is modified by an amendment providing that the Board is authorized to advise and cooperate with States, counties, municipalities, and nonprofit organizations in acquiring existing distributing systems by extending credit to them for a period not exceeding 5 years. It will be recalled that the Senate bill provided that the Authority may purchase outright and take title to such distributing systems, but should resell the same within 5 years if the State, county, municipality, or nonprofit organization should offer to buy, and in failure of such sale within 5 years from date of this act to report the facts to Congress for its determination.

Section 8 is modified by providing that the allocation of value to the several properties should be reported in each annual report if the power-generating property should have been completed prior to the end of the preceding fiscal year. This is a simple change in order to give the Board time to make the allocation after the construction is finished.

Section 9 is changed considerably by adopting the Senate language in large measure, but the amount of $100,000,000 is reduced to $50,000,000 to conform to the House provision, and by providing that the proceeds from the sale of such bonds may be used to carry out the provisions of section 7 of the amendatory act, which are substantially the provisions found in section 7 of the House bill to which reference is hereby made.

Section 10 is modified by preserving the principle of congressional control through appropriations over the activities of the Board. But an exception was made as to funds necessary to carry on the business of generating and distributing electricity and of manufacturing and selling fertilizers. It is manifest that long-term contracts could not be made if the power of the T. V. A. to carry out those contracts is dependent upon appropriations by Congress. Furthermore, we have provided that a fund of $1,000,000 may be constantly kept on hand by the corporation to meet emergencies, such as breaks or threatened breaks in dams or destruction of any of the property by the forces of nature, so that said $1,000,000 may be constantly available to make repairs, or to prevent damage, and thus to insure continuance of operations in the manufacture and distribution of electric energy and fertilizers.

Section 11 remains the same as in the House bill.

Section 12 remains the same except that it is modified by specifying that only property which, in the opinion of the Board, is necessary to carry out plans and projects decided upon may be held and retained by the Corporation, and that any other land not so necessary shall be sold either as provided in the House bill, or as provided in section 3 of this amendatory act, to wit, by private sale with the approval of the President.

Section 13 remains the same as in the House bill.

Section 14 is substantially the same as in the House bill.

Section 15 remains the same as in the House bill.

JOHN J. MCSWAIN,
LISTER HILL,
NUMA F. MONTET,
CHARLES A. PLUMLEY,
*Managers on the part of the House.*

Mr. McSWAIN. Mr. Speaker, I do not desire to discuss the matter in detail. I merely call attention to the very noteworthy fact that this conference report is signed by all five conferees on the part of the House.

Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD by inserting a letter which I have this day written to the Honorable Charles West, a former Member of this House, and also a bill introduced by myself on March 9, 1933.

The letter and bill H. R. 1672 are as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
*Washington, D. C., August 21, 1935.*

Hon. CHARLES WEST,
*The White House, Washington, D. C.*

DEAR MR. WEST: In the rush of our conversation the other day I could not find the bill I mentioned, but I now enclose you copy of the bill introduced on March 9, 1933, H. R. 1672, where for the first time in all the world the name "Tennessee Valley Authority" may be found in print, and this bill was dictated by me the next morning after the idea occurred to me, and the bare outline conceived in my mind.

Subsequently, we incorporated these general ideas into the mechanics of the amendment offered by me in the Committee on Military Affairs to what was then Senate Joint Resolution 46 introduced by Senator NORRIS in the Seventieth Congress, first session. My amendment was the basis of the House bill reported by the Committee on Military Affairs, and will be found the basis, and in most parts the identical language agreed upon by the conferees, between the House and Senate. That bill received a pocket veto by President Coolidge. Almost the identical language was later agreed upon by the conferees in the next Congress, and was actually vetoed by President Hoover. If Mr. Judson King does

not have these facts in the legislative history which he has been preparing for the last 2 years, then I can furnish it to him from my files.

The CONGRESSIONAL RECORD would not show my amendment except as it was referred to in remarks extended by me in the CONGRESSIONAL RECORD of January 12, 1931, where my amendment appears on page 2037.

I am very pleased that the conferees have agreed on the T. V. A. bill, and hope there will be no trouble in having the House approve the report of the managers on the part of the House. I am very pleased that Dr. Morgan telephoned me late yesterday afternoon and told me that he is happy over the outcome, and that all this experience for the last 4 months has been very instructive and beneficial to him, and that it will be reflected in the future work of the T. V. A. Dr. Morgan stated to my extreme gratification that the bill which the conferees have agreed upon is superior to the bill which the directors prepared and submitted to us early in March. All of which confirms my faith in parliamentary government. Out of the conflict of ideas and the crucible of discussion a safe and sane result usually issues.

I shall be pleased to comply with your suggestion that we get together at some convenient time for further discussion of a retrospective nature along this line.

With sincere personal regards, I am,

Yours truly,

J. J. McSWAIN.

[Enclosure]

[H. R. 1672, 73d Cong., 1st sess.]

A bill to provide for the common defense; to aid interstate commerce by navigation; to promote flood control; to promote the general welfare by creating the Tennessee Valley Development Authority; and to operate the Muscle Shoals properties

*Be it enacted, etc.*, That there is hereby created a body politic incorporate by the name and title of the "Tennessee Valley Development Authority" (hereinafter briefly designated as the authority), with power to contract and to be contracted with, to sue and to be sued in any court of competent jurisdiction, and with authority and power to issue corporate obligations in the form of long-time bonds, not exceeding 40 years to maturity, and bearing interest not exceeding 4 percent, and to secure the same by a lien upon the property of the United States hereinafter vested and to be invested by future purchase or future construction in the United States, and to pledge the income from all of said property in order to secure said bonds, and the aggregate amount of said bonds shall not exceed $100,000,000, to be issued in installments as the same may be needed.

SEC. 2. That all powers hereby or hereafter vested in said authority shall be exercised by three trustees, to be appointed by the President of the United States, and to be confirmed by the Senate, for the terms of 5, 10, and 15 years, respectively, and thereafter all appointees shall be for the full term of 15 years, and all vacancies, by death, resignation, or discharge shall be filled for the respective unexpired terms in the same way as original appointments. Said trustees shall subscribe to such oath as shall be prescribed by the President of the United States and shall be subject to removal by said President for nonfeasance, misfeasance, or malfeasance in office. After the members of the board shall have been appointed and qualified they shall organize by electing one of their number as chairman and another of their member as vice chairman, and they shall elect a secretary and such other officers, agents, and employees from time to time as shall appear to them to be necessary and proper for carrying on the duties and powers hereby and herein imposed upon them.

SEC. 3. The property of the United States in the States of Alabama and of Tennessee, either now existing or hereafter to be acquired or constructed, in, along, by, or near the Tennessee River and any of its navigable tributaries, and such other tributaries as the States of Tennessee and Alabama may, by appropriate legislation, make subject to said authority, in order to promote the navigation and flood control of said river system, and all other powers and properties incident and appurtenant thereto, are hereby intrusted to said authority to accomplish the purposes and policies of this act. Said trustees shall be paid an annual salary at the rate of $6,000, and shall receive in addition thereto quarters, heat, and light at or near headquarters at Muscle Shoals, Ala.

SEC. 4. The powers, jurisdiction, and trusteeship of said authority extend to the Wilson Dam, and the power house and nearby steam plant and nitrate plant no. 2 and nitrate plant no. 1 in that neighborhood, and Waco Quarry, and all real estate and personal property appertaining thereto and used in connection therewith, and all other dams, locks, navigation projects, flood-control facilities, and power projects anywhere in, or hereafter to be placed or constructed in, along, near, or by said Tennessee River or tributaries thereof shall be under the absolute jurisdiction of said authority, in order that there may be complete cooperation and interrelation by and between all activities of the United States in said area, and said authority shall control, manage, and conduct all such activities so as to accomplish the greatest efficiency and economy.

SEC. 5. Said authority may employ and discharge all such officers, agents, and employees as it may deem necessary to carry out the purposes of this act, and to fix the compensation thereof, and to pay the same from the funds arising from the operation of said properties irrespective and regardless of any and all requirements of the civil-service laws.

SEC. 6. Said authority shall proceed to operate such part or parts of said nitrate plants as said trustees may find to be reasonably adaptable for the production of nitrogenous plant food, useful as a fertilizer or a fertilizer ingredient, and to that end said authority may modify or improve existing plants, and may, after 1 year of demonstration in producing nitrogenous plant food and upon the written approval of the President of the United States, establish one unit of a phosphoric-acid plant, so that the entire property may produce ammonium phosphate for use as a fertilizer. All such fertilizers or fertilizer ingredients as may be produced by said authority shall be sold for cash, and in quantities of carload lots free on board Muscle Shoals, Ala., and the price thereof shall be fixed by the said authority so as to represent the cost of production, including 4 percent on the reasonable fair value of the plant employed in such production, and with 4 percent additional as profit on the gross turnover.

SEC. 7. Said authority shall have power at any time after commencing operation of said nitrate and/or fertilizer plants to lease said plants for a term not exceeding 50 years, on such terms and conditions as the President of the United States shall approve in writing, and such lease may include an agreement by the authority to supply power at the prevailing market price of power sold at said plant to other users of power in order that the lessee may operate said fertilizer plant or plants.

SEC. 8. Said authority shall operate all hydroelectric- and steam-power plants that now exist or may hereafter be acquired or constructed in said area; and after supplying all power necessary to operate said nitrate and fertilizer plants and all navigation locks and facilities and all power necessary for use in constructing and developing other projects and improvements in said area, the authority shall sell on the best terms obtainable, at the switchboard, all surplus power developed at any place or plant held and operated by said authority.

SEC. 9. If it shall appear that increased net revenues may be obtained from the sale of power and that the purposes of this act may hereby be more effectually accomplished, then the said authority is hereby empowered to build a transmission line or lines to the point of use and consumption by private enterprises, and in such event shall sell the power at the end of the transmission line or lines. Said authority shall have power to establish interconnecting power lines between the separate plants of the United States, or with plants belonging to either private enterprises, or to State or municipal authorities, either in the State of Tennessee or of Alabama or of any adjoining State or States, so as to accomplish and produce greater uniformity in the supply of electric energy in that section of the United States.

SEC. 10. The authority shall employ competent accountants and auditors and shall keep accurate and complete records of all acts, proceedings, and transactions, and shall make an annual report thereof to the President of the United States, and the same shall be transmitted to Congress. It shall be the duty of the President of the United States to cause the General Accounting Office to audit the books and accounts of said authority once every year. All net revenues arising from the operation of said properties, after the payment of expenses and interest charges, shall be paid into the Treasury of the United States and there earmarked as "Tennessee Valley Development Authority funds."

SEC. 11. Said authority shall control, manage, and develop all such reforestation projects within 25 miles of each side of said Tennessee River, either in Tennessee or Alabama, that may be by appropriate legislation of either or both of said States, in conjunction with such deeds and leases from any private person, firm, or corporation as may thereby be made subject to said authority. But said authority shall not purchase any land for reforestation purposes and shall promulgate rules, regulations, and orders under which it will accept and use lands deeded or leased by either States, counties, municipal corporations, or private landowners for practical forestation or for reforestation purposes.

SEC. 12. Said authority shall construct a flood-control and stream-flow regulation dam in Clinch River, at the site commonly known as Cove Creek Dam, according to such plans as shall meet the approval of the trustees, who shall, after due advertisement, let a contract for said purpose to the lowest responsible bidder, and shall pay the cost of such dam from the proceeds of the sale of the necessary sale of bonds herein authorized to be issued, and secured as aforesaid by all the property and net revenues under the control of said authority. In like manner said authority may proceed to construct such other dams, storage reservoirs, locks, canals, power houses, and transmission lines from time to time as may appear to be wise and proper and as may be approved in writing by the President of the United States, from funds derived from the sale of bonds, as aforesaid.

SEC. 13. Said authority is hereby authorized, empowered, and directed to encourage by all fair and reasonable means and measures the establishment of private enterprises in the region of said Tennessee Valley, in order that they may be customers and users of the electric power to be developed by the authority. To this end said authority may operate barges on said Tennessee River in said area to encourage the construction and operation of private enterprises therein.

SEC. 14. The right to alter, amend, or repeal this act is hereby expressly reserved; but no such modification or repeal shall operate to impair the obligation of any contract made by said authority under the power conferred by this act.

Mr. RICH. Mr. Speaker, reserving the right to object, and I shall not object, I want to call the gentleman's attention to a matter in connection with section 14 wherein the committee's report requests the Comptroller General of the United States to audit annually the accounts of the T. V. A.

I would like to suggest to the gentleman that he do what he can to have enacted into law House bill H. R. 200, introduced by the gentleman from Missouri [Mr. SHANNON], which would establish a procedure for cost accounting and cost reporting for Federal agencies. I do not believe he could do anything that is more necessary than to provide a good system of bookkeeping for the Government agencies, one that would provide a yardstick for the things in which the Government is interested, one which would put good business practice into all Government agencies. It would enlighten the Members of Congress in expenditures and receipts of Government. Then it would not be necessary to incorporate in reports the things contained in this section. I do hope in the future the gentleman will use his good offices to have that bill enacted into law. It will show up the T. V. A. and the enormous expenditures that the Government is making on this socialistic project.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. McLEAN], a member of the committee.

Mr. McLEAN. Mr. Speaker, I signed this conference report and I advise its adoption. The situation in which I now find myself illustrates the well-recognized principle that sound legislation is the result of compromise. Experience has taught that it is well that it should be so. The very object of controversy in committee and floor debate is to develop that which is best for the general welfare, and to give the minority thought full play for its constructive criticism, which not infrequently finds its way into the final product of the will of the majority or results in the defeat of unwise proposals.

Let it not be understood that in taking the position I do I have in any way changed my attitude toward the philosophy of the Tennessee Valley project. I still believe it is fraught with danger and to a very considerable extent is an unfair burden upon taxpayers in districts not affected by the expenditures being made, and that entirely too much money is being spent in the Tennessee Valley without regard to the constantly increasing national debt and its ultimate payment by generations yet unborn. As a member of the committee of conference it was my duty to endeavor to reconcile the differences in proposed legislation between the Senate and the House of Representatives, and I believe that out of the controversy surrounding proposed legislation affecting the Tennessee Valley Authority there is now before the House a piece of legislation which will meet many of the criticisms, restrain many of the unwise activities, and clarify many misunderstandings. What is of greater importance than anything else is the fact that the directors of the Tennessee Valley Authority, who brought upon themselves much of the criticism that has been advanced against them, should have a better understanding of their obligations to the Government of the United States and to the Congress; and I believe that in the future we shall see more orderly procedure so far as that agency is concerned.

One of my principal complaints in this controversy was the fact that the directors of the Tennessee Valley Authority had entirely disregarded the Congress. There were indications that they held it in contempt. They had made no report as to their plans, purposes, or ultimate objectives, as they were required to do by the act in order that Congress might guide and control the nature, sequence, and extent of the development. There now can be no doubt in this regard, for we have specifically provided in the pending bill that on or before the 1st of April of next year there shall be such a report by this governmental agency to the Congress which created it and whose agent it is.

One other matter to which I desire to call particular attention is that in the original bill which came before the House there was a provision that power should be granted this Authority to issue $100,000,000 of bonds to be used in the purchase of integrated electrical systems, the title to which should be taken by the Tennessee Valley Authority, which, in turn, could dispose of such portions as it might desire, taking the loss on the undesirable part to the detriment of the Treasury of the United States. In other words, the Tennessee Valley Authority sought the right to act as broker in the purchase and sale of electrical distribution plants. That was the original language of the pending legislation. The conferees decided unanimously that such power should be denied, and that the Authority should have no greater power than to advise and cooperate with those municipalities which desired to provide their own electrical distribution plants and if, perchance, they desired to borrow money for the purpose of purchasing those plants by themselves, the title to vest in the municipality, that the Tennessee Valley Authority might have the power to make them loans for such purposes.

This power is subject to these limitations: The bonds cannot be issued in excess of $50,000,000, or one-half of the amount previously asked, nor without the approval of the President and the Secretary of the Treasury. Under these circumstances certainly no bonds will be issued unless they conform to the orderly procedure of Government financing, and this will be a check on the Authority. Also, any project which it is proposed to finance must have the approval of the Federal Power Commission. In this regard it is necessary that the attitude of the conferees should be definitely understood.

When you start to draw a statute with one object in view, of course your mental processes deal with a given situation, which may be entirely different from other situations which may develop. For instance, the right to purchase and sell electrical distribution plants is entirely different from the proposition of lending money to a municipality that desires to purchase a plant. In this instance the attempt has been made to alter the existing language. It seems to me it would have been much better had we put entirely new language in the final draft, because our effort to modify existing language may readily result in misunderstanding and in a false construction of the statute. Others do not agree with me.

I have no desire to delay the proceedings by asking for further time in order that we may rewrite this language—I am as anxious to get back to the hills of northern New Jersey as the rest of you are to get to your respective homes—and I have been given assurances that there will be no misunderstanding as to the construction to be placed upon this language; that it will be definitely understood by everybody concerned that the Tennessee Valley Authority has no power to buy electric distribution plants on the credit of the United States for the purpose of sale; that their power is limited entirely to lending money to municipalities, subject to the approval of the Federal Power Commission. I sought the privilege of placing this statement before the Members of the House so that there can be no argument as to the legislative history of this statute and how it should be construed.

Mr. Speaker, I feel, in spite of the turmoil, the vexations, and the criminations and recriminations that have gone on while this bill was pending, that we now have a better understanding between the Congress and its creature, the Tennessee Valley Authority. The directors of the Authority should have a better understanding of the obligations which they owe to the Government and Congress in the discharge of their duties, and, although, as I have said, I cannot bring myself to favor the objectives intended to be brought about by the Tennessee Valley Authority, I feel that if we must have a new law, we have written a much better piece of legislation than was first proposed by the Authority itself, and much good should come as the result of the adoption of this report. [Applause.]

Mr. McSWAIN. Mr. Speaker, I yield 3 minutes to a member of the committee of conference, the gentleman from Alabama [Mr. HILL].

Mr. HILL of Alabama. Mr. Speaker, I think it is evident that the House desires no detailed discussion of this conference report. It is printed in full in this morning's RECORD. We know what it is. We know that it comes to the House as a unanimous report, having been signed by all the conferees on the part of the House and having been signed by all the conferees on the part of the Senate.

It is in many respects better than the bill that the House passed. It is in many respects better than the bill the Senate passed. The conference report is, on the whole, highly satisfactory and most pleasing to me. I hope the House will adopt it.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from New York.

Mr. ANDREWS of New York. Referring to the vote of the House, during consideration of the House T. V. A. bill, in regard to the proposed tax-exemption features of the bonds authorized by this act, the gentleman will recall that a motion to make these bonds tax exempt was defeated in the House by a very decided margin. I notice in the report on section 15 (a) that these bonds shall be subject to such terms and conditions, shall be issued in such manner and amount, and sold at such price as may be prescribed by the Corporation, with the approval of the Secretary of the Treasury. Can the gentleman inform me whether those provisions will preclude the issuance of tax-exempt bonds?

Mr. McSWAIN. I am thoroughly satisfied those provisions do not make that possible, because in order to make bonds tax exempt it must be so authorized in the statute which authorizes the issuance of the bonds. For this reason the Assistant Secretary of the Treasury, Thomas Jefferson Coolidge, sent down the amendment which I offered and which the House defeated; so that I am quite satisfied that language is not susceptible of being interpreted as favoring tax-free bonds.

Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein certain excerpts and figures.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, that no one may be misinformed, I made a short talk on the presentation of the conference report on the T. V. A. and obtained permission to extend and revise my remarks, so I am really extending my remarks by leaving Washington altogether and mailing my speech back to the Printer for the permanent RECORD. In this way my colleagues do not have to listen, and those who care to read can get information direct from the Tennessee Valley, where I am in effect making a report after years of study and my second personal inspection.

### FIRST SECTION

#### GENERAL INTRODUCTION

I say " years of study " because I have been studying Muscle Shoals and the Tennessee Valley for some 15 years. Even though that area is located some thousand miles from my home in Texas, I had an idea—admittedly a limited idea—when I first became acquainted with Muscle Shoals that the completion and proper utilization of the Government's investment there, together with the development of the valley as a whole which would result from it, could contribute tremendously to the well-being not only of the South but of the Nation at large. The long controversy in which the Muscle Shoals issue was embroiled led me to give more careful thought and study to the various questions involved; and now, when I see what has been done in the valley within the past 2 years and I catch a glimpse of the vision of the future, I find that my idea has ceased to be a mere philosophic speculation and has become a living, practical reality.

A Congressman must view his duties in a dual capacity. First, he must think of his country as a whole and then of the immediate requirements of his own district and State. Generally speaking, I must naturally look out for the interests of Texas and my district. However, by virtue of modern transportation and means of communication, the advance of industry, and the changing conditions of time, I believe we must all view our positions from the point of view of America as a whole.

Of course I intend to show the specific benefit of the T. V. A. to any part of the Nation. Within less than 100 miles of my own district is the Colorado River authority, created by the State of Texas, and on which several million dollars will be spent for development. This was formerly an Insull dam on which the work stopped when the Insull empire crashed. It will now be completed by the State of Texas, through Federal funds, and will be a similar enterprise to the T. V. A. I was interested in the T. V. A. before I ever heard of the Colorado River authority, but this gives me a greater personal interest in all matters concerning flood control, conservation, and the production of cheap power.

#### NATIONAL VIEWPOINT IMPORTANT

We people in the South must realize that we can no longer be merely the "solid South." If we isolate ourselves from the interests of the rest of the Nation we may well expect to destroy ourselves. In the South we have long believed that cotton is king. Yes; cotton was king. By virtue of cotton we have survived. But, for all we know, cotton will destroy us economically, socially, and politically if we continue to depend upon it alone. Think that over. It is a tremendous problem and we must solve it. I cannot discuss that thoroughly now, but I do want to say that we are faced with tremendous changes in all phases of our lives, and that as those changes take place I want the South to be prosperous.

But the South cannot be prosperous unless the Nation is prosperous. For the first time since the Civil War, the South is getting what it wants, whether right or wrong. We must be liberal and progressive enough to fight for the same thing for other portions of the country. I hope that all sections of the country will realize that if the South builds up its own prosperity it will have the purchasing power to buy the products of the North and West. In general, such a condition will increase the living standards of all America.

In fact, barring certain minor local differences, the fundamental economic and social problems of the South are similar to the problems of other sections of the country. Rugged individualism—what the professors call " the laissez faire " doctrine—has depleted the South's natural resources and impoverished its people, the same as it has done in every other section of the country. The South's greatest need is a sound basic structure which will provide its people with the purchasing power they need to maintain a comfortable standard of living for themselves and at the same time contribute to the prosperity of other sections of the Nation. But the same is true of every part of the country. Tom Marshall once said that what this country needed was a good 5-cent cigar. If he were alive today I am sure he would amend that by saying that what the country needs is the nickel to pay for that cigar.

#### NATIONAL SIGNIFICANCE OF THE TENNESSEE VALLEY PROJECT

The very fact that distress is so wide-spread today and the need so apparent for basic changes in our economic structure, if we are to continue to maintain the American standard of living in the future, combine to give the Tennessee Valley project a peculiarly national character and significance.

The Tennessee Valley Authority is attempting to substitute care and forethought in the development of a region for the wasteful hit-or-miss methods of rugged individualism—(make profits and let the country wash away!)—so that there will be some assurance in the future that there will always be enough available wealth to support a high standard of living. Recognizing that rugged individualism—individualism, opportunity, and wealth for the few—as this country has known it, has deprived millions of people of any real individualism of their own, the T. V. A. seeks to restore that right to the great masses of people. By conserving natural resources and by creating a sounder basic structure in the valley it will put business on a more even keel; it will make it possible for capital legitimately invested in the valley to be safer and less speculative; employment to be more wide-spread and regular; and agriculture to be more secure.

If these objectives are obtained, there is no reason why similar methods, adapted to local conditions, could not produce like results in other parts of the country.

The Tennessee Valley Authority is developing a great river for flood control, navigation, and electric power. It is distributing that power over a wide area to farmers and city people alike at rates which make it possible for the average

man to use power extensively. The dams which the Tennessee Valley Authority is building could be duplicated on large streams in all parts of this country, and low-cost power could be made available Nation-wide.

The Tennessee Valley Authority's land-use program, combining as it does the stopping of soil erosion through the planting of forests on steep hillsides, the conversion of land taken out of agricultural production into pasturage, the use of fertilizer to encourage plant growth on badly eroded land and to stop the erosion on cultivated fields through the growing of cover crops in off-crop seasons, and in land terracing should and will be applied to other sections of the country.

In short, the problems of the Tennessee Valley are the problems of America, and the Tennessee Valley project is, in my opinion, the greatest coordinated movement in the whole United States of America. It means higher living standards, cheaper power, the conservation of our lands and forests, and all the things that lead to human betterment.

MY TRIP THROUGH THE VALLEY

But I started out to tell you about my trip through the Valley. I started at Norris, Tenn., a beautiful little town near Knoxville. It is on more or less the top of the Tennessee Valley, whereas you know the Tennessee Valley touches Virginia, Tennessee, North Carolina, Georgia, Alabama, Mississippi, and Kentucky. I stayed several days in Norris.

I saw at Norris hundreds of happy people working gigantic machinery, grinding up rock of the mountain to be made into gravel and sand for the Norris Dam. I saw emplacements for power machinery, passages, and tunnels through this immense dam—a scene of human activity scarcely equaled in the world. I went out to the dam at night and saw it flooded with light. Standing on a mountain side several hundred feet above the valley where the construction work is going on, I saw men working who looked as though they were only a foot or two high.

As you go into the dam itself you register, and there you see a snappy young man from the University of North Carolina, who takes your name. Looking in the guest book, you will see thousands of names of people from everywhere in the United States and from foreign countries as well. Right beside my name I saw the names of two young men from England, and up above were the names of Chinese students. Humanity is attracted to Norris because of the great interest in the work of the Tennessee Valley Authority and because of what the Authority has already achieved.

I was particularly impressed with the fact that the police are really guards and guides for the thousands of people who visit Norris. There is practically no crime or vice for these police to contend with. In fact, what impresses one particularly is the absence of the usual exploitation and brutalities which have characterized so many large engineering projects in the past. There is a marked absence of dissatisfaction among the workers at Norris, of labor troubles, and of personal exploitation.

TOWN OF NORRIS

The town of Norris is a bright little place. It is not squared off like so many drab-looking towns, where trees have been cut down and buildings concentrated in a limited area. Instead, the houses are well built and beautifully placed on hillsides, where the natural growth of timber has been preserved. Those who planned and built Norris had the brains and the imagination to preserve the natural beauty of the place and to give the dwellings the advantages of beautiful vistas and an artistic appearance.

DIRECTORS OF T. V. A.

While at Norris I again met, and saw first hand, the work of the directors of the Tennessee Valley Authority. The directors are Dr. Arthur E. Morgan, chairman of the board, Dr. Harcourt A. Morgan, and David E. Lilienthal.

Dr. A. E. Morgan was a distinguished civil engineer, who, having risen to the top of his profession, became interested in education. Shortly after the World War he assumed the presidency of Antioch College at a time when that college had declined to a mere handful of students. Within a few years, under Dr. Morgan's guidance, however, Antioch began attracting Nation-wide attention with the result that today it is one of the leading small colleges in America. When the time came to select a man to head the Tennessee Valley Authority, President Roosevelt turned to Dr. Morgan.

Dr. Harcourt A. Morgan, who is not related to Dr. Arthur E. Morgan, has had a long and distinguished career in educational work in the South. He is one of the world's leading authorities on land and agricultural problems. Texans in particular have reason to be grateful to him, for it was due largely to his investigations that the cattle tick was exterminated in Texas. At the time of his appointment to the board of directors of the Tennessee Valley Authority, he was president of the University of Tennessee.

David E. Lilienthal, who was only 33 years old when President Roosevelt appointed him to the board, had already distinguished himself as a lawyer and as a specialist in public utilities. A graduate of Harvard University, he set out early in his career to champion the cause of the people against the public utilities. His work in Illinois, where he achieved notable rate reductions for small cities battling the Insull interests, and in the Chicago rate case against the telephone company, attracted the attention of the Governor of Wisconsin, who appointed him to the public service commission of that State, a position which he held at the time of his appointment as a director of the Tennessee Valley Authority.

These three directors have established a new high record for public service in translating the philosophy of the new deal and of modern good government into concrete achievements. In their relations with their employees they have insisted upon decent standards of living, healthful recreational facilities, proper educational opportunities, and the right of labor to collective bargaining. As a result I am not exaggerating when I say that the Tennessee Valley Authority represents a well coordinated, thoroughly American, human activity, so well managed that there have been no labor troubles, little dissatisfaction, and not much kicking, although the Authority employs today approximately 17,000 people and is operating projects in nearly every part of this far-flung valley. These people appear to be better satisfied—or at least as well satisfied—as any group of people I have ever seen in the United States.

PHOSPHATE FIELDS AND SOIL PROBLEMS

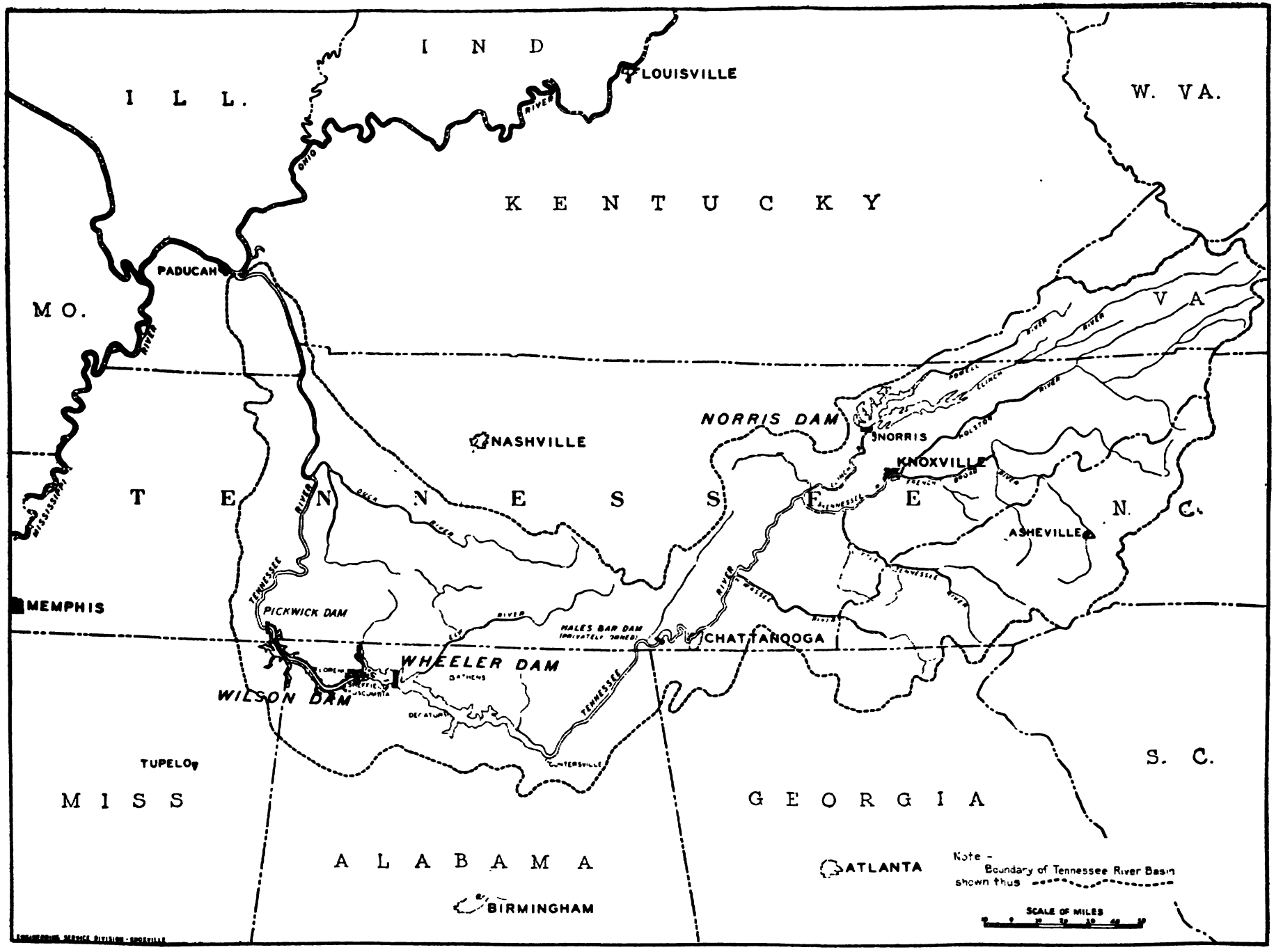
From Norris I went to Muscle Shoals by way of Nashville, which gave me the opportunity to visit the phosphate fields of middle Tennessee, from which the Tennessee Valley Authority draws its raw materials for fertilizer production.

Few of us realize how dependent human life is upon phosphate, and to how great a degree our soils have already become depleted of this essential element of plant food and hence of human life. In fact, the very lack of phosphate in the soil has been responsible to a very large degree for the serious erosion that has taken place in what were once our best lands. The phosphate deficiency problem is not limited to the Tennessee Valley. It is world-wide.

Soil to be productive of vegetation must contain nitrogen, potash, and phosphate. Of nitrogen, which is a gas, we have an unlimited supply; and nature has supplied us with certain plants, the legumes, which can put nitrogen into the soil much cheaper and far more efficiently than man can through artificial fertilization. But potash and phosphate are minerals. They must be restored through other means than through the growing of certain crops.

Plant life draws more lightly upon potash than upon phosphate, so for the time being at least the potash problem is not so acute in the Tennessee Valley. The continued cultivation or grazing of land, however, exacts a heavy toll upon phosphate. Unless this element is restored to the soil, the land becomes steadily less able to support plant life. Without vegetation, land exposed to rain and wind erodes rapidly, filling up rivers and lakes and reservoirs and leaving nothing but sterile subsoil and deep gullies behind.

T. V. A.'s interest in phosphate production and in phosphatic fertilizers is, therefore, closely tied up with its campaign against soil erosion.


I N D
ILL.
LOUISVILLE
W. VA.
OHIO RIVER
KENTUCKY
PADUCAH
MO.
MISSISSIPPI RIVER
V A
POWELL RIVER
CLINCH RIVER
HOLSTON RIVER
NORRIS DAM
NORRIS
NASHVILLE
KNOXVILLE
FRENCH BROAD RIVER
TENNESSEE RIVER
T E N N E S S E E
N. C.
ASHEVILLE
MEMPHIS
PICKWICK DAM
DUCK RIVER
HALES BAR DAM
(PRIVATELY OWNED)
CHATTANOOGA
WHEELER DAM
WILSON DAM
FLORENCE
SHEFFIELD
MUSCLE SHOALS
DECATUR
ATHENS
TUPELO
MISS
S. C.
GEORGIA
ALABAMA
ATLANTA
BIRMINGHAM
Note -
Boundary of Tennessee River Basin
shown thus
SCALE OF MILES

Fortunately there are large supplies of natural phosphate ore in Tennessee, Florida, and Idaho. The Tennessee supply is near the Government's war-time nitrate plant at Muscle Shoals, part of which the T. V. A. is using as a demonstration plant for the production of phosphates for agricultural purposes. I had the opportunity of spending some time visiting these phosphate fields.

PHOSPHATE ORE—DECAYED MARINE LIFE

The phosphate rock lies a few feet below the surface of the soil. It is composed of decayed marine life, of the bones of prehistoric fish and animals, decayed coral reefs, and the like. The deposits vary greatly in thickness and richness. Much of the best ore has already been removed. Foreign countries have bought large quantities for their own use. It is important that the Nation take the proper measures toward conserving this valuable supply for future generations.

Yet we traveled over literally thousands of acres of these deposits, these old graveyards of prehistoric life. I saw huge stretches of land which wasteful methods of mining the ore have ruined for all time, and then I saw other areas, operated under the supervision of the T. V. A., where, after the ore was taken out, the land was put back in shape for cultivation.

From the phosphate fields I went to Muscle Shoals, a distance of about 60 miles.

MUSCLE SHOALS

Until the Wilson Dam was completed the Muscle Shoals were really great rapids in the Tennessee River, extending for about 37 miles. In this distance the river falls about 134 feet. The Wilson Dam has flooded out the steepest part of this area, but both above Wilson Lake and below the dam parts of the original shoals may still be seen.

The early settlers in the Tennessee Valley found these rapids to be a serious handicap to navigation at a time when the rivers furnished the only real highways. During the War of 1812, the many Indian campaigns, and later during the Civil War these shoals interfered considerably with troop movements. In 1824 John C. Calhoun, then Secretary of War in President Monroe's Cabinet, recommended that a survey be made of the section with the view toward improving navigation. The survey was made, and 7 years later, in 1831, work began on the first canal.

This canal was opened in 1836 but was immediately found to be inadequate. After the Civil War the Government started work on a second canal, which was completed at a cost of more than $3,000,000. This canal later became obsolete. Most of it was flooded by the building of the Wilson Dam, but parts of it, however, still remain, although they are inadequate for modern river transportation.

Around 1899 agitation started for the building of a dam or a series of dams which would flood out the shoals entirely and at the same time supply electric power. It was not until 1918, however, that any work was undertaken on the building of a dam.

At that time the Government, looking for a source for nitrates for munitions purposes for use in the World War, selected Muscle Shoals for the site of its nitrate plants and started work on the Wilson Dam with the view toward generating the necessary electric power at that point as well as improving navigation in the shoals area. Construction work on the dam, however, had hardly gotten under way when the war ended and the work was stopped. In 1922 it was resumed again and the dam was completed late in 1925.

WILSON DAM

Although built as a national-defense measure and to improve navigation, the Wilson Dam today is also one of the country's greatest electric-power resources. The dam itself is nine-tenths of a mile in length; 1,331,504 cubic yards of concrete were required to construct it and the buildings necessary for its operation. Its height from its base to the level of the lake behind it is 107 feet. The dam has 58 spillways, and across the dam there is a 20-foot roadway.

The power house which is nearly a quarter of a mile in length—1,197 feet, to be exact, by 145 feet wide—contains at the present time 9 generators—4 of 30,000 horsepower, 4 of 35,000 horsepower, 1 of 1,000 horsepower, or a total of 261,000 installed horsepower. There is room, however, for 10 more generators of 35,000 horsepower each and another 1,000-horsepower generator, making a total ultimate installation of 14 of 35,000 horsepower, 4 of 30,000 horsepower, and 2 auxiliaries of 1,000 horsepower each, making a total ultimate installation of 612,000 horsepower.

At the north end of Wilson Dam there are tandem locks for navigation. Each lock is 300 feet long by 60 feet wide. Together they can lift a barge 89 feet in less than an hour.

The water impounded by Wilson Dam stretches upstream for 17 miles, covers 23 square miles, and is 97 feet deep at the dam. I rode up this lake to Wheeler Dam. It is one of the most beautiful bodies of water in the world.

With all its huge potentialities as a producer of electric power Wilson Dam, however, is badly handicapped by the uneven flow of water in the Tennessee River. During the spring great floods may pour through its spillways, but in the late summer and early fall there is usually only a trickle of water going over the dam, and sometimes scarcely enough for even a moderate amount of electric power. The country around the dam is such that Wilson Lake cannot be used for storage purposes, and as Wilson Dam is partly a navigation project the level of the lake has to be kept the same the year round.

To control these floods and to even out the flow of water in the Tennessee, storage dams are needed in the upper regions of the drainage basin. Norris Dam is one of these storage dams. Others are contemplated. When Norris Dam is completed, the value of Wilson Dam will be increased considerably.

FERTILIZER WORKS AT MUSCLE SHOALS

Near the Wilson Dam is the great war-time nitrate plant, a part of which the T. V. A. has converted into a demonstration plant for the experimental production of phosphate fertilizers. Here the rock from the phosphate fields is smelted in great electrical furnaces, the phosphorus gas is taken off and converted into phosphoric acid, which, when mixed with powdered phosphate rock, produces triple superphosphate, a highly concentrated and beneficial fertilizer.

The rest of the great plant is being maintained in excellent stand-by condition as a national-defense measure for the production of nitrates for munitions purposes.

The fertilizer program is one of T. V. A.'s most interesting and important activities. I shall tell you more about it later.

I have said that the Wilson Dam covers only a portion of the Muscle Shoals, and that above Wilson Lake and below the Wilson Dam there are rapids yet to be flooded if the Tennessee River is to be made into a navigable stream. T. V. A., accordingly, is building two dams for this purpose. The one at the head of Lake Wilson is the Wheeler Dam. About 53 miles downstream from the Wilson Dam the Pickwick Landing Dam is under construction.

WHEELER DAM

I visited the site of the Wheeler Dam and found there a huge engineering project, on which approximately 4,000 men are employed. The dam, when completed, will be about a mile and a quarter wide and will raise the river level 50 feet. Near the south bank of the river a great power house is under construction which will provide for an ultimate installation of eight generators of 45,000 horsepower each. T. V. A. is providing for the installation of only one generator at this time, adding others as the demand for power justifies additional installations. On the north bank of the river the Corps of Engineers of the United States Army have built what is today the largest single-lift navigation lock on any inland river in this country, a lift of 50 feet. The lock has been completed.

PICKWICK LANDING DAM

I found the Pickwick Landing Dam particularly interesting, as this dam, unlike the other T. V. A. dams, will be made up partly of two large earth fills, with a concrete section where the present river channel is. This dam will be a mile and a half long. Work got under way on this dam in the early part of this year and splendid progress has been made.

Like the Wheeler Dam, this dam is also being provided with a power house. It will accommodate six generators of 45,000

horsepower each. No generators will be installed at the Pickwick Landing Dam power house, however, until the demand for power justifies such an installation.

The navigation lock at the Pickwick Landing Dam, which is being designed by the Corps of Engineers of the Army, will have an even higher single lift than the one at the Wheeler Dam. This lift will be 61 feet.

Wheeler Dam will form a lake 83 miles long, providing a 9-foot navigable channel for that distance. Wilson Lake is approximately 17 miles long, and the Pickwick Lake will be about 53 miles long. When the 2 dams now under construction are completed, the central portion of the Tennessee River will contain 3 large lakes, with a total length of about 153 miles, which will provide a navigable channel of 9 feet minimum depth. With the aid of waters released by the Norris Dam, a navigable channel, with a minimum depth of 7 feet, will be provided from Paducah, Ky., near the mouth of the Tennessee River, to Guntersville, Ala., a distance of about 358 miles.

SECOND SECTION

ANALYSIS OF T. V. A. ACTIVITIES

1. AREA AND SCOPE OF THE T. V. A.

The Tennessee River watershed embraces approximately 40,600 square miles, or about 26,000,000 acres, and covers portions of seven States: North Carolina, Tennessee, Kentucky, Mississippi, Alabama, Georgia, and Virginia. In this area approximately 150,000,000,000 tons of water fall every year. The T. V. A. territory includes this watershed and the contiguous areas which will be immediately affected by the T. V. A. development.

2. TRAINING IN AMERICAN CITIZENSHIP

The entire project serves in its various activities as a means for building a sound, intelligent, and happy American citizenship. After a study of the many persons directly affected, the T. V. A. personnel appears to be a typical cross-section of healthful Americans.

3. LAND AND WATER

The Tennessee Valley may be considered as a giant laboratory for the whole United States on the subjects of land utilization, and the proper development and conservation of our resources in water—rainfall and consequent waterways—minerals, plant life, animal life, and humanity. The Tennessee Valley was once a great forest. It is still partially a forest, and probably one of the largest potential forest areas in America. It has a wide diversity of minerals, agricultural resources, and a rugged, hardy people.

Properly developed, all of these can make for a good combination of urban and rural life within the region affected. They indicate also the possibility of achieving a better ballance between intersectional dependence and local self-containment.

4. AGRICULTURE, SOIL EROSION, FERTILIZER, AND FORESTRY

An intensive land-use program is under way. Reservoirs behind the dams T. V. A. is building must be prevented from silting. The soils in all parts of the watershed are being studied with the view toward determining the crops best suited to them. Farmers are being encouraged to put lands unsuited for cultivated crops back into pasturage and timber. Forest and mineral resources are being mapped.

In stopping erosion, the Authority is saving hundreds of thousands of acres of land from further destruction; and by restoring the necessary elements of plant food it is restoring them to a condition where they can support plant life and thus check erosion. In this work triple superphosphate fertilizer, made at Muscle Shoals, is playing an important part.

Millions of trees are being planted on the steep hillsides to restore the original forest growth, and farms are being terraced to halt erosion.

5. NATIONAL IMPLICATIONS

The pioneering in conservation being done in the Tennessee Valley will some day be applied to the Nation at large, I feel confident. The method being adopted to stop floods can be used in scores of drainage areas. The Authority's method of establishing an adequate channel for navigation could well be applied to the rivers of the Nation. The land-use program—combining as it does the stopping of erosion, protection and development of forests, use of fertilizer in controlling soil erosion, encouragement of a stabilized agriculture, and land terracing—should and will be applied to other sections of the country.

6. DAMS BRIEFLY DESCRIBED

Norris Dam is a storage plant on the Clinch River. It will help control floods in the valley by holding water back during the dry months. It will generate power and will increase the prime power output at every downstream dam.

Wheeler Dam is on the Tennessee River and will aid navigation, control floods to some extent, and produce cheap power.

Wilson Dam, complete, is already turning out cheap T. V. A. power for homes and farms and industry in the valley. In the third section full facts will be found on the subject of power.

Pickwick Landing Dam, in southwestern Tennessee, will be a mile and a half long and will aid navigation and help prevent floods. No power will be installed until the need for it arises.

Hiwassee Dam is planned for the Hiwassee River in North Carolina. It will be a storage dam, similar to Norris.

Chickamauga Dam is scheduled to be built near Chattanooga.

The site of Guntersville Dam is near Guntersville, Ala. Both Chickamauga and Guntersville, as well as all other dams, will aid in creating a 9-foot channel in the Tennessee.

7. PUBLIC AND PRIVATE OPERATION OF POWER

Public power operation is superior to private operation, because under public operation the public does not have to pay for (1) huge salaries to executives; (2) dividends on watered stock; (3) interlocking service companies' charges; and (4) fees to management companies. Profits which privately owned utilities pay to preferred- and common-stock holders can be used, first, to liquidate the bonded indebtedness, and then be passed on to the public in the form of lower rates. Public operation can—and in the case of the T. V. A. does—pay taxes.

The Federal Trade Commission recently showed that in certain private companies studied there were write-ups of $1,400,000,000. No wonder the private companies do not reduce their rates.

8. ENGINEERING ADVANCES

T. V. A.'s straight-line operation at Norris Dam has been hailed throughout the world as a marvel of efficiency. Rock is blasted from a nearby quarry and carried on endless belts through crushers and screening plant, through a sand-hammer mill, and then to the concrete mixers. The concrete is carried from the mixers to huge buckets, which carry it to the point where it is to be deposited. It is a straight-line, efficient, time-saving installation. Many other engineering advances and new methods have been discovered.

9. COSTS

Despite the high, decent wages it pays its employees, and despite the attractive living conditions it provides, the Authority's unit costs compare favorably with the costs of any dams ever built—and many were built at sweatshop wages. In fact, the unit costs of the Authority are in many instances lower than such costs have been on privately built dams.

10. SALARIES

The $3,000,000 which Hopson, of the Associated Holding Co., admitted receiving during the past 2 years—to give only one example—would pay the salaries of every single one of the 17,000 T. V. A. employees, including all three directors, for nearly 3 months.

The $100,000 salary received by virtually every important private utility executive could hire 25 T. V. A. executives for a year. It could hire hundreds of ordinary T. V. A. workers.

11. LABOR POLICY

The Authority recognizes the right of collective bargaining. It believes in a policy of high wages and it believes in providing decent working conditions, both as to hours and living conditions. All of these things have materially contributed toward the low unit-construction costs which the Authority is enjoying.

12. EDUCATIONAL OPPORTUNITIES

The educational opportunities of the T. V. A. are a part of the work itself. Men are given an opportunity to learn additional trades or to perfect themselves in their own trade. Some employees necessarily have temporary connections and others permanent connections but in either event the policy is to prepare the citizen for his future life.

Vocational courses in auto mechanics, aviation ground work, carpentry, and a score of other subjects have been established and are free to the workers.

There is, of course, a thorough system of primary- and high-school education for the benefit of the children of the employees. Close by in the city of Knoxville is the University of Tennessee, one of the finest universities of America; and throughout all of the work of the T. V. A. it has received the cooperation of the university, the legislature, and the people of the State of Tennessee and of all other States affected.

13. RECREATION

The Authority is providing healthful and decent recreation to thousands of workers at the dam sites and in the reservoir areas. Library facilities are provided. Sports are encouraged.

In connection with the formation of national parks, recreational facilities will be provided for the American people and it will be of all kinds—involving swimming, boating, fishing, hunting, and including the adventurous and open-air life of the early American. This will be self-supporting but the charges are expected to be very low and within the reach of Americans of the lowest-income brackets.

THIRD SECTION

MAJOR ACTIVITIES DESCRIBED, INCLUDING POWER AND FERTILIZERS

If the electricity rates of the Tennessee Valley Authority were put into effect in the State of Texas, domestic, farm, and commercial consumers would save more than $17,000,000 a year. If the T. V. A. rates were put into effect in New York State, the saving there by domestic and commercial users would be $80,000,000 a year.

I am citing these two States because they represent the extremes of types of population. Texas, my own State, is a huge, sprawling State with a scattered population; and New York, with its Greater City of New York, of 10,000,000 alone, is a good example of a congested area. If the saving in these two States alone from electricity rates the equivalent of those charged by the T. V. A. is nearly $100,000,000 a year, think what would happen if citizens throughout the country would have the benefit of such rates.

Figures compiled by electricity-rate engineers, showing the annual consumption of electricity users in Texas and New York, number of consumers, estimated savings were T. V. A. rates put into effect, and other revealing data, are listed in the following tables.

*Estimated savings in Texas if T. V. A. rates were applied*

(Based on 1932 census of electrical industries)

| Texas, 1932 | Farm | Domestic | Commercial (small businesses) | Total |
|---|---|---|---|---|
| Annual consumption kilowatt-hours | 20,016,403 | 294,498,301 | 457,582,481 | 772,097,185 |
| Number of customers | 6,329 | 516,282 | 123,300 | 645,911 |
| Total revenue | $691,703 | $18,240,328 | $18,302,127 | $37,294,158 |
| Average annual consumption | 3,163 | 570 | 3,711 | 1,195 |
| Average monthly consumption | 265 | 48 | 309 | 100 |
| Average monthly bill under T. V. A. rates | $4.64 | $1.34 | [1] $7.70 | [1] $2.59 |
| Average annual bill under T. V. A. rates | $55.68 | $16.08 | [1] $92.40 | [1] $31.04 |
| Total annual bill under T. V. A. rates | $352,399 | $8,301,615 | $11,392,920 | $20,047,134 |
| Total annual savings | $339,304 | $9,938,513 | $6,909,207 | $17,247,024 |
| Percent saving | 49.1 | 54.5 | 38.0 | 46.2 |
| Average saving per kilowatt-hour cents | 1.70 | 3.37 | 1.52 | 2.23 |
| Average annual saving per customer | $53.61 | $19.25 | $56.53 | $26.70 |

[1] Includes 10 percent surcharge on commercial.

*Estimated savings in New York State if T. V. A. rates were applied*

(Based on 1933 data)

| New York, 1933 | Residential (home and farm) | Commercial (small businesses) | Total |
|---|---|---|---|
| Annual consumption, kilowatt-hours | 1,496,910,365 | 1,482,944,489 | 2,979,854,854 |
| Number of customers | 2,969,068 | 674,568 | 3,643,636 |
| Total revenue | $93,462,252 | $72,715,364 | $166,177,616 |
| Average annual consumption | 504 | 2,198 | 818 |
| Average monthly consumption | 42 | 183 | 68 |
| Average monthly bill under T. V. A. rates | $1.24 | [1] $5.28 | $3.80 |
| Average annual bill under T. V. A. rates | $14.88 | [1] $63.36 | $45.60 |
| Total annual bill under T. V. A. rates | $44,179,732 | [1] $42,740,628 | [1] $86,920,360 |
| Total annual savings | $49,282,520 | $29,974,736 | $79,257,256 |
| Percent savings | 52.7 | 41.2 | 47.7 |
| Average saving per kilowatt-hour cents | 3.29 | 2.02 | 2.66 |
| Average saving per annum per customer | $16.60 | $44.44 | $21.75 |

[1] Includes 10 percent surcharge on commercial.

T. V. A. RATES IN THE VALLEY ITSELF

Let us see how T. V. A. rates are working out in the Tennessee Valley itself and in nearby points where T. V. A. power is being sold. While electric-rate schedules are often complicated and confusing to the average user of electricity, the bill received at the end of each month's service is a simple and understandable statement of the cost of this service. Here are some typical examples of what average households pay for electricity in municipalities which purchase T. V. A. power at wholesale:

First. In a home where electricity is used for lighting and a few small appliances only, the consumption would be from 30 to 50 kilowatt-hours. Under basic T. V. A. rates this is 90 cents to $1.50 for the month.

Second. If in addition to lighting and a few small appliances is added an electric refrigerator, the consumption would be about 90 kilowatt-hours. This is $2.30 for the month.

Third. If an electric range is added to the refrigerator, lighting, and small appliances, the consumption would be about 255 kilowatt-hours. This is $5.05.

Fourth. With the addition of continuous hot-water service by an automatic electric water heater, the consumption would be about 555 kilowatt-hours. Under T. V. A. rates this would be $7.12 for the month.

The basic rates for residential and farm use in T. V. A. contracts are:

Three cents per kilowatt-hour for the first 50 kilowatt-hours per month.

Two cents per kilowatt-hour for the next 150 kilowatt-hours per month.

One cent per kilowatt-hour for the next 200 kilowatt-hours per month.

Four mills per kilowatt-hour for the next 100 kilowatt-hours per month.

Seven and one-half mills per kilowatt-hour for all over 1,400 kilowatt-hours per month.

Special interests are seeking to thwart T. V. A.'s program and prevent the American public from learning the true cost of electric service. They have tried to becloud the issue with arguments concerning the cost of Wilson Dam. It is well known, of course, that Wilson Dam was built during the World War for national defense. That must be considered.

The historical cost of Wilson Dam is a little under $47,000,000 and not $60,000,000 as opponents of the T. V. A. have charged. Eliminating the waste which occurred in construction and allowing a fair amount for depreciation since the date of completion, the present worth of the dam is $33,000,000.

To apportion the value of Wilson Dam among navigation, national defense, and power, the Authority first set aside those parts of the structure which are of exclusive use to one or another purpose: The locks to navigation, the power house to power, certain buildings and roads—not otherwise

useful—to national defense. The remainder—chiefly the long spillway section in the middle—was divided between navigation and power.

The result was to allocate approximately $10,000,000 to navigation, $22,000,000 to power, and $1,500,000 to national defense. These figures are tentative as the study of costs ordered by Congress is not yet completed. All private bids for the plant have been far below this valuation.

FAIR DEAL GIVEN TO PRIVATE UTILITIES ON FIGURING COST

Allocation of cost of dams on the Tennessee River to navigation, flood control, national defense, and power provided for by law is not an advantage claimed by T. V. A. but is a definite national policy which has been made available to private utilities. The Congress in 1930, under a previous administration, authorized that $75,000,000, estimated as the cost of low dams for providing a 9-foot navigation channel on the Tennessee River to Knoxville, should be contributed to States, municipalities, or private corporations if they constructed high dams, such as the T. V. A. is doing. In another river-and-harbor act of Congress a very large contribution—some $12,000,000 of Government funds—was provided to be paid to a private utility, planning a high dam at Aurora Landing on the Tennessee River. This was a national appropriation to a private agency made because the power dam it proposed to construct would aid navigation to the extent of this sum.

COMPARISON OF RATES

It is well known that the cost of generating electricity accounts for but a small fraction of the total price charged residential customers. The generation and distribution costs of electricity are pretty well established. There is very little difference between the rates charged by private utilities and the T. V. A. on these two particular items. The Mississippi Power Co. has contracted to furnish the municipal plant at West Point, Miss., wholesale power at a flat rate of 7 mills per kilowatt-hour. The Alabama Power Co. sells power to the Birmingham Electric Co. at the city gate for as low as 5.8 mills per kilowatt-hour. T. V. A. rates for similar service average 6 mills per kilowatt-hour. But a different story is told when one looks into the rates being charged residential users of electricity by private utilities and the T. V. A.

The average price paid by T. V. A. power users is 2.2 cents a kilowatt-hour. This is less than one-half the national average charged by private utilities.

T. V. A., TAXES, AND LOW RATES

The charge also is made that the T. V. A. does not pay taxes on its electricity operation. This is not true. Not only does T. V. A. pay taxes but it also makes its electrical power available to consumers at rates considerably lower than those of the privately owned utilities. This more than makes up for taxes, although, as stated, T. V. A. pays taxes.

The act creating the Tennessee Valley Authority provides for a charge of 5 percent of gross sales of power to go to those States in which the power is generated. In addition, 7½ percent on the gross sales is set aside so that the combined percentage of 12½ percent will approximate that paid by private utilities for the generation and distribution of power.

Then, too, all cities that buy T. V. A. power and resell it place a tax charge against their municipal plants the equivalent of what such a charge would be against any private utility operating in that city. Tupelo, Miss., the first city to use T. V. A. power, showed a net profit of $25,000 during its first year of operation, despite the fact that from its revenues it extracted taxes, operating expenses, amortization charges, interest on its investment, and all other charges that would be borne by a private utility.

SOME REASONS FOR CHEAP T. V. A. POWER

When the opponents of the Tennessee Valley Authority make up a thousand and one reasons why the Authority should not be selling electricity so cheaply they conveniently forget to give you the many reasons why T. V. A. is able to sell it cheaply.

One reason why the Authority can sell power for such a small sum is because it does not have to pay speculative profits on $1,400,000,000 to insiders, which represents the amount of write-ups in private utilities exposed by the Federal Trade Commission.

Another reason is that the Authority does not have to spend a lot of money in expensive campaigns to influence legislation.

A third reason is that the Authority does not have to pay excessive fees to affiliated engineering and management companies.

And a fourth reason is that the Authority does not pay tremendous salaries to officers similar to those paid officials of holding companies and private operating companies.

It is small wonder that the Authority can sell its electricity cheaper and it is no mystery. If the $1,400,000,000 in water were drained off of the private utilities, a write-up exposed by the Federal Trade Commission, I suppose that those companies could sell their power more cheaply than they do.

ALCORN COUNTY'S EXPERIENCE

The Tennessee Valley Authority also is paving the way for an increased use of electricity in rural areas. Alcorn County, Miss., presents a striking example of what can be done to benefit rural users of power. Citizens of that county formed the Alcorn County Electric Power Association. They took over the distribution facilities from the T. V. A., which had bought them from the Mississippi Power Co. It was believed that the Association would be able to repay the Tennessee Valley Authority within 12 to 14 years for this distribution system, but it is now known that, due to the increased use of power in the county, the association will liquidate its debt to the Authority within 4 years.

The rural and urban users in the county decided at the outset that the welfare of each was dependent largely upon the other and that there should be no discrimination in rates between the two types of users. For that reason a farmer living in a remote section of the county pays the same low T. V. A. rate as does a user who might live within a stone's throw of the Corinth substation.

T. V. A. AND FREIGHT RATES

One of the laughs that is being provided by the private utility companies in their campaign against the T. V. A. is the charge that because of the fact that T. V. A. is given certain reductions in freight rates on certain railroads, it is able to sell its power cheaply. The utilities go on to say that if they were given the same freight reductions they could do likewise. The facts are that land-grant railroads, in consideration of the land originally given them, grant a 33⅓-percent reduction on all Government hauling. The T. V. A. receives this reduction on that part of the equipment and materials used in dam construction which travels over land-grant railroads.

Of the total cost of a dam, however, the freight charges play so small a part that a one-third reduction amounts to three one-thousandths of a cent per kilowatt-hour of power generated. This means a saving of 1 cent for every 3,300 kilowatt-hours used, or, turning this around, the average residential consumer saves 1 cent every 5½ years as a result of reduced freight rates granted the T. V. A. He would have to pay power bills for more than 50 years to save himself a dime.

T. V. A. AND SOIL EROSION

The Tennessee Valley Authority is yielding many national benefits other than through its cheap power.

The subject of soil erosion is not a dramatic one to a city dweller. Farmers understand it better. And yet every ton of good topsoil washed off the land into the rivers may some day very materially affect those living in our populous cities. It has marked, immediate, and drastic effect on the farmers, for the fertile topsoil is the farmer's capital, and capital washed into rivers is of no use whatsoever.

By instituting every known scientific device to prevent soil from washing away, the Authority, working with the cooperation of State extension services and county agents in some instances and directly with members of the Civilian Conservation Corps in other cases, is saving the land of the valley area, is protecting the Government's investment in dams and their reservoirs, and is paving the way for a possible unified

attack on erosion throughout the country as a national policy.

It is estimated that each year more than 500,000,000 tons of topsoil and subsoil are washed off the land. If each year a column of 5-ton trucks, 5 abreast and 20,000,000 deep, were filled with earth, carried to the oceans and rivers, and tilted, the full realization of what erosion means would sink home to the average person. It does not work that way, of course, in anything. If, for instance, all of a year's auto fatalities and injuries were saved for 1 day so that newspapers would on that day carry headlines "35,000 killed by autos, 1,000,000 injured", it would not take long to get adequate uniform laws through Congress to cope with the problem. But, instead, in the case of auto accidents, and much more so in the case of soil erosion, the damage is done slowly, in driblets, and, where land erosion is concerned, invisibly.

HOW T. V. A. ATTACKS EROSION

The Authority's soil-erosion-control program is along four fronts: Gently sloping land is being terraced; forests are being restored to their natural condition; gullied land is being checked with small dams and other devices; and adequate fertilizers from the Authority's demonstration plant at Muscle Shoals are being used to promote growth of plant life on sterile and eroded land; and to prove to the farmer the wisdom of keeping his land in cover throughout the year.

To acquire a sufficient supply of seedlings for reforestation purposes, the Authority has established three tree nurseries. Their combined capacity is some 60,000,000.

T. V. A. FERTILIZER

Some unfriendly critics have charged that the T. V. A. is producing fertilizer so that the farmers may grow more cotton and corn and raise more hogs for the Government to buy up. Nothing could be further from the truth.

T. V. A. is producing fertilizer for soil-erosion control. T. V. A. knows that a good deal of soil erosion in the Tennessee Valley and elsewhere is due to farmers growing cotton and corn—the so-called "row crops"—on steep hillsides and land which has not been terraced or properly cared for in the passing years. These row crops require considerable cultivation or plowing to keep them free of weeds and grass during the growing season. The soil is kept pulverized, with the result that it washes and blows away easily.

T. V. A. wants less cotton and corn and hogs produced in the valley and more grass, legumes, small grains, such as rye and oats, which hold the soil during the growing season, and more livestock and sheep. These are needed not only to aid in soil-erosion control but also to produce a more balanced and stable agriculture in the valley. Hence, T. V. A. is making every effort to get farmers to put a certain portion of their steep fields into pasturage.

Also a considerable acreage of gently rolling or nearly flat land in the Tennessee Valley has been taken out of cotton production under the Agricultural Adjustment Act. If these lands lie bare, they will wash or blow away. It is essential that they be planted in something that will hold the soil and at the same time be of some use. Hence, T. V. A. wants such tracts put into pasturage also.

But T. V. A. knows that pastures need fertilization the same as cultivated fields. Constant grazing of land without replenishing it with the necessary plant foods impoverishes the soil and results in erosion, just as the constant cultivation of a field does without crop rotation and fertilization.

The element of plant food which these cotton and corn lands need the most is phosphate. You cannot turn them into successful pasturages without adding phosphate to the soil. Grasses and legumes will not grow without phosphate. But if you put that element back into the soil and then plant legumes, such as the many varieties of clovers, nature will restore the nitrogen, a rich growth of grass will result, and this grass will not only provide food for livestock and sheep but also form the sod or root mat that will keep the soil from washing away.

For that reason T. V. A. is experimenting in phosphate fertilizer production at Muscle Shoals in order to develop new processes that will make phosphate cheaper and more abundant. Far from adding to the agricultural surplus, the intelligent use of T. V. A. fertilizers—and T. V. A. is seeing that its fertilizer is used intelligently—will tend to reduce the surplus through the introduction of newer crops and through creating newer uses for land.

PRACTICAL DIRT-FARM DEMONSTRATIONS

To demonstrate its fertilizer the Authority, with the cooperation of State extension services of land-grant colleges in the seven Valley States, through county agents, is designating certain farms throughout the valley as demonstration farms. These farms are furnished triple-superphosphate fertilizer and demonstrations are being conducted to show the comparatively small amount of erosion on land adequately covered.

To stop erosion on gently sloping land, terracing is resorted to. Farmers of a given county unite, purchase terracing equipment, and amortize the equipment with small charges per acre for land terraced. In July last, alone, 4,619 acres on 209 farms in Tennessee and Alabama were terraced and saved for all time.

On private lands in the valley, where erosion has cut deep gullies, youths of the C. C. C. camps, under T. V. A. direction, are bringing a healing touch. Small check dams of every type, brush matting, and other agencies that stop the rush of water are changing barren stretches into useful land once more.

FOREIGN COUNTRIES RUINED BY WASTE OF LAND AND WATER

It may be well to remind you that other sections of the world have been brought to points of stagnation through just this thing. There are portions of China that once were as fertile as our Mississippi Valley, but that today will virtually support no population and stand gaunt and scarred. The same is true of portions of Greece, Persia, Egypt, Italy, and Portugal. Much of this land has since been reclaimed in these latter countries, but it came only when restoration was forced as a national policy.

Denmark, too, provides a good illustration of what can be done with land. There was a time in Denmark's history when its land was sandy and of low productivity. Denmark's civilization sank to the point where its people knew that unless something drastic were done the nation could not hope to survive. Reclaiming this low-producing land became a national policy; legumes were planted, a firm cover was established, and today Denmark's civilization is high and its land a heavy producer.

You are all familiar with the recent dust storms in the West. Hundreds of thousands of acres of land were covered by this dust which represents only another type of erosion. I have no doubt in the world that if and when the Authority's fertilizer and demonstration farm program is extended to those sections these dust storms will become things of the past. It would be very difficult to have them happen if the land were covered by thick growth of lespedeza or some other cover crop.

T. V. A. EXAMPLE TO NATION

The Tennessee Valley Authority's antisoil erosion battle will bear fruit, not alone in the region but by example throughout the Nation.

Let me speak for a moment about floods and tell you what the Authority is doing to prevent them in the Tennessee Valley.

Its system of dams contains two types of structures. One of these is the storage plant, located in the uplands or mountainous sections on tributaries of the Tennessee River. The other is the run-of-river dam on the Tennessee River itself. The storage dams on the tributaries will catch the immense rainfall the region has and will hold the water in reservoirs behind the dams. This process of holding and storing the water will go on some 8 or 9 months of the year, those months when the Tennessee River has sufficient water to provide a 9-foot channel for navigation and to produce electric power; also holding the water in the storage plants during these months will, of course, prevent it from getting into the Tennessee River and will prevent the Tennessee from reaching an acute flood stage. It is this excess water that overflows the banks of major rivers and causes floods.

Then, when the dry season comes and the Tennessee River falls sharply so that navigation channels are endangered, so that electric-power production is radically reduced, the water in the storage plants will be released. It will pass through the turbines of those storage dams that have power plants, such as Norris Dam will have. It will flow down the tributaries and into the Tennessee, and, of course, it will raise the Tennessee to a higher level than it would be if there were no surplus water to feed it. By this system the navigation channel is maintained, and the prime or firm power output at all the dams along the Tennessee River that have power installation will be more than doubled as a result of the unified system of storage and run-of-river dams. All of these dams will be tied in with high-power transmission power lines, and thus the entire valley will become one vast integrated system, with every drop of water forced to do its work over and over again for the benefit of humanity.

That is what is meant by controlled water.

COMMON SENSE IS TRUE AMERICANISM

Only a short time ago a number of lives were lost in New York State as a result of floods. Millions of dollars in property damage were lost; and yet, if a system of flood-control dams such as is being installed by the Authority in the Tennessee Valley had been in existence in upper New York State, those floods never would have occurred. It seems incredible that we permit such losses to occur in our country when we know how to prevent them. The engineers of the United States Army now are at work making a survey in upper New York State along exactly these lines. I have no doubt that they will recommend the establishment of storage dams which will minimize, if not entirely eliminate, flood losses in the future.

The Tennessee Valley Authority is pointing the way to a period in American history that will unquestionably become known as the "era of common sense", when men will no longer abuse Nature nor allow Nature to abuse them. They will control the waters of the rivers. They will restore their forests. They will rehabilitate land and will make it possible for ordinary men not only to earn a decent living but to enjoy the few years that they spend upon this earth.

Mr. McSWAIN. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, this conference report, which I trust will be adopted without a dissenting vote, brings to an end one of the bitterest battles in the history of this House.

It is really a great victory for the administration and for the American people, and especially for the consumers of electric lights and power. It constitutes a milestone in the progress toward a day when all the American people will enjoy a liberal use of electric energy and electrical appliances at the very minimum of cost.

That will be a new day, a new civilization, if you please, for this and coming generations. I doubt if any man now living can peer into the future and contemplate the marvelous changes for the happiness, content, prosperity, and progress of mankind this electric age will bring, when all of our people are permitted to use, without stint, that great wealth of electric energy with which our country is so bountifully blest. The T. V. A. has become a symbol of cheap electric lights and power, the symbol of hope, the sesame of a new day for the American people. Children yet unborn will bless the day when the T. V. A. was created. It marked a turning point in the economic progress of our civilization.

The T. V. A. is not a local institution. It is a national proposition, and has already benefited the people in every congressional district in the United States by forcing down electric lights and power rates, as a result of the example it has set. As result of that example, the American people are now saving hundreds of millions of dollars a year in their light and power bills, and I predict that in 5 years from today the present T. V. A. rates will be the maximum rates for light and power in every State in this Union. That would reduce the cost of electric energy to the ultimate consumers approximately $1,000,000,000 a year.

Judging by what has taken place in those areas that receive electricity at the T. V. A. rates, the use of electric energy will double and treble, while the use of those electrical appliances that relieve the drudgery and add to the pleasures, comforts, and conveniences of the home, will increase by leaps and bounds.

I congratulate the conference committee on arriving at this agreement, and I want to thank the chairman [Mr. McSWAIN] for bringing this report to the floor of the House and giving us an opportunity to dispose of this question at this time, in order to permit the T. V. A. to proceed unhampered with its wonderful work.

I particularly desire to express my gratitude to the gentleman from Alabama [Mr. HILL], the ranking Democrat on the committee, for the great battle he has waged in favor of this measure. In doing so, he was fighting not only for the people of Alabama, but for the people of the entire United States. But even if his own State alone had been involved, the gentleman from Alabama [Mr. HILL] would have been justified, and more than justified, in waging this fight in order to help relieve the people of his State from the enormous burdens they are now bearing in the exorbitant overcharges for electric lights and power.

I might say at this point that the gentleman from Alabama [Mr. HILL] has not only led this fight, but he has stood shoulder to shoulder with the administration in its battle against the plundering of the people of this country by the Power Trust, as have the other two gentlemen from Alabama who sit before me, JOE STARNES and HENRY STEAGALL.

On May 24, 1935, I pointed out to the Members of the House the fact that the American people are overcharged about $1,000,000,000 a year for electric lights and power, and broke that overcharge down by States to show the portion of those overcharges the people in each State have to bear.

ALABAMA

The people of the State of Alabama used 634,292,000 kilowatt-hours of electric energy last year, for which they paid the sum of $12,978,651.

Under the T. V. A. rates the cost would have been $6,815,651, a saving of $6,163,000 a year.

Under the Tacoma rates the cost would have been $6,634,651, a saving of $6,344,000 a year.

Under the Ontario rates the cost would have been $5,322,608, a saving of $7,656,043 a year.

Under the Winnipeg rates the cost would have been $6,236,651, a saving of $6,742,000 a year.

Slight reductions in rates have been made in Alabama recently as a result of the example set by the T. V. A., and a recent compilation shows that the overcharges in that State at present are as follows:

Compared with the T. V. A. rates the overcharges for lights and power in the State of Alabama now amount to $4,631,881 a year. It would take 77,149 bales of cotton a year to pay these overcharges in the State of Alabama alone.

Compared with the Tacoma, Wash., rates, the people of Alabama are overcharged $6,217,760 a year. It would take 103,333 bales of cotton a year to pay these overcharges. I shall show in the course of these remarks that the Tacoma rates are absolutely sound, and should prevail in every State in the Union.

Compared with the Ontario, Canada, rates, the people of Alabama are overcharged $6,732,979 a year. It would take 112,213 bales of cotton a year, at 12 cents a pound, to pay these overcharges for 1 year.

Compared with the Winnipeg, Canada, rates, the people of Alabama are overcharged $6,742,000 a year. It would take 112,333 bales of cotton, at 12 cents a pound, to pay these overcharges in the State of Alabama for 1 year.

Prorated on a basis of population, the estimated annual saving in Alabama for residential, commercial, and industrial service under the T. V. A., Tacoma, Ontario, or Winnipeg rates, by counties, would be as follows:

*Total saving prorated to counties on basis of population*

| County | Estimated population | Estimated annual revenue | Estimated saving under T. V. A. rates | Estimated saving under Tacoma rates | Estimated saving under Ontario rates | Estimated saving under Winnipeg rates |
|---|---|---|---|---|---|---|
| Autauga | 19,694 | $121,738 | $34,276 | $46,011 | $49,824 | $49,990 |
| Baldwin | 28,289 | 176,027 | 49,561 | 66,530 | 72,043 | 72,139 |
| Barbour | 32,425 | 200,704 | 56,509 | 75,857 | 82,142 | 82,252 |
| Bibb | 20,780 | 129,964 | 36,592 | 49,120 | 53,191 | 53,262 |
| Blount | 28,020 | 174,382 | 49,098 | 65,908 | 71,370 | 71,465 |
| Bullock | 20,016 | 125,028 | 35,202 | 47,255 | 51,171 | 51,239 |
| Butler | 30,195 | 187,543 | 52,803 | 70,882 | 76,756 | 76,859 |
| Calhoun | 55,611 | 345,474 | 97,269 | 130,573 | 141,393 | 141,582 |
| Chambers | 39,313 | 245,122 | 69,015 | 92,645 | 100,321 | 100,456 |
| Cherokee | 20,219 | 125,028 | 35,202 | 47,255 | 51,171 | 51,239 |
| Chilton | 24,579 | 152,996 | 43,076 | 57,825 | 62,617 | 62,701 |
| Choctaw | 20,513 | 128,319 | 36,129 | 48,499 | 52,517 | 52,588 |
| Clarke | 26,016 | 161,221 | 45,392 | 60,934 | 65,983 | 66,072 |
| Clay | 17,768 | 110,223 | 31,034 | 41,659 | 45,111 | 45,171 |
| Cleburne | 12,877 | 80,611 | 22,696 | 30,467 | 32,992 | 33,036 |
| Coffee | 32,556 | 202,349 | 56,972 | 76,478 | 82,816 | 82,927 |
| Colbert | 29,760 | 185,808 | 52,340 | 70,261 | 76,083 | 76,185 |
| Conecuh | 25,429 | 157,931 | 44,466 | 59,690 | 64,637 | 64,723 |
| Coosa | 12,460 | 77,320 | 21,770 | 29,223 | 31,645 | 31,687 |
| Covington | 41,356 | 256,638 | 72,257 | 96,997 | 105,034 | 105,175 |
| Crenshaw | 23,656 | 146,415 | 41,224 | 55,338 | 59,924 | 60,004 |
| Cullman | 41,051 | 254,993 | 71,794 | 96,376 | 104,360 | 104,501 |
| Dale | 23,175 | 144,770 | 40,761 | 54,716 | 59,250 | 59,330 |
| Dallas | 55,094 | 342,184 | 96,343 | 129,329 | 140,046 | 140,234 |
| DeKalb | 40,104 | 251,703 | 70,868 | 95,132 | 103,015 | 103,153 |
| Elmore | 34,280 | 212,220 | 59,751 | 80,209 | 86,855 | 86,972 |
| Escambia | 27,963 | 174,382 | 49,098 | 65,908 | 71,370 | 71,465 |
| Etowah | 63,399 | 393,183 | 110,702 | 148,604 | 160,918 | 161,134 |
| Fayette | 18,433 | 115,158 | 32,423 | 43,524 | 47,131 | 47,194 |
| Franklin | 25,372 | 157,931 | 44,466 | 59,691 | 64,637 | 64,723 |
| Geneva | 30,104 | 187,543 | 52,803 | 70,882 | 76,756 | 76,859 |
| Greene | 19,745 | 123,384 | 34,739 | 46,633 | 50,497 | 50,565 |
| Hale | 26,265 | 162,866 | 45,856 | 61,556 | 66,656 | 66,746 |
| Henry | 22,520 | 141,480 | 39,834 | 53,473 | 57,904 | 57,981 |
| Houston | 45,935 | 286,250 | 80,595 | 108,189 | 117,154 | 117,310 |
| Jackson | 36,881 | 228,671 | 64,383 | 86,427 | 93,588 | 93,714 |
| Jefferson | 431,493 | 2,683,183 | 755,460 | 1,014,117 | 1,098,149 | 1,099,620 |
| Lamar | 18,001 | 111,867 | 31,497 | 42,281 | 45,784 | 45,846 |
| Lauderdale | 41,130 | 254,993 | 71,794 | 96,375 | 104,360 | 104,501 |
| Lawrence | 26,942 | 167,802 | 47,245 | 63,421 | 68,676 | 68,768 |
| Lee | 36,063 | 223,735 | 62,994 | 84,562 | 91,589 | 91,691 |
| Limestone | 36,629 | 227,026 | 63,920 | 85,805 | 92,915 | 93,040 |
| Lowndes | 22,878 | 141,480 | 39,834 | 53,473 | 57,904 | 57,981 |
| Macon | 27,103 | 167,801 | 47,245 | 63,421 | 68,676 | 68,768 |
| Madison | 64,623 | 401,408 | 113,018 | 151,713 | 164,285 | 164,505 |
| Marengo | 36,426 | 227,026 | 63,920 | 85,805 | 92,915 | 93,040 |
| Marion | 25,967 | 161,221 | 45,392 | 60,934 | 65,983 | 66,072 |
| Marshall | 39,802 | 246,767 | 69,478 | 93,266 | 100,995 | 101,130 |
| Mobile | 118,363 | 735,367 | 207,045 | 277,934 | 300,964 | 301,367 |
| Monroe | 30,070 | 187,543 | 52,803 | 70,883 | 76,756 | 76,859 |
| Montgomery | 98,671 | 613,628 | 172,769 | 231,923 | 251,140 | 251,476 |
| Morgan | 46,176 | 286,250 | 80,595 | 108,189 | 117,154 | 117,311 |
| Perry | 26,385 | 164,512 | 46,319 | 62,178 | 67,330 | 67,420 |
| Pickens | 24,902 | 154,641 | 43,541 | 58,447 | 63,290 | 63,375 |
| Pike | 32,340 | 200,704 | 56,509 | 75,857 | 82,142 | 82,252 |
| Randolph | 26,861 | 167,802 | 47,245 | 63,421 | 68,676 | 68,768 |
| Russell | 27,377 | 169,447 | 47,708 | 64,043 | 69,350 | 69,443 |
| St. Clair | 24,510 | 152,996 | 43,076 | 57,825 | 62,617 | 62,701 |
| Shelby | 27,576 | 171,002 | 48,172 | 64,665 | 70,023 | 70,117 |
| Sumter | 26,929 | 167,802 | 47,245 | 63,421 | 68,676 | 68,768 |
| Talladega | 45,241 | 281,315 | 79,205 | 106,324 | 115,134 | 115,288 |
| Tallapoosa | 31,188 | 194,124 | 54,656 | 73,370 | 79,449 | 79,556 |
| Tuscaloosa | 64,153 | 398,118 | 112,092 | 150,470 | 162,938 | 163,156 |
| Walker | 59,445 | 370,151 | 104,217 | 139,900 | 151,492 | 151,695 |
| Washington | 16,365 | 101,997 | 28,718 | 38,550 | 41,744 | 41,800 |
| Wilcox | 24,880 | 154,641 | 43,541 | 58,447 | 63,290 | 63,375 |
| Winston | 15,596 | 97,062 | 27,329 | 36,686 | 39,725 | 39,778 |
| Total | 2,646,248 | 16,451,160 | 4,631,881 | 6,217,760 | 6,732,979 | 6,742,000 |

Divide these overcharges in each county by $60, the amount a bale of cotton will bring at 12 cents a pound, and it will show how much these burdensome overcharges mean to the people of each county in the State, measured in terms of their chief crop.

I know it will be contended by the power interests that this is not a proper basis for the distribution of these overcharges, for the reason that thousands of people in every county in Alabama are denied the use of any electric energy at all. They remind me of the story once told by William Jennings Bryan of a cannibal in New Zealand who claimed title to a piece of land on the ground that he had eaten the owner.

If all the people in Alabama were supplied with electric lights and power, as they should be—and as they must be before this fight is ended—and if their rates were reduced to the T. V. A. rates or the Tacoma rates, the saving to the people of Alabama would run anywhere from $10,000,000 to $20,000,000 a year.

I have before me an advertisement inserted in the weekly papers of Alabama by the Alabama Power Co., which tells the people of that State, under screaming headlines, that—

If the T. V. A. should extend its operations throughout Alabama and pay taxes only on the basis agreed upon, Alabama, its counties and cities, would lose tax revenues amounting yearly to approximately two millions.

Just how gullible the Power Trust thinks the people of Alabama are I am unable to say, but I feel confident they will never be able to mislead the intelligent taxpayers of that State with any such "bunk." It has not a semblance of truth in it, and is an insult to the intelligence of the people of Alabama. They add insult to injury by overcharging them anywhere from four and a half million to seven millions of dollars a year, and then insult their intelligence with such "bunk" as this.

For instance, they tell the people of Covington County that the power company pays taxes amounting to $26,675.14 in that county, but they fail to tell them that they are overcharging them $72,257, according to the T. V. A. rates, and $96,997, according to the Tacoma rates, after allowing for taxes. The only way they can deny these figures is to take refuge behind the fact that a majority of the people of the county are denied the use of any electric energy at all.

Here are the rates, and they are typical of the overcharges throughout the State of Alabama.

In Andalusia, the county seat of Covington County, 25 kilowatt-hours a month costs a resident consumer $1.91. In Tupelo, Miss., under the T. V. A. rates, the cost would be 75 cents. Forty kilowatt-hours a month in Andalusia costs $2.96; under the T. V. A. rates the cost would be $1.20. One hundred kilowatt-hours in Andalusia costs $5.16; under the T. V. A. rates the cost would be $2.50. Thus it will be seen that these people are overcharged more than 100 percent.

In Crenshaw County, this advertisement intimates the power company pays taxes to the amount of $18,942.61, yet the record shows that Luverne, the county seat of Crenshaw County, owns its own municipal plant. While its overcharges are very heavy, they go to the taxpayers of the city and not into the pockets of the Power Trust. Just how it would cost this city any taxes to give them the benefit of cheap electric energy from the T. V. A. is a problem that only a power-trust propagandist can understand.

This advertisement also tells us, or tells the people of Alabama, that in Montgomery County the taxpayers would lose taxes to the amount of $63,473.57 a year, if the T. V. A. should extend its overcharges throughout Alabama. You will note from the above table that the people of Montgomery County are overcharged $172,769 a year, according to the T. V. A. rates, and $231,923 according to the Tacoma rates, and $251,000 according to the Ontario or the Winnipeg rates, after allowing for taxes.

Montgomery is a great city; it is the capital of a great State; it was once the capital of a great nation. Its people are served by the Alabama Power Co., which is owned by the Commonwealth & Southern, a holding company whose president's salary was raised from $43,500 a year in 1929 to $130,000 a year in 1932—in the very pit of the depression.

Let us look at the record and see how the people of Montgomery are being overcharged: Twenty-five kilowatt-hours a month in Montgomery costs $1.55; under the T. V. A. rates, the cost would be 75 cents. Forty kilowatt-hours a month in Montgomery costs $2.30; under the T. V. A. rates, the cost would be $1.20. One hundred kilowatt-hours a month costs $4.05; under the T. V. A. rates, the cost would be $2.50.

Now let me explode this tax argument put out by the Alabama Power Co. We will take, first, the city of Tupelo, Miss., the first municipality to sign a contract with the T. V. A., and therefore the first to enjoy the use of T. V. A. power. Here is the table of rates now charged in Tupelo under the T. V. A. contract:

RESIDENTIAL RATES

Available to all residential customers at local distribution secondary voltage, either 2-wire or 3-wire service, as municipality may require:

First 50 kilowatt-hours per month, at 3 cents per kilowatt-hour.
Next 150 kilowatt-hours per month, at 2 cents per kilowatt-hour.
Next 200 kilowatt-hours per month, at 1 cent per kilowatt-hour.
Excess: Over 400 kilowatt-hours per month, at 0.4 cent per kilowatt-hour.

BASIC COMMERCIAL RATES

Available to commercial customers taking service from the municipality's secondary system:

First 250 kilowatt-hours per month, at 3 cents per kilowatt-hour.
Next 750 kilowatt-hours per month, at 2 cents per kilowatt-hour.
Next 1,000 kilowatt-hours per month, at 1 cent per kilowatt-hour.
Excess: Over 2,000 kilowatt-hours per month, at 0.8 cent per month.

Minimum monthly bill:
5-ampere meter, 50 kilowatt-hours, $1.50.
15-ampere meter, 66⅔ kilowatt-hours, $2.
50-ampere meter, 100 kilowatt-hours, $3.

Surcharge: Basic rate subject to a surcharge initially established by municipality and modified from time to time as net revenues improve of 10 percent. Surcharge to take the form of straight percentage added to customers' bills.

BASIC INDUSTRIAL RATE

Available to industrial power users having demands in excess of 10 kilowatts. Service at primary-distribution voltage or secondary-distribution voltage at discretion of municipality.

Demand charge: $1 per kilowatt per month.
Demand: Maximum integrated 30-minute period.
Energy charge: First 10,000 kilowatt-hours per month at 10 mills per kilowatt-hour; next 25,000 kilowatt-hours per month at 6 mills per kilowatt-hour; next 65,000 kilowatt-hours per month at 4 mills per kilowatt-hour; next 400,000 kilowatt-hours per month at 3 mills per kilowatt-hour; excess over 500,000 kilowatt-hours per month at 2.5 mills per kilowatt-hour.

When these rates went into effect they reduced the light and power bills to the people of Tupelo $80,000 a year, and the consumption of electric energy doubled within the first 12 months. The use of electrical appliances, from water pumps to radios, from electric irons to electric ranges, increased by leaps and bounds.

During the last 11 months of 1934 the city of Tupelo purchased $32,595.81 worth of electric energy which it distributed to its consumers, domestic, commercial, and industrial, who realized a saving, from what they had been paying under the old rates, of more than $100,000. The city electric department paid in lieu of taxes $5,366.43, set aside for depreciation $4,182.07, paid $2,290 interest on its indebtedness, and returned to the city on its equity $3,292.05, and still had a net income of $23,955.61. Add that amount to the taxes paid by the city electric department of $5,366.43 and it will total $27,321.04. That will exceed the taxes even purported to be paid by the power company in any town in Alabama of the size of Tupelo, and yet the people of Tupelo saved more than $100,000 a year on their light and power bills.

The Alcorn County Electric Power Association in Alcorn County, Miss., of which Corinth is the county site, during the last 7 months of 1934 purchased power from the T. V. A. to the amount of $12,410, retailed it to the people at the T. V. A. rates, and out of the profits paid all its operating expenses, to the amount of $26,122.81, including $3,526.87 in lieu of taxes, furnished the people of Corinth and Alcorn County lights and power at rates so far under the rates they had been paying the power company prior to their connection with the T. V. A. as to save the people of the county on an average of $75,000 a year, and still made a net operating revenue of $19,005.36.

But the power trust will come back and say that the T. V. A. is subsidized and that their rates are not justified. That is not true, and they know it. They are transmitting power to West Point, Miss., and selling it wholesale for within 1 mill a kilowatt-hour of what the T. V. A. is charging Tupelo and Corinth.

Let us take the case of Tacoma, Wash. Here is a complete answer to the Power Trust's charge that these low rates are the result of a Government subsidy.

Tacoma has a public plant worth $23,000,000. Last year that plant had a gross revenue of $1,940,994, and paid $145,575 in taxes; gave the city of Tacoma $200,545 worth of free service; set aside for depreciation $400,053; paid interest on its indebtedness amounting to $435,322, and still made a net profit of $508,190, and at the same time gave to the people of Tacoma the lowest light and power rates in the United States.

In a few years, the people of Tacoma will have their plant entirely paid out and can reduce their rates to about one-half of what they are now paying. Yet, according to the Tacoma rates, the people of Alabama are overcharged more than $6,000,000 a year, all of which goes into the coffers of the power interests without any hope or prospect of that burden ever being relieved. Yet the people of Alabama have within their borders the Muscle Shoals plant, one of the greatest power projects in all the world.

If their portion of this power were distributed to all the people of Alabama, at rates based upon the cost of production and distribution, it would be the greatest blessing they have ever known. It would not only reduce the burdens of the people who are now using electricity, by lifting from their shoulders this overcharge of five or six millions of dollars a year, and enable them to enjoy a liberal use of electric energy, as well as the use of electrical appliances, but it would also take these benefits to every farmer in Alabama and build for him and his children a new and lasting civilization, the like of which they have never known.

So, Mr. Speaker, I am glad to acknowledge the debt of gratitude which the American people in general, and the people of Alabama in particular, owe to the gentleman from Alabama [Mr. HILL] for valiant services in promoting the passage of this bill.

Mr. McSWAIN. Mr. Speaker, responding in the best of humor to the remarks of my colleague the gentleman from

Mississippi [Mr. RANKIN], I cannot say how good a bill he expected, but I may say that yesterday afternoon Dr. Morgan, chairman of the board of directors of the Tennessee Valley Authority, telephoned me that in his opinion the bill which the conferees have agreed upon is better than the bill which the directors themselves drew and sent up here asking us to pass. They drew the one that was introduced in the House by myself as well as the one that was introduced in the Senate by the distinguished Senator from Nebraska [Mr. NORRIS]. How good a bill the gentleman expected to be passed is beyond my comprehension. Dr. Morgan thinks this is the best bill on the subject up to date.

Mr. MAVERICK. I think we should congratulate the gentleman from Mississippi [Mr. RANKIN] for being satisfied.

Mr. RANKIN. May I say to the gentleman from South Carolina that the statement I made was it was a much better bill than we expected, and, so far as I am concerned, I am satisfied with the measure.

Mr. KVALE. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from Minnesota.

Mr. KVALE. In line with the gentleman's observation, this morning's paper carries an interview with the Senator from Nebraska [Mr. NORRIS] which stated that he was generally satisfied and pleased with the measure.

Mr. McSWAIN. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. SNELL. Mr. Speaker, on the adoption of the conference report I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 259, nays 90, not voting 81, as follows:

[Roll No. 182]

YEAS—259

| | | | |
|---|---|---|---|
| Adair | Dies | Hull | O'Day |
| Arnold | Dingell | Johnson, Okla. | O'Leary |
| Ashbrook | Disney | Kelly | O'Malley |
| Ayers | Dobbins | Kennedy, N. Y. | O'Neal |
| Barden | Dorsey | Kenney | Owen |
| Beam | Doughton | Kerr | Palmisano |
| Beiter | Doxey | Kloeb | Parsons |
| Biermann | Drewry | Kniffin | Patman |
| Binderup | Driscoll | Kocialkowski | Patton |
| Bland | Driver | Kopplemann | Pearson |
| Bloom | Duffey, Ohio | Kramer | Peterson, Fla. |
| Boehne | Duffy, N. Y. | Kvale | Peterson, Ga. |
| Boileau | Duncan | Lambeth | Pettengill |
| Boland | Dunn, Pa. | Lamneck | Pfeifer |
| Boykin | Eagle | Lanham | Pierce |
| Boylan | Eckert | Larrabee | Plumley |
| Brewster | Ekwall | Lemke | Quinn |
| Brooks | Ellenbogen | Lesinski | Rabaut |
| Brown, Ga. | Evans | Lewis, Colo. | Ramsay |
| Brown, Mich. | Faddis | Lloyd | Ramspeck |
| Brunner | Farley | Luckey | Randolph |
| Buck | Ferguson | Ludlow | Rankin |
| Buckler, Minn. | Fiesinger | Lundeen | Rayburn |
| Burdick | Fitzpatrick | McAndrews | Reilly |
| Caldwell | Flannagan | McClellan | Richardson |
| Carmichael | Fletcher | McCormack | Robinson, Utah |
| Carpenter | Ford, Calif. | McFarlane | Rogers, Okla. |
| Cary | Ford, Miss. | McGehee | Romjue |
| Casey | Frey | McGrath | Russell |
| Castellow | Fuller | McKeough | Ryan |
| Celler | Gasque | McLaughlin | Sabath |
| Chandler | Gavagan | McLean | Sadowski |
| Chapman | Gearhart | McReynolds | Sanders, La. |
| Citron | Gehrmann | McSwain | Sanders, Tex. |
| Clark, N. C. | Gilchrist | Mahon | Sandlin |
| Coffee | Gildea | Maloney | Sauthoff |
| Colden | Gingery | Mansfield | Schaefer |
| Cole, Md. | Goldsborough | Marcantonio | Schuetz |
| Colmer | Granfield | Martin, Colo. | Schulte |
| Connery | Gray, Ind. | Mason | Scott |
| Cooley | Green | Massingale | Scrugham |
| Cooper, Tenn. | Greenwood | Maverick | Sears |
| Costello | Greever | Mead | Secrest |
| Cox | Gregory | Meeks | Shanley |
| Cravens | Griswold | Merritt, N. Y. | Sirovich |
| Crosby | Hamlin | Mitchell, Tenn. | Sisson |
| Cross, Tex. | Hancock, N. C. | Monaghan | Smith, Conn. |
| Cullen | Harter | Montet | South |
| Cummings | Healey | Moritz | Spence |
| Daly | Higgins, Mass. | Mott | Stack |
| Dear | Hildebrandt | Murdock | Starnes |
| Deen | Hill, Ala. | Nelson | Steagall |
| Delaney | Hill, Samuel B. | Nichols | Stefan |
| Dempsey | Hobbs | O'Brien | Sullivan |
| DeRouen | Hoeppel | O'Connell | Sumners, Tex. |
| Dickstein | Houston | O'Connor | Tarver |
| Taylor, Colo. | Turner | Weaver | Wilson, La. |
| Taylor, S. C. | Umstead | Welch | Withrow |
| Taylor, Tenn. | Utterback | Werner | Wolverton |
| Terry | Vinson, Ga. | West | Wood |
| Thom | Vinson, Ky. | Whelchel | Woodrum |
| Thomason | Wallgren | White | Young |
| Thompson | Walter | Whittington | Zimmerman |
| Tolan | Warren | Wilcox | Zioncheck |
| Tonry | Wearin | Williams | |

NAYS—90

| | | | |
|---|---|---|---|
| Allen | Doutrich | Kahn | Robertson |
| Andresen | Eaton | Kee | Robsion, Ky. |
| Andrew, Mass. | Edmiston | Kinzer | Rogers, Mass. |
| Andrews, N. Y. | Engel | Knutson | Seger |
| Arends | Englebright | Lambertson | Smith, Va. |
| Bacharach | Fenerty | Lehlbach | Smith, W. Va. |
| Bacon | Focht | Mapes | Snell |
| Bell | Gifford | Marshall | Stewart |
| Blackney | Gray, Pa. | Martin, Mass. | Taber |
| Bolton | Guyer | May | Thomas |
| Burnham | Gwynne | Merritt, Conn. | Thurston |
| Carlson | Halleck | Michener | Tinkham |
| Cavicchia | Hancock, N. Y. | Millard | Tobey |
| Christianson | Hess | Patterson | Treadway |
| Church | Higgins, Conn. | Perkins | Turpin |
| Cole, N. Y. | Hoffman | Pittenger | Wadsworth |
| Cooper, Ohio | Hollister | Polk | Wigglesworth |
| Crawford | Holmes | Powers | Wilson, Pa. |
| Culkin | Hope | Ransley | Wolcott |
| Darden | Huddleston | Reed, Ill. | Wolfenden |
| Darrow | Jenckes, Ind. | Reed, N. Y. | Woodruff |
| Ditter | Jenkins, Ohio | Rich | |
| Dondero | Johnson, W. Va. | Risk | |

NOT VOTING—81

| | | | |
|---|---|---|---|
| Amlie | Crowther | Imhoff | Norton |
| Bankhead | Dietrich | Jacobsen | Oliver |
| Berlin | Dirksen | Johnson, Tex. | Parks |
| Blanton | Dockweiler | Jones | Peyser |
| Brennan | Dunn, Miss. | Keller | Reece |
| Buchanan | Eicher | Kennedy, Md. | Richards |
| Buckbee | Fernandez | Kimball | Rogers, N. H. |
| Buckley, N. Y. | Fish | Kleberg | Rudd |
| Bulwinkle | Fulmer | Lea, Calif. | Schneider |
| Burch | Gambrill | Lee, Okla. | Shannon |
| Cannon, Mo. | Gassaway | Lewis, Md. | Short |
| Cannon, Wis. | Gillette | Lord | Smith, Wash. |
| Carter | Goodwin | Lucas | Snyder |
| Cartwright | Greenway | McGroarty | Somers, N. Y. |
| Claiborne | Haines | McLeod | Stubbs |
| Clark, Idaho | Harlan | McMillan | Sutphin |
| Cochran | Hart | Maas | Sweeney |
| Collins | Hartley | Miller | Underwood |
| Corning | Hennings | Mitchell, Ill. | |
| Crosser, Ohio | Hill, Knute | Montague | |
| Crowe | Hook | Moran | |

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Dietrich (for) with Mr. Corning (against).
Mr. Gillette (for) with Mr. Kleberg (against).
Mr. Rudd (for) with Mr. Crowther (against).
Mr. Snyder (for) with Mr. Buckbee (against).
Mr. Berlin (for) with Mr. Short (against).
Mr. Richards (for) with Mr. Dirksen (against).
Mr. Johnson of Texas (for) with Mr. Maas (against).
Mr. Schneider (for) with Mr. Collins (against).
Mr. Amlie (for) with Mr. McLeod (against).
Mr. Haines (for) with Mr. Goodwin (against.
Mr. Bankhead (for) with Mr. Hartley (against).
Mr. Sweeney (for) with Mr. Lord (against).

Until further notice:

Mr. Cochran with Mr. Carter.
Mr. Blanton with Mr. Fish.
Mr. Jones with Mr. Kimball.
Mr. Buchanan with Mr. Reece.
Mr. Cartwright with Mr. Stubbs.
Mr. Hart with Mr. Miller.
Mr. Rogers of New Hampshire with Mr. Gambrill.
Mr. Bulwinkle with Mr. Lee of Oklahoma.
Mr. Hook with Mr. Sutphin.
Mr. Cannon of Missouri with Mr. Smith of Washington.
Mr. Jacobsen with Mr. Underwood.
Mr. Burch with Mr. Lucas.
Mr. Crosser of Ohio with Mr. Dunn of Mississippi.
Mr. Moran with Mrs. Greenway.
Mr. Fulmer with Mr. McGroarty.
Mr. Somers of New York with Mr. Claiborne.
Mrs. Norton with Mr. Harlan.
Mr. Clark of Idaho with Mr. Parks.
Mr. Oliver with Mr. Gassaway.
Mr. Hennings with Mr. Brennan.
Mr. Crowe with Mr. Knute Hill.
Mr. Lewis of Maryland with Mr. Imhoff.
Mr. Eicher with Mr. Buckley of New York.
Mr. Montague with Mr. Fernandez.
Mr. McMillan with Mr. Dockweiler.
Mr. Lea of California with Mr. Keller.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE COTTON TEXTILE INDUSTRY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (S. DOC. NO. 126)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed:

*To the Congress:*

Last April I appointed a Cabinet committee consisting of the Secretary of Commerce, as chairman, the Secretary of State, the Secretary of Agriculture, and the Secretary of Labor to make a survey of the conditions and problems of the cotton textile industry. I am now in receipt of a communication signed by the members of the committee, with which they submit their findings and recommendations.

This letter and these findings and recommendations of the committee I am immediately transmitting herewith for the information of the Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 21, 1935.*

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. Mr. Speaker, I heard what the Speaker said relative to the advancement of the program and I think the Speaker is correct. We want to cooperate, but I wish to make this suggestion. Where bills come up that have important amendments or contain entirely new legislation, we do not think they ought to go through by unanimous consent without any explanation. So I wish to make the announcement now that bills of this character will have to have a rule or recognition by the Speaker for suspension, because we cannot let them pass by unanimous consent.

The SPEAKER. The Chair wishes to make this statement in addition to the one made by the gentleman from New York. As has been stated, this is Calendar Wednesday and business can proceed today on other matters only by unanimous consent. The Chair recognized a number of gentlemen yesterday to ask unanimous consent for consideration of bills, some of which were objected to. These Members, quite naturally, desire recognition today, but there are a number of Members who did not have an opportunity to be recognized on Senate bills yesterday and the Chair thinks it only fair to those Members who were not reached upon yesterday to recognize them first, and so far as the Chair can do so, the Chair will follow that policy.

PUBLIC GRAZING LANDS

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 3019) to amend sections 1, 3, and 15 of "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

The Clerk proceeded to read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3019) to amend sections 1, 3, and 15 of "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269), having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That the first sentence of section 1 of the Act entitled 'An Act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes', approved June 28, 1934, is amended by striking out the words 'eighty million' and inserting in lieu thereof the words 'one hundred and forty-two million.'

"SEC. 2. Section 7 of such Act is amended to read as follows:

"'SEC. 7. That the Secretary of the Interior is hereby authorized, in his discretion, to examine and classify any lands withdrawn or reserved by Executive orders of November 26, 1934 (numbered 6910), February 5, 1935 (numbered 6964), and May 20, 1935 (numbered 7048), or within a grazing district, which are more valuable or suitable for the production of agricultural crops than for the production of native grasses and forage plants, or more valuable or suitable for any other use than for the use provided for under this Act, and to open such lands to entry, selection, or location for disposal in accordance with such classification under applicable public-land laws, except that homestead entries shall not be allowed for tracts exceeding three hundred and twenty acres in area. Such lands shall not be subject to disposition, settlement, or occupation until after the same have been classified and opened to entry: *Provided*, That locations and entries under the mining laws, including the Act of February 25, 1920, as amended, may be made upon such withdrawn and reserved areas without regard to classification and without restrictions or limitation by any provision of this Act. Where such lands are located within grazing districts reasonable notice shall be given by the Secretary of the Interior to any grazing permittee of such lands. The applicant, after his entry, selection, or location is allowed, shall be entitled to the possession and use of such lands: *Provided*, That upon the application of any applicant qualified to make entry, selection, or location, under the public-land laws, filed in the land office of the proper district, the Secretary of the Interior shall cause any tract to be classified, and such application, if allowed by the Secretary of the Interior, shall entitle the applicant to a preference right to enter, select, or locate such lands if opened to entry as herein provided.'

"SEC. 3. Section 8 of such Act is amended to read as follows:

"'SEC. 8. That where such action will promote the purposes of the district or facilitate its administration, the Secretary is authorized and directed to accept on behalf of the United States any lands within the exterior boundaries of a district as a gift, or, when public interests will be benefited thereby and such action will promote the consolidation of the land holdings of any owner, he is authorized and directed to accept on behalf of the United States title to any privately owned lands within or without the boundaries of said grazing district, and in exchange therefor to issue patent for not to exceed an equal value of surveyed grazing district land or of unreserved surveyed public land in the same State or within a distance of not more than fifty miles within the adjoining State nearest the base lands.'

"SEC. 4. Such Act is amended by adding the following new section:

"'SEC. 8–A. Upon application of any State to exchange lands within or without the boundaries of a grazing district the Secretary of the Interior shall and is hereby directed to proceed with such exchange at the earliest practicable date in the manner now provided by law for the exchange of lands with the States and to cooperate fully with the States to that end, but no State shall be permitted to select lieu lands in another State. In making such exchange the United States shall patent to such State an equal value of surveyed grazing land or of unreserved surveyed public land. Areas and values of unsurveyed lands within or without grazing districts may be approximated by protraction or otherwise for the purpose of effecting exchanges of State lands. No State, however, shall select public lands within a grazing district in furtherance of any exchange except for the purpose of consolidating its land holdings located in such area. No fee shall be charged the State for any exchange of land made under this Act except one-half of the cost of publishing notice of a proposed exchange as herein provided.

"'Before any such exchange under this section or under section 8 hereof shall be effected notice of the contemplated exchange, describing the lands involved, shall be published by the Secretary of the Interior once each week for four successive weeks in some newspaper of general circulation in the county or counties in which may be situated the lands to be accepted, and in the same manner in some like newspaper published in any county in which may be situated any lands to be given in such exchange; lands conveyed to the United States under this Act shall, upon acceptance of title, become public lands, and if located within the exterior boundaries of a grazing district they shall become a part of the district within the boundaries of which they are located: *Provided*, That either party to an exchange under this or the preceding section may make reservations of minerals, easements, or rights of use, the values of which shall be duly considered in determining the values of the exchanged lands. Where reserva-

tions are made in lands conveyed to the United States the right to enjoy them shall be subject to such reasonable conditions respecting ingress and egress and the use of the surface of the land as may be deemed necessary by the Secretary of the Interior. Where mineral reservations are made in lands conveyed by the United States, it shall be so stipulated in the patent, and any person who acquires the right to mine and remove the reserved mineral deposits may enter and occupy so much of the surface as may be required for all purposes incident to the mining and removal of the minerals therefrom, and may mine and remove such minerals, upon payment to the owner of the surface for damages caused to the land and improvements thereon.'

"SEC. 5. Section 10 of such act is amended to read as follows:

"'SEC. 10. That, except as provided in sections 9 and 11 hereof, all moneys received under the authority of this act shall be deposited in the Treasury of the United States as miscellaneous receipts, but 25 percent of all moneys received under this act during any fiscal year is hereby made available, when appropriated by the Congress, for expenditure by the Secretary of the Interior for the construction, purchase, or maintenance of range improvements, and 50 percent of the money received under this act during any fiscal year shall be paid at the end thereof by the Secretary of the Treasury to the State in which the grazing districts or the lands producing such moneys are situated, to be expended as the State legislature of such State may prescribe for the benefit of the county or counties in which the grazing districts or the lands producing such moneys are situated: *Provided*, That if any grazing district or any leased tract is in more than one State or county, the distributive share to each from the proceeds of said district or leased tract shall be proportional to its area in said district or leased tract.'

"SEC. 6. Section 15 of such act is amended to read as follows:

"'SEC. 15. The Secretary of the Interior is further authorized, in his discretion, where lands of the public domain are so situated as not to justify their inclusion in any grazing district to be established pursuant to this act, to lease any such lands for grazing purposes, upon such terms and conditions as the Secretary may prescribe: *Provided*, That preference shall be given to owners, homesteaders, lessees, or other lawful occupants of contiguous lands to the extent necessary to permit proper use of such contiguous lands, except that when such isolated or disconnected tracts embrace 760 acres or less, the owners, homesteaders, lessees, or other lawful occupants of lands contiguous thereto, shall be entitled to receive such leases thereto: *Provided further*, That the issuance of such a lease shall not be construed to prevent the sale, exchange, or other disposition of lands as authorized by this act.'

"SEC. 7. Such Act is further amended by adding the following new section:

"'SEC. 17. The Secretary of the Interior shall have power to select a Director of Grazing and such assistant directors of grazing, graziers, and such other employees, as shall be necessary to administer this Act without regard to the provisions of the civil-service laws. The Secretary of the Interior shall give consideration to the practical range experience in public land States of the persons selected for such positions.

"'No assistant director of grazing, grazier, or other employee shall be appointed who is not at the time of appointment or selection a bona fide citizen and resident of the State, or of one of the States, in which such director, grazier, or other employee is to serve.'

"SEC. 8. Such Act is further amended by adding the following new section:

"'SEC. 18. (a) All vacant, unappropriated, and unreserved nonmineral lands of the public domain which are situated in isolated or disconnected tracts of seven hundred and sixty acres or less which, at the expiration of two years after the passage of this Act, as amended, are not included within the boundaries of any grazing district established pursuant to this Act, as amended, and which during such period have not been ordered into the market for sale under the provisions of section 2455 of the Revised Statutes, as amended, or leased under the provisions of this Act, or selected for exchange under the provisions of this Act, are hereby granted to the several States in which such lands are situated for the use or benefit of the common schools of such States.

"'(b) No part of the grant made by this section shall become effective as to any State until such State, through its legislature, shall have accepted such grant, and such acceptance, duly certified, has been received by the Secretary of the Interior. Upon the receipt of such acceptance, which must be made within a period of four years after the date of enactment of this Act, as amended, the grant shall immediately become effective as to such State, irrespective of the action of other States, and the Secretary shall immediately notify the local land offices in such State of such fact. The Secretary shall also cause to be delivered to the proper officials of such State, such maps, records, books, and documents as may be necessary for the enjoyment, control, use, administration, and disposition of such lands.'"

"TITLE II.—BADLANDS NATIONAL MONUMENT

"SEC. 1. The boundaries of the Badlands National Monument, as established by the Act of March 4, 1929 (45 Stat. 1553), shall be, and are hereby, extended to include such lands adjacent or contiguous thereto, in the State of South Dakota, including, but not being restricted to, lands designated as submarginal by the Resettlement Administration, as may be determined by the President, by proclamation, within 5 years following the approval of this Act, to be necessary for the proper rounding out of the boundaries of said Monument or the administration thereof, providing the entire area of such Monument shall not exceed 250,000 acres.

"SEC. 2. That the provisions of the Act of August 25, 1916, entitled 'An Act to establish a National Park Service and for other purposes', as amended, are hereby made applicable to and extended over such lands as may be added to the Monument under the authority of the foregoing section."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

RENÉ L. DEROUEN,
J. W. ROBINSON,
ROY E. AYERS,
HARRY L. ENGLEBRIGHT,
*Managers on the part of the House.*

KEY PITTMAN,
ALVA B. ADAMS,
CARL A. HATCH,
PETER NORBECK,
GERALD P. NYE,
*Managers on the part of the Senate.*

STATEMENT

The managers appointed on the part of the House for conference with the Senate on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3019) entitled "An act to amend sections 1, 3, and 15 of 'An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes', approved June 28, 1934 (48 Stat. 1269)" have agreed to the following amendments:

Page 3, line 21, strike out the word "and" following "(numbered 6910)" and insert in lieu thereof a comma; then, on line 22, preceding the comma which follows "(numbered 6964)", insert "and May 20, 1935 (numbered 7048)."

Page 4, line 18, strike out the word "person" and insert in lieu thereof the word "applicant."

Page 6, line 11, after the word "except", insert the words "one-half of."

Page 6, line 12, strike out the word "hereinafter" and insert in lieu thereof the word "herein."

Page 6, line 14, after the word "exchange", insert the words "under this section or under section 8 hereof."

Page 7, strike out all of lines 19, 20, and 21.

Page 8, line 10, after the word "situated", insert a comma and the words "to be expended as the State legislature of such State may prescribe for the benefit of the county or counties in which the grazing districts or the lands producing such moneys are situated."

Page 9, lines 4 and 5, strike out the words "upon the filing of an application therefor."

Page 9, line 6, after the word "sale", strike out the word "or" and insert in lieu thereof a comma.

Page 9, line 6, after the word "exchange", insert a comma and the words "or other disposition."

Page 9, line 12, strike out the word "and."

Page 9, line 12, after the word "graziers", insert a comma and the words "and such other employees."

Page 9, line 17, strike out the word "or."

Page 9, line 17, after the word "graziers", insert the words "or other employee."

Page 9, line 18, strike out the words "to serve in any State."

Page 9, line 20, after the word "State", insert a comma and the words "or of one of the States,".

Page 9, line 20, strike out the word "or" and insert in lieu thereof a comma.

Page 9, line 20, after the word "grazier", insert a comma and the words "or other employee."

Page 10, line 7, after the comma following the word "act", insert the words "or selected for exchange under the provisions of this act."

Page 11, strike out all of lines 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10, as the Senate recedes from its amendment to section 16.

Pages 11 and 12, strike out all of sections 1, 2, and 3 of title II and insert in lieu thereof the following:

"TITLE II. BADLANDS NATIONAL MONUMENT

"SEC. 1. The boundaries of the Badlands National Monument, as established by the act of March 4, 1929 (45 Stat. 1553), shall be, and are hereby, extended to include such lands adjacent or contiguous thereto, in the State of South Dakota, including, but not being restricted to, lands designated as submarginal by the Resettlement Administration, as may be determined by the President, by proclamation, within 5 years following the approval of this act, to be necessary for the proper rounding out of the boundaries of said monument or the administration thereof, providing the entire area of such monument shall not exceed 250,000 acres.

"Sec. 2. That the provisions of the act of August 25, 1916, entitled 'An act to establish a National Park Service and for other purposes', as amended, are hereby made applicable to and extended over such lands as may be added to the Monument under the authority of the foregoing section."

The House recedes from its disagreement to the amendments of the Senate to the title of the bill, and agrees to the same.

RENÉ L. DEROUEN,
J. W. ROBINSON,
ROY E. AYERS,
HARRY L. ENGLEBRIGHT,
*Managers on the part of the House.*

Mr. DEROUEN (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent to dispense with the further reading of the statement.

Mr. SNELL. Mr. Speaker, I think perhaps that is all right, but the gentleman ought to tell us what is in the report.

The SPEAKER. Is there objection?

There was no objection.

Mr. DEROUEN. There are no changes, I may say to the gentleman from New York, and I shall yield to the gentleman from Oregon.

Mr. SNELL. There must be some change or you would not have had a conference.

Mr. DEROUEN. There was simply some perfecting language, and there was added a rider by the Senator from South Dakota; and beyond this there is no change.

Mr. SNELL. What was the rider?

Mr. DEROUEN. The rider added a certain area in South Dakota. The gentleman from Utah [Mr. ROBINSON] has the report and will explain it.

Mr. ROBINSON of Utah. Mr. NORBECK insisted that on this bill there be attached a rider which provided that certain lands in South Dakota be included in the park area, and there was no objection from either the Department of the Interior or the Department of Agriculture, and it was unanimously passed by the Senate.

Mr. SNELL. Is that the only change there is?

Mr. ROBINSON of Utah. The other changes in the bill are a few minor changes. One is an amendment by Senator O'MAHONEY that provides that small sections of land consisting of 760 acres or less, that are not put into grazing districts or that are not offered for exchange lands in any way, or not put up for sale by the Government after 2 years, shall then go to the States if the State legislature so desires. This is an amendment offered by Senator O'MAHONEY that was placed in the bill.

Mr. SNELL. Why should we give these lands to the States?

Mr. ROBINSON of Utah. They are nonmineral lands.

Mr. SNELL. Why should we give the States any of our public lands?

Mr. ROBINSON of Utah. These lands go to help build up the schools and colleges and they are small sections of land that are isolated. The language of the bill is "isolated tracts of land which cannot be used for grazing in the grazing areas."

Mr. TAYLOR of Colorado. If the gentleman will permit, the main reason is that the land is not worth anything.

Mr. SNELL. What help would it be to your schools and colleges if it is not worth anything?

Mr. TAYLOR of Colorado. I think they would rather use them for this purpose than anything else.

Mr. SNELL. If they are not worth anything, I do not see how they can help your schools and colleges.

Mr. TAYLOR of Colorado. If they were worth anything they would have been taken up long before this.

Mr. SNELL. I cannot see why you would want them if they are not worth anything. However, I am not going to object to the request.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. CULKIN. Does this conference report diminish the powers of the Department of Agriculture in favor of the Department of the Interior in any way?

Mr. ROBINSON of Utah. No; not in any way.

Mr. CULKIN. It does not give the Department of the Interior any added jurisdiction?

Mr. ROBINSON of Utah. No; this is an amendment to the Taylor Grazing Act, and the provisions that were formerly not in the act are included here.

Mr. DEROUEN. Mr. Speaker, I yield to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Speaker, the original Taylor Grazing Act contained this language in section 3:

Except that no permittee complying with the rules and regulations laid down by the Secretary of the Interior shall be denied a renewal of such a permit if such denial will impair the value of the grazing unit of the permittee when such unit is pledged as security for a bona fide loan.

It was my contention in committee that this language vested a perpetual right in a private citizen to a part of the public domain and was against public policy. I offered an amendment on the floor to strike that language out, which amendment was adopted. I notice that the Senate has struck out my amendment. Is that correct?

Mr. DEROUEN. That is in the Taylor grazing law. It was put in to protect the loans made by the bankers, which I think was a proper protection.

Mr. MOTT. I am asking the gentleman if my statement is correct.

Mr. DEROUEN. No; the gentleman's statement is not correct. The provision is still the law. The McCarran amendment is still the law. It ought not to be taken out.

Mr. MOTT. I am not asking whether it ought to be taken out. I am saying that the Senate took my amendment out.

Mr. DEROUEN. Yes; and the Senate reinstated the provision as contained in the Taylor Act.

Mr. MOTT. If the gentleman will look at the bill as it passed the Senate, he will find my amendment on page 3, section 2. I have stated the Senate bill takes my amendment out, and I am asking the gentleman if that is correct.

Mr. DEROUEN. What would be the result of the gentleman's amendment?

Mr. MOTT. The effect of my amendment would be to prohibit the Secretary of the Interior from giving to a permittee a perpetual private right in the public domain. I have just read the language of the amendment. It was thoroughly discussed when it was up for consideration at the time the House adopted it. I merely wanted to call the attention of the House to the fact that the Senate has struck it out. The conference committee has concurred in the action of the Senate, and I am therefore opposed to the report of the conference committee.

Mr. DEROUEN. It ought to be stricken out; it had no business in there at this time, for the reason that bankers and other credit agencies should be protected for a few years longer and at the same time help the small cattlemen.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was adopted.

### UNEMPLOYMENT COMPENSATION IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I present a conference report on the bill (H. R. 7167) to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes.

### WHAT THIS CONGRESS HAS DONE—WHAT THE NEXT SESSION SHOULD DO

Mr. JOHNSON of Oklahoma. Mr. Speaker, I have asked for time during these closing days of this session in order to call attention of the House and the country to some very important measures now pending that certainly ought to receive serious consideration of Congress before adjourning. I also desire to discuss a few of the outstanding measures that have been passed by the Seventy-fourth Congress. When this session adjourns we can have the satisfaction of knowing that some vitally important legislation has been enacted that will relieve suffering humanity and put millions of unemployed and needy people to work, but we must not overlook the fact that many important measures that progressive Members of the House have long advocated have not been enacted. We are going home leaving much unfinished business for the next session which meets in January.

### NO LEGISLATION PASSED TO TAKE PROFITS OUT OF WAR

It appears now that this session of Congress will adjourn without passing a bill with teeth in it to eliminate war profiteering. When this House passed the modified McSwain bill last April, more than 5 months ago, I had great hopes that Congress would at last take affirmative action on this question, so vital to world peace. But we are advised that the Senate has abandoned any attempt to pass such legislation at this session of Congress. With black war clouds

hanging low over Europe and Africa, it is of tremendous importance that Congress pass legislation to eliminate war profits and quit dillydallying on this question so near and dear to the hearts of our people.

PLEADS FOR FRAZIER-LEMKE FARM REFINANCE BILL

Another measure of vital importance that some of us from the agricultural sections have been sponsoring for a long while and in which our people are especially interested is what is known as the "Frazier-Lemke farm refinancing bill", which I firmly believe would be a godsend to hundreds of thousands of broke and disheartened farmers throughout the country.

The Frazier-Lemke bill was reported out of the Committee on Agriculture May 3 with a recommendation that the bill should be enacted. But there has been no action and no chance to get a vote in the House, because the Committee on Rules has refused to report out a rule that would permit consideration of this important measure and a vote on its passage. I insist that it is only fair and just and even good sportsmanship that Members of this House be given an opportunity to vote "yes" or "no" on the Frazier-Lemke bill in view of promises heretofore made by House leaders as shown by the CONGRESSIONAL RECORD. [Applause.]

ISSUE MUST BE MET

This is an issue that must be met. The refinancing of farm mortgages throughout the Nation is a problem that must be solved. Congress cannot continue indefinitely to ignore it. But it seems that the first session of the Seventy-fourth Congress will finally close without action on this important measure. I have been for the Frazier-Lemke bill since its inception because I believe it is just, right, and equitable. I contend that we can never have full business and economic recovery while our farmers are crushed down with an overwhelming burden of debt that they must retire at high and unconscionable interest rates. This bill does not intend to increase farm indebtedness but it will refinance existing farm mortgages at low rates of interest and a long-time amortization period so that these homes can be saved from foreclosure.

Farm tenantry has increased at an alarming rate, especially in recent years, and the Frazier-Lemke bill is one measure that will tend to halt this calamity that has befallen so many honest, hard-working but unfortunate farmers, who are entitled to the opportunity of owning their own homes. Nothing would inspire patriotism and love of country in the breasts of our farmers like the opportunity of becoming home owners. [Applause.]

ABOUT FARM MORTGAGE MORATORIUM BILL

It will be recalled that in the closing hours of the last Congress, it being impossible to secure favorable action on the Frazier-Lemke farm refinancing measure, a farm moratorium bill was hurriedly passed to give temporary relief. It was a makeshift measure, was not carefully drawn, and was declared unconstitutional. But it did save thousands of farmers from being immediately foreclosed.

Another moratorium bill has been very carefully written by the Judiciary Committee, and I am advised that the objections of the Supreme Court have been eliminated. Yesterday the United States Senate passed the measure and it is now up to this House to take similar action. Feeling that half a loaf is better than no loaf at all, I appeal to the Membership of this House not to adjourn this session until the farm moratorium bill is passed and becomes a law, in order to meet a very distressing emergency among thousands of our farmers.

So that Members may be advised, will say that the gentleman from Washington [Mr. LLOYD], an able member of the Judiciary Committee, at the first opportunity will ask unanimous consent to bring up the farm moratorium measure—S. 3002—and I appeal to the leaders on both sides of this aisle to permit its consideration.

Mr. HOUSTON. Then this so-called "moratorium bill" is not the Frazier-Lemke refinancing bill?

Mr. JOHNSON of Oklahoma. The gentleman from Kansas is correct.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes; I yield to the distinguished Republican floor leader.

Mr. SNELL. If the gentleman is going to bring up important legislation like the Frazier-Lemke bill, I think it would be better to bring it in under a rule. Then we would have ample opportunity to understand what is in the bill. There are two of these bills. Some of us are not opposed to both of them. I think the legislation is too important to go through by unanimous consent without some explanation.

Mr. JOHNSON of Oklahoma. Replying to my distinguished friend, the minority floor leader, I will say that I have endeavored to make it plain that while I am enthusiastically supporting the Frazier-Lemke farm refinancing bill, yet the bill just referred to—S. 3002—and passed by the Senate is not the Frazier-Lemke farm refinancing bill, and certainly there is no reason or excuse for demanding a rule on this measure. Of course, if my distinguished friend wants to accept the responsibility for defeating this legislation during this session of Congress by refusing to permit its consideration, that is his responsibility.

BANKHEAD-JONES FARM-TENANT BILL

Another measure that I feel is of vital importance to the welfare and security of the farmers of America is the Bankhead farm-tenant bill, or the Jones bill, both of which, in brief, propose that the Government aid tenant farmers who have been evicted from their own homes by foreclosure or otherwise to buy a small farm and pay for it at a small rate of interest and over a long period of years. This bill has been passed by the Senate of the United States, and if we cannot secure consideration of the Frazier-Lemke bill at this present session of Congress, certainly there is no reason why this House should not consider the Bankhead-Jones farm-tenant bill that would give relief and security to thousands of farmers throughout the land. This bill is now sleeping peacefully in the Committee on Agriculture of the House. It is my understanding that the difficulty is in ironing out the differences between the author of the bill in the Senate, Mr. BANKHEAD, and the author of a similar bill in the House, Mr. JONES. It is to be hoped that petty differences will be cast aside and that this legislation of so vital importance to the welfare of the Nation will be passed before this Congress shall conclude its work.

The vital importance of enacting legislation to assist farm tenants is clearly shown by figures presented at the Senate hearings, in which it was shown that in 1930, 42.4 percent of all American farmers were tenants. The experts further estimated that because of the rapid growth of tenantry in recent years more than half of all farmers in America are now tenants. In many of the counties of Oklahoma, I regret to say, the percentage of tenantry is considerably higher.

UNDESIRABLE ALIENS SHOULD BE DEPORTED

The coming session of Congress should pass the Dies alien deportation bill, or some similar measure to deport criminal aliens who have refused to become Americanized or civilized, many of whom hate everything American and yet are holding jobs that belong to Americans. A few weeks ago the President by Executive decree ordered a dozen of the most vicious alien criminals deported back to their native lands. This was a step in the right direction and Congress ought to follow the example by passing legislation to deport all undesirable and criminal aliens now within our borders, many of whom were smuggled into this country unlawfully.

RESTORE TO CONGRESS POWER TO REGULATE VALUE OF MONEY

The next session of Congress also should remedy another evil that has long been neglected. I refer to legislation to vitalize that section of the Constitution giving Congress power to "coin money, regulate the value thereof, and of foreign coin." For many years Congress has surrendered the power to issue money and regulate its value to the Federal Reserve System, owned and controlled by the banking interests of the country. Congress should assert its authority over the issuance of money and take this important power out of private hands, returning it to the Federal Government. Our standpat Republican friends and loud Liberty Leaguers

so suddenly interested in keeping the Constitution as it is without a single change, are invited to join in efforts to restore to Congress the power to issue money and regulate its value.

And, incidentally, I am wondering if the Republican Party and the Liberty League, mouthpieces for special interests, have not become suddenly alarmed about the preservation of the Constitution "without the crossing of a 't' or the dotting of an 'i'", because it is known that President Franklin D. Roosevelt favors a constitutional amendment to give the Federal Government power to tax the billions of tax-exempt securities of the country. For my part, I feel that the country is fed up on billions of Government bonds being issued that are tax exempt. The next Congress must do something about it.

PROPERTY RIGHTS VERSUS HUMAN RIGHTS

In their desperate battle for protection of property rights only, and bitterly opposing those who follow the President in his desire to safeguard human rights, the Republican leaders are aided and abetted by the money changers of Wall Street, by the great international bankers, who are horrified that they cannot own, control, or dictate to the man now in the White House.

In their dirty and damnable doctrine of hate and false propaganda they are spreading against the greatest champion of human rights who ever occupied the White House they have the enthusiastic support, not only of the Liberty Leaguers, but also of paid attorneys, high-powered lobbyists, and self-confessed constitutional alarmists who have started their whispering campaign that the President, among other things, would wreck the Constitution.

I have a profound reverence for the Constitution of the United States, and I am not one of those who would wreck the Constitution or divest the Supreme Court of the United States from its proper functions of Government. But amendments to that immortal document to safeguard the rights and liberties of the people have been found necessary in the past and will no doubt be necessary in the future.

ABOUT THE CONSTITUTION

A careful check-up, however, of the record shows that Democrats have been in charge of the Congress of the United States more years than have the Republicans. Of the 74 Congresses in the history of this Republic, 33 have been controlled strictly by the Democrats and only 27 strictly by the Republicans. The others have been whig, nonpartisan, and mixed with the Senate of one political complexion and the House another. Yet of the 62 laws passed by all of the Congresses that have been declared unconstitutional by the Supreme Court of the United States, only 20 have been passed by Democrats and 42 have been passed by Republicans. Or only 30 percent of the unconstitutional laws have been passed by Democrats and 70 percent by Republicans. This same Republican Party that has passed 70 percent of the unconstitutional laws has now suddenly become constitutionally-minded and is making dire predictions that the Democrats will wreck the Constitution.

IMPORTANT MEASURES PASSED BY PRESENT SESSION

Turning aside for a few moments from some of the important legislation pending and proposed legislation that I hope the next session of Congress will enact, I desire to name some of the important measures passed by this House the present session, all of which I supported.

First. The Old Age Security Act.

Second. The bill for immediate cash payment of the veterans' adjusted-service certificates.

Third. The bill to regulate utilities and the President's proposal to abolish unnecessary holding companies that absorb millions of dollars of profits made by the so-called "operating companies" which belong to the stockholders and the consumers.

Fourth. The Tennessee Valley Authority amendments, to give cheap electricity to the people of the country.

Fifth. The Jones-Dempsey bill creating the Soil Conservation Service to establish a national program for combating the menace of soil erosion.

Sixth. Amendments to the Agricultural Adjustment Act.

Seventh. The bill to increase the taxes on excessive fortunes and large gifts, in accordance with the President's recommendations.

Eighth. The McSwain bill proposing Government control and operation of munitions factories to eliminate future war profiteering.

Ninth. The relief bill to put unemployed to work on useful projects in an effort to eliminate the F. E. R. A. dole system.

Tenth. The bill extending the guarantee of bank deposits. It will be recalled that when the banking act was first passed its enemies assailed it viciously as being "unconstitutional." But again the "calamity howlers" were dead wrong. That bill brought order out of chaos so far as bank failures are concerned and saved millions to depositors.

Eleventh. Supported Hayden-Cartwright road bill, giving Federal aid for roads, which also provides that 25 percent of such Federal funds shall be used for farm-to-market roads.

Signed the petition filed in an effort to get a vote on the Frazier-Lemke bill.

Incidentally, I voted against continuation of the so-called "nuisance taxes", including the Federal gasoline tax, because approximately 60 percent of all Federal revenues are now raised by sales taxes and hidden levies against the people less able to pay. Other so-called "administration measures" that I refused to support were the ship-subsidy bill, costing $188,000,000; the Guffey coal bill, setting up a little N. R. A.; as well as other measures carrying appropriations.

Some of the measures passed at this session of Congress will have to be revised and strengthened at future sessions. I feel, for example, that the passage of a Federal old-age pension law is one of the most important things done at this session of Congress. Yet it needs considerable future revising. But although the bill is very imperfect, it is a step in the right direction and can be amended later.

ABOUT SOIL CONSERVATION

At the next session, in accordance with the terms of the Jones-Dempsey erosion bill, I am going to press for an annual appropriation sufficient to make the Soil Conservation Service permanent in nature and to expand its program in keeping with the needs of the Nation. Many soil-conservation projects have been approved in Oklahoma. In fact, the Soil Conservation Service has approved worthy and urgent projects that would cost $12,000,000 with only a million dollars with which to do the job. I give notice now that I shall continue to fight for sufficient Federal funds to carry out a comprehensive, Nation-wide program to conserve and protect the Nation's soil.

CONGRESS HAS DONE REASONABLY GOOD JOB

Despite Republican criticism and attacks of the Economy League, I feel that this Congress has done a reasonably good job and has passed much needed legislation to stimulate business recovery. Petty bickerings and jealousies have held up some of the legislation I had hoped would be passed before now.

In the main, I have been glad to give my whole-hearted support to the President and his program as presented to the Seventy-fourth Congress, believing that the President deserves the support of Democrats in Congress on vital parts of his program important to business and economic recovery. On the other hand, as heretofore stated, I have not hesitated to vote against the administration on matters upon which I have formerly made pledges to my people to the contrary, or in matters where I could not conscientiously go along with the administration. For example, I have for several years advocated the immediate cash payment of the bonus and went on record in favor of that several years ago.

PREDICTS PAYMENT OF BONUS

This session, I regret to say, is going to adjourn without providing for immediate cash payment of the adjusted-service certificates, or bonus. I have advocated payment of the bonus in new currency, because it would not only pay a debt long overdue our World War veterans but also would stimulate business recovery by putting more than $2,000,000,000 of new money into circulation, creating new purchasing power

in every township, village, town, and city of the country. During the present session I have had the honor of being a member of the steering committee conducting the fight for the Patman bill, which came within five votes of being enacted into law. I am glad to say, however, that Congressman PATMAN's steering committee has already made plans for bringing this legislation to an early vote at the next session, and we have every reason to hope that the bill to pay the bonus in cash will be one of the first to pass the coming session of Congress, and that when passed it will become a law. In fact, we now have 218 names on our petition, which guarantees that the bonus bill will be one of the first measures to be brought up by the January session.

EXPENSES OF GOVERNMENT MUST BE CUT

Time does not permit me to even mention other matters that I had in mind, but before closing I want to say a word of warning against the constantly increasing cost of government. Hon. JAMES P. BUCHANAN, Chairman of the Appropriations Committee, of which I have the honor of being a member, has given notice that every effort will be made to curtail expenses of government and balance the Budget at the coming session of Congress. I have personally assured him of my full cooperation in that endeavor. Speaking on this subject heretofore, I said in part:

But my distinguished and able friend, Mr. CRISP, has repeatedly asked the question today, "What do you propose to do about it?" That is a fair question, and I propose to answer it. Aside from increasing the surtax, corporation tax, income tax, gift tax, and estate tax, I would reenact the excess-profits tax that brought in over $300,000,000 in 1921. Then I would cut expenses of the Government to the bone before calling on the people for additional taxes. I would actually abolish countless commissions and overlapping and useless boards and bureaus. You cannot cut too much there for me. I would cut and slash Federal salaries, especially in the higher brackets. Personally, I should gladly accept a cut of 10 percent, 20 percent, or more in order to do my part to assist the recovery program.

MUST ABOLISH OVERLAPPING BUREAUS

My suggestion that we abolish countless commissions and overlapping boards and bureaus is more urgently needed today than ever. Some of us have gone along with the administration in establishing boards and commissions with the assurance that they were only temporary measures to meet emergencies and that they would soon be abolished. The next Congress cannot side-step that issue. These overlapping, obsolete, and useless bureaus are making government topheavy. The next Congress should abolish many of them.

Permit me to add, in closing, that this has been not only the longest session in which I have had the honor of serving, but by all odds the most strenuous. I trust that each and every one of my colleagues will return to Washington at the coming session of Congress with renewed vigor. For my part, the first session of the Seventy-fourth Congress has been pleasant and, on the whole, I feel has been profitable to the country, even though I once again insist that it has spent entirely too much money. Here is hoping that the next session of Congress will do an immeasurably better job. [Applause.]

The SPEAKER. The time of the gentleman from Oklahoma has expired.

CONVEYING OLD POST-OFFICE BUILDING, ETC., TO RENO, NEV.

Mr. SCRUGHAM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 414, to convey certain lands and buildings to the city of Reno, Nev., which I send to the desk and ask to have read. It is a bill which authorizes conveyance to the city of Reno for municipal purposes of the old post-office building, now abandoned, for the sum of $7,500.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to convey, by quitclaim deed, on behalf of the United States, to the city of Reno, Nev., the hereinafter described parcels of land, located in such city, together with such buildings as may be situated thereon: (1) Beginning at the intersection of the east side of Virginia Street with the south side line of East Front Street, in the city of Reno, Nev., and running thence easterly and along the south side line of such East Front Street 160 feet, thence southerly and parallel with the east side line of such Virginia Street 115.87 feet, thence deflect right 81°46' for a distance of 133.1 feet, thence deflect left 21°17' for a distance of 32.33 feet to the insersection of the east side line of such Virginia Street, thence northerly and along the east line of such Virginia Street 144.30 feet to the place of beginning; and (2) beginning at a point on the east side line of Virginia Street in the city of Reno, Nev., 144.31 feet southerly from the intersection of the east side of such Virginia Street with the south line of such East Front Street, and running thence easterly deflecting right 60°29' for a distance of 32.33 feet, thence deflect right 21°17' for a distance of 133.1 feet, thence southerly and parallel with the east side line of such Virginia Street 65 feet, more or less, to the northerly boundary of the Truckee River, thence westerly along the northerly boundary of the Truckee River to its intersection with the east side line of such Virginia Street, thence northerly and along the east side line of such Virginia Street, 60.02 feet, more or less, to the point of beginning.

The consideration for said conveyance is the sum of $7,500, lawful money of the United States, to be paid by the city of Reno, Nev., to the Secretary of the Treasury upon the execution and delivery of said conveyance.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. Let us have some explanation of this.

Mr. SCRUGHAM. Mr. Speaker, as I have already said, this authorizes the sale of the old post-office building now abandoned by the Government to the city of Reno for the sum of $7,500. The bill is approved by the Treasury Department. It has already passed the Senate and a similar House bill, identical, H. R. 3812, has been approved by the House committee.

Mr. LANHAM. And is it not true that the city of Reno also donated the site for the new building?

Mr. SCRUGHAM. That is true.

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill was laid on the table.

REQUEST TO ADDRESS THE HOUSE

Mr. PETTENGILL. Mr. Speaker, on Thursday last, August 15, there was inserted in the CONGRESSIONAL RECORD, by the gentleman from Iowa [Mr. WEARIN], under the name of the gentleman from Iowa [Mr. EICHER], some remarks which reflect upon me in my capacity as a Member of this House. I do not wish to raise a question of personal privilege and exhaust an hour in discussing the matter, and in lieu of that I ask unanimous consent at this time to be permitted to proceed for 15 minutes to reply to the statements placed in the CONGRESSIONAL RECORD at that time.

The SPEAKER. Is there objection?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, I want it clearly understood at the beginning of my remarks that I am not going to make an attack upon the gentleman from Iowa, my colleague and friend, Mr. EICHER. Mr. EICHER and I are personal friends. Our relations through the entire winter have been very cordial. I was frequently in his office and he was frequently in mine during the discussion of the utility bill. At the time that he became sick I wrote him a personal note at his hotel expressing regret over his illness and also expressing the hope that he would soon be back to duty, and I repeat that hope at this time. I received a very bitter letter reflecting upon Mr. EICHER from a newspaper publisher in his district.

I replied to that letter and said that while Mr. EICHER and I had disagreed on some matters with reference to the utilities bill, I felt confident he was actuated only by his keen desire to do what he thought was right in the public interest. I sent a copy of that letter to him in the hope that it might do him some good in his district, and, therefore, I am not going to make any personal attack upon the gentleman from Iowa [Mr. EICHER], who is ill at his house at this time. But in view of the statement which was placed in the CONGRESSIONAL RECORD on Thursday, August 15, by the gentleman from Iowa [Mr. WEARIN], a speech which was never delivered on the floor of the House and which the

gentleman from Mississippi [Mr. RANKIN] asked to be printed in 8-point type so that it might be well read, and because of some information which has come to me in the last day or two, I feel it necessary, in justice to myself and to my friends back home, that I make a brief reply to that statement which was put in the CONGRESSIONAL RECORD on Thursday last, on page 13275. It is my judgment, Mr. Speaker, that this does not represent the work of Mr. EICHER. It is entirely out of character with Mr. EICHER's known stability and fairness, and because of the fact that it has come to my attention in the last day or two that Thomas G. Corcoran, who has been well described as the "ambassador to Passamaquoddy", met a group of newspaper reporters the other day who had not seen what was in the CONGRESSIONAL RECORD of the 15th and called their attention to it, and said to them, "This statement is going to be widely circulated", and also said to these newspaper reporters, Mr. Chapman, of the Kansas City Journal-Post, Mr. Flynn, of the Wall Street Journal, and Mr. Cotton, of the City Service News, that the statement could not have been gotten into the RECORD except in the way it was, I am led to the belief that the ambassador to Passamaquoddy, Mr. Corcoran, had something to do with the preparation of this article. Similar information as to Mr. Corcoran's activities in connection with Mr. EICHER's statement has come to me from other sources, not newspapermen.

Mr. WEARIN. Mr. Speaker, will the gentleman yield?

Mr. PETTENGILL. No; I have not the time to yield at present.

Mr. WEARIN. I wanted to correct that statement.

Mr. PETTENGILL. The gentleman will have an opportunity of doing so. The gentleman from Iowa [Mr. WEARIN] admitted to me the other day that he had read the article before it was placed in the RECORD at his request. In the course of this document I read briefly these words, placed in the RECORD under the name of the gentleman from Iowa [Mr. EICHER]:

All a lobby of that kind needs is time. All it needs to ask of those who are to help it is to give it time. Give that kind of a lobby months and months in which to organize innumerable pressures upon particular Congressmen and no bill can stand against it. This is a commonplace of legislation against vested interests for the benefit of the public—the easiest way to emasculate it is to keep it in committee too long. * * *

For nearly 2 months the Wheeler-Rayburn bill was kept in open hearings before a full committee of the Interstate and Foreign Commerce Committee with pointless testimony from utility company after utility company simply repeating itself ad nauseum. * * *

The cause of such unnecessary overextended hearings against the wishes of the chairman of the committee was clearly the insistence of those two Democrats who worked the hardest to defeat the program of the administration on this bill, Mr. HUDDLESTON, of Alabama, and Mr. PETTENGILL, of Indiana. Those interminable open hearings before the House committee gave the professional utility lobby 2 months to work. After those 2 months the committee went into executive sessions through subcommittees to consider the bill title by title. I was a member of the subcommittee on title I, on holding companies. The other members of that committee were Mr. RAYBURN, Mr. HUDDLESTON, and Mr. PETTENGILL, the supposed administration supporters, and Mr. MAPES and Mr. WOLVERTON, openly and honestly opposition Republicans. That subcommittee deliberated by itself for over 6 weeks after the 2 months of public hearings were closed. Six more weeks for the lobby to work.

That was on August 15. Now, when the gentleman from Iowa [Mr. EICHER] was on the floor of the House on the 28th of June, discussing this bill, before he was stricken ill, he had this to say, and I am reading now from the CONGRESSIONAL RECORD of June 28, page 10358:

May I preface my remarks with a brief digression in appraisal of the public service that is being rendered by our chairman and my associates on the committee? The painstaking and conscientious care with which my associates have carried on their duties is not excelled, I am sure, by any judicial tribunal in the land. Many and serious divergencies of views developed during the consideration of this bill, some of them irreconcilable because involving conflicts of fundamental political thought and philosophy. Our discussions were always on a high plane, never acrimonious, and at all times intellectually inspiring even if not harmonious. Through the trying days and weeks our chairman guided our deliberations with gentle yet steady hand, with never a denial of the fullest opportunity to each member for the most exhaustive presentation of his views.

On that day when Mr. EICHER stood on this floor well and strong and without his judgment distorted by his illness, as I believe it to be at the present time, he said this:

Before commencing my own formal discussion of the question of constitutional limitations, it may be appropriate for me to make some observations for the benefit of my good friend and fellow subcommittee member, the gentleman from Indiana [Mr. PETTENGILL], whose intellectual attainments and sincerely patriotic impulses command my genuine admiration and highest respect.

In saying that on the 28th of June the gentleman from Iowa paid me a compliment I did not deserve, but I appeal from "Caesar sick to Caesar well." I appeal from the statements that were placed in the CONGRESSIONAL RECORD without being read on the floor by a gentleman who is sick and perhaps whose judgment is overborne by the advice of those who have something at stake in this matter. I appeal from those statements on the 15th of August to the statements that were made by Mr. EICHER in the full possession of his health and faculties on the 28th day of June.

There have been so many of Mr. EICHER's friends and my friends who have expressed regret over the attack that was placed in the RECORD on August 15 that I am making this statement in Mr. EICHER's behalf, because I do not believe that what he said on August 15 represents the solemn, judicial, fair-minded judgment of the man.

Now, I have referred to Mr. Corcoran, the R. F. C. attorney without portfolio. Why did he take it upon himself to give wide publicity to this attack that was placed in the CONGRESSIONAL RECORD on August 15 unless it was prepared as a campaign document to be used against me and Mr. HUDDLESTON and other members of the subcommittee and other Members of the House in the campaign next spring and next fall? Why should he exercise himself about it? Why should he call it to the attention of the press and invite them to publish it to the world?

Now, I am going to say something more about Mr. Corcoran. I am getting very well fed up with Mr. Tom Corcoran. [Applause.] Everybody here knows that the first resolution coming from the majority side for an investigation of the lobby was submitted by myself.

I have nothing whatever to fear from any investigation that is made of that matter. If I ever sincerely devoted myself to the consideration of a great and complex question it was the utility bill. [Applause.] The statement that was put in the CONGRESSIONAL RECORD under Mr. EICHER's name on August 15, that Mr. HUDDLESTON and myself had deliberately dragged out these hearings at executive sessions for the purpose of giving the lobby, with millions of dollars to spend, an opportunity to prepare their defense, is a deliberate misstatement of the fact, because the chairman of the committee, Mr. RAYBURN, will himself admit, if he is asked, that the delay was caused by himself. He will admit that. I have no criticism of him because of the fact that he dragged the matter along in order to give the Senate time to act first. I make no criticism of that. The gentleman from Texas was in charge of the bill and he had a right to resort to any legitimate maneuver that he thought was proper in order to obtain what he considered a strategic advantage.

That is the fact of the case and will not be denied by the gentleman from Texas.

Now, as to Mr. Corcoran: I now invite the Rules Committee that is considering the lobby to ask Mr. Corcoran to come before them and ask him whether he made the statements before the newspaper reporters to which I have referred, whether he participated in, encouraged, or instigated what was placed in the CONGRESSIONAL RECORD on August 15, whether he has taken additional means to give it publicity throughout the Nation. I want them to ask him if any other people on the Federal pay roll helped participate in the preparation of that attack. I want them to ask him if he did not say to a high officer of the United States Government, a personal friend of mine, with reference to the Casimir Pulaski Memorial Day resolution, in which I and many others were interested, to tell me that unless I softened up in my attitude on the "death sentence" the Pulaski resolution would be killed. I want Mr. Corcoran to be given an opportunity of denying that statement.

There are other things that have been rumored around with reference to public works, in addition to Passamaquoddy, which involve the "ambassador from Passamaquoddy", Mr. Corcoran, and I shall invite the Rules Committee to ask him and others—and I can furnish some names, too—as to their connection with threats or intimidation of other Members of this House besides myself to distort their good judgment on a matter of this sort.

Finally, Mr. Speaker, in view of the fact that the "ambassador from Passamaquoddy", Mr. Corcoran, has admitted before our committee that he had plunged deep in the New York stock market in times gone by, that he had made and lost a small fortune there, I would suggest that he be asked at this time as to whether he is in the stock market today, especially with reference to utility stocks. [Applause.]

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. The gentleman from Iowa [Mr. WEARIN], on August 15, asked unanimous consent to insert this letter of Mr. EICHER in the RECORD. The gentleman from Mississippi [Mr. RANKIN] made the request that it be placed in 8-point type. I objected to this request, but I now see that the letter was placed in 8-point type. I should like to know how these gentlemen can have a letter of this kind placed in 8-point type when it is objected to.

The SPEAKER. The Chair is unable to give the gentleman any explanation, because the Chair knows nothing about it.

Mr. RICH. I might state, Mr. Speaker, that the gentleman from Iowa [Mr. WEARIN] came to me and asked me to withdraw my objection, but I told him I would not withdraw it. I see, however, that the letter is in the RECORD in 8-point type.

The SPEAKER. The Chair suggests to the gentleman that he make inquiry of the Government Printing Office. The Chair has no information whatsoever.

Mr. MAPES. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes on this general subject matter.

The SPEAKER. Is there objection?

Mr. RANKIN. Mr. Speaker, reserving the right to object—and I shall not—I want to say to the gentleman from Pennsylvania——

The regular order was called for.

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from Michigan?

Mr. ROGERS of Oklahoma. Mr. Speaker, reserving the right to object—and I shall not—I hope we shall get started on the calendar. I am very anxious about it.

Mr. WEARIN. Mr. Speaker, reserving the right to object, and I shall not object, in view of the fact that I was requested by my colleague, the gentleman from Iowa [Mr. EICHER] to insert the remarks in the RECORD, I shall ask unanimous consent to proceed for 5 minutes following the remarks of the gentleman from Michigan.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. GRISWOLD. Mr. Speaker, I object.

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3286) to abolish the oath required of Customs and Internal Revenue employees prior to the receipt of compensation, and for other purposes.

Mr. MAPES. Mr. Speaker, I object. Was objection not made to my request?

The SPEAKER. The gentleman from Indiana [Mr. GRISWOLD] objected.

Mr. GRISWOLD. I objected; yes.

Mr. MAPES. I wish the Speaker would submit my request again.

The SPEAKER. The Chair has already presented it and the gentleman has objected to it a second time.

Mr. GRISWOLD. Mr. Speaker, I objected to the request of the gentleman from Iowa [Mr. WEARIN], not to the request of the gentleman from Michigan [Mr. MAPES].

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I shall not object provided the gentleman from Iowa [Mr. WEARIN] may have 5 minutes. This must not be a one-sided proposition.

Mr. O'BRIEN. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from Michigan?

Mr. McFARLANE. Mr. Speaker, I object.

Mr. MAPES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman from Tennessee has the floor. Does the gentleman yield for a parliamentary inquiry?

Mr. COOPER of Tennessee. I decline to yield just at this time, Mr. Speaker.

The SPEAKER. The gentleman declines to yield.

### OATH REQUIRED OF CUSTOMS AND INTERNAL REVENUE EMPLOYEES

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3286) to abolish the oath required of Customs and Internal Revenue employees prior to the receipt of compensation, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MAPES and Mr. DALY objected.

Mr. ROGERS of Oklahoma. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ROGERS of Oklahoma. What is the regular order today?

The SPEAKER. The regular order is Calendar Wednesday.

Mr. ROGERS of Oklahoma. Then, Mr. Speaker, I call for the regular order.

The SPEAKER. The regular order is Calendar Wednesday. The Clerk will call the list of committees.

Mr. ROGERS of Oklahoma (when the Committee on Indian Affairs was called). Mr. Speaker, I call up the bill (S. 2621) to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school building at Devils Lake, N. Dak., to be available to Indian children, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

Mr. MAPES. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MAPES. Mr. Speaker, I make the point of order that the gentleman does not qualify to call up a bill on Calendar Wednesday. The gentleman has to be authorized by his committee to call up a bill for consideration on Calendar Wednesday.

The SPEAKER. Was the gentleman from Oklahoma [Mr. ROGERS] authorized to call up the bill?

Mr. ROGERS of Oklahoma. Mr. Speaker, by direction of the Committee on Indian Affairs, I call up the bill (S. 2621) to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school building at Devils Lake, N. Dak., to be available to Indian children, and ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. MAPES. Mr. Speaker, I object.

The SPEAKER. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2621, with Mr. BUCK in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, in respect to this particular bill, may I say it has been necessary for the Congress from time to time since the present session began to make

arrangements to take care of the schooling of Indian children. The situation arises for two or three reasons. One of them is that in many sections of the West the people are unable to pay taxes and many school districts have been closed.

In the case of the Devils Lake School, to which this bill particularly refers, the Indian school within 8 miles of the city of Devils Lake has been closed by order of the Department. This has left about 150 Indian children without school advantages. If the pending bill passes the House, it will provide an appropriation of $25,000 instead of $150,000, as amended by the committee, which amendment will be presented to the House. This means that facilities to accommodate these Indian children will be provided by this appropriation, and as time goes on for the next 30 years this money will be refunded to the Government through an accumulation of the tuition which they now pay for the care of Indian children in white schools.

Mr. ANDRESEN. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Minnesota.

Mr. ANDRESEN. Is this money paid to the public schools out there which are the means of educating these children?

Mr. BURDICK. Yes. It is an accommodation for the buildings within which to house the children.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. Is this not one of a good many similar bills which it is sought to have passed?

Mr. BURDICK. Yes.

Mr. JENKINS of Ohio. Is it not true that if this program, if carried out, will mean that the Federal Government will be put to the expense of many millions of dollars?

Mr. BURDICK. No; not at all. The Government will be put to no expense in the final period of 30 years, because they are now paying tuition for these Indian children. It means that a certain amount of the tuition will be set aside annually until the amount is paid which we are now appropriating.

Mr. JENKINS of Ohio. Set aside from what?

Mr. BURDICK. From the tuition that they now pay.

Mr. JENKINS of Ohio. Who pays the tuition?

Mr. BURDICK. The Government.

Mr. JENKINS of Ohio. How can the Government save money by that plan, for it will be the Government's money that they will be setting aside? There will be no saving there.

Mr. BURDICK. They are not saving money, but they are giving the Indians an advantage which they cannot give them now. This comes out of the Indian funds anyhow.

Mr. JENKINS of Ohio. Is it not true that up until now the Indian children have been educated principally from their own tribal fund? Does this program not mean that if the Federal Government launches on this program, from now henceforth the Government assumes the responsibility of educating these Indians, while at the same time they have tribal funds which they are not using themselves for educational purposes?

Mr. BURDICK. The gentleman evidently does not understand the Indian question.

Mr. JENKINS of Ohio. Maybe I do not, but I know we are constantly being importuned to pay out large sums of money for them for some reason or another.

Mr. BURDICK. I do not know of any tribe of Indians in the United States of America that has large tribal funds.

Mr. JENKINS of Ohio. Well, I do; and I have heard the matter brought up in Congress many times, and I can cite many instances when it appeared that the Indians had large tribal funds.

Mr. BURDICK. The responsibility for the education of these children is twofold: First, they are the wards of the Government; and, secondly, the Indians are citizens of the United States; and they are entitled to the same obligation on the part of the Government, so far as education is concerned, that our own white children are.

Mr. JENKINS of Ohio. It was brought out here when we had these bills on the Consent Calendar that if the bills were passed the ultimate result would be that the white taxpayers of these communities would have to maintain the public schools for the Indians; that the Indians would not contribute anything from their own tribal funds, not that they were unwilling to do so but because of the financial set-up of the tribal funds they were unable to do so. It was stated further that the white school systems were breaking down because the white people could not pay the taxes; and if Congress began a program of advancing money the Government would be then looked to for an endless expenditure of money to maintain this new school system which was being created here by the Congress without the sanction of educators and without definite information that this was consonant with proper or modern methods of education. It seems to me that this is another raid on the Treasury without having perfected a plan along scientific lines.

[Here the gavel fell.]

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. BURDICK. I want this additional time to answer the gentleman from Ohio. I think the gentleman is laboring under a misapprehension of the situation. It is true that the Indian lands in and around these schools, for the most part, are nontaxable, but the Government owes a duty to educate these wards and whenever they can make arrangements with the white-school district to educate these Indian children, the Government then pays tuition to the white-school district. However, I am referring now to these bills which provide conveniences by which the Indian children can get into the school. If you do not pass this bill they cannot get into the school because there is no room for them.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield further?

Mr. BURDICK. I yield.

Mr. JENKINS of Ohio. I am not opposed to the gentleman's project at all, but what I want the Congress to understand is what was brought out when we had these bills up before, that the ultimate result will be that the Government will be called upon to pay the school expenses in some sections of the United States when the Federal Government does not pay such expenses in other sections. It is not a function of the Federal Government to educate children. This is purely a function of local government, and we are initiating now a new program for these Indian children. I think they ought to be educated and I am for that, but I am afraid your program is a new, half-baked program. If it is not, I am willing for the gentleman to correct me on the matter.

Mr. BURDICK. I can assure the gentleman that if it were half-baked I would not be for it.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. NICHOLS. The gentleman from Ohio referred to this as a new program. As a matter of fact, there are fewer Indians being educated by the Government now than probably at any time in the last quarter of a century, and the opening of these school projects means the opening of projects that have been in existence for the most part for years.

Mr. BURDICK. The reason this bill is here is because the Government itself, the guardian of these Indian children, has closed the Indian schools we have had here for 40 years. They have no place to go unless we arrange to give this advantage to them. I am referring to the Indian school at Fort Totten, N. Dak.

Mr. JENKINS of Ohio. The gentleman, of course, understands the effect of opening the schools for these Indian school children. Let us take as an illustration a case where there are 20 children of the white people, who pay taxes, and also 20 Indian children. They are all attending the same school. Nobody pays for these Indian children at all and the expense of their education must be borne by the white people or the Federal Government, because you cannot tax the land of the Indian for school purposes; and if you do not allow him to pay for it out of his tribal funds, these expenses must be paid for by the white people or by the Government. It is simply a case of preference. If these bills pass, the Government will be paying for the education of some children attending our free public schools in certain localities, while it will not be paying for educating the children in other localities. It will be a clear case of preference.

[Here the gavel fell.]

Mr. ROGERS of Oklahoma. Mr. Chairman——

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the bill.

The CHAIRMAN. The gentleman from Oklahoma is in charge of the bill and has been recognized for 1 hour.

Mr. MARTIN of Massachusetts. Mr. Chairman, a parliamentary inquiry. Is not a Member rising in opposition to the bill entitled to be recognized for 1 hour?

The CHAIRMAN. In due time the Chair will be pleased to recognize the gentleman from Michigan [Mr. HOFFMAN] for 1 hour.

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Montana.

Mr. AYERS. Mr. Chairman, the proposition with respect to these bills is exactly the same as arose in connection with the 16 bills we passed here in June.

The Indian lands in these various school districts are held in trust for the Indians. They are not subject to taxation for support of the local schools and are not subject to taxation through a bond issue for the building of a local school. It has been the policy of the Indian Bureau for many years to abandon the Indian schools and send the Indian children to the State schools. In this instance the State or the district is paying all the expense of buildings for educating the Indian children—and let me say, Mr. Chairman, this is not a duty of the States—that duty belongs to the Government. These Indians are wards of the Government, and it is the duty of the Government to support and educate its wards.

Mr. McFARLANE. Will the gentleman yield?

Mr. AYERS. I yield to the gentleman from Texas.

Mr. McFARLANE. Can the gentleman tell us what percentage of the school enrollment is Indian and what percentage white? Just what are the facts in this regard?

Mr. AYERS. In this particular case—and I thank the gentleman for asking the question—there are some 1,300 white children in the Devils Lake school and 160 Indian children in attendance. The Indian children are attending the Devils Lake school without paying one single red cent toward the construction of the building or the maintenance of the schools. A small tuition is paid for the teachers, for the janitors, for the noonday meals, and for transportation from the country to bring the children to the schools.

The authorized appropriation in this bill figures out $156.30 per capita for these Indian children that are now thrown upon this State school by reason of the abandonment of the Indian school that the gentleman from North Dakota [Mr. BURDICK] refers to. Now, if the Indian Bureau had to reestablish that Indian school or build a new school, it would amount to something like $775 per capita. Therefore, this bill is in reality and in fact an economy measure.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. AYERS. Yes; I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. Who paid for the education of these Indians before this?

Mr. AYERS. Since they have been attending this school, the white people who built the school have, as a matter of course, been paying it.

Mr. JENKINS of Ohio. But before that who paid for the education of them?

Mr. AYERS. The Government.

Mr. JENKINS of Ohio. How did the Government pay it?

Mr. AYERS. By appropriations from the Government Treasury. In other words, Uncle Sam was then paying it.

Mr. JENKINS of Ohio. Did not the Government take the money out of their tribal funds?

Mr. AYERS. Not always, but in some instances it did.

Whenever they had a tribal fund they were compelled to subscribe to the support of the school.

Mr. JENKINS of Ohio. The gentleman realizes that I am entirely friendly to the proposition.

Mr. AYERS. Yes; I appreciate what the gentleman did before. The gentleman has been for us in these matters and I hope he will be with us again.

Mr. JENKINS of Ohio. We do not have any Indians in the State of Ohio. We may have some figurative Indians but no actual, physical Indians in Ohio, but up in New York State they do have a number of Indians.

I dare say in New York the Indian children are going to the white schools. The people of the community pay for it. If we are going to start a program of this kind, the ultimate result will be that the Indian schools will be abandoned. It may be that they should be. You are going to start a program whereby the Federal Government will be educating these Indian children.

You can appreciate that it is a local matter; being a Democrat, you ought to appreciate it; you ought to appreciate home rule. It will be an endless proceeding and cost millions of dollars. If you decide that that is the thing for Congress to do, it is all right with me. But it occurs to me that you western people should canvass the situation and make some arrangement in regard to it.

The Indians trade with your grocery stores, your hardware stores, and the people in the community ought to educate the children. This is another case of making poor old Uncle Sam carry the burden. You have a Democratic majority of 3 to 1, and I presume your party feels that since the President is spending money like water you should do the same thing.

Mr. AYERS. It is a fact, I am sure—and the gentleman from Ohio admitted it when he withdrew his objection previously—it is a fact that it is the duty of the Federal Government, and not of the State or local school district, to take care of the Indian children. The Indian children are the Government's children, not the State's children; they are the Government's wards. The property of the Indian children and the property of Indian parents is not assessable, it is not on the tax list to help support the Indians. The taxpayers bear all the expenses of school building. If the State does not get help in this respect we will have to go back and reestablish the Indian schools, for Congress must appropriate in some way to educate these wards.

We have no racial troubles whatever. We have the voluntary policy in all the Western States to protect and educate the Indian children in these State schools.

As I figure it out, the Government is paying only about 50 percent of the actual per capita overhead cost, and not a penny for buildings or building maintenance and upkeep. That is the purpose of this bill.

These State schools are now overcrowded, they have to be added to, buildings have to be constructed, and it is only fair that the Government should bear its part of the burden.

Mr. JENKINS of Ohio. Mr. Chairman, I sympathize with the program of trying to bring the Indians into the white schools. I made an investigation of Indian schools a few years ago, and I am sorry to say that my conclusion was that it would be better for the Indian children to be in the white schools. I firmly believe that now; but it looks to me, as I said before, that the program is going to wind around by devious routes itself in—and I repeat myself at the risk of being tiresome—until we are going to find the Federal Government paying out millions and millions of dollars to educate children in some sections of the country.

I don't want the gentleman to give the impression to this Congress that this is not going to cost a lot of money, because we are starting this thing, and putting in the opening wedge, and so long as there is an American Indian living under the present tribal set-up of laws, the Federal Government will have to contribute. And besides the contribution is not fair. The gentleman cannot say that a per capita contribution like that would be absolutely fair to the Government, because you get the benefit in your community of these new school buildings, and you know the Government is going to be behind the matter and the Government is permanent. There are many communities in other sections of the country that would like to have a new school building, but they cannot have it because they must pay for it. But the gentleman can in his district, and the result will be that out through his country fine new school buildings will be put up, not because they are really needed, but because Uncle Sam is back of them and in order to educate a few Indian children it will be found convenient to come down to Congress

and ask for a large sum of money every year or so. It is asking too much and the program should not be carried through.

Mr. AYERS. If we do not have this cost now, I can say that it will cost three times as much for the Government to go ahead later and reestablish the Indian schools. And surely everyone will admit that the Government must do one or the other—it must contribute to the building of these State schools or build and reestablish Indian schools.

Mr. COSTELLO. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Oklahoma. Yes.

Mr. COSTELLO. Does not this case differ from the other bills that we have passed, in view of the fact that there are in this particular school district no nontaxable Indian lands, whereas, in the case of each of the other bills that we have passed, as I recall, in the school districts there were nontaxable Indian lands, and by reason of the fact that the school districts are unable to tax that Indian property, those of us here who studied the bills thought the Federal Government ought to contribute to the support of these schools. However, in this instance, the entire school district has taxable lands in it, and it is not because any of the property in the district has been taken out of taxation. Further, the Acting Secretary of the Interior states in his report that it does not appear that the need for increased school facilities can be regarded as being a problem of the Indian Service, as the enrollment of Indians is less than 4 percent of the total enrollment, and there are no nontaxable lands in the district.

Mr. AYERS. In answer to that, it is all the more necessary in this instance, because it is the only school that these children living on the adjoining land can attend.

Mr. ROGERS of Oklahoma. Mr. Chairman, I reserve the remainder of my time.

The CHAIRMAN. Does any member of the committee desire time in opposition to the bill?

Mr. HOFFMAN. Mr. Chairman, I desire time.

The CHAIRMAN. The gentleman from Michigan is recognized for 1 hour.

Mr. HOFFMAN. Mr. Chairman, the gentleman from Indiana [Mr. PETTENGILL] seemed to be somewhat amazed, at least he expressed amazement, because he had learned that Mr. Corcoran had something to do with the criticism which was placed in the RECORD last Thursday, and which referred to acts of the gentleman from Indiana [Mr. PETTENGILL].

Mr. MERRITT of New York. Mr. Chairman, I rise to a point of order. The gentleman is not talking to the bill.

Mr. HOFFMAN. This is merely preliminary, a sort of preamble. I am just getting to it.

The CHAIRMAN. The gentleman from Michigan will proceed in order.

Mr. HOFFMAN. This is one of those measures, as I understand it, which is said to be for the benefit of someone in want, this time in need of education. No doubt the purpose of this bill is all right, but the difficulty in this legislation, as has been pointed out many times, and not alone in this particular legislation, but in legislation that comes from the Democratic side, is that while the expressed intention is always good, yet underneath, buried somewhere, there is a provision which gives the Government a little more power, a little more authority. I do not know whether in this particular bill, hidden away somewhere, you have the provision that will give some agent of the Government a little more authority over some of its citizens. In any event its beneficiaries should be safeguarded.

No doubt a large proportion of the money appropriated by these bills will, as has so often been charged, never reach the Indians, the real beneficiaries at all, but will be lost, wasted, or misappropriated somewhere in the course between the Government and the Indians.

One would think that the provisions of that bill which made it possible for the farmers to borrow money on their homes, to purchase personal property, were fair and open, not only on their face but underneath, and I also thought so, except for that lingering suspicion which we on the Republican side, and which so many on the Democratic side, have when we understand that the legislation comes from the "new dealers" and not from the Democrats; that back of all the expressed good intentions is the deliberate plan, the preconceived purpose, on the part of a few to change the form of our government, to destroy our Republic, and to impose upon us a dictatorship, an effort just now being recognized by the newspapers for what it really is; a revolution, a destruction of our constitutional form of government, a campaign carried on under the guise of being a drive for the benefit of the so-called "forgotten man", but which is in reality an effort determined and unrelenting to take from him the liberty which he enjoys, the opportunity which has been his, and to impose upon us a government patterned after the worst form of those oppressive administrations now existing in foreign lands.

After all, I was not greatly surprised yesterday morning when I received a letter from a farmer, not a Member of the House, but just one of those fellows who stayed home, one of those fellows who has a horse, perhaps a cow, a pig, and a chicken, or something like that, and who stays around home part of the time and actually tried to produce something; an honest-to-goodness farmer, a farmer who has callouses on his feet and callouses on his hands, rather than those acquired from sitting on a congressional seat, and this man wrote: "I have a $283 home-loan mortgage to meet." He thanks the Government for the loan, but he wrote, "I lost my barn by fire", and that, of course, was bad. Things went from bad to worse with him—there were crop failures due to the drought and other natural conditions, and finally because of adversities, over which he had no control and which were in no manner due to any fault on his part, he decided that it would be necessary to make a new start in some manner. He needed another horse to do his farm work. He had but one. You know we have to have two horses up in our country; they do not make a practice of using a mule or a cow or something else with a horse. It is said in some places in days gone by that they did hitch a woman with a horse to make one of a team, but our women never have stood for that; they have insisted that if there were to be two mules in a team, one a four-legged one and one a two-legged one, that the head of the family, the man, should be one, and so the reputed practice has never been popular with the men of our country.

Some of you fellows who have been so busily engaged in spending the money of someone else, who have not had time to earn any of it yourselves——

Mr. MERRITT of New York. Mr. Chairman, I make the point of order that the gentleman should confine his remarks to the bill under consideration.

Mr. HOFFMAN. Mr. Chairman, I am talking about this bill.

The CHAIRMAN (Mr. BUCK). Under the rules governing Calendar Wednesday, debate must be confined to the subject matter of the bill. The gentleman will proceed in order.

Mr. HOFFMAN. As I understand it, this bill is for the purpose of helping the Indians. What I am getting at is this: If we are to pass some more helpful legislation, such as that which was for the benefit of the farmer, which was to afford relief to those situated as was this fellow who wanted to buy a horse—you fellows from Oklahoma know what a horse is.

Mr. NICHOLS. Does the gentleman know?

Mr. HOFFMAN. I know enough to face its ears when I ride and understand which direction I am going and not look at the tail if I am going the other way. [Laughter.]

Mr. NICHOLS. I did not ask the gentleman anything.

Mr. HOFFMAN. Well, the gentleman undertook to intimate that I did not know anything about a horse.

Mr. O'MALLEY. Will the gentleman yield?

Mr. HOFFMAN. No. Now, this gentleman, after losing his barn and getting nothing for the seed that he put in the ground—nothing for his plowing, harrowing, planting, cultivating—wanted to buy a horse. Let us not forget that. So he went to the F. E. R. A. fellow in Michigan and he got the money to buy his horse, but the horse was no good. My friend writes me that the F. E. R. A. man who assisted him in buying the horse did not know anything about the

horse; and so the gentleman who sold him the horse, according to the farmer's claim, sold him one with a bad disposition, an unsafe animal, one that would kick without the slightest provocation or reason; so, naturally, he wrote to his Congressman about it, the Government having advanced the money and the horse having been selected by a Government official.

Mr. MERRITT of New York. Mr. Chairman, I rise to a point of order.

Mr. HOFFMAN. Well, like any other Congressman, it takes a long time to get to the point. I will get there in just a minute.

The CHAIRMAN. The subject matter of this bill, the Chair will inform the gentleman from Michigan, is the construction of a high-school building at Devils Lake, N. Dak. The remarks of the gentleman must be confined to that subject.

Mr. HOFFMAN. To educate the Indians.

Mr. MERRITT of New York. Yes; but not horses. [Laughter.]

Mr. HOFFMAN. Certainly. But some of these children will need a horse to go to school. Indians, I have heard, ride horses. [Laughter.] In these hard times they cannot all use automobiles or motorcycles or go in airplanes.

Mr. O'MALLEY. Will the gentleman yield?

Mr. HOFFMAN. No. So after this gentleman got his horse—and now I am getting to the point; it took me a long time to get there, but you will recognize it without me telling you perhaps [laughter] this man gave a mortgage on his tools and on his household goods and he got his horse from the Government. But the horse was balky; he kicked; he was selected, however, by an honest Government official. [Laughter.] The farmer writes:

I had to agree to carry out the provisions of the papers referred to, which was all right, but furthermore—

He writes—

I must agree——

Mr. MERRITT of New York. Mr. Chairman, I make the point of order that the gentleman is reading a letter about a horse and is not confining his remarks to the matter under consideration.

The CHAIRMAN. The Chair thinks the gentleman is clearly out of order, and he will confine himself to the bill.

Mr. HOFFMAN. Very well. My amendment is this.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Please bear with my ignorance.

Mr. O'MALLEY. I would like to assist the gentleman.

Mr. Chairman, I make the point of order that the bill is not being read for amendment, and the gentleman is offering an amendment.

The CHAIRMAN. The Chair was about to ask the gentleman if he desired to have the amendment read at this time for information?

Mr. HOFFMAN. Yes; I would like to have it read for information.

The CHAIRMAN. Without objection, the amendment will be read.

There was no objection.

Amendment offered by Mr. HOFFMAN, for information: On page 2, line 6, after the word "Interior", insert "*Provided*, That no person receiving a benefit under this act shall be required to enter into any agreement to refrain from opposing any new-deal measure."

[Laughter.]

Mr. HOFFMAN. Now you laugh about that. But here is a man who borrowed money to buy this horse. The horse was no good, but they, the Government by his agent, so he writes, made him agree to this. This is what he writes; I read:

I must agree not to say anything at any time against the A. A. A.

Think that one over and laugh, if you can.

Is there any provision connected with this bill of that kind? Must the Indian children be taught new-deal experiments? Must they be taught to refrain from criticizing the alphabetical crazy quilt? I have here the gentleman's address. It is Mr. Volley Keiser, route 1, Plainwell, Mich. Write him.

Mr. MERRITT of New York. Mr. Chairman, I make the point of order that the gentleman is not talking about either the bill or his amendment.

Mr. HOFFMAN. I have finished, anyway. The point I am trying to make is this, no one is too humble, too low in the economic scale to escape the dictators' blow.

The gentleman from Indiana [Mr. PETTENGILL] and the gentleman from Maine [Mr. BREWSTER] should not have been surprised when pressure was brought upon them to influence their votes on the so-called "utility bill." From the beginning of this session until today, the administration has used the taxpayers' money, not its own; patronage which was at its disposal, favors which it might grant, punishments which it might inflict to influence the course of legislation, always greedy, always grasping for more arbitrary power, always asserting its will, always requiring obedience unquestioned, to the wildest schemes of its crazy advisers. It has not been content to attempt to influence Members of Congress, to assert its influence upon those who presumably were able because of their financial position to resist that influence, but it has gone out into the country, and has in effect said to those for whose benefit this Congress has appropriated these incomprehensible sums, that they could not have the money which was rightfully theirs until they promised to refrain from criticizing the administration's policies.

Could anything be more unsportsmanlike, more cowardly, more dishonest than this? I read again so that you may not forget it: This farmer writes that he was required to agree, not to say anything in any way against the A. A. A.

An effort of this kind to influence voters by the granting of favors, by the imposition of penalties, by the creating of fear, might be successful in some land other than this, but not in America where we have so long been accustomed to thinking and to acting for ourselves, where regimentation has not succeeded in its purpose. Such a course will defeat itself as is evident from the question which this poor but honest farmer asks in the very next line of his letter, where he says: "Is this still a free country or a fairly well developed dictatorship?"

He has answered it to his own satisfaction, and doubtless he and his fellows will answer it at the first voting opportunity to our satisfaction, to your discomfiture.

I yield back the balance of my time to the gentleman from Massachusetts [Mr. MARTIN]. [Laughter and applause.]

Mr. MARTIN of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Chairman, I rise at this time for the purpose of asking the chairman or some other member of the committee a question. Both the gentleman from North Dakota and the gentleman from Montana have said this legislation was necessary in order to provide funds to educate Indian children. I want to ask a question with reference to their religious education.

During consideration of the Wheeler-Howard bill in the last Congress, criticism was made with regard to certain provisions of that bill and the fear was expressed that it would permit the Indians to return to their pagan practices and would have the effect of destroying the work and accomplishments of the Christian missionaries and their religious teachings and training among the Indians of a great many years. Since the bill was enacted into law the fears then expressed have, as I understand it, been realized, and the churches and those engaged in Christian missionary work among the Indians feel that the predictions of evil with regard to the effect of the Wheeler-Howard Act have all come true in that respect. There is a great deal of criticism on the part of my constituents especially the Christian Reformed Church, in regard to those provisions of the act and of the administration of the Indian Bureau on the part of the present Commissioner.

I should like to ask the Chairman of the Committee on Indian Affairs if it is the intention of his committee to bring in any legislation correcting these abuses?

In this connection I might add that I read in the newspapers just a short time ago of some celebration amongst the Indians where they had gone to certain extremes on the theory, as the newspapers said, that they had interpreted the Wheeler-Howard Act as giving them almost unlimited license and made them immune from complying with the ordinary laws of the country. Does the gentleman's committee intend to bring in any legislation to correct these things?

Mr. ROGERS of Oklahoma. Of course, I cannot answer the gentleman's question at this time. We hope in time to be able to help alleviate whatever abuses may exist, but I may say to the gentleman from Michigan that the pending bill has nothing to do with the Wheeler-Howard Act.

Mr. MAPES. The gentleman is aware of the fact that there are a great many criticisms along this line among many splendid and conscientious Christian people?

Mr. ROGERS of Oklahoma. Yes; I realize there are criticisms.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield five additional minutes to the gentleman from Michigan.

Mr. BURDICK. The Indians on this reservation did not avail themselves of the provisions of the Wheeler-Howard Act. We have already taken action in the House that will enable every band of Indians to exclude themselves by a fair process of election.

Mr. MAPES. I voted against the legislation.

Mr. BURDICK. I am speaking now of the Seventy-third Congress. The Seventy-third Congress passed that law.

Mr. MAPES. I voted against it.

Mr. BURDICK. It took a majority of the roll to exclude themselves. Suppose there were 400 Indians on the roll and that 199 voted against going in and 2 voted to accept. Under the provisions of the act passed in the last Congress, the two would win the election and they would join under the Wheeler-Howard Act. Since then, however, Congress has amended the act so that it requires a majority vote of the Indian roll to join in and become a part of the scheme provided by the Wheeler-Howard Act; and this reservation excluded themselves and did not come in. But the gentleman's other statement that there are complaints is very true. They come from all over the United States, complaints against the operation of the Wheeler-Howard Act.

Mr. MAPES. I am glad to hear the gentleman make that statement, and also to hear the chairman of the committee make the statement which he has made. I am glad to know the criticism is not local. There is a great deal of criticism against the Wheeler-Howard Act and against the present policies of the Indian Bureau in my particular district among very substantial Christian people, and I am interested to know that such criticism is general and not confined to my congressional district.

Mr. BURDICK. That is right.

Mr. ROGERS of Oklahoma. Mr. Chairman, I move that debate now close and that the bill be read for amendment.

The motion was agreed to.

The Clerk read, as follows:

*Be it enacted, etc.*, That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $150,000 for the purpose of cooperating with the public-school board of special school district of the city of Devils Lake, county of Ramsey, N. Dak., for construction, extension, and betterment of the public high-school building at Devils Lake, N. Dak.: *Provided*, That said school shall be available to both white and Indian children without discrimination, except that tuition may be paid for Indian children attending in the discretion of the Secretary of the Interior: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

Mr. ROGERS of Oklahoma. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. ROGERS of Oklahoma: Page 1, line 5, strike out the sum "$150,000" and insert in lieu thereof "$25,000."

Mr. ROGERS of Oklahoma. Mr. Chairman, the committee amendment is self-explanatory; it strikes out "$150,000" and inserts in lieu thereof "$25,000."

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Oklahoma.

The amendment was agreed to.

Mr. ROGERS of Oklahoma. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BUCK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill S. 2621, directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. ENGEL. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 183]

| | | | |
|---|---|---|---|
| Amlie | Cummings | Johnson, Tex. | Oliver |
| Bankhead | Dempsey | Kee | Parks |
| Berlin | Dietrich | Keller | Peyser |
| Blanton | Dirksen | Kennedy, Md. | Reece |
| Brewster | Dockweiler | Kerr | Reilly |
| Buckbee | Doutrich | Kimball | Richards |
| Buckley, N. Y. | Dunn, Miss. | Kleberg | Rogers, N. H. |
| Burnham | Eicher | Lee, Okla. | Rudd |
| Cannon, Wis. | Farley | Lehlbach | Schulte |
| Carter | Fernandez | Lloyd | Secrest |
| Cartwright | Fish | Lucas | Shannon |
| Chandler | Fletcher | McGroarty | Short |
| Chapman | Gambrill | McLean | Smith, Wash. |
| Christianson | Gassaway | McLeod | Snyder |
| Claiborne | Gillette | McMillan | Stubbs |
| Clark, Idaho | Gingery | Maas | Sutphin |
| Cochran | Goldsborough | Mitchell, Ill. | Tobey |
| Collins | Goodwin | Montague | Turpin |
| Cooper, Ohio | Green | Montet | Underwood |
| Corning | Hill, Knute | Moran | Wilcox |
| Crowe | Hollister | Norton | |

The SPEAKER. Three hundred and forty-seven Members have answered to their names. A quorum is present.

On motion of Mr. ROGERS of Oklahoma, further proceedings under the call were dispensed with.

Mr. ROGERS of Oklahoma. Mr. Speaker, I move the previous question on the bill and amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

### CANNON BALL SCHOOL DISTRICT, NORTH DAKOTA

Mr. ROGERS of Oklahoma. Mr. Speaker, by direction of the Committee on Indian Affairs, I call up the bill (H. R. 8511) to provide funds for cooperation with Cannon Ball School District, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children, and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That there is hereby authorized to be expended from any moneys now available and applicable, or that may become applicable hereafter available, for construction under provisions of the National Industrial Recovery Act approved June 16, 1933, the sum of $40,000 for the purpose of cooperating with Cannon Ball School District, Sioux County, N. Dak., for extension and improvements of school buildings: *Provided*, That the expendi-

ture of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuitions, as other children of said school district, subject to such further conditions as may be prescribed by the Secretary of the Interior.

With the following committee amendment:

On page 1, line 7, strike out "$40,000" and insert in lieu thereof "$30,000."

Mr. ELLENBOGEN. Mr. Speaker, I rise in opposition to the committee amendment.

THE NATIONAL TEXTILE ACT

Mr. ELLENBOGEN. Mr. Speaker, I want to call the attention of the House to H. R. 9072, which I introduced on August 8, 1935. This bill provides for the regulation of the textile industry.

REGULATION IS NECESSARY TO SAVE THE TEXTILE INDUSTRY FROM BANKRUPTCY

In 1929, at the height of prosperity for most industries, the textile industry was already well on the downward trend. Extravagantly expanded during the war-time period, the textile industry took a nose dive during the middle twenties from which it has never recovered. Indeed, as early as 1927 it was being referred to as the "sick giant."

According to the manufacturers, the textile industry was on its deathbed in 1933—when the N. R. A. machinery was set up. Under the N. R. A. the textile industry profited measurably, overproduction decreased, and the wages of textile workers increased.

PROVISIONS OF H. R. 9072—THE NATIONAL TEXTILE ACT

The National Textile Act contains fair-trade practices, strictly defined and limited provisions for production control, and minimum standards of labor. It contains no price-fixing provisions. These standards of trade and labor practices are vital and essential, if order is to be brought out of the chaos of the textile industry.

Any employer who agrees to live up to these standards is given a license by the National Textile Commission, established by the act, and is furnished with a label or stamp to identify his products.

Textile goods which are not licensed, and therefore not labeled or stamped, are not permitted to enter the flow of interstate commerce, and are subject to other discriminations which I shall set forth later on.

MINIMUM STANDARDS OF LABOR CONDITIONS

The tremendous excess capacity of the textile industry has brought about constantly recurring periods of overproduction. These in turn have caused periodic break-downs of the price structure, frequent and extensive suspensions of operation, periodic wage cuts, strikes, and frequent and long periods of unemployment.

The textile industry employs over a million people. They have been among the most exploited of any industrial group. Driven by falling prices, due to overproduction, the textile operator has tried to meet competition by obtaining lower costs of operation at the expense of labor. In many cases unscrupulous employers have lowered wages of men and women to such levels that they had to be supplemented by Federal and State relief payments. They have exploited children at miserable wages and extended the hours of work by the well-known "stretch-out" system. Over a million textile workers are receiving wages so low that they cannot approach anything near a decent, an American, standard of living. These million textile workers have not been able to do their part in our system of economic production. They have been unable to be the customers which our industries need to maintain mass production and continued employment in all industries.

The textile industry must be placed on a sound and economic basis for its own good and for the good of our whole economic system of mass production, which can only be balanced and maintained if each industry is on a sound basis and pays wages which permit its employees to play their proper part as consumers and customers. If minimum wage and labor standards are established, below which no manufacturer can go, one of the major unfair competitive practices will have been removed from the textile industry, and it would be well on its way toward stabilization.

The following minimum wage and labor standards are set up in the National Textile Act:

CHILD LABOR IS PROHIBITED

The act prohibits the employment of children under 16 years and the employment of children between 16 and 18 years of age in hazardous occupations and between 7 a. m. and 7 p. m. Aside from humane considerations, the employment of child labor while there are millions of unemployed adult workers is an economic blunder and tragedy of the first magnitude.

MINIMUM WAGES

The bill establishes minimum wages for all unskilled workers, men or women, at the rate of $15 for a 35-hour week. With the cost of living continuously rising, $15 is a modest minimum wage. Too, let us not forget that a textile worker does not get anything near complete employment. He is unemployed for as long as 3, 4, and 5 months at a time, so that his annual earnings are pitifully small. The bill also permits the national textile commission to fix wage differentials between the various classifications of skilled employees (occupational minimum wages) where proper differentials have broken down.

MAXIMUM HOURS

The bill fixes a maximum working week of 35 hours, with but one exception—for emergency and maintenance crews. The 40-hour work week fixed by the N. R. A. failed to bring about the reemployment of substantial numbers of jobless textile workers, because the workers seldom averaged even 40 hours a week and because shorter hours were offset by an extension of the "stretch-out."

It has become clear that the basic working week should not exceed 35 hours. Where a conflict arises between an employer and his employees as to work assignments, stretch-out, the commission shall, at the request of either party, arbitrate the dispute; but the decision of the commission is not made binding.

The act contains the provisions of the National Labor Relations Act—the Wagner-Connery Act—on collective bargaining and the right of employees to organize. There are other provisions in the bill relating to wages and labor standards, but those enumerated are the more important.

FAIR-TRADE PRACTICES

Section 28 of the National Textile Act contains such fair-trade practices as proved their value under the N. R. A.

PRODUCTION CONTROL

Excess capacity and obsolete equipment are among the major causes for the depressed condition of the textile industry. Employers, practically unanimously, are insisting that production control is vital to the existence of the industry, at least until the obsolete machinery can be retired.

No one device of production control is deemed by textile experts, both in management and in labor, as generally applicable to every branch of this vast industry. In the hosiery division, for instance, it is the belief of representatives of both manufacturers and labor that machine-hour limitation, and particularly prohibition of the third shift—the graveyard shift—is necessary to regulate production. On the other hand, the carpet and rug division seems to be getting along fairly well under a system of inventory control. The National Textile Act gives the commission power, under strict limitations and with adequate protection to the consumer, to determine and prescribe what, if any, production control is necessary in any particular branch of the textile industry. If such control tends to further monopoly or unduly raise prices, it is to be discontinued at once by the commission.

EMPLOYEES TO SHARE INCREASED EFFICIENCY

I should like to call attention to one other device in my bill. It is partly a production-control provision and partly a wage provision. If the commission permits the operation of three shifts in any division of the textile industry, provision is made in the bill for the employees to share in the increased efficiency by providing for a weekly bonus of 5 percent of the wages so long as the three-shift operation continues. This

provision seeks to establish in industry a principle which I believe to be of great importance.

If a plant is permitted to operate on a three-shift basis—a full 24 hours a day—its mechanical devices are used to the fullest extent and its overhead and other expenses are substantially reduced per unit of goods produced.

The profits resulting from such an increase in efficiency should be allotted in part to the employees of that plant, so that they may buy an increased output of industry.

METHOD USED TO INDUCE THE MANUFACTURER TO COMPLY WITH CODE CONTAINED IN BILL

Textile goods produced without complying with the standards of fair trade and labor practices laid down in the bill cannot receive a license from the commission and therefore cannot be moved in interstate commerce. Where production in interstate commerce has a direct effect on interstate commerce, it is included in the jurisdiction of the bill.

The bill further provides that any person who manufactures textile goods in violation of its terms shall not be permitted to use the Postal Service to transmit or sell textile goods produced under inferior standards. All departments, bureaus, and agencies of the United States are prohibited from purchasing textile goods not produced under a license of the commission. No loan is to be made or renewed by the R. F. C. or the United States Government or by any financial institution in which the United States, directly or indirectly, holds the controlling interest to any person who manufactures textile goods in violation of the standards set out in the bill.

So far as the provision regarding the Postal System is concerned, it means this: The Government says to the textile manufacturer, "You can manufacture under any conditions you please; but if you desire our aid and want to avail yourselves of our postal facilities for the disposal of your goods, you must comply with these minimum standards of fair-trade practices and of labor provisions.

Mr. Speaker, I hope that my colleagues will familiarize themselves with the provisions of H. R. 9072, the National Textile Act, which brings order to the chaotic conditions of the textile industry and at the same time raises immeasurably the subsistence level at which 1,000,000 textile workers live.

Anyone who will study these deplorable conditions, and the provisions of my bill which present a solution for them, will, I feel certain, support H. R. 9072.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORT YATES SCHOOL DISTRICT, NORTH DAKOTA

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the bill (H. R. 8512) to provide funds for cooperation with Fort Yates School District, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children, and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, we expected in connection with the previous bill that the gentleman would at least explain it to the House. Not having done that I am going to object to considering this bill without going into the Committee of the Whole.

Mr. ROGERS of Oklahoma. Will the gentleman not withhold his objection?

Mr. MARTIN of Massachusetts. No; I will not.

Mr. ROGERS of Oklahoma. The Clerk read the bill before I had a chance to explain it. Will the gentleman not reserve his objection?

Mr. MARTIN of Massachusetts. No.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

The SPEAKER. This bill is on the Union Calendar.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8512, with Mr. OWEN in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield the gentleman from Michigan [Mr. CRAWFORD] one-half of my time.

Mr. Chairman, may I make an explanation relative to the previous bill that was passed. We had no intention of passing the previous bill without an explanation or without making a statement concerning it. We thought the Members over on the other side of the aisle had explained to their colleagues and that everything was in agreement. These bills are all alike. They are a group of school bills.

Mr. MARTIN of Massachusetts. I think the House is entitled to information in reference to the bills being considered.

Mr. ROGERS of Oklahoma. I may say that the bill we have just passed is another one of these school bills providing money for the building of a school. The bill we are now considering is the same and, in fact, all of these bills are along the same line.

Mr. MARTIN of Massachusetts. Is it the general policy of the Government to build these schoolhouses or is this a new departure?

Mr. ROGERS of Oklahoma. I may say to the gentleman that we have passed by unanimous consent some 15 school bills during the past few months, and the Senate has also passed the bills. They have gone to the President, and he has signed them.

This is the way the proposition is going to work: The Government is providing the money to build the schoolhouses with the understanding that the tuition paid for the Indian children in the schools will be reserved and the money will pay for these buildings over a period of 30 years. In other words, the school district will now get money to build the school, but it will, of course, not receive money for running expenses for 30 years, or until the Government has been reimbursed for the building of the schools.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Oklahoma. I yield.

Mr. CULKIN. Do I understand that these are not free schools?

Mr. ROGERS of Oklahoma. Yes; they are free schools.

Mr. CULKIN. From what source does the tuition come?

Mr. ROGERS of Oklahoma. It comes from the Federal Government. The Federal Government pays about 25 or 30 cents a day to the public schools for educating the Indian children.

Mr. CULKIN. Of course, that tuition is more or less of a fiction, because it reverts back to the Federal Government.

Mr. ROGERS of Oklahoma. It is paid to the school district by the Federal Government.

Mr. CULKIN. It is a polite fiction.

Mr. ROGERS of Oklahoma. No; I think not.

Mr. CULKIN. I have no particular knowledge of these bills, but I am interested in the suggestion of tuition, and will the gentleman state, as these bills come along, what the amount appropriated is, together with the number of pupils involved?

Mr. ROGERS of Oklahoma. Yes; we will be pleased to give that information.

Mr. CULKIN. Will the gentleman do that as the bills come along?

Mr. ROGERS of Oklahoma. Yes.

Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Chairman, I may state for the information of the gentleman from New York that these bills are the same kind of bills usually put through every year by the Indian Affairs Committee. They provide for the Federal Government to contribute toward the support of the local schools where Indian children are attending such schools.

In this particular instance there are 150 Indian children in the school and 110 white children. Sixty-five percent of the land in this school district is nontaxable because it belongs to the Federal Government and is Indian land. So the only way the school can be maintained and the Government provide for the education of these Indian children is by a contribution from the Federal Government.

These Indian school bills are practically the same, and there will be four or five more of them, and the report on each bill shows exactly the number of children affected, the amount the Federal Government is contributing, and the reasons therefor.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. CULKIN. It has been suggested that at some places there will be one Indian at a crossroads, and they will erect there a grammar school and a high school.

Mr. O'MALLEY. I know the gentleman thinks enough of the Indian Affairs Committee to know that if that were the case they would never get a contribution from the Government for such a school.

Mr. CULKIN. I did not know the gentleman was on this committee. I have faith in the gentleman's integrity and vigor.

Mr. O'MALLEY. Mr. Chairman, I thank the gentleman for his compliment and yield back the balance of my time.

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. AYERS].

Mr. AYERS. Mr. Chairman, I do not think there is any need of further explanation. I think the gentleman from Wisconsin has answered the questions involved. I was chairman of the subcommittee of the Indian Affairs Committee that worked out the details on all of these bills that are up today with respect to this Indian proposition.

In this district, for instance, 65 percent of the lands are nonassessable and do not bear any of the burdens of the building or repair of the schools.

Answering the question with respect to tuition, the maintenance of the school involves the hiring of the teachers, the keeping of the building in repair, the buying of coal, and the paying of the janitor, and things of that sort, and this is paid by local assessments on the property in the school district, the land and the personal property. The Indian property is exempt from taxation and the tuition is paid as a contribution for the children who attend the school, and the tuition is used for overhead and general maintenance.

These bills pertain to buildings entirely.

Mr. SEARS. Mr. Chairman, will the gentleman yield?

Mr. AYERS. I yield.

Mr. SEARS. The previous speaker just stated that these lands belong to the Indians, who also belong to the Government.

Mr. AYERS. The Government holds the land in trust for the Indians.

Mr. SEARS. It is still Indian land and has some value.

Mr. AYERS. Yes.

Mr. SEARS. And the Indian pays nothing and the Government pays for everything.

Mr. AYERS. Exactly; I thank the gentleman for the contribution.

Mr. SEARS. It is well to be an Indian during these days.

Mr. AYERS. Yes.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. AYERS. I yield to the gentleman from New York.

Mr. CULKIN. The story is that, under the auspices of the present Indian Commissioner, present educational methods and so-called "civilizing influences" are being eliminated, and the Indian is encouraged, under the present regime, to revert to paganism and to his own language, and so forth. Is this true?

Mr. AYERS. I do not wish to say what the Commissioner encourages, but I can draw my own conclusions from his actions, and I will say to the gentleman that I do not agree with all of the Commissioner's program by any means. I will also say that the program as to this and other bills we are considering today is to put the Indian children into white schools and help to educate and build them up in a modern and progressive manner.

The original Wheeler-Howard bill was, as admitted by Commissioner Collier, drafted by Indian Bureau and departmental men (pp. 676 and 677 of the hearings on H. R. 7781, Feb. 11, 1935). That bill provided that the authority of the Secretary of the Interior to issue certificates of competency should be revoked. The original bill also contained provisions which I interpret as an encouragement of a program bordering, at least, seriously on paganism, and to that extent I believe the gentleman from New York has had the correct story; however, the bill did not get out of our committee with those provisions in it. We struck the entire bill except the title and number, and proceeded to draft a bill which eliminated those matters.

The present Wheeler-Howard bill, under the manner in which the Commissioner and the Bureau are administering it, is not meeting with general approval. The Commissioner and the Bureau have attempted to write a code providing for the things which the gentleman mentions and which our committee struck out, but I am confident that the protests which went up by the committeemen have retarded their nefarious plans in that respect.

The original bill also prohibited inheritances or devises by will. Of course, that was a decided step backward, but that provision also went to the bone yard by our committee action.

As to the school policy advocated by the Commissioner, I will say to the gentleman that the Commissioner testified before the subcommittee of our committee to the effect that he approved of the Mexican school system and that he had a Mexican educator come to this country last fall and for 2 months observe the conditions among our Indians, looking particularly at our schools and then come on to Washington to give his views to the Indian Bureau. This Mexican was a Dr. Saenz, and the Commissioner told the subcommittee that Dr. Saenz had given them (the Indian Bureau) "a lot of mighty good ideas and very severe criticism for our overloaded and overmechanized and unrealistic school system."

In answer to a question as to who had requested Dr. Saenz' appearance here, the Commissioner said, "Dr. Ryan, our Commissioner of Education, and I; we both knew him and knew his work, and we both thought it would be a very good thing to have him come in here and give us the point of view of one who had developed a much more economical and practical system of schools, and he came and did it."

To use the Commissioner's words, it cost the Government "something like $1,500" as expense money to get the benefit of this Mexican advice. The record of that hearing is devoid of any action on the part of the Bureau in getting any American advice, either from the whites or the Indians, on the subject of education.

The purpose of the bill I am now speaking for is quite American. The idea of it is to educate the Indians as we educate the whites, and to do it in white schools under a full-fledged American school system worked out by Americans and not by Mexicans. I am in favor of this plan and not the Mexican plan.

Mr. CULKIN. I think that is very fair.

Mr. AYERS. And I may say to the gentleman from New York that out in the States where we have lots of Indian reservations—and I have six in my own district—we do not have a particle of racial trouble. We have voluntarily taken in these Indian children and we are educating all of them, and we are asking the Government to do its share in this meritorious task.

Mr. CULKIN. What about this $1,000,000 Indian capitol that is being erected?

Mr. AYERS. I am against that, and I am advised that it has been stopped.

Mr. CULKIN. Have the funds been stopped?

Mr. AYERS. I am advised that they simply got the foundation built and that was all.

Mr. CULKIN. Did the gentleman help stop it?

Mr. AYERS. I certainly made my protest. I am not in favor of governments within governments. I think the Indians are a part of this Government.

Mr. CULKIN. I congratulate the gentleman.

Mr. CRAWFORD. Mr. Chairman, we do not desire any time on this particular bill.

Mr. ROGERS of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. SEARS].

Mr. SEARS. Mr. Chairman, I did not intend to speak on this bill, but I am interested in it. I was a member of the Committee on Indian Affairs for about 14 years. I made a hard fight for the Seminole Indians of Florida. They have no land and are absolutely dependent on charity. They are paupers but still have some high degree of honor that the white man has not been able to take from them.

I was successful in getting $80,000 appropriated by Congress to help these Indians, but the Bureau of Indian Affairs let about $7,000 revert back to the Treasury because they did not believe my policy was the right thing.

I just asked the Chairman of the Committee on Indian Affairs what they were doing for the Seminole Indians of Florida, and he said nobody had asked anything for them. As I said, they have no land, no money, and we in Florida, with some assistance from the Government, have been trying to educate them by voluntary contributions, and permitting them to go to school. I hope sometime the Committee on Indian Affairs will look into the matter and see that these Indians get the relief they are entitled to.

There are about 500 of them who have refused to move West. There is over $250,000 in the Treasury of the United States in trust for those Indians if they will move West. Of course, they cannot get the money until they move.

Now, I ask your assistance, as I did my former colleague, to do something for these Indians. Although they have been abused and mistreated because of their wonderful independence, there is no reason why same should be continued, and I hope the next Congress will devise some method or plan by which they can be assisted. As I have said, they have no land and no money.

We are appropriating money for school for Indian children out West where the Indians have property and where there are more Indians in the schools than there are white people, and the white people are paying taxes for educating the Indians in the United States. Certainly something should be done for the Seminoles of Florida.

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That there is hereby authorized to be expended from any moneys now available and applicable, or that may become applicable hereafter available, for construction under provisions of the National Industrial Recovery Act, approved June 16, 1933, the sum of $97,000 for the purpose of cooperating with Fort Yates School District, Sioux County, N. Dak., for extension and improvement of school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuitions, as other children of said school district, subject to such further conditions as may be prescribed by the Secretary of the Interior.

Mr. ROGERS of Oklahoma. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, the Chairman, Mr. OWEN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 8512, and had directed him to report the same back to the House with the recommendation that it do pass.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

TRENTON SCHOOL DISTRICT, WILLIAMS COUNTY, N. DAK.

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the bill (H. R. 8513) to provide funds for cooperation with Trenton School District, Williams County, N. Dak., for the extension of public-school buildings to be available for Indian children, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Oklahoma calls up the bill H. R. 8513, and asks unanimous consent that it be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That there is hereby authorized to be expended, from any moneys now available and applicable, or that may become applicable hereafter available, for construction under provisions of the National Industrial Recovery Act, approved June 16, 1933, the sum of $10,000 for the purpose of cooperating with Trenton School District, Williams County, N. Dak., for extension and improvements of school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuitions, as other children of said school district, subject to such further conditions as may be prescribed by the Secretary of the Interior.

Mr. AYERS. Mr. Speaker, I move to strike out the last word. Just a brief explanation of this bill. This is a North Dakota bill. Eighty children attend this school. They are evenly divided, 40 white children and 40 Indian children. The majority of the land is nonassessable because it is Indian land. The bill authorizes an appropriation of $10,000 for building purposes.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. AYERS. Yes.

Mr. CRAWFORD. This does not provide for the building of a new structure, but merely increases the facilities to the end that these Indians may be taken in?

Mr. AYERS. It is repairs to an old building and for equipment.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WHITE BIRD SCHOOL DISTRICT, SIOUX COUNTY, N. DAK.

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the bill H. R. 8514, to provide funds for cooperation with White Bird School District, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Oklahoma calls up the bill H. R. 8514 and asks unanimous consent that it be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That there is hereby authorized to be expended, from any moneys now available and applicable, or that may become applicable hereafter available, for construction under provisions of the National Industrial Recovery Act, approved June 16, 1933, the sum of $4,000 for the purpose of cooperating with White Bird School District, Sioux County, N. Dak., for extension and improvements of school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuitions, as other children of said school district, subject to such further conditions as may be prescribed by the Secretary of the Interior.

Mr. AYERS. Mr. Speaker, this bill is a North Dakota bill. It is a small country school, and the bill asks for an authorization of $4,000. Forty-six children are in attendance, one-third Indian children. This is to erect a new building. The building there is entirely dilapidated and inadequate.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SANISH SCHOOL DISTRICT NO. 1, MOUNTRAIL COUNTY, N. DAK.

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the bill (H. R. 8515) to provide funds for cooperation with Sanish School District No. 1, Mountrail County, N. Dak., for extension of public-school buildings, to be available for Indian

children, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Oklahoma calls up the bill H. R. 8515, and asks unanimous consent that it be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That there is hereby authorized to be expended, from any moneys now available and applicable, or that may become applicable hereafter available, for construction under provisions of the National Industry Recovery Act, approved June 16, 1933, the sum of $30,000 for the purpose of cooperating with Sanish District No. 1, Mountrail County, N. Dak., for extension and improvement of school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuitions, as other children of said school district, subject to such further conditions as may be prescribed by the Secretary of the Interior.

With the following committee amendment:

Page 1, line 7, strike out "$30,000" and insert in lieu thereof "$10,000."

Mr. AYERS. Mr. Speaker, I move to strike out the last word. This bill provides for an appropriation of $10,000. There are some 200 children in attendance at this school. Thirty-three of them are Indian children. Sixty-five percent of the land is nonassessable.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PORCUPINE SCHOOL DISTRICT, SIOUX COUNTY, N. DAK.

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the bill (H. R. 8516) to provide funds for cooperation with Porcupine School District, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children.

The SPEAKER. The gentleman from Oklahoma calls up the bill H. R. 8516 and asks unanimous consent that it be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That there is hereby authorized to be expended, from any moneys now available and applicable, or that may become applicable hereafter available, for construction under provisions of the National Industrial Recovery Act, approved June 16, 1933, the sum of $2,000 for the purpose of cooperating with Porcupine School District, Sioux County, N. Dak., for extension and improvements of school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuitions, as other children of said school district, subject to such further conditions as may be prescribed by the Secretary of the Interior.

Mr. AYRES. Mr. Speaker, I move to strike out the last word.

This is another bill similar to the one just passed. There is a total attendance of 108 children. Forty are Indian children and 65 percent of the land in the district is Indian, nonassessable, and no other schools are available.

I yield back the balance of my time.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WHITE BIRD SCHOOL DISTRICT, SIOUX COUNTY, N. DAK.

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent that the bill (S. 3092) to provide funds for cooperation with White Bird School District, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children, which is identical with H. R. 8514, which was passed a short time ago, be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma that the Senate bill be substituted for the House bill?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.*, That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $7,000 for the purpose of cooperating with White Bird School District, Sioux County, N. Dak., for extension and improvements of school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all Indian children of the district on the same terms, except as to payment of tuitions, as other children of said school district: *Provided further*, That this appropriation shall be reimbursed in not more than 30 years, without interest, either through reducing the annual Federal tuition payments for education of Indian pupils attending such school, by the acceptance of Indian pupils in such school without cost to the United States, or in such other manner as the Secretary of the Interior may direct: *Provided further*, That plans and specifications shall be furnished by local or State authorities without cost to the United States and, upon approval thereof by the Commissioner of Indian Affairs, work shall proceed under the direction of local or State officials, payment therefor to be made monthly on the basis of work in place and upon vouchers approved by a responsible official of the Indian Service.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection the proceedings by which the House bill (H. R. 8514) was passed will be vacated, and the House bill will be laid on the table.

There was no objection.

WARNER SPRINGS UNION SCHOOL DISTRICT, CALIF.

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the bill (H. R. 8726) to provide funds for cooperation with the board of trustees of the Warner Springs Union School District, Warner Springs, Calif., in the construction of a public-school building to be available to Indian children of the Los Coyotes and Volcan Indian Reservations, Calif., and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.*, That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $40,000 for the purpose of cooperating with the board of trustees of the Warner Springs Union School District, town of Warner Springs, county of San Diego, Calif., for construction of a public-school building at Warner Springs, Calif.: *Provided*, That the expenditure of any money so authorized shall be subject to the express conditions that the school maintained by the said district in the said building shall be available to all Indian children of Los Coyotes and Volcan Indian Reservations, Calif., on the same terms, except as to payment of tuition, as other children of said school district, and that accommodations in said school building to the extent of one-half its capacity shall be available for Indian children from the Los Coyotes and Volcan Reservations: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

Mr. AYERS. Mr. Speaker, I move to strike out the last word.

The author of the bill, my good friend, the gentleman from California [Mr. BURNHAM] does not seem to be present, so I will make a short statement for him with reference to this bill. I reported the bill and know the facts in this case. In this school district in California there are 110 children in attendance. Fifty-eight of them are Indian children and 52 are white children. More than 50 percent of the land in the district is Indian land, and nonassessable. There is no other school available. This bill is equally or more meritorious than the other bill which we have passed today on this subject.

Mr. RICH. Will the gentleman yield?

Mr. AYERS. I yield.

Mr. RICH. It seems to me we are being pretty good Indians today in passing out the funds of the Government.

Can the gentleman tell where we are going to get the money to pay these bills?

Mr. AYERS. If the gentleman will drop over to my office sometime I will be glad to converse with him about it, but I do not think we should take up the time of the House on it today. That matter has been fully discussed heretofore.

Mr. RICH. I have asked every Member of Congress where we are going to get the money, and nobody seems to know.

Mr. AYERS. Mr. Speaker, I yield back the balance of my time.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRIBUTION OF FUND OF WYANDOTTE INDIANS, OKLAHOMA

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the bill (S. 2578) authorizing distribution of funds to the credit of the Wyandotte Indians, Oklahoma, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ROGERS of Oklahoma. Mr. Speaker, I would like to make a short statement about this bill.

This is a bill to provide for the division of the funds in the Treasury on a per capita basis, to the Wyandotte Indians. It is their own money. It does not cost the Government anything. It makes it possible for the money to be divided on a per capita basis.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. ROGERS of Oklahoma. I yield.

Mr. MARTIN of Massachusetts. How much money is there to be divided?

Mr. ROGERS of Oklahoma. Ten thousand dollars.

Mr. MARTIN of Massachusetts. How many Indians are there?

Mr. ROGERS of Oklahoma. I do not know that I can give the gentleman that information.

Mr. MARTIN of Massachusetts. The gentleman had better get it distributed before we get it.

Mr. CRAWFORD. Will the gentleman yield for a question?

Mr. ROGERS of Oklahoma. I yield.

Mr. CRAWFORD. Is this for the purpose of making final liquidation of the funds now to the credit of this particular tribe of Indians?

Mr. ROGERS of Oklahoma. Yes. It is for all the funds they have in the Treasury at this time.

Mr. CRAWFORD. Will they receive additional funds subsequent to this?

Mr. ROGERS of Oklahoma. There may be funds accruing to them because of properties that they have which may be leased, and so on.

There being no objection, the Clerk read as follows:

*Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized to withdraw from the Treasury all funds remaining to the credit of the Wyandotte Indians, Oklahoma, including the sum of $10,000 appropriated by the Interior Department Appropriation Act, fiscal year 1936, to compensate the Wyandotte Indians for Seneca School lands, as authorized by the act of June 21, 1934 (48 Stat. 1184), and to distribute the same per capita to members of the tribe entitled thereto: *Provided*, That, prior to the distribution herein authorized, there shall be paid therefrom to Allen C. Johnson or his heirs not to exceed the sum of $500 for services rendered and expenses incurred on behalf of said tribe.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WOLFENDEN. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. ROGERS of Oklahoma. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 184]

| | | | |
|---|---|---|---|
| Amlie | Crowe | Hill, Knute | Norton |
| Andresen | Cummings | Hobbs | Oliver |
| Bankhead | Darden | Holmes | Parks |
| Berlin | DeRouen | Hook | Peterson, Fla. |
| Blanton | Dietrich | Huddleston | Peyser |
| Brennan | Dirksen | Keller | Reece |
| Buckbee | Dockweiler | Kennedy, Md. | Richards |
| Buckley, N. Y. | Doutrich | Kimball | Rogers, N. H. |
| Burch | Duncan | Kleberg | Rudd |
| Burnham | Dunn, Miss. | Lea, Calif. | Schulte |
| Cannon, Wis. | Eicher | Lee, Okla. | Shannon |
| Carter | Fernandez | Lehlbach | Short |
| Cartwright | Fish | Lesinski | Smith, Va. |
| Chandler | Flannagan | Lloyd | Smith, Wash. |
| Christianson | Fulmer | Lord | Snyder |
| Claiborne | Gambrill | Lucas | Stubbs |
| Clark, Idaho | Gassaway | McGroarty | Sullivan |
| Clark, N. C. | Gehrmann | McLean | Sumners, Tex. |
| Cochran | Gillette | McLeod | Sutphin |
| Coffee | Goodwin | McMillan | Underwood |
| Collins | Haines | Maas | Withrow |
| Connery | Harter | Mitchell, Ill. | |
| Cooper, Ohio | Higgins, Conn. | Moran | |
| Corning | Higgins, Mass. | Moritz | |

The SPEAKER. Three hundred and thirty-five Members are present, a quorum.

On motion of Mr. ROGERS of Oklahoma, further proceedings under the call were dispensed with.

PAYMENT OF NON-INDIAN CLAIMANTS

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the bill (S. 2608) to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933.

The Clerk read the title of the bill.

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sum to compensate white settlers or non-Indian claimants whose claims have been extinguished under the act of June 7, 1924 (43 Stat. L. 636), but who have been found by the Secretary of the Interior, in conformity with the proviso to section 3 of the Act of May 31, 1933 (48 Stat. L. 108, 109), to be entitled to increased compensation by reason of errors in the amount of award previously allowed, or entitled to original awards by reason of errors in the omission of legitimate claimants. The non-Indian claimants, or their successors, as found and reported by the Secretary of the Interior, to be compensated out of said appropriation to be disbursed under the direction of the Secretary of the Interior in the amounts found to be due them, as follows:

Within the pueblo of Isleta, $1,876.72; within the pueblo of San Ildefonso, $9,371.52; within the pueblo of San Juan, $23,122.83; within the pueblo of Santa Clara, $2,810.69; within the pueblo of Pojoaque, $2,474.13; within the pueblo of Nambe, $1,085; within the pueblo of Sandia, $368.90; within the pueblo of Picuris, $278.64; within the pueblo of Cochiti, $1,088.90; within the pueblo of Jemez, $2,000; in all, $45,377.33.

Mr. DEMPSEY. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, in the last session of Congress, legislation was enacted providing payment to certain non-Indian claimants for land that had been taken away from them. These non-Indian claimants took possession of this land many, many years ago, constructed buildings thereon, built irrigation ditches, and placed various improvements on the land. It was finally determined that these were Indian lands, and the people were forced off and their improvements taken.

The Interior Department caused a survey to be made, and an appropriation was made at their instance to settle these claims. Many of them were settled last year. This bill provides $45,000 to take care of the balance.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. DEMPSEY. I yield.

Mr. CRAWFORD. Do the amounts called for in this bill arise because of errors having been made in the settlement which came about under the previous act?

Mr. DEMPSEY. Yes.

Mr. CRAWFORD. In what manner were these lands taken from these claimants?

Mr. DEMPSEY. They were taken away by the Indian Pueblo Board. The Board declared them to be Indian land. The people who settled on these lands originally thought that the rights had been established and as a result caused improvements, but it was finally determined that they were Indian lands, although some of the families had been on there 100 years. The Interior Department has conducted this investigation resulting in this bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill (H. R. 7741) were laid on the table.

DEVELOPMENT OF INDIAN ARTS AND CRAFTS

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the bill (S. 2203) to promote the development of Indian arts and crafts and to create a board to assist therein, and for other purposes.

The Clerk read the title of the bill.

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That a board is hereby created in the Department of the Interior to be known as "Indian Arts and Crafts Board", and hereinafter referred to as the board. The board shall be composed of five commissioners, who shall be appointed by the President as soon as possible after the passage of this act and shall continue in office, 2 for a term of 2 years, 1 for a term of 3 years, and 2 for a term of 4 years from the date of their appointment, the term of each to be designated by the President, but their successors shall be appointed for a term of 4 years except that any person chosen to fill a vacancy shall be appointed for the unexpired term of the commissioner whom he succeeds. Both public officers and private citizens shall be eligible for membership on the board. The board shall elect one of the commissioners as chairman. One or two vacancies on the board shall not impair the right of the remaining commissioners to exercise all the powers of the board.

The commissioners shall serve without compensation: *Provided*, That each commissioner shall be reimbursed for all actual expenses, including travel expenses, subsistence and office overhead, which the board shall certify to have been incurred as properly incidental to the performance of his duties as a member of the board.

SEC. 2. It shall be the function and the duty of the board to promote the economic welfare of the Indian tribes and the Indian wards of the Government through the development of Indian arts and crafts and the expansion of the market for the products of Indian art and craftsmanship. In the execution of this function the board shall have the following powers: (a) To undertake market research to determine the best opportunity for the sale of various products; (b) to engage in technical research and give technical advice and assistance; (c) to engage in experimentation directly or through selected agencies; (d) to correlate and encourage the activities of the various governmental and private agencies in the field; (e) to offer assistance in the management of operating groups for the furtherance of specific projects; (f) to make recommendations to appropriate agencies for loans in furtherance of the production and sale of Indian products; (g) to create Government marks of genuineness and quality for Indian products and the products of particular Indian tribes or groups; to establish standards and regulations for the use of such marks; to license corporations, associations, or individuals to use them; and to charge a fee for their use; (h) to employ executive officers, including a general manager, and such other permanent and temporary personnel as may be found necessary, and prescribe the authorities, duties, responsibilities, and tenure and fix the compensation of such officers and other employees: *Provided*, That the Classification Act of 1923, as amended, shall be applicable to all permanent employees except executive officers, and that all employees other than executive officers shall be appointed in accordance with the civil-service laws from lists of eligibles to be supplied by the Civil Service Commission; (i) as a Government agency to negotiate and execute in its own name contracts with operating groups to supply management, personnel, and supervision at cost, and to negotiate and execute in its own name such other contracts and to carry on such other business as may be necessary for the accomplishment of the duties and purposes of the board: *Provided*, That nothing in the foregoing enumeration of powers shall be construed to authorize the board to borrow or lend money or to deal in Indian goods.

SEC. 3. The board shall prescribe from time to time rules and regulations governing the conduct of its business and containing such provisions as it may deem appropriate for the effective execution and administration of the powers conferred upon it by this act: *Provided*, That before prescribing any procedure for the disbursement of money the board shall advise and consult with the General Accounting Office: *Provided further*, That all rules and regulations proposed by the board shall be submitted to the Secretary of the Interior and shall become effective upon his approval.

SEC. 4. There is hereby authorized to be appropriated out of any sums in the Treasury not otherwise appropriated such sums as may be necessary to defray the expenses of the board and carry out the purposes and provisions of this act. All income derived by the board from any source shall be covered into the Treasury of the United States and shall constitute a special fund which is hereby appropriated and made available until expended for carrying out the purposes and provisions of this act. Out of the funds available to it at any time the board may make or authorize such expenditures, consistent with the provisions of this act, as it may determine to be necessary for the accomplishment of the purposes and objectives of this art.

SEC. 5. Any person who shall reproduce, counterfeit, or colorably imitate any Government mark used or devised by the Board as provided in section 2 of this act, or shall, except as authorized by the board, affix any such Government mark, or shall knowingly, willfully, and corruptly affix any reproduction, counterfeit, copy, or colorable imitation thereof upon any products, Indian or otherwise, or to any labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of such products, or any person who shall knowingly make any false statement for the purpose of obtaining the use of any such Government mark, shall be guilty of a misdemeanor, and be subject to a fine not exceeding $2,000, or imprisonment, not exceeding 6 months, or both such fine and imprisonment.

SEC. 6. Any person who shall willfully and falsely represent any goods, with or without any Government mark, to be Indian products or Indian products of a particular Indian tribe or group, resident within the United States or the Territory of Alaska, when such person knows such goods are not Indian products or are not Indian products of the particular Indian tribe or group, shall be guilty of a misdemeanor and be subject to a fine not exceeding $2,000 or imprisonment not exceeding 6 months, or both such fine and imprisonment: *Provided*, That the fraudulent corrupt offering or display of any such goods for sale shall be deemed a representation within the meaning of this section.

It shall be the duty of each district attorney, to whom the Board shall report in writing any violation of the provisions of this section which has occurred within his jurisdiction, to cause appropriate proceedings to be commenced and prosecuted in the proper courts of the United States for the enforcement of the penalties herein provided.

Mr. ROGERS of Oklahoma. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this bill creates a commission of five unpaid members, selected from the personnel of the Interior Department, for the purpose of formulating rules and regulations by which trade marks can be established for the identification of Indian goods so that Indians who make art and craft work for sale can have this mark placed on it, and the general public will know they are actually made by Indians. The bill has passed the Senate.

If there are any questions, I shall be pleased to answer them.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill (H. R. 6468) were laid on the table.

PAYMENT TO INDIANS IN THE STATE OF UTAH FOR CERTAIN COAL LANDS

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the bill (S. 1968) authorizing an appropriation for payment to certain bands of Ute Indians in the State of Utah for certain coal lands, and for other purposes.

Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That to carry out the act of February 13, 1931 (46 Stat. 1092), there is hereby authorized to be appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, the sum of $977,796.78 in payment for 36,223 acres of land, heretofore classified as coal lands, formerly belonging to the Uintah, White River, and Uncompahgre Bands of Ute Indians of Utah, which was taken from them by Executive order of the President of the United States under date of August 14, 1905, and made a part of the Uintah National Forest and for which the said

bands of Ute Indians have never been paid: *Provided*, That such payment shall be in full satisfaction of all claims of said Indians against the United States with respect to such lands and shall, when appropriated, less attorneys' fees and proper expenses as provided in section 2 hereof, be deposited in the Treasury of the United States to the credit of the said Bands of Ute Indians and shall draw interest at the rate of 4 percent per annum and be subject to the laws governing the distribution and expenditures of like funds belonging to said Indians.

SEC. 2. The Secretary of the Interior is hereby authorized and directed to determine and pay a reasonable sum as fees and expenses for services rendered in accordance with certain existing contracts executed by the Uintah, White River, and Uncompahgre Bands of Ute Indians and approved by the Commissioner of Indian Affairs and the Secretary of the Interior in accordance with the provisions of section 2103 of the Revised Statutes of the United States governing contracts with Indian tribes: *Provided*, That the total fees allowed and paid shall not in any event exceed 10 percent of the total sum herein authorized to be appropriated and the said fees shall be paid out of the said sum when appropriated by Congress.

Mr. MARTIN of Massachusetts. Mr. Speaker, I move to strike out the last word to ask the gentleman to explain this bill. It involves $1,000,000.

Mr. ROGERS of Oklahoma. Mr. Speaker, I shall ask the gentleman from Utah [Mr. MURDOCK] to explain the bill.

Mr. MURDOCK. Mr. Speaker, this bill appropriates money to compensate the Indians for certain coal lands that were taken away from them. Some years ago a bill was passed instructing the Secretary of the Interior to ascertain the value of these coal lands. This he has done, and this bill is based on the report of the Secretary of the Interior. The survey and the valuation were made by the Geological Survey.

Mr. MARTIN of Massachusetts. What was the purpose of taking the lands away from the Indians in the first instance?

Mr. ROGERS of Oklahoma. I cannot answer that. They were taken away from them.

Mr. MARTIN of Massachusetts. Who took them?

Mr. MURDOCK. They were taken by Executive order of the President of the United States.

Mr. ROBINSON of Utah. The purpose was because they were valuable as coal land, and the Government wanted the coal.

Mr. MARTIN of Massachusetts. What did the Government want the coal out there for?

Mr. ROBINSON of Utah. I do not know; but they took these lands.

Mr. MURDOCK. These lands constituted a part of the Indian reservation and were set aside for the Indians. They have gradually been taken away for various purposes, and finally on account of the coal that was contained in them.

The Government has already received from these lands for grazing purposes $855,000 and $663,416 for timber that has been taken from this land.

Mr. MARTIN of Massachusetts. How much have we expended in the meantime? To make the picture complete, tell us that.

Mr. MURDOCK. Expended for whom?

Mr. MARTIN of Massachusetts. By the Government.

Mr. MURDOCK. On the part of the Indians?

Mr. MARTIN of Massachusetts. No; on the coal lands.

Mr. MURDOCK. They have not expended anything. The coal lands belong to the Government and there is estimated now that there is on this land 500,000,000 feet of commercial timber, the proceeds of which will be turned into the United States Treasury. In addition to that it is estimated there are 1,500,000,000 tons of coal.

Mr. MARTIN of Massachusetts. How long ago was this land taken?

Mr. MILLARD. In 1905.

Mr. MARTIN of Massachusetts. Why has there been this delay?

Mr. MURDOCK. The land was taken in 1905.

Mr. MITCHELL of Tennessee. How did they get the surface without getting the minerals also? The gentleman says the Government took it over.

Mr. MURDOCK. The land was first set aside for the Indians as a reservation; then the Government by subsequent Executive order took it away from the Indians and when they took it away it was under an agreement that the Secretary of the Interior would proceed to appraise it and the Indians would be compensated for the reasonable value of the land. This was done by the Geological Survey and they made their report. This bill merely conforms to the previous legislation and authorizes the appropriation in conformity with the survey made by the Geological Survey.

Mr. MITCHELL of Tennessee. When they paid for the timber and grazing rights did they not pay for the fee simple title?

Mr. MURDOCK. The grazing fees and the timber fees were paid to the Government by white men as proceeds of the land that was taken over from the Indians.

Mr. MITCHELL of Tennessee. But when you get title in fee you get all that is on the land and all that is under the land.

Mr. MURDOCK. I do not follow the gentleman's argument.

Mr. MITCHELL of Tennessee. In other words, the gentleman says that originally the land was taken by the Government?

Mr. MURDOCK. No.

[Here the gavel fell.]

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. MURDOCK. Mr. Speaker, here is how it happened. At first it was public domain owned by the Government. Then the Indians were pushed off one reservation after another and finally sent out into my district. That was not their fault. They had to go.

Mr. MITCHELL of Tennessee. Did they buy the property in the gentleman's district?

Mr. MURDOCK. No. The Government set aside this reservation for them and the Indians were well satisfied and began making their homes on the reservation. Then the Government by Executive order took it away from them and pushed them to another location.

Mr. MITCHELL of Tennessee. They were satisfied with what they got in exchange for what was taken?

Mr. MURDOCK. No; they got nothing in exchange.

Mr. MITCHELL of Tennessee. I thought the gentleman said they were located farther back on another reservation?

Mr. MURDOCK. On this land. Part of them were moved from Colorado to the Uintah Reservation. The Uintah Reservation was created. Then the Government started to take it away from the Indians on account of the valuable mineral lands included in the reservation.

Mr. MITCHELL of Tennessee. Does the gentleman know how they can estimate the real value of coal underground?

Mr. MURDOCK. I do. They do this by means of drillings, and if the gentleman will take the time to read the report he will see that the survey was very thorough in connection with drillings and in connection with every estimate that was ever made.

Mr. MITCHELL of Tennessee. How many acres are involved in this million dollars?

Mr. MURDOCK. Thirty-six thousand acres of coal land. They did pay them for the other land that was not coal land. Then Congress instructed the Secretary of the Interior to appraise the value of the coal lands by means of a thorough survey, which survey was made by the Geological Survey and a complete report made to the Secretary of the Interior.

Mr. MITCHELL of Tennessee. What is the value per acre you are putting on this coal land, according to this report?

Mr. MURDOCK. The noncoal land was figured at $1.25 an acre, the possible coal land at $10 an acre, and the known coal land at $50 an acre.

Mr. MITCHELL of Tennessee. Do you not know you can buy coal lands close to transportation at a figure very much cheaper than that, and do you not regard that valuation of the coal land as excessive?

Mr. MURDOCK. I do not; for the reason that the people who fixed this valuation were experts in the matter, while I am not.

Mr. MITCHELL of Tennessee. The gentleman knows that an expert always makes a mistake, and there is no such thing as being able to accurately determine the value of coal underground ordinarily.

Mr. MURDOCK. Does the gentleman know anything about this coal land? Was the gentleman ever out there?

Mr. MITCHELL of Tennessee. I do not know anything about this particular coal land, but I have had experience with coal land.

Mr. MURDOCK. I do not doubt that; but is not the gentleman willing to depend on the only expert agency we have in the Government, which is the Geological Survey, to determine the value of this land?

Mr. MITCHELL of Tennessee. I would regard any estimate of coal underground as experimental that would carry an appropriation of this amount. It is excessive.

Mr. MARTIN of Massachusetts. Why should anyone get $100,000 as an attorney's fee for the passage of this bill?

Mr. MURDOCK. I am perfectly willing to cut down the attorney's fee. I am not interested in that phase of it; but when my Government has taken from the Indians these lands and has received in excess of $1,000,000 in grazing and timber fees for them, then certainly the Indians should be compensated to some extent for what they have lost.

Mr. MARTIN of Massachusetts. I cannot understand how the gentleman can say that the Government would take these lands at that time, which was 30 years ago, and not make some provision for the Indians.

Mr. MURDOCK. They did make some provision for the Indians. I have told the gentleman there was legislation providing for compensation, and the legislation provided that the compensation should be fixed by the Secretary of the Interior.

Mr. MITCHELL of Tennessee. And they have waited all these years to get it?

Mr. MURDOCK. No; the report was made only a few years ago.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The SPEAKER pro tempore (Mr. RAMSPECK). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MURDOCK. The matter has gone through with all the expedition, in my opinion, that could be expected of Congress. We passed two or three bills here yesterday that went back 18 years. Here are people who were driven from their lands and one Congress provided for a determination of the value and said that then they would be compensated for the land. This determination has been made and, of course, they should be compensated at this time.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. BURDICK. The reason there was a delay in settling about these coal lands was the fact they were waiting for this survey of the land?

Mr. MURDOCK. Absolutely.

Mr. MARTIN of Massachusetts. Will the gentleman agree to eliminate these counsel fees?

Mr. MILLARD. Will the gentleman agree to make it $50,000 instead of $100,000?

Mr. MURDOCK. I will agree to cut the attorneys' fees down to 5 percent.

Mr. MARTIN of Massachusetts. Why should even $50,000 go to the lawyers?

Mr. MURDOCK. I hold no brief for any lawyer, although I am one myself, but I do believe that the lawyers who have rendered services in this case are entitled to reasonable compensation.

Mr. MARTIN of Massachusetts. They have not been very good lawyers if they have not got their case through in 30 years.

Mr. MITCHELL of Tennessee. Does not the gentleman think $20,000 would be sufficient?

Mr. MURDOCK. I am not in position to say, but I am willing to agree to cut it to 5 percent and then let the Secretary of the Interior fix anything that is reasonable. This is all I want.

Mr. MARTIN of Massachusetts. Make it not over 5 percent.

Mr. MURDOCK. Yes; not over 5 percent.

Mr. MILLARD. This Executive order was issued August 14, 1905, and then 15 years later another bill was passed. What did that bill provide?

Mr. MURDOCK. That bill provided for compensation for the surface rights of other lands and also provided for a survey to be made by the Geological Survey to estimate the value of the coal lands, which has been done.

Mr. MILLARD. And since 1931 nothing has been done. Have they tried to put this bill through during the last 4 years?

Mr. MURDOCK. I am not familiar with that, but I know they have been waiting on the survey.

Mr. MORITZ. Mr. Speaker, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. MORITZ. Does the Government give this land to the Indians in fee?

Mr. MURDOCK. No; they do not.

Mr. MORITZ. In other words, does one family of Indians get a lot of land in fee or does it go to them as a tribe?

Mr. MURDOCK. It goes to them as a tribe and then there are individual allotments made.

Mr. MITCHELL of Tennessee. Mr. Speaker, I object to considering this bill in the House as in Committee of the Whole.

The SPEAKER pro tempore. The objection stage has been passed. The question is on the third reading of the bill.

Mr. TABER. Mr. Speaker, I rise in opposition to the bill, and move to strike out the last two words.

It looks to me as if this bill would allow somewhere around $30 an acre for 30,000 acres of land.

These coal lands are appraised at two dollars and a quarter an acre. I do not see why we should pay $900,000 for these lands when the classification sets out in the report that they are appraised at $2.25 an acre. Why should we do anything of that kind? I will yield to any member of the committee who will give me any legitimate reason why we should do that.

Mr. MURDOCK. The gentleman means to say that the question is why we should pay more than $2.25 an acre?

Mr. TABER. Yes.

Mr. MURDOCK. The report shows that there are 11,900 acres of land, all of which has been determined to contain coal. The land has been determined to contain 1,500,000,000 tons of coal. It is also said that there are 500,000,000 feet of salable timber. The Government has received from the land in excess of a million dollars.

Mr. TABER. How?

Mr. MURDOCK. Grazing fees and timber fees.

Mr. TABER. Well, generally, the Government pays out more than it receives on these operations. I have always understood that these operations resulted in a loss.

Mr. MURDOCK. I understand those are the actual receipts.

Mr. PIERCE. They are a source of real profit in many places in the West.

Mr. TABER. How much?

Mr. PIERCE. Oh, I cannot say, but it must run into a large sum of money.

Mr. TABER. The gentleman cannot say how much?

Mr. PIERCE. No.

Mr. MITCHELL of Tennessee. Mr. Speaker, I make the point that there is no quorum present.

The SPEAKER pro tempore (Mr. RAMSPECK). The gentleman from Tennessee makes the point that there is no quorum present. The Chair will count. [After counting.] One hundred and forty Members present, not a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed, the Sergeant at Arms was directed to notify absent Members, the Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 185]

| | | | |
|---|---|---|---|
| Amlie | Dietrich | Higgins, Mass. | Parks |
| Bankhead | Dirksen | Hill, Knute | Peyser |
| Barden | Dockweiler | Hobbs | Reece |
| Bell | Doutrich | Hook | Richards |
| Berlin | Doxey | Kennedy, Md. | Richardson |
| Blanton | Dunn, Miss. | Kerr | Robertson |
| Brennan | Eicher | Kimball | Rogers, N. H. |
| Buckbee | Ekwall | Kleberg | Rudd |
| Buckley, N. Y. | Fernandez | Lee, Okla. | Schaefer |
| Burch | Fish | Lesinski | Shannon |
| Burnham | Gambrill | Lord | Short |
| Cannon, Wis. | Gasque | Lucas | Smith, Va. |
| Carter | Gassaway | Lundeen | Smith, Wash. |
| Cartwright | Gearhart | McGroarty | Snyder |
| Chandler | Gehrmann | McLean | Stubbs |
| Christianson | Gillette | McLeod | Sullivan |
| Claiborne | Goldsborough | McMillan | Sutphin |
| Clark, Idaho | Goodwin | Maas | Underwood |
| Clark, N. C. | Gray, Pa. | May | Wadsworth |
| Cochran | Greever | Mitchell, Ill. | Wearin |
| Collins | Haines | Moran | Werner |
| Corning | Hamlin | Norton | Wilcox |
| Culkin | Healey | Oliver | |
| Darden | Higgins, Conn. | Palmisano | |

The SPEAKER pro tempore. Three hundred and thirty-six members have answered to their names, a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. TABER. Mr. Speaker, the Secretary of the Interior on July 20, 1931, reported to the President of the Senate and the Speaker of the House copies of the report of an investigation made by the Geological Survey involving a reclassification and reappraisal of this land, appraising the whole thing at $62,165.75.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. MURDOCK. Here is what the Secretary of the Interior says about that report.

Mr. TABER. The present Secretary of the Interior thinks that land is worth $977,000. Frankly there is too large a spread there for this Congress to follow along and I do not believe we ought to pass this bill. I think we ought to defeat a bill of this kind right now. If there were only a small spread between two Secretaries of the Interior, we would be justified in following one over the other; but with a spread of 1,000 percent between the two it is ridiculous to pass such a bill.

Mr. MITCHELL of Tennessee. Mr. Speaker, I rise in opposition to the pro forma amendment. I think a bill of this kind should have the attention and consideration of men who sit here to carry out a serious responsibility. I am amazed to read this report and find that we are about to pass a bill of this kind. The taxpayers' money ought to be sacred to us and it should not be squandered. We have already expended enough money and it is time to call a halt on legislation of this type.

What is involved in this bill is that back in 1905 some Indians were pushed off certain lands in Utah and were moved back some distance, and this land, if I read aright this report, has already been paid for.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Tennessee. I shall be glad to in a moment. I call attention to figures that are in this would-be appropriation of practically $1,000,000.

Mr. MURDOCK. On the statement just made. I know the gentleman wants to be fair.

Mr. MITCHELL of Tennessee. In just a moment. Here is what you are about to do. You are about to pay $50 an acre or more for coal lands 20 miles from a railroad. I shall be glad to give any man in this House 6,000 acres of coal land with 10 feet of coal under it at $10 an acre and dare you to trade with me, and it is right alongside of a railroad.

Mr. TABER. Is not the land in this bill 63 miles from a railroad?

Mr. MITCHELL of Tennessee. Maybe. They told me it was twenty-odd miles. That is the proposition we are called on to accept in this bill. We are to pay $1.25 an acre for 6,000 acres, when we already own the surface of it and that takes in the coal and the mineral rights. The Bureau of the Budget opposes it, the President opposes it, as is shown in this report. Mr. Hoover, when he was President, opposed it, and recommended an exchange of land instead of this appropriation. There are 12,000 acres in the bill which you are about to buy at $10 an acre and 17,000 acres at $50 an acre—all 20 miles from a railroad. This is a graft of some sort, and it ought not to be permitted. Such a charge should not be hung around the necks of the American taxpayers. I know if you good men and women are awake to the necessities of the overburdened tax-paying public you will rise up and defeat this bill, and I hope every man, woman, and child votes against it if they are here.

Mr. MILLARD. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Tennessee. Yes. I cannot imagine any reason why anyone should support this measure. The children of future generations will have this tax burden on them, and that is why I refer to them. [Applause and laughter.]

Mr. MILLARD. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Tennessee. They will come on afterward and suffer under this unfair and unjust appropriation.

Mr. MILLARD. And does the gentleman know that the Acting Director of the Budget, in reporting the Senate bill of a similar character, says that this does not meet with the financial policy of the President?

Mr. MITCHELL of Tennessee. I am glad to say that is true.

The SPEAKER pro tempore. The time of the gentleman from Tennessee has expired.

Mr. MURDOCK. Mr. Speaker, I move to strike out the last word. The fact that I have Indians in my district is not my fault. The fact that they are out there is not their fault. They have been pushed from pillar to post in the United States, from corner to corner, until they have been glad to take whatever we are willing to give them.

Mr. MITCHELL of Tennessee. Will the gentleman yield?

Mr. MURDOCK. The gentleman refused to yield to me.

Mr. MITCHELL of Tennessee. There are only 1,500 Indians all told that are involved.

Mr. MURDOCK. That is true. Back in 1931 this Congress passed a bill paying the Indians involved so much an acre for the surface rights of some of the lands taken from them.

In that same bill the Secretary of the Interior was directed to ascertain the value of the coal lands so that the Congress could compensate the Indians for those coal lands. The only agency of this Government competent to make a survey and appraisal, the Geological Survey, has passed upon it and recommended that the compensation be at the rate of $1.25 for lands without coal, $10 an acre for possible coal lands, and $50 an acre for lands actually determined to contain coal.

The blackest page in the history of the United States is in our dealing with the Indians who had this country when we came here. On yesterday we passed appropriation bills or authorizations amounting up to $15,000,000 to men some of whom, in my opinion, had no more claim on this Government than I have. I hold no brief for any lawyer who is representing the Indians, but I do feel that the Indians are entitled to compensation and they ought to get it before the people actually damaged have passed out of the picture entirely. The trouble with our dealings with the Indians is that we stall along from one session to another until the Indians actually damaged never get anything, but their posterity, many years hereafter, probably will get this very same thing. Why not compensate them now for lands we have deprived them of and put this money in the United States Treasury, as provided in the bill, to draw interest at 4 percent? If we do not compensate the Indians for the land that is taken away from them, then we must appropriate money from some other source to be expended in their behalf. As wards of this Government their welfare is our responsibility.

Mr. MITCHELL of Tennessee. Will the gentleman yield for a question?

Mr. MURDOCK. I yield.

Mr. MITCHELL of Tennessee. I will ask the gentleman if they have not already had the surface of this land paid for?

Mr. MURDOCK. No; not this land. They have had surface rights on some land paid for.

Now, there is one more thing that I want to call to your attention. Our Government has already received from this land taken from the Indians $855,000 for timber and has received $663,000 for grazing fees, making a total of $1,548,000.

[Here the gavel fell.]

Mr. ROGERS of Oklahoma. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. TABER. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 59, nays 251, answered "present" 1, not voting 119, as follows:

[Roll No. 186]

YEAS—59

| | | | |
|---|---|---|---|
| Ayers | Gehrmann | Maloney | Ramspeck |
| Boileau | Goldsborough | Marcantonio | Robinson, Utah |
| Buckler, Minn. | Greenway | Martin, Colo. | Rogers, Okla. |
| Burdick | Guyer | Maverick | Sadowski |
| Crawford | Hildebrandt | Monaghan | Schneider |
| Cullen | Hill, Samuel B. | Montet | Scrugham |
| DeRouen | Johnson, Okla. | Mott | Secrest |
| Disney | Kvale | Murdock | Stefan |
| Duffy, N. Y. | Lambertson | Nichols | Stewart |
| Dunn, Pa. | Lemke | O'Connor | Taylor, Colo. |
| Eagle | Lloyd | O'Day | Tolan |
| Ellenbogen | Lundeen | O'Malley | Utterback |
| Faddis | McCormack | Patman | Vinson, Ky. |
| Ferguson | McGrath | Patton | Wolfenden |
| Fitzpatrick | McKeough | Pittenger | |

NAYS—251

| | | | |
|---|---|---|---|
| Adair | Cravens | Gregory | Larrabee |
| Andresen | Crosby | Griswold | Lea, Calif. |
| Andrew, Mass. | Crosser, Ohio. | Gwynne | Lehlbach |
| Andrews, N. Y. | Crowe | Haines | Lewis, Colo. |
| Arends | Daly | Halleck | Luckey |
| Ashbrook | Darrow | Hancock, N. Y. | Ludlow |
| Bacharach | Dear | Hancock, N. C. | McAndrews |
| Bacon | Deen | Harlan | McClellan |
| Barden | Delaney | Hart | McFarlane |
| Beiter | Dies | Harter | McGehee |
| Binderup | Dingell | Hartley | McLaughlin |
| Blackney | Ditter | Healey | McReynolds |
| Boehne | Dondero | Hennings | Mahon |
| Boland | Dorsey | Hess | Mapes |
| Bolton | Doxey | Hill, Ala. | Marshall |
| Brewster | Drewry | Hobbs | Martin, Mass. |
| Brooks | Driscoll | Hoffman | Mason |
| Brown, Ga. | Driver | Hollister | Massingale |
| Brown, Mich. | Duffey, Ohio | Holmes | Mecks |
| Brunner | Duncan | Hope | Merritt, Conn. |
| Buchanan | Eaton | Houston | Merritt, N. Y. |
| Buck | Eckert | Huddleston | Michener |
| Caldwell | Edmiston | Hull | Millard |
| Cannon, Mo. | Ekwall | Imhoff | Miller |
| Carlson | Engel | Jacobsen | Mitchell, Tenn. |
| Carmichael | Englebright | Jenckes, Ind. | Moran |
| Cary | Evans | Jenkins, Ohio | Moritz |
| Casey | Farley | Johnson, Tex. | Nelson |
| Castellow | Fenerty | Johnson, W. Va. | O'Connell |
| Cavicchia | Fiesinger | Jones | O'Leary |
| Chandler | Fletcher | Kahn | O'Neal |
| Chapman | Focht | Kee | Owen |
| Church | Ford, Calif. | Keller | Palmisano |
| Citron | Ford, Miss. | Kennedy, N. Y. | Parsons |
| Clark, N. C. | Frey | Kenney | Patterson |
| Coffee | Fuller | Kinzer | Pearson |
| Colden | Gavagan | Kloeb | Perkins |
| Cole, Md. | Gearhart | Kniffin | Peterson, Fla. |
| Cole, N. Y. | Gildea | Knutson | Peterson, Ga. |
| Colmer | Gingery | Kocialkowski | Pettengill |
| Connery | Granfield | Kopplemann | Pfeifer |
| Cooley | Gray, Ind. | Kramer | Pierce |
| Cooper, Ohio | Gray, Pa. | Lambeth | Plumley |
| Cooper, Tenn. | Green | Lamneck | Polk |
| Costello | Greenwood | Lanham | Powers |
| Rabaut | Sauthoff | Sumners, Tex. | Walter |
| Ramsey | Schaefer | Taber | Warren |
| Randolph | Schuetz | Tarver | Wearin |
| Rankin | Scott | Taylor, S. C. | Welch |
| Ransley | Sears | Taylor, Tenn. | West |
| Reed, Ill. | Seger | Terry | Whelchel |
| Reed, N. Y. | Shanley | Thom | Whittington |
| Reilly | Sisson | Thomas | Wigglesworth |
| Rich | Smith, Conn. | Thomason | Wilcox |
| Risk | Smith, Va. | Thompson | Williams |
| Robsion, Ky. | Smith, W. Va. | Thurston | Wilson, La. |
| Rogers, Mass. | Snell | Tinkham | Wolcott |
| Romjue | Somers, N. Y. | Tobey | Wolverton |
| Russell | South | Tonry | Wood |
| Sabath | Spence | Treadway | Woodruff |
| Sanders, La. | Stack | Turpin | Young |
| Sanders, Tex. | Starnes | Umstead | Zimmerman |
| Sandlin | Steagall | Wadsworth | |

ANSWERED "PRESENT"—1

Dickstein

NOT VOTING—119

| | | | |
|---|---|---|---|
| Allen | Cox | Hill, Knute | Rayburn |
| Amlie | Cross, Tex. | Hoeppel | Reece |
| Arnold | Crowther | Hook | Richards |
| Bankhead | Culkin | Kelly | Richardson |
| Beam | Cummings | Kennedy, Md. | Robertson |
| Bell | Darden | Kerr | Rogers, N. H. |
| Berlin | Dempsey | Kimball | Rudd |
| Biermann | Dietrich | Kleberg | Ryan |
| Bland | Dirksen | Lee, Okla. | Schulte |
| Blanton | Dobbins | Lesinski | Shannon |
| Bloom | Dockweiler | Lewis, Md. | Short |
| Boykin | Doughton | Lord | Sirovich |
| Boylan | Doutrich | Lucas | Smith, Wash. |
| Brennan | Dunn, Miss. | McGroarty | Snyder |
| Buckbee | Eicher | McLean | Stubbs |
| Buckley, N. Y. | Fernandez | McLeod | Sullivan |
| Bulwinkle | Fish | McMillan | Sutphin |
| Burch | Flannagan | McSwain | Sweeney |
| Burnham | Fulmer | Maas | Turner |
| Cannon, Wis. | Gambrill | Mansfield | Underwood |
| Carpenter | Gasque | May | Vinson, Ga. |
| Carter | Gassaway | Mead | Wallgren |
| Cartwright | Gifford | Mitchell, Ill. | Weaver |
| Celler | Gilchrist | Montague | Werner |
| Christianson | Gillette | Norton | White |
| Claiborne | Goodwin | O'Brien | Wilson, Pa. |
| Clark, Idaho | Greever | Oliver | Withrow |
| Cochran | Hamlin | Parks | Woodrum |
| Collins | Higgins, Conn. | Peyser | Zioncheck |
| Corning | Higgins, Mass. | Quinn | |

So the bill was rejected.

The Clerk announced the following pairs:

General pairs:

Mr. Blanton with Mr. Fish.
Mr. Cochran with Mr. Carter.
Mr. Bulwinkle with Mr. Short.
Mr. Corning with Mr. Lord.
Mr. Fulmer with Mr. Collins.
Mr. Robertson with Mr. Crowther.
Mr. McMillan with Mr. Buckbee.
Mr. Rayburn with Mr. Reece.
Mr. Bland with Mr. McLeod.
Mr. Montague with Mr. Goodwin.
Mr. Sullivan with Mr. Maas.
Mr. Vinson of Georgia with Mr. Kimball.
Mr. Woodrum with Mr. Dirksen.
Mr. Doughton with Mr. Amlie.
Mr. Boylan with Mr. Withrow.
Mr. Bloom with Mr. Gifford.
Mr. Flannagan with Mr. Allen.
Mr. Weaver with Mr. Wilson of Pennsylvania.
Mr. Kerr with Mr. Gilchrist.
Mr. McSwain with Mr. Culkin.
Mr. Mansfield with Mr. McLean.
Mr. Cross of Texas with Mr. Burnham.
Mr. Beam with Mr. Higgins of Connecticut.
Mr. Sirovich with Mr. Christianson.
Mr. Thomason with Mr. Doutrich.
Mr. Mead with Mr. Zioncheck.
Mr. Sweeney with Mr. Lee of Oklahoma.
Mr. Brennan with Mr. Dunn of Mississippi.
Mr. Lucas with Mr. Hook.
Mr. Dietrich with Mr. Gassaway.
Mr. Oliver with Mr. Gillette.
Mr. Werner with Mr. Parks.
Mr. Hamlin with Mr. Darden.
Mr. Celler with Mr. O'Brien.
Mr. Arnold with Mr. White.
Mr. Greever with M. Quinn.
Mr. Kleberg with M. Cartwright.
Mr. Bankhead with Mr. Richardson.
Mr. Eicher with Mr. Lewis of Maryland.
Mr. Wallgren with Mr. Claiborne.
Mr. Bell with Mr. Turner.
Mr. Berlin with Mr. Knute Hill.
Mr. Rudd with Mr. Underwood.
Mr. Boykin with Mr Cannon of Wisconsin.
Mr. Kelly with Mr. May.
Mr. Cummings with Mr. Biermann.

Mr. Kennedy of Maryland with Mr. Dempsey.
Mr. Gasque with Mr. Higgins of Massachusetts.
Mr. Lesinski with Mr. Rogers of New Hampshire.
Mr. Snyder with Mr. Buckley of New York.
Mr. Clark of Idaho with Mr. Fernandez.
Mr. Burch with Mr. Stubbs.
Mr. Dockweiler with Mr. Gambill.
Mrs. Norton with Mr. McGroarty.
Mr. Sutphin with Mr. Peyser.

Mr. COX. Mr. Speaker, I am sorry I cannot qualify. If I were able, I would vote "no."

The result of the vote was announced as above recorded.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sinclaire, its assistant enrolling clerk, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 169. Joint resolution granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director, United States Public Health Service; Bolivar J. Lloyd, medical director, United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, Peru, and Cuba.

The message also announced that the Senate agrees to the amendments of the House to bills and a joint resolution of the Senate of the following titles:

S. 1374. An act authorizing the survey, location, and construction of a highway to connect the northwestern part of continental United States with British Columbia, Yukon Territory, and the Territory of Alaska;

S. 2888. An act to provide for the disposition, control, and use of surplus real property acquired by Federal agencies, and for other purposes; and

S. J. Res. 65. Joint resolution to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended.

The message also announced that the Senate recedes from its amendments to the bill (H. R. 7199) to provide for the donation of certain Army equipment to posts of the Veterans of Foreign Wars, disagreed to by the House.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6776. An act to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8632) entitled "An act to amend an act entitled 'An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes', approved May 18, 1933."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7167) entitled "An act to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes."

CALENDAR WEDNESDAY

CLAIMS OF CERTAIN BANDS OF INDIANS RESIDING IN THE STATE OF OREGON

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the bill (S. 2761) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. DISNEY. Reserving the right to object, does the Chairman of the Committee on Indian Affairs expect to call up the bill H. R. 6682, known as the "Osage civilization fund bill", which passed the House last session and has passed the Senate this session?

Mr. ROGERS of Oklahoma. I hoped we would be able to call that bill up, but from the lateness of the hour and the position of that bill on the calendar it does not look as if it is going to be possible to call it up. I am just as anxious to call it up as the gentleman is to have it considered.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. ROGERS]?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That jurisdiction is hereby conferred on the Court of Claims with the right of appeal to the Supreme Court of the United States by either party, as in other cases, to hear, examine, adjudicate, and render final judgment (a) in any and all legal and equitable claims, arising under or growing out of any treaty, agreement, act of Congress, or Executive order, or for the failure of the United States to pay any money or other property due, which those Indian tribes or bands, or portions thereof, and their descendants, described in the ratified treaties of September 10, 1853 (10 Stat. 1018), September 19, 1853 (10 Stat. 1027), November 18, 1854 (10 Stat. 1122), November 25, 1854 (10 Stat. 1125), January 22, 1855 (10 Stat. 1143), and December 21, 1855 (12 Stat. 981), may have against the United States; and (b) any and all legal and equitable claims arising under or growing out of the original Indian title, claim, or rights in, to, or upon the whole or any part of the lands and their appurtenances occupied by the Indian tribes and bands described in the unratified treaties published in Senate Executive Document No. 25, Fifty-third Congress, first session (pp. 8–15), at and long prior to the dates thereof, except the Coos Bay, Lower Umpqua, and Siuslaw Tribes, it being the intention of this act to include all the Indian tribes or bands and their descendants, with the exceptions named, residing in the then Territory of Oregon west of the Cascade Range at and long prior to the dates of the said unratified treaties, some of whom, in 1855, or later, were removed by the military authorities of the United States to the Coast Range, the Grande Ronde, and the Siletz Reservations in said Territory.

SEC. 2. That if any claim or claims be submitted to said courts hereunder they shall settle the rights therein, both legal and equitable, of each and all the parties thereto, notwithstanding the lapse of time or the statutes of limitation; and any payment which may have been made under any claim or agreement shall not operate as an estoppel but may be pleaded as a set-off, and the United States shall be allowed to plead, and shall receive credit for all sums, including gratuities, paid to or expended for the benefit of the respective tribes or bands of Indians. The claim or claims of each tribe or band may be presented separately or jointly by petition, subject, however, to amendment and consolidation in proper cases. Such action or actions shall make the petitioner or petitioners party plaintiff or plaintiffs and the United States party defendant; and any nation, tribe, or band the court may deem necessary to a final determination of such suit or suits may be joined therein by order of the court.

The petition shall set forth all the facts upon which the claims are based and shall be signed and verified by the attorney or attorneys employed to prosecute such claim or claims and who are under contract with said Indians approved in accordance with existing law. Any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition filed as herein provided in the Court of Claims within 5 years from the date of the approval of this act.

Official letters, papers, documents, and public records, or certified copies thereof, may be used in evidence, and the departments of the Government shall allow the attorney or attorneys access to such treaties, papers, correspondence, or records as may be needed by said attorney or attorneys.

SEC. 3. That upon the final determination of such suit, or suits, the Court of Claims shall decree such fees not exceeding 10 percent of the amounts recovered as it shall find reasonable to be paid the attorney or attorneys employed therein by said Indians or bands of Indians, under contracts negotiated and approved as provided by existing law, together with all necessary and proper expenditures incurred in the preparation and prosecution of the suit or suits.

SEC. 4. The proceeds of all amounts, if any, recovered for said Indians, less attorneys' fees and expenses, shall be deposited in the Treasury of the United States to the credit of the Indians decreed to said court to be entitled thereto, and shall draw interest at the rate of 4 percent per annum from the date of the original judgment or decree and thereafter shall be subject to appropriation by Congress.

THE FRAZIER-LEMKE FARM-MORATORIUM BILL

Mr. MARTIN of Colorado. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I have just voted for a few thousand Indians; now I should like to say a few words for a few

million white men if the House will bear with me for just 2 minutes. [Applause.]

Mr. Speaker, I undertake to say that there is no bill pending which is of more genuine concern to more Members of the House than the Frazier-Lemke farm-moratorium bill. [Applause.] This bill passed the Senate on Monday. The Senate debate, which I have read, indicates that it is the opinion of the ablest constitutional lawyers in that body that the bill in its present form is constitutional. Farm disturbances in a great Midwestern State, a genuinely American State, are indicative of the deep distress amongst the farmers of that State, and the distress of the farmers of that State is indicative of their condition in many States of the Middle West and the West.

The farm moratorium bill, passed in the closing hours of the last session of Congress, accomplished some good, even though later declared unconstitutional, and it paved the way for this bill. It fell to my lot to get the first action under that law in the State of Colorado, saving the rights of a farmer within an hour of the time when the sheriff was to deliver the final deed to the creditor under a decree of court. It would be too long a story to tell here of the long distance wiring and telephoning and turning hither and thither necessary to get action on 48 hours' notice under a new law, the administrative machinery of which had not yet been set up.

At this time I feel justified in placing in the RECORD a copy of a telegram which I sent the President from my office in Washington in behalf of the bill on June 26, 1934, when I was advised that the President still had under consideration the question of signing the bill.

The reasons I advanced to the President in favor of that bill were proved by experience, and they are just as pertinent to the pending bill, and I respectfully submit it to the perusal of Members. The telegram was as follows:

WASHINGTON, D. C., *June 26, 1934.*

The PRESIDENT,
*White House.*

DEAR MR. PRESIDENT: As one familiar with western farm conditions, I beg leave to submit one consideration in favor of the Frazier-Lemke mortgage moratorium bill. Under foreclosure many thousands of these farms will find no buyers. They will lie vacant or fall into the hands of shiftless tenants who will skin them. I sincerely believe the bill is a conservation measure and that it would be best for the mortgagees if the owners could be given the stay provided by the bill.

It is also suggested that the act will induce lower interest rates, resulting in much refinancing through existing set-ups, and restrain many foreclosures. I doubt whether the act will result in wholesale bankruptcies.

Very respectfully,

JOHN A. MARTIN,
*Member of Congress, Third District Colorado.*

Mr. Speaker, either by unanimous consent or by suspension of the rules before this Congress adjourns we ought to pass the Frazier-Lemke farm-moratorium bill. [Applause.]

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. ROBSION of Kentucky. There is a great misunderstanding. Some Members of the House seem to think there is just one Frazier-Lemke bill, but we understand the gentleman refers to the bill which grants a moratorium of 3 years, and not the refinancing bill.

Mr. MARTIN of Colorado. The gentleman is correct.

Mr. ROBSION of Kentucky. Furthermore, the Committee on the Judiciary, I think, unanimously reported this measure and I think it is a good bill.

Mr. MARTIN of Colorado. I thank the gentleman for the information concerning the action of his committee. That, then, is an additional reason why it ought to be passed. Before this Congress adjourns we ought to extend to the farmers of this country this relief which will not cost the United States Treasury anything. I wish we could end this day with a good deed by passing the Frazier-Lemke bill.

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. SUMNERS of Texas. The Committee on the Judiciary is standing by hoping to call that bill up at the very first opportunity.

Mr. MARTIN of Colorado. Does the gentleman think it will be called up for a certainty before we adjourn?

Mr. SUMNERS of Texas. Just as soon as we can get recognition; and I am doing my best. I understand the Chair is going to recognize me for that purpose.

Mr. MARTIN of Colorado. I thank the distinguished Chairman of the Judiciary Committee for his assurance.

Mr. O'MALLEY. Mr. Speaker, if the gentleman will yield, the committee having the bill in charge can ask the Rules Committee for a rule. The Rules Committee has been handing out all kinds of rules in the last few days and certainly we could get a rule on that.

Mr. MARTIN of Colorado. I will say to the gentleman from Wisconsin that the bill ought to pass the House by unanimous consent and not need a rule. [Applause.]

[Here the gavel fell.]

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill were laid on the table.

The SPEAKER. The Chair desires to call to the attention of the Members of the House the fact that this is Calendar Wednesday and that only bills that may be taken up on Calendar Wednesday can be considered except by consent, and the Chair recognized the chairman of the committee which had the call for today under the rules of the House.

The gentleman from Oklahoma is recognized.

### MUSKOGEE OR CREEK TRIBE OF INDIANS

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the bill (S. 3182) authorizing an appropriation to carry out the provisions of section 26 of the agreement with the Muskogee or Creek Tribe of Indians, approved March 1, 1901.

Mr. SNELL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Will the gentleman withdraw the point of order for a moment?

Mr. SNELL. I withdraw it for the time being.

### SENATE BILLS REFERRED

A bill and joint resolution of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 2027. An act consenting to an interstate oil compact to conserve oil and gas, for the regulation of imports of petroleum and its products, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. J. Res. 173. Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries: the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war; to the Committee on Foreign Affairs.

### ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 6361. An act to amend the Filled Milk Act;

H. R. 7380. An act authorizing the Virgin Islands Co. to settle valid claims of the creditors, and for other purposes;

H. R. 7927. An act to authorize the Secretary of State to lease to citizens of the United States any land heretofore or hereafter acquired under any act, Executive order or treaty in connection with projects, in whole or in part constructed or administered by the Secretary of State through the International Boundary Commission, United States and Mexico, American section; and

H. R. 8473. An act to provide for the compiling and publishing of the Official Register of the United States.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1763. An act to amend the act entitled "An act to adjust the compensation of certain employees in the Customs

Service", approved May 29, 1928, as amended by the act of December 12, 1930;

S. 1787. An act to add certain lands to the Pisgah National Forest in the State of North Carolina;

S. 1817. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N. Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island;

S. 1832. An act to authorize the Secretary of the Interior to provide by agreement with Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, for maintenance and operation on newly reclaimed Pueblo Indian lands in the Rio Grande Valley, N. Mex., reclaimed under previous act of Congress, and authorizing an annual appropriation to pay the cost thereof for a period of not to exceed 5 years;

S. 1864. An act for the relief of the State of Nebraska;

S. 2649. An act to provide for a recreation area within the Prescott National Forest, Ariz.;

S. 2681. An act to extend the times for commencing and completing the construction of a bridge across Lake Champlain at or near West Swanton, Vt.;

S. 3194. An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended;

S. 3270. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia;

S. 3353. An act providing for the exchange of certain park lands at and near Western Avenue and West Beach Drive for other lands more suitable to the development of Rock Creek Park and the street system of the District of Columbia, and for other purposes; and

S. 3336. An act to repeal titles I and II of the National Prohibition Act, to reenact certain provisions of title II thereof, to amend or repeal various liquor laws, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 3462. An act to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes;

H. R. 5711. An act to provide aid for needy blind persons of the District of Columbia and authorizing appropriations therefor;

H. R. 6510. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H. R. 6623. An act to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want;

H. R. 8421. An act granting pensions to certain widows of soldiers and sailors of the Civil War;

H. R. 8422. An act granting pensions to certain former widows of soldiers and sailors of the Civil War;

H. R. 8423. An act granting increase of pensions to certain former widows of soldiers and sailors of the Civil War;

H. R. 8424. An act granting increase of pensions to certain widows of soldiers and sailors of the Civil War;

H. R. 8425. An act granting pensions and increase of pensions to certain helpless and dependent children of soldiers and sailors of the Civil War;

H. R. 8426. An act granting pensions to certain soldiers of the Civil War; and

H. R. 7617. An act to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CROWTHER, for the balance of the session, on account of illness.

Mr. SNELL. Mr. Speaker, I renew my point of order.

Mr. CANNON of Missouri. Will not the gentleman withdraw his point a moment?

Mr. SNELL. Mr. Speaker, at the request of the gentleman from Missouri I withdraw the point of order.

PERMISSION TO ADDRESS THE HOUSE

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

Mr. O'CONNOR. Does the gentleman desire to speak on the same subject he discussed Saturday?

Mr. CANNON of Missouri. Yes. I could raise the question of personal privilege, but I prefer not to.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, my attention has just been called to remarks inserted in the RECORD last night by my friend the gentleman from Michigan [Mr. SADOWSKI], in which he refers to my statement on the floor relative to the so-called "strike" in Detroit. The gentleman from Michigan is a very useful Member of the House and is assiduous in the service of his district and his constituents, and it is natural that he should champion the cause of the women who come to Washington from his district, however misguided their mission.

They object to my reference to them as foreign and to my statement that Communists were associated with their activities. My information on both points is supplied by the dispatches of the Associated Press and the United Press, which reports that the assaults on purchasers of meat was "to the accompaniment of an angry babble of foreign tongues", and that the strikers had their headquarters in the hall of the International Workers, an organization of Communists.

They also give the mayor of the city as authority for the statement that Communists participated in the disorder. I have always found both press associations accurate and no evidence to the contrary has been adduced in this case.

But whether they are foreign or whether they are Communists is immaterial. The matter at issue is whether their demonstrations are in furtherance of the campaign of the processors against the farm program of the administration. No one who met these women can believe their agitation is wholly voluntary. They are uninformed and incapable of conceiving or executing unprompted the advertised objective of their visit to Washington.

When they appeared in my office yesterday they could not even state intelligibly the purpose for which they came but read from a paper which someone had prepared for them. By the widest stretch of the imagination they could not have prepared copy for the pamphlet Plan of Work, which was circulated in organizing their strike, and, according to their own admission, they did not have money to pay for printing it.

They were not only uninformed but were obviously insincere. In the presence of the newspapermen who accompanied them I attempted to discuss with them the price of pork against which they were protesting. I asked them the price in Detroit. They replied they paid 35 cents for bacon and 38 cents for ham. I called their attention to advertisements of local retailers in the Detroit News of August 16, 1935, pricing bacon at 18 cents to 21 cents and smoked ham at 21 cents to 24 cents. They replied that the stores which sold pork at these prices were too far down town for their convenience.

Apparently they were deliberately misstating the price at which meats are being sold in Detroit and still more patently they were offering false testimony when they stated the stores were too far down town. No normal housewife would insist on trading at her neighborhood store when she could secure supplies at half the price by taking a car down town. When this suggestion was made they abandoned all attempt to adhere to the facts and said that the meats advertised at this price were poisonous. It is a matter of common knowledge that the health regulations of Detroit do not permit the sale of deleterious foods, and that all meats on sale in these shops are Government inspected. As a matter of fact, one of

the dealers in Friday's issue of the Detroit News gave their customers the choice of Swift's Premium and Armour's Star at 21 cents per pound, two standard brands, universally recognized as of the highest quality. When this discrepancy was called to the attention of the women they declined to further comment on the matter they had come to discuss, and, although treated with the utmost courtesy, abruptly left the office.

My good friend, Mr. SADOWSKI, suggests that the women were not criticizing the farmers and were directing their protests to the packers; but the denunciation of the packers is plainly an afterthought, as it does not appear in any of their numerous newspaper interviews until after my speech of Monday, and their stock phrases when they attempted to talk without referring to their lines were "the processing tax" and "the little pigs killed by the farmers."

The timely way in which their strike fits into the packers' assault on the processing tax is not an accident. It seems to have been carefully planned in advance. As early as last March one of the executives of a State chamber of commerce, speaking for the processors, threatened a buyers' strike if the Government's farm-relief plan was insisted on. He wrote:

There is both opposition and support of the various features of the Government's farm-relief program on the part of our board members.

Clearly he represented only a part of his chamber in opposing the relief program. But he makes still plainer the identity of the opposition. He continues:

Business firms which we represent, engaged in food processing or distribution, feel that they would be most detrimentally affected by the amendments to the Agricultural Adjustment Act, and wish to be recorded as opposing the passage of the amendments.

To be certain his clients are not confused with local retailers, he adds:

I am sure I need not remind you that these firms are not just local in character. They are the outlet for the farm products of this entire region. I hope you will not regard us as presuming to speak as your constituents, since we have our own Congressmen, but as speaking the sentiment of an element in the community on a matter of State-wide concern and effect. There is the deepest concern on the part of the food processing and handling firms which we represent over the delegation of powers by these particular amendments.

And then he makes the significant statement toward which he has been leading. He says:

Certainly there is reason to anticipate a buyers' strike on certain commodities.

He is a prophet. He predicts events and they come to pass. In March he threatens a buyers' strike if the Government's farm-relief plan is persisted in. And here in August five women from the foreign section of Detroit, elaborately publicized and followed by a train of newspaper reporters, photographers, and radio men, march on Washington in defense of the little pigs the farmers are killing.

It is a most opportune time. The packers have just filed over 400 suits against the Government to enjoin the collection of the processing tax. It is not only an assault on the farm-relief program, which is functioning so efficiently, but it is a shameful attempt to mulct the American people of a stupendous sum of money—in excess of $8,000,000 in one Federal court district alone.

If they should win these suits, millions of dollars of the people's money would go to the processors, who have rendered no pretense of service in return. The processors have collected, and are still collecting, huge sums of money from the consumers from day to day; and, if not required to pay it to the farmer as provided by law, no individual consumer could afford to bring suit or would bring suit for the return of his personal contribution, and the packers and millers would retain legal possession of unearned sums of money so vast as to shame the wealth of Midas. In view of the extent of the plunder at stake, is it to be wondered that the processors are organizing a fake farm organization here in Washington to misrepresent the processing tax with a stool pigeon from Kansas as its nominal head, and a buyers' strike in Detroit with a Mrs. Zuk as its ostensible leader, in order to secure some semblance of public support.

Even if it were bona fide, the whole theory of consumer protest against high food prices is built on a false assumption. Low prices do not contribute to the wide distribution of foodstuffs or ample supplies of pork. On the contrary, low food prices are invariably accompanied by starvation and bread lines. Food was never so plentiful as in 1919, when it was highest. And hunger was never so wide-spread as in 1932, when prices were lowest. Pork was cheaper in Detroit last year than ever before in the history of the city, and a huge percentage of the people of Detroit were on relief. Cheap pork and low prices are not the answer. The solution of the problem is to give employment and pay the consumer wages that will enable him to buy freely. That is exactly the function of the processing tax. It gives the farmer buying power and enables him to buy the products of labor and industry, as he did in 1919 and as he is doing today.

The factory cannot sell unless the farmer can buy and the factory cannot employ labor unless it has a market for its wares. Smoking chimneys and whirling wheels and roaring plants in every industry today are the direct and immediate result of paying the farmer an honest wage for his labor, a fair return on his investment, and $12.40 for his hogs. In the language of the much-maligned Constitution, the processing tax is today establishing justice, insuring domestic tranquillity, and promoting the general welfare—and no substitute has yet been suggested which will do it as effectively.

(Mr. CANNON of Missouri asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. MARTIN of Massachusetts and Mr. RICH objected.

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 358.

The Clerk read the resolution, as follows:

*Resolved*, That during the remainder of the first session of the Seventy-fourth Congress it shall be in order for the acting majority leader or the Chairman of the Committee on Rules to move that the House take a recess, and said motion is hereby made of the highest privilege; and it shall also be in order at any time during the remainder of the first session of the Seventy-fourth Congress to consider reports of the Committee on Rules, as provided in clause 45, rule XI, except that the provision requiring a two-thirds vote to consider such reports is hereby suspended during the remainder of this session of Congress.

Mr. SNELL. Mr. Speaker, this is certainly a novel procedure, but we are accustomed to that by this time.

Mr. O'CONNOR. It is the usual resolution.

Mr. SNELL. Mr. Speaker, I have never seen such a resolution that included the Chairman of the Committee on Rules.

Mr. O'CONNOR. I did not draw it.

Mr. SNELL. Who did?

Mr. O'CONNOR. I did not draw it.

Mr. SNELL. It is entirely different from anything we have ever had heretofore.

Mr. O'CONNOR. It is the usual resolution offered at the end of a session, except that this does not cover suspensions.

Mr. SNELL. There is no way we can stop it, but it is an entirely novel resolution. I do not think there is any need especially for it if we are going to adjourn this week, as the gentleman claims we are.

Mr. O'CONNOR. I did not make that claim. Do not put me in that claiming category.

Mr. SNELL. What is the object in offering the resolution at this time?

Mr. O'CONNOR. The gentleman well knows that before the close of any Congress, in order to save time a resolution is offered so that we may recess rather than adjourn because of the long reading of the Journal.

Mr. SNELL. That is all right; but the gentleman says we are not going to adjourn this week, so what difference does it make?

Mr. O'CONNOR. I have no control over that matter. I would have adjourned long ago if I had anything to say

about it. Then, the second point is that in order to call up rules they have to lay over 24 hours.

Mr. SNELL. There is a regular provision covering that matter.

Mr. O'CONNOR. We have not heretofore fixed the time of adjournment before the actual day of adjournment.

Mr. SNELL. Oh, we always did when somebody was at the head of the program that knew something about it.

Mr. O'CONNOR. When the gentleman was Chairman of the Rules Committee we never did.

Mr. SNELL. We did. We always have known in advance 4 or 5 days before we adjourned.

Mr. O'CONNOR. Not in my memory.

Mr. SNELL. I challenge the statement of the gentleman.

Mr. O'CONNOR. The rules provide the last 6 days for suspension. In the 13 years I have been here nobody has known in advance the last 6 days of a session.

Mr. SNELL. We have, all the time.

Mr. O'CONNOR. It is like the last car on the train, if taken off, there is always another last car.

Mr. GREENWOOD. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. GREENWOOD. We have changed the method of adjourning a session of the Congress. Formerly half of the sessions of Congress were adjourned by operation of law on the 4th of March and, of course, you could always tell what would be the last 6 days of a session. Under the present situation I think such a resolution is necessary.

Mr. McFARLANE. Mr. Speaker, I object to the consideration of the resolution.

Mr. O'CONNOR. I called up the resolution. It is not subject to objection because it was reported yesterday.

Mr. MICHENER. Mr. Speaker, if the gentleman will permit, I am interested in the matter of the recess. The only purpose of a recess, as the gentleman stated, is to avoid the morning procedure?

Mr. O'CONNOR. Principally.

Mr. MICHENER. Has the gentleman anything else in mind in reference to postponing a legislative day?

Mr. O'CONNOR. No; I have no such thing in mind. I have passed the point where I have anything in mind, really. [Laughter.]

Mr. RICH. If the gentleman is not going to have anything in mind and is going to be the dictator, why does he not get Mr. Roosevelt into this?

Mr. SNELL. Mr. Speaker, this is Calendar Wednesday, and I object to the consideration of the resolution as not being privileged on Calendar Wednesday.

The SPEAKER. The Chair does not think the resolution is privileged on Calendar Wednesday.

Mr. SNELL. Then, Mr. Speaker, I ask for the regular program.

Mr. O'MALLEY. Regular order, Mr. Speaker.

The SPEAKER. The regular order is, This is Calendar Wednesday.

Mr. MONAGHAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MONAGHAN. Since the last 6 days, under the rules of the House, are days on which Members may be recognized for suspensions, would the effect of this resolution be that we adjourn automatically in 6 days?

Mr. O'CONNOR. No; it has nothing to do with adjournment.

Mr. SNELL. If it did, I would be inclined to favor it.

Mr. MICHENER. Is it the purpose to adjourn or recess tonight?

The SPEAKER. The regular order is, This is Calendar Wednesday.

### AMENDMENT OF PUBLIC ACT NO. 435, SEVENTY-SECOND CONGRESS

Mr. ROGERS of Oklahoma. Mr. Speaker, I call up the joint resolution (H. J. Res. 215) to amend Public Act No. 435, Seventy-second Congress.

Mr. SNELL. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The Chair will count. [After counting.] One hundred and eighty-one Members are present, not a quorum.

## EXTENSION OF REMARKS

### IMPAIRMENT OF HUMAN RIGHTS AND LIBERTIES IN GERMANY

Mr. HIGGINS of Massachusetts. Mr. Speaker, with the advent of the totalitarian state in Germany we have witnessed many manifestations of cruelty and persecution, which are quite at variance with the noble nature of the German people themselves. A militant minority, having seized the reins of government, seeks to perpetuate itself in power by stirring up racial and religious hatred at a time when the German Nation, like our own, needs unity in order to overcome its economic ills.

Although all denominations of Christians have been subject to persecution in the German Reich, the brunt of the attack, as so often happens in Central Europe, falls upon the Jewish people. This is particularly unfortunate, because the Jews in Germany have distinguished themselves as useful, patriotic citizens, making their rich contribution to every phase of cultural, artistic, educational, technical, and social life. Wherever the music of Mendelssohn is loved or the heart is stirred by the lyric poetry of Heinrich Heine, there is a proper realization of what Jewish-German genius has meant to the civilization of the world.

Furthermore, during the World War, the Jewish soldiers who fought in the trenches for their country gave an example of fidelity and valor which won for them the admiration of their comrades in arms. In that dread hour, when the Fatherland was in danger, there was no question of racial or religious discrimination. The Jewish war veteran is now astonished, after pouring out his blood for his country, to find that he is not only despised, hunted, and outlawed, but that he is denied the most fundamental of human rights in the field of education, marriage, and business. Once more, he is driven across that frontier on the Rhine or on the Vistula, which in the years of 1914–18 he had learned to defend at the risk of his life. If he was German enough to be a shield for his country in time of war, Mr. Speaker, I submit that he is patriotic enough to deserve equality under the law in time of peace.

Of course, I am aware that many pretexts are employed to attempt to justify this persecution of the Jews. The charges and accusations which have been leveled against the Jews of Germany are no secret. Without taking up each one in detail, Mr. Speaker, I wish to lay down this broad, general principle which I believe will commend itself to most fair-minded people. It is this: If members of any race or religious group commit a crime or are guilty of unpatriotic conduct, there should be found a remedy at law. For that reason we have our courts, our judges, and our juries. If the law is evaded, then other statutes should be provided to cover the case.

On the other hand, arbitrary punishment of a whole group is tyranny of the worst form. It is no rectification of the wrong, but rather an incentive to further crime and violence to see unauthorized bands of youthful storm troopers or Nazi youth smash the windows of Jewish shopkeepers indiscriminately, to assault Jewish-German citizens who are encountered on the common highways, to boycott all Jewish stores. Under a system of this kind the doors are opened to the venting of personal spleen, to the stirring up of old animosities, and to the petty uses of jealousy and revenge. Arbitrary use of force can never be a substitute for reason and law.

What is worse, this illegal baiting of the Jews occasions wide-spread suffering not merely among the few individuals who may have offended in one way or another, but also among thousands of innocent men, women, and children. Here in the United States we would not for an instant tolerate the condemnation and punishment of a whole class or race or group. We would realize that such indiscriminate action would work keen injustice and redound to the ultimate disadvantage of the state. We refuse to punish a thousand innocent persons in order to bring justice to one speculator, one embezzler, or one dishonest banker. The latter, one by one, are brought to trial, given all their constitutional rights of defense, and visited with penalties decreed by law only after they have been proved guilty beyond reasonable doubt. This is the American method. I may add that it is the

method sanctioned by the law of God and the dictates of right reason.

Is it not distressing, therefore, to view the spectacle of a whole race suffering persecution? Is not racial and religious persecution a matter of concern to the civilized world? Have we not as citizens of the United States the right to raise our voice in protest against injustice, against the continued violation of fundamental human rights? Can any one justly construe such protest as intervention? Indeed, is not such protest, in the words of our own Declaration of Independence, justified "by the law of nature and nature's God"? How else can we understand those ringing words of our ancestors at Philadelphia appealing to a "decent respect for the opinion of mankind"?

In our own country the Jews have been prominent not only in enriching the great science and art of law and medicine but also for their patriotic services to the Republic in every crisis in history. In this connection it should be recalled that the first step which led eventually to the War of the Revolution was the signing of the nonimportation resolutions of 1765 by merchants of the Colonies. Among these signers were nine Jews. Citizens of the colony of Georgia issued a protest against the blockade of Boston Harbor and taxation without representation, and this was signed by the prominent citizens of the Colonies; among the signatures appeared the names of two Jews.

A large number of the soldiers and officers who fought in the Revolutionary War were Jews, and among the leaders who deserve mention I may cite the names of Col. David S. Franks, Col. Solomon Bush, Col. Isaac Franks, Maj. Benjamin Nones, Capt. Jacob de la Motta, Lt. Abraham Seixas, and Lt. David Sarzedas.

A Jewish heroine of the Revolution was Esther Hays. Her husband, David Hays, was in the patriot army. She was left with her children at home in Bedford, N. Y. In July 1779 Tories entered her home and demanded information regarding patriot plans which she was supposed to possess. When she refused her home was fired and she and her children were saved by a faithful Negro servant.

Another Jew, Isaac Moses, helped out Robert Morris by pledging 3,000 pounds to the patriot cause. Philip Minis advanced $7,000 toward paying troops of Virginia and North Carolina in the State of Georgia.

Haym Salomon rendered invaluable service to the Government during the darkest days of the Revolution. It is estimated that the advances made by Salomon were no less than $200,000 in aid of the Government during its struggle for independence.

Forty-three Jews are recorded in the War of 1812, among them Brig. Gen. Joseph Bloomfield, Col. Nathan Myers, Capt. Myer Moses and Mordecai Myers, and Capt. Levi Charles Harby, who fought also in the Mexican War and the Seminole War in Florida.

Fifty-seven Jews are recorded in the Mexican War, among them Gen. David deLeon, who received the thanks of Congress twice for his gallantry.

In the Civil War the records of soldiers who fought on both sides are better kept than in the earlier wars. From these records it appears that over 7,500 Jews fought in the northern and southern armies, a larger number in proportion to the number of Jews who were then in the United States—about 150,000—than was furnished by any other religious denomination; 7 Jews received medals of honor from Congress for conspicuous gallantry. Of staff officers who were Jews, 4 are mentioned; there were 11 Jewish naval officers. There were 9 generals, 18 colonels, 8 lieutenant colonels, 4 majors, 204 captains, 325 lieutenants, 48 adjutants, and 25 surgeons of the Jewish faith.

For the Spanish-American War 2,451 Jews enlisted in the Army and 42 in the Navy; 32 were officers.

It was in the World War that Jewish military valor attained its apotheosis. Limitations of space permit consideration here only of the American Jews' record in this respect. As closely as can be estimated, the Jews contributed 250,000 men to the several branches of the service, exceeding by more than one-third their quota on a proportional basis. The combined number of Jewish commissioned officers in Army, Navy, and Marine Corps was nearly 11,000, including a rear admiral and a brigadier general. There were 31 rabbis in the Chaplains' Corps.

Eleven hundred Jews were cited for conspicuous valor. Of the 78 Congressional Medals of Honor—the Nation's supreme military decoration—3 were bestowed upon Jews. The Distinguished Service Cross went to 150 Jews. France awarded the rare Medaille Militaire to 4 American Jews and gave the Croix de Guerre to 174. Altogether, the foreign citations for valor of Jewish members of the A. E. F. were: French, 223; British, 25; various other allied commands, 75.

In view of the eminent contributions which the Jewish people have made to the national life, it is not surprising that the Massachusetts House of Representatives condemned the Nazi persecutions in Germany, as abhorrent to the humane and liberal sentiments of the people of our State. The Massachusetts House of Representatives had excellent precedents for its action. It has frequently gone on record in favor of the traditional American principles of religious liberty.

They had a perfect right to take this action in the name of humanity. When it is impossible in the free parliaments of mankind to condemn tyranny and oppression and to be solemn in the face of outrages that afflict the moral sense of the civilized world then indeed we will know that despotism has extended its sway over the entire world. To express sympathy for those who are persecuted and to protest against the extremes of injustice to which the Christian and Jewish people of Germany have been subjected is an elemental duty of conscience. The duty devolves itself upon groups and upon State and national legislators as well as upon our individual citizens of all creeds.

I am happy to express my sentiments of warm commendation and approval for the courageous, enlightened action of the Massachusetts House of Representatives. Their action was in keeping with the history and ideals of our great State.

At this point, Mr. Speaker, it is a happy privilege to pay a warm tribute of admiration and respect to the Honorable JOHN J. BOYLAN, my distinguished colleague from the State of New York. Ten years ago Mr. BOYLAN was almost alone in vindicating on the floor of this House the great traditional American principle of religious liberty. He called attention in eloquent language to the outrages and injustices that were being perpetrated upon both Jews and Christians in Mexico. In speaking upon this subject, therefore, among my colleagues of the House I cannot pass over this opportunity of recording my humble appreciation of the fine leadership which Congressman BOYLAN has consistently and nobly displayed on behalf of human freedom.

Mr. Speaker, it is a matter of recorded history that as soon as I took my place among the national legislators I was instant in demanding that some cognizance be taken of the persecution of Jews and Christians in Mexico. I did this, Mr. Speaker, because I believe in the universal, eternal principle of freedom of religious worship for all groups. The conscience of man cannot be constrained, should not be coerced. And, as the chairman of a voluntary House committee, which represented the express wishes of 250 Members of Congress, I was happy to receive assurances from the Honorable Franklin D. Roosevelt, President of the United States, that he, speaking for our people and our Government, was in entire sympathy with all those people who make it clear that we favor freedom of religious worship, not only in the United States but also in all other nations.

It must be clear, Mr. Speaker, that the President's declaration applies not only to the situation in Mexico but also to the persecution in Germany. Of the facts of persecution no one can doubt. The most impartial news agencies have brought us account of the most clearly authenticated cases of oppression and absolutism in the realm of conscience.

It is not enough, Mr. Speaker, to content ourselves with repeating that religious persecution is an unholy and an unnatural thing and that in the end right will prevail. In the meantime, many innocent men, women, and children are being driven into exile, despair is being instilled into many

youthful hearts, a fate worse than death is awaiting those who surrender to expediency. How, then, can we remain silent? Do we not have the obligation to show our solidarity with the rest of our fellow men? Is this not another case where " silence is not neutrality, but consent "?

### POTATO-CROP REDUCTION

Mr. GRAY of Indiana. Mr. Speaker, potatoes have long been the food of the poor man. Poor families have lived upon potatoes when food is high and they have been unable to provide themselves with meat or other forms and kinds of foods.

With the policy of want and scarcity to raise values, prices, and wages, and with the reduction and destruction of other farm food crops, the poor have gone back to using potatoes upon which to live.

But the potato-control amendment will cause the same want and scarcity in the potato crop for food and will leave the poor without a resort for food available for subsistence.

But we are told that other farm crops have been raised or lifted in price by the same tax and allotment plan, and this is to equalize the benefits to all food growers of the country. But experience has shown that raising the price of pork, by limitation and reduction of the supply, in advance of a corresponding increase of wages and income has worked a great hardship upon the laboring classes. The price of pork is prohibitive for use, and a great housewife strike is on. And this reduction of the potato supply and the tax to be imposed to raise prices will only increase the hardships of the laboring classes in towns and cities, coming before a corresponding increase of wages.

The potatoes grown in back yards, in gardens, and parts of truck lots will be supervised and directed from Washington, and an exacting and diligent inspector will first deal out the allotments and will come back later to measure up the crop.

The farmers or gardeners who have not grown potatoes, for any reason, during the past few years will, or may not, be allowed to grow potatoes and will be shut out of the market, and inspectors will be sent even to him to see to it that he grows none for sale or trade.

There are three or four million small potato growers who sell or trade in a surplus of their crop, over what they raise for their own personal use. But the requirements for special tags and stamps, and for special wrappers and containers, will make the sale or trade of their small surplus so inconvenient, difficult, and burdensome, that growing a small surplus of potatoes to sell or exchange at the store for other articles or prepared foods, will be impractical and prohibitive.

These special tags, stamps, wrappers, and containers will virtually create a monopoly for less than 30,000 potato growers at the expense of 120,000,000 consumers, and millions will be compelled to pay more before and without more earnings and wages to pay with. They will be left with less food to use and their hardships will be greatly increased.

Some of the newspapers of Cincinnati reported that certain commission men had dumped several carloads of potatoes into the Ohio River to keep up the price. The people were horrified and conscience stricken at this wanton destruction of food.

In passing this bill to prevent production, we are dumping several train loads of potatoes to decrease the supply and raise prices, while more people are suffering and hungry, awaiting an economic and recovery measure.

Congress, in full inquiry, found and it was agreed by all economic students that the panic or depression was caused by a failure of the buying and consuming power; the inability of the people to take and consume the products of farm, factory, and workshop. And it was further found by Congress that this failure had resulted from a fall of values, prices, and wages, which had destroyed the earnings and incomes of the people, their surplus over taxes and debts, which is their buying and consuming power.

And Congress further found and it was likewise agreed that a return of prosperity required a rise of values, prices, and wages to restore earning and incomes over taxes and debts, the buying and consuming power of the people.

Under our specialized industrial system each and every class is dependent upon another. Producers are dependent upon consumers, and consumers in turn upon producers. No one class can live independent of another; all must be maintained equal as producers and consumers.

Under this dependent and specialized system of industry all property values, commodity prices, and labor wages must be brought up and restored to an even, common level. Raising some values, prices, or wages without a corresponding rise of others will work a great hardship upon some people to the advantage of others.

If the price of clothing or clothing material is raised to a higher level without increasing prices or wages for the people who must buy clothing, the people dependent for clothing will be compelled to pay more for less without more earnings and income to pay with. If they are compelled to pay more for less, they can buy and consume less and the consumer will not only suffer but the producers must suffer loss as well. The demand for their product will be decreased and they must produce and sell less.

The producer's increased price will be offset by decreased demands, and the recovery merits of the policy of restoring values, prices, and wages, will be neutralized and defeated, with failure of accomplishment and realization.

This reduction of the potato crop to increase the price to potato growers without restoring the wages and incomes of the people who must buy potatoes is repeating an error already made in the recovery program. It will compel people to pay more for less without more earnings and income to pay with.

It will cause suffering and distress among the unemployed, the poor, and needy already in want of a sufficient food supply. It will reduce the sale of foods by the amount of the increased price to pay. And it will not bring prosperity to the growers. The increased price they will receive will be offset and neutralized by the decreased sales resulting.

There must be a rise of values, prices, and wages to restore the buying and consuming power. But this must come abiding the principles of equality, justice, and right to all. There must be a general and gradual rise of all values, prices, and wages coming to all people at the same time.

Full, adequate, complete prosperity requires that the general price rise must come while maintaining plenty and abundance of all the vital necessaries required to live. It must come with increased earnings to all, and when the people are compelled to pay more they must be receiving more to pay with.

Let it be kept eternally in mind that it is a false policy and fatal error, an economic injustice and moral wrong, and a vain and futile recovery policy, to require people to pay more without more to pay with.

There is an industrial policy to restore all values, prices, and wages to an even, equal level, bringing all values, prices, and wages gradually back to normal, evenly, alongside, at the same time, without increasing the burdens upon any and restoring prosperity to all.

And the law for this program has been enacted, signed, and entered upon the statute books. The law to bring about a gradual rise of all values, all prices, and all wages, without requiring a part to pay more for less, without receiving more to pay with and without reduction or destruction of the vital food supply.

This law was enacted May 12, 1933, and to restore values, prices, and wages without creating scarcity and want, and to restore prosperity to all classes with plenty and abundance for all. But this law remains on the statute books, a dead letter without administration or enforcement.

### ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 54 minutes p. m.) the House adjourned until tomorrow, Thursday, August 22, 1935, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

482. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the District of Columbia (H. Doc. No. 302); to the Committee on Appropriations and ordered to be printed, with illustrations.

483. A letter from the Secretary of the Treasury, transmitting a draft of a bill to amend existing legislation relative to the union passenger terminal in the District of Columbia, to permit the construction of a siding or sidings for the transportation of freight and express cars to and from the Government Printing Office; to the Committee on the District of Columbia.

484. A letter from the Secretary of the Treasury, transmitting a bill to impose annual taxes on domestic shipping and on yachts and pleasure boats; to the Committee on Ways and Means.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. O'DAY: Committee on Immigration and Naturalization. House Resolution 350. Resolution requesting that the Commissioner of Immigration and Naturalization be requested to continue the stay of deportation in the cases of aliens of good character in which deportation would result in unusual hardship until Congress had had adequate time to consider proposed legislation; without amendment (Rept. No. 1861). Referred to the House Calendar.

Mr. WARREN: Committee on Merchant Marine and Fisheries. S. 2632. An act to provide for the construction of 10 vessels for the Coast Guard designed for ice-breaking and assistance work; without amendment (Rept. No. 1862). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. H. R. 4452. A bill to regulate the detailing of Army officers to duty in the District of Columbia, and for other purposes; with amendment (Rept. No. 1865). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. H. R. 4453. A bill to prohibit Army officers from rendering outside services for pay or reward in connection with Government contracts, property, or business relations, and for other purposes; with amendment (Rept. No. 1866). Referred to the House Calendar.

Mr. McSWAIN: Committee on Military Affairs. H. R. 4454. A bill to amend the Articles of War to provide a 10-year period of limitations on prosecutions by court martial for offenses involving frauds against the United States; with amendment (Rept. No. 1867). Referred to the House Calendar.

Mr. ADAIR: Committee on the Judiciary. S. 3374. An act for the relief of the State of Indiana; with amendment (Rept. No. 1868). Referred to the Committee of the Whole House on the state of the Union.

Mr. LLOYD: Committee on the Judiciary. H. R. 6427. A bill to prohibit statements and publications advocating overthrow of the Government by violence, and for other purposes; with amendment (Rept. No. 1869). Referred to the House Calendar.

Mr. BUCK: Committee on Ways and Means. H. R. 9185. A bill to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes; without amendment (Rept. No. 1870). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HARTER: Committee on Military Affairs. H. R. 5747. A bill for the relief of Gordon McGee; without amendment (Rept. No. 1864). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SIROVICH: A bill (H. R. 9196) to provide for the extension of the civil service; to the Committee on the Civil Service.

By Mr. CALDWELL: A bill (H. R. 9197) to provide for extending credit to aid in the conservation and operation of forest lands, to establish a forest credit bank, and for other purposes; to the Committee on Agriculture.

By Mrs. NORTON (by request): A bill (H. R. 9198) to amend the Gasoline Tax Act of April 23, 1924, etc.; to the Committee on the District of Columbia.

By Mr. SIROVICH: A bill (H. R. 9199) to provide for the extension of classification in the field service of the civil service; to the Committee on the Civil Service.

By Mr. CASTELLOW: A bill (H. R. 9200) authorizing the erection of a marker suitably marking the site of the engagement fought at Columbus, Ga., April 16, 1865; to the Committee on the Public Lands.

By Mr. FIESINGER: A bill (H. R. 9201) to amend the Silver Purchase Act of 1934, and for other purposes; to the Committee on Ways and Means.

By Mr. WALTER: A bill (H. R. 9202) to provide conditions for the purchase of supplies and the making of contracts, loans, or grants by the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. TOLAN: A bill (H. R. 9203) to amend the Civil Service Retirement Act; to the Committee on the Civil Service.

By Mr. DICKSTEIN: Resolution (H. Res. 360) to authorize payment of expenses of investigation authorized by House Resolution 271; to the Committee on Accounts.

By Mr. DISNEY: Joint resolution (H. J. Res. 395) designating United States Highway No. 66 the Will Rogers Highway; to the Committee on Roads.

By Mr. KENNEY: Joint resolution (H. J. Res. 396) to create a Commission on National Banking Policies; to the Committee on Banking and Currency.

By Mr. NICHOLS: Joint resolution (H. J. Res. 397) authorizing the erection of a memorial to Will Rogers; to the Committee on the Library.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 9204) granting an increase of pension to Anna L. Dick; to the Committee on Invalid Pensions.

By Mr. BULWINKLE: A bill (H. R. 9205) for the relief of Joe McIntosh; to the Committee on Military Affairs.

Also, a bill (H. R. 9206) granting a pension to John Norton Smith; to the Committee on Pensions.

Also, a bill (H. R. 9207) for the relief of Harry W. Sturrup; to the Committee on Claims.

By Mr. COLDEN: A bill (H. R. 9208) for the relief of Foot's Transfer & Storage Co., Ltd.; to the Committee on Claims.

By Mr. DORSEY: A bill (H. R. 9209) granting a pension to Phillip A. Sager; to the Committee on Pensions.

By Mr. GEARHART: A bill (H. R. 9210) for the relief of Frank Bowlin; to the Committee on World War Veterans' Legislation.

By Mr. HANCOCK of New York: A bill (H. R. 9211) granting a pension to Anna Murphy; to the Committee on Invalid Pensions.

By Mr. LAMNECK: A bill (H. R. 9212) for the relief of Agnes Ewing Harter; to the Committee on Claims.

By Mr. PETERSON of Florida: A bill (H. R. 9213) to provide a preliminary examination of the Hillsborough and Withlacoochee Rivers, and their tributaries, in the State of Florida, with a view to the control of their flood waters; to the Committee on Flood Control.

By Mr. QUINN: A bill (H. R. 9214) to confer jurisdiction upon the Court of Claims to hear, consider, and determine the claims of Westinghouse Electric & Manufacturing Co., Inc.; to the Committee on Claims.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9328. By Mr. REED of Illinois: Petition signed by F. R. Goodall and 31 others, of Harvard, Ill., requesting that the Federal gasoline tax be eliminated; to the Committee on Ways and Means.

9329. By Mr. TINKHAM: Resolutions adopted by the General Court of Massachusetts, relating to acts of persecution reported to be committed against the members of religious faiths and their institutions in Germany; to the Committee on Foreign Affairs.

9330. By the SPEAKER: Petition of the Veterans of Foreign Wars, Department of Ohio; to the Committee on Memorials.

# SENATE

## THURSDAY, AUGUST 22, 1935

*(Legislative day of Monday, July 29, 1935)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, August 21, 1935, was dispensed with, and the Journal was approved.

### ORDER FOR THE CONSIDERATION OF THE CALENDAR

Mr. ROBINSON. Mr. President, I ask the attention of the Senator from Oregon [Mr. MCNARY] to the request I am about to make. I ask unanimous consent that when the unfinished business shall have been disposed of the Senate shall proceed to the call of the calendar for the consideration of unobjected bills.

The VICE PRESIDENT. Is there objection?

Mr. LEWIS. Mr. President, in that connection, I do not wish to intrude against the leader's program, but I cannot but give notice again that I shall at any appropriate opportunity urge the consideration of Senate bill 2665, being Calendar No. 1204, what is known as the bill to change the name of the Interior Department, and so forth. I wish to inform my able friends that I will do so during the consideration of the calendar or when opportunity affords me to do so.

Mr. MCNARY. Mr. President, I hope the proposal of the Senator from Arkansas will be agreed to.

The VICE PRESIDENT. Is there objection to the request for unanimous consent preferred by the Senator from Arkansas? The Chair hears none, and the agreement is entered into.

### WILL ROGERS

Mr. MCADOO. Mr. President, yesterday I received a telegram advising me that the funeral of Will Rogers will occur today at the Hollywood Bowl in Hollywood, Calif. I was asked to send a telegram for the occasion. I ask unanimous consent to insert the telegram in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

AUGUST 21, 1935.

Hon. A. A. COHN,
*Collector of Customs, Los Angeles, Calif.:*

Will Rogers was universally beloved by the American people. He is the only man in recorded history, so far as I know, who never had an enemy. This is a unique tribute. It is evidence of the extraordinary qualities of his mind and heart, of his unsullied character, and of that remarkable spirit as well as philosophy of democracy which guided his life. He contributed daily to the enjoyment of millions by his delightful humor, his painless but clever satire, and his essential love of humanity, which punctuated his writings and imbued his daily life. His death removes a great figure. His friends weep because he is gone; they will always rejoice that they were privileged to enjoy his friendship and to bask in the sunshine of his smile.

W. G. MCADOO.

### REPORT OF NOMINATION OF ALBERT LEE STEPHENS

Mr. LEWIS. I suggest the absence of a quorum and ask for a roll call.

Mr. ASHURST. Mr. President, will the Senator withhold the suggestion for a moment?

Mr. LEWIS. I withhold it.

Mr. ASHURST. Out of order, and as in executive session, I report favorably from the Committee on the Judiciary a nomination, which I will ask to have read and then placed on the Executive Calendar.

The VICE PRESIDENT. The clerk will read the nomination.

The Chief Clerk read as follows:

Albert Lee Stephens, of California, to be United States district judge, southern district of California, to fill position created by act approved August 2, 1935.

The VICE PRESIDENT. The nomination will be placed on the Executive Calendar.

### CONVENTION WITH ARGENTINA

Mr. PITTMAN. Mr. President——

Mr. LEWIS. I yield to the Senator from Nevada.

Mr. PITTMAN. Mr. President, I have a letter addressed to me by the Secretary of State in reference to Executive O, Seventy-fourth Congress, first session, being a convention with Argentina with reference to sanitary regulations concerning plant and animal products. The Secretary of State desires that this convention and the letter addressed to me be printed in the CONGRESSIONAL RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the letter and the convention were ordered to be printed in the RECORD, as follows:

AUGUST 20, 1935.

Hon. KEY PITTMAN,
*United States Senate.*

MY DEAR SENATOR PITTMAN: In view of the wide-spread misapprehension which has arisen concerning the sanitary convention between the United States and Argentina, signed May 24, 1935 (Executive O, 74th Cong., 1st sess.), I am writing this letter requesting that the text of that instrument be made public by the Senate before adjournment so that interested parties may have an opportunity to examine it thoroughly. The text has already been made public in Argentina.

Numerous inquiries addressed to me contain mistakes of fact, which I hope will be corrected by the publication of the text. Many correspondents do not realize that the convention covers only sanitary measures affecting plant and animal products and that it does not relate to live animals, or to the duties on either animals or plant or animal products. The embargo against live animals from all parts of Argentina will not be changed in any particular by the convention.

One of the chief objects of the trade-agreements program is to restore and promote the exportation of our great agricultural surpluses, such as hog and corn products, tobacco, cotton, fruits, and other commodities. Many nations have erected import restrictions and barriers against these commodities by way of retaliation against measures adopted by the United States which they consider excessive and arbitrary. International trade cannot be restored until unreasonable barriers, both here and abroad, have been removed.

A serious barrier to international trade is found in sanitary measures which restrict trade more than is necessary to accomplish the purposes for which they are imposed. For example, on January 22, 1929, the United Kingdom placed an embargo on animals, hay, straw, and alfalfa meal imported from Colorado. The reason given for the embargo was an epidemic of foot-and-mouth disease then prevalent in California. Protests were made, and following the determination of the fact that the disease was restricted to California the embargo on products of Colorado was lifted in February of that year. On May 2, 1932, because of an outbreak of foot-and-mouth disease in California, an order was issued in the United Kingdom prohibiting importation of live ruminants, swine, hay, and straw from any part of the United States. On May 21, it having been discovered that the outbreak was local to California, an amending order was issued limiting the prohibition to products originating in California. In the meantime, however, the application of the prohibition to the whole of the United States had acted to the detriment of noninfected districts. I cite these examples to show the harmful effects of embargoing products of a whole country when only part of that country is subject to infectious or contagious disease. It is difficult to make representations against such practices by foreign countries when we ourselves have a section of the tariff act which appears to foreign countries to be a glaring example of such legis-

lation. Our own practice is even less defensible than the examples which I have cited, when, as in the case of Argentina, the embargo on meat applies against a large section of a country which our own experts hold to be free from foot-and-mouth disease.

Ratification of the sanitary convention with Argentina would be in keeping with the principle expressed in a resolution adopted at the Fourth Pan American Commercial Conference which met in Washington during October 1931. This resolution reads:

"1. To acknowledge as fundamental principles that sanitary police regulations effective at the present time, or enacted in the future to regulate the inter-American traffic of vegetable and animal products must not have in their practical application the character of protective customs measures.

"2. That in the application of all restrictions of a sanitary nature in the inter-American traffic of animal and vegetable products, in order to determine the origin of the product, the term "infected zones" be used instead of "infected countries"; upon condition that the country of origin give all necessary facilities to determine its sanitary condition.

"3. To recommend to the American countries the negotiation of agreements for the regulation of the foregoing principles."

The convention with Argentina would not deprive this Government of the right to impose the most rigid sanitary embargo against every foot of territory which this Government judges to be affected with or exposed to foot-and-mouth disease. This convention was negotiated with the assistance of experts of the Bureau of Animal Industry and the Division of Plant Quarantine of the Department of Agriculture. The Department of Agriculture stated that there is understood to be—

"Nothing in the convention which will materially affect import regulations of the Department aside from those based upon section 306 (a) of the Tariff Act of 1930, relating to fresh and frozen meats, and that in respect to these ratification of the convention would merely remove from the prohibition of that section such meats originating in the remote region known as "Patagonia", which at present is considered to be free from dangerous diseases of livestock."

Foot-and-mouth disease, the Department is reliably informed by the experts of the Department of Agriculture, has never been known to occur in Patagonia during the 30 years that records have been kept. That territory is amply protected from exposure to the disease by deserts, mountains, and the sea. Control is simple because of the few points of export. It is planned that the experts of the Department of Agriculture will periodically reexamine the situation in all territories in Argentina to determine their freedom from diseases and exposure to diseases.

The effect of the convention with Argentina will be to restore insofar as concerns that country the provisions of the first sanitary embargo that was imposed by our Department of Agriculture in January 1927, under Order 298, which authorized the prohibition of imported meats from any part of the world, whether from a country or a region or area of a country, but which permitted imports from uninfected areas of a country. This order of the Department of Agriculture continued in operation until the Smoot-Hawley Act wrote it into law, but so enlarged it that embargoes are required against every part of a country in which infection exists or which has been exposed to infection, even though well-defined areas of the country were known never to have been affected with or exposed to the foot-and-mouth or any other objectionable disease.

The effects of the convention on imports into the United States of meat from freezing establishments only in Patagonia, which is almost exclusively a sheep-raising territory, would be negligible. A careful study of the possibility of Patagonia's exporting lamb and mutton to the United States was made in connection with this convention. There are only three plants in Argentine Patagonia physically equipped for exportation to the United States market. The market is, for reasons of consumers' prejudices, regarded as impractical, and the market for lamb would not be on a commercial basis owing to the short killing season in Patagonia from mid-February to mid-April, which does not coincide with the favorable season for frozen lamb in New York and other coastal cities, ranging from mid-November to mid-March. Without any charge for overhead, but including American import duties on lambs, the cost of Patagonian frozen lambs c. i. f. New York is 14 cents per pound dressed weight, whereas current c. i. f. prices are 12½ cents to 14½ cents. The necessary overhead charge for profitable operation is estimated at 5 cents per pound dressed weight, which would increase the c. i. f. New York price to 19 cents. Regular steamers now serving Patagonian ports have refrigerating capacity for only 25 tons weekly.

London is the natural market for Patagonian lamb. The price differential for Patagonian meat in New York and London is strongly in favor of shipments to London. The duty on lamb meat imported into the United States is 7 cents per pound, while such meat enters Great Britain free of duty.

Allow me also to invite your attention to the state of our trade with Argentina.

Prior to 1930, Argentina was one of the most important of our foreign markets. In 1929 our exports to that country were valued at $210,288,027, while our imports of Argentine products amounted to $117,581,273. The tariff increases and the sanitary embargo in the Tariff Act of 1930 reduced Argentine exports to the United States. Since that act came into force, Argentina has changed her former policy of opening her markets on equal terms to all countries to a policy of "buy from those who buy from us." The carrying out of this policy has naturally adversely affected American exporters. Exports from the United States to Argentina in 1934 were valued at only $42,696,263 and imports amounted to only $29,487,327.

American cattle raisers have a vital interest in the removal of unreasonable trade barriers and in whatever can be done to increase the sale and export of American meats. The domestic purchasing power of consumers of beef and beef products is much reduced when producers of agricultural and other surpluses are shut off from foreign markets. It is clearly of interest to American producers of surplus agricultural products to do away with unfair and artificial trade barriers which have proved to be a boomerang and have prevented access to foreign markets, especially when no injustice is done to American cattle raisers.

It is the Department's considered belief that opposition to this convention by stock-raising groups would be a short-sighted policy which would in the long run prove of grave cost to American agriculture as a whole. The failure to ratify this convention and the persistence in an embargo from the whole of Argentina on sanitary grounds, when the experts of the Department of Agriculture recognize that it is without foundation so far as Patagonia is concerned, would be taken as notice that this Government does not intend to deal fairly or frankly in trade matters. We cannot afford to acquire such a reputation.

In conclusion, it may be stated that the Department has given the most thorough consideration to every phase of this matter. It has consulted every available expert in the Government service and has obtained reports from its consular officers in Argentina. Imports which, as stated, would be negligible in any event would come only from an area which the records of the past 30 years show to have been free from foot-and-mouth disease, and the experts of the Department of Agriculture would pass upon each shipment on its arrival at a port of this country.

It is not planned to enter into a similar convention with any other country, and if the question should arise such a convention would not be signed with another country unless it was clearly shown that parts of its territory were entirely unaffected by and unexposed to infection by rinder pest and foot-and-mouth disease. The Department considers that this convention is outside the scope of the most-favored-nation clause of every treaty to which the United States is a party. It is for all of the foregoing reasons, as well as in order to remove a measure which is so unfair to Argentina and has been productive of ill-will and economic retaliation in our relations with that country that I earnestly support this convention.

If you perceive no objection, I should be glad if this letter might be read into the CONGRESSIONAL RECORD in order that the foregoing statements may be brought to the attention of persons interested in the convention.

Sincerely yours,

CORDELL HULL.

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CONVENTION WITH ARGENTINA WITH REFERENCE TO SANITARY REGULATIONS CONCERNING PLANT AND ANIMAL PRODUCTS

*To the Senate of the United States:*

With a view to obtaining the advice and consent of the Senate to the ratification thereof, I transmit herewith a convention between the United States of America and the Republic of Argentina with reference to sanitary regulations concerning plant and animal products. The agreement is described and explained in the accompanying report of the Secretary of State, to which the Senate's attention is invited.

The purpose of entering into this convention is to establish cooperation in the prevention of the introduction and spread of infectious and contagious plant and animal diseases and insect pests and to facilitate the visits and studies of Government experts engaged in surveys in regard to these matters. The interests of this Government are fully protected in article III which reserves to the respective governments the right to prohibit importations from any territories or zones which it finds to be affected with or exposed to contagion or infestation.

The same article provides that neither country may prohibit the importation of products from territories of the other, which it finds to be not affected or exposed to such contagion or infestation, because diseases or pests exist in other territories or zones. This provision operates to prevent the use of sanitary regulations as a disguised means of restriction of importations for protective purposes, and accordingly fulfills as between the United States and Argentina Resolution No. XXVIII of the Fourth Pan American Commercial Conference, held in Washington in October 1931.

The convention also provides for consultation as to the application of sanitary laws and regulations and for the establishment of a committee of experts, in the event of disputes as to sanitary regulations, with power to submit recommendations to the two Governments.

In view of all of the foregoing considerations, I believe this convention to be highly desirable, and I ask the Senate to advise and consent to its ratification in the interest of trade and good understanding between the two countries.

FRANKLIN D. ROOSEVELT.

(Accompaniments: Convention; Report of the Secretary of State.)

THE WHITE HOUSE, *June 5, 1935.*

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The PRESIDENT:

I have the honor to send you herewith a convention between the United States of America and the Republic of Argentina with respect to sanitary regulations concerning plant and animal prod-

ucts, signed at Washington, May 24, 1935. This convention has been signed, in accordance with the full power issued by you, subject to ratification, and accordingly it is sent to you with a view to transmission to the Senate for the purpose of receiving the advice and consent of that body to its ratification, if you approve thereof.

This convention formulates measures of cooperation between the two Governments toward the accomplishment of their mutual desire to prevent the introduction and spread of infectious and contagious plant and animal diseases and insect pests.

Article I provides for prompt notification by each Government to the other Government of the appearance and extent of plant and animal diseases and insect pests, dangerous to human, animal, or plant life.

Article II provides for the exchange of official and scientific information. It permits, and requires the facilitation of, visits of experts of the Government of one country engaged in studying and observing the existence, distribution, and methods of control and eradication of diseases and pests in the territory of the other country.

Article III provides that each party recognizes the right of the importing country to prohibit the importation of animal or plant products originating in or coming from territories or zones which it considers to be affected with or exposed to plant or animal diseases or insect pests. That article also provides that neither country may prohibit importations from territories or zones in the other country which it finds to be free from, and not exposed to, contagion or infestation for the reason that diseases or pests exist in other territories or zones.

This article of the convention will fulfill as between the United States and Argentina Resolution No. XXVIII adopted by the Fourth Pan American Commercial Conference held in Washington in October 1931, which reads as follows:

"*The Fourth Pan American Commercial Conference Resolves:*

1. To acknowledge as fundamental principles that sanitary police regulations effective at the present time, or enacted in the future to regulate the inter-American traffic of vegetable and animal products, must not have in their practical application the character of protective customs measures.

"2. That in the application of all restrictions of a sanitary nature in the inter-American traffic of animal and vegetable products, in order to determine the origin of the product, the term "infected zones" be used instead of "infected countries"; upon condition that the country of origin give all necessary facilities to determine its sanitary condition.

"3. To recommend to the American countries the negotiation of agreements for the regulation of the foregoing principles."

Article IV of the convention provides that certificates of origin or inspection of plant and animal products issued by the appropriate officers of either country shall be accepted as proof of such origin or inspection; but such certificates do not preclude further investigation or inspection by the importing country.

Article V provides for consultation with respect to the application of sanitary laws and regulations. In the event of disagreement as to the application of such laws and regulations, this article provides that a committee of technical experts shall be constituted to consider the matter and make recommendations to the two Governments. Provision is also made for consultation prior to the application of any new sanitary measure.

The approval of this convention will do much toward strengthening friendly intercourse between the United States and Argentina, and will place their relations with respect to sanitary laws and regulations upon a just and scientific basis, without impairing the sovereign right of either Government to impose sanitary measures deemed necessary in its judgment for the protection of its livestock and agricultural interests.

Respectfully submitted.

CORDELL HULL.

(Enclosure: Convention.)

DEPARTMENT OF STATE,
*Washington, June 4, 1935.*

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The United States of America and the Republic of Argentina, being desirous of cooperating to prevent the introduction and spread of infectious and contagious plant and animal diseases and of insect pests, have agreed to conclude a convention for that purpose, and have appointed as their respective plenipotentiaries:

The President of the United States of America: Mr. Cordell Hull, Secretary of State of the United States of America;

The President of the Republic of Argentina: His Excellency Dr. Felipe A. Espil, Ambassador Extraordinary and Plenipotentiary of the Republic of Argentina at Washington;

Who, having communicated to each other their respective full powers, found to be in good and due form, have agreed upon the following articles:

ARTICLE I

The Government of the United States of America and the Government of the Republic of Argentina will notify each other promptly, through the usual diplomatic channels, of the appearance and extent of plant and animal diseases and of insect pests dangerous to human, animal, or plant life.

ARTICLE II

The two contracting Governments will exchange the official regulations, periodicals, and other publications that may be issued in the respective countries on the subject-matter of this convention and likewise information concerning changes and substitutions which may be developed in the methods of prophylaxis, control, and care of plant and animal diseases and insect pests.

Each Government will permit visits to or stationing in its territories of experts and representatives of the other Government for the purpose of studying and observing on the ground the existence, distribution and methods of control and eradication of such diseases and pests as may appear in its territory. Each Government will facilitate, so far as possible, the studies and observations of the experts or representatives of the other Government.

ARTICLE III

Each contracting party recognizes the right of the other party to prohibit the importation of animal or plant products, originating in or coming from territories or zones which the importing country considers to be affected with or exposed to plant or animal diseases or insect pests dangerous to plant, animal, or human life, until it has been proved to the satisfaction of the party exercising such right that such territory or zone of the other party is free from such contagion or infestation or exposure to contagion or infestation. Neither contracting party may prohibit the importation of animal or plant products originating in and coming from territories or zones of the other country which the importing country finds to be free from animal or plant diseases or insect pests or from exposure to such diseases or pests, for the reason that such diseases or pests exist in other territories or zones of the other country.

ARTICLE IV

Certificates of origin or inspection of plant and animal products, issued by duly authorized sanitary officials of either of the contracting countries, shall be accepted by the authorities of the other country as proof of such origin or inspection, as the case may be, but the issuance of such certificates by the authorities of one of the contracting countries shall not preclude further inspection of the products by the authorities of the other country, or further investigation with respect to them, to determine their freedom from infection or infestation or exposure to disease or insect pests, before entry is permitted.

ARTICLE V

The Government of the United States of America or the Government of the Republic of Argentina, as the case may be, will accord sympathetic consideration to such representations as the other Government may make regarding the application of sanitary laws and regulations or the protection of human, animal, or plant life.

In the event that the Government of either of the contracting countries makes representations to the Government of the other country in respect of the application of any sanitary law or regulation for the protection of human, animal, or plant life, and if there is disagreement with respect thereto, a committee of technical experts on which each contracting Government will be represented shall, on the request of either Government, be established to consider the matter and to submit recommendations to the two Governments.

Whenever practicable each Government, before applying any new measure of a sanitary character, will consult with the Government of the other country with a view to insuring that there will be as little injury to the commerce of the latter country as may be consistent with the purpose of the proposed measure. The provisions of this paragraph do not apply to actions affecting individual shipments under sanitary measures already in effect or to actions based on pure food and drug laws.

ARTICLE VI

This convention shall be ratified and the ratification shall be exchanged at the city of Washington as soon as possible.

The convention shall come into force on the day of exchange of ratifications and shall remain in force until sixty days after either contracting party shall have given notice to the other party of its intention to terminate the convention.

In witness whereof the respective plenipotentiaries have signed the present convention and have affixed thereto their seals.

Done in duplicate, in the English and Spanish languages, at the city of Washington this twenty-fourth day of May in the year of our Lord one thousand nine hundred and thirty-five.

CORDELL HULL. [SEAL]
FELIPE A. ESPIL. [SEAL]

## PROTECTION OF DOMESTIC SOURCES OF TIN

Mr. BARBOUR. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 1421, Senate bill 3381.

The VICE PRESIDENT. The Senator from New Jersey asks unanimous consent for the present consideration of the bill, which the clerk will report by title.

The CHIEF CLERK. A bill (S. 3381) to provide for the protection and preservation of domestic sources of tin.

Mr. ROBINSON. Mr. President, I inquire, what does the bill provide?

The VICE PRESIDENT. Without objection, the clerk will read the bill.

The Chief Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the interest of national defense, it is hereby declared to be the policy of Congress and the purpose and intent of this act to protect, preserve, and develop domestic

sources of tin, to restrain the depletion of domestic reserves of tin-bearing materials, and to lessen the present costly and dangerously dependent position of the United States with respect to resources of tin.

SEC. 2. There shall not be exported from the United States after the expiration of 60 days from the enactment of this act any tin-plate scrap, except upon license issued by the President of the United States. The President is authorized to grant licenses upon such conditions and regulations as he may find necessary to assure in the public interest fair and equitable consideration to all producers of this commodity.

SEC 3. Any violations of the provisions of this act shall be a misdemeanor and shall be punished by a fine of not more than $500 or by imprisonment of not more than 1 year, or by both such fine and imprisonment.

Mr. ROBINSON. Mr. President, I should like to ask the Senator from New Jersey from what committee was the bill reported?

Mr. BARBOUR. The bill has been reported favorably by the Committee on Military Affairs, and I may say that a similar bill passed both the Senate and the House at the last session. It was vetoed, however, by the President, although it had the approval of the several departments which were concerned. But, as I understand, the State Department felt that as the bill related to exports a definite necessity for its passage should be more clearly shown, and the Department suggested, if I recall correctly, that hearings be held to establish this national need and necessity.

In the meantime, therefore, there have been very exhaustive hearings held in the House, and the Military Affairs Committee of the House has reported favorably a similar bill in that body. As I understand, there is the hope of expectancy, by some special rule or order, the House bill may pass today in the other Chamber.

Mr. ROBINSON. Mr. President, in view of the statement of the Senator that the bill passed both Houses at the last session, but was vetoed by the President, I shall have to interpose an objection.

Mr. BARBOUR. If I may, let me ask the distinguished Senator from Arkansas please to be good enough to withhold his objection for a moment?

Mr. ROBINSON. Very well.

Mr. BARBOUR. Let me stress again that the objection on the part of the President, as I understand it, was that there had been no hearings at that time or other establishment of natural necessity as need. I took up the matter myself originally with the President last year and he favored it, and it was at his direction that I took the whole subject up in detail with all the different departments involved which, in turn, have sanctioned it. They did so at the last session and they have done so again now.

I feel—and I am very earnest about this matter—in the light of these exhaustive hearings and the favorable reports we have from all the interested departments, particularly may I stress, in the light of the appearance unhappily, of an emergency at just the present time in respect to our national defense that it would be a great pity, a great mistake, if I may say so, if the bill were not allowed to pass at this time.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Florida?

Mr. BARBOUR. I yield gladly to the distinguished Senator from Florida.

Mr. FLETCHER. May I ask the Senator, this being a Senate bill, if the House may act today, why not wait until the House bill comes to the Senate and act on that bill, instead of on the Senate bill?

Mr. BARBOUR. Well, Mr. President, it seems to me that would certainly be a distinction without a difference and no particular purpose served. As a matter of fact, if we could now pass the Senate bill, it would undoubtedly help the situation in the House. And, please remember that, so far as I know, there is no objection to the bill from any quarter.

Mr. BORAH. Mr. President, I inquire what was the ground of the Presidential veto?

Mr. BARBOUR. As I understand and as I tried to explain earlier in the discussion, it was felt that insufficient cause or necessity had been shown. In other words, there had been no hearings when the bill was to the fore in the last session.

Mr. BORAH. Has that objection now been obviated?

Mr. BARBOUR. I honestly think so; absolutely. There have been very exhaustive hearings in the House anyway, and those hearings show definitely that necessity does exist.

I want to point out, too, that we must remember that there is no domestic source of tin in the United States. The only source of tin is in its recapture; and there is—or, at least, has been—a large industry in that business, a useful industry and one of national value, particularly in respect to our national defense.

Mr. President, let me point out further that the interruption which took place in relation to that source of supply, so far as its availability to this country was concerned, was caused by the Japanese, who began buying up all the scrap tin and ran the price up from, I believe something like $2 a ton—I think that was the unit—to $20 a ton, as I understand it, and, because of their low labor rates and levels, they were able to pay almost any price for scrap tin. The domestic purchasers of scrap tin, however, who recapture the tin—and that, as I have stated, is our only source of supply of tin in the United States—were unable to pay these high prices because of their labor cost, and for that reason they were unable to purchase the scrap tin any longer. That situation, as I have said, was brought to the President's attention last year. He seemed entirely sympathetic with it, and it was at his direction, as I have previously mentioned, that I took the matter up, as I recall, with the War Department, the Department of Commerce, and the State Department. They all approved, as I remember, and the bill passed both Houses, but the President vetoed it for the reasons already stated.

My understanding is that in some later ruling the State Department stated that it felt that a greater need must be demonstrated than simply was evidenced by the bill itself. And that need has now been demonstrated, I believe, by the hearings in the House. To repeat, the report of the House committee is favorable, the report of the Senate committee is favorable, and the reports of the departments are all favorable.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. ROBINSON. I observe, Mr. President, that the Secretary of War, commenting upon the bill—and, apparently, expressing a favorable view regarding it—said:

> For the above reasons, the War Department would impose no objection to the enactment into law of H. R. 9275.

Which, I understand, is identical with the Senate bill.

I do not feel justified in interposing an objection in view of the record.

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

### PRODUCTION COSTS OF WOOD PULP OR PULP WOOD

Mr. ROBINSON. Mr. President, I desire to enter a motion to reconsider the vote by which Senate Resolution 195 was agreed to, and will avail myself of an early opportunity to discuss the matter with the author of the resolution.

Mr. McNARY. Mr. President, may I inquire of the Senator to what the resolution relates?

Mr. ROBINSON. The resolution relates to the cost of production of wood pulp or pulp wood.

The VICE PRESIDENT. The motion will be entered.

Mr. ROBINSON subsequently said: Mr. President, I ask that the motion which I entered a few moments ago to reconsider the vote by which Senate Resolution 195 was adopted be now voted upon. I will state it is my purpose to ask that the resolution go to the calendar.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to.

The VICE PRESIDENT. The resolution will be placed on the calendar.

REPORT ON INACTIVE AND PERMANENT APPROPRIATIONS

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States (supplementing his report of Feb. 27, 1935; H. Doc. No. 115), transmitting, pursuant to law, a further special report on the survey made by his office of the inactive and permanent appropriations and funds on the books of the Government, and also certain funds in the custody of officers and employees of the United States in which the Government is financially concerned for which no accounting is rendered to the General Accounting Office, and recommending certain changes in existing law relating thereto, which, with the accompanying special report, was referred to the Committee on Appropriations.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the Howard Friends League, of Brooklyn, N. Y., protesting against alleged repression and persecution of the Jews, Catholics, and Masons in Germany by the Government of Germany, and favoring the severance of diplomatic relations with that Government, which were referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by the national executive committee of the United Typothetae of America, at Washington, D. C., favoring administration of the Works Progress Administration in such manner that the printing in connection therewith may be purchased from private printers and suppliers rather than from the Government Printing Office, which were referred to the Committee on Printing.

He also laid before the Senate a resolution adopted by the Women's Bar Association of the District of Columbia, favoring the enactment of House Joint Resolution 237, providing for the establishment of the Cliver Wendell Holmes Memorial Fund, which was ordered to lie on the table.

Mr. HOLT presented petitions of members of the congregations of the First and Second United Brethren Churches, of Martinsburg, W. Va., praying for the preservation of peace and the outlawry of war as a national policy in the settlement of international disputes, which were ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (S. 3453) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to certain counsel, reported it without amendment.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (H. R. 3783) for the relief of George W. Rhine, doing business under the name of Rhine & Co., reported it without amendment and submitted a report (No. 1443) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (H. R. 4178) for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, reported it with an amendment and submitted a report (No. 1444) thereon.

Mr. SCHWELLENBACH, from the Committee on Claims, to which was referred the bill (H. R. 1550) for the relief of Douglas B. Espy, reported it without amendment and submitted a report (No. 1445) thereon.

Mr. WHITE, from the Committee on Claims, to which was referred the bill (H. R. 1299) giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co., reported it without amendment and submitted a report (No. 1446) thereon.

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, to which was referred the bill (H. R. 7974) to withdraw and restore to their previous status under the control of the Territory of Hawaii certain Hawaiian homes lands now in use as an airplane landing field, reported it without amendment.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 3257) to amend the World War Adjusted Compensation Act, reported it with an amendment and submitted a report (No. 1448) thereon.

ORIGINAL JOINT RESOLUTION REPORTED BY COMMERCE COMMITTEE

Mr. COPELAND, from the Committee on Commerce, reported a joint resolution (S. J. Res. 175) to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934, which was read twice by its title and ordered to be placed on the calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STEIWER:

A bill (S. 3456) for the relief of the legal guardian of Roy D. Cook, a minor; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 3457) for the relief of B. A. Duffy and his wife, Merle Duffy; to the Committee on Claims.

By Mr. BLACK:

A bill (S. 3458) for the relief of George Smith and Ketha Smith; to the Committee on Claims.

By Mr. HATCH:

A bill (S. 3459) authorizing the Farm Credit Administration, Federal land banks, and other Federal agricultural loan agencies to make loans upon lands in drainage, irrigation, and conservancy districts notwithstanding the existence of prior liens for special benefits conferred by such districts, and for other purposes; to the Committee on Agriculture and Forestry;

A bill (S. 3460) to authorize the Secretary of the Interior to ascertain the persons entitled to compensation on account of private claim 111, parcel 1, Nambe Pueblo grant; to the Committee on Indian Affairs; and

A bill (S. 3461) for the relief of members and their dependents of the Russian Railway Service Corps, World War; to the Committee on Military Affairs.

By Mr. COPELAND:

A joint resolution (S. J. Res. 176) to provide a medium for the adjudication of the remaining claims of American nationals against the Government of Germany, contemplated under the terms of the Treaty of Berlin, dated August 25, 1921; to the Committee on Foreign Relations.

SALE OF LANDS TO HOT SPRINGS, N. MEX.

Mr. HATCH submitted an amendment intended to be proposed by him to the bill (H. R. 7024) to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., of the northeast half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, Hot Springs, N. Mex., which was referred to the Committee on Public Lands and Surveys and ordered to be printed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 2203. An act to promote the development of Indian arts and crafts and to create a board to assist therein, and for other purposes;

S. 2608. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933; and

S. 2761. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon.

The message also announced that the House had passed the bill (S. 2621) to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school building at Devils Lake, N. Dak., to be available to Indian children, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 8511. An act to provide funds for cooperation with Cannon Ball school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8512. An act to provide funds for cooperation with Fort Yates school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8513. An act to provide funds for cooperation with Trenton school district, Williams County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8515. An act to provide funds for cooperation with Sanish School District No. 1, Mountrail County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8516. An act to provide funds for cooperation with Porcupine school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children; and

H. R. 8726. An act to provide funds for cooperation with the board of trustees of the Warner Springs union school district, Warner Springs, Calif., in the construction of a public-school building to be available to Indian children of the Los Coyotes and Volcan Indian Reservations, Calif.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1763. An act to amend the act entitled "An act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended by the act of December 12, 1930;

S. 1787. An act to add certain lands to the Pisgah National Forest in the State of North Carolina;

S. 1817. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N. Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island;

S. 1832. An act to authorize the Secretary of the Interior to provide by agreement with Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, for maintenance and operation on newly reclaimed Pueblo Indian lands in the Rio Grande Valley, N. Mex., reclaimed under previous act of Congress, and authorizing an annual appropriation to pay the cost thereof for a period of not to exceed 5 years;

S. 1864. An act for the relief of the State of Nebraska;

S. 2649. An act to provide for a recreation area within the Prescott National Forest, Ariz.;

S. 2681. An act to extend the times for commencing and completing the construction of a bridge across Lake Champlain at or near West Swanton, Vt.;

S. 3194. An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended;

S. 3270. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia;

S. 3336. An act to repeal titles I and II of the National Prohibition Act, to reenact certain provisions of title II thereof, to amend or repeal various liquor laws, and for other purposes;

S. 3353. An act providing for the exchange of certain park lands at and near Western Avenue and West Beach Drive for other lands more suitable to the development of Rock Creek Park and the street system of the District of Columbia, and for other purposes;

H. R. 6361. An act to amend the Filled Milk Act;

H. R. 7380. An act authorizing the Virgin Islands Co. to settle valid claims of its creditors, and for other purposes;

H. R. 7927. An act to authorize the Secretary of State to lease to citizens of the United States any land heretofore or hereafter acquired under any act, Executive order, or treaty in connection with projects, in whole or in part constructed or administered by the Secretary of State through the International Boundary Commission, United States and Mexico, American section; and

H. R. 8473. An act to provide for the compiling and publishing of the Official Register of the United States.

THE PRESIDENT'S ADDRESS TO BOY SCOUTS

Mr. BYRNES. Mr. President, I ask unanimous consent to have printed in the RECORD an inspiring address delivered last evening by the President of the United States over a Nation-wide radio broadcast to the Boy Scouts of America.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

For more than a year I had been looking forward to taking part in a great National Scout Jamboree to be held in Washington. The best-laid plans sometimes go awry. A splendid program and a wonderful camp had been prepared for the reception of 30,000 Boy Scouts and Scouters in the National Capital. You were coming here from every point of the compass, and in addition to the American Scouts, our brother Scouts from 27 other nations had accepted invitations to send delegations.

But, alas, a rather serious epidemic of infantile paralysis arose in the vicinity of Washington and on August 8 the United States Public Health Service and the health officers of the District and the nearby States concluded that to hold the jamboree would be a hazard. With great reluctance, therefore, we had to call it off.

But for this unfortunate happening I would have reviewed this day the thousands of Scouts lined up the length of Constitution Avenue, and later we would all have had a party on the White House lawn. I want you, in your own home towns, to know how sorry I am that I cannot be with you myself. I am in spirit with each and every one of your gatherings tonight.

You boys, old and young, in every part of this broad land—present Scouts and former Scouts—your numbers running into the millions—constitute a very real part of our American citizenship. We are bound together in a democracy operating under a Constitution whose purpose was and is "to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity."

DEVELOPS UNSELFISHNESS

The success of that constitution is dependent on the attitude of mind and the degree of the spirit of unselfish cooperation that can be developed in individuals. Scouting is essentially and clearly a program for the development of that unselfish, cooperative attitude of mind. Scouting revolves around, not the theory of service to others, but the habit of service to others. Scouting makes the individual boy conscious of his obligation to his patrol, to his troop, to his community, to his State, and to his Nation.

Even before you become of voting age you actually have a part in civic affairs and you bear responsibilities in your home communities. We older citizens are very proud of the many contributions that individual Scouts and Scout organizations have made to the relief of suffering, to the maintenance of good order and good health, and to the furtherance of good citizenship and good government.

You who are active Scouts are, in addition, learning many useful things—knowledge which will stay with you all your lives. You are having opportunities to fall in love with and understand the great outdoors. Do not ever fall out with Nature and her wide-open breathing spaces. Love them. They will sustain and strengthen you in later years when confining circumstances of life may tend to narrow the spirit or soul that is in you.

I do not have to tell you to throw yourselves, with all the enthusiasm and the energy that you have, into your Scout work, into the programs of your patrols and troops and councils. But I do want to express to you the very deep hope that when you grow older and get out into the stream of life you will retain that same enthusiasm and energy and that you will apply it through every day and every year of your lives. The Scout motto, "Be prepared", applies just as much to the wider service which is your opportunity when your full civic responsibilities are attained.

Just as you are individually a necessary part of your patrol or your troop today, so will you become necessary parts of the citizenship of your communities. I do not have to remind you that one individual who lags behind slows up the whole troop. In the Navy we have an old saying—that the speed of a fleet is no greater than the speed of the slowest ship.

When you go out into life you will come to understand that the individual in your community who always says "I can't" or "I won't"—the individual who by inaction or opposition slows up honest, practical, far-seeing community effort is the fellow who is holding back civilization and holding back the objectives of the Constitution of the United States.

We need more Scouts—the more the better—for the record shows that, taking it by and large, boys trained as Scouts make good citizens.

I hope a jamboree, in place of the one we missed this year, will be planned for some time in the future. In the meantime, I send you my warm greetings, personally, and as the honorary president of the Boy Scouts of America.

Good luck to you and carry on.

DEMOCRACY IN INDUSTRY

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article written by William B. Dickson, formerly associated with the United States Steel Corporation, more latterly with the Midvale Steel & Ordnance Co. until 1923. The article illustrates in a very lucid and accurate manner some of the fundamental reasons for favorable action upon Senate bill 3363, which I recently introduced for the regulation of commerce among the States.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

The following brief sketch of the business experience of the writer is given so that the reader may have some information on which to form an opinion as to his qualifications to deal with his subject:

As a boy of 15 he was employed in manual labor in the Homestead Steel Works of the Carnegie Steel Co. during a period when the plant was operated on two turns of 12 hours each and in some departments 7 days a week, night and day work alternating each week.

After 8 years in the mills in various occupations he was transferred to the Pittsburgh office and later became a junior partner and managing director.

Upon the formation of the United States Steel Corporation in 1901 he came to New York with Mr. Charles M. Schwab, and for 10 years was a vice president of that corporation.

In 1911 he retired from business. Four years later he helped to organize the Midvale Steel & Ordnance Co. and was vice president, treasurer, and director until it was merged with the Bethlehem Steel Corporation in 1923.

DEMOCRACY IN INDUSTRY

"History shows that great economic and social forces flow like a tide over communities only half conscious of that which is befalling them. Wise statesmen foresee what time is thus bringing, and try to shape institutions and mold men's thoughts and purposes in accordance with the change that is silently coming on.

"The unwise are those who bring nothing constructive to the process, and who greatly imperil the future of mankind, by leaving great questions to be fought out between ignorant change on one hand, and ignorant opposition to change, on the other."

One of the gravest errors in dealing with social and economic problems is to assume that our democratic institutions are static and self-perpetuating. We live and plan as though our social order were as changeless as the Arcadian scene depicted on Keats' "Grecian Urn."

The universe is not static but terribly dynamic. We are only beginning to realize that human relations, social, economic, and political, are subject to this same law of change. We live in an era in which the tempo of change, from the material standpoint, has been so accelerated that we are in grave danger of losing the ability to control the interrelationships of these three phases of civilization.

The men of 1776, who achieved our independence, were nearer akin economically to the Egyptians of the Exodus, than to their own descendants of the present generation with its bewildering inventions.

Most of the men who fought from Concord and Lexington to Yorktown, were farmers or men of occupations in close economic contact with farms. When they went to war, the older men, women, and children continued the regular routine of the farm, which supplied practically all the family needs: wood for building and fuel; cattle for milk, butter, and cheese; poultry for eggs and feathers; sheep for wool and flax for linen; the increase of flocks and herds for meats, leather, and candles; fields, gardens, and orchards for hay, grain, vegetables, and fruits. In brief (and this is my principal theme), each family was an independent economic unit.

These were the people to whom we owe the establishment of our republican form of government, based on democratic principles. Let us now try to appraise the men (and the enfranchised women also) on whom we must depend for the maintenance of democratic institutions.

In 1776, politics and religion were the principal cohesive factors in the social organization. Manufacture and commerce, while important, had not yet become absolutely essential, for the reasons mentioned above. This condition was not changed greatly until after the Civil War, when the machine age brought economics to the front as a large factor in social relations. Since then, the development of the use of machinery and the growth of large industrial units, have produced social and economic changes, which, to future ages, no doubt will be the mark of a distinct era in history. Like all transition periods, this change has produced unforeseen results, not all of them beneficent.

Until the beginning of this century, men who were restless, or whose ambitions had been thwarted, or who had been unable to adapt themselves to the new industrial conditions, could find an outlet for their energies and their zeal for independence, by taking Horace Greeley's advice, "Go west, young man"; and it is to such men that we owe the building up of our great western Commonwealths. That avenue of escape is no longer open. Even if the land were available, recent events indicate that production in food products is nearing the saturation point.

We are face to face with the problems of the industrial age, from which there is no escape by change of environment. Let us now consider some of these problems.

When a man, or a number of men, for their own ends, create an industrial unit, they assume an obligation toward the human elements in that unit, and through them to the social order, which cannot be canceled nor suspended arbitrarily, without grave injustice to individuals and danger to the social order.

In a completely natural society every family, by reason of close and continuous contact with land and other natural resources, would be an independent economic unit. When this natural condition has been abandoned, whether voluntarily or otherwise, and men and women have become the servants of others, they have given up a natural right, and the employer has assumed an equivalent obligation. In social relations, as in physics, action and reaction are equal and opposite. The fact that neither the employee nor the employer has been conscious of this exchange, and that both have acted from purely selfish motives, does not alter the elemental fact which, in the great social aggregate, constitutes the unsolved problem of our age; the fact which is the basis of all social unrest.

This brings me to the heart of my theme. Not long ago I read in a paper a statement that a large corporation employing thousands of men and women might close its mills. The officers were quoted as follows: "We have had the matter under consideration, but we are not quite ready to announce a definite decision", etc. That "we", of course, meant the directors and officers, and, based on the past history of that company, there was no probability that the persons having the most vital interest in the decision had even been consulted.

To ultraconservatives this statement no doubt will sound like socialistic rant; but a calm consideration will convince any fair-minded person that it is true. Only a small percentage of the people owning stock in our industrial corporations have risked their entire fortune in the stock of any one company. They therefore have a distributed risk, so that the temporary passing of dividends by one company will affect them only to a limited extent. On the other hand, the vast majority of the employees of these corporations are dependent on their daily earnings, and to them the sudden cessation of employment spells disaster to their families. The gravity of this condition is evidenced by the report of the Department of Commerce showing over 6,000,000 persons unemployed in January.

There are two respects in which the modern worker differs radically from the worker of 1776. A marked characteristic of the present age is the high degree of specialization in factory work. The much-discussed moving platform at the Ford plant is the best example of this trend. Here we have men whose tasks are limited to a few motions, perhaps the placing of one bolt in its proper hole. The next man will screw it up. Men accustomed to such simple tasks and having no training in any other, when confronted with unemployment, are as helpless as babes. They differ from the founders of the Nation—

First. In that they have no voice in the consideration of questions which affect the continuity of their employment.

Second. When confronted by unemployment they lack both the ability and the opportunity to find any means of providing for the maintenance of their families.

They have ceased to be independent economic units, and have become serfs in an industrial feudal system, minus the stability of the ancient feudalism, for the reason that the modern feudal lord assumes no responsibility for their welfare when unemployed. And yet these men and women are the voters on whom depend the maintenance of our form of government. What is the answer? In my opinion, there is only one adequate answer—industrial democracy.

Democracy in political relations was achieved by the Revolutionary fathers. No man could then have foreseen that in a few generations there would come a revolution in industry which would produce a condition where the industrial relation of citizens to each other would be vastly more important in its effects on living conditions than their political relations.

Our free institutions are not static, but dynamic in the highest degree, and every generation must learn to adapt the vital forces of democracy to its own requirements. Our Government, republican in form, democratic in principle, is not an achievement in the sense of being a completed work. It is rather a process which must be subjected to the constant supervision of patriotic men if we are to avoid the melancholy fate of other democracies and prevent a retrogression to the crude forms of government by classes, which must be supported by force instead of reason. We need to emphasize the meaning of that phrase of the fathers: "Eternal vigilance is the price of liberty."

In our generation, this vigilance is not to be directed so much to influences outside of our national boundaries as to tendencies within. The protection of our free institutions from outside aggression is a simple proposition and one which, if the occasion ever arises, will find our people united in a common purpose. Those developments within our own social structure which tend to undermine our free institutions are more dangerous, because more insidious, and therefore difficult to resolve into clear issues.

To be specific, the workers of America must be restored to a status of economic independence. This restoration can only be accomplished by applying democratic principles to industry. The individual cannot hope to deal with the corporation on equal terms. If he cannot do so, and is barred from association with his fellow employees in determining conditions of employment, he is no longer a free man but a serf, and the serf can have no place in a democracy.

It would be the utmost folly to seek a remedy by turning our industries over to organized labor as at present administered. This would be simply the exchange of a responsible autocracy for an irresponsible one.

A philosopher has said that the greatest tragedies are due, not to conflicts between right and wrong but to those between right and right.

The tragedy of the present conflict between organized capital and organized labor lies in the fact that a victory of either of these opposing forces over the other will only tend to perpetuate the vicious idea that they are necessarily arrayed in hostile camps; and that their normal relations are those of warfare, or at best, an armed truce.

Public opinion has rendered an adverse verdict against unrestrained combinations of capital, and Congress has attempted to provide methods of restraint such as the Sherman and Clayton Acts. In the light of experience it is probable that these will be modified, but this will be done carefully and in the public interest.

Public opinion has also rendered a favorable verdict on the abstract question of the right of workmen to organize for common defense. But the arbitrary and selfish use of the power of association by workmen is also a menace to the public welfare. The law should guard jealously the right of workmen to organize. This is the natural and inevitable corollary of the right of individuals to organize as stockholders. But having provided this protection in the fullest measure for the employees of a corporation, they should not be permitted to menace the public welfare by joint action with the employees of other corporations. This issue may be expressed thus:

Decentralization of control of American industries by organized labor is as essential to the public welfare as decentralization of control by organized capital.

This can only be accomplished by bringing labor organizations under control of the same Federal laws which safeguard the public from combinations of capital. This, of course, requires the incorporation of labor organizations, preferably into company associations, the membership of which will be limited to the employees of a single corporation.

These company associations, by their elected representatives, acting as shop committees, should have constant contact with the management for discussion of questions affecting their mutual relations.

As an officer of a large corporation I had close contact with the representatives of a company association. When the adoption of the plan was under consideration by the board of directors some fear was expressed that these men would meddle with questions which they were not competent to discuss, and which in any efficient organizations must be decided by the officers and directors.

From this experience there remains a most vivid impression of the manifest desire of these men to play fair, and, above all, their hunger for leadership. The only thing they demanded was absolute sincerity on the part of their leaders.

One of the causes of industrial weakness in the past has been the comparative aloofness of the management from labor. The managers, if fit for their positions, are the natural leaders of the workers, and will be so regarded by them if they will fulfill the elemental requirement of sincerity and will maintain the constant elbow touch. On the other hand, if they fail in these respects, the workers inevitably will seek outside leaders whose personal interests are remote from those of their followers and who too often degenerate into demagogues and disturbers of the social order.

Close contact with the members of the above-mentioned company association, superimposed on memories of a youth spent in the steel mills, has left me in no doubt of their ability to appreciate democracy (which, after all, is only another definition of the Golden Rule), and that the ethical standards of workingmen are not inferior to those of their employers, and they are equally able to weigh evidence and reach sound conclusions when fully informed and free to act.

How inconsistent, to fear to share with employees, business responsibilities which directly affect their livelihood, while at the same time they have in their hands the political power to enact laws which may affect business most profoundly.

The employees should also have equal representation on the board of directors. In no other way can the status of equality be maintained.

Mr. Carnegie was once asked: "Which is the most important factor in your business—capital, management, or labor?" He answered: "Which is the most important leg on a three-legged stool?" This is a complete answer, and, in its implications, presents not only a realistic picture of the problem confronting our age but also indicates the solution of that problem.

This ideal must be realized by giving each of these three partners a voice in all decisions which affect vitally the general welfare of all.

This will involve some radical changes in the method of administering industrial corporations. At present the management partner is usually the dominant factor in corporate administration. This is as it should be, with this proviso: The managers now derive their power from and act as the agents of the capital partner. Their functions should be enlarged so that in the consideration of all questions vitally affecting the general welfare they will give equal consideration to the labor partner. In fact, the interests of the labor partner should have first consideration as, in the long run, this attitude will work for the general good of all three partners.

Some of my readers may object to the idea of company associations of employees because they are apt to be dominated by the management. There can be no doubt that this feeling is entirely justified from the past history of most of our large industries. The autocratic attitude of employers, however it may have been tempered by benevolent welfare plans, has been too much in evidence to permit this changed status to remain in their control.

The remedy lies in three safeguards:

First, the innate spirit of American manhood; the same spirit which was manifested at Lexington, Concord, and Bunker Hill.

If our American workers are lacking in this spirit, there is no hope for the survival of democratic institutions, either in government or industry.

Second, the equal representation of the workers on boards of directors. This will be the seat of Mr. Carnegie's three-legged stool, binding it together and insuring fair dealing between the three partners.

Third, the right of appeal to the Federal Government, which will have exclusive jurisdiction over all corporations whose business extends beyond the limits of a single State. See suggestion below.

Chief Justice Marshall defined a corporation thus: "An artificial being, invisible, intangible, and existing only in the contemplation of the law."

There is a striking parallel between the history of some of our corporations and that weird tale, "Frankenstein", by Mary Wollstonecraft Shelley. Frankenstein, a Swiss scientist, having solved the secret of the generation of life, conceived the idea of constructing an artificial man.

He succeeded in making a monster 8 feet high but of such a repellent aspect that his maker, on observing his handiwork alive, abandoned him, fleeing in terror. The monster escaped, and, after a series of adventures, killed several members of Frankenstein's family, and, finally, was the cause of the death of his creator.

Like the Frankenstein monster, these modern artificial persons, our great corporations, have been abandoned, to a large degree, by their creators, the States, and now dominate our industrial life in such a manner as to endanger their creators.

These monsters (in power at least as compared with the individual citizen) by their autocratic attitude toward labor and the general public, may arouse passions which will destroy our social order.

And yet they are a necessary factor in modern trade and industry. How can the State foster them and still safeguard American democratic ideals?

This problem is inextricably interwoven with that of the proper relation of capital and labor.

The wonderful advances which have been made in living conditions, by discoveries in science, and by inventions, have changed the old status of family independence to one of mutual dependence. This is especially marked in the employees of our great industries, who are numbered by millions.

Within the experience of the elders of the present generation, our industries were on a comparatively simple basis. The employer was in close personal touch with his men and often worked with them.

The workers could see the intimate connection between their work and the source of their wages; and understood the processes of trade by which money was transferred from the consumer of their products to themselves.

Today this process has become so complex that it is not unfair to say that most of the workers have lost this realization of cause and effect which is so essential to right thinking.

A remarkable instance of this state of mind was shown by the naive protests of New York artisans against the high rents which they were compelled to pay, while these very men, by their unsocial practices in the building trades, as disclosed by the Lockwood committee, were the direct cause of these high rents.

Today we are confronted by the problem of the relation of capital to labor. This is the supreme issue of our generation. Like the traveler before the Sphinx, we must solve this riddle—or be destroyed.

I am not proposing these changes in our industrial system as a mere alternative to the present system but as an alternative to inevitable fascism on the right hand or chaos on the left.

There are too many signs of the rapid disintegration of the present autocratic system, to justify any policy of laissez faire.

The proposed system should be established, not as an act of grace on the part of the employer, but as a concrete recognition of the essential identity of interest of the three equal partners—capital, management, and labor.

The small State of Delaware has probably created more corporations than any other State in the Union. How much control has this State exercised over these artificial men? Practically none.

The remedy for this dangerous situation lies in taking from the States their power to create organizations over which they can exercise no efficient control, placing this power exclusively in the Federal Government, at least so far as corporations doing an interstate business are concerned.

The hazard of unemployment, the fear of which is the most unsettling factor in the relations of capital and labor, must be met by establishing by law unemployment-insurance funds, made up entirely of contributions by employer and employees. I will not attempt to determine the details of this plan. These should be worked out for each company, or for each class of industry, with the assistance of experienced insurance actuaries.

Some of my readers may raise the cry of "socialism." To any such I suggest a rereading of the quotation at the head of this article.

In this connection, it may be of interest to review briefly the history of a change in our industrial system which, when first proposed, was considered as a socialistic assault on our American ideals of individual responsibility.

Some years ago the writer was appointed president of a commission to make a study of the laws affecting employers and their workmen injured in the course of their employment. The commission was composed of 2 employers, 2 representatives of labor, and 2 members of the legislature. For more than a year the commission studied this question, holding many public meetings and inviting all interested persons to present their views. We were able to profit by the experience of New York, which had enacted a workmen's compensation law which had been declared unconstitutional.

At these public meetings we received little or no encouragement from employers. Their attitude was one of blind opposition to any change in the legal status. Our report, which included a proposed bill, was presented to the Governor, who passed it along to the legislature with his approval. A public hearing was held which was literally jammed with employers to whom an alarming appeal had been broadcast by the officers of their association. The attitude of unreasoning opposition was so apparent and so futile that a few days later the bill passed both houses with only one dissenting vote, and in the United States became one of the first practicable laws on this subject.

I venture the assertion that today no intelligent employer would desire to return to the old status, so marked by damage suits and ambulance-chasing lawyers and so unjust to both parties, when he can so easily cover this inescapable hazard by modern methods of insurance. The removal of the hazard of unemployment, so disturbing a factor in our social order, can and should be accomplished by the same methods.

The final step in securing the economic independence of the worker requires the adoption of definite plans for participation in profits. The details of such plans would differ according to circumstances, but to illustrate I suggest the following tentative plan:

Every corporation should be required by Federal legislation to maintain a system of accounting which should follow approved modern methods, taking into account all the hazards of business, such as fire, depreciation, bad debts, obsolescence, etc., and setting up ample reserves for each hazard.

It is most extraordinary that the Federal Government has not enacted such a law, in view of the great revenue, the income tax, which must be based largely on corporate accounting.

It has already done so in the case of national banks and railroads, where its interest is more remote. As an aside, I suggest that such a law might also prohibit the use of the word "surplus" in corporation statements. To the uninitiated, this word presents a vision of definite funds which can be used in an emergency, whereas it is simply a balancing figure to indicate the excess of the estimated assets over the estimated liabilities and, as a matter of fact, may consist to some extent of doubtful accounts, bricks, and mortar, and obsolete equipment. The item should read: "Excess of assets over liabilities, as above stated."

In the organization of an industrial unit three elements are essential—capital, management, and labor. All three of these must be attracted to the venture by the same lure, namely, wages. How shall the wage rates be established? There is only one practicable way; they must be determined by the existing social order—that is, by the rates prevailing at the time—for similar services.

If capital is to be lured from hidden places, it must have a reasonable guaranty of such a return as could be secured by investment in a Government bond in which the risk of impairment of principal is practically negligible, or a deposit in a savings bank. To be very conservative, let us say 3 percent. Please remember that as yet we are dealing only with the wages to be paid to each of the three partners.

In addition to the wages above mentioned, each partner must receive certain "safety" emoluments. Managers and workers must be protected by old-age and unemployment insurance, to which they should contribute, and by workmen's accident compensation as established by law.

Capital must be protected against impairment of principal by payment of an additional 3 percent on actual capital invested.

After the above wages and other emoluments have been charged against the cost of operations there should be a substantial profit remaining in normal times if the existence of the industry is justified. How should it be divided?

The fairest measure is found in the wages required to attract each individual member of the three classes. In other words, each person ceases to be considered as a member of a class and is treated as a separate unit. He receives his share of the profits in the same ratio that his wages bear to the aggregate wages paid to all of the three classes.

If it is deemed inadvisable to distribute in money all of the profits earned, the portion so withheld should be issued to the stockholders, managers, and workers in the form of stock or other evidence of ownership, using the same ratio as above.

If our industries could have faced the business collapse of 1929 with the three elements, capital, management, and labor, as equal partners, each appreciating the essential identity of interest, the further demoralization which is inevitable under the dole system could have been averted.

Instead of trying to lift ourselves by our boot straps as we are doing by limitation of production, greatly reduced hours of labor, and the futile attempt to maintain wage rates which were not being earned by the industries (and in the long run, wages must be earned before they can be paid to either of the three partners), every individual would be seeking to further the welfare of the company by any means in his power.

Referring again to the company whose officers were quoted above, the question may be raised as to what procedure other than a shut-down would have been in order.

A serious situation confronted the management. The warehouses were filled to overflowing, in the face of a steadily diminishing demand. Manifestly, there could be no justification for jeopardizing the assets of the stockholders by locking them up in unsalable goods. But these conditions did not arise overnight. If there had been close contact with the workers, they could have been discussed in advance and when the time came for action the workers would have been educated in some of the elementary facts of modern business, one of the most important of which is the slight degree of control over selling prices which can be exercised by producers. These are subject to world-wide influences, uncontrollable by any human foresight.

As a result of this education, the workers, through their representatives on the shop committees and on the board of directors, would be ready to consider the alternatives of reduced wages or reduction of working time. In any event, both from the standpoint of humanity and of sound business judgment, the first consideration should have been given to the human element in the organization.

The efficiency of an experienced working organization is an intangible asset, the value of which cannot be expressed in figures, but nonetheless it is one of the most valuable factors in an industrial organization. Therefore, even a partial dispersal of unemployment is a distinct loss.

It is said that after the passage of a reform bill by the British Parliament, which greatly extended the franchise, the Prime Minister said to an associate: "Now we must educate our masters." By sheer force of numbers, the workers in our democracy are now potentially our masters, and it is both the duty and the privilege of the representatives of capital and management to educate them in some of the elementary problems of trade and finance, and thus fit them to function intelligently as equal partners in our industries.

To an ultraconservative, this proposed radical advance in the science of human relations may seem to be visionary.

The philosopher, Kant, recognized the fact that the advocacy of his Categorical Imperative (which, after all, is only restatement in different words of the Golden Rule), as a rule of conduct, might seem to be a counsel of perfection. In this connection he said: "Let us live up to such a principle and we shall soon create an ideal community of rational beings; to create it, we need only to act as if we already belonged to it. We must apply the perfect law in the imperfect state. It is a hard ethic, you say; but only so can we cease to be beasts and begin to be gods."

In conclusion, whether or not democracy is a practicable form of government, is still an open question. It is being challenged today, not only in continental Europe, but even in England. If it is to survive, there can be no question but that we must face the fact that democracy is terribly dynamic. It is not an automatic system, which will run of itself by the mere machinery of administration. Perpetual motion is not attainable in social relations any more than in mechanics.

Lincoln was faced by a grave question. He said: "A house divided against itself cannot stand. I believe this Government cannot endure permanently half slave and half free."

We are confronted by a similar situation, and we need leaders who will face it with the same clear-eyed courage, taking as their slogan—"A house divided against itself cannot stand. This Nation cannot endure permanently politically democratic and industrially autocratic."

WILLIAM B. DICKSON.

## DEPORTATION OF ALIEN CRIMINALS

Mr. NYE. Mr. President, upon the calendar is the bill (S. 2969) relating to the deportation of alien criminals. The bill was reported from the Committee on Immigration and is known as the "deportation bill." Recently the Commissioner of Immigration and Naturalization, D. W. MacCormack, delivered a radio address which is of such merit as commands me to ask unanimous consent that it, together with a letter under date of August 15, 1935, addressed to me by the Commissioner, may be printed in the RECORD.

There being no objection, the address and letter were ordered to be printed in the RECORD, as follows:

WASHINGTON, *August 15, 1935.*

HON. GERALD P. NYE,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR NYE: Thank you for your very kind note of August 13. I enclose copy of address you mention. Please use it or this letter as you wish.

The bills to which I refer (S. 2969 introduced by Senator COOLIDGE and H. R. 8163 introduced by Congressman KERR):

1. Strengthens the law with reference to criminals; makes it possible to deport for one crime involving moral turpitude without regard to length of residence; renders racketeers and gangsters convicted of carrying dangerous weapons subject to deportation; subjects the violator of State narcotic laws to deportation on the same terms as violators of Federal acts; makes the alien who smuggles other aliens into the country deportable—the present law enables the deportation of the alien who enters illegally but does not permit the deportation of the alien smuggler.

These are additional groups not deportable under existing law. The present mandatory deportation law referring to alien criminals remains in full force and effect.

2. Requires that recommendations of judges staying the deportation of criminals be reviewed and approved before becoming effective.

3. Abrogates preference in immigration to agriculturists. This provision has been abused and is certainly not needed under present conditions.

4. Authorizes supervisory officers in field to issue warrants of arrest and permits detention of aliens here illegally pending issuance of warrant. Due to lack of this authority 2,600 deportable aliens have escaped in the last year.

5. Permits registry of aliens who entered before July 1, 1924, and are not subject to deportation, thus putting them in the same category as aliens who entered prior to June 3, 1921, and who, under the present law, are permitted to register and eventually become citizens.

6. Permits visitors or students entitled to a nonquota or preference admission to change status without leaving country. This gives them nothing to which they are not entitled under present law but spares them a long and costly voyage to a foreign country.

7. Provides for limited discretion to stay deportation of aliens of good character who have not been convicted of crime and who have been in this country 10 years or have members of their immediate families here.

Under the present law any judge or magistrate can prevent the deportation of criminal aliens, but not even the President of the United States can avert the deportation of an alien who is not a criminal.

8. Provides for deduction from national quotas for aliens permitted to remain, register, or change status. This, in effect, reduces quotas.

This is primarily a deportation and not an immigration bill. It does not deal with immigration policy. It was drawn with a view to strengthening the administration of the law and to facilitate ridding the country of undesirable aliens while at the same time permitting a measure of humane discretion in dealing with aliens of good character.

The increase in deportations of undesirable aliens resulting from this bill will be at least two to three times the number of aliens of good character permitted to remain.

We have stayed deportation during the past 26 months in the cases of 2,600 aliens of good character but unless some remedial legislation is passed we will be obliged to proceed with their deportation.

If these people are deported they will leave behind them in the United States more than 7,000 members of their immediate families, including more than 5,000 wives and children, for the most part American citizens and also for the most part persons who will become public charges in the event of the deportation of the breadwinner.

As I stated in the radio address to which you have referred, I am not a sentimentalist, but I have an unconquerable faith in the humanity and the justice of our Congress and of our people, and I cannot bring myself to believe that they will permit this unjust and inhuman mass deportation to come to pass.

Very sincerely yours,

D. W. MACCORMACK,
*Commissioner of Immigration and Naturalization.*

## Radio address by Mr. D. W. MacCormack.

What is our alien problem today?

### IMMIGRATION

It is not concerned with immigration which has dropped from over a million a year to between thirty and forty thousand. For several years past more persons of foreign birth have returned to their native lands than have come here as immigrants.

There is not the slightest likelihood—nor is there any demand—that this country let down the immigration bars.

### THE ALLEGED ALIEN MENACE

Nor is there any reality in the efforts to paint the alien in this country as a menace to our form of government, to our jobs, and to our standards of living.

The figures so often cited are fantastic exaggerations. No scintilla of proof has ever or ever can be advanced in their support.

### ALIENS IN THE UNITED STATES

They say there are from 6,000,000 to 20,000,000 aliens here.

The actual number is 4,922,000. About 1,500,000 of these have directly or through their parents applied for naturalization.

### ALIENS SUBJECT TO DEPORTATION FOR ILLEGAL ENTRY

They say there are from 3,500,000 to 10,000,000 aliens here illegally and subject to deportation.

The actual number is probably less than 100,000.

The entire number who entered illegally or who, after a lapse of years, cannot prove their legal entry is believed to be less than 400,000.

### DESERTING SEAMEN

They say that 1,000,000 alien seamen enter American ports annually and that 50 percent may remain illegally.

Less than 250,000 enter annually instead of a million. The net number remaining here in 1934 was less than 250 instead of half a million.

### ILLEGAL ENTRIES OF MEXICANS

Another of these assertions is that the census figures show that 500,000 Mexicans entered illegally between 1920 and 1930. What they actually show is to the exact contrary. They indicate that in 1930 there were 289,000 fewer Mexicans in this country than had a legal right to be here.

### MASS DEPORTATIONS

They say that if 6,000,000 aliens could be deported and their jobs given to Americans the unemployment problem would be solved; but what of the cotton and beef growers of Texas, the wheat farmers of Nebraska, the fruit growers of California, the shoemakers of Massachusetts, the shirt makers of New York, the steel workers of Pennsylvania, the coal miners of West Virginia, if they lost at one legislative stroke a twentieth of the American market, on which they must depend for any hope of prosperity?

What of the owners of real estate and the already prostrate building trades if 1 person out of every 20 who occupies a dwelling is deported? What of the American taxpayer, who, to add to his present burdens, would be called upon to support the millions of American citizen wives and children who would be left behind to become public charges?

Such statements excite strife and antagonism at a time when what we most need is a united people. They stir up racial prejudices, which have no place in this America of ours, and rouse expectations of unjust advantage which have no possibility of fulfillment.

### THE REAL PROBLEM

These are false problems, lacking both substance and reality. We have, however, a real problem in the administration of the deportation laws.

They coddle the criminal while dealing with unbelievable severity with the alien of good character.

Under the present laws thousands of alien criminals who are a danger and a menace to our people are at large and cannot be deported.

On the other hand, there is no possibility of the exercise of humane discretion in the case of the alien of good character.

Any judge or magistrate can avert the deportation of a criminal alien, but not even the President of the United States has power to avert the deportation of an alien who is not a criminal.

Husbands are torn from their American-citizen wives and children. It is frequently necessary to deport the father to one country, the mother to another, and the children to a third, thus separating these unfortunate families beyond any possibility of reunion in this world.

Such laws are barbarous and un-American, unworthy of a great and humane Nation.

### PROPOSED CORRECTIVE LEGISLATION (S. 2969, H. R. 8163)

Judge KERR, of North Carolina, in the House, and Senator COOLIDGE, of Massachusetts, in the Senate, have introduced bills to close up the loopholes in the present law through which the alien criminal escapes, to strengthen the hands of the Immigration Service in seizing and deporting the alien who enters illegally, and to prevent some of the incredibly cruel family separations which are inevitable under the present law.

### DEPORTATIONS INEVITABLE IF CONGRESS FAILS TO ACT

Upon the success of their efforts depends the fate of 2,600 aliens of good character, whose deportation has been stayed in the past 2 years, and, infinitely more important, the fate of their families in this country. If the law is not changed these people must be deported. They will leave behind them more than 7,000 members of their immediate families, including over 5,000 wives and children, for the most part American citizens. I am not a sentimentalist, but I have an unconquerable faith in the humanity and the justice of our Congress and of our people and I cannot bring myself to believe that they will permit this unjust and inhuman mass deportation to come to pass.

## BAN ON WAR CREDITS

Mr. COSTIGAN. Mr. President, in today's Washington Daily News appears an editorial entitled "Never Again." It cogently presents the view that unless we shall include as a part of any neutrality program adopted by this country a mandatory ban on all war credits to belligerent nations and on shipments of contraband in American bottoms, we are

almost certain to be drawn into the current of any European war. I ask unanimous consent that the editorial may be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, Aug. 22, 1935]

NEVER AGAIN

With Great Britain and others trying to line up the United States against Italy in the African-European war threat, Congress is failing in its duty to provide for the neutrality which we believe public opinion demands.

The World War record of bankruptcy and blood proves how easily the United States can drift into a foreign conflict, though the combined American public, President, and Congress oppose such entanglement and believe it impossible. Regardless of our peace desires today, we are in danger of being pulled into the next foreign war. If we ignore our experience, we are as foolish as the child who sticks his hand into the fire a second time.

The neutrality resolution passed by the Senate yesterday will not give us sufficient protection. The proposed House resolution is even less adequate.

The Senate ban on munitions sales and shipments to belligerents ignores the fact that the bulk of war trade is not direct munitions, but essential contraband such as oil, cotton, and foodstuffs. It also ignores the fact that the chief avenue of entanglement is through loans and credits making America an investor in the foreign war. The proposed House resolution would fix no mandatory ban or anything, even on munitions, but leave the entire policy discretionary with the President.

Here is the record proving the futility of that approach:

The absurdity of safeguarding neutrality by merely permitting the President to take such steps if he desires, after war begins, is shown by President Wilson's official reminder to Germany in 1915 that an American ban on Allied war trade would violate neutrality. Replying to Germany's request that we ban war shipments to the Allies, Wilson stated the well-established international law, as follows:

"This Government holds—and is constrained to hold in view of the present indisputable doctrines of accepted international law—that any change in our laws of neutrality during the progress of a war, which would affect unequally the relations of the United States with the nations at war, would be an unjustifiable departure from the principle of strict neutrality by which it has consistently sought to direct its actions. The placing of an embargo on the trade in arms at the present time would constitute such a change and be a direct violation of the neutrality of the United States." The Senate proposal for such a ban late in 1914 was protested by Britain and disavowed by the State Department.

Thus, on the record, the proposed discretionary grant of embargo power to the President after hostilities begin would actually encourage violation of neutrality and our direct participation in foreign war.

The record is equally clear on the prime importance of contraband other than munitions, which the Senate fails to ban. Apart from the obvious examples of cotton and scrap-iron exports which are the basis of munitions manufacture, oil and food shipments were even more important than direct munitions because more scarce. Germany could not win without starving out England, hence the submarine terror. As for the American oil which ran the Allied navies, tanks, transport, and aviation, Clemenceau voiced a truism in saying oil won the war.

To embargo munitions and permit the larger trade in such contraband as cotton, scrap, oil, and foodstuffs is to close the crack in the door carefully and leave open the whole side of the house.

Even more important is the power of loans and credits to pull us into a foreign war. By extending credit we underwrite the war, and then go to war finally to make good that investment—which we lose anyway. The idea that we can be neutral in any war in which we have millions and billions of dollars invested is fantastic. "Where thy treasure is * * *."

Let's look at the insidious record:

In Secretary of State Lansing's successful effort in 1915 to lift the original neutrality ban on belligerent loans, he wrote to President Wilson:

"Doubtless Secretary McAdoo has discussed with you the necessity of floating Government loans for the belligerent nations, which are purchasing such great quantities of goods in this country, in order to avoid a serious financial situation which will not only affect them but this country as well. * * * To withdraw any considerable amount (of gold from Europe to finance the American war trade) would disastrously affect the credit of European nations, and the consequence would be a general state of bankruptcy. If the European countries cannot find means to pay for the excess of goods sold to them * * * they will have to stop buying." In other words, the war could not continue unless America financed it.

And when we did put up the money, the French statesman, Andre Tardieu, made the very obvious observation—which seems to have escaped the Senate yesterday: "From that time on, whether desired or not, the victory of the Allies became essential to the United States."

We bailed out the bankers and we went to war. But we lost our money which has never been paid back; we lost our youths on the battlefields abroad and lost our civil liberties at home; and we added to world bankruptcy and destruction which still grips us and others today.

Such are the facts. They are the undeniable official documentary record of how we got burned before, history's tragic warning of how we may be burned again.

Unless Congress places an advance mandatory ban on all war credits to belligerents and on all shipments of contraband in American bottoms, the same major forces which destroyed our neutrality before will threaten us inevitably again.

This is the gravest issue in the world today for America.

## PREVENTION OF CRIME AND TREATMENT OF CRIMINALS

Mr. NORBECK. Mr. President, I have always taken a keen interest in the administration of justice and in criminal reform, as well as the methods necessary to accomplish such purpose, especially so in the last few years. I call the attention of Senators to an editorial printed in the Tulsa Tribune on December 24, 1934, which, to my mind, is the most clear and most sane suggestion of criminal reform that has come to my notice. This editorial is based on the experience and methods pursued by Hon. Thomas D. Lyons, judge of the district court of the State of Oklahoma, Twenty-first District, located at Tulsa, in his successful administration of criminal law. In view of its special interest, I ask, Mr. President, that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Tulsa (Okla.) Tribune, Dec. 24, 1934]

VOICE OF EXPERIENCE

Judge Thomas D. Lyons, who will retire from the district court bench next month, sets forth in a letter to the editor of the Tribune his views on the twin problems of prevention of crime and the proper treatment of criminals.

Judge Lyons' discussion of the problem was prompted by an editorial in the Tribune, in which the judges of Oklahoma were called upon to take the lead in working out a new probation system, which would provide proper guidance for juvenile delinquents placed under probation and stricter supervision of paroles given first offenders. His experiences with habitual criminals in his court, who have been in and out of the courts and prisons many times, prompts him to disagree with the Tribune's views. He says:

"The first duty of a judge is to hold the scales even between the State and the defendant, to the end that both sides have a fair and impartial trial. I believe that the judges may be relied on to do this. However, the State judge, as I have suggested from the bench many times, is hampered by lack of power. In my opinion, two fundamental changes in criminal procedure are necessary:

"First. The judge of district court of the State of Oklahoma should be permitted to assist the jury by commenting upon the evidence, as is now the practice in the Federal court.

"Second. The defendant, in all cases, should be subject to cross-examination by the State. (I realize that this is almost a revolutionary change, but I believe that the present crisis in crime demands it.)

"The most essential and far-reaching change, however, should be made in the probation, pardon, and parole system, and on that question I find myself differing from your views as expressed in your editorial. I suggest that the probation, pardon, and parole system should be totally abolished for a period of at least 20 years, and that no judge, board, or Governor should have power to change the penalty pronounced against a duly convicted criminal.

"The place for reform, in my opinion, is in the penal institutions. They should be made healthful, harsh, and unpleasant for the criminal, somewhat on the model of the Canadian prisons. A system of penal farms where hard exacting labor would be performed under healthful conditions might be considered."

Judge Lyons recommends this treatment only for those who have actually committed a crime, and not for juveniles who are beginning to attract the attention of their parents and teachers and the authorities as problem cases. As to the means of preventing the making of criminals out of youths who are getting off on the wrong foot, he says:

"As you sagaciously suggested in your editorial, the matter of the apparatus of courts and justice merely scratches the surface. They can isolate the convicted criminal and should do so just as a smallpox patient is quarantined in the interest of public safety, but any deep consideration of the question must take into account the conditions which make criminals.

"I believe that the conditions are in part suggested by Dr. Nicholas Murray Butler in his address of last Monday, December 17. 'In the past 50 years, instead of dominating education as it had before, religion had been thrust into the background, with the result that religious knowledge and religious interest is passing all too rapidly out of the educational process. The family and the church should accept primary responsibility for religious training.

"'So far as tax-supported schools are concerned, an odd situation has been permitted to arise. The separation of church and state is fundamental in our American political order, but as far as

religious instruction is concerned, this principle has been so far departed from as to put the whole force and influence of the tax-supported school on the side of one element of the population—namely, that which is pagan and believes in no religion whatever.

"'What is needed is a complete about face of the education of youth in the family and in the school. A wholly different type of education, both in the family and in the school, must be commenced to overcome the false lure of pagan materialism and Mammon worship.'"

The Tribune not only agrees with Judge Lyons in his opinion that closer attention should be given to the forming character of youth in the schools, but we most emphatically endorse the changes he suggests in trial procedure. Impartiality in a judge, of course, is essential for the protection of the innocent. But there is no excuse for the restrictions which force a judge often to remain silent when he sees the guilty escaping justice.

The dangerous restriction placed upon the judge and State's attorney in the constitutional prohibition of cross-examination of a defendant on the witness stand protects nobody but the criminal. It is an anachronism, carried over by the Constitution makers from the fear of courts that was planted in the minds of Colonial Americans by the injustices perpetrated upon the innocent by the king's courts. The people created their own courts but they insisted upon hamstringing them as though they were to be the king's courts forever. It is time the people made the courts the people's courts in reality, and not merely in name.

Judge Lyons, who has served the people well in his efforts to protect them from criminals brought into his court, suggests that the legislature should convene a constitutional convention which would effect needed changes in the machinery of justice, among other reforms. The Tribune hopes this suggestion will form the basis of a petition to the legislators of every county in the State.

### HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on Indian Affairs:

H. R. 8511. An act to provide funds for cooperation with Cannon Ball school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8512. An act to provide funds for cooperation with Fort Yates school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8513. An act to provide funds for cooperation with Trenton school district, Williams County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8515. An act to provide funds for cooperation with Sanish School District No. 1, Mountrail County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8516. An act to provide funds for cooperation with Porcupine school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children; and

H. R. 8726. An act to provide funds for cooperation with the board of trustees of the Warner Springs union school district, Warner Springs, Calif., in the construction of a public-school building to be available to Indian children of the Los Coyotes and Volcan Indian Reservations, Calif.

### STABILIZATION OF BITUMINOUS COAL MINING INDUSTRY

The Senate resumed the consideration of the bill (H. R. 9100) to stabilize the bituminous coal mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous coal resources of the United States; to provide for the general welfare and for other purposes; and providing penalties.

Mr. LOGAN. Mr. President, if in order, I desire to offer an amendment. I notice that on yesterday there was adopted an amendment on page 10, but, in my judgment, the amendment did not go far enough. I wish now to move to amend the bill on page 10, line 8, by striking out the word "national" before the word "organization."

As the bill stands at this time, that would restrict one of the members of the district board to an employee of a national organization. I have no fight against labor unions; I think they have accomplished very much, and my sympathies are with them; but labor unions, the same as other people, will find that it is best always to be fair; and it is not fair to allow a very small group, perhaps a minority not constituting 1 percent of the total miners in a district, to have the absolute right to select the membership of the board. As the bill now stands, if the word "national" remains in it, it will simply mean that there might be in some particular district 10 members of a national organization out of 10,000 miners, and out of that 10 the representation on the board would have to be drawn.

I suggest to the Senator from West Virginia that means that those who belong to no organization and who constitute a majority of the miners in any district may have no representation and no voice.

Mr. McNARY. Mr. President, the Senator is now discussing the unfinished business. Will he not permit me to suggest the absence of a quorum?

Mr. LOGAN. I yield for that purpose.

The VICE PRESIDENT. The Senator from Oregon suggests the absence of a quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Copeland | Lewis | Robinson |
| Ashurst | Costigan | Logan | Russell |
| Austin | Davis | Lonergan | Schall |
| Bachman | Dieterich | McAdoo | Schwellenbach |
| Bailey | Donahey | McGill | Sheppard |
| Bankhead | Duffy | McKellar | Shipstead |
| Barbour | Fletcher | McNary | Smith |
| Barkley | Frazier | Maloney | Steiwer |
| Black | George | Metcalf | Thomas, Okla. |
| Bone | Gerry | Minton | Thomas, Utah |
| Borah | Gibson | Moore | Townsend |
| Brown | Glass | Murphy | Trammell |
| Bulkley | Gore | Murray | Truman |
| Bulow | Guffey | Neely | Tydings |
| Burke | Hale | Norbeck | Vandenberg |
| Byrd | Harrison | Norris | Van Nuys |
| Byrnes | Hatch | Nye | Wagner |
| Capper | Hayden | O'Mahoney | Walsh |
| Caraway | Holt | Overton | Wheeler |
| Chavez | Johnson | Pittman | White |
| Clark | King | Radcliffe | |
| Connally | La Follette | Reynolds | |

Mr. LEWIS. I announce that the Senator from Mississippi [Mr. BILBO], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Louisiana [Mr. LONG], and the Senator from Idaho [Mr. POPE], and the Senator from Nevada [Mr. McCARRAN] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON], the Senator from Delaware [Mr. HASTINGS], and the Senator from New Hampshire [Mr. KEYES] are necessarily detained from the Senate, and that the Senator from Wyoming [Mr. CAREY] is absent on official business.

Mr. VANDENBERG. I repeat the announcement heretofore made by me that my colleague the senior Senator from Michigan [Mr. COUZENS] is absent because of illness.

The PRESIDING OFFICER (Mr. VAN NUYS in the chair). Eighty-six Senators have answered to their names. A quorum is present.

Mr. LOGAN. Mr. President, I shall occupy the time of the Senate only a few minutes. I have moved that the bill be amended, on page 10, by striking out the word "national", in line 8, before the word "organization."

Yesterday the bill was amended, I believe, at the end of that particular section, in line 9, by adding the words "within the district" after the word "industry." As the bill stands at this time, it confines membership of the district board exclusively to a national organization of employees, which, of course, means the United Mine Workers. I have no quarrel with the United Mine Workers, but I believe it to be unfair to force the miners in any district to be represented by someone who may be in the minority. If there should be no national organization in the district, as I think is true in the western Kentucky coal fields today, then the miners could have no representation unless there should be organized some branch of a national organization of employees.

That is a species of coercion which no one should desire to have exerted. It is all right if the United Mine Workers should be the preponderant organization; it is all right if the miners should be satisfied; but miners belong to other organizations. Some of them may include a State; some of

them may include an entire district; some of them may include only a neighborhood.

They are discriminated against; they are denied representation. As I said a moment ago, there might be only 10 members, or even only 1 member, out of 10,000 belonging to a national organization within a district, and that particular one would of necessity have to be selected for membership on the board. That, to my mind, is not fair, is not just. So the word "national" ought to be stricken out. Then that provision of the bill would read:

The remaining members of each district board shall be selected by the organization of employees representing the preponderant number of employees in the industry within the district.

In my judgment, that is fair. As it stands now it is not fair.

Moreover, I think we ought to be a little careful about what we put in the bill. In my judgment, the constitutionality of the bill is subject to very grave question. Two or three years ago, when substantially this same matter was submitted to the Committee on Mines and Mining in what is known as the "Davis-Kelly bill", the late Senator Thomas J. Walsh, of Montana, and myself, together with former Senator Robinson, of Indiana, were appointed a subcommittee and made an investigation as to the constitutionality of the bill. The Senator from Arizona [Mr. HAYDEN] had offered an amendment, which was practically what we now call the Guffey bill. After very thorough investigation we reached the conclusion that the bill could not stand the test of the courts. It is true that the late Senator Walsh, of Montana, stated he would be willing to put it up to the Court again, but, unless the Court changed its mind, it was very probable, if it adhered to its previous decisions, that the measure would be declared to be unconstitutional.

In this case the bill contains a provision which is unfair and unjust. It is a discrimination against a large number, and perhaps against a majority, of the miners in a given district. I believe that when we attempt by law to confine membership to any particular group we are doing that which we are not justified in doing.

So I think the proponents of the bill, those who are sponsoring it, should very readily agree to strike out the word "national." I understand from Representative VINSON of Kentucky, who had the bill in charge in the House, that the committee agreed that the word "national" should be stricken out, and that it was merely through an oversight that it was not stricken from the House bill. He brought that information to me.

That is all I have to say about that particular amendment. I have another amendment or two which I desire to offer later, but I shall wait until the Senate has voted on the pending one. I do not wish at all to delay a vote on the bill. I should like to go along, as far as I possibly can, with those who favor the bill; but there are some features of it which ought to be eliminated before I can give it my support with any great degree of enthusiasm.

I shall say no more at this time.

### ELECTRIC-LIGHT RATES IN ONTARIO, CANADA

Mr. NORRIS. Mr. President, I do not desire to talk about the pending bill; neither do I wish to delay its consideration. There has come to me this morning, however, a bulletin just issued by Judson King, of the National Popular Government League, which I think ought to be inserted in the RECORD. I desire to make a few comments about some of the things mentioned in this bulletin by Judson King on the electric-light rates of Ontario, Canada.

Recently there has been circulated all over the United States pamphlets and magazine articles charging the Ontario Hydro is not self-liquidating, as originally promised, and that its electric light and power rates, which have been cited here for years by me and others, are not sufficiently substantial to carry the burden of keeping up the plants.

Mr. King in his bulletin analysizes these objections. One of the pamphlets is by Wendell L. Willkie, president of Commonwealth and Southern. Another publication, which I suppose all Senators have received—I know I have—is from a man by the name of Lowry, who gives his address as Toronto, Canada. It is an issue of a "Bulletin Service", to be supplied by an alleged magazine, The Ontario Power Digest, of which this man Lowry is editor. He solicits subscriptions from the Members of Congress for this "Bulletin Service" at $10 per year, issued weekly, in which the publicly owned Hydro will be attacked.

A search for his place of business in Toronto discloses the fact that it is at the front end of an old store building, occupied by an elderly insurance agent, and that Lowry appears there every few days and gets his mail. Another circular sent us by this man contains long excerpts from a new pamphlet attacking Hydro, which he states is published in Rochester, N. Y. Another one has been circulated all over New York State to antagonize the efforts of the New York Power Authority in promoting the St. Lawrence development.

Now, the electric-light facilities of Rochester, N. Y., are under the control of Hopson, whom the present committee investigating the power lobby has had on the witness stand for several days and will have on the stand for several more days. So I venture the suggestion that if the lobby committee will investigate they probably will find that Hopson is really the man who pays for and circulates the bulletins, which on their face show were prepared at a certain address in Toronto, Canada, where if one goes he can take out an accident insurance policy.

In the appendix of the bulletin of Mr. King there are two tables, which show the financial condition at the present time of the first 14 municipalities to contract with the Hydro-Electric Power Commission for wholesale current and which were the founders of Hydro. I desire to quote just a few items which appear in full as appendices to this bulletin:

For instance, the net debt of the electric plant of the city of Toronto, one of the original 14 founders, in 1913 was 93.8 percent of its assets. I understand that the city borrowed the money to put in a distribution system. Under the operation of the electric rates established by the Hydro-Electric Commission the net debt of the Toronto plant in 1934 is only 43.6 percent of its assets. In other words, up to this time Toronto has more than half wiped out the indebtedness of its electric plant. This is the highest percent of indebtedness of any of the original 14 at the present time. This is because Toronto has nearly doubled in population and has had to invest more capital for extensions than the others.

Going on down in this list, we find the city of Guelph, for instance, where the net debt of the electric plant now is only 4.3 percent of its assets. It would be interesting, I think, in that connection, to know what the electric-light rate to domestic consumers is in Guelph. The rate in that municipality is 1½ cents per kilowatt-hour to the domestic consumer.

Following on down, let us take St. Thomas, another city. It is a city which in 1933 had a population of approximately 16,000 people. The net debt of the electric plant of St. Thomas in 1934 was only 2.9 percent of its total assets. Looking at the rate of St. Thomas in 1934, we find that domestic consumers were paying 1.3 cents per kilowatt-hour.

So I might go on with all the municipalities. There is another one whose rate is only 1.8 cents per kilowatt-hour, and another one whose rate is 1.4 cents per kilowatt-hour.

For instance, let me say about St. Thomas that the amount she has to pay, in order to pay off all the indebtedness of her electric plant is $16,756. She has practically reached the time where she has no interest to pay on the investment. When all of them are averaged up, the figures show that on December 31, 1934, the end of their fiscal year, the average net debt of all those cities on their electric plants was only 16.9 percent of their entire investment.

So the net debts of the electric plants of all those 14 cities originating the Ontario Hydroelectric system, which have had longer and more experience than the others that came in later, average only 16.9 percent of their assets; and their combined earnings in 1934 were $15,883,375. They had reserves and surplus amounting to $50,357,892. There are 393 cities and towns now, and, in addition, 171 rural power districts, serving 367 townships.

That is the record which is being assailed by these critics, probably through Mr. Hopson. I hope the Lobby Committee will investigate that matter. The record of these municipal plants is the most remarkable showing of low rates known

anywhere in the world. There is not a single one of those 14 cities that charges as much as 3 cents a kilowatt-hour to its domestic consumers; and there are only 3 of the 14 which show a domestic rate as much as 2 cents per kilowatt-hour. There are three that show rates in excess of 2 cents, but they are all under 3 cents.

When Senators receive these bulletins, as they probably have, and in considering the testimony which is being offered before the Lobby Committee, I desire to have them remember this remarkable financial showing.

Those cities issued bonds for the purpose of putting in the distributing systems through which they sell electricity. Most of the bonds have been liquidated, and the cities cannot buy at par the outstanding bonds. They have enough money to buy the outstanding bonds, but they are unable to buy them without putting up a big premium.

The PRESIDING OFFICER. The Senator's time on the amendment has expired.

Mr. NORRIS. I ask unanimous consent to insert in the RECORD, as an appendix to my remarks, the bulletin of Mr. King, together with the appendixes attached thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

(Bulletin No. 174, Aug. 21, 1935, by Judson King, director)

NATIONAL POPULAR GOVERNMENT LEAGUE,
*Takoma Park Station, Washington, D. C.*

HOPSON AND WILLKIE ATTACK ONTARIO HYDRO

Since 1928 the propaganda agencies of the power industry in the United States have been strangely silent about the publicly owned and operated hydroelectric power system of Ontario. In that year came the exposure by the Federal Trade Commission that the publication of the then famous Smithsonian attack upon Hydro, written by Samuel S. Wyer, consulting engineer, of Columbus, Ohio, was in fact paid for by the Duquesne Power Co. of Pittsburgh and the National Electric Light Association; that Wyer was paid several thousand dollars for a general study made for this company, a part of the data he collected being used in this pamphlet, the plates of which were destroyed by the Smithsonian soon after publication in 1925.

The public had to wait 3 years to discover the truth. Wyer, in the past 2 or 3 years, has been lecturing in universities and before church groups over the Middle West and seldom fails to rap Muscle Shoals.

But in the past few months a new Nation-wide attack upon Ontario Hydro has been launched by the industry, the outstanding spokesmen of which appear to be the Associated Gas & Electric Co., of which Howard C. Hopson is the head and who is now being probed by House and Senate investigating committees on methods used in his opposition to the President's holding-company bill, and Wendell L. Willkie, president of the Commonwealth & Southern Corporation, who for months has been misrepresenting to the Nation the facts about the power operations of the Tennessee Valley Authority at Muscle Shoals.

These gentlemen or their agencies are pointing to Ontario Hydro as a horrible example of the failure of public plants in order to undermine the confidence of the people of the South and of the Nation in the Tennessee Valley Authority, the St. Lawrence, and other yardstick projects being built under President Roosevelt's leadership.

The methods of Mr. Hopson's agents are on an ethical parity with their forged telegrams, and the accuracy of Mr. Willkie is on a par with the exploded misrepresentations of the National Electric Light Association for the past 15 years. They take their texts from the following facts:

In 1933 the Conservative Party in Ontario was defeated and the Liberals under the present Premier Hepburn won in a landslide similar to the Roosevelt landslide of the previous year. Not the principle of public ownership, but the administration of Hydro since the death in 1925 of Sir Adam Beck, founder and long the chairman, was one of the issues. The terrific slump in the industrial load on the Niagara system, due to the depression, caused primarily some operating deficits in the wholesale end of the business. Thus is afforded a chance to renew in the United States the ancient charge that Hydro rates had been too low for financial safety and the long-expected crash is near.

This bulletin contains documented facts direct from the official reports of the Ontario Hydro Commission, which prove beyond question that the propaganda of these men, whether it be by Hopson's editors or Willkie himself before the famous Economic Club of New York, is utterly unreliable and misleading, and presents as false a picture of the true status of Hydro as the publications of the old National Electric Light Association ever did The truth is that the Hydro, despite the depression, is in the healthiest financial condition of any utility of like magnitude on the North American Continent.

MR. HOPSON'S "WIDOWS AND ORPHANS"

Mr. Hopson maintains holding companies are necessary, and weeps over the fate of widows and orphans owning securities in his holding companies if the companies are dissolved. He should be made to explain why the Hydro system, a $400,000,000 concern, serves 668 urban and farm municipalities without any holding company at all. He should explain why, without such beneficial supervision, no widow or orphan or other investor has ever lost a dollar invested in Hydro securities, and interest has been paid on the dot.

A "POWER-COST SPECIALIST" WOULD INFORM CONGRESS

Members of Congress just recently have received two communications from one E. A. Lowry, who purports to be editor of the Ontario Power Digest, published at 195 Victoria Street, Toronto, Canada, and author of Public Ownership Suffers Greatest Defeat in History, by E. A. Lowry, specialist, electric power costs. These communications are copyrighted. One offers an alleged "bulletin service" of this Digest at $10 for 52 weekly copies. The other seeks orders for a new pamphlet by Lowry, The Lid Blows Off Public Ownership, the back title reading Ontario Suffers a Rude Awakening to the Ruinous Cost of Public Ownership's Low (?) Rates. It is highly significant that the latter circular states "copies for United States of America delivery are printed in and shipped direct from Rochester, N. Y."

Now, the Rochester Gas & Electric Corporation is one of Mr. Hopson's subsidiaries, of which Mr. Herman Russell is president. Mr. Russell publishes the Gas and Electric News, which reprinted in one of its issues Lowry's Public Ownership Suffers Greatest Defeat in History, that is, in Ontario. Russell conducts a constant campaign against Hydro. Also, there has been recently circulated over New York another pamphlet by Lowry, handed the writer by a New York State official, entitled "Ontario's Costly Mistake", a handsomely printed thing in yellow covers "printed in the U. S. A." I was informed it was printed in Rochester.

Further, the Security Holders number of Mr. Hopson's Associated Magazine for which a national circulation of 300,000 was claimed, contains an unsigned article Ontario Hydro No Longer An Idol of Pure Gold, of the same kidney as Lowry's writings. It would be an interesting thing for an investigating committee to discover just how Mr. Lowry's activities are financed.

MISINFORMATION FOR CONGRESS

Lowry's advertising circulars to Congressmen are in themselves propaganda and come at the right minute to influence votes on the holding-company bill and the T. V. A. bill. For example, we find the bulletin devoted to an alleged exposé of the "intense opposition to drastic rate increases" in Sudbury, Ontario, summarized thus:

"The outstanding changes effected are that Sudbury's commercial cooking consumers have had their charges increased from a rate of 1.6 to 5 cents per kilowatt-hour, whereas domestic consumers, who similarly use Hydro for cooking, have had their rates reduced from approximately 3 to 1.7 cents per kilowatt-hour. * * * The underlying cause of the Hydroelectric Power Commission's startling incongruity in effecting the foregoing rates can be traced to political expediency", etc., etc.

A telegram from the Hydroelectric Power Commission of Ontario just received by the writer throws real light on the situation of great interest. Sudbury owns its own distributing system and up to January 1, 1935, purchased its wholesale power from a private company. It then made a contract with the Hydro Commission for power and, of course, came under its regulations. These regulations require rates to be fixed at the exact cost of service to each class of customers. Among other things the Hydro Commission's engineers discovered two former Sudbury practices which were in violation of its rules.

First, the city council had been selling current to hotels, restaurants, etc., at below cost—a special privilege. Second, they had kept their domestic and other rates high and the profits amounting to around $125,000 annually, had been turned into the city treasury. The domestic rates were above the cost of service.

Now, Hydro for the past 25 years has refused to permit its units to be used as a taxing agency, and load general city expenses off on the light and power users. That is one reason why Ontario rates are so low and why many American municipal rates are as high as private rates.

The Commission, of course, brought the commercial cooking rate up to where it paid its way and dropped the domestic rates to where they belonged, and made reductions all around which will compel the city authorities of Sudbury to absorb this $125,000 surplus and return it to the customers in the form of lower rates. This sound practice is practically the same as that of the T. V. A. Favored business men, politicians, and private companies do not like that kind of strict justice and efficient business method, and so a single justifiable raise on one class of the customers in one town is made to lend color to the general claim that the cost of power is rising in Ontario. The complete telegram of the Commission is attached as appendix A.

As might be expected, Lowry's figures that commercial cooking rate has been increased from 1.6 cents to 5 cents per kilowatt-hour are not accurate. The new rate is 4 cents for the first 100 kilowatt-hours, 2½ cents for the next 100, and 1½ cents for all additional, a rate lower than most Americans have to pay.

WHO IS E. A. LOWRY?

Mr. Lowry's twisted picture, then, harmonizes exactly with Mr. Hopson's purposes, and it becomes interesting to know just who this expert is who seems to be in favor with the Associated Gas & Electric. The writer inquired about him last December in Toronto, and found the following:

Not a single copy of the alleged magazine, the Ontario Power Digest, of which he is the supposed editor, has ever been issued.

No. 195 Victoria Street, the supposed office of the publication, is an old, dingy, third-class store building, the front end, the first floor of which is occupied by an old insurance man where Lowry gets his mail and where he seldom stays more than 10 minutes at a time.

He is not an electrical engineer, but was once employed in a subordinate capacity in the Hydro at Guelph. For several years he has posed as a rate expert to private manufacturers and sought employment in that capacity. The character of his services and his standing in Ontario may be judged from the following excerpts from the leading editorial in Electrical News and Engineering, published by MacLean, at Toronto, for April 1, 1934. It reads in part:

IS THIS BILL A RACKET?—BEWARE OF BOGUS POWER-COST SPECIALIST

"Over the past few years we have heard many complaints from manufacturing concerns and even from municipalities as to the activities of a so-called "power-cost specialist" (I was informed this meant Lowry) who, as far as we can learn, is not a qualified electrical engineer. It appears that this "specialist" has been going around Ontario collecting large fees from power users and, as far as we can ascertain, has been unable to justify his work. His procedure is to interest the power user in saving money on his power bills, obtaining as early as possible a retainer or advance payment on his fees. In many cases when his clients were not satisfied with the progress or the type of reports made by the self-styled "power-cost specialist" they had difficulty in getting back their books, contracts, bills, etc., and in some cases could only get them on payment of a sight draft.

"Our purpose in warning the industry of this specialist's activities is because we consider that his operations have done considerable harm in the progress of the industry. * * * Furthermore, the reports made by this "specialist" have not, to our knowledge, been substantiated."

William A. Murray, of Murray & Flood, New York; Samuel S. Wyer, Prof. E. A. Stewart, and others whose work has been utilized for propaganda, were at least qualified engineers. But Lowry is not and not even a trusted specialist. He is now writing the kind of false stuff about his home Hydro that is suited to the purposes of the American Power Trust. Is Hopson back of him? And are we to have a series of bulletins from him in the future, falsifying Hydro experiences?

MR. WILLKIE BEFORE THE ECONOMIC CLUB AND HARVARD BUSINESS SCHOOL CLUBS OF NEW YORK

In an address last January before a joint meeting of the above highly respected clubs, on Government and the Public Utilities, Mr. Wendell L. Willkie, president of the Commonwealth & Southern, devoted a good deal of attention to Ontario Hydro. Only a few of his many misrepresentations of fact can be noted here.

The first is the charge that Hydro has not proved self-liquidating, as promised. Willkie notes that the President's power projects are to be amortized in 25 years, and goes on:

"The original amortization period of the Ontario project was to be 30 years. At the end of this time the electric facilities would belong to the people free of debt. The program has been in effect just for that long. Is it free of debt? The Hydro Commission itself has liabilities of $266,000,000 against undepreciated assets of $283,000,000. As to the municipalities, their liabilities now total $50,000,000 against undepreciated assets of $90,000,000. Thus the whole system, undepreciated, is on the books at $374,000,000 and 30 years after the founding of the Hydro it has outstanding obligations of $316,000,000."

According to this the Hydro should be all out of debt by January 1, 1935. That gives the start of Hydro as of 1905. The Hydro Act was not passed until 1906–7. The first current was not turned on until 1910. The total assets of the commission at that time was less than $3,000,000 and of the 14 municipalities being served about the same.

Since that time the enterprise has grown until it is serving over 600 municipalities and farm districts, and the grand total assets $477,859,000. The major part of the bonds have been issued since 1916, and a large part of those are not due until 1950–70.

The balance sheet of the commission attached hereto shows reserves and surpluses in 1934 of over $74,000,000, doubtless sufficient to cover the first investment of $3,000,000.

So Willkie's charge is merely absurd. There might be some slight chance for Willkie's assertion to be fragmentarily correct if he could show that a single one of the first 14 municipalities to join Hydro had defaulted on their original bonds or were in financial difficulties—or any of the later ones, for that matter. This he cannot do. The writer has a statement from the chief accountant of the Hydro, showing that the last of the original debentures of these 14 places issued in 1910–11 in nine cases will not be due until 1941 and that only one small town, Hespeler, falls within his limit of January 1, 1935. Much capital has been invested in extensions by these municipalities since 1911, especially Toronto, the retirement dates being far beyond 1940.

SERVICE AND STATUS OF THE ORIGINAL FOURTEEN

The low rates, high usage, and healthy financial condition of the distributing plants of the original 14 municipalities, ranging in size from over 600,000 down to 1,400 in population, should be encouraging to the officials and citizens of the Tennessee Valley as a prophecy of what will happen to them, and to other yardstick projects like the St. Lawrence, if the service from the generator to the consumers' meters is kept under public operation.

The statistical tables I and II, regarding the first 14, attached as appendices B and C to this bulletin, are demonstrations of what is possible and per contra to unfairness of high rates charged by the Power Trust in this country. The numbered paragraphs below key with the columns in these tables, and show that—

1. From 1913 to 1933 the population of these 14 municipalities increased from 526,000 to 840,000, or 60 percent.

2. Domestic revenue increased from $331,000 to $5,124,000, or 1,448 percent.

3. Domestic consumption increased from 6,880,000 to 350,000,000 kilowatt-hours, or 4,990 percent.

4. Domestic consumers increased in number from 31,000 to 205,000, or 556 percent.

5. The average domestic usage increased from 17.3 to 134 kilowatt-hours monthly, or 672 percent.

6. The average domestic monthly bill increased from $1.05 to $2.29, or 118 percent.

7. The net cost per kilowatt-hour for domestic service dropped from 6.19 cents to 1.76 cents, or 72 percent.

8. The total assets of the electrical departments of the 14 municipalities in 1913 was $8,970,000. In 1933 they had grown to $77,300,000, an increase of 762 percent.

9. The total liabilities increased from $8,000,000 to $30,910,000, or by 286 percent.

10. The total of the standard reserves and operating surplus increased from $952,000 to $46,389,000, or 4,760 percent.

11. The total annual revenue increased from $1,874,000 to $15,210,000, or 770 percent.

12. And, finally, the percent of net debt to total assets of the group dropped from 77.1 percent to 20.4 percent.

RESULTS FOR 1934

Your attention is called to the figures for 1934. This bulletin has been delayed until the 1934 report was available. These data show that notwithstanding the depression, then in its fifth year, domestic consumption has increased and average costs have consequently lowered, while assets have grown and liabilities diminished. So that, whereas these municipalities as a group were in debt 77.1 cents on each dollar of assets in 1913, and 20.4 cents in 1933, their debt was lowered in 1934 to 16.9 cents. This is the final answer to the charge of "failure of self-liquidation."

But note that while the liabilities are nearly $31,000,000 the reserves and surpluses total over $46,000,000, and in many instances these surpluses far exceed the book liabilities. The municipalities would buy the outstanding bonds, but the investors won't part with them in many cases, since they are too safe an investment.

While domestic usage is given above in discussing rates, commercial and industrial and municipal rates show like reductions and increase in use.

AS TO THE DEFICITS

Mr. Willkie's address was printed in pamphlet form and sent out. It was reprinted in the February issue of the official bulletin of the Edison Electrical Institute and elsewhere, and so will be used as a textbook for power editors and speakers before all kinds of clubs and chambers of commerce over the Nation. Much is made of three recent deficits on the Niagara system, the only ones since organization, and of the "increase in cost of Ontario power." Moral: The Hydro is losing money to be saddled on the rate or taxpayers. Rates are coming up and doom is in sight. These ideas are repeated by the Wall Street Journal, the New York Sun, and various other great newspapers as a warning against the President's power policy.

It is not pointed out that rates to consumers have not been raised; that the deficits were easily met by a slight raise in the wholesale cost of power to municipalities, and by drawing on the contingency or rate-stabilization fund established in 1925 to meet emergencies of this kind; nor that the reserves and surpluses of the commission total over $74,000,000 and of the municipalities of over $93,000,000.

From official reports and personal investigation in Toronto, the writer can state the following as the essential facts, which should alarm nobody not yearning for disaster:

The Hydro is owned by the cooperating municipalities. They do their own local financing and distributing. Wholesale power is furnished by the provincial commission, which acts as a trustee and manager for them. There are four independent systems—the Georgian Bay, the Eastern Ontario, the Thunder Bay, and the Niagara, the last named being the largest and serving Ontario's great industrial center.

When the depression hit in 1930, manufacturing slumped in Ontario as in the United States, cutting off a great source of revenue. The result was an operating deficit on this system for 1932 of $2,544,000; for 1933, of $4,236,000; and for 1934 of $2,869,000. The contingency fund set up as stated to meet acts of God and depressions had a balance at the beginning of 1932 of $14,629,000.

The deficits were met and there was left in this fund at the beginning of the present fiscal year $6,567,000, with sinking fund and depreciation and all other reserves and operating expenses being cared for. The rise in the cost of wholesale power to municipalities was about $1.50 per horsepower in 1932, $4.50 in 1933, and about the same in 1934.

Another factor contributing to these deficits was the fact that a former commission had contracted for some 471,000 horsepower from Quebec private companies at $15 per horsepower delivered at the boundary line, and that the blocks of this power due were not needed but had to be paid for. Had it not been for these contracts, the commission could have met all demands from its own generating plants, some 40 in number, and there would have been no deficits.

Today the load factor is rising, and if the depression continues to lift, the Niagara system will be out of the red before long. Even if it does not, since these contracts were illegal and have been canceled, we may expect no further deficits from Hydro.

WHAT IF RATES HAD BEEN RAISED TO MEET THE DEFICIT?

As noted, retail rates have not been raised. But suppose they had. Suppose the $2,869,000 wholesale deficit of 1934 on the Niagara system had been met, not from the contingency fund, but from increased rates to all consumers. What would the increase have been?

Answer to this pertinent question is given in official data just received from the Ontario Hydro-Electric Power Commission. This shows that the increase would only have been 0.64 mill per kilowatt-hour and domestic consumers would have had their average costs raised from 1.51 cents to 1.57 cents per kilowatt-hour. The statement follows:

"The ultimate source of all revenue—whether received by the Hydro-Electric Power Commission of Ontario through its operations or from the municipalities served by the commission through their operations—is obtained from the consumer. The revenue collected from consumers for the service supplied by the municipalities is divided so as to pay for the power purchased from the commission, and also for the expense incurred by the local utility in supplying its customers.

AVERAGE COST OF ONLY 1.51 CENTS PER KILOWATT-HOUR TO CONSUMERS

"The average revenue for domestic service received by all Hydro municipalities throughout the Province of Ontario during 1934 was 1.51 cents per kilowatt-hour. Had the Hydro municipalities supplied from the Niagara system been billed for all charges included in the cost of power which they received during 1934, including standard contingency charge, without any assistance in the way of withdrawing from the Accumulated Contingency and Obsolescence Fund, and had these additional charges been apportioned equally to all consumers, then the domestic consumers would have had to pay an additional amount of 0.064 cents per kilowatt-hour, making the total average cost per kilowatt-hour of energy supplied to Hydro domestic consumers 1.57 cents per kilowatt-hour."

Compare this figure of 1.57 cents per kilowatt-hour with 5.30 cents per kilowatt-hour, which is the average price paid for domestic electric service in the United States, as reported by the Statistical Bulletin No. 2 (April 1935) of the Edison Electric Institute. Compare it with the average rate of 4.5 cents per kilowatt-hour claimed for the Niagara-Hudson System for 1934 by Floyd L. Carlisle, chairman of the board, and of 3.85 cents per kilowatt-hour for the North American Co. claimed by its president. (See New York Times, Apr. 10, 1935, pp. 29 and 35.)

"TAXES"

"Taxes" and the fact that Hydro does not pay taxes comparable to private utilities does not explain the difference between the average cost of domestic power service in Ontario, which is under 2 cents per kilowatt-hour, and the average cost in the United States of over 5 cents per kilowatt-hour. For years our power companies claimed they paid 10 percent of gross revenue for taxes. Now they claim 13 to 15 percent. This needs demonstrating, but taking them at their word, if we add 15 percent, or 3 mills, to the Ontario figure per kilowatt-hour, it will not go far toward explaining the other 3 cents or more.

THE COST OF POWER

Years ago the Hydro cut in half or more the price of wholesale power to municipalities or large manufacturers from what private costs were. It is, therefore, amusing to have American power executives now get so excited over a perfectly normal increase in the cost of Hydro power, due to technical and financial reasons, as against costs in the 1910–15 period.

The plant of Ontario Power Co., from which Hydro first bought power and which it later purchased, was a low-cost development located right at the Falls.

The plant of Chippewa-Queenstown development, completed by the Hydro in 1921, is located 5 miles below the Falls, and has a 305-foot head, double that at the Falls, and served by a great canal cut through rock. It cost $73,000,000, is being amortized, operating costs have been higher than in 1910, and all these factors increase the cost at the bus bar. Only two cities ever got power at $15; the rest were above. The average delivered cost per horsepower to municipalities of the Niagara system is shown in a memorandum furnished the writer recently by the commission. It runs from $26.38 per horsepower for 1922 to as low as $23.70 in 1929, and in 1933 stood at $28.48.

The at cost principle on which Hydro is based applies, and each municipality pays what it costs to serve it. Hence costs vary. It costs as high as $60 per horsepower to serve some small ones in distant locations.

WHY QUEBEC CONTRACTS WERE CANCELED

The Liberal Legislature of Ontario, when it came to power, passed an act canceling the contracts for wholesale power made in 1930 by the former Hydro Commission under the aegis of the Conservative administration. This act has not yet been signed by the lieutenant governor, but doubtless will be, and it is rumored that an arrangement is being considered whereby the Hydro Commission will take from these private companies only such power as its needs justify. The Dominion Government has acquiesced in this act of the Provincial Legislature, thereby admitting its validity.

In the opinion of this writer, this action is a splendid demonstration of the intelligence and courage of the citizenship of Ontario, and of their capacity to democratically control their utility. The Hepburn government, in passing this act, was carrying out an overwhelming mandate of the people. Only the briefest resume of the situation can be given here.

THE BECK POLICIES

It was a fixed policy of Sir Adam Beck and the Hydro Commission, of which he was chairman from 1906 to 1925, when he died, to keep clear of entangling connections with private utility corporations, and at the time of his death he was generating 95 percent of his power. But more would soon be needed. The commission was independent, was death on political patronage or favors, and conducted the Hydro on strict business principles. After Beck's death Premier Ferguson and a commission, which he appointed, abandoned Beck's policy, and instead of developing the Niagara or building a steam plant or developing the St. Lawrence for added power the policy was adopted of purchasing power from the Quebec private corporations. This policy was unpopular. Heavy contracts, totaling 471,000 horsepower at $15 per horsepower of over $7,000,000, were entered into in 1930 after the depression over $7,000,000 were entered into in 1930 after the depression struck.

The Quebec companies capitalized these contracts and issued bonds to build the plants in part. There were mysterious doings which aroused apprehension, since Hydro had always been free from political manipulation. The Liberals charged, and the people feared, there was some connection between the financiers of Montreal, influential with the Conservative government at Ottawa, and the Conservative government of Ontario. For example, the Henry government of 1930 made a contract to purchase 100,000 horsepower from a subsidiary of the Abitibi Paper & Power Co. in northern Ontario. The subsidiary failed, the Henry government bought it out at $90 per share when its securities were selling on the stock exchange at around $40. Henry was forced to admit on the floor of Parliament that he owned $25,000 of the company's securities. This set the woods of popular indignation aflame, just as it would in the United States, and was one factor in the overthrow of the administration. The popular slogan was, "Back to Beck." Further investigations justified this popular apprehension. Attorney General Roebuck in a 4-day speech before the legislature told the whole story, and repeated it to the people over the radio. It appears beyond question that certain basic things in these contracts were illegal and the Dominion Government has acquiesced and the companies have brought no suit.

An entirely new commission was appointed, at the head of which was placed Hon. T. Stewart Lyon, who enjoys the confidence of the people of Ontario as to his integrity and ability and devotion to Hydro. Mr. Lyon, as editor of the Toronto Globe, was a close personal friend and adviser of Sir Adam Beck from the beginning, and all through the struggle against private interests when Hydro needed honest newspaper support. He had retired but was called into service. Under Chairman Lyon, Hydro has returned to its old policies and is forging ahead. It is in an exceedingly sound financial condition, and all the more safe because it is now freed from the contracts entered into by the former commission, which, to say the least, entirely misjudged the effect and the duration of this depression.

To interpret such an episode as a refutation of the people of Ontario of the principle of public ownership, and to magnify two or three deficits into a major disaster without giving the true financial status of the Hydro's affairs, is simply one more evidence of the utter disregard for truth and common fairness exhibited by the controlling factors of utilities in the United States.

The true financial status of the commission, which controls the wholesale end of the enterprise, will be evident to any person who will take the time to consult the condensed balance sheets for 1933 and 1934, respectively, furnished by the chief accountant of the commission, and added hereto as appendixes D and E.

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APPENDIX A

[Telegram from Hydroelectric Power Commission of Ontario re adjustment of rates in Sudbury]

TORONTO, ONTARIO, *August 20, 1935.*

JUDSON KING,
*Takoma Park, Md.:*

Up to December 1934 city of Sudbury purchased power for its municipally owned distribution system under a contract with a private power company. The power-company assets were purchased by the commission. The city has entered into a new power agreement with the commission. Prior to December 31, 1934, profits from operation of the Sudbury municipal electric plant amounted to an average of about $125,000 per year, which surplus was used by the city for general purposes.

Under the commission's agreement to supply power to the city there is a clause which provides that the rate of 8 cents per kilowatt-hour charged for lighting by the city must be reduced each year for a period of 5 years to wipe out the above surplus at a rate of not less than $20,000 per year. When first-rate adjustment was made this year it was found that the city had been giving preferred rate to commercial cooking customers much below cost. In the preliminary rate adjustment no provision was made for a special rate for commercial cooking, which was going to result in a considerable increase to this special class of consumer. The matter was further considered, and a commercial-cooking rate was recommended to the municipal officials of 4 cents for the first 100 hours of use of connected load, 2½ cents for the next hundred hours' use of connected load, and 1½ cents per kilowatt-hour for all additional consumption per month. This special com-

mercial-cooking rate compares with a domestic rate of 7 cents for the first 30 kilowatt-hours per month and 1½ cents for all additional monthly consumption.

This proposed adjustment of commercial cooking rate results in commercial customers paying approximately 55 percent more for energy for cooking purposes than domestic consumers.

HYDROELECTRIC POWER COMMISSION OF ONTARIO.

## APPENDIX B

TABLE I.—*Domestic rates and service in the first 14 hydro municipalities, 1913 to 1933–34*

| Municipality | Year | Population (1) | Revenue (2) | Consumption (kilowatt-hours) (3) | Number of consumers (4) | Average monthly use (kilowatt-hours) (5) | Average monthly bill (6) | Net cost per kilowatt-hour (cents) (7) |
|---|---|---|---|---|---|---|---|---|
| Toronto | 1913 | 376,538 | $190,376 | 4,220,270 | 16,519 | 25 | $1.25 | 4.4 |
| Do | 1933 | 626,674 | 3,716,238 | 257,462,995 | 155,397 | 138 | 1.99 | 1.4 |
| Do | 1934 | ------- | 3,914,023 | 284,280,769 | 153,764 | 154 | 2.12 | 1.4 |
| London | 1913 | 59,000 | 41,172 | 920,000 | 5,201 | 17 | .76 | 4.5 |
| Do | 1933 | 73,173 | 492,592 | 38,451,962 | 16,367 | 196 | 2.50 | 1.3 |
| Do | 1934 | ------- | 518,046 | 42,587,464 | 16,632 | 213 | 2.60 | 1.2 |
| Kitchener | [1] 1913 | 16,000 | 17,757 | 359,307 | 1,694 | 20 | .99 | 4.9 |
| Do | 1933 | 31,443 | 193,447 | 12,000,857 | 7,117 | 141 | 2.26 | 1.6 |
| Do | 1934 | ------- | 202,025 | 13,243,708 | 7,173 | 154 | 2.36 | 1.5 |
| Guelph | 1913 | 15,200 | 11,528 | 224,373 | 1,260 | 17 | .87 | 5.2 |
| Do | 1933 | 20,754 | 103,446 | 5,951,356 | 5,008 | 99 | 1.72 | 1.7 |
| Do | 1934 | ------- | 110,143 | 7,357,256 | 5,039 | 121 | 1.82 | 1.5 |
| St. Thomas | 1913 | 14,000 | 11,125 | 187,000 | 951 | 19 | 1.18 | 5.9 |
| Do | 1933 | 16,275 | 107,077 | 7,446,821 | 3,999 | 155 | 2.23 | 1.4 |
| Do | 1934 | ------- | 115,912 | 8,330,120 | 4,060 | 181 | 2.38 | 1.3 |
| Stratford | [1] 1913 | 13,000 | 15,180 | 289,459 | 1,403 | 18 | 1.03 | 5.5 |
| Do | 1933 | 18,869 | 146,586 | 8,598,840 | 4,293 | 167 | 2.85 | 1.7 |
| Do | 1934 | ------- | 148,616 | 8,874,320 | 4,298 | 172 | 2.88 | 1.7 |
| Galt | [1] 1913 | 10,500 | 15,797 | 360,121 | 1,745 | 20 | 1.08 | 5.3 |
| Do | 1933 | 14,036 | 103,490 | 5,239,609 | 3,584 | 122 | 2.41 | 2.0 |
| Do | 1934 | ------- | 94,350 | 5,256,506 | 3,601 | 122 | 2.18 | 1.8 |
| Woodstock | 1913 | 10,000 | 6,495 | 100,000 | 536 | 17 | 1.06 | 6.5 |
| Do | 1933 | 10,956 | 72,772 | 4,792,730 | 2,904 | 137 | 2.06 | 1.5 |
| Do | 1934 | ------- | 73,880 | 5,111,346 | 2,934 | 145 | 2.10 | 1.4 |
| Ingersoll | 1913 | 5,000 | 3,595 | 43,406 | 278 | 14 | 1.20 | 8.03 |
| Do | 1933 | 5,296 | 31,581 | 1,845,302 | 1,265 | 121 | 2.08 | 1.7 |
| Do | 1934 | ------- | 31,840 | 2,017,366 | 1,282 | 131 | 2.07 | 1.6 |
| Waterloo | 1913 | 4,500 | 4,263 | 69,576 | 321 | 21 | 1.27 | 6.1 |
| Do | 1933 | 8,563 | 58,827 | 3,599,007 | 1,850 | 162 | 2.64 | 1.6 |
| Do | 1934 | ------- | 61,882 | 4,054,926 | 1,865 | 181 | 2.76 | 1.5 |
| Preston | 1913 | 4,000 | 5,477 | 83,852 | 526 | 16 | 1.05 | 6.5 |
| Do | 1933 | 6,138 | 40,489 | 2,186,917 | 1,552 | 117 | 2.17 | 1.9 |
| Do | 1934 | ------- | 38,287 | 2,049,215 | 1,561 | 101 | 2.04 | 1.9 |
| St. Marys | 1913 | 3,500 | 3,815 | 44,801 | 396 | 12 | 1.00 | 8.5 |
| Do | 1933 | 4,016 | 28,360 | 1,313,400 | 1,034 | 106 | 2.20 | 2.3 |
| Do | 1934 | ------- | 29,587 | 1,350,946 | 1,034 | 109 | 2.38 | 2.2 |
| Hespeler | [1] 1913 | 2,500 | 2,635 | 34,848 | 229 | 14 | 1.09 | 7.6 |
| Do | 1933 | 2,784 | 18,265 | 800,474 | 700 | 97 | 2.17 | 2.3 |
| Do | 1934 | ------- | 16,998 | 726,718 | 684 | 89 | 2.07 | 2.3 |
| New Hamburg | 1913 | 1,500 | 1,779 | 23,010 | 170 | 12 | .89 | 7.7 |
| Do | 1933 | 1,426 | 10,770 | 476,280 | 343 | 116 | 2.62 | 2.3 |
| Do | 1934 | ------- | 10,256 | 465,206 | 337 | 115 | 2.54 | 2.2 |
| Total | 1913 | 526,238 | 330,994 | 6,880,023 | 31,329 | 17.3 | 1.05 | 6.19 |
| Do | 1933 | 840,403 | 5,123,940 | 350,166,550 | 205,413 | 133.8 | 2.29 | 1.76 |
| Do | 1934 | ------- | 5,365,845 | 380,205,866 | 204,267 | 142.0 | 2.30 | 1.67 |

[1] 1914, the first year in which all items are given.

Sources: Data for domestic service in 1913 from Nineteenth Annual Report, 1926, statement D, pp. 340-401; for 1933, Twenty-sixth Annual Report, 1933, statement D, pp. 410-420; for 1934, Twenty-seventh Annual Report, 1934, statement D, pp. 401-419.

NOTE.—Private company rates in these 14 municipalities prior to Hydro ran from 8 to 12 cents per kilowatt-hour. Their average transmission distance from Niagara Falls is 102 miles.

## APPENDIX C

TABLE II.—*Financial status of plants in the first 14 hydro municipalities, 1913 to 1933–34*

| Municipalities | Year | Total assets (8) | Total liabilities (9) | Reserves and surplus (10) | Total annual earnings (11) | Net debt to total assets, percent (12) |
|---|---|---|---|---|---|---|
| Toronto | 1913 | $6,671,487 | $6,257,538 | $413,949 | $1,146,709 | 93.8 |
| Do | 1933 | 62,889,288 | 26,149,681 | 34,739,606 | 11,895,694 | 47.4 |
| Do | 1934 | 64,600,498 | 26,765,988 | 37,834,509 | 12,428,613 | 43.6 |
| London | 1913 | 614,974 | 527,509 | 87,465 | 192,224 | 85.8 |
| Do | 1933 | 5,253,516 | 1,126,674 | 4,126,842 | 1,135,430 | 20.2 |
| Do | 1934 | 5,478,843 | 1,039,385 | 4,439,457 | 1,185,817 | 16.6 |
| Kitchener | [1] 1913 | 333,899 | 266,043 | 67,856 | 94,555 | 79.7 |
| Do | 1933 | 2,108,968 | 369,652 | 1,739,315 | 543,198 | 21.4 |
| Do | 1934 | 2,198,735 | 320,105 | 1,878,628 | 579,767 | 16.3 |
| Guelph | 1913 | 213,471 | 122,356 | 91,115 | 80,726 | 57.3 |
| Do | 1933 | 1,033,688 | 77,325 | 956,363 | 280,454 | 11.6 |
| Do | 1934 | 1,100,443 | 76,494 | 1,023,948 | 297,783 | 4.3 |
| St. Thomas | 1913 | 176,155 | 99,997 | 76,157 | 75,124 | 56.8 |
| Do | 1933 | 844,366 | 40,150 | 804,216 | 219,675 | 6.3 |
| Do | 1934 | 867,865 | 16,756 | 851,107 | 237,164 | 2.9 |
| Stratford | [1] 1913 | 179,323 | 140,562 | 38,761 | 55,983 | 78.2 |
| Do | 1933 | 1,305,309 | 414,338 | 890,970 | 285,023 | 27.2 |
| Do | 1934 | 1,370,409 | 393,630 | 976,777 | 288,787 | 21.5 |

[1] 1914, the first year in which all items are given.

TABLE II.—*Financial status of plants in the first 14 hydro municipalities, 1913 to 1933–34*—Continued

| Municipalities | Year | Total assets (8) | Total liabilities (9) | Reserves and surplus (10) | Total annual earnings (11) | Net debt to total assets, percent (12) |
|---|---|---|---|---|---|---|
| Galt | [1] 1913 | $192,343 | $161,667 | $30,676 | $45,233 | 84.0 |
| Do | 1933 | 1,320,775 | 329,086 | 991,688 | 247,080 | 24.5 |
| Do | 1934 | 1,372,857 | 315,999 | 1,056,857 | 245,027 | 22.0 |
| Woodstock | 1913 | 170,938 | 107,385 | 63,553 | 47,214 | 62.8 |
| Do | 1933 | 740,079 | 86,047 | 654,032 | 170,880 | 6.2 |
| Do | 1934 | 778,498 | 83,253 | 695,244 | 178,055 | 5.9 |
| Ingersoll | 1913 | 103,692 | 91,654 | 12,038 | 30,176 | 88.4 |
| Do | 1933 | 383,011 | 100,662 | 282,349 | 77,079 | 13.0 |
| Do | 1934 | 399,434 | 97,218 | 302,214 | 80,087 | 9.2 |
| Waterloo | 1913 | 81,863 | 58,965 | 22,898 | 29,626 | 72.0 |
| Do | 1933 | 460,488 | 70,234 | 390,254 | 115,176 | 22.1 |
| Do | 1934 | 483,806 | 54,078 | 429,727 | 120,431 | 12.5 |
| Preston | 1913 | 97,054 | 78,934 | 18,120 | 34,688 | 81.3 |
| Do | 1933 | 466,449 | 59,689 | 406,759 | 96,015 | 19.2 |
| Do | 1934 | 486,423 | 55,010 | 431,412 | 96,459 | 17.3 |
| St. Marys | 1913 | 74,491 | 54,284 | 20,227 | 20,173 | 72.8 |
| Do | 1933 | 241,589 | 44,746 | 196,843 | 58,983 | 26.6 |
| Do | 1934 | 251,367 | 40,345 | 211,021 | 62,253 | 23.6 |
| Hespeler | [1] 1913 | 32,570 | 30,108 | 2,462 | 10,418 | 92.1 |
| Do | 1933 | 170,060 | 35,087 | 134,973 | 62,868 | 31.0 |
| Do | 1934 | 180,342 | 34,305 | 146,035 | 61,449 | 29.6 |
| New Hamburg | [1] 1913 | 28,063 | 20,848 | 7,215 | 11,424 | 74.3 |
| Do | 1933 | 82,277 | 7,244 | 75,032 | 22,282 | 13.6 |
| Do | 1934 | 87,074 | 6,116 | 80,956 | 21,683 | 11.0 |
| Total | 1913 | 8,970,323 | 8,017,830 | 952,492 | 1,874,273 | 77.1 |
| Do | 1933 | 77,209,863 | 30,910,615 | 46,389,242 | 15,209,837 | 20.4 |
| Do | 1934 | 79,656,594 | 29,298,682 | 50,357,892 | 15,883,375 | 16.9 |

[1] 1914, the first year in which all items are given.

Sources: Data for financial status—for 1913, Seventh Annual Report, 1914, statements A and C, pages 144-156, 168-181; for 1933, Twenty-sixth Annual Report, statements A and B, pages 294-319, 349-365; for 1934, Twenty-seventh Annual Report, statements A and B, pages 290-316, 336-362.

NOTE.—The accounts of the Hydroelectric Power Commission of Ontario are audited by an independent firm of certified public accountants appointed by the government of Ontario for that purpose, comparable in standing to the Price Waterhouse Co., of the United States and England. The accounts of the municipal hydros are audited by the respective city auditors and by the commission's auditors. All accounts are accepted by banks and others as beyond challenge, and they have never been questioned in Ontario.

## APPENDIX D

*Hydroelectric Power Commission of Ontario—Condensed statement of assets and liabilities, power undertakings, Oct. 31, 1931*

### ASSETS

| | |
|---|---|
| Generating plants, transmission lines, transformer stations, distribution lines, lands, buildings, etc. | $280,523,743.64 |
| Inventories | 2,454,929.91 |
| Balances receivable on properties sold | 2,562,345.82 |
| Investments | 41,593,423.59 |
| Cash | 2,312,117.70 |
| Acounts receivable | 4,582,679.27 |
| Work in progress | 368,711.76 |
| Unexpired insurance | 37,242.26 |
| Unamortized discount on debentures | 108,669.21 |
| Toronto to St. Catherines Radial Ry | 1,127,220.74 |
| Total | 335,671,083,90 |

### LIABILITIES

| | | |
|---|---|---|
| Province of Ontario—advances | $205,098,280.83 | |
| Less repayment under provisions of power commission act | 17,028,012.59 | |
| | | 188,070,268.24 |
| Debentures issued by the commission | | 61,447,583.83 |
| Bonds and debenture stock assumed | 29,761,569.94 | |
| Less retired by the commission | 20,425,770.63 | |
| | | 9,335,799.31 |
| Short-term loans | | 5,800,000.00 |
| Accounts payable | | 1,685,432.82 |
| Reserves: | | |
| Insurance | 938,104.00 | |
| Staff pensions | 3,384,757.69 | |
| Sinking fund | 27,925,486.21 | |
| Renewals | 25,463,819.75 | |
| Contingencies | 11,599,610.82 | |
| Interest | 20,221.23 | |
| | | 69,331,999.70 |
| Total | | 335,671,083.90 |

APPENDIX E

*Hydroelectric Power Commission of Ontario—Condensed statement of assets and liabilities, power undertakings, Oct. 31, 1934*

ASSETS

| | | |
|---|---|---|
| Generating plants, transmission lines, transformer stations, distribution lines, lands, buildings, etc | | $283,159,680.97 |
| Inventories | | 2,139,382.98 |
| Balances receivable on properties sold | | 2,434,300.00 |
| Investments | | 42,382,159.71 |
| Cash | | 1,186,851.38 |
| Accounts receivable | | 4,563,409.81 |
| Work in progress | | 564,388.52 |
| Unexpired insurance | | 43,334.24 |
| Unamortized discount on debentures | | 52,048.41 |
| Toronto to St. Catherines Radial Ry | | 1,223,191.21 |
| | | 337,748,747.23 |

LIABILITIES

| | | |
|---|---|---|
| Province of Ontario, advances | $207,350,927.83 | |
| Less repayment under provisions of power commission act | 19,421,015.06 | |
| | | 187,929,912.77 |
| Debentures issued by the commission | | 64,481,056.43 |
| Bonds and debenture stock assumed | 29,761,569.94 | |
| Less retired by the commission | 20,656,357.19 | |
| | | 9,105,212.75 |
| Accounts payable | | 2,131,440.13 |
| Reserves: | | |
| Insurance | 942,263.95 | |
| Staff pensions | 3,747,898.58 | |
| Sinking fund | 31,455,297.80 | |
| Renewals | 28,671,707.97 | |
| Contingencies | 9,262,903.29 | |
| Interest | 21,053.56 | |
| | | 74,101,125.15 |
| | | 337,748,747.23 |

JUNE 6, 1935.

Mr. SHIPSTEAD. Mr. President, for the purpose of the RECORD, in connection with the remarks of the Senator from Nebraska, I wish to call attention to the municipal plants in Minnesota. Many of them charge a higher rate for electricity than is charged by private utilities. Whenever they do, they make so much money out of the electric plants that very often the people of the communities have to pay little in taxes. They have a kind of a sales tax on electricity to take the place of taxes. I have in mind one plant which, in a small town, lighted the streets of the town, conducted a sewage-disposal plant, and made $30,000 profit.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. NORRIS. I have not the exact data here, but I should like to say, in connection with the very valuable information which the Senator has given, that there are many cities and municipalities in the United States where no municipal taxes are levied, but the expenses are paid out of the rates.

Mr. SHIPSTEAD. Mr. President, I wish to call attention to the fact that in all the propaganda of the utilities these high rates are mentioned, but it is not stated that it is a form of collection of taxes on the sale of electricity for the purpose of reducing the real-estate and property taxes. That, to my knowledge, is never mentioned in the propaganda of the utility companies.

STABILIZATION OF BITUMINOUS COAL MINING INDUSTRY

The Senate resumed the consideration of the bill (H. R. 9100) to stabilize the bituminous coal mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties.

Mr. KING. Mr. President, I inquire of the Senator from Kentucky whether the amendment which he has just offered relates to lines 6, 7, 8, 9, 10, and 11 on page 10?

Mr. LOGAN. Only to line 8. I am merely suggesting that we strike out the word "national." An amendment has already been adopted, after the word "industry", to add the words "within the district." That was agreed to yesterday. The thing I am seeking by this amendment, if the Senate will agree to it, is to make sure that representation on the board will not be confined to those who belong to a national organization.

Mr. KING. I agree with the Senator. But, if I understand the bill, it seems to take no cognizance of coal miners who are not members of the United Mine Workers. It speaks of a national organization, and, as I understand, it has reference to the organization referred to. It is this organization that threatened to strike, and its influence, as I am told, has been powerful in the formulation of this bill. I cannot help but believe that one of the results of this bill, if not one of its objects, is to strengthen the hands of the United Mine Workers' organizations and to superimpose upon it mine workers who are not members of the organization and who may not desire to become members of the same. I have no objection to any organization of miners or employees. But it would seem that this measure seeks unduly to strengthen its hands and to weaken the authority of the producers, or at least to force them into relations which neither might willingly approve, and to add to the burdens of the consuming public.

Mr. LOGAN. This provision is entirely unfair as it stands and the one word is all I am asking to strike out.

Mr. NEELY. Mr. President, the amendment proposed by the Senator from Kentucky [Mr. LOGAN] is opposed by the sponsors and friends of the bill. But to avoid the delay of debate and the danger of the final adjournment of the Congress before the bill is passed the amendment is accepted in order that it may be considered in conference. If I am appointed a conferee on the part of the Senate I shall undertake to accomplish what the Senate desires in the matter, regardless of my personal opposition to the amendment.

Mr. DIETERICH. Mr. President, I understand the Senator is not accepting the amendment except for the purpose of taking it to conference and letting it abide the action of the conference.

Mr. NEELY. Though the Senate should adopt the amendment by unanimous consent, it would nevertheless have to abide the action of the conferees.

Mr. LOGAN. Mr. President, that is absolutely true; regardless of whether it is adopted by a vote of the Senate or whether it is accepted and adopted perfunctorily, it will have to abide the action of the conference. But in view of the fact that the House committee, I am advised, agreed that it should go out, and it was left in the bill in the House through an oversight, I have no fear what may happen in the conference.

Mr. KING. Mr. President, it is obvious from what the Senator from West Virginia just stated that whoever is responsible for the pending bill with regard to the pending amendment or any amendment as wholly unacceptable which gave the employees in the mining districts, who were not members of the United Mine Workers' organization, any voice in such organization or any other organization which might affect the producers or the employees.

My information is that there is a large number of coal miners who do not belong to the United Mine Workers' organization. If I understand the Senator's statement, it would seem that his view is that no provision should be made for representation by employees who are not members of the national organization, and that the view embodied in the statement of the Senator from Kentucky would not be willingly accepted, either by the Senator or those for whom he speaks, or by the United Mine Workers' officials.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. KING. I hope I do not misinterpret the Senator. I yield.

Mr. NEELY. The Senator does not misinterpret me. I am unalterably opposed to any amendment to the pending bill, or to any other bill, which attempts to justify fraudulent company unions. In my opinion, if this amendment should prevail, it would tend to fortify company unions to the prejudice of the United Mine Workers of America.

Mr. KING. Mr. President, I am sure the Senator would not impute that view to the able Senator from Kentucky, who offered the amendment.

Mr. NEELY. I have not impugned the motives of the Senator from Kentucky; I have simply appraised his amendment in my effort to protect a great, legitimate union of employees against company unions, which frequently rob their members of their liberty and make them the slaves of those who employ them.

Mr. KING. I hope the Senator will not consume all of my time. There has been opposition to company unions, and I have no doubt that in many cases they have not served a useful purpose. I hold no brief for them. I do not favor legislation, either by the States or by Congress, which seeks to compel persons in order to obtain work to join unions of any kind. I would contend as earnestly for the rights of union organizations and their members as I would for any other legitimate association or organization; and I would as earnestly contend for the right of individuals to join or not to join any union. In other words, I would not debar an individual from obtaining work because he was not a member of either a company or a miner's union. This is a free country and individuals should be protected in their rights and should not be discriminated against in any way because they are members of a union or because they are not members of a union.

And I am opposed to legislation which would compel every person seeking employment to join any labor union, or, for that matter, any union, in order to obtain employment. I may have misunderstood the Senator from West Virginia, but his observations gave me the impression that this bill would result in all employees in mines becoming members of miners' unions.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. KING. In a moment. May I say that I have favored employees' unions. Many years ago I organized in my State what I understood was the first miners' union, and for many years at various times I represented labor unions—some of them unions of mine employees.

I know that many employees have been subjected to harsh and inequitable treatment by their employers. I have seen the benefits that have arisen from labor organizations, and I would do everything within my power in a legitimate way to protect them and to protect the rights of their members. I have said upon many occasions that if I were a miner, or carpenter, or engaged in work which is performed by members of unions, I should seek membership therein. However, I would not favor legislation which compelled individuals to affiliate with any labor union or organization in order to obtain employment.

Did the Senator wish to interrupt me?

Mr. NEELY. I challenge the able Senator from Utah to point out a single sentence or syllable in the bill which justifies or tends to justify the contention that the purpose of the measure is to compel all the coal miners to become members of the United Mine Workers of America.

Mr. KING. Mr. President, I think a critical examination of the measure leads to that conclusion, and if I understand the purpose of the amendment of the Senator from Kentucky it is to permit persons who are not members of the national miners' union to have the same rights to employment as members of that union have. As I understand, the Senator objects to the amendment because it would interfere with the activities of the miners' national organization.

The PRESIDING OFFICER. The Senator's time on the amendment has expired.

Mr. STEIWER. Mr. President, I do not wish to address myself to the amendment, but I desire to direct the attention of the Senator from West Virginia to page 4 of the bill.

On page 4, line 7, occurs the following sentence:

> Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office, none of whom shall be related to any member of the commission within the third degree by blood or marriage.

Does the Senator have in mind correcting that apparent incongruity?

Mr. NEELY. Mr. President, manifestly the language to which the Senator from Oregon refers is hopelessly confused. It must be clarified.

Mr. STEIWER. I should be very glad if the Senator from West Virginia would undertake to clarify that language.

Mr. NEELY. Mr. President, I shall be very much obliged to my very scholarly friend from Oregon if he will propose an amendment which will make perfectly clear what is the obvious intention of the draftsmen of the bill.

Mr. STEIWER. The Senator from Oregon would not undertake to clarify language which refers to the third degree by blood or marriage. He might undertake to consider clarifying language referring to the third degree by blood, but not the third degree by marriage.

Mr. BARKLEY. Does the Senator from Oregon intimate that marriage might at times involve the use of the "third degree"? [Laughter.]

The PRESIDING OFFICER. The question is on the amendment of the Senator from Kentucky [Mr. LOGAN].

Mr. NEELY. Mr. President, the proponents of the measure and those in charge of the bill have, on the condition which was stated, accepted the amendment of the Senator from Kentucky [Mr. LOGAN].

Mr. LOGAN. That is what I understood. It is to be adopted either without objection or by vote.

Mr. KING. I ask for a vote.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Kentucky [Mr. LOGAN].

The amendment was agreed to.

Mr. MURPHY. I send an amendment to the desk, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 25, after line 23, to insert the following new paragraph:

> It shall not be an unfair method of competition or a violation of the code or any requirement of this act (1) to sell to or through any bona fide and legitimate cooperative organization (including any farmers' cooperative duly organized under the laws of any State, Territory, the District of Columbia, or the United States) whether or not such organization grants rebates, discounts, patronage dividends, or other similar benefits to its members; (2) to sell through any intervening agency to any such cooperative organization; or (3) to pay or allow to any such cooperative organization any discount, commission, rebate, or dividend ordinarily paid or allowed, or permitted by the code to be paid or allowed, to other purchasers for purchases in wholesale or middleman quantities.

Mr. MURPHY. Mr. President, an attempt was made under the code of the bituminous-coal operators under the National Industrial Recovery Act to bar cooperative organizations from acting as brokers of coal. They compete with other brokers in the cities, and it was believed that their competitors were instrumental in securing the insertion of this code provision. The alleged objection to farmers' cooperatives is that they pay patronage dividends to their members, and under the definition of "rebates and discounts" patronage dividends have been included, because including commissions paid to agents of cooperatives by coal operators. I direct the attention of the Senators in charge of the bill to paragraph 12 on page 25, which provides:

> 12. Selling to, or through, any broker, jobber, commission account, or sales agency, which is in fact or in effect an agency or an instrumentality of a retailer or an industrial consumer or of an organization of retailers or industrial consumers, whereby they or any of them secure either directly or indirectly a discount, dividend, allowance, or rebates, or a price other than that determined in the manner prescribed by this act.

That is defined as an unfair practice. When this question arose under the N. R. A. code the President issued an Executive order forbidding discrimination against cooperatives, and apparently under the language of the bill as drawn that Executive order is in conflict with the bill itself. I read from the Executive order as issued by the President:

> No such code of fair competition shall be construed or interpreted so as to prevent any such cooperative organization from being entitled to receive, and/or distribute to its members as patronage dividends or otherwise, the proceeds or benefits directly

or indirectly derived from any discount, commission, rebate, or dividend (a) ordinarily paid or allowed to other purchasers for purchases in wholesale or middleman quantities or (b) paid or allowed pursuant to the requirements or provisions of any code of fair competition to other purchasers for purchases in wholesale or middleman quantities.

What the President accomplished with his Executive order is undone, as I view it, in paragraph 12, which I have read, and which paragraph goes so far as explicitly to prohibit dividends.

In my State and in numerous other States are cooperative organizations. To illustrate, in my State there is the Farmers' Supply Co. It makes a deal with an operator for coal to be supplied to the 300 cooperative farmers' organizations in Iowa. That operator pays this Farmers' Supply Co., acting for the cooperatives, a commission, and that commission finds its way back to the members of the cooperatives in a patronage dividend; and the amendment which I have sent to the desk seeks to do no more, and does no more, than assure that the letter and the spirit of the President's order shall be carried into the act. If the intent was not to deprive the farmers' cooperatives of their present buying rights this amendment cannot interfere with that intent. If the bill does deny that right to the farmers, then the amendment is necessary of adoption to secure that right to them and to express, as I have said, the letter and spirit of the Executive order.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. MURPHY. I yield.

Mr. NEELY. What proportion of the dividend to which the Senator refers is actually received by the farmers themselves? All of it or just a portion of it?

Mr. MURPHY. The farmers' cooperative handles other things besides coal. It will handle grain, and so forth; and in what is consigned to the farmers' cooperative for resale the excess over cost and administrative expense is converted back to the members of these cooperatives.

Mr. NEELY. In the opinion of the Senator from Iowa how much tonnage would be affected by the amendment which he has proposed?

Mr. MURPHY. In my State alone the Farmers Supply Co. to which I referred, as agents of the "co-ops", handles 1,000 carloads of coal a year.

Mr. NEELY. Has the Senator any information as to the tonnage it would affect in other States?

Mr. MURPHY. I do not have any. I know that it is similarly handled in other States. There is a like organization in Ohio which I specifically know about. The scope of it, I suppose, is the scope of the grain cooperative movement in America.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Iowa [Mr. MURPHY].

Mr. NEELY. Mr. President, may we have the amendment stated again?

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 25, after line 23, to insert the following new paragraph:

It shall not be an unfair method of competition or a violation of the code or any requirement of this act (1) to sell to or through any bona fide and legitimate cooperative organization (including any farmers' cooperative duly organized under the laws of any State, Territory, the District of Columbia, or the United States) whether or not such organization grants rebates, discounts, patronage dividends, or other similar benefits to its members; (2) to sell through any intervening agency to any such cooperative organization; or (3) to pay or allow to any such cooperative organization any discount, commission, rebate, or dividend ordinarily paid or allowed, or permitted by the code to be paid or allowed, to other purchasers for purchases in wholesale or middleman quantities.

Mr. MURPHY. Mr. President, I will state, in order that the RECORD may be clear, that this amendment is presented in good faith, with no other purpose than to assure cooperatives the right granted them under the President's Executive order. If it goes further than that, I shall be very happy to have someone point out wherein it does, and I shall be glad to exclude that from the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa [Mr. MURPHY].

The amendment was agreed to.

Mr. DAVIS. Mr. President, I offer an amendment, on page 27, line 9, after the word "Labor", to insert *"Provided,* That not more than two members of the board shall be members of the same political party."

The PRESIDING OFFICER. The amendment will be stated by the clerk.

The LEGISLATIVE CLERK. It is proposed, on page 27, line 9, after the word "Labor", to insert *"Provided,* That not more than two members of the board shall be members of the same political party."

Mr. NEELY. Mr. President, it is the misfortune of the senior Senator from West Virginia to have been engaged in conversation with other Senators relative to some provisions of the bill at the time the Senator from Pennsylvania [Mr. DAVIS] stated his amendment. May the amendment again be stated?

The PRESIDING OFFICER. The amendment will be restated.

The amendment of Mr. DAVIS was again stated.

Mr. NEELY. Mr. President, there is no objection to that amendment.

Mr. BARKLEY. Mr. President, I thought a similar amendment was adopted yesterday.

Mr. NEELY. A similar amendment was adopted with reference to the commission. The amendment now offered has relation to the labor board.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. BANKHEAD. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following:

TAX ON CRUDE PETROLEUM

SEC. —. Effective on the first day of the first calendar month following the date of the enactment of this act, subsection (a) of section 604 of the Revenue Act of 1934 is amended to read as follows:

"(a) There is hereby imposed on crude petroleum sold by the producer thereof a tax of one-half of 1 cent per gallon, to be paid by the producer. Under regulations prescribed by the commissioner, with the approval of the Secretary, such tax shall not apply to crude petroleum produced from any well which is not capable of producing more than 5 barrels, of 42 gallons each, per day."

Mr. BANKHEAD. Mr. President, I recognize that the coal business is in a most deplorable plight, which has resulted from several causes. During the World War period and in the post-war inflationary period the industry was overdeveloped both in plant capacity and in the number of employees. From this overproduction there has, of course, naturally resulted competition of a type and character which has made it almost impossible for coal companies to have any sort of prosperous business, to operate at full time, or to provide regular employment for their employees. Recognizing that disorganized condition in the coal industry and the need for some relief, the need for some action by which better wages may be accorded to the workers, I am going to vote for the pending bill; but in doing so I think we should take into consideration the effect of the bill in the matter of the loss of production that may result from an increase in the cost of coal production; and, taking that into consideration, to consider whether it is fair and just and right for the coal industry to bear that entire burden against the probable increased competition of other forms of energy.

I have two tables taken from the Bureau of Mines Mineral Yearbook for 1934. I ask unanimous consent to have these tables printed following my remarks.

The PRESIDING OFFICER. Without objection, the tables will be printed as requested.

(See exhibit A.)

Mr. BANKHEAD. I wish to point out, without going through the entire table, the distressing situation which has

resulted in the coal industry. In 1913 the percentage of energy provided by coal was 84.22 percent; in 1932 that percentage went down to 52.23. The reduction has been constant since 1933 and has been due in large measure to the increased use of competitive fuels, such as oil, which has been particularly disturbing to the coal business in my immediate section of the country, and also natural gas.

Mr. President, coal has constantly borne its share of taxation. It does so in two ways. There is an ad valorem tax upon coal land, representing a cumulative burden upon the cost of mine production. In short, taxes have run year after year upon coal land before the coal is mined, thereby constantly increasing the carrying charges of the coal land. In addition to that ad valorem tax upon coal, which, by reason of being levied for so many years before coal is removed from the ground, is unusually burdensome, we also know that in most of the States there is a tax levied upon each ton of coal as it is brought from the mine.

The situation with oil and natural gas is entirely different. They are fugitive elements. No ad valorem tax can be levied upon them as they remain in the ground unrecovered and moving from section to section. They are relieved from that burden of taxation. In addition to that there is no tax upon the recovery of oil and natural gas similar to the tonnage tax levied upon coal that is brought out from the ground.

So I submit that, if this amendment should be adopted, it would be an aid to the employees of the coal mines; it would tend, at least, to prevent a dimunition of the coal supply; it would tend to equalize the burden that the coal industry must carry under this bill and would place some part of a compensating burden on oil and natural gas.

So, with these suggestions, Mr. President, I submit this amendment as being in the public interest and as being in the interest of the operators and of the employees of the coal mines.

EXHIBIT A

TABLE 1.—*Annual supply of energy from mineral fuels and water power in United States, 1913, 1923, and 1930–33 (percentages)*

[Authority: Bureau of Mines, Coal, Mineral Yearbook, 1934, p. 284]

| Year | Anthracite | Bituminous coal | Total coal | Domestic oil (total crude, including that refined) | Natural gas | Imported oil (total crude, including that refined) | Total oil and gas | Total mineral fuels | Water power | Grand total, including water power |
|---|---|---|---|---|---|---|---|---|---|---|
| 1913 | 13.96 | 70 30 | 84.26 | 8.30 | 3.51 | 0.57 | 12.44 | 96.70 | 3.30 | 100 |
| 1923 | 10 39 | 60.53 | 70.92 | 17.98 | 4.43 | 2.01 | 24.42 | 95.34 | 4.66 | 100 |
| 1930 | 7.91 | 51.38 | 59 29 | 22.60 | 8 76 | 1.56 | 32.92 | 92.21 | 7.79 | 100 |
| 1931 | 7.89 | 48 70 | 56.59 | 24.84 | 8.82 | 1.38 | 35.04 | 91.63 | 8.37 | 100 |
| 1932 | 7 52 | 45.02 | 52.54 | 26.14 | 9.28 | 1.49 | 36.91 | 89.45 | 10 55 | 100 |
| 1933 | 6.98 | 45.25 | 52.23 | 28.13 | 8.66 | .98 | 37.77 | 90 00 | 10.00 | 100 |
| 1933 percent increase or decrease from 1923: | | | | | | | | | | |
| Increase | | | | 23.67 | 54.53 | | 22.27 | | 69.98 | |
| Decrease | 46.91 | 40.90 | 41.78 | | | 61.18 | | 25.38 | | 20.94 |

*Consumption of gas oil and fuel oil, natural gas, and bituminous coal, 1926–34*

| | 1926 | 1927 | 1928 | 1929 | 1930 | 1931 | 1932 | 1933 | 1934 |
|---|---|---|---|---|---|---|---|---|---|
| Distribution of gas oil, fuel oil, and furnace oil, 1926–31 (figures in thousands of barrels of 42 gallons each), by uses: | | | | | | | | | |
| Railroad | 72, 218 | 69, 848 | 70, 680 | 76, 848 | 67, 900 | 58, 150 | | | |
| Steamships (including tankers) | 79, 288 | 88, 215 | 89, 942 | 92, 870 | 94, 131 | 83, 559 | | | |
| Gas and electric power plants | 33, 652 | 30, 021 | 30, 902 | 31, 511 | 26, 749 | 24, 490 | | | |
| Commercial heating | 13, 874 | 15, 751 | 16, 427 | 17, 820 | 17, 344 | 15, 731 | | | |
| Domestic heating | 2, 900 | 5, 234 | 5, 972 | 7, 158 | 9, 822 | 10, 446 | | | |
| All other uses | 132, 094 | 125, 203 | 139, 309 | 145, 793 | 132, 685 | 120, 716 | | | |
| Total domestic distribution of gas, oil, and fuel oil | 334, 030 | 334, 272 | 353, 232 | 371, 999 | 348, 630 | 313, 093 | | | |
| Furnace oils for domestic heating | 6, 000 | 6, 475 | 8, 300 | 12, 423 | 15, 537 | 14, 213 | | | |
| Total distribution | 340, 030 | 340, 747 | 361, 532 | 384, 422 | 364, 167 | 327, 306 | 302, 456 | 316, 344 | 331, 410 |
| Comparison—percent | 100 | 100 | 106 | 113 | 107 | 96 | 89 | 93 | 97 |
| Consumption of natural gas (in billions of cubic feet): | | | | | | | | | |
| Domestic and commercial | 289 | 296 | 321 | 360 | 377 | 381 | 386 | 369 | |
| Industrial | 1, 024 | 1, 149 | 1, 247 | 1, 557 | 1, 565 | 1, 303 | 1, 168 | 1, 184 | |
| Total | 1, 313 | 1, 445 | 1, 568 | 1, 917 | 1, 942 | 1, 684 | 1, 554 | 1, 553 | [1] 1, 750 |
| Comparison—percent | 100 | 110 | 119 | 146 | 148 | 128 | 118 | 118 | 133 |
| Consumption of bituminous coal (in thousands of tons) | 532, 581 | 499, 801 | 498, 828 | 519, 555 | 454, 990 | 371, 869 | 306, 917 | 321, 748 | 347, 206 |
| Comparison—percent | 100 | 94 | 94 | 98 | 85 | 70 | 58 | 60 | 65 |

[1] Estimated. Comparison in each case using 1926 as 100 percent. Authority: Bureau of Mines.

Mr. KING. Mr. President, I was interested in the remarks of the Senator from Alabama. His view is a novel one, and I hope that I shall not be regarded as facetious when I attempt to show its application. He has pointed the way by which languishing industries may be benefited. He has announced, as I understand his view, a policy of internal or domestic tariffs—that any industry may receive relief against a competing industry in the United States by levying a tax upon the offending competitive industry. To illustrate: In my State we produce a superior quality of apples. Because of the drought many of the orchards have not yielded abundantly and the owners have suffered losses. I am told that the diminishing production of apples has resulted in an increase in the consumption of California oranges.

Under the Senator's view we should improve the condition of the apple growers of Utah by restricting, by excise tax or internal tariff regulation, the importation into Utah of California oranges. Under this policy the apple growers of Utah would compel higher prices for their reduced production. If the Senator's amendment prevails I would be warranted in offering an amendment to provide for a sort of compensatory tax upon oranges to replenish the purses of the apple growers.

May I suggest that Utah is a large producer of copper. In the construction of cables for the carrying of electric energy, large quantities of copper have been required. Recently, I am advised, aluminum has become a competitor with copper, and cables which are constructed to carry electric energy are composed in part at least, of aluminum. Copper a number of years ago sold for from 10 to 15 cents per pound. Recently it has been as low as 5 cents per pound. If more aluminum is used in the construction of power lines, obviously the demand for copper will be reduced.

Under the Senator's theory we are warranted in imposing a tariff upon aluminum in order to increase the price of

copper and thus give employment to a large number of persons who were employed for years in the mining and reduction of copper ores.

Mr. President, this is a beautiful theory. But, speaking seriously, the proposition made by the Senator from Alabama, if carried into effect, would mean to array one industry against another, to balance the benefits and losses derived from the various industries of the United States. It would result in controversies, sectional and geographic. It would array industry against industry and produce most unfortunate results. It is impracticable, unsound, and I am sure will find no support here or elsewhere.

Mr. NEELY. Mr. President, in spite of my unlimited respect and affection for the eminent Senator from Alabama, I am compelled to appeal to the friends of the bill to vote against the proposed amendment. Regardless of its merits or demerits, its adoption would certainly make it impossible to pass the bill.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Oklahoma?

Mr. NEELY. Certainly.

Mr. THOMAS of Oklahoma. Was the amendment offered by the Senator from Alabama considered by the committee?

Mr. NEELY. It was not. The committee never heard of it until the Senator from Alabama read it a moment ago.

Mr. BORAH. Mr. President, may we have the amendment read again?

The PRESIDING OFFICER. The clerk will read the amendment again.

The legislative clerk again read the amendment.

Mr. THOMAS of Oklahoma. Mr. President, I should like to submit an inquiry to the author of the amendment. During the past few years oil has sold as low as 11 cents a barrel. In my State it was as low as 18 cents a barrel and in Texas as low as 3 cents a barrel. That is all the producer received for the oil when it was sold.

I should like to ask the author of the amendment how the producer, receiving 3 cents a barrel, or 5 cents a barrel, or 11 cents a barrel, or even 18 cents a barrel, could pay 25 cents a barrel tax as the amendment proposes?

Mr. BANKHEAD. Mr. President, the statement of the Senator shows absolutely the necessity for the protection of coal when people will proceed with the indiscriminate and unbusinesslike and wasteful procedure of producing oil at less than cost and selling it in competition with this great industry which employs half a million men. I do not know at what price oil formerly sold, but the amendment now pending would merely provide for a compensating tax on oil to equalize the increased cost in the production of coal.

There is a demand for so much coal. There is a demand for so much oil. Considered territorially, they come into competition. The fact that oil has been selling cheaper as the result, I assert, of cutthroat competition, has caused oil to displace millions of tons of coal and has deprived of work several hundred thousand coal diggers, who are waiting in their homes for normal conditions to return in the coal business.

Mr. THOMAS of Oklahoma. Mr. President, in addition to producing oil, my State produces coal. We have practically unlimited coal fields in Oklahoma, and while oil has been selling for a very low figure per barrel, coal has been selling, comparatively, just about as low.

In Oklahoma we have something like 30,000 wells which produce less than 5 barrels each per day. If the amendment should prevail, someone would have to make a catalog and check up those wells to ascertain which wells would have to pay a tax and which would not have to pay a tax.

Inasmuch as the amendment has had no consideration and its effects are not known either upon oil or coal, I cannot conceive of the Senate, upon a mere reading of the amendment and after a few minutes' discussion, with no facts before it, adopting such an amendment. I hope the Senate will refuse its approval of the amendment.

Mr. GORE. Mr. President, I wish to second what my colleague has said. I cannot imagine the Senate rushing into such an important matter of legislation with no information at all upon the subject, unless, indeed, the Senate prefers darkness to light.

Mr. KING. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KING. Does not the Senator think it would be a good thing to provide for external tariffs and internal tariffs, and when one industry becomes a little more prosperous than another, to impose an internal tariff or excise duty in order to lift up the one which is depressed?

Mr. GORE. That is on a par with an old Greek practice. Procrustes, a Greek highwayman, made it a rule to torture his victims. He had a bed of torture still known in mythology as the "procrustean bed." If his victims were shorter than this arbitrary standard, they were stretched until they fitted the bed. If they happened to be longer than the standard, they were pared down until they fitted. That seems to be the philosophy back of this amendment.

The mere matter of a tax of 21 cents per barrel on oil which 3 years ago was selling at 10 cents per barrel is to be slapped on or slapped off as inconsiderably as a group of children playing the old game of "club fist"—"take it off or knock it off." Mr. President, I move to lay the amendment on the table.

Mr. BORAH. Mr. President, this is a strange situation.

The PRESIDING OFFICER. The motion to lay on the table is not debatable.

Mr. GORE. Mr. President, if the Senator desires to discuss the amendment, I shall withdraw the motion temporarily.

The PRESIDING OFFICER. The motion to lay on the table is temporarily withdrawn.

Mr. BORAH. Mr. President, this is an extraordinary situation. Less than 10,000 men in the United States have finally secured possession or control of practically all the natural resources of the United States—coal, iron, oil, aluminum, and so forth. All of God's great gifts to the human family have now finally drifted into the control of 5,000 to 10,000 people. The rest of the world is about to be placed in a position where it will be compelled to ask permission of these people to utilize the natural resources which were intended for their benefit, and utilize them at a price to be fixed by those who now own or control them. No more perfect form of economic slavery could be devised.

We have reached the point where the possessors of the natural resources are beginning to have trouble among themselves. They want a tax laid here and laid there for the purpose of enabling them to control or conduct their business successfully. The controversy next arises as to how we are going to distribute the taxing power among those who own the natural resources so as to enable them to conduct their business successfully.

Mr. President, the second point is that those who own the natural resources of the United States are constantly asking for power to fix the prices they shall charge the American people for using them. After having taken possession of or gathered to themselves the wealth of the United States in its natural resources, they are constantly coming to the Congress and asking for power to sit around a table and fix the prices which they shall charge the people for the use of such natural resources. Every bill that comes before this body dealing with that subject in some way or other undertakes to delegate power to these people to fix the price of the thing which they have to sell.

The situation is rapidly approaching a crisis. We are apparently facing a catastrophe. It was stated a few days ago by one in position to know that 80 percent of the human family is living below the poverty line. We have millions on relief, and millions more living on a low standard, while a vast portion of the people are unable to secure what a decent standard calls for. Those who have the world's wealth are seeking governmental power to fix prices for the millions.

Mr. President, in my opinion, we have reached the time when we ought to curtail the power of these people to fix

prices. If we are going to fix prices, if we have reached the point where that must be done, let not those who own the natural resources fix the prices, but let the Government of the United States itself fix the prices. That is the only way by which we can protect the masses in this country. I do not believe in governmental price fixing, but I say to those who are urging price fixing by private interests, "You are driving toward Government price fixing."

Mr. KING. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. KING. The Senator has examined the bill with his usual care in the consideration of legislation. Is it not a bill to fix prices?

Mr. BORAH. I am not prepared to say that it is.

Mr. KING. Will not the effect of it, from the interpretation which will be placed upon it, be to fix prices?

Mr. BORAH. I think as the bill has been amended the power to fix prices has been greatly modified.

Mr. KING. I wish I could share that view.

Mr. BORAH. If I am in error in that respect, I should like to be corrected.

Mr. GORE. Does not the Senator think any bill which authorizes any commission or governmental authority to fix wages and hours necessarily involves the power to fix prices? When authority is given to fix the major element of cost which the price must cover, is not that tantamount to conferring authority to fix prices themselves?

Mr. BORAH. I think an argument may be made in favor of that contention.

Mr. GORE. I should like to know whether the Senator does not think the Guffey bill falls within the four walls laid down by the Supreme Court in the Schechter case.

Mr. BORAH. I shall record my views on that question when I vote on the bill. I do not desire to answer the question without going into detail in support of my opinion.

Mr. GORE. Very well. If the Senator's views on the subject are confidential, I should not want him to divulge them prematurely, although I may say that they would be interesting and illuminating to the Senate and to the country.

Mr. President, with most of the conclusions just stated by the Senator from Idaho I concur; but I do not understand that the proprietors of the coal mines are insisting upon this proposed legislation. I do not know. If they are, I am not so advised.

So far as my own State is concerned—and it is engaged, on a limited scale, in mining coal—the owners and operators in that region are opposed to the pending legislation. They had some experience under the recent N. R. A. Act; and it is their conviction, as a result of their experience under that law, that Oklahoma and its environs suffered a loss of some 6,000,000 tons of coal annually in their output. Their market was curtailed to that extent. Markets which they had previously supplied were withdrawn from them and turned over to mines situated in other sections.

I do not mean that that was done intentionally, as a matter of design to injure the mines in Oklahoma. I doubt that. I do not mean that it was done in order to favor the mines in other sections. It was perhaps one of the unforeseen byproducts of any effort to control natural economic forces by arbitrary enactments or by arbitrary rules and regulations.

Human foresight and human wisdom are not equal to the task of anticipating these consequences. For that reason, economic legislation and tinkering of this character generally results in more mischief than good. That is almost inevitable. When it does not it is a matter of accident and a matter of chance. These interests are too serious to be committed to the vicissitudes of chance and haphazard fortune.

I feel certain that however the coal operators in other regions may feel toward this proposed legislation, the coal operators in my own State are not favorable to it. The coal miners themselves will be less interested when they learn that the Senator from Pennsylvania [Mr. GUFFEY], the author of this bill, stated on the floor of the Senate yesterday that it would not increase the wages of the miners. If the miners, if the wage earners are not to profit, then who is to profit by this revolution in the coal industry? Is it the coal operators in Pennsylvania and West Virginia alone? And so far as the oil business is concerned, the proposed tax of 21 cents a barrel on petroleum is not only unprecedented—it is unheard of. It is revolutionary and would be confiscatory.

This amendment shows that there is still some ingenuity among the sons of men, especially Senators, and that there are more mischiefs, "Horatio, than are dreamt of in your philosophy." This amendment is flashed upon us in the twinkling of an eye, without a moment's notice. It affects the third or fourth largest industry in the United States, in which are embarked billions of dollars—an industry which is not controlled exclusively by big interests. There are hundreds of small oil companies in the country which have been invited to come into existence, to invest their capital in the industry upon the basis of the antitrust legislation by Congress. They were invited to embark their capital, their time, and their talents in the business. They have accepted that invitation; they have accepted it in good faith; and here, without a moment's notice, we undertake to impose a tax upon them without any hearing, without any notice, without any calculation as to consequences.

Of all the industries in the country during the depth of this depression, oil perhaps suffered more than any other; unless, indeed, it is the soft-coal industry.

The PRESIDING OFFICER. The Senator's time on the amendment has expired. The question is on the amendment offered by the Senator from Alabama [Mr. BANKHEAD].

Mr. GORE. I move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Oklahoma to lay on the table the amendment of the Senator from Alabama.

Mr. TOWNSEND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Copeland | Lewis | Robinson |
| Ashurst | Costigan | Logan | Russell |
| Austin | Davis | Lonergan | Schall |
| Bachman | Dieterich | McAdoo | Schwellenbach |
| Bailey | Donahey | McGill | Sheppard |
| Bankhead | Duffy | McKellar | Shipstead |
| Barbour | Fletcher | McNary | Smith |
| Barkley | Frazier | Maloney | Steiwer |
| Black | George | Metcalf | Thomas, Okla. |
| Bone | Gerry | Minton | Thomas, Utah |
| Borah | Gibson | Moore | Townsend |
| Brown | Glass | Murphy | Trammell |
| Bulkley | Gore | Murray | Truman |
| Bulow | Guffey | Neely | Tydings |
| Burke | Hale | Norbeck | Vandenberg |
| Byrd | Harrison | Norris | Van Nuys |
| Byrnes | Hatch | Nye | Wagner |
| Capper | Hayden | O'Mahoney | Walsh |
| Caraway | Holt | Overton | Wheeler |
| Chavez | Johnson | Pittman | White |
| Clark | King | Radcliffe | |
| Connally | La Follette | Reynolds | |

The VICE PRESIDENT. Eighty-six Senators having answered to their names, there is a quorum present.

The question is on the motion of the Senator from Oklahoma [Mr. GORE] to lay on the table the amendment of the Senator from Alabama [Mr. BANKHEAD].

Mr. GORE. Mr. President, I think possibly the junior Senator from Texas [Mr. CONNALLY] desires to be heard on the amendment itself. I therefore withdraw the motion to table. But before I sit down I should like to observe that 3 years ago oil was selling at 10 cents a barrel. The Government has done what it could to resuscitate the oil industry, and oil is now selling at about $1 a barrel. But when it was selling at 10 cents a barrel this tax of 21 cents a barrel would have been a tax of 200 percent—a little excessive, approaching the point of diminishing returns, and even now it would be a tax of more than 20 percent.

The VICE PRESIDENT. The Senator from Oklahoma withdraws his motion to lay on the table the amendment of the Senator from Alabama.

Mr. CONNALLY obtained the floor.

Mr. McNARY. Mr. President, a parliamentary inquiry. The amendment now pending is the one offered by the Senator from Alabama?

The VICE PRESIDENT. The Senator is correct. The Senator from Texas is recognized.

Mr. CONNALLY. Mr. President, I want the Senate to know just what the amendment of the Senator from Alabama proposes to do, not to Texas, not to the people who produce oil, but to you the people who consume oil.

Eighty-five percent of the oil produced in my State is consumed in other States of the Union, and whatever is imposed as a tax on oil will, in large measure, be transferred as a tax on the people in other States who consume the oil. The Senator from Alabama proposes to levy a tax of one-half a cent per gallon on oil. A barrel of oil contains 42 gallons. That means that he proposes to levy a tax of 21 cents on every barrel of oil that is produced. Oil is selling for a dollar per barrel. In other words, it would be imposing a consumption tax of 21 cents per barrel on every barrel of oil produced.

What is the purpose? Is it to raise revenue to support the Government? It would produce revenue; but that is not its purpose. The purpose of the amendment is to make oil cost the people more so that instead of buying oil they will buy coal. That is the purpose of the amendment.

Is that a proper exercise of the taxing power of the Government? The Constitution gives Congress the power to raise revenue to enable the Government to perform its normal and proper functions. We have here an open, a brazen, a deliberate attempt to employ the taxing power of the Government to put a burden on one industry in order to help another industry. Is that Democratic doctrine? Is not that at variance with every platform pronouncement our party has made throughout its history?

I desire Senators to note, however, that the consumers of oil, the people who burn gasoline in their cars, are going to have to pay a part of this tax. I do not want to be unfair; some of it possibly will be borne by the producers, as all taxes are, in a fashion, but most of it will come out of the consumers of oil.

Mr. President, it had not been my purpose to speak on the bill. I cannot and have not from the beginning intended to support this measure, but not because I do not want to help the coal industry. The bill will help the oil industry, for that matter. If I voted purely the selfish interests of my own State I would support the bill, because when coal is made to cost more the temptation is always present for consumers to use natural gas and oil. But I cannot support the bill and have not intended to support it, because I regard it as absolutely beyond the proper functions and the proper powers of the Federal Government.

If the Supreme Court ever said anything which it meant, it said it in the N. R. A. decision, when it held that the production of an article locally is absolutely beyond the control of the Federal Government under the commerce clause of the Constitution.

Among the votes cast by me in this Chamber of which I shall always be proud was my vote originally against the N. R. A. when the law was first enacted.

Mr. President, I not only dissent from the view that the Federal Government has the power to go into the States and control local production or local manufacturing, but I dissent from the whole theory of the N. R. A. Act in this; and I dissent from that theory in this particular bill, that the Federal Government shall delegate its legislative power to a group of any particular industry and allow that industry in and of itself to constitute a lawmaking body and to enact rules and regulations for the government of an industry, no matter what the minority of that industry may desire, no matter what its interests may be, but superimpose upon that minority of an industry the burdens and the rules and the regulations adopted by the majority. That is not in keeping with our well-settled conceptions of constitutional government.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. I entirely agree with the proposition just enunciated so ably and clearly by the Senator from Texas, but I call the Senator's attention to the fact that the bill goes even beyond the statement which he has made, because it grants to a group composed of the producing class and the laboring class in one industry the control of the taxing power of the United States Government, vested in Congress under the Constitution of the United States, and permits them to use the taxing power of the United States Government, not for the purpose of raising revenue, which is the only just basis of taxation, but for the purpose of penalizing members of the industry who do not comply with the regulations set up by the authority established under the act.

Mr. CONNALLY. I thank the Senator from Missouri. Of course, the bill delegates the taxing power, just as it delegates the legislative power. Under the Constitution we can delegate neither power, because the people in their wisdom said in the Constitution that whatever power should be over taxation and whatever power should be over legislation should rest here in the Congress, and when they said that, they meant that it should rest nowhere else.

Mr. President, the power to make laws does not rest in the Executive, the President; it does not rest in the courts; the power to make laws does not exist in any group or any faction, but it rests in the Congress of the United States. It rests here because the Congress of the United States when it legislates and when it levies taxes is acting as the agent of the people themselves, and under that delegation by the people Congress and no one else must levy the taxes and must enact the laws.

Have Senators read the N. R. A. decision? Did Senators need to read the N. R. A. decision? There is nothing new in the N. R. A. decision. It is simply a review and a restatement of the decisions and judicial pronouncements coming down to us from the days of John Marshall himself.

It was a clarification of the application of those policies; I grant it applied more clearly to the particular facts of the Schechter case those prior existing fundamental policies and decisions, but it stated no new principle, it enunciated no new constitutional doctrine.

Mr. President, the pending bill proposes to sovietize particular industries. Russia, in its theory of social organization, permits particular groups, a laboring group here, an industrial group over there, and some other group in some other place, to form a soviet. That soviet is a law unto that particular industry or group. That is what the pending bill is undertaking to do with the coal industry of this country.

If it restricted itself to the coal industry, though I could not vote for it, I should not lift my voice here today against it, because I think that other Senators are as capable of passing upon this measure as I am myself; but when the authors of this measure undertake not only to sovietize the coal industry, but endeavor to put every other industry, which may by any spread of the imagination be a competitor, into the same strait-jacket in which they are putting the coal industry, I, as a representative of my great State, raise my voice most vigorously in protest against that measure.

Why do the sponsors of the bill desire to make oil cost the people more? Because they want to make it harder for them to buy oil so that they will therefore be forced to buy coal. Why not put a provision in the bill that no one shall buy any oil at all? It would be simpler, it would be easier, if we should make all buy coal. Insert a clause in the bill requiring every man who builds a fire, to get a Government license before he builds the fire, and promise to burn coal only. That would accomplish the purpose much more directly.

The VICE PRESIDENT. The Senator's time on the amendment has expired.

Mr. CONNALLY. Mr. President, I submit these remarks to the Senate in the hope that the Senate will vote down the amendment of the Senator from Alabama.

Mr. GORE. Mr. President, my time on the amendment has expired, and I am now speaking on the bill. I have already spoken on the amendment, but I wish to make one or two further observations which bear on this amendment.

The Senator from Alabama has offered an amendment to the pending bill which proposes to levy a tax of 21 cents

per barrel on petroleum. Petroleum and its products are already overtaxed. Let the record speak.

All the expenditures of all our various forms of government combined—National, State, county, city, township, and school district—our annual expenditures on all forms of government, amount to a little more than $14,000,000,000. A little less than $15,000,000,000 a year is the aggregate expenditure. Our aggregate taxes, our aggregate revenues collected by our various forms of government—national, State, and local—amount to considerably more than $9,000,000,000 per annum. A little less than $10,000,000,000 annually is our aggregate revenue.

There is a disparity, as will be seen, of something like $4,000,000,000. That is met, not by taxation, but by resort to credit—borrowing. Of the $9,000,000,000 and more of revenue raised year after year, gasoline alone pays one-twelfth. Of all the taxes, imposed by the Federal Government, by the 48 States, by 3,200 counties, and by the numberless cities, towns, townships, and school districts, gasoline pays one-twelfth of all our revenues. The Federal Government imposes several kinds of taxes—customs, excise, income, estate, excess profit. I believe it imposes customs duties on three or four thousand different articles. The 48 different States have several types of taxation—ad valorem, license, income, estate, inheritance. The various counties, more than 3,200, have different types of taxation. Thousands of cities have different types of taxation. Townships and school districts, thousands upon thousands, add tax upon tax. But when we aggregate all the taxes, all the revenues derived by every form of government from every source of taxation, amounting to more than $9,000,000,000 a year, one-twelfth of the whole is derived from gasoline alone.

There are various other taxes. My own State has a gross production tax of 5 percent on the oil. Other States have gross production taxes on the production of oil. Gasoline and the auxiliary taxes resulting from gasoline and its uses aggregate one and one-quarter billion dollars a year. I do not want the Government to gut the goose that lays the golden egg.

Now, in order to carry out some uneconomic scheme or dream violating the fundamental laws of economics—not alone violating the Constitution of the United States—violating the constitution of nature itself, violating the fundamental laws of economics, trying to play fast and loose with economic forces which are stronger than acts of Congress themselves, making toys out of reality, an amendment is brought in here by which without a moment's notice it is proposed to tax a great industry which is already taxed beyond endurance.

Mr. President, I ask unanimous consent to have printed in the RECORD in connection with my remarks a speech by Gen. Baird H. Markham on the taxation of gasoline, together with the statistical statement concerning Oklahoma and related matters, which I shall furnish the Secretary at a later date.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

An opportunity to address the National Petroleum Association upon the subject of taxation is particularly appealing because your organization is deeply interested in the tax situation now confronting the petroleum industry. I feel certain my remarks will receive a ready response, for your organization has been one of the leading trade associations taking an active and aggressive part in the battle to protect this industry from further unfair taxation and unjust legislation.

Your association is to be complimented upon the stand it has taken and upon its far-sighted, able, and forceful leaders. For all of them I have the highest regard and esteem. Let me mention particularly the splendid work which your general counsel, Mr. Fayette B. Dow, has done on behalf of your association and of the industry. He is thoroughly acquainted with the many ramifications of the numerous problems confronting the industry. He has always rendered outstanding cooperation and support in efforts to protect and to relieve the industry from excessive taxation and discriminatory legislation. I wish to take this opportunity publicly to express to him, and for him, my sincere appreciation.

In this era of extravagant governmental expenditures and unreasonable tax demands, one of the paramount questions concerning us all as citizens and taxpayers is the mounting burden of taxation. The tax load has increased, and still is increasing, to such an extent that we must ask ourselves, "What price taxes?" When will we reach the point where no additional taxes will be imposed upon us? Will there come a time when taxpayers will receive some consideration at the hands of legislators? Will an effort be made to reduce the tax burden? When will government restore to us the right and the pleasure of spending our own money?

I fear that those highly desirable ends will not be reached until you and I, as citizens, take a more active interest in the affairs of government; until we demand of our legislators and public officials that they give at least as much consideration to ways and means of reducing taxes as currently they do to increasing expenditures. We must insist that they put at least as much emphasis upon cost as they do upon need, and that they remember that the fundamental reason why most of us try to earn our wages is not merely the support of the tax collector. It is becoming painfully obvious that if we do not take early and effective steps to reduce the cost of government, taxes increasingly will exact higher tolls from us and from our business. Eventually there will be incentive neither to work nor to engage in productive enterprise. Then, indeed, Government will be in control of all business, for other than Government there will be no business. Those of you who have given your lives to building up your enterprises may well consider seriously that threat.

The history of taxes which today affect the petroleum industry so adversely is not greatly different from that of any other taxes. Taxes usually have small beginnings and start with low rates. The natural tendency is for them to grow and multiply. Before the taxpayers fully are aware of the situation, taxes have become enormous burdens. By that time the taxpayers protest in vain, for those who levy taxes have had opportunity to conceive cogent reasons why tax reduction is impossible.

Taxes directly affecting the petroleum industry have increased and multiplied so rapidly that within comparatively a few years this industry has been placed in the unenviable position of bearing a highly disproportionate share of the cost of government. It matters not whether the taxes are paid directly by this industry or by its customers. Money that otherwise would be used for purchases must go to the tax collector. Truly the future economic welfare of this industry, which is linked with the welfare of the Nation as a whole, compels us to ask, "What price taxes?"

This question is particularly pertinent to those who have followed the course of thousands of tax, restrictive, and regulatory measures which have been introduced this year in the legislatures of 44 States and in Congress. Scarcely half the legislatures even yet have adjourned. Many of them will return for special sessions. Although the recovery of business has been the general desire, almost every conceivable type of legislation and taxation which would harry and harass this and other industries has been proposed. Only lip service has been rendered to the one great need—stimulation and restoration of trade activity.

No high degree of statesmanship is needed to advise business and industry to rid itself of its fears and to plunge into the maelstrom of untried ideas. The average business man, however, is more inclined to base his actions upon past experience than recklessly to heed the advice of those who have nothing to lose. In fact, their very words have been lost in the thunder of the hoofs of the four horsemen of disaster—politics, partisanship, patronage, and plunder.

The petroleum industry has been a shining target for sniping revenue hunters because it is commonly supposed to deal in liquid gold. In the past few years, however, oil has been liquid gold only to government, which has obtained more money by taxing petroleum products than has the industry which produces, refines, and markets them. Let me review this situation to establish in your minds beyond any question the truth of that statement.

The larger oil-producing States derive one-half, or more, of their total tax revenue through the petroleum industry. Taxes levied upon gasoline provide 20 to 60 percent of the total tax income of all the States. The average is 31.4 percent. About 12 percent of all Federal revenue is derived through, or from, this industry.

The industry's 1933 tax bill of $1,004,824,028 was equivalent to a tax of roundly $1,000 for every worker. In 1933 also taxes averaged $1.11 upon each barrel of crude oil, although the producing cost was only 80.6 cents and the average market price only 72 cents. In 1933 also petroleum taxes amounted to 429 percent of petroleum earnings. In other words, profits upon this industry's $12,000,000,000 capital investment were only one-fifth as large as the tax bill.

In 15 years the average retail price of gasoline has been cut squarely in half. During the same period, taxes upon gasoline have increased several thousand percent in rate and in cost. In 1924, for instance, 9 cents of every $1 the consumer paid for gasoline went to the tax collector. In 1933 the tax collector took 30 cents of every gasoline dollar.

Two taxes—Federal and State—are paid on each gallon of gasoline sold in every State. In some States the consumer pays four taxes on the same gallon—Federal, State, county, and municipal. During 1934 the Federal gasoline tax was 1 cent per gallon. State tax rates ranged from 2 cents to 7 cents per gallon. County tax rates were as high as 3 cents, and municipal taxes as high as 2 cents. Let me remind you that these are cumulative taxes which in no State totaled less than 3 cents per gallon, and in 1 State amounted to 12 cents per gallon.

The gasoline tax is, in effect, a retail sales tax upon motor fuel. Sales taxes on commodities seldom exceed 3 percent. The gasoline sales tax ranges from 20 to 120 percent. In 1934 it averaged nearly 40 percent. Lest some of you, even though you may be producers

of gasoline, seek to calm your fears by saying that this tax is paid by the consumer, or by thinking that, after all, gasoline is a luxury, let me explain the changed status of gasoline.

The gasoline tax is paid by the consumer, but the higher the tax the less gasoline he can afford to buy. Impose a 4-cent tax upon 12-cent gasoline and you collect from the consumer in taxes on the first 3 gallons enough money to have financed the purchase of a fourth gallon.

Gasoline once was a luxury but, like the motor vehicle, has become one of the modern necessities of life. Today it is as essential as food and shelter. An important economic development of the depression has been the realization that gasoline is ranked among necessities. For proof I refer you to the economist and statistician, Leonard P. Ayres, who recently wrote:

"Gasoline consumption has been but little and only temporarily affected by the depression. Apparently it ranks in popular esteem ahead of other things that we have been accustomed to think of as being the foremost necessities."

Another interesting development of the depression has been the tenacity with which those facing the prospect of losing their all clung to the family automobile. Instead of being disposed of first, as an unnecessary luxury, it was the last possession to be relinquished. In other words, the average worker realized that which others, particularly government, overlooked—to be without a motor vehicle is equivalent to economic isolation. The motor vehicle has become the link between the family and the job. Add to that fact the additional fact that 1 in every 6 workers engaged in wholesale trades in the United States today depend for their livelihood upon the petroleum and automotive industries, and you can visualize how quickly excessive taxation of these industries and their products can throttle economic recovery.

Lest you believe this is merely theory, let me point out that we are definitely headed in that direction. Total taxes on a small new car the first year amount to more than $60, or better than 10 percent of its cost. Of this amount, nearly $30 represent taxes upon fuels and lubricants. Few homes in this country are taxed as much as 5 percent of their value yearly, yet the value of motor-vehicle property is extinguished by taxation every 4 years. The annual payments of motor-vehicle owners represent, roundly, 28 percent of the average value of their cars.

Gasoline taxes, on a per vehicle basis, have increased more than 22,500 percent in 16 years. Registration fees have risen about 55 percent in the same period. In 1919, the first year of gasoline taxation, the average annual cost to the consumer was about 18 cents. The average registration fee was just under $10. Last year the average registration fee was just over $12, while the average cost of gasoline taxes was nearly $32. In recent years there has been no drastic increase in registration fees, while gasoline taxes, if continued at present trends, would exceed $300 per car by 1943. Truly, we may ask, "What price taxes?"

Not only is State government reaching into the consumer's pocket for gasoline-tax money, but the Federal Government also has entered the competition. Taxes upon gasoline and lubricating oil supplied more than 70 percent of the Federal Government's income from automotive-tax sources in the last fiscal year. Naturally, there has been a direct effect upon the income of the States. During the first year of this Federal tax, State gasoline-tax receipts slumped $23,000,000, the first decline in the history of gasoline taxation in this country.

The States have resented the imposition of this duplicating tax by the Federal Government. The Senate Finance Committee and other congressional committees have recommended that it be eliminated. Some 250 organizations, representing millions of taxpayers, have joined with 21 States in petitioning Congress for its repeal. It is due to expire on June 30 next, and it would be the course of wisdom for the petroleum industry aggressively to continue its battle for repeal of the levy.

You may find it advisable to heed the warning that Congressmen who subscribe to the expensive principle of never giving the taxpayer a break will shortly become vociferously vocal against the elimination of this levy. I have little doubt that within the next few weeks you will be warned from Washington that only catastrophe could attend the elimination of the Federal gasoline tax. Federal contributions to highways in past year will be stressed to the point of overemphasis, but it is probable that little will be said concerning the highway users' contributions to the Federal Government. Even a hasty review of the financial record will show that since 1918 the Federal Government has collected from the highway user some $90,000,000 more in special taxes than has been expended in regular Federal-aid payments to roads. Brief study will reveal also that while the Federal Government has insisted upon taxing highway users because it builds highways for their use, it has levied no such special additional taxes upon those for whom it builds canals and improves rivers, establishes coast-guard and lighthouse service, and otherwise helps.

While we are on the subject of gasoline taxation, I should like to take the time to mention a few ghosts which usually start to walk just about the time legislative bodies begin their search for logical reasons why taxes should not be reduced. These ghosts are composed of such theories as that the highway user should pay for all highways, that gasoline taxes build good roads and consequently tend to increase gasoline consumption, and that whatever the gasoline-tax rate the petroleum industry cannot suffer because of improved business conditions resulting from good roads.

I ask you seriously to consider these facts. Gasoline taxes, because of high rates, definitely and permanently prohibit any substantial improvement in gasoline prices, and therefore in this industry's earnings. Because of gasoline tax evasion, market prices constantly are being forced to lower levels, and the heavier the tax the more extensive the evasion and the more serious the price situation.

The cost to the industry of gasoline tax collection, estimated at $22,500,000 a year, imposes new responsibilities and further burdens upon our business. The use of gasoline tax revenues for purposes other than highways places the consumer-taxpayer in the position of paying twice for the same governmental services, and definitely prevents this industry from increasing its sales. By financing unnecessarily expensive highways, excessive gasoline rates unduly burden the taxpayer and build up sales resistance against this industry's products. Failure to observe economic laws, and to enforce State laws, tends to offset any possible benefits to be expected from taxing this industry's principal income product. I ask again, "What price taxes?"

The idea of building for this country the finest highway system in the world never has progressed beyond the picture stage. Highway users have paid in taxes more than enough to improve every mile of road in the United States, yet barely one-third of the highway mileage today bears witness to the effective expenditure of highway funds. Verily the four horsemen of disaster have traveled these roads. It is estimated that in 1933 alone more than $100,000,000 of gasoline-tax money paid for roads was used for other purposes.

The petroleum industry, committed to reasonable taxation of gasoline for the specific purpose of constructing, improving, and maintaining highways, cannot do other than oppose such diversion of road funds. Politicians may plead the need of balanced budgets, emergency funds, unemployment relief, and what not, but the prior and legal commitment of gasoline-tax money is exclusively to highways.

I have already indicated that this industry, at an expense of more than $22,500,000 a year, pays more than 80 percent of the cost of gasoline-tax collection. That figure does not include the money spent by this industry in aiding government to enforce gasoline-tax laws and to prevent bootlegging, tax evasion, and substitution; it does not include the cost of supplying trained men to augment the work of undermanned collecting agencies, of establishing land and water patrols, of prosecution of violations of gasoline-tax laws, and of other services.

The subject of excessive taxation inevitably leads to the subject of inimical legislation, which currently is as serious a menace. Few of the proposed measures designed to restrict and to regulate the use of highways can be considered as other than inimical to the interests of this industry. Thousands of such bills have been introduced this year alone by interests unfriendly to motor transportation. It is probable that never before has the American public been faced with such extensive and powerful opposition to its own free use of its own highways.

This is a peculiar situation, in view of the fact that the highway user is paying so dearly both for highways and for government. For instance, in New York State the recent increase in gasoline taxation will make the average per capita tax of the highway user $73.75 per year, as compared with a per capita tax of $23.75 for the average nonmotorist citizen. Since only a fraction of the highway user's tax payments is used for highways, he actually pays taxes for the general support of government two and one-half times as great as those paid by the average nonmotorist citizen.

There are some who assert that business motor vehicles are not paying their way. We can turn to Georgia for an example of what is being done along this line. In Georgia a 1½-ton truck pays annual taxes of more than $1,600, while a 4-ton truck and trailer is taxed nearly $3,500. These are special taxes paid in addition to all others. In fact, all motor-vehicle taxes are special additional taxes, a fact often overlooked by those who forget that the motor-vehicle owner is also a citizen.

We need not confine our attention to highway taxation, however, to find examples of uneconomic and un-American excesses. A trend in discriminatory taxation which threatens adversely to affect the petroleum industry to an alarming degree is the spread of chain-store taxes to bulk plants and service stations. In some cases these taxes virtually amount to confiscation. Consider the situation in West Virginia, where the petroleum industry in 1933 did an annual business of $15,000,000 and paid chain-store taxes totaling $481,168. Retailers of general commodities, doing an annual business of $75,000,000, paid chain-store taxes of only $60,785. In other words, the petroleum industry paid 88.7 percent of the chain-store tax bill for the privilege of doing 16.6 percent of the business. Service stations constituted only 29.2 percent of West Virginia's retail establishments in 1933, but paid 85.3 percent of the chain-store tax.

Let me point out that while this situation may exist only in West Virginia and a few other States today, it may spread to other States tomorrow. The attitude of State legislatures during the 1935 sessions clearly indicates that trend. It was not with the expectation of such treatment that petroleum marketers established service stations to provide the public with courteous and efficient service available from no other source. But while the larger proportion of service-station activity may be free service, the possibilities of revenue are too great for legislatures to overlook.

To consider the tax burden this industry already has been called upon to bear is to raise a question as to whether it is the deliberate intention of government to put it out of business. I am inclined to believe that government has not realized what it is doing to this industry. You may recall that Tacitus, the Roman historian, in analyzing the situation in his day, remarked that "when the state is most corrupt, then laws are not multiplied." We can paraphrase that statement in considering the situation today by

saying: "When the government is run in the interests of politicians, then taxes are most multiplied." Yet we must not forget that whatever the purpose of government may be, excessive taxation is no less alarming because the desired end was something other than destruction.

Various other legislative efforts have as their effect, if not their intent, the further handicapping of this industry. There is legislation designed to compel motorists to use alcohol blends instead of straight gasoline fuel. Here we have the alcohol industry sniping for our biggest market under the masquerade of farm relief. There is a proposal to impose a Federal tax upon fuel oil, an outright attempt to benefit the coal industry at our expense. There are many other instances of legislation and taxation which would have the ultimate effect of usurping the right of this industry to do business on a fair and equitable basis.

I think I violate no confidences and perhaps I tell you no news when I say that this industry is surrounded by besiegers adept in practical politics, motivated largely by greed, and heedless both of private right and of public welfare. They are not concerned with the fact that this great American industry created its own field of activity and, until recently, at least, established markets of its own instead of invading those of others. They are unappreciative of the service this industry has rendered to the public and to the country. They are unmindful of the fact that this is an essential industry which serves every other industry, and upon whose welfare every other industry is dependent.

I am not an alarmist, but if I have read the pages of history correctly this industry must fight its own battles if it would preserve its rights and its independence. If I read the pages of history correctly, the downfall of virtually every great nation had its start directly or indirectly in excessive taxation. It is a fixed principle of economics that discriminatory burdens of any kind cannot be placed upon any essential industry without unbalancing the entire business system.

I say to you in all frankness that we must repel these attacks and relieve ourselves of an unduly heavy burden of taxation.

This industry has rendered to the public efficient and unending service of which it can be justly proud. This industry need fear no informed public opinion. American citizens are fair when they know the facts. But we must take effective steps to inform and enlighten opinion. We must continuously devote efforts to education lest public misunderstanding permit this industry to be sacrificed on the altar of political expediency.

I am convinced that neither the present unfortunate tax situation, nor future danger of destruction of this industry by any agency, could materialize were the petroleum industry to take advantage of its favorably strategic position to promote public understanding. Nearly one-fourth of all the citizens of this country, the motorists, are in contact with this industry through its service stations every day in the year. These citizens constitute for 3 to 5 minutes, every time they drive into a service station, a listening audience. They should be given some information other than the current price of gasoline and the prospects of changes in the weather. The least they could be told is the difference between price and cost as represented by taxes, and I am inclined to believe they would react by showing great good will toward an industry which expresses its concern over the taxes that drain money from their pockets. Such efforts constitute economical and effective means of guiding and enlightening public opinion.

I urge you, as citizens and as oil men earnestly desirous of seeing your Nation and your industry restored to prosperity, to do everything within your power to promote the principles of equitable taxation and industrial justice. You cannot escape the duty of waging unceasing war upon those factors and those interests which would destroy an industry dealing in an essential commodity which constitutes the industrial lifeblood of America.

Mr. GORE. Mr. President, it will appear elsewhere in the RECORD that I promised the people of Oklahoma in 1916 that I would oppose the United States entering the World War and that I kept my promise, although it cost me my seat in the United States Senate. That record gives proof that I try at least to keep my promises. In my last race for the Senate (1930) I made the people of Oklahoma just three promises in just six words:

"LESS TAXES, MORE TRADE, NO TRUSTS"

I have stood by those promises and I still believe that those promises if carried out would constitute a pillar of cloud by day and a pillar of fire by night leading us out of this depression. They control and they explain my votes. Four tax measures have passed Congress since my return to the Senate. I did not vote for them. I could not vote for them without violating my promise to the people—less taxes, not more taxes.

THE POWER TO TAX IS THE POWER TO DESTROY

I did not vote for the tax bill which has just passed, although I favored certain of its provisions. I had secured two amendments important to Oklahoma. I therefore paired on the bill. In season and out, I stand on the declaration contained in the national Democratic platform for "a system of taxation levied on the principle of ability to pay." That tax bill, it has been said, was passed to compel the rich to bear their share of our governmental expenses. They should bear their share, their full share. But viewed in that light the bill reveals one tragic truth to which no one should close his eyes. It will raise about $250,000,000 a year. That is the added burden placed on the rich—that is their allotted share. It will raise enough money to pay our expenses at current rates for less than 10 days. If the Government should take each and every income in the United States in excess of $50,000 a year—should take the total incomes instead of a mere tax on such incomes—it would pay current running expenses for less than 5 weeks. For every dollar of taxes it takes in, it borrows another dollar—and spends both. The Federal Government is now spending more than $28,000,000 a day—more than a million dollars an hour—more than $10,000,000,000 a year. Here is the question that appalls me. Who are to pay our expenses for the remaining 355 days in the year? If that completes the quota which the rich are to pay, who will pay the rest? The middle class, the producer, the consumer, the farmer, the wage earner? Alexander Hamilton spoke the grim truth when he said that the Government must get its revenue out of the backs and bellies of the people.

Why, the present Federal tax of 1 cent a gallon on gasoline and lubricating oil alone raises $200,000,000 a year. I fought the Federal tax on gasoline. I thought that resource should be reserved to the States. Besides, when the oil industry is overtaxed Oklahoma is overburdened. But, if I had voted for all these big appropriations, I would have voted for all these tax bills, but I have not. Witness the fact that I introduced Concurrent Resolution No. 23, creating a joint committee of the two Houses to prepare and recommend a plan to reduce our expenses and revise our tax laws so as to bring revenues and expenditures into balance. When that task is undertaken, and I see signs now, I will go as far and as fast as prudence and sound public policy will permit. Sooner or later that task must be undertaken and must be performed or disaster will "follow fast and follow faster." I was one of those who voted against the big $4,800,000,000 bill. Pay day stares at us like a red light in a death's head—warning us that your children and mine will have to pay these bonds. Shall we leave them no legacy but debts—no keepsakes but chains?

OKLAHOMANS SHOULD COMPARE THEIR STRENGTH AND THEIR BURDENS

Oklahoma has 2,500,000 inhabitants. It has, including school districts, 6,353 governmental units vested with the power to tax and with the power to create debts. On the average this is 1 taxing unit for every 11 square miles of territory and every 397 inhabitants. Is it any wonder that the taxpayer is bleeding at every pore? "An unnecessary tax is an unjust tax." (Democratic national platform, 1884.)

The assessed valuation of all taxable property in the State is $1,258,000,000. (Our tax rolls do not list mineral properties.)

Oklahoma's corporate and individual debts aggregate $1,500,000,000. To this must be added State and local debts, $240,000,000, plus Oklahoma's share of the national debt, approximating $600,000,000. The grand total is $2,340,000,000—nearly $1,000 per capita, $4,000 per family. The interest on that amount will approximate $100,000,000 a year.

Oklahoma's total tax levies, including special taxes, for the fiscal year 1935 amounted to $101,000,000. Oklahoma's share of Federal taxes for the fiscal year 1935 amounted to $76,000,000. The two combined equal $177,000,000—$70 per capita, or $300 per family—that much cash out of pocket each year.

It must be borne in mind that Federal expenditures last year largely exceeded Federal revenues. The difference is met out of borrowings. Oklahoma's share of Federal expenditures for the last fiscal year amounted to $136,000,000 and her share for the current fiscal year amounts to $205,000,000.

Oklahoma, in addition to these governmental expenses, pays railway freight charges approximating $60,000,000 a year.

Oklahoma pays annually fire, life, and casualty insurance premiums approximating $50,000,000.

Under the Social Security law just enacted Oklahoma will be required to pay $38,000,000 in 1937, $45,000,000 in 1945, and $56,000,000 in 1950. But, excluding that item and including only taxes, interest, freight charges, and insurance premiums,

we have current carrying charges totaling $387,000,000—$154 per capita, more than $600 per family per annum.

To summarize, Oklahoma's share of all taxes, national, State, and local, for the last fiscal year aggregated $177,000,000, and her share of all national, State, and local expenses for the fiscal year 1935 aggregate $237,000,000. The latter item for the current fiscal year amounts to $306,000,000.

What about our strength? What about our resources? What about our income? Take the two chief sources, agriculture and petroleum:

Our farmers in 1934 received from the sale of farm products, including livestock, $109,000,000, to which should be added $26,000,000 for rental and benefit payments.

The producers of oil received last year $183,000,000.

It thus appears from the foregoing figures that all the farm products, including livestock, marketed in the State in 1934 lacked $68,000,000 of bringing enough to pay our total tax bill. And all the petroleum marketed in the State last year brought only $6,000,000 more than enough to pay the total tax bill. The aggregate receipts from all such agricultural products and petroleum combined for the last fiscal year lacked $14,000,000 of bringing enough to pay our total governmental expenditures for the current fiscal year.

To complete the record it should be added that the Brookings Institute estimates the total wealth of Oklahoma for 1933 at $3,500,000,000 and the total income of her people at $608,000,000. The income of the Government must, in the long run, be taken out of the incomes of the people. Out of every $3 of income the taxpayer today parts with $1 to pay some form of Government expense. Our income per family in 1934 was $1,587. Our public debts, not including private debts, per family was $1,663.

The foregoing figures shed a lurid light on the disproportion between our strength and our burden. Viewed in this light the people can appreciate the concern which I feel over the increasing weight of our multiplying tax burdens—why I want to take the ax out of tax—why I fear that we are forging chains for our children which they will have to bear or will have to break—why I approved the stand of Speaker "Red" Phillips and his legislative "mill boys" for low taxes against high taxes, for economy against extravagance, for experience against experiments—why I think that the taxpayer is the forgotten man. Let others glory in voting additional taxes, in adding to the taxpayer's burden. For my part I am unwilling to raise taxes until we are ready to reduce expenses and thus bring revenues and expenditures into balance. Then count me in. I will then discharge that duty and meet that responsibility. An unbalanced Budget is a standing invitation to repudiation, inflation, and bankruptcy—"three in one." Confidence is the life of business. Confidence is indispensable to recovery.

Mr. President, I ask permission to print in the RECORD an address made by me before the Forty-eighth Annual Convention of the American Federation of Labor, at New Orleans, La.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

NOVEMBER 21, 1928.

President GREEN. We have a very distinguished visitor with us this afternoon, a great friend of labor, a man who has always supported labor's worthy program, and has always stood behind us in supporting labor in the achievement of its laudable purpose. Most of you know our visitor by reputation, many of you know him personally. He is here for just a short time and has come over to extend a word of greeting to the friends of labor. I esteem it a privilege to be able to present to you Hon. THOMAS P. GORE, ex-Senator from Oklahoma.

ADDRESS BY THOMAS P. GORE

Mr. GORE. Mr. President, friends and fellow citizens, I am deeply sensible of the high compliment implied in this invitation, and I realize it is a compliment coming from the heart. * * *

I do not believe the wit and wisdom of man has yet devised a better way to judge the tree than by its fruit. Organized labor welcomes a judgment by that supreme, that divine test. Judged by that standard, organized labor can withstand the severest judgment at the bar of history, at the bar of economics, and at the bar of ethics. Contrast the present age with any cross section of human history in the days that are gone—50 years, 100 years, 500 years ago, and we witness constant and continuous progress; but this progress has not been spontaneous, it represents infinite toil, thought, self-denial, and sacrifice.

Take a cross section 500 years ago. As I remember—our distinguished English guests will correct me if I am wrong—the black plague occurred about 1348. From one-fourth to one-third of the laboring men of England perished in that terrible plague. With the diminished supply of labor, wages tended to rise, and immediately after this catastrophe the British Parliament embarked upon that centuries-old effort to regulate wages. The time came when wages were fixed by the justices of the peace; I believe that policy was not discontinued until about 1814 or 1815, and then it was discontinued, not because of the efforts of labor, but in the interest of capital because the wages were too high.

Organized labor is responsible for three great achievements in behalf of labor, every one of which justifies your history and your sacrifices. The first is the effort to secure a reasonable wage, a living wage, in return for your efforts and your toil. Second is the effort to secure more reasonable hours. Time was when the laborer's day extended from sunrise to sunset, from the daylight to the dark, when men were little more than dumb, driven slaves. This emancipation is to the credit—I hope I am not extravagant when I say—to the glory of organized labor.

Still another achievement which justified your existence is the improvement in the condition, not only of men—that in itself would be enough to justify your existence—but the still greater achievement in securing better working conditions for women and for the younger laborers. The emancipation of men in this respect is due to justice; the emancipation of women, not only to justice, but to humanity. Both of these achievements justify your existence.

Your efforts are not concluded. Organized labor will never be obliged to weep, like Alexander of old, for other worlds to conquer. Your efforts in the past have not been limited to the service of labor alone. You have served not only humanity, you have served the Republic. The limitation of immigration must be set down, at least in part, and largely, to the intelligent and well-guided efforts of organized labor, a more selective process in the choice of those who come from abroad to cast their fortunes among us and to assist us in making this Republic justify the highest aspirations of its founders.

Not only that, to the credit of labor in large part is due the establishment of one of America's distinguished and distinguishing institutions. The American free school is largely due to the efforts, to the education and agitation carried on by organized labor in the early part of our national life. You deserve more credit for this achievement than you have actually claimed or enjoyed. That alone justifies your history and your existence.

As I suggested, organized labor will never be obliged to weep, like Alexander of old, for other worlds to conquer. Your past achievements may possibly loom large upon the background of history, but there are always new forces, there are changing forces, in our social and industrial organization which require intelligent thought and intelligent guidance. And in this department of our national life American labor will find much, if not most, of its field of endeavor in the years—I will say in the centuries that are to come, because labor is a century plant; it is not destined to die, it is destined to survive and to continue its beneficent services as exigencies, as the changing circumstances of our national life, may require, under the guidance of such men as President Green, Secretary Morrison, and their cabinet. With their aid labor will enjoy, as it is entitled to enjoy, the finest fruits of your collective talents and your collective labors. Labor has never defaulted, and in the future I am sure it will raise our Republic into the rich light of another day.

President GREEN, I wish that Senator GORE might understand how deeply we appreciate his visit and the splendid address he delivered this afternoon. His address will be a part of the printed proceedings of our convention. I am sure we can read it at our leisure, and we can be very greatly profited by analyzing carefully the historic review he made of the development of labor. We want Senator GORE to know that he occupies a very large place in the hearts and affections of the working men and women of this country. We know how he championed our cause whenever opportunity presented itself when he was a Member of the United States Senate. We are grateful for all he did for us during his official career, and we want him to know that he is always welcome at a convention of the American Federation of Labor.

Delegate TIGHE. I move that this convention give to ex-Senator GORE a vote of thanks for his address to us this afternoon.

The motion was seconded and adopted by unanimous vote.

Mr. GORE. Mr. President, I renew my motion to lay the amendment of the Senator from Alabama [Mr. BANKHEAD] on the table.

Mr. BANKHEAD. Mr. President, I desire to perfect my amendment by——

The VICE PRESIDENT. Does the Senator from Oklahoma renew his motion to lay on the table?

Mr. BANKHEAD. I understood him to withdraw that motion.

Mr. GORE. No; I renewed it.

The VICE PRESIDENT. Just a moment. The Chair is trying to discover the present parliamentary situation.

Mr. GORE. I did renew the motion to lay on the table the amendment of the Senator from Alabama.

The VICE PRESIDENT. The question is on the motion of the Senator from Oklahoma to lay on the table the amendment of the Senator from Alabama.

Mr. McNARY. Mr. President, has the Senator from Alabama offered an amendment to his first proposal?

The VICE PRESIDENT. The Senator from Alabama has offered an amendment to the bill.

Mr. McNARY. I appreciate that. I thought he had offered a modification of the amendment.

The VICE PRESIDENT. There has been no modification of the amendment.

Mr. BANKHEAD. I was trying to modify my amendment.

The VICE PRESIDENT. The Senator from Oklahoma has made a motion to lay the amendment on the table, and under the rules of the Senate the Senator can make no modification of his amendment so long as that motion is pending.

Mr. McNARY. Of course that is rather a crude way of proceeding. I should think the Senator from Oklahoma would be willing for the Senator from Alabama to perfect his amendment.

The VICE PRESIDENT. That is a matter of agreement.

Mr. McNARY. Oh, yes.

Mr. KING. I call for the regular order.

The VICE PRESIDENT. The question is on the motion of the Senator from Oklahoma [Mr. GORE] to lay on the table the amendment of the Senator from Alabama [Mr. BANKHEAD].

Mr. McNARY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Copeland | Lewis | Robinson |
| Ashurst | Costigan | Logan | Russell |
| Austin | Davis | Lonergan | Schall |
| Bachman | Dieterich | McAdoo | Schwellenbach |
| Bailey | Donahey | McGill | Sheppard |
| Bankhead | Duffy | McKellar | Shipstead |
| Barbour | Fletcher | McNary | Smith |
| Barkley | Frazier | Maloney | Steiwer |
| Black | George | Metcalf | Thomas, Okla. |
| Bone | Gerry | Minton | Thomas, Utah |
| Borah | Gibson | Moore | Townsend |
| Brown | Glass | Murphy | Trammell |
| Bulkley | Gore | Murray | Truman |
| Bulow | Guffey | Neely | Tydings |
| Burke | Hale | Norbeck | Vandenberg |
| Byrd | Harrison | Norris | Van Nuys |
| Byrnes | Hatch | Nye | Wagner |
| Capper | Hayden | O'Mahoney | Walsh |
| Caraway | Holt | Overton | Wheeler |
| Chavez | Johnson | Pittman | White |
| Clark | King | Radcliffe | |
| Connally | La Follette | Reynolds | |

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Eighty-six Senators have answered to their names. A quorum is present.

The question is on the motion of the Senator from Oklahoma [Mr. GORE] to lay on the table the amendment of the Senator from Alabama [Mr. BANKHEAD].

The motion to lay on the table was agreed to.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 946. An act to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana";

S. 3184. An act to provide for the immediate settlement of the obligation of the Joe Graham Post of the American Legion arising out of the purchase of the Ship Island Military Reservation; and

S. 3374. An act for the relief of the State of Indiana.

The message also announced that the House had passed the bill (S. 2521) amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 8587) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The message also announced that the House had passed a bill (H. R. 7678) to authorize the Director of the Mint to supplement the approved design of the 50-cent piece commemorating the two hundredth anniversary of the birth of Daniel Boone, the coinage of which was authorized by act of the Seventy-third Congress (Public, No. 258, S. 3355), in which it requested the concurrence of the Senate.

### ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 3019. An act to amend "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269);

H. R. 6732. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes;

H. R. 7199. An act to provide for the donation of certain Army equipment to posts of the Veterans of Foreign Wars;

H. R. 7709. An act to provide time credits for substitute laborers in the Post Office when appointed as regular laborers;

H. R. 8632. An act to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River, to provide for reforestation and the proper use of marginal lands in the Tennessee Valley, to provide for the agricultural and industrial development of said valley, to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933; and

H. R. 8651. An act to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes.

### STABILIZATION OF BITUMINOUS-COAL-MINING INDUSTRY

The Senate resumed the consideration of the bill (H. R. 9100) to stabilize the bituminous-coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties.

Mr. MINTON. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 14, lines 16 and 17, to strike out "Illinois, district 10; Indiana, district 11; Iowa, district 12;

On page 14, between lines 19 and 20, to insert "Area 2: Illinois, district 10; Indiana, district 11; Iowa, district 12";

On page 14, line 20, to strike out "2" and insert "3";

On page 14, line 22, strike out "3" and insert "4"

On page 14, line 23, strike out "4" and insert "5"

On page 14, line 24, strike out "5" and insert "6"

On page 15, line 1, strike out "6" and insert "7";

On page 15, line 2, strike out "7" and insert "8";

On page 15, line 3, strike out "8" and insert "9";

On page 15, line 4, strike out "9" and insert "10."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. MINTON].

Mr. MINTON. Mr. President, the purpose of this amendment is simply to take from minimum price area no. 1, as established by this bill, on page 14, the States of Illinois,

Indiana, and Iowa, and to create a new area, no. 2, and to renumber the areas as provided in that section. This new alinement of the States of Illinois, Indiana, and Iowa would conform entirely to the set-up under the code.

I will not take the time of the Senate to discuss the amendment further, as I understand it is acceptable to the sponsors of this bill.

Mr. NEELY. Mr. President, on behalf of economy of time, the sponsors of the bill accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. MINTON].

Mr. MURPHY. Mr. President, I should like the RECORD to show, as evidencing the great interest in this amendment in this Chamber, that it was discussed, so that when it shall reach the conferees they, as well as the Members of the two Houses, will not be under the impression that the Senate was not interested in and concerned about it.

I received this morning a telegram from the Iowa Coal Operators Association commenting on and commending what I said yesterday in criticism of the present constitution of the areas. The telegram reads:

DES MOINES, IOWA, *August 22, 1935.*

Senator LOUIS MURPHY:

Every Iowa coal operator greatly pleased about your speech on Guffey bill. Your conception of its unfairness to Iowa is well founded. Including Iowa in cheap cost eastern market area gives Iowa no protection on minimum prices to be established. Tonnage vote gives East, with overwhelming majority, chance to put Iowa out of business if competitive differentials account freight are disturbed. Guffey bill with increased labor cost, with Iowa unmechanized, will increase Iowa's cost approximately twice as much per ton as eastern fields. The tax on a percent of selling price, not including freight, makes tax approximately two times per ton for Iowa compared with East.

IOWA COAL OPERATORS ASSOCIATION.

Mr. President, I desire it to be known that if I shall vote for this bill, on its final passage, I shall be doing so on the theory that the amendment offered by the Senator from Indiana [Mr. MINTON] accomplishes the end sought, and will be retained in the bill in conference.

Mr. McNARY. Mr. President, I inquire what is the status of the amendment offered by the Senator from Indiana?

The PRESIDING OFFICER. It is the pending question, and the Chair was just about to submit the question to the Senate.

Mr. McNARY. I think some further statement should be made regarding the amendment. When it was read by the clerk, I took it that an effort was being made to exclude certain territory from the operations of the bill. If that be true, it is a rather unique and unusual way of legislating. I should like to have the Senator offering the amendment discuss the proposal so that we may know what it is proposed to do.

Mr. MINTON. Mr. President, this amendment simply intends to take from area no. 1, as presently constituted in the bill, the States of Illinois, Indiana, and Iowa, and to set them apart in another area, but not to exempt them at all from the operations of the bill. They were so grouped in their operations under the code; that arrangement was found to work very satisfactorily in that instance, and their relation in the mining of coal is so close that it was felt that they should be so grouped by this bill.

Mr. McNARY. I am very glad to state to the Senator that I can see no objection to that kind of an amendment.

Mr. BAILEY. Mr. President, I should like to ask the Senator from Indiana, in view of the communication read a moment ago by the Senator from Iowa [Mr. MURPHY] just how his amendment affects the matter? Does the amendment place the States referred to in the amendment in a different relationship to the State of Pennsylvania from that in which they stand in the bill?

Mr. MINTON. Yes; so far as the minimum-price area is concerned.

Mr. BAILEY. So the Senator is trying to remove the very plain consequence of the bill as written of giving Pennsylvania a bituminous coal monopoly in America? I sympathize with the Senator. [Laughter.]

Mr. MURPHY. I desire to say that the Senator from North Carolina has described the situation exactly.

Mr. BAILEY. I am very happy there was a little laughter at the point by good friends of mine who did not realize how seriously it was made. Here is the Senator from Iowa who corroborates my statement, and I made the statement not upon a guess but upon a careful reading of this bill. I am now speaking on the amendment. If this bill shall pass, it will give Pennsylvania a monopoly of the bituminous coal-mining industry in America at the expense of 125,000,000 consumers.

I intend to speak on the bill, but I am now speaking on the amendment. I rose merely to say that I sympathize with gentlemen in their efforts to protect themselves from the adverse effects of the monopolistic character of the bill.

Mr. DIETERICH. Mr. President, this amendment, beyond any question, will remove an injustice so far as Indiana, Iowa, and Illinois are concerned. This amendment will take them out of the minimum-price area in which West Virginia and Pennsylvania would otherwise be. There is no question but what without this amendment the bill, if enacted, would raise the price of coal not 2¾ cents, as was stated yesterday, but more than that many dollars. It would raise the price upon the fuel of the poor and the average citizen.

I expect to support this amendment, but, while supporting the amendment, I desire to say that the bill contains other injustices of such a character that I cannot see my way clear to support it.

I live in a little town of some 8,000 people. Around that town are located some local mines which transport their coal—which, perhaps, is not of as good quality as that the dealers sell—on trucks to the local coal dealers and to the coal bins of the citizens of my city. The close proximity of those mines enables those who use coal to obtain fuel at a very reasonable price. Yet this bill seeks to tax those producers who in no way can be considered as being engaged in interstate commerce and whose activities have in no way any effect on interstate commerce, unless interstate commerce can be employed to give someone a monopoly of their coal market and take this local activity away from my people.

I am against the bill because Illinois coal is an intrastate product, and I am not for nationalizing it. Illinois produces coal, she has her market within the borders of her own State, and but a very small percentage ever finds its way outside the State for consumption or through the channels of interstate commerce. I am not going to support any measure which will increase the price of fuel to my people, for they will receive no benefit whatever, but will only suffer from the increased price of coal. If this bill were amended, and I have thought of submitting such an amendment, so that the tax would apply only to coal consumed outside the borders of the State or that which found its way through the channels of interstate commerce, I could support the measure, but it is impossible to draw an amendment of that character without rewriting the entire bill.

However, if there is anything the Supreme Court has spoken clearly upon it is that the Congress has no right, under the interstate-commerce clause of the Constitution to tax an article that does not move in interstate commerce. You may try any way you may to make this bill constitutional, but it cannot be done. Congress cannot deny to the people of the sovereign States the right to use their own resources for their own purposes.

While the amendment now pending, as I have said, removes a probable design of the bill to turn the Illinois, Iowa, and Indiana market over to the mercy of the eastern coal producers, it still leaves the remainder of the eastern United States to their mercy.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana [Mr. MINTON]. [Putting the question.]

Mr. MURPHY. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The Senator from Iowa demands the yeas and nays.

Mr. MURPHY. I withdraw the request for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment.

Mr. KING. Mr. President, a few moments ago I asked the Senator from Idaho [Mr. BORAH] if the bill before us does not contain price-fixing provisions. I understood him to indicate that he would be glad to be advised of provisions in the bill which were calculated to fix the prices upon coal. I shall not have time under the limitations imposed upon debate to point out the many provisions of the bill which are intended to fix prices but which, if the bill shall be enacted into law, will permit price fixing. As a matter of fact the philosophy of this bill is that which was written into the N. R. A.; indeed many of its provisions are more obnoxious to personal and individual rights than those found in the N. R. A.

The N. R. A. sought to regiment individuals and to subject the business activities of the people to an oppressive Federal control. It was entirely alien to American traditions and to legitimate business concepts; it created obstacles to industrial development and retarded the movement from the depression to improved economic and industrial conditions. Its constitutionality was challenged, as the constitutionality of this bill undoubtedly will be challenged. The provisions of the N. R. A. contained provisions for the delegation of legislative authority, and, as held in the Schechter case, violated, in many points, the rights of individuals and, for that matter, of communities. I repeat, this measure goes further than the N. R. A. and imposes greater restrictions upon individuals than are found in the N. R. A.

Fortunately, one of the provisions of the original Guffey bill, which sought to create a coal monopoly and to confer upon producers and employees power which, under our form of government and under any proper economic system, is oppressive, has been eliminated; but the bill before us still has monopolistic features and provisions which invade individual rights and are at variance with the theory upon which democratic institutions are founded. That the bill is unconstitutional, it seems to me there can be no doubt. I have not time at the moment to point out the provisions which are violative of the Constitution and, as I have stated, infringe upon the rights of individuals and communities.

The struggle nowadays in this and in other countries is to preserve civil and political liberty—the rights of individuals and the rights of minorities. There is developing a cult which believes in group movements, aimed at the destruction of the States and the consolidation of all political power in the National Government. Recently an American who had visited Europe stated upon his return that the tendency of all European governments was toward centralized authority, and therefore we should follow the same path. Italy has a totalitarian state and in Germany the various states have been obliterated, and Hitler is the source of all political authority and power. The struggle for centuries was for personal and individual liberty—for civil rights.

Little by little the liberal forces weakened autocratic power and finally, in many counties, succeeded in establishing democratic forms of government. I have heard it said that Jefferson gave us the Democratic Party but that the principles upon which it was founded are being abandoned for policies and political and social philosophies repudiated in the past. Writers like Bryce and Macaulay have warned against the forces which would arise to overthrow democratic institutions and republican forms of government. That we are in a condition of ferment all will admit, and the cries of the opponents of constitutional government are heard in all parts of the land. It cannot be denied that socialistic movements have been inaugurated, and unfortunately in some parts of our country are obtaining no little support.

In my opinion the bill before us will not prove of benefit to the producers, to the mine operators, or to the mine employees, and it will seriously injure the consumers. It will prove a disappointment, and in the end, if democratic institutions are to prevail and civil and individual liberty is to be enjoyed, the philosophy upon which it is founded will be abandoned and its repeal will be assured.

I have stated that this bill rests upon the theory that minorities in groups are to be subservient to the demands of the majority; that coercion may be applied to compel obedience to the rules and regulations that are to be framed, and to a system of regimentation destructive of personal and individual rights enforced upon producers and employees.

I repeat that price fixing is one of the cornerstones in the system which the bill seeks to create. The bill contemplates that penalties shall be inflicted upon those who fail to comply with the terms of the bill, who fail to sign the code and to submit to the orders of the bureaucratic mechanism which is to be established.

An examination of the bill, in my opinion, justifies the assertion that it provides a system of boycott ruinous to producers and various groups and agencies engaged in legitimate business which do not subscribe to the codes and rules and regulations which will be formulated and enforced if this bill shall be enacted into law. The measure seeks by coercion to compel all producers to subscribe to the code and to follow the rules and regulations that the bureaucratic authority to be created shall prescribe.

I repeat that the bill is shot through with provisions to compel all producers of coal and all employees in coal mines to submit to codes and rules, regulations, and decrees aimed at eliminating all independence upon the part of producers. A powerful central organization is created by the bill, and smaller organizations are to be formed.

Marketing agencies are to be established; but all of the boards, bureaus, or agencies are subordinate to the central organization, whose authority is compelling. In each district the board shall, when directed by the commission, establish minimum prices for all kinds, qualities, and sizes of coal produced within the district. Full authority is given to make classification of coals and price variations as to mines and consuming market areas, as it may deem necessary. The commission may determine the quality, kinds, and sizes of coal, and it is to have full authority to establish minimum prices, and to make classifications of coals and price variations as to mines and consuming market areas.

The Senator from Indiana [Mr. MINTON] was right when he, a few moments ago, sought an amendment to the bill because he realized within its terms his State would suffer irreparable injury. It is contended by those familiar with the bill and with the coal industry that, in its present form, Pennsylvania and certain parts of West Virginia will possess advantages denied to other States. In other words, as I have been advised, these States are to be advantaged at the expense of other States.

The section from which I have read further provides that—

> Steps shall be taken so as to yield a return per net ton for each district in a minimum-price area as such districts are identified, and such area is defined in the subjoined table designated "Minimum-price area table."

The United States is divided into districts. Minimum-price areas and marketing areas are defined, and unlimited authority and power is conferred upon the bureaucratic forces created by this bill, who will directly or indirectly carry into effect the rules and regulations for the purpose of establishing maximum and minimum coal prices.

Page 15, line 5, states:

> The minimum prices so established shall reflect as nearly as possible the relative market value of the various kinds, qualities, and sizes of coal—

And so forth. On page 17 it is provided that:

> * * * Each district board shall, on its own motion, establish reasonable rules and regulations incidental to the sale and distribution of coal by code members within districts. * * *

Senators will perceive that code members are those who subscribe to the bill, and obviously those who do not will be outlaws.

On page 17 it is further provided that—

Rules and regulations are to be established to coordinate in common consuming market areas, upon a fair competitive basis the minimum prices—

And so forth. On page 19 it is stated that—

The Commission may establish maximum prices for coal in order to protect the consumer of coal against unreasonably high prices, and the Commission shall have the right to fix maximum prices for coal in any district.

It appears therefore that not only minimum but maximum prices may be fixed by the commission, and departures from those prices, as the bill provides, will be regarded as violations of the codes which are to be formed.

The bill provides that the commission is to judge what is to be a reasonable return, and the bill contains many factors which are to be considered in determining what shall be a reasonable return. The producers may not decide, but an autocratic organization is to determine by rules and regulations what the various producers shall be entitled in the operation of their mines.

On page 21 it is stated that "the minimum prices established in accordance with the provisions of this section shall not apply to coal sold by a code member and shipped outside the domestic market."

This seems to give a little relief from minimum prices where a code member finds a market outside of the United States.

On page 22 it states:

All sales and contracts for the sale of coal shall be subject to the code prices herein provided for and in effect at the time of the making of such sales and contracts. The Commission shall prescribe the price allowance to and receivable by persons who purchase coal for resale, and resell it not less than cargo or railroad lots.

The bill gives the organization, and the organizations herein provided for, authority to determine the prices, maximum and minimum, to grade coal, and to determine all the factors which are involved in the fixing of prices.

On page 40 it is declared that—

No coal may be delivered upon a contract made prior to the effective date of this act at a price below the minimum price at the time of delivery upon such contract as established pursuant to part II of section 4 of this act, and that such contract shall be invalid and unenforceable.

In other words, it seems that the bill is to be retroactive and contracts are to be declared invalid although entered into before this bill becomes a law.

There are numerous provisions in the bill—one on page 41—which, in effect, boycotts all persons who do not subscribe to the terms therein. The bill declares that no "bituminous coal shall be purchased by the United States or any department or agency thereof, produced at any mine where the producer has not complied with the provisions of the code set out in section 4 of the act." Producers which may have been operating their mines for years and have dealt fairly and equitably with their employees and with their patrons, unless they accept the provisions of this act and come under the provisions of the code, are to be boycotted.

It seems clear to me that one of the purposes of the bill is to destroy every producer who refuses to pay the so-called "tax" provided for in the bill. The destruction of the producers would undoubtedly injure their employees and communities; but the bill is to be coercively employed to force every producer into a powerful machine which the bill seeks to create. I might add that the so-called "tax" is not a tax but a penalty—a fine—and the provision pretending to impose a tax cannot be regarded otherwise than a coercive scheme to compel individuals and minorities—indeed, perhaps majorities, in many sections—to accept the terms of this measure.

Mr. GORE. Mr. President, may I ask the Senator from Utah a question?

Mr. KING. I think my time has expired; but if not, I yield.

Mr. GORE. Does the Senator mean that the coal operator might be willing to sell coal to the Government at a lower price, and yet could not do so under the terms of this bill?

Mr. KING. Undoubtedly.

Mr. President, I do not think I exceeded the time limit.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

Mr. BAILEY. Mr. President, I have been hearing of the Guffey bill for a long time—I think for 6 or probably 10 weeks. I always heard, in connection with it and by way of argument for it, the statement that it would very greatly increase the wages of suffering miners in Pennsylvania. I heard a great many other things, but I heard that especially.

Mr. KING. Mr. President, if the Senator from North Carolina will yield, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. BAILEY. No, Mr. President. We have just as many Senators here as we shall have. I thank the Senator, but I intend to speak very briefly.

Yesterday when the author of the bill was presenting it to the Senate I asked him the following question:

One of the objects of the bill is to increase the wages of the coal miners. Is not that true?

The distinguished junior Senator from Pennsylvania [Mr. GUFFEY], on the floor at the time, answered:

No; the present wage scale will continue.

Then I asked him:

There is no intention of providing any increase?

And the Senator answered:

That would be a matter of negotiation between the mine owners and the workers.

I think we may take the word of the author of the bill, who stated here on the floor yesterday—his statement is to be found at page 13948 of the CONGRESSIONAL RECORD—that there is no intention whatever here of increasing the wages of any miners.

I will agree that when I heard about the bill, and in a general way got the impression that there was some real intention of helping the mine workers, I could not withhold a disposition to look with some favor upon the proposal; but when I am told by the author of the bill in the Senate, and when the Senate is told that there is no intention whatever to increase their wages, I cannot imagine any other justification for supporting the measure.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. BARKLEY. The author of the bill is temporarily absent, trying to get a bite to eat. I do not think he meant to convey the impression that under the bill wages might not be increased. I think what he meant to say was that the primary purpose of the bill is not to increase the wages of the employees, but to stabilize the coal industry generally, which will be beneficial to operators and miners alike in probably affording them more employment, even at present wages, than they have heretofore, especially in some recent years, been able to obtain.

Mr. BAILEY. Mr. President, of course I regret that the junior Senator from Pennsylvania is absent at this time; but that is not my fault. I had to speak at this time because the bill was about to be voted on. I wish he were present. However, the CONGRESSIONAL RECORD for yesterday is on the desks of Senators. The statement of my distinguished friend the Senator from Kentucky is very worthy of him; but I am going to say to him in all candor that if he will read the RECORD he will see that his statement is not at all borne out by the RECORD. I refer to the RECORD of yesterday, at page 13948, where the statement was repeated over and over again that the bill is not intended to increase the wages of the miners.

Mr. President, with that motive gone and with that inducement gone, I will leave the matter right there. There may be other reasons for supporting the proposed legislation. I heard the senior Senator from West Virginia [Mr.

NEELY] urge us to vote for it in order to avert a strike. I do not intend to respond to coercion, here or anywhere else. The answer to a threat is a defiance, and that is the only answer. I do not wish to say anything that would offend people elsewhere, or here either; but I am not going to vote for any legislation, under any circumstances, to avert a strike or to avert any other manifestation of violence. That is not an argument for legislation.

Mr. GORE. If we do that once, we cannot avoid doing it repeatedly.

Mr. BAILEY. As the Senator from Oklahoma says, if we do that once we shall always be doing it. Of course we shall. When a man begins to retreat before threats, he will wind up where Tito Miléma wound up—pursued through his life, and dying by the banks of a stream at the hands of murderers. That is always the coward's fate, and the Almighty meant it so; and I think it is a good thing.

So we lose that motive also. What motive have we left for supporting the proposed legislation? No argument for wages, and certainly no argument by way of responding to coercion; and they are the principal arguments that I thought were here, one coming from the junior Senator from Pennsylvania [Mr. GUFFEY], and the other coming from the senior Senator from West Virginia [Mr. NEELY], and each of them being far to the fore in behalf of this legislation.

With that behind me, I am going to say that I strove with all diligence yesterday here on the floor, and in the best of faith, to ascertain from Senators advocating the proposed legislation just what this measure would cost the consumers of coal in America; and the Senate bears witness and the CONGRESSIONAL RECORD testifies that I could get nothing definite. I was left to my own resources. No one would tell me, if anyone knew.

I am going to take a risk at this point. I find on my desk this morning—who placed it there, I do not know—a pamphlet purporting to be an analysis of the Guffey-Snyder bill, published under the auspices of a committee against the Guffey coal bill, H. R. Hawthorne, chairman. I know nothing about the committee, and I do not know Mr. Hawthorne. This is the first time I ever saw this pamphlet; but I am going to read into the RECORD what this pamphlet—for which certainly there is a responsibility assumed—says:

That the administration of the bill will cost 2½ cents a ton.

District code expense, 2½ cents a ton.

Interdistrict price-fixing cost, 16 cents a ton.

Intradistrict price-fixing cost, 25 cents a ton.

Coordination of prices, 44½ cents a ton.

Accounting methods, 15 cents a ton.

That makes $1.05 a ton. Then, to that, the pamphlet adds:

Total estimated wage increase if Guffey bill is passed, 45 cents a ton.

A total increase to the consumer of $1.50½ a ton.

I do not know; I should not estimate the increased cost so high. I understand that in the House committee the estimate was as low as 60 cents a ton, but no lower, and as high as $1.10 a ton. We did get the evidence here yesterday that there are 385,000,000 tons of coal mined annually in America.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Massachusetts?

Mr. BAILEY. I do.

Mr. WALSH. Is that the increase at the mine?

Mr. BAILEY. This is the increased cost per ton, I take it, in the mine trade; yes. There are no retail taxes here.

Mr. WALSH. It does not represent what the increase might be when the costs are pyramided?

Mr. BAILEY. No; I should not say so. But let it go at 60 cents a ton, and 300,000,000 tons domestically consumed. That is $180,000,000; and if these figures are correct, the miner would get in the ratio of 45 to 150, which is practically a third. That is all he would get. The remainder would be absorbed somewhere; and it is my suspicion, though I am not prepared to say affirmatively, that the Senator from Idaho [Mr. BORAH] placed his finger upon the sore spot here when he pointed out that this bill abrogates the antitrust law and places it in the power of others than the free course of trade to determine the prices paid by the millions by the firesides of America who must have coal to protect themselves from the winter.

Mr. President, that is all I wish to say, except one thing: I have here the RECORD of the Senate of June 13, 1934, in which appears, on page 11339, a very significant statement in the progress of our affairs. It reads as follows:

> When industry is government and government is industry the dual conflict deepest in our modern institutions will be abated. This is one of the basic reasons why the prospect of a planned economy is so congenial to every other hope and belief I have.

I might invoke, reverently, of course, a word from the Scriptures, and say, this day in this bill is this Scripture fulfilled in your ears.

The statement I read was the statement made by Prof. Rex G. Tugwell, the Under Secretary of Agriculture.

Mr. President, this bill plainly proposes to make the coal industry government and to make this Government this industry; and the next step—the bill is already prepared—will be to take another industry—that is, the textile industry—and then the next and the next, until the program, against which protests have been made from time to time here, the program the vital power of which is stated in this sentence, "When industry is government and government is industry", its goal and the ideal, will be fulfilled and accomplished.

Mr. President, since it is admitted by the author of the bill that it will not increase the wages of the miners and no good can be accomplished in that way, and since every Senator here has reason to believe that it is without the sanction of the Constitution of our country and is contrary to the American spirit as we have known it for a century and a half, I hope that we can defeat the legislation proposed. Its defeat would be a signal relief, a source of inspiration to men and women working, standing on their own, trying to solve the depression in their own right and by their own capacity, asking only for things like this to be taken from over them; asking only that their arms may be free in order that they may deliver themselves.

I repeat, Mr. President, I hope that the proposed legislation may be defeated.

Mr. NEELY. Mr. President, I offer a perfecting amendment to meet the objection raised by the Senator from Oregon [Mr. STEIWER] this morning. The purpose is to clarify the language of the bill.

In the sentence beginning in line 11 on page 4, I move to strike out, on line 13, after the word "office", the words "none of whom shall be related to any member of the Commission, within the third degree by blood or marriage"; in line 19, after the word "assistants", to insert a comma and "none of whom shall be related to any member of the Commission by marriage or within the third degree by blood"; and in line 15, after the word "shall" and the comma, to strike out the word "without" and insert "with due", so that the part which I am seeking to amend will read as follows, beginning on line 11:

> Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. The commission shall, with due regard to the provisions of the civil-service laws or the Classification Act of 1933, as amended, appoint and fix the compensation and duties of a secretary and necessary clerical and other assistants, none of whom shall be related to any member of the commission by marriage or within the third degree by blood.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from West Virginia.

The amendment was agreed to.

Mr. WALSH. Mr. President, I should like to ask the Senator in charge of the bill a question before I propose an amendment I have in mind.

Is it a fact that the provisions of the bill exempt the employees of the commission proposed to be set up from the civil-service laws and from the Classification Act?

Mr. NEELY. The exemption is contained in the section, which reads:

> The commission shall, without regard to the provisions of the civil-service laws or the Classification Act of 1923, as amended, appoint and fix the compensation and duties of a secretary and necessary clerical and other assistants.

Mr. WALSH. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 4, line 15, after the word "shall", to strike out the word "without" and to insert the words "with due", so as to read:

> The commission shall, with due regard to the provisions of the civil-service laws or the Classification Act of 1923, as amended, appoint and fix the compensation and duties of a secretary and necessary clerical and other assistants.

And on page 6, line 20, after the word "authorize", to strike out the word "without" and to insert the words "with due", so as to read:

> (3) Within the limitations of such appropriations as the Congress may from time to time provide, the counsel is authorized, with due regard to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation and duties of such assistants and clerks, and is authorized to make such expenditures as may be necessary for the performance of the duties vested in him.

Mr. WALSH. Mr. President, I think Senators on this side of the Chamber must realize that we have a sufficient number of issues for the coming election without being accused of abandoning the principles of the Classification Act and the civil-service laws. It has been my observation here that in all the proposals for the creation of new boards and new commissions submitted to us, invariably every one of them has exempted the employees from the Classification Act and from the civil-service laws. On at least two occasions I have, upon this floor, called attention to that situation, and have offered curative amendments which the Senate has adopted.

Recently a bill passed, and is now on its way to enactment, and will become law, if the conferees shall be able to agree, providing that the employees of the so-called "Alcohol Control Board" shall be exempt from the civil-service laws and from the Classification Act. Of all employees, these should be under civil service, for none are subjected to greater temptation or influence of favoritism.

I can understand and appreciate that in all the temporary departments of the Government, in the emergency departments, it may be impracticable to maintain civil-service standards, but when it comes to permanent boards what justification can there be for disregarding the civil-service laws?

Let us be honest about the matter. If we who are in control of the Government are against the civil-service principle, let us pass a general law exempting all employees in all departments and return to the spoils system. If we are against the Classification Act, let us pass a general law, and not pass a law which provides, as in this case is proposed, that the employees of this board shall not be subject to the civil service, and not even be obliged to receive the salaries which are fixed for comparable services in all other departments of the Government.

The Classification Act seeks to give to experts, attorneys, stenographers, secretaries, assistant secretaries, clerks, department chiefs, and like employees, uniform salaries throughout all the departments. The removal of a bureau from the Classification Act means that the bureau can pay salaries greatly in excess of those paid to employees in other departments performing the same labor.

We cannot justify that. If we really are against the civil-service laws and the Classification Act, I repeat, the honorable and manly thing to do is to repeal the civil-service laws and the Classification Act and let us have the whole thing open to spoilsmanship, and let the various bureaus fix any salaries they may see fit to fix.

There are enough abuses now in the matter of salaries in the emergency departments. Someone called my attention to a matter which I shall mention. I do not know how true it is, but it shows to what absurdity we can go. I have been told that there is one employee of this Government rated as an expert in an emergency department who is receiving $12,000 a year, and his job is to drive his superior officer to and from his office. That may be extreme, the statement may be false, and perhaps I should not even repeat it, because it seems to be so absurd; yet it is possible in a commission where the Classification Act is not in operation to pay any salary the commission chooses, without limitation and without restriction.

I remember that at some time in the past the Senator from Wyoming [Mr. O'MAHONEY] called attention to the fact that as an Assistant Postmaster General he was under the Classification Act, and was obliged to receive and did accept the salary fixed by the Classification Board, which determines the salaries under that act. Yet in other departments, not under classification, higher salaries than his were paid. It would be possible, under this bill, for one not having half the duties and responsibilities of an employee under the Classification Act to receive twice the salary.

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. DIETERICH. Does the amendment reach both the consumers' counsel and the labor board?

Mr. WALSH. It does.

Mr. DIETERICH. I call the Senator's attention to the fact that on page 4 it is provided:

> The commission shall, without regard to the provisions of the civil-service laws or the Classification Act of 1923, as amended, appoint and fix the compensation and duties of a secretary and necessary clerical and other assistants.

Mr. WALSH. Yes.

Mr. DIETERICH. Then, on page 27 like authority is given to the labor board:

> The labor board shall, without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, appoint and fix the compensation and duties of a secretary and necessary clerical and other assistants.

That means they may fix the compensation as they please, so that under this measure those performing the same duties performed by other Government employees may receive twice the amount in salaries.

Mr. WALSH. The Senator is absolutely correct, and if my amendment shall be adopted I will present a similar amendment to the language on page 27 of the bill. I hope it will not be necessary to prolong the debate on this amendment. I ask those in charge of the bill if they are not willing to accept the amendment?

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. O'MAHONEY. I interrupt the Senator to request that the amendment which has been offered by the Senator be restated by the clerk. I happened to be out of the Chamber when the Senator proposed the amendment.

Mr. WALSH. I can state it very briefly to the Senator. The pending bill exempts the employees of the commission from the Classification Act and the Civil Service Act. My amendment puts them under the civil service and under the Classification Act. It must have been an oversight not to have made the same requirements in regard to this board which have been made with respect to all permanent commissions, so I ask the Senator from West Virginia if he is not willing to accept the amendment?

Mr. NEELY. So far as I am concerned, the amendment is accepted now if that will end the debate and enable us to have a vote on the bill.

Mr. WALSH. It may be important to get a vote on the bill, but it is also important to see that Government employees are all treated alike.

Mr. NEELY. I fully appreciate that fact, but it is also very important to get a vote on the bill.

Mr. NORRIS. Mr. President, so the Senator may not be misled, before he agrees to that I wish to be heard briefly.

Mr. WALSH. I yield the floor to the Senator from Nebraska.

Mr. NORRIS. I am very much in favor of the amendment offered by the Senator from Massachusetts. I wish to say a few words in order that they may be in the RECORD, and that when the bill goes to conference, if it does go there, it will appear that not only one Senator spoke in the Senate in favor of the amendment. If there is one thing which it seems to me we ought to do, but which we often do not do, it is to put the language offered by the Senator from Massachusetts in all bills by which permanent bureaus, or bureaus which are anywhere near permanent, are created. In a temporary set-up, where the work is going to be only temporary, where it is going to last only for a short time, I can see that it might be advisable to incorporate such a provision; but it ought to be in every bill which proposes to erect a permanent governmental establishment. Although a party in power may make a political machine of governmental offices, yet the chickens will always come home to roost. When a political party has nothing to keep it together except holding public office, the elements of death are already upon it. No such party can permanently live, because it is founded upon a false principle.

I understand that in England a few years ago the Government was completely captured by the Labor Party, but in all the empire that change in party brought about less than 10 changes in official life. It is clearly foreign to good government everywhere to make wholesale changes of employees when changes in government occur. The civil service has its faults. I concede that it has. Many sins are committed by civil servants. But if it were not for the fact that the Government uses civil servants to the extent it does, it would almost be impossible for the Government at times to function.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. O'MAHONEY. I desire to interrupt the Senator merely to say that it has been my experience and observation that exemptions from the Classification Act and the civil-service law which have been provided by some of the acts previously passed by the Congress, have not served to build up any political organization whatsoever, but have resulted merely in turning the appointive power over to the friends of those who happened to be on the commission, and appointments have been made absolutely without regard to political affiliations of any kind.

Mr. NORRIS. They ought to be made without regard to political affiliations.

Mr. O'MAHONEY. I agree with the Senator, and the appointments ought to be made under the civil service.

Mr. NORRIS. And the appointees ought to be paid salaries in line with the salaries which are provided for other governmental officials and employees performing like service.

I know it is always easy, Mr. President, to cry out in the name of politics that we are only going to put good men into office, and I concede that many men who are politicians, who are Senators, governors, and members of political committees follow that rule. But it never will be efficient in the end. It always leads to inefficiency, and often to corruption, and always to extravagance. In the end, no matter what party may be in power at the time, we shall always spend more money by having officials who put their friends into office, increase their salaries, and fix salaries for them different from those which are fixed for Government employees in other lines.

I most heartily hope that when this amendment shall go to conference the conferees on the part of the Senate will realize that the Senate is behind them, and that they should insist on this amendment going into the bill. When this amendment shall have been adopted I ask the Senator from Massachusetts to prepare another amendment for another place in the bill, which I think is on page 27, and let that amendment be offered also.

Mr. WALSH. As soon as the pending amendment shall have been agreed to I shall offer another amendment.

Mr. NORRIS subsequently said: Mr. President, I ask unanimous consent that, in connection with my remarks made on the amendment of the Senator from Massachusetts [Mr. WALSH] relative to the civil service, there may be printed in the RECORD an editorial which appeared in the Lincoln Star, one of the leading Democratic newspapers of the United States.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Lincoln (Nebr.) Star, Aug. 17, 1935]

DEMOCRATIC HARI KARI

There appeared in this column of the Star Friday excerpts from a letter written by a prominent Democratic leader in Nebraska, giving one of the subordinate officials in the new works administration the devil because his brother-in-law had not been taken care of through appointment to a position. He is a man who has had a great deal to say in a critical sense about the F. E. R. A. program in the State, insisting it was manned by Republicans. He had more to say about the indignation of the rank and file of the Democratic Party, but the substance of his song was that he wanted to know whether the brother-in-law was going to get a job.

While the results of a congressional defeat for the Roosevelt administration in a special election in Rhode Island are being given interpretation in a thousand different ways, it might be well to read what a distinguished Washington correspondent of an equally great American newspaper has to say was the cause of an overturn of a smashing Democratic majority 2 years ago into an impressive Republican victory. The ever-painstaking, accurate, and uncanny T. C. Alford, of the staff of the Kansas City Star, assigns two reasons for the Rhode Island explosion:

First. A Republican appeal to a class of voters entirely industrial in their occupations inciting their wrath against the A. A. A. program, particularly the processing taxes imposed to pay benefits to farmers participating in the program of acreage reduction.

Second. Patronage troubles. On this point Mr. Alford wrote:

"It has also been charged that the Democratic leaders in Rhode Island, and as well in Massachusetts, Connecticut, and New York, have taken big patronage plums for themselves and have actually turned hundreds of old officeholders out of their jobs. In Rhode Island employees who had served for 20 years ruthlessly were tossed out of office by the Democratic machine."

Mr. Alford might just as well have written that about Nebraska as the States mentioned, with one exception. In Nebraska it has not been so much the case of grabbing off patronage plums for the leaders themselves as it has been attempting or plugging offices with kin and with political henchmen. The letter referred to in the opening paragraph of this article furnishes a shining example. Its author not only insisted that a brother-in-law should be provided with a governmental job but he desired a position sometime ago for another relative.

In Nebraska the situation has been even more complicated. It is no dark secret that in 1934 an intense factional fight developed. It was time for a truce when the election determined the outcome. Even had it continued only as a scrap between the leaders on both sides, it would not have been so destructive, but it has been permitted to percolate down to the roots; to the humblest of individuals seeking appointment. Too frequently their fitness and their qualification for appointment have been determined solely by whether they belonged to this faction or that faction. That has been bad and if it is permitted to continue until 1936 it will have a decisive bearing upon the outcome.

Finally, there has been a determined effort on the part of some Nebraska Congressmen at Washington to utilize every governmental agency on which they could put their fingers for the purpose of building up a personal political machine. Of course, they were doing it for Mr. Roosevelt. Their votes on certain must legislation embraced in the President's program indicated how deeply they were concerned with his welfare and how much they sympathized with it. But they wanted their own bellwethers in the positions of importance—they, and they only, were qualified to carry out the administration's program. Just how much reliance could be placed upon them when the Congressmen insistent upon their appointments were voting in opposition to the President, and with an alert and militant Republican minority upon legislative measures which the White House said was urgent?

The Japs had a word for it—this business of falling upon one's sword. And that is what Democratic leaders in many States and Democratic Congressmen have been doing.

The administration of relief under Harry Hopkins was one of Mr. Roosevelt's undertakings. No one in Nebraska has complained that the job was not honestly handled. Few who will reflect and will weigh the magnitude of the undertaking would come to any other conclusion but that it was administered superbly. But it did not please the politicians. They wanted their henchmen in office. They wanted the jobs for their friends. They wanted to build up a machine which would bow to their will and do their bidding.

And they were willing even to go out and attack an administration program simply because they could not dictate who should have this job or that one.

Nebraska normally is more Republican than Democratic, and more liberal or progressive than either Republican or Democratic. It has been that independent, free-thinking vote which has settled elections in the State. But no Democrat, if he will be honest with himself, will fail to overlook that in addition to thousands of Progressives, scores of Republicans in every sizable community have been supporting the President and his administration. If the Democratic machine in Nebraska is to make the fatal mistake of forgetting those fundamental facts, it may prepare to pack its bag after November of 1936. The President deserves a kindlier fate than is being prepared for him by politicians who refuse to look beyond the ends of their noses. He has made a grand effort on behalf of the American people to assist them along the path of recovery.

Mr. SHIPSTEAD. I wish to call the attention of the Senate to the fact that we have in connection with such bills as the pending bill agreed to amendment after amendment to put the employees in the Civil Service; but when the bill comes back to the Senate, the amendment is out. As a result public service becomes a racket, a political racket, like a party racket, which is the biggest racket in the country today.

I wish to say a word in support of what the Senator from Nebraska said. The spoils system is polluting our civil government from top to bottom. In England when a party changes power 130 men go out and 130 men come in. The civil service continues there. That is why England has survived through all the tribulations and the struggles of her existence as a nation. I do not believe that the Congress or the present administration can afford to continue this racketeering in Government jobs.

Mr. O'MAHONEY. Mr. President, I must again say to the Senator from Nebraska, in view of what has been said by the Senator from Minnesota, that if there has been any racketeering in Government jobs it has not been on the part of any members of the present administration or of any political party. The appointments which have been made under exemptions of this kind have not been made by political party dictation or recommendation, but have been made, in the great majority of cases, by private favoritism of those who happened to be appointed. One of the chief causes for the wreck of the N. R. A. was that this exemption was used for the purpose of placing in positions of importance, in the so-called "key positions", men who were altogether out of harmony with the purposes of the administration.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. WALSH. I move now, in order to carry out the same intent, on page 27, at the end of line 16 and the beginning of line 17, to strike out the word "without" and to insert in lieu thereof the words "with due", so the sentence will read:

The Labor Board shall, with due regard to the provisions of the civil-service laws and the Classification Act of 1923—

And so forth.

Mr. NEELY. That amendment is acceptable.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. BANKHEAD. Mr. President, I send forward an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 15, line 8, to insert after the word "district" the words "and also between producers in competing districts."

Mr. NEELY. That amendment is also acceptable.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Alabama.

The amendment was agreed to.

## APPOINTMENT OF ENSIGNS IN THE NAVY

The PRESIDING OFFICER (Mr. ROBINSON in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 2521) amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy, which were, on page 2, line 4, to strike out "August" and insert "November"; on the same page, line 6, to strike out "appointed in 1933" and insert "of the Navy"; on the same page, line 23, to strike out "August" and insert "November"; and on the same page, line 24, to strike out "then in the service" and insert "of the Navy."

Mr. THOMAS of Oklahoma. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills and joint resolutions of the Senate:

S. 1483. An act for the relief of William E. Williams;

S. 2867. An act to reenact section 463 of the act of Congress entitled "An act to define and punish crime in the District of Alaska and to provide a code of criminal procedure for said district", approved March 3, 1899, and for other purposes;

S. 3386. An act for the relief of Helen Gallagher Dominian;

S. J. Res. 159. Joint resolution granting the consent of Congress to the States of New York, New Jersey, and Connecticut to enter into a compact for the creation of the Interstate Sanitation District and the establishment of the Interstate Sanitation Commission; and

S. J. Res. 163. Joint resolution to authorize the acceptance of bids for Government contracts made subject to codes of fair competition.

The message also announced that the House insisted upon its amendments to the bill (S. 872) for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KENNEDY, Mr. RAMSPECK, and Mr. GUYER were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7167) to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7709) to provide time credits for substitute laborers in the Post Office when appointed as regular laborer.

## ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 414. An act to convey certain lands and buildings to the city of Reno, Nev.;

S. 1374. An act relative to the proposed survey, location, and construction of a highway to connect the northwestern part of continental United States with British Columbia, Yukon Territory, and the Territory of Alaska;

S. 1448. An act for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918;

S. 2203. An act to promote the development of Indian arts and crafts and to create a board to assist therein, and for other purposes;

S. 2578. An act authorizing distribution of funds to the credit of the Wyandotte Indians, Oklahoma;

S. 2608. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act, as supplemented by the act of May 31, 1933;

S. 2644. An act for the relief of the estate of Harry F. Stern;

S. 2761. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon;

S. 2888. An act to provide for the disposition, control, and use of surplus real property acquired by Federal agencies, and for other purposes;

S. 3092. An act to provide funds for cooperation with White Bird school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 7167. An act to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes; and

S. J. Res. 65. Joint resolution to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended.

STABILIZATION OF BITUMINOUS COAL MINING INDUSTRY

The Senate resumed the consideration of the bill (H. R. 9100) to stabilize the bituminous coal mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties.

Mr. KING. Mr. President, I ask the Senator from West Virginia if he does not intend to offer an amendment dealing with the consumers counsel. The bill provides that he may appoint as many assistants and clerks as he pleases and may fix their compensation and duty. This is too much power to confer upon him.

While the Senator is looking for the provision, I shall offer an amendment. On page 41, commencing with line 12 and running through lines 13 and 14, I move that the words in those lines be stricken out, the words being—

> Unless such marketing agency shall have been approved by the commission provided in section 4 of this act.

As I interpret the provision of section 13, Mr. President, it permits combinations to be formed, which would be in restraint of trade, if the marketing agency shall have been approved by the commission. Reading section 13 will make, perhaps, more clear what I have in mind. Section 13 provides:

> Any combination between producers creating a marketing agency for the disposal of competitive coals in interstate commerce at prices to be determined by such agency or by the agreement of the producers operating through such agency, shall be unlawful as a restraint of interstate trade and commerce within the provisions of the act of Congress of July 2, 1890, known as the "Sherman Act", and acts amendatory and supplemental thereto—

With that provision I am in entire accord; but there follows—

> unless such marketing agency shall have been approved by the commission as provided in section 4 of this act.

So that nullifies or modifies the provision which prevents combinations which are in restraint of trade. It seems to me there ought not to be combinations, marketing or otherwise, that might be in restraint of trade, even though they secure the benediction of the commission.

The first part of section 13 declares what ought to be the law and what is the law, namely, that combinations in competing articles or in restraint of trade or which are monopolistic in character or which tend to monopoly are unlawful under the provisions of the Sherman antitrust laws and the Clayton Act.

The first eight lines of section 13 provide that combinations of the character therein indicated, by means of marketing agreements, are in violation of the law, but, notwithstanding, they violate the law, if those who thus combine can receive absolution at the hands of the commission to be created, the violations will be condoned; that is to say, in that event the producers are to be absolved from the terms of the Antitrust Act.

I think it would be very unwise to permit any provision to remain in this bill, in view of the unlimited authority which is to be conferred upon the commission and upon subordinate officials, which would directly, in any specific way, legalize acts in contravention of the terms of the antitrust law.

We know that there have been, as the Senator from Idaho [Mr. BORAH] said today, many combinations in restraint of trade. The antitrust laws have been flouted; they have not been enforced as they should have been. I shall not say where the fault lies, and whom we should blame, but it is conceded that trusts and monopolies have thrived in the United States to the disadvantage of the country. Here, however, in the case of an essential of life we are authorizing combinations, marketing agreements, which will tend to create and undoubtedly will create monopolies if the Commission say that that may be done. I submit, Mr. President, that the amendment which I have offered should be adopted. I hope that the Senator from West Virginia will accept the amendment.

Mr. NEELY. Mr. President, it is impossible for the Senator from West Virginia to accept the amendment, because, if it were adopted, the entire purpose of the bill would be defeated. One of the outstanding objects of this legislation is to end the ruthless, bankrupting competition which has for many years raged among coal operators throughout the country.

The wages of miners represent 65 percent of the cost of producing coal. All other mining costs are practically irreducible. Therefore, the warring operators habitually seek to recoup the losses of their disastrous competition by reducing the wages of their employees.

If the pending amendment prevails, the competitive warfare among coal operators and the slashing of miners' wages, which now average less than $57 a month, will, beyond the peradventure of a doubt, indefinitely continue. In the circumstances the friends of the bill should vote against the amendment.

Mr. DIETERICH. Mr. President, will the Senator yield for a question?

Mr. NEELY. Gladly.

Mr. DIETERICH. When the Senator talks about cutthroat competition he refers to those who are in the same marketing area who are trying to undersell each other. That is correct, is it not?

Mr. NEELY. I mean a majority of all the coal operators in the United States.

Mr. DIETERICH. I mean they compete with each other in the same market area?

Mr. NEELY. In every marketing area and in every conceivable way.

Mr. DIETERICH. Mr. President, I am now directing my thought to the bill. It refers to marketing areas, and, of course, the cutthroat competition this bill seeks to eliminate is on the part of those who are in the same marketing area and are underselling in the same market? That must necessarily follow, must it not?

Mr. NEELY. That does not follow. The bill, if enacted, will prevent cutthroat competition in the coal industry in every section of the United States.

Mr. DIETERICH. Mr. President, I should like now to address myself to the amendment. I find that the amendment which was offered by the Senator from Indiana [Mr. MINTON]—and I am sorry he is not present at the moment—does not cure or correct, as I thought it would, the evil condition at which it was aimed. I find on reading the bill, on page 17, provision (b), as follows:

> (b) District boards shall, under rules and regulations established by the commission, coordinate in common consuming market areas upon a fair competitive basis the minimum prices and the rules and regulations established by them, respectively, under subsection (a) hereof.

I am talking now about a central market such as the city of Chicago. The reports show that of the coal consumed in that particular market, over 50 percent of it has found its

way there from the fields of western Pennsylvania and West Virginia. So Chicago, even with the amendment of the Senator from Indiana, would still be in this common marketing area, and so the amendment would not prevent harm being done to the producers in Illinois, Indiana, and Iowa, because they still must get together and agree on a price which will admit the coal of West Virginia and Pennsylvania into the market of Chicago as a fair competitor with the coal of Illinois, Indiana, and Iowa. That means that the coal produced near that market will not have the advantage of the freight differential but must raise the price to the consumers in the particular area in order to meet the competition of the fields of Pennsylvania and West Virginia.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING].

Mr. KING. Mr. President, my 10 minutes were interfered with, but I will now take my time on the bill.

The PRESIDING OFFICER. The Chair inquires of the Senator if he has not spoken on the bill?

Mr. KING. No; not on the bill.

The PRESIDING OFFICER. The Chair is informed by the clerk who keeps the time that the Senator has already spoken on the bill.

Mr. KING. I have not; I have spoken on the amendment, but not on the bill.

The PRESIDING OFFICER. The Chair points out to the Senator that when he first spoke there was no amendment pending. Therefore, from a parliamentary standpoint, he was speaking on the bill. However, unless there is objection, the Senator from Utah will be heard on the amendment. The Chair hears no objection, and the Senator is recognized on his amendment. He has, however, spoken on the bill.

Mr. KING. Mr. President, I will occupy but a few moments. This measure, like others which have received the approval of this Congress, is not only condemned as being unconstitutional, but also as constituting a further effort to socialize industries of our country. It is not inaccurate to say that this measure is being driven through Congress because of the threats of an organization that a Nation-wide strike in the bituminous industry will result if it were not enacted into law.

Unfortunately there are instances where legislative bodies have yielded to threats of violence and to extraneous forces, but it must be admitted that legislation enacted because of threats or coercion is not calculated to produce results in the interest of the welfare of the people. In a republic such as this, where the legislative branch of the Government is presumed to be independent and is charged with the responsibility of enacting under the Constitution those measures—and only those measures—for which warrant is found in the Constitution, and which are for the public weal, it is most unfortunate that the suggestion should be made that laws should be enacted because of demands of groups or organizations.

It has been suggested that regardless of its constitutionality it should speedily receive the approval of Congress. I repeat that any measure that is driven through Congress in response to threats or coercion cannot be otherwise than an indirect, if not a direct, assault upon our form of government. That this measure by laymen and lawyers is regarded as without the power of Congress to enact I think will be admitted. But if it were not unconstitutional it should not, in my opinion, receive the approval of Congress because of its challenge to our economic and industrial life and to the political principles upon which this Republic rests. This is a republic—not a socialistic government.

Undoubtedly there are some in positions of responsibility who are dissatisfied with our form of government and desire to convert it into a socialistic government. There are others who would devitalize the States and give to the Federal Government authority and power such as may be found in highly centralized, if not autocratic, governments. There are some Americans who do not believe in local self-government, in strong and puissant sovereign States, but who are determined to wrest from individuals and from States rights and privileges and liberties which they enjoy and to subject them to a powerful Federal Government which is to be untrammelled by the Constitution of the United States and the limitations therein found.

Undoubtedly, as I have indicated, there are those who would have the Federal Government take over the control of industry and enforce a system of regimentation upon individuals and every form of business paralleled in socialistic, if not sovietized states.

If this bill shall be enacted into law demands will be made for the enactment of other measures for the socialization of the industries of our country. Already, I am told, that efforts will be made to secure the passage of a bill at the next session of Congress which will subject the textile industry, as well as others, to Federal control, and to the socialistic or paternalistic regimentation similar to that to which the bituminous-coal industry is to be subjected.

Within the past few days the leader of a great mining organization, who has been an important factor in the formulation of this measure and whose influence has been pervasive in securing its passage through the House, stated in an address delivered at Charlottesville, Va.:

> All the other natural resources industries—anthracite coal, oil, gas, lumber, copper, and electric power—must soon follow this precedent.

He was referring to the Guffey bill, the measure before us. In other words, his position is that if the Guffey bill shall be passed at this session of Congress, measures of like import will be demanded dealing with other industries. The person referred to continues:

> If experience under a public-utility status should be ineffective, or should the Supreme Court declare the Guffey coal bill unconstitutional, recourse must at once be had to a constitutional amendment or to Government ownership and operation.

This statement is pregnant with meaning and is indicative of the purpose of some to overturn our economic and political system and to adopt national socialism or some other form of economic and political life entirely alien to democratic institutions and to our republican form of government.

I regret that when the bill was under consideration by the House of Representatives the statement was made by one in high authority that the fear of its constitutionality ought not to deter action upon the measure.

Mr. President, permit me to quote from a statement made by a great jurist, Judge Thomas M. Cooley:

> Legislators have their authority measured by the Constitution; they are chosen to do what it permits and nothing more, and they take solemn oath to obey and support it. When they disregard its provisions, they usurp authority, abuse their trust, and violate the promise they have confirmed by an oath. To pass an act when they are in doubt whether it does not violate the Constitution, is to treat as of no force the most imperative obligations any person can assume. A business agent who would deal in that manner with his principal's business would be treated as untrustworthy; a witness in court who would treat his oath thus lightly, and affirm things concerning which he was in doubt, would be held a criminal. Indeed, it is because the legislature has applied the judgment of its members to the question of its authority to pass the proposed law, and has only passed it after being satisfied of the authority, that the judiciary waive their own doubts, and give it their support.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BARKLEY. Mr. President, I desire to make a very brief statement concerning the amendment. Section 4 provides for the creation of marketing agents set up by coal producers with the approval of the commission provided for in the act.

Section 13 provides against any combination of any of the producers which shall have created a marketing agency under the act with reference to prices, unless such marketing agency shall have been approved by the commission.

This morning the Senate eliminated from the bill that portion which suspended the antitrust laws with respect to any of the agreements entered into by producers operating under this bill who are members of the code. That amendment was accepted by the sponsors of the bill probably on the theory that it did set up two classes of coal producers, those in the codes and those outside the codes. At least they

accepted the amendment for the purpose of taking it to conference and trying to work it out there.

If the antitrust laws are to be in full force with respect to those who enter codes and those who do not enter codes, the whole of section 13 would be unnecessary, because the antitrust laws would be operative anyway without this provision in the bill.

Inasmuch as that part of the bill suspending the antitrust laws has been eliminated, and inasmuch as, for coal producers who form a selling agency or marketing agency to represent their coal, whether they are competitive or not, it may be necessary for all such producers creating a marketing agency in any area or in any city to have some understanding with respect to the price at which that coal is to be sold to the public, therefore, I think it would be a mistake to strike out section 13.

If section 13 is to remain in the bill, I think it would be a mistake to strike out the language covered in the amendment offered by the Senator from Utah [Mr. KING]. The whole matter must go to conference on the question of the antitrust laws, and I believe it could be worked out better with this language in the bill than with it stricken out. Therefore I hope the amendment of the Senator from Utah will be defeated.

Mr. O'MAHONEY. Mr. President, in connection with the remarks just made by the Senator from Kentucky [Mr. BARKLEY] I desire to invite attention to the fact that the words eliminated from section 4 yesterday on motion of the Senator from Idaho [Mr. BORAH] undertook to exempt from the operation of the antitrust laws three classes of persons or, more properly, agencies or corporations—the producers of bituminous coal who agree to the code, marketing agencies set up under the bill, and boards created under the bill.

Section 13 exempts only marketing agencies. Therefore with the first sentence of section 4 out of the bill——

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. It does not exempt merely the marketing agency. It exempts the producers creating marketing agencies because it relates to any combination between producers to create a marketing agency for the disposal of the coal.

Mr. O'MAHONEY. Yes; but it is the combination of producers for the creation of a marketing agency that is exempted. That is the only act to be relieved of the prohibitions of the antitrust laws under the bill as it now stands. Any agreement upon the part of the producers of bituminous coal for any other purpose authorized by this bill is not exempted from the operation of the antitrust laws by the present language. Any action by any board set up under the bill is not exempted. Therefore I quite agree with what the Senator has said, that if it is intended to make the bill operative there must be a substitute for the first sentence of section 4.

Yesterday I offered such a substitute, but because those who are in charge of the bill felt that it was desirable to accept the amendment of the Senator from Idaho [Mr. BORAH], I did not press it. However, I think that for the purpose of the conference attention should be called to that amendment, which appears on page 13938 of the CONGRESSIONAL RECORD of August 21.

It might also be pointed out that the first sentence of section 4 as it came from the House undertook to exempt from the antitrust laws any producer of bituminous coal who agreed to the code. The effect of that language would have been to permit producers of coal who had complied with the bill to enter into combination with respect to any other commodity in which they might be interested. For example, under the House language, which reads as follows:

SEC. 4. While this act is in effect and for 60 days thereafter, the provisions of the antitrust laws of the United States shall not apply to any producer of bituminous coal who has accepted and obligated himself to comply, and who complies with the provisions of this section, or to any marketing agency or board created under and operating in compliance with this section.

A steel corporation, owning a coal mine, could enter into a conspiracy in restraint of trade in steel, by adhering to the provisions of this measure with respect to the production of coal. That, of course, was not intended.

The amendment which I offered yesterday would cure that defect by providing that compliance with the terms of the bill shall not be construed to be within the prohibitions of the antitrust laws. Instead of exempting persons or corporations from the antitrust laws generally, this amendment merely provides that acts authorized by this bill shall not be regarded as prohibited by the antitrust laws.

In other words, the substitute says in effect that compliance with the new coal code shall not be held to be a conspiracy in restraint of trade. The amendment would amend the antitrust laws so far as this code is concerned and that, of course, is wholly within the constitutional power of Congress. So I feel if we really want to accomplish the objectives of this bill we should provide a substitute for the first sentence in section 4. Without such a substitute, I fear the measure will be wholly ineffective.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah [Mr. KING].

The amendment was rejected.

Mr. KING. Mr. President, I have received a telegram from the Utah Coal Operators Association stating that they are opposed to the passage of the Guffey bill.

Mr. President, I have a number of excerpts from newspapers in various parts of the United States briefly referring to the Guffey bill. I ask permission to have them inserted in the RECORD.

The PRESIDING OFFICER. Without objection, the matter will be inserted in the RECORD. The Chair hears no objection.

The matter referred to is as follows:

WHAT THE NATION'S PRESS THINKS OF H. R. 8479, THE GUFFEY-SNYDER BILL

"The plain truth is that in defiance of the Supreme Court's clear distinction between direct and indirect effects (on interstate commerce), this (Guffey) bill's main purpose is to usurp regulatory power over the mining of coal now possessed solely by the several States in which coal is mined." (The New York Sun.)

"A protest of the 'people's lobby' against passage of the Guffey bill to establish the bituminous-coal industry as a public utility because the increased costs will bear heaviest on coal consumers illustrates one of the bill's many defects." (Morgantown, W. Va., Dominion-News.)

"The Guffey bill * * * creates a monopoly in coal, and it will of necessity increase the cost of production and increase the cost of coal to the consumer." (Beckley (W. Va.) Post-Herald.)

"The National Consumers League has turned its guns on the (Guffey) bill for the reason that it will increase the price of all coal." (Terre Haute (Ind.) Tribune.)

"The soft-coal industry may be beset by problems of overproduction and cutthroat competition, not to mention other handicaps, but relief will not be provided by turning it over to the control of a Federal bureaucracy." (Huntington (W. Va.) Advertiser.)

"A thoroughly bad measure in every respect." (Cincinnati (Ohio) Enquirer.)

"The National Association of Manufacturers * * * asked Congress and the Federal Government to * * * lay aside * * * the Guffey coal bill. * * * Congress and Federal officials can afford to heed this appeal." (Ardsley (N. Y.) Sun.)

"Whatever its motives may be, the (Guffey-Snyder) measure bids fair to spell disaster for the soft-coal industry, not only as regards the operators but the miners and everybody dependent on it." (Harrisburg (Pa.) Patriot.)

"The Guffey bill goes far beyond the normal scope of Government regulation and * * * establishes in the coal industry—one not hitherto regarded as a public utility—a vast Government-controlled monopoly." (Coal Dealer, Minneapolis, Minn.)

"Whether the Government or private owners conduct the (coal) industry, under the Guffey bill there is a dark future for it. * * * the regulation and price-fixing features of the Guffey bill will be the knockout blow * * *." (Somerset (Pa.) Herald.)

"Congress and the Federal Government are worrying industry and business. There is, it seems, talk about 'disturbing legislation' which includes * * * the Guffey coal bill * * *." (Kissimmee Valley (Fla.) Gazette.)

"Those from Kentucky who ask enactment of the Guffey bill to nationalize the coal industry represent neither owners of coal properties nor consumers. This is purely a politicians' bill for the benefit of a northern union and a handful of northern mine operators." (Louisville (Ky.) Courier-Journal.)

"It is only natural that the coal operators of southern West Virginia should look with an extremely fishy eye upon the Guffey coal bill * * *." (Charleston (W. Va.) Gazette.)

"There is now pending before the United States Senate a bill known as the 'Guffey bill' * * *. This bill, as we see it, will

* * * increase the cost of coal to the consumer, according to some estimates, as much as 25 percent, which will decrease the coal output. Reducing the coal output will put thousands of men out of work." (Scott County (Tenn.) News.)

"* * * the soft coal miners don't know whether they were knocked out by the Roosevelt administration or by (Senator) GUFFEY himself * * *. They know they have been fooled, and that's enough. They are blaming either GUFFEY or the President, or both." (Beaver (Pa.) Times.)

"The (Guffey-Snyder) bill is rendered almost ridiculous because its monopolistic control can be achieved only over one class of fuel. Hard coal, oil, gas, and electricity are competing sources of power and fuel, to which consumers will turn as the price of bituminous coal rises. Then its production will decrease, with consequent hardship to employees and operators." (Grand Rapids (Mich.) Press.)

"The Guffey coal bill starts out in a clear sky with a tail wind, but is soon bogged down and hunting for a place to land. The Supreme Court decisions have put a crimp in some of the new-deal legislative efforts. Reform measures are no longer looked upon with the feeling that once characterized them. Recovery programs are receiving consideration. Labor may still be in the driver's seat, but it does not crack the whip nearly as loud as it did in other days. A sigh of relief will be heard all over this fair but troubled land when Congress adjourns." (Coal Mining, Pittsburgh, Pa.)

"* * * with the Government definitely pledged to a program of development of water power, it would seem that the coal operators (supporting the Guffey bill) are letting themselves in for something when they endorse a plan to retire 'marginal' coal properties at the discretion of a Government bureau." (Terre Haute, Ind., Star.)

"The Southern group (of coal operators) sees little advantage in the proposed Guffey bill; the northern group believes the bill would further solidify advantages (of) Pennsylvania and northern operators * * *." (Greensburg (Pa.) Tribune.)

"The argument against Government in business is the general argument against the Guffey coal bill. It would hand the coal business over to Mr. Ickes' Department of the Interior." (The Charleston (W. Va.) Daily Mail.)

"The features of the Guffey-Snyder bill which have won the chief acclaim of its proponents are dangerous from an industrial, economic, and social point of view." (Indianapolis (Ind.) Star.)

"From the standpoint of the consumer, enactment of the Guffey-Snyder bill would be certain to result in higher coal prices." (Combustion, New York City.)

"The southwestern field coal operators, fighting against the competition of oil and gas, are opposing the Guffey coal monopoly bill, which provides for price control and allocation of tonnages by a group taking its place among the countless other bureaus in Washington." (Pittsburg (Kans.) Headlight.)

"The greatest danger to the coal industry * * * now that its code has been destroyed by the Supreme Court, is not necessarily a return to the old regime of suicidal competition with profitless operation and starvation wages. The greatest danger may very well be the hasty enactment of ill-considered and unfair legislation along the lines of the * * * Guffey bill." (The Morgantown (W. Va.) Post.)

"The Guffey bill, with the habiliments of a Christmas tree, looks like a good thing to a lot of folks who never investigate below the trimmings, but, like apples of Sodom, it is ashes within." (Dubois (Pa.) Courier.)

"The public's interest in an adjustment of coal control (such as proposed in the Guffey-Snyder bill) should not be ignored in legislation which Congress may approve." (Muncie (Ind.) Star.)

"The (Guffey) bill would give the United Mine Workers of America a practical labor monopoly with the power to demand higher wages and get them. The Government would undertake to maintain prices high enough to absorb added wage costs, and thus the consumer would again shoulder the burden." (Ashland (Ky.) Independent.)

"* * * Prosperity can be restored only by removing the main barrier—politics. With this done efficiency and thrift should be encouraged, business profits permitted, private initiative given free scope within limits of fair dealing, and a junking of the legislation now before Congress, including * * * Guffey coal bill * * *." (Hoboken (N. J.) Observer.)

"* * * the constitutionality of the Guffey bill is distinctly open to question, in the light of the Schechter case precedent, in view of its detailed regulation of certain purely intrastate mining activities." (New Jork Journal of Commerce.)

"The (bituminous coal) industry has a way out that is less precarious than the questionable Guffey bill." (Chicago Journal of Commerce.)

"If the administration is able to read the handwriting on the wall, if it is able to comprehend the significance of this (the Supreme Court decision in the Schechter case) judicial restatement of constitutional principles, then it will * * * abandon several pending measures, such as * * * the Guffey bill, which are certainly unwise and probably unconstitutional in their grants of authority." (Sturgis (Mich.) Journal.)

"* * * this (the Supreme Court decision in the Schechter case) explains the concern with which operators and labor leaders at Washington * * * are examining the bill Senator GUFFEY designed to place the coal industry on a public-utility status." (Brownsville (Pa.) Telegraph.)

"The Guffey bill * * * would make coal a public utility * * *." (Jamestown (N. Y.) Post.)

"Those Congressmen who are in a mood to examine rather critically the whole subject of governmental economic 'regimentation' at this time may well give a few thoughts to the potentialities for error, even danger, in the Federal coal-control bill sponsored by Pennsylvania's Senator GUFFEY." (Kalamazoo (Mich.) Gazette.)

"The evil consequences of * * * such vicious measures as * * * the Guffey coal bill * * * are strongly opposed by conservative opinion." (Lexington (Ky.) Leader.)

"One difficulty which must be surmounted, if the Guffey-Snyder bill is to be made to meet constitutional rules, is presented by certain declarations of the Supreme Court, which point out an opinion that the coal mines may not be a part of interstate commerce in their relations with their employees." (Danbury (Conn.) News-Times.)

"How any legislation of this nature (the Guffey-Snyder bill) can be set up by Congress in view of the Supreme Court decision (in the Schechter case) remains to be explained." (Brooklyn (N. Y.) Eagle.)

"The United Mine Workers are strongly pressing for passage of the Guffey bill. * * * Likewise a majority of Northern operators * * * favor the Guffey bill." (Pittsburgh (Pa.) Press.)

"The Guffey bill is not a perfect instrument * * *." (Birmingham (Ala.) Post.)

"Some contend that the Guffey bill calls for socialization of the industry. The plan is much closer to fascism, however, since it aims at a soft-coal cartel in America." (Rockford (Ill.) Star.)

"The true call of the hour (as opposed to the proposals of the Guffey bill) is for * * * only such legislation as is clearly designed to promote recovery, and that only upon lines which do not risk invalidation by the courts on the ground of unconstitutionality." (Hartford (Conn.) Times.)

"* * * the United Mine Workers prepare strike orders for 450,000 soft-coal workers, but hope Congress will 'avert' a strike by passing the Guffey bill * * *." (New Orleans (La.) Tribune.)

"The Guffey bill * * * would set standard wages and hours (ignoring present economically necessary differentials), fix minimum and maximum prices." (Toledo (Ohio) News Bee.)

"* * * the Guffey coal bill is probably unconstitutional * * *." (Princeton (W. Va.) Observer.)

"* * * (Guffey) bill needs reexamination in the light of the Supreme Court's decision on N. R. A." (Erie (Pa.) Times.)

"The Guffey bill has been amended in some particulars, but it still contains provisions deemed unsatisfactory to * * * consumers." (Auburn (Ind.) Star.)

"Higher (coal) prices will restrict manufacturing and increase unemployment. * * * The Guffey measure would not work * * *. It is too much like the A. A. A. theory of crop reduction." (Lockport (N. Y.) Union Sun and Journal.)

"Although the Guffey bill, providing for nationalization of the soft-coal regions, is at the head of President Roosevelt's 'must' legislative program there is insistent belief * * * the measure is unconstitutional. * * * The status of the Guffey bill, therefore, is in considerable doubt, but whatever may be its fate, there is no sound reason * * * that the anthracite industry should also be under Federal control and regulation." (Scranton (Pa.) Republican.)

"Consumer representatives have objected to the (Guffey-Snyder) bill * * *." (N. E. A. Syndicate.)

"The Guffey bill, which temporarily may end the hazard of a coal strike in the bituminous field, by making the coal industry a public utility, has the same weakness the N. R. A. had." (South Bend (Ind.) News-Times.)

"Though it is claimed * * * the Guffey coal bill * * * (has) * * * been modified to escape the condemnation of the Supreme Court, competent lawyers, some of them in Congress, believe * * * (it has) * * * provisions of dubious constitutionality. In fact, some of the provisions insisted upon are regarded as plainly unconstitutional." (Springfield (Mass.) Union.)

"Congress should take its time with the Guffey bill. Its constitutionality is in doubt, and there are various phases of it that will need the most serious attention." (Kansas City (Mo.) Times.)

"It is more or less an open secret that Justice Department lawyers generally consider the Guffey-Snyder coal bill unconstitutional. * * * Its price-fixing features are definitely monopolistic; its tax provision is coercive and not for the purpose of raising revenue; and, anyway, the Supreme Court already has held that coal mining is not interstate commerce." ("News Behind the News" syndicate.)

"The (Guffey) bill * * * not only concerns (coal) operators and miners, but it reaches the consumers and integrated industrial groups. * * * The lawmakers in Washington should go slow in considering the (Guffey) measure." (Danville (Ill.) Commercial News.)

"* * * the fact remains that the executive branch of the Government ought not to sponsor and seek enactment of a measure (such as the Guffey-Snyder bill) of doubtful constitutionality." (Albany (N. Y.) Knickerbocker-Press.)

"We cannot help but believe that the * * * opponents of this (Guffey-Snyder) bill * * * are correct in their declarations that no matter how much the teeth in this bill are dulled that it will still be unconstitutional * * *." (Grafton (W. Va.) Sentinel.)

"* * * the Guffey bill is unconstitutional. Doubtless it will be tested in the courts. (Chattanooga (Tenn.) Times.)

"If the rank and file of consumers were familiar with the provisions and certain effects of the so-called 'bituminous coal "conservation" bill', being sponsored jointly by Senator GUFFEY, of Pennsylvania, and Representative SNYDER, of the same State, this unwise measure would not now be on its way to (a vote) in Congress." (St. Louis (Mo.) Post-Dispatch.)

"Probably everyone in Washington realizes passage of the Guffey-Snyder bill, with its unconstitutional provisions, would be an act in defiance of the Supreme Court, and that the measure would be thrown out on final appeal." (Southbridge (Mass.) News.)

"Congress is met * * * with the alternative of passing the Guffey coal bill or facing a strike in the bituminous-coal industry. A long-range piece of legislation rests not on the basis of its merits but is placed under the duress of a threatened calamity." (Manchester (N. H.) Union.)

"If the President's hopes for a permanent solution (of the bituminous-coal problem) rest on the Guffey bill, * * * it rests on a very insecure foundation. The bill is just as unconstitutional as the original N. R. A." (Eureka (Calif.) Times.)

Mr. WALSH. Mr. President, I have decided that my duty to my constituents dictates that I should vote against this bill.

To begin with, in view of the Schechter and other Supreme Court decisions, I have grave doubt concerning the constitutionality of the measure which, in view of the many other economic disadvantages I perceive in it, I cannot resolve in favor of the bill. In addition, I regard this as distinctly class and discriminatory legislation. I am unable to accept the view that subsidies should be given to the coal or any other industry out of the pockets of the consumers.

The following specific objections which have been raised against the bill I deem to be tenable:

First. That its intent and result will be inevitably to raise prices of bituminous coal substantially to consumers, especially in States having no coal supply.

Second. Its price-fixing features are unworkable and impractical, as has been demonstrated by past experience whenever attempts have been made to freeze prices at certain levels. The recent experience of N. R. A., where voluntary agreements governed, rather than the legislative rules provided in this bill, give ample proof of the fact that price-fixing and artificial manipulation of prices are alien to American industrial ideals.

Third. Artificial restrictions upon coal production, with consequent rise in prices, will reduce the demand for coal, thereby increasing the markets for substitutes, and aggravating the very conditions which the bill seeks to relieve.

Fourth. The bill presumes to deal with the interests of the producers and the workers, but contains no provision whatever to safeguard the public interest as evidenced by the failure to consider the effect of added burdens to consumers.

Fifth. It calls for unwarranted and compulsory regimentation of an important American industry, leaving independent producers reluctant to join the codes at the mercy of the whims of administrators and bureaucrats.

Sixth. It constitutes an invasion of the reserved powers of the States, and an encroachment by the Federal Government upon intrastate activities, and interference with the rights and interests of local subdivisions of government.

Seventh. The effort which the bill makes to use the taxing power to coerce independent business men to join the code against their will is obnoxious. While the use of the taxing power to prevent or discourage the continuance of practices detrimentally affecting health, safety, morals, and the general welfare of our people under the provisions of the powers reserved to the several States may sometimes be advisable and salutary, I am opposed to using the taxing power without having in mind, as a main consideration, the problem of raising revenue. In brief, I am opposed to all forms of taxation which have as their sole object the effectuation of social change by the various confiscatory proposals that have been made to redistribute wealth.

I have made no reference to the dangerous precedent which this measure establishes. It is an invitation to all distressed industries to invoke the same principle of relief. In my own State, as a result of overproduction, marginal producers, and unsteady employment, several industries are in the same plight as the coal industry; notably, the fish industry and the textile industry. If the attempt to relieve one industry, as proposed in this bill, should succeed, then, in justice to all producers and workers similarly situated, like legislation should be enacted as to them. The result is not difficult to foresee; namely, an increase in prices that would be staggering, a diminution in employment by reduction of purchasing power, and a final plight worse than the present one.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read three times, the question is, Shall it pass?

Mr. DIETERICH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Illinois suggests the absence of a quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Costigan | Lewis | Reynolds |
| Austin | Davis | Logan | Robinson |
| Bachman | Dieterich | Lonergan | Russell |
| Bailey | Donahey | McAdoo | Schall |
| Bankhead | Duffy | McGill | Schwellenbach |
| Barbour | Fletcher | McKellar | Sheppard |
| Barkley | Frazier | McNary | Shipstead |
| Black | George | Maloney | Smith |
| Bone | Gerry | Metcalf | Stelwer |
| Borah | Gibson | Minton | Thomas, Okla. |
| Brown | Glass | Moore | Thomas, Utah |
| Bulkley | Gore | Murphy | Townsend |
| Burke | Guffey | Murray | Trammell |
| Byrd | Hale | Neely | Truman |
| Byrnes | Harrison | Norbeck | Tydings |
| Capper | Hatch | Norris | Vandenberg |
| Caraway | Hayden | Nye | Van Nuys |
| Chavez | Holt | O'Mahoney | Wagner |
| Clark | Johnson | Overton | Walsh |
| Connally | King | Pittman | Wheeler |
| Copeland | La Follette | Radcliffe | White |

Mr. LEWIS. I reannounce the absence of certain Senators as announced by me on previous roll calls.

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present. The question is, Shall the bill pass?

Mr. DIETERICH and other Senators called for the yeas and nays, and they were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BULKLEY (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is absent from the city. Not knowing how he would vote, and being unable to obtain a transfer, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. MCNARY (when his name was called). On this question I have a pair with the junior Senator from South Dakota [Mr. BULOW]. Not knowing how he would vote, I withhold my vote.

Mr. THOMAS of Utah (when his name was called). On this question I have a pair with the senior Senator from New Hampshire [Mr. KEYES]. I transfer that pair to the junior Senator from Idaho [Mr. POPE], and will vote. I vote "yea."

The roll call was concluded.

Mr. WALSH. I announce the absence of my colleague [Mr. COOLIDGE]. If present, he would vote "nay."

Mr. LEWIS. I announce that the Senator from Louisiana [Mr. LONG] is paired with the Senator from Massachusetts [Mr. COOLIDGE]. If present, the Senator from Louisiana would vote "yea", and the Senator from Massachusetts would vote "nay."

The Senator from Mississippi [Mr. BILBO], the Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Idaho [Mr. POPE] are necessarily detained from the Senate.

The Senator from South Dakota [Mr. BULOW] is detained on important departmental matters.

Mr. AUSTIN. I announce the following pairs on this question:

The Senator from Delaware [Mr. HASTINGS] with the Senator from Nevada [Mr. MCCARRAN]; and

The Senator from Iowa [Mr. DICKINSON] with the Senator from Mississippi [Mr. BILBO].

The Senator from Iowa [Mr. DICKINSON], the Senator from New Hampshire [Mr. KEYES], and the Senator from Delaware [Mr. HASTINGS] would vote "nay" if present. They are necessarily absent from the city. I am advised that the Senator from Nevada [Mr. MCCARRAN] would vote "yea" if present.

The result was announced—yeas 45, nays 37, as follows:

YEAS—45

| | | | |
|---|---|---|---|
| Adams | Donahey | Lonergan | Radcliffe |
| Bachman | Frazier | McAdoo | Reynolds |
| Bankhead | Guffey | McGill | Robinson |
| Barkley | Harrison | Minton | Schwellenbach |
| Black | Hatch | Moore | Sheppard |
| Bone | Hayden | Murray | Thomas, Okla. |
| Byrnes | Holt | Neely | Thomas, Utah |
| Capper | Johnson | Norris | Truman |
| Caraway | La Follette | Nye | Van Nuys |
| Chavez | Lewis | O'Mahoney | Wagner |
| Costigan | Logan | Pittman | Wheeler |
| Davis | | | |

NAYS—37

| | | | |
|---|---|---|---|
| Austin | Dieterich | King | Shipstead |
| Bailey | Duffy | Maloney | Smith |
| Barbour | Fletcher | McKellar | Steiwer |
| Borah | George | Metcalf | Townsend |
| Brown | Gerry | Murphy | Trammell |
| Burke | Gibson | Norbeck | Tydings |
| Byrd | Glass | Overton | Vandenberg |
| Clark | Gore | Russell | Walsh |
| Connally | Hale | Schall | White |
| Copeland | | | |

NOT VOTING—14

| | | | |
|---|---|---|---|
| Ashurst | Carey | Hastings | McCarran |
| Bilbo | Coolidge | Keyes | McNary |
| Bulkley | Couzens | Long | Pope |
| Bulow | Dickinson | | |

So the bill was passed.

Mr. NEELY. I move to reconsider the vote by which the bill was passed.

Mr. BARKLEY. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kentucky to lay on the table the vote by which the bill was passed.

The motion to lay on the table was agreed to.

Mr. NEELY. I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. NEELY, Mr. BARKLEY, and Mr. DAVIS conferees on the part of the Senate.

### CELEBRATION OF ANNIVERSARY OF HERNANDO DE SOTO EXPEDITION—CONFERENCE REPORT

Mr. BARKLEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 265) pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments.

ALBEN W. BARKLEY,
KENNETH MCKELLAR,
PETER NORBECK,
*Managers on the part of the Senate.*

KENT E. KELLER,
ALLEN T. TREADWAY,
ROBERT T. SECREST,
BERT LORD,
*Managers on the part of the House.*

The report was agreed to.

### ORDER OF BUSINESS

Mr. LEWIS. Mr. President, I ask at this point that there be taken up by the Senate and made the next order of business——

The PRESIDING OFFICER. The Chair calls the attention of the Senator from Illinois to the fact that there is a unanimous-consent agreement that the Senate proceed to the call of the calendar for the consideration of unobjected bills following the disposition of the unfinished business, namely, the Guffey coal bill. So at this time the motion which the Senator indicates his purpose to offer is not in order.

Mr. LEWIS. Mr. President, will the Chair allow me to announce the title of the bill?

The PRESIDING OFFICER. Certainly.

Mr. LEWIS. The bill to which I refer is Senate bill 2665, a bill to change the name of the Department of the Interior and to coordinate certain governmental functions.

I gather from the announcement of the Chair that there has been a unanimous-consent agreement to proceed to a call of the calendar, and I take it I would be out of order in now moving the consideration of this bill.

The PRESIDING OFFICER. At this time the motion would not be in order.

Mr. LEWIS. I give notice that I shall make the motion at the first opportunity after the completion of the call of the calendar.

### CONTROL OF SOIL EROSION AND FLOOD DAMAGE

Mr. KING. Mr. President, on the 1st day of May of this year Senate bill 376 passed the Senate and was transmitted to the House. I am advised the House claims the bill was mislaid, and the House passed a bill identically the same as the Senate bill. A few days ago the House bill came to the Senate and was referred to the Committee on Agriculture and Forestry.

If I had been advised that the House had passed this bill I should have moved to take up the House bill and substitute it for the Senate bill, and pass the House bill. I have asked the Chairman of the Committee on Agriculture and Forestry if he has any objection to my asking unanimous consent that his committee be discharged from the further consideration of the House bill and that we proceed to its consideration and have it passed, because it is textually the same as the bill which passed the Senate on May 1.

Mr. MCNARY. Mr. President, there is so much confusion in the Senate that I have been unable to understand the request.

The PRESIDENT pro tempore. The Senator will repeat his statement.

Mr. KING. On the 1st day of May of this year Senate bill 376, for the purpose of dealing with the flood situation which damaged the highways in Utah, calling for a small appropriation, was passed. The bill was recommended by the Forest Service, because it was for their protection, inasmuch as the floods washed out forest lands and inundated national highways, which cost the Government a large sum of money.

The bill was unanimously reported by the committee of the Senate, was unanimously passed, and was transmitted to the House. Unfortunately, the House lost the bill.

A bill textually the same was introduced in the House by one of the Representatives from Utah, and passed the House unanimously and came to the Senate a few days ago, but inadvertently it was referred to the Committee on Agriculture and Forestry. I was not in the Chamber when it was received, or I should have moved to have it substituted for the Senate bill and passed.

I now ask that the Committee on Agriculture and Forestry be discharged from the further consideration of the House bill, and that the Senate proceed to its consideration.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 4339) to facilitate control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Uintah and Wasach National Forests, Utah, was considered, ordered to a third reading, read the third time, and passed.

### THE CALENDAR

The PRESIDENT pro tempore. Under the unanimous-consent agreement entered into earlier in the day the Senate will now proceed to the consideration of unobjected bills on the calendar, and the clerk will state the first bill in order.

### BILLS PASSED OVER

The bill (S. 944) to amend section 5 of the Federal Trade Commission Act was announced as first in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909, 35 Stat. 1109 (U. S. C., title 18, sec. 203), and for other purposes, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1506) to change the name of Pickwick Landing Dam to Quin Dam, was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

MACK COPPER CO.

The bill (S. 1878) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That jurisdiction be, and is hereby, conferred upon the Court of Claims of the United States, notwithstanding the lapse of time, prior consideration, or any statute of limitation, to hear and determine the claim of the Mack Copper Co. against the United States for just compensation for the taking and use, and the damages and waste inflicted by the taking and use, of certain real property owned by the Mack Copper Co. and situated in San Diego County, State of California, which real property was taken, used, and occupied by the United States as an Army cantonment, training camp, or for other military purposes during the period from on or about May 15, 1917, to on or about June 1, 1922, not heretofore paid by the United States to the Mack Copper Co.

SEC. 2. That the Court of Claims of the United States, in the hearing and determination of any suit prosecuted under the authority of this act, is authorized, in its discretion, to use and consider as evidence in such suit, together with any other evidence which may be taken therein, the testimony and other evidence filed by Mack Copper Co. and the United States, respectively, in case no. D 134 on the docket of that court entitled "Mack Copper Co. against the United States", wherein the court rendered a judgment on the 6th day of June 1927.

SEC. 3. From any decision or judgment rendered in any suit presented under the authority of this act, a writ of certiorari to the Supreme Court of the United States may be applied for by either party thereto, as is provided by law in other cases.

BILLS AND RESOLUTION PASSED OVER

The bill (S. 574) relative to Members of Congress acting at attorneys in matters where the United States has an interest was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 35) authorizing the Committee on the Judiciary to investigate certain phases of the National Recovery Act was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 1162) to regulate the business of making small loans in the District of Columbia, and to amend an act to regulate the business of loaning money, etc., approved February 4, 1913, was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 509) to prevent the use of Federal offices or patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will go over.

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1589) authorizing the purchase of United States Supreme Court Decisions and Digest was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 626) to amend the Agricultural Adjustment Act so as to include hops as a basic agricultural commodity was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

STABILIZATION OF BITUMINOUS COAL MINING INDUSTRY

The bill (S. 2481) to stabilize the bituminous coal mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States and to establish a national bituminous-coal reserve; to provide for the general welfare; and for other purposes, was announced as next in order.

Mr. GUFFEY. Mr. President, the House bill on the same subject having been passed, I ask that the Senate bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

JOINT RESOLUTION AND BILLS PASSED OVER

The resolution (S. J. Res. 38) for the adjustment and settlement of losses sustained by the cooperative marketing associations was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1460) to fix standards for till baskets, climax baskets, round-stave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on this subject, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 212) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve Banking System, and creating a Board of Agriculture to supervise the same, was announced as next in order.

SEVERAL SENATORS. Over.

The bill (S. 1476) to provide for unemployment relief through development of mineral resources; to assist the development of privately owned mineral claims; to provide for the development of emergency and deficiency minerals, and for other purposes, was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

PARKWAY AND RECREATIONAL AREAS

The bill (S. 738) to aid in providing the people of the United States with adequate facilities for park, parkway,

and recreational area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof, was announced as next in order.

Mr. McKELLAR. Over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. WAGNER subsequently said: May I inquire what was done with Calendar No. 637, Senate bill 738? My attention was distracted for the moment, and I did not hear it called.

The PRESIDENT pro tempore. The bill was called, and an objection was made to its consideration.

Mr. WAGNER. It is a very important bill, and I thought all objections had been removed. However, I shall seize the first opportunity when we conclude the calendar to call up this bill for consideration. I know of no objection to it, except from one Senator, and I have not ascertained the basis of his objection.

Mr. VANDENBERG. Regular order.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes, was announced as next in order.

Mr. COPELAND. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 476) relating to promotion of civil-service employees was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1952) extending the classified executive civil service of the United States was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2405) to provide for a special clerk and liaison officer was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1975) to authorize certain officers of the United States Navy and officers and enlisted men of the Marine Corps to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered was announced as next in order.

Mr. FRAZIER. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 133) for designation of a street to be known as "Missouri Avenue" was announced as next in order.

Mr. BULKLEY. Let that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 916) to carry into effect the decision of the Court of Claims in favor of claimants in French spoliation, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2583) establishing certain commodity divisions in the Department of Agriculture was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 379) to provide for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

Mr. SMITH. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2524) amending section 112 of the United States Code, annotated (title 28, subtitle Civil Suits, where to be brought), was announced as next in order.

Mr. DAVIS. Let that go over.

REPATRIATION OF NATIVE-BORN WOMEN

The bill (S. 2912) to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes, was announced as next in order.

Mr. KING. Let that go over.

Mr. COPELAND. I hope my friend from Utah will let us have a vote on this bill.

Mr. SMITH. It is impossible.

Mr. COPELAND. If it is impossible, I shall not waste any more time. I am sorry, however, because I should like to see the bill pass.

The PRESIDENT pro tempore. The bill will be passed over.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 2998) to control the trade in arms, ammunition, and implements of war was announced as next in order.

Mr. GEORGE. Mr. President, Senate bill 2998, or the substance of it, at least, been incorporated in the neutrality joint resolution which passed the Senate yesterday, as I understand. If that be true, this bill should be passed over, or else indefinitely postponed.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transporation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (H. J. Res. 280) for the designation of a street or avenue in the Mall to be known as "Maine Avenue" was announced as next in order.

SEVERAL SENATORS. Let that go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

NATIONAL PLANNING BOARD

The bill (S. 2825) to provide for the establishment of a National Planning Board and the organization and functions thereof was announced as next in order.

Mr. KING. I ask that the bill be passed over.

Mr. COPELAND. Mr. President, the opposition to this bill the last time came from the other side of the Chamber. I hope there will be no opposition on this side. Whom am I to understand as objecting to the bill?

Mr. KING. I objected temporarily.

Mr. COPELAND. Temporarily does not mean much.

Mr. KING. Mr. President, I share very largely the views expressed by the able Senator from Michigan [Mr. VANDENBERG]. I desire a further explanation and a further chance to study the bill.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I ask for the regular order.

Mr. COPELAND. Mr. President, there has been a full explanation of this bill, and debate on it. I think the Senator from Michigan might now join me, perhaps, in an effort to pass the bill.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. VANDENBERG. The Senator stated that the bill is for the conservation of natural resources. I find that it is for the conservation and development of the natural human and other resources of the Nation. Would the Senator be willing to amend the bill on page 2, line 24, by striking out the words "human and other", so that it shall not become a blanket commission to five $12,000-a-year men to

do anything they want to do with the regimentation of the life of the Nation?

Mr. KING. Even with that eliminated, I shall object.

Mr. COPELAND. I am sorry, because, if I could, I should like to say to the Senator from Michigan that I should accept his suggestion.

The PRESIDING OFFICER. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 1820) to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3) to regulate commerce in firearms was announced as next in order.

Mr. SMITH. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 7680) to amend the act of May 18, 1934, providing punishment for killing or assaulting Federal officers, was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

JAMES P. WHALEN

The bill (H. R. 2325) for the relief of James P. Whalen was considered, ordered to a third reading, read the third time, and passed.

INTEREST AND USURY

The Senate proceeded to consider the bill (S. 3097) relating to interest and usury affecting parties under the jurisdiction of courts of the United States functioning in countries where the United States exercises extraterritorial jurisdiction.

Mr. LA FOLLETTE. Mr. President, it is my understanding that the senior Senator from Delaware [Mr. HASTINGS] tendered an amendment to this bill.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the end of section 1, it is proposed to insert the following:

*Provided, however,* That in no case shall such rate of interest be more than 12 percent.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That to parties subject to the jurisdiction of courts of the United States in countries where the United States exercises over its citizens extraterritorial jurisdiction, the rate of interest within the said jurisdiction upon the loan or forbearance of any money, goods, or things in action, and the rate to be allowed in judgments and decrees, in the absence of express contract as to such rate of interest, shall be the legal rate of interest provided by the laws of the country in which such jurisdiction is exercised and in effect at the time of such transaction: *Provided, however,* That in no case shall such rate of interest be more than 12 percent.

SEC. 2. In any such jurisdictions the parties to a bond, bill, promissory note, or other instrument of writing for the payment of money at any future time may contract therein for the payment of interest on the principal amount thereof at any rate not exceeding the lawful or contractual rate of interest allowed by the laws of the country in which such jurisdiction is exercised and in effect at the time of the making of such bond, bill, promissory note, or other instrument in writing.

SEC. 3. If any person or corporation within and subject to any such jurisdictions shall contract verbally to pay a greater rate of interest than that provided in section 1 hereof, shall contract, in writing, to pay a greater rate than that provided in section 2 hereof, the creditor shall forfeit the whole of the interest so contracted to be received.

SEC. 4. If any person or corporation subject to any such jurisdictions shall directly or indirectly take or receive any greater amount of interest, than is herein declared to be lawful, whether in advance or not, the person or corporation paying the same shall be entitled to sue for and recover the amount of the unlawful interest so paid from the person or corporation receiving the same, provided said suit be begun within 1 year from the date of such payment.

SEC. 5. In action brought in any courts of the United States in any such jurisdiction upon any contract for the payment of money with interest at a rate forbidden by law, as aforesaid, any payments of interest that may have been made on account of said contract shall be deemed and taken to be payments made on account of the principal debt, and judgment shall be rendered for no more than the balance found due after deducting and properly crediting the interest so paid; but no bona fide indorsee of negotiable paper purchased before due shall be affected by any usury exacted by any former holder of said paper unless he had notice of the usury before his purchase.

SEC. 6. Whenever in actions in any such jurisdictions to recover a debt the defendant shall claim that payments of unlawful interest on said debt have been made to said plaintiff or those under whom he claims, which the defendant is entitled to have credited on the principal of the debt, the plaintiff or the party who received said unlawful interest may be examined as a witness to prove the payment of the same, and shall not be excused from testifying in relation thereto, nor shall a creditor who is made defendant to a bill in equity exhibited against him for discovery as to payments of unlawful interest made to him be excused from answering as to the same.

SEC. 7. In actions in any such jurisdictions to recover a liquidated debt on which interest is payable by contract or by law or usage the judgment for the plaintiff shall include interest on the principal debt from the time when it was due and payable, at the rate fixed by the contract, if any, until paid.

SEC. 8. In actions in any such jurisdictions to recover damages for breach of contract the judgment shall allow interest on the amount for which it is rendered from the date of the judgment only; but nothing herein shall forbid the court from including interest as an element in the damages awarded, if necessary to fully compensate the plaintiff. In an action to recover damages for a wrong the judgment for the plaintiff shall bear interest.

SEC. 9. In actions in any such jurisdictions, on a contract for the payment of a higher rate of interest than is lawful in any of said jurisdictions where such action is brought, made, or to be performed in any State, Territory, or possession of the United States where such contract rate of interest is lawful, the judgment for the plaintiff shall include such contract interest to the date of the judgment and interest thereafter at the rate of interest provided in section 1 hereof until paid.

SEC. 10. This act shall apply only to persons, firms, corporations, etc., subject to and within the jurisdiction of any court of the United States functioning in any country where the United States maintains courts under extraterritorial treaties.

BANKRUPTCY RELIEF OF URBAN HOME OWNERS

The Senate proceeded to consider the bill (S. 3049) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which had been reported from the Committee on the Judiciary with amendments.

Mr. FRAZIER. Mr. President, Senate bill 3049, to amend section 74 of the Bankruptcy Act, is a companion bill to the one which was passed a few days ago, Senate bill 3002. This bill deals with bankruptcy cases of home owners in cities, towns, and business organizations which are not corporations. There are a great many homes throughout the Nation which are threatened with foreclosure. Many have been foreclosed. The terms of this bill are practically the same as those of the bill passed the other day having to do with the amendment of section 75 with regard to bankruptcy in farms. I hope this bill will be passed.

The PRESIDENT pro tempore. The amendments of the committee will be stated.

The first amendment of the Committee on the Judiciary was, in section 1, page 1, line 3, after the word "subsection", to strike out "(h)" and insert "(l)", and after line 6 to insert:

(e) An application for the confirmation of a composition or extension proposal may be filed in the court of bankruptcy after, but not before, it has been accepted in writing by a majority in number of all creditors whose claims if unsecured have been allowed, or if secured are proposed to be affected by an extension proposal, which number must represent a majority in amount of such claims.

So as to make the section read:

That subsection (l) of section 74 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, is amended as follows:

"(e) An application for the confirmation of a composition or extension proposal may be filed in the court of bankruptcy after, but not before, it has been accepted in writing by a majority in number of all creditors whose claims if unsecured have been allowed, or if secured are proposed to be affected by an extension proposal, which number must represent a majority in amount of such claims."

The amendment was agreed to.

The next amendment was, on page 2, after line 4, to insert a new section, as follows:

SEC. 2. That section 74 of this act be further amended by amending subsection (f) to read as follows:

"(f) A date and place, with reference to the convenience of the parties in interest, shall be fixed for a hearing upon each application for the confirmation of the composition or extension proposal, and such objections as may be made to its confirmation. The court may require claims to be signed under oath and filed by the creditor, setting forth the claim, the consideration paid therefor, and if the claimant holds his claim by virtue of an assignment or transfer from the original holder of the claim, when such claim was acquired. Claims of secured creditors shall be scrutinized by the court with a view of ascertaining whether or not the securities upon which the claim is founded were purchased or acquired after default or after maturity and may limit such claims to the actual consideration paid therefor."

The amendment was agreed to.

The next amendment was, on page 2, after line 20, to insert:

SEC. 3. That section 74 of this act be further amended by amending subsection (h), as follows: On page 3, line 1, after the word "or", to strike out "of the custodian or receiver" and insert "a custodian or receiver or trustee"; in line 16, after the article "a", to strike out "corporation" and insert "corporate"; and in line 24, after the word "composition", to insert and/or extension", so as to make the section read:

"SEC. 3. That section 74 of this act be further amended by amending subsection (h), as follows:

"'(h) The terms of an extension proposal may extend the time of payment of either or both unsecured debts and secured debts the security for which is in the actual or constructive possession of the debtor or a custodian or receiver or trustee, and may provide for priority of payments to be made during the period of extension as between secured and unsecured creditors. It may also include specific undertakings by the debtor during the period of the extension, including provisions for payments on account, and may provide for supervisory or other control over the debtor's business or affairs during such period by a creditors' committee or otherwise, and for the termination of such period under certain specified conditions:

"'1. A composition proposal may provide for the modifying or altering of the rights of creditors generally, or any class of them, secured or unsecured, either through the issuance of new securities of any character, or otherwise, and may provide for the creation of a corporate entity or entities to which the property of the debtor or any part thereof may be transferred, and the obligations of such corporate entity may be exchanged for the obligations of the debtors, provided the majority of secured creditors, whose claims are secured by the property so transferred, holding a majority in amount of such claims have consented in writing to the proposal.

"'2. Before or after a proposal for composition and/or extension is confirmed, changes and modifications may be by the debtors or by the corporate entity created; and all certificates of deposit representing securities of all claims against the debtors, which it is proposed to deal with any such plan, shall be exempt from all the provisions by the Securities Act of 1933, approved May 27, 1933, except the provisions of subdivision 2 of section 12 and section 17 thereof, and except the provisions of section 24 thereof as applied to any willful violation of said section 17.'"

The amendment was agreed to.

The next amendment was, on page 5, line 9, to change the section number from 2 to 4.

The amendment was agreed to.

The next amendment was, on page 5, line 21, to change the section number from 3 to 5; on page 6, line 7, after the word "exemptions" and the comma, to insert "and unencumbered interest or equity in his exemptions,"; in line 11, after the word "property" and the comma, to insert "including his encumbered exemptions,"; on page 7, line 2, after the word "exemptions" and the comma, to insert "and his unencumbered interest or equity in his exemptions,"; in line 8, after the word "encumbrances", to insert "which"; in line 12, after the word "appear", to strike out the comma and "up to the actual value of such property, as fixed by the appraisals provided for in this section"; in line 15, after the word "court", to insert "may stay, except in the case of a home occupied by the debtor, and his household effects, in which case the court"; in line 20, after the word "years", to insert a comma and "except as hereinafter provided"; on page 8, line 9, after the word "appear" and the period, to insert "When the annual net rental exceeds 5 percent of the appraised value of the property the excess shall be applied in reduction of the indebtedness as established by the appraised value of the property and paid to the secured and unsecured creditors, as their interests may appear."; on page 9, line 1, after the word "and", to insert "with a view to"; in line 14, after the word "view", to strike out "of" and insert "to"; in line 18, after the word "the", to strike out "amount of"; in line 19, after the word "the" where it occurs the second time, to strike out "appraisal" and insert "appraised value less payments made on the principal"; on page 10, after line 5, after the word "debtor", to insert a colon and the following: "*Provided*, That upon request in writing by any secured or unsecured creditor or creditors, the court in its discretion, if it deems it for the best interests of the secured creditors and the debtor, may order the property upon which such secured creditors have a lien to be sold at public auction; but no mortgagee or lienholder shall be permitted to bid on any property at such sale, in excess of the appraised value, or the original principal less payments whichever is the higher. The debtor shall have 90 days to redeem any property sold at such sale, by paying the amount for which any such property was sold, together with 5 percent per annum interest, into court,"; on the same page, line 20, after the word "and", to insert "order"; and in line 21, after the word "sold", to insert "or otherwise disposed of", so as to make the section read:

SEC. 5. That section 74 of said act be further amended by amending subsection (L) as follows:

"(L) If the debtor fails to obtain the acceptance of a majority in number and amount of all creditors whose claims are affected by a composition and/or extension proposal, or if he feels aggrieved by the composition and/or extension, then he may apply to the court for adjudication. Such debtor may at the same time or at the time of the first hearing petition the court that all his property, wherever located, whether pledged, encumbered, or unencumbered, be appraised, and that his unencumbered exemptions and unencumbered interest or equity in his exemptions, as prescribed by law, be set aside to him, and that he be allowed to retain possession, under the supervision and control of the court, of any part or parcel or all of the remainder of his property, including his encumbered exemptions, under the terms and conditions set forth in this section. Upon such a request being made the referee, under the jurisdiction of the court, shall designate and appoint appraisers, as provided for in this act. Such appraisers shall appraise all of the property of the debtor, wherever located, at its then fair and reasonable market value. The appraisals shall be made in all other respects, with rights of objections, exceptions, and appeals, in accordance with this act, provided that in proceedings under this section, either party may file objections, exceptions, and take appeals within 3 months from the date that the referee approves the appraisal.

"1. After the value of the debtor's property shall have been fixed by the appraisal herein provided, the referee shall issue an order setting aside to such debtor his unencumbered exemptions and his unencumbered interest or equity in his exemptions, as prescribed by the State law, and shall further order that the possession, under the supervision and control of the court, of any part or parcel or all of the remainder of the debtor's property shall remain in the debtor, as herein provided for, subject to all existing mortgages, liens, pledges, or encumbrances which shall remain in full force and effect, and the property covered by such mortgages, liens, pledges, or encumbrances shall be subject to the payment of the claims of the secured creditors as their interests may appear.

"2. When the conditions set forth in this section have been complied with, the court may stay, except in the case of a home occupied by the debtor, and his household effects, in which case the court shall stay all judicial or official proceedings in any court, or under the direction of any official, against the debtor or any of his property, for a period of 3 years, except as hereinafter provided. During such 3 years the debtor shall be permitted to retain possession of all or any part of his property, in the custody and under the supervision and control of the court, provided he pays a reasonable rental semiannually for that part of the property of which he retains possession. The first payment of such rental shall be made within 6 months of the date of the order staying proceedings, the amount and kind of such rental to be the usual customary rental in the community where the property is located, based upon the rental value, net income, and earning capacity of the property. Such rental shall be paid into court, to be used, first, for payment of taxes and upkeep of the property, and the remainder to be distributed among the secured and unsecured creditors, as their interests may appear. When the annual net rental exceeds 5 percent of the appraised value of the property the excess shall be applied in reduction of the indebtedness as established by the appraised value of the property and paid to the secured and unsecured creditors, as their interests may appear.

"3. The court, in its discretion, if it deems it necessary to protect the creditors from loss by the estate, and/or to conserve the security, the property, or business of the debtor, except in the case of the home and/or household effects of the debtor or his family, may, in addition to the rental, require payments on the principal due and owing by the debtor to unsecured or secured creditors, as their interests may appear, in accordance with the provisions of this act, and may require that such payments be made quarterly, semiannually, or annually, not inconsistent with

the protection of the creditors, and with a view to the financial rehabilitation of the debtor.

"In case of the home and/or household effects of the debtor or his family, the court may, in its discretion, if it deems it necessary to protect the creditors from loss by the estate and/or to conserve the security for the creditors, and the home and household effects for the debtor or his family, require payments on the principal due and owing by the debtor to the secured or unsecured creditors, as their interests may appear, in accordance with the provisions of this act, and may require that such payments be made monthly, quarterly, semiannually, or annually, not inconsistent with the protection of the rights of the creditors, and the debtor's ability to pay, with a view to his financial rehabilitation.

"4. At the end of 3 years, or prior thereto, the debtor may pay into court the amount of the appraisal on any part or parcel or all of the property of which he retains possession, including the encumbrances on his exemptions, up to the amount of the appraised value less payments made on the principal: *Provided*, That upon request of any secured or unsecured creditor, or upon request of the debtor, the court shall cause a reappraisal of the debtor's property, or in its discretion set a day for hearing, and after such hearing fix the value of the property according to the evidence submitted, and the debtor shall then pay the value so arrived at into court, and thereupon the court shall, by an order, turn over full possession and title of said property, free and clear of encumbrances, to the debtor: *Provided*, That upon request in writing by any secured or unsecured creditor or creditors, the court in its discretion, if it deems it for the best interests of the secured creditors and the debtor, may order the property upon which such secured creditors have a lien to be sold at public auction; but no mortgagee or lienholder shall be permitted to bid on any property at such sale, in excess of the appraised value, or the original principal less payments, whichever is the higher. The debtor shall have 90 days to redeem any property sold at such sale, by paying the amount for which any such property was sold, together with 5 percent per annum interest, into court, and he may apply for his discharge, as provided for by this act. If, however, the debtor at any time fails to comply with the provisions of this section, and is unable to be refinanced within the 3 years, the court may order the appointment of a trustee, and order the property sold or otherwise disposed of as provided for in this act."

The amendment was agreed to.

The next amendment was, on page 10, line 23, to change the section number from 4 to 6; on page 11, line 12, after the word "expired" and the comma, to insert "or where a deed of trust has been given as security,"; and on page 12, line 1, after the word "expired", to insert a comma and "or where the right under a deed of trust has not or had not become absolute", so as to make the section read:

SEC. 6. That section 74 of said act be further amended by amending subsection (m) to read as follows:

"(m) The filing of a petition or answer with the clerk of court, or leaving it with the referee for the purpose of forwarding same to the clerk of court, praying for relief under section 74 of this act, as amended, shall immediately subject the debtor and all his property, wherever located, for all the purposes of this section, to the exclusive jurisdiction of the court, including all real or personal property, or any equity or right in any such property, including, among others, contracts for purchase, contracts for deed, or conditional sales contracts, the right or equity of redemption, where the period of redemption has not or had not expired, or where a deed of trust has been given as security, or where the sale had not been confirmed, or where deed had not been delivered, at the time of the filing of the petition, and this shall include property of the debtor in the possession of a trustee under a trust deed or a mortgage, or a receiver, custodian, or other officer of any court in a pending cause, irrespective of the date of appointment of such receiver or other officer or the date of the institution of such proceedings: *Provided*, That it shall not affect any proceeding in any court in which a final decree has been entered, the property sold, the period of redemption expired, and a deed issued to the purchaser. In all cases where, at the time of filing the petition, the period of redemption has not or had not expired, or where the right under a deed of trust has not or had not become absolute or where the sale has not or had not been confirmed, or where deed had not been delivered, the period of redemption shall be extended, or the confirmation of sale withheld, for the period necessary for the purpose of carrying out the provisions of this section.

"The words 'period of redemption', wherever they occur in this section, shall include any State moratorium, whether established by legislative enactment or executive proclamation, or where the period of redemption has been extended by a judicial decree. In proceedings under this section, except as otherwise previded herein, the jurisdiction and powers of the courts, the title, powers, and duties of its officers, the duties of the debtor, and rights and liabilities of creditors, and of all persons with respect to the property of the debtor, and the jurisdiction of the appellate courts shall be the same as if a voluntary petition for adjudication had been filed, and the decree of adjudication had been entered, on the day when the debtor's petition asking to be adjudged a bankrupt was filed with the clerk of court, or left with the referee for the purpose of forwarding same to the clerk of court."

The amendment was agreed to.

The next amendment was, on page 12, line 24, to change the section number from 5 to 7; on page 13, line 7, after the word "estate", to insert "Conciliation commissioners and referees appointed under this act shall be entitled to transmit in the mails, free of postage, under cover of a penalty envelop, all matters which relate exclusively to the business of the courts, including notices to creditors"; and in line 23, after the word "this", where it occurs the second time, to strike out "section" and insert "act", so as to make the section read:

SEC. 7. That section 74 of said act be further amended by amending subsection (n) to read as follows:

"(n) In case the debtor's estate consists only of a home and household and personal effects of himself and family, then the filing fee shall be $10, in place of the regular filing free provided for in this act. The referee shall receive such additional fee for his services as may be allowed by the court, not to exceed $35 in any case, to be paid out of the bankrupt's estate. Conciliation commissioners and referees appointed under this act shall be entitled to transmit in the mails, free of postage, under cover of a penalty envelop, all matters which relate exclusively to the business of the courts, including notices to creditors. No additional fees or costs of administration or supervision of any kind shall be charged against the debtor when or after he applies to the court for adjudication, but all such additional filing fees or costs of administration or supervision shall be charged against the bankrupt's estate. If, at the time that the debtor applies for adjudication, a receiver is in charge of any of his property, such receiver shall be divested of possession, and the property returned to the possession of the debtor under the provisions of this act. This act shall apply to all existing cases now pending in any Federal court under this section, as well as to future cases filed under this act.

The amendment was agreed to.

The next amendment was, on page 13, line 24, to change the section number from 6 to 8.

The amendment was agreed to.

The next amendment was, on page 14, line 6, to change the section number from 7 to 9; in line 11, after the word "petition" and the period, to strike out "Involuntary proceedings under this section shall not be taken against a wage earner", and in line 14, after the word "measure", to strike out "Due to the depression, hundreds and thousands of home owners and small business men are threatened with foreclosure and loss of their homes and property at prices equivalent to confiscation, due to no fault of their own, thus adding to the army of unemployed. It is common knowledge that there is no adequate system of credit whereby these debtors can refinance their existing debts, and save their property and their homes. Therefore, since the stability of government itself depends upon the ownership of homes, this act shall be liberally construed, so as to protect the rights of the creditors, and at the same time with a view to the rehabilitation of the debtors, by giving them time within which to refinance their loans, when the usual credit once more is obtainable. If such a time should arrive prior to the 3-year period provided for in this act, during which the debtor may retain possession of his property, and that fact is made to appear clearly to the court, then the court may shorten the stay of proceedings herein provided for to such time as will accomplish the purposes set forth herein" and insert "If, in the judgment of the court, such emergency ceases to exist in its locality, then the court, in its discretion, may shorten the stay or proceedings herein provided for, and proceed to liquidate the estate", so as to make the section read:

SEC. 9. That section 74 of this act be further amended by amending subsection (p) to read as follows:

"(p) The provisions of this section shall be held to apply to partnerships, common, entirety, joint, or community ownerships, and any such parties may join in one petition.

"This act is hereby declared to be an emergency measure. If, in the judgment of the court, such emergency ceases to exist in its locality, then the court, in its discretion, may shorten the stay or proceedings herein provided for, and proceed to liquidate the estate."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3072) to amend the Tariff Act of 1930, as amended, was announced as next in order.

Mr. CAPPER (and other Senators). Over.

The PRESIDENT pro tempore. The bill will be passed over.

FLOYD HULL

The bill (H. R. 4226) for the relief of Floyd Hull was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 2665) to change the name of the Department of the Interior and to coordinate certain governmental functions was announced as next in order.

Mr. SMITH. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, was announced as next in order.

Mr. McGILL. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

DIRECTOR OF COAST AND GEODETIC SURVEY

The bill (S. 3281) to amend the act of February 16, 1929, entitled "An act to amend the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service', approved June 10, 1922, as amended", was announced as next in order.

Mr. KING. I ask that the bill be passed over.

Mr. COPELAND. Mr. President, I ask the Senator who objected to this bill to withhold his objection.

Mr. KING. I withhold the objection.

Mr. COPELAND. This measure, Senate bill 3281, was the subject of hearings in the Department of Commerce, and has been considered briefly upon the floor. It seeks merely to confer upon this important service the same privileges which are given to employees in the Public Health Service, where the highly specialized duties have been recognized. It is confined to the appointment of a director, and limits the appointment of director to officers of the Bureau's own commissioned force in the grades of captain and commander. At the present time the Director of this Bureau receives the pay and allowances of a rear admiral (lower half), while similar positions in all other commissioned services carry the rank and pay of a rear admiral (upper half). The bill is proposed in order that there may be a stimulation to the activities of the Department and the hope of some promotions which would be exactly in line with those now given to the officers of the Public Health Service.

Mr. KING. Mr. President, does the Senator see any justification—and I ask for information rather than by way of criticism—for giving persons who are engaged in what might be denominated private work, though it is of a governmental character, the grades and allowances and titles, so to speak, of men in the Army and in the Navy?

Mr. COPELAND. The Senator certainly does not consider that the work of the Coast and Geodetic Survey is work of a private character. It has exactly the same application in its field that the Public Health Service has to the protection of public health, to the protection of individuals who may hire private physicians. It is a very important service, and we were impressed in the Committee on Commerce that it was a deserving matter; and I hope the Senator will withdraw his objection.

Mr. KING. I withdraw the objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That section 5 of the act of February 16, 1929, entitled "An act to amend the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service', approved June 10, 1922, as amended", be amended to read as follows:

"SEC. 5. That the Director of the Coast and Geodetic Survey shall be appointed and hold office as now authorized by law; his appointment shall not create a vacancy, and while holding said office he shall have the rank, pay, and allowances of a Chief of Bureau of the Navy Department."

BILLS PASSED OVER

The bill (S. 3260) to amend Public Law No. 438, Seventy-third Congress, entitled "An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes", was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2791) to amend the Longshoremen's and Harbor Workers' Compensation Act was announced as next in order.

Mr. METCALF. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 4436) conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon the claims of Alta Melvin and Tommy Melvin was announced as next in order.

Mr. KING. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1826) for the retirement of employees in the classified civil service to include employees in the legislative branch was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3160) to amend the law relating to residence requirements of applicants for examination before the Civil Service Commission was announced as next in order.

Mr. CLARK. Mr. President, may we have an explanation of that bill?

Mr. BULOW. The bill requires a uniform period of residence for persons examined by the Civil Service Commission.

Mr. CLARK. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid in national defense, and for other purposes, was announced as next in order.

Mr. McKELLAR. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2804) to authorize the payment of retired pay to William Mitchell was announced as next in order.

Mr. AUSTIN. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2134) to prohibit employers from influencing the vote of their employees in national elections was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3398) to establish the Air Corps Technical School and to acquire certain land in the State of Colorado for use as a site for said Air Corps Technical School and as an aerial gunnery and bombing range for the Army Air Corps was announced as next in order.

Mr. VAN NUYS. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 6250) to amend the National Defense Act was announced as next in order.

Mr. FRAZIER. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

VACATIONS TO GOVERNMENT EMPLOYEES

The bill (H. R. 8458) to provide for vacations to Government employees, and for other purposes, was announced as next in order.

Mr. McKELLAR. Over.

Mr. BORAH. Mr. President, did the Senator from Tennessee object?

Mr. McKELLAR. Yes. May I state, if the Senator will permit me to do so, that I have the following statement from the Department:

Reference is made to bill H. R. 8458, introduced by Mr. RAMSPECK, providing 30 days' annual leave with pay each calendar year, exclusive of Sundays and holidays, to Government employees, and to bill H. R. 8459, introduced by Mr. RAMSPECK, standardizing sick leave and extending it to all civilian employees, which in effect grants sick leave at the rate of 15 days each year, and to their effect upon the employees in the field services of the Navy Department and the United States Marine Corps.

Under the provisions of section 23 of the Independent Offices Appropriation Act, 1935, passed March 28, 1934, all per diem laborers, helpers, mechanics, and supervisory laborers and mechanics in the field services of the Navy Department and the United States Marine Corps, numbering 48,751, work 5 days, or 40 hours each week, for which they receive 6 days, or 48 hours' pay, i. e., they receive pay for 52 Saturdays for which they perform no work.

We have just passed a 40-hour-week bill for the postal employees, and that is what these employees now work, 40 hours each week, for which they receive pay for 6 days or 48 hours; that is, they receive pay for 52 Saturdays for which they perform no service.

The above-mentioned employees also receive pay for 15 days' annual leave each year and for 7 legal holidays, making a total of 74 secular days each year on which they do not work but for which they receive pay. Bill H. R. 8458 contemplates allowing 15 days additional annual leave with pay to these employees and bill H. R. 8459 contemplates allowing them 15 days' sick leave each year with pay.

Should the provisions of the above-mentioned bills become law, it will mean that these employees who now work 5 days each week, will have 30 days' annual leave and 15 days' sick leave with pay, which will practically make a 4-day work week for them.

The above-mentioned conditions would also apply to employees in the clerical, drafting, technical, inspection, messenger, and police forces in the field services of the Navy Department and the United States Marine Corps, numbering 8,439, who, because of the act of March 28, 1934, and a decision of the Comptroller General, generally work, under administrative order, 5 days each week. These employees are now entitled to the 15 days' sick leave with pay.

The annual cost of the additional 15 days' annual leave to laborers, helpers, mechanics, and supervisory laborers and mechanics in the field services of the Navy Department and the United States Marine Corps would be approximately $4,600,000. There will be no additional cost for this leave to employees in the clerical, drafting, technical, inspection, messenger, and police forces, as the work not performed by employees because of such leave will be performed by those employees who remain on duty.

The annual cost of the 15 days' sick leave to laborers, helpers, and mechanics, and supervisory laborers and mechanics, who are not now granted sick leave, would be approximately $4,600,000. If the employees average only 7 days' sick leave each year, the cost would be approximately $2,200,000. It is understood that it is not the practice of private industrial concerns to grant sick leave with pay to industrial workers. There would be no additional cost for sick leave to employees of the clerical, drafting, technical, inspection, messenger, and police forces, as they now receive 15 days' sick leave with pay.

It is understood that certain exceptions from the provisions of the above-mentioned bills have been submitted; among them one excepting certain Post Office Department employees because they have just recently been legislatively placed on a 5-day work week of 40 hours.

It is suggested that all employees in the field services of the Navy Department and the United States Marine Corps be likewise excepted in the following language in bills H. R. 8458 and H. R. 8459:

"SEC. 5. Nothing in this act shall affect the civilian employees in the field services of the Navy Department and the United States Marine Corps."

Sections 5, 6, and 7 of each bill should be renumbered 6, 7, and 8, respectively.

Mr. BORAH. Mr. President, I understand the Senator objects to the consideration of the bill?

Mr. McKELLAR. Yes; I do.

I desire to call attention to a letter just received from the Post Office Department, reading as follows:

POST OFFICE DEPARTMENT,
OFFICE OF THE SOLICITOR,
*Washington, August 22, 1935.*

Hon. KENNETH MCKELLAR,
*United States Senate.*

MY DEAR SENATOR MCKELLAR: I am sending herewith a copy of a letter addressed to me by the Honorable S. W. Purdum, Fourth Assistant Postmaster General, referring to H. R. 8458 and H. R. 8459, standardizing annual and sick leave for Government employees.

The suggested amendments place the employees of the mail equipment shops of the Post Office Department on the same basis as other field employees of the Post Office Department with respect to annual and sick leave.

Very truly yours,

KARL A. CROWLEY, *Solicitor.*

The enclosure reads:

AUGUST 16, 1935.

The SOLICITOR,
*Post Office Department.*

Referring to H. R. 8458 and H. R. 8459, standardizing annual and sick leave for Government employees, it is believed that employees of the mail equipment shops of this bureau are entitled to receive 15 days' annual and 10 days' sick leave, the same as provided for all other field-service employees of this Department.

The Department has heretofore recommended during the last calendar year and the present calendar year that employees of the mail equipment shops be granted 10 days' sick leave.

The act fixing the hours of duty of postal employees, and for other purposes, which was approved August 14, 1935, included employees of the mail equipment shops.

Will you please take the necessary action to either have the bills referred to amended to accomplish the desired result, or have a special bill introduced and push it to passage at this session of Congress?

S. W. PURDUM, *Fourth Assistant.*

These employees receive no sick leave and no annual leave, and yet we are asked to give other Government employees 30 days' annual leave and 15 days' sick leave and to reduce their days of work to 4 days a week. It is indefensible and the bill ought not to be passed. No bill along this line should be passed until we treat all the employees of the Government alike. If we are going to give one class of our employees a 4-day week, we ought to give it to all of them. We ought to treat them alike. We ought not to give these benefits to certain classes of our employees whose lobbyists flock around the Capitol and take it away from other employees who do not have lobbyists to look after their affairs.

I object to the present consideration of the bill and I shall continue to object, I serve notice, until all employees of the Government shall be treated fairly and justly and alike.

Mr. COPELAND. Mr. President, I hope the Senator will withhold his objection, since he has made a speech, so that some of the rest of us may comment upon the matter.

Mr. McKELLAR. I withhold my objection for the benefit of the Senator.

Mr. COPELAND. The Senator said that Government employees should be treated alike. I think he misunderstands about the matter of leave to employees. When we say "30 days' leave", that does not mean a month off for vacation. Every time they are half an hour late or take half a day off or an hour off to see the dentist or the doctor, that is leave which is charged against them.

Mr. President, I think this is a very just bill. If the Senator from Tennessee is going to use his efforts forever to try to defeat these measures, so far as I am concerned I am going to use my efforts to have them enacted into law.

Mr. McKELLAR. Mr. President, all I want is to have the employees of the Federal Government treated alike, and I am going to use every effort to see that that is done. If I can prevent it, I am not going to permit some of them to be given a most favorable situation and that favorable situation withheld from others.

I think the Civil Service Committee ought to have hearings and take proof from each and every department so that all the civil-service employees may be treated exactly alike so far as leave is concerned. The leave should be the same in each department and it should apply to all employees. I believe that proper consideration has not been given to the bill. I believe it can be considered in another session of Congress, but that the two bills ought to go over until equal justice can be done to all employees.

Mr. COPELAND. The Senator is very successful in his efforts. He is treating them alike. He is depriving all of them of leave, and I say that is not fair.

Mr. McKELLAR. The Senator does not understand what he is talking about when he says they are deprived of leave. I insist upon my objection.

Mr. KING. I call for the regular order.

The PRESIDENT pro tempore. Objection being heard, the bill will be passed over.

BILL PASSED OVER

The bill (H. R. 8459) to standardize sick leave and extend to all civilian employees was announced as next in order.

Mr. McKELLAR. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

EDGAR SAMPSON

The bill (H. R. 921) for the relief of Edgar Sampson was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That sections 15, 17, and 20 of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U. S. C., title 5, pars. 765, 767, and 770, on p. 79), are hereby waived in favor of Edgar Sampson, who is alleged to have sustained disability as the result of his employment in the United States Post Office, Brooklyn, N. Y., in December 1927: *Provided*, That no benefits shall accrue prior to the approval of this act.

EBERHART STEEL PRODUCTS CO.

The bill (S. 2996) for the relief of the Eberhart Steel Products Co., Inc., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That jurisdiction is hereby conferred upon the Court of Claims to hear and determine upon the basis of just compensation the claims of the Eberhart Steel Products Co., Inc., of Buffalo, N. Y., growing out of 43 certain contracts dated on and between January 28, 1920, and September 24, 1920, for the manufacture and delivery by said company to the War Department of certain material and parts for class B military trucks, said just compensation to include losses or damages suffered by said company due to procuring and supplying dies, tools, equipment, etc., in compliance, with agreement had with officers of the War Department to give said company additional orders for parts for class B military trucks, notwithstanding any failure or error of any Government official to give orders in the form required by law, or to give proper written orders for changes made in any of said contracts, or fix the value thereof, or any previous decisions or decrees rendered with reference thereto, or any alleged settlement or adjustment heretofore made, or termination agreement, except for proper credits to be given for any and all payments heretofore made: *Provided*, That suit shall be commenced within 4 months after this act becomes effective.

BILL PASSED OVER

The bill (S. 3409) for the relief of the estate of John Gellatly, deceased, and/or Charlyne Gellatly, individually, was announced as next in order.

Mr. ROBINSON. Over.

Mr. COPELAND. Mr. President, will the Senator withhold his objection a moment?

Mr. ROBINSON. I cannot consent to the consideration of the bill. However, if the Senator wishes to make a statement, I am willing to withhold my objection for the moment.

Mr. COPELAND. If the Senator is set upon his objection I shall not ask that privilege.

Mr. ROBINSON. Yes; I am unwilling to consent to the consideration of the bill.

The PRESIDENT pro tempore. On objection, the bill will be passed over.

CLAIMS OF MILITARY PERSONNEL FOR DAMAGES TO PROPERTY

The bill (H. R. 4852) to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to training, practice, operation, or maintenance of the Army was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the General Accounting Office be, and is hereby, authorized and directed to pay the following claims of military personnel and civilian employees in the amounts shown which have been approved and recommended for payment by the Secretary of War, for damages to and loss of private property of such personnel incident to the training, practice, operation, or maintenance of the Army, and that such payments be made from the present appropriation of the War Department entitled "Claims for Damages to and Loss of Private Property": Maynard R. Ashworth, captain, Infantry Reserves, $33.40; John B. Bowman, first sergeant, $29; Robert J. Benton, corporal, $25; John H. Brimberry, first sergeant, $63.52; Charles F. Bryan, civilian employee, $7.40; John H. Burns, captain, Infantry, $11; Frank L. Blue, Jr., lieutenant, Corps of Engineers, $450; Lionel J. Croteau, sergeant, $99.05; Charles H. Coy, staff sergeant, $9.75; Grovener C. Charles, lieutenant, Infantry, $15; Samuel L. Davidson, warrant officer, $4.90; Daniel Farrer, master sergeant, $23.25; Louis H. Foote, lieutenant, Corps of Engineers, $4.50; Francis S. Gardner, lieutenant, Field Artillery, $14.20; John F. Hartman, sergeant, $59; James P. Hodges, captain, Air Corps, $98.50; Daniel H. Hundley, lieutenant, Infantry, $16; M. E. Jennings, lieutenant, Chemical Warfare Service, $150; A. D. Johnson, captain, Infantry, $95.05, Carl A. Kastle, sergeant, $18; H. Koontz, civilian employee, $41.53; Grover McEntire, warrant officer, $58.78; Shockley D. Mullinix, staff sergeant, $1.10; Richard McCranie, civilian employee, $18.22; Huna Putchkoff, technical sergeant, $30; Henry Pascale, captain, Air Corps, $20.50; J. W. Richards, civilian employee, $8.50; John V. Schultheis, Sr., master sergeant, $18.86; Arnold W. Shutter, captain, Field Artillery, $11.85; Charles D. Schultz, civilian employee, $8; Richard J. Sorensen, private, $219.45; and Roger M. Wicks, lieutenant, Field Artillery, $45.

BILLS PASSED OVER

The bill (S. 2983) to amend the Plant Quarantine Act of August 20, 1912, was announced as next in order.

Mr. McKELLAR. Will the Senator from Washington [Mr. SCHWELLENBACH] explain the bill? [A pause.] If not, let it go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3420) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1634) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, was announced as next in order.

Mr. ROBINSON. That bill has been disposed of.

The PRESIDENT pro tempore. The bill should be indefinitely postponed.

Mr. ROBINSON. I suggest that that be done.

The PRESIDENT pro tempore. Without objection, the bill will be indefinitely postponed.

WILLIAM K. CALEY

The Senate proceeded to consider the bill (H. R. 6394) for the relief of William K. Caley, which was read.

Mr. ASHURST. Mr. President, quite naturally in the closing hours of Congress Members scrutinize claims closely. That is to be expected. Therefore, possibly I should say a word about this claim.

Some years ago the claimant, Mr. Caley, received in due course a contract with the Government to carry the mail on a star-route line from Bisbee, Ariz., to Bisbee Junction. Acting upon that contract, believing the Government was acting in good faith, he purchased a truck and a chassis and, I think paid down five-hundred-and-some-odd dollars upon them; whereupon the Government changed its mind—as it had a right to do, I suppose—and canceled the contract.

This claim has been passed on by the House of Representatives and other authorities and has been found to be a just claim. It is to reimburse Mr. Caley for what he actually paid out in purchasing the equipment to make good on carrying the mail under his contract. The amount involved is $575.

The bill was ordered to a third reading, read the third time, and passed.

RUFUS JONES

The bill (H. R. 3408) for the relief of Rufus Jones, a minor, was announced as next in order.

Mr. KING. Let that go over.

Mr. ROBINSON. Mr. President, I am familiar with the provisions of this bill. I ask the Senator from Utah to withhold his objection.

Mr. KING. I withhold it.

Mr. ROBINSON. This is a very meritorious case. A minor was traveling on the highway and was struck and seriously injured by a vehicle operated in connection with the Civilian Conservation Corps, the vehicle being on official business. This occurred on July 10, 1934. The bill is limited to a very reasonable amount. The guardian of the youth expended $63 for medical service, and the allowance is of $3,000 in addition thereto. I hope the Senator will not make an objection.

Mr. KING. I withdraw the objection

The Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

JOE RENO

The bill (H. R. 996) for the relief of Joe Reno was considered, ordered to a third reading, read the third time, and passed.

MEDICAL COLLEGE OF VIRGINIA, AND OTHERS

The bill (H. R. 1871) for the relief of the Medical College of Virginia, and others, of Richmond, Va., was considered, ordered to a third reading, read the third time, and passed.

SADIE WILKINSON

The bill (H. R. 2620) for the relief of Sadie Wilkinson was considered, ordered to a third reading, read the third time, and passed.

TOM L. GRIFFITH

The bill (H. R. 2621) for the relief of Tom L. Griffith was considered, ordered to a third reading, read the third time, and passed.

EMANUEL LIEBERMAN

The Senate proceeded to consider the bill (H. R. 2702) for the relief of Emanuel Lieberman, which was read.

Mr. KING. Mr. President, I should like an explanation of this bill. I find that the alleged injury occurred away back in 1919. Why was not the claim presented until such a long time had elapsed?

Mr. BAILEY. Mr. President, I am unable to say why there was such a long delay. We have here the full report of the House committee. The bill was considered by the Senate committee and reported on the strength of the considerations set out in the House report. The report of the Postmaster General on the bill concludes with these words:

> The Bureau of the Budget advises that this report to your committee would not be in conflict with the financial program of the President.

The bill was well supported; and, beyond that, I am not prepared to say just why there was delay in filing the claim. In looking over the report I do not see any special explanation of the delay.

Mr. KING. It would seem that a claim presented 12 or 15 years or more after the alleged accident would not only be barred by the statute of limitations but would be rather inequitable unless opportunity had been given the Government, within a reasonable time after the alleged injury, to obtain information which might negative the evidence, if there were affirmative evidence.

Mr. BAILEY. There is no explanation in the report as to why there was delay, so I cannot answer the question. There is no doubt that a long time elapsed.

Mr. FLETCHER. May I ask the Senator whether or not the bill has been heretofore introduced in the House? Probably the bill never got through both bodies at the same time, but got through one or the other.

Mr. BAILEY. The affidavits are dated as far back as 1921, and the facts are fully set out in House Report 1293, Seventy-fourth Congress, first session.

Mr. KING. I withdraw the objection.

The bill was ordered to a third reading, read the third time, and passed.

GLADYS PICKLESIMER

The bill (H. R. 4601) for the relief of the heirs of Gladys Picklesimer was considered, ordered to a third reading, read the third time, and passed.

J. T. SLAYBACK

The bill (H. R. 4784) for the relief of J. T. Slayback was considered, ordered to a third reading, read the third time, and passed.

CHARLES E. MOLSTER AND DR. LOUIS H. BAUER

The bill (H. R. 4848) for the relief of Charles E. Molster, disbursing clerk, Department of Commerce, and Dr. Louis H. Bauer, a former employee, was considered, ordered to a third reading, read the third time, and passed.

ELIZABETH LEIDING

The bill (H. R. 5245) for the relief of Elizabeth Leiding was considered, ordered to a third reading, read the third time, and passed.

ROSE TEIERMEYER

The bill (H. R. 5351) for the relief of Rose Teiermeyer was considered, ordered to a third reading, read the third time, and passed.

BALTIMORE RENOVATING CO.

The bill (H. R. 5634) for the relief of the Baltimore Renovating Co. was considered, ordered to a third reading, read the third time, and passed.

JAMES J. CURRAN

The bill (H. R. 5781) for the relief of the widow and next of kin of James J. Curran was considered, ordered to a third reading, read the third time, and passed.

MICHAEL A. M'HUGH

The bill (H. R. 5811) for the relief of Michael A. McHugh was considered, ordered to a third reading, read the third time, and passed.

CAL SETTLES AND RHODA SETTLES

The bill (H. R. 5905) for the relief of Cal Settles and Rhoda Settles was considered, ordered to a third reading, read the third time, and passed.

CHARLES K. SHADE

The bill (H. R. 6168) for the relief of Charles K. Shade was considered, ordered to a third reading, read the third time, and passed.

JULIA M. CROWELL

The bill (H. R. 6402) for the relief of Julia M. Crowell was announced as next in order.

Mr. KING. Mr. President, from what I observe in the report, it is alleged that the accident occurred away back in 1916. I do not see any reason why so long a time should have elapsed before the consideration of the claim.

Mr. BAILEY. Has the Senator the report before him?

Mr. KING. I have.

Mr. BAILEY. The report begins:

> The bill provides that the United States Employees' Compensation Commission be authorized and directed to extend to Julia M. Crowell, widow of Hiram M. Crowell, an employee of the United States Shipping Board as master of the steamship *Tuscarora*, the benefits of the Employees' Compensation Act approved September 7, 1916, as amended, in the same manner and to the same extent as the beneficiaries of other officers and members of the crew of the said steamship *Tuscarora* who were lost with the said vessel on or about December 8, 1917.

In the following paragraph the facts are stated. The case seemed to be a meritorious one. There was a failure, though perhaps not a right, to apply to the Shipping Board; but the committee felt, in view of all the circumstances, as the claimant's husband was employed by the Government, that she should have a right to submit her case to the Employees' Compensation Commission.

Mr. KING. I know; but it is so long afterward. I ask that the bill go over. I will look into it.

Mr. BAILEY. Very well. There is no question about its being a long time; but in this particular case, I remember it

was stated that the lady did not know that she had the right to come to the Government.

The PRESIDENT pro tempore. Objection being made, the bill will be passed over.

A. ZAPPONE AND W. R. FUCHS

The bill (H. R. 6889) for the relief of A. Zappone and W. R. Fuchs was considered, ordered to a third reading, read the third time, and passed.

INDIANS ON CHEYENNE RIVER RESERVATION

The bill (H. R. 6892) for the relief of certain Indians on the Cheyenne River Reservation was considered, ordered to a third reading, read the third time, and passed.

JOHN SCHRODL

The bill (H. R. 7076) for the relief of the heirs of John Schrodl was considered, ordered to a third reading, read the third time, and passed.

JOSE R. REDLHAMMER

The bill (H. R. 8020) for the relief of Jose R. Redlhammer was considered, ordered to a third reading, read the third time, and passed.

ELINORA FAREIRA

The Senate proceeded to consider the bill (H. R. 4770) for the relief of Elinora Fareira.

Mr. McADOO. Mr. President, I desire to offer an amendment to this bill.

A few days ago a House bill was passed for the relief of one Mearon Perkins. He discovered a burglar in the post office on the morning of February 4, 1932, and at great risk to his life he disarmed the burglar, who had a pistol pointed at him, took the pistol away from him, and killed him, saving the post office from that robbery.

The Senate passed a bill allowing this man $1,800 as a reward, the Post Office Department having paid him $200 already, and I should like to offer that bill as an amendment to this bill.

The PRESIDENT pro tempore. The clerk will state the amendment.

The amendment was, on page 2, after line 10, to insert a new section, as follows:

SEC. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,800 to Mearon Perkins, formerly a janitor in the El Centro Post Office, El Centro, Calif., in full satisfaction of all his claims against the United States for a reward for protecting the property of the United States on February 4, 1932, at great risk to his life, when he was compelled to shoot and kill one Alvin Self, an escaped convict, who was ransacking the package room of such post office.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "Bill for the relief of Elinora Fareira and Mearon Perkins."

ADDITIONAL DISTRICT JUDGE, MISSOURI

The Senate proceeded to consider the bill (S. 2075) to provide for the appointment of additional district judges for the eastern and western districts of Missouri, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause, and to insert the following:

That the President is authorized to appoint, by and with the advice and consent of the Senate, one additional United States district judge, who shall be an additional district judge for the eastern and western districts of Missouri. The judge so appointed shall at the time of his appointment be a resident and citizen of the State of Missouri.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL YEOMEN F

The bill (S. 1687) to incorporate the National Yeomen F was considered, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. KING subsequently said: Mr. President, the clerk was proceeding so rapidly that I did not know that Senate bill 1687 had been passed. I ask that the votes by which the bill was read the third time and passed be reconsidered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the votes are reconsidered.

Mr. KING. I ask that the bill go over.

The President pro tempore. The bill will be passed over.

Mr. KING subsequently said: Mr. President, a few moments ago I objected to the consideration of Senate bill 1687 and Senate bill 2324, one being a bill introduced by the Senator from Connecticut [Mr. MALONEY] and the other being a bill introduced by the Senator from New Jersey [Mr. BARBOUR]. I am advised that the organizations involved are patriotic organizations connected with the war, and therefore I withdraw my objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of Senate bill 1687?

There being no objection, the bill (S. 1687) to incorporate the National Yeomen F was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That Eva H. Clark, Beatrice Brown Dwyer, and Mary J. O'Donnell, of Arizona;

Ruby Busse Anglin, Lottie Sessions Barrett, Philome Lucy Cavanagh, Stella Austen Clark, Pearl Bonham Clerk, Lillian Koeber Deamer, Harriet Jane Dodson, Alma Simmermacher Dreyer, Stella Neumann Elberson, Ola Belle Emmner, Edna Crumpler Estes, Mirian Mathews Everett, Katherine Driscoll Fallon, Kathleen Vance Hatch, Eva Wilson Hay, Ellen Keefe Heady, Ruth Hemphill, Myrtle Kinsey, Anna Geisler Kirkpatrick, Katherine Brown Lightner, Margaret Dannagger Lovelace, Lillian Catherine McCarthy, Gladys Farmer McCool, Laura Landes Metcalf, Louise Vickery Mowers, Ruth Manahan Neal, Gladys D. Nelson, Madeline O'Leary Peggs, Caroline Peirce, Sara Craddock Sasser, May Gesner Schaefer, Billie Browne Schank, Rita Beauton Schaub, Etienne V. Schier, Louise Williams Sears, Anne Williams Shumway, Florence Kelly Sparrow, Laura V. Waldron, Agnes L. Walker, Gladys Spaulding Wheless, Evelyn Lyon Wiberg, and Muriel Andrews Zerangue, all of California;

Gladys Yeager Briggs and Blanche Marion Curry, of Colorado;

Grace Pascoe Agard, Julie Sternberg Aichler, Mary Sweeney Alling, Sara Hinchey Barry, Anna Kilroy Bean, Kathleen Moriarity Begley, Anna Lyons Bergin, Ethel Cornet Bolles, Anna McDowell Brown, Mary MacKenzie Carson, Lucy Galvin Cavanaugh, Rose Reiger Chapman, Dorothy Sara Clifford, Monica Cecelia Clifford, Sadie Connelly, Marjory Murray Cormack, Martha Swirsky Cotton, Marion McEntee Cox, Ione Disco Cunningham, Katherine Lyng Donovan, Margaret Bess Dordelman, Marguerite Driscoll, Mae Sheehan Dwyer, Ruth Lawson Euster, Katherine Frances Fagan, Ethel Clendenen Fargo, Gertrude Selesnitzky Feinberg, Elisabeth Tagliabue Fields, Helen Buckley Fitzgerald, Irene Catherine Fitzgerald, Anna Campbell Forsythe, Anna J. Gaughan, Mary Ponders Gillis, Mary Agnes Grady, Theresa Madeleine Hamill, Alice Mary Harrington, Florence Hulbert Hermanus, Ella Veronica Houlihan, Deborah Pickett Kane, Frances Walsh Keenan, Margaret O'Brien Kennedy, Hazel Merwin Lander, Elizabeth Mallon Leighton, Agnes Carlson Lukens, Catherine Gertrude MacKenzie, Clara Armstrong MacKenzie, Edna Murray Manchester, Mary Driscoll Markham, A. Regina Martin, Josephine McAuliffe Martin, Bellerose Meunier, Mazie Rogers Miller, Elsie Reichert Moon, Winnifred Patricia Nagle, Isabelle Dickson Peterson, Lucky Riley Pfannenstiel, Jewel Perkins Pitt, Eleanor Donahoe Reilly, Elizabeth Kepes Reynolds, Ida Reed Sanders, Alice Savage, Mildred Mabel Schwartz, Margaret Hogan Seaman, Ida Selesnitzky Stone, Agusta Strand, Caroline Wyllie Waterman, Juliana Augusta Weske, Helen Wienhusen, Louise Arnold Wiley, Selina Lee Winter, Margaret Hardiman Wrisley Mary Connors Wundrack, and Marie Deering Yeager, all of Connecticut;

Nora M. Albers, Lucille Loveless Allan, Gladys Elizabeth Allen, Sarah Jarvis Andrus, Edith Ober Armstrong, Mary Hough Barber, May A. Barrett, Nettie Neitzey Beach, Mary Mundy Becker, Esther Hall Beckett, Anne Curtin Belt, Charlotte Louise Berry, Jeannette L. Bishop, Alice Boland Bloomfield, Amelia Boberg, Beulah Holtzscheiter Bosworth, Jane M. Breen, Kate Knight Briggs, Eloise Broaddus, Helen Sprague Brown, Lola Carlisle Strailman Browning, Rose Flood Buice, Annette Louise Burton, Gertrude Bangs Butts, Mary Callen, Daisy House Campbell, Ella Echols Chambers, Emma S. Collie, Maude V. Cowan, Jane Regina Cox, Catherine Crowley, Reva S. Darrell, F. Pearle Delaplaine, Eleanor Marie Downey, Alice M. Downie, Cora Laughlin Drake, Anna Cecelia Dunn, Emma Schroder Dyer, Bessie London Faine, Elizabeth Waters Fallis, Anna Schultz Frame, Barbara Spence French, Agnes Monia Gallagher, Annie Ellen Gilson, Eleanor Mary Griffith, Mary Derouda Hall, Amy F. Hammond, Adelaide Ruth Harbers, Dorothy B. Harper, Carolyn Hardesty Herman, Nellie Grant Hinson, Mary E. Jones, Claire Keefe, Kathryn Gallagher Kendrick, Ann Kilmartin, Hope Knickerbocker, Louise Elender Koester, Mary Beall Kolhos, Helen Lucinda Leonard, Edith Kite Lewis, Mary Dove Loughrey, Marie B. Luebkert, Lillian Allen Brubaker Luther, Helen Horigan Maisel, Laura Garcia Martin, Louise Greenwald Matthews, Helen C. McCarty, Geraldine Clark McGovern, Lois B. McRae, Ellen Russell McWilliams, Eloise Sanford Davison Miller, Mary Kurth Moler,

Alice Alford Morgan, Anna Lochte Murphy, Margaret Elma Naylor, Edna Meier Nielson, Margaret Broderick Nolan, Alice F. O'Neal, Helen Geraldine O'Neill, Helen Linkins Opitz, Netty Baxter Parker, Blanche C. Paul, Anna Viola Phelps, Annie Skidmore Powers, Sue Gould Prentiss, Edith Warren Quinn, Lillian Louise Reagan, Edna Marie Robey, Estelle Richardson Ruby, Ethel Clark Rule, Louise MacDonnell Ryan, Elizabeth Ivey Sage, Marion Trumbo Skinner, Jessica Randolph Smith, Margaret Grady Smith, Mabel F. Staub, Emily Steele, Nellie Rollins Stein, Edith Herndon Summerson, Mary Sullivan Tatspaugh, Marion Crawford Thur, Mary Killilea Tracey, Margaret Mills Vaughan, Eva Young Virtue, Olive Wrenn Walter, Genevieve F. Wedding, Mary Z. Weide, Lena Kathryn Willige, Pansie Casanave Willson, Ethel M. Wilson, Faith Clements Windsor, Amy Owen Wood, Lena Rigby Woolford, Myrtle Stephens Wright, and Mary Crook Yates, all of the District of Columbia;

Marie Roberts Bevis, Zella Prunty Byrd, Lamonte Oliver Cates, Demerise Labbe Cleveland, Ida Matthews Eichenberger, Loyce Davis Hackett, Mabel Williamson Jacobs, Madeline A. Jacobson, Idele Torrance Jamison, Adele Mead Kendrick, Josephine Mack Miller, Lois Clappison Morse, Almeda Fink Murphy, Roxana Anne Post, Agnes Towson Shelton, Daisy Ruth Westerlund, and Elsie Tuttle Wright, all of Florida;

Anna Elizabeth O'Connell, of Georgia;

Alta Sebree Wardwell Donovan, of Idaho;

Elsie Ericksen Biever, Nora Pomeroy Darling, Grace Alma Dunbar, Anne Rourke Durst, Virginia Stoddert Moore Grottee, Nell Weston Halstead, Edna Benton Hann, Cornelia M. Huennekens, Elizabeth Ann McCoy, Mary Louise Minton, Josephine MacFarland Moran, Mabel Vander Ploeg Pease, Hester Smith Rasmussen, Agnes Foertsch Rohlfing, Marie Healy Simpson, Evelyn Jackson Skavlan, Constance Strong, and May Gilligan Sutherland, all of Illinois;

Donna Zimmer Akin, Bessie Fisher Bogwell, Hortense Lee Goldsmith, Mary Parker Harris, and Minnie Tryon Ryan, all of Indiana;

Maud Lowell Ayers, of Kentucky;

Sarah Flaherty Gallagher, and Gladys Ilsley McKnight, of Maine;

L. Dorothy Devey Brunken, Lucille Bonita Garrett, Fannie Grigat Laut, Grace Ryder Mead, Katherine Marie Page, Lillian Deters Tabor, Effie Van Horn Thomas, Edna Josephine Yorker, and Anna Kaer Yust, all of Maryland;

Mary Lee Aylward, Marion L. Bain, Florence K. Barry, Anna E. Beers, Helen I. Blake, Mary C. Breslow, Adelaide Mary Bresnahan, Gladys Bruce, Isabel Kehoe Burk, Aileen J. Burke, Elizabeth Helen Burke, Dorothy Leighton Cady, Alice Elinor Carey, Helen Carman, Mary A. Carroll, Mary Chisel, Mary Warner Colombo, Mazie Conley, Kathryn J. Connor, Anita Ryan Connors, Mary M. Conroy, Ellen Bernadette Corbett, Catherine A. Corcoran, Winifred Burns Cox, Lizzie Glidden Cowley, Madeleine Galvin Delano, Elinor Kyle Devine, Sally Ryan Devlin, Mary F. Doherty, Jane E. Dolsen, Mary Dowd, Eleanor Marion Drew, Alice Driscoll, Mary Joyce Duggan, Mollie Catherine Dundon, Margaret Murphy Faherty, Helen Farrell, Helen Mary Farrell, Catherine Woodward Feeney, Bernice W. Fortin, Patricia Gleason, Marion E. Grady, Mary E. Grady, Anna Mary Hegarty, Ethel Hickey, Dorothy Drew Horan, Elizabeth A. Horgan, Marie Lambert Johnson, Anna Riley Joyce, Agnes Keanneally, Ellen E. Kearns, Bessie Josephine Kelly, Violet Elizabeth Kirkland, Ethel Lally, Genevieve Adrienne Lane, Lucy Marshall Lanigan, Ellen A. Lannigan, Leonore Learson, Julia B. Lehan, Marie Alice Long, Gertrude Lorton, Emma Macaulay Lyle, Helen Stolba Macbeth, Gertrude Catherine Macdonald, Margaret Mehlman Maguire, Anna Marie Mahan, Genevieve A. Maher, Mary Louise Marcille, Marie Kathryn McAuliffe, Anna McCarthy, Helen F. McDonald, Catherine McDonough, Marion Mary McElaney, Anna Marie McGuire, Esther McCall McLaughlin, Agnes Murphy McLean, Anna L. McNulty, Ruth Desmond McSweeney, Bertha Erickson Mead, Irene Florence Michel, Yvonne Michel, Margaret Isabelle Mitchell, Margaret Louise Murphy, Helen Adelaide Murray, Elizabeth McDonald Myers, Helen Barr Nickerson, Eleanor Teresa O'Brien, Marguerite Catherine O'Brien, Ria Minehan O'Brien, Margaret Lonergan O'Brion, Helen O'Brien O'Connor, Elizabeth M. O'Donnell, Mary Bull Owens, Olive T. Parsons, Mary Fielding Rawling, Mary McGunigle Redmond, Elizabeth Foley Regan, Mary Lane Regan, Ellen Riley, Helen O'Brien Riley, Anita Roberts, Mary Myers Robinson, Alice Mahan Saunders, Gladys Mary Saxton, Mary Elizabeth Scalley, Julia E. Shine, Elizabeth Stander, Mary Catherine Sughrue, Madeline O'Brien Sullivan, Harriet Mussinan Swearingen, Mary Gross Thayer, Grace M. Tomasello, Madeline Robillard Treloar, Isabel Catherine Wall, Lulu Veronica Walsh, Ethel May Ward, Agnes O'Brien Welch, Esther Marie Werme, Margaret Gertrude Wholly, Alice M. Williams, Lillian Everette Williams, Lucy M. Winn, and Maud C. Young, all of Massachusetts;

Theresa Bean Ballenger, Lilla Mary Bellinger, Gertrude M. Camp, Pauline Cassidy, Grace Schoenhur Conway, Marie Rossley Kalt, Gladys Webster Mallett, Helen Moran, and Margaret Morton Mullaney, all of Michigan;

Ethyl Ryan Maly and Gertrude O'Connor Trestrail, of Minnesota;

Gladys Thames Hubbard, of Mississippi;

Sophie Polenska Coleman, of Missouri;

Davidson, Edyth Plummer, and Dorothy Mauck Wehrman, of Nebraska;

Christina Sander Anderson, Anna Elizabeth Conroy, Gertrude O'Neil DeBrunner, A. May Erwin, Alice Catherine Fairbrother, Kathleen Mary Field, Anne Pederson Freeman, Marguerite B. Geiger, Lillian Helena Hannold, Julia Hicks, Anna V. Kane, Dorothy May Lee, Corrine Dextroze Mahanna, Anne Maria McCormick, Mina Klein Morrison, Marie Burke Oetmann, Ann B. Shinnick, and Catherine Waters, all of New Jersey;

Sarah Russell Imhof, of New Mexico;

Mary Ducey Archer, Laura Dayton Ball, Esther Berkowitz, Rose Brancato Biagi, May Anne Blazina, Ruth Nethaway Bouck, Harriet Eldridge Robins Brandt, Josephine Mitchell Brosseau, Irene Malito Brown, Regina Burke, Frances Jedlicka Campbell, Rowena Margaret Campbell, May Flaherty Carroll, Veronica Marie Cherry, Mary L. Clark, May Cecilia Collins, Ada Howe-Webster Dallinger, Julia Flynn Dorner, Alice Leahy Everard, Dorothy Winifred Ferrier, Elinor Valentine Foley, Marie McElroy Forte, Anna Gallagher, Margaret Katherine Garland, Florence Wilson Goulden, Alice Miriam Govenor, Elizabeth Anna Gridley, Mildred Berryman Hall, Mary Mahoney Halwartz, S. Dorothy First Hayes, Alice Gieseking Johnson, Angela Lyons Johnson, Marie Elizabeth Kelly, Carrie Klinger, Leonore Lawson Koellsted, Lucile Alzamora Lacey, Mary Gray Langford, Esther Martins Law, Hortense Lersner, Gertrude Long, Isabel Margaret Lynch, Nellie Mahoney, Ruth Evelyn Manning, Matilda Foeth McDonald, Agnes Murphy McGovern, Mary McMahon, Lillian Forsberg Miller, Maud Amelia Mittern, Blanche Babbitt Moeller, Frances Donahue Molloy, Mina Walden Mullen, Lulu Muller, Mary Elizabeth Noel, Lillie May Nohowec, Mabel Dorothy O'Connell, Betty A. Peifer, Frances L. Phair, Anna Reisman, Julia White Robbins, Marion Flannery Savage, Gertrude Evelyn Sawyer, Margaret Faglon Schutt, Mae E. Shuttleworth, Ethel Lynwood Sickles, M. Grace Siegmann, Alice Clyde Stafford, Jeannette Gartland Sturla, May Agnes Sullivan, Lillian Browne Swanson, Dorothy Bradford Thomson, Irene M. Tynan, Rita Regan Wallis, Florence Kelley Walters, Irene Hallam Webb, Julia Woodroff Wheelock, Sally R. Wolf, Sarah Gibbon Yeoman, and Henrietta Yunker, all of New York;

Cooper Miller Correll, Willa Tritt Coward, Virginia Dockery Crow, Lassie Kelly Cunningham, Ethel Harwood Fuller, Estelle D. Gordon, Velma Moody Horne, Annie L. Londeree, Arabella Johnson Milligan, Rebecca Adams Nichols, Mary Allen Pearce, Kathleen Rogers Tate, and Edith Singer Weibel, all of North Carolina;

Neita Russell Christian, Evelyn Evans, Mary Pow Hartman, and Mae E. Hickey, all of Ohio;

Helen Jane Bringler and Bessie Hittle Groff, of Oklahoma;

Anna Lenz Seaton, and Evelyn B. Youngs, of Oregon;

Marie R. Ahern, Mary Kemp Anthony, Laura Anderson, Sue Rohland Arishoff, Lillian Young Armour, Minnetta Collies Bentz, Lillian LeVene Blackman, Maybelle M. Bond, Anna D. Boyle, Gertrude Margaret Bracken, Winifred Brooks, May McCormick Bullock, Emma Engel Bunte, Margaret Rebecca Burdell, Mary Gallagher Campbell, Margaret M. Collins, Mae McConnell Conlin, Mary E. Cross, Mrs. James Crumlish, Anna Maguire Culliton, Mary Cavanaugh Daly, Claire Dougherty Dever, Helen M. Devery, Anna Marie Devine, Elizabeth Gray Doran, Helen Dunne, Helen Coty Easterby, Anna Viola Edmonds, Dorothy Elma Evans, Florence Monberger Fedor, Sylvania Israel Garner, M. Cecilia Geiger, Gertrude White Gilkes, Fanny Goldschcider, Blanche Miller Grimes, Catherine Stanfield Gutenberger, Emily Hacker, Beatrice B. Hamer, Agnes E. Hamill, Marion Manahan Hammill, Claire V. Harkins, Bertha M. Harris, Mary English Harvey, Freda Forster Hawsey, Kathryn Johnston Hazzard, Charlotte King Hedden, Jane Orr Heilig, S. Elizabeth Holmes, Effie C. Innes, Sue Altemus Jones, Anna Elizabeth Jourdan, Marie A. Kelly, Marie V. Klase, Emma Edith Lapcus, Sophia Levin, Mary M. Long, Laura Harrison Love, Anna Elizabeth Magee, Helen Marshall, Esther Nichols Martin, Cecilia McHale, Elizabeth Marie McNamee, Anna J. Meara, Mary Burton Morris, Rosaline K. Moscony, Helen Hannigan Myers, Sara Myers, Florence Fischer Nicholson, Vesta Kaufman Nicdt, Sylvania W. Oberholtzer, Anna Florence O'Connor, Constance O'Hara, Catharine G. O'Neill, Margaret Elizabeth Paul, Anne M. Perry, Cora Felter Phillips, Molly Dever Purcell, Mary A. Raith, Sara Ada Rice, Isabel E. Rosenfeldt, Anna M. Ross, Lillian White Schumacher, Prudence McCullin Sheperla, Rachel Emily Shultz, Aida Holz Skelly, Mabel Melville Slifer, Marjorie L. Slocum, Mary T. Smith, Caroline Steinbock, Mary M. Taylor, Agnes Finley Tieman, Ida Carver Townsend, Gertrude Martin Voigt, Katherine Frances Walsh, Mary Warren, Elsie E. Weaver, Amy Maria Weems, Annette Kirby Weirbach, Margaret Rowena Weilbank, Joanna Ferguson Wittman, and Elsie Richards Whitmore, all of Pennsylvania;

Jennie Carter Aldred, Elisabeth Louise Baxter, Lydia York Brown, Lylian Annette Callis, Lillie Reeves Campbell, Olive Mather Clark, Theresa Margaret Dunphy, Helen MacDonald Garnett, Matilda Eglinton Grady, Dora Bucklin Helwig, Catherine Freeman Hunt, Monica Monaghan Keenan, Margaret Ruane McCartin, Effie Crowther Meeker, Mary Littlefield O'Mara, Jennie Cavanaugh Peffer, and Agnes Wheeler Smith, all of Rhode Island;

Bertha Avaunt Frischkorn, Sara Quinn Harrington, Rosa Wade Holland, Florence Idella Larasey, Mary Sinkler de Saussure McQueen, Ida Marie Stoesen, and Mamie Elizabeth Verdier, all of South Carolina;

Antonio Shuster Bunger, Sue Lou Rutledge Corbin, and Louisa Daniell Shepherd, all of Texas;

Esther Laubach, of Utah;

Nellie Leland Cutler and Minnie Bliss Sweetser, of Vermont;

Bertha Tyler Carwithen, Columbia Taylor Conway, Mary Anne Eike, Janet Risheel English, Dorothy Knight Fannon, Pauline Taylor Groves, Peggy Oakes Marable, Ethel Ward Montagne, Rose Nelson O'Hara, Anna Smith Reynolds, Josephine M. Senerchia, Maude Lois Smith, Mayme E. Smith, Mary Phillips Spiers, Margaret C. Thomas, and Ulla Rathbun Tracy, all of Virginia;

Sadie Conely Babcock, Margaret Powell Bidlake, Calla Layton Henly, Betty L. Reynolds, Emma Rogers Shriver, Lillian M. Squier, and Agnes Bell Williams, all of Washington;

Elsie Jane Beaty, Beulah Bess Carper, Ada Drown Childers, Mabelle W. Clinton, Alberta Herren Davis, Selma Price Deyo, Cora Byrnside Haynes, Mabel Claire Heslep, Hazel Hodge, Pauline Miller Howard, Tillie Haley Hull, Elizabeth Van Hoose Hurt, Helen Southworth Lanterman, Hope Parker Oesterle, Naoma Hawkes Parsons, Mary Louise Price, Kathaleen Dellinger Ridgley, and Wafie Calebaugh Robinson, all of West Virginia;

Mrs. Wallace A. Giffen, Laura V. Hall, Eleanore Walters Herdrich, Ada Hosford, and Sophia Keller Ormond, all of Wisconsin;

Susan Barnes Turney, of Wyoming;

Wilhelmina Mezger Farvin Woofter, of Alaska;

Katherine Patce MacMillian, of Canada;

Rose O'Connell Shaefer, of China;

Laura Finnegan Cheatham, Margaret MacEachern Edwards, Marie Murray Grant, Lillian Cooper Harrington, and Julia Weber, all of Hawaii;

and their associates and successors are hereby created a body corporate and politic, in the District of Columbia, by the name of "The National Yeomen F", for patriotic, historical, and educational purposes; to foster and perpetuate the memory of the service of Yeomen (f) in the United States Naval Reserve Force of the United States Navy during the World War; to preserve the memories and incidents of their association in the World War by the encouragement of historical research concerning the service of Yeomen (f); by the promotion of celebrations of all patriotic anniversaries to cherish, maintain, and extend the institutions of American freedom; to foster true patriotism and love of country, and to aid in securing for mankind all the blessings of liberty.

SEC. 2. That said organization is authorized to hold real and personal estate in the United States so far only as may be necessary to its lawful ends, to an amount not exceeding $50,000, and may adopt a constitution and bylaws not inconsistent with law, and may adopt a seal.

SEC. 3. That said organization shall report annually to the Secretary of the Smithsonian Institution concerning its proceedings, and said Secretary shall communicate to Congress such portions thereof as he may deem of national interest and importance. The regents of the Smithsonian Institution are authorized to permit said national organization to deposit its collections, manuscripts, books, pamphlets, and other material for history in the Smithsonian Institution or in the National Museum, at their discretion, upon such conditions and under such rules as they shall prescribe.

### MILITARY ORDER OF THE PURPLE HEART

The bill (S. 2324) to incorporate the Military Order of the Purple Heart was announced as next in order.

Mr. KING. Mr. President, I should like to ask a question of the Senator in charge of this bill, or the Senator in charge of Calendar No. 1413, being Senate bill 1687, which was just passed.

In the Committee on the Judiciary for a number of years we have opposed the granting of national charters for organizations of this character. In my opinion, there is no justification for granting Federal charters for private organizations. They can be organized under the laws of the District of Columbia, they can be organized under the laws of any State, and obtain all of the privileges of incorporation.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. KING. I yield.

Mr. McKELLAR. The Senator is correct about the historical fact to which he has alluded, that it is very rare for Congress ever to allow a national incorporation.

I remember that several years ago I introduced a bill to grant a Federal charter to the Rotary Clubs of America, one of the greatest of all the civic organizations in our country, and the proposal was turned down on the ground stated by the Senator.

Mr. KING. Mr. President, I may say, furthermore, that a number of individuals who have secured Federal incorporation have obtained a prestige for their organization upon the basis that they were national organizations, and that they had national charters.

In my opinion, the Federal Government has no right to grant such charters except for public business, for the activities of the Federal Government, and to carry out the purposes for which the Federal Government was organized. I object to the consideration of the bill.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. KING subsequently said: Mr. President, I withdraw my objection to the consideration of Senate bill 2324 for the reasons stated regarding Senate bill 1687.

The PRESIDENT pro tempore. Is there objection to the consideration of Senate bill 2324?

There being no objection, the bill (S. 2324) to incorporate the Military Order of the Purple Heart was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the following-named persons, to wit: Howard J. Lepper, New Jersey; George L. Apgar, New Jersey; D. Brandon Bernstein, California; Edgar N. Bloomer, New Jersey; William J. Burke, Connecticut; Charles A. Carlson, California; Rev. Michael J. Corr, New Jersey; Fred Cudmore, New York; Raymond L. Cunneff, Pennsylvania; Frank Cushner, Connecticut; George L. Edmonds, Pennsylvania; Joseph Godley, Michigan; L. E. Henry, Maryland; Kimon Karelis, Minnesota; Israel Kaufman, District of Columbia; F. K. Kennedy, Pennsylvania; John R. Lagana, Missouri; Carey D. Mitchell, Missouri; Ludwig J. Nachtmann, Pennsylvania; Harry T. O'Connell, New York; A. S. Odin, Michigan; Robert G. Patton, California; James Pistorio, District of Columbia; James T. Potter, Massachusetts; Maurice E. Romm, Connecticut; Frank A. Schrepfer, Pennsylvania; Harry A. Seigall, Connecticut; Walter C. Stamm, Minnesota; Fred H. Surry, Washington; T. M. Thompson, Minnesota; Clyde E. Winterton, New Jersey; Carl Wirching, California; and such other persons as may be chosen who are holders of the Purple Heart Medal, awarded by the War Department under General Orders No. 3, dated February 22, 1932, duly chosen, are hereby incorporated and declared to be a body corporate. The name of this corporation shall be "The Military Order of the Purple Heart."

SEC. 2. The said persons named in section 1, and such other persons as may be selected from among those who have been awarded the Purple Heart Medal by the War Department, may complete the organization of said corporation by the selection of officers, the adoption of a constitution and bylaws, and do all other things necessary to carry into effect the provisions of this act, and at any meeting for that purpose any person duly accredited as a delegate from any chapter or State department, known as "The Military Order of the Purple Heart", shall be permitted to participate in the proceedings thereof.

SEC. 3. That the purpose or object of this corporation shall be patriotic, fraternal, historical, and educational;

To preserve and strengthen comradeship among its members;

To assist worthy comrades;

To perpetuate the memory and history of our dead;

To maintain true allegiance to the Government of the United States of America and fidelity to its Constitution and laws.

SEC. 4. That the corporation created by this act shall have the following powers:

Perpetual succession with power to sue and be sued in courts of law and equity;

To receive, hold, own, use, and dispose of real estate and personal property as shall be necessary for its corporate purposes, including the right to mortgage, encumber, or exchange said real estate or personal property;

To adopt a corporate seal, and change the same at pleasure;

To adopt a constitution, bylaws, and regulations, to carry out its purposes, not inconsistent with the laws of the United States, or any State, or of the District of Columbia;

To adopt for the purposes of the corporation emblems and badges;

To establish State, District, and Territorial organizations and units or chapters; and

To publish a magazine, or other publications, and generally to do any and all such acts and things as may be necessary in carrying into effect the purposes of the corporation.

SEC. 5. That the organization shall be nonpolitical and as an organization shall not promote the candidacy of any person seeking public office.

SEC. 6. That the said corporation and its State, District, Territorial, or local units, or chapters, shall have the sole and exclusive right to have and to use in carrying out its purposes the name of "The Military Order of the Purple Heart."

SEC. 7. That the said corporation shall, on or before the 1st day of January in each year, make and transmit to the Congress a report of its proceedings for the preceding calendar year, including a full and complete report of its receipts and expenditures.

SEC. 8. That as a condition precedent to the exercise in any State of any power or privilege herein granted or conferred, The Military Order of the Purple Heart shall file in the office of the secretary of state of such State the name and post-office address of an authorized agent in such State upon whom legal process against The Military Order of the Purple Heart may be served.

SEC. 9. That the right to alter, amend, or repeal this act at any time is hereby expressly reserved.

### WILLIAM E. FOSSETT

The bill (H. R. 1965) for the relief of William E. Fossett was considered, ordered to a third reading, read the third time, and passed.

### AMY M'LAURIN

The bill (H. R. 4570) for the relief of Amy McLaurin was considered, ordered to a third reading, read the third time, and passed.

WALTER D. FOSTER

The bill (S. 2718) for the relief of Walter D. Foster was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That notwithstanding the provisions and limitations of sections 15 and 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive and consider, when filed, the claim of Walter D. Foster, who, because of disabilities resulting from two strokes of paralysis, was forced because of total disability to discontinue his services as rural mail carrier on December 15, 1917, and to determine said claim upon its merits under the provisions of said act: *Provided,* That no benefits shall accrue prior to the enactment of this act.

BILLS PASSED OVER

The bill (S. 3030) granting the consent of Congress to the Rockland-Westchester Hudson River Crossing Authority, State of New York, to construct, maintain, and operate a highway bridge and causeway across the Hudson River between a point in the vicinity of the village of Nyack, Rockland County, and the village of Tarrytown, Westchester County, N. Y., was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1645) to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York, to New Jersey, was announced as next in order.

The PRESIDENT pro tempore. The bill will be passed over.

CLARENCE F. JOBSON

The bill (H. R. 5558) for the relief of Clarence F. Jobson was considered, ordered to a third reading, read the third time, and passed.

Mr. LA FOLLETTE. Mr. President, in connection with the passage of House bill 5558, which, I may say, was one of the most appealing cases ever to come to my attention, I ask unanimous consent to have the report printed in the RECORD.

There being no objection, the report (No. 1372), submitted by Mr. LEWIS on the 19th instant, was ordered to be printed in the RECORD, as follows:

[Report to accompany H. R. 5558]

The Committee on Military Affairs, to whom was referred the bill (H. R. 5558) for the relief of Clarence F. Jobson, having considered the same, report favorably thereon with a recommendation that it do pass.

The purpose of this bill is to authorize the summoning of Clarence F. Jobson before a retiring board to inquire whether at the time of his discharge he was incapacitated for active service. If, as a result of such inquiry, it is found that he was so incapacitated, and such incapacity was a result of an incident of service, the bill authorizes the President to nominate and appoint, by and with the advice and consent of the Senate, the said Jobson a captain of the Quartermaster Corps and place him on the retired list in that grade.

The claimant in this case was in the military service some 9 years, entering the Coast Artillery as a private on January 5, 1914, and serving until December 26, 1922, when he was retired under provisions of the acts of Congress approved June 30 and September 14, 1922, directing a reduction in the commissioned personnel of the Army. He accepted appointment as provisional second lieutenant, Regular Army, November 29, 1916, was made a provisional captain, June 4, 1917, and his appointment as captain was made permanent on August 8, 1919. During the World War, he served overseas, participating with the Eighteenth Infantry, First Division, in the Montdidier-Noyon, Aisne-Marne, St. Mihiel, and Meuse-Argonne operations, and also in the Ansauville sector. Captain Jobson was awarded the Purple Heart Decoration with one oak leaf cluster for wounds received in action May 3, 1918, and October 4, 1918.

On receiving notice of his selection for elimination, this former officer requested to be ordered before a retiring board because of alleged physical disabilities, stating that he was wounded in action May 1918 by an exploding shell and suffered a severe concussion and minor wounds on neck, and stating further that in October 1918 he was again wounded by being gassed with phosgene, his eyes and lungs being affected. Your committee in recommending this bill favorably calls attention to the fact that the War Department records show that he was thereupon examined by a board of medical officers November 21, 1922, and that this board concluded he was not fit for active field duty on account of various neurasthenic manifestations and that this condition was incident to the service and in line of duty. The board also recommended that he be brought before a retiring board. The records in the case were forwarded to the Surgeon General, who overruled the findings of the board of officers examining Jobson, expressing the opinion that the nervous disorder from which the officer was suffering was due to a constitutional psychopathic state which was a part of his physical make-up before entrance into the service.

Your committee feels that in view of the fact that this former officer was wounded on two different occasions in action, and in view of its belief that the board of medical officers examining Jobson personally was in a better position to determine whether he was of such physical condition as to be entitled to appear before a retiring board, this measure should be enacted, granting him a right to be heard and to present his case.

Your committee is brought to this conclusion also by the fact that 3 days after Jobson was separated from the service he was again examined by one of the medical officers who was a member of the disposition board before which he previously appeared at Fort Sam Houston, and that officer reported Captain Jobson was physically and mentally sound with the following exceptions: (1) Psychosis neurasthenia, manifested by headaches, dizziness, shortness of breath, defective memory, mental and physical fatigability, emotional instability, as evidenced by periods of depression, irritability; further manifested by unwillingness to accept responsibility, impairment of sexual powers, and inconstant changes in protopathic sensibility. (2) Functional cardiac disorder, extrasystole. This medical officer expressed the opinion that such disability originated in line of duty in the military service and that the officer was, in view of occupation, 50 percent disabled.

In view of these circumstances, your committee believes that this former officer is entitled from every point of view to present his case to a retiring board with a view to ascertaining whether at the time he was discharged he was incapacitated for active service, and whether such incapacity was an incident of service. If he was so incapacitated, general law would have entitled him to be retired for physical disability in the grade he was holding at the time of his separation from the service.

Report of the House Military Affairs Committee on H. R. 5558, House Report No. 1224, Seventy-fourth Congress, first session, containing report of the War Department, follows:

The Committee on Military Affairs, to whom was referred the bill (H. R. 5558) for the relief of Clarence F. Jobson, having considered the same, submit the following report thereon with the recommendation that it do pass:

This is a bill to authorize the President of the United States to summon Clarence F. Jobson, late captain of the Quartermaster Corps, Regular Army, before a retiring board, to inquire whether at the time of his discharge he was incapacitated for service, and whether such incapacity was incident to service. If it be found he was so incapacitated the President is authorized to nominate and appoint him, by and with the advice and consent of the Senate, a captain of the Quartermaster Corps, and place him immediately thereafter upon the retired list of the Army, with the same privileges and retired pay as are now, or may hereafter be, provided by law or regulation for officers of the Regular Army, provided, that under such circumstances he shall not be entitled to any back pay or allowances by reason of the passage of this act.

The report of the War Department is appended hereto, and the same, as will be observed, is in opposition to the enactment of this legislation. The committee takes notice of the reasons advanced by the War Department for its opposition to the enactment of this legislation, but in view of all the facts as set out in the report, is constrained to feel that a hearing should be had and an opportunity afforded for the said Clarence F. Jobson to present before a retiring board such statements of fact as he may care to adduce with respect to his capacity or incapacity for active service, and as to whether such incapacity, if any, was a result of and an incident of service.

The committee respectfully submits that it is not satisfied from a study of the report from the War Department and from the statements made before the committee as to the capacity or incapacity for active service of the officer named, nor as to whether such incapacity was a result of and an incident of service; it therefore feels that an opportunity should be had and given for a further hearing.

The report of the War Department is as follows:

WAR DEPARTMENT,
*Washington, D. C., April 2, 1935.*

Hon. JOHN J. MCSWAIN,
*Chairman Committee on Military Affairs,*
*House of Representatives.*

DEAR MR. MCSWAIN: Careful consideration has been given to the bill, H. R. 5558 (74th Cong., 1st sess.), for the relief of Clarence F. Jobson, which you transmitted to the War Department under date of February 19, 1935, with a request for information and the views of the Department relative thereto.

The proposed legislation authorizes the President to summon Clarence F. Jobson, former captain, Quartermaster Corps, Regular Army, before a retiring board to inquire whether at the time of his discharge he was incapacitated for active service, and whether such incapacity was a result of an incident of service. Upon the findings of such board the President is further authorized to appoint the beneficiary, by and with the advice and consent of the Senate, a captain in the Quartermaster Corps and place him immediately thereafter on the retired list of the Army.

Existing law applicable to the retirement of officers of the Regular Army for physical disability incident to the service is found in section 1251, Revised Statutes, which is quoted below:

"When a retiring board finds that an officer is incapacitated for active service and that his incapacity is the result of an incident of service, and such decision is approved by the President, said officer shall be retired from active service and placed on the list of retired officers."

A brief statement relative to the military service of the beneficiary follows: Born in Illinois, May 14, 1891; served as a private and corporal, Coast Artillery Corps, from January 5, 1914, to November 28, 1916; accepted appointment as provisional second lieutenant of Infantry, Regular Army, November 29, 1916, with rank from November 26, 1916; was promoted to provisional first lieutenant with rank also from the latter date, and provisional captain, June 4, 1917; and his provisional appointment as captain was made permanent, August 8, 1919. He held an emergency commission as major of Infantry from September 7, 1918, to October 15, 1919, and was transferred to the Quartermaster Corps, Regular Army, July 1, 1920. He was honorably discharged from the service with 1 year's pay, December 26, 1922, under the provisions of the acts of Congress approved June 30 and September 14, 1922, directing a reduction in the commissioned personnel of the Army.

During the World War Captain Jobson was overseas with the American Expeditionary Forces from June 1917 to May 1919 serving with the Eighteenth Infantry, First Division, in the Montdidier-Noyon, Aisne-Marne, St. Mihiel, and Meuse-Argonne operations, and in the Ansauville sector. He was awarded the Purple Heart decoration with one oak-leaf cluster for wounds received in action overseas on May 3, 1918, and October 4, 1918.

The board of general officers convened in compliance with the act of June 30, 1922, to accomplish the prescribed reduction, after thoroughly reviewing the entire record of Captain Jobson, recommended that he be eliminated from the active list because of "relative efficiency ratings; usefulness and relative value to service."

Upon receiving notice of his selection for elimination, Captain Jobson requested to be ordered before a retiring board because of alleged physical disabilities. He stated that he was wounded in action in May 1918 by an exploding shell and suffered a severe concussion and minor wounds on neck; also, that in October 1918 he was again wounded by being gassed with phosgene, his eyes and lungs being affected. He was thereupon examined by a board of medical officers at Fort Sam Houston, Tex., on November 21, 1922, which board concluded that he was not fit for active field duty on account of various neurasthenic manifestations and that this condition was incident to the service and in line of duty. The board also recommended that he be brought before a retiring board.

All reports and records in the case were then reviewed by the Surgeon General, who recommended that Captain Jobson be not ordered before a retiring board, expressing the opinion that the nervous disorder from which the officer was suffering was due to a constitutional psychopathic state which was a part of his physical make-up before entrance into the service. Acting on this recommendation, the War Department disapproved his request to appear before a retiring board and he was discharged from the Army.

On December 29, 1922, 3 days after his separation from the service, Captain Jobson was again examined by one of the medical officers who was a member of the disposition board before which he previously appeared at Fort Sam Houston, and that officer reported that he was physically and mentally sound with the following exceptions:

"1. Psychosis neurasthenia, manifested by headaches, dizziness, shortness of breath, defective memory, mental and physical fatigability, emotional instability, as evidenced by periods of depression irritability; further manifested by unwillingness to accept responsibility, impairment of sexual powers, and inconstant changes in protopathic sensibility.

"2. Functional cardiac disorder, extrasystole."

That medical examiner further expressed the opinion that such disability originated in line of duty in the military service and that the officer was, in view of occupation, 50-percent disabled.

The records further show that on his annual physical examination in January 1922 and again when he was examined for promotion in March 1922 he was found physically qualified for full military duty and no evidence of any disease of the nervous system was present.

The War Department is consistently opposed to special legislation of this type, which would single out an individual for preferential treatment when others in the same category are not accorded equal consideration. The beneficiary of H. R. 5558 was separated from the service in 1922 in accordance with the method prescribed by law, and the matter of his physical condition was exhaustively studied by the War Department at that time. The enactment of this bill would establish an undesirable and embarrassing precedent, which would open the way for the presentation of numerous similar requests for special consideration.

It is the opinion of the War Department that the United States Veterans' Administration is the appropriate governmental agency to extend such relief as the circumstances in this case may warrant. In this connection it is understood that former Captain Jobson is receiving compensation amounting to $40 per month from that Bureau.

If placed on the retired list as a captain under the provisions of H. R. 5558, the beneficiary thereof would receive retired pay at the rate of $1,650 per annum.

For the reasons stated in the foregoing, the War Department is opposed to the enactment of this legislation.

A statement of the medical history of the beneficiary is enclosed.

Sincerely yours,

HARRY H. WOODRING,
*Acting Secretary of War.*

The medical records show former Capt. Clarence F. Jobson, Quartermaster Corps, treated as follows:

| Diagnosis | Duration | | Line of duty |
|---|---|---|---|
| | From— | To— | |
| German measles | May 1, 1917 | May 9, 1917 | Yes. |
| Shell shock. Diagnosis also shown as: 1. Yperite-respiratory symptoms; 2. Psychoneurosis, traumatic, caused by explosion of shell. | May 4, 1918 | May 4, 1918 | Yes. |
| Neurasthenia | May 5, 1918 | May 24, 1918 | Yes. |
| Psychoneurosis, concussion neurosis | May 25, 1918 | July 5, 1918 | Yes. |
| Gas, absorption of, deleterious, phosgene, inhalation, slight, in action, Oct. 5, granted sick leave 14 days, Oct. 31, 1918. | Oct. 5, 1918 | Oct. 30, 1918 | Yes. |
| Same diagnosis. Admitted from sick leave | Nov. 11, 1918 | Nov. 19, 1918 | Yes. |
| Tonsillitis, acute, follicular | Mar. 7, 1922 | Mar. 11, 1922 | Yes. |
| 1. Psychoneurosis; 2. Neurasthenia | Nov. 6, 1922 | Dec. 4, 1922 | Yes. |
| Psychoneurosis, neurasthenia | Dec. 4, 1922 | Dec. 26, 1922 | Yes. |

### RUDOLPH W. SCHROEDER

The Senate proceeded to consider the bill (S. 3320) to authorize the President to present the Distinguished Flying Cross to Rudolph W. Schroeder, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and to insert the following:

That the President is hereby authorized to cause the recommendation for the award of a decoration to Rudolph W. Schroeder, a pioneer whose career in American aeronautics began in May 1910; who, while in the Army and later in commercial aviation, by his untiring effort and ingenuity has made and has assisted in making valuable contributions to the development of aircraft and air navigation; and who, as a member of the United States Army Air Service, intrepidly did on February 27, 1920, while piloting a Le Pere airplane, establish a world altitude record, in the course of which flight the primitive oxygen equipment then available failed, causing Rudolph W. Schroeder to lose consciousness, from which he recovered and righted his plane at an altitude of 1,500 feet, having fallen more than 30,000 feet, and who in the same flight, after having climbed to an extreme height, a rise in temperature was experienced, thus penetrating the stratosphere for the first time by man, to be considered by the proper boards or authorities, and such award made to said Schroeder as his said conduct merits.

Mr. ROBINSON. Mr. President, I ask the Senator from Illinois to explain this bill.

Mr. McKELLAR. There is an unfavorable report from the Department.

Mr. SHEPPARD. Mr. President, the bill has been amended so as merely to permit the question of some form of decoration for this man to be considered by the proper authorities.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the award of a decoration for distinguished service to Rudolph W. Schroeder, who served with the Air Corps, United States Army, during the period of the World War, and who was honorably discharged on November 15, 1920."

### ADDITIONAL DISTRICT JUDGE, KANSAS

The bill (S. 3434) to provide for the appointment of one additional judge for the district of Kansas was announced as next in order.

Mr. CAPPER. Let that go over.

Mr. McGILL. Mr. President, in connection with this bill, evidently we cannot have it considered during the consideration of unobjected bills on the calendar, and I wish to state that I have discussed the matter with the majority

leader, and I think that what I am about to say will be agreeable to him. I shall ask for recognition at the conclusion of the call of the calendar for the purpose of making a motion for the Senate to proceed to the consideration of this bill.

HENRY IRVING RILEY

The bill (H. R. 5475) for the relief of Henry Irving Riley was considered, ordered to a third reading, read the third time, and passed.

WALTER ACKER, JR.

The bill (S. 2782) for the relief of Walter Acker, Jr., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army Walter Acker, Jr., shall be held and considered to have been honorably discharged as a first lieutenant, Field Artillery, United States Army, on April 9, 1919: *Provided*, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued by reason of this act prior to its passage.

Mr. KING subsequently said: Mr. President, calling attention to order of business 1429, Senate bill 2782, I find that there is an adverse recommendation from the Department on this bill.

Mr. SHEPPARD. Mr. President, the purpose of this bill is to consider Walter Acker, Jr., to have been honorably discharged from the Army on April 9, 1919. He was dismissed as an officer on this latter date, having been found guilty by a general court martial for violation of the ninety-fifth article of war, involving improper conduct in a public place and signing and denying that he had signed a certain petition circulated among American officers by the owners of a certain cafe. Acker had had three periods of honorable service prior to this fourth period. On his previous honorable discharges his character was recorded as very good, and excellent. Your committee has reported this bill favorably for the following reasons, which arise as result of a careful study of the court-martial record in Acker's case: Of the three specifications on which he was tried, the court martial itself did not find him guilty on specification 2, and the reviewing authority disapproved the finding of guilt on specification 1. The only remaining specification, the third, alleged that Acker signed a certain petition and that he denied he signed it. The petition was nothing more than one circulated by the owners of a French cafe, requesting permission of the French authorities to permit the cafe to remain open on Thanksgiving night. Acker stated at the trial that he did not sign this petition, that he knew nothing of it at the time, that his name had been forged to it. However, his earnestness in the matter and the inconsequential nature of the petition are demonstrated by the fact that he testified at the time of his trial that had he known of the petition he would have signed it because he did not see anything out of the way in signing it. There was certainly nothing subversive about the petition, inasmuch as it was merely a request to be presented to French officials for permission to the cafe owners to remain open on a Thanksgiving night.

The PRESIDENT pro tempore. The clerk will call the next bill on the calendar.

BATTERY D, ONE HUNDRED AND NINETY-SEVENTH COAST ARTILLERY, NEW HAMPSHIRE NATIONAL GUARD

The Senate proceeded to consider the bill (S. 3173) to authorize the Secretary of War to pay officers and men formerly enlisted as members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard, for armory training during the period from November 1, 1932, to July 1, 1933, which had been reported from the Committee on Military Affairs with amendments, on page 1, line 3, to strike out "Secretary of War", and insert in lieu thereof "Secretary of the Treasury"; and on line 4 to strike out "authorized to pay officers and", and to insert in lieu thereof "authorized and directed to pay, out of any money in the Treasury not otherwise appropriated", so as to read:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, men formerly enlisted as members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard, for armory training during the period from November 1, 1932, to July 1, 1933, for which training they have not been paid because, being employees of the United States Navy Yard at Portsmouth, N. H., they were enlisted in violation of paragraph 3b (6) of National Guard Regulations 25 as then promulgated.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to authorize and direct the Secretary of the Treasury to pay men formerly enlisted as members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard, for armory training during the period from November 1, 1932, to July 1, 1933."

POSTHUMOUS COMMISSION TO ARCHIE JOSEPH EVANS, DECEASED

The bill (H. R. 5516) authorizing the President to issue a posthumous commission as second lieutenant, Air Corps Reserve, to Archie Joseph Evans, deceased, and to present the same to Maj. Argess M. Evans, father of the said Archie Joseph Evans, deceased, was considered, ordered to a third reading, read the third time, and passed.

PETER CYMBOLUK

The Senate proceeded to consider the bill (S. 2961) for the relief of Peter Cymboluk, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$2,500" and insert "$1,500", so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Peter Cymboluk, of Chicago, Ill., the sum of $1,500, representing the amount paid by him on the forfeited cash bail bond of Sidor Samchuk, who willfully defaulted on a criminal charge after having plead guilty, but who subsequently surrendered himself and was imprisoned: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROBERT E. CALLEN

The Senate proceeded to consider the bill (H. R. 4567) for the relief of Robert E. Callen, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$2,418.52" and insert "$1,000," so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert E. Callen, of Greenville, Pa., the sum of $1,000. Said sum shall be in full settlement of all claims against the United States on account of damages sustained by the said Robert E. Callen, of Greenville, Pa., when he was injured by a United States mail truck in Greenville, Pa., on January 20, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MISSOURI RIVER BRIDGES, NEBRASKA AND IOWA

The bill (S. 2881) creating the Decatur-Onawa Bridge Board of Trustees and authorizing said board and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River between the towns of Decatur, Nebr., and Onawa, Iowa, was announced as next in order.

The PRESIDENT pro tempore. The Chair will suggest to the Senator from Nebraska [Mr. BURKE] that this bill was included in the omnibus bridge bill passed yesterday.

Mr. BURKE. My understanding is that it was not included.

Mr. TYDINGS. Mr. President, can the Chair inform the Senator from Maryland whether or not an omnibus claims bill is to come from the House?

The PRESIDENT pro tempore. It is.

Mr. TYDINGS. Will it go on the Private Calendar?

The PRESIDENT pro tempore. It will be referred to the Committee on Claims unless by unanimous consent it is sent to the calendar.

The Senator from Nebraska [Mr. BURKE] is correct in his statement regarding this bill. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and to insert:

That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the county of Burt, State of Nebraska, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point, suitable to the interests of navigation, between the towns of Decatur, Nebr., and Onawa, Iowa, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the county of Burt, State of Nebraska, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said county of Burt, State of Nebraska, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The Senate proceeded to consider the bill (S. 2882) to create the South Sioux City Bridge Board of Trustees, and to authorize said board and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River between the cities of South Sioux City, Nebr., and Sioux City, Iowa, which had been reported from the Committee on Commerce with an amendment, to strike out all after the enacting clause and to insert in lieu thereof the following:

That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the county of Dakota, State of Nebraska, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point suitable to the interests of navigation, at or near the cities of South Sioux City, Nebr., and Sioux City, Iowa, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the county of Dakota, State of Nebraska, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said county of Dakota, State of Nebraska, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

The PRESIDENT pro tempore. The Chair will ask the Senator from Nebraska [Mr. BURKE] if this bill was not contained in the omnibus bridge bill passed yesterday?

Mr. BURKE. If so, I am not aware of the fact.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MAHONING RIVER BRIDGE, EDINBURG, PA.

The bill (H. R. 8098) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Edinburg, in the county of Lawrence, Commonwealth of Pennsylvania, was considered, ordered to a third reading, read the third time, and passed.

OHIO RIVER BRIDGE, OWENSBORO, KY.

The bill (H. R. 8131) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Owensboro, Ky., was considered, ordered to a third reading, read the third time, and passed.

ALLEGHENY RIVER BRIDGE NEAR EMLENTON, PA.

The bill (H. R. 8183) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Emlenton, in the County of Venango, Commonwealth of Pennsylvania, was considered, ordered to a third reading, read the third time, and passed.

ALLEGHENY RIVER BRIDGE, TIONESTA TOWNSHIP, PA.

The bill (H. R. 8187) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Tionesta, in Tionesta Township, in the county of Forest, and in the Commonwealth of Pennsylvania, was considered, ordered to a third reading, read the third time, and passed.

ALLEGHENY RIVER BRIDGE NEAR EAST BRADY, PA.

The bill (H. R. 8189) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near East Brady, in the counties of Clarion and Armstrong, and in the Commonwealth of Pennsylvania, was considered, ordered to a third reading, read the third time, and passed.

OHIO RIVER BRIDGE, SISTERSVILLE, W. VA.

The bill (H. R. 7592) to extend the times for commencing and completing the construction of a bridge across the Ohio River at Sistersville, W. Va., was considered, ordered to a third reading, read the third time, and passed.

MONONGAHELA RIVER BRIDGE, ELIZABETH, PA.

The bill (H. R. 7897) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River, at or near Elizabeth, in the county of Allegheny, Commonwealth of Pennsylvania, was considered, ordered to a third reading, read the third time, and passed.

ALLEGHENY RIVER BRIDGE, PORT ALLEGANY, PA.

The bill (H. R. 7924) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at or near Port Allegany, in the county of McKean, State of Pennsylvania, was considered, ordered to a third reading, read the third time, and passed.

ALLEGHENY RIVER BRIDGE, FORD CITY, PA.

The bill (H. R. 7928) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at or near Ford City, Pa., was considered, ordered to a third reading, read the third time, and passed.

SUSQUEHANNA RIVER BRIDGE, NEAR WYALUSING, PA.

The bill (H. R. 7932) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River, at or near Wyalusing, in the county of Bradford, Commonwealth of Pennsylvania, was considered, ordered to a third reading, read the third time, and passed.

BRIDGE ACROSS PUGET SOUND, STATE OF WASHINGTON

The bill (H. R. 7979) to extend the times for commencing and completing the construction of a bridge across Puget Sound at or near a point commonly known as "The Narrows" in the State of Washington, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1424) to amend the Packers and Stockyards Act of 1921 was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

MORRIS GRANGE FAIR COMMITTEE, TROY HILLS, N. J.

The bill (S. 3428) authorizing the Secretary of War to lend Army tents to the Morris Grange Fair Committee, Troy Hills, N. J., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That notwithstanding the provisions of the Joint Resolution No. 11, approved March 2, 1913, the Secretary of War is authorized to lend, at his discretion, to the Morris Grange Fair Committee, of Troy Hills, N. J., for use in the display of agricultural products at the Morris Grange Fair, for such period as may be necessary, such Army tents as such committee may deem necessary for such purpose. No expense shall be caused the United States Government by the delivery and return of said property, the same to be delivered from the nearest quartermaster depot or civilian conservation camp at such time as may be agreed upon by the Secretary of War and such committee; and the Secretary of War, before delivering such property, shall take from such committee a good and sufficient bond for the safe return of such property in good order and condition and the whole without expense to the United States.

PREFERENTIAL CLAIMS OF UNITED STATES IN BANKRUPTCY CASES

The bill (H. R. 7858) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, was announced as next in order.

Mr. KING. Mr. President, will the Senator from Nebraska [Mr. BURKE] make an explanation of the bill?

Mr. BURKE. Mr. President, under section 77B of the Bankruptcy Act, the Secretary of the Treasury is authorized to accept or reject corporation reorganization plans in which the United States is interested. It was assumed when that act was passed that the United States Government would have preferential treatment in its claims for taxes, customs duties, and so forth, but the courts have held otherwise. So, at the request of the Treasury Department, identical bills were introduced in the House and the Senate to make that point clear.

The Senate passed the bill just as introduced, after a unanimous report from the Judiciary Committee; but in the House the measure was passed with certain amendments, and that is the bill we are considering now. However, an agreement has been reached with Chairman Sumners, of the House Judiciary Committee, that if we shall pass the House bill, with an amendment here submitted, they will agree to it.

There are only three provisions involved in the amendment. As the bill passed the House, it would give preferential treatment to the Treasury in corporate reorganizations only as to taxes. The Senate amendment adds also customs duties. The House bill, as passed, provides that the Secretary of the Treasury must act within 60 days in all these cases; and the Senate committee desired to enlarge that to 90 days. The third provision constitutes the Secretary of the Treasury the agent of the United States to act in other matters than in the case of corporations in which the United States may have a controlling interest, but does not afford the same preferential treatment.

Mr. McKELLAR. Mr. President, the amendment does give the Treasury a preference in the matter of taxes?

Mr. BURKE. It provides that no corporate reorganization may be agreed to, in which the Treasury has a claim for taxes, without the consent of the Treasury, unless the Secretary of the Treasury fails to express his consent or dissent within 90 days.

Mr. McKELLAR. Does the Senator say that the House committee and the Senate committee are virtually agreed on the bill with the amendment?

Mr. BURKE. They are entirely agreed on the House bill with the amendment that is now proposed.

Mr. McKELLAR. Where the claim of the Government for taxes would absolutely prevent a reorganization, does the Senator still think it would be wise to have that claim preferred?

Mr. BURKE. No, I do not; but I think some agent of the Government should have the right to say whether or not that condition exists, and that is all this bill does. It does not prevent the reorganization, but merely requires the approval of the Secretary of the Treasury if the Government has claim for taxes.

Mr. GERRY. Mr. President, reserving the right to object, does this bill affect only claims of the Treasury Department?

Mr. BURKE. As the bill passed the House, it affects only taxes. The Senate committee has added customs duties. It is not clear whether or not they would come within the definition of taxes. Nothing else is affected by the bill as passed by the House.

Mr. GERRY. The Senate committee has made no further amendment?

Mr. BURKE. No; merely to add customs duties.

Mr. GERRY. And that prevents a reorganization until the taxes have been paid?

Mr. BURKE. Yes; or until the Secretary of the Treasury has agreed, on behalf of the Government, to accept a percentage, or to waive the claim altogether. The reorganization may not be put through, if the United States has a claim for taxes or customs duties, without the consent of the Secretary of the Treasury. It is a very desirable bill, and the Treasury is very anxious to have it passed; and the Judiciary

Committees of the Senate and of the House, after hearings, are unanimously in favor of the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 7858) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which had been reported from the Committee on the Judiciary with an amendment, on page 3, line 11, after the word "filed", to strike out "If the United States of America is a creditor on claims for taxes, the claims thereof shall be deemed to be affected by the plan, and the Secretary of the Treasury is hereby authorized to accept a plan in respect of such claims; and no plan which does not provide for the payment thereof shall be confirmed by the judge except upon the acceptance of a lesser amount by the Secretary of the Treasury certified to the court: *Provided*, That, if the Secretary of the Treasury shall fail to accept or reject a plain for more than 60 days after written notice so to do his consent shall be conclusively presumed" and to insert in lieu thereof the following:

If the United States of America is a creditor or stockholder, the interests or claims thereof shall be deemed to be affected by the plan, and the Secretary of the Treasury is hereby authorized to accept or reject a plan in respect of the interests or claims of the United States. If, in any reorganization proceeding under this section, the United States is a creditor on claims for taxes or customs duties (whether or not the United States has any other interest in, or claim against, the debtor, as creditor or stockholder), no plan which does not provide for the payment thereof shall be confirmed by the judge except upon the acceptance of a lesser amount by the Secretary of the Treasury certified to the court: *Provided*, That if the Secretary of the Treasury shall fail to accept or reject a plan for more than 90 days after receipt of written notice so to do from the court to which the plan has been proposed, accompanied by a certified copy of the plan, his consent shall be conclusively presumed.

So as to make the bill read:

*Be it enacted, etc.*, That subdivision (1) of subsection (e) of section 77B of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, be, and is hereby, amended to read as follows:

"(e) (1) A plan of reorganization shall not be confirmed until it has been accepted in writing, whether before or after the filing of the petition or answer under this section, and such acceptance shall have been filed in the proceeding by or on behalf of creditors holding two-thirds in amount of the claims of each class whose claims have been allowed and would be affected by the plan and by or on behalf of stockholders of the debtor holding a majority of the stock of each class: *Provided, however*, That such acceptance shall not be requisite to the confirmation of the plan by any creditor or class of creditors (a) whose claims are not affected by the plan, or (b) if the plan makes provision for the payment of their claims in cash in full, or (c) if provision is made in the plan for the protection of the interests, claims, or liens of such creditor or class of creditors in the manner provided in subdivision (b), clause (5), of this section: *And provided further*, That such acceptance shall not be requisite to the confirmation of the plan by any stockholder or class of stockholders (1) if the judge shall have determined either that the debtor is insolvent or that the interests of such stockholder or stockholders will not be affected by the plan, or (2) if provision is made in the plan for the protection of the interests of such stockholder or class of stockholders in the manner provided in subdivision (b), clause (4), of this section. With such acceptance there shall be set forth, verified in such manner as the judge shall require, what, if any, contracts of the debtor are executory in whole or in part, and what unexpired leases have been rejected and surrendered. With such acceptance there shall be filed a statement, verified in such manner as the judge shall require, showing what, if any, claims and shares of stock have been purchased or transferred by those accepting the plan after the commencement or in contemplation of the proceeding, and the circumstances of such purchase or transfer: *Provided, however*, That if the judge is satisfied that by reason of the number of securities outstanding and the extent of the public dealing therein the preparation of such a statement would be impractical, he may direct that it be not filed. If the United States of America is a creditor or stockholder, the interests or claims thereof shall be deemed to be affected by the plan, and the Secretary of the Treasury is hereby authorized to accept or reject a plan in respect of the interests or claims of the United States. If, in any reorganization proceeding under this section, the United States is a creditor on claims for taxes or customs duties (whether or not the United States has any other interest in, or claim against the debtor, as creditor or stockholder), no plan which does not provide for the payment thereof shall be confirmed by the judge except upon the acceptance of a lesser amount by the Secretary of the Treasury certified to the court: *Provided*, That if the Secretary of the Treasury shall fail to accept or reject a plan for more than 90 days' after receipt of written notice so to do from the court to which the plan has been proposed, accompanied by a certified copy of the plan, his consent shall be conclusively presumed."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

JAMES H. BELL (OR JAMES BELL)

The bill (H. R. 1286) for the relief of James H. Bell (or James Bell) was considered, ordered to a third reading, read the third time, and passed.

ROY MASTERS WORLEY

The Senate proceeded to consider the bill (S. 2773) for the relief of Roy Masters Worley, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and insert:

Notwithstanding any provisions of existing law, the Administrator of Veterans' Affairs is authorized and directed to receive and act upon for retirement on the emergency officers' retirement list under the provisions of the act entitled "An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War", approved May 24, 1928, as amended, the application of Roy Masters Worley, formerly a first lieutenant, Air Service, Signal Corps, United States Army: *Provided*, That the application of the said Roy Masters Worley for retirement under the act of May 24, 1928, as amended, shall be filed with the Veterans' Administration within 6 months from the date of the approval of this act: *And provided further*, That no back pay, retirement pay, compensation, or other allowances shall be held to have accrued by reason of this act prior to its enactment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRANSFER OF SCHOOL LAND IN ARIZONA

The joint resolution (H. J. Res. 276) authorizing the State of Arizona to transfer to the town of Benson, without cost, title to section 16, township 17 south, range 20 east, Gila and Salt River meridian, for school and park purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

*Resolved, etc.*, That notwithstanding the provisions of section 28 of the act of Congress approved June 20, 1910 (36 Stat. 557 572), the State of Arizona is authorized to transfer without cost to the town of Benson title to section 16, township 17 south, range 20 east, Gila and Salt River meridian, for park purposes.

TWO HUNDREDTH ANNIVERSARY OF THE BATTLE OF ACKIA, MISS.

The Senate proceeded to consider the bill (H. R. 3003) to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Miss., and the establishment of the Ackia Battleground National Monument, and for other purposes, which had been reported from the Committee on Public Lands and Surveys with amendments.

The first amendment of the Committee on Public Lands and Surveys was, in section 1, on page 1, line 8, after the word "established" to strike out the words "to investigate and recommend to said Secretary what lands should be acquired and administered as a national monument to be known as the 'Ackia Battleground National Monument', and"; and on page 2, line 5, after the word "Ackia" to insert the words "That said commissioners shall receive no compensation for their services."

So as to make the section read:

That a national commission to be known as the "Ackia Battle Memorial Commission" and which shall be composed of five commissioners to be appointed by the Secretary of the Interior, one member to represent the Chickasaw Indians and one the French-speaking people of the United States, be, and is hereby, authorized and established to prepare plans and programs for the commemoration in May 1936 of the two hundredth anniversary of the Battle of Ackia. That said commissioners shall receive no compensation for their services.

The amendment was agreed to.

The next amendment was, on page 2, to strike out section 2, as follows:

SEC. 2. That the commissioners shall receive no compensation for their services but shall be paid their actual or necessary traveling expenses incurred in the discharge of their duties.

The amendment was agreed to.

The next amendment was, in section 2, on page 2, line 11, to renumber the section; in line 14, after the word "buildings", to strike out the words "as may be recommended by the said Ackia Battle Memorial Commission" and to insert the words "not to exceed 50 acres"; in line 22, after the word "area", to strike out the words "or areas"; in line 23, after the word "include", to strike out the words "at least"; and in line 23, after the word "Ackia", to strike out the words "and the Indian village", so as to make the section read:

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized in his discretion to acquire, by purchase or by condemnation and/or accept by donation in behalf of the United States, such lands, easements, and buildings not to exceed 50 acres, and when title satisfactory to the Secretary of the Interior shall have been vested in the United States such area or areas shall be, upon proclamation of the President, established, dedicated, and set apart as a public monument for the benefit and enjoyment of the people and shall be known as the "Ackia Battleground National Monument": *Provided*, That such area shall include the site of the Battle of Ackia.

The amendment was agreed to.

The next amendment was, in section 4, on page 3, line 1, to renumber the section; in line 3, after the numerals "15,000", to strike out the words "to conduct the memorial celebration, erect a memorial to the Chickasaw people, meet the expenses of the commission, and", so as to make the section read:

SEC. 3. That there is hereby authorized to be appropriated, out of moneys in the Treasury not otherwise appropriated, the sum of $15,000 to carry out the provisions of this act.

The amendment was agreed to.

The next amendment was on page 3, line 7, to renumber the section.

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

BLACK RIVER BRIDGE, MISSOURI

The bill (H. R. 7740) granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Black River, at or near the north line of section 2, township 24 north, range 6 east, near Poplar Bluff, Mo., was considered, ordered to a third reading, read the third time, and passed.

*Be it enacted, etc.*, That the Secretary of the Navy be, and he is hereby, authorized to accept on behalf of the United States, free of all encumbrances, and without cost to the United States, a title in fee simple to the following tract of land in Duval County, in the State of Florida, to wit: Lots 20 to 29, both inclusive, in block 1, central business addition to South Jacksonville, and the foot of Hendricks Avenue (formerly known as "Ferry Street") from Commerce Street to the St. Johns River, together with all riparian rights thereunto belonging or in anywise appertaining: *Provided*, That the cost of maintaining same for the Naval Reserves shall be paid for by the State of Florida.

LANDS IN DUVAL COUNTY, FLA.

The bill (H. R. 8345) authorizing the Secretary of the Navy to accept without cost to the United States certain lands in Duval County, State of Florida, was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Navy be, and he is hereby, authorized to accept on behalf of the United States, free of all encumbrances, and without cost to the United States, a title in fee simple to the following tract of land in Duval County, in the State of Florida, to wit: Lots 20 to 29, both inclusive, in block 1, central business addition to South Jacksonville, and the foot of Hendricks Avenue (formerly known as "Ferry Street") from Commerce Street to the St. Johns River, together with all riparian rights thereunto belonging or in anywise appertaining.

WILLIAM A. SULLIVAN

The Senate proceeded to consider the bill (S. 2077) to authorize the presentation of the Distinguished Service Cross to William A. Sullivan, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and insert the following:

*Be it enacted, etc.*, That the President is hereby authorized to cause the recommendation for the award of a decoration to William A. Sullivan, formerly private, Company E, One Hundred and Fifth Infantry, Twenty-seventh Division, American Expeditionary Forces, who, during the World War, in action involving actual conflict with the enemy, distinguished himself conspicuously by gallantry and intrepidity, at the risk of his life, to be considered by the proper boards or authorities, and such award made to said Sullivan as his said conduct merits.

Mr. KING. Mr. President, the War Department recommends against the passage of the measure.

Mr. SHEPPARD. Mr. President, the Department reports against it because the recommendations for the award did not arrive within the legal time limit. The bill is amended to authorize the proper board to pass upon the matter of granting a decoration.

Mr. KING. Why should the man have a decoration?

Mr. SHEPPARD. Affidavits were filed showing extraordinary bravery in action.

Mr. McKELLAR. The bill merely allows a reexamination?

Mr. SHEPPARD. That is all.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the award of a decoration for distinguished service to William A. Sullivan, formerly private, Company E, One Hundred and Fifth Infantry, Twenty-seventh Division, American Expeditionary Forces, in the World War."

BILL PASSED OVER

The bill (S. 2820) to amend the Public Works Appropriation Act of 1935 making available not to exceed $1,000,000 for the alteration of carriages of three thousand two hundred 75-millimeter guns now in storage was announced as next in order.

Mr. LA FOLLETTE. Over.

Mr. COPELAND. Mr. President, strange as it may seem, while this bill carries my name, I am going to object to it. I am not satisfied with the change which is made by the committee. I do not blame the committee at all, but my objective is that the bill shall be recommitted.

The PRESIDENT pro tempore. On objection the bill will be passed over.

SOPHIE CAFFREY

The Senate proceeded to consider the bill (S. 1642) for the relief of Sophie Caffrey, which had been reported from the Committee on Claims with an amendment to insert a proviso at the end of the bill so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,000, to Sophie Caffrey, of Haverstraw, N. Y., dependent mother of Henry Sloat, who, while a civilian employee of the Navy, in the discharge of his duties and without his negligence, was killed by the explosion of a shell charge at the United States naval magazine on Iona Island, in the Hudson River, N. Y., on December 5, 1906: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EVERGLADES NATIONAL PARK, FLA.

The Senate proceeded to consider the bill (S. 3197) to repeal a provision of section 3 of the act entitled "An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes", approved May 30, 1934, which had been reported from the Committee on Public Lands and Surveys with amendments.

Mr. McKELLAR. Mr. President, will the Senator from Florida [Mr. FLETCHER] explain the bill?

Mr. FLETCHER. Mr. President, I desire to have the committee amendment disagreed to. The original act establishing the park provided that nothing was to be spent upon it for 5 years, upon the representation that it would require that length of time to acquire title. It is now found that title can be acquired to most of it immediately. A good deal of it was owned by the State of Florida and that State has authorized its conveyance to the Federal Government.

I have asked a repeal of the original provision in the act because such a provision is not contained in any act relating to parks anywhere in the country. It was inserted in the original act upon the misinformation that it would require 5 years to acquire title to the land. I have simply asked to repeal the provision. The department has in its report a recommendation that the bill receive favorable consideration.

Mr. WAGNER. Mr. President, in behalf of the committee I desire to make a statement and then the Senate may decide whether the amendment should be rejected or adopted.

Originally, when the act was passed providing for the Everglades park, Congress inserted a provision that no expenditures should be made by the Federal Government for a period of 5 years, the idea being that the lands would be collected first and donations made, and that a 5-year period should pass before any Federal expenditures should be made. The bill as originally introduced absolutely repealed that provision so expenditures might be made at once.

In a communication to the committee it was stated that the reason why the Director of the Budget did not oppose the repeal of that provision was because it was contemplated to make no expenditures, outside of the expenditure for the establishment of a civilian conservation camp, and so the committee amended the bill to limit it to expenditures for the erection of civilian conservation camps. That is the purpose of the amendment. The Senator from Florida prefers the repeal of the entire provision.

Mr. FLETCHER. No such provision is contained in any act relating to any national park in the country. It was upon the representation that it would take 5 years to acquire title, which was not correct, that the provision was inserted. I am simply asking that that unusual and extraordinary provision be stricken out.

Mr. WAGNER. May I ask the Senator whether any other expenditures will be made?

Mr. FLETCHER. I think so.

Mr. WAGNER. Of course we are changing the policy adopted last year when we enacted the law providing for the establishment of the Everglades park. I have no personal interest in it. I am the last man in the world to want to object to anything the Senator asks, because of my respect and affection for him.

Mr. FLETCHER. I am very glad to have the Senator speak that way. I had a letter from those in charge of the matter in Florida and they say that if the situation is not corrected as I have requested, there will be a discrimination against this park, because no such provision has been inserted in any other act relating to public parks.

I ask that the committee amendment be disagreed to and the bill passed as originally introduced.

Mr. McNARY. Mr. President, we are all very much interested in the national park system. I should like to have the amendments stated by the clerk in order to see just what effect they have upon the bill.

The PRESIDENT pro tempore. The amendments will be stated.

The Chief Clerk stated the amendments, which were, on page 1, line 3, after the word "That", to insert "notwithstanding"; in the same line, after the word "the", to strike out "following provision" and insert "provisions"; in line 6, after "1934", to strike out "be, and the same is hereby repealed: '*And provided further*, That the United States shall not expend any public moneys for the administration, protection, or development of the aforesaid park within a period of 5 years from the date of approval of this act'" and insert "Civilian Conservation Corps camps may be established and maintained in such Everglades National Park for the purpose of developing such park", so as to make the bill read:

*Be it enacted, etc.*, That notwithstanding the provisions of section 3 of the act entitled "An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes", approved May 30, 1934, Civilian Conservation Corps camps may be established and maintained in such Everglades National Park for the purpose of developing such park.

The PRESIDENT pro tempore. The question is on agreeing to the amendments of the committee.

The amendments were rejected.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the following provision of section 3 of the act entitled "An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes", approved May 30, 1934, be, and the same is hereby, repealed: "*And provided further*, That the United States shall not expend any public moneys for the administration, protection, or development of the aforesaid park within a period of 5 years from the date of approval of this act."

The PRESIDENT pro tempore. By unanimous consent, the amendment to the title, reported by the committee, is rejected.

J. R. AND J. A. WHELAN, INC.

The bill (H. R. 5790) for the relief of certain creditors of J. R. and J. A. Whelan, Inc., was considered, ordered to a third reading, read the third time, and passed.

FINAL PROOF OF HOMESTEAD ENTRY BY DISABLED WORLD WAR VETERANS

The Senate proceeded to consider the bill (H. R. 8133) to authorize certain homestead settlers or entrymen who are disabled World War veterans to make final proof of their entries, and for other purposes, which had been reported from the Committee on Public Lands and Surveys, with amendments, on page 1, line 3, after the word "any", to strike out "settler or"; in line 5, after the word "was", to strike out "actually engaged in" and insert "a member of"; in line 8, after the word "service", to strike out "who settled, entered upon, or applied for public lands", and insert "whose entry was made prior to January 1, 1935"; in line 10, after the word "physical", to strike out "incapacities is", and insert "or mental disabilities has been or may hereafter become"; and on page 2, line 7, after the word "entered", to strike out "or settled"; so as to make the bill read:

*Be it enacted, etc.*, That any entryman under the homestead laws of the United States who on or after April 6, 1917, and prior to November 12, 1918, enlisted or was a member of the United States Army, Navy, or Marine Corps during the war with Germany, who was honorably discharged from such service, whose entry was made prior to January 1, 1935, and who because of physical or mental disabilities has been or may hereafter become unable to perform the prescribed residential and improvement and other requirements may make proof without further residence, improvement, or cultivation, at such time and place as may be authorized and under such regulations to be issued by the Secretary of the Interior, and receive patent to the land by him so entered upon.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to authorize certain homestead entrymen who are disabled World War

veterans to make final proof of their entries, and for other purposes."

BELVOIR MILITARY RESERVATION, VA.

The Senate proceeded to consider the bill (H. R. 8444) to authorize the transfer of a certain military reservation to the Department of the Interior.

Mr. McNARY. Mr. President, I should like to know where this reservation is located. What reservation is it?

The PRESIDENT pro tempore. The bill will be read.

The Chief Clerk read the bill, which had been reported from the Committee on Military Affairs with an amendment, to insert at the end of the bill a proviso, so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of War be, and he is hereby, authorized to transfer to the Department of the Interior the mansion site and such portions of the grounds of Belvoir, part of the estate of Lord Fairfax, located within the Belvoir Military Reservation, Va., as may be necessary for the restoration and operation of the historic home and grounds for the benefit and inspiration of the people: *Provided*, That upon cessation of such use the premises so transferred shall revert to the jurisdiction of the War Department: *Provided, however*, That nothing in this act shall be construed as authorizing the transfer of any part of the said reservation which, in the judgment of the Secretary of War, is needed for the proper development, control, or use of the reservation for military purposes: *Provided further*, That upon cessation of such use the premises so transferred shall revert to the jurisdiction of the War Department: *And provided further*, That the transfer authorized by this act shall not require discontinuance of the operation of the Fort Belvoir Fish Culture Station; however, its removal and establishment elsewhere on the Belvoir Military Reservation, Va., as may be agreed upon by the Secretary of Commerce and the Secretary of War, is hereby authorized.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

ELECTRIC HOME AND FARM AUTHORITY

The bill (S. 3424) to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That notwithstanding any other provision of law, Electric Home and Farm Authority, a corporation organized under the laws of the District of Columbia, shall continue until February 1, 1937, or such earlier date as may be fixed by the President by Executive order, to be an agency of the United States. During the continuance of such agency, the present investment in the capital stock of such corporation, for the use and benefit of the United States, shall be continued, and such corporation is hereby authorized to use all its assets, including capital and net earnings therefrom, and all moneys which have been or may hereafter be allocated to or borrowed by it, in the exercise of its functions as such agency.

ACORS RATHBUN THOMPSON

The Senate proceeded to consider the bill (S. 1443) granting the Distinguished Service Cross, also the Oak Leaf Cluster, to Acors Rathbun Thompson, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause, and to insert:

That the President is hereby authorized to cause the recommendation for the award of a decoration to Acors Rathbun Thompson, formerly private, Sixty-sixth Company, First Battalion, Fifth Marines, Second Division, American Expeditionary Forces, who, on September 14, 1918, at Jaulny, in the St. Mihiel sector, France, rescued and carried a wounded comrade through heavy enemy fire to a first-aid station, and who further distinguished himself as a member of a small group October 4 and 5, 1918, at Blanc Mont Ridge, France, though wounded and constantly exposed to constant enemy machine-gun fire from three sides, was cut off from his main body, repulsed five counterattacks by the enemy which resulted in the capture of 4 German officers, 268 men, together with 85 machine guns in position, some mortars, and a heavy field-piece, to be considered by the proper boards or authorities, and such award made to said Thompson as his said conduct merits.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the award of a decoration for distinguished service to Acors Rathbun Thompson, formerly private, Sixty-sixth Company, First Battalion, Fifth Marines, Second Division, American Expeditionary Forces."

JULIA KRENZ

The bill (S. 3338) for the relief of Julia Krenz was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Julia Krenz, wife of Henry F. Krenz, formerly special disbursing officer at the American Legation, Peiping, China, out of any money in the United States Treasury not otherwise appropriated, the sum of $1,262.25 as a reimbursement to the said Julia Krenz for travel expenses incurred by her in the transportation of herself and three minor children, the family of the said Henry F. Krenz, in proceeding from Peiping, China, to their home in the city of Kansas City, Mo., during the period from December 5, 1927, to January 7, 1928.

THIRD WORLD POWER CONFERENCE

The joint resolution (H. J. Res. 350) to authorize the President to extend an invitation to the World Power Conference to hold the Third World Power Conference in the United States was considered, ordered to a third reading, read the third time, and passed.

INTERFERENCE WITH PEACEFUL PICKETING

The Senate proceeded to consider the bill (S. 2039) making it a felony to transport in interstate or foreign commerce persons to be employed to obstruct or interfere with the right of peaceful picketing during labor controversies.

Mr. BORAH. Mr. President, what is that bill?

The PRESIDENT pro tempore. The bill will be read.

The Chief Clerk read the bill.

Mr. BORAH. Mr. President, I do not yet understand the object of the bill.

Mr. BYRNES. Mr. President, the object of the bill is to bring within the law the few national agencies which employ armies of men for the purpose of sending them into various States of the Union to interfere in labor controversies through obstructing and interfering physically with those who are engaged in peaceful picketing.

There are four or five such agencies. The only effect of the action of the agencies in sending these gunmen, as I call them and as they are properly described, is to cause disorder, instead of preserving order. The States of the Union have laws to protect citizens and preserve order, and officers to enforce the laws. If they ever fail, the chief executives of the States have the right to call out the National Guard to preserve order. They do not fail to exercise that power in proper cases.

Whenever these national agencies—there are but a few of them—have sent their hirelings into the coal mines or into other industrial centers, the result has invariably been to cause bloodshed, and the use of weapons, and physical violence. It is solely where a person goes with the intent—because that is the language of the bill—to interfere with individuals of a State in the performance of a lawful activity that one is brought within the provisions of the bill.

Mr. BORAH. Mr. President, suppose there is a strike—I am speaking now from experience—and the company at whose plant the strike is taking place desires to bring men into the State to take the place of men who are on strike?

Mr. BYRNES. It would not be affected by this bill at all. The bill applies only to cases where it is proved that persons are imported for the purpose of interfering with and obstructing individuals engaged in peaceful picketing, as defined by the courts. Under no circumstances would the bill apply to the case the Senator has suggested.

Mr. COSTIGAN. Are the activities of the Baldwin-Felts Detective Agency some years ago in West Virginia and Colorado, as disclosed by the investigation in which the Senator from South Carolina [Mr. BYRNES] at one time officially participated, illustrations of the sort of interference to which the able Senator refers?

Mr. BYRNES. I was a member of the committee appointed by the House to investigate the so-called "Colorado strike", when the Ludlow disaster occurred; and the question of the Senator from Colorado well illustrates the purpose

I have in mind at this time, because the Baldwin-Felts people and the Burgdoff agency have brought about more trouble and more disorder and caused more bloodshed in industrial conflicts than any other agency of which I know. In the instance referred to by the Senator they were responsible for my action in introducing the bill.

Mr. KING. Mr. President, would this cover the case which recently occurred in the Senator's own State, where persons came from New York, not to interfere with picketing, but to support the picketers, contending that the employers had not treated them fairly, and they came down to help organize the workers? Would it tend to prevent persons who in good faith go from one State into the Senator's State, or into my State, or into any other State where there is a strike?

Mr. BYRNES. It would not.

Mr. KING. Would it cover a case where persons, believing that the employees were not being properly treated by the employers, went there to give them succor or advice?

Mr. BYRNES. It has absolutely no application to any such case.

Mr. KING. While, undoubtedly, there have been some communists who have gone into States where strikes were in progress for the purpose of encouraging lawlessness, nevertheless, I feel that persons ought to have the opportunity in good faith to go and give succor and advice.

Mr. BYRNES. I share the Senator's view, and I assure him the bill would have absolutely no application to such a case.

Mr. KING. Would it reach a case which, as I understand, was indicated by the Senator from Idaho, where a number of persons paid their own way and went into a place where there was a strike, passed the picket line, and found employment?

Mr. BYRNES. No; the measure specifically provides that they shall go solely with the intent of obstructing and interfering with those engaged in a lawful undertaking.

Mr. BORAH. Mr. President, I think on reading the bill that the construction which the able Senator places upon it is entirely correct. It is very limited. It reads:

> That whoever shall knowingly transport or cause to be transported, or aid or abet in transporting, in interstate or foreign commerce, any person with intent to employ such person to obstruct or interfere in any manner with the right of peaceful picketing.

And so forth.

Mr. BYRNES. That is the language of the bill.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

### ORDER OF BUSINESS

Mr. McNARY. Mr. President, if I may have the attention of the Senator from Arkansas, it is now a little after 5 o'clock, and it is desired that we may have an executive session. May we not conclude the call of the calendar now and complete it in the morning?

Mr. ROBINSON. The Senate has practically disposed of the legislation which it was expected would be taken up during this session, and there will be a number of other House bills which may come over this evening or in the morning. With that in mind, I am disposed to respond to the suggestion of the Senator from Oregon.

Mr. LEWIS. Mr. President, may I say to my able friends, that I cannot allow the work of this session to be concluded without calling attention to the fact that I am under obligation to try to have considered the bill to which I have heretofore referred, and I desire to make a motion to have it taken up and disposed of today at the conclusion of the call of the calendar.

Mr. ROBINSON. I may say to the Senator from Illinois frankly that I have no objection whatever to the motion he wishes to make, but, as he knows, a large number of Senators will contest that motion.

Mr. LEWIS. As a test of that, I now move that the Senate proceed to the consideration of Senate bill 2665, to change the name of the Department of the Interior and to coordinate certain governmental functions.

Mr. BORAH. Regular order.

The PRESIDENT pro tempore. The regular order is the calling of the calendar, and the clerk will call the next bill on the calendar.

### ROSALIE PIAR SPRECHER (NEE ROSA PIAR)

The bill (S. 3399) for the relief of Rosalie Piar Sprecher (nee Rosa Piar), was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

*Be it enacted, etc.*, That in the administration of the immigration laws, relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admissions at ports of entry of aliens as immigrants for permanent residence in the United States, that provision of section 3 of the Immigration Act of 1917 (39 Stat. 875), as amended (U. S. C., title 8, sec. 136 (e)), which excludes from admission into the United States "persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude", shall not hereafter be held to apply to Rosalie Piar Sprecher, who is the wife of H. C. Sprecher, an American citizen, on account of an offense alleged to have been committed abroad while she was about 18 years of age during her legal infancy more than 9 years prior to the effective date of this act and prior to her marriage in the United States to H. C. Sprecher. If she is found otherwise admissible under the immigration laws an immigration visa may be issued and admission granted to Rosalie Piar Sprecher (nee Rosa Piar) under this act upon application hereafter filed.

### JOE BRUMIT

The bill (H. R. 6057) for the relief of Joe Brumit was considered, ordered to a third reading, read the third time, and passed.

### CASSIE M. LYNE

The bill (H. R. 7137) for the relief of Cassie M. Lyne was considered, ordered to a third reading, read the third time, and passed.

### INSPECTION OF VESSELS TRANSPORTING INFLAMMABLE CARGOES

The Senate proceeded to consider the bill (S. 2005) to provide for the inspection and regulation of vessels engaged in the transportation of inflammable, explosive, and like dangerous cargoes in navigable waters of the United States, which was read as follows:

*Be it enacted, etc.*, That no vessel, regardless of size or rig, excepting public vessels of the United States, shall transport on the navigable waters of the United States from point to point in the continental United States, any inflammable, explosive, or like dangerous cargo, or anchor in such waters while having on board such dangerous cargo, until such vessel has been inspected by the board of local inspectors to determine that such cargo may be carried on such vessel with safety, and a permit issued to her for the presence on board of such cargo, which permit shall be framed under glass and posted in a conspicuous part of the vessel.

The Secretary of Commerce is authorized and directed to promulgate rules and regulations concerning construction, the appliances and apparatus for stowage, of vessels used in the transportation of inflammable, explosive, or like dangerous cargo on said vessels in order to preserve life and property while in operation or at anchor. The local board of inspectors shall not issue a permit to any vessel until it finds that said vessel is in substantial compliance with the rules and regulations promulgated by the Secretary of Commerce: *Provided*, That this act shall not apply to a vessel covered by an unexpired certificate of inspection duly issued in accordance with law by the local inspectors of the Bureau of Marine Inspection and Navigation or, if a foreign vessel, by an unexpired certificate of inspection issued under the authority of its own government and recognized under law or treaty by the Government of the United States.

SEC. 2. A penalty of not to exceed $500 may be imposed for each violation of any of the provisions of this act or of any of the rules and regulations promulgated under the authority of this act. The vessel shall be liable for the said penalty and may be seized and proceeded against, by way of libel, in the district court of the United States for any district within which such vessel may be found.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

Mr. COPELAND. Mr. President, the bill provides that when inflammables, dynamite, and things like that, are taken on a ship, there must be an inspection.

Mr. McKELLAR. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SALE OF VESSELS BY THE DEPARTMENT OF COMMERCE

The Senate proceeded to consider the bill (S. 3218) to amend section 201 of the Merchant Marine Act, 1928, which was read, as follows:

*Be it enacted, etc.*, That section 201 of the Merchant Marine Act, 1928, be amended by striking out the period at the end thereof and adding a colon and the following: "*Provided*, That the board after due consideration may in its discretion sell any vessel not in operation when the vessel is to be used by the purchaser in any industry not engaged solely in the carriage of persons or property by water, when such use will not adversely affect existing services or lines and when such use will contribute to the development of trade and commerce by aiding the enlargement of existing industry or the establishment of a new industry; but the board shall stipulate in the contract of sale that such vessel shall not be used or employed at any time as a floating cannery."

Mr. McKELLAR. I should like to have an explanation of this bill.

Mr. COPELAND. Mr. President, this bill is designed to permit the Department of Commerce to sell any small vessels they have which may be suitable in the northwest for fishing purposes. It is recommended by the Department as a proper bill.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANASTASIA ISLAND LIGHTHOUSE RESERVATION, FLA.

The Senate proceeded to consider the bill (S. 3327) to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes, which was read, as follows:

*Be it enacted, etc.*, That the Secretary of Commerce is authorized to convey to the city commission of the city of Saint Augustine, Fla., for public-park purposes, that portion of the Anastasia Island Lighthouse Reservation, Fla., which is not required to be retained for lighthouse purposes, consisting of Government lots 1 and 2, section 21, township 7 south, range 30 east, Tallahassee, Fla., excepting that part of lot 2 between the 5-acre lighthouse tract and the hard-surfaced road and that part of Government lots 1 and 2 to be conveyed as authorized by section 2 of this act, reserving unto the United States of America a perpetual easement for beams of light across any part of said lands that may be between the lighthouse and the sea. The deed of conveyance shall describe by metes and bounds the exact portion of the reservation transferred and the reservation of the easement heretofore mentioned.

SEC. 2. The Secretary of Commerce is authorized to convey by quitclaim deed unto the following-named holders of record title thereto that portion of the Anastasia Island Lighthouse Reservation contained and included in the plat of Seaside Heights recorded in the office of the clerk of the circuit court in and for St. Johns County, Fla., in Map Book 2 at page 37 of the Public Records of St. Johns County, Fla.: To Annette Mathis, that portion of said reservation platted as lots 1 and 2, block A, Seaside Heights; to Mary A. Masters, lot 3, block A, Seaside Heights; to G. N. and Clara B. Weber, lots 4, 5, 6, and 7, Seaside Heights; to Harry Hellas, lots 1, 2, and 3, block B, and lots 1 and 2, block C, Seaside Heights; to Robert H. Bailey; lots 1, 2, 3, and 4, block F, Seaside Heights; to Southern Real Estate Corporation, lots 4 to 7, block B, 3 to 7, block C, all of blocks D and E, Seaside Heights; all of which said lots and parcels of land, platted as aforesaid for a part of Government lot 4 based upon an erroneous Government survey are a part of and contained within Government lots 1 and 2, section 21, township 7 south, range 30 east, Tallahassee, Fla., according to correct survey of said lands.

SEC. 3. That section 3 of an act approved May 28, 1935 (Public, No. 81, 74th Cong.) (H. R. 7131), authorizing the Secretary of Commerce to convey the lands herein described, be and the same is hereby, repealed.

Mr. FLETCHER. Mr. President, I wish to offer an amendment on line 19, page 2, after the figure "7", to insert the words "block A", which simply completes the description.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRENTON SCHOOL DISTRICT, N. DAK.

The bill (S. 3091) to provide funds for cooperation with Trenton school district, Williams County, N. Dak., for extension of public-school buildings to be available for Indian children was announced as next in order.

Mr. METCALF. Let that go over.

Mr. FRAZIER. Mr. President, I wish the Senator would withhold his objection a moment. This bill and the next order of business on the calendar, Senate bill 3093, are bills to allow a small appropriation to aid public schools where there are Indian children attending the schools. A number of bills have been passed at this session along this line, and these two are in the same form, providing for the repayment of the money to the Government later on.

Mr. KING. Mr. President, I see that Secretary Ickes in rather long letters expresses opposition to each of these bills.

Mr. FRAZIER. The Department has opposed them in a general way. They have recommended some amendments and the amendments have been included.

Mr. KING. Regular order.

The PRESIDENT pro tempore. The regular order is demanded, and the clerk will call the next bill on the calendar.

SANISH SCHOOL DISTRICT NO. 1, N. DAK.

The bill (S. 3093) to provide funds for cooperation with Sanish School District No. 1, Mountrail County, N. Dak., for extension of public-school buildings to be available for Indian children was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

SETTLEMENT OF CLAIMS OF NORWEGIAN STEAMER "TAMPEN"

The bill (S. 3425) authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen* was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for payment to the Government of Norway in full and final settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen* by reason of the detention of the vessel by the United States Coast Guard during June 1925, the sum of $8,765.

FEDERAL BOARD OF FOREIGN TRADE

The bill (S. 3393) to create a Federal Board of Foreign Trade was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes, was announced as next in order.

Mr. METCALF. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

CAROLINE (STEVER) DYKSTRA

The bill (H. R. 4428) for the relief of Caroline (Stever) Dykstra was considered, ordered to a third reading, read the third time, and passed.

POST-OFFICE BUILDING, COLUMBUS, MISS.

The bill (H. R. 8977) to authorize the Secretary of the Treasury to acquire a site for the erection of a post-office building at Columbus, Miss., was considered, ordered to a third reading, read the third time, and passed.

PERRY'S VICTORY AND INTERNATIONAL PEACE MEMORIAL NATIONAL MONUMENT, OHIO

The Senate proceeded to consider the bill (S. 3118) to provide for the creation of the Perry's Victory and International Peace Memorial National Monument, on Put-In-Bay, South Bass Island, in the State of Ohio, and for other purposes, which had been reported from the Committee on Public Lands and Surveys with amendments.

The first amendment was, in section 1, on page 1, line 8, to strike out "Put In Bay" and to insert in lieu thereof

"Put-In-Bay"; on page 2, line 7, strike out "Put In Bay" and insert in lieu thereof "Put-In-Bay"; on line 10, to strike out the semicolon after the word "extended"; on page 3, line 1, to strike out the words "Put In Bay" and insert in lieu thereof the word "Put-In-Bay", so as to make the section read:

*Be it enacted, etc.*, That the President of the United States be, and he is hereby, authorized to establish by proclamation the following-described Government lands, together with the Perry's Victory Memorial proper, its approaches, retaining walls, and all buildings, structures, and other property thereon, situated in Put-In-Bay Township, South Bass Island, Ottawa County, Lake Erie, State of Ohio, as the "Perry's Victory and International Peace Memorial National Monument", for the preservation of the historical associations connected therewith, to inculcate the lessons of international peace by arbitration and disarmament, and for the benefit and enjoyment of the people: Commencing at the intersection of the middle line of Delaware Avenue and Chapman Avenue, in the village of Put-In-Bay, and running thence south 88°59' east in the middle line of said Delaware Avenue, and the same extended 495 feet to Lake Erie; thence 49°59' east along said lake shore 346 feet; thence north 43°14' east along said lake shore 212 feet; thence north 53°13' east 400 feet along said lake shore; thence north 46°6' west about 730 feet to Lake Erie; thence southwesterly and westerly along said lake shore to the middle line, extended, of said Chapman Avenue; thence south 1°30' west along said middle line, and the same extended, about 520 feet to the place of beginning, and containing 14.25 acres of land and known as a part of lots nos 1 and 2, range south of county road, and a part of lot no. 12, East Point, in South Bass Island, in the township of Put-In-Bay, county of Ottawa, State of Ohio.

The amendment was agreed to.

The next amendment was, in section 4, on page 4, line 15, to strike out the words "Richard B. Folsom" and insert in lieu thereof the words "Richard S. Folsom"; on line 24, after the word "States", to strike out the period and insert a colon; on page 5, after the word "compensation", to strike out the words "but shall be paid their reasonable expenses as provided for in the standard Government travel regulations, as amended, while in attendance at meetings of the Commission upon call of the Secretary of the Interior, and necessary secretarial expenses, such as stenographers' fees, postage, stationery and printing, subject to the approval of the Secretary of the Interior" and to insert in lieu thereof the words "or expenses, except actual traveling expenses incurred in attending meetings of the Commission upon call of the Secretary of the Interior", so as to make the section read:

SEC. 4. The members of the Perry's Victory Memorial Commission created by act of Congress March 3, 1919, having by their patriotic and active interest faithfully conserved for posterity this important historical area and objects, shall hereafter act as a board of advisers, and with such other powers as the Secretary of the Interior may direct, in the maintenance of such national monument and shall consist of the present surviving and active members of the Commission provided for in said act, namely, on the part of the United States, John A. Johnston and Hugh Rodman, and on the part of the several States: Ohio, Webster P. Huntington, Carl B. Johannsen, and A. V. Donahey; Pennsylvania, Milton W. Shreve, Thomas C. Jones, and George M. Mason; Michigan, James E. Degan; Illinois, Chesley R. Perry, William Hale Thompson, and Richard S. Folsom; Wisconsin, Charles B. Perry, A. W. Sanborn, and S. W. Randolph; New York, Charles H. Wiltsie and Jacob Schifferdecker; Rhode Island, Harry E. Davis; Kentucky, Samuel M. Wilson, W. J. Moore, and Robert H. Winn: *Provided*, That as vacancies occur in the Commission on the part of the United States, they shall remain unfilled until only one Commissioner of the United States remains; thereafter there shall be only one Commissioner of the United States: *Provided further*, That as vacancies occur in the Commission on the part of the several States, they shall remain unfilled until only one Commissioner from each State remains; thereafter there shall be only one Commissioner from each State. After the membership of the Commission has been reduced in accordance with the provisions of this act, vacancies shall be filled in the manner set forth in the act of March 3, 1919. The members of the Commission shall receive no compensation or expenses, except actual traveling expenses incurred in attending meetings of the Commission upon call of the Secretary of the Interior.

The amendment was agreed to.

The next amendment was, on page 5, line 23, after the word "monument", to strike out the words "without regard to civil-service laws and requirements or restrictions of law governing the employment and compensation of employees of the United States", so as to make the section read:

SEC. 5. Employees of the Perry's Victory Memorial Commission at the time of the enactment of this legislation may, in the discretion of the Secretary of the Interior, be employed by the National Park Service, in the administration, protection, and development of said national monument.

The amendment was agreed to.

The next amendment was, on page 6, to strike out section 6, as follows:

SEC. 6. Nothing in this act shall be held to deprive the State of Ohio, or any political subdivision thereof, of its civil and criminal jurisdiction in and over the area included in such national monument nor shall this act in any way impair or affect the rights of citizenship of any resident therein; and, save and except as the consent of the State of Ohio may be hereafter given, the legislative authority of said State in and over all areas included in such national monument shall not be diminished or affected by the creation of such national monument nor by any terms or provisions of this act.

The amendment was agreed to.

The next amendment was, on page 6, line 12, to renumber section 7.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the creation of the Perry's Victory and International Peace Memorial National Monument on Put-In-Bay, South Bass Island, in the State of Ohio, and for other purposes."

### ADDITIONAL DISTRICT JUDGE, SOUTH DAKOTA

The bill (S. 1724) to repeal section 2 of the act entitled "An act to create an additional judge in the district of South Dakota", approved February 26, 1929, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That section 2 of the act entitled "An act to create an additional judge in the district of South Dakota", approved February 26, 1929, is hereby repealed; and any vacancy in the office of district judge for the district of South Dakota created by section 1 of such act is authorized to be filled.

### BILL PASSED OVER

The bill (S. 2424) to provide for the establishment and maintenance of Central Research and Experiment Station of the Bureau of Mines at Salt Lake City, Utah, was announced as next in order.

Mr. JOHNSON. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

### DEMURRAGE CHARGES ON PARCELS POST

The bill (H. R. 5540) extending the period during which no demurrage is charged on collect-on-delivery parcels and excepting the imposition of demurrage charged on collect-on-delivery parcels exchanged between the continental and island possessions was considered, ordered to a third reading, read the third time, and passed.

### FORGING OR COUNTERFEITING POST-MARKING STAMP

The bill (H. R. 5049) providing punishment for forging or counterfeiting any post-marking stamp was considered, ordered to a third reading, read the third time, and passed.

### OBTAINING MAIL BY FRAUD

The bill (H. R. 5162) providing for punishment for attempts to obtain mail by fraud or by deception was considered, ordered to a third reading, read the third time, and passed.

### ROBBING CUSTODIANS OF GOVERNMENT BONDS OR PROPERTY

The bill (H. R. 5360) providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. That completes the call of the calendar.

### ADDITIONAL JUDGE FOR DISTRICT OF KANSAS

Mr. McGILL. Mr. President, I move that the Senate proceed to the consideration of Senate bill 3434, being Calendar No. 1427, to provide for the appointment of one additional judge for the district of Kansas.

Mr. CAPPER. Mr. President, I should like to have time to discuss that measure, because I regret to differ with my colleague on the merits of the bill. I should like to have

at least a half hour in which to present objections to the passage of the bill. It is of very great importance to the State of Kansas.

Mr. McGILL. Mr. President, may we have a vote on the motion to take up the bill? Then I shall be willing to conform to the wishes of the Senate.

Mr. ROBINSON. I suggest that the Senate vote on the motion to take up the bill. A number of Senators wish to submit some unanimous-consent requests. The consideration of the bill might go over until tomorrow.

Mr. McNARY. Mr. President, I understand that the Senator from Kansas [Mr. CAPPER] is not prepared to go forward at this time, and that he would rather have the matter presented tomorrow.

Mr. ROBINSON. Very well. Let the motion be the pending business. I think we had better take a vote on the motion.

Mr. McNARY. The Senator from Kansas, I understand, is not prepared to have that done.

Mr. McGILL. I am not going to urge that we proceed with the bill tonight. I am perfectly willing to allow the Senate to lay aside the unfinished business temporarily; but I should like to have the motion voted upon, so that we might have the bill before us.

Mr. ROBINSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. ROBINSON. The Senator from Kansas [Mr. McGILL] having made a motion to proceed to the consideration of this bill, if no other business should be transacted except that which is done by unanimous consent, and the Senate should take a recess, then, as I understand, the motion would be the unfinished business.

The PRESIDENT pro tempore. Yes; the motion would be the unfinished business tomorrow.

Mr. ROBINSON. Very well. I suggest that Senators submit their requests.

The PRESIDENT pro tempore. The question before the Senate is the motion of the Senator from Kansas [Mr. McGILL].

Mr. McNARY. Mr. President——

Mr. ROBINSON. I ask that the unfinished business, the motion, be temporarily laid aside.

Mr. McGILL. Mr. President, a parliamentary inquiry.

Mr. LEWIS. Mr. President, I desire to renew my motion for the consideration of Senate bill 2665.

The PRESIDENT pro tempore. The Chair understands that the Senator from Arkansas [Mr. ROBINSON] asks unanimous consent that the motion of the Senator from Kansas [Mr. McGILL] be considered the unfinished business when the Senate convenes tomorrow.

Mr. ROBINSON. Yes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. McGILL. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McGILL. Has the motion made by myself been made the unfinished business?

The PRESIDENT pro tempore. It has been made the unfinished business for tomorrow when the Senate convenes.

### LIMITATION OF SHIPOWNERS' LIABILITY

Mr. COPELAND. From the Committee on Commerce I report back favorably, with amendments, Senate bill 3446, relative to limitation of shipowners' liability, and I ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. Is there objection?

Mr. LEWIS. I may say that I preceded the Senator from New York with my motion. I do not wish to interrupt his statement, but I moved to have considered Calendar No. 1204, Senate bill 2665, and until that motion shall have been disposed of I am sure my able friend of New York will not insist on intruding upon me.

The PRESIDENT pro tempore. The Chair knows of no motion pending at the present time. The only question pending at the present time is the request for unanimous consent by the Senator from New York [Mr. COPELAND]. Is there objection to that request?

Mr. McNARY. What is the request?

The PRESIDENT pro tempore. The Senator from New York [Mr. COPELAND] will state it again.

Mr. COPELAND. There has been pending here since January a bill to provide for limitation of liability of shipowners. In connection with the *Morro Castle* disaster, where 124 persons lost their lives, it was found that under the laws as they exist, only the salvage value of the ship could be used to reimburse the losses incurred by reason of the accident. Under the British law, provision is made for insurance, fixed at £15 per gross ton, to cover both property and life.

The bill I seek to bring up, which has been considered in the House and which was unanimously reported by the Commerce Committee yesterday, provides that an insurance of $60 per gross ton of the vessel must be carried, which in the case of the *Morro Castle* would have meant about $1,000,000 insurance, whereas the salvage value now is only $20,000. The bill seeks to give protection such as ought to have been afforded long ago.

Mr. McKELLAR. May I ask the Senator is the insurance to be used as a fund to pay claims against vessels?

Mr. COPELAND. Yes.

Mr. McKELLAR. I think such a provision is very necessary.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New York to proceed to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with amendments.

The first amendment was, in section 1, page 1, line 6, after the word "the" where it occurs the second time, to insert "total"; in line 8, after the word "vessel" and the comma, to insert "whether American or foreign,"; in line 9, after the word "tenders" and the comma, to strike out "whether American or foreign,"; in line 10, before the word "loss", to strike out "any" and insert "the entire"; in the same line, after the word "personal", to strike out "injury" and insert "injuries"; and in line 11, after the word "shall", to strike out "not exceed an aggregate amount of $50 for each ton of such vessel's tonnage," and insert "be in an amount not less than an amount equal to $60 for each ton of the tonnage of such vessel or vessels", so as to make the section read:

LIMITATION OF SHIPOWNERS' LIABILITY

SECTION 1. Revised Statutes 4283, United States Code, title 46, section 183, shall be amended by adding the following proviso at the end thereof: "*Provided*, That the total liability of the owner or owners of any sea-going sailing, steam, or motor vessel, whether American or foreign, other than tugs, barges, fishing vessels and their tenders, for the entire loss of life or personal injuries caused without the fault or privity of such owner or owners to any person, shall be in an amount not less than an amount equal to $60 for each ton of the tonnage of such vessel or vessels, or the amount or value of the interest of such owner in such vessel and her freight then pending, if the latter be the greater amount. The tonnage of a steam or motor vessel shall be her gross tonnage without deduction on account of engine room, and the tonnage of a sailing vessel shall be her registered tonnage, provided that there shall not be included in such tonnage any space occupied by seamen or apprentices and appropriated to their use. The owner of every sea-going vessel or share therein shall be liable in respect of every such loss of life or personal injury arising on distinct occasions to the same extent as if no other loss or injury had arisen."

The amendment was agreed to.

The next amendment was, on page 2, after line 13, to insert a new section, as follows:

SEC. 2. In respect of loss of life or bodily injury, the actual privity or knowledge of the master of a sea-going vessel (other than tugs, barges, fishing vessels, and their tenders), or of the superintendent or managing agent of the owner thereof, at or prior to the commencement of each voyage, shall be deemed conclusively the privity or knowledge of the owner of such vessel.

The amendment was agreed to.

The next amendment was, on page 2, after line 13, after the amendment heretofore agreed to, to insert:

SEC. 3. Chapter 6 of title 48 of the Revised Statutes is amended by inserting after section 4283, as amended, the following new section:

"SEC. 4283A. Stipulations limiting time for filing claims and commencing suit: (a) It shall be unlawful for the manager, agent, master, or owner of any sea-going vessel (other than tugs, barges, fishing vessels, and their tenders) transporting passengers or merchandise or property from or between ports of the United States and foreign ports to provide by rule, contract, regulation, or otherwise a shorter period for giving notice of, or filing claims for loss of life or bodily injury, than 6 months, and for the institution of suits on such claims, than 1 year, such period for institution of suits to be computed from the day when the death or injury occurred.

"(b) Failure to give such notice, where lawfully prescribed in such contract, shall not bar any such claim—

"(1) If the owner or master of the vessel or his agent had knowledge of the injury, damage, or loss and the court determines that the owner has not been prejudiced by the failure to give such notice; nor

"(2) If the court excuses such failure on the ground that for some satisfactory reason such notice could not be given; nor

"(3) Unless objection to such failure is raised by the owner.

"(c) If a person who is entitled to recover on any such claim is mentally incompetent or a minor, or if the action is one for wrongful death, any lawful limitation of time prescribed in such contract shall not be applicable so long as no legal representative has been appointed for such incompetent, minor, or decedent's estate, but shall be applicable from the date of the appointment of such legal representative: *Provided, however*, That such appointment be made within 3 years after the date of such death or injury."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMMEMORATION OF ANNIVERSARY OF BIRTH OF DANIEL BOONE

Mr. BARKLEY. I ask unanimous consent for the immediate consideration of House bill 7678.

The PRESIDENT pro tempore laid before the Senate the bill (H. R. 7678) to authorize the Director of the Mint to supplement the approved design of the 50-cent piece commemorating the two hundredth anniversary of the birth of Daniel Boone, the coinage of which was authorized by act of the Seventy-third Congress (Public, No. 258, S. 3355), which was read twice by its title.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

ARRESTS IN CIVIL SUITS

Mr. TYDINGS. Mr. President, I ask unanimous consent that Senate bill 2524, amending section 112 of the United States Code, Annotated—title 28; subtitle "Civil Suits; where to be brought", be taken up and put on its passage. This bill has been thoroughly considered by the Judiciary Committee and favorably reported. The Senator who objected to it has withdrawn his objection.

Mr. McKELLAR. What is the number of the bill on the calendar?

Mr. TYDINGS. It is Calendar No. 891.

Mr. ROBINSON. What, may I ask, is the general purpose of the bill? What changes does it make in the law?

Mr. TYDINGS. Where suits are brought in the State courts by minority stockholders, charging fraud, the courts do not have jurisdiction sufficient to enable the parties to obtain the books with which to substantiate their charges; and when the suits are brought in the Federal courts, the same thing applies. The bill is simply designed in the interest of minority stockholders, where large mergers occur, so that they may get the books of the corporation, and, if there has been fraud, prove the fraud in the particular accusation.

Mr. ROBINSON. I have no objection.

Mr. McNARY. The Senator from Pennsylvania [Mr. DAVIS] has objected to the bill.

Mr. BARBOUR. Mr. President, I think I can explain that. The Senator from Pennsylvania is interested in an amendment similar to the one which I hold in my hand and which I, myself, intend to offer, and which I understand the Senator from Maryland is willing to accept.

Mr. TYDINGS. Mr. President, I may say to the Senate before the amendment is read that the bill was completely discussed before the entire Judiciary Committee, and briefs were filed, showing numerous cases where stockholders were defrauded, because they were prevented from having a day in court. They could not get jurisdiction of the books. It is only because, unless something is done, this will happen again in the future that I ask for passage of the bill at this hour of the session.

Mr. JOHNSON. Mr. President, is it a bill for the protection of the minority stockholders?

Mr. TYDINGS. It is.

Mr. JOHNSON. May we have the amendment stated?

The PRESIDENT pro tempore. The amendment of the Senator from New Jersey will be read.

The CHIEF CLERK. It is proposed, on page 2, line 10, at the end of the bill, to insert the words "but this proviso shall only apply where all the parties joined as defendants are indispensable parties."

Mr. TYDINGS. In other words, the Senator from Pennsylvania would like to have the complainants assert that the people to be summoned are absolutely indispensable, so that people may not be brought into court who are dispensable. I would rather have the bill without the amendment.

Mr. JOHNSON. If the Senator does not want it, why accept it?

Mr. TYDINGS. I am afraid someone would object, and I would not get any bill at all.

Mr. BARBOUR. The Senator is perfectly correct in that statement.

Mr. JOHNSON. The Senator from New Jersey says the Senator is perfectly correct in that statement. I am not against the amendment, but I am opposed to the method of legislation which says, when an amendment is presented, "You will not have a bill if you do not adopt my amendment." I hope the Senate will not adopt the amendment.

Mr. BARBOUR. The Senator from Pennsylvania is interested in the amount and would object, were he present, unless it were agreed to. I do not see, under the circumstances, how I can do otherwise than make objection, and I do that now. I am reluctant to do it.

The PRESIDENT pro tempore. Objection is heard.

DISTRIBUTION OF TERRITORIAL PAPERS

Mr. HAYDEN. Mr. President, the Secretary of State has prepared a bill to provide for Federal distribution of the papers of the Territories which are published by the Department of State. It reduces the number and thereby saves expense and makes the distribution to educational institutions in the State designated by the Governor. The Secretary of State is anxious to have the bill passed. From the Committee on Printing, I report the bill favorably and submit a report (No. 1447) thereon. I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (S. 3447) to amend an act entitled "An act to authorize the collection and editing of official papers of the Territories of the United States now in the National Archives", approved March 3, 1925, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That section 3 of the act entitled "An act to authorize the collection and editing of official papers of the Territories of the United States now in The National Archives", approved March 3, 1925, as amended by the act approved February 28, 1929 (U. S. C., Supp. 7, title V, sec. 168a), be, and the same is hereby, amended to read as follows:

"168a. The Public Printer shall print, bind, and deliver to the Superintendent of Documents, for distribution as may be directed by the Secretary of State, 1,227 copies of each volume of the Official Papers Relating to the Territories of the United States, of which not to exceed 3 copies shall be furnished to the Vice President and each Senator and 1 copy to each Representative, Delegate, and Resident Commissioner; 4 copies to the library of the Department of the Interior; and 1 copy of each volume to those historical associations, commissions, museums, or libraries and other nondepository libraries, which shall not exceed eight

in number within each State, Territory, or insular possession, and which have been or hereafter may be designated by the Governor thereof to the Secretary of State of the United States, and the residue of the said 1,227 copies shall be for the Department of State for such use as the Secretary of State may deem appropriate.

"168b. In addition to the foregoing there shall be furnished to the Superintendent of Documents a sufficient number of copies of each volume for distribution to such depository libraries as may make written application therefor; and

To the Library of Congress for international exchange and for official use in Washington, D. C., not to exceed 150 copies.

The "usual number" shall not be printed.

"168c. The historical associations, commissions, museums, or libraries and other nondepository libraries within each State, Territory, or insular possession which have been or hereafter may be designated by the Governor thereof to receive these publications shall, during their existence, receive the succeeding volumes, the distribution of which shall be made by the Superintendent of Documents in accordance with the lists of designations transmitted to him by the Secretary of State, and a new designation may be made by the Governor only when a designated association, commission, museum, or library shall cease to exist or other designation may be authorized by law.

"168d. For defraying the expenses to be incurred in carrying out the provisions of this act, including the employment, either in or outside of the District of Columbia, of not to exceed five historical experts, especially informed on the various phases of the territorial history of the United States, without regard to the Classification Act of 1923, as amended, and the civil-service rules, and for all other purposes, including salaries for personnel, printing and binding, contingent expenses and traveling expenses, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not more than the sum of $125,000, and under this authorization not more than $50,000 shall be appropriated for any one year."

### ACTIVE DUTY FOR RESERVE OFFICERS

Mr. SHEPPARD. Mr. President, the Senator from North Dakota [Mr. FRAZIER], who objected to the consideration of the bill (H. R. 6250) to amend the National Defense Act, has withdrawn his objection. Accordingly I ask unanimous consent to recur to it and to have it considered at this time.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and insert the following:

*Be it enacted, etc.*, That the President is hereby authorized to call annually, with their consent, upon application to and selection by the War Department, for a period of not more than 1 year for any one officer, not to exceed at any time 1,000 Reserve officers of the combatant arms and the Chemical Warfare Service in the grade of second lieutenant, for active duty with the Regular Army: *Provided*, That nothing herein contained shall affect the number of Reserve officers that may be called to active duty under existing laws, nor the conditions under and purposes for which they may be so called.

SEC. 2. That, for the period of 10 years beginning July 1, 1936, the Secretary of War is authorized to select annually, in addition to the graduates from the United States Military Academy, 50 officers who shall be commissioned in the Regular Army: *Provided*, That the Secretary of War shall determine for each annual increment the number to be allotted among the promotion list branches: *And provided further*, That the number to be appointed in the promotion list branches shall be selected from such Reserve officers who have received the training herein authorized or from graduates of the Army Air Corps Training Center.

Mr. McNARY. Mr. President, does the Senator from Texas desire action on the bill at this time?

Mr. SHEPPARD. Yes.

Mr. McNARY. What is the bill?

Mr. SHEPPARD. It is a House bill carrying no appropriation. It authorizes a certain number of R. O. T. C. or C. M. T. C. graduates to take a year's training each year as second lieutenants with the Army, no graduate to have training for more than 1 year. It also authorizes the appointment each year as second lieutenants, Regular Army, of not more than 50 from these trainees and from graduates of the Air Corps training center.

Mr. ROBINSON. Mr. President, I think there is no objection to the bill.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill:

H. R. 9215. An act making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes, in which it requested the concurrence of the Senate.

### HOUSE BILL REFERRED

The bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

### CLAIM OF PIERRE E. TEETS (S. DOC. NO. 127)

The PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting, in compliance with law, a schedule covering the claim of Pierre E. Teets, allowed by the General Accounting Office, amounting to $6,937.14, and requiring an appropriation for its payment, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

### CLAIMS ALLOWED BY GENERAL ACCOUNTING OFFICE (S. DOC. NO. 128)

The PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting, in compliance with law, schedules of claims amounting to $50,627.78, allowed by the General Accounting Office, as covered by certificates of settlement under appropriations, the balances of which have been carried to the surplus fund under the provisions of law, and for the services of the several departments and independent offices, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

### JUDGMENTS AGAINST COLLECTORS OF CUSTOMS (S. DOC. NO. 129)

The PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, schedule of a claim allowed by the General Accounting Office, as shown by certificate of settlement covering a judgment rendered by the District Court for the Southern District of New York against the collector of customs, as provided by law, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

### CLAIMS FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 130)

The PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting estimates of appropriations submitted by certain executive departments to pay claims for damages to privately owned property, amounting to $121.75, which have been considered and adjusted under the provisions of law and requiring appropriations for their payment, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

### RECEIPT AND REFERENCE OF BILLS DURING RECESS

Mr. ROBINSON. Mr. President, I ask unanimous consent that during the recess of the Senate the Secretary of the Senate may receive and refer bills coming over from the House.

The PRESIDENT pro tempore. Without objection, it is so ordered.

### EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Arthur J. Mellott, of Kansas, to be a member of the Board of Tax Appeals for the unexpired portion of a term of 10 years from June 2, 1926, vice Edgar J. Goodrich, resigned.

Mr. WALSH, from the Committee on Finance, reported favorably the nomination of Raymond B. Stevens, of New Hampshire, to be a member of the United States Tariff Commission for the remainder of the term expiring June 16, 1937, vice James W. Collier, deceased.

Mr. ASHURST, from the Committee on the Judiciary, reported favorably the following nominations:

Leon R. Yankwich, of California, to be United States district judge, southern district of California, to fill position created by law;

Michael J. Roche, of California, to be United States district judge, northern district of California, vice Frank H. Kerrigan, deceased; and

Bert E. Haney, of Oregon, to be United States circuit judge, ninth circuit, to fill an additional position created by law.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the following nominations:

Carl H. Bauer, of Illinois, to be director for the Public Works Administration in Illinois;

E. A. Norton, of Illinois, to be a regional director of the Resettlement Administration;

Francis L. Dryden, of Maryland, to be State administrator for Maryland in the Works Progress Administration, vice John H. Mackall, resigned; and

Ray Hart to be State administrator for Montana in the Works Progress Administration.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

WORKS PROGRESS ADMINISTRATOR FOR MONTANA

Mr. MURRAY. Mr. President, I desire to enter objection to the confirmation of Mr. Ray Hart as Works Progress Administrator for Montana. I have received a great number of letters and telegrams from certain labor organizations of Montana objecting to the confirmation of his nomination. It seems that he is regarded as objectionable to labor and that he is not giving proper consideration to labor.

Mr. ROBINSON. Mr. President, has the nomination been received, referred, considered by a committee, and reported?

Mr. McKELLAR. It has just been reported for the calendar. It will not come up until tomorrow. It is merely reported for the calendar and not to be considered at this time.

Mr. MURRAY. Very well.

The PRESIDENT pro tempore. The calendar is in order.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of J. Theodore Marriner, of Maine, to be consul general.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that nominations of postmasters on the calendar may be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that nominations in the Army be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the Army nominations are confirmed en bloc. That completes the calendar.

ARTHUR J. MELLOTT

Mr. McGILL. Mr. President, the nomination has been reported today from the Committee on Finance of Mr. Arthur J. Mellott, of my State of Kansas, to be a member of the Board of Tax Appeals. It has been pending for some time, and there is really no objection to it. I ask unanimous consent that the nomination be considered at this time.

Mr. ROBINSON. Mr. President, I know the nomination has been pending for quite a while, perhaps a month. I think it appropriate to concur in the request of the Senator from Kansas.

Mr. McNARY. Mr. President, is the nomination on the calendar?

Mr. McGILL. No. The nomination was reported today by the Committee on Finance.

Mr. McNARY. Why should it not go over with the other nominations?

Mr. ROBINSON. The Senator from Kansas is asking for its present consideration.

Mr. McGILL. If it is the desire of the Senator from Oregon that the nomination go over, I shall not insist.

Mr. McNARY. If we are to have an executive session tomorrow, why the urgency for confirmation tonight?

Mr. ROBINSON. This nomination, as the Senator from Kansas explained, has been pending for a long time. I happen to know that to be so. I see no objection to action upon it at this time.

Mr. McGILL. I know that the nomination is an excellent one. The nominee is well qualified.

Mr. McNARY. To what board has he been nominated?

Mr. McGILL. The Board of Tax Appeals.

The PRESIDENT pro tempore. Is there objection to the present consideration of the nomination? The Chair hears none. The nomination will be read.

The legislative clerk read the nomination of Arthur J. Mellott, of Kansas, to be a member of the Board of Tax Appeals.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Friday, August 23, 1935, at 12 o'clock meridian.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate August 22 (legislative day of July 29), 1935*

BOARD OF TAX APPEALS

Arthur J. Mellott to be a member of the Board of Tax Appeals.

CONSUL GENERAL

J. Theodore Marriner to be consul general.

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICERS

*Brigadier generals*

Frederick Blair Kerr to be brigadier general, Adjutant General's Department.

Walter Allen DeLamater to be brigadier general.

POSTMASTERS

CALIFORNIA

Cecelia C. Murphy, Crockett.
Paul W. Hunter, Fortuna.

MINNESOTA

Hugh P. Griffin, Cold Spring.
Clarence E. McCarthy, Detroit Lakes.

MISSOURI

Gerald R. Cooper, Laredo.

NORTH CAROLINA

George F. Bost, Hickory.
Parley Potter, Magnolia.
Guy S. Crawford, Rowland.
Orlando H. Hodges, Spray.

OREGON

Helen I. Brown, Canby.

RHODE ISLAND

Ina M. Gwynn, Warwick.

TEXAS

Thomas J. Lilley, Whitewright.

UTAH

Stephen T. Shelley, American Fork.
Melvin Bryan, Ferron.

# HOUSE OF REPRESENTATIVES

## THURSDAY, AUGUST 22, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our Lord, how excellent is Thy name, who hast set Thy glory above the heavens. Clothed with divine love, patience, and sympathy, Thou hast revealed Thyself in the life and message of the Galilean Teacher. He loved the pure, and yet helped the impure; He loved perfection, and yet was patient with all imperfection; He was master of His appetites, and yet was a friend of the glutton; He was self-denying, and yet was lenient with the self-indulgent. In word and deed, Heavenly Father, send us forth to do likewise—to feel for men, pity the distressed, and care for mankind. Oh, the path of duty walked with Thee is a path of enchantment. In the simple life, with humble labors of love and with its homely happiness, is a never-failing spring of peace and joy; stay our hearts here, O Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on August 21, 1935, the President approved and signed bills and a joint resolution of the House of the following titles:

H. R. 7438. An act to amend the act entitled "An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.", approved June 4, 1934;

H. R. 7659. An act to provide that tolls on certain bridges over navigable waters of the United States shall be just and reasonable, and for other purposes;

H. R. 8845. An act to authorize the incorporated town of Cordova, Alaska, to construct, reconstruct, enlarge, extend, improve, renew, and repair certain municipal public structures, utilities, works, and improvements, and for such purposes to issue bonds in any amount not exceeding $50,000, and for other purposes; and

H. J. Res. 189. Joint resolution relating to the continuance on the pay rolls of certain employees in cases of death or resignation of Members of the House of Representatives, Delegates, and Resident Commissioners.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 8651. An act to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3381. An act to provide for the protection and preservation of domestic sources of tin; and

S. 3440. An act to amend certain acts relating to public printing and binding and the distribution of public documents and acts amendatory thereof.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 9070. An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes.

LIQUOR TAX ADMINISTRATION BILL

Mr. BUCK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 9185), to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. CELLER. Reserving the right to object.

Mr. TREADWAY. Reserving the right to object, may I ask the gentleman to give the House an explanation of the bill with reference particularly to section 403?

Mr. BUCK. Mr. Speaker, this bill deals with many phases of internal-revenue taxation. For the most part the bill proposes technical amendments to the existing law on that subject. Many of these amendments have as their object the more economical administration of the laws. Originally there were three bills sent down by the Treasury Department recommending changes in the administration of the internal-revenue laws. They have been combined into this bill and other provisions added. The bill simplifies enforcement of tax laws and avoids duplication in the work of tax collection.

Other provisions of the bill propose the elimination of obsolete requirements of the statutes, some of them running back as far as 1875, which can now be repealed without danger to the revenue.

Other statutes, old and new, are proposed to be modified to remove the burdens on the beer, wine, and spirits producing and distributing industry, where this can be done without sacrificing the efficiency of the execution of the law and the certainty of the collection of the tax. For instance, section 302 permits the Secretary of the Treasury to waive the survey requirements as to whisky and rum distilleries, which is now done in the cases of industrial alcohol and fruit brandy distilleries. The survey is an old method of determining the daily spirit-producing capacity of distilleries which are now required to produce 80 percent of that capacity or pay a deficiency assessment. It is believed that on waiver of survey the output of distilleries, and hence the revenue collected, may be greatly increased with the same equipment. Other sections adjust the bonds of distillers in the event such survey is waived and relieve distillers of such restrictions as to cisterns, and provide for such equipment by way of tanks as the Secretary shall deem necessary to protect the revenue.

Again in the case of brewers the Commissioner of Internal Revenue is authorized to permit the use of such modern tapping devices or faucets as may be consistent with the protection of the revenue through the proper fixing and destruction of stamps on beer hogsheads, barrels, and kegs. The Secretary of the Treasury is authorized to prescribe the penal sums of bonds to be furnished by brewers in proportion to the capacity of the plant but in no event would be less than $1,000. The present law provides that the bonds shall be in a sum equal to three times the amount of the tax, or $15 a barrel of 31 gallons, which it is believed is excessive and imposes an unnecessary hardship as to premiums.

Section 318 authorizes the Secretary of the Treasury to permit the ameliorization and fortification of wine without supervision by any officer of the United States whenever he determines this may be done without danger to the revenue.

Supervision is deemed unnecessary since wine must be tax paid upon removal from bonded winery premises. This will result in a saving to the Government as will the provisions of waiver of survey in the case of distillers. The manufacture of wine from citrus fruits other than lemons and limes is permitted for the first time, as is the fortification of citrus-fruit brandies. Dates are included as fruits from which brandy can be distilled. The tax on brandy removed by wine makers for fortification of wines and citrus-fruit wines is reduced from 20 cents to 10 cents per proof gallon. This has been more or less of a duplicating tax as the addition of brandy to natural wine brings it about the 14-percent alcohol dividing line and doubles the tax on the wine. In addition, it is provided that the assessment for the taxes so levied shall be paid within 12 months instead of 10 months as at present. This brings the date of payment to a period when the wine is being marketed, and not in the middle of summer or in a vintage period as at present. The tax on grape concentrate, which has been decidedly more of a nuisance tax than a revenue producer, having brought in only $20,000 in the last year, is repealed.

The redemption of strip stamps, issued under the Liquor Taxing Act of 1934, is now provided for. The purpose of this amendment is to remove the incentive to bootleg these stamps which have not hitherto been redeemable.

Tax-free withdrawal of alcohol for the use of clinics operated for charity and not for profit is permitted by an amendment contained in section 329.

An effort to curb systematized smuggling by so-called "travelers" across the borders is provided by section 337, which reduces the amount of liquor, wine, or beer that may be imported free of customs duty to one wine gallon not in excess of $100. The present law has permitted any quantity up to $100 in value.

The bill also closes doors which are now open to the tax evader and is intended to provide closer supervision of those liable for the various taxes under these laws. The committee has also removed some deadwood, and in those sections of the statutes which it has revised it has endeavored to clarify and codify the Internal Revenue laws relating to liquor.

Mr. Speaker, the bill has had a thorough consideration by the Ways and Means Subcommittee on Alcohol, by the Treasury and Internal Revenue experts, by legislative counsel, and finally by the full committee, and is presented to you with a unanimous report that it do pass.

I now merely want to answer the specific question of the gentleman from Massachusetts [Mr. TREADWAY] with reference to section 403. This imposes an embargo upon the importation or bringing into the United States of any kind of distilled spirits, wines, or fermented malt liquors produced, sold, or marketed by any person against whom there has been instituted—and this word "person" includes corporations—or against whom process has been issued for the institution of, any proceeding by the United States, based on a claim arising out of the customs or internal-revenue laws of the United States, in connection with an alleged bringing into the United States of liquors and of any liquors in which such person has any interest, or of liquors produced or marketed by any plant or business outside of the United States, in which he has a substantial interest, until such person submits to the jurisdictional requirements of the proper court and furnishes security to insure the payment of the claim. During the time the eighteenth amendment was in force about $100,000,000 of claims, duties, and taxes, the Treasury informs me, have accrued against people who have fled from or who have never been in the jurisdiction of the United States, and who now have substantial interest in distilleries or other liquor manufactories in foreign nations, and it is proposed to bring these people within the jurisdiction of the Federal courts by refusing to permit them to import their liquor into the United States until they accept such jurisdiction.

Mr. SUMNERS of Texas. Mr. Speaker, reserving the right to object, a bill has been presented to the House by the Committee on the Judiciary seeking to carry out the constitutional pledge in regard to the twenty-first amendment. I have been trying to get that bill considered for 2 or 3 weeks. I do not criticize anybody about it; but I hope that we can have some understanding that at the conclusion of this bill that other bill, which would complete the program, can be taken up.

Mr. BUCK. Mr. Speaker, I am in thorough accord with the gentleman, and I hope that may be the case.

Mr. SUMNERS of Texas. It does not seem to me it is carrying out the obligation of the Congress to enact these items of legislation contained in the bill now under consideration and leave the constitutional pledge untouched.

Mr. BUCK. I think the gentleman is correct.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. BUCK. Yes.

Mr. CELLER. Has the gentleman examined the provisions of his bill and the bill reported from the Committee on the Judiciary which passed the House a few days ago with reference to the seizure of property? It strikes me there was an inconsistency. I hope the gentleman has it clear in his mind that if we pass this bill there will be no inconsistency.

Mr. BUCK. I think the gentleman refers to S. 3336, which was passed here.

Mr. CELLER. That is correct.

Mr. BUCK. And to section 303 therein. I have examined them. I find that the language in S. 3336 and that in H. R. 9185, section 402, are in no way inconsistent.

Mr. CELLER. And in addition, the gentleman feels that the provisions of this bill relative to the limitation of the amount of liquor that one person may bring into this country duty free is limited to 1 gallon?

Mr. BUCK. That is correct.

Mr. CELLER. There is no question about that?

Mr. BUCK. There is no question about that. We have reduced that to 1 gallon.

Mr. TREADWAY. Mr. Speaker, do I understand the gentleman to say that in addition to favorable unanimous report of the Committee on Ways and Means, this bill has the sanction of the enforcement officers of the United States through the Treasury Department?

Mr. BUCK. That is correct.

Mr. TREADWAY. I have no objection, and I hope the bill will pass.

Mr. BUCK. I sincerely trust that there will be no objection to this bill which is aimed for the benefit both of the industry and the Treasury.

The Clerk read the bill, as follows:

*Be it enacted, etc.—*

TITLE I

SECTION 1. This act may be cited as the "Liquor Tax Administration Act."

SEC. 2. Every bottle, box, package, barrel, keg, cask, or other receptacle containing intoxicating liquor which does not have on it a tax stamp, import stamp, strip stamp, label, brand, stencil, or other marking required by any law of the United States now or hereafter in force in regard to the manufacture, taxation, or transportation of or traffic in intoxicating liquor, or by any regulation issued under such law, or which has on it any false or falsely made, fraudulent, or fictitious tax stamp, import stamp, strip stamp, label, brand, stencil, or other mark made in similitude of that required by such law or regulation, or which is not accompanied by manifests, bills of lading, certificates, permits, or other documents required by such law or regulation, shall, with its contents, be seized and forfeited.

SEC. 3. (a) Whoever, when violating any law of the United States, or of any Territory or possession of the United States, or of the District of Columbia, in regard to the manufacture, taxation, or transportation of or traffic in intoxicating liquor, or when aiding in any such violation, has in his possession or in his control any device capable of causing emission of smoke, gas, or fumes, and which may be used for the purpose of hindering, delaying, or preventing pursuit or capture, any explosive, or any firearm (as defined in the National Firearms Act, except a machine gun, or a shotgun or rifle having a barrel of less than 18 inches in length), shall be fined not more than $5,000 or be imprisoned for not more than 10 years, or both, and all persons engaged in any such violation or in aiding in any such violation shall be held to be in possession or control of such device, firearm, or explosive.

(b) Whoever, when violating any such law, has in his possession or in his control a machine gun, or any shotgun or rifle having a barrel of less than 18 inches in length, in violation of the provisions of the National Firearms Act, shall be punished by imprisonment for not more than 20 years; and all persons engaged in any such violation or in aiding in any such violation shall be

held to be in possession and control of such machine gun, shotgun, or rifle.

(c) Every such firearm or device for emitting gas, smoke, or fumes, and every such explosive, machine gun, shotgun, or rifle, in the possession or control of any person when violating any such law, shall be seized and shall be forfeited and disposed of in the manner provided by section 7 of the National Firearms Act.

SEC. 4. Section 1 of the act entitled "An act to provide punishment for killing or assaulting Federal officers", approved May 18, 1934, is amended by striking out the words "any officer of the customs or of the internal revenue" and inserting in lieu thereof the words "any officer, employee, agent, or other person in the service of the customs or of the internal revenue."

SEC. 5. Notwithstanding any provisions of law relating to the return on bond of any vessel or vehicle seized for the violation of any law of the United States, the court having jurisdiction of the subject matter, may, in its discretion and upon good cause shown by the United States, refuse to order such return of any such vessel or vehicle to the claimant thereof.

SEC. 6. (a) As used in this title the word "vessel" includes every description of watercraft used, or capable of being used, as a means of transportation in water or in water and air; and the word "vehicle" includes every animal and description of carriage or other contrivance used, or capable of being used, as a means of transportation on land or through the air.

(b) As used in this title the term "machine gun" means any weapon which shoots, or is designed to shoot, automatically or semiautomatically, more than one shot, without manual reloading, by a single function of the trigger.

TITLE II

SEC. 201. Section 3287 of the Revised Statutes, as amended (26 U. S. C. 367; U. S. C., Supp. VII, title 26, sec. 1231 (a) and (b), is amended to read as follows:

"SEC. 3287. (a) All distilled spirits shall be drawn from receiving cisterns into casks or packages, each of not less capacity than 10 gallons wine measure, and shall thereupon be gaged, proved, and marked by a storekeeper-gauger, who shall cut on the cask or package containing such spirits, in a manner to be prescribed by the Commissioner of Internal Revenue, the quantity in wine-gallons and in proof-gallons of the contents of such casks or packages. There shall be marked or branded on the head of each such cask or package in letters of not less than three-fourths of an inch in height the name of the distiller, the registered number of the distillery, the city or town and State, the number of the supervisory district in which the distillery is located, the particular name of such distilled spirits as known to the trade, that is to say, high wines or spirits, as the case may be, the kind of cooperage (indicated by abbreviations), and the serial number of the cask or package. Such serial numbers for every distillery shall begin with no. 1 and continue in a regular sequence, and no two or more casks or packages warehoused at the same distillery shall be marked with the same number. The head of the cask or package bearing these marks and brands shall be known as the 'Government head.'

"(b) The gross weight, tare, net weight, wine-gallons, proof, and proof-gallons shall be cut upon the bung-stave of the cask or package in the order named, on the side of the bunghole nearest to the Government head. After the cask or package has been weighed, proofed, and marked as above required, the storekeeper-gauger shall stencil on the Government head of the cask or package the word 'Inspected', followed by his name and title, and the spirits shall be immediately removed into the distillery warehouse.

"(c) Upon the application of the distiller and under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, distilled spirits may be drawn into wooden packages, each containing two or more metallic cans, which cans shall each have a capacity of not less than 5 gallons, wine measure. Such packages shall be filled and used only for exportation from the United States. And there shall be charged for each of said packages or cases for the expense of providing and affixing stamps, 5 cents.

"(d) Alcohol or high-proof spirits withdrawn free of tax for the use of the United States, as authorized by law, may be drawn off or transferred by pipes directly from storage tanks of any industrial-alcohol plant to closed metal storage tanks situated in the industrial-alcohol bonded warehouse and transferred from such storage tanks to tanks or tank cars for shipment, upon the execution of such bonds and under such regulations as the Secretary of the Treasury may prescribe.

"(e) The Secretary of the Treasury may, by regulations, prescribe the standards of fill of casks or packages of distilled spirits at each distillery.

"(f) The Secretary of the Treasury may, by regulations, from time to time, require a distiller, at his expense and under the immediate personal supervision of a storekeeper-gager, to do such marking and branding and such mechanical labor pertaining to gaging required under this section as the Secretary deems proper and determines may be done without danger to the revenue."

SEC. 202. Section 3295 of the Revised Statutes, as amended (26 U. S. C. 374; U. S. C., Supp. VII, title 26, sec. 1236), is further amended to read as follows:

"SEC. 3295. (a) Whenever an order is received from the supervisor of the district for the removal from any distillery warehouse of any cask or package of distilled spirits on which the tax has been paid, the storekeeper-gager, by whom the same is gaged and inspected, shall, before such cask or package has left the warehouse, place upon the Government head thereof, in such manner as to cover no portion of any brand or mark prescribed by law already placed thereon, a stamp, on which shall be engraved the number of proof-gallons contained in such cask or package on which the tax has been paid, and which shall state the serial number of the cask or package, the name of the person by whom the tax was paid, and the person to whom and the place where it is to be delivered.

"(b) Said stamp shall be signed by the collector of the district and the storekeeper-gager, and shall be as follows:

Tax-paid stamp, No. ____

Received _____, 19__, from _____; tax on _____ gallons proof spirit, cask no. ____, _____ warehouse at _____ for delivery to _____, at _____.

Collector ____ District, State of _____.

Attest:

*United States Storekeeper-Gager.*

"(c) At the time of affixing the tax-paid stamp the storekeeper-gager shall cut or burn upon the Government head of each cask or package the date of payment of the tax, the number of proof-gallons, and the number of the stamp, which cutting, marking, or branding shall be erased when such cask or package is emptied.

"(d) The Secretary of the Treasury may, by regulations, from time to time, require any distiller, at his expense and under the immediate personal supervision of a storekeeper-gager, to do such marking and branding and such mechanical labor pertaining to gaging required under this section as the Secretary deems proper and determines may be done without danger to the revenue."

SEC. 203. Section 3290 of the Revised Statutes (U. S. C., Supp. VII, title 26, sec. 1811 (a)) is amended to read as follows:

"SEC. 3290. Whenever any storekeeper-gager employs any owner, agent, or superintendent of any distillery or distillery warehouse, or any person in the service of such owner, agent, or superintendent, or any rectifier or wholesale liquor dealer, or any person in the service of such rectifier or wholesale liquor dealer, to use his brands or to discharge any of the duties imposed upon him by law, he shall, for each offense so committed, be subject to a fine of not more that $1,000. This section shall not apply in any case in which the use of the storekeeper-gager's brand or the discharge of his duties by another has been directed by the Secretary of the Treasury under authority of law."

TITLE III

SECTION 301. (a) Section 3262 of the Revised Statutes, as amended (26 U. S. C., sec. 286; U. S. C., Supp. VII, title 26, secs. 1166 (b) and 1353), is amended to read as follows:

"SEC. 3262. (a) No bond of a distiller shall be approved unless—

"(1) The distiller is the owner in fee, unencumbered by any mortgage, judgment, or other lien, of the lot or tract of land on which the distillery is situated; or

"(2) The distiller files with the officer designated for the purpose by the Commissioner of Internal Revenue, in connection with his notice, the written consent of the owner of the fee, and of any mortgagee, judgment-creditor, or other person having a lien thereon, duly acknowledged, that the premises may be used for the purpose of distilling spirits, subject to the provisions of law, and expressly stipulating that the lien of the United States for taxes and penalties shall have priority of such mortgage, judgment, or other encumbrance, and that in the case of the forfeiture of the distillery premises, or any part thereof, the title to the same shall vest in the United States, discharged from such mortgage, judgment, or other encumbrance; or, if consent as required under this paragraph cannot be obtained,

"(3) The distiller, with the approval of the Commissioner, files with the officer designated by the Commissioner a bond, approved by the Commissioner, in the penal sum equal to the appraised value of the lot or tract of land on which the distillery is situated, the distillery, the buildings, and the distilling apparatus. Such value shall be determined, and such bond shall be executed, in such form and with such sureties, and filed with the officer designated by the Commissioner of Internal Revenue, under such regulations as the Secretary of the Treasury shall prescribe.

"(b) In any case where the owner of a distillery or distilling apparatus, erected prior to July 20, 1868, has only an estate for a term of years or other estate less than fee-simple in the lot or tract of land on which the distillery is situated, the evidence of title to which shall have been duly recorded prior to that date; or in like case, where the lease or other evidence of title is held but was not required by the laws of the State to be recorded in order to be valid at the time of its execution; or in any case of such prior erection where the title was then, and has continued to be, in litigation; or in any case of such prior erection where such owner is possessed of the fee, but encumbered with a mortgage executed and duly recorded prior to July 20, 1868, and not due, or in any case of such prior erection where the fee is held by a femme-covert, minor, person of unsound mind, or other person incapable of giving consent, as required in subsection (a), the value of such lot or tract of land, together with the building and distilling apparatus, shall be appraised in the manner to be prescribed by the Commissioner; and the officer designated by the Commissioner may, at the discretion of the Commissioner, be authorized to accept, in lieu of the said written consent, the bond of such distiller, in such form as the Commissioner may prescribe, with not less than two sureties, conditioned that in case the distillery, distilling apparatus, or any part thereof, shall by final judgment be forfeited for the violation of any of the provisions of law, the obligors shall pay the amount stated in said bond. Said sureties shall be residents of the collection district or county, or of an adjoining county in the same

State in which the distillery is situated, and owners of unencumbered real estate in said district or county, or adjoining county, equal to such appraised value, and the penal sum of said bond shall be equal to the appraised value of said lot or tract of land together with the buildings and distilling apparatus.

"(c) The officer designated by the Commissioner may at any time, at the discretion of the Commissioner, accept such bond as is authorized to be given by the distiller in lieu of the written consent of the owner of the fee in the case of a distillery erected prior to July 20, 1868, notwithstanding such distillery has since then been increased by the addition of land or buildings adjacent or contiguous thereto, not owned by the distiller himself in fee; such bond to be for and in respect of such addition only, if the distillery be one which the distiller owns in fee or in respect to which he has procured the written consent of the owner of the fee or other encumbrance, otherwise to be for and in respect of the entire distillery as increased by such addition.

"(d) In case of any distillery sold at judicial or other sale in favor of the United States a bond may be taken at the discretion of the Commissioner of Internal Revenue, in lieu of the written consent required by this section, and the person giving such bond may be allowed to operate such distillery during the existence of the right of redemption from such sale, on complying with all the other provisions of law.

"(e) No lien shall attach to any lot or tract of land, distillery, building, or distilling apparatus, under the provisions of section 3251 of the Revised Statutes, as amended, by reason of distilling done during any period included within the term of any bond taken under the provisions of paragraph (3) of subsection (a) of this section."

SEC. 302. Section 3264 of the Revised Statutes, as amended (26 U. S. C., sec. 289; U. S. C., Supp. VII, title 26, sec. 1168), is further amended by adding at the end thereof the following new paragraph:

"The Secretary of the Treasury in the case of any distillery may, under regulations, waive such of the requirements of this section as he determines may be waived without danger to the revenue. Whenever the Secretary of the Treasury, by authority of this paragraph, waives any or all of the requirements of this section, he may, by regulation, relieve the distiller from such requirements of sections 3285, 3309, 3310, and 3311 of the Revised Statutes, as amended, and of section 6 of the act of March 1, 1879, as amended (26 U. S. C. 321), and of such other provisions of law relating or incidental to survey requirements, as the Secretary determines may be waived without danger to the revenue."

SEC. 303. Section 3260 of the Revised Statutes, as amended (26 U. S. C., sec. 284; U. S. C., Supp. VII, title 26, sec 1165), is further amended by adding at the end thereof the following new paragraph:

"Whenever, under authority of law, the Secretary of the Treasury shall relieve a distiller from the survey requirements of section 3264 of the Revised Statutes, as amended (26 U. S. C., sec. 289; U. S. C., Supp. VII, title 26, sec. 1168), he may likewise by regulation fix the penal sum of the distiller's bond, but in no case shall the amount of the minimum bond be less than $5,000, nor the amount of the maximum bond greater than $100,000."

SEC. 304. Section 3267 of the Revised Statutes (26 U. S. C., sec. 292; U. S. C., Supp. VII, title 26, sec. 1171), is amended by adding a new paragraph at the end thereof, to read as follows:

"Whenever, under authority of law, the Secretary of the Treasury shall relieve a distiller from the survey requirements, he may, by regulation, require the distiller to provide such receiving cisterns, tanks, or such other equipment as the Secretary shall deem proper in order to protect the revenue."

SEC. 305. Section 67 of the act of August 27, 1894 (28 Stat. 568), (26 U. S. C., sec. 287; U. S. C., Supp. VII, title 26, sec. 1166 (c)), is amended to read as follows:

"SEC. 67. (a) No individual, firm, partnership, corporation, or association, intending to commence or to continue the business of a distiller, rectifier, brewer, or wine maker, shall commence or continue the business of a distiller, rectifier, brewer, or wine maker until all bonds in respect of such a business, required by any provision of law, have been approved by the Commissioner of Internal Revenue or such other officer of the Bureau of Internal Revenue as the Commissioner, with the approval of the Secretary of the Treasury, may designate.

"(b) The Commissioner or the designated officer may disapprove any such bond or bonds if the individual, firm, partnership, corporation, or association giving the same, or owning, controlling, or actively participating in the management of the business of the individual or firm, partnership, corporation, or association giving the same, shall have been previously convicted, in a court of competent jurisdiction, of (1) any fraudulent noncompliance with any provision of any law of the United States if such provision related to internal-revenue or customs taxation of intoxicating liquor, or if such an offense shall have been compromised with the individual, firm, partnership, corporation, or association upon payment of penalties or otherwise, or (2) any felony under a law of any State, Territory, or the District of Columbia, or the United States, prohibiting the manufacture, sale, importation, or transportation of intoxicating liquor.

"(c) In case the disapproval is by any officer other than the Commissioner, the individual, firm, partnership, corporation, or association giving the bond may appeal from such disapproval to the Commissioner.

"(d) The disapproval of the Commissioner in any matter under this section shall be final."

SEC. 306. Section 2 of the act entitled "An act to allow the bottling of distilled spirits in bond", approved March 3, 1897, as amended (26 U. S. C., sec. 412; U. S. C., Supp. VII, title 26, sec. 1277), is further amended by striking out the last clause following the words "Secretary of the Treasury" and inserting in lieu thereof the following: "but no spirits (except gin for export) shall be bottled in bond until they have remained in bond in wooden containers for at least 4 years from the date of original gage as to fruit brandy, or original entry as to all other spirits."

SEC. 307. (a) Section 3293 of the Revised Statutes, as amended; section 4 of the act of May 28, 1880 (21 Stat. 145); section 49 of the act of August 27, 1894 (28 Stat. 563; 26 U. S. C., sec. 371), as to the bonded period for spirits; and section 50 of the act approved August 27, 1894 (28 Stat. 564), as amended (26 U. S. C., sec. 407; U. S. C., Supp. VII, title 26, sec. 1275), as to loss allowance for spirits, are hereby declared to be the law on and after December 6, 1933. This section shall not invalidate any allowance for loss with respect to spirits withdrawn after December 5, 1933, and prior to the thirtieth day after the date of the enactment of this act.

(b) Distilled spirits 8 years of age, or older, which were in bonded warehouses on December 5, 1933, may remain therein after such date and, when withdrawn at any time on or after the thirtieth day after the date of the enactment of this act, may be granted an allowance (which shall be in addition to the allowance for loss otherwise allowable) for loss at the rate of one proof-gallon as to casks or packages of a capacity of not less than 40 wine-gallons, and one-half proof-gallon as to casks or packages of a capacity of less than 40 wine-gallons and not less than 20 wine-gallons, for each period of 6 months or fraction thereof that the spirits remain in bond between December 5, 1933, and the thirtieth day after the date of the enactment of this act.

SEC. 308. Section 602 of the Revenue Act of 1918, approved February 24, 1919, is hereby amended to read as follows:

"SEC. 602. (a) At registered distilleries packages may be filled with spirits reduced to not less than 100 proof from receiving cisterns and tax paid without being entered into bonded warehouse. Such spirits may be also transferred from receiving cisterns at such distilleries, by means of pipe lines, direct to storage tanks in the bonded warehouse and may be warehoused in such storage tanks. Such spirits may be also transferred in tanks or tank cars to general bonded warehouses for storage therein, either in storage tanks in such warehouses or in the tanks in which they were transferred. Such spirits may also be transferred from receiving cisterns or warehouse storage tanks to barrels, drums, tanks, tank cars, or other approved containers, and may be transported in such containers to rectifying houses, for exportation, or for other lawful purposes.

"(b) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby empowered to prescribe all necessary regulations relating to the drawing off, transferring, gaging, storing, and transportation of such spirits; the records to be kept and returns to be made; the size and kind of packages; the tanks or tank cars to be used; the marking, branding, numbering, and stamping of such packages and tanks; the kind of stamps, if any, to be used; the time and manner of paying the tax; and the kind of bond and the penal sum thereof.

"(c) The tax prescribed by law must be paid before such spirits are removed from the distillery premises, or from general bonded warehouse in the case of spirits transferred thereto, except as otherwise provided by law.

"(d) Under such regulations as the Commission with the approval of the Secretary of the Treasury may prescribe, distilled spirits may hereafter be drawn from receiving cisterns and deposited in distillery warehouses without having affixed to the packages containing the same distillery-warehouse stamps. Such packages, when so deposited in warehouse, may be withdrawn therefrom on the original gauge where the same have remained in such warehouses for a period not exceeding 30 days from the date of deposit."

SEC. 309. Section 3293 of the Revised Statutes, as amended (26 U. S. C., sec. 371; U. S. C., Supp. VII, title 26, sec. 1232 (a) and (b)), is further amended by amending the paragraph thereof immediately following the form "Entry for Deposit in Distillery Warehouse" to read as follows:

"And the entry shall specify the kind of spirits, the whole number of packages, the marks and serial numbers thereon, the number of gauge or wine gallons, proof gallons, and taxable gallons, and the amount of tax on the spirits contained in them; all of which shall be verified by the oath of the distiller or owner of the same attached to the entry. One of said entries shall be retained in the office of the supervisor of the district, one sent to the storekeeper-gauger in charge of the warehouse, to be retained and filed in the warehouse, and one sent with a duplicate of the bond to the Commissioner of Internal Revenue, to be filed in his office. The distiller shall, at the time of making the entry for deposit of spirits in the warehouse, under such regulations as the Secretary of the Treasury shall prescribe, give a monthly or annual warehousing bond, in duplicate, in a penal sum of not less than 50 percent of the tax on the distilled spirits on deposit in the warehouse at any one time, or such higher sum as the Secretary of the Treasury may, by regulations, prescribe, conditioned that the principal named in said bond shall pay the tax on the spirits as specified in the entry, or cause the same to be paid, before removal from said distillery warehouse, and within 8 years from the date of said entry."

SEC. 310. Section 3302 of the Revised Statutes (26 U. S. C., sec. 365; U. S. C., Supp. VII, title 26, sec. 1229) is amended to read as follows:

"SEC. 3302. (a) The storekeeper-gauger assigned to any distillery warehouse shall, in addition to all other duties required to be performed by him, keep in a book to be provided for that purpose, and in the manner prescribed by the Commissioner of Internal Revenue, a daily account of all the meal and vegetable productions or other substances brought into said distillery, or on said premises, to be used for the purpose of producing spirits, from whom purchased, and when delivered at said distillery; of the materials put into the mash tub or otherwise used for the production of spirits; of the time when any fermenting tub is emptied of ripe mash or beer, recording the same by the number painted on said tub; and of all spirits drawn off from the receiving cistern, and the time when the same were drawn off.

"(b) Whenever, under authority of law, the Secretary of the Treasury shall relieve a distiller from the survey requirements, he may likewise relieve the storekeeper-gauger assigned to the distillery of such distiller from the requirements of this section as to recording of the time when any fermenting tub is emptied of ripe mash or beer."

SEC. 311. Section 3303 of the Revised Statutes (26 U. S. C., sec. 314; U. S. C., Supp. VII, title 26, sec. 1192 (a)) is amended to read as follows:

"SEC. 3303. (a) Every person who makes or distills spirits, or owns any still, boiler, or other vessel used for the purpose of distilling spirits, or who has such still, boiler, or other vessel so used under his superintendence, either as agent or owner, or who uses any such still, boiler, or other vessel, shall from day to day make, or cause to be made, in a book or books, to be kept by him in such form as the Commissioner of Internal Revenue may prescribe, a true and exact entry of the kind of materials, and the quantity in pounds, bushels, or gallons purchased by him for the production of spirits, from whom and when purchased, and by what conveyance delivered at said distillery, and the amount paid therefor. And in another book he shall make like entry of the quantity of grain or other material used for the production of spirits, the time of day when any yeast or other composition is put into any mash or beer for the purpose of exciting fermentation, the quantity of mash in each tub, designating same by the number of the tub, the number of dry inches, that is to say, the number of inches between the top of each tub and the surface of the mash or beer therein at the time of yeasting, the gravity and temperature of the beer at the time of yeasting, and on every day thereafter its quantity, gravity, and temperature at the hour of 12 meridian; also, of the time when any fermenting tub is emptied of ripe mash or beer, the number of gallons of spirits distilled, the number of gallons placed in the warehouse, and the proof thereof, the number of gallons sold or removed, with the proof thereof, and the name, place of business, and residence of the person to whom sold.

"(b) Whenever, under authority of law, the Secretary of the Treasury shall relieve a distiller from the survey requirements, he may likewise, by regulations, relieve such distiller from such of the requirements of this section relating or incidental to the survey as the Secretary determines may be waived without danger to the revenue."

SEC. 312. Section 3331 of the Revised Statutes (26 U. S. C., sec. 325; U. S. C., Supp. VII, title 26, sec. 1203) is hereby amended to read as follows:

"SEC. 3331. Any distillery or distilling apparatus seized for any violation of law may, in the discretion of the court, be released before final judgment to a receiver appointed by the court to operate such distillery or apparatus. Such receiver shall give bond, which shall be approved in open court, with two or more competent personal sureties, or one approved corporate surety, for the full appraised value of all the property seized, to be ascertained by three competent appraisers designated and appointed by the court. Funds obtained from such operation shall be impounded as the court shall direct pending such final judgment."

SEC. 313. The following sections of law are amended as set out hereafter:

(a) Section 3342 of the Revised Statutes, as amended (26 U. S. C., 511; U. S. C., Supp. VII, title 26, sec. 1332 (a) and (b) and 1337 (b)), is amended to read as follows:

"SEC. 3342. (a) Every brewer shall obtain, from the collector of the district in which his brewery or brewery warehouse is situated, and not otherwise unless such collector shall fail to furnish the same upon application to him, the proper stamps.

"(b) Every brewer shall affix, upon the spigot hole in the head of every hogshead, barrel, or keg in which any fermented liquor is contained, when sold or removed from such brewery or warehouse (except in case of removal under permit, as hereinafter provided), a stamp denoting the amount of the tax required upon such fermented liquor, which stamp shall be destroyed by driving through the same the faucet through which the liquor is to be withdrawn, or an air faucet of equal size, at the time the hogshead, barrel, or keg is tapped, in case it is tapped through the other spigot hole (of which there shall be but two, one in the head and one in the side), and shall also, at the time of affixing such stamp, cancel the same by writing or imprinting thereon the name of the person, firm, or corporation by whom such liquor was made, or the initial letters thereof, and the date when canceled: *Provided, however,* That the Commissioner of Internal Revenue may, in his discretion, authorize the use of such other tapping devices or faucets as will permit the affixing and destruction of stamps in a manner consistent with the protection of the revenue.

"(c) Every brewer who refuses or neglects to affix and cancel, in the manner provided under this section, the stamps required by law, or who affixes a false or fraudulent stamp, or knowingly permits the same to be done, shall pay a penalty of $100 for each hogshead, barrel, or keg on which such omission or fraud occurs, and be imprisoned not more than 1 year."

(b) Section 3345 of the Revised Statutes (26 U. S. C., sec. 514; U. S. C., Supp. VII, title 26, sec. 1333 (a)) is amended by striking out the phrase "in one vessel" where it appears after the phrase "or not less than 6 barrels."

(c) Section 3348 of the Revised Statutes (26 U. S. C., sec. 519; U. S. C., Supp. VII, title 26, sec. 1334 (e)) is amended by striking out "kegs, or other vessels" where it appears therein and inserting in lieu thereof "or kegs."

(d) Section 3349 of the Revised Statutes (26 U. S. C., sec. 520; U. S. C., Supp. VII, title 26, sec. 1334 (f)) is amended by striking out "keg, or other vessel" where it appears therein and inserting in lieu thereof "or keg."

SEC. 314. (a) The last sentence of section 3242 of the Revised Statutes (26 U. S. C., sec. 191; U. S. C., Supp. VII, title 26, sec. 1397 (b) (1)) is hereby repealed.

(b) The first sentence of section 3281 of the Revised Statutes (26 U. S. C., secs. 193, 306; U. S. C., Supp. VII, title 26, secs. 1184, 1397 (a) (1)), as amended, is further amended to read as follows:

"Any person who shall carry on the business of a brewer, rectifier, wholesale liquor dealer, retail liquor dealer, wholesale dealer in malt liquors, retail dealer in malt liquors, or manufacturer of stills, and willfully fails to pay the special tax as required by law, or who shall carry on the business of a distiller without having given bond as required by law, or who shall engage in or carry on the business of a distiller with intent to defraud the United States of the tax on the spirits distilled by him, or any part thereof, shall, for every such offense, be fined not less than $100 nor more than $5,000 and be imprisoned for not less than 30 days nor more than 2 years."

SEC. 315. Section 3335 of the Revised Statutes (26 U. S. C., sec. 502; U. S. C., Supp. VII, sec. 1334 (a)) is amended to read as follows:

"SEC. 3335. Every brewer shall, before commencing or continuing business, file with the officer designated for that purpose by the Commissioner of Internal Revenue a notice in writing and in the form prescribed by the Commissioner, with the approval of the Secretary of the Treasury. Such notice shall set forth (a) the name and residence of the brewer, and the names and residences of all such persons interested or to be interested in the business, directly or indirectly, as the Commissioner shall prescribe, (b) the precise place where the business is to be carried on, including a description of the premises on which the brewery is situated, the title of the brewer to the premises, and the name of the owner thereof, and (c) such additional particulars as the Commissioner shall prescribe as necessary for the protection of the revenue."

SEC. 316. Section 3336 of the Revised Statutes, as amended (26 U. S. C., sec. 503; U. S. C., Supp. VII, title 26, sec. 1334 (b)), is further amended to read as follows:

"SEC. 3336. Every brewer, on filing notice, as provided by law, of his intention to commence or continue business, shall execute a bond to the United States in such penal sum, in proportion to the production capacity of the plant, as the Secretary of the Treasury shall by regulations prescribe, but in no event shall such sum be less than $1,000. The bond shall be conditioned that the brewer shall pay, or cause to be paid, as herein provided, the tax required by law on all beer, lager beer, ale, porter, and other fermented liquors made by or for him, before the same is sold or removed for consumption or sale, except as hereinafter provided; and that he shall keep, or cause to be kept, in the manner required by law, a book which shall be open to inspection by the proper officers, as by law required; and that he shall in all respects faithfully comply, without fraud or evasion, with all requirements of law relating to the manufacture and sale of any malt liquors aforesaid. Once in every 4 years, and whenever required so to do by the Secretary of the Treasury, or such officer as may be designated by the Secretary of the Treasury, the brewer shall execute a new bond in the penal sum fixed in this section or prescribed in pursuance of this section, and conditioned as above provided, which bond shall be in lieu of any former bond or bonds of such brewer in respect to all liabilities accruing after its approval."

SEC. 317. Section 3340 of the Revised Statutes, as amended (U. S. C., title 26, sec. 509; U. S. C., Supp. VII, title 26, sec. 1337(a) (1), (2)), is amended to read as follows:

"SEC. 3340. (a) Every owner, agent, or superintendent of any brewery, vessels, or utensils used in making fermented liquors, who evades or attempts to evade the payment of the tax thereon, or fraudulently neglects or refuses to make true and exact entry and report of the same in the manner required by law, or to do, or cause to be done, any of the things by law required to be done by him, or who intentionally makes false entry in said book or in said statement, or knowingly allows or procures the same to be done, shall—

"(1) forfeit, for every such offense, all the liquors made by him or for him, and all the vessels, utensils, and apparatus used in making the same, and

"(2) be liable to a penalty of not less than $500 nor more than $1,000, to be recovered with costs of suit, and shall be deemed guilty of a misdemeanor, and be imprisoned for a term not exceeding 1 year.

"(b) Every brewer who neglects to keep books or refuses to furnish the account and duplicate thereof as provided by law, or refuses to permit the proper officer to examine the books in the

manner provided, shall, for every such refusal or neglect, forfeit and pay the sum of $300.

"(c) For flagrant and willful removal of taxable malt liquors for consumption or sale, without payment of tax thereon, all the right, title, and interest of each person, who has knowingly suffered or permitted such removal or has connived at the same, in the lands and buildings constituting the brewery premises shall be forfeited by a proceeding in rem in the District Court of the United States having jurisdiction thereof.

"(d) The brewery premises shall consist of the land and buildings described in the brewer's notice and shall be used solely for the purposes of manufacturing beer, lager beer, ale, porter, and similar fermented malt liquors, cereal beverages containing less than one-half of 1 percent of alcohol by volume, vitamins, and ice; of drying spent grain from the brewery; and recovering carbon dioxide and yeast. The brewery bottling house shall be used solely for the purposes of bottling beer, lager beer, ale, porter, and similar fermented malt liquors, and cereal beverages containing less than one-half of 1 percent of alcohol by volume. Notwithstanding the foregoing provisions, where any such brewery premises or brewery bottling house is, on the date of the enactment of the Liquor Tax Administration Act, being used by any brewer for purposes other than those herein described, or the brewery bottling house is, on such date, being used for the bottling of soft drinks, the use of the brewery and bottling house premises for such purposes may be continued by such brewer. The brewery bottling house of any brewery shall not be used for the bottling of the product of any other brewery. Any brewer who uses his brewery or bottling house contrary to the provisions of this subsection shall be fined not more than $50 with respect to each day upon which any such use occurs."

SEC. 318. The Secretary of the Treasury may, by regulations, authorize the amelioration of wine by the winemaker and the fortification of wine, without supervision by any officer of the United States, whenever he determines that such authorization may be made without danger to the revenue.

SEC. 319. Section 605 of the Revenue Act of 1918 (26 U. S. C., sec. 254; U. S. C., Supp. VII, title 26, sec. 1151), is amended by inserting, preceding the penalty paragraph, the following new paragraph:

"The premises of a rectifier shall be as described in his notice and, whether they consist of an entire building or of rooms in a building, shall have means of ingress from and egress into a public street or yard, or into a public hall or elevator shaft leading into a public street or yard, and shall be used exclusively for the business of rectification and the bottling of liquors rectified by him thereon, and the bottling of wines and spirits without rectification. Notwithstanding the foregoing provisions, where any such premises are, on the date of the enactment of the Liquor Tax Administration Act, being used for purposes other than those herein described, such use may be continued for not more than 60 days after such date. Any rectifier who uses his rectifying premises contrary to the provisions of this paragraph shall be fined not more than $50 with respect to each day upon which any such use occurs, but shall not, on account of such use, be subject to the penalties otherwise prescribed in this section."

SEC. 320. Section 609 of the Revenue Act of 1918 (26 U. S. C., sec. 515) is amended by striking out the words "industrial distillery of either class established under the act entitled 'An act to reduce tariff duties and to provide a revenue for the Government, and for other purposes', approved October 3, 1913", and substituting therefor the words "industrial alcohol plant."

SEC. 321. Each retail liquor dealer shall provide at his own expense, and keep in his place of business, a record in book form, or shall keep all invoices of, and bills for, all intoxicating liquors received, the quantity thereof, and from whom and the date when received. Such records, invoices, and bills shall be open to inspection during the usual business hours of the retailer by Government officers upon identification and request. Such records, invoices, and bills shall be kept for a period of 2 years after the time of the transactions to which they relate. For each willful violation of the provisions hereof the retailer shall be subject to a fine of $25.

SEC. 322. Section 3237 of the Revised Statutes, as amended (26 U. S. C., sec. 186; U. S. C., Supp. VII, title 26, sec. 1402(b) and sec. 1403(b)), is amended to read as follows:

"SEC. 3237. (a) All special taxes shall become due on the 1st day of July in each year, or on commencing any trade or business on which such tax is imposed. In the former case the tax shall be reckoned for 1 year, and in the latter case it shall be reckoned proportionately, from the 1st day of the month in which the liability to a special tax commenced, to and including the 30th day of June following.

"(b) It shall be the duty of the special taxpayers to render their returns with remittances to the collector at such times within the calendar month in which the special tax liability commenced as shall enable him to receive such returns, duly signed and verified, together with the remittances, not later than the last day of the month, except in cases of sickness or absence, as provided for in section 3176 of the Revised Statutes, as amended."

SEC. 323. Paragraph "Fourth" of section 3244 of the Revised Statutes, as amended (26 U. S. C., sec. 205; U. S. C., Supp. VII, title 26, secs. 1394 (b) (1) and (2), 1394 (c) (1), and 1398 (b) and (c)), is amended to read as follows:

"Fourth. (a) Retail dealers in liquors shall pay a special tax of $25. Every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors, otherwise than as hereinafter provided, in less quantities than 5 wine-gallons to the same person at the same time, shall be regarded as a retail dealer in liquors.

"(b) Wholesale dealers in liquors shall pay a special tax of $100. Every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors, otherwise than as hereinafter provided, in quantities of 5 wine gallons or more to the same person at the same time, shall be regarded as a wholesale dealer in liquors. A qualified wholesale dealer in liquors may not sell distilled spirits, wines, or malt liquors in quantities of less than 5 wine gallons without incurring liability as a retail dealer in liquors. A qualified retail dealer in liquors may not sell such liquors in quantities of 5 wine gallons or more to the same person at the same time without incurring liability to special tax as a wholesale dealer in liquors. But no distiller who has given the required bond and who sells only distilled spirits of his own production at the place of manufacture, or at the place of storage in bond, in the original packages to which the tax-paid stamps are affixed, shall be required to pay the special tax of a wholesale dealer in liquor on account of such sales.

"(c) No retail dealer in liquors shall be held to be a wholesale dealer in liquors solely by reason of sales of 5 wine gallons or more to the same person at the same time if such sales are for immediate consumption on the premises where sold.

"(d) No wholesale or retail dealer in liquors who has paid the special tax as such a dealer shall again be required to pay special tax as such dealer on account of sales of beer, lager beer, ale, porter, or other similar fermented malt liquor to wholesale or retail dealers in liquors or wholesale or retail dealers in malt liquors consummated at the purchaser's place of business covered by the stamp issued to him to denote the payment of the special tax imposed upon such dealers."

SEC. 324. Paragraph "Fifth" of section 3244 of the Revised Statutes, as amended (26 U. S. C., sec. 205 and sec. 222; U. S. C., Supp. VII, title 26, secs. 1394 (e) (1) and (2), 1394 (f) (1) and (2), 1396 (a), (b), and (c), and 1398 (e) and (f)), is amended to read as follows:

"Fifth. (a) Retail dealers in malt liquors shall pay a special tax of $20. Every person who sells, or offers for sale, malt liquors in less quantities than 5 gallons to the same person at the same time, and does not deal in distilled spirits or wines, shall be regarded as a retail dealer in malt liquors.

"(b) Wholesale dealers in malt liquors shall pay a special tax of $50. Every person who sells, or offers for sale, malt liquors in quantities of 5 gallons or more, to the same person at the same time, and who does not deal in distilled spirits or wines at wholesale, shall be regarded as a wholesale dealer in malt liquors. A qualified wholesale dealer in malt liquors may not sell such liquors in quantities of less than 5 gallons without incurring liability as a retail dealer in malt liquors. A qualified retail dealer in malt liquors may not sell such liquors in quantities of 5 gallons or more to the same person at the same time without incurring liability to special tax applicable to the wholesale dealer in malt liquors: *Provided*, That no brewer shall be obliged to pay special tax as a dealer by reason of selling in the original stamped hogsheads, barrels, or kegs, whether at the place of manufacture or elsewhere, malt liquors manufactured by him or purchased and procured by him in his own hogsheads, barrels, or kegs, under the provisions of section 3349 of the Revised Statutes, as amended, but the quantity of malt liquors so purchased shall be included in calculating the liability to brewers' special tax of both the brewer who manufactures and sells the same and the brewer who purchases the same.

"(c) No collection of special tax as a retail dealer in malt liquors shall be made from brewers for selling malt liquors of their own manufacture in the original stamped eighth-barrel packages.

"(d) No special tax shall be held to accrue on a sale of distilled spirits, wines, or malt liquors made by a person who is not otherwise a dealer in liquors, where such spirits, wines, or liquors have been received by the person so selling as security for or in payment of a debt, or as executor, administrator, or other fiduciary, or have been levied on by any officer, under order or process of any court or magistrate, and where such spirits are sold by such person in one parcel only, or at public auction in parcels not less than 20 wine-gallons, nor shall such tax be held to accrue on a sale made by a retiring partner, or the representatives of a deceased partner to the incoming, remaining, or surviving partner or partners of a firm. Nor shall the special tax of a wholesale dealer in liquors or wholesale dealer in malt liquors be held to apply to a retail dealer in liquors or a retail dealer in malt liquors, because of such retail dealer selling out his entire stock of liquors in one parcel or in parcels embracing not less than his entire stock of distilled spirits, of wines, or of malt liquors. Section 3319 of the Revised Statutes shall not be held to prohibit a rectifier or liquor dealer from purchasing, in quantities greater than 20 wine-gallons, the distilled spirits sold in one parcel as aforesaid.

"(e) No retail dealer in malt liquors shall be held to be a wholesale dealer in malt liquors solely by reason of sales of 5 gallons or more to the same person at the same time if such sales are for immediate consumption on the premises where sold.

"(f) No wholesale or retail dealer in malt liquors who has paid the special tax as such a dealer shall again be required to pay special tax as such dealer on account of sales of beer, lager beer, ale, porter, or other similar fermented malt liquor to wholesale or retail dealers in liquors or wholesale or retail dealers in malt liquors consummated at the purchaser's place of business covered

by the stamp issued to him to denote the payment of the special tax imposed upon such dealers."

SEC. 325. Section 3450 of the Revised Statutes (26 U. S. C., secs. 1181, 1182; U. S. C., Supp. VII, title 26, sec. 1441) is hereby reenacted and amended by striking out "fine or penalty of not more than $500", appearing at the end of the second sentence thereof, and inserting in lieu thereof the words "fine of not more than $5,000 or be imprisoned for not more than 3 years, or both."

SEC. 326. Section 203 of the Liquor Taxing Act of 1934 is amended by adding a new paragraph at the end thereof, as follows:

"The Secretary of the Treasury may, under such regulations as may be prescribed by him, redeem any stamps issued under this act. There is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out this provision."

SEC. 327. (a) The Commissioner of Internal Revenue shall make refund, or in lieu thereof, if he so elects, allow credit to a brewer in the amount of tax paid by such brewer on any beer, lager beer, ale, porter, or other similar fermented malt liquor manufactured by such brewer which has become unsalable by reason of its condition, upon the filing of a claim therefor by the brewer and proof by him to the satisfaction of the Commissioner that such beer, lager beer, ale, porter, or other similar fermented malt liquor (1) was fully tax-paid, (2) was lawfully removed from his brewery to his bottling house on or after March 22, 1933, (3) never was removed from such bottling house, (4) had become unsalable without fraud, connivance, or collusion on his part, and (5) was destroyed by him in such bottling house in the presence of a representative of the Bureau of Internal Revenue.

(b) No such claim shall be allowed unless filed within 90 days after such destruction or, in the case of any beer, lager beer, ale, porter, or other similar fermented malt liquor so destroyed before the date of the enactment of this act, within 90 days after such date.

(c) The Commissioner is authorized to issue to the brewer to whom a credit is allowed pursuant to this section stamps in an amount equal to such credit, for use by him in the payment of the tax upon beer, lager beer, ale, porter, or other similar fermented malt liquor manufactured by him.

(d) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to make such rules and regulations as may be necessary to carry out the provisions of this section.

SEC. 328. Section 3246 of the Revised Statutes, as amended (26 U. S. C. 225; Supp. VII, title 26, sec. 1394 (h), (l), and (j)), is amended to read as follows:

"SEC. 3246. (a) Nothing in this chapter shall be construed to impose a special tax upon wine makers who sell wines of their own production where the same are made or at the general business office of such wine maker: *Provided*, That no wine maker shall have more than one place of business for the sale of such wine that shall be exempt from the special tax.

"(b) No special tax shall be imposed upon apothecaries as to wines or spirituous liquors which they use exclusively in the preparation or making up of medicines unfit for use for beverage purposes.

"(c) No special tax shall be imposed upon manufacturing chemists or flavoring-extract manufacturers for recovering tax-paid alcohol or spirituous liquors from dregs or marc of percolation, or extraction, if such recovered alcohol or spirituous liquors be again used in the manufacture of medicines or flavoring extracts of the kind in the production of which originally used."

SEC. 329. The third paragraph of section 11 of title III of the National Prohibition Act, as amended and supplemented, is amended by inserting after the word "sanatorium" a comma and the following: "or for the use of any clinic operated for charity and not for profit, including use in the compounding of bona fide medicines for treatment outside of such clinics of patients thereof, but not for sale."

SEC. 330. Section 610 of the Revenue Act of 1918, as amended (26 U. S. C. 441; Supp. VII, title 26, sec. 1310), is amended to read as follows:

"SEC. 610. (a) Natural wine within the meaning of this act shall be deemed to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes, without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging.

"(b) The product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition (under the supervision of a storekeeper-gauger, unless such supervision is dispensed with by the Commissioner of Internal Revenue, under the provisions of section 318 of the Liquor Tax Administration Act) of a solution of water and pure cane, beet, or dextrose sugar (containing, respectively, not less than 95 percent of actual sugar, calculated on a dry basis) to the must or to the wine, to correct natural deficiencies, when such addition shall not increase the volume of the resultant product more than 35 percent, and the resultant product does not contain less than 5 parts per thousand of acid before fermentation and not more than 13 percent of alcohol after complete fermentation, shall be deemed to be wine within the meaning of this act, and may be labeled, transported, and sold as 'wine', qualified by the name of the locality where produced, and may be further qualified by the name of its own particular type or variety.

"(c) Wine as defined in this section may be sweetened with cane sugar or beet sugar or pure condensed grape must and fortified under the provisions of this act, and wines so sweetened or fortified shall be considered sweet wine within the meaning of this act.

"(d) The provisions of the internal-revenue laws applicable to natural wine shall apply in the same manner and to the same extent to citrus-fruit wines which are the product of normal alcoholic fermentation of the juice of sound ripe citrus fruit (except lemons and limes) with or without the addition of dry cane, beet, or dextrose sugar (containing, respectively, not less than 95 percent of actual sugar, calculated on a dry basis) for the purpose of perfecting the product according to standards, but without the addition or abstraction of other substances, except as may occur in the usual cellar treatment of clarifying or aging."

SEC. 331. Section 612 of the Revenue Act of 1918, as amended (26 U. S. C. 443; U. S. C., Supp. VII, title 26, sec. 1301), is amended to read as follows:

"SEC. 612. (a) Under such regulations and official supervision and upon the giving of such notices, entries, bonds, and other security as the Commissioner, with the approval of the Secretary, may prescribe, any producer of wines defined under the provisions of this title may withdraw from any fruit distillery or special bonded warehouse grape brandy, or wine spirits, for the fortification of such wines on the premises where actually made and any producer of citrus-fruit wines may similarly withdraw citrus-fruit brandy for the fortification of citrus-fruit wines on the premises where actually made: *Provided*, That after the date of the enactment of the Liquor Tax Administration Act there shall be levied and assessed against the producer of such wines or citrus-fruit wines (in lieu of the internal-revenue tax now imposed thereon by law) a tax of 10 cents per proof-gallon of grape brandy, citrus-fruit brandy, or wine spirits, whenever withdrawn and so used by him after such date in the fortification of such wines or citrus-fruit wines during the preceding month, which assessment shall be paid by him within 12 months from the date of notice thereof. When such wines are sold or removed for the manufacture of vinegar, or the production of dealcoholized wines containing less than one-half of 1 percent of alcohol by volume, the tax under this section on such grape brandy, citrus-fruit brandy, or wine spirits shall, under such regulations as the Secretary may prescribe, be abated or refunded.

"(b) Nothing contained in this section shall be construed as exempting any wines, citrus-fruit wines, cordials, liqueurs, or similar compounds from the payment of any tax provided for in this title.

"(c) Any such wines, or citrus-fruit wines may, under such regulations as the Secretary may prescribe, be sold or removed tax free for the manufacture of vinegar, or for the production of dealcoholized wines containing less than one-half of 1 percent of alcohol by volume.

"(d) The taxes imposed by this section shall not apply to dealcoholized wines containing less than one-half of 1 percent of alcohol by volume."

SEC. 332. Section 42 of the act approved October 1, 1890 (26 U. S. C. 445; U. S. C., Supp. VII, title 26, sec. 1302 (a)), as amended, is amended to read as follows:

"SEC. 42. (a) Any producer of pure sweet wines may use in the preparation of such sweet wines, under such regulations and after the filing of such notices and bonds, together with the keeping of such records and the rendition of such reports as to materials and products as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, wine spirits produced by any duly authorized distiller, and the Commissioner of Internal Revenue in determining the liability of any distiller of wine spirits to assessment under section 3309 of the Revised Statutes, is authorized to allow such distiller credit in his computation for the wine spirits withdrawn to be used in fortifying sweet wines under this act.

"(b) The provisions of this section and section 43 shall apply to the use of citrus-fruit brandy in the preparation of fortified citrus-fruit wines in the same manner and to the same extent as such provisions apply to the use of wine spirits in the fortification of sweet wines, except that no brandy (other than a citrus-fruit brandy) may be used in the fortification of citrus-fruit wine and a citrus-fruit brandy prepared from one kind of citrus fruit may not be used for the fortification of a citrus-fruit wine prepared from another kind of citrus fruit or for the fortification of a wine prepared from any fruit other than citrus fruit."

SEC. 333. Section 3255 of the Revised Statutes, as amended (26 U. S. C. 297; Supp. VII, title 26, sec. 1176), is amended to read as follows:

"SEC. 3255. (a) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may exempt distillers of brandy made exclusively from apples, peaches, grapes, pears, pineapples, apricots, berries, plums, pawpaws, persimmons, prunes, figs, cherries, dates, or citrus fruits (except lemons and limes) from any provision of the internal-revenue laws relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so.

"(b) Where, in the manufacture of wine, or citrus-fruit wine, artificial sweetening has been used, the wine, or the fruit pomace residuum thereof, or the citrus-fruit wine may be used in the distillation of brandy, or citrus-fruit brandy, as the case may be, and such use shall not prevent the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, from exempting such distiller from any provision of the internal-revenue laws relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so.

"(c) The distillers mentioned in this section may add to not less than 500 gallons (or 10 barrels) of grape cheese not more than

500 gallons of a sugar solution made from cane, beet, starch, or corn sugar, 95 percent pure, such solution to have a saccharine strength of not to exceed 10 percent, and may ferment the resultant mixture on a winery or distillery premises, and such fermented product shall be regarded as distilling material."

SEC. 334. Section 618 (b) of the Revenue Act of 1918 (U. S. C., Supp. VII, sec. 1304) is amended to read as follows:

"(b) Under regulations prescribed by the Commissioner, with the approval of the Secretary, it shall be lawful to produce grape wines and citrus-fruit wines on bonded winery premises by the usual method, and to transport and use the same, and like wines heretofore produced and now stored on bonded winery premises, as distilling material in any fruit-brandy distillery or industrial-alcohol plant. The alcohol removed from such liquid, if evaporated, and not condensed and saved, shall not be subject to tax; if saved, it shall be subject to the same law as other alcoholic liquors. Credit shall be allowed on the tax due on any alcohol or brandy so saved to the amount of any tax paid upon distilled spirits or brandy used in the fortification of the liquor from which the same is saved."

SEC. 335. Section 620 of the Revenue Act of 1918 (U. S. C., Supp. VII, sec. 1309) is amended by striking out the following: "or whoever rectifies, mixes, or compounds with distilled spirits any domestic wines, other than in the manufacture of liqueurs, cordials, or similar compounds,".

SEC. 336. The tax imposed by section 601 (c) (3) of the Revenue Act of 1932, as amended (relating to the tax on grape concentrate, etc.), shall not apply to any sale or importation after the date of the enactment of this act.

SEC. 337. The third proviso of section 1798 of the Tariff Act of 1930 is amended to read as follows: "*Provided further*, That up to but not exceeding $100 in value (including distilled spirits, wines, and malt liquors aggregating not more than 1 wine-gallon) of articles acquired abroad by such residents of the United States for personal or household use or as souvenirs or curios, but not bought on commission or intended for sale, shall be admitted free of duty:".

TITLE IV

SEC. 401. (a) Section 3354 of the Revised Statutes, as amended (26 U. S. C., sec. 525; U. S. C., Supp. VII, title 26, sec. 1336), is amended by striking out "keg, or other vessel" and inserting in lieu thereof "or keg".

(b) Such section 3354 of the Revised Statutes, as amended, is further amended by striking out the first sentence of the second proviso thereof and inserting in lieu thereof the following: "*Provided further*, That the tax imposed by law on fermented liquor shall be paid on all fermented liquor removed from a brewery to a bottling house by means of a pipe or conduit, at the time of such removal, by the cancelation and defacement, by the officer designated by the Commissioner of Internal Revenue, in the presence of the brewer, of the number of stamps denoting the tax on the fermented liquor thus removed, or in such other manner as may be prescribed by regulations issued by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury."

(c) The Commissioner of Internal Revenue is hereby authorized, with the approval of the Secretary of the Treasury, to make all rules and regulations necessary to carry out the provisions of this section.

SEC. 402. (a) All spirits, spirituous liquors, wines, and fermented liquors forfeited, summarily or by order of court, under any law of the United States, shall be delivered to the Secretary of the Treasury, to be disposed of as hereinafter provided.

(b) The Secretary of the Treasury shall dispose of all spirits, spirituous liquors, wines, and fermented liquors which have been delivered to him pursuant to subsection (a)—

(1) By delivery to such Government agencies as, in his opinion, have a need for such spirits, spirituous liquors, wines, or fermented liquors for medicinal, scientific, or mechanical purposes; or

(2) By gift to such eleemosynary institutions as, in his opinion, have a need for such spirits, spirituous liquors, wines, or fermented liquors for medicinal purposes; or

(3) By sale. Notwithstanding any other provision of law all such spirits, spirituous liquors, wines, or fermented liquors so sold shall be sold subject to the payment of internal-revenue taxes and duties due thereon; or

(4) By destruction.

(c) No spirits, spirituous liquors, wines, or fermented liquors which have been seized under any law of the United States, may be disposed of in any manner whatsoever except after forfeiture and as provided in this section.

(d) The Secretary of the Treasury is authorized to make all rules and regulations necessary to carry out the provisions of this section.

SEC. 403. (a) Whenever the Secretary of the Treasury finds that there has been instituted, or that process has been issued for the institution of, any proceeding by the United States, based upon a claim arising under the customs or internal revenue laws in connection with an alleged importation or bringing into the United States of distilled spirits, wines, or fermented malt liquors, against any person, whether or not a resident of the United States, and that such person has, or at the date of the enactment of this act had, a substantial interest, direct or indirect, in any plant, establishment, or business outside of the United States for the production, manufacture, rectification, selling, or marketing of distilled spirits, wines, or fermented malt liquors, the Secretary shall publish such information as will, in his judgment, sufficiently identify such person and such plant, establishment, or business, and after such publication no distilled spirits, wines, or fermented malt liquors produced, manufactured, rectified, sold, or marketed by such person, or in which he has any interest, or produced, manufactured, rectified, sold, or marketed in or by any such plant, establishment, or business, shall be imported or brought into the United States unless and until such person submits to the jurisdiction of the court of the United States in which such proceeding has been instituted, or out of which such process has been issued, and, to secure payment of the claim, furnishes to the Secretary of the Treasury such security as he may require, but not in excess of double the amount of the claim, or complies with such other reasonable terms as he may impose.

(b) If any person fraudulently or knowingly imports or brings into the United States any distilled spirits, wines, or fermented malt liquors contrary to the provisions of this section, or any rule or regulation made hereunder, he shall be liable to a penalty in an amount equal to the value of such distilled spirits, wines, or fermented malt liquors which shall, in addition thereto, be subject to seizure and forfeiture. Any penalty or forfeiture incurred under this section may be sued for, prosecuted, and recovered, and shall be treated for all purposes, as a penalty or forfeiture incurred under the customs laws and the imposition of any such penalty or forfeiture shall not be deemed to exclude the imposition of penalties or forfeitures incurred under any other provision of law.

(c) The Secretary of the Treasury is authorized to make such rules and regulations as may be necessary to carry out the provisions of this section.

With the following committee amendment:

Page 12, line 1, after the word "two", insert the word "personal", and after the word "sureties" insert "or one corporate surety."

The amendment was agreed to, and the bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—CONTROL OF FLOODS ON MISSISSIPPI RIVER

The SPEAKER laid before the House the following message from the President of the United States, which was read:

*To the House of Representatives:*

I return herewith, without my approval, H. R. 7349, entitled "An act to amend the act entitled 'An act for the control of floods on the Mississippi River and its tributaries, and for other purposes', approved May 15, 1928, as amended."

This act provides that the United States shall pay for the cost of flowage rights over all lands which were protected by the main Mississippi River levees on May 15, 1928, but which have since been left, or may hereafter be left, on the river side of the controlling main river levee lines constructed on new locations under the adopted flood-control plan.

For the reasons set forth in the accompanying report of the Secretary of War, dated August 13, 1935, I do not feel that I would be justified in giving my approval to this legislation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 22, 1935*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. WILSON of Louisiana. Mr. Speaker, I move that the message and bill be referred to the Committee on Flood Control and ordered printed.

The motion was agreed to.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNELL. Mr. Speaker, I notice in the morning papers that the majority leader of the Senate, Senator ROBINSON, is quoted as saying that the Senate is in position to adjourn tonight, but that the business of the House is in such shape that it will probably take until Friday or Saturday to conclude the session. If the other body is ahead of us in com-

pleting its work, it is the first time it has ever happened during my service in this House. [Applause.]

As a matter of fact, if that condition in the Senate is true, I think if the leadership of the majority will list on paper the names and numbers of bills that are absolutely necessary and leave out all of the extraordinary and unnecessary bills, we can start with that list and conclude it by 12 o'clock tonight. [Applause.] As far as I am concerned, I am willing to stay here and help do it. [Applause.] [Here the gavel fell.]

The SPEAKER. There are many Members who have Senate bills in which they are keenly interested, which they desire to have passed, similar House bills having been recommended by House committees. There are others who are keenly interested in House bills which have gone to the Senate and some amendments have been placed thereon by the Senate, and on which some further action is necessary. The Chair is anxious to recognize all those gentlemen and give all of those bills, without exception, an opportunity to be presented to the House. As far as the Chair can do so, he is going to see that that opportunity is given. The Chair does feel that it is necessary and important, as set forth by the gentleman from New York, and for the reason that I know every Member of the House will approve, to recognize those gentlemen who have bills which are considered at least essential to passage before we adjourn. The Chair is not saying that they are essential to adjournment, but undoubtedly some of those bills will have to be passed. The Chair is going to recognize those gentlemen in charge of such bills first before he recognizes other gentlemen who have bills to which the gentleman from New York referred.

### COMMITTEE TO INVESTIGATE REAL-ESTATE BONDHOLDERS REORGANIZATIONS

Mr. O'CONNOR, from the Committee on Rules, submitted the following privileged report (Rept. No. 1874, H. Res. 354) for printing in the RECORD:

House Resolution 354

*Resolved*, That the Select Committee to Investigate Real Estate Bondholders Reorganizations authorized by House Resolution 412 of the Seventy-third Congress and supplemented by House Resolution 39 and House Resolution 79 of the Seventy-fourth Congress is further authorized and empowered to investigate any defaulted securities and/or reorganizations, protective committees, receivers, trustees, and attorneys, including their fees and expenses and the method of their appointment.

Also representations made by any and all persons, corporations, or others applying for or having received Government funds, directly or indirectly, for use in connection with any defaulted securities, reorganizations, or other similar purposes and the disposition of such funds.

SEC. 2. Whenever in the opinion of the committee material evidence in any proceedings under section 74 or 77B of the National Bankruptcy Act have not been disclosed or presented, or misleading reports or information have been filed, or excessive fees and charges have been claimed or allowed, the committee is hereby authorized and empowered to appear in any court through its duly authorized representative and furnish the court with such evidence in its possession.

### THIRD DEFICIENCY APPROPRIATION BILL, 1935–36

Mr. O'CONNOR, from the Committee on Rules, submitted the following privileged report (Rept. No. 1873, H. Res. 361) for printing in the RECORD:

House Resolution 361

*Resolved*, That upon the adoption of this resolution it shall be in order for the Speaker to entertain a motion to suspend the rules and pass H. R. 9215, a bill making appropriation to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes.

### CAMPAIGN EXPENDITURES

Mr. O'CONNOR, from the Committee on Rules, submitted the following privileged report (Rept. No. 1875, H. Res. 347) for printing in the RECORD:

House Resolution 347

*Resolved*, That a special committee of five be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1937, the campaign expenditures of the various candidates for the House of Representatives in both parties, or candidates of parties other than or independent of the Democratic or Republican Parties, the names of persons, firms, associations, or corporations subscribing, the amount contributed, the methods of collections and expenditures of such sums, and all facts in relation thereto, not only as to subscriptions of money and expenditures thereof but as to the use of any other means or influences, including the promise or use of patronage, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in deciding any contests which might be instituted involving the right to a seat in the House of Representatives.

The investigation hereby provided for in all the respects above enumerated shall apply to candidates and contests before primaries, conventions, and the contests and campaigns of the general election in November of 1936, or any special election held prior to January 3, 1937. Said committee is hereby authorized to act upon its own initiative and upon such information which in its judgment may be reasonable and reliable. Upon complaint being made before such committee, under oath, by any person, persons, candidates, or political committee setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearings on such complaints, the committee shall find that such allegations in said complaints are immaterial or untrue.

That said special committee or any subcommittee thereof is authorized to sit and act during the adjournment of Congress, and that said committee or any subcommittee thereof is hereby empowered to sit and act at such time and place as it may deem necessary; to require by subpena or otherwise the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding 25 cents per hundred words. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpenas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties as prescribed by law.

### EXTENSION OF REMARKS

The SPEAKER. The Chair has been approached by quite a number of Members who wish to extend their own remarks in the RECORD. On yesterday an order was made by the House that all Members should have permission to extend their own remarks in the RECORD during the remainder of this session and also until the last RECORD is printed. If there are any Members present who feel that that order does not apply to them, the Chair is willing to recognize them now for the purpose of making request to extend their remarks.

### TO ARGUE FOR THE USE OF GOLD AS A STANDARD OF VALUE IS AS DIFFICULT AS TO ARGUE FOR THE USE OF AN ACCORDION AS A STANDARD OF LENGTH

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a letter from Edward A. Rumely to Henry Ford on an economic question. There is no politics in the letter whatever.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, under my own caption that to argue for the use of gold as a standard of value is as difficult as to argue for the use of an accordion as the standard of length, I include under the leave to extend my remarks in the RECORD a letter, dated July 15, 1935, to Mr. Henry Ford from Dr. Edward A. Rumely, of the Committee for the Nation.

MR. HENRY FORD,
*Dearborn, Mich.*

MY DEAR MR. FORD: Your New York Times interview of July 7 restates in a convincing way the fundamentals of the American system of freedom of private enterprise, of the dependence upon the leadership and self-guidance of our entire population rather than bureaucratic, centralized control.

Isn't it a tragedy that we should have to argue today about the fundamental validity of the American system? Its fruits have proven it the most beneficial the world ever knew. Under it, within 150 years, we moved from the Atlantic to the Pacific, opened a continent with roads and railroads, built the best housing the world ever knew, made more technical inventions (such as the plow, the reaper, labor-saving agricultural tools, the cotton gin, the sewing machine, telephone, telegraph, electric light, radio, automobile transportation, and machinery for standardized mass production) than the whole of the human race had made in 2,000 years before, created greater well-being and the highest standard of living that men ever enjoyed anywhere.

It is a tragedy that we must waste time arguing the merit of that system.

Your article contains two statements that need qualification. You say:

"No other class has any economic importance. The worker's buying power is wages. The whole secret of economic stability depends upon a useful day's work for a proper day's pay."

Farmers and their dependents, 32,000,000; other basic producers, about 23,000,000; or 55,000,000—almost one-half of the population of the Nation—have their gross income and buying power determined by the prices they receive. Unlike the manufacturer who sets his own price upon his product, the man who produces wool, or wheat, or cotton, or lead, must accept what the world markets from day to day determine as the price of his products.

These 55,000,000 people are so important a part of our population that it is not true that "no other class but the wage worker has any economic importance."

It was the collapse of the buying power of our basic producers that caused the depression. In the late twenties their prices began to fall, in 1929 to plunge down in the greatest and most abrupt decline of a century. As the prices received by these 55,000,000 people for their wool, cotton, wheat, lumber, copper, lead, zinc, collapsed, their total income went down in exact proportion. Farmers' annual income declined from $11,589,000,000 for the period 1923–29 to $5,000,000,000 in round figures. It has been restored to about six and one-half billion dollars, not counting A. A. A. benefits and payments.

Let me analyze for you the farm situation: According to the Department of Agriculture, the total value of United States farm property was—

| | |
|---|---|
| In 1920 | $77,923,651,599 |
| In 1925 | 57,017,740,040 |
| In 1930 | 57,245,544,269 |
| Average | 64,062,311,969 |
| Average number of farms 1920–30 | 6,369,544 |
| Average value of land, buildings, machinery, livestock owned per farm was | $10,058 |

You know how much pioneering effort and labor have gone into the building of the average American farm. Surely there was no $10,058 worth of property anywhere that represented more honest-to-goodness labor and effort than this $10,058 of capital investment that each farmer had. If he were entitled to a 5-percent return, he would have $500 a year as profit or interest on his capital.

Let's look at the facts:

In 1934 the farmer received—

| | |
|---|---|
| Agricultural Adjustment Administration benefit payments | $589,000,000 |
| Plus other income | 6,574,000,000 |
| Making a total of | 7,163,000,000 |
| From this must be deducted taxes, interest, and other production expenses | 2,566,000,000 |
| The farmer had food and shelter supplied by the farm | 1,097,000,000 |
| Leaving a net cash income of | 3,500,000,000 |
| | 7,163,000,000 |

Total cash and the value of food and living amounted to $4,597,000,000.

There were gainfully employed on the farm in 1930, 10,482,323 men.

Therefore the annual income (including living) per person gainfully employed was $430.85.

And even at this low allowance of wages for the farmers not one cent would remain for return on his capital investment, so far as his equity ownership of farm, buildings, and livestock is concerned, nothing for management nor labor of wife and children.

Can an economic system prosper in which the buying power and the return on the capital of 32,000,000 of farm producers remains reduced in this way? Can industrialists, property owners, and security owners in the city reasonably expect the farming population to stand with them, as it should, for the protection of institutions of private property if such economic injustice is allowed to prevail without an effort on the part of the financial and industrial leaders in control of our system to understand and remove the cause of this injustice?

You touch upon it in your statement—

"The manipulation of finance is often a stumbling block in agriculture as well as in industry. Take the farmer who has tilled his land, sowed his seed, and reaped his harvest. By every law of nature he should have a profit. Theoretically he has, but often he goes down to the village bank only to discover that his profit proves to be a loss. That is what a money system can do to real wealth and clear profit."

You are quite right. It is the money system that brings about this deflation injustice. But it is not conscious, human manipulation that is primarily at fault. Our economic society is in the grip of a mass idea that identifies money with a fixed weight of the one commodity gold.

Gold never was stable. It brought violent booms when it became cheap and plentiful, as after the gold discoveries in California. It brought terrible depressions that made debts almost impossible to pay, as in 1837, 1873, and 1893. But, beginning with the World War, it became the most unstable of all commodities. The table below is taken from the Mechanics of Managed Currency, by George Jackson Eder.

TABLE 1.—*Variations in the value of gold in terms of wheat, cotton, pig iron, lead, and silver*

| | 1 ounce of gold equivalent to— | | | | |
|---|---|---|---|---|---|
| | Wheat | Cotton | Pig iron | Lead | Silver |
| | *Pounds* | *Pounds* | *Pounds* | *Pounds* | *Ounces* |
| Year 1920 | 492 | 61 | 1,088 | 255 | 20 |
| Year 1926 | 795 | 118 | 2,584 | 246 | 33 |
| June 1929 | 1,034 | 110 | 2,584 | 295 | 39 |
| June 1931 | 1,723 | 230 | 2,953 | 517 | 75 |
| February 1933 | 2,584 | 339 | 3,445 | 689 | 78 |
| Year 1933 | 2,034 | 304 | 3,777 | 678 | 76 |
| Year 1934 | 2,176 | 283 | 4,353 | 893 | 72 |
| Maximum variation—percent | 425 | 456 | 300 | 263 | 290 |

The purchasing power of gold, compared with the average of the five commodities wheat, cotton, pig iron, lead, and silver, varied 347 percent. These other commodities varied far less in their exchange value for each other, viz, 77 percent in the case of wheat, 84 percent in the case of cotton, 129 percent in the case of pig iron, 105 percent in the case of lead, and 71 percent in the case of silver.

Let us follow this on one commodity, cotton: Four and six-tenths ounces of gold bought a bale of cotton in 1929; 3.1 ounces of gold bought a bale of cotton in 1930; 2.1 ounces of gold bought a bale of cotton in 1931; 1.6 ounces of gold bought a bale of cotton in 1932; 1.6 ounces of gold bought a bale of cotton in 1933; 1.8 ounces of gold bought a bale of cotton in 1934; 1.7 ounces of gold buys a bale of cotton in 1935.

In other words, merely because over in Europe panic and war preparation and hoarding changed the value of gold, the million families growing cotton in the South had their price per bale cut down by $40 or $50. Instead of 21 cents a pound, the markets give them 11 to 12 cents. Is there any justice in this?

Suppose some force operating in Europe could reach over to Detroit and suddenly cut the price of your automobile in two, cut the wages that you are paying to employees in half—could the industry survive? Yet that is exactly what the fixed weight of gold standard has done to the cotton growers and other farmers and other basic producers—55,000,000 of our population.

Mr. Russell Leffingwell, of J. P. Morgan & Co., said of the increase in the buying power of gold:

"Gold is not an end in itself. It is a means to an end. That end is monetary stability. * * * When the value of gold rises, prices and wages fall and the horrible cycle of deflation, with its terrible consequences in human suffering, begins to revolve toward the abyss. Then the only hope for humanity was to stop gold payments—to go off gold."

You more than almost any industrial leader have recognized that we are suffering not from inability of machinery nor unwillingness of labor or management to perform their parts, but from a break-down in our monetary mechanism of exchange. In fact, you said, in the American Magazine of October 1934:

"There is no doubt that financiers have failed to do their best to give us an efficient money system. And yet it was their principal business to do that.

"The function of money is not to make money but to move goods. Money is only one part of our transportation system. It moves goods from man to man. A dollar bill is like a postage stamp; it is no good unless it will move commodities between persons. If a postage stamp will not carry a letter, or money will not move goods, it is just the same as an engine that will not run. Someone will have to get out and fix it."

But in spite of this, you are withholding the tremendous constructive influence that you could and should release, in view of the importance of the problem. Think of it—10,000,000 of unemployed, the youth of the country so frustrated and hampered in getting its fair start in life that it is turning radical; the Government trying every kind of absurd remedy simply because monetary derangement frustrates private enterprise and keeps the various economic groups that should be trading with each other in such a stepladder of monetary unbalance that their products cannot move smoothly from one to another.

If you heard from your factory department that the pound weight, or the foot measure, or the gallon measure were shrinking or expanding 1 percent in a year you would spend $1,000,000, $5,000,000, $10,000,000 until you had put a stop to it. But here you have a 347-percent change in what the dollar measure of value buys, that makes our economic life a turmoil, that caused the farmer a reduction of $22,000,000,000 of their normal buying power between 1929 and 1934, that threw hundreds of thousands into bankruptcy—and the efforts to correct this are so mild that they have no influence upon the problem. One of the keenest observers of businessmen in the United States writes:

"Perhaps the best work your Committee for the Nation has done is in forcing businessmen to think about finance, to bring them to some realization that, since they do business with money, they must find out what money is. Even so, the lack of interest of businessmen generally in the pending bank bill is a tragic commentary on American business in general. It seems to pay attention to everything except the one thing that is most vital. None of our great industrialists appeared to testify in connection with the pending bank bill, the formulation of which has been left almost entirely to experts. These experts are accustomed to deal

with money as money, whereas money to an industrialist is an active force in securing production. It is part of the machinery wherewith he makes his goods and is not, to him, a sort of rabbit on the fecundity of which he must depend (money reproducing itself through interest charges). It were better for the businessmen of America, perhaps, to have wrong ideas about sound principles of money than to have no ideas at all."

Isn't it time for you, Mr. Ford, and the Ford Motor Co., to lend support to the establishment of a stable measure of value that will compare with the support you have given to the establishment of your marvelous gages by which the measurement of distance is kept constant to within a millionth of an inch? Only in this way can we get a stable measure of value—a dollar which, in the words of President Roosevelt, "will have the same purchasing and debt-paying power as the dollar value we hope to attain in the near future."

Here the accepted habits of thought, more difficult to dislodge than the illusion that the earth was flat, have to be broken down. It is not easy, but with concerted and intelligent effort and the example of England before our eyes the task is within our powers.

Very truly yours,

COMMITTEE FOR THE NATION,
By EDWARD A. RUMELY.

### SAFEGUARDING THE PUBLIC INTEREST IN RADIO

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a speech delivered at Cornell University by Commissioner George Henry Payne of the Radio Commission.

The SPEAKER. Is there objection?

Mr. RICH. Reserving the right to object, is there any politics in that?

Mr. MEAD. There is no politics and the speech is not very long. He is a Republican.

There was no objection.

Mr. MEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address of George Henry Payne, Federal Communications Commissioner, at Cornell University, under the auspices of the American Association of Agricultural College Editors, August 21, 1935:

I can imagine no happier thought than inviting a member of the Federal Communications Commission to speak on Safeguarding the Public Interest in Radio. Indeed, it is as much of a challenge as it is an invitation.

In the first place, the members of the Federal Communications Commission are sworn to safeguard the interest of the public. They would be doing less than their duty if they did not seize every opportunity to do so. Unfortunately there is a division of opinion as to how that public interest is to be best safeguarded. First among those who favor the status quo come the commercial broadcasters, naturally, and then there are many who would like to see the programs improved but believe that improvement will come naturally in the course of time, "out of the air", as it were. Such advocates of laissez faire point out the dangers of governmental ownership where the radio is used mainly for propagandists' purposes and cite the superiority of many of the splendid features of American broadcasting as against the pale and mildly interesting broadcasting of the British company, Government controlled and partly Government owned.

Against these are opposed most of the institutions of learning, educators, publicists, and others who admit that part of the programs are occasionally superior but are strongly in favor of educational programs and higher standards of broadcasting.

To appropriate the situation in our own country, it is necessary to consider broadcasting as it is carried on by other governments. In Great Britain advertising is absolutely prohibited, as it is in Japan. As a matter of fact, advertising over the radio is absolutely unknown in any foreign country, except to a very limited extent in France and Spain.

I have here a copy of the report on radio broadcasting prepared for Senator BURTON K. WHEELER by Mr. S. Howard Evans. It is one of the ablest documents that I have read on the present problems and perplexities of the entire broadcasting situation. It has the unusual quality of meeting these problems with complete frankness and courage; and while some of the suggestions made, such as that for "legislation compelling a complete reallocation of broadcasting facilities" and the one compelling "all radio licensees owning radio patents to put them in a patents pool", will stir up a great deal of agitation and discussion, I cannot see but that the discussion, even on these two moot points, will be beneficial.

Inasmuch as Senator WHEELER has given me permission to quote from the report, which has hitherto been regarded as confidential, I am hoping that in due time he will see his way to having it printed and give it the broadest possible circulation, and that a discussion of the matters gone into most thoroughly therein will give the public some idea as to what the problems are and how necessary it is to concentrate on them if there is to be improvement.

In the brief time that we have for this discussion today, and in keeping to the subject allotted to me, I should like to quote from Mr. Evans' report his very pointed suggestion as to the establishment of a bureau of standards with regard to the character of programs by those stations applying for licenses:

"One possible way to extend protection", he says, "might be through the establishment of a procedure with regard to the programs of stations similar to that which the Commission now requires in connection with the technical operation of stations. The Commission has decreed standards of mechanical operation to which stations must conform. It has required stations to put in new equipment and to change existing equipment so that they may render better technical service. Had the Commission set forth these technical requirements for a single station, it would have been guilty of a kind of discrimination which could not have been sustained in the courts. However, when the Commission merely insisted on standards which could be applied to all stations equally, the courts consistently supported its action.

"It seems reasonable to believe that the Commission could establish similar general standards for program service. Certainly there are standards which can be applied. If they are applied without discrimination, the probability is that the courts will sustain the Commission in insisting on them.

* * * * * * *

"The Commission might compel every station in applying for a license to submit not only evidence of its financial and technical qualifications but also a statement of the standards which it would require programs to meet. This would be demanding on the program side of broadcasting nothing more than the Commission has required for a long time with regard to technical matters. It would be compelling the chains and independent stations to apply to every hour of their operating schedules the same kind of program standards which the chains have applied advantageously to religion."

* * * * * * *

"Somehow the Communications Commission has to accept responsibility for the kind of programs broadcast over stations which the Commission has in granting their licenses certified to be operating in the public interest. If the Commission cannot exercise this control through the requirement of standards, some other method must be found."

Of all the great human discoveries and inventions, the radio had in the most spectacular fashion changed the world aspect of human relations in the shortest possible time.

The invention of the printing press was followed by centuries of unchanged conditions in the most enlightened countries, and it was only as men came to realize that the press must be free that it fulfilled its noblest function of making men free.

Since the beginning of broadcasting in 1921, the radio, in this country at least, has outstripped the press in its contact with human beings. In approximately 15 years it has achieved the position of having more listeners than the press has readers, although the press has been in existence for 500 years. It has the advantage that many can listen who cannot read.

This is all very thrilling, dramatic, and impressive, but when we stop to realize that the radio in this country is practically entirely in the hands of those interested solely in its commercial aspects we are inclined to wonder what might have happened to civilization if the press had been for about 500 years controlled by commercial agencies, and educational and political reformers had been unable to get their ideas into circulation because the commercial control found it could make more money by appealing to the tastes and interests of the less intelligent rather than the more intelligent.

The newspaper has its commercial aspects too. It has its faults and its defects, but from the founding of the paper Publick Occurances (the first paper to be printed on this continent) by Benjamin Harris on September 25, 1690, it has presented a splendid picture in the fight for human rights, its war against political corruption, its battle for liberty of the oppressed and enslaved and its refusal to be intimidated by either power or wealth. The radio battles for no rights.

In the safeguarding of the public interest we must be wary not to let false ideas creep into the public consciousness through subtle propaganda by those uninterested in public rights. No matter how honest may have been the original thought there is fundamental danger in the idea, more or less casually advanced, that the broadcasting business constitutes a fifth estate in our Government.

The idea is not apt to get far as it is based on complete ignorance of history and our social and political development. It was Edmund Burke, who, according to Carlyle, said that there were three estates in Parliament "but in the reporters' gallery there sat a fourth estate, more important far than they all."

It is because the people, through their Government, will not tolerate the creation of a fifth estate that they have, in the exercise of their sovereignty, taken over the control of the air and have passed the laws regulating the use of the air. It was to prevent the creation of a radio political power that the Federal Communications Commission was brought into existence.

There is no doubt that if the Government had been lax in exercising its rights or if it should cease to exert its power of regulation there might arise another estate that would be more powerful than the people's Government and that fourth estate, which, as an unfettered and free press, has been the right arm in the development of democracy and popular institutions.

"A people may prefer a free government", said John Stuart Mill, "but if from indolence, or carelessness, or cowardice, or want of

public spirit they are unequal to the exertions necessary to preserve it; if they will not fight for it when it is directly attacked; if they can be deluded by the artifices used to cheat them out of it * * * in all these cases they are more or less unfit for liberty."

ANTIDUMPING BILL

Mr. HARTER. Mr. Speaker, I have introduced a proposed new antidumping bill known as "H. R. 8603", which is designed to change the present law which was enacted in 1921. Realizing that in the closing days of the session there is no chance of having this enacted at this session of the Seventy-fourth Congress, I have prepared a statement in explanation of the bill and in explanation of the purposes of the proposed measure. I ask unanimous consent that that be inserted in the RECORD at this point.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to is as follows:

It has become my duty to speak frankly and openly of competitive conditions which affect thousands of workers and large investments in industry. Not only do these matters concern the people of my congressional district but they are interfering with employment in many other parts of the United States. I speak of stifling foreign competition, principally from low-cost producing countries, which is retarding recovery.

This is not a plea for higher tariffs; it is an effort to make the Membership of the House of Representatives realize how serious the situation is which confronts many American workers. No tariff could cure these ills. With the depreciated currency of Japan, the desire of Russia to dispose of its manufactures, even if resort to dumping must be had, with the monopolistic control of most of the foreign markets by the Swedish match trust, only embargoes, strictly limiting quotas or an antidumping act based upon American production costs will suffice.

Perhaps the theory of reciprocal tariffs is sound, but I'll venture to say that few, if any, upon my side of the House would favor lowering the barriers upon foreign merchandise which is produced in ample quantity and in as good or better quality in the United States. If this be the object of reciprocal tariffs, we want none of it. On the other hand, most of us believed such agreements were designed to stimulate trade between the nations by fixing a more favorable import status for those articles, either agricultural or manufactured, which did not compete and would not compete adversely with American products. In the same manner our exports to the other nations signatory to the agreements would be the products which would not be detrimental to their economic development.

I have introduced H. R. 8603, a proposed new dumping act which would repeal the Antidumping Act of 1921. Dumping, as far as the United States is concerned, may be said to be the practice of a foreign nation or nations exporting to this country goods and merchandise in wholesale quantities, to be here sold or freely offered for sale at prices below the current market price of such merchandise in the country of origin or below the price at which such merchandise is sold or offered for sale in other countries to which it is exported, other than the United States.

It was to avoid this practice that the so-called "Antidumping Act of 1921" was passed. This imposed a special dumping duty, which obligated the Secretary of the Treasury to collect a sum, representing the difference between the foreign market value or in the absence of such value, the foreign cost of production and the purchase price in this country or the price at which the goods were offered for sale in this country.

It was the well-intentioned purpose of this act and it was thought that, through the collection of this special dumping duty, which was in addition to all tariff duties and other duties imposed by law, that the American manufacturer and producer would be protected against the unloading of wholesale quantities of merchandise by low-cost producing countries at prices below the sale price of similar merchandise in the markets of the world. These fond hopes have not been realized.

For the last several years there has been a continuing influx of merchandise from Japan, Russia, and other countries, which is proving ruinous to the American business men and to the employees in many industries.

This situation has been greatly accentuated, due to the world-wide depression, with ensuing devalued currencies, so that the selling price of merchandise in the world markets and in the countries of production, due to these low-cost producers, are such that an antidumping duty, such as the act of 1921, based upon the yardstick of prices which it established, is of no value at the present time.

The amount collected by the Treasury as special dumping duties under the act of 1921 clearly illustrates the impotency of this law. We must have a new antidumping statute that will protect the American manufacturer and the American workingman from the stifling competition which is ever on the increase from Japan and other low-cost-producing nations.

A new measure of value must be fixed, and in the bill that has been introduced we seek to make the American cost of production the base from which to operate.

It is the intent of the bill to impose a duty equal to the difference between the importer's sales price of the imported article and the American cost of production of a like, similar, or competitive article manufactured or produced and freely offered for sale in the United States, such levy to be in addition to all other duties imposed by law on the importation of such merchandise.

The proposed measure (H. R. 8603) repeals the Antidumping Act of 1921. Section 2 thereof contains certain definitions and also defines and sets forth the method of determining the American cost of production of merchandise.

Section 3 makes it the duty of the Secretary of the Treasury to receive complaints relative to the sale or offering for sale of imported merchandise in the United States at a price less than the American cost of production and directs the Secretary to publish a notice of dumping, covering the classes or kinds of merchandise complained of.

Section 4 authorizes the imposition of the special dumping duty, which I have already discussed.

Section 5 provides for the giving of a bond by the importer in the case of any article as to which the Secretary has caused notice to be published as provided in section 3. The bond is to be given at the time of the entry of the merchandise and is conditioned, first, that the importer will report to the collector the importer's sales price of the article within 30 days after the same has been sold or agreed to be sold in the United States, second, that he will pay to the collector a special dumping duty if any is imposed; and, third, that he will furnish to the collector such information as may be in his possession and as may be necessary for the ascertainment of such duty, and will keep such records as to the sale and offers for sale of such article as the Secretary may, by regulation, prescribe.

Section 6 authorizes the Secretary of the Treasury to make such regulations and exact such bonds as are necessary to carry out the provisions of the act, and further authorizes him to require of the complainant, as an evidence of good faith, a bond in an amount not exceeding $1,000.

Section 7 provides that the appraiser or person acting as appraiser, in addition to his other duties prescribed by law, shall ascertain and report to the collector the importer's sales price and the American cost of production of any article on which the Secretary has caused notice to be published as provided in section 3.

Section 8 gives the right of appeal to the United States Customs Court and the Court of Customs and Patent Appeals.

Section 9 further relates to court jurisdiction, the imposition of penalties for the making of frivolous complaints and appellate jurisdiction thereon.

This is a brief summary of the provisions of the bill. It is the firm conviction of the author and of those who have collaborated with him in seeking a remedy for the present intolerable conditions that by making the American cost of production the yardstick to measure importer's sales prices in this country that we will stimulate American trade and industry; we will prevent the flooding of the American market with cheap merchandise, against which we cannot compete under our standards of living, and at the same time we will not prevent competition.

The argument has been made that the enactment of this proposed measure will violate the Reciprocal Tariff Act and prevent the making of the agreements with various countries pursuant to such act.

If reciprocal agreements are to be made according to the real spirit of that act and pursuant to the explanation of the chairman of the committee and other administration leaders who helped steer the measure through the House of Representatives, the interests of American manufacturers and of the American workingman were always to be considered and no agreements were in contemplation or would be tolerated which would be inimical to American Industry.

If we can rely upon those statements and if in the making of reciprocal trade agreements the State Department will confine the giving of tariff advantage to articles of import which are either not produced in this country or where the cost of American production and the foreign cost of production are not at wide variance, then there should be no conflict between this proposed measure, H. R. 8603, and reciprocal tariffs.

Industry in practically every industrial section of this Nation is affected by the ruinous competition of these low-cost producing countries. It may be the large manufacturer in your district or in mine, but in more instances it is the small business man with his score or a few hundred workmen who are suffering along with him by this failure to maintain the American market for the American-produced merchandise.

It is impossible to give you a complete list of all the different lines of domestic industry that are adversely affected by the influx of Japanese and Russian articles. Go into any 5- and 10-cent store, 25 to dollar store, or department store and you will find upon the counters numerous articles of foreign manufacture which are supplanting the American counterpart produced by American labor in this country. The workers in the porcelain and pottery plants in the United States are suffering grievously from this type of competition. So are those employed by the cutlery manufacturers, those employed in the rug and carpet industry, the toy industry, molded rubber goods, and druggists' sundries, lace manufacturers, the paper industry, leather-glove manufacturers, those engaged in the production of matches, glassware, fishing tackle and anglers' supplies, and many other forms of industry too numerous to mention.

Let me quote to you several examples of the results of this competition which have been brought to my personal attention by manufacturers and their labor in my own congressional district in Ohio. A manufacturer of molded rubber toys in Akron has an up-to-date, modern plant and in November of 1933 was employing

445 individuals. The 2-week pay roll ending on November 11, 1933, in that factory amounted to $15,414.72. On November 10, 1934, there were 196 individuals employed, and the 2-week pay roll amounted to $7,608.48. While this company manufactures rubber goods other than toys, its miscellaneous business actually increased in 1934 over 1933, so the shrinkage in employment and pay roll is due to the competition of foreign imports.

The mode of operation of the importers and the Japanese manufacturers is this: As soon as one of our domestic companies brings out a new model in toys the importers immediately purchase samples and forward them by the fastest known means of transportation to Japan, where they are immediately copied, and within a few months the counters of American chain stores and department stores are flooded with the Japanese imitation. It is said that the Japanese race originates no new ideas nor have they added in any considerable measure to human knowledge, but they are the greatest imitators on the face of the globe. We exclude Japanese immigration, but we increase American unemployment by continuously allowing increasing importations from that country.

Let me bring to your attention some specific figures relative to American and Japanese costs in another line of industry. We manufacture a fine line of fishing tackle and accessories in my district in Ohio.

Here are a few comparative examples of American and Japanese costs:

Feathered jugs from Japan come in at about $14.40 per gross, duty paid and delivered, as compared with the United States manufacturers' cost of about $21.75 per gross for the same size.

Japanese imitations of United States fly reels are delivered at $2.51 and $3.90 per dozen, against an Ohio producer's cost of about $4.20 per dozen.

Japanese snelled hooks delivered at about $1, $1.06, and $1.41 per gross against United States manufacturers' cost of approximately $1.35 to $2, respectively.

Japanese fishhooks, c. i. f. San Francisco, for less than the cost of the wire alone to United States producers.

Japanese gut leaders delivered at 31 cents to 84 cents per gross, against United States cost of $1.46 to $1.73, respectively, for equivalent test and lengths.

Japanese knotless gut lines delivered at about 11½ cents, against our own fishing-line producers' cost of about 18 cents to 22 cents for the cheapest grade of lines of equivalent test and lengths.

Japanese artificial flies delivered at less than 75 cents per hundred, against United States fly tiers' costs of not less than $1.75 for labor and material alone, with no allowance for overhead and other necessary expense.

Japanese jointed bamboo poles are sold and delivered to this country at about one-half the cost to produce here.

From these prices one can readily visualize what the domestic producer is up against. Unless we stem the tide of this increasing foreign competition, many American manufacturers will have to close their shops and our short-sighted policy will add to the number of unemployed in the United States.

Another industry which is bearing the brunt of foreign competition and which is greatly concerned over conversations, which, it understands, are taking place with reference to further reciprocal trade agreements, is the match industry. Under the reciprocal agreement recently made with Sweden, the industry was forced to take a 12½-percent tariff reduction. Under the favored-nation clause, Russia and Japan will gain as well as Sweden.

In the district which I represent, there are three large match factories, independent of each other and each employing hundreds of American citizens. Matches are there made under ideal conditions, in well-lighted, ventilated, modern buildings, where every effort is made to safeguard the health of the employees.

This industry faces competition principally from Sweden, Russia, and Japan. Due to the monopoly of the Swedish Match Trust, which controls match sales in some 30 countries, together with low-cost production in Russia and Japan, the only market available to the American manufacturer is our domestic market. Our exports of matches are negligible.

We have the raw material; we have the manufacturing facilities in this country, more than sufficient to supply the domestic demand. Every box of imported matches displaces domestic materials and labor. And yet this industry has had to endure some of the cruelest competition from foreign sources of any that I know of.

This situation is complicated because of the match empire built up by the late Swedish impostor, Ivar Kreuger. Many Americans were his dupes, and the disappointed American bondholders are continuously endeavoring to further their interests by having the Swedish Match Trust given favorable consideration through lowered tariffs and import quotas.

Just to give you some idea of the increasing importation of matches made in Japan, and the chief type of match imported is the so-called "strike-on-box match", with which we are familiar and which may be purchased in any cigar store, drug store, or corner store in this country for a penny a box: Our domestic consumption of matches at the present time is about 8,000,000 gross boxes per year. There was imported into this country from the three principal importing nations in the year of 1932, 3,375,642 gross boxes of matches. Of this total, Sweden sent in 1,782,835 gross boxes, or 53 percent of the total; the Soviet Union, 650,312 gross boxes, or 19 percent of the total imports; and Japan, 276,824 gross boxes, or 8 percent of all imports.

There was imported into this country from the three principal importing nations in the year 1933, 3,720,807 gross boxes of matches. Of this total, Sweden sent in 552,774 gross boxes, or 15 percent of the total; the Soviet Union, 484,585 gross boxes, or 13 percent of the total imports; and Japan, 2,614,559 gross boxes, or 70 percent of all imports.

There was imported into this country, from all sources in the year 1934, 3,268,338 gross boxes of matches. Of this total, Sweden sent in 531,090 gross boxes, or 16.2 percent; the Soviet Union, 1,313,200 gross boxes, or 40.2 percent of the total imports; Japan, 1,265,332 gross boxes, or 38.7 percent of the total imports; and all other countries, 158,716 gross boxes, or 4.9 percent of all imports.

These figures demonstrate that the imports of the strike-on-box type of wood match are very substantial. In fact, between three-eighths and one-half of present domestic consumption is supplied by matches of foreign manufacture. Do you favor a further influx of these low-cost-production matches?

Most of the recently imported matches have been sold at prices below the cost of production of similar matches made in the United States. In addition, domestic costs of production have been increased materially as a result of operation under the code. Imports, therefore, seriously endanger the operation of the domestic industry under the code.

Let us consider why American costs of production are greater than in Japan and in other countries. A comparison of labor costs in the Japanese match industry with the wages paid by our domestic producers is well worth consideration.

The Japanese Department of Commerce and Industry compiled official average daily wage figures in the Japanese match industry for the month of January 1934. (Factories of size only are considered and small operators and home workers ignored.) Of course the figures compiled are in Japanese yen. The equivalent in United States currency is:

Average, not minimum, for men, 31.2 cents per day.

Average, not minimum, for women, 14.4 cents per day, and this for a full working day of 10 hours or more duration On a basis of an average working day of 10.4 hours, stated as a recent average in Japanese factories, the average pay is 3 cents per hour (in American money) for men, 1.4 cents per hour for women.

The wage index, as prepared by the Bank of Japan, shows that in recent years wages have lowered and wages continued to drop even after the yen depreciated in value on the foreign exchange from some 50 cents to 20 cents United States value. No attention with respect to official wage statistics is paid to home workers.

Home work is performed in conjunction with factory work at all average size and at all small match factories in Japan, as well as in many of the larger ones. Home work is piecework and sweat-shop labor and part of it is done by little children, working all hours of the day, outside of the compulsory school hours.

The American match industry, while working under the N. R. A. and the Match Code, had a stipulated minimum (not average) wage rate of 38 cents per hour for men and 30 cents per hour for women, with a working week of 40 hours. In Japan the corresponding wage paid is some 3 cents per hour for men, about 1¼ cents per hour for women, and only a fraction of a cent per hour for children, and females do more than three-fourths of the work of matchmaking in Japan.

The American worker expects and is entitled to a decent living wage, and it is unthinkable to believe that we would permit further encroachments upon the income of labor employed in this industry by foreign competition with countries paying such wages.

We could go on and give many other examples showing the far-reaching and disturbing effects upon employment in this country of the influx of foreign imports. None of us like to think of American workmen being compelled to accept the wages and living conditions of Japan and Soviet Russia. We are going to lick the depression and we are going to do it in the American way and not by reducing labor in this country to wages and conditions comparable to those of the peasant classes of low-cost producing countries.

Do you find Italy, France, Germany, and England giving up the production of automobiles and the building of internal-combustion engines just because the United States is equipped to manufacture all of the automobiles and motors that the world can use more efficiently and more cheaply than any other nation?

None of us but wish to see an increase in world trade, but it must be upon a fair basis. We must not allow visionary idealists to lead us so far afield in search of new markets that we permit the ruination of the domestic market, which is the natural one for the products of our own labor and skill.

### WASHINGTON'S PLEA FOR NATIONAL DEFENSE

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks on the military policy of George Washington and to insert in connection therewith a letter addressed by our colleague, Hon. JAMES W. WADSWORTH, of New York, referring to an address, and incorporating the same, recently delivered by Brigadier General Palmer.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, two ideas and systems of thought, each contrary and opposed to the other, have pre-

vailed with regard to the proper philosophy of national defense in America.

One is the so-called "large national army" principle, whereby in the event of an emergency all of the unorganized militia will be formed into a great national army officered and controlled by those who constitute the Regular Army in peace time. The other is based upon the idea that there should be civilian components organized in peace times, such as the National Guard and the Organized Reserves, who go into our defense forces in time of war in their separate and independent organizations. Fortunately, by the National Defense Act of 1916 and especially the act of 1920, the chief reliance of America in the event of war is placed upon the civilian components of the National Guard and the Organized Reserves. Of course, the Regular Army and the National Guard and the Organized Reserves must be filled up to war strength from the organized militia.

A great exponent of the philosophy of placing reliance and emphasis upon the civilian components is Brig. Gen. John McAuley Palmer, United States Army, retired. His first book in exposition of this philosophy is entitled "Statesmanship or War." The preface or introduction to that book was written by the then United States Senator, JAMES W. WADSWORTH, then Chairman of the Senate Committee on Military Affairs, now an honored and useful Member of the House of Representatives. Mr. WADSWORTH described graphically the great part General Palmer took in the formulation of the National Defense Act of 1920. Subsequently, General Palmer made a most thorough investigation of the unpublished history of our defense forces, and discovered some manuscripts from the pen of George Washington that throw a flood of light upon his conception of the proper organization of land forces. The manuscript that had been unknown to the general public for much more than a hundred years was entitled by George Washington "Sentiments on a Peace Establishment." The result of these later researches by General Palmer was compiled in a book written by himself entitled "The Three War Presidents: Washington, Lincoln, and Wilson."

I am extending my remarks by including a letter from our colleague, Mr. WADSWORTH, dated August 20, 1935, addressed to Col. Orvel Johnson, who is director general of the R. O. T. C. Association of the United States. I am also including as a part of my remarks an address delivered by General Palmer at a meeting of the R. O. T. C. Association of the United States in New York City on April 30, 1935. Though I have read both of the books above mentioned by General Palmer, I was very interested in hearing his address delivered at said time. It is a most comprehensive and precise statement of the military philosophy of George Washington and of many of the principles of our best and greatest soldiers and statesmen, including General Wood, General Pershing, and many others.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D. C., August 20, 1935.*

Col. ORVEL JOHNSON,
*Director General R. O. T. C. Association of the United States,*
*Woodward Building, Washington, D. C.*

DEAR COLONEL JOHNSON: I am sure I am speaking for the Senators and Representatives who, as members of the Military Affairs Committees of the House and Senate, respectively, back in 1919 and 1920, spent many months drafting the extensive revision of the National Defense Act, when I say that that work could not have been done as it was done without the help of John McA. Palmer, then a lieutenant colonel and now a brigadier general, retired, in the Regular Army. And I am sure these same men will agree with me when I say that General Palmer knows more about the military history of the United States than any person now living. Not only has he been an excellent soldier but he has devoted much of his life to historical research. In this field he has been actuated by a keen desire to help formulate a military policy for the United States which would be in accord with our democratic traditions and at the same time provide a completely effective defense for the Nation. General Palmer's ambitions were very largely fulfilled when, as official advisor of the Senate Committee on Military Affairs in 1919 and 1920, he helped and guided us in the drafting of a new National Defense Act. Fifteen years have gone by since that time and the act which he inspired, very largely, is working with extraordinary success. General Palmer has recently delivered a most interesting speech before the national convention of the R. O. T. C. Association of the United States, in which he tells the whole story. It is a document of genuine historical importance which should be read by every thoughtful American. It is my earnest hope that it will receive wide circulation, not only in military circles but in the schools and colleges of the land.

Very sincerely yours,

J. W. WADSWORTH.

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WASHINGTON NATIONAL DEFENSE PLAN

(Address by Brig. Gen. John McAuley Palmer, U. S. Army, retired, before national meeting of the R. O. T. C. Association of the United States, New York City, Apr. 30, 1935)

When Washington became President, 146 years ago today, he had two main planks in his administration platform. His first plank called for a sound financial system; his second plank called for a sound military system.

Thanks to the genius of Alexander Hamilton, the first plank was installed before the end of Washington's first administration. But it took exactly 131 years, 1 month, and 20 days to get his second plank through Congress.

It is perhaps the highest tribute that can be paid to Hamilton and his successors that they have been able to borrow enough money and levy enough taxes to pay for the wastes of public wealth that have poured through that unfilled gap in our national structure. For unprepared warfare has been the main source of all our great funded debts. If Washington had been able to nail in both planks of his administration platform, we would have no great national debt today—and probably no depression.

While Washington was able to intrust Hamilton with the development of his financial policy it is a remarkable fact that he gave his personal attention to the development of his military policy. From the close of the Revolution to the end of his administration as President, and thereafter to the end of his life, he gave more of his personal attention to this than to any other public question. Here, for 16 years, we find his most consistent efforts as a constructive statesman. As this phase of his history is not generally known, I shall tell the story briefly.

On April 13, 1783, 6 days before the formal "cessation of hostilities" with Great Britain, Washington received a letter from the Continental Congress asking his "sentiments at large" upon the future defense of the new Republic. On the following day, he wrote to all of his generals who were stationed at or near the headquarters at Newburgh for their views upon this interesting question. He also wrote in the same sense to George Clinton, the Governor of New York.

Replies were received from these gentlemen within the next 10 days. All, with two exceptions, concurred in substance with Baron von Steuben who stated his views concisely as follows:

"A chain of small posts along the frontiers, as much for protection of trade as to be a check for the Indians, a well-organized militia, and the establishment of military schools, and manufactories is all that will be necessary for our security."

In his letter of transmittal the Baron also said:

"A system of this nature will make us more respectable with the powers of Europe than if we keep up an army of 50,000 men."

I quote Steuben rather than the other generals because he occupied a unique position among them. The others, from Washington down, were all citizen soldiers. The Baron was a professional military expert who had served on the general staff of Frederick the Great during the Seven Years' War.

Governor Clinton's views are also worth mentioning. He proposed military instruction in the colleges. Here, so far as I know, is the first suggestion of our modern R. O. T. C. Perhaps you gentlemen should canonize Gov. George Clinton as your patron saint.

After studying the papers submitted by his generals, Washington completed his own report to Congress on May 1, 1783. This remarkable document bears the title, "Sentiments on a Peace Establishment." In it, Washington amplified the policy suggested by Steuben and his other generals. As his main reliance for defense he proposed "A well-organized militia, upon a plan that will pervade all the States, and introduce similarity in their establishments, maneuvers, exercises, and arms."

One of the most interesting things in this document is Washington's explanation of what he meant by a "well-organized militia." He discusses this question at length, but the gist of his views is very simple. It was his wish that a sufficient fraction of the younger men in each community should be set apart and given uniform organization and training in time of peace. When he referred to a "well-organized" or a "well-regulated militia", he had in mind a force like our modern National Guard.

Washington also proposed a small regular army to guard the Indian frontier and to perform other necessary duties that obviously cannot be performed by citizen soldiers in time of peace. He wanted enough regular soldiers for these specific limited duties and no more.

The conception of a standing army as an integral part of our national defense structure had no place in Washington's plan. Such a conception did not originate in America until after the War of 1812. It is true that Washington frequently referred to regular troops during the course of the Revolutionary War. But here he was always referring to the Continental Army, a force that was composed solely of citizen soldiers from the commander in chief down to the newest recruit. It was in order to assure an effective Continental Army for our future wars that he was now proposing a "well-regulated militia" in time of peace.

Washington's proposals were considered by a committee of Congress, but no action was possible at that time. The country was

bankrupt and there was no effective national union. In the course of the year the Continental Army was disbanded. At the end of the year Washington relinquished command and withdrew to Mount Vernon

But during this year Baron Steuben was busy working on a complete plan of national defense. It is remarkable that in this plan he proposed the essential features that were embodied 136 years later in the National Defense Act of 1920. In his three geographical departments he proposed a territorial military organization such as we now have in our corps areas. He proposed "continental militia", as he called it, similar in all essentials to our modern National Guard. This force was to comprise young volunteers drawn from the general body of the militia, who were to receive 1 month's field training with their organization each year. This "continental militia" was to be organized in 7 small territorial divisions, or legions, as the Baron called them, 2 to be formed in the New England department, 3 in the middle department, and 2 in the South Atlantic department. Each of these legions was to have a strength of 3,000 men and was to comprise infantry, artillery, and cavalry in their proper proportions for combined operations.

It will be noted that Steuben's divisions or legions were very small. But here, in fact, he experienced remarkable ingenuity. If he had proposed large divisions in such a vast and sparsely settled country, each divisional area would have been so big that it could never have been possible to assemble the whole division for training in time of peace. But it would be possible to assemble his small legions for training; and as each would comprise artillery and cavalry as well as infantry, each year's training would include maneuvers in combined tactics. This was a remarkable feature in Steuben's plan. For here he was proposing territorial divisional areas in America long before the same conception was developed in Europe.

If his legions made rather small divisions at the start, that would be automatically corrected in the future. The divisions would be able to grow with the growth of population in the divisional areas.

The baron proposed 21,000 as the proper strength for his Continental Militia, or National Guard. If it had been established then and permitted to grow with the growth of population, its present strength would be more than 700,000 men.

Steuben also proposed a small regular army as a guard for the Indian frontier, with a military academy and a supply establishment in each of his territorial departments. If this organization had been adopted we should have been adequately prepared for all of our subsequent wars from the War of 1812 to the World War.

When his plan was completed, Steuben sent it to Mount Vernon for Washington's consideration. On the 15th of March 1784, Washington replied in part as follows:

"I have perused, with attention, the plan which you have formed for establishing a continental legion, and for training a certain part of the arms-bearing men of the Union as a militia in times of peace, and with the small alterations which have been suggested and made, I very much approve of it. It was no unpleasing and flattering circumstance to me to find such a coincidence of ideas as appears to run through your plan and the one I had the honor to lay before Congress in May last. Mine, however, was a hasty production, the consequence of a sudden call and little time for arrangement, yours of mature thought and better digestion * * * I can think of no plan more likely to answer the purpose than the one you have suggested, which, the principles being established, may be enlarged or diminished according to circumstances. It therefore meets my approbation, and has my best wishes for its success."

Here we have a national-defense organization, prepared by one of the most accomplished professional soldiers of the eighteenth century and approved by the greatest citizen-soldier of all time. Why was it not adopted until 136 years later? In the answer to this question we find one of the most dramatic series of incidents in our national history. (After receiving Washington's approval, the baron published his plan in a pamphlet entitled "A Letter on the Subject of an Established Militia and Military Arrangements Addressed to the Inhabitants of the United States, 1784." There are copies of this rare pamphlet in the Library of Congress, the library of Harvard College, and other collections.)

Five years later, when Washington became President, he immediately began to prepare a national-defense plan to be submitted to Congress. An entry in his diary shows that he carefully compared the militia systems of Europe, his own plan of 1783, Steuben's plan of 1784, and a modification of Steuben's plan made by the Secretary of War, General Knox, in 1786. Knox's organizational structure was the same as Steuben's, but he proposed compulsory training and service instead of voluntary training and service.

Washington decided to recommend this more comprehensive plan. Then, if Congress should decide to reject the principle of compulsory training and service, there would still remain Steuben's organizational structure on the voluntary basis. He therefore sent the Knox plan to Congress on January 1, 1790.

The Knox plan was not favorably received in Congress. In the first place, it was badly written and difficult to understand. In the second place, Knox was a poor politician. In his letter of transmittal he said that his proposed continental militia would protect the United States from internal as well as external enemies. Further on he stressed his opinion "that the Government should possess a strong corrective arm." These expressions were bad politics just at that time. Many popular leaders believed that the new Federal Government already had too much coercive power. At a time when Congress was safeguarding the liberties of the people by enacting a Bill of Rights in the form of amendments to the Constitution, they were not attracted by the Secretary of War's proposals for "a strong corrective arm." Congress therefore rejected the Knox plan and Steuben's plan fell with it. Even the baron's modest little citizen army of 21,000 volunteers would have more "coercive power" than was popular just at that time.

On July 1, 1790, the Honorable Elias Boudinot, of New Jersey, introduced a new national-defense bill. In this bill he adopted an alternative solution of the militia problem that Washington had suggested in his Sentiments on a Peace Establishment. It was now proposed that the necessary peace training and organization should be provided by grouping all the younger men in a special "light infantry company" to be formed in each regiment of the general militia. Upon threat of war, these special light companies could be assembled into battalions and regiments and thus form the new Continental Army. Similar arrangements were proposed for the other branches of the service. The bill also provided for Federal supervision and for a sound system of discipline. This solution was not so simple as Steuben's, but it seemed to be free from political objection. And, after all, it still retained the essential principle of Washington's "well-regulated militia"; that is, the separate organization and training of a sufficient portion of the younger men in time of peace.

There was no time for action on the Boudinot bill in the First Congress. In the first session of the Second Congress substantially the same bill was introduced by the Honorable Jeremiah Wadsworth, of Connecticut. After some changes in the Committee of the Whole, the Wadsworth bill came up in the House on March 5, 1792. On that day every valuable provision in the bill was cut out by amendment. Washington's fundamental principle of separate organization and training for the younger men was eliminated. No provision for training of any kind remained in the bill. The bill as amended made no provision at all for Washington's "well-regulated" militia. The next day the amended bill passed the House as the worthless Militia Act of 1792.

Mr. Wadsworth, the sponsor of the bill, was so disgusted that he voted "no" on its final passage. And he might well be disgusted. If he had been able to pass the original Wadsworth bill of 1792, it would not have been necessary for his great-great-grandnephew, JAMES W. WADSWORTH, to pass the National Defense Act of 1920.

The reasons for this collapse of Washington's military program may be summarized briefly. When the Wadsworth bill came before the House, it became involved in the political struggle between the followers of Jefferson and the followers of Hamilton. The Jeffersonians were not disposed to give effective military power to a Government so strongly influenced by Alexander Hamilton. But the leaders of the new democracy kept their party record clear. They did not vote against the militia bill. They skillfully denatured it and then passed it.

Washington was greatly disappointed. But he finally signed the bill. He was always reluctant to use his veto power, and he hoped that the militia law could be amended later. In every subsequent message to Congress he still urged the establishment of a "well-regulated militia" as the only sound basis for national defense

The Militia Act of 1792 was completely discredited in the War of 1812 and for many years this discredit attached to the whole conception of citizen soldiers as a sound basis for national defense. But there was nothing in the history of that war that impugns a "well-regulated militia" as Washington conceived it. If Steuben's plan had been adopted in 1784 we should have had an organized Continental Army of 50,000 men in 1812 with 50,000 trained reserves behind them. With such a force the administration's plan for the conquest of Canada could not have been a failure.

After the War of 1812 President Madison urged a return to Washington's wisdom. He was one of the last survivors of the original fathers of the Republic. He retained the merits of Washington's plan in his own memory. But his plea was disregarded. A few years later a new military gospel emanated from the War Department. This was officially proposed by John C. Calhoun, the Secretary of War, in 1820. It was now proposed to abandon our traditional citizen army and to rest our defense upon an expansible standing army.

This proposal was always absurd, because it is politically and economically impossible to exploit it to its logical conclusion in a country such as ours. If honestly worked out so as to assure a prompt and adequate war expansion, it calls for a regular peace establishment of prohibitive dimensions and expense. If worked out on the basis of a permissible peace establishment, it cannot meet the full demands of war expansion. But, unfortunately, this dangerous heresy became the accepted gospel of the Regular Army. During the ensuing century most Regular Army officers believed that preparedness was merely a question of increasing the Regular Army. They were never unanimous as to just how this increase should be made. For each of them believed that most of the increase should be applied to his own branch of the service. I worked out one of these Calhoun national-defense schemes when I was a second lieutenant. It led me to the conclusion that Congress should give us five more regiments of regular infantry. It happened incidentally that the same act of Congress would have made me a first lieutenant.

It is well known that Calhoun's political disciples in the South were the principal champions of secession, but it is not so well known that Calhoun's military disciples in the North almost made it impossible for Abraham Lincoln to save the Union. According to General Grant, the military superiority of the South in the early years of the war was due to the fact that the North

did have and the South did not have a standing army. All of the trained officers and men in the South were immediately employed in organizing and training a citizen army. During this same time the North was wasting much more substantial resources of the same kind in a piddling little increase of the Regular Army. According to Grant, the Government should have disbanded the Regular Army and should have sent out its trained officers and men to leaven the new Volunteer Army.

Those who question the value of citizen soldiers should consider that superb army of the Confederacy. Every man in it was a citizen soldier. It was precisely the kind of an army that Washington recommended to his countrymen. But he would have made it even more formidable by giving it organization and training in time of peace. But could there have been an appeal to force in 1861 if Washington's Nation-wide organization had been adopted? For every organized regiment in the South there would have been four organized regiments in the rest of the Union. Could there have been an appeal to arms against such organized odds as these? In these circumstances there must have been a peaceful settlement of the slavery question.

In 1878, 13 years after the Civil War, Congress appointed a joint committee to reorganize our national defense system. Three of its seven members were Senators, the other four were Members of the House. All of them were distinguished veterans of the Civil War—five from the Union Army and two from the Confederate Army. This committee was called the "Burnside Commission", after its chairman, General Burnside, who was then a Senator from Rhode Island. It would be difficult to imagine a jury more amply qualified to pass on national military policy.

Just at this time General Upton was making his researches in Washington's writings. If he had found Washington's military policy and had brought it to the Burnside Commission, we should probably have had a sound military organization a whole generation before the World War. But, unfortunately, General Upton found none of Washington's constructive proposals. What he did find he used in support of his own thesis in behalf of an expansible standing army. Indeed, he had frankly undertaken his researches in order to find support for that thesis. The final result was remarkable. General Upton made Washington his principal witness in behalf of a doctrine that Washington never heard of and one that is repugnant to everything that Washington ever advocated.

If the Burnside Commission failed to receive Washington's military gospel, it did receive the orthodox gospel of the War Department. General Sherman, then the commanding general, presented the commission with his own pet version of the expansible standing army. This failed to impress the soldier statesmen of the commission, and so the solution of our national-defense problem was again deferred to the future.

After the Spanish-American War there was a new agitation for preparedness. This finally resulted in an increase of the Regular Army, but with no important step toward effective national organization.

In 1903, however, the General Staff Corps was established by Congress. Here for the first time in our history an agency was set apart to make comprehensive plans for the national defense. In ordinary circumstances this new scientific agency should have first investigated the history of our military institutions. This must have led at once to the rediscovery of Washington's original plan of 1783 and the perfected version of it prepared by Steuben in 1784.

But this interesting investigation was not undertaken. Just at that time General Upton's unprinted manuscript was rediscovered. It was accepted at once as an authoritative treatise on military policy, based on exhaustive historical research, and was published by the War Department as an official document. It was therefore no longer necessary for the infant General Staff to receive its baptism at the hands of Washington. The field of historical research had already been exhausted.

But as time went on, many thoughtful Army officers began to question that Calhoun-Upton doctrine. In 1911, I was a member of a general staff committee appointed by Secretary of War Stimson to propose a national-defense organization. The report of this committee was published by order of the Secretary of War in 1912. At the beginning of our report we said:

"It is the traditional policy of the United States that the military establishment in time of peace is to be a small Regular Army, and that the ultimate war force of the Nation is to be a great Army of citizen soldiers. * * * It is, therefore, our most important military problem to devise means for providing great armies of citizen soldiers to meet the emergency of modern war."

The organization we proposed was based upon the passage I have just read. In essentials it was similar to our present organization. If it had been adopted in 1912, we should have had an effective start toward organization for the World War.

Here was a step in the right direction. But when the World War broke out and there was a growing popular demand for preparedness, the General Staff returned to Calhoun and Upton. Their proposals resulted in the act of 1916. This gave us an elaborate military organization that had to be entirely revamped less than a year later, when we finally went into the World War. This law did give us a big increase in the Regular Army, with the result that we repeated the folly of 1861. We employed, in raising new regular regiments, many trained officers and men who should have been sent to the new divisions of the National Guard and the National Army.

After the armistice it became apparent that Congress would find it necessary to take up the whole problem of national military organization. General Pershing was ordered to send an officer from France who could represent his views. He selected me, but when I reported to him, he declined to give me any specific instructions. He had had no time to study this question carefully and his views had not been invited by the Government. In this way I returned to General Staff duty in Washington, and was assigned to the War Plans Branch where I had served before the war. The prospect was most encouraging. At last we were on the eve of securing a settled military policy.

But soon after my arrival in Washington I found that the question of military organization was already settled. The War Department had submitted a military bill to Congress. It was now officially decided that our traditional citizen army should be abandoned and that our security should rest upon an expansible standing army with a peace establishment of more than half a million men. Here was the Calhoun-Upton military policy carried out to the reductio ad absurdum.

This was a remarkable situation. I was convinced that this scheme was unsound in principle. I knew that its cost would be prohibitive. I knew that the war veterans, now returning to civil life, were prepared to support a sound military policy. I knew that they would oppose this official plan with all the power that they could organize. There was not the slightest prospect of its acceptance by Congress. Most of my immediate associates on the General Staff agreed with me that the War Department bill was thoroughly unsound.

While this situation was still electric in the air, I happened to attend a public meeting at the Willard Hotel in Washington. Among the gentlemen at the speaker's table was a vigorous young athlete who, much to my surprise, was introduced a little later as Senator JAMES W. WADSWORTH, Chairman of the Senate Military Committee. I had heard of the Senator many times and hoped to see him some day. But I had expected to see him with the snowy locks and the portly figure that usually go with a chairmanship in the Senate.

The Senator got right down to business. He wasted no time in oratory. He said that Congress was determined to establish a sound military system. He said that his committee was seeking advice on this important question. They expected to examine witnesses from all walks of life who had had war experience; Regular officers, emergency officers, and civilians. He said that they wanted witnesses who would give their frank and honest personal opinions instead of merely echoing the opinions of other people. He was very much in earnest. He impressed me at once as one of those rare individuals who really want facts, who are able to recognize facts when they see them, and who know how to use facts when they get them. I remember saying to myself, "If that man ever asks me for my opinion, I will tell him exactly what I think 'without partiality, favor, or affection.'"

When I finally appeared before Senator WADSWORTH's committee, my role was a very modest one. I was simply a long-belated messenger from Washington to Congress, bearing with me a twentieth-century adaptation of his original military policy. I knew that the foundations of my plan were erected upon Washington's wisdom. But I did not know then that, in the plan itself, I was really a plagiarist. I did not know until 8 years later that the plan I proposed to Senator WADSWORTH and his associates, was identical, in all essentials, with the Steuben plan that Washington approved in 1784. I had arrived at the same goal by another route. For many years, I had pondered on the practical application of Washington's general proposals. Finally I arrived, independently and unwittingly, at the same solution that Steuben reached after personal consultation with Washington himself. (As a partial amends for this unintentional plagiarism General Palmer is now (1935) writing the biography of Baron von Steuben.)

In order to grasp the full intent of the National Defense Act, it is necessary to understand how the law was finally written by conferees from the two Houses of Congress. In the Wadsworth bill as it passed the Senate all of the constructive features of our present military organization were described in a clear and logical manner. But there was no provision for any of these features in the Army bill just passed by the House of Representatives. This finally brought two widely divergent measures before a conference committee.

Here was a serious problem for Senator WADSWORTH. Fortunately the House conferees were favorably impressed by his presentation of the Washington military policy. They all agreed that our defense should rest upon our traditional citizen Army and not upon an expansible standing Army. But Congress was on the eve of adjournment and there would be no time for further debate or deliberation in the House.

It was then proposed that the Senate's organizational structure might be described in general terms in a few brief amendments to the House bill, leaving details of organization to the discretion of the President.

But here was a serious practical difficulty. Who would actually exercise the Presidential discretion? The President would necessarily delegate this task to the War Department, and the War Department, at that time, was committed to the expansible standing army bill that Congress had just rejected. Evidently, there must be some check on the President's discretion. Otherwise, without knowing it, he might intrust the practical application of Washington's military policy to the disciples of General Upton.

A practical solution for this difficulty was found in another provision of the Wadsworth bill. There, it was proposed that the organization of the new Army of the United States, with its Regular Army, its National Guard, and its Organized Reserves, should be made by General Staff committees in which citizen Army officers should have an equal voice with Regular Army officers.

This provision was accepted by the conferees and was embodied in the National Defense Act. Under the terms of this provision, the new organization was actually made soon after the passage of the law. It is, of course, an obvious implication from the general purpose of the law that modifications of the organizational structure should be made in the same way.

When Washington approved Steuben's plan he was especially impressed by its flexibility. In his letter to the baron he pointed out that, with the principles once established, the organizational structure could be "enlarged or diminished according to circumstances." His words were prophetic. He proposed to apply the plan when our country was a mere fringe along the Atlantic seaboard and our population less than 4,000,000. We have seen it applied in a great continental area with a population of 130,000,000 souls.

There will be modifications of the structure in the future; modifications to meet changes in the world situation, changes in methods of warfare, and changes in military weapons. But the Army of the United States, under the law, will always be an organized team of professional soldiers and citizen soldiers. As time goes on, the proper relative proportions of these two human elements can always be determined by applying two simple principles which flow inevitably from Washington's military policy:

1. We should maintain regular officers and soldiers to do those things that obviously cannot be done by citizen officers and soldiers.

2. We should not maintain regular officers and soldiers to do things that can be done effectively by citizen officers and soldiers.

These two principles are axiomatic. Whenever we depart from them we increase the cost of the Military Establishment unnecessarily and, at the same time, reduce our ultimate capacity for national defense. If we apply them intelligently in the future the National Defense Act of 1920 will meet our military needs, so long as we remain the Nation of free men that Washington, under the providence of God, was sent to establish.

### THE RECOVERY OF THE NATIONAL BANKING SYSTEM

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting a report from the Comptroller of the Currency relative to the assets of closed banks and other information as to real-estate assets.

The SPEAKER. Is there objection?

There was no objection.

Mr. SABATH. Mr. Speaker, ladies and gentlemen of the House, as I stated yesterday on the floor of the House when I asked leave to extend my remarks, I did so for the purpose of more particularly giving in detail to the country the wonderful and effective accomplishments of the Honorable J. F. T. O'Connor, Comptroller of the Currency, since he took office in March 1933 under the most trying conditions that have ever confronted a Comptroller of the Currency.

The press release issued by the Comptroller of the Currency, on August 17, 1935, reveals deposits in 5,431 active national banks aggregating $22,518,541,000, as of June 29, 1935. This represents an increase since June 30, 1933, of $5,744,426,000, and establishes a record which has never been approached in the history of the national banking system. The total deposits in active national banks is now fast approaching the total reported for December 31, 1928, on which date 7,635 active national banks reported deposits aggregating $24,347,380,000. This was the highest total reported in the history of the system and exceeds the present figures by only $1,828,839,000.

The phenomenal recovery of the national banks may be attributed to the splendid work of rehabilitation instituted by the President immediately upon his assuming office. The master stroke of the Chief Executive in cleaning up the wreckage at the outset and the measures enacted by the Congress made possible the establishment of the banks on a sound basis and the restoration of the confidence of the public in their solvency.

The man directly responsible for this most remarkable record of recovery was the able, efficient, and energetic Comptroller of the Currency from California. Under his forceful direction seemingly impossible results were accomplished, reflecting credit not only upon himself and his Bureau but upon the administration and the Nation as well.

At the end of the banking holidays in March 1933 three major problems confronted the Comptroller of the Currency. The first of these was that of reopening 1,417 closed banks which had deposits aggregating approximately $2,000,000,000. The Comptroller now reports that all of these banks have been reopened or otherwise disposed of and that there is not a single national bank in conservatorship today. There were reopened under old or new charters or absorbed by other national banks 1,096 of these unlicensed banks, with deposits at closing aggregating $1,808,060,000; 31, with deposits of $11,513,000, either went into voluntary liquidation for the purpose of discontinuing operations or left the System; and 290, with deposits of $152,387,000, were placed in receivership after plans for reopening had been disapproved. The results of the work of the program of reopening unlicensed banks by the Comptroller of the Currency may be summarized by the statement that on March 31 of this year all but 25.6 percent of the total deposits involved in these 1,417 banks at closing had been returned to depositors.

The second problem confronting Mr. O'Connor following the banking holidays was that of returning to depositors of national banks in receivership every dollar possible with a minimum of delay. The results accomplished with the aid of the Reconstruction Finance Corporation have been remarkable. Distributions to depositors in receivership banks since March 16, 1933, aggregate $674,332,605. There are now in receivership, under the supervision of the Comptroller of the Currency, 1,467 banks, which includes those banks placed in receivership prior to March 16, 1933, as well as those placed in receivership since that date. Deposits in these banks at closing aggregated $1,855,232,900, while $1,052,163,159, or more than 56 percent of the amount involved at closing, has been returned to depositors.

The Comptroller had as a third problem the task of rehabilitating and strengthening the capital structure of the banks under his supervision. Since March 16, 1933, 2,216 national banks have issued $542,296,800 in preferred stock and 273 have issued $43,357,500 in common stock for the purpose of repairing and strengthening their capital structure.

As these plans for taking care of the problems confronting him at the end of the banking holidays neared completion, the Comptroller was not unmindful of his obligations to the taxpayer and the unfortunate depositors to reduce expenses of his Bureau as rapidly as he could. Accordingly, the number of employees in the Comptroller's office was reduced from a peak of 791 on August 31, 1933, to 596 on July 1, 1935, and the personnel engaged outside the office in the liquidation of insolvent national banks has been reduced similarly. As rapidly as the stage of liquidation and other conditions permit, receiverships are consolidated and the number of receivers reduced. While there are 1,467 banks in liquidation under the supervision of the Comptroller, there are only 680 receivers in charge of these banks.

It has been the aim of the Comptroller to handle the liquidation of insolvent banks at the least possible cost to the unfortunate depositor and with a maximum of efficiency. The cost of liquidation, including administrative expenses, receivers' salaries, attorneys' fees, and all other items of expense in connection with the winding up of the affairs of an insolvent national bank, averages 7 percent of funds collected. In other words, an average of 93 cents out of every dollar collected is returned to the creditors of insolvent national banks.

Mr. O'Connor has not confined his activities to the work of the office of Comptroller of the Currency but has faithfully discharged his responsibility as an ex officio member of the Federal Reserve Board, and has played a major role in the organization and development of the Federal Deposit Insurance Corporation.

Under provisions of the Banking Act of 1933 the Comptroller of the Currency was named an ex-officio member of the Federal Deposit Insurance Corporation Board. The two appointive members of the Board, Mr. Cummings, of Chicago, and Mr. Bennett, of Utah, did not take their oath of office until September 11, 1933. During the interim between the passage of the law and the organization of the Board, it was necessary to lay the foundation for the organization of the Corporation in order that provision might be made for the examination of over 8,000 State institutions before January 1, 1934.

Mr. O'Connor was the man who laid the foundation for the organization, who made plans for and set in motion examination of the State nonmember banks which became

members of the fund on January 1, 1934. It was a stupendous task which he undertook and one which few believed he could complete in the short time allowed, but with the cooperation of Chairman Cummings and Director Bennett, the task was completed. The assets of all of the more than 8,000 nonmember banks were appraised in due time and the Corporation was organized and set to go on January 1, 1934, as provided by law.

These are indeed wonderful achievements on the part of the Comptroller of the Currency and not only he but the country is to be congratulated upon his accomplishments. I hope that in the future, men rendering like effective and constructive service will be recognized and appreciated and due credit given to encourage others to emulate honesty and efficiency in public office.

TAXATION

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my own remarks by printing a speech made by the president of the Chamber of Commerce of New York City on economic questions.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNELL. Mr. Speaker, under permission to extend my remarks, I include the speech of Thomas I. Parkinson, president of the Chamber of Commerce of the State of New York.

This is one of the best speeches on the tax and economic situations even delivered before that chamber, and it was received with tremendous applause by the large number of members present.

The speech of Mr. Parkinson is as follows:

Unless there is objection, the call will be made part of the minutes of this meeting. The Chair hears no objection. The minutes will contain the call of the special meeting, which, under the bylaws of the chamber, can consider only the subjects referred to in the call. That being the purpose of this meeting, your officers feel not that they need to apologize to you for asking you to convene in midsummer in this hot weather, but to say a word in explanation of the reasons which inspired their decision to call the meeting.

The general subject of taxation is one about which the average taxpayer—and soon the people of this country will realize that that is the average run of people in the country—has no difficulty getting a bit hot under the collar even in ordinary weather, to say nothing of such weather as that in which we are convening. We called this meeting of representative businessmen who constitute the membership of this chamber, that we might consider whether there is anything we can do to help those charged with public responsibility in handling the fiscal problems which confront the Federal Government and especially anything which we businessmen and taxpayers can do to help those charged with public responsibility in dealing with such tax measures as that now pending in the conference of the Senate and House of Representatives today—a strange tax measure with little or no precedent in the history of legislation in this country, unless we are to include the recent history of Louisiana; a tax measure which had its origin in an executive message to the Congress which presented no budgetary reason for the new tax legislation, which dealt only in fundamental questions of governmental policy and the relationship of the Government to the individual. And upon that general message the Ways and Means Committee of the House of Representatives, contrary to all its precedents in the consideration and evolution of tax proposals, gave only a short hearing and gave even less consideration before recommendation and passage by the House.

In the Senate the procedure was likewise unusual. Look back over the history of this country and you will find that one of our great contributions to parliamentary government has been the committee system in our legislature, and particularly in our Federal Congress; the committee before which those interested have full opportunity to argue the pros and cons of a proposal; the committee in which, after those interested have been heard, has and takes the time to consider the facts and the meaning and effect of the proposed measures.

Look at the proceedings on this tax proposal and you will find nothing like that usual procedure in important tax measures—hurried hearings, a report which does not even attempt to set forth any justifying reasons for the committee's recommendations, the barest reference to the fact that the President has asked it in his general message, an apologetic reference with respect to almost every recommendation made by the Ways and Means Committee in place of the usual statement of facts and reasons for its recommendations.

And again in the Senate—a short hearing, no time for consideration, and a report which again does not even attempt to justify the recommendations which are made nor the provisions of the bill which is reported for action by the Senate. And these bills, developed in that way, have been passed by your House of Representatives and by your Senate.

May I take an illustration from a bill with which I am familiar? There was in that House bill, passed by the House of Representatives, a provision which made it impossible for us life-insurance companies to have paid maturing policies until months after the death of the insured. Today 95 percent of the claims on matured life-insurance policies are paid within 24 hours after presentation of the proofs. Under that bill as it passed the House and is in conference we could not pay beneficiaries under such a policy until we knew how much the beneficiary was to receive from the estate of the deceased insured in toto, and what would be the rate of payment on his whole beneficial interest received from the deceased insured; and if we did, we might have to pay over again to someone else the tax which was finally levied upon that portion of the beneficiary's estate which he received from the insurance policy.

Now, I know that Members of Congress did not mean to put such a provision on the statute books of this country. I know that the Congressmen from this metropolitan area did not mean to vote that the funds of widows and orphans that the insurer was ready to pay could not be made available for their purposes until months or years after the death of the insured. They did not only mean it but they did not know. They passed that bill without knowing what was in it. That is but one illustration of many provisions in that bill which they passed without knowing.

Is that representation of the taxpayers? Is that representation of the average run of people who are the constituents of the Congressmen? Gentlemen, I do not want to be extreme, but this country had its beginning in a little fracas known to history as the Boston Tea Party, and that, in turn, was inspired by objection to taxation without representation. And I submit that representation means intelligent observation of the facts, intelligent consideration of the facts and of proposals, and without the time necessary for such consideration there is no representation, and we are again faced with the danger of taxation without intelligent and effective representation. [Applause.]

May I read a word from that great source of political wisdom, the Federalist, in which Hamilton said: "There is no part of the administration of government that requires extensive information and a thorough knowledge of the principles of political economy so much as the business of taxation. The man who understands these principles best will be least likely to resort to oppressive expedients or to sacrifice any particular class of citizens to the procurement of revenue. There can be no doubt that in order to use a judicious exercise of the power of taxation it is necessary that the person in whose hands it is should be acquainted with the general habits and modes of thinking of the people at large and with resources of the country."

That is a fine bit of advice for anyone charged with public responsibility who undertakes to exercise this great power, this power which Chief Justice Marshall once said is a power to destroy. "The power to tax is the power to destroy." But the great Chief Justice did not utter that as an invitation to destructive use of the power of taxation. He uttered it as a warning. He never conceived of it in terms of taxation which would destroy not only the subject of the tax but even destroy the taxpayer himself.

Now, gentlemen, it is because both the proposals which form the basis of these pending tax bills which are scheduled to come out of conference in some form in the next few days, and because the provisions of those bills themselves violate all true principles of taxation, because they have been conceived, developed, and enacted with a haste and recklessness contrary to all our legislative, and particularly our revenue-legislative, history; it is because of those factors involved in this legislation that we have asked you to come together, to see whether you, this organization, which is yours to use to effect your purposes, can do something to bring about a more careful consideration of every measure, fiscal or tax, which is brought forward in these troublesome times for the solution of the financial problems of the Federal Government.

We have been drifting into a situation where the easy-going methods which have characterized the evolution of this pending tax bill will be likely to suggest other and even more dangerous experiments to solve our more important problems. I do not want to bore you with figures. It is enough to say that the Federal, State, and local bonded debt in this country forms a blanket of $50,000,000,000 of first lien on all the property and property values of this country. As the pressure of that vast debt becomes greater the same easy-going and political solution which has characterized the consideration of this tax measure may very well resort to measures for dealing with that huge obligation in terms of confiscation, repudiation, or inflation, which is a little bit above confiscation and repudiation.

The problem is growing more serious daily, and if the easiest way is to be the way of solution, if the political way is to be the way of solution, as it has been in the consideration of this pending tax bill, then we are face to face, we who are responsible for the administration of business and the events of business, with the possibility of resort either through confiscatory taxation, to hitherto unthinkable repudiation, or to the easy, indirect, misrepresenting solution through inflation.

We know that there are limits to what you and I can do singly or in groups like this chamber of commerce, in the solution of problems, the details of which are so much in the hands of those who hold high public office and have the details at their command;

but, gentlemen, is there not something that we can do? If not with respect to this particular tax bill, then to the solution of the fiscal and tax problems of this country in the near future, is there not something we can do which will assure us of a more responsible attitude on the part of our Congressmen, and a more intelligent consideration of any proposals which are before them?

Asking your pardon for even so much of a statement as that, I thought you ought to realize why at this time of the year and under all the circumstances we thought that we should grant the request of those members who asked that a special meeting of the chamber should be called for the consideration of these questions. The main business of the meeting, then, is to hear the report of the committee on taxation, which in the absence of Mr. Lee, the chairman, will be presented by Mr. Merrill. Mr. Merrill. [Prolonged applause, with the audience rising.]

### WAGE AND LIVING COST DIFFERENTIALS INVOLVED IN THE CONTRACTOR'S BILL, S. 3055

Mr. ZIMMERMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement I made before the Committee on the Judiciary during the consideration of a pending bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. ZIMMERMAN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include my statement before the House Judiciary Committee, August 20, 1935, as follows:

The CHAIRMAN. Mr. ZIMMERMAN, you are appearing in opposition to the bill, as I understand it?

Mr. ZIMMERMAN. Yes, sir.

The CHAIRMAN. Give your name to the reporter and proceed, Mr. ZIMMERMAN.

Mr. ZIMMERMAN. ORVILLE ZIMMERMAN, Representative Tenth District of Missouri, which comprises the southeast corner of the State of Missouri. My district is about 100 miles north of Memphis and about 150 miles south of the city of St. Louis.

Now, gentlemen of the committee, in view of the far-reaching scope of this bill, it would seem to me that this matter should not be rushed through this committee or through Congress, but that this subject and the matters proposed in this bill should be given close and extensive study, in order that the right thing may be done about the matters that are contained in this bill.

I want to say this: As a representative of rural Missouri and as a representative of a great many shoe and garment factories in my district, I should like to have the privilege and the opportunity of bringing witnesses here before this committee and give you men the real facts about that situation and a vivid picture of conditions which obtain in my district and in other districts in Missouri and adjoining States, in order that intelligent legislation may be enacted which will not be detrimental to certain sections of our country, particularly in the West and in the South.

So, gentlemen, what I shall say here today applies with equal force to the western manufacturer, the little manufacturer, and the small towns in the West and in the South. You have already heard something about the plight of the manufacturer in the South, and what is true of the South is true of the West, because the same conditions obtain in both sections of our country, and we are grouped in the same class.

Gentlemen, I urge that you give this bill your most earnest and careful consideration, and if possible give these people a chance to come here and present their case before legislation is enacted which I believe, and which a great many of us believe, will bar us from the privilege of pursuing our vocations as we have in the past.

Let me call your attention to this fact also: The purpose of the bill on its face is the reincarnation of the N. I. R. A., particularly with reference to the maximum hours and minimum wages. There can be no doubt about that; it is patent upon its face, and while, gentlemen, I am not going to attempt to argue the legal phases of this question, I do hope we will do this: I hope we will first give the Wagner labor disputes bill an opportunity to operate and demonstrate what it will do for labor with reference to minimum wages and maximum hours.

I do not hold myself out as a constitutional lawyer. We have a great abundance of that group in our Congress. I am just a plain country practitioner, and shall not pretend to argue the constitutional phases of the question.

A great many of us think that the Wagner bill gives labor an opportunity to bargain and to work out the proper standards of hours and of wages, and it seems to me that we ought to give that bill, which has been passed by this Congress and signed by the President, an opportunity to work and see what it will do and what effect it will have upon hours of work and wages.

For that reason it seems to me that the operation of that bill should be given a chance to work and should challenge this committee to proceed cautiously and slowly with the consideration of this bill, which has for its objectives the same purpose.

Now, gentlemen, as I said awhile ago, in my congressional district we have about 10 small factories. Most of these factories are shoe factories scattered over the principal towns in my district. These factories are subsidiaries of the larger factories in the city of St. Louis.

How did we get these factories? The truth about the matter is the people down in my agricultural district—and, by the way, I come from one of the finest agricultural districts in the whole country—felt the necessity and importance of providing some industrial opportunity for the labor in our towns and communities where this labor could not be absorbed in agricultural pursuits.

And so the citizens of these smaller towns went together and arranged with these larger shoe operators in the city of St. Louis, like the International Shoe Co. and the Brown Shoe Co., and others, to establish factories out in rural Missouri. That thing has happened all over the State of Missouri, in the State of Illinois, Kentucky, and Tennessee, and in other sections of the country. As a result of their efforts the citizens would get together and raise $50,000 or more and build a plant, in order to induce these large companies to establish branch factories in their particular towns.

As a result about five or six shoe factories have been established in my district, and they had been operating many years before the N. I. R. A. went into effect, and they operated successfully, because there was a natural and living cost differential which operated in favor of these small factories in these rural communities, and but for which they could not have operated.

Now, gentlemen, in the larger cities like Boston, New York, and the city of St. Louis, they have what we call the line operation. They have many mechanics, trained and skilled to man their machines when they get out of order. They have a surplus of skilled laborers, superintendents, etc. If one gets sick and drops out another can step in and take his place. If a machine breaks down they can substitute another and go ahead with the operation.

But down in these rural sections 100 or 150 miles from the larger center they do not have the mechanics, they do not have the skilled superintendents, nor do they have a surplus of machines; and, necessarily, when any mishap takes place, it means delay and it adds additional cost to the manufacture of shoes or of gloves or of overalls or of shirts in these communities.

There is another thing we have found out: We have learned from investigation that the freight rate, shipping the raw material from Memphis, Tenn., or from the city of St. Louis down to my section, adds an additional cost, and when the product is manufactured and ready for the market the additional freight charge back to the center for distribution adds more to the cost.

We have also found out that these operators could operate at a less wage in these rural communities than they could in the city of St. Louis or in the city of New York or any other large city, because the cost of living is cheaper. Down in these sections we find that the factory worker owns his home. He has a garden, where, after his factory hours, he goes out and raises his potatoes, sweet corn, beans, cabbage, and a large part of his living. In many instances they have a cow. Land is cheap enough that they can afford enough land to support their cow. They have their flock of chickens; they have their eggs, their butter, their milk, their garden truck, as we call it down in our country, which contributes a large part of their living.

And so these men can do this work in their factories, work in their gardens, and take care of their homes; and they make a good living. In fact, gentlemen, these men out in these rural communities live better than the man in the city who gets a larger wage, and for that reason the wage differential becomes a very material factor in the successful operation of these small factories in these communities.

The same thing is true of our garment factories. In my home town the Ely-Walker Dry Goods Co., in St. Louis, one of the largest in the country, established one of the largest rural factories in the State of Missouri. The citizens of my town, including your humble servant, put up about $50,000 to build an adequate plant in order to carry on this factory. It gives work to about 750 people, boys and girls in my county and community, when operated to capacity, and that was made possible because of the wage differential which I am going to talk to you about, and which has naturally grown up and obtained long before the N. I. R. A. went into effect—a natural differential based upon facts, and it was because of that wage differential that these factories were able to operate successfully and at a profit in these small towns, and without which these laborers would have had no employment.

Mr. WALTER. Mr. ZIMMERMAN, what effect did the passage of the National Industrial Recovery Act have on the manufacturers in your district?

Mr. ZIMMERMAN. In my particular district I have letters from the garment factory in my home town. A gentleman who lived in the city of Memphis, and who has operated factories for years, told me that he was doubtful if they could operate much longer under the wage differential that was provided by the N. I. R. A.; that they were barely getting by, and if there was any material change, he did not see how they could proceed very much longer.

What would that mean to our community? Suppose that factory would close. It would mean that our citizens would have on their hands a $50,000 or $60,000 building, a complete loss to that community, and these 750 ambitious boys and girls coming from the farm would lose their jobs and have no place to go.

I will say this to the gentleman: At Kahoka, Mo.—which is up in my friend ROMJUE'S district—they had a shoe factory, but they were forced to a wage differential of only $1 per week and they

were forced to close that plant down because they could not manufacture shoes at a profit but at a loss.

Senator WALSH. The differential, of course, was only on minimum wages, not on any wage scale at all.

Mr. ZIMMERMAN. What about Washington, Mo., about 75 miles west of the city of St. Louis? They had been running at a loss for months, because the wage differential as allowed by the code was not enough to enable this company to operate that large plant, which accommodated nearly a thousand employees.

Let us take for example Joplin, Mo. A gentleman down there for years has been manufacturing ladies' handbags, one of the finest plants in our country, in fact the pride of our State. It never was allowed any wage differential whatsoever, and, gentlemen, I heard that man stand up and say that unless conditions changed they would be forced to close that plant, throw out of employment all those people in the little city of Joplin, and that plant, erected at a cost of hundreds of thousands of dollars, would be idle and useless and could not be used for any other purpose.

Now, gentlemen, it is this group of manufacturers that I want to plead for here today, because I say to you that if this bill is passed in its present form and the code differential of $1 per week for the shoe manufacturer obtains, I believe it will mean the ultimate ruin of every rural shoe manufacturer in my State and in the surrounding States.

And, gentlemen, that is not right. I want to give you a few facts and figures about that. Since the distinguished gentleman from Massachusetts [Senator WALSH] made reference to the shoe business, we all know in this Congress that early this year shoe manufacturers in Boston came down to Washington en masse, held hearings before the Labor Committee to induce the code authorities to abolish the wage differential in the manufacture of shoes, and when the Missouri delegation and the Illinois delegation met the code authorities over here to discuss the situation, and after we gave them the facts, they conceded to us that the $1 wage differential provided by the code was not adequate.

Mr. WALTER. Mr. Chairman, may I ask a question?

Mr. ZIMMERMAN. Yes.

Mr. WALTER. What percentage of the business these manufacturers of your district do is done with the Government?

Mr. ZIMMERMAN. Well, I can't answer that, but I am sure they will not be able to do any business with the Government if this bill becomes a law.

Mr. WALTER. Of course, your argument would apply if you were arguing against the extension of the N. R. A.

Mr. ZIMMERMAN. I want to touch on that a little later.

The CHAIRMAN. Well now, there isn't going to be much later.

Mr. ZIMMERMAN. Oh.

The CHAIRMAN. We are crowded for time, and you have already occupied 15 minutes.

Mr. ZIMMERMAN. I didn't think I had talked but about 5, Judge.

The CHAIRMAN. We didn't, either. We had to look at the watch to realize it.

Mr. ZIMMERMAN. I want to say this——

The CHAIRMAN. Wait just a minute.

Mr. ZIMMERMAN. Pardon me.

The CHAIRMAN. I don't want to crowd you out, but get to the most important facts you have to suggest.

Mr. ZIMMERMAN. All right. Driving this point a little further, these gentlemen on the shoe and boot code said that a dollar was not enough—"you are entitled to a greater differential."

Senator WALSH. I understood there was just one shoe factory in this country that makes all the Government shoes for the Army and Navy. They carry out certain specifications and built their plant for that purpose, and there is no competition.

Mr. ZIMMERMAN. And they have a chance to create the greatest monopoly in this country, as I will try to show you a little later. It opens the door to monopoly.

Gentlemen, a reading of section 3, on page 10, of the bill, subsection (1), and subsections (a) and (b) under (1) and subsections 2, 3, 4, 5, will disclose requirements which will deter the average business man from bidding on any Government contract, and in my humble opinion it opens the door to the greatest opportunity for companies to monopolize a field and chisel the Government, if you please, that you could have anywhere.

Now, I want to talk more about this wage differential; I want to give you the facts, gentlemen, as worked out by the research staff of the Industrial Club of St. Louis. A tabulation was made of 31 cities in the United States for the year 1933, showing the average cost of living in such cities, the index number being based on New York living cost as 100 percent. The average cost of living for the worker was found to range from $1,214 down to $914 per annum for a family of four. This calculation shows the cost of living, population, and relationship in terms of index numbers and dollars for the average wage-earner's family for the city of New York which has been taken as a hundred percent.

I would like at this point to file the following sheet as exhibit 1 to my statement (worked out by the research staff of the Industrial Club of St. Louis):

"Calculation enables us to bring up to June 1933 the cost-of-living statistics for the average wage-earner's family in the 31 cities for which the United States Bureau of Labor Statistics supplies semiannual cost-of-living-change figures. These June 1933 cost-of-living figures are listed below in table 'B', showing the cost of living, population, and relationship, in terms of index numbers and dollars, to the cost of living of the average wage-earner's family in the city of New York, which has been taken as 100 percent.

TABLE B

| Rank | City | 1930 population | Index numbers based on New York as 100 percent | Average annual cost of living |
|---|---|---|---|---|
| 1 | Norfolk | 129,710 | 104 | $1,214 |
| 2 | Seattle | 365,583 | 103 | 1,208 |
| 3 | Cleveland | 900,429 | 103 | 1,201 |
| 4 | New York | 6,930,446 | 100 | 1,166 |
| 5 | San Francisco | 634,394 | 99 | 1,153 |
| 6 | Memphis | 253,143 | 98 | 1,138 |
| 7 | Jacksonville, Fla | 129,549 | 96 | 1,121 |
| 8 | Philadelphia | 1,950,961 | 94 | 1,099 |
| 9 | Buffalo | 573,076 | 94 | 1,094 |
| 10 | Boston | 781,188 | 92 | 1,073 |
| 11 | Portland, Oreg | 301,815 | 92 | 1,071 |
| 12 | Pittsburgh | 699,817 | 92 | 1,067 |
| 13 | Birmingham | 259,678 | 91 | 1,059 |
| 14 | Portland, Maine | 70,810 | 91 | 1,059 |
| 15 | Scranton | 143,433 | 91 | 1,058 |
| 16 | Chicago | 3,376,438 | 90 | 1,052 |
| 17 | Los Angeles | 1,238,048 | 90 | 1,051 |
| 18 | St. Louis | 821,960 | 90 | 1,045 |
| 19 | Detroit | 1,568,662 | 89 | 1,034 |
| 20 | Mobile | 68,202 | 88 | 1,030 |
| 21 | Minneapolis | 464,356 | 88 | 1,024 |
| 22 | Kansas City | 399,746 | 87 | 1,013 |
| 23 | Richmond | 182,929 | 87 | 1,012 |
| 24 | Houston | 292,352 | 87 | 1,011 |
| 25 | Savannah | 85,024 | 85 | 995 |
| 26 | Denver | 287,861 | 85 | 990 |
| 27 | New Orleans | 458,762 | 84 | 981 |
| 28 | Indianapolis | 364,169 | 83 | 968 |
| 29 | Atlanta | 270,366 | 81 | 946 |
| 30 | Cincinnati | 451,160 | 79 | 924 |
| 31 | Baltimore | 804,874 | 78 | 914 |
| | Average, of 31 cities | | 91 | 1,057 |

Mr. ZIMMERMAN. Taking that as a basis, worked out in the same manner, 16 towns in the State of Missouri and Illinois were worked out, showing population of the town, the percent, and average annual cost of living. Beginning with Hannibal, Mo., there are Belleville, Ill.; Decatur, Ill.; Springfield, Ill.; Danville, Ill.; Poplar Bluff, Mo., in my district; and Lebanon, Mo., a small town; and Vandalia, Mo., also a small town.

The average annual cost of living per family in these towns was $799, as compared with the average cost based on living expenses in New York, which was $1,166.

I cite these figures to show you the justice in the wage differential which should exist in favor of these towns. It is because of that wage differential that they can pay the difference in freight rate, shipping the raw material in and the manufactured product out, and the additional cost of manufacturing in these small towns, because these country boys and girls produce slowly. They cannot produce like the highly skilled city laborer, and the additional labor increases the cost.

Now, let us take as an illustration Lebanon, Mo. That is a little town of 3,562 people. The cost of living was 60 percent, as compared with New York, and the average annual cost of the worker in that town was $701, as compared with the cost in the larger cities.

Now I desire to offer the following sheet as exhibit 2 to my remarks:

"From table B it will be seen that St. Louis' own living cost is but 90 percent of that for the city of New York. We have taken the 16 towns and cities surveyed by the Industrial Bureau and placed them likewise in comparison with the New York cost of living. The tabulation below shows that the average for the 16 small cities and towns is but $799 per family per year, or 69 percent of the cost in New York.

TABLE C

| Rank | City or town | 1930 population | Percent | Average annual cost of living |
|---|---|---|---|---|
| 1 | Hannibal, Mo | 22,761 | 77 | $900 |
| 2 | Belleville, Ill | 28,425 | 77 | 894 |
| 3 | Decatur, Ill | 57,510 | 76 | 885 |
| 4 | Springfield, Ill | 71,864 | 75 | 878 |
| 5 | Danville, Ill | 36,765 | 75 | 870 |
| 6 | Jacksonville, Ill | 17,747 | 73 | 853 |
| 7 | Louisiana, Mo | 3,549 | 70 | 818 |
| 8 | Steeleville, Ill | 909 | 70 | 817 |
| 9 | Sullivan, Ill | 2,339 | 67 | 777 |
| 10 | Poplar Bluff, Mo | 7,551 | 66 | 765 |
| 11 | Kirksville, Mo | 8,293 | 64 | 752 |
| 12 | Vandalia, Ill | 4,342 | 64 | 749 |
| 13 | New Haven, Mo | 876 | 62 | 722 |
| 14 | Sullivan, Mo | 2,013 | 62 | 721 |
| 15 | Lebanon, Mo | 3,562 | 60 | 701 |
| 16 | Vandalia, Mo | 2,450 | 59 | 690 |
| | Average of 16 cities and towns | | 69 | 799 |

"Graphic presentation of the data in tables "B" and "C" is given in chart no. 1933—334 on page 14.

"As illustrative of the fact that the amount of living costs bears a broad relationship to the size of the population, the following averages summarized below will be interesting:

| | Average annual cost of living | Relationship to the living cost in New York City |
|---|---|---|
| | | *Percent* |
| Average of 31 large cities (all over 70,000) | $1,057 | 91 |
| 5 cities of 22,000 to 72,000 population | 885 | 76 |
| 11 small towns and villages under 18,000 population | 760 | 65 |

Mr. ZIMMERMAN. Now, gentlemen, in order to show you how carefully and scientifically they went into the cost of living in the little town of Lebanon, Mo., I would like to present to you a photostatic copy of one of the original work sheets which was used to get the information upon which to reach these results. I haven't time to go into that in detail, but I would like to offer this sheet. This deals with the cost of housing and of rentals, and I would like to file this sheet as exhibit 3 to my statement, as follows:

INDUSTRIAL CLUB OF ST. LOUIS SURVEY OF COST OF LIVING

*Costs of housing and rents in Lebanon, Mo., as of June 15, 1933*

| Street and number or name | Number of occupants | Number of rooms | Annual rental | Owned by occupant, cost or value | Total | Annual cost per room | Annual cost per person |
|---|---|---|---|---|---|---|---|
| Polk and Fifth | 6 | 3 | $105 | | $105 | | |
| Locust Street 105 | 2 | 5 | | $1,500 | 150 | | |
| Thelma Garvin | 2 | 2 | 96 | | 96 | | |
| Lee Hutton | 2 | 2 | 84 | | 84 | | |
| Adams Avenue | 1 | 1 | 52 | | 52 | | |
| N. Adams 311 | 1 | 4 | 66 | | 66 | | |
| Alma Elam | 4 | 3 | 120 | | 120 | | |
| Nora Hilton | 6 | 4 | 150 | | 150 | | |
| Gladys Lomenick | 4 | 4 | 72 | | 72 | | |
| Vera Parker | 5 | 3 | 144 | | 144 | | |
| Mila Montgomery | 3 | 2 | 60 | | 60 | | |
| Mabel Lankford | 5 | 4 | 150 | | 150 | | |
| Sarah Tyre | 5 | 2 | 78 | | 78 | | |
| 234 South Washington | 3 | 2 | 32 | | 32 | $16.00 | $10.67 |
| 133 Locust Street | 2 | 3 | 120 | | 120 | 40.00 | 60.00 |
| 400 South Madison | 5 | 7 | | 1,500 | 150 | 21.43 | 30.00 |
| 403 Monroe Street | 7 | 5 | | 2,500 | 250 | 50.00 | 35.71 |
| 300 Clark | 3 | 7 | 72 | | 72 | 10 29 | 24.00 |
| 328 Garfield | 6 | 4 | 120 | | 120 | 30.00 | 20.00 |
| 304 Michigan | 9 | 4 | 120 | | 120 | 30.00 | 13.33 |
| 118 Monroe | 1 | 1 | 78 | | 78 | 78.00 | 78.00 |
| Harrison | 3 | 5 | 120 | | 120 | 24.00 | 40.00 |
| 437 Pierce | 2 | 1 | 120 | | 120 | 120.00 | 60.00 |
| 228 North Madison | 2 | 2 | 60 | | 60 | 30.00 | 30.00 |
| 418 Monroe | 2 | 7 | | 1,200 | 120 | 17.14 | 60.00 |
| Heavner addition | 9 | 4 | | 800 | 80 | 20.00 | 8.88 |
| 115 North Jackson | 2 | 2 | 52 | | 52 | 26.00 | 26.00 |
| 14 Washington | 3 | 5 | 264 | | 264 | 52.80 | 88.00 |
| 303 Adams | 2 | 2 | 20 | | 20 | 10.00 | 10.00 |
| 258 North Adams | 5 | 4 | 125 | | 125 | 31.25 | 25.00 |

Mr. ZIMMERMAN. Then the price of clothes is taken into consideration, what they pay for clothing down there in that town, and after careful investigation they calculated the retail prices of clothing for females on the following sheet, which gives you the cost of apparel for women workers, which I desire to offer as exhibit 5 to my statement, as follows:

INDUSTRIAL CLUB OF ST. LOUIS SURVEY OF COST OF LIVING

*Retail prices of clothing for females as of June 15, 1933*

(Name of store, Butler Bros.; name and position of informant R. E. Butler)

| Year-round clothing: | *Retail prices* |
|---|---|
| House dresses | $1.00 |
| Chemises, etc | 1.00 |
| Princess slips | 1.00 |
| Nightgowns or pajamas | 1.00 |
| Corsets or corselettes | 1.95 |
| Brassières | .50 |
| Stockings, silk | .59 |
| Stockings, cotton or rayon | .25 |
| Stockings or socks, cotton or rayon, 6-year | .25 |
| Underwaists, 6-year | .25 |
| Shoes, low | 2.95 |
| Rubbers | .90 |
| Rubbers, 6-year | .85 |
| Gingham or prints, per yard | .15 |
| Percale or apron gingham, per yard | .10 |
| Summer clothing: | |
| Kimonos | 1.95 |
| Union suits | .50 |
| Union suits, 6-year | .25 |
| Bloomers or drawers, 6-year | .25 |
| Nightgowns or pajamas, 6-year | .50 |

*Retail prices of clothing for females as of June 15, 1933*—Continued

| Summer clothing—Continued | *Retail prices* |
|---|---|
| Shoes, low, 6-year | $1.50 |
| Voile, per yard | .25 |
| Tub silk, per yard | .59 |
| Silk, per yard | .85 |
| Winter clothing: | |
| Dresses, silk ($5.95 to $10) average | 8.00 |
| Dresses, wool ($5.95 to $10) average | 8.00 |
| Coats, wool | 16.50 |
| Coats, wool, 6-year | 3.95 |
| Kimonos | 1.95 |
| Union suits | .75 |
| Bloomers | .50 |
| Union suits, 6-year | .50 |
| Bloomers, 6-year | .25 |
| Nightgowns or pajamas, 6-year | .75 |
| Shoes, high or low, 6-year | 1.50 |
| Serge or flannel, per yard | 1.95 |

Mr. ZIMMERMAN. Then in order to get a proper understanding of the cost of living they made an investigation of the price of men's clothing and wearing apparel in that little city, and that was tabulated, and I offer exhibit 6 as illustrative of the cost of men's wearing apparel in that town, as follows:

INDUSTRIAL CLUB OF ST. LOUIS SURVEY OF COST OF LIVING

*Retail prices of clothing for males as of June 15, 1933*

(Name of store, Burley Bros.; city, Lebanon, Mo.; name and position of informant, C. B. Burley)

| Year-around clothing: | *Retail prices* |
|---|---|
| Hats, felt | $2.45 |
| Caps | 1.00 |
| Overalls or work trousers | .95 |
| Socks, cotton | .25 |
| Shirts, cotton | 1.00 |
| Pajamas or nightshirts | 1.50 |
| Collars. | 25 |
| Neckties. | 65 |
| Rubbers | 00 |
| Caps, 12-year | 50 |
| Stockings, cotton, 12-year | 15 |
| Shirts or blouses, cotton, 12-year | 50 |
| Pajamas or nightshirts, 12-year | 50 |
| Neckties, 12-year | 25 |
| Summer clothing: | |
| Hats, straw | 1.45 |
| Suits, palm beach, mohair, etc. (seersucker) | 9.50 |
| Union suits, athletic | .38 |
| Shoes, low | 3.50 |
| Trousers, cotton, 12-year | .95 |
| Union suits, athletic, 12-year (2-P) | .29 |
| Winter clothing: | |
| Suits | 13.50 |
| Overcoats | 10.00 |
| Union suits | .75 |
| Shoes, high | 3.50 |
| Trousers, wool, 12-year (knicks) | 1.65 |
| Union suits, 12-year | .50 |

Mr. ZIMMERMAN. Then food prices were taken into consideration. So they have tabulated the prices of foods consumed by these employees. Here is one of the original work sheets which I desire to file as exhibit 7 to my statement, as follows:

INDUSTRIAL CLUB OF ST. LOUIS SURVEY OF COST OF LIVING

*Retail prices of food in Lebanon, Mo., as of June 15 1933*

(Name of firm, Shafer's Grocery; information supplied by R. A. Shafer)

| | | |
|---|---|---|
| Sirloin steak, best cut | per pound | $0.17 |
| Round steak, best cut | do | .17 |
| Rib roast, bone in, best cut | do | 12½ |
| Chuck roast, bone in, best cut | per pound | 12½ |
| Plate boiling beef (not corned), best cut | do | 10 |
| Pork chops, loin, best | do | 12 |
| Bacon, clear, smoked, sliced | do | 18 |
| Ham, smoked, sliced, center cuts | do | 25 |
| Leg of lamb, yearling | do | 25 |
| Salmon, Red Alaska, tall | per 1-pound can | 20 |
| Bread | 12 ounces | 05 |
| Milk, fresh (pasteurized), delivered | per quart | .08 |
| Milk, evaporated (unsweetened) Carnation and Pet | per 14½-ounce can | .07½ |
| Butter, creamery, extra | per pound | .30 |
| Nut margarine, vegetable (Besto nut and palm nut) | per pound | .10 |
| Cheese, American, whole milk | do | .25 |
| Lard, pure, loose | do | .10 |
| Vegetable lard substitute (Crisco) | do | .22 |
| Eggs, strictly fresh | per dozen | .14 |
| Wheat flour (Holly Wreath) | per ⅛-barrel bag | .65 |
| Corn meal | per 12-pound bag | .25 |
| Rolled oats (Meteor) | per 55-ounce package | .12½ |
| Corn flakes | per 13-ounce package | .10 |
| Wheat cereal (Monarch) | per 1½-pound package | .10 |
| Macaroni (Blue Jay) | per 7-ounce package | .05 |
| Rice, whole, medium select | per pound | .05 |
| Beans, small, white, navy, hand-picked | do | .05 |
| Potatoes, Irish (or white) | per peck | .45 |

*Retail prices of food in Lebanon, Mo., as of June 15, 1933*—Con.

| | | |
|---|---|---|
| Onions, yellow | per pound | $0.05 |
| Cabbage | do | .05 |
| Pork and beans (Van Camps) | per 16-ounce can | .05 |
| Corn, standard | per no. 2 can | .08⅓ |
| Peas, standard | do | .13 |
| Tomatoes, standard | do | .07½ |
| Sugar, granulated | per pound | .05 |
| Tea (bulk) | per pound package | .40 |
| Coffee (Rio) | do | .15 |
| Prunes, California (50/60) | per pound | .10 |
| Raisins, seeded (Amber Beauty) | per 15-ounce package | .07½ |
| Bananas | per dozen | .30 |
| Oranges (216) | do | .25 |

Mr. ZIMMERMAN. Gentlemen, these figures show conclusively that the cost of living in the town of Lebanon, Mo., taking it as an example, reflects the wide difference between the cost of living in the average large city as compared to the average country town. For that reason this wage differential should be maintained and must be maintained if these factories are to operate.

In conclusion—I should like 1 minute to conclude.

The CHAIRMAN. You have had 20. Go ahead; 1 more minute.

Mr. ZIMMERMAN. All right. In conclusion, gentlemen, under this bill the same authorities that administered the N. I. R. A., selected from the large centers in New England and from other large cities in the North and East, will administer this bill; and, gentlemen, in my humble opinion and judgment, if this bill is enacted into law, with no provision for a wage differential, the little shoe factory, the little garment and glove factory in Missouri, Illinois, and other States over the South and Middle West will go out of business. Boston and other big cities will have the business, and our workers and their families will be on relief.

## ESTABLISHMENT OF FURNITURE FACTORIES BY THE RESETTLEMENT ADMINISTRATION

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein correspondence between the Administrator of the Resettlement Administration and myself.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BOEHNE. Mr. Speaker and Members of the House, fearing that the imminence of the adjournment of this session of the Seventy-fourth Congress would prevent me from presenting to this Congress and to the country certain theories and desires of Rexford G. Tugwell, Administrator of the Resettlement Administration, which I consider subversive to the best interests of the American people, I have asked permission to publish certain correspondence between Mr. Tugwell and myself. It is interesting to note that Mr. Tugwell at this date has not replied to my letter of August 20.

JULY 29, 1935.

MR. REXFORD G. TUGWELL,
*Resettlement Administration,*
*Washington, D. C.*

DEAR MR. TUGWELL: It has been called to my attention that your Administration is planning to build a number of furniture plants in various parts of the country as part of the resettlement project. These, I understand, are to be new plants with new equipment.

Please advise me within the next 3 days if this information is authentic. Certainly, you would not deny a Member of Congress this information, and for that reason will expect to receive some word from you within the above-stated time.

Very truly yours,

JOHN W. BOEHNE, Jr.

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AUGUST 7, 1935.

DR. REXFORD G. TUGWELL,
*Resettlement Administration, Washington, D. C.*

DEAR MR. TUGWELL: On July 29 I wrote you a letter regarding the furniture plants to be built in various parts of the country as part of the resettlement project. Your office called me last week promising a reply not later than Monday, August 5. To date this has not been received. I would appreciate this information by August 10, as it is absolutely neccssary that I give my constituents detailed information at a very early date.

Very truly yours,

JOHN W. BOEHNE, Jr.

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AUGUST 14, 1935.

DR. REXFORD G. TUGWELL,
*Resettlement Administration, Washington, D. C.*

DEAR DR. TUGWELL: On July 29, and again on August 7, I wrote you regarding the possibility of building furniture plants as part of the Resettlement Administration. In response to my first letter your office called my office advising me that an answer would be had by August 5. The answer was not received and I therefore caused another letter to be addressed to you, which to date remains unanswered.

I have any number of furniture factories in my district which have not been operating for a number of years; and it seems to me if furniture is needed in your resettlement work, these should be used before building any new plants.

I shall expect a full and complete reply to this letter in which I request that you give me all of the plans which have been formulated for the proposed new plants.

Very truly yours,

JOHN W. BOEHNE, Jr.

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RESETTLEMENT ADMINISTRATION

HON. JOHN W. BOEHNE, Jr.,
*House of Representatives.*

MY DEAR MR. BOEHNE: This letter will serve as an acknowledgment of your letter of August 7, and various telephone conversations with you and your office concerning information which you had received with reference to the construction by Resettlement Administration of furniture plants in various parts of the country.

You are receiving today a statement as to our policy. It is to be regretted this information has been delayed in getting to you.

Very sincerely yours,

R. G. TUGWELL, *Administrator.*

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RESETTLEMENT ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
*Washington.*

HON. JOHN W. BOEHNE, Jr.,
*House of Representatives.*

MY DEAR MR. BOEHNE: This will acknowledge your letter of July 29, concerning the information given you that this Administration is planning to build a number of furniture plants in various parts of the country.

It would appear that you have been misinformed concerning the policy of this Administration. Whatever furniture is manufactured in connection with any resettlement project will be made solely for the use of participants in our projects.

As the income of the people on these projects is not sufficient to permit them to purchase furniture in the ordinary way, and as none of the furniture will be sold in the open market, there need be no fear of Government competition.

Very sincerely yours,

R. G. TUGWELL, *Administrator.*

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CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D. C., August 15, 1935.*

DR. REXFORD G. TUGWELL,
*Resettlement Administration, Washington, D. C.*

DEAR DR. TUGWELL: This afternoon I finally received a reply to my letters addressed to you on July 29, August 7, and again on August 14. To say the least, your letter was extremely definite in one thing—namely, that the Resettlement Administration had decided to actually go into the furniture business, because you say, "Whatever furniture is manufactured in connection with any resettlement project will be made solely for the use of participants in our projects." Then you go on in your letter and make the very definite statement, "As the income of the people on these projects is not sufficient to permit them to purchase furniture in the ordinary way, and as none of the furniture will be sold in the open market, there need be no fear of Government competition."

This confirms the apprehension which I had that the Government was going farther into the field of private business, in spite of the fact that not only in my congressional district but all over the country several hundreds of furniture plants are idle, which could and should be used for the manufacture of furniture in your resettlement projects, and those plants should be worked to full capacity before the Government should even consider manufacturing on its own accord.

It seems to me that you have entirely forgotten the decisive vote of last year regarding the Reedsville, W. Va., project, where it was contemplated to manufacture post-office equipment. The people of this country will not countenance any further encroachment of the Government into the fields of business. With recovery in the air, with business improving, for goodness sake give business a chance to get ahead. You are not going to do it when you contemplate the manufacture of one bed or one single chair.

I therefore call upon you to issue orders canceling the manufacturing of furniture for your resettlement projects, and must give notice that if this is not done further action will be necessary, for which I know I will receive a vote of confidence in Congress.

Very truly yours,

JOHN W. BOEHNE, Jr.

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RESETTLEMENT ADMINISTRATION,
*August 17, 1395.*

HON. JOHN W. BOEHNE, Jr.,
*House of Representatives, Washington, D. C.*

DEAR MR. BOEHNE: This is in reply to your letter of August 15.

You are evidently under the impression that the Government will be engaged in making furniture in homestead communities. I do not know definitely how much will be made in these commu-

nities; but in any case it will not be a Government operation, but one carried on by the homesteaders themselves, with their own organization.

Their desire to do this, or to engage in other enterprises, seems to me a commendable instance of initiative. Do you not think that these people should be encouraged to develop this enterprising spirit which has traditionally characterized Americans?

Sincerely,

R. G. TUGWELL, *Administrator.*

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CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D. C., August 20, 1935.*

R. G. TUGWELL,
*Resettlement Administration, Washington, D. C.*

DEAR DR. TUGWELL: Your letter of August 17 has been received and I have noticed in it a spirit of evasiveness, which is indeed not commendable. I certainly hope that your replies are not intentionally couched in language which would make any reader of them have the feeling that you do not desire to have the American people know exactly what you are doing, or what you propose to do. In order that there may not be any misunderstanding or misinterpretation of your intention and the intentions of the Resettlement Administration, I shall ask certain questions which I desire to have answered.

1. How many furniture factories does the Resettlement Administration intend to establish?

2. In the aggregate, how much money does the Resettlement Administration expect to put into these enterprises?

3. Who is going to buy the furniture produced in these plants, or will it be given away?

4. In a recent letter you say, "As the income of the people on these projects is not sufficient to permit them to purchase furniture in the ordinary way", then advise what wages will be paid to those working in such furniture plants?

5. Your letter of the 17th says, "It will not be a Government operation, but one carried on by the homesteaders themselves." The question is, Who is financing the operation?

6. Your letter of the 17th states, "Their desire to do this, or to engage in other enterprises, seems to me a commendable instance of initiative"; frankly and honestly, is it their desire to do this, or is it the desire of the Resettlement Administration?

7. Do you honestly believe that your proposition will encourage an enterprising spirit?

8. Will this increase the purchasing powers of the masses, particularly those employees in furniture factories now operating, who find the Government competing with them?

9. If your Administration will be permitted to grow, how soon will we reach the time when we cannot secure sufficient revenue to continue the un-American experiments which you propose?

This letter and other letters which I have addressed to you are not being sent as a publicity stunt. I am serious, and I propose going to the bottom of the entire affair. I propose to find out what your theories are, and having learned that, to do everything humanly possible to keep you from putting them into effect.

I am responsible to my constituents, because I was elected by them. You have no constituent responsibility, and in spite of what a few theorists may think this Government still belongs to all of the people and should be administered by its chosen representatives. I will expect a prompt reply to this letter with a detailed answer to each question.

Very truly yours,

JOHN W. BOEHNE, JR.

### PHILIPPINE ISLANDS

Mr. DELGADO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech of Mr. M. L. Quezon.

The SPEAKER. Is there objection to the request of the Resident Commissioner from the Philippine Islands?

There was no objection.

Mr. DELGADO. Mr. Speaker, on the eve of the inauguration of the Commonwealth Government of the Philippine Islands there are speculations all around on what is going to be the fate of the newest nation to be launched in the Pacific. What lot is going to be ours no one can tell in certain terms just now. I am one of those who sincerely and firmly believe that under divine guidance our people will succeed.

However, I hope you are interested to know the spirit and solemn sense of responsibility in which our people are taking over the affairs of their Government. I have here a copy of the acceptance speech of the Hon. Manuel L. Quezon, president of the Philippine Senate, and outstanding candidate for the presidency of the commonwealth government, delivered at Manila, P. I., on Friday, July 19, 1935, which expresses and typifies that spirit, and enunciates what will most likely be the guiding policies of the new government soon to be inaugurated. Mr. Speaker, under leave to extend my remarks in the RECORD, I include said acceptance speech of Mr. Quezon, which is as follows:

Mr. Chairman, gentlemen of the committee, fellow citizens, a party nomination for the highest office within the gift of the people is in itself a great distinction, but when the nomination comes under such auspicious circumstances as have attended that which is now proffered to me, I regard it as the greatest honor that can be accorded to any public man short alone of his actual election to the Presidency.

#### COMMONWEALTH RESPONSIBILITIES

Ever since the approval and acceptance of the independence act there has been growing among the people a feeling of deepest concern over the difficult problems and impending responsibilities which will confront us upon the inauguration of the Commonwealth.

While the constitutional convention was in session, partly fostered by the spirit of national solidarity exhibited by the members of that body, the anxiety to prepare the country adequately to meet these problems and responsibilities became articulate in an increasingly popular demand for national unity, that political parties gave pause to partisan strife, that the leaders of the vital forces of the Nation join in their efforts for the attainment of the common goal, and that the entire country resolve to support loyaly the man who may be intrusted with the national leadership so that through the government of the commonwealth the foundations of the future Philippine republic may be solidly and firmly established. Resolutions were passed by municipal councils as well as by civic and social organizations, including labor unions, demanding a coalition of the two great political partes as the most practical means of obtaining this unity of effort.

Before the constitutional convention adjourned the cry of national unity was taken up by the League of Provincial Governors. Without regard to party affiliation and voicing the prevailing sentiment in the respective provinces, these spokesmen of our local governments unanimously joined in the general appeal for unity. Lastly, prominent Filipino businessmen, professionals, and leaders in agriculture, industry, and labor formally submitted to the directorate of the two political parties a concrete proposal that the two parties nominate jointly the candidates for President and Vice President and thus insure the cooperation of all the vital forces of the Nation during the first and trying years of the commonwealth. When the two parties held their respective national conventions they readily responded to this popular clamor and forthwith agreed to form a coalition and to nominate the same candidates for President and Vice President.

#### NOMINATIONS UNSOUGHT

Neither Senator Osmena nor I sought these nominations. We made no pre-convention campaign, nor did we have any desire to secure them. We entered public life about the same time 30 years ago, both pledged to the cause of independence. The vicissitudes which have been our lot during these years are not now to be recounted, but as I look back upon our joint efforts in the attainment of the goal which we set out before us, I feel happy that at the end of the long struggle we can face our people standing on the same platform, our pledge fulfilled, our mutual friendship and regard enhanced, and still enjoying, I hope, their continued confidence and support.

With the approval of the Independence Act and its acceptance by the country we believed that our extended public service could at last come to an end. We would have been content as private citizens to lend our unstinted support to the new government.

But it seems that our fellow citizens have once again chosen to place upon our shoulders the new responsibility of organizing the commonwealth and leading the Nation during the early years of its existence. The nomination that has been proferred to us attains the category of a call to duty which no public-spirited citizen may evade or disregard. I, therefore, Mr. Chairman, make public announcement that I accept the nomination for the Presidency which has been tendered to me, deeming it my bounden duty to do so, and I accept it with the most profound sense of the responsibility that it entails and the deepest feeling of gratitude.

Having been nominated under the circumstances I have mentioned, I cannot afford to speak in uncertain terms. The need of the hour is for fixed orientation, clear statement of policies, and a definition of the national purposes. In the course of the present campaign I shall have opportunity to discuss all the important questions before the country. For the present I have to limit myself to a few of them.

#### THE PLATFORM

The coalition platform meets with my whole-hearted approval. I took part in the drafting of that document, and I make my own every commitment contained therein.

#### THE CONSTITUTION

I look upon the constitution of the Philippines as the expression of the sovereignty and of the aggregate will of the Filipino people. I shall abide by its provisions. I shall uphold the democratic principle underlying the institutions that it establishes. I am opposed to a dictatorship. I maintain that no man who believes in a dictatorship can with safety be intrusted with the reins of executive power under our constitution. Democracy can only survive if those at the helm of the government believe in the people's right to rule and have faith in their inherent capacity to decide rightly important public questions.

I will hold inviolate, and will defend to the utmost, the individual rights and liberties. I shall safeguard free speech, the freedom of the press, and the equality of every man before the law, however poor or ignorant. I shall insure for every citizen of the Philippines, from Luzon to Mindanao and Sulu, the right to worship God as his own conscience dictates.

THE GOVERNMENT OF THE COMMONWEALTH

We are entering a new era. We are on the threshold of free nationhood. The government of the commonwealth that we shall establish derives its powers from a constitution approved by the people themselves. It may truly be said that it is a government of our creation to be administered for our own welfare.

Except in a few specified cases, it will be free from American control in the conduct of domestic affairs. Only in our foreign relations do we remain subject to American supervision, and this because of the continuing responsibility of the United States to protect and defend the islands from foreign aggression during the life of the commonwealth. Hence, the government of the commonwealth will be, in fact, if not in name, an independent government under the protection of the United States.

The immediate task before us is to set up the new government—a task that will require all the foresight, the wisdom, and the courage of our people. Then we must adopt such measures as will insure the stability of our national economy, and provide for the honest and efficient administration of the affairs of government. Equally important is to make adequate provision for the defense of our country against external aggression or internal disorders.

I favor a simple and economical government, one in keeping with the limited resources of our country, but which is capable of ministering to the needs of the nation.

I shall be unsparing in my efforts to carry out the mandate of the constitution regarding the civil service. Merit and character alone will be the qualification for office or promotion. For the highest responsible posts I shall call on the most capable, honest, and patriotic citizens, regardless of political affiliation or religious belief. This is no time for placing party considerations above the common weal. In fact, one of the main purposes of the coalition is to secure the cooperation and help of the best available men to insure the success of the commonwealth. I shall tolerate neither corruption nor inefficiency in public office.

FINANCIAL POLICY

The financial stability of the government depends upon our ability to keep expenses within our income. At the time when other governments are resorting to loans in order to meet their obligations we can take pride in the fact that we have been able to maintain a balanced budget. Under our constitution the responsibility for maintaining a balanced budget falls mainly upon the executive. I pledge myself to maintain the credit of the government and at all times to balance the budget and keep our finances in a sound condition.

I shall keep our present currency system in all its integrity and will allow no change that will affect its value. If new conditions should require such a change, it will be done only after the most careful study and consultation with competent experts. For the present I can see no reason for any radical modification in our monetary system.

TAXATION

Irresponsible demagogues have tried to arouse in the hearts of our people the hope that under an independent Philippines there shall be no taxes except upon the rich. It is my duty to warn the credulous against such misrepresentation. Governments can be supported only through taxation. It is a primary duty of citizens to contribute to the support of the government, but taxation that does not take into consideration the relative financial ability of the taxpayer is unjust. I favor a complete revision of our system of taxation with the best technical advice available. I advocate that the burdens of the state be equitably distributed in proportion to the means and possibilities of the taxpayer. We shall make a general reduction of the assessed value of real property in accordance with present prices.

PUBLIC WORKS

The so-called "pork barrel" system, as known in the United States and as sometimes practiced in the Philippines, must definitely be discarded. It is a waste of public funds. I am in favor of continuing the building of roads and schools, in accordance with a carefully prepared plan to be followed systematically, in the order of their relative importance to the general public.

PUBLIC INSTRUCTION

I stand by the educational policy enunciated in the constitution. The principle underlying this policy is the training for useful, well-disciplined, self-sacrificing citizenship that draws its breath of life from Filipino patriotism. Our system of education should be revised so as to accomplish that aim still more effectively. The State is in duty bound to maintain a complete and adequate system of public education, providing at least free public primary instruction and citizenship training to adult citizens.

My attention will be especially devoted to making it possible for every child to go to school. Adult citizenship training will be carried out in accordance with a broad and systematic plan. To the end that poverty may not prevent gifted young men and women from developing their talent, the government should create the largest possible number of scholarships for them in all branches of learning. Our educational objective should fit in with our economic policy. I am for greater emphasis on vocational and agricultural training in the intermediate and high schools, but the instruction should always be in keeping with the economic conditions of each region and of the country as a whole.

ADMINISTRATION OF JUSTICE

An independent judiciary, administering justice without fear or favor, promptly and impartially to rich and poor alike is the strongest bulwark of individual rights and the best guaranty against oppression and usurpation from any source. Equally important is the maintenance of the confidence of the people in the courts. I will appoint no man to the bench without having satisfied myself, after a thorough investigation, of his character and ability.

To strengthen the faith of the common people to our courts it is necessary that the utmost care be exerted in the selection of justices of the peace. These courts are often the only tribunals accessible to the larger portion of our population, and it is essential that they be maintained worthy of their confidence. If the disinherited cannot obtain redress of their grievances or vindication of their rights in these courts, they have no further recourse, for the courts of first instance and the supreme court are often beyond their reach. By the impartiality and integrity of the justices of the peace, therefore, the judiciary of the Philippines is judged by the millions of our countrymen who live in the barrios and distant places. I pledge myself to do everything in my power to maintain these courts free from political or other extraneous influence and to appoint thereto only men of proven ability and integrity and of the broadest human sympathies.

SOCIAL PROBLEMS

The welfare of the people should be the concern of the Government. The helpless and the needy, the jobless, as well as the workers in the factories and in the field have a claim upon the Government to safeguard their health and well-being. The contentment of the masses is the first insurance against social and political disorders. It is the duty of the Government to protect the workingmen against abuses and exploitation; to secure to them fair wages and reasonable return for their labor.

Let us beware of men who deliberately, for political or selfish aims, stir up discontent among the masses. They preach subversive doctrines, speak of evils and abuses that do not exist, or magnify those which often are inevitable in democracies. These men are the worst enemies of society, more dangerous to the community than ordinary criminals. They have no sympathy for the people, but are mere self-seekers, intent only in securing either pecuniary or political advantage for themselves. If as a result of their preachings, disorders occur, they cowardly disclaim all responsibility for that which none other than themselves had brought about. He who tries to curry favor with the masses by appealing to the passions of the people, stirring up their prejudices, or capitalizing discontent or human suffering, is unworthy of public trust.

LANDED ESTATES

The ownership of big landed estates by corporations or absentee landlords has invariably caused discontent and unrest among the tenants or occupants of such estates. The discontent among the tenants of the friar lands contributed to the causes which led to the rebellion against Spain. Those friar lands have been acquired by the Government and sold in small lots, but there are still a few large haciendas, particularly in Luzon, that are the hotbeds of discontent and unrest among their tenants. Not only for the sake of these tenants, but also in the interest of peace, every effort should be made to acquire these haciendas at a fair and just price to be sold in small lots to the tenants.

There are complaints in certain places that the tenants are the victims of unfair practices on the part of their landlords. These abuses must be stopped and the tenant protected in his rights.

LABOR

Fortunately for our country, we have had no sharp cleavages between labor and capital. Strikes have been few and far between, and they have never been long drawn out or general. That we have so far been spared the extremities of class warfare is no proof that we shall forever be exempt. Our good fortune should rather teach us to seek the means to preserve the country against such conflicts by the only method which experience has shown to be effective, namely, by taking steps designed to prevent the exploitation and oppression of the workingmen and thus assure their happiness and contentment.

Filipino laborers, compared to those of other oriental countries, receive higher wages and are much better protected in their rights by legislation. We have enacted many laws protecting labor. In all earnestness, however, I must say that we must go further in this direction. The experience of centuries shows that the one sure way to protect society against class war is to secure to wage earners their due.

I am against communism. I am a firm believer in the institution of private property. I contend, however, that whenever property rights come in conflict with human rights the former should yield to the latter.

If we would preserve the institution of private property, we must hold fast to this principle in the determination of conflicting rights between man and man. It is thus that we may draw the line between the rights of labor and capital and erect an economic structure based on the principle that human life is the measure of all other values, that considerations of possession and profit must give way to supremacy of human existence.

CAPITAL

A change in the political status of a country always gives rise to fear and misgivings. Not only among Americans and foreigners but even among a few Filipinos the impending political changes have caused anxiety as to the future.

There is no justification for these fears. I give assurance that peace, order, law, and justice will reign supreme under the commonwealth, and that the rights of foreigners and nationals alike will be safeguarded. Existing investments, whether foreign or national, will receive every inducement to stay, and outside capital will be welcomed. We especially desire that new American capital should come and help in the development of the country.

NATIONAL DEFENSE

I believe in the efficacy of the instrumentalities of peace, such as the League of Nations or treaties of neutrality. In due time we should apply for admission to the League and urge the negotiation of a multilateral treaty for the neutralization of the Philippines. However, we cannot ignore present-day realities. We cannot rely exclusively on these implements of peace for our national defense.

I favor preparedness for national defense. We cannot afford to have, nor do I approve of, a large standing army or costly military establishments, but we must have a regular army of sufficient size for our requirements and a trained citizenry ready to be drafted into service in any emergency. For the proper planning of our defenses and the organization and training of our regular and citizen army I shall secure the best expert advice.

OUR RELATIONS WITH AMERICA

It should be our constant endeavor to maintain the most friendly relations and closest collaboration with the United States. We owe much to America and we are grateful to her. Our present economy is tied up with the free American market. Many of our industries depend for their existence on our reciprocal free-trade relations with the United States, and we should try to maintain these trade relations if possible, even after independence. I shall spare no effort to obtain the elimination of the export tax provided in the independence law. I shall work for the repeal of the excise tax on coconut oil. I shall endeavor to take such action as may be required to place our trade relations with the United States on a truly reciprocal basis, so that they may be continued after independence for the mutual advantage of both countries.

FOREIGN RELATIONS

As already stated, our foreign relations will be under the control and supervision of the United States during the commonwealth; but there is nothing in the independence act which prevents the commonwealth from beginning to lay the foundations for our future relations with foreign nations. Indeed, the period of transition having been provided to give to the Filipino people time to prepare themselves for the responsibilities of an independent government, it can be rightly assumed that the United States meant to give us the opportunity, under the commonwealth, of initiating both political as well as trade relations with other countries, subject to its supervision and control.

We shall request the State Department at Washington to permit the commonwealth to send men as attachés to American legations or embassies as well as to American consulates in order that these men may acquire the knowledge and experience in the diplomatic service and provide our government with needed information concerning foreign trade.

It will be necessary, and to our advantage besides, to win the good will of, and maintain friendly relations with, other nations. But to accomplish this aim mere protestations of good purposes are not enough. We must deal fairly with all nations and respect their rights. We must secure to every foreigner who lives with us full protection of our lives. His life, his property, must be as safe among us as they are in his own land.

During the transition period we shall endeavor to find new markets for our products, so that if and when the market of the United States shall no longer be open to us, except on a competitive basis, we may not be left without outlet for our products.

PHILIPPINE INDEPENDENCE

The question of Philippine independence has been settled. The independence law sets the day for independence and prescribes the process leading to its consummation. We accepted the independence law; we have approved a constitution pursuant to its provisions, and the people by ratifying it with practical unanimity have agreed to the grant of independence under the terms and conditions prescribed by the Congress. Independence, therefore, is no longer an issue either in the United States or in the Philippines. Insofar as the terms and conditions of independence are concerned, we made it plain when we accepted the independence law that we reserved the right to petition Congress for their modification with a view to making them less burdensome for our people and more adapted to the attainment of the purpose for which Congress intended them.

We consider the economic provisions of the independence law not entirely fair to the Philippines. We regard legislation recently passed by Congress, imposing greater restrictions on our free imports to the United States or authorizing the collection of exorbitant taxes on some of our products sold in that country, not only discriminatory but a virtual violation of the solemn covenant between the two countries. We shall exert every effort to secure the repeal of those discriminatory measures and to obtain amendments to the independence law looking to a more equitable trade arrangement between the United States and the Philippines during the commonwealth.

In relation to the transition period, the Congress of the United States fixed the term of 10 years, considering it necessary to allow the Philippines gradually to adjust their national economy to the conditions which will obtain when independence should eventuate and to permit the Filipinos to prepare themselves adequately for the responsibilities of independent nationhood. It was, therefore, chiefly for the benefit of the Philippines rather than of the United States that the intermediate period of 10 years was fixed. While there may be differences of opinion as to whether this period is too long or too short, all must agree that, if our trade relations with the United States during the commonwealth should prove more injurious to our country than they would under complete independence, the Philippines would then do well to hasten the date of separation from America. This fact will not be revealed to us until after the first years of the commonwealth and we have known the result of the economic conference between representatives of the United States and the Philippines which, I trust, will be called by the President of the United States at an early date.

Meanwhile, I consider it a most disturbing influence which will retard our work of economic readjustment and reconstruction for anyone to advocate now the shortening of the transition period. What the country direly needs today is a period of stability and business confidence, so that we may proceed unhampered in the task of erecting our new government and building up the national economy to increase the wealth of the Nation, promote commerce, agriculture, and industry, improve the conditions of our wage earners, and create economic opportunities for all our citizens. We need to give capital reasonable certainty as to those conditions which affect investment; we need to assure the industries that are dependent upon the free American market that no radical changes will take place which will bring about a sudden loss of the market on which they depend; we need above all to provide economic security for the masses of our people, which can only be accomplished through the maintenance of stable business conditions.

I yield to no one in my fervent desire to see the Philippines independent as soon as possible, but I cannot close my eyes to the fact that a difference of a few years may mean a great deal to the well-being of our people and the permanence of our national liberty. Besides, we should not be deluded into believing that it is possible for anyone at this time to obtain from Congress the shortening of the transition period. All the pleas that may now be submitted in support of this action had already been considered and passed upon by that body. No new reason can be advanced that had not been already submitted. Therefore, making an issue of the shortening of the transition period is unfair to our people and most injurious to their interests.

I am anxious to see our independence established at the earliest possible date. I look upon it as the most precious reward for the many years of ceaseless efforts that I have spent in its quest. I pledge myself anew resolutely to take all the necessary steps leading to the advent of independence, and to do everything in my power to make the Philippine republic strong and enduring, and the blessings of liberty not only the cherished possession of this generation but the priceless heritage of the Filipino people for all time.

SEE YOU LATER, OLD BOY

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a foreword by Will Rogers to a book of the Poet Russell, which foreword I think the Members generally will find worth while.

There was no objection.

Mr. KNUTSON. Mr. Speaker, today, under the fair skies of California, the last rites are being performed over the mortal remains of Will Rogers, America's philosopher-humorist, and the world mourns his untimely passing.

For nearly 20 years Will Rogers has been one of our foremost citizens. His writings appeared daily in hundreds of publications. Without bitterness or malice they unerringly found the mark against which he launched them. They made us smile and laugh, but best of all they made us think, and that, unfortunately, is becoming a lost art in America.

Will Rogers has gone to his reward. Never again will he throw the lariat. Never again will he look for the chuck wagon. That quaint, humorous heart has been stilled and his kindly smile is now a pleasant and radiant memory. He has now taken up his abode where we all hope to go some day.

As this is being delivered Will is probably sitting out on the front stoop of that ranch home "under some cool shade trees" to which he refers in his introductory letter to the book written by the late Charles M. Russell, Montana cowboy artist, talking with his old dad and the "sweet looking old lady"—his sainted mother. That "cute little rascal" is sitting on his knee while Will's hands caress the "little

rascal's" golden curls. A glorious reunion of real folks, the kind that made America. Will Rogers is not dead. He is merely away.

Mr. Speaker, under leave granted me this morning I desire at this point to insert the letter already referred to:

ROGERS' IDEA OF HEREAFTER WRITTEN TO FRIEND WHO DIED—TELLS AUTHOR TO SAVE JOKE FOR LINCOLN; "CAN'T WRITE MORE, DAMN PAPER'S WET"

NEW YORK, August 18.—Some of Will Rogers' thoughts on the hereafter were recalled today from the pages of a book written by his old friend, the late Charles M. Russell, Montana cowboy artist.

Russell died several years ago as he was about to complete the book Trails Plowed Under, a collection of reminiscences of the Old West.

Rogers wrote the introduction in the form of a letter to his old friend in the other world, saying:

"There ain't much news here to tell you. You know the big Boss gent sent a hand over and got you so quick Charley. But I guess He needed a good man pretty bad. I hear they been working short handed over there pretty much all the time, I guess its hard for Him to get hold of good men, they are just getting scarce everywhere. * * * I bet you hadn't been up there 3 days until you had cut your old pencil and was a drawing something funny about some of their old punchers. I bet you Mark Twain and old Bill Nye, and Whitcomb Riley and a whole bunch of those old joshers was just a waiting for you to pop in with all the latest ones.

"What kind of a bird is Washington and Jefferson? I bet they are regular fellows when you meet 'em, ain't they? Most big men are. I would like to see the bunch that is gathered around you the first time you tell the one about putting the limburger cheese in the old nester's whiskers. Don't tell that, Charlie, until you get Lincoln around you, he would love that. I bet you and him kinder throw in together when you get well acquainted. Darn it, when I get to thinking about all them top hands up there—if I could just hold a horse-wrangling job with 'em I wouldn't mind following that wagon myself.

"You will run onto my old dad up there, Charley, for he was a real cowhand, and I bet he is running a wagon, and you will pop into some well-kept ranch house over under some cool, shady trees and you will be asked to have dinner, and it will be the best one you ever had in your life. Well, when you are a thanking the women folks you just tell the sweet-looking little old lady that you know her boy back on an outfit you used to rep for, and tell the daughters that you knew their brother, and if you see a cute little rascal running around there, kiss him for me. Well, can't write you any more, Charles; damn paper's all wet; it must be raining in this old bunk house.

"Of course, we are all just a hanging on here as long as we can. I don't know why we hate to go; we know it's better there. Maby it's because we haven't done anything that will live after we are gone.

"From your old friend,

"WILL."

HUMANITY'S GREATEST BOON

Mr. FOCHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial I wrote on the subject of social security.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FOCHT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial on the subject of Social Security, written by me, which appeared in the Lewisburg (Pa.) Saturday News, August 17, 1935:

[From the Lewisburg (Pa.) Saturday News, Aug. 17, 1935]

In all recorded history, excepting in the words spoken and gentle acts performed by the Master, has any such stroke for humanity been delivered as that accomplished in the social-security legislation that finally became law this week?

We have voted for free school books for all children, and as many others have for free roads and free bridges, and far-flung helpfulness, paid poor taxes and aided in many charities, but nothing approaches this legislation.

To say that it is the greatest stroke for the relief of human suffering does not express what has been accomplished in so short a time. A Good Samaritan's act has had its day every day since it became a part of the Bible story of humanity. Hannah More, Rousseau, Frederick II, Cardinal Richelieu, Mirabeau, and others sought to lighten the load that broke bodies and hearts, but theirs were mere gestures in comparison to the magnitude of the legislation to which we refer and which we voted for and the President signed this week.

It is the translation of the cross of Christ—the Light of the World.

It is the final assault upon poverty, and poverty has abdicated.

Two thousand years of doubt and fear and disappointment, yet with that stern, rugged faith the Christian struggled and survived, and now at last triumphs. As Lincoln said at Gettysburg, if our liberty and free institutions cannot endure here, they cannot survive anywhere. So with the division of God's blessings in this favored land and chosen people.

With the inhumanity we see scourging Germany under the brutal lash of a modern Genghis Khan or Tamerlane, and the preparations being made to efface the last remaining government of free and independent Negro people, we have these laws coming from Washington as the crowning blessing bestowed upon the world's most munificent government, and setting an example that might be emulated by all empires and dictatorships and republics and peoples everywhere.

To the President who was in accord with this step, there cannot he denied the fullest credit. However erratic he and his advisers may be in new-deal dreams, there is in this something that sounds the depths of humanity, and gives the Christian spirit a new meaning. And there will be a new answer from those souls suffering in poverty and moaning in the anguish of repeated disappointment in their fellows.

There now comes renewed faith, and may wisdom so guide our leaders of state that our Government may so prosper that these great purposes may be carried out to the fullest and completest fruition.

B. K. F.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. The gentleman has that privilege.

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to call up the bill——

The SPEAKER. The Chair cannot recognize the gentleman for that purpose at this time.

Are there other requests for permission to extend remarks in the RECORD?

If not, the Chair recognizes the gentleman from New York.

COMMITTEE ON RULES

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file certain reports. I am not as enthusiastic as the gentleman from New York, but I agree with him that the House has always been ahead of the Senate and that it is at this moment.

Mr. SNELL. Let us try to adjourn tonight; let us not quit until we get through.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that reports of the Rules Committee may be considered on the same day reported without the necessity of a two-thirds vote.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us how we shall be able to know when they will stop bringing in new legislation?

Mr. O'CONNOR. I do not know; that is a puzzle to me.

Mr. SNELL. The gentleman from New York is the man responsible.

Mr. RICH. Mr. Speaker, reserving the right to object, if this request is granted and rules are to be brought in here, will not the gentleman give us at least 10 or 15 minutes' notice so the House will have some idea of what is coming up?

Mr. O'CONNOR. I will do my best.

Mr. TABER. Mr. Speaker, reserving the right to object, does the request of the gentleman from New York apply only to the rest of this session?

Mr. O'CONNOR. Yes.

Mr. TABER. Then the gentleman should put it that way.

The SPEAKER. The Chair will put it that way.

Mr. TREADWAY. Mr. Speaker, reserving the right to object, may I ask the gentleman whether his request applies to any one particular bill?

Mr. O'CONNOR. Oh, no. We have 8, 10, or 12 rules pending.

Mr. TREADWAY. I assume it includes the Railroad Retirement Act, so-called.

Mr. O'CONNOR. That is almost a law; that passed the House.

Mr. TREADWAY. I mean the supplemental bill.

Mr. O'CONNOR. I do not know. I have not even heard of that. We have the deficiency appropriation bill, which is most important.

Mr. SNELL. Let us take that up and get it out of the way.

Mr. MONAGHAN. Mr. Speaker, reserving the right to object, I understand the Ways and Means Committee have

reported out a tax bill. Will there be a rule for its consideration?

Mr. O'CONNOR. If it is a tax bill, a rule is not needed; they can bring it up at any time, for it has a privileged status.

Mr. HUDDLESTON. Mr. Speaker, reserving the right to object, I could not hear the request of the gentleman from New York. Would the Chair be so kind as to state it?

The SPEAKER. The request of the gentleman from New York is that during the remainder of the session the Committee on Rules may have the right to call up rules upon the same day they are reported without the necessity of a two-thirds vote. Have I stated the gentleman's request correctly?

Mr. O'CONNOR. The Chair has stated it correctly.

Mr. HUDDLESTON. Mr. Speaker, may I ask the gentleman from New York if that includes any rule on the utility bill?

Mr. O'CONNOR. I have no such thing in mind. I cannot anticipate.

Mr. HUDDLESTON. I shall object to any such rule.

Mr. O'CONNOR. I cannot guarantee, but I cannot anticipate any such thing. As I understand, if the gentleman will yield, we hope to work out the utility bill situation and get a bill, but that would come up as a conference report. A conference report is privileged at all times and does not need a rule for its consideration.

Mr. HUDDLESTON. Mr. Speaker, I am willing that the gentleman's request may be granted, except as to any rule that may relate to the utility bill.

Mr. O'CONNOR. I cannot make any such bargain as that.

Mr. HUDDLESTON. Then, Mr. Speaker, I object.

### UNIFORM SYSTEM OF BANKRUPTCY

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8587) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 9, line 21, after "forthwith", insert "(and in pending proceedings immediately upon the effective date of this amendatory section)."

Page 10, line 15, strike out all after "year" down to and including "apply", in line 21.

Mr. SNELL. Mr. Speaker, will the gentleman tell us in a word just what the amendments cover?

Mr. SUMNERS of Texas. The Senate amendments provide for the appointment of trustees in pending reorganization cases. I may say to the gentleman from New York that under the general plan of the bill with reference to reorganizations that take place in the future it is provided that trustees shall be appointed. In the House bill, however, exceptions were made in those cases where reorganizations were pending. The Senate was of the opinion that trustees ought to be appointed also in pending cases.

I have consulted with all the members of the Judiciary Committee whom I contacted, and particularly the ranking minority member of the committee, Mr. PERKINS, of New York, and the gentleman from Michigan [Mr. MICHENER], who was chairman of the subcommittee on bankruptcy under the former administration, and I have found no objection anywhere to this matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

### SUPPLEMENTAL APPROPRIATIONS BILL

Mr. BUCHANAN, from the Committee on Appropriations, submitted a privileged report on the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes (Rept. No. 1881), which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. TABER reserved all points of order.

### ORDER OF BUSINESS

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 358.

The Clerk read the resolution, as follows:

House Resolution 358

*Resolved*, That during the remainder of the first session of the Seventy-fourth Congress it shall be in order for the acting majority leader or the Chairman of the Committee on Rules to move that the House take a recess, and said motion is hereby made of the highest privilege; and it shall also be in order at any time during the remainder of the first session of the Seventy-fourth Congress to consider reports of the Committee on Rules, as provided in clause 45, rule XI, except that the provision requiring a two-thirds vote to consider such reports is hereby suspended during the remainder of this session of Congress.

Mr. O'CONNOR. Mr. Speaker, this is the usual resolution offered at this time in the session. I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 192, noes 18.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

### BITTER ROOT IRRIGATION PROJECT, MONTANA

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 946) to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana."

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Mr. CULKIN. Mr. Speaker, reserving the right to object, and I do so for the purpose of asking the gentleman a few questions with reference to this bill. I understand that the farmers on this particular project are subjected to a dual burden: First, in connection with the interest on the old bonds, which covered a private investment, and now the interest on the Government's investment. Is that the fact?

Mr. MONAGHAN. The gentleman is correct.

Mr. CULKIN. I have investigated this matter, and I am glad to say that I am definitely for it. May I also say in this connection to the Members of the House that certain editors in the Northwest have claimed I was against the men on these irrigated projects. I am now and forever have been for the men on the land. Whatever I have done in this connection has been in an attempt to protect them. I certainly feel that the bill which the gentleman offers is timely and meritorious.

Mr. MONAGHAN. I thank the gentleman.

The SPEAKER. Is the objection to the request of the gentleman from Montana?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized and directed to negotiate and execute a contract with the Bitter Root Irrigation District, amending as provided herein articles 3 and 6 of the contract dated August 24, 1931, between the United States of America and said irrigation district. The amended contract shall segregate the district's obligation into two components: (1) All money advanced to the district under section 2, subsection (1) of the act of July 3, 1930, for liquidating bonded and other outstanding indebtedness of said district; and (2) all money advanced or used under section 2, subsections (2) and (3) of said act for construction, betterment, and repair work. All money advanced under component (1) shall be repaid to the United States within the period fixed in said contract, with interest at 4 percent per annum until paid: *Provided*, That all interest now due and unpaid on component (1) shall be added to and merged with the principal sum advanced under that component. Nothing herein contained shall be construed as authorizing a modification in said amendatory

contract of the interest charges heretofore paid by the district under the contract of August 24, 1931.

SEC. 2. The amended contract shall provide also that all money advanced or used under section 2, subsections (2) and (3) of the act of July 3, 1930, shall be repaid to the United States without interest within the period fixed in said contract, and in the case of default in the payment when due of any installment fixed by the Secretary for repayment of money advanced or used under said section 2, subsections (2) and (3), there shall be added to the payment unpaid a penalty of one-half of 1 percent of the amount unpaid on the 1st day of each month thereafter so long as such default shall continue.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPOINTMENT OF NAVAL ACADEMY GRADUATES

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2521) amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy.

The Clerk read the title of the bill.

Mr. FERGUSON. Mr. Speaker, reserving the right to object, the Committee on Rules for 2 weeks has had before it a rule providing for the consideration of an omnibus flood-control bill which concerns a great many projects all over the United States. If the time of the House is to be taken up all the afternoon by these private bills I am going to start objecting to every bill that comes up.

Mr. VINSON of Georgia. I may state to the gentleman this is not a private bill. This is a departmental measure.

Mr. SNELL. Mr. Speaker, what is the bill the gentleman is so much interested in?

Mr. FERGUSON. The omnibus flood-control bill, which contains projects concerning the entire United States.

Mr. SNELL. I can inform the gentleman now that he will have a lot of trouble getting that bill through. If such an attempt is made, it will be very late tonight before the bill is finally considered.

Mr. FERGUSON. I am very happy to have the gentleman's opposition to this bill. I think it is a very fine bill, and I would like to have the Republican Party in the position of opposing it.

Mr. SNELL. Let me inform the gentleman that when you seek to pass such a bill appropriating $371,000,000, on top of all the other appropriations that have been made, the American people will oppose you.

Mr. FERGUSON. I wish to serve notice now that I am going to object to the next bill.

Mr. RICH. Mr. Speaker, reserving the right to object, I may say that that flood-control bill is one of the greatest "pork barrel" bills ever presented to the Congress.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 5 of Public Law No. 264, Seventy-third Congress is hereby amended to read as follows:

"SEC. 5. That section 1 of the act approved May 6, 1932 (47 Stat. 149; U. S. C., Supp. VII, title 34, sec. 12), is hereby amended by inserting the words 'in 1934 and hereafter' after the words 'midshipmen who', and the words '*Provided*, That all former midshipmen graduated in 1933 who received a certificate of graduation and honorable discharge or who resigned and whether they have since been married or not may, upon their own application, if physically qualified, and under such regulations as the Secretary of the Navy may prescribe, be appointed as ensigns prior to August 1, 1935, by the President and shall take rank next after the junior ensign appointed in 1933 and among themselves in accordance with their proficiency as shown by the order of merit at date of graduation: *And provided further*', after the words 'Naval Academy' and by striking out 'in 1932, and at least 50 percent of all graduates in subsequent years: *Provided*', so that as amended the said section will read as follows:

"'That the President of the United States is authorized, by and with the advice and consent of the Senate, to appoint as ensigns in the line of the Navy all midshipmen who in 1934 and hereafter graduate from the Naval Academy: *Provided*, That all former midshipmen graduated in 1933 who received a certificate of graduation and honorable discharge or who resigned and whether they have since been married or not may, upon their own application, if physically qualified, and under such regulations as the Secretary of the Navy may prescribe, be appointed as ensigns prior to August 1, 1935, by the President and shall take rank next after the junior ensign then in the service and among themselves in accordance with their proficiency as shown by the order of merit at date of graduation: *And provided further*, That the number of such officers so appointed shall, while in excess of the total number of line officers otherwise authorized by law, be considered in excess of the number of officers in the grade of ensign as determined by any computation, and shall be excluded from any computation made for the purpose of determining the authorized number of line officers in any grade on the active list above the grade of lieutenant (junior grade) until the total number of line officers shall have been reduced below the number otherwise authorized by law.'"

With the following committee amendments:

Page 2, line 4, strike out the word "August" and insert "November."

Page 2, line 6, strike out the words "appointed in 1933" and insert "of the Navy."

Page 2, line 23, strike out the word "August" and insert "November."

Page 2, line 24, strike out the words "then in the service" and insert the words "of the Navy."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESIGNATION OF A MEMBER

The SPEAKER laid before the House the following communication:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D. C., August 22, 1935.*

Hon. JOSEPH W. BYRNS,
*Speaker of the House of Representatives,*
*Washington, D. C.*

MY DEAR MR. SPEAKER: I beg leave to inform you that I have this day transmitted to the Governor of Illinois my resignation as the Representative in the Congress of the United States from the Twenty-third District of Illinois, said resignation to be effective September 16, 1935.

Respectfully,

WILLIAM W. ARNOLD.

COMMITTEE ON FOREIGN AFFAIRS

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have permission to sit during sessions of the House this afternoon.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object—and I shall not object, because I want to have the meeting; but I would like to know whether, in bringing in this neutrality legislation, the gentleman will permit the Members of the House to offer amendments.

Mr. McREYNOLDS. That is a question that will be answered at the time. It depends upon how you gentlemen go along in committee.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

REAL-ESTATE BONDHOLDERS' REORGANIZATIONS

Mr. STARNES. Mr. Speaker, I present a privileged resolution from the Committee on Accounts for immediate consideration.

The Clerk read as follows:

House Resolution 352

*Resolved*, That the further expenses of conducting the investigation authorized by House Resolution 412 of the Seventy-third Congress and supplemented by House Resolution 39 and House Resolution 79 of the Seventy-fourth Congress, incurred by the Select Committee to Investigate Real Estate Bondholders' Reorganizations, acting as a whole or by subcommittee, shall not exceed an additional $20,000.

Mr. STARNES. Mr. Speaker, this resolution grants an additional sum of not to exceed $20,000 for the purpose of paying the expenses of conducting the investigation which was authorized by House Resolution 412 of the Seventy-third Congress and continued by House Resolutions 39 and 79, respectively, of the Seventy-fourth Congress.

This is the select committee which has been investigating the real-estate bondholders' reorganizations throughout the country. The Committee on Accounts feels that much good work has been done by this committee, and the committee believes that the amount which it has recommended to the

House is sufficient to conclude the investigation, and the committee is of the opinion that this amount should be amply sufficient to care for any and all further expenses with reference to the investigation.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. STARNES. I yield.

Mr. SNELL. Does the gentleman think that this amount of money will be all the money that will have to be appropriated for this purpose?

Mr. STARNES. Yes; unless we have some very direct and positive instructions from the House.

Mr. RICH. Can the gentleman tell us where we are going to get the money?

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. STARNES. I yield for a question.

Mr. CHURCH. I would like to ask the gentleman from Illinois [Mr. SABATH] a question, if I may. If this money is appropriated, is it the gentleman's opinion he can come in here in January with proper legislation recommended to accomplish the purposes for which the committee was appointed?

Mr. SABATH. I hope so. We have had a bill pending for some time, but, unfortunately, we have not been able to get action upon it. This resolution is absolutely necessary to finish the work, but whether we can finish with this small amount or not I do not know.

Mr. CHURCH. The gentleman states he hopes so, but can the gentleman assure us that he will have the legislation ready by January?

Mr. SABATH. We have it ready now, and the bill has been pending and hearings have been held before the Banking and Currency Committee and every member of the committee has been informed on the bill, but, unfortunately, we have not obtained action.

Mr. CHURCH. But there will be other legislation desired?

Mr. SABATH. Yes.

Mr. CHURCH. And the gentleman thinks it will be ready by January?

Mr. SABATH. We think so.

Mr. STARNES. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

### RELIEF OF THE STATE OF INDIANA

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3374) for the relief of the State of Indiana.

The Clerk read the title.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, I would like an explanation of the bill.

Mr. LUDLOW. I will be glad to explain it. The bill was passed unanimously by the Senate and it has been unanimously reported by the House Judiciary Committee. It is for the relief of the State of Indiana, and the amount involved is the sum of two checks which were issued for the benefit of the highway construction, and which were lost in transit. This bill simply authorizes the issuance of duplicate checks to the Indiana State authorities without requiring an indemnity bond. The Department of Agriculture recommends the passage of the bill.

Mr. SNELL. That is all right.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That notwithstanding the provisions of section 3646, as amended, of the Revised Statutes of the United States, the Chief Disbursing Officer of the Treasury Department is authorized and directed to issue, without the requirement of an indemnity bond, duplicates of original checks nos. 66942 and 67000, drawn February 19 and February 20, 1935, in favor of "State Treasurer of Indiana, trust fund", for $2,743.34 and $5,241.35, respectively, and lost between the office of the State treasurer of Indiana and the designated depository.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### AMENDING SECTION 36 OF THE EMERGENCY FARM MORTGAGE ACT OF 1933

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 6776, an act to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, with Senate amendments, agree to the Sheppard amendment, and disagree to the Norris amendment.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, let the gentleman make his statement so that we can know what the request is.

Mr. PIERCE. Mr. Speaker, this bill—H. R. 6776—passed the House sometime ago. In the Senate it was amended by Senator SHEPPARD so as to allow counties in the United States, where the Government had taken over large tracts of land for reforestation, conservation, protection of grazing areas, or preservation of wildlife, to present their claims to the R. F. C., and, if found eligible, to be granted loans for refinancing.

That was the Senator SHEPPARD amendment. The bill was further amended by Senator NORRIS. This amendment provides that the Electric Home and Farm Authority in Tennessee shall continue in business until February 1, 1937.

I want to agree to the Sheppard amendment and disagree to the Norris amendment.

Mr. SNELL. As the Sheppard amendment is germane to the bill, I am not going to object to it; but the other amendment does not belong in a bill of this character.

Mr. STEFAN. Does the gentleman from Oregon propose to disagree to the Norris amendment?

Mr. PIERCE. Yes.

Mr. STEFAN. Then I object. I must object, Mr. Speaker, to protect the amendment of my colleague Senator NORRIS, of Nebraska.

Mr. RICH. The gentleman proposes to disagree to the electric amendment?

Mr. PIERCE. Yes.

Mr. TABER. Why does not the gentleman ask unanimous consent to disagree to both Senate amendments and send it back there?

Mr. PIERCE. Because I think Senator NORRIS will recede from his amendment, and I am anxious to get the bill passed.

Mr. STEFAN. Mr. Speaker, I still feel that I must protect the amendment by Senator NORRIS, and I object. But if, as the gentleman from Oregon states, he feels that Senator NORRIS will recede from his amendment, I shall be glad to withdraw my objection. However, until such time as the Senator from Nebraska does recede, I feel constrained to object. Mr. Speaker, I object.

The SPEAKER. Is there objection?

Mr. STEFAN. Mr. Speaker, I object.

### TIME CREDITS FOR SUBSTITUTE LABORERS, POST OFFICE

Mr. MEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 7709, to provide time credits for substitute laborers in the Post Office when appointed as regular laborers, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table the bill H. R. 7709, with a Senate amendment thereto, and concur in the same. The Clerk will report the Senate amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert:

"That section 5 of the act entitled 'An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes', approved February 28, 1925 (43 Stat. 1053; U. S. C., title 39, sec. 101), is amended by adding thereto a new paragraph to read as follows:

"'Whenever any substitute laborer, watchman, or messenger is appointed to a permanent position as laborer, watchman, or

messenger, the substitute service performed by such laborer, watchman, or messenger shall be computed in determining the eligibility of such person for promotion to grade 2 on the basis of 306 days of 8 hours constituting a year's service. Effective at the beginning of the first quarter following approval of this act, all laborers, watchmen, and messengers who have not progressed to grade 2 shall be promoted to that grade, provided they have the necessary credit of 306 days of 8 hours each constituting a year's service.' "

Amend the title so as to read: "An act to provide time credits for substitute laborers in the Post Office when appointed as regular laborers."

The SPEAKER. Is there objection?

Mr. SNELL. Will the gentleman explain what this does and what it costs?

Mr. MEAD. Mr. Speaker, this merely gives to substitute laborers in the Postal Service time credits after they are named regularly, for such time as they put in as substitutes in the Service. For example, if a substitute laborer works 306 days over a period of 3 or 4 years, upon his being appointed as a regular he goes into grade 2, because he has already served his full apprenticeship as a substitute. It is placing them in the same category with substitute clerks, carriers, and employees of the Railway Mail Service by providing time credits for substitute laborers when they are appointed regularly.

Mr. SNELL. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

### JOE GRAHAM POST, AMERICAN LEGION

Mr. COLMER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 3184, to provide for the immediate settlement of the obligation of the Joe Graham Post of the American Legion arising out of the purchase of the Ship Island Military Reservation.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That notwithstanding the provisions of the act entitled "An act providing for the sale to Joe Graham Post No. 119, American Legion, of the lands lying within the Ship Island Military Reservation, in the State of Mississippi", approved June 15, 1933, and the contract entered into on September 15, 1933, between the War Department and the Joe Graham Post No. 119, of the American Legion, Inc., the Secretary of War is authorized and directed to cause a reappraisal to be made of such lands and to accept, in full settlement of the obligation of said Joe Graham Post under the terms of said contract, such sum, not less than $1,658.22, as he deems fair and equitable in the light of such reappraisal.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

### PROPOSED BURIAL OF WILL ROGERS AND WILEY POST IN ARLINGTON NATIONAL CEMETERY

Mr. COLDEN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3436) to authorize the interment in the Arlington National Cemetery of the remains of the late Will Rogers and Wiley Post, which I send to the desk.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. In objecting to this bill I realize that I am placed in a very embarrassing situation. Will Rogers was a friend of mine for a great many years. I consider him an outstanding American in every respect. Arlington Cemetery has been set aside as sacred and hallowed ground exclusively for the burial of men who served in the armed forces of the United States. As far as I know there has been practically no exception. The only exception I am able to find is that President Lincoln's little boy was buried there when President Lincoln was Commander in Chief of the Army and Navy of the United States. There was also an exception made that members of Mr. Wilson's war Cabinet might be buried there, but they were indirectly connected with the war. As far as I know during all these years there has never been any other exception.

Mr. Rogers was a great humorist, he was a great actor, he was a great American, but was never connected with the armed forces of the United States. I think it is a mistake in our hysteria over this terrible catastrophe that took the lives of these two men to do something that may come back to bother us in years to come. There will be a great many outstanding Americans in the future, as there have been in the past. We never have passed a bill to have any of those in the past buried in Arlington Cemetery, and I trust we will not do anything today to make such bills possible. I am doubtful whether the family of these two outstanding Americans desire this bill to pass. For the good of the American Congress for all time to come, so that it may not become a political question as to who shall and who shall not be buried in Arlington Cemetery, and as a friend of the Rogers family, I am forced to object to the consideration of this bill.

The SPEAKER. Objection is heard.

### DESIGN OF 50-CENT PIECE COMMEMORATING BIRTH OF DANIEL BOONE

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of H. R. 7678, to authorize the Director of the Mint to supplement the approved design of the 50-cent piece commemorating the two hundredth anniversary of the birth of Daniel Boone, the coinage of which was authorized by act of the Seventy-third Congress (Public, No. 258, S. 3355).

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. TABER. Reserving the right to object, will the gentleman say what this bill costs?

Mr. CHAPMAN. In reply to the question of the gentleman from New York, I will say it will not cost anything. It is merely an amendment which would authorize a slight change in the design of the Daniel Boone bicentennial memorial coins authorized by act of the last Congress, so that the figures "1934", the bicentennial anniversary of the birth of this great pioneer, may appear on the reverse side of the coin under the words "pioneer year", and in that way preserve the commemorative character of the coin which is being sold for the purpose of purchasing Boonsboro, Boone Station, and Blue Lick Battlefields, authorization of the acceptance of which as a pioneer national monument was made by an act of the Seventy-third Congress.

The SPEAKER. Is there objection?

There being no objection, the Clerk read as follows:

*Be it enacted, etc.*, That, inasmuch as the annual change in coinage date required by law has caused the removal of the commemorative date of 1934 from the design originally approved and in use for the coinage of the 50-cent pieces commemorating the two hundredth anniversary of the birth of Daniel Boone, authorized by the Seventy-third Congress in Public Act No. 258 (S. 3355), the Director of the Mint, with the approval of the Secretary of the Treasury, be, and he is hereby, authorized to supplement the said design so that the reverse of said 50-cent piece will show the figures "1934" immediately above the words "pioneer year."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### ENROLLMENT IN CIVILIAN CONSERVATION CAMPS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of a House joint resolution, which I have sent to the desk.

The Clerk read the House joint resolution, as follows:

*Resolved, etc.*, That under allocations heretofore or hereafter made available for pay, maintenance, etc., of enrollees of the Civilian Conservation Corps from the appropriation in the Emergency Relief Appropriation Act of 1935, unemployed individuals not on public relief rolls may be enrolled under such regulations as the President may prescribe.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. SNELL. Reserving the right to object, I do not know that I am opposed to that, but I should like the gentleman to tell us what the object of this is.

Mr. McCORMACK. I referred to this on the floor last Saturday. There is a misunderstanding as to whether or not the President can issue an Executive order authorizing the enrollment of young men who are not members of families receiving welfare relief. I received a letter from Col. Louis McHenry Howe stating it was mandatory under the present law. The purpose of this is to permit discretion with the President to authorize by Executive order the enrollment of young men outside of those who are members of families actually receiving welfare relief. For example, out of an authorized enrollment in Boston of 1,800 we only have 800 enrollments. The purpose of this resolution is to let young men whose families are not on the public relief rolls, otherwise eligible within the discretion of the President file application.

Mr. SNELL. That will not change the distribution throughout the country generally in any way, will it?

Mr. McCORMACK. No, no; it is not mandatory in any way. The President has permission.

Mr. TABER. Reserving the right to object, is not this the situation? The President now has authority to change this so as to do just what this resolution provides. There is not any sense at all of our passing resolutions that just permit the same thing to be done that can be done now under the law that has already been passed. All the President has to do is to change the regulations.

Mr. McCORMACK. I am not prepared to say that what the gentleman says is not correct, but it has been called to my attention and I have investigated, and I find there is an honest confusion. I put in the RECORD last Saturday a letter that I received from Col. Louis McHenry Howe stating it was mandatory under the present law. The gentleman from New York [Mr. O'CONNOR] has information to the contrary; but in any event this will clarify the situation. It will remove uncertainty and will permit no such uncertainty.

Mr. TABER. Mr. Speaker, this is the situation: Under that law the President may permit those to enroll in C. C. C. camps who may be eligible for relief, whether they are on the relief roll or not. I do not see why we should put those in C. C. C. camps who are not eligible for relief. I think under the circumstances we ought not to do this.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, early in June I took this matter up with the Executive. I was anxious to get some boys in the C. C. C. camps whose families were not actually on relief—families which needed relief, but were too proud to take relief. I wrote a letter to the President on June 10. The President replied on June 12. There is no question of his authority to place these boys, but he said it was not in accord with the policy of the works-relief bill, which was to take the three and a half million people now on the relief rolls and take care of them first before employment was given to other people. It is a definite policy of the administration. I agree that the President could do it now. I do not think that Colonel Howe's letter was right in law, but I am sure the Executive does not want to do what the gentleman from Massachusetts proposes.

The President's policy is to take care of those on the relief rolls. I agree with the purpose of the resolution, but I doubt whether there is any need of such legislation.

Mr. SNELL. The President has never come back to Congress to get our views on policy with respect to any of these other matters, and I do not see why we should do it on this.

Mr. O'CONNOR. I do not understand the President is asking for our policy at all.

Mr. SNELL. He has the power. I think that is sufficient.

Mr. McCORMACK. There is an honest question. If any gentleman feels the President has the power and is satisfied, then I have no disagreement with such gentleman.

Mr. TABER. Mr. Speaker, there is absolutely no question. I was a member of the committee that prepared that bill, and I know what is in it. I know the President has the authority to do it now. I cannot see why we should pass a bill which delegates more authority to the President and still leaves it within his authority to do it or not, as he pleases.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. RICH. Mr. Speaker, I object.

### OVERTIME LABOR AT NAVY YARDS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 872, an act for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims, insist upon the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

Mr. McFARLANE. Mr. Speaker, reserving the right to object for the purpose of obtaining information, what is the difference between the House and the Senate amendments?

Mr. DICKSTEIN. This is the bill in which the House fixed 10 percent for attorneys' fees but the Senate fixed 20 percent. I am asking that the House insist upon the provisions of its amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. KENNEDY of Maryland, RAMSPECK, and GUYER.

### UNEMPLOYMENT COMPENSATION, DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the conference report on the bill (H. R. 7167) to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes, and ask that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7167) to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with the following amendments: On page 4 of the Senate engrossed amendment, line 20, strike out "7" and insert "8"; on page 5 of the Senate engrossed amendment, lines 11 and 12, strike out "or by the District"; on page 8 of the Senate engrossed amendment, after line 26, insert the following:

"DISTRICT CONTRIBUTIONS

"SEC. 5. (a) The District of Columbia shall pay contributions, in addition to its contributions as an employer, in the following amounts: For the calendar year 1936, $100,000; for the calendar year 1937, $125,000; and for the calendar year 1938, $175,000.

"(b) The contributions required by this section for each calendar year shall be paid by the District to the Board, and shall, immediately upon receipt by the Board, be paid into the District Unemployment Fund."

On page 9 of the Senate engrossed amendment, line 2, strike out "5" and insert "6"; on page 9 of the Senate engrossed amendment, line 8, strike out "6" and insert "7"; on page 9 of the Senate engrossed amendment, line 15, strike out "7" and insert "8"; on page 11 of the Senate engrossed amendment, line 12, strike out "8" and insert "9"; on page 12 of the Senate engrossed amendment, line 2, strike out "9" and insert "10"; on page 13 of the Senate engrossed amendment, line 17, strike out "10" and insert "11"; on page 14 of the Senate engrossed amendment, line 2, strike out "three" and insert "one"; on page 15 of the Senate engrossed amendment, line 12, strike out "11" and insert "12"; on page 16 of the Senate engrossed amendment, line 3, strike out "12" and insert "13"; on page 18 of the Senate engrossed amendment, line 5, strike out "decisison" and insert "decision"; on page 19 of the Senate engrossed amendment, line 21, strike out "12" and insert "13"; on page 20 of the Senate engrossed amendment, line 10, strike out "13" and insert "14"; on page 21 of the Senate engrossed amendment, line 9, strike out "act" and insert "Act"; on page 21 of

the Senate engrossed amendment, line 22, strike out "14" and insert "15"; on page 22 of the Senate engrossed amendment, line 7, strike out "15" and insert "16"; on page 23 of the Senate engrossed amendment, line 6, strike out "16" and insert "17"; on page 23 of the Senate engrossed amendment, line 21, strike out "17" and insert "18"; on page 24 of the Senate engrossed amendment, line 21, strike out "18" and insert "19"; on page 26 of the Senate engrossed amendment, line 6, strike out "19" and insert "20"; on page 27 of the Senate engrossed amendment, line 2, strike out "20" and insert "21"; on page 27 of the Senate engrossed amendment, line 6, strike out "21" and insert "22"; on page 27 of the Senate engrossed amendment, line 17, strike out "22" and insert "23"; on page 27 of the Senate engrossed amendment, line 22, strike out "23" and insert "24"; and on page 28 of the Senate engrossed amendment, line 5, strike out "24" and insert "25"; and the Senate agree to the same.

VINCENT L. PALMISANO,
HENRY ELLENBOGEN,
EVERETT M. DIRKSEN,
*Managers on the part of the House.*

WILLIAM H. KING,
ROYAL S. COPELAND,
ARTHUR CAPPER,
*Managers on the part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7167) to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The House bill limited the definition of "employers" to those who employ at least 4 persons for at least 13 weeks a year. The Senate amendment, which is in the form of a substitute for the House bill, applies to employers of one or more.

The House bill exempted (1) employment as an elected or appointed public officer, (2) employment by the District on an annual salary basis, (3) employment as a teacher in a public school. The Senate amendment exempts (1) domestic service in a private home, (2) casual labor, (3) members of the employer's family, (4) Federal employment, (5) employment performed for a Member of Congress in connection with his legislative duties, and (6) employment by the District as a school officer or teacher, a member of the police or fire department, or of an individual under the Retirement Act.

The House bill provided that the rate of contribution from an employer should be an amount equal to 3 percent of his pay roll, except that contributions could be increased up to 5 percent for employers with a high rate of unemployment, but could not be reduced below 3 percent. The Senate amendment provides that the rate of contribution shall be at the rate of 1 percent for the calendar year 1936, 2 percent for the calendar year 1937, and 3 percent thereafter, except that commencing in 1941 the rate of contribution will be varied from 1½ percent to 4 percent, based upon the compensation experience of such employer.

The House bill provided that the District should contribute, in addition to its regular contribution as an employer, an amount equal to 1 percent of the pay roll of all employers subject to this act The Senate amendment contains no comparable provision.

Under the House bill benefits commenced in January 1937. The Senate amendment changes this provision to January 1938. The Senate amendment reduces maximum benefit from 26 weeks in a year, as provided in the House bill, to 16 weeks. The Senate amendment also provides that benefits will be proportioned to previous employment in the ratio of 1 week of benefits for each 3 weeks the employee has worked in the preceding 2 years. The ratio in the House bill was 1 to 4.

Under the House bill benefits were payable by checks drawn by the Treasury. The Senate amendment provides that benefits are to be paid through checks drawn by the Board on the District unemployment fund placed as a special deposit in the Treasury.

The House bill penalized an employee if he voluntarily quits his job without good cause by disqualifying him for benefits for the week in which he quits and for not exceeding the 3 next following weeks. The Senate amendment penalizes him for the week in which he quits and for 3 additional weeks. The House bill also provided that if an employee is discharged for misconduct he is disqualified for the week in which he is discharged and for not less than the 1 nor more than the 6 next following weeks. The Senate amendment disqualifies him for the week in which he is discharged and for from 3 to 6 additional weeks. The House bill provided that the weeks for which the individual is disqualified would be counted as if benefits had been paid in those weeks in determining the number of weeks of benefits to which the employee is entitled. This provision was not contained in the Senate amendment.

Under the House bill the administration of the act was vested in the Social Security Board, with an advisory commission composed of the District Commissioners and an employer and an employee representative. The Senate amendment establishes a local board to administer the act, to be composed of the Commissioners of the District of Columbia, as members ex officio, and one representative of employees and one representative of employers, to be appointed by the Commissioners. The Senate amendment also provides that the Board is to employ an executive officer to serve as its secretary and to act in the name of the Board in all matters delegated to him.

The conference agreement accepts the substance of the Senate amendment, with the following modifications:

1. Provision is made for contribution by the District in addition to its contribution as an employer, $100,000 for the calendar year 1936, $125,000 for the calendar year 1937, and $175,000 for the calendar year 1938.

2. The Senate amendment defined "employment office" as a free public employment office or branch thereof in the District, operated by the United States Employment Service or by the District. The conference agreement strikes out the language "or by the District."

3. The Senate amendment provides that if an employee is discharged for misconduct he is disqualified for benefits for the week in which he is discharged, and for from 3 to 6 additional weeks, depending upon the severity of the offense. The conference agreement provides, as did the House bill, that the additional penalty should be from 1 to 6 weeks.

VINCENT L. PALMISANO,
HENRY ELLENBOGEN,
EVERETT M. DIRKSEN,
*Managers on the part of the House.*

The conference report was agreed to.

A motion to reconsider was laid on the table.

## ACCEPTANCE OF BIDS FOR GOVERNMENT CONTRACTS MADE SUBJECT TO CODES OF FAIR COMPETITION

Mr. UTTERBACK. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 163 to authorize the acceptance of bids for Government contract made subject to codes of fair competition.

Mr. SNELL. Mr. Speaker, this matter should be explained. Let us know what it is.

Mr. UTTERBACK. Mr. Speaker, this is validating legislation to authorize the acceptance of bids for Government contracts made subject to the codes which the Comptroller General, because of the decision in the Schechter case, has held illegal. The bill provides for validating these bids on condition that the bidders sign an agreement with the approval of the surety on the bond that he will comply with any laws subsequently passed by Congress with reference to hours of labor, minimum wages, and such things.

Mr. MICHENER. Mr. Speaker, reserving the right to object, this is one of the bills the gentleman referred to on the floor the other day and to which I objected. I think my objection was based primarily upon the statement from the Comptroller General that the bill was unworkable, that it could not be checked up, and that it was not practicable. With a report like that coming from the Comptroller General, if I am correct, I do not think this is a bill that should be brought up under unanimous consent.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. JENKINS of Ohio. I would ask the gentleman from Iowa if this is the bill that provides for continuation of the N. R. A., in effect, on contractors dealing with the Federal Government?

Mr. MICHENER. This is not the Walsh bill, to which the gentleman objects. There are two Walsh bills.

Mr. MEAD. Mr. Speaker, will the gentleman yield that I may explain the bill?

Mr. MICHENER. Certainly.

Mr. MEAD. I shall try to answer the gentleman's question.

Mr. Speaker, there are a number of contracts, and a small number of contracts at that, that were pending and about closed when the N. R. A. decision went into effect. It will cost the Government as much money to call for new bids by eliminating all these contracts as they may save by insisting upon reduced labor conditions which may follow a court decision. Now, if the Government will accept these bids and award these contracts, the contractors will agree to give the workers the labor conditions prescribed in the N. R. A. code for the particular industry.

Mr. JENKINS of Ohio. Is it not a fact that through the pending bill the Government is going to enforce the N. R. A. which the Supreme Court declared to be unconstitutional?

Mr. MEAD. That is not this bill. They cannot go ahead with these contracts, a small number of them. They were practically precluded by the decision.

Mr. MICHENER. These bids were let on specifications prepared when the N. R. A. was in effect.

Mr. UTTERBACK. Yes.

Mr. MICHENER. The bids were let on that basis.

Mr. UTTERBACK. Yes.

Mr. MICHENER. But the Comptroller General will not approve the vouchers for the contracts because the contracts are illegal inasmuch as the general law provides that the contract must go to the lowest bidder. The N. R. A. placed an illegal limitation on the bidder, which prevented there being a legal lowest bidder. This bill validates those contracts, but the Comptroller General says that he will be in position that he cannot tell whether or not the subcontractors way down the line have complied with the codes. He does not know; he says his accountants cannot tell.

Mr. SNELL. If the statement of the gentleman from Ohio is correct, why should we consider the bill?

Mr. MEAD. There are about 60 contracts all told, I am informed, and to straighten the matter out with respect to this particular contract will result in a saving.

Mr. SNELL. This gives our approval to an illegal contract.

Mr. SUMNERS of Texas. Mr. Speaker, reserving the right to object, as I understand the situation, these contracts were let when N. R. A. was in operation, and the Comptroller General later held that by reason of the decision of the Supreme Court which changes the basis of the contract that these contracts could no longer be recognized as enforceable. This legislation is intended to meet that situation. As I understand its provisions it permits a refiguring of these contracts so that whatever effect may have resulted from the N. R. A. being knocked out or that may have resulted in reducing the cost of labor, material, or any other thing that happened as a result could be estimated and figured by the Comptroller General and added to or reduced from the price agreed upon in the original contract.

Mr. SNELL. Is that the principle involved in this bill?

Mr. SUMNERS of Texas. I understand that is all there is to the bill.

Mr. MARCANTONIO. Will this bill affect any of the naval contracts?

Mr. UTTERBACK. If it affects them in any way it validates those contracts.

Mr. MARCANTONIO. Very well; I want to make this observation: We pass laws of this kind for the protection of labor, and I have supported all of them, and I am in favor of this one. However, what happens? We pass the laws and send them over to the administration to enforce them. Labor is led to believe that they have acquired certain rights by virtue of this type of legislation. The departments in charge of enforcing these labor provisions have not only ignored them, not only have they been negligent, but they have also been guilty of deliberately using their executive power to force labor to submit to intolerable conditions. For example, let us take into consideration what is happening today in Camden, N. J., where a strike has been going on for 13 weeks between the New York Shipbuilding Co., which has a contract with the Navy Department, and its employees. This contract has ample provisions to protect labor. Yet the Department of Labor and the Navy Department are frustrating every clause in the contract which is for labor's benefit. We are simply fooling the American workers. Labor legislation in Congress on the one hand; on the other hand, double dealing, negligence, protection of labor exploiters, ignoring of workers' appeals on the part of the Navy and Labor Departments. How long do you think the American workers are going to let you get away with this double-cross?

Mr. ELLENBOGEN. Mr. Speaker, reserving the right to object, I hope my colleagues on the Republican side will not object. These contracts were advertised in due form, and there are only a very few of them.

Mr. MICHENER. Now the gentleman is making a statement contrary to the fact. He stated there were only a few. If the gentleman has any accurate facts we would be glad to hear them, but I do not want him to make the statement that there are only a few and that he hopes the Republicans will not object., I think the gentleman should know what he is talking about before he makes such statements.

Mr. ELLENBOGEN. I make the statement on the basis of statements made to me. I know there are some of these contracts which involve subcontractors. If this resolution is not agreed to there will be losses involved and the Government will have to spend a lot of money.

Mr. MICHENER. Mr. Speaker, the gentleman makes a lot of statements he does not know anything about. Therefore I object.

### PUBLIC-UTILITY HOLDING COMPANIES

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I think it is only fair to the Members of the House to make a short statement. The conferees on the public-utilities holding company bill have reached an impasse on paragraph (b) of section 11 in that bill. The Senate has made a proposal for a compromise on paragraph (b) of section 11, which the majority of the House conferees have refused to accept. Immediately after 3 o'clock I shall ask the privilege of offering a motion to instruct the House conferees to agree to the proposal of the Senate committee. I may say, Mr. Speaker, that copies of the proposal are available at this time.

### HELEN GALLAGHER DOMINIAN

Mr. BLOOM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3386) for the relief of Helen Gallagher Dominian.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman tell us about this bill?

Mr. BLOOM. This is a bill for the relief of the widow of a man who died in Montevideo, Uruguay. It has passed the Senate and has been favorably reported by the House committee. It is the usual bill for a year's salary for the widow of someone who died in the service.

Mr. TABER. Was the deceased an employee of the State Department?

Mr. BLOOM. Yes.

Mr. TABER. In this particular case, is it a widow who receives the benefit under this bill?

Mr. BLOOM. Yes; this is for the widow.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Helen Gallagher Dominian, widow of Leon Dominian, late Foreign Service officer, class 3, Montevideo, Uruguay, the sum of $7,800, being 1 year's salary of her deceased husband who died while in the Foreign Service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

### THE HOMESTEAD NATIONAL MONUMENT OF AMERICA, NEBRASKA

Mr. LUCKEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1307) to establish the Homestead National Monument of America in Gage County, Nebr.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman tell us what this bill is all about?

Mr. LUCKEY. Mr. Speaker, this bill provides for the Homestead National Monument of America in Gage County, Nebr. It has the recommendation of the committee, the

Bureau of the Budget, and the Secretary of the Interior. We have gone to the President in reference to the bill and he endorses it.

The Senate passed the bill on March 29, 1935.

This is a very meritorious bill. Under its provisions a national park would be established to perpetuate in the minds and thoughts of the present generation and generations to come the greatest single factor in the development of our great and glorious West. It has been our practice to erect monuments and memorials to honor our distinguished and revered dead, and we have created a system of national parks in regions of great natural beauty or of unusual topographic conformation. In the creation of this proposed national park there is no attempt to create such a memorial park, but rather to bring into being a lasting monument to the greatest and most heroic band of men, women, and children that ever served a nation. No words of mine can depict the terrible struggle against nearly overwhelming odds, the tragedy and heartbreak of those sturdy pioneers, nor the spirit of manifest destiny and faith in their country which drove these heroes on to their glorious achievement. That story, which is the story of the winning of the West, has often been told, and there are some men here today who can remember some parts of that story from personal experience.

In March of 1862 the Great Emancipator signed the Homestead Act, an act which has proven one of the most far-sighted single pieces of legislation ever enacted. Following the signing of that act multitudes of men, no longer content with conditions under which they were then living, and others, seeing the great vista of economic betterment to be found farther west, joined with their brothers who felt that pioneer urge to wrest with their hands from the soil a new homeland. Westward, ever westward, in an ever-increasing stream drove these pioneers, taking advantage of the provision of a provident government to gain title to land which they could call their own and bequeath to unborn generations. This was no easy task which confronted these homesteaders, but rather a long and arduous struggle against the most overwhelming odds. No greater group of heroes, men and women, ever fought for a country than those who wrested the virgin prairies, timbered hillsides, and silver streams from a provident, though oftentimes cruel and harsh, Nature.

Now we are asking that the homestead of Daniel Freeman, which was the first homestead ever established under this act, shall be established as a national park. Situated in one of the most fertile and productive regions in our country, this tract of land can be created into a lasting monument to one of the greatest acts of our Government, the greatest achievement of our Nation, and to the heroes, men and women from every State in the Union, who brought about the winning of the West.

This park, when established, shall contain a replica of the Daniel Freeman log cabin and such other buildings as are necessary to establish a museum and repository for literature dealing with this great epoch in American history. To you gentlemen and gentlewomen from whose States were recruited those hearty settlers who, under the Homestead Act, settled on this free land, I ask support in establishing this park. It is not a matter of State or local interest, but one of national interest and done in which we, as citizens of the United States, should be proud. The free lands are gone, and these 48 States have been united into an economic and social whole. In order that future generations may have before them a monument to the great Homestead Act and to the unsung heroes and heroines of peace, I ask the establishment of the Homestead National Monument of America.

Mr. TABER. How much will it cost?

Mr. LUCKEY. It will cost $24,000 to establish the entire monument.

Mr. TABER. We have adopted a policy that we should not indulge in that sort of thing any more. Therefore, I object.

Mr. McLAUGHLIN. Will the gentleman withhold his objection until I make a statement?

Mr. TABER. I withhold my objection.

Mr. McLAUGHLIN. Mr. Speaker, I appreciate the view expressed by the gentleman from New York that there is an inclination to object to this type of bill. However, I may say that the State of Nebraska, representing the agricultural Middle West, believes that this bill is one in which an exception could well be made, for the reason that this memorial will set an example of the hardihood of the original pioneers who took homesteads in the Middle West and of the service they rendered the Nation. From a political standpoint, it represents the advantage of combined Federal relief and rugged individualism, for the reason that this man in 1862 secured the land from the United States Government, and by his own individual efforts improved the land and assisted in building the State of Nebraska to the point where it is today.

Mr. TABER. I may say to the gentleman that I have voted against bills involving monuments every time they have come up. The other day, in connection with my own State, I voted against it, and so have several other gentlemen on this side. We thought that we ought to take our own medicine and not do any more of this sort of thing.

Mr. McLAUGHLIN. Mr. Speaker, will the gentleman withhold his objection one more minute?

Mr. TABER. This is a general policy, and we are ready to take our own medicine as well as everybody else.

Mr. McLAUGHLIN. Will the gentleman withhold his objection in order that this bill may be considered and an amendment introduced eliminating the appropriation of $24,000?

Mr. TABER. That would mean the Interior Department would take over and maintain it, and I think we ought not to go any further in the matter.

The regular order was demanded.

Mr. TABER. Mr. Speaker, I object.

### WILLIAM E. WILLIAMS

Mr. MOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1483) for the relief of William E. Williams.

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman tell us what this bill does?

Mr. MOTT. Yes; this bill permits William E. Williams, a man from Astoria, Oreg., who was injured during a storm at sea while on the lighthouse tender *Manzanita*, to file a claim with the United States Employees' Compensation Commission. This man was in the hospital for more than a year after he was injured and finally had to have his leg amputated, and in the meantime the time for filing the claim had passed.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, where is this bill on the Private Calendar?

Mr. MOTT. About 60 bills following the point where we are now.

Mr. McFARLANE. Has the bill been objected to?

Mr. MOTT. No; it never has been reached.

Mr. TABER. Has the bill been reported by the House committee?

Mr. MOTT. It has been unanimously reported by the House committee and unanimously passed by the Senate.

Mr. McFARLANE. When did the injury for which you are now asking compensation occur?

Mr. MOTT. The injury occurred in 1932.

Mr. ZIONCHECK. It is merely a jurisdictional bill?

Mr. MOTT. It is a jurisdictional bill allowing him to file the claim.

Mr. HOPE. Mr. Speaker, reserving the right to object, is the only reason the Commission has not taken jurisdiction due to the fact that the claim was not filed within the 1-year period?

Mr. MOTT. Yes.

Mr. HOPE. And this bill simply gives them the right to file a claim?

Mr. MOTT. That is all, and the reason he did not file his claim was due to the fact that he was in the hospital off and on, and finally had to have the leg amputated, and at that time the 1-year period had expired. The bill is favorably recommended by the Commission.

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in the case of William E. Williams (claim no. 398860); and the United States Employees' Compensation Commission is authorized and directed to consider and act upon any claim filed with the Commission within 1 year after the date of the enactment of this act, by said William E. Williams for compensation under the provisions of said act of September 7, 1916, as amended, for disability alleged to be due to injuries received by him while employed on the lighthouse tender *Manzanita* at Astoria, Oreg., in January 1932: *Provided*, That compensation, if any, shall be paid from and after the date of enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OMNIBUS PENSION BILL

Mr. GASQUE. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 9074) granting pensions to certain soldiers and sailors of the Regular Army and Navy, and so forth, and certain soldiers and sailors of wars other than the Civil War, and to widows and dependents of such soldiers and sailors.

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman explain what this bill does?

Mr. GASQUE. I will state that this is an omnibus pension bill, the first one reported by the committee in 3 years. The committee has adopted very stringent rules and we are only granting pensions to those soldiers and sailors who are right on the border line.

The bill carries 110 small pensions amounting to about $22,170 only, and I may say while I am answering the gentleman that the committee has adopted a new policy and this year we have taken up with the Veterans' Administration bills that have been introduced by Members of Congress which we felt should be settled in the Bureau. We have had about 65 pensions granted by the Bureau on bills that were introduced by Members of Congress who had not followed them through.

Mr. TABER. I have no objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

By unanimous consent, the reading of the bill was dispensed with.

This bill is a substitute for the following House bills referred to said committee:

H. R. 280. Fred Bert Stegeman
H. R. 281. Florence Tebbenhoff
H. R. 304. Charlotte Dean
H. R. 403. Grace A. Coates
H. R. 407. Barbara Oertel
H. R. 500. Thomas A. O'Leary
H. R. 543. Elizabeth Heintze
H. R. 625. Callie J. Feaster
H. R. 629. Emma E. Smith
H. R. 717. Colonel L. Stacy
H. R. 738. Stephen Hays
H. R. 799. Albert L. McGoffin
H. R. 827. John R. Longwith
H. R. 908. Anna T. Walsh
H. R. 939. Parish Graham
H. R. 942. Emily Cecil
H. R. 1007. John Bettridge
H. R. 1012. Peter McKittrick
H. R. 1041. Grace J. Turner
H. R. 1047. James L. Mackley
H. R. 1108. Josephine Ballmann
H. R. 1109. Anna Wehner
H. R. 1110. Myrtle DeWitte
H. R. 1134. Samuel Evans
H. R. 1188. Margaret Williams
H. R. 1326. Joseph Ladish
H. R. 1463. George S. Harris
H. R. 1568. Ulysses Samuel Main
H. R. 1577. Georgia L. Spelce
H. R. 1629. Samuel Harris
H. R. 1673. Steve Hendrick
H. R. 1677. Mae L. Armour
H. R. 1681. William H. Neff
H. R. 1683. Cora E. Kuderski
H. R. 1684. Jack A. Painter
H. R. 1749. Anna McNamara
H. R. 1752. Anna E. Cahill
H. R. 1854. Henry Berndt
H. R. 1862. Fordyce Tucker
H. R. 1870. Mary E. Winslow
H. R. 1893. Frank H. Brown
H. R. 2141. Freda Boy
H. R. 2149. Annie J. Gonsalez
H. R. 2172. Agnes E. Barnhardt
H. R. 2173. Margaret White
H. R. 2223. Mattie E. Fruit
H. R. 2224. Frank C. Tyson
H. R. 2253. Mort Wallace Mays
H. R. 2365. Clellia S. Irvin
H. R. 2379. Gwilyn T. Lewis
H. R. 2399. Lonie Pearson
H. R. 2402. Robert Hutchison Owens
H. R. 2404. Eddie R. Guyon
H. R. 2408. Everett Hilliad Harvey
H. R. 2429. Carl H. Ziebell
H. R. 2463. Robert C. Humphrey
H. R. 2556. Mollie G. Tomlinson
H. R. 2729. Blanche F. O'Beirne
H. R. 3077. Stephen D. Graves
H. R. 3103. Cornelius S. Holcombe
H. R. 3141. Lillie Z. Devin
H. R. 3205. Rye Fairbanks
H. R. 3345. Joseph K. Sullivan
H. R. 3486. Margaret Proctor
H. R. 3492. Mary A. M. Lafferty
H. R. 3504. Ethel K. Massie
H. R. 3701. Mary E. Grinnell
H. R. 3719. Fred C. Vanderpool
H. R. 3744. Pearl Bouchie
H. R. 3829. Bessie Baldwin
H. R. 3834. Joseph J. Mann
H. R. 3846. Sabina M. Ettlinger
H. R. 3847. Katherine E. Miller
H. R. 3920. Mary J. Duling
H. R. 3933. Martha Hill
H. R. 3958. Pharis Johnson
H. R. 3968. Cornelius J. Phillips
H. R. 4057. Shirley R. Slevin
H. R. 4112. Maud Patterson
H. R. 4224. Isabelle H. Brynes
H. R. 4266. Felix Jaranowski
H. R. 4400. Rafael Lugo
H. R. 4421. Sophie M. Peterson
H. R. 4607. Thomas J. Kileen
H. R. 4786. Margaret M. Boardman
H. R. 4930. Mary C. Simon
H. R. 4934. Samuel W. Mabrey
H. R. 5081. Rebecca Barnard
H. R. 5204. Mrs. Carl Rainey
H. R. 5468. John V. Wakkinen
H. R. 5556. Ula M. Hoover
H. R. 5680. Lee J. Bethel
H. R. 5788. Helen M. Crowley
H. R. 5820. Mary V. Gesner
H. R. 5989. Willard Fulk
H. R. 6262. John D. Pearson
H. R. 6664. Genevieve Roy Shetterly
H. R. 6716. Timothy A. Linehan
H. R. 6840. Elizabeth W. Steele
H. R. 7066. Mary M. Diehl
H. R 7111. Esta May McArthur
H. R. 7213. Roy B. French
H. R. 7493. Cora Arlena Ballard
H. R. 7551. Dolly Hathaway Catherwood
H. R. 8355. Anna Mae Lehman
H. R. 8377. Linford E. Dinkle
H. R. 8507. Catherine O'Hare
H. R. 8676. Minnie Loch Durshimer
H. R. 8724. Margaret J. Wilson
H. R. 8960. Maude Harriman Sanford

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRI-STATE COMPACT

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the present consideration of a Senate joint resolution (S. J. Res. 159), which is the same as the House joint resolution (H. J. Res. 349), granting the consent of Congress to the States of New York, New Jersey, and Connecticut to enter into a compact for the creation of the interstate sanitation district and the establishment of the interstate sanitation commission.

The Clerk read the title of the Senate joint resolution.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, does the joint resolution carry any appropriation?

Mr. CELLER. No; it does not.

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman give an explanation of the joint resolution?

Mr. CELLER. The joint resolution simply permits the States of New Jersey, Connecticut, and New York to enter into a compact for the clearing up of the pollution in the waters adjoining these various States.

The Governors of the States must have legislation for this compact, otherwise the proceedings will be abortive.

Mr. MICHENER. Will the gentleman yield?

Mr. CELLER. I yield.

Mr. MICHENER. The committee gave very careful consideration to this matter, and it is really a routine matter.

Mr. CELLER. The gentleman is correct.

Mr. McFARLANE. Will the gentleman yield?

Mr. CELLER. I yield.

Mr. McFARLANE. Does this bill carry any authorization which requires the Government to pay any money?

Mr. CELLER. Not a penny.

The SPEAKER. Is there objection to the consideration of the resolution?

There was no objection.

The Clerk read the resolution, as follows:

Senate Joint Resolution 159

Whereas the State of New York and the State of New Jersey desire to create the interstate Sanitation District and to establish the Interstate Sanitation Commission, in accordance with the terms of a compact to which by its terms the State of Connecticut is empowered to become a party, which compact is as follows:

TRI-STATE COMPACT

Whereas the tremendous growth of population and the development of the territory surrounding and adjacent to the harbor of New York has resulted in recent years in an increasingly serious pollution of the harbor, coastal, and tidal waters in such area and the tributary waters therein; and

Whereas such pollution constitutes a grave menace to the health, welfare, and recreational facilities of the people living in such area and is occasioning great economic loss; and

Whereas the control of future pollution and the abatement of existing pollution in the waters in such area is of prime importance to the people living in such area and can best be accomplished through the cooperation of the States of New Jersey and

New York and Connecticut by and through a joint or common agency: Now, therefore,

The State of New York and the State of New Jersey and the State of Connecticut do agree and are bound as follows:

ARTICLE I

1. Each of the signatory States pledges each to the other faithful cooperation in the control of future pollution and agrees to provide for the abatement of existing pollution in the tidal and coastal waters in the adjacent portions of the signatory States defined herein as coming within the district, and consistent with such object, to enact adequate legislation which will enable each of the signatory States to put and maintain the waters thereof in a satisfactory sanitary condition and particularly to protect public health; to render safe such waters as are now used or may later become available for bathing and recreational purposes; to abate and eliminate such pollution as becomes obnoxious or causes a nuisance; to permit the maintenance of major fish life, shellfish, and marine life in waters now available or that may by practicable means be made available for the development of such fish, shellfish, or marine life; to prevent oil, grease, or solids from being carried on the surface of the water; to prevent the formation of sludge deposits along the shores or in the waterways; and with the fulfillment of these objectives to abate and avoid incurring unnecessary economic loss by safeguarding the rights of the public in its varied legitimate uses of the waters of the district.

ARTICLE II

1. To that end they do agree that there shall be created, and they do hereby create, a district, to be known as the "Interstate Sanitation District" (hereinafter referred to as the "district"), which shall embrace the territory described as follows:

All the coastal, estuarial, and tidal waters within or covering portions of the signatory States as follows:

(a) In Connecticut, Long Island Sound, and estuaries and tidal waters thereof between the easterly side of New Haven Harbor at Morgan Point and the Connecticut-New York State boundary, and the Housatonic River up to the northerly boundary lines of the towns of Stratford and Milford.

(b) In New York, all of the tidal waters of Greater New York City; including Kill Van Kull and Arthur Kill, Long Island Sound, and the estuaries and tidal waters thereof between the New York City line and the New York-Connecticut State boundary and between the New York City line and the easterly side of Port Jefferson Harbor; the Atlantic Ocean and the estuaries and tidal waters thereof between the New York City line and the easterly side of Fire Island Inlet; and the Hudson River and estuaries and tidal waters thereof between the New York-New Jersey State boundary and the northerly line of Rockland County on the westerly side and between the northerly line of New York City and the northerly line of Westchester County on the easterly side of the river.

(c) In New Jersey, the Hudson River and New York Upper Bay, and estuaries and tidal waters thereof, between the New York-New Jersey boundary and Constable Point on Constable Hook; the Kill Van Kull and Arthur Kill to the mouths of the rivers entering into the Kills; Newark Bay and the estuaries thereof up to the mouth of the Passaic River, and up to the mouth of the Hackensack River; Raritan Bay, together with the Raritan River up to the Victory Bridge on said river between Perth Amboy and South Amboy, together with the Cheesequake Creek up to the New York & Long Branch Railroad bridge on said creek at Morgan; together with the Matawan Creek up to the New York & Long Branch Railroad bridge on said creek at Matawan; Sandy Hook Bay, together with the Shrewsbury River up to the passenger railroad bridge between Navesink Light and Highland Beach on said river.

ARTICLE III

1. There is hereby created the Interstate Sanitation Commission (hereinafter referred to as the "commission"), which shall be a body corporate and politic, having the powers, duties, and jurisdiction herein enumerated and such other and additional powers as shall be conferred upon it by the act or acts of a signatory State concurred in by the others and by the act or acts of Congress when necessary.

ARTICLE IV

1. The commission shall consist of five commissioners from each State, each of whom shall be a resident voter of the State from which he is appointed.

The commissioners shall be chosen in the manner and for the terms provided by law of the State from which they shall be appointed, and each commissioner may be removed or suspended from office as provided by the law of the State from which he shall be appointed. The commissioners shall serve without compensation, but shall be paid their actual expenses incurred incident to the performance of their duties.

ARTICE V

1. The commission shall elect from its number a chairman and vice chairman and shall appoint and at its pleasure remove or discharge such officers and legal, clerical, expert, and other assistants as may be required to carry the provisions of this compact into effect, and shall fix and determine their duties, qualifications, and compensations.

It shall adopt a seal and suitable bylaws and shall promulgate rules and regulations for its management and control.

It may maintain one or more offices for the transaction of its business and may meet at any time or place within the signatory States.

A majority of the members from each State shall constitute a quorum for the transaction of business, the exercise of any powers, or the performance of any duties, but no action of the commission shall be binding unless at least three of the members from each State shall vote in favor thereof.

The commission shall keep accurate accounts of all receipts and disbursements and shall make an annual report to the Governor and the legislature of each State setting forth in detail the operations and transactions conducted by it pursuant to this compact, and shall make recommendations for any legislative action deemed by it advisable, including amendments to the statutes of the signatory States which may be necessary to carry out the intent and purpose of this compact, and changes in the district which concentration of population or other cause may require.

The commission shall not incur any obligations for salaries or office or other administrative expenses prior to the making of appropriations adequate to meet the same, nor shall the commission pledge the credit of any of the signatory States except by and with the authority of the legislatures thereof. Each State reserves the right to provide hereafter by law for the examination and audit of the accounts of the commission by its comptroller or other official.

The commissioners shall meet and organize within 10 days after the effective date of this compact.

ARTICLE VI

1. It is recognized by the signatory States that, where tidal waters are used for such varied purposes as bathing, navigation, shellfish culture, the development of fish life, and the disposal of wastes, no single standard of purity is practicable in all parts of the district. In order to attain the objects of this compact, the commission, after proper study and after conducting public hearings upon due notice, shall group the designated waters of the district into classes. Where local conditions shall have changed in the future to such an extent that changes in classification become necessary, the commission may, after conducting public hearings upon due notice, adopt such changes.

Two general classifications shall be used:

(1) Class A, in which the designated water areas are expected to be used primarily for recreational purposes, shellfish culture, or the development of fish life;

(2) Class B, in which the designated water areas are not expected to be used primarily for recreational purposes, shellfish culture, or the development of fish life.

ARTICLE VII

1. It is agreed between the signatory States that no sewage or other polluting matters shall be discharged or permitted to flow into, or be placed in, or permitted to fall or move into the tidal waters of the district, except under the following conditions and restrictions:

(1) All sewage discharged or permitted to flow into class A waters of the district shall first have been so treated as—

(a) to remove all floating solids and at least 60 percent of the suspended solids; and

(b) To effect a reduction of organisms of the B. coli group (intestinal bacilli) so that the probable number of such organisms shall not exceed 1 per cubic centimeter in more than 50 percent of the samples of sewage effluent tested by the partially confirmed test: *Provided, however,* That in the case of discharge into waters used primarily for bathing, this bacterial standard need not be required except during the bathing season; and

(c) to effect a reduction in the oxygen demand of the sewage effluent sufficient to maintain an average dissolved-oxygen content in the tidal waters of the district and in the general vicinity of the point of discharge of the sewage into those waters, at a depth of about 5 feet below the surface, of not less than 50-percent saturation during any week of the year. (2) All sewage discharged or permitted to flow into class B waters of the district shall first have been so treated as—

(a) to remove all floating solids and at least 10 percent of the suspended solids, or such additional percentage as may by reason of local conditions be necessary to avoid the formation of sludge deposits in the class B waters of the district; and

(b) to effect a reduction in the oxygen demand of the sewage effluent sufficient to maintain an average dissolved-oxygen content in the tidal waters of the district and in the general vicinity of the point of discharge of the sewage into those waters, at a depth of about 5 feet below the surface, of not less than 30 percent saturation during any week of the year.

ARTICLE VIII

1. Each of the signatory States agrees that, insofar as waters within its jurisdiction may flow into any portion of the district, all sewage discharged or permitted to flow into any stream tributary to the tidal waters of the district shall be treated to that extent, if any, which may be necessary to maintain such tributary immediately above its confluence with the tidal waters of the district in a sanitary condition at least equal to the classification requirements determined by the commission for the tidal waters of the district into which it discharges. The waters of the Hudson River, immediately above the mouth of Sparkhill Creek on the

westerly side and the New York-New Jersey boundary extended on the easterly side of the river, shall be maintained in a sanitary condition at ebb tide at least equal to the sanitary condition prevailing in the waters of the river immediately below said boundary at flood tide.

ARTICLE IX

1. Nothing in this compact shall be construed to repeal or prevent the enactment of any legislation or the enforcement of any requirement by any signatory State imposing any additional conditions and restrictions to further lessen or prevent the pollution of waters within its jurisdiction.

ARTICLE X

1. Subject to the provisions of this compact, the commission, as soon as may be after its organization, after an investigation and after conducting public hearings upon due notice, shall by order prescribe the reasonable date on or before which each municipality or other entity discharging sewage into the designated waters within the district shall be treating such sewage in accordance with the standards specified in this compact. Such order may prescribe that certain specific progress shall be made at certain definite times prior to the final date fixed in such order.

It is the desire of all parties to accomplish the objects herein set forth with the least possible injury to investments which have already been made in the construction of sewage-treatment plants within the district, and where changes or additions to such plants would be necessary to conform to the standards herein adopted, a reasonable time to effect such changes or additions may, in the discretion of the commission, be granted.

ARTICLE XI

1. Each of the signatory States agrees that it will prohibit the pollution of the said waters within the district in accordance with the several articles of this compact, and that it will enact suitable and adequate legislation which will accomplish effectively the objects of this compact and which will enable its officers, departments, boards, and agents to accomplish satisfactorily the obligations and duties assumed by the State under the terms of this compact; and it is further agreed that the courts of the several States shall have jurisdiction to enforce as against any person, corporation, municipality, or other entity or any employee, department, or subdivision of the respective signatory States any and all provisions of this compact.

The commission shall have authority to investigate and determine if the requirements of the compact and/or the orders of the commission pursuant thereto are complied with and if satisfactory progress has not been made, to bring action in its own name in the proper court or courts to compel the enforcement of any and all of the provisions of this compact, and/or the orders of the commission pursuant thereto.

ARTICLE XII

1. In order that future pollution be controlled and existing pollution be abated with the greatest possible economy and efficiency, the commission shall cooperate and advise with the respective State and district authorities having jurisdiction over stream pollution, with a view to coordinating their activities and securing the most satisfactory results at lower cost. For such purpose the commission may prepare a general plan of the most practicable and economical method of securing conformity with the standards herein set forth, having in view the future growth and development of the district. Such plan when completed shall be submitted to the Governor and the legislature of each State and to the State agency or agencies or district agencies in charge of sewage problems.

The provisions of this act shall not affect the discharge from the outfall pipes of the Passaic Valley sewerage system into the waters of New York Harbor: *Provided, however,* That said discharge shall be in accordance with the terms and provisions of the stipulation entered into on April 14, 1910, between the United States of America and Passaic Valley sewerage commissioners.

ARTICLE XIII

1. Terms used in this compact are defined as follows:

"District" means the area more particularly described in article II of this compact.

"Commission" means the Interstate Sanitation Commission.

"Municipality" means any city, incorporated village, borough, county, town, township, district, or any municipality governed by an improvement commission, any joint sewer commission, or any other subdivision of any one of the signatory States located within the district.

"Rule or regulation" means any rule or regulation established by the commission not inconsistent with the Constitution of the United States or of any signatory State promulgated by the commission touching the abatement of pollution of the waters of the district.

"Tidal waters" means all those waters which ebb and flow within the designated district.

"Dissolved oxygen" is the gaseous oxygen held in solution by the water at any given time. It is expressed as a percentage of the maximum amount of oxygen that would be required to saturate the water under the existing conditions of temperature and salinity.

"Pollution" is any foreign matter which renders waters unfit to sustain fish life and unsatisfactory for bathing.

"Sewage effluent" means the treated sewage discharged from a treatment plant.

"Suspended solids" means those solid particles carried in suspension in the untreated sewage or sewage effluent.

"Entity" means any organization or association owning, controlling, or operating a sewerage system or treatment plant within a municipality.

ARTICLE XIV

1. The signatory States agree to appropriate annually for the salaries and office and other administrative expenses such sum or sums as shall be recommended by the commission and approved by the Governors of the signatory States, the State of New York and the State of New Jersey agreeing each to appropriate 45 percent thereof, and the State of Connecticut agreeing to appropriate 10 percent thereof. The State of New York and the State of New Jersey obligate themselves hereunder, however, only to the extent of $15,000 each in any one year, and the State of Connecticut obligates itself hereunder only to the extent of $3,333.34 in any one year.

ARTICLE XV

1. Should any part of this compact be held to be contrary to the constitution of any signatory State or of the United States, all other severable objects of this compact shall continue to be in full force and effect.

ARTICLE XVI

1. This compact shall become effective as to the State of New Jersey and the State of New York immediately upon the signing thereof by the representatives of such States, and thereafter it shall also become effective as to the State of Connecticut immediately upon the signing thereof by the representatives of such State: *Provided, however,* That prior to the signing of this compact by the representatives of the State of Connecticut, the district as set forth in article II shall not embrace any territory within the jurisdiction of the State of Connecticut, nor shall the commission exercise any jurisdiction or perform any duties or acts affecting such territory; and the appropriations for salaries and office and other administrative expenses shall be borne equally by the State of New York and the State of New Jersey.

Now, therefore, be it

*Resolved, etc.,* That the consent of Congress is hereby given to the States of New York, New Jersey, and Connecticut to enter into the compact hereinbefore recited, and to each and every part and article thereof: *Provided,* That nothing contained in such compact shall be construed as empowering or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of such compact.

SEC. 2. The right to alter, amend, or repeal this joint resolution is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ATTACHING CERTAIN POSSESSIONS TO INTERNAL-REVENUE DISTRICTS

Mr. JONES. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill S. 2652, an act to authorize the President to attach certain possessions of the United States to internal-revenue collection districts for the purpose of collecting processing taxes.

The SPEAKER. Is there objection?

Mr. HOPE. I reserve the right to object.

Mr. JONES. Mr. Speaker, all this bill does is to permit the administration of the sugar bill for the Philippine Islands, the American Samoa, and the Virgin Islands to be attached to any convenient revenue district for the purpose of making collections of revenue taxes.

Mr. MARTIN of Massachusetts. What is the process now?

Mr. JONES. At present they are not allowed to attach it to any convenient revenue district. The bill provides that the various islands for the collection of sugar taxes may be attached to the most convenient collection district.

Mr. MARTIN of Massachusetts. It is simply to expedite the collection of taxes.

Mr. JONES. That is all.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That subsection (f) of section 10 of the Agricultural Adjustment Act, as amended by section 7 of the act of May 9, 1934 (48 Stat. 670), be further amended by adding at the end of such subsection the following: "The President is authorized to attach by Executive order any or all of such possessions to any internal-revenue collection district for the purpose of carrying out the provisions of this title insofar as they have become applicable."

Mr. JONES. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 10, strike out "insofar as they have become applicable" and insert "with respect to the collection of taxes."

The amendment was agreed to.

The bill, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The House bill was laid on the table.

PAYMENT OF CERTAIN CLAIMS OF GRAIN ELEVATORS, ETC.

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 72, authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President.

The Clerk reported the title of the joint resolution.

The SPEAKER. Is there objection?

Mr. FADDIS. Mr. Speaker, I reserve the right to object, and ask the gentleman to explain the resolution.

Mr. HOEPPEL. Mr. Speaker, this resolution was approved by the President of the United States. The money is available for payment, and the reason that the payment has not heretofore been made is because of a restriction of the Comptroller General.

Mr. FADDIS. What does the resolution provide?

Mr. HOEPPEL. It provides for payment to farmers in six States of the Union who sold wheat to the Government under a fixed price. It seeks to reimburse these farmers—and some amounts are as low as $6 and $7—for interest and storage charges placed against grain while in Government storage warehouses during the World War.

The SPEAKER. Is there objection?

Mr. FADDIS. Mr. Speaker, I object.

LAND AT VALPARAISO, FLA., FOR AVIATION FIELD, ETC.

Mr. CALDWELL. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3018) to authorize the Secretary of War to acquire by donation land at Valparaiso in Okaloosa County, Fla., for aviation field, military or other public purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. What is the bill about?

Mr. CALDWELL. Mr. Speaker, the purpose of the bill is to authorize the Secretary of War to accept title to 1,460 acres of land at Valparaiso, Fla., for a military aviation bombing field and other purposes.

Mr. MARTIN of Massachusetts. Does it authorize an appropriation?

Mr. CALDWELL. No; the report specifically states that the acceptance of the land will entail no expense to the Government.

Mr. RICH. But this means that the Government itself after it takes the land will eventually have to maintain it.

Mr. CALDWELL. The Government will take it over as a gunnery and bombing range.

Mr. RICH. These things come in from time to time, and everyone knows that it will cost the Government some money. I object.

AMENDING CRIMINAL CODE IN ALASKA

Mr. DIMOND. Mr. Speaker, I ask unanimous consent for the present consideration of S. 2867, to reenact section 463 of the act of Congress entitled "An act to define and punish crime in the District of Alaska and to provide a code of criminal procedure for said District", approved March 3, 1899, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, will the gentleman explain the bill.

Mr. DIMOND. Mr. Speaker, in connection with the repeal of the laws of Alaska relating to intoxicating liquor, one section of the criminal code which was then thought to relate only to intoxicating liquors was repealed by mistake. It was later found that this particular section had to do with the general license taxes, levied on other lines of business and trade. We are now seeking to reenact it.

Mr. MARTIN of Massachusetts. What does this provide?

Mr. DIMOND. It provides that the licenses for the prosecution of business and trade must be paid to the clerk of the court and that the clerk of the court must give a bond to the Treasurer of the United States in such sum as the Attorney General may prescribe. The bill is approved by the Department of Justice.

Mr. MILLARD. And by the Committee on the Judiciary?

Mr. DIMOND. Yes; the Committee on the Judiciary reported the bill out unanimously. The bill passed the Senate without objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 463 of the act of Congress entitled "An act to define and punish crime in the District of Alaska and to provide a code of criminal procedure for said District", approved March 3, 1899 (30 Stat. 1337, 1338, as amended by the act of June 6, 1900 (31 Stat. 332), is hereby reenacted; said section as reenacted reading as follows:

"SEC. 463. That the licenses provided for in this act shall be issued by the clerk of the district court or any subdivision thereof in compliance with the order of the court or judge thereof duly made and entered; and the clerk of the court shall keep a full record of all applications for license and of all recommendations for and remonstrances against the granting of licenses and of the action of the court thereon: *Provided*, That the clerk of said court and each division thereof shall give bond or bonds in such amount as the Secretary of the Treasury may require and in such form as the Attorney General may approve, and all moneys received for licenses by him or them under this act shall, except as otherwise provided by law, be covered into the Treasury of the United States, under such rules and regulations as the Secretary of the Treasury may prescribe.

SEC. 2. Any and all acts in conflict herewith are hereby repealed to the extent of such conflict.

The bill was ordered to be read a third time; was read the third time and passed, and a motion to reconsider laid on the table.

A similar House bill was laid on the table.

BIDS FOR GOVERNMENT CONTRACTS, SUBJECT TO CODES

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 163, to authorize the acceptance of bids for Government contracts made subject to codes of fair competition. This bill was objected to a short time ago, but the objection has been withdrawn.

The Clerk read the title of the joint resolution.

Mr. MICHENER. Mr. Speaker, I objected a moment ago to this bill. The bill does the common-sense thing, if it is workable. My objection was because I did not think it was workable. If the gentleman wants to take that chance, I withdraw the objection.

Mr. HANCOCK of New York. This provides for a readjustment of contracts that have been made but are not yet under way?

Mr. SUMNERS of Texas. That is my understanding.

Mr. HANCOCK of New York. It does not affect contracts under which work has actually begun?

Mr. SUMNERS of Texas. No.

Mr. HANCOCK of New York. Only those that have been left and not put into operation?

Mr. MEAD. The gentleman is correct.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the joint resolution, as follows:

Senate Joint Resolution 163

*Resolved, etc.*, That no bid submitted prior to the enactment of this joint resolution in response to the invitation of any executive department, independent establishment, or other agency or instrumentality of the United States, the District of Columbia, or any corporation all the stock of which is owned by the United States (all of the foregoing being hereinafter designated as "agencies of the United States"), if otherwise valid and acceptable, shall be rejected because made subject to the provisions of any code or

codes of fair competition, or any related requirements (as provided in Executive Order No. 6646 of Mar. 14, 1934), if the bidder, with the assent of his surety, shall agree in writing that the contract, if entered into, shall, in lieu of such code provisions or other related requirements, be subject to all acts of Congress enacted after the date of enactment of this joint resolution requiring the observance of minimum wages, maximum hours, or limitations as to age of employees in the performance of contracts with agencies of the United States. In such cases the compensation provided for in the contract shall be reduced from that stated in the bid by the amount that the contracting officer, subject to the approval of the Comptroller General, shall find the cost of performing the contract is reduced solely by reason of the contractor not complying with the provisions of such code or codes or related requirements; and the compensation for the performance of the contract shall be increased from that fixed in the contract by the amount that the contracting officer, subject to the approval of the Comptroller General, shall find the cost of performing the contract has been increased solely by reason of compliance with such subsequent acts of Congress, if any, relating to the performance of contracts with agencies of the United States.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PUBLIC WORKS ON RIVERS AND HARBORS, ETC.

Mr. DRIVER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 349 and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 349

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 8455, a bill authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Commitee on Flood Control, the bill in its entirety shall be read for amendment, following which amendments shall be in order to any paragraph of the bill, and such amendments shall be considered under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. RICH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and eighty-four Members are present, not a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 187]

| | | | |
|---|---|---|---|
| Amlie | Dirksen | Kleberg | Reece |
| Bankhead | Dockweiler | Lambeth | Richardson |
| Biermann | Doutrich | Lloyd | Robertson |
| Blanton | Dunn, Miss. | Lucas | Robsion, Ky. |
| Brewster | Eicher | McGroarty | Rogers, N. H. |
| Buckbee | Fernandez | McLeod | Rudd |
| Burch | Fish | McMillan | Schulte |
| Cannon, Wis. | Gassaway | Maas | Shannon |
| Carter | Gilchrist | Maloney | Smith, Va. |
| Cartwright | Gillette | Mitchell, Ill. | Smith, Wash. |
| Claiborne | Goodwin | Montague | Smith, W. Va. |
| Clark, Idaho | Hamlin | Moritz | Snyder |
| Cochran | Harlan | Murdock | Stubbs |
| Collins | Higgins, Mass. | Norton | Sullivan |
| Corning | Hill, Knute | Oliver | Sutphin |
| Crowther | Hook | Parks | Tolan |
| Darden | Keller | Patton | Underwood |
| Dempsey | Kennedy, Md. | Pettengill | Wilson, Pa. |
| Dietrich | Kimball | Peyser | |

The SPEAKER pro tempore (Mr. BOLAND). Three hundred and fifty-five Members are present, a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. DRIVER. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

I ask recognition, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Arkansas is recognized for 30 minutes.

Mr. DRIVER. Mr. Speaker, I want to make a personal appeal to the Members on the Democratic side of the House to remain in their seats, in order to overcome a declared and evident filibuster on the part of the Republican side of the House which seems to be in progress without regard to the merits of the bill. I hope I may explain to you the merits of this measure that will be under consideration upon the adoption of the rule.

This measure is known as the "flood control project bill", reported by the Committee on Flood Control of the House, and contains numerous projects investigated by the engineers of the United States Army.

Mr. SHORT. Will the gentleman yield?

Mr. DRIVER. I cannot refuse to yield to the gentleman from Missouri at any time.

Mr. SHORT. I am sure the gentleman realizes that not all Members on the Republican side of the aisle are filibustering.

Mr. DRIVER. Oh, no; not all. There are many Members on the Republican side of the aisle who will support this bill loyally, appreciating the real merits of the measure. If I have been general in my statement, I withdraw so much of it as included all Members on the Republican side.

Mr. COX. Will the gentleman yield?

Mr. DRIVER. I yield.

Mr. COX. If the gentleman would permit, I would like to appeal to the membership to give close attention to the gentleman from Arkansas. The gentleman has borne the yoke for 12 years. I ask the membership to please give the gentleman respectful consideration, and he will have no difficulty in explaining the proposition, I am sure.

Mr. DRIVER. Every project in this bill has received the attention of the Corps of Engineers of the United States Army, under the direction of the American Congress. Many of these projects are included in a report on the streams as a whole. Not only recommendations for flood control and navigation projects, but estimates of the cost of the projects. No one project in this bill is without that investigation and without that expert recommendation.

Many of these projects were carved out of the recommendation on a whole river, and for the purpose of enabling these projects to be considered by the Works Project Administration, created for the purpose of expending the $4,800,000,000 we appropriated in the early part of the year. Following the set-up of that organization, one of the regulations made was that in all matters pertaining to river improvements there must be congressional authorization.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. DRIVER. I yield.

Mr. FITZPATRICK. The money to take care of this is coming out of the $4,800,000,000?

Mr. DRIVER. Oh, yes. Nobody fools himself about the source from which the money must come in order to secure the benefit of these projects. We know that without regard to worthiness, in future Congresses the Treasury doors cannot be pried open with crow-bars. We know that our sole source of funds for these projects which we are asking the Congress to endorse in order that they be rendered eligible for consideration by the Board of Public Works must come from the moneys appropriated to it. [Applause.]

Mr. RANDOLPH. Will the gentleman yield?

Mr. DRIVER. In just a moment. I want the House to understand fully the position.

Now, this House recognizes the fact that the Senate earmarked $350,000,000 of that appropriation to be used for the purpose of providing flood control, river navigation, harbor works, soil erosion, and reforestation, with only a latitude of 20 percent to be added to that amount in these various activities. Today we have practically that money allocated by that Board, yet when we come in and make a plea for recognition for a project that we may present same before the Board from the fund we provided we are met with a filibuster that undertakes to murder the last prospect on the part of those interested in these projects. I say a more unfair attitude was never presented in the American Congress than that determination to obstruct this bill. There are 27 States involved in projects contained in this bill. I say there is no

more unfair or unjust attitude than the attempt to close the doors to the only avenue open to these projects until every dollar has been expended for other activities.

We know the necessity of those interested in the river and harbor projects we have just endorsed and made eligible for consideration and those we now ask you to endorse for the purpose of enabling us to secure this recognition, yet they say we are engaged in a mad scramble. We yet hope to secure recognition for some of the most meritorious projects in the country.

Mr. Speaker, I reserve the balance of my time.

Mr. RANSLEY. Mr. Speaker, I yield 15 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I took this article from yesterday's Washington News:

Especially designed "pork barrel" bill up in the House today—

It was supposed to have come up yesterday—

for the expenditure of $370,450,000 for flood control.

The last paragraph of the article reads:

Representative FERGUSON, Democrat, of Oklahoma, member of the Flood Control Committee which approves the bill, made a break-down by States and districts and then buttonholed each Congressman whose district would be benefited on behalf of the bill.

Mr. FERGUSON. Mr. Speaker, will the gentleman yield?

Mr. RICH. I will yield after I have completed my statement.

I wish to say as a member of the Flood Control Committee that I have been very much interested in the things the Flood Control Committee has been doing during this session of Congress. I realize fully that the chairman of the committee [Mr. WILSON] has worked very zealously and very hard to give consideration to any Member of Congress who wanted to come before the committee with any bill. I do not believe there has been a more generous chairman than the gentleman from Louisiana [Mr. WILSON] in granting hearings. His attitude has been one of fairness toward every Member of Congress. The fact of the matter is that he has given his time to listen to any project any Member of Congress wanted to bring before the committee, and I tender the gentleman my congratulations for the generous consideration that he has given Members of Congress.

Let me call your attention to what has been considered with relation to flood control during this session of Congress. In the bill giving the President power to expend $4,800,000,000, $235,000,000 was allocated for the purpose of flood control, and the President was given the power to increase that amount by 20 percent if we wished to, which would make at least an additional $47,000,000, or a total of $272,000,000.

The Flood Control Committee made the request of the President of the United States that we increase that amount to $600,000,000. In the bill (H. R. 8833) providing for the construction of dams in the West in order to assist flood control there was authorized the expenditure of $126,719,000, and I presume would have been passed by the House before this but for the fact that the committee could not agree and the bill had not been reported out of the committee. I have some reason to believe, however, that if we do not adjourn tonight we may get it out tomorrow. Then, we have the pending bill authorizing $370,450,000, and I understand amendments will be offered to the bill which, if adopted, will add an additional $74,000,000, making a total of $444,450,000. Not only must the States furnish rights-of-way for the construction of these flood-control works which will cost about $130,000,000 to the States. I would like to ask the Members of Congress, when you consider all the projects that have been authorized for flood control—it will require over $1,100,000,000—where are we going to get the money? It seems to me we have made wonderful progress in asking for funds to be spent for the purpose of flood control. You have already appropriated over $10,000,000,000 in this Congress. Why? Why? Pork barrel. Pork barrel.

I wish to congratulate the President of the United States for his message this morning vetoing the so-called "Mississippi set-back levee bill." I think it was a very fine piece of work on his part in the interest of the American citizen, and I congratulate the President on his action.

Mr. MARTIN of Colorado. Mr. Speaker, before the gentleman passes to his next topic, I should like to ask him a question pertinent to the question he has just asked; that is, where we were going to get the money.

Mr. RICH. While I did not want to yield to anybody until I completed my statement, this might be a personal question and I will grant the gentleman this one privilege, but I do not want to grant any more.

Mr. MARTIN of Colorado. The gentleman will agree with me on this, I am sure, that the $4,000,000,000 is going to be spent.

Mr. RICH. I would say to the gentleman that I do not think the President is ever going to spend $4,000,000,000. I think he is going to come in here about a year from now and tell us he has saved $2,000,000,000 of that money and say: "What a wonderful thing I have accomplished." I think the gentleman will be very badly fooled if he thinks the President of the United States is going to spend all that money. I do not think it is possible; I do not know where or how he will get the money, and if he does not spend it I will take my hat off to him again, and congratulate him.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman permit another question? Assuming that it is going to be spent, and I assume that it is, and I feel that a majority of the Members on the gentleman's side of the House believe it will be spent, notwithstanding his opinion, the question then arises whether it should be spent for useful and permanent purposes or useless and temporary purposes. Does not the gentleman think it would be better to spend this money for flood-control dams than for boondoggling and things of that sort?

Mr. RICH. I will say to the gentleman that if the money is to be spent, I believe it should be spent for worthy projects, but before I finish I will point out how this is the biggest "pork barrel" bill that has come before Congress since I have been a Member. The Secretary of War has not approved these projects and if you read the bill it will show that 139 of these projects have never been reported to Congress. If items are to be allowed in a bill of this kind, just for the reason that Members of Congress want money spent in their own districts without regards for the greatest good and need, because they want to be returned to Congress for their ability to have the money of the taxpayers spent in their districts, then I claim this is a "pork barrel" bill; and it is the biggest "pork barrel" bill that has come before Congress since I have been a Member.

Mr. MARTIN of Colorado. I may say to the gentleman that while I am not familiar with all the projects in the bill I am familiar with one project in the bill, which has been approved three times by the Board of Army Engineers, although not reported to Congress. I refer to Caddoa Dam on the Arkansas River in Colorado.

Mr. RICH. I do not claim that every project comes in the category of which I speak, but 139 have not been approved by the Board of Army Engineers. I would accept those projects that the Army engineers would recommend for flood control, but I cannot recommend any project any Member of Congress recommends.

No report has been made to the Congress by the Army Engineers on 139 projects, and I say that the Army Engineers are not in favor of this bill.

Mr. MARTIN of Colorado. Did the gentleman from Pennsylvania make a talk the other day against the river-and-harbor bill which carried an appropriation of over $600,000,000, the most notorious "pork barrel" type of legislation of all legislation?

Mr. RICH. I was one who held that bill up for 3 weeks, but I could not hold it up longer or I should have done so.

I was opposed to it just as much as the gentleman from Colorado or any other Member. I think we are spending money foolishly, and when we get through with this session of Congress the people back home will say of the Members of Congress who have been spending this money so foolishly: "You did one of the worst jobs that has ever been

accomplished in all the history of America." I hope the majority of you never get back here again. You await their verdict.

Mr. MARTIN of Colorado. I believe our little colloquy is enlightening to the House. I am sure the gentleman's part of it is. I want to ask him another question.

Mr. RICH. The gentleman is going to use all of my time.

Mr. MARTIN of Colorado. Will the gentleman yield for one more question?

Mr. RICH. This will have to be the last one.

Mr. MARTIN of Colorado. The gentleman will recall that the greatest objection made to the $4,000,000,000 appropriation bill when we passed it in the House was it was not earmarked and that it was just a blanket authority to the administration to spend the money as it saw fit. Does not the gentleman think we ought to take advantage of the opportunity to earmark the expenditure of this money, and that is what we are doing here, earmarking it for a most useful and urgent purpose?

Mr. RICH. I am glad the gentleman brought that question up. This bill is not going to earmark anything, because the President is going to spend the money only for projects recommended by the Army engineers. He is not going to pay any attention to the Members of Congress. You who have followed him since this session started will find later that he is going to turn you down and tramp on you. You will not get the recognition you thought you would get. He is going to pay attention to the Army engineers exclusively and not Members of Congress—at least that is what I hope he will do.

Mr. MARTIN of Colorado. I am very fond of the gentleman from Pennsylvania, but he is not entirely fair. Every time I ask him a question he makes a regular speech.

Mr. RICH. Mr. Speaker, take the report that is submitted with reference to this bill. It will be noted in the second paragraph that the projects selected in this measure have been approved by the Corps of Engineers as the most meritorious of a great number of undertakings upon which studies and examinations have been made. May I say to the Members of Congress that that information and statement are not altogether correct, if I interpret the meaning correctly. As I would interpret that statement, it is that the Army engineers have approved all of these projects. Now, I have personally taken this matter up with the Army engineers, and I find no one in the office of the Corps of Engineers who has approved this bill, and they will not approve it. I am giving you that information on my word of honor. I secured this information from the Army engineers yesterday. No Member of the House can refute it.

Mr. FITZPATRICK. Did they approve any of the projects in this bill? Did they report favorably on the projects?

Mr. RICH. No; they did not. I will give the gentleman this information in a few minutes.

Mr. Speaker, so far as this statement is concerned, the Army engineer says the report that they gave to our committee was informative information and not specific. No thought was given as to the relative values of the projects, as to their greatest needs, or as to where the money should be spent specifically for flood control.

I think that we as Members of Congress should give consideration to the fact that when the Flood Control Committee considered this bill the chairman of the committee made the request of each individual who submitted a proposition as to whether the project would give employment and whether it would be able to be started at once. Those were the two most formidable questions asked by the chairman of the committee: Will you be able to start this work at once? Will it give employment to labor? If they replied yes, every one of these projects were added to the bill, not excepting one, because the information was given that they would employ labor and they could be started at once. If anyone submitted a project to this committee and stated it would give immediate employment to labor, then the committee added it to the bill.

Mr. WHITTINGTON. Is it not true that the gentleman himself probably proposed as many of these projects that were not recommended and had them included in this bill as any other Member?

Mr. RICH. That is a good question, and I am glad the gentleman brought it up. I wanted to see how easy it was to get something in this bill.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, if the gentleman will make his speech and stop yielding for questions, I yield the gentleman 5 additional minutes.

Mr. RICH. Mr. Speaker, the question has been asked why I had three projects submitted for my district. I wanted to see how easy it was to get a project put into this bill. I made the request without any explanation at all, and these projects went through. I do not believe that any of the projects in this bill should be adopted without the Army engineers recommending them. The membership of the committee asked me if I would then be in favor of the bill. I said no; I would do everything I possibly could to defeat this bill. That is the reason I added those projects in my district to the bill, if that answers the gentleman's question.

Now, I want to show where this money is going, so that we will be able to see how our colleagues have been going around trying to get votes for this bill.

In Vermont there are 4 projects, costing $344,000.
Massachusetts, 1 project, $43,000.
New York, 1 project, $43,000.
New York and Pennsylvania combined, 1 project, $6,479,000.
Pennsylvania, 15 projects, costing $21,885,000.
Ohio, 1 project, to cost $192,000.
The District of Columbia, 1 project, to cost $571,000.
Maryland, 1 project, to cost $743,000.
West Virginia, 6 projects, to cost $15,318,000.
Kentucky, 4 projects, to cost $6,078,000.
Indiana, 28 projects, to cost $10,445,000.
Washington, 12 projects, to cost $14,110,000.
Illinois, 61 projects, to cost $26,503,000.
California, 2 projects, to cost $79,607,000.
Alabama, 4 projects, to cost $835,000.
Florida, 1 project, to cost $132,000.
Mississippi, 6 projects, to cost $3,160,000.
Georgia, 3 projects, to cost $1,555,000.
Louisiana, 13 projects, to cost $4,899,000.
Texas, 3 projects, to cost $16,459,000.
New Mexico, 1 project, to cost $8,691,000.
Arkansas, 28 projects, to cost $62,605.
Missouri, 19 projects, to cost $19,730,000.

[Here the gavel fell.]

Mr. RICH. May I ask the gentleman to yield me sufficient time to put the rest of this statement in the RECORD?

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. RICH. Oklahoma, 17 projects, to cost $45,660,000.
Colorado, 4 projects, to cost $8,076,000.
Kansas, 28 projects, to cost $15,406,000.
Iowa, 4 projects, to cost $308,000.
Wisconsin, 1 project, to cost $29,000.
Minnesota, 1 project, to cost $464,000.
Montana, 4 projects, to cost $157,000.
North Dakota, 2 projects, to cost $68,000.
South Dakota, 2 projects, to cost $1,139,000.

If, for any reason, I have made any error in the statement of these figures, it is because I figured them up myself without an adding machine, and I will stand corrected if any gentleman wants to correct me on them.

Mr. GRISWOLD. Mr. Speaker, will the gentleman yield for a correction in his statement?

Mr. RICH. I have not the time. I may say there are 32 States represented in this pork-barrel bill.

I believe, when we come right down seriously to think of the money that has been allocated for this purpose under this flood-control bill and when we consider that the President has sufficient authority already granted him, we may assume that he will use his judgment in allowing these projects that have been recommended by the Army engineers to be constructed; and if you are going to leave it up to him

to do this work, then there is no use of passing this pork-barrel bill, because if we pass this bill here today these projects will be on record, and the Membership of the House can go to the Committee on Appropriations for the next 10 or 15 years and try to get appropriations to complete them.

I request that if you are going to save this country, stop this flood of money being spent, unless it is to be spent judiciously, honestly, and meritoriously.

[Here the gavel fell.]

Mr. DRIVER. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, the gentleman from Pennsylvania [Mr. RICH], a member of the Flood Control Committee, seems to be concerned about this bill because he calls it a "pork barrel" bill. So far as I am concerned, I am in favor of "pork barrel" bills where they carry proper projects that allocate the various projects all over the United States where the benefits can accrue not to one particular community, but to the various communities.

All of these projects have been surveyed by the Army. The data have been submitted to the Committee on Flood Control. They have considered the data with reference to the merits of the projects and have incorporated in this bill, as widespread as possible, the geographic benefits that will be derived from meritorious projects.

This is the kind of general-welfare legislation I favor and the gentleman from Pennsylvania, regardless of his recent remarks, himself a member of the committee, submitted three propositions to the committee which have not been accepted by the Army or the Navy as projects that would bring greater benefits than their costs, but because of the unemployment condition in these particular sections of Pennsylvania, just as exists in other sections of the United States, the committee incorporated the three projects offered as amendments by the gentleman from Pennsylvania in this bill, namely, Lock Haven, $2,200,000, suggested by the gentleman from Pennsylvania [Mr. RICH].

Jersey Shore, Pa., $304,500, suggested by the gentleman from Pennsylvania [Mr. RICH], not approved especially by the Army Engineers, but at his suggestion, because of unemployment and other conditions, incorporated like the others in this bill.

Also, another project at Muncy, of $277,000, making a total of $3,881,000 of projects that were put in this bill by the committee at the suggestion of the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I am like the gentleman from Pennsylvania, I have only a little time and the gentleman has made his speech.

The only objection I have is that the gentleman should not get up here and criticize other Members of the House for having their arms in the pork barrel when the gentleman has his arms in the barrel up to the shoulder.

I do not want to make any unwarranted criticism of the gentleman from Pennsylvania, but these projects are proposed not because they are recommended entirely by the Army Engineers but in connection with the fact that they are worthy and meritorious projects and will decrease unemployment.

Mr. TABER. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. TABER. The only reason they are put in the bill is that they want to give the Members what they want rather than what they need.

Mr. GREENWOOD. I do not agree with that statement; they are all necessary for flood control. They have been selected with care as work projects that have merit.

Mr. SNELL. Does the gentleman know of any other Public Works projects throughout the United States where they are merely for unemployment?

Mr. GREENWOOD. Any time that Congress passes a public-building bill or a bill like this that will furnish work to the unemployed and Congress believes the projects are worthy, why has not Congress the right to make such a declaration? Floods are a menace to property, health, and life. No State or local community can meet the problem. The Federal Government should help to solve this problem.

Mr. SNELL. And to employ men at the rate of $1,150.

Mr. GREENWOOD. Eighty percent of the cost of these projects will go into man power, and that is a high percentage, and makes the projects as eligible under the unemployment plans for wide-spread assistance to the unemployed.

Mr. SNELL. Does the gentleman make that statement with reference to the river and harbor work?

Mr. GREENWOOD. I am not talking about the river and harbor work, I am talking about flood control. More than 80 percent goes into man power. These are ideal work projects for the men unemployed and on relief.

Mr. HALLECK. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. HALLECK. Am I to understand that the money for these projects will come from that already appropriated for the Public Works Administration rather than out of the Treasury?

Mr. GREENWOOD. Yes, Congress will here declare these projects as approved and eligible for specific allocation out of W. P. A. funds. These particular projects are for the consideration of the committee that is to allocate the amounts out of the $4,000,000,000 appropriation.

Mr. BOILEAU. Will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. BOILEAU. Has the Public Works Administration the right to authorize these projects?

Mr. GREENWOOD. If we pass this bill it is a declaration of policy that Congress believes they are meritorious projects. The public-works committee can follow this authorization by specifically approving the projects, knowing Congress has declared its approval of such action.

Mr. BOILEAU. And if we pass this bill, would it be mandatory on the administration?

Mr. GREENWOOD. It would not be mandatory, but it is a declaration of policy, putting our approval on the projects.

Mr. BOILEAU. If they could do it without this legislation and if the legislation does not compel them to do so, what in the name of common sense is the use of passing this bill?

Mr. GREENWOOD. This is an authorization. It will declare to this committee that we have approved it. If they do not approve it, Congress has the power then to make an appropriation to carry it into effect at the next session. I trust the public works committee shall adopt the projects to be constructed out of the $4,000,000,000 appropriation.

Mr. LUDLOW. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. LUDLOW. As a Member with voting responsibility, I want the gentleman's opinion as to whether or not this bill adds anything to the debt burden of the United States.

Mr. GREENWOOD. It would not add a dollar to the $4,000,000,000 and more that we have already appropriated, but would declare as a policy our approval of these particular projects for the committee that is allocating those funds.

Mr. HOUSTON. And if the Army Engineers O. K. one of these projects, and Mr. Hopkins turns it down, where are we then?

Mr. GREENWOOD. Congress then at a later date, if this bill passes, can make a specific appropriation if it sees fit.

Mr. DRIVER. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. DRIVER. Under the regulations of the P. W. A. not a project there is eligible for consideration until Congress does approve it.

Mr. GREENWOOD. By this bill we give our approval to these various projects, based on the data given by the Army engineers, coupled with other data of giving employment to the unemployed. Surely the Congress that appropriates the $4,000,000,000 has a right to follow that up with this kind of a bill or with a public-buildings bill that will declare our approval of certain specific projects.

Mr. RANSLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Speaker, in opening the debate on this rule, the gentleman from Arkansas [Mr. DRIVER] stated

there was a filibuster against the bill on the Republican side of the House, and further that, in his opinion, most of the Republicans were against the bill. I do not believe that either statement is correct.

Mr. DRIVER. Mr. Speaker, will the gentleman yield?

Mr. MOTT. Yes.

Mr. DRIVER. The information I have came from the minority leader.

Mr. MOTT. I do not believe there is a filibuster here.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. MOTT. Yes.

Mr. SNELL. I object to the filibuster proposition. I am opposed to this bill, and I think I have a right to oppose it all the way down, but it is not a question of a filibuster.

Mr. DRIVER. I shall take just a little time to say to the minority leader that I appreciate thoroughly his frankness and the courtesy he offered me, but in deference to the statement made by the gentleman I feel it is my duty to make this statement.

Mr. SNELL. I shall take what responsibility comes to me. I am opposed to the bill, but I am not filibustering.

Mr. DRIVER. The gentleman told me that he would exercise every parliamentary procedure to defeat the bill.

The SPEAKER. The time of the gentleman from Oregon has expired.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman from Oregon 2 minutes more.

Mr. MOTT. Mr. Speaker, I do not believe there is a filibuster here, and I do not consider this is a party matter at all. Flood-control projects from all parts of the United States are included in this authorization bill. It includes flood-control projects and very valuable ones in my own State. It is pretty well settled, I think, that the money to finance these projects is going to come out of the $4,000,000,000 Public Works bill.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. MOTT. Yes.

Mr. SNELL. The gentleman states that this is going to come out of that $4,000,000,000. What evidence has the gentleman to substantiate that statement, or has anyone else?

Mr. MOTT. It is only my opinion, of course, that this will come out of that sum, as will all of the other Public Works projects authorized at this session, whether they be for flood control, rivers and harbors, or roads. The money to finance them is expected to come out of the $4,000,000,000 public-works bill. Now, I do not believe that money appropriated under that $4,000,000,000 bill can be any more profitably or beneficially expended than in flood control, in river and harbor projects, and in roads. [Applause.] If we had earmarked and spent two-thirds of the entire amount on projects of the three classes I have named, we would be a great deal better off than we are at the present time.

I have had some experience here in passing flood-control authorization bills in this and in the preceding session. I believe at this session of Congress I have succeeded in putting through about a dozen different flood control examination bills for streams in my own district. In fact, I think every major stream in my district has been taken care of in this regard. From my experience in legislation of this kind and from my experience with the Board of Army Engineers, I want to say that when the Army engineers approve a project, whether it is flood control or rivers and harbors, then no one can doubt that the project is a proper one, and that there is no pork barrel connected with it. I think a majority of the Members here are for this bill. I personally am for it.

The SPEAKER. The time of the gentleman from Oregon has again expired.

Mr. DRIVER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. SNELL) there were ayes 132 and noes 80.

Mr. SNELL. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 239, nays 112, answered "present" 1, not voting 78, as follows:

[Roll No. 188]

YEAS—239

| | | | |
|---|---|---|---|
| Adair | Driscoll | Kniffin | Reilly |
| Arnold | Driver | Kocialkowski | Richards |
| Ayers | Duffey, Ohio | Kopplemann | Rogers, Okla. |
| Barden | Duffy, N. Y. | Kramer | Romjue |
| Beiter | Duncan | Kvale | Ryan |
| Bell | Dunn, Pa. | Lambertson | Sabath |
| Berlin | Eckert | Lanham | Sadowski |
| Bland | Edmiston | Larrabee | Sanders, La. |
| Boehne | Ekwall | Lea, Calif. | Sanders, Tex. |
| Boland | Ellenbogen | Lemke | Sandlin |
| Boykin | Faddis | Lesinski | Schaefer |
| Boylan | Farley | Lewis, Colo. | Schuetz |
| Brennan | Ferguson | Lewis, Md. | Schulte |
| Brooks | Fiesinger | Ludlow | Scott |
| Brown, Ga. | Fitzpatrick | Lundeen | Scrugham |
| Brown, Mich. | Flannagan | McAndrews | Sears |
| Brunner | Ford, Calif. | McClellan | Secrest |
| Buck | Ford, Miss. | McCormack | Short |
| Buckler, Minn. | Frey | McFarlane | Sirovich |
| Buckley, N. Y. | Fuller | McGehee | Sisson |
| Burch | Fulmer | McGrath | Smith, Va. |
| Burdick | Gambrill | McLaughlin | Somers, N. Y. |
| Caldwell | Gasque | McReynolds | South |
| Cannon, Mo. | Gildea | McSwain | Spence |
| Carlson | Gingery | Mahon | Stack |
| Carmichael | Goldsborough | Maloney | Starnes |
| Carpenter | Gray, Ind. | Mansfield | Steagall |
| Cary | Gray, Pa. | Martin, Colo. | Sumners, Tex. |
| Castellow | Green | Mason | Sweeney |
| Chandler | Greenway | Massingale | Taylor, Colo. |
| Chapman | Greenwood | Maverick | Taylor, S. C. |
| Citron | Grecver | May | Terry |
| Clark, N. C. | Gregory | Mead | Thom |
| Coffee | Griswold | Meeks | Thomas |
| Colden | Guyer | Miller | Thomason |
| Cole, Md. | Gwynne | Mitchell, Tenn. | Thompson |
| Colmer | Haines | Monaghan | Tolan |
| Connery | Halleck | Montet | Tonry |
| Cooper, Tenn. | Harter | Moran | Turner |
| Costello | Healey | Moritz | Turpin |
| Cravens | Hennings | Mott | Utterback |
| Crawford | Hildebrandt | Nelson | Vinson, Ga. |
| Crosby | Hill, Ala. | Nichols | Vinson, Ky. |
| Cross, Tex. | Hill, Samuel B. | O'Brien | Wallgren |
| Crosser, Ohio | Hobbs | O'Connell | Walter |
| Crowe | Hoeppel | O'Connor | Warren |
| Cullen | Hope | O'Day | Wearin |
| Cummings | Houston | Parsons | Weaver |
| Daly | Imhoff | Patman | Werner |
| Dear | Jacobsen | Patterson | West |
| Delaney | Jenckes, Ind. | Pearson | White |
| Dempsey | Johnson, Okla. | Peterson, Fla. | Whittington |
| Dickstein | Johnson, Tex. | Pfeifer | Wilcox |
| Dies | Johnson, W. Va. | Plumley | Williams |
| Dingell | Jones | Rabaut | Wilson, La. |
| Disney | Kee | Ramsay | Wood |
| Dobbins | Keller | Ramspeck | Woodrum |
| Dorsey | Kennedy, N. Y. | Randolph | Zimmerman |
| Doxey | Kerr | Rankin | Zioncheck |
| Drewry | Kloeb | Rayburn | |

NAYS—112

| | | | |
|---|---|---|---|
| Andresen | Fletcher | Luckey | Robinson, Utah |
| Andrew, Mass. | Focht | McKeough | Rogers, Mass. |
| Andrews, N. Y. | Gavagan | McLean | Russell |
| Arends | Gearhart | Mapes | Sauthoff |
| Ashbrook | Gehrmann | Marcantonio | Schneider |
| Bacharach | Gifford | Marshall | Seger |
| Bacon | Granfield | Martin, Mass. | Shanley |
| Beam | Hancock, N. Y. | Merritt, Conn. | Smith, Conn. |
| Binderup | Hancock, N. C. | Merritt, N. Y. | Snell |
| Blackney | Hart | Michener | Stefan |
| Boileau | Hartley | Millard | Stewart |
| Bolton | Hess | Murdock | Taber |
| Brewster | Higgins, Conn. | O'Leary | Tarver |
| Burnham | Hoffman | O'Malley | Taylor, Tenn. |
| Casey | Hollister | O'Neal | Thurston |
| Cavicchia | Holmes | Palmisano | Tobey |
| Church | Huddleston | Perkins | Treadway |
| Cole, N. Y. | Hull | Peterson, Ga. | Umstead |
| Cooper, Ohio | Jenkins, Ohio | Pierce | Wadsworth |
| Darrow | Kahn | Pittenger | Welch |
| Deen | Kelly | Polk | Whelchel |
| Ditter | Kenney | Powers | Wigglesworth |
| Dondero | Kinzer | Ransley | Withrow |
| Eaton | Knutson | Reed, Ill. | Wolcott |
| Engel | Lambeth | Reed, N. Y. | Wolfenden |
| Englebright | Lamneck | Rich | Wolverton |
| Evans | Lehlbach | Richardson | Woodruff |
| Fenerty | Lord | Risk | Young |

ANSWERED "PRESENT"—1

Harlan

NOT VOTING—78

| | | | |
|---|---|---|---|
| Allen | Bloom | Carter | Clark, Idaho |
| Amlie | Buchanan | Cartwright | Cochran |
| Bankhead | Buckbee | Celler | Collins |
| Biermann | Bulwinkle | Christianson | Cooley |
| Blanton | Cannon, Wis. | Claiborne | Corning |

| | | | |
|---|---|---|---|
| Cox | Gassaway | McLeod | Robsion, Ky. |
| Crowther | Gilchrist | McMillan | Rogers, N. H. |
| Culkin | Gillette | Maas | Rudd |
| Darden | Goodwin | Mitchell, Ill. | Shannon |
| DeRouen | Hamlin | Montague | Smith, Wash. |
| Dietrich | Higgins, Mass. | Norton | Smith, W. Va. |
| Dirksen | Hill, Knute | Oliver | Snyder |
| Dockweiler | Hook | Owen | Stubbs |
| Doughton | Kennedy, Md. | Parks | Sullivan |
| Doutrich | Kimball | Patton | Sutphin |
| Dunn, Miss. | Kleberg | Pettengill | Tinkham |
| Eagle | Lee, Okla. | Peyser | Underwood |
| Eicher | Lloyd | Quinn | Wilson, Pa. |
| Fernandez | Lucas | Reece | |
| Fish | McGroarty | Robertson | |

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Robsion of Kentucky (for) with Mr. McLeod (against).
Mr. Collins (for) with Mr. Wilson of Pennsylvania (against).

General pairs:

Mr. Doughton with Mr. Crowther.
Mr. Buchanan with Mr. Reece.
Mr. Oliver with Mr. Dirksen.
Mr. Parks with Mr. Allen.
Mr. Cochran with Mr. Carter.
Mr. Fernandez with Mr. Fish.
Mr. Cox with Mr. Tinkham.
Mr. Blanton with Mr. Goodwin.
Mr. DeRouen with Mr. Amlie.
Mr. Corning with Mr. Gilchrist.
Mr. Bulwinkle with Mr. Maas.
Mr. Kleberg with Mr. Kimball.
Mr. Sullivan with Mr. Buckbee.
Mr. Bloom with Mr. Christianson.
Mr. Cooley with Mr. Doutrich.
Mr. Robertson with Mr. Culkin.
Mr. Sutphin with Mr. Biermann.
Mr. Higgins of Massachusetts with Mr. Underwood.
Mr. Celler with Mr. Darden.
Mrs. Norton with Mr. Quinn.
Mr. Eagle with Mr. Rudd.
Mr. McMillan with Mr. Hamlin.
Mr. Claiborne with Mr. Mitchell of Illinois.
Mr. Stubbs with Mr. Bankhead.
Mr. Cartwright with Mr. Kennedy of Maryland.
Mr. Montague with Mr. Lloyd.
Mr. Rogers of New Hampshire with Mr. Gillette.
Mr. Knute Hill with Mr. Dietrich.
Mr. Cannon of Wisconsin with Mr. McGroarty.
Mr. Owen with Mr. Dockweiler.
Mr. Smith of Washington with Mr. Dunn of Mississippi.
Mr. Lucas with Mr. Hook.
Mr. Patton with Mr. Lee of Oklahoma.
Mr. Smith of West Virginia with Mr. Snyder.
Mr. Peyser with Mr. Clark of Idaho.

Mr. TURPIN changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

### THIRD DEFICIENCY APPROPRIATION BILL, 1935–36

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that it shall be in order to move to suspend the rules and pass the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, I move to suspend the rules and pass the bill H. R. 9215.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes, namely:

#### TITLE I—GENERAL APPROPRIATIONS—LEGISLATIVE

##### HOUSE OF REPRESENTATIVES

For payment to the widow of Charles V. Truax, late a Representative from the State of Ohio, $10,000, to be disbursed by the Sergeant at Arms of the House.

Clerk hire: For an additional amount under the appropriation "Clerk hire, Members and Delegates, House of Representatives, 1935", $5,996.46.

Contingent expenses: For an additional amount under the appropriation "Contingent Expenses, House of Representatives, Stationery, 1936", $250.

For repairs, improvements, and equipment for the House Restaurant, Capitol Building, including personal and other services, fiscal year 1936, $40,000, to be expended by the Architect of the Capitol.

##### GOVERNMENT PRINTING OFFICE

Public printing and binding: For the printing and distribution of the Federal Register in accordance with the provisions of the act approved July 26, 1935, fiscal year 1936, $295,000.

#### INDEPENDENT OFFICES

##### EXECUTIVE

Relief in stricken agricultural areas: To meet the emergency and necessity for relief in stricken agricultural areas, including the same objects and under the same conditions specified in the paragraph making an appropriation for this purpose in the Emergency Appropriation Act, fiscal year 1935, there is hereby made available, from the appropriation contained in the Emergency Relief Appropriation Act of 1935, such sums as the President may deem necessary for the fiscal year 1936.

##### CENTRAL STATISTICAL BOARD

Salaries and expenses: For every expenditure requisite for and incident to the work of the Central Statistical Board as authorized by law, including travel expenses; street-car fares; materials; supplies; office equipment; services; newspapers, periodicals, and press clippings; repairs and alterations; contract stenographic reporting services, and expenses of attendance at meetings which in the discretion of the chairman are necessary for the efficient discharge of the responsibilities of the Board, fiscal year 1936, $100,000, of which amount not to exceed $95,000 may be expended for personal services in the District of Columbia.

Printing and binding: For all printing and binding for the Central Statistical Board, fiscal year 1936, $1,600.

##### CIVIL SERVICE COMMISSION

Salaries and expenses: For an additional amount for salaries and expenses, Civil Service Commission, including the same objects specified under this head in the Independent Offices Appropriation Act, 1936, $530,000.

Printing and binding: For an additional amount for printing and binding for the Civil Service Commission, including the same objects specified under this head in the Independent Offices Appropriation Act, 1936, $18,700.

##### GEORGE ROGERS CLARK SESQUICENTENNIAL COMMISSION

For carrying out the provisions of the act approved August 15, 1935, entitled "An act to amend the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928", fiscal year 1936, $40,000: *Provided*, That no part of such sum shall be available until the land to be improved therewith has been acquired.

##### INTERSTATE COMMERCE COMMISSION

Motor transport regulation: For all authorized expenditures necessary to enable the Interstate Commerce Commission to prepare to carry out and to carry out the provisions of the Motor Carrier Act, approved August 9, 1935, including one director at $10,000 per annum and other personal services in the District of Columbia and elsewhere, traveling expenses, supplies, services, and equipment, fiscal year 1936, $1,250,000; of which amount not exceeding $75,000 may be expended for rent in the District of Columbia provided Government-owned facilities are not available, not exceeding $75,000 may be expended for printing and binding, and not exceeding $1,000 may be expended for purchase and exchange of books, reports, and periodicals.

##### NATIONAL LABOR RELATIONS BOARD

Salaries and expenses: For three Board members, and for all other authorized and necessary expenditures of the National Labor Relations Board in performing the duties imposed by law or in pursuance of law, including rent and personal services in the District of Columbia and elsewhere, repairs and alterations, communications, contract stenographic reporting service, office supplies and equipment, law books, books of reference, newspapers, periodicals, and garage rentals, fiscal year 1936, $200,000: *Provided*, That the Board may procure supplies and services without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) when the aggregate amount involved does not exceed $50.

Printing and binding: For all printing and binding for the National Labor Relations Board, fiscal year 1936, $45,000.

##### SOCIAL SECURITY BOARD

Grants to States for old-age assistance: For grants to States for old-age assistance, as authorized in title I of the Social Security Act, approved August 14, 1935, fiscal year 1936, $37,312,500.

Grants to States for unemployment compensation administration: For grants to States for unemployment compensation administration, as authorized in title III of the Social Security Act, approved August 14, 1935, fiscal year 1936, $3,000,000.

Grants to States for aid to dependent children: For grants to States for the purpose of enabling each State to furnish financial assistance to needy dependent children, as authorized in title IV of the Social Security Act, approved August 14, 1935, fiscal year 1936, $18,562,500.

Grants to States for aid to the blind: For grants to States for aid to the blind, as authorized in title X of the Social Security Act, approved August 14, 1935, fiscal year 1936, $2,250,000.

Salaries and expenses, Social Security Board: For all authorized and necessary administrative expenses of the Social Security Board

in performing the duties imposed upon it in titles I, II, III, IV, VII, IX, and X of the Social Security Act, approved August 14, 1935, including three Board members, an executive director at a salary of $9,500 a year, a director of the old age benefits division at a salary of $9,000 a year, and other personal services in the District of Columbia and elsewhere; travel expenses, including expenses of attendance at meetings which in the discretion of the Board are necessary for the efficient discharge of its responsibilities; supplies and equipment; services; newspapers, periodicals, and press clippings; law books and other books of reference; alterations and repairs; printing and binding; rentals in the District of Columbia or elsewhere; purchase and exchange, not to exceed $7,500, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles to be used only for official purposes in the field service, fiscal year 1936, $1,000,000.

DISTRICT OF COLUMBIA

Fees of jurors and witnesses, Supreme Court, District of Columbia: For mileage and per diem of jurors, for mileage and per diem of witnesses and for per diem in lieu of subsistence, and payment of the expenses of witnesses in said court as provided by section 850 of the Revised Statutes (U. S. C., title 28, sec. 604), fiscal year 1935, $3,292.92.

Settlement of claims: For the payment of the claim approved by the Commissioners under and in accordance with the provisions of the act entitled "An act authorizing the Commissioners of the District of Columbia to settle claims and suits against the District of Columbia", approved February 11, 1929 (45 Stat. 1160), as amended by the act approved June 5, 1930 (46 Stat. 500), and reported in House Document No. 300, Seventy-fourth Congress, $1,001.94.

Judgment: For an additional amount for the payment of a final judgment against the District of Columbia in the case of Vesta L. Watson against District of Columbia, Municipal Court no. 297–691, $23.

The foregoing sums for the District of Columbia to be payable wholly from the revenues of such District.

DEPARTMENT OF AGRICULTURE

SOIL CONSERVATION SERVICE

Salaries and expenses: For carrying into effect the provisions of the act entitled "An act to provide for the protection of land resources against soil erosion, and for other purposes", approved April 27, 1935, including the hire, with or without personal services, of boats and work animals and animal-drawn and motor-propelled vehicles and equipment, and the construction of such buildings as in the judgment of the Secretary of Agriculture are required to carry out the provisions of said act, fiscal year 1936, $13,000,000: *Provided*, That in the discretion of the Secretary of Agriculture, any funds made available to the Soil Conservation Service from the Emergency Relief Appropriation Act of 1935 may be expended for the employment of skilled and unskilled labor and foremen without regard to the civil-service laws and the Classification Act of 1923, as amended: *Provided*, That no building shall be erected hereunder at a cost in excess of $2,500 except the following: 10 at not to exceed $8,000 each, 24 at not to exceed $5,000 each, 11 at not to exceed $3,750 each, and 1 at not to exceed $30,000.

DEPARTMENT OF COMMERCE

BUREAU OF THE CENSUS

Salaries and expenses, Social Security Act: For salaries and necessary expenses for searching census records and supplying information incident to carrying out the provisions of the Social Security Act, approved August 14, 1935, including personal services and rentals in the District of Columbia and elsewhere; temporary employees who may be appointed by the Director of the Census under civil-service rules at rates of pay to be fixed by him without regard to the Classification Act of 1923, as amended; traveling expenses; printing and binding; supplies; services; office and mechanical equipment, including equipment for the reproduction of census records, and technical, mechanical, and other services in connection therewith, fiscal year 1936, $300,000: *Provided*, That the procedure for the furnishing from census records of evidence for the establishment of ages of individuals through the expenditure of this appropriation shall be pursuant to regulations approved jointly by the Secretary of Commerce and the Social Security Board.

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Export industries: For an additional amount for salaries and expenses, including the same objects specified under this head in the Department of Commerce Appropriation Act, 1936, and salaries of employees of the Export-Import Bank of Washington transferred to the Bureau of Foreign Commerce, $36,000.

DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

Leasing of lands for Navajo Indians (tribal funds): For lease, pending purchase, of land and water rights for the use and benefit of Indians of the Navajo Tribe in Arizona and New Mexico, fiscal year 1936, $25,000, payable from funds on deposit to the credit of the Navajo Tribe.

Klamath Indians: For an additional amount for support of Indians and administration of Indian property, Klamath Reservation, Oreg., fiscal year 1936, $4,000, payable from funds on deposits to the credit of the Klamath Indians: *Provided*, That the foregoing amount shall be available only for fees and expenses of an attorney or firm of attorneys selected by the Klamath Tribe and employed under contract approved by the Secretary of the Interior in accordance with existing law.



OFFICE OF EDUCATION

Grants to States for cooperative vocational rehabilitation of persons disabled in industry: For carrying out the provisions of section 531 (a) of the Social Security Act, approved August 14, 1935, including not to exceed $3,750 for the Territory of Hawaii, fiscal year 1936, $630,750.

Salaries and expenses, vocational rehabilitation, Office of Education: For carrying out the provisions of section 531 (b) of the Social Security Act, approved August 14, 1935, fiscal year 1936, $16,500.

DEPARTMENT OF JUSTICE

OFFICE OF THE ATTORNEY GENERAL

Payment of rewards: The unexpended balance of the appropriation "Payment of rewards under criminal laws, Department of Justice, 1934 and 1935", contained in the Deficiency Appropriation Act, fiscal year 1934, is continued available for the same purposes until June 30, 1936.

UNITED STATES COURTS

Salaries and expenses of district attorneys, and so forth: The sum of $47,800 is hereby transferred from the appropriation "Salaries and expenses, veterans' insurance litigation, Department of Justice, 1935", to the appropriation "Salaries, expenses of district attorneys, United States courts, 1935."

DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

Transporting Filipinos to the Philippine Islands: For all authorized expenditures in the fiscal year 1936 and to and including December 31, 1936, necessary to enable the Secretary of Labor to administer the provisions of the act entitled "To provide means by which certain Filipinos can emigrate from the United States", approved July 10, 1935, $450,000.

IMMIGRATION AND NATURALIZATION SERVICE

Salaries and expenses: Not to exceed $250,000 of the unexpended balance of the appropriation made available in the Department of Labor Appropriation Act, 1935, for "Salaries and expenses, Immigration and Naturalization Service", is hereby continued available for the fiscal year 1936 for the same objects specified under this head in the Department of Labor Appropriation Act, 1936.

Refund to Sam Greenfeld: For refund to Sam Greenfeld, through his attorney, Isaac Kaplan, New York, N. Y., of the value of collateral, represented by Treasury bond 1936–49 (3⅛ percent), serial number 15597H, face value $500, together with seven matured coupons having the value of $54.68, erroneously deposited in the Treasury in connection with an immigration bond given to the United States to insure departure of Heinrich Markovic, an alien, who departed from the United States in accordance with the terms of the bond, fiscal year 1936, $554.68.

CHILDREN'S BUREAU

Grants to States for maternal and child-health service: For grants to States for the purpose of enabling each State to extend and improve services for promoting the health of mothers and children, as authorized in title V, part 1, of the Social Security Act, approved August 14, 1935, fiscal year 1936, $2,850,000: *Provided*, That any allotment to a State pursuant to section 502 (b) shall not be included in computing for the purposes of subsections (a) and (b) of section 504 an amount expended or estimated to be expended by the State.

Grants to States for services for crippled children: For the purpose of enabling each State to extend and improve services for crippled children, as authorized in title V, part 2, of the Social Security Act, approved August 14, 1935, fiscal year 1936, $2,137,500.

Grants to States for child-welfare services: For grants to States for the purpose of enabling the United States, through the Children's Bureau, to cooperate with State public-welfare agencies in establishing, extending, and strengthening public-welfare services for the care of homeless or neglected children, as authorized in title V, part 3, of the Social Security Act, approved August 14, 1935, fiscal year 1936, $1,125,000.

In the administration of the Social Security Act for the fiscal year 1936: (1) Allotments under section 502 shall be based on 75 percent of the amounts specifically fixed for allotment, respectively, in subsections (a) and (b) thereof; (2) allotments under section 521 (a) shall be based on 75 percent of the amount authorized to be appropriated under such subsection; and (3) sums specifically fixed for allocation to each State in sections 512 (a) and 521 (a) shall be based on 75 percent of the amounts so fixed, respectively, in such subsections.

Salaries and expenses, maternal and child welfare: For all authorized and necessary administrative expenses of the Children's Bureau in performing the duties imposed upon it in title V of the Social Security Act, approved August 14, 1935, including personal services, rentals, repairs, and alterations to buildings, in the District of Columbia and elsewhere; printing and binding; supplies; services; equipment; newspapers, books of reference, periodicals, and press clippings; travel expenses, including expenses of attendance at meetings and including also conferences of cooperating officials and consultants called by the Children's Bureau with the approval of the Secretary of Labor; fiscal year 1936, $200,000.

NAVY DEPARTMENT

OFFICE OF THE SECRETARY

Claims for damages by collision with naval vessels: To pay claims for damages adjusted and determined by the Secretary of the

Navy under the provisions of the act entitled "An act to amend the act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collision with naval vessels", approved December 28, 1922 (U. S. C., title 34, sec. 599), as fully set forth in House Document No. 297, Seventy-fourth Congress, $120.29.

MARINE CORPS

Expenses, Marine Band, United Confederate Veterans' Reunion, Amarillo, Tex.: For expenses of the United States Marine Band in attending the United Confederate Veterans' reunion to be held at Amarillo, Tex., September 3 to 6, 1935, as authorized by the act approved August 14, 1935, $10,000.

POST OFFICE DEPARTMENT

Relief of W. R. McLeod: For payment to W. R. McLeod, former postmaster at Apopka, Fla., as reimbursement for postal funds stolen from the post office by burglars, as authorized by Private Act No. 327, Seventy-third Congress, approved June 22, 1934 (48 Stat. 1424), $200.

DEPARTMENT OF STATE

Salaries, Department of State: For an additional amount for salaries, Department of State, including the same objects specified under this head in the Department of State Appropriation Act, 1936, $56,200, of which amount not to exceed $38,235 may be expended by the Secretary of State without regard to civil-service laws and regulations or the Classification Act of 1923, as amended.

United States contributions to international commissions, congresses, and bureaus: For an additional amount for United States contributions to international commissions, congresses, and bureaus, including the expenses of participation by the Government of the United States in the meetings of the International Technical Committee of Aerial Legal Experts and/or of the commissions established by that committee, including traveling expenses; personal services in the District of Columbia and elsewhere without reference to the Classification Act of 1923, as amended; stenographic and other services by contract if deemed necessary, without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; purchase of necessary books and documents; printing and binding; official cards, entertainment; and such other expenses as may be authorized by the Secretary of State, and including reimbursement of other appropriations from which payments have been made for any of the purposes herein specified; fiscal year 1936, $6,500.

For an additional amount for United States contributions to international commissions, congresses, and bureaus, including $10,000 for the quota of the United States as a member of the Pan American Institute of Geography and History; and $10,000 for the expenses of the second general assembly of the Pan American Institute of Geography and History, to be held in the United States in the year 1935, including personal services without reference to the Classification Act of 1923, as amended, in the District of Columbia and elsewhere; stenographic reporting and other services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books and documents; newspapers and periodicals; stationery; official cards; printing and binding; entertainment; hire, maintenance, and operation of motor-propelled passenger vehicles; and such other expenses as may be actually and necessarily incurred by the Government of the United States by reason of such invitation in the observance of proper courtesies, to be expended under the direction of the Secretary of State, and including the reimbursement of other appropriations from which payments have been made for any of the purposes herein specified; in all, fiscal year 1936, $20,000.

For an additional amount for United States contributions to international commissions, congresses, and bureaus, including the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions, as follows: International Council of Scientific Unions, $19.30; International Astronomical Union, $617.60; International Union of Chemistry, $675; International Union of Geodesy and Geophysics, $2,316; International Scientific Radio Union, $154.40; International Union of Physics, $62.72; and International Geographical Union, $194.66; in all, $4,039.68, together with such additional sums, due to increases in rates of exchange, as may be necessary to pay in foreign currencies the contributions required by the statutes of each union, fiscal year 1936, $4,039.68.

Payment to Lillian G. Frost: For payment to Lillian G. Frost, mother of Franklin Blaine Frost, late vice consul and third secretary, Department of State, of 1 year's salary of her deceased son, who died while in the Foreign Service, as authorized by the act approved July 18, 1935, $3,500.

Payment to Blanche L. Gray: For payment to Blanche L. Gray, widow of Paul Judson Gray, late third secretary, Department of State, of 1 year's salary of her deceased husband, who died while in the Foreign Service, as authorized by the act approved August 15, 1935, fiscal year 1936, $3,000.

TREASURY DEPARTMENT

PROCUREMENT DIVISION—PUBLIC WORKS BRANCH

Acquisition of premises designated as 1724 F Street NW., Washington, D. C.: For purchase of the premises designated as 1724 F Street NW., Washington, D. C., and described as lot 28 in square 170 on the records of the surveyor of the District of Columbia, comprising a six-story and basement brick office building and approximately 13,200 square feet of land, to provide necessary office space for permanent Government organizations, $200,000.

Government Printing Office Buildings: The last proviso in the first paragraph of section 1 of the act entitled "An act to provide for a union railroad station in the District of Columbia, and for other purposes", approved February 28, 1903, shall not be applicable to the transportation of freight and express cars to and from railroad sidings for the warehouse of the Government Printing Office.

PUBLIC HEALTH SERVICE

Grants to States for public-health work: For carrying out the provisions of section 601 of the Social Security Act approved August 14, 1935, fiscal year 1936, $6,000,000.

For carrying out the provisions of section 603 of the Social Security Act, approved August 14, 1935, including rent and personnel and other services in the District of Columbia and elsewhere and items otherwise properly chargeable to the appropriations for printing and binding, stationery, and miscellaneous and contingent expenses for the Treasury Department, the provisions of section 6, act of August 23, 1912 (U. S. C., title 31, sec. 669), to the contrary notwithstanding, the packing, crating, drayage, and transportation of the personal effects of commissioned officers, scientific personnel, pharmacists, and nurses of the Public Health Service upon permanent change of station, and including the purchase (not to exceed $5,000), exchange, maintenance, repair, and operation of passenger-carrying automobiles only for official use in field work, fiscal year 1936, $1,000,000.

## TITLE II—JUDGMENTS AND AUTHORIZED CLAIMS

DAMAGE CLAIMS

SECTION 1. (a) For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent establishments under the provisions of the act entitled "An act to provide for a method for the settlement of claims arising against the Government of the United States in sums not exceeding $1,000 in any one case", approved December 28, 1922 (U. S. C., title 31, secs. 215–217), as fully set forth in House Document No. 299, Seventy-fourth Congress, as follows:

Civil Works Administration, $536.21;
Veterans' Administration, $43.78;
Department of Agriculture, $981.13;
Department of the Interior, $725.45;
Department of Labor, $28.06;
Navy Department, $1,507.96;
Post Office Department (out of postal revenues), $82.99;
Treasury Department, $295.59;
War Department, $3,660.27;
In all, $7,861.44.

JUDGMENTS, UNITED STATES COURTS

SEC. 2. (a) For payment of the final judgments and decrees, including costs of suits, which have been rendered under the provisions of the act of March 3, 1887, entitled "An act to provide for the bringing of suits against the Government of the United States", as amended by the Judicial Code, approved March 3, 1911 (U. S. C., title 28, sec. 41, par. 20; sec. 258; secs. 761–765), certified to the Seventy-fourth Congress in House Document No. 298 under the following departments, namely:

Department of Labor, $3,194.74;
War Department, $4,177.50;
In all, $7,372.24, together with such additional sum as may be necessary to pay interest on such judgments as and when specified therein.

(b) For the payment of judgments, including costs of suits, rendered against the Government of the United States by United States District Courts under the provisions of an act entitled "An act authorizing suits against the United States in admiralty for damages caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes", approved March 3, 1925 (U. S. C., title 46, secs. 781–789), certified to the Seventy-fourth Congress in House Document No. 298, under the following departments, namely:

Navy Department, $500;
War Department, $335.62;
In all, $835.62, together with such additional sum as may be necessary to pay interest, where specified in such judgments, at the rate provided by law.

(c) None of the judgments contained in this section shall be paid until the right of appeal shall have expired except such as have become final and conclusive against the United States by failure of the parties to appeal or otherwise.

(d) Payment of interest wherever provided for judgments contained in this act shall not in any case continue for more than 30 days after the date of approval of the act.

JUDGEMENTS, COURT OF CLAIMS

SEC. 3. (a) For payment of the judgments rendered by the Court of Claims and reported to the Seventy-fourth Congress in House Document No. 296, under the following departments and establishments, namely: Navy Department, $34,156.77; Treasury Department, $1,063.29; War Department, $93,439.34; in all, $128,659.40, together with such additional sum as may be necessary to pay interest on certain judgments as and when specified therein.

(b) None of the judgments contained in this section which have not been affirmed by the Supreme Court or otherwise become final and conclusive against the United States shall be paid until the expiration of the time within which application may be made for a writ of certiorari under subdivision (b) section 3, of the act entitled "An act to amend the Judicial Code, and to further define

the jurisdiction of the circuit courts of appeals and of the Supreme Court, and for other purposes", approved February 13, 1925 (U. S. C., title 28, sec. 288).

AUDITED CLAIMS

SEC. 4. (a) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U. S. C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1932 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), as fully set forth in House Document No. 286, Seventy-fourth Congress, there is appropriated as follows:

*Independent offices*

For employees' compensation fund, $4.90.
For operations under Mineral Act of October 5, 1918, $9,829.65.
For Army pensions, $261.37.
For medical and hospital services, Veterans' Bureau, $63.72.
For salaries and expenses, Veterans' Administration, $283.66.

*Department of Agriculture*

For salaries and expenses, Forest Service, $4.35.
For salaries and expenses, Forest Service, emergency construction, act July 21, 1932, $13.05.

*Department of Commerce*

For air navigation facilities, $1,074.88.
For general expenses, Lighthouse Service, $52.75.

*Department of the Interior*

For reindeer for Alaska, $52.
For roads and trails, Office of National Parks, Buildings, and Reservations, emergency construction, $4,320.66.
For conservation of health among Indians, $129.73.
For purchase and transportation of Indian supplies, $15.89.
For Indian school support, $203.53.
For Indian boarding schools, $504.
For determining heirs of deceased Indian allottees, $250.

*Department of Justice*

For salaries and expenses, Bureau of Prohibition, $5.
For salaries, fees, and expenses of marshals, United States courts, $90.78.
For salaries and expenses, Bureau of Prisons, $1.
For fees of jurors and witnesses, United States courts, $89.12.
For pay of special assistant attorneys, United States courts, $2,752.80.
For miscellaneous expenses, United States courts, $245.57.
For support of United States prisoners, $834.61.
For printing and binding, Department of Justice and courts, $33.25.
For United States hospital for defective delinquents, $7.52.
For United States penitentiary, McNeil Island, Washington, maintenance, $72.

*Department of Labor*

For expenses of regulating immigration, $25.83.

*Navy Department*

For pay, subsistence, and transportation, Navy, $5,158.28.
For pay, miscellaneous, $60.16.
For organizing the Naval Reserves, $65.83.
For pay, Marine Corps, $191.23.
For general expenses, Marine Corps, $29.80.
For aviation, Navy, $31,000.
For pay of the Navy, $178.53.

*Department of State*

For transportation of Foreign Service officers, $5,356.35.
For contingent expenses, Department of State, $1.25.

*Treasury Department*

For contingent expenses, Coast Guard, $44.20.
For pay and allowances, Coast Guard, $4,606.19.
For field investigations of public health, $1.50.
For pay of other employees, Public Health Service, $14.77.
For collecting the revenue from customs, $19.50.
For collecting the internal revenue, $34.40.
For enforcement of narcotic and national prohibition acts, internal revenue, $180.67.
For general expenses of public buildings, $1.75.
For mechanical equipment for public buildings, $60.
For laboratory at Hamilton, Mont., Public Health Service (Public Health Service transfer to public buildings, act May 21, 1920), $3,795.26.

*War Department*

For pay, etc., of the Army, $4,680.32.
For pay of the Army, $1,281.56.
For increase of compensation, Military Establishment, $293.79.
For general appropriations, Quartermaster Corps, $1,226.65.
For Army transportation, $756.42.
For barracks and quarters, $465.08.
For mileage of the Army, $25.50.
For pay, etc., of the Army, War with Spain, $2.40.
For salaries, Office of Quartermaster General, $29.66.
For clothing and equipage, $6,540.31.
For incidental expenses of the Army, $32.50.
For regular supplies of the Army, $9.37.
For subsistence of the Army, $22.
For arming, equipping, and training the National Guard, $236.64.
For Organized Reserves, $104.13.
For National Guard, $70.90.
For Reserve Officers' Training Corps, $62.

*District of Columbia*

For general expenses, public parks, District of Columbia, $62.38.

*Post Office Department—Postal Service (out of the postal revenues)*

For city-delivery carriers, $76.46.
For clerks, first- and second-class post offices, $49.03.
For compensation to postmasters, $229.25.
For indemnities, domestic mail, $42.97.
For indemnities, international mail, $48.70.
For personal or property damage claims, $109.75.
For post-office equipment and supplies, $38.61.
For railroad transportation and mail-passenger service, $72.
For vehicle service, $310.94.

Total, audited claims, section 4 (a), $88,900.61, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

SEC. 5. For payment of claims allowed by the General Accounting Office pursuant to private acts of the Seventy-fourth Congress and certified to such Congress in House Document No. 285, as follows:

Under the War Department: For payment to claimants under the provisions of Private Act No. 38, approved May 15, 1935, $2,862.20;

For payment to the Jay Street Terminal, New York, under the provisions of Private Act No. 39, approved May 15, 1935, $1,097;

In all, $3,959.20.

SEC. 6. Judgments against collectors of customs: For the payment of claims allowed by the General Accounting Office covering judgments rendered by United States district courts against collectors of customs, where certificates of probable cause have been issued as provided for under section 989, Revised Statutes (U. S. C., title 28, sec. 842), and certified to the Seventy-fourth Congress in House Document No. 295, under the Department of Labor, $7,982.26.

SEC. 7. This act may be cited as the "Supplemental Appropriation Act, fiscal year 1936."

The SPEAKER. Is a second demanded?

Mr. TABER. Mr. Speaker, I demand a second.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Texas is recognized for 20 minutes, and the gentleman from New York [Mr. TABER] is recognized for 20 minutes.

Mr. BUCHANAN. Mr. Speaker, I am going to take but 5 minutes, because we want to pass this bill and send it to the Senate so that there cannot be any excuse on the part of the Senate that the House was not ready to adjourn whenever they are ready to adjourn.

The estimates that entered into the making of this bill were $94,373,337.88. The amount recommended by the committee for passage is $92,961,299.74, or a reduction of $1,776,038.14 under the estimates.

I want to call your attention to the fact that there is only $9,844.06 of deficiency items in this bill. There is $246,716 for judgments and authorized claims. There is $382,450 for supplemental items not due to new laws of this session. All the balance of it, amounting to $93,322,289.68, is due to new legislation passed by this session of Congress. If it had not been for that new legislation we would not have to make this appropriation. The principal part of it is due to the Social Security Act, for which we provide $73,868,000 to make grants to the States. We could not cut that. This appropriation bill carries those grants on a 75-percent basis of the authorization on the theory that 3 months will have passed by the time the act can be put into practical effect. Therefore, we cut it down 25 percent, in accordance with the Budget estimates.

We reduced the administrative expenses to carry this law into effect by $1,118,750. We cut those expenses because we are determined that they should not build up great unnecessary overhead organizations. Let them grow gradually as their experience demands that they need additional help.

Now, just a few words and I am finished. I asked for suspension of the rules to pass this bill so that the amount could not be increased by amendments. This Congress has passed authorizations for a great many appropriations running into hundreds of millions of dollars. Amendments to appropriate for these authorizations would have been in

order under the general rules of the House. We have appropriated enough money at this session.

From information available at this stage of the session concerning bills carrying appropriations, we have enacted, or will have enacted by the time we shall have adjourned, appropriations estimated at approximately $7,550,000,000; to this must be added $2,200,000,000 for the permanent appropriations which occur each year without annual action by Congress, and the sum of $500,000,000 made available for relief from funds of the Reconstruction Finance Corporation, making a grand total of $10,250,000,000. This sum covers all appropriations, including those from the postal and other special revenues, and from trust-fund receipts as well as those from the sinking fund and interest on the debt. It has in it the work-relief measure we enacted this session of $4,000,000,000 of new appropriations and $500,000,000 from R. F. C. funds, a total of $4,500,000,000.

That sum was made available for expenditure until June 30, 1937, or for two fiscal years. Eliminating this from consideration there is a residue of $5,750,000,000 in which is included a considerable amount due to emergency appropriations for relief in this period of economic distress. However, in addition to the appropriations there is, as I have previously stated, a host of new authorizations calling for appropriations that will be pressing upon us in the future—some of them mandatory, such as the pension bill involving $45,000,000, for which no funds will need to be provided at this session. But the total is too high.

Perhaps while we are discussing the total of appropriations for the session, I should make it clear that they should not be confused with the expenditures for any particular fiscal year. I do not mean to say that $10,000,000,000 is to be the measure of our expenditures for the fiscal year 1936, which we are now in. It will be far less than that because appropriations frequently are expendable over a period of several fiscal years, and some of those made at this session are for the fiscal year just closed, but the total of appropriations for the session is a potential charge against Government revenue of one kind and another for the particular fiscal year in which they are actually disbursed. The appropriations must be reduced.

Standing here today in the presence of my colleagues, praying for divine aid, I hope at the next session of Congress that this House will join hands with me and others and curtail the appropriations so that we will have an economical Government and not put an extra burden upon the taxpayers by increasing the national debt. Let us balance the Budget by retrenchment in expenditures and not otherwise. [Applause.]

Mr. CONNERY. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. CONNERY. I simply want to ask the distinguished Chairman of the Committee on Appropriations one question. I understand the gentleman's committee reduced the Budget estimate on the National Labor Relations Board by $116,000?

Mr. BUCHANAN. Ninety-six thousand dollars.

Mr. CONNERY. Is it my understanding that if they can show at the beginning of next session that these textile Labor Board cases have been turned over to them and they can show that they need all of the money which the Budget estimated at this time, they will get it?

Mr. BUCHANAN. I may state to the gentleman in reply to his question that they can adjust these labor disputes as calls on them are made, and if it is necessary to make more appropriations for their adjustment, it is my intention to make the appropriation.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. MAY. I did not quite understand what the gentleman from Texas said about the amount of money that had been appropriated by this session of the Congress.

Mr. BUCHANAN. About $10,250,000,000, if you include the permanent appropriations.

Mr. MAY. The gentleman means by this session of Congress?

Mr. BUCHANAN. Yes; is there any objection?

Mr. MAY. Yes; very much.

Mr. BUCHANAN. I join the gentleman.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. McFARLANE. Under the judgments of the Court of Claims is there included the claim of the Quanah Cotton Oil Co.?

Mr. BUCHANAN. I do not know whether it is included or not, but it is if it has been certified by the court.

Mr. McFARLANE. It was one of those certified.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. DINGELL. Did I understand the gentleman to ask the Members of the House to join hands in stopping these excessive appropriations?

Mr. BUCHANAN. I did.

Mr. DINGELL. I am wondering if the gentleman will stand hitched on that when we are asked again to give blanket authority to somebody to spend $4,000,000,000.

Mr. BUCHANAN. Did the gentleman ever know of an instance when the gentleman from Texas did not stand hitched when he said he would?

Mr. DINGELL. I have known instances, Mr. Speaker, in which gentlemen have been invited to the White House and have changed their opinion.

Mr. BUCHANAN. That may be; every man has the right to change his opinion.

Mr. DINGELL. I am asking the gentleman if he will go along with what he said to newspapermen about 6 weeks ago?

Mr. BUCHANAN. I am confirming that now. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. TABER. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this bill itself calls for about $93,000,000. It is not so much money as has been appropriated in some of the other bills we have been bringing in here; but, as the chairman of the committee has told you, this bill along with the other appropriation bills that have been passed at this session, including the permanent and indefinite appropriations which come without action of the Appropriations Committee or without specific annual appropriations by Congress, amount to a total of $10,350,000,000. Now, this is a figure to ponder on. We must stop this kind of appropriation, for the only other alternative is complete bankruptcy of the country.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. WADSWORTH. For my own satisfaction and to get this thing perfectly straight, did the gentleman say that at this session of Congress we have appropriated more than $10,000,000,000?

Mr. TABER. We have appropriated $10,350,000,000.

Mr. WADSWORTH. Has the gentleman any figures as to how much additional money we have authorized to be appropriated?

Mr. TABER. No, I have not; but I know that in addition to previous allotments we have authorized over $300,000,000 on rivers and harbors, and we have hanging here today under a rule that has been adopted a scheme which, if it is carried through according to what I understand are the intentions of the proponents, will add $500,000,000 more to the authorization.

I hope the Congress will take a lesson from this situation. We have, including the postal revenues and the processing taxes in sight, as far as I can see, a little less than $4,500,000,000 of revenue. This subtracted from $10,350,000,000 means almost $7,000,000,000 of appropriations beyond the capacity of the Government to pay. This has got to stop!

In the appropriations included in the pending bill is one item of a little better than $60,000 for the State Department, and to this item I desire particularly to call your attention. It is an item to promote those foolish reciprocal trade agreements which were authorized by a resolution passed a year

or 2 years ago. Those things are getting us into trouble with our own domestic situation. On the 10th of September 1934 a treaty of this kind was entered into with Cuba. The effect of this treaty and other operations of the Roosevelt administration, let me tell you, was to reduce the duty on sugar from Cuba from 2 cents to nine-tenths of a cent, very largely for the benefit of the National City Bank and some other large corporations which own the Cuban sugar plantations. As a result of that operation Cuba has imported into the United States $86,000,000 in 9 months, whereas in the 9 months prior to that proposition they imported only $46,000,000. This represents an increase of $40,000,000 of imports, and this, too, at the expense of the farmers of the Middle and Northwest who raise sugar beets.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. CRAWFORD. Does the gentleman know that while raw sugar sold in 1912 at 57 cents per 100 pounds f. o. b. New York, that the price during the last few days has been $3.45 per hundred?

Mr. TABER. Every time you turn your sugar production over to the Cuban sugar operators they are able to manipulate the situation so as to get more money out of the consumers of the United States. This is the history of the Cuban sugar situation.

Mr. CARPENTER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. CARPENTER. I note another item in this bill for the Department of State, beginning in line 15, page 17, and reading:

> Purchase of necessary books and documents; newspapers and periodicals; stationery; official cards; printing and binding; entertainment; hire, maintenance, and operation of motor-propelled passenger vehicles; and such other expenses as may be actually and necessarily incurred by the Government of the United States by reason of such invitation in the observance of proper courtesies.

I am opposed to this. Will the gentleman explain the item?

Mr. TABER. I cannot explain it. It is one of those junkets such as are passed by the House. I hope the gentleman will help us prevent the passage of bills providing any more of these junkets.

In order to get $40,000,000 of imports of Cuban sugar, we have increased our trade in the last 9 months as against the previous 9 months in the way of exports to Cuba from $30,000,000 to $42,000,000. In order to let Cuba bring in $40,000,000 we get the privilege of sending $12,000,000. That is a good Roosevelt trade.

Mr. TREADWAY. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. Did not Cuba send a group of goodwill people over here to thank the President?

Mr. TABER. Yes. The National City Bank should thank the President, too. This was all for their benefit.

May I say further that whenever we enter into a treaty with another country besides Cuba, the result of the treaty has been that if we gave any privilege to that other country with reference to imports into this country, in order to get an advantage there, we had to give, under the construction that Secretary Hull has put on it, the same privilege to every other country in the world. So that when we made a deal with Belgium and got a little advantage on some things and reduced our duty on cement, the Netherlands demanded the same advantage and sent in just as much cement duty free.

Mr. LUNDEEN. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. LUNDEEN. This would be a good time to repeal this reciprocal-tariff provision?

Mr. TABER. Yes. I am opposed to the reciprocal tariff. I do not believe in putting up any more money to fool around with in connection with promoting such ridiculous performances.

Mr. TREADWAY. Is there not a statement in the press today that the President's advisory committee urges a continuance of that reciprocal tariff?

Mr. TABER. I understand so.

Mr. TREADWAY. Will that not lead to worse conditions than those in existence today?

Mr. TABER. The administration wants worse conditions. They have no other explanation for the performances they are pulling off.

Mr. TREADWAY. Can the gentleman offer any hope for the textile industry of New England if that condition continues?

Mr. TABER. No; nor for any other industry in our country. I offer no hope to the beet-sugar farmers of the Northwest; nor can I offer any hope to the dairy farmer, because right now there is in process of negotiation treaties with the Netherlands and treaties with Canada designed to open wide the markets of the United States for dairy products. I hope the farmers will wake up and realize what is being done to them.

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, I want to call attention to another matter and I want the people from the agricultural districts to understand this. The duty upon agricultural products that came in here in 1933 averaged 76.1 percent. The duty on manufactured products and other things of that kind in 1933 averaged 37.6 percent. In 1934 the duty on agricultural products was reduced to 53.7 percent because of the effect of the importation of sugar at half the duty they used to pay, the duty being reduced from $67,000,000 down to $43,000,000.

The duty on other products, like manufactured products, increased from 37 percent to 41 percent, because the increase in importations of $140,000,000 on wines and spirits and the increase in duty on those things was an 80-percent rate, which brought the average up. It is not really manufactured products.

Mr. WOODRUFF. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. WOODRUFF. In connection with the duty on sugar, may I say that the duty has been reduced from 2 cents per pound to nine-tenths of a cent per pound?

Mr. TABER. That is exactly what they did.

Mr. WOODRUFF. And that constitutes a handsome gift to people living in New York who own, control, and operate Cuban sugar facilities.

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I yield the balance of my time to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Speaker, I believe the Secretary of Agriculture enjoys today more attention at the hands of the press than any other member of the Cabinet. Ridicule has been heaped upon him from all sides with respect to the inconsistencies present in connection with the agricultural program. I feel that in the turmoil and stress of the closing hours of this Congress we should direct attention to that part of this deficiency bill which provides for a still further payment for agricultural experimentation. Included in this $92,000,000 is $13,000,000 for Secretary Wallace to play further with the agricultural affairs of the country. Experiments, investigations, analyses, and all other means at his command are to be used in order that the money of the taxpayers may be spent to further the jobs for those under his care.

It might be interesting to note that in addition to the $13,000,000 provided for in the present deficiency bill there has already been provided for this program of experimentation the sum of $30,386,123 during the current year. This is to be used for soil conservation, for soil erosion, for reclamation, for resettlement, and for all of those other fantastic schemes by which the Secretary of Agriculture promises to solve the problems of the farmer. In spite of this pork-barrel program involving $43,000,000 for experimental extravagance, we were called upon last week to curtail the potato crops and to make it a crime to sell more than a few bushels of potatoes.

I believe that the acting floor leader on the Democratic side of the House enjoys the confidence and the esteem of

every Member. I cannot help but direct the attention of the House to a rather cryptic remark made by the gentleman from Colorado [Mr. TAYLOR] during the course of the hearings on this appropriation measure. In reference to a certain statement made by a representative of the Agricultural Department when he came before the committee to justify this request for $13,000,000, the acting floor leader on the Democratic side denied the correctness of the assertion made by the representative and termed the allegation as "imagination."

The gentleman from Colorado [Mr. TAYLOR] characterized the opinion of the specialist in these words: "That is pure imagination." This is on page 113 of the record of the hearing. If it is pure imagination with respect to the particular opinion which the gentleman from Colorado [Mr. TAYLOR] referred to at that time, I believe this whole program of millions and millions of dollars for experimentation can likewise be characterized as fantastic and imaginative.

We are just as bad off in agriculture today as we were a few years ago. On the Democratic side of the House just yesterday two of the Members engaged in a colloquy with respect to differences of opinion growing out of the agricultural program. Charges were made that the prices of pork are too high. Disturbances in one of the western cities were pointed out as an evidence of the difficulties that we encounter. Housewives are bringing to our attention continually the mounting cost of foodstuffs. The income of the wage earner has not increased proportionately, and all this is done in order that experimentation, in order that fantastic schemes may be tried by those in authority at the expense of the American taxpayer.

This Congress will be labeled as a "$10,000,000,000 Congress", and of that amount a great part is nothing more or less than a waste of the taxpayer's money. You and I have the charge upon us to go back home and answer the charge of profligacy, waste, and extravagance which has characterized this session.

Mr. MORITZ. Mr. Speaker, will the gentleman yield?

Mr. DITTER. I shall be very happy to yield.

Mr. MORITZ. Did not President Hoover spend much money?

Mr. DITTER. No; I feel my answer to that question should be this: I have a great deal of confidence in the distinguished Chairman of the Appropriations Committee. I feel I breach no confidence when I say that he directed the attention of the committee to the extravagances in which we have indulged, and specifically bound himself to the declaration that this program of profligacy must be discontinued if the credit of the Nation is to be maintained.

Mr. FERGUSON. Mr. Speaker, will the gentleman yield?

Mr. DITTER. I shall be happy to yield.

Mr. FERGUSON. The gentleman is speaking on this $13,000,000 appropriation for soil conservation. Has the gentleman ever seen one of these projects undertaken by the Soil Conservation Service?

Mr. DITTER. I have seen them and I in no way question the value of those programs which may lead to conservation, but I denounce a policy of inconsistency by which soil conservation is advanced in one breath and the fruits of the soil in the other breath are brought to destruction.

Mr. FERGUSON. Then the gentleman is not objecting to the appropriation for that purpose?

Mr. DITTER. I am objecting to a program rather than to a specific item. I object to that part of the item which includes extravagant experimentation and fantastic schemes and inconsistent policies.

Mr. FERGUSON. There is no resettlement program included in this.

Mr. DITTER. As I read the hearings, included in the $13,000,000 or at least in the $43,000,000, there is part of the fund for the resettlement program.

Mr. FERGUSON. But not in this $13,000,000 appropriation.

Mr. DITTER. They are all in one group.

Mr. GRAY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. Did the gentleman from Pennsylvania object to the soil conservation service conducted in the western part of Pennsylvania?

Mr. DITTER. As I say, I have not objected to soil conservation, I am objecting to a spirit of inconsistency.

Mr. GRAY of Pennsylvania. I am asking the gentleman the question.

Mr. DITTER. And I am pointing out the very sound policy of the Chairman of the Appropriations Committee. [Applause.]

Mr. BUCHANAN. Mr. Speaker, I ask for a vote on the motion.

The question was taken and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

House Resolution 361 was also laid on the table.

### PUBLIC-UTILITY HOLDING-COMPANY BILL

Mr. RAYBURN. Mr. Speaker, I offer a privileged resolution, which I send to the Clerk's desk.

The Clerk read as follows:

By Mr. RAYBURN: I move that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill S. 2796 be, and they are hereby, instructed to agree to the following amendment to section 11 (b) of the Senate bill: In lieu of said section 11 (b) insert the following:

"(b) It shall be the duty of the Commission, as soon as practicable after January 1, 1938:

"(1) To require by order, after notice and opportunity for hearing, that each holding company, and each subsidiary company thereof, shall take such action as the Commission shall find necessary to limit the operations of the holding-company system of which such company is a part to a single integrated public-utility system, and to such other businesses as are reasonably incidental, or economically necessary or appropriate to the operation of such integrated public-utility system. *Provided, however,* that the Commission shall permit a registered holding company to continue to control one or more additional public-utility systems, if, after notice and opportunity for hearing, it finds that—

"(A) Each of such additional systems cannot be operated as an independent system without the loss of substantial economies which can be secured by the retention of control by such holding company of such system;

"(B) All of such additional systems are located in one State, or in adjoining States, or in a contiguous foreign country; and

"(C) The continued combination of such systems under the control of such holding company is not so large (considering the state of the art and the area or region affected) as to impair the advantages of localized management, efficient operation, or the effectiveness of regulation.

"The Commission may permit as reasonably incidental, or economically necessary or appropriate to the operations of one or more integrated public-utility systems the retention of an interest in any business (other than the business of a public-utility company as such) which the Commission shall find necessary or appropriate in the public interest or for the protection of investors or consumers and not detrimental to the proper functioning of such system or systems.

"(2) To require by order, after notice and opportunity for hearing, that each registered holding company, and each subsidiary company thereof, shall take such steps as the Commission shall find necessary to insure that the corporate structure or continued existence of any company in the holding-company system does not unduly or unnecessarily complicate the structure, or unfairly or inequitably distribute voting power among security holders, of such holding-company system. In carrying out the provisions of this paragraph the Commission shall require each registered holding company (and any company in the same holding system with such holding company) to take such action as the Commission shall find necessary in order that such holding company shall cease to be a holding company with respect to each of its subsidiary companies which itself has a subsidiary which is a holding company. Except for the purpose of fairly and equitably distributing voting power among the security holders of such company, nothing in this paragraph shall authorize the Commission to require any change in the corporate structure or existence of any company which is not a holding company, or of any company whose principal business is that of a public-utility company.

"The Commission may by order revoke or modify any order previously made under this subsection if after notice and opportunity for hearing it finds that the conditions upon which the order was predicated do not exist. Any order made under this subsection shall be subject to judicial review as provided in section 24."

Mr. HUDDLESTON. Mr. Speaker, I make the point of order that the resolution is not privileged.

The SPEAKER. Does the gentleman from Alabama desire to be heard on the point of order?

Mr. HUDDLESTON. Yes, Mr. Speaker.

The SPEAKER. The Chair will hear the gentleman.

Mr. HUDDLESTON. Mr. Speaker, this motion, if privileged at all, is privileged under House Rule 1–A, the 20-day rule. It will be remembered that some days ago, 20 days having elapsed after the appointment of conferees under the rule, this matter was brought up and a motion was made by the gentleman from Texas [Mr. RAYBURN] to instruct conferees. That motion was rejected. Thereupon, another motion was made to instruct the conferees and the motion was agreed to.

The view which I present is that by that action the force of the 20-day rule was exhausted. The bolt was shot—its force and effect is spent—and no motion can be again made under that rule.

Mr. Speaker, it is obvious that if this motion can be made today it could have been made at any time since the prior action by the House. Also, that if this motion can be made now, it being the second motion to instruct after a motion to instruct has been passed by the House, an unlimited number of motions to instruct can be made. In short, if this motion is privileged, a motion can be made every day to instruct conferees; it can be made every hour in every day. Manifestly, in the adoption of the rule it was never contemplated that any such multiplicity of motions should be made. Therefore, we are driven to the conclusion that only a single motion, when it is passed, can be made within the 20-day rule.

The rule provides that the motion may be either to "discharge", to "instruct", or to "appoint" new conferees. The authorization is disjunctive so that all three motions cannot be made. Each of the three motions is made of equal quality. Manifestly, not more than one motion to "discharge" or to "appoint" can be passed. The same limit is placed on the number of motions to "instruct", is placed upon motions to "discharge" and to "appoint." When a single motion to do either is adopted no other motion to do the same thing is privileged.

Mr. Speaker, a motion to instruct the conferees can be made only under 2 conditions—1 under the 20-day rule, and the other under the 6-day rule before the close of the session.

The latter cannot now be made because no one knows that this session will close in 6 days. No time for adjournment has been agreed upon. We must, therefore, proceed on the basis that Congress will remain in session indefinitely. So there is no room for the application for the 6-day rule.

The only basis for considering this motion as privileged is under the 20-day rule, and it is so manifestly unreasonable and extravagant to hold that a multiplicity of motions may be made that I think this motion must be held not privileged.

The gentleman from Texas has no status to make the motion that does not attach to any other Member of the House. If the gentleman from Texas may make the motion any other Member can make it. The mere fact that he is one of the conferees gives him no superior status to make the motion. He makes it in his capacity as a Member of the House.

Therefore, anyone could make the motion, and immediately upon its adoption another Member may rise and move to instruct the conferees. After the House passes on his motion some other Member can rise and so on indefinitely may Members make motions until the whole time of the House is consumed by motions to instruct the conferees.

Mr. O'CONNOR. Mr. Speaker, on the point of order, when the Speaker last ruled some days ago that it was not required that conferees be recalcitrant in order to make a motion to instruct them, to my mind that decision in a way determined that a motion to instruct the conferees could be made and offered by any Member of the House who saw fit to make it and as often as any Member desired to make such a motion. Of course, the gentleman from Alabama is unduly alarmed, because that will probably never happen. But it is true under the rule the motion could be made as often as anybody saw fit to make it.

Unless we put a limitation in a rule there is no limitation. For instance, we put in our rules "one motion to recommit", and again "when a bill is objected to it goes off the calendar", not to be placed on there again, and there are other similar limitations expressed in our rules, the ordinary interpretation being that without any express limitation in the rule there is no limitation, and a motion can be made as often as any Member desires to make it.

Mr. RANKIN. Mr. Speaker, I desire to be heard on the point of order. Here is one time when I find myself in agreement with the gentleman from New York [Mr. O'CONNOR].

If the gentleman from Alabama [Mr. HUDDLESTON] is correct in his contention, then this 20-day rule is a nullity, or can be annulled by any member who is opposed to a measure by instruction to the conferees. Suppose that the gentleman from Alabama is correct in his contention, that when one motion to instruct conferees is made, the rule goes dead. A bill is sent to conference, and someone who does not want the bill, who is an enemy to the entire legislation, rises in his place and moves to instruct the conferees along lines nobody wants. If the contention of the gentleman from Alabama is correct, that would forever preclude any other Member of the House from moving to instruct those conferees in the future. Besides, I call attention to the fact that if a veto message, we will say, from the President of the United States comes in and is referred to a committee, any Member of the House has a right at any time to rise and move to discharge that committee and take that veto message from the Speaker's table and vote on it.

Would anyone contend that if some Member the first day, before the committee had time to properly consider it, offered such a motion and it were voted down, that thereafter all Members of the House, for all time to come or during the remainder of that Congress, would be precluded from offering another motion to discharge that committee and bring that veto message to the House for a vote? Certainly not.

Further, as the gentleman from New York [Mr. O'CONNOR] pointed out, wherever a rule provides for only one motion, the rule says so. For instance, back in the old days we could make more than one motion to recommit. There was no limitation. Finally it was limited to two motions to recommit. Now it has been brought down to one.

If it had been the intention of this rule that only one motion to instruct the conferees could be made during the Congress, it would have been written into the rule. So, to hold that the chairman of the committee is precluded from making this motion merely because one motion has been voted on would be to nullify the rule and leave the House in the same helpless position it was before the rule was adopted.

Therefore, I submit the point of order should be overruled.

The SPEAKER. The Chair is ready to rule. The gentleman from Texas [Mr. RAYBURN] has submitted a motion to instruct the conferees on the so-called "utility bill", which motion has already been read from the Clerk's desk. The gentleman from Alabama [Mr. HUDDLESTON] makes the point of order that the motion is not privileged under the rules of the House. The Chair again reads the rule upon which the gentleman from Texas has predicated his motion: Section 1½ (a) of rule XXVIII reads in part as follows:

> After House conferees on any bill or resolution in conference between the House and Senate shall have been appointed for 20 calendar days and shall have failed to make a report, it is hereby declared to be a motion of the highest privilege to move to discharge said House conferees and to appoint new conferees, or to instruct said House conferees.

It will be noted that the rule itself does not undertake to place any limitations upon the number of motions that may be made. The Chair has heretofore stated that, in his opinion, this rule was adopted in the Seventy-second Congress with the sole object and purpose on the part of the House

of retaining control over the conferees after they had been appointed to consider differences between the House and the Senate.

Prior to that time, as we all know, after the appointment of the conferees, the House lost control. In fact, if the Chair may repeat, this rule was adopted to bring back to the House control over its own agents, or conferees, after giving them 20 days in which to come to some agreement with the representatives of the other body. To say that control is exhausted after the making of one motion it seems to the Chair is not justified by the rule or by the evident intent of the House when it adopted the rule. Certainly the House did not adopt this rule with the idea of retaining control of its own agents and then immediately after a motion was made, whatever might be the subject of the motion, again surrendering for all time to come control of those agents or those conferees. The Chair thinks, and the Chair may say that the House recognized this fact, as the Chair recognized it when this matter was under consideration on a previous occasion, because it will be remembered that on that occasion the gentleman from Texas first moved to instruct the conferees.

After that motion was acted upon, the gentleman from Alabama himself made a second motion to instruct the conferees, which was also acted upon by the House. If two motions may be made, any number of motions may be made, and it is no answer to the proposition to say that this motion may be made every day or every hour during the day by any Member of Congress who so chooses, because the rule itself does not prohibit the number of motions. The Chair thinks it clear that if the House had intended that only one motion should be made under this rule, it would have said so when the rule was adopted. Certainly the Chair has no authority to limit the number of motions made under the plain reading of this rule.

The Chair, therefore, overrules the point of order and the gentleman from Texas is recognized.

Mr. RAYBURN. Mr. Speaker, in my time I desire to have read a letter which I have sent to the Clerk's desk.

The Clerk read as follows:

THE WHITE HOUSE,
*Washington, August 21, 1935.*

Hon. SAM RAYBURN,
*Chairman Committee on*
*Interstate and Foreign Commerce,*
*Capitol, Washington, D. C.*

MY DEAR MR. RAYBURN: I have seen a copy of the proposed substitute for subsection b of section 11 of the public-utility holding-company bill offered by the Senate conferees as a compromise of the differences between the House and Senate bills on the subject matter of such subsection b.

From the point of view of the House, this proposal certainly constitutes a most generous concession on the part of the Senate conferees.

From my point of view, it represents a greater recession from the Senate bill than I should like to see made. But I understand the urgent desire of many members of both Houses to have a bill worked out at this session, and to that end I hope the House will find this proposal of the Senate conferees acceptable.

Very sincerely,

FRANKLIN D. ROOSEVELT.

Mr. RAYBURN. I desire to be notified, Mr. Speaker, when I have consumed 12 minutes.

I think I could be more helpful to the House if I proceeded for a little while without interruption. Since this morning I have been working with Mr. Perley, a very capable member of the staff of the legislative counsel, and together we have worked out the salient provisions of Senate section 11 (b), section 11 (b) of the House bill, and the provisions of this proposed matter upon which I have moved to instruct the House conferees.

Under subsection (b) of the Senate section the Securities and Exchange Commission is directed to require, after January 1, 1938, each holding-company system to be reduced to one integrated public-utility system together with such business as is reasonably incidental or economically necessary or appropriate to the operations of such system; and among those businesses which may be considered as reasonably incidental or economically necessary or appropriate specific reference is made to two kinds of business, namely, certain businesses affected with a public interest whose rates are regulated by law, and the business of owning and operating farm lands for agricultural or horticultural purposes in connection with State activities.

The Commission is further directed to require after January 1, 1938, holding companies and their subsidiaries to be reorganized or dissolved when the Commission finds undue or unnecessary complications in the structure of the holding company system or unfair or inequitable distribution of voting power or certain conditions detrimental to the proper functioning of a single integrated public-utility system.

The Commission is also directed to require, after January 1, 1940, each registered holding company to take such steps as the Commission finds necessary or appropriate to make such company cease to be a holding company, with the excepting that first-degree holding companies may be permitted, where the continuance of the holding-company relation is found by the Power Commission to be necessary under State or foreign law for the operations of an integrated public-utility system serving an economic region in a single State or extending into two or more contiguous States or into a foreign country.

Under subsection (b) of the House amendment the Commission is directed to require each holding-company system to reduce its operations to one integrated public-utility system, with the exception, however, that if the Commission finds that it is not necessary in the public interest to limit such operations to one integrated public-utility system, the Commission is to require such action to be taken as is necessary to limit the operations of the system to such number of integrated public-utility systems as it finds may be included in the holding company system consistently with the public interest. Under this House provision, however, the Commission may not require the giving up of interests in nonutility property unless it finds that such interests may not be retained consistently with the public interest, and the Commission may not require the giving up of interests outside of the United States. It is the duty of the Commission, under the House amendment, to require action to be taken by the companies after January 1, 1938.

The compromise provision, with respect to which instruction of the conferees on the part of the House is here proposed, differs from both Senate section 11 and the House section 11. With respect to the question of integrated public-utility systems it provides that the Commission shall, as soon as practicable after January 1, 1938, require each holding-company system to be limited to a single integrated public-utility system and to such other businesses as are reasonably incidental or economically necessary or appropriate to the operation of such integrated system, but includes an exception. It will be recalled that the Senate provision includes no exception from the requirement of one integrated system. The proposed exception, however, does not go quite as far as the House provision. It provides that the Commission shall permit additional integrated systems if it finds that (1) each such additional system cannot be operated as an independent system without the loss of substantial economies which can be secured by the retention of control by the holding company; (2) all such additional systems are located in a restricted area; and (3) the continued combination of such systems is not so large as to impair the advantages of localized management, efficient operation, or the effectiveness of regulation. It is especially provided that the Commission may permit as reasonably incidental or economically necessary or appropriate to the operations of an integrated system the retention of any business, other than a public utility as such, which the Commission finds necessary or appropriate in the public interest or for the protection of investors or consumers and not detrimental to the proper functioning of the system.

The proposed substitute contains a provision which is not in the House amendment but which deals with the same subject as paragraph (2) of subsection (b) of the Senate bill directing the Commission to require each registered holding company and each subsidiary company thereof to take

steps necessary to insure that the corporate structure or continued existence of any company in the holding-company system does not unduly or unnecessarily complicate the structure or unfairly or inequitably distribute voting power among security holders of the holding-company system. This differs from the Senate provision in that the Commission is to take such steps as it finds necessary to insure this result, whereas the Senate provision requires reorganization or dissolution.

The provisions of paragraph (3) of subsection (b) of the Senate bill, which requires every holding company to cease to be a holding company, with certain limited exceptions, are not included in this proposed substitute, but there is included a provision requiring the Commission to cause each holding company, and each company in the same holding-company system, to take such action as the Commission finds necessary in order that such holding company shall cease to be a holding company with respect to each of its subsidiary companies which itself has a subsidiary company which is a holding company. The effect of this would be to require holding companies to cease to be holding companies in more than the second degree. This proposed substitute contains another relaxation from the Senate provision in that it provides that the Commission may not require any change in the corporate structure or existence of any company which is not a holding company or of any company whose principal business is that of a public-utility company, except where such action is for the purpose of fairly and equitably distributing voting power among the security holders of such company. [Applause.]

In other words, what we present here today is this: You will hear again today, in all probability, what was so eloquently sung by the gentleman from Alabama [Mr. HUDDLESTON] when he last took this floor, and that is on the question of surrender. In my opinion, this proposal in the form of this compromise is a compromise and not a surrender on the part of either the Senate or the House of Representatives.

The SPEAKER pro tempore (Mr. BOLAND). The gentleman has consumed 12 minutes.

Mr. RAYBURN. Mr. Speaker, I yield myself 3 additional minutes.

Mr. MOTT. Will the gentleman yield for a question?

Mr. RAYBURN. I am sorry, but I prefer not to yield at this time.

We are up against this proposition: We have come back to the House asking for what I think is a reasonable concession on the part of the House of Representatives. The Senate conferees have already said they do not have to go back to the Senate, because they are unanimously for this proposal. All we have to do to settle this most troublesome part of this most troublesome bill and get a bill back here before the Congress adjourns, that will settle this question, take it out of politics, and out of the campaign next year, is to adopt the simple compromise that I bring to you this afternoon. The question is whether or not we are willing to give, as the Senate conferees and the Senate of the United States are willing to give, in order to get a bill. It is not all that I would want, not all that the Senate would want, not all that any Member of this House would want, but it would be a bill that is effective, that is workable, that is fair, that is just, and will do the job and will clean up the nasty stables that exist from one end of this land to the other, when the great business of utilities, in which many fine men are engaged, will have driven from it the people who have disgraced it and who have brought a stench into the nostrils of so many people. I ask the House today to give us this instruction, that we may have an effective, just, and fair bill. [Applause.]

Mr. Speaker, I yield 15 minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Speaker, I hope the impression has not gone out, by reason of the statement made by the chairman [Mr. RAYBURN] a few moments ago, that the House conferees are submitting this proposal. The House conferees are not submitting this proposal.

Mr. RAYBURN. I will say to the gentleman, if I said that, I certainly did not mean it.

Mr. COOPER of Ohio. Very well. We never saw this proposal until yesterday morning, when it was presented by the Senate.

This is a very important question, and what we do here today will decide our action on which I believe and what the country believes is the most important piece of legislation that has come before Congress for many years.

In submitting the so-called "Barkley compromise" on the utility bill, the sponsors of the "death sentence" apparently hope to take advantage of the opportunity which the last hurried hours of Congress present.

Certainly, if they knew that there was time for careful consideration of this proposal, they would never have dared to suggest as a compromise something which is merely an elaboration of their original position.

Messrs. Corcoran and Cohen, the authors of the original decree to eliminate holding companies, have rewritten that decree in new language, but the sentence of death remains.

As one member of the House Interstate and Foreign Commerce Committee, which considered this bill in detail at its hearings for some 2 months, and which then considered it in even greater detail in executive session, and as a member of the conference committee, which has labored on behalf of a compromise with the "death sentence" advocates, I am not surprised that the Senate conferees should, at this last moment, submit a compromise which represents all that they originally asked for.

But do not think anyone will be deceived by this different shroud of language in which death has been newly wrapped.

The Barkley proposal states that "it shall be the duty of the Commission to require, by order, that each holding company and each subsidiary company thereof shall take such action as the Commission shall find necessary or appropriate to limit the operations of the holding-company system, of which such company is a part, to a single integrated public-utility system."

In other words, the utility companies in each system are to be reduced to one single integrated public-utility system, and the exceptions to this, which I shall consider in a moment, will have no particular effect upon this requirement.

The great majority of all utility holding companies which have acquired their properties in different sections of the country on the basis of the oldest investment principle known—diversification of risk—will be required to divest themselves of all but one group of these properties.

It would hardly seem necessary at this time to repeat the effect which this is going to have, not only upon the operations of the light and power service, but upon the investments in public-utility securities.

We stand in exactly the same position, under this proposal, as we stood under the original draft of the Senate bill, which provided destruction.

All of the arguments used against the original Senate bill and supported by the protests of the hundreds of thousands of utility investors, by large and small business organizations, by life-insurance companies, and savings banks, apply as strongly to this provision.

This afternoon I received more than 15 telegrams from the city of Providence, R. I., which is the insurance center of the United States.

Mr. KOPPLEMANN. Mr. Speaker, will the gentleman yield for a question?

Mr. COOPER or Ohio. No, not now; not now.

Mr. Speaker, there are three conditions under which the Securities Exchange Commission may permit, at its discretion, a holding company to control more than one public-utility system.

All three conditions must be met if this permission is to be obtained. The first condition exists if "each of such additional systems is incapable of economic operation, independently of such holding company, without the loss of substantial economies not otherwise obtainable."

In other words, the unprofitable companies outside of the integrated systems—those companies which are too weak

to stand alone and which contribute nothing to the investor in holding-company securities—may be retained. All the other companies must be surrendered.

The second condition for more than one utility system exists "if all of such additional systems are located in one State or in adjoining States."

That provision is of little importance since, as stated, most of the utility holding companies have acquired their properties in different territories in order to diversify the risk.

In other words, 90 percent of the utility holding companies in our country under that provision would be dissolved.

As a third condition it is stated that the Commission may permit a holding company to continue to have more than one utility system—

If the combination of such systems under the control of such holding company is not so large as to impair the advantages of localized management, efficient operation, or the effectiveness of regulation.

In other words, the holding company may retain additional systems if the combination is small enough.

I submit to you that the exception granted on the basis of these three conditions does not materially modify the limitation to one integrated public-utility system, nor will it in any way prevent the dismemberment of practically all utility holding companies.

The compromise which we are offered is no more than the provision which the House emphatically rejected in its first vote on the "death sentence" about 2 months ago.

It is the same provision which the Members of the House conference committee, faithfully observing the clear mandate of the House, repeatedly refused to accept in conference. It is the provision which the House itself defeated a second time only 3 weeks ago.

In addition to this "death sentence", the Barkley compromise has added other restrictions, which were originally offered as substitutes for the "death sentence" itself.

Section 2 of the Senate proposal requires that—

Each registered holding company and each subsidiary thereof shall take such steps as the Commission shall find necessary or appropriate to insure that the corporate structure, or continued existence, of any company in the holding-company system does not unduly or unnecessarily complicate the structure or unfairly or inequitably distribute voting power among security holders.

In order to carry out this provision, the Commission may require—

Any holding company to cease to be a holding company with respect to each of its subsidiary companies which itself has a subsidiary, which is a holding company.

This complicated provision is merely an additional power conferred upon the Commission to eliminate holding companies and to rearrange their financial structure whenever that structure meets with its disapproval. If the rumored appointment of Mr. Cohen to the Securities Exchange Commission turns out to be true, that section alone would enable the bright young man who drafted the provision to wreak havoc with the utility industry.

As one of the House conferees, I say to you that we have asked the Senate for a compromise and we have been given back the "death sentence."

I believe this House is under a solemn obligation to the people of the country to reject it as we have rejected it before.

I am well aware of the fact that we have been placed under greater pressure to pass this provision than has ever been imposed upon any other Congress.

We have had the Government lobbyists at our elbows.

We have seen an investigation committee attempt to inflame our minds against an entire industry on the basis of the isolated practices of one company which has been used by the advocates of the death sentence as a horrible example of all utility industries.

We are now attempting to reach an adjournment which the Congress, as a whole, desperately needs and desires.

But despite all these influences brought to bear upon us, can we now break faith with the pledge that we have already made—the pledge that whatever bill we pass with regard to the utility industry, or any other industry—must be a bill that regulates and does not destroy. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. RAYBURN. Mr. Speaker, I yield 15 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Speaker, when my good friend, the gentleman from Texas [Mr. RAYBURN], stood on the floor to speak in behalf of his previous motion to surrender to the Senate's position on section 11, he buttressed his remarks by having read a newspaper article, which told of a vile personal attack on the President. He was not willing then to base his case upon its merits.

Today he prefaces his remarks by having read a letter from the President of the United States advocating the position which he now takes. He chooses rather to throw the personality of the President into the scale. Again my friend is not willing to base his case on the merits. Again he seeks, by extraneous matter which has no relation to the controversy, to control and to dictate our decision.

The gentleman from Texas [Mr. RAYBURN] again invites the House to surrender to the Senate. Again, and this for the fourth time, he invites the House to give up its convictions and to submit to the dictation of the Senate.

The House is engaged today in the noble and dignified business of "face saving." Because someone has said that the "death sentence" is proper we are called upon to approve it. Thank God I have no face worth saving and need give that matter no concern. [Laughter.] But some of my colleagues, good Democrats, and honest and patriotic men, do have faces that are as worthy of saving as are the faces of Ben Cohen and Tom Corcoran that the gentleman from Texas is trying so hard to save. [Applause.]

You are again invited to vote the "death sentence." Do not be deceived. Let no Member imagine that he can go home to his constituents and say, "I did not know what I was doing."

We are voting for the "death sentence" in only a slightly different form. A moment ago a friend handed me a clipping from a local newspaper, which has been devoting itself to championing the "death sentence" for the holding companies and to casting aspersions upon any who hold the opposite view. I read from that the following:

A movement is under way to submit to vote of the House a slightly modified "death sentence." Just enough different from the section previously rejected to permit Members to change their votes gracefully.

[Laughter.]

That is what the champion of the "death sentence" says. There has been sleight-of-hand with words, there has been a jumbling of sentences, there has been a confusion of phrases, but this new version means the same as the original "death sentence", the only purpose of this juggling is to afford any weak-kneed brethren an opportunity to recant. [Laughter and applause.]

This motion is an affront to the dignity and to the self-respect of every Member who voted against Senate section 11. [Applause.] By implication it says to him: "You had no convictions—your vote was not upon principle—you did not know what you were doing; you did not know what you voted for upon the three previous occasions; you did not do what you did for the good of the country or in the interest of justice; it was mere political horseplay and not intended for any serious purpose. You are mere 'rubber stamps' and 'yes men.' Now come back and put yourselves in right by recanting your previous position." For myself, I resent any such implication.

This motion is an affront to the dignity and the independence of the House. Four times has the gentleman from Texas placed the Members of the House in this stultifying position; four times has he asked us to sacrifice our convictions in the interest of saving somebody's face. [Applause.] How does it come about that the faces of the Members of the House are of so little worth that they are to be continually sacrificed to saving the faces of the Members of the Senate?

The Senators have never been given an opportunity to vote upon House section 11. Why are they not permitted to vote

on it? It is because those who want the "death sentence" dare not trust the result of a vote in the Senate. They fear they cannot control the Senate; the House is more pliable, more easily swayed by influence, so they evidently believe.

We of the House are repeatedly put on record. We are subjected to the fire of criticism time and again, but the Members of the Senate are to go unscathed—they need not now nor hereafter express their decision as between Senate section 11 and the House section 11.

The Rayburn proposal is merely the "death sentence" in a different form of words. It requires that each company shall be limited to a single utility system, unless the Commission shall permit it to own additional systems under the conditions set out. These conditions are so harsh, rigid, and tortuous that, as a practical matter, compliance with them is impossible. The conditions are as follows:

(A) Each of such additional systems cannot be operated as an independent system without the loss of substantial economies which can be secured by the retention of control by such holding company of such system;

(B) All of such additional systems are located in one State, or in adjoining States, or in a contiguous foreign country; and

(C) The continued combination of such systems under the control of such holding company is not so large (considering the state of the art and the area or region affected) as to impair the advantages of localized management, efficient operation, or the effectiveness of regulation.

To the uninformed, compliance may seem a possibility, but to those with knowledge of the industry they are a mere gesture and semblance, without any real substance. In short, the pretense of permission to hold more than one system adds nothing to the proposal. It would have the same value without such a pretense.

It is important that every citizen should clearly understand the issue on the holding-company bill. The bill has two distinct purposes: First, to regulate the companies; and, second, to limit each of them to a "single geographically and economically integrated system." The latter purpose is embraced in section 11 of the bill. That section is the bone of the controversy. Without that section the bill would have met with practically unanimous approval and would have been passed months ago. Practically every Member favors the regulation of the companies to the most adequate extent.

The proposal to regulate was presented in redemption of the pledge of the Democratic platform of 1932. The idea of destruction was an afterthought. The bill as originally drawn carried no section 11, and hence was wholly a regulatory bill. But those in control were not satisfied merely to redeem the party pledge. They conceived of the holding company as a thing vicious in itself which should be destroyed—that was to be the mission of section 11.

Even without section 11 the bill is the most drastic regulatory measure ever proposed in an American legislative body. It would correct every abuse charged against the holding companies. It covers their relations with their subsidiaries, their accounting practices, the issuance of securities, the acquisition of additional property, and so forth. It would prevent the efforts to influence Congress, now being so wildly exploited against some of the companies.

A holding company is merely a corporation which owns stock in another corporation. These companies prevail in every field of business activity—banking, merchandising, industry, newspaper publishing, transportation, and so forth. Hardly a stock is quoted on the market that is not the stock of a holding company in some degree. Whatever faults may be inherent in utility holding companies attach to all holding companies.

As I have stated, with section 11 cut out of the bill the remainder would serve to regulate the holding companies in a most drastic way. The real fault of the bill in that form would be that it is too drastic and extreme. In conference the differences between House and Senate versions of the regulatory features of the bill were minor, and might easily have been adjusted. The split came over section 11. The House conferees were willing to leave out section 11 entirely and to agree with the Senate on the regulatory sections. That proposal was rejected.

The House conferees also offered to agree to a provision which would have allowed the Commission to permit a holding company to own only such systems, if any, as the Commission might find to be in the public interest—the responsibility would have been placed on the Commission to decide whether the public interest would be served by a holding company owning more than one system, or even a single system. But, no; Senate conferees would not consider this. They insisted upon the "death sentence", and would take nothing less. That was the sole bone of contention, as should be clearly understood. Rather than give up the "death sentence", Senate conferees were willing to throw the whole bill out of the window and leave the holding companies to continue without any regulation whatever.

The proposed section 11, with its "death sentence", to which we are asked to agree, requires the dissolution of all holding companies other than those of the first and second degree, and in practical effect restricts each of them to a single utility system. Under it the dissolution or reorganization of practically all the important companies will be forced. Such effect threatens incalculable losses to all who hold their securities, and to disrupt the entire electrical industry. It will not only hinder recovery but may have effect to throw thousands out of employment. It is highly destructive and deflationary. It will aggravate the depression and unemployment. It is hard to conceive all the harm that its passage may do.

Probably never before has Congress considered a measure under circumstances so unfavorable to just, fair, and deliberate action. Coerced on the one side by official pressure, aided by an unprecedented campaign of publicity and the clamor of agitators and those who sap and mine under our institutions, and on the other by a high-pressure campaign of propaganda—some of it false—instigated by the holding companies, Congress was "the light brigade", propaganda to the right of them, propaganda to the left of them, volleyed and thundered.

In this atmosphere the committee considered the bill, reported upon it, and it was passed through the House. Thereupon, not content with the improper influences which had already been brought to bear, a committee was appointed and proceeded to dig up all of the "dirt" that could be found against the holding companies. Vast publicity was engaged in, reckless accusations were made, and a clamor raised throughout the press—all with the obvious purpose of influencing the conferees in their work. Even the holding of the conference was delayed so as to afford a full opportunity for this improper effort.

Every pressure was brought to bear on House conferees. They were reviled and abused by the ignorant and the dishonest, their views misrepresented, and a general campaign of villification and intimidation carried on.

Of all this, because of my personal views and the position which I occupied in connection with the legislation, I was the chief target. To such lengths did it go that one of my colleagues, sick in bed for weeks, was induced to cause to be placed in the RECORD a vile statement attacking my sincerity—a statement which, as those who instigated it well knew, did not carry a single syllable of truth in its references to me. This statement was printed in the RECORD, and Mr. Corcoran, one of the propagandists for the bill, chortling with glee and proud of his work, brought it to the attention of newspapermen, with the boast that he would have it reproduced in a certain low type of newspaper published in my home city.

The purpose of the statement was to destroy my reputation and my influence with the Members of the House, so as to impair my usefulness as a conferee. I am prevented by the sickness of the Member in whose name the statement was made, and my doubt as to his responsibility, from denouncing the vile defamation as it deserves.

The conferees held their meetings as this discord of propaganda reached its crescendo. It had no bearing on the merits of the measure. I was not moved to the breadth of a hair either way by it. Nevertheless, it is certain that it made the task of the conference much harder.

I have done my duty as I saw it. I have been unawed by power and unafraid amidst clamor. I have now pointed out as I saw them the vices of the proposal which has been made and the evils which will probably flow from it. The responsibility is now cast upon the House of Representatives and upon those who have exerted relentless pressure upon the House for the passage of this extreme and drastic measure.

Mr. RAYBURN. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, this is the first time I have said anything about the holding-company bill. It is a subject that so long as it has been discussed in public has been an inflammatory one. I thought when my good friend the gentleman from Alabama appeared on the floor today he was going to announce that the House had won a victory. That is the way I interpret the matter. He certainly was entitled to a victory, because no Napoleon ever led his forces more ably than he has on this great issue.

Since this matter has been discussed yesterday afternoon, it has been presented to some of us as a victory for the House; that the other body was adamant and stubborn and would not yield, and in some instances would not even meet.

Mr. Speaker, we are faced here with a practical situation which we must solve. As I understand it, this bill has been only partly considered thus far, outside of section 11. I understand there are about 18 sections which have not been considered or touched. This proposal has been analyzed and portrayed to me and others, and is, in my opinion, a victory for the House. [Applause.]

May I point out one instance in which it may be so interpreted? You will recall in the discussion of this so-called "death sentence" it was pointed out there was not even a chance for a hearing for the companies affected. All through this proposal, however, there are provisions for "notice" and a chance for a "hearing" before anything can be done which might result in breaking down the system. As I interpret this proposal, it means that Samuel Insull at Chicago may not be able hereafter to run all of the power plants up in Maine, or that Mr. Hopson in New York may not be able to build up an empire throughout the country of over a billion dollars without the original contribution of one penny, an empire composed of 300 companies, owned and controlled absolutely, solely, and individually by Mr. Hopson himself and Mr. Mange. That must not happen again to the detriment of the American people. The testimony before our Rules Committee, investigating lobbying on the utility bill, furnished ample justification that something should be done about this matter. There was a bold admission that from $20,000,000 to $25,000,000 had been spent on propaganda against the bill. The shocking admission was also made that the utilities would have spent $6,000,000,000 to stop the bill, not alone the "death sentence" or the Senate bill, but any bill regulating their activities.

The testimony of Mr. Hopson was that he was more opposed to the House bill than he was to the Senate bill. The utilities want no bill whatever. They do not want any Federal regulation. They are content with the minor regulation in the States of the Union.

Now, Mr. Speaker, this proposal is a distinct victory over the "death sentence", as it was contained in the Senate bill. This proposal does permit holding companies which are really integrated units and are natural units, to operate in a real concentrated territory without spreading their talons all over the country, with an Insull in Chicago picking up a little power plant in Florida or a Hopson from 61 Broadway, New York City, operating a little plant in Oklahoma at the expense of the consumers and the investors.

You will notice in this proposal also that the action of the Commission must take into account the interest of the investors, those people who were supposed to have written to us, begging our support. Of course, we are interested in them. Their interests are supposed to be protected under this proposal, and I believe the situation as it will work out under this proposal is better than the Senate bill.

Now, Mr. Speaker, we will be back here in January. This matter is not going to be worked out in 1 month, or 3 months, or 6 months, or a year. Business requires, the interests of employers require, and the interests of the employees and that of the investors and the consumers require that this question be settled at this time in some way, so we can go ahead with our business, and if we are not right, when we come back here next session we can take care of it. The interests of the House, the interests of the administration, the interests of our constituents that we get out a bill, and this is the only way we can get a bill. [Applause.]

Mr. RAYBURN. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Speaker, this debate seems to have resolved itself into an argument as to whether the compromise offered by the Senate conferees as a substitute for section 11 of the Wheeler-Rayburn utility holding company bill is a legitimate compromise or a camouflage. In my opinion, it is not only a legitimate compromise but an outright concession on the part of the Senate conferees upon every material point for which the majority of the membership of the House has been contending. I agree with the statement just made by the distinguished Chairman of the Rules Committee, the gentleman from New York [Mr. O'CONNOR], that this compromise proposal is a victory for the House, because, in my opinion, it effectively eliminates the so-called "death sentence", and the death sentence was the only part of the Wheeler-Rayburn bill to which the majority of the Members of the House objected when the bill was originally before this body. There is no reason, therefore, so far as I can see, why anyone who supported the House bill cannot or should not support this compromise and thereby make possible the enactment before adjournment of this very necessary and important legislation, which otherwise will have to go over until the next session of Congress.

Mr. Speaker, in considering the proposal before us I think it would be profitable to pause for a moment and briefly review the events which have led up to this offer on the part of the Senate conferees, an offer which I contend removes from section 11 the unconditional "death clause" and makes of the Wheeler-Rayburn bill a constructive and necessary regulatory measure, instead of the destructive and unnecessary piece of legislation which the administration originally planned and out of which the administration for the past 2 months has been endeavoring to make a political, partisan issue.

So much propaganda has been put out in connection with this bill, both by the administration and by the utility companies, ever since it has been before the House that I venture to say not 1 person in 100 in the United States has the remotest idea what the Wheeler-Rayburn bill is really about. They are particularly uninformed, as well as misinformed, as to what the so-called "death sentence" provision of the Senate version of this bill is, notwithstanding the tremendous amount of publicity which has been given to this controversial feature. And not only this but the administration, on the one hand, and the utilities, on the other hand, have so distorted and confused the issue that even many of the Members of Congress freely admit that they are not at all certain just what is the issue involved in the motion now before us. And in this connection I want to say here and now that the methods of propaganda and of lobbying employed both by the administration and by the utilities upon this bill have, in my humble opinion, been equally reprehensible and that they deserve the general condemnation of the country.

Now what is the issue involved in the motion before us to instruct the House conferees to accept the compromise offered by the Senate conferees on section 11 of the Senate bill which, in its original form, contained the so-called "death" clause? Does the compromise offered effectively eliminate the "death sentence"? If it does, then all of us who voted to substitute the House bill with its own section 11 for section 11 of the Senate bill, and who also voted for the House bill after it was substituted for the Senate bill, should vote for this compromise, which is offered as an adjustment of the difference between section 11 of the House

bill and section 11 of the Senate bill. If, on the other hand, the compromise offered does not effectively eliminate the "death sentence" to which the majority of us objected when the bill was before us last month for consideration, then, to be consistent, we should vote down this compromise and insist upon the House bill as passed on July 2, even though such action on our part would mean no utility bill at all at the present session of Congress.

Gentlemen will understand, of course, that I am addressing myself now only to those who, like the gentleman from New York [Mr. O'CONNOR] and myself, voted for the House bill after the "death sentence" was stricken out. My argument on this point does not apply to those who voted against the House bill after it was substituted for the Senate bill. As to those Members, numbering only 81 out of the total of 404 voting, no compromise is consistently possible, because those 81 Members plainly declared by their votes on July 2 that they were opposed to the Wheeler-Rayburn bill, even with the so-called "death sentence" eliminated. On the other hand, the 323 Members of the House, including myself, who voted for the bill upon final passage, just as emphatically declared by our votes that we favored the Wheeler-Rayburn bill and were opposed only to including in it the "death sentence" provision. For us, therefore, the question is now, Does the proposed compromise, which is the subject of this motion, effectively eliminate the "death sentence"?

In considering this question it should be remembered that so far as the 323 Members who voted for the House bill are concerned, there was and still is only one real controversial feature in the entire Wheeler-Rayburn bill, consisting of some 150 printed pages, and that was and still is subdivision B (3) of section 11 of the Senate version which contained the "death clause." Aside from that particular subdivision, the House and Senate versions of the Wheeler-Rayburn bill are virtually identical in all material respects. Each bill provides for the complete regulation and control of public-utility holding companies by the Federal Government. Under either bill a public-utility holding company is virtually operated under orders from the Federal Securities Exchange Commission. Under either bill no utility holding company security may be sold, no purchase or sale by a holding company of an operating utility may be made, and no official act of any kind affecting the legal rights of their consumers or security holders may be done by public-utility holding companies except by permission of the Federal Securities Exchange Commission. The provisions for all of this regulation and control are the same in both the House and Senate bills, and to all of this regulation and control the House by the overwhelming majority of 323 to 81 expressed its entire approval upon final passage of the bill on July 2.

Furthermore, it will be recalled that both the House and Senate bills have identical provisions for the simplification of holding-company systems, for the divestment in proper cases of holding companies, under reviewable orders, of their interest and control in certain operating utilities, for the elimination of stock watering and racketeering, for the limitation of the operation of holding companies in certain cases to one or more integrated systems, for the dissolution in other cases of unnecessary holding companies, for the issuance, sale, and regulation of securities of holding companies, and for the protection of their consumers and investors. The House on July 2 likewise expressed its approval of all of these simplification and reform provisions of the Wheeler-Rayburn bill by the almost unprecedented vote of nearly 4 to 1.

Again, with the single exception of subdivision B (3), which contained the unconditional, nonreviewable, and unappealable "death sentence", the remaining portions even of section 11 of the House and Senate bills are identical. Sections 11 of both bills, for example, provide that utility holding companies may be required to take whatever action the Commission may find necessary to divest themselves of such interest in operating companies as the Commission may determine upon hearing to be in the public interest, all of the orders of the Commission in this regard being subject, of course, to review and order by the court before they become effective. All of this is, of course, drastic, regulatory legislation, but in the opinion of 323 of us, out of the total of 404 who voted upon final passage of the House bill, it was not too drastic to meet a critical public-utility holding company problem which it had become the duty of this Congress to solve.

One of the principal reasons why all of these provisions of the Wheeler-Rayburn bill met the almost unanimous approval of the House was the fact that the bill provided—after Senate provision B (3) was eliminated—that every order of the Commission was automatically subject to judicial review and that no order could become effective until the court passed upon it. In that way every right of the $5,000,000 holding company security holders in the United States was legally and adequately protected. It is a rather remarkable fact, I think, that in a bill so important and far-reaching as this one such unanimity of opinion could be reached in a body of this size. Only 81 Members of the House, Democrats and Republicans, by their votes objected to any of the provisions of the Wheeler-Rayburn bill which I have just recited.

Now, remembering that this was the case, and keeping in mind the fact that aside from subdivision B (3) of section 11 there was no essential difference between the House and Senate versions of the Wheeler-Rayburn bill, let us inquire what the issue was which arose upon the motion to substitute the House bill for the Senate bill on July 2. The sole issue upon the motion to substitute the House for the Senate bill on July 2 arose over the proposed inclusion of subdivision B (3) of section 11 of the Senate bill, which provided that immediately after January 1, 1940, every public-utility holding company, except those which the Commission might choose to exempt, should cease to be a holding company, and that the Commission should either dissolve those companies or otherwise divest them of their property by an order which under the language of this subdivision the court was compelled to enforce by the immediate seizure of all the property of the company and the appointment of a receiver for its operation or liquidation.

The language of this subdivision, which has come to be known as the "death sentence", deprived the holder of stock or other securities of the company, who may have been injured by such an order, from the right to have the order of the Commission reviewed by a court of competent jurisdiction, and thus superseded and extinguished the general right of review provided in section 24 of both bills. The House version did not contain this unconditional and nonreviewable "death" clause to be imposed in 1940 and that was and still is the sole essential difference between the two bills.

On the vote to exclude this "death sentence" as a part of the Wheeler-Rayburn bill the House stood 258 for exclusion to 147 against. During the 3 weeks following this vote the administration, which was reported to have declared that it would rather have no bill at all than to accept the Wheeler-Rayburn bill without the "death sentence", employed every pressure at its command to induce Democratic Members to change their votes in this regard. The titular author of the bill in the Senate, Mr. WHEELER, openly announced that he intended to make a political issue of the "death sentence" in the 1936 campaign and the President, without any denial from him, allowed it to be repeatedly stated that he intended to make the "death sentence" a political issue. Democratic Members were threatened with opposition in their primary campaigns unless they should agree to support subdivision B (3) of section 11 of the Senate bill. The utility lobby investigation was continued and publicized throughout the country largely for the purpose of bringing pressure to bear upon Democratic Members.

With the stage thus set after a month of preparatory propaganda and under the lash of the administration whip, the administration on August 1 caused to be reported to this House a resolution to instruct the House conferees to accept the unconditional, nonreviewable, and unappealable "death sentence" contained in subdivision (B) (3) of the Senate bill. But, in spite of all its propaganda and all its threatening, the administration failed, as it failed upon the

original vote on July 2, and the House on August 1 again rejected subdivision (B) (3) of the Senate bill by practically the same majority as on July 2.

Gentlemen have stated here on the floor today that the compromise now brought in by the Senate conferees is no compromise at all—that the compromise is in effect the same unconditional "death sentence" which we have twice rejected. But I call attention to the fact that those who have made this assertion here include only those gentlemen who voted against the House bill after the "death sentence" was eliminated. No one who voted for the House bill after it was substituted for the Senate bill has made any such contention, and I predict now that not more than a score of the Members who voted for the House bill after the "death clause" was eliminated will now vote against the compromise on section 11 offered by the Senate conferees.

The reason for this, if we will pause long enough to lay aside the passion and prejudice that has been engendered by this controversy, will be plainly seen by anyone who carefully reads the language of the compromise proposal, and that reason simply is that the proffered compromise effectively eliminates the "death sentence." In other words, the House, both Democratic and Republican, by its insistence that section B (3) be excluded as a part of the Wheeler-Rayburn bill, has called the bluff and the threat of the administration that it would rather have no bill at all unless it can have it with the "death sentence", and the administration in this compromise offer has, in my opinion, gone the whole way and has stricken out the "death sentence."

The language of this compromise on section 11 contains, of course, some face-saving words. This is natural. I have no doubt also that after this bill is passed the administration, for political purposes, will contend that there is really no great difference between section 11 as originally drawn and section 11 as it appears in this compromise proposal. For that reason I desire to call the attention of the House and of the country now to the fact that no administration leader on the floor of the House has made any such contention in this debate. They all have contended that the exact opposite is true, and in this I concur. If it were not so, the compromise would have no chance whatever of adoption by the House. The fact is that cold analysis will show that there is practically no similarity between section 11 of the Senate bill and the substitute section contained in the compromise, and that, as a matter of fact, the compromise section upon which we are now about to vote is even more liberal than section 11 of the House bill which was adopted in this body on July 2 and by a majority of nearly 4 to 1.

Briefly now, what are the provisions which the compromise motion proposes to substitute for sections 11 of the House and Senate bills? The compromise provides that instead of the unconditional and nonreviewable "death" mandate of Senate provision B (3), which applies to all holding companies without exception, the Commission (1) shall require by order after notice and hearing that each registered holding company shall take such steps as the Commission shall find necessary to insure that the corporate structure or continued existence of the holding company system does not unduly or unnecessarily complicate the structure or unfairly or inequitably distribute voting power among security holders, and that (2) in carrying out this provision registered holding companies shall be required to take such steps as may be necessary to eliminate their holding-company status with respect to those of their subsidiary holding companies which in turn have subsidiaries which are themselves holding companies.

This seemingly complicated language simply means, upon analysis, that orders of the Commission having to do with the elimination of a holding-company relationship must be confined to holding companies of the third degree or higher; that is to say, to holding companies whose corporate structure is at least three times removed from direct control or ownership of an operating company.

Further, under the compromise proposal every order of the Commission in this limited field—which, by the way, is the field in which nearly all of the utility-securities racketeering has taken place—is subject to judicial review, and no order can be effective unless and until the Court has approved it by its own order.

That this proposal is clearly within the constitutional requirement of due process has not been denied in the course of this debate nor elsewhere. That it will result in an admittedly necessary reform in the present irresponsible system of pyramiding utility holding company structures, some of which extend as far as the tenth degree in point of remoteness from the operating utility at the bottom of the structure, has not been questioned. That under this proposal every security owner of a utility holding company will be legally and adequately protected has not been challenged by any opponent of the compromise section 11, which we are now considering. I repeat, therefore, that this compromise, if adopted, will remove the very objections which were made to section 11 of the Senate bill by those of us who voted to substitute the House bill and who by our votes passed the House bill on July 2.

What was it we objected to in connection with section 11 of the Senate bill, and particularly in connection with subdivision B (3) of that section? We objected to the Senate provision B (3) because it was unconstitutional. The provisions of the compromise substitute for B (3) are constitutional, in my opinion, beyond question. We objected to the provisions of Senate B (3) because orders of the Commission under it were not subject to judicial review.

The compromise substitute makes judicial review mandatory and does not permit any order to become effective unless the court approves it. We objected to Senate provision B (3), because it arbitrarily put out of business every holding company, without respect to the degree of its remoteness from the operating company, without regard as to whether it was lawful or unlawful, and regardless of whether it was good or bad or whether it was a necessary or an unnecessary holding company. The compromise substitute provision requires the elimination only of such remote control in the holding company relationship as is obviously harmful to operating companies, to the investors in operating companies and to the investors in holding companies. We objected to Senate provision B (3), because it did not give to a security holder his day in court. The compromise substitute makes the day in court a condition precedent to the effectiveness of any order of the Commission in which the property rights or the security of a stockholder in either a holding company or an operating company is concerned.

In my opinion, and I have made a long and careful and a thoughtful study of this whole legislation, there is as much difference between this compromise proposal and the unconditional death clause of Senate provision B 3 as there is between day and night and, in spite of an apparent similarity in some of the language used, they are as far removed from one another as the poles. As a vigorous and consistent opponent of the death sentence, who is ready again to oppose it with his voice and his vote every time it may be offered, I am entirely willing to accept this compromise proposal, because, by it the death sentence is removed.

I am glad that this session within the next few days can adjourn with the feeling of having done its duty in regard to utility legislation. I am glad the administration has at last come to its senses and has stopped playing politics with this vital and important subject. I am glad it has finally come in with a proposal which can be accepted by those of us who favor effective and drastic regulation but who do not favor ruthless destruction. The adoption of the compromise motion, in my humble opinion, settles every legitimate question that can now be raised in connection with the Wheeler-Rayburn bill. It allows us to have a real regulatory bill, one that is constitutional, one which, I believe, is fair; and all those who insisted upon the House bill and voted against the death sentence can and should support the motion to adopt this resolution, which I sincerely believe is an outstanding victory for the House. [Applause.]

Mr. RAYBURN. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, this agreement is not exactly what I should like to see. The truth of the business is that neither the House bill nor the Senate bill went as far as I should like to go, but this compromise is more in favor of the House bill than it is the Senate bill.

The gentleman from Alabama [Mr. HUDDLESTON] did not want the "death sentence." He told us, "You are preparing now to lynch the holding companies." Now he does not even want them to go to trial.

My objection to this bill is that it does exactly what the enemies of it said before they wanted it to do; that is, they wanted them to have a trial before we went ahead and executed some of them for the perfidy they have already perpetrated.

The gentleman from Alabama talks about the people back home. You are already hearing from the people back home, and however frightful to some Members Hopson may be in the galleries, however frightful all this spurious Power Trust propaganda may be to some Members, when they get home they are going to find themselves in the position of the two fellows on the plains when a buffalo got after them. One of them hastily climbed up a small tree that just held him above the buffalo's head, while the other ran into a sink hole, and when the buffalo would run for him he would draw his head down and come up again as soon as the buffalo had passed. His friend in the tree said, "Why do you not stay down there?" He said, "Stay down there nothing, there is a bear in this hole as big as three buffaloes." [Laughter.]

You wait until you get home and find the indignation that all this saturnalia of propaganda and all these revelations have stirred up, and you will find that the people of the United States are with us on this proposition and are more dangerous than all the Power Trust propagandists in Washington, Hopson included.

Now, personally, I do not care whether you adopt this motion or not. I am going to vote for it, because it is our only chance to get a bill; but so far as I am individually concerned, I have no fear of going to the American people on this proposition and I have no fear of what the verdict will be. The American people are tired of being overcharged $1,000,000,000 a year for electric light and power. They are tired of seeing people robbed and plundered through the sale of watered stock. They are tired of the saturnalia of graft and fraud and corruption that has characterized these holding companies for the last few years, and are going to put a stop to it. [Applause.]

[Here the gavel fell.]

Mr. RAYBURN. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Speaker, I trust we are not going to permit ourselves to be carried away by the eloquence or logic of our distinguished friend from Alabama, for whom I have the very greatest admiration and personal esteem.

This matter resolves itself in my mind to this simple proposition: There has not been a Member upon this floor in opposition to this bill from the time it was first taken up—there has not been, so far as I know, among the newspapers which have opposed legislation along this line—there has been no one who has not said that there ought to be some legislation provided for the control of holding companies. There has not been any man on this floor who has declared otherwise.

On the contrary, every one of them has made the admission, in argument against this bill, that something of that kind was needed.

If that be true, we cannot adjourn this Congress and go back to our constituents and admit our inability to pass some kind of legislation looking to control of holding companies.

It is a plain, simple proposition. The gentleman from Alabama has said, leaving out the section to which he takes exception, that this is a stronger control or regulatory measure than the bill that passed the Senate.

If I understand him correctly, if that section was taken out of this bill he would be willing to vote for it.

What are you and I going to do? We have been here 8 months. Are we going home and say to our people that we cannot pass a bill looking to the control and regulation of holding companies which everyone admits is needed?

Now, I cannot discuss the merits of the bill. I have not the time and cannot enter into a discussion of its details.

I am appealing to you gentlemen, and particularly gentlemen on this side who are responsible to the people for legislation passed in this House, to adopt this motion of the gentlemen from Texas and settle this issue. [Applause.]

I concur with the gentleman from Oregon [Mr. MOTT] that it is a victory for the House, and I want to congratulate the gentleman from Texas on his proposal of this motion and express the hope that this compromise will be accepted and that we shall finally settle this issue. [Applause.]

Mr. RAYBURN. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Speaker, I have here a newspaper article from this morning's Washington Herald, which says, in part:

> GARNER protested against making the question of utility regulation a campaign issue. He declared it would destroy one of the two major parties. BYRNS and O'CONNOR were heard to counter with declarations that the President's program would destroy the rights of tens of thousands of investors.

Mr. RAYBURN. Mr. Speaker, the gentleman from Ohio [Mr. COOPER] read that thing to me this morning. I think it is going a long way to quote as coming from two men in the high stations of the Vice President of the United States and the Speaker of the House of Representatives something that does not put one word in quotation marks, and I venture to say that neither the Speaker of this House nor the Vice President of the United States said anything within a hundred miles of that.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. RAYBURN. Mr. Speaker, I ask for a vote; and on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 219, nays 142, not voting 69, as follows:

[Roll No. 189]

YEAS—219

| | | | |
|---|---|---|---|
| Arnold | Dear | Healey | Mitchell, Tenn. |
| Ayers | Deen | Hildebrandt | Monaghan |
| Barden | Dempsey | Hill, Ala. | Moran |
| Beiter | DeRouen | Hill, Samuel B. | Moritz |
| Berlin | Dickstein | Hobbs | Mott |
| Binderup | Dies | Houston | Murdock |
| Bland | Dingell | Hull | Nelson |
| Boehne | Disney | Imhoff | Nichols |
| Boileau | Dobbins | Jacobsen | O'Connell |
| Boland | Dorsey | Jenckes, Ind. | O'Connor |
| Boykin | Doughton | Johnson, Okla. | O'Day |
| Brooks | Doxey | Johnson, Tex. | Owen |
| Brown, Ga. | Drewry | Jones | Patman |
| Brown, Mich. | Driscoll | Keller | Patterson |
| Brunner | Driver | Kerr | Pearson |
| Buchanan | Duffey, Ohio | Kloeb | Peterson, Fla. |
| Buck | Dunn, Pa. | Kniffin | Peterson, Ga. |
| Buckler, Minn. | Eagle | Kocialkowski | Pierce |
| Buckley, N. Y. | Eckert | Kopplemann | Quinn |
| Burch | Ellenbogen | Kvale | Rabaut |
| Burdick | Faddis | Lambertson | Ramsay |
| Caldwell | Ferguson | Lambeth | Randolph |
| Cannon, Mo. | Fiesinger | Larrabee | Rankin |
| Carpenter | Fitzpatrick | Lemke | Rayburn |
| Cary | Flannagan | Lesinski | Reilly |
| Castellow | Fletcher | Lewis, Md. | Richards |
| Celler | Ford, Calif. | Luckey | Richardson |
| Chandler | Ford, Miss. | Ludlow | Robinson, Utah |
| Citron | Frey | Lundeen | Romjue |
| Clark, N. C. | Fuller | McClellan | Ryan |
| Coffee | Fulmer | McFarlane | Sabath |
| Colden | Gambrill | McGehee | Sadowski |
| Colmer | Gasque | McGrath | Sanders, La. |
| Connery | Gearhart | McReynolds | Sanders, Tex. |
| Cooley | Gehrmann | McSwain | Sandlin |
| Cooper, Tenn. | Gildea | Mahon | Sauthoff |
| Costello | Gingery | Maloney | Schaefer |
| Cox | Goldsborough | Mansfield | Schneider |
| Cravens | Gray, Ind. | Marcantonio | Schulte |
| Crosby | Gray, Pa. | Martin, Colo. | Scott |
| Cross, Tex. | Green | Massingale | Scrugham |
| Crosser, Ohio | Greenwood | Maverick | Sears |
| Crowe | Gregory | Mead | Secrest |
| Cummings | Haines | Meeks | Sirovich |
| Daly | Hancock, N. C. | Miller | Sisson |

| | | | |
|---|---|---|---|
| Smith, Va. | Terry | Wallgren | Whittington |
| South | Thom | Walter | Wilcox |
| Spence | Thomason | Warren | Williams |
| Stack | Tolan | Wearin | Withrow |
| Starnes | Tonry | Weaver | Wood |
| Steagall | Turner | Welch | Woodrum |
| Sumners, Tex. | Umstead | Werner | Young |
| Sweeney | Utterback | West | Zimmerman |
| Taylor, Colo. | Vinson, Ga. | Whelchel | Zioncheck |
| Taylor, S. C. | Vinson, Ky. | White | |

NAYS—142

| | | | |
|---|---|---|---|
| Adair | Eaton | Kelly | Reed, Ill. |
| Andresen | Edmiston | Kenney | Reed, N. Y. |
| Andrew, Mass. | Ekwall | Kinzer | Rich |
| Andrews, N. Y. | Engel | Knutson | Risk |
| Arends | Englebright | Lamneck | Rogers, Mass. |
| Ashbrook | Evans | Lehlbach | Rogers, Okla. |
| Bacharach | Farley | Lewis, Colo. | Russell |
| Bacon | Fenerty | Lord | Schuetz |
| Beam | Focht | McAndrews | Seger |
| Bell | Gavagan | McCormack | Shanley |
| Blackney | Gifford | McKeough | Short |
| Bloom | Granfield | McLaughlin | Smith, Conn. |
| Bolton | Greenway | McLean | Snell |
| Boylan | Greever | Mapes | Somers, N. Y. |
| Brennan | Griswold | Marshall | Stefan |
| Brewster | Guyer | Martin, Mass. | Stewart |
| Burnham | Gwynne | Mason | Taber |
| Carlson | Halleck | May | Tarver |
| Carmichael | Hancock, N. Y. | Merritt, Conn. | Taylor, Tenn. |
| Casey | Harlan | Merritt, N. Y. | Thomas |
| Cavicchia | Hart | Michener | Thompson |
| Christianson | Harter | Millard | Thurston |
| Church | Hartley | Montet | Tinkham |
| Cole, Md. | Hennings | O'Brien | Tobey |
| Cole, N. Y. | Hess | O'Leary | Treadway |
| Cooper, Ohio | Higgins, Conn. | O'Neal | Turpin |
| Crawford | Hoeppel | Palmisano | Wadsworth |
| Crowther | Hoffman | Parsons | Wigglesworth |
| Culkin | Hollister | Patton | Wilson, La. |
| Cullen | Holmes | Perkins | Wilson, Pa. |
| Darrow | Hope | Pittenger | Wolcott |
| Delaney | Huddleston | Plumley | Wolfenden |
| Ditter | Jenkins, Ohio | Polk | Wolverton |
| Dondero | Johnson, W. Va. | Powers | Woodruff |
| Duffy, N. Y. | Kahn | Ramspeck | |
| Duncan | Kee | Ransley | |

NOT VOTING—69

| | | | |
|---|---|---|---|
| Allen | Dirksen | Kleberg | Peyser |
| Amlie | Dockweiler | Kramer | Pfeifer |
| Bankhead | Doutrich | Lanham | Reece |
| Biermann | Dunn, Miss. | Lea, Calif. | Robertson |
| Blanton | Eicher | Lee, Okla. | Robsion, Ky. |
| Buckbee | Fernandez | Lloyd | Rogers, N. H. |
| Bulwinkle | Fish | Lucas | Rudd |
| Cannon, Wis. | Gassaway | McGroarty | Shannon |
| Carter | Gilchrist | McLeod | Smith, Wash. |
| Cartwright | Gillette | McMillan | Smith, W. Va. |
| Chapman | Goodwin | Maas | Snyder |
| Claiborne | Hamlin | Mitchell, Ill. | Stubbs |
| Clark, Idaho | Higgins, Mass. | Montague | Sullivan |
| Cochran | Hill, Knute | Norton | Sutphin |
| Collins | Hook | Oliver | Underwood |
| Corning | Kennedy, Md. | O'Malley | |
| Darden | Kennedy, N. Y. | Parks | |
| Dietrich | Kimball | Pettengill | |

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Blanton (for) with Mr. Corning (against).
Mr. Hamlin (for) with Mr. Kleberg (against).
Mr. Biermann (for) with Mr. Goodwin (against).
Mr. O'Malley (for) with Mr. Buckbee (against).
Mr. Sullivan (for) with Mr. Collins (against).
Mr. Lee of Oklahoma (for) with Mr. Dirksen (against).
Mr. Amlie (for) with Mr. Rudd (against).
Mr. Pfeifer (for) with Mr. Pettengill (against).
Mr. Stubbs (for) with Mr. Maas (against).
Mr. Kennedy of New York (for) with Mr. Reece (against).
Mr. Eicher (for) with Mr. McLeod (against).
Mr. Gillette (for) with Mr. Robsion of Kentucky (against).
Mr. Hook (for) with Mr. Doutrich (against).
Mr. Smith of Washington (for) with Mr. Fish (against).
Mr. Knute Hill (for) with Mr. Smith of West Virginia (against).
Mr. Snyder (for) with Mr. Fernandez (against).

General pairs:

Mr. Bulwinkle with Mr. Allen.
Mr. Lanham with Mr. Gilchrist.
Mr. Cochran with Mr. Carter.
Mr. Claiborne with Mr. Mitchell of Illinois.
Mr. Robertson with Mr. Dietrich.
Mr. Lucas with Mr. Cartwright.
Mrs. Norton with Mr. Underwood.
Mr. Kennedy of Maryland with Mr. McMillan.
Mr. Bankhead with Mr. Cannon of Wisconsin.

Mr. BOYLAN. Mr. Speaker, the gentlewoman from New Jersey [Mrs. NORTON], is absent, due to illness. If she were present she would vote "no."

Mr. HEALEY. Mr. Speaker, the gentleman from Massachusetts [Mr. HIGGINS] is unavoidably absent because of illness.

Mr. DRISCOLL. Mr. Speaker, my colleague, Mr. SNYDER, of Pennsylvania, I understand is detained by illness. He sent word to me that if present he would vote "yea."

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the motion was agreed to was laid on the table.

### RAILWAY PENSIONS

Mr. DOUGHTON. Mr. Speaker, by direction of the Committee on Ways and Means I present a privileged report upon the bill (H. R. 8652) to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes.

The SPEAKER. The gentleman from North Carolina presents a privileged report upon the bill H. R. 8652, which is referred to the Union Calendar and ordered printed.

Mr. DOUGHTON. Mr. Speaker, I call up the bill (H. R. 8652) to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from North Carolina calls up the bill H. R. 8652, and asks unanimous consent that it be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*—

### DEFINITIONS

SECTION 1. That as used in this act—

(a) The term "carrier" includes any express company, sleeping-car company, freight-forwarding company, private car line, or carrier by railroad, subject to the Interstate Commerce Act, and any company which may be directly or indirectly owned or controlled by or under common control with any such carrier by railroad and which operates any equipment or facilities or performs any service (other than trucking service), in connection with the transportation of passengers or property by railroad, or the receipt, delivery, elevation, transfer in transit, refrigeration or icing, storage, or handling of property transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of and operating the business of any such "carrier."

(b) The term "employee" means (1) each person who at or after the enactment hereof is in the service of a carrier, and (2) each officer or other official representative of an "employee organization", herein called "representative", who before or after the effective date has performed service for a carrier, who is duly designated and authorized to represent employees under and in accordance with the Railway Labor Act, and who, during or immediately following employment by a carrier, was or is engaged in such representative service in behalf of such employees.

(c) A person shall be deemed to be in the service of a carrier whenever he may be subject to its continuing authority to supervise and direct the manner of rendition of his service, for which service he receives compensation.

(d) The term "compensation" means any form of money remuneration for active service, received by an employee from a carrier, including salaries and commissions, but shall not include free transportation nor any payment received on account of sickness, disability, or other form of personal relief.

(e) The term "effective date" means the first day of the second calendar month after the enactment of this act.

(f) The term "enactment" means the date on which this act may be approved by the President or be finally passed.

### INCOME TAX ON EMPLOYEES

SEC. 2. In addition to other taxes, there shall be levied, collected, and paid upon the income of every employee 2 percent of the compensation of such employee (except a representative), not in excess of $300 per month, received by him after the effective date.

### DEDUCTION OF TAX FROM WAGES

SEC. 3. (a) The tax imposed by section 2 of this act shall be collected by the employer of the taxpayer, by deducting the amount of the tax from the compensation of the employee as and when paid. Every employer required so to deduct the tax is hereby made liable for the payment of such tax and is hereby indemnified against the claims and demands of any person for the amount of any such payment made by such employer.

(b) If more or less than the correct amount of tax imposed by section 2 is paid with respect to any compensation payment, then, under regulations made under this act by the Commissioner of Internal Revenue, proper adjustments, with respect both to the tax and the amount to be deducted, shall be made, without interest, in connection with subsequent wage payments to the same employee by the same employer.

EXCISE TAX ON CARRIERS

SEC. 4. In addition to other taxes, every carrier shall pay an excise tax of 4 percent of the compensation, not in excess of $300 per month, paid by it to its employees after the effective date.

ADJUSTMENT OF TAX

SEC. 5. If more or less than the correct amount of the tax imposed by section 4 is paid, with respect to any compensation payment, then, under regulations made by the Commissioner of Internal Revenue, proper adjustments with respect to the tax shall be made in connection with subsequent excise-tax payments made by the same employer

REFUNDS AND DEFICIENCIES

SEC. 6. If more or less than the correct amount of the tax imposed by sections 2 or 4 of this act is paid or deducted with respect to any compensation payment and the overpayment or underpayment of the tax cannot be adjusted under sections 3 or 5, the amount of the overpayment shall be refunded, or the amount of the underpayment shall be collected in such manner and at such times (subject to the statute of limitations properly applicable thereto) as may be prescribed by regulations under this act as made by the Commissioner of Internal Revenue.

INCOME TAX ON EMPLOYEES' REPRESENTATIVE

SEC. 7. In addition to other taxes, there shall be levied, collected, and paid upon the compensation of each employees' representative received by such representative an income tax of 6 percent annually upon that portion of the compensation of such employees' representative not in excess of $300 per month. The compensation of a representative for the purpose of ascertaining the tax thereon shall be determined according to such rules and regulations as the Commissioner of Internal Revenue shall deem just and reasonable and as near as may be shall be the same compensation as if the representative were still in the employ of the last former carrier.

COLLECTION AND PAYMENT OF TAXES

SEC. 8. (a) The taxes imposed by this act shall be collected by the Commissioner of Internal Revenue and shall be paid into the Treasury of the United States as internal-revenue receipts. If the taxes are not paid when due, there shall be added as part of the tax (except in the case of adjustments made in accord with the provisions of this act) interest at the rate of 1 percent per month, or for any part of a month, from the date the tax became due until paid.

(b) Such taxes shall be collected and paid quarterly in such manner and under such conditions not inconsistent with this act as may be prescribed by the Commissioner of Internal Revenue, the first payment to become due on the 1st day of October 1935.

(c) All provisions of law, including penalties, applicable with respect to any tax imposed by section 600 of section 800 of the Revenue Act of 1926, and the provisions of section 607 of the Revenue Act of 1934, insofar as applicable and not inconsistent with the provisions of this act, shall be applicable with respect to the taxes imposed by this act.

(d) In the payment of any tax under this act a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to 1 cent.

COURT JURISDICTION

SEC. 9. The several district courts of the United States and the Supreme Court of the District of Columbia, respectively, shall have jurisdiction to entertain an application and to grant appropriate relief in the following cases which may arise under the provisions of this act:

(a) An application by the Commissioner of Internal Revenue to compel an employee or other person residing within the jurisdiction of said court or a carrier subject to service of process within said jurisdiction, to comply with any obligations imposed on said employee, other person, or carrier under the provisions of this act.

(b) The jurisdiction herein specifically conferred upon the said Federal courts shall not be held exclusive of any jurisdiction otherwise possessed by said courts to entertain actions at law or suits in equity in aid of the enforcement of rights or obligations arising under the provisions of this act.

PENALTIES

SEC. 10. Any person or any carrier which shall willfully fail or refuse to make any report in accordance with this act required by the Commissioner of Internal Revenue in the administration of this act, or which shall knowingly make any false or fraudulent statement or report in response to any report or statement required by this act shall be punished on conviction by a fine of not less than $100 nor more than $10,000.

SEPARABILITY

SEC. 11. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances shall not be affected thereby.

With the following committee amendments:

Page 1, line 5, strike out the word "include" and insert in lieu thereof the word "means."

Page 1, lines 6 and 7, strike out the words "freight-forwarding company, private car line."

Page 1, line 9, strike out the word "by" and insert in lieu thereof the word "thereby."

Page 1, line 10, strike out the words "with any such carrier by railroad" and insert in lieu thereof the word "therewith" and a comma.

Page 2, strike out the comma in line 1.

Page 2, insert before the period in line 7 the following:

"*Provided however*, That the term 'carrier' shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam railroad system of transportation, but shall not exclude any part of the general steam railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed upon request of the Commissioner of Internal Revenue or upon complaint of any party interested to determine after hearing whether any line operated by electric power falls within the terms of this proviso."

Page 3, lines 3, 4, and 5, strike out the words "the first day of the second calendar month after the enactment of this act" and insert in lieu thereof the words and figures, "March 1, 1936."

Page 3, line 12, strike out the figure "2" and insert in lieu thereof the figure "3½."

Page 4, line 9, strike out the figure "4" and insert in lieu thereof the figure "3½."

Page 4, line 17, after the word "made", insert a comma and the words "without interest" and a comma.

Page 5, line 9, strike out the figure "6" and insert in lieu thereof the figure "7."

Page 5, line 25, strike out the words and figures "1 per centum per month" and insert in lieu thereof the words and figure "6 per centum per annum."

Page 6, line 6, strike out all after the word "revenue" down to the period in line 7.

Page 6, line 10, strike out the word "of" and insert in lieu thereof the word "or."

Page 7, after line 21, insert the following:

"SOCIAL SECURITY ACT

"SEC. 11. The term 'employment', as defined in subsection (b) of section 811 of title VIII of the Social Security Act shall not include service performed in the employ of a carrier as defined in subdivision (a) of section 1 of this act.

"TERMINATION OF TAXES

"SEC. 12. The taxes imposed by this act shall not apply to any compensation received or paid after February 28, 1937."

Page 7, line 23, strike out the figure "11" and insert "13."

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 9100. An act to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. NEELY, Mr. BARKLEY, and Mr. DAVIS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 265) entitled "An act pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto."

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2521. An act amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3425. An act authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen*.

GUFFEY-SNYDER COAL BILL

Mr. DOUGHTON. Mr. Speaker I ask unanimous consent to take from the Speaker's table the bill (H. R. 9100) to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees:

Mr. SAMUEL B. HILL, Mr. LEWIS of Maryland, Mr. VINSON of Kentucky, Mr. KNUTSON, and Mr. REED of New York.

NEUTRALITY BILL

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to have until 12 o'clock midnight tonight to submit the neutrality bill and file a report thereon.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

REPORT FROM COMMITTEE ON MILITARY AFFAIRS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that I may have until 12 o'clock tonight to file a report from the Committee on Military Affairs relating to its investigation under House Resolution 59.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

PUBLIC WORKS ON RIVERS AND HARBORS FOR FLOOD CONTROL, ETC.

Mr. WILSON of Louisiana. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, H. R. 8455, authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

The SPEAKER. The question is on the motion of the gentleman from Louisiana.

The question was taken; and on a division (demanded by Mr. TABER) there were ayes 171 and noes 66.

So the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, H. R. 8455, with Mr. FULLER in the chair.

The Clerk read the title of the bill.

Mr. WILSON of Louisiana. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. WILSON of Louisiana. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill is an emergency measure. It is an important measure. We have had appeals from throughout the Nation for comprehensive plans for flood control, for the protection of life and property throughout the Nation.

The estimate and survey show that there are losses of more than $300,000,000 every year on streams and watersheds throughout the United States. Some steps should be taken by Congress to prevent this loss. We have had appeals that Congress should take some action for a comprehensive plan for flood control under some agency that is qualified to handle it, and undertake emergency projects wherever plans are ready under that agency, in order to begin a comprehensive plan for flood control. On account of these appeals the Committee on Flood Control early in this Congress commenced hearings in order to collect data to show where we might go in a public-works program, in an emergency program, to make investments that would show returns, for the protection of life and property throughout the United States.

The hearings disclosed that within the next 2 years, in emergency projects, we could spend $604,000,000. We secured from the Army Engineers, after their surveys, the most meritorious projects where work could begin under that organization at once, if given approval by this Congress. It is necessary, in order to carry on flood control and river and harbor works under the $4,800,000,000 appropriation, that they have the approval of Congress. Therefore we have brought before the Congress the recommendations of the engineers of meritorious projects, where an emergency exists, for the protection of life and property, where work should begin in a coordinated way with the final completion of that project upon those streams.

This bill authorizes $370,000,000 for those projects. Of course, there will be others to be undertaken, but it is left in the discretion of the Secretary of War and the Chief of Engineers. Not $1 will be wasted. Eighty percent goes to employment and 15 percent goes to the purchase of materials, which give employment to labor.

Mr. RICH. Will the gentleman yield?

Mr. WILSON of Louisiana. I yield.

Mr. RICH. Is it contemplated to offer committee amendments to add $70,000,000 more to this bill?

Mr. WILSON of Louisiana. No. There are no committee amendments. Some meritorious amendments may be offered. It is entirely up to the committee whether or not they approve it. But we had these hearings and the gentleman from Pennsylvania [Mr. RICH], regardless of the criticism he has made of this bill, came to show meritorious projects where life and property and business interests were in danger, and appealed to the committee to recommend those.

The recommendation showed those who were meritorious. What I cannot understand, then, is this criticism of the bill by one who wants help.

Mr. RICH. If the gentleman will look at the hearings he will not find anything resembling the statement he has just made as coming from me.

Mr. WILSON of Louisiana. The gentleman asked for these projects for his district, and they are meritorious; and not one project that is not of merit will be undertaken, because it is under the direction of the Secretary of War. These engineers do not have to go out and set up a new organization. These projects are permanent investments, investments of merit to protect life and property throughout the United States.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Louisiana. I yield.

Mr. TAYLOR of Tennessee. Does the gentleman expect to ask any appropriation at this session of Congress or will he depend entirely on the $4,800,000,000 fund in the hands of the President?

Mr. WILSON of Louisiana. We shall depend for the present on the $4,800,000,000 fund, but the bill contains authorization for the continuation of meritorious projects in Tennessee, Kentucky, and elsewhere; it contains authorization to go to the Appropriations Committee for money to complete the projects.

Mr. TAYLOR of Tennessee. But for the present the gentleman expects to depend on the $4,800,000,000 fund.

Mr. WILSON of Louisiana. For the initial allotments, but we want to be on a firm basis on these projects, for they will be worth a great deal to the Nation in the saving of lives and property every year.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Louisiana. I yield.

Mr. BOLTON. I understood the gentleman to say that these proposals all had met with the recommendation of the Chief of Engineers.

Mr. WILSON of Louisiana. The recommendation and the statement of the engineers are in this report on every project.

Mr. BOLTON. They all come from Report No. 308, did they not?

Mr. WILSON of Louisiana. That states exactly what they are.

Mr. BOLTON. The report states they met with the approval of the Corps of Engineers, but I understood the gentleman to say that they met with the recommendation of the Chief of Engineers.

Mr. WILSON of Louisiana. I say that every project is here on its merit and there is a statement which shows those projects which are most meritorious, those which will be the best investment and those which can be built with the greatest economy. That is what they said before our committee.

Mr. BOLTON. From the general survey under Report No. 308.

Mr. WILSON of Louisiana. Yes.

Mr. BOLTON. The engineers made the recommendation in the first instance.

Mr. WILSON of Louisiana. They are mentioned under Report No. 308 and in section 10 of the Flood Control Act.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Louisiana. I yield.

Mr. LUDLOW. What disturbs me about this bill is whether or not the large sum which is required to meet the exactions of this bill is to be superimposed on the $4,800,000,000, or is it the gentleman's expectation that all of this money required to meet these flood-control projects will be taken out of the $4,800,000,000? I want a direct answer to that.

Mr. WILSON of Louisiana. We will get an allotment from the President from the $4,800,000,000 for the work that is to be undertaken, but it will be necessary to carry these projects on to final completion and to coordinate them. After the public-works allotment has expired, we expect them to go to the Appropriations Committee from year to year for funds to carry on the completion of these meritorious projects throughout the Nation.

Mr. LUDLOW. Just one more short question, if the gentleman will yield. Would the gentleman be willing to accept an amendment providing that the funds required to pay for these projects shall be taken out of the $4,800,000,000?

Mr. WILSON of Louisiana. No; I would not; because some of the projects recommended—very meritorious ones—will take 4 or 5 years to complete and coordinate, if we take the plans of the engineers, and the $4,800,000,000 might be exhausted before that time. We propose to go ahead and complete this work for the protection of the life and property of the people of this Nation.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Louisiana. I yield.

Mr. KELLER. Is it not also true that if this work is done at the present time, it will give employment and take men from the relief rolls?

Mr. WILSON of Louisiana. It will be carried on by the Corps of Army Engineers, just as all such projects are carried on.

Mr. MICHENER. The gentleman does not contend that this is a relief project at all, does he?

Mr. WILSON of Louisiana. The main thing I have in mind is protection of the life and property of the citizens of the United States. During the present year over $300,000,000 of property has been destroyed by flood, and in the section along the St. Francis River more than 2,000 people were driven from their homes.

In the State of New York just a few days ago we were eyewitnesses to the tremendous destruction of life, property, and homes. Congress can make no better permanent investment than this investment which will protect the lives and property of its citizens.

Mr. MICHENER. To carry out the policy of the gentleman it would seem to me he was going to canalize practically every stream throughout the United States.

Mr. WILSON of Louisiana. That is what ought to be done.

Mr. MICHENER. That is nice talk, but the gentleman and I know it is not going to take place.

Mr. WILSON of Louisiana. It can be done.

Mr. MICHENER. It can be, but we do not expect to do it.

Mr. WILSON of Louisiana. If it is of economic value and life and property is in danger and the work can be done to avert their disaster, it should come about.

[Here the gavel fell.]

Mr. WILSON of Louisiana. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. MILLER].

Mr. MILLER. Mr. Chairman, I want to call the attention of the committee for a few minutes to a matter that I think is of underlying importance in connection with the enactment of this bill. Permit me to direct attention to the first sentence of the bill reading as follows:

> That the following works of improvement of rivers, harbors, and other waterways for flood-control purposes are hereby adopted and authorized, to be prosecuted unless herein otherwise provided under the direction of the Secretary of War and supervision of the Chief of Engineers, in accordance with the plans, in the respective reports and records hereinafter designated.

Then follows a list of projects throughout the United States that have been surveyed and approved by the Corps of Engineers of the Army.

Mr. TABER. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from New York.

Mr. TABER. Does the gentleman mean to tell us that the projects listed in this bill have been approved by the Chief of Engineers?

Mr. MILLER. The projects listed in the bill have been surveyed by the Corps of Engineers; yes.

Mr. TABER. But the gentleman does not mean to say that they have been approved by the Corps of Engineers?

Mr. MILLER. I mean to say they have approved the projects on that stream, but I do not mean to say these projects have been recommended by the Chief of Engineers. There is no dispute about the meaning of the bill at all. The underlying principle of this bill is one that the Congress must face and the sooner we face it the better. The control of floods in this country on any stream that may be mentioned is a national question. It is not a local question any more and just as soon as the Congress stops appropriating money for flood control and spending it haphazardly and adopts a comprehensive and coordinated flood-control program in this country, just that soon and no sooner will we solve this problem.

Mr. MAPES. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Michigan.

Mr. MAPES. In order to understand the situation, the gentleman states that all projects in this bill have been surveyed by the engineers; but he does not say they have been recommended by them. So far as the House knows the engineers may have recommended against them after the survey.

Mr. MILLER. I would not say that is correct.

Mr. MAPES. I say as far as the House knows, they may have recommended against them.

Mr. MILLER. I can speak about the individual projects I know about. I know they have been approved, referring to the ones I am personally and deeply interested in. May I say to the gentleman that if a project is not approved by the Chief of Engineers as feasible and economically justified

no man is ever going to get money with which to erect and build it. As a practical proposition the allocation will be made on that basis.

Mr. MAPES. But the Bureau of Reclamation and those in charge of P. W. A. funds have gone ahead with projects that the Chief of Engineers has not approved?

Mr. MILLER. Do not take up my time on that unless I yield. I do not know about that.

Mr. MAPES. I beg the gentleman's pardon. I thought he yielded to me.

Mr. MILLER. The question I am concerned with and the question that the House and this Congress is concerned with lies in the adoption of a comprehensive program. The passage of this bill does not mean that all of these projects are going to be built or erected. It simply places them in line for consideration by the National Emergency Council upon their merits for the allocation of funds from the works-relief money that has already been appropriated.

Mr. WOOD. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Missouri.

Mr. WOOD. Does the gentleman think there could be any comprehensive system worked out in the White River Valley in Arkansas unless the Table Rock proposition was included in that.

Mr. MILLER. I do not.

A study of this bill will reflect the fact that every project on the streams enumerated herein represents a component part in a coordinated plan for the control of floods on that particular stream and the stream into which it runs. That is the important feature of this bill. That is a question of policy which confronts this Congress in the adoption and passage of this bill, and the beginning of the spending of money on coordinated systems and coordinated units or on work that will in the future constitute and does now constitute a part of a coordinated system. When we adopt such a program we will be taking a long step in the right direction.

No better way can be found for the expenditure of public funds than their investment in permanent and coordinated flood-control works and structures, and if the National Emergency Council and other agencies for the allocation of funds from the public-works appropriation will allocate a major portion of such funds for the building of these permanent structures which may control the flood waters of our streams and at the same time be used in the creation of electrical power a real contribution to the welfare of our country will be made and its resources conserved and augmented.

I appeal to you for the favorable consideration of this bill.

[Here the gavel fell.]

Mr. RICH. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, I regret that the gentleman from Arkansas in his earlier statement accused us on this side of filibustering. It has become a habit lately of the Members of the majority that every time the Members of the minority dare voice opposition to some of this quack legislation that is being put through the House at the present time we are charged with filibustering. May I say to you gentlemen that inside of a year you will wish some of us had filibustered a little longer and you did not pass quite so much of the kind of legislation that is being passed here today and which it is intended to pass.

Several gentlemen have used the argument that this four or five billion dollars is going to be wasted and you might just as well spend it on works down on the various tributaries of the Mississippi River and in other parts of the United States. You do not want to fool yourselves in regard to this bill. It simply authorizes these projects. There is not a particle of certainty that any one of them will be built or any money spent from the public-works fund.

Mr. DISNEY. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Oklahoma.

Mr. DISNEY. Then what harm can be done if this bill merely authorizes?

Mr. SNELL. I have had some experience in this House. When a man has a poor proposition he always says that there is no harm done because we just authorize the expenditure and we have to come back to the Appropriations Committee to get the appropriation anyway. But when you go back to that committee I know precisely the argument that is used; that is, the House itself has authorized this project and now it is up to the Appropriations Committee to appropriate for it.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. TAYLOR of Tennessee. How long will this organization continue?

Mr. SNELL. As long as there is any money in the Treasury, and in fact for all time, unless repealed.

Mr. TAYLOR of Tennessee. That is what I thought.

Mr. SNELL. That may not be very long.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. CHRISTIANSON. Does the gentleman think that the authorization will cease when the United States is hopelessly bankrupt and there is no more money in the Treasury?

Mr. SNELL. No; it will always be there.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Indiana.

Mr. HALLECK. It has been suggested that some of these projects have not been recommended by the Army Engineers. Do I understand that if this bill is passed with this authorization, hereafter the Appropriations Committee would be forced to appropriate for these projects even though they might not be approved?

Mr. SNELL. I would not say they would be forced to do it, but my experience in this House has been that where an authorization has been made the people who are interested go before the Appropriations Committee and say, "the House itself has authorized this and we expect you to appropriate for it", and, eventually, they get the appropriation.

Mr. HALLECK. If the gentleman will permit one further question, would that situation prevail in view of the fact that a number of the members of the Committee, as well as the people interested in this bill, have assured us that they are seeking the money alone from the $4,800,000,000 that has heretofore been appropriated.

Mr. SNELL. I will tell the gentleman how we can try that out. We are going to offer an amendment that this money be paid out of the $4,800,000,000 and the gentleman will see how many of them vote for the amendment and we can then test their sincerity in regard to the proposition.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield.

Mr. MICHENER. In the amendment which the gentleman is going to suggest will he also place in his amendment a provision that these funds be appropriated for work to be completed under the allocation, so that it will not be possible to start the canalization of a stream, for instance, and get the foundation laid, which is simply the nose of the camel getting under the tent and then require that many times the amount of the original appropriation be appropriated to finish the work?

Mr. SNELL. That is always the way it is done.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Do I understand an amendment is to be offered taking this money out of the P. W. A. fund?

Mr. SNELL. I think one will be offered.

Mr. McCORMACK. Without indicating how I shall vote on the amendment I hope whoever drafts the amendment will keep in mind that each State is supposed to have its proportionate share.

Mr. SNELL. Well, there will be some excuse so that most of the Members on that side of the aisle will not vote for it.

[Here the gavel fell.]

Mr. RICH. Mr. Chairman, I yield the gentleman from New York 5 additional minutes.

Mr. SNELL. Now, in regard to this report, it is very cleverly drawn. It states, "The projects selected in this measure have been approved by the Corps of Army Engineers." This would lead the average Member of the House to believe that the Board of Army Engineers had approved these projects. After reading the report yesterday I took the pains to call up the Chief of Engineers and, as a matter of fact, the Chief of Engineers has not approved a single one of the projects in this bill.

Mr. KELLER. Do they ever do it?

Mr. SNELL. I did not yield to the gentleman.

They have not approved any of these projects and they have not recommended them. The only thing the Army Engineers have done in regard to these projects is that several years ago we passed a general bill asking them to make a survey. They have made the survey but they have made no recommendations of approval or disapproval, notwithstanding the statement made in the report.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield.

Mr. BOLTON. The survey to which the gentleman has referred is contained in what is known as "Report No. 308" from the Corps of Engineers, which covers not only a survey for flood control but power and navigation as well, and simply gives the possibilities of development without any recommendation.

Mr. FERGUSON. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield to the gentleman for a brief question.

Mr. FERGUSON. I hold in my hand a project for the development of rivers and harbors, put out by the Army Engineers, and on each of these projects they have figured whether the returns would be economically sound. So while this is not a recommendation, they have passed on each project as to its economic feasibility.

Mr. SNELL. When we originally passed the flood-control bill, we made provision in that bill that the local communities should pay for the land on which the levees were placed and for the flowage rights. The other day when we passed another law amending that bill and relieving these communities from this obligation, I made a fight against it, and your own President has today sent down a veto message based practically on the argument that I made at that time.

In this bill you do not go so far as to say that the State shall pay for the land where these improvements are made——

Mr. FERGUSON rose.

Mr. SNELL. The gentleman need not get up so quickly, I know what he is going to say, and I have read the full report. But the joker here is, the Secretary of War can make an exception, and if you have a friendly Secretary of War, he can make exceptions so that the local communities will not have to pay a single, solitary nickel, and if he wants to he can add $130,000,000 to this bill by relieving these communities from this obligation.

Mr. DRIVER. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. DRIVER. The local communities have never asked him to relieve them from one dollar's worth of responsibility for the foundations for the levees or the land for the material that entered into it. The bill the gentleman refers to is a bill where protection that was afforded had been withdrawn.

Mr. SNELL. That is true, but it was the same principle that went with all that Flood Control Act. The gentleman and I were both here, and the gentleman knows that was the principle contained in that act—that local communities should furnish the land. Why should you not have carried it in this act? This is going too far. I am not opposed to flood control; but to bring in a bill for $370,000,000, with a potential $130,000,000 more, and sixty or seventy million dollars to be added to that, is going too far. It is the straw that is breaking the camel's back. The day is coming when you people will regret, simply on account of numbers, that you forced this legislation through the House.

Mr. WHITTINGTON. This act provides that the local interest must furnish the rights-of-way. It is identical with what is contained in the Flood Control Act.

Mr. SNELL. And in addition to that it has this exception: That the Secretary of War may change that. It is not a definite statement. That is exactly what I said.

Mr. WHITTINGTON. That is the identical language of the Flood Control Act of 1928.

Mr. SNELL. Why did not you put it exactly the same and not make that exception?

Mr. WHITTINGTON. It is the same with that exception.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. RICH. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Chairman, I am not going to use the full 5 minutes. It is unfortunate that this bill is brought in at such an inopportune time. I want to pay tribute and compliment our Chairman of the Flood Control Committee, who has worked hard on this legislation. I feel the bill is entitled to more consideration than it is going to get in the closing hours of this session of Congress. You have heard a great deal of discussion today as to why we have this bill here. I believe I know why we have it here. At any rate, at the first meeting of the Flood Control Committee we were presented with a report that had been submitted to the National Planning Commission with a large number of projects—river work, harbor work, Federal buildings, and other projects that were listed as projects that might be available for important labor and work relief. That is one of the reasons the bill is here. It was submitted to us at that time. These projects have not been recommended in a number of instances by the Chief of Engineers, but they are worthy projects. They are projects that carry benefits locally and they are of economic value to the State and Nation. Therefore, as we consider these projects, let us consider them today upon the basis of helping the entire Nation in a comprehensive flood-control program. If we are going to spend this money let us get something useful for it. We might go into it and check into the individual projects, but I dare say that very few of these projects will be constructed even if we pass this authorization today. In the first place we have to meet the requirements of the P. W. A., and reservoirs are of such nature that it is practically impossible to meet P. W. A. requirements. I am going to offer an amendment when the proper time comes that will permit the Federal Government to furnish rights-of-way.

The flood-control problem is a national problem and there are only a few States whose State laws are such that they can furnish rights-of-way.

Mr. RICH. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, I regret very much that I was unavoidably detained from the floor of the House earlier this afternoon when the able and genial gentleman from Pennsylvania [Mr. RANSLEY], graciously yielded me 3 minutes to speak on the adoption of the rule for the consideration of this bill. However, I am happy now and grateful to my other colleague from Pennsylvania [Mr. RICH], who has generously yielded me 5 minutes.

It is very seldom that I am forced to disagree with my own distinguished floor leader [Mr. SNELL], and I always dislike to do so, but having served on the Flood Control Committee of the House, and at the present time being a vice president of the National Rivers and Harbors Congress, I am constrained to support this legislation, for three outstanding reasons. First, I think the surveys, investigations, and reports of the Corps of Engineers of the United States Army show that these proposed projects are engineeringly feasible

and economically justified. Anyone who has ever served on the Committee on Flood Control of this House and has gone through different sections of the country as it has been my privilege to do, who has seen with his own eyes waters, turbulent and torrential, roll over bridges and wash away houses, injure soil by washing it away, destroy crops, and drown not only livestock but human life, will realize the importance and necessity for this legislation. It is not a local matter, but it is national in its scope.

I have not seen all of these proposed projects, but personally I have seen many of them in the States of New York, Pennsylvania, West Virginia, Ohio, Indiana, Missouri, Arkansas, and Louisiana. If this legislation is passed I think it is a step in the right direction, which will eventually save the people of this country not only hundreds of human lives but hundreds upon hundreds of millions of dollars in property.

My second reason for supporting this legislation is that this is only an authorization and, because we have the assurance at this particular time, if and when the appropriations are made they will be out of the $4,880,000,000 fund which Congress handed as a blank check to the President last January. God knows, I want to say to my Republican friends, I had rather see this money spent in permanent projects for flood control, protection of life and property than to see it spent on bedbug inspectors, Indian mound hunters, rag-doll makers, toe dancers, opera singers, and other senseless projects. This is not a gift, but it is a sound investment. [Applause.]

Mr. HOEPPEL. Will the gentleman yield?

Mr. SHORT. I yield.

Mr. HOEPPEL. I am in thorough accord with the gentleman's views. I feel we should spend more money for this conservation method rather than wasting money on such insane projects as the Matanuska colony in Alaska and other colonies on which we are wasting money.

Mr. SHORT. I agree with the gentleman's opinion. However, there is another reason I am interested in this bill. I will say frankly that there is a project in my particular district that is of vital importance. [Applause and laughter.] Not only to my people but also to me. [More laughter.] Because certain members of the Flood Control Committee assured me that they will accept an amendment which will be offered by my distinguished colleague [Mr. WOOD], who lives just north of me and who has cooperated with the Springfield Chamber of Commerce, which has fought for the building of Table Rock Dam on White River just north of the Arkansas line, in the land of a million smiles, in Taney County, Mo., which will create a lake 60 miles long in Stone and Barry Counties, with more than 1,200 miles of shore line, and will prevent the destructive flood waters rushing down upon the people in lower Arkansas in the district of my good friend Mr. MILLER, I naturally will have to vote for this bill. [Laughter and applause.]

[Here the gavel fell.]

Mr. RICH. I yield the gentleman one-half minute in order to ask him a question. To have a project of that kind in the gentleman's district it is worth while talking for the bill, is it not? [Laughter.]

Mr. WILSON of Louisiana. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Chairman, it has been intimated to the members of this committee that this bill has been jumped up and proposed to this House without any real rime or reason and brought in here without due and proper consideration.

I hold in my hand one of the two volumes of hearings held by our committee. We have met almost continuously since the beginning of Congress and have gone over these projects. The bill as presented to the House today carries out the recommendations of the report of the Mississippi Valley Commission as made to the Public Works Administration.

Mr. RICH. Will the gentleman yield?

Mr. FERGUSON. I cannot yield now.

It also carries out the recommendation of the Natural Resources Board, which was made in this voluminous volume to the President. This committee has made a thorough study of the whole flood-control problem in the United States.

This bill is the first attempt that has been made to solve this complete flood-control problem. When I first came to Congress I asked the Chief of Army Engineers to tell me how much money had been spent on the lower Mississippi in the last 10 years, and I found that $325,000,000 has been spent dredging the lower Mississippi, taking the soil that comes from the Western States and the Northwest and piling it on the banks and raising that Mississippi River higher and higher. I am for adequate protection in the lower Mississippi, but I think the time has come when we should recognize the fact that the place to control and store these waters is on the tributaries of the headwaters of these rivers.

Mr. SHORT. Will the gentleman yield there?

Mr. FERGUSON. I yield.

Mr. SHORT. If we start at the upper end by building dams and reservoirs, they will not need such high levees in the lower valley? [Applause.]

Mr. FERGUSON. That is correct. I want to make this plain also, that this $325,000,000 that has been spent on the lower Mississippi was spent under legislation passed by the Republican administration. They graciously recognized the big problem that existed in the South. Now, are we going to let that $325,000,000 be wasted by not continuing to solve the problem by building reservoirs that will make these works worth while? Are we going to lie down and say, "We have spent $325,000,000, but we cannot afford to spend any more money to insure its effectiveness"? That is what you do if you do not go ahead and build these reservoirs and keep that water out of the lower Mississippi. [Applause.]

To make this a little plainer, I live in a semiarid region. I am on a river that is a tributary of the Arkansas River. For 9 months at a time it is a dry, sandy bed.

Then we will get a downpour of rain, and a wall of water will come down that river, destroying the farms, buildings, and improvements along its banks for 800 miles. Where does this water go? It goes down to make backwater, to make stagnant swamps, to waste a lot of the fertile valley of the Mississippi. What we are asking here today is that this water be retained up in the arid regions where we need it, where we have to use it for human beings and animals. If we do not keep our water table up, we are going to face an acute agricultural shortage in this country in a short time.

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. No; I will not yield to the gentleman, for I do not think he wants to help me at all. [Laughter.]

Mr. DITTER. I yielded to the gentleman when I had the floor.

Mr. FERGUSON. Mr. Chairman, I yield to the gentleman.

Mr. DITTER. In view of the merits the gentleman claims for this program, I assume he will support the effort on this side to have this money taken out of the $4,800,000,000 allotment?

Mr. FERGUSON. Rather than that, I may say I am so sincere in my conviction of the merit of this program that I would even be willing to see the money needed for it paid by future generations if it is not taken out of the work-relief fund. I am not going to quibble over that at all. [Applause.]

[Here the gavel fell.]

Mr. WILSON of Louisiana. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. ZIMMERMAN].

Mr. ZIMMERMAN. Mr. Chairman, I represent the Tenth District of Missouri. I think my district has suffered more from the ravages of floods on the streams that flow through it than any other district of our country.

Flood control is a national program, and the situation which is destroying the resources of our country ought to challenge the attention of the American people and their representatives in the Congress. We all know that millions of dollars of property are destroyed every year in the valleys of our country, to say nothing of the loss of lives of people and the misery they have suffered. Mr. Chairman, the valleys of our country represent the food basket of the

Nation. In the St. Francis Valley, in which my district is located, we have in the last 15 years suffered from $1,000,000 to $1,500,000 in destruction of property and crops annually. This year we suffered three floods, which have practically devastated this fertile valley which contributes so much to the food supply of this Nation.

We talk about recovery; until we do something to conserve the rich valleys which grow the crops and the food of the people of this country in time of peace as well as in time of war we shall never reach that degree of prosperity, contentment, and happiness which we deserve. Mr. Chairman, the flood-control plan which this committee has evolved has for its objective this very purpose. I want to say to those on the right and to those on the left that this committee has studied out a plan whereby we are seeking to solve this problem in a comprehensive way. We are providing for reservoirs, reservoirs on the Black River, which runs through my district, reservoirs on the St. Francis River, which runs through my district, works which will hold the water back and save the valley below from destruction.

When this project is completed it will lower the flood crest of the lower Mississippi and we shall not be called upon to spend millions as we are called upon under existing conditions, for there will be adequate flood control.

[Here the gavel fell.]

Mr. WILSON of Louisiana. Mr. Chairman, I ask unanimous consent that all Members who speak on this bill may have permission to revise and extend their remarks in the RECORD.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. RICH. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, in the time that it has been my privilege to serve as a Member of this House I have never seen a bill brought into the House in the shape this one is. River and harbor bills have always been accompanied with the recommendations of the Chief of Engineers as to what should be done. Always there have been hearings on bills of this character going into the projects in detail and describing them so we might understand what we are expected to do. In the instance of the pending bill, however, there are no hearings. I have asked for them at the desk, but I can get no information. All we have is the desire of different Members that millions and millions of dollars be placed in the bill to take care of flood conditions they think exist in their districts, without proper consideration, without the slightest thought paid to the interests of the Treasury of the United States. I do not believe that the Treasury of the United States can stand the strain of further drains upon it. I believe that if we do not place a check on ourselves and stop this wild expenditure of funds we will be unable to meet our obligations and our financial structure will collapse completely just as the financial structures of other countries have collapsed under similar circumstances.

When this bill is finished and all the amendments have been tacked on, it will call for $450,000,000 or $470,000,000. It is absolutely ridiculous to pile up these great expenditures.

Now, let me tell you another thing. The relief bill that was passed on the 8th of April provided that there should be $350,000,000 expended for flood control if the President might want it.

The President can do all this sort of thing if he thinks it is necessary or wise. Why should we say, as has been suggested here, that there shall be $350,000,000 spent in that way and $350,000,000 or $450,000,000 expended beyond that by further appropriations of Congress? When the proper time comes I propose to offer an amendment, and I ask unanimous consent that the Clerk read the amendment at this time for information.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. TABER (read for information): On page 1, line 5, after the word "prosecuted" insert "and completed under allotment for that purpose out of the funds appropriated in a joint resolution making appropriations for relief purposes approved April 8, 1935."

Mr. TABER. Mr. Chairman, I hope when that amendment is offered it will be adopted. I also hope that this bill will not be passed because never have we been asked to consider measures of this kind without any recommendation whatever from the Chief of Engineers.

Mr. DITTER. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. DITTER. Does the gentleman know whether or not this fund has been included in any Budget estimate?

Mr. TABER. It has not been.

Mr. DITTER. Have any suggestions been made to the Appropriations Committee that this might be included in a program to be budgeted in the future?

Mr. TABER. There has not been any such suggestion.

Mr. DITTER. From the gentleman's knowledge of the fiscal affairs of the country, will he give us the benefit of his opinion with regard to the danger of this loose fiscal policy?

Mr. TABER. I believe we are in great danger of such fiscal policy on the part of the Government leading us to disaster right now.

[Here the gavel fell.]

Mr. RICH. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. TABER. Mr. Chairman, I can see that if the present program of expenditures is followed through we may have a deficit of $7,000,000,000 for the current fiscal year.

Mr. DONDERO. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. DONDERO. Has the gentleman any knowledge as to whether or not the money could be paid out of the $4,000,000,000?

Mr. TABER. It could be, if the President would make the allotment.

Mr. HALLECK. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. HALLECK. As a member of the Appropriations Committee, what would be the gentleman's idea as to the action the committee would take in the event this bill is passed? Would they feel required to make each and every appropriation contemplated in this bill?

Mr. TABER. If that is done after the next election takes place, they would not appropriate any money, because the public sentiment is not going to be in favor of such practices.

[Here the gavel fell.]

Mr. RICH. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, as I understand this bill, there is nothing in it to require the administration to build or construct these projects out of funds previously appropriated for public works. On the other hand, if we defeat this bill the administration could still construct these projects out of funds appropriated for public works.

Mr. Chairman, there does not seem to me to be any rime or reason for the enactment of this legislation. The administration is not compelled under the provisions of this bill to use funds appropriated under the public-works bill, and this being merely an authorization, in the event these projects are not constructed with these funds, the Members of the House who are interested in the various projects contained in the bill can come before the House at the next session of Congress and ask for appropriations in the proper appropriation bills to build these projects, because this bill constitutes an authorization. Therefore, we are not assured whether or not this is going to cost the Government $460,000,000 in addition to the money that has already been allocated for this purpose in the public-works bill or whether these projects will be constructed out of these funds, with no additional cost.

Mr. KELLER. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Illinois.

Mr. KELLER. Is there any reason why the Congress should not express its opinion as to where this work is to be done?

Mr. BOILEAU. The opinion means nothing. The administration is not bound to accept that opinion. They could allocate the $280,000,000 which has been appropriated in the Public Works bill to these projects in addition to this authorization; then the Members of the House who are interested in these projects could come back here next year and use this authorization to get an additional appropriation in the amount of $460,000,000. I maintain this is an improper way to legislate. [Applause.]

[Here the gavel fell.]

Mr. RICH. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, I call the attention of the Members of the House to a statement made this afternoon by the Chairman of the Appropriations Committee [Mr. BUCHANAN]. He made the statement that this Congress has now appropriated over $10,300,000,000—$10,300,000,000, think of it. Think it over. Where are you going to get the money? Where are you going to get the money?

Members of the House are making fun of that statement, but every one of you will see the day, and it will not be very far distant, until you will rue it. We are asked this afternoon to appropriate $470,000,000 more, and the Members of the House who are standing here speaking for this bill are doing so because there will be added amendments which will be offered to the bill, providing $16,000,000 for the St. Francis, $48,000,000 for the Yazoo River, and $14,000,000 for the Table Rock, and other amendments. Do you wonder why this is called a "pork barrel" bill?

Since I have been in Congress I have seen nothing like it.

I may say to the Members of the Congress, and I say it whether you are on the Republican side or on the Democratic side, this is the most serious moment in the history of the country. You are getting reports from the people back home that they do not like the tax bill, and you are going to be compelled within the next few years to increase your taxes three or four times what you have increased them now, and then you will really hear from your constituents. [Applause.]

Mr. WILSON of Louisiana. Mr. Chairman, I yield the remainder of the time to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, many lives and at least $300,000,000 are the annual flood losses in the United States that could be prevented.

This is a national question and only the National Government can solve the problem of flood control. For the first time we have under consideration legislation that provides for a national solution of this problem.

Mr. Chairman, much has been said about this bill being a pork-barrel measure. Let me say that the corps of engineers in all streams where surveys were made under the Rivers and Harbor Act of 1927 were asked to select those projects where the costs of construction would be less than the benefits resulting from such construction, and every one of those projects is embodied in the bill we have under consideration.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. In just a moment I shall be pleased to yield.

I may say in this connection that under the National Industrial Recovery Act of 1933 it was required that river and harbor projects should only be those that had been approved by Congress or recommended by the Chief of Engineers. There has not been any flood-control projects approved by Congress except on two rivers.

The net result was that under that act last year and in 1933 there were no flood-control projects to amount to anything in the United States. Now, under the Emergency Relief Appropriation Act of 1935, $4,800,000,000 was appropriated to relieve unemployment. It has been stated that $350,000,000 was allocated to flood control. The statement is erroneous. It was allocated to flood control, rivers and harbors, soil erosion, sanitation, and miscellaneous projects.

Mr. Chairman, we were deprived of flood relief under the National Industrial Recovery Act when this Congress appropriated $3,300,000,000. In the actual execution of the Emergency Relief Act of 1935 the States and the Territories in need of flood control to prevent loss of life and loss of property are to be denied flood control because the projects have not been authorized by Congress.

I make the statement that, so far as I know, under the $4,800,000,000 appropriation, no flood-control projects of any consequence have been authorized and we have been given to understand that none will be authorized because the Congress of the United States has not approved them.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. WHITTINGTON. I will yield in just a moment. I want to make an analysis of the bill first.

What is the basis for this bill? The following statement will give us the foundation for it:

> Investigations and improvements of rivers and other waterways of the country for flood control and for other purposes are in the interest of the general welfare of the United States and the Federal Government should improve or participate in improvements of streams for flood control and other purposes if the benefits to whomsoever they may accrue are in excess of estimated costs, and if the lives and social security of the people are affected and the interests of the Federal Government are particularly involved in any such improvements which may be impracticable of initiation or of execution except by the Federal Government on account of competitions of relationships between States, their political subdivisions, or other local organizations.

It has been correctly stated that this legislation is merely an authorization, but it will enable those projects which have been carefully examined by the Corps of Engineers to be considered by the Works Progress Administration. There is a total estimated cost of $375,000,000. Otherwise they will not be constructed unless Congress makes appropriations for the projects.

Ours is a great country. There is nothing mandatory in the bill but the local interests are required to contribute substantially one-third of the amount of the total cost. They must provide for the lands, the locations, the structures, and they must agree to maintain the works.

Now, there were some projects inserted in the bill where the Corps of Engineers did not report that the benefits equaled or exceeded the costs. I recall most vividly that my good friend, the gentleman from Pennsylvania [Mr. RICH], with his constituents, the mayors of his cities, the editors of his papers, came before us and said, "We are now in desperate straits. We are unable to protect the lives of our people and our property. Our project has not had an opportunity to be examined by the Chief of Engineers, but we ask that these projects be included." There were three of these projects included, but before there could be any work done the Works Progress Administration must approve or the Congress of the United States must make an appropriation. The Appropriations Committee would certainly be satisfied that there was a Federal interest and that the benefits would exceed the costs of construction. Moreover, I submit that in those comparatively few cases that were inserted by Members both on and off the committee, the Works Progress Administration would not authorize the improvements, unless the hearings disclosed that the benefits resulting would be in excess of the cost, or at least equal the costs.

Mrs. JENCKES of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. In just a moment. Let me say this in further analysis of this bill, that so far as flood control is concerned—and I am speaking to the Representatives of the 48 States, and I have given this subject careful study—unless the Congress of the United States authorizes flood-control projects where the Corps of Engineers have reported that the benefit will be greater than the costs or at least equal the cost, but few projects will be approved by the Works Progress Administration. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired. All time has expired.

The CHAIRMAN. Under the rule the Clerk will read the bill in full.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the following works of improvement of rivers, harbors, and other waterways for flood-control purposes are hereby adopted and authorized, to be prosecuted unless herein otherwise provided under the direction of the Secretary of War and supervision of the Chief of Engineers, in accordance with the plans, in the respective reports and records hereinafter designated, that correspond to the costs given herein for each project: *Provided*, That the authorization for each project shall be the cost given herein for such project.

SEC. 2. Except when authorized by the Secretary of War upon the recommendation of the Chief of Engineers, no money appropriated under authority of this act shall be expended on the construction of any project until States or responsible local interests have given assurances satisfactory to the Secretary of War that they will (a) provide without cost to the United States all rights in land and other property necessary for the construction of the project; (b) hold and save the United States free from damages in connection with the construction works; (c) maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of War.

Lamoille River, Vt.: Channel improvement by reconstruction of Hardwick Dam, excavation at Johnsons Gorge and bank revetment at 12 places; House Document No. 145, Seventy-second Congress, first session; cost, $66,000.

OTTER CREEK BASIN

Rutland, Vt.: Channel improvement by construction of dikes; House Document No. 144, Seventy-second Congress, first session; cost, $49,500.

Proctor, Vt.: Channel excavation and dam reconstruction: House Document No. 144, Seventy-second Congress, first session; cost, $22,500.

HOOSIC RIVER BASIN

North Adams, Mass.: Channel clearing; House Document No. 684, Seventy-first Congress, third session; cost, $66,000.

Bennington, Vt.: Channel clearing; House Document No. 684, Seventy-first Congress, third session; cost, $216,000.

Hoosic Falls, N. Y.: Channel clearing; House Document No. 684, Seventy-first Congress, third session; cost, $43,000.

SUSQUEHANNA RIVER BASIN

Williamsport, Pa.: Levees on west branch of Susquehanna to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,880,000.

Lock Haven, Pa.: Levees on west branch of Susquehanna to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $2,200,000.

Jersey Shore, Pa.: Levees on west branch of Susquehanna to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $304,500.

Muncy, Pa.: Levees on west branch of Susquehanna to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $277,500.

Harrisburg, Pa.: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $80,000.

Sunbury, Pa.: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $72,000.

York, Pa.: Retarding dams and channel improvement to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,700,000.

POTOMAC RIVER BASIN

Washington, D. C.: Levees and grade raising to protect downtown portion Washington, Arlington Experimental Farm, Bolling Field, and Anacostia Naval Air Station; plans in House Document No. 101, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $571,000.

Cumberland, West Cumberland, South Cumberland, Md., and Ridgeley, W. Va.: Levees, retaining walls, movable dam, and channel clearing to protect people and city property; plans in House Document No. 101, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $743,400.

Moorefield, W. Va.: Levees on Moorefield River to protect people and town property; plans in House Document No. 101, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $41,500.

Harpers Ferry, W. Va.: Levees and concrete flood wall to protect people and town property; plans in House Document No. 101, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $164,900.

SAVANNAH RIVER

Augusta, Ga.: Levees and retaining walls to protect people and city property; no report to Congress; data in office of Chief of Engineers; cost, $685,000.

CHATTAHOOCHEE RIVER

West Point, Ga., and Lanette, Ala.: Levees, channel improvement, and floodway clearing to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $700,000.

CHOCTAWHATCHEE RIVER BASIN

Geneva, Ala.: Levees to protect people and city property; House Document No. 242, Seventy-second Congress, first session; cost, $187,600.

Elba, Ala.: Levees to protect people and city property; House Document No. 242, Seventy-second Congress, first session; cost, $263,500.

Caryville, Fla.: Levees to protect people and city property; House Document No. 242, Seventy-second Congress, first session; cost, $132,600.

ESCAMBIA RIVER BASIN

Brewton, Ala.: Levees to protect people and city property; House Document No 350, Seventy-first Congress, second session; cost, $235,000.

Flomaton, Ala.: Levees to protect people and city property; House Document No. 350, Seventy-first Congress, second session; cost, $149,000.

MOBILE RIVER BASIN

Rome, Ga.: Levees on Coosa River to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $170,000.

Ittawamba County, Miss., near Fulton: Clear floodway of the Tombigbee River; no report to Congress; data in office of Chief of Engineers; cost, $109,000.

Pearl River, Jackson, Miss.: Clearing about 400 acres for floodway; no report to Congress; data in office of Chief of Engineers; cost, $10,000.

BIG BLACK RIVER BASIN

Backwater area of Big Black River in Mississippi: Levees to protect agricultural lands; House Document No. 72, Seventy-third Congress, first session; cost, $950,000.

Headwater area of Big Black River, Miss.: Improvement of existing drainage ditches and the construction of new ditches, channel straightening, levees, cut-off canals, or the construction of other flood-control works in accordance with the plan given in Appendix II (not printed); House Document No. 72, Seventy-third Congress, first session; cost, $2,041,000.

Brazos River, Tex.: Flood-control survey; House Document No. 181, Seventy-second Congress, first session; cost, $225,000.

Galveston Harbor, Tex.: Shore-protection work; House Document No. 400, Seventy-third Congress, second session; cost, $234,000.

Rio Grande below Fort Quitman, Tex.: For flood control and other incidental benefits; report and survey made and in the office of the Secretary of State in accordance with an Act of Congress of May 13, 1924, as amended by the public resolution of March 3, 1927. Construction to be under direction of the President of the United States. Cost for United States portion not to exceed $16,000,000. This authorization is in addition and supplementary to any other which has or may be granted.

RED RIVER BASIN

Eagle Town Reservoir: On Mountain Fork River, tributary of the Red River in Oklahoma. Report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $5,398,000.

Red River Parish, below Shreveport, La.: Levee extension and enlargement to protect 176,000 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $150,000.

Bayou Pierre, La.: Channel enlargement from Bayou Wincey to mouth at Grand Encore to improve drainage; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $300,000.

Natchitoches Parish, La.: Levees on west side of Red River, dam and floodgate at mouth of Cane River and drainage ditches; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $315,000.

Saline Point, Avayelles and Catahoula Parishes, La.: Cut-off to reduce flood heights; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $135,000.

Black Bayou, La.: Earth dam and reservoir for flood storage to protect 3,000 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $125,000.

Fire Point, Caddo Parish, La.: Cut-off and levee to prevent extensive levee relocation; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $135,000.

Bayou Bodcau, La.: Floodway for the diversion of Bayou Bodcau and Cypress Creek to protect 70,000 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,825,000.

Bayou Des Glaises, La.: Diversion ditch from Moreauville to borrow pit of West Atchafalaya levee at Lake Bayou to improve drainage for 90,000 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $280,000.

Wallace Lake, La.: Earth dam and reservoir for flood storage to protect 176,000 acres of land; report to Congress not yet made;

survey completed and data in office of Chief of Engineers; cost, $380,000.

Shreves Island below Shreveport, La.: Cut-off and levee to eliminate extensive levee relocation; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $97,500.

Grant Parish and Colfax, La.: Levees on east side of Red River to protect 48,000 acres of land, and cut-off to protect Colfax; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $450,000.

OUACHITA RIVER BASIN

Columbia, La.: Levees, bulkhead, and drainage structures to protect people and city property; House Document No. 196, Seventy-third Congress, second session, and data in office of Chief of Engineers; cost, $339,100.

Jonesville, La.: Levees, retaining wall, and drainage structures to protect people and city property; House Document No. 196, Seventy-third Congress, second session, and data in office of Chief of Engineers; cost, $368,200.

Homochitto River, Adams and Wilkinson Counties, Miss.: Small earth dams at heads of minor tributaries and channel improvement; no report to Congress; data in office of Chief of Engineers; cost, $30,000.

Buffalo River, Wilkinson County, Miss.: Channel improvement; no report to Congress; data in office of Chief of Engineers; cost, $20,000.

ARKANSAS RIVER BASIN

Caddoa Reservoir east of La Junta on Arkansas River in Colorado: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $7,728,000.

Kaw, on Arkansas River in Oklahoma: Levee to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $32,500.

Tulsa and West Tulsa on Arkansas River in Oklahoma: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $308,000.

Near Fort Gibson on Arkansas River, in Oklahoma: Levees (unit no. 7) to protect 2,440 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $7,900.

Near Dardenelle on Arkansas River in Arkansas: Levees (unit no. 5) to protect 6,900 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $93,500.

Clarksville, on Spadra Creek, tributary of Arkansas River in Arkansas: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $70,000.

West of Morrilton on Arkansas River in Arkansas: Levees (unit no. 6) to protect 37,200 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $603,000.

Tulsa and Muskogee Counties, on Arkansas River in Oklahoma, and Pulaski and Faulkner Counties, Ark.: Levees to protect agricultural lands; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $79,000.

Faulkner County, Ark., on Arkansas River, Levee District No. 1: To protect agricultural lands; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $109,000.

North Little Rock, in Pulaski County, Ark.: Levee and wall to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $406,000.

Arkansas City, at confluence of Arkansas and Walnut Rivers in Kansas: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $94,000.

Winfield, on Walnut River in Kansas: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $108,000.

Augusta, on Walnut River, Kans.: Three and six-tenths miles of levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $109,800.

Hutchinson, on Arkansas River in Kansas: Diversion of Cow Creek and levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,050,000.

Wichita and Valley Center, on Arkansas River in Kansas and vicinity: Levees and floodway to protect people, city property, and agricultural lands; reports to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $2,603,100.

Big Slough to Belle Plaine, on Ninnescah River, tributary of Arkansas River, Kans.: Floodway and levees on Ninnescah River to protect agricultural lands; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,650,200.

Tenkiller Ferry Reservoir, on Illinois River in Oklahoma: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $7,863,000.

Conchas Reservoir near Tucumcari, on South Canadian River in New Mexico: For flood control with irrigation and water-supply benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $8,691,000.

Eufala Reservoir, on the South Canadian River in Oklahoma: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,863,000.

Optima Reservoir, on North Canadian River in Oklahoma: For flood control; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,350,000.

Fort Supply Reservoir, on Wolf Creek, tributary of North Canadian River, in Oklahoma: For flood control; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $2,360,000.

Fort Reno Reservoir, on North Canadian River in Oklahoma: For flood control and water supply for Oklahoma City; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $4,007,000.

Nimrod Reservoir, on Fourche La Fave River in Arkansas: For flood control with other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,012,000.

Blue Mountain Reservoir, on Petit Jean River in Arkansas: For flood control with other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,637,000.

Florence, on Grand (Neosho) River in Kansas: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $17,000.

Cottonwood Falls, on Grand (Neosho) River in Kansas: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $7,200.

Emporia, on Grand (Neosho) River in Kansas: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost $22,700.

Neosho Rapids, on Grand (Neosho) River in Kansas: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $38,900.

Hartford, on Grand (Neosho) River in Kansas: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $43,200.

Burlington, on Grand (Neosho) River in Kansas: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $27,000.

Leroy, on Grand (Neosho) River in Kansas: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $9,800.

Neosho Falls, on Grand (Neosho) River in Kansas: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $32,400.

Iola, on Grand (Neosho) River in Kansas: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $20,700.

Humboldt, on Grand (Neosho) River in Kansas: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $19,300.

Chetopa, on Grand (Neosho) River in Kansas: Levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $28,600.

Cherokee County, on Grand (Neosho) River in Kansas: Levees (unit no. 4) to protect 10,920 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $234,000.

Lyon County, on Grand (Neosho) River in Kansas: Levees (unit no. 39) to protect 7,020 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $237,100.

Morris County, on Grand (Neosho) River in Kansas: Channel straightening and dikes from present dike at Council Grove to Lyon County line, and permanent repairs to dikes and dredging to protect city of Council Grove; surveys to be completed and data in office of Chief of Engineers; cost, $150,000.

Pensacola Reservoir, on Grand (Neosho) River in Oklahoma: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $6,263,000.

Markham Ferry Reservoir, on Grand (Neosho) River in Oklahoma: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $2,591,000.

Fort Gibson Reservoir, on Grand (Neosho) River in Oklahoma: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $3,915,000.

Wister Reservoir, on Poteau River in Oklahoma: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,758,000.

West of Fredonia, on Fall River, tributary of Verdigris River in Kansas: Levees (unit no. 43) to protect 4,600 acres of land; report

to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $189,900.

West of Benedict, on Verdigris River in Kansas: Levees (unit no. 20) to protect 4,000 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $195,000.

West of Elk City, on Elk River, tributary of Verdigris River in Kansas: Levees (unit no. 41) to protect 1,900 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $81,400.

Caney Creek, tributary of Verdigris River in Oklahoma and Kansas: Levees (unit no. 36) to protect 2,400 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $157,600.

Verdigris River from mouth to Madison, Kans.: Channel clearing in Kansas and Oklahoma for flood relief; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $231,800.

Hulah Reservoir, on Caney River, tributary of Verdigris River in Oklahoma: For flood control and water supply; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,325,000.

Fall River Reservoir, on Fall River, tributary of Verdigris River in Kansas: For water supply; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,050,900.

Oologah Reservoir, on Verdigris River in Oklahoma: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $2,144,000.

Braman Reservoir, on Chikaskia River, tributary of the Salt Fork River, in Oklahoma: For flood control and municipal water supply for Blackwell, Okla.; report to Congress not yet made; survey complete and data in office of Chief of Engineers; cost, $299,300.

Great Salt Plains Reservoir, on Salt Fork River in Oklahoma: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $941,000.

Drury Reservoir, on Chikaskia River, tributary of Salt Fork River, in Kansas: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,526,000.

South of Antwine, on Chikaskia River, tributary of Salt Fork River in Oklahoma: Levees to protect 5,400 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $186,800.

Mannford Reservoir, on Cimarron River in Oklahoma: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $2,265,000.

WHITE RIVER BASIN

East Poplar Bluff and Poplar Bluff, on Black River in Missouri: Leveed floodway to protect people and city property; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $546,800: *Provided*, That the Chief of Army Engineers be, and is hereby, authorized at his discretion to substitute a reservoir on said stream to give the same flood protection if the cost thereof is justified.

Poplar Bluff, on Black River in Missouri to latitude of Knoble, Ark.: Leveed floodway to protect 290,000 acres of land; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $1,972,000.

Little Black River, in Missouri and Arkansas: Levees to protect 36,000 acres of land; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $754,900.

Skaggs Ferry, on Black River east of Pocahontas, in Arkansas: Levees to protect 65,000 acres of land; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $63,000.

Big Bottom, on White River, in Independence County, Ark.: Levees to protect 9,600 acres of land; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $128,700.

Newport, on White River, in Arkansas: Levees to protect people and city property; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $138,600.

Village Creek, White River, and Mayberry District, in Arkansas: Levee protection of 50,630 acres of land; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $931,500.

Clarendon, on White River, in Arkansas: Levees to protect people and city property; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $286,000.

Clarendon to Lambrook, on White River, in Arkansas; Levees to protect 287,600 acres of land; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $4,695,300.

Big Creek and L'Anguille River, northwest of Marianna, in Arkansas: Levees to protect 60,000 acres of land; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $86,400.

Des Arc, on White River, in Arkansas: Levees to protect people and city property, increasing factor of safety; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $42,400.

De Valls Bluff, on White River, in Arkansas: Levees to protect people and city property, increasing factor of safety; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $7,700.

Wildcat Shoals Reservoir, on White River, in Arkansas: For flood control and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $22,000,000.

Lone Rock Reservoir, on Buffalo Fork of White River, in Arkansas: For flood control and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $9,810,000.

Norfork, on North Fork of White River, in Arkansas: For flood control and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $6,600,000.

Clearwater Reservoir, on Black River, in Missouri: For flood control and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $3,594,000.

Hilliard Reservoir, on Black River, in Missouri: For flood control and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $494,000.

Harviell Reservoir, on Cane Creek, tributary of Black River, in Missouri: For flood control and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $341,000.

Water Valley Reservoir, on Eleven Points River, tributary of Black River, in Arkansas; For flood control and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost $4,397,000.

Warm Fork Reservoir, on Spring River, tributary of Black River, in Missouri: For flood control and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $1,286,000.

Hardy Reservoir, on Spring River, tributary of the Black River, in Arkansas: For flood control and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $1,940,000.

Janes Creek Reservoir, on Spring River, tributary of Black River, in Arkansas: For flood control and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $1,209,000.

Myatt Creek Reservoir, on Spring River, tributary of Black River, in Arkansas: For flood control and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $857,000.

Bell Foley Reservoir, on Strawberry River, tributary of Black River, in Arkansas: For flood control and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $2,109,000.

Greers Ferry Reservoir, on Little Red River, tributary of White River, in Arkansas: For flood control and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $1,904,000.

East St. Louis, Ill., and vicinity: Raise and enlarge levees to protect population and railroad center; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $960,000.

East Cape Girardeau and Clerk Creek Drainage District, Ill.: Levees to protect 9,370 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $397,400.

North Alexander Drainage and Levee District, Ill.: Levees to protect 4,000 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $320,200.

Clear Creek Drainage and Levee District, Ill.: Levees to protect 19,130 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $508,200.

Preston Drainage and Levee District, Ill.: Levees to protect 16,200 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $358,300.

Grand Tower Drainage and Levee District, Ill.: Levees to protect 2,620 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $262,000.

Degognia and Fountain Bluff Levee and Drainage District, Ill.: Levees to protect 29,260 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $600,000.

Perry County Drainage and Levee Districts Nos. 1, 2, and 3, Mo.: Levees to protect 25,478 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $1,205,800.

St. Genevieve Levee District No. 1, Mo.: Levees to protect 2,833 acres of land; no report to Congress; survey completed with data in office of Chief of Engineers; cost, $393,000.

Fort Chartres and Ivy Landing Drainage District No. 5, Ill.: Levees to protect 9,900 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $213,600.

Harrisonville and Ivy Landing Drainage and Levee District No. 2, Ill.: Levees to protect 26,700 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $272,200.

Columbia Drainage and Levee District No. 3, Ill.: Levees to protect 13,500 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $983,900.

Wilson and Wenkel and Prairie Du Pont Drainage and Levee Districts, Ill.: Levees to protect 18,500 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $386,100.

Choteau Island Drainage and Levee District, Ill.: Levees to protect 2,000 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $202,500.

Choteau, Nameoki, and Venice Drainage and Levee District, Ill.: Levees to protect 5,000 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $260,500.

Wood River Drainage and Levee District, Ill.: Levees to protect 5,000 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $126,500.

St. Louis County Drainage and Levee District, Mo.: Levees to protect 3,220 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $259,000.

Wiedmer Chemicals Drainage and Levee District, Mo.: Levees to protect 2,600 acres of land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $76,500.

Green Island Levee and Drainage District No. 1, Iowa: Levees to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $68,000.

Carroll County Levee and Drainage District No. 1, Ill.: Levees to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $13,200.

Keithsburg Drainage District, Ill.: Levees to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $11,000.

Henderson County Drainage District No. 3, Ill.: Levees to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $13,600.

Green Bay Levee and Drainage District No. 2, Iowa: Levees to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $100,000.

Gregory Drainage District, Mo.: Levees to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $44,400.

Fabius River Drainage District, Mo.: Levees to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $82,000.

South Quincy Drainage and Levee District, Ill.: Levees to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $46,000.

South River Drainage District, Mo.: Levees to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $37,000.

Sny Island Levee District, Ill.: Levees to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $71,000.

Carroll Levee District, Iowa: Levees to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $59,000.

Mississippi and Fox River Drainage and Levee District, Mo.: Levees to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $916,000.

Union Township Drainage District, Mo.: Levees to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $41,600.

Riverland Levee District, Mo.: Levees to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $73,000.

Dry Run Reservoir near Decorah, Iowa: For flood protection of people and city property; no report to Congress; data in office of Chief of Engineers; cost, $91,000.

RED RIVER OF THE NORTH BASIN

Souris River in North Dakota and Saskatchewan Province, Canada: Flood-control and water-conservation survey; no report to Congress; data in office of Chief of Engineers; cost, $40,000.

Lake Traverse and Bois De Sioux River, S. Dak.: Reservoir for flood protection of agricultural lands, water conservation, and other incidental benefits; no report to Congress; data in office of Chief of Engineers; cost, $1,115,200.

Minnesota River, Lac Qui Parle Reservoir, in Minnesota: For flood protection of agricultural lands in valley of Minnesota River; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $464,000.

Kaskaskia River, Shelby County to New Athens, Ill.: Leveed floodway and channel improvement for flood control; no report to Congress; data in office of Chief of Engineers; cost, $8,856,000.

ILLINOIS AND DES PLAINES RIVER BASIN

Between Beardstown, Ill., and mouth of Illinois River; Levee set-back and improvements to floodway; House Document No. 182, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $730,000.

Lost Creek Drainage and Levee District, Ill.: Improve levee for additional protection to people and 2,540 acres of land; House Document No. 182, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $46,100.

Liverpool Drainage and Levee District, Ill.: Improve levee for additional protection to people and 3,300 acres of land; House Document No. 182, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $48,600.

Hennepin Drainage and Levee District, Ill.: Levee and channel improvements for additional protection to people and 2,900 acres of land; House Document No. 182, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $46,800.

Big Lake Drainage and Levee District, Ill.: Improve levee for additional protection to people and 3,400 acres of land; House Document No. 182, seventy-second Congress, first session; data in office of Chief of Engineers; cost, $52,500.

Seahorn Drainage and Levee District, Ill.: Improve levee for additional protection to people and 1,820 acres of land; House Document No. 182, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $32,000.

Lacey, Langellier, West Matanzas, and Kerton Valley Drainage and Levee District, Ill.: Set back and improve levees to protect people and 10,724 acres of land; House Document No. 182; Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $188,400.

Banner Special Drainage and Levee District, Ill.: Improve levee for additional protection to people and 4,560 acres of land; House Document No. 182, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $128,700.

Rocky Ford Drainage and Levee District, Ill.: Improve levee for additional flood protection to people and 1,615 acres of land; House Document No. 182, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $47,900.

Pekin and La Marsh Drainage and Levee District, Ill.: Improve levees for additional protection to people and 3,010 acres of land; House Document No. 182, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $145,300.

Spring Lake Drainage and Levee District, Ill.: Improve levees for additional protection to people and 13,120 acres of land; House Document No. 182, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $384,200.

East Liverpool Drainage and Levee District, Ill.: Improve levees for additional protection to people and 3,300 acres of land; House Document No. 182, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $137,700.

East Peoria Drainage and Levee District, Ill.: Improve levees for additional protection to people and 800 acres of land; House Document No. 182, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $29,000.

Thompson Lake Drainage District, Ill.: Improve levees for additional protection to people and 6,000 acres of land; House Document No. 182, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $351,000.

Kelly Lake Drainage and Levee District, Ill.: Improve levees for additional protection to people and 1,280 acres of land; House Document No. 182, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $100,200.

KANKAKEE RIVER BASIN

Momence, Ill.: Lower rock ledge and dredge upstream for flood control and drainage improvement in Illinois and Indiana; House Document No. 784, Seventy-first Congress, third session; cost $2,540,000.

Between Shelby Bridge and Baums Bridge in Indiana: Levees to protect agricultural land; House Document No. 784, Seventy-first Congress, third session; cost, $176,600.

ROCK RIVER BASIN

Penny Slough near Hillsdale, Ill.: Levees and drainage ditches to protect 9,690 acres of land; report to Congress made; data in office of Chief of Engineers; cost $91,000.

Jonesville and Indian Ford Dams, Wis.: Provide floodgates for flood control around Lake Koshkonong and in Fort Atkinson; report to Congress made; data in office of Chief of Engineers; cost, $29,000.

Freeport on Pecatonia River in Illinois: Channel rectification for protection of people and city property; report to Congress made; data in office of Chief of Engineers; cost, $463,400.

SANGAMON RIVER BASIN

Mouth of Sangamon River, Ill.: Improve flood channel to protect bottom lands; House Document No. 186, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $122,400.

Sangamon River from mouth of Salt Creek to Robey, Ill.: Channel straightening for flood relief; House Document No. 186, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $773,000.

Salt Creek in vicinity of Middletown, Ill.: Channel straightening for flood relief; House Document No. 186, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $48,000.

East of Hubley Bridge on south side of Salt Creek, Ill.: Levees to protect 2,153 acres of land; House Document No. 186, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $20,300.

Lussenhaf Levee, on north side of Salt Creek, Ill.: Levees to protect 240 acres of land; House Document No. 186, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $1,850.

Swager, Whitney, Young-Holbite Levee on north side of Salt Creek, Ill.: Levees to protect 800 acres of land; House Document No. 186, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $10,200.

Donavon Levee on north side of Salt Creek, Ill.: Levees to protect 1,400 acres of land; House Document No. 186, Seventy-second

Congress, first session; data in office of Chief of Engineers; cost, $28,400.

Mason and Menard Drainage District on Sangamon River near Oakford, Ill.: Levees to protect 5,870 acres of land; House Document No. 186, Seventy-second Congress, first session; data in office of Chief Engineers; cost, $78,900.

Tar Creek Levee, west of Oakford, Ill.: Levees to protect 1,000 acres of land; House Document No. 186, Seventy-second Congress, first session; and data in office of Chief of Engineers; cost, $34,800.

Watts Levee on south side of Salt Creek, Ill.: Levees to protect 1,600 acres of land; House Document No. 186, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $34,400.

Formers Levee and Drainage District on north side of Sangamon River, Ill.: Levees to protect 7,950 acres; House Document No. 186, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $242,600.

Clear Lake Levee at junction of Sangamon and Illinois Rivers in Illinois: Levees to protect 2,112 acres of land; House Document No. 186, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $69,250.

Oakford Special Drainage District on south side of Sangamon River, Ill.: Levees to protect 2,600 acres of land; House Document No. 186, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $25,500.

Near Springfield on Sangamon River, Ill.: Alteration of Chicago & Illinois Midland Railroad bridge to improve flood channel; House Document No. 186, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $90,000.

Sangamon River and Salt Creek, Ill.: Floodway clearing at 50 bridge sites; House Document No. 186, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $12,500.

Panther Creek west side levee, Ill.: Levees to protect 2,496 acres of land; House Document No. 186, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $143,000.

Bell and Mertz Levees, Panther Creek, and Sangamon River, Ill.: Levees to protect 640 acres of land; House Document No. 186, Seventy-second Congress, first session; data in office of Chief of Engineers; cost, $31,100.

Henderson River, above Oquawka, Ill.: Diversion and channel straightening to protect 12,500 acres of land; no report to Congress; data in office of Chief of Engineers; cost, $201,300.

Fox River (Mo.): Diversion of lower river to protect agricultural land; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $60,000.

OHIO RIVER BASIN

Bluestone Reservoir on New River in Kanawha Basin, W. Va.: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $11,600,000.

Allegheny Reservoir on Allegheny River in Pennsylvania and New York: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $6,479,000.

Conemaugh River Reservoir in Allegheny Basin, Pa.: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $3,250,000.

Tionesta Creek Reservoir in Allegheny Basin, Pa.: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $2,244,000.

French Creek Reservoir in Allegheny Basin, Pa.: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $394,000.

Crooked Creek Reservoir in Allegheny Basin, Pa.: For flood control; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,788,000.

West Fork Reservoir in Monongahela Basin, W. Va.: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $626,000.

Red Bank Creek Reservoir in Allegheny Basin, Pa.: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $2,206,000.

Big Bend Reservoir on Greenbriar River in Kanawha Basin, W. Va.: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,320,000.

Loyalhanna Creek Reservoir in Allegheny Basin, Pa.: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,419,000.

Clendenin Reservoir on Elk River in Kanawha Basin, W. Va.: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,566,000.

Mahoning Creek Reservoir in Allegheny Basin, Pa.: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $2,481,000.

Falmouth Reservoir on Licking River, in Kentucky: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $3,709,000.

Cave Run Reservoir on Licking River in Kentucky: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,337,000.

The Youghiogheny River and tributaries flood-control projects or works, which river empties into the Monongahela River at McKeesport, Pa.: No report to Congress; survey of Youghiogheny River completed and data to be furnished by office of the Chief of Engineers; cost, $1,580,000: *Provided*, That the Chief of Engineers may in his discretion determine the feasibility of and most suitable location on this river or its tributaries for such projects or works as may be necessary.

Terre Haute, on Wabash River, Ind.: Levees to protect people and city property; House Document No. 100, Seventy-third Congress, first session; cost, $37,500.

Lyford Levee Unit on Wabash River, Ind.: Levees to protect 3,500 acres of land; House Document No. 100, Seventy-third Congress, first session; data in office of Chief of Engineers; cost, $84,650.

Levee Unit No. 10, on West Fork of White River, Ind.: Levees to protect 3,300 acres and town of Worthington; House Document No. 100, Seventy-third Congress, first session; data in office of Chief of Engineers; cost, $39,000.

Levee Unit No. 9, on West Fork of White River, Ind.: Levees to protect 1,250 acres of land; House Document No. 100, Seventy-third Congress, first session, and data in office of Chief of Engineers; cost, $4,025.

Gill Township Levee Unit on Wabash River, Ind.: Levees to protect 12,000 acres of land; House Document No. 100, Seventy-third Congress, first session, and data in office of Chief of Engineers; cost, $180,250

Levee Unit No. 2, on Wabash River, Ind.: Levees to protect 25,400 acres of land; House Document No. 100, Seventy-third Congress, first session, and data in office of Chief of Engineers; cost, $734,900.

Levee Unit No. 1 on Wabash River, Ill.: Levees to protect 23,400 acres of land; House Document No. 100, Seventy-third Congress, first session, and data in office of Chief of Engineers; cost, $812,225.

Levee Unit No. 3 on East Fork of White River, Ind.: Levees to protect 20,200 acres of land; House Document No. 100, Seventy-third Congress, first session, and data in office of Chief of Engineers; cost, $634,475.

Levee Unit No. 5, on Wabash River, Ind.: Levees to protect 42,000 acres of land; House Document No. 100, Seventy-third Congress, first session, and data in office of Chief of Engineers; cost, $1,339,500.

Levee Units Nos. 3 and 4, on Wabash River, Ill.: Levees to protect 49,600 acres of land; House Document No. 100, Seventy-third Congress, first session, and data in office of Chief of Engineers; cost, $1,580,000.

Rochester and McClearys Bluff Levee Unit on Wabash River, Ill.: Levees to protect 4,500 acres of land; House Document No. 100, Seventy-third Congress, first session, and data in office of Chief of Engineers; cost, $245,300.

England Pond Levee Unit on Wabash River, Ill.: Levees to protect 6,370 acres of land; House Document No. 100, Seventy-third Congress, first session, and data in office of Chief of Engineers; cost, $214,200.

Russell and Allison Levee Unit on Wabash River, Ill.: Levees to protect 41,000 acres of land; House Document No. 11, Seventy-third Congress, first session, and data in office of Chief of Engineers; cost $1,040,000.

Tri-Pond Levee Unit on Wabash River, Ill.: Levees to protect 4,000 acres of land; House Document No. 100, Seventy-third Congress, first session; cost, $239,100.

Levee Unit No. 8, on West Fork of White River, Ind.: Levees to protect 11,600 acres of land; House Document No. 100, Seventy-third Congress, first session, and data in office of Chief of Engineers; cost, $376,000.

Brevoort Levee Unit on Wabash River, Ind.: Levees to protect 50,000 acres of land; House Document No. 100, Seventy-third Congress, first session, and data in office of Chief of Engineers; cost, $976,500.

West Terre Haute on Wabash River, Ind.: Levees to protect people and city property; House Document No. 100, Seventy-third Congress, first session, and data in office of Chief of Engineers; cost, $80,000.

Indianapolis, Warfleigh section on West Fork of White River, Ind.: Levees, bridge reconstruction, and channel improvement to protect people and city property; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $1,020,000.

Indianapolis, Fall Creek section on West Fork of White River, Ind.: Levees, bridge reconstruction, and channel improvement to protect people and city property; House Document No. 100, Seventy-third Congress, first session, and data in office of Chief of Engineers; cost, $540,000.

Logansport, on Wabash River, Ind.: Construction of intercepting sewers for flood relief; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $612,000.

Montezuma, on Wabash River, Ind.: Levees to protect people and city property; House Document No. 100, Seventy-third Congress, first session; cost, $7,000.

Clinton, on Wabash River, Ind.: Levees to protect people and city property; House Document No. 100, Seventy-third Congress, first session; cost, $19,000.

Delphi, on Wabash River, Ind.: Levees to protect people and city property; House Document No. 100, Seventy-third Congress, first session; cost, $11,800.

New Harmony, on Wabash River, Ind.: Levees to protect people and city property; House Document No. 100, Seventy-third Congress, first session; cost, $122,000.

Elnora, on West Fork of White River, Ind.: Levees to protect people and city property; House Document No. 100, Seventy-third Congress, first session; cost, $61,000.

Wabash, on Wabash River, Ind.: Levees and bridge reconstruction to protect people and city property; House Document No. 100, Seventy-third Congress, first session; cost, $205,000.

Peru, on Wabash River, Ind.: Improvement of levees, flood wall, and bridge changes to protect people and city property; House Document No. 100, Seventy-third Congress, first session; cost, $1,720,000.

Anderson, on West Fork of White River, Ind.: Levees, flood wall, bridge changes, and drainage improvements to protect people and city property; House Document No. 100, Seventy-third Congress, first session; cost, $127,000.

Medora, on East Fork of White River, Ind.: Levees to protect people and city property; House Document No. 100, Seventy-third Congress, first session; cost, $45,000.

Hazelton, on White River, Ind.: Levees to protect people and city property; House Document No. 100, Seventy-third Congress, first session; cost, $78,000.

Muncie, on West Fork of White River, Ind.: Flood wall, bridge changes, and channel improvement to protect people and city property; House Document No. 100, Seventy-third Congress, first session; cost, $840,000.

Shoals, on East Fork of White River, Ind.: Levees to protect people and city property; House Document No. 100, Seventy-third Congress, first session; cost, $127,000.

Spencer, on West Fork of White River, Ind.: Levees, diversion, and flood wall to protect people and city property; House Document No. 100, Seventy-third Congress, first session; cost, $87,000.

Pineville, on Cumberland River, Ky.: Levees to protect people and city property; House Document No. 38, Seventy-third Congress, first session; cost, $296,000.

Middlesboro on Cumberland River, Ky.: Levees to protect people and city property; House Document No. 38, Seventy-third Congress, first session; cost, $536,000.

St. Marys River, Ohio: Channel clearing for flood control; no report to Congress; survey completed and data in Office of Chief of Engineers; cost, $192,000.

MISSOURI RIVER BASIN

Kansas Citys on Missouri and Kansas Rivers in Missouri and Kansas: Levees and flood walls to protect people and city property; House Document No. 238, Seventy-third Congress, second session, and data in office of Chief of Engineers; cost, $6,928,100.

Council Bluffs near confluence of Indian Creek with Missouri River, Iowa: Channel improvement for flood control; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $1,908,300.

Topeka, on Kansas River, Kans.: Levees and flood wall to protect people and city property; House Document No. 195, Seventy-third Congress, second session; cost, $1,026,100.

Lawrence, on Kansas River, Kans.: Levees to protect people and city property; House Document No. 195, Seventy-third Congress, second session; cost, $195,800.

Smoky Hill Reservoir on Great Smoky, 10 miles southeast of Kanapolis, Kans., for flood control and other incidental benefits, survey completed and in office of the Chief of Engineers; cost, $4,500,000.

Belle Fourche at confluence of Belle Fourche and Redwater Rivers tributaries of Cheyenne River, S. Dak.: Levees to protect people and city property; House Document No. 190, Seventy-second Congress, first session; cost, $24,100.

Forsyth and vicinity on Yellowstone River, Mont.: Levees to protect people and city property; House Document No. 256, Seventy-third Congress, second session; cost, $65,900.

Wibaux River on Beaver Creek tributary of Little Missouri River, Mont.: Levees to protect people and city property; House Document No. 64, Seventy-third Congress, first session; cost, $52,700.

Marmath on Little Missouri River, N. Dak.: Levees to protect people and city property; House Document No. 64, Seventy-third Congress, first session; cost, $28,200.

Saco on Milk River, Mont.: Levees to protect people and city property; House Document No. 88, Seventy-third Congress, first session; cost, $27,700.

Glasgow on Milk River, Mont.: Levees to protect people and city property; House Document No. 88, Seventy-third Congress, first session; cost, $27,100.

Harlem on Milk River, Mont.: Levees to protect people and city property; House Document No. 88, Seventy-third Congress, first session; cost, $11,300.

Los Angeles and San Gabriel Rivers, Calif.: Flood control and water conservation project; no report to Congress; survey completed and data in office of Chief of Engineers; cost, $67,152,000.

Santa Ana River, Calif.: Flood control and water conservation project; no report to Congress; survey completed and data in Office of Chief of Engineers; cost, $12,455,000.

Columbia River: Levees in Washington and Oregon along tidal reach of Columbia River from mouth to confluence of Sandy River to protect 119 square miles of agricultural and industrial area; House Document No. 103, Seventy-third Congress, first session; cost, $3,375,000

Stillaguamish River, Wash.: Channel improvement to prevent erosion and flood damages; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $261,000.

Skagit River and its tributaries, Washington; House Document No. 187, Seventy-third Congress, with such modifications as to effect the raising of flood-protection levees on the delta of this river to 11 feet, and to prevent the loss of land and property by erosion; cost, $2,000,000.

Snohomish River and major tributaries, Washington; House Document No. 258, Seventy-third Congress, with such modifications as may be advisable to prosecute immediate works for bank protection and drainage most suitable for effecting reduction in flood and erosion losses; cost, $2,000,000.

Nooksack River and its tributaries, Washington; such immediate works as to prosecute the construction of drift barriers, the straightening of the river channel, and the construction of bank revetments to effect a reduction in flood and erosion losses; no report to Congress; surveys completed and data in office of Chief of Engineers; cost, $1,000,000.

Puget Sound and tributary, Washington; House Document No. 307, Seventieth Congress, with such modifications as to effect the removal of shoals causing an increase in flood and erosion damage to land and property; cost, $125,000.

COWLITZ RIVER BASIN

Kelso to Toledo, on Cowlitz River, Wash.: Channel improvement and bank protection for flood relief; House Document No. 666, Seventy-first Congress, third session, and data in office of Chief of Engineers; cost, $120,000.

Big Bottom, on Cowlitz River, Wash.: Channel improvement to protect 8,900 acres; House Document No. 666, Seventy-first Congress, third session, and data in office of Chief of Engineers; cost, $869,000.

Lewis River, Wash.: Channel rectification for flood relief; House Document No. 680, Seventy-first Congress, third session, and data in office of Chief of Engineers; cost, $240,000.

PUYALLUP RIVER BASIN

Upper Puyallup River, Wash.: Bank protection; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $50,000.

Mud Mountain Reservoir, on White River, Wash.: For flood control; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $3,177,000.

Tacoma, on Puyallup River, Wash.: Channel improvement to protect people and industrial section of city; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $893,700.

Mr. COOPER of Tennessee. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. COOPER of Tennessee: Page 53, after line 16, add a new paragraph, as follows:

"Obion River, Hatchie River, and Forked Deer River, and its tributaries, Tennessee, Kentucky, and Mississippi, channel improvements, data in office of Chief of Engineers; cost, $285,000."

Mr. COOPER of Tennessee. Mr. Chairman, this is a very worthy project. Investigation and survey have been made and the data are on file in the Office of the Chief of Engineers. I have conferred with the chairman of the committee and I understand from him that he accepts this amendment.

Mr. WILSON of Louisiana. I am willing to accept the amendment.

Mr. RICH. The gentleman speaks of this project as being for deepening the channel of the river. Is it for the purpose of flood control or for the purpose of navigation?

Mr. COOPER of Tennessee. It is flood control, just like the rest.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. ZIMMERMAN. Mr. Chairman, I offer the following amendment, which I send to the desk, and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. ZIMMERMAN: Insert a new paragraph after the Cooper amendment, as follows:

"St. Francis River in Missouri and Arkansas; for flood control by levees and/or levees and reservoirs to protect 1,225,200 acres of land: House Document No. 159, Seventy-first Congress, second session, and committee document no. 1, Seventy-fourth Congress, first session; estimated cost, $16,000,000."

Mr. ZIMMERMAN. Mr. Chairman, I understand this amendment has the approval of the chairman of the committee and that there is no objection to it.

Mr. RICH. Was this approved by the Army Engineers?

Mr. ZIMMERMAN. Yes. They state they intend to begin work on this project within a few weeks.

Mr. RICH. And it is to cost $16,000,000?

Mr. ZIMMERMAN. Yes.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer the following amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Page 6, after line 24, insert the following new paragraph:

"YAZOO RIVER BASIN

"Yazoo River and tributaries, Mississippi flood-control project, seven detention reservoirs for flood control, described in House Document 198, Seventy-third Congress, second session, according to plans and recommendations of the Chief of Engineers in his report of February 12, 1935, printed in House Flood Control Committee Document No. 1, Seventy-fourth Congress, first session, $48,000,000: *Provided*, That the reservoirs for control, headwaters flow of the Yazoo River and tributaries may be located by the Chief of Engineers, in his discretion: *And provided further*, That the Chief of Engineers may, in his discretion, substitute levees, floodways, or auxiliary channels, or any or all of them for any or all of the seven detention reservoirs recommended in his report of February 12, 1935, for the control of floods of the Yazoo River."

Mr. WHITTINGTON. Mr. Chairman, this project in the amendment I have offered, I understand, is satisfactory to the chairman of the committee and to the ranking Member on the minority side. It is on all fours with the amendment just adopted respecting the St. Francis River in Arkansas and Missouri. This project is recommended by the Chief of Engineers in a report, House Flood Control Committee Document No. 1, Seventy-fourth Congress, first session, dated February 12, 1935, and is in exact accordance, not only with his report but with his testimony before the Committee on Flood Control. It provides the contributions that the local interests must make as provided in the report. I understand the amendment is acceptable to the chairman.

Mr. SNELL. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. SNELL. How much does it cost?

Mr. WHITTINGTON. Forty-eight million dollars for the entire project, if it is completed.

Mr. TABER. I should think while the getting was good the gentleman would get $100,000,000.

Mr. WHITTINGTON. I am following the recommendations of the Chief of Engineers. I understood the amendment was satisfactory to the gentleman on the minority side, just as the St. Francis project was satisfactory.

Mr. RICH. I will say to the gentleman that project is as worthy as the other projects.

Mr. WHITTINGTON. Mr. Chairman, I may say that the occasion for this amendment, as I said, is that it is exactly the same as the amendment for the St. Francis River that has just been adopted by the committee. It involves 7 reservoirs or 7 units at an average cost of about $7,000,000 each. One of them may be established. Others may or may not be built. It may be years before the others are established, but the entire project is recommended by the Chief of Engineers. I submit that this is a project involving one of the principal tributaries of the Mississippi River. It has been considered by the Corps of Engineers for years. They have submitted their reports. This amendment is in exact accord with their recommendations. This is one of the most important projects that the committee has considered. It involves protection of 2,000,000 acres of land and 700,000 people. It was considered in connection with the Mississippi River bill, and recommended by the Chief of Engineers in connection with that bill, which is still pending in the committee, and, with the exception of two members, the members of the committee have indicated that they favored the project and these two members asked that in connection with the Mississippi River bill the same provisions in the Yazoo River bill be made applicable to the Arkansas and White Rivers, although lands along said rivers do not pay taxes for flood works on the Mississippi River.

[Here the gavel fell.]

Mr. FOCHT. Mr. Chairman, I ask recognition in opposition to the amendment.

The gentleman who spoke a moment ago, Mr. ZIMMERMAN, and I are in hearty accord on the fundamentals of flood control. For one reason I expressed sometime ago, I happened to know a little about this water business, having been water supply commissioner of the State of Pennsylvania. I visited every watershed in the State and some other States. That is the reason I have an opinion, and had that opinion and expressed it here, well in advance of this bill. I talked about it and gave expression to that thought on the floor of this House long ago.

Some of you are right about the place to stop these flood waters. The gentleman from Missouri [Mr. ZIMMERMAN] and I had a personal conversation about it, and we are in hearty accord. This plan does not restrain the water. They talk about levees. What does a levee do? A levee can only direct the course of the water. It does not restrain it. Now, here is a sample. If the rest of this bill is anything like this Susquehanna Basin proposal, it does not amount to much. I call your attention to something that is absolutely fundamental, that you will have to get to before you stop the flow of that flood water down the Mississippi, which destroys vast property. This is the point. I would not vote against a bill that had anything in it for the benefit of the people of Williamsport, of Jersey Shore, of Muncy, of Harrisburg, of Sunbury, or York, for they are worthy communities evidently deceived as to this flood-control farce. Of course, York is not on any river, but they have it in the bill. They have here $1,700,000 for York. That is not on any river at all.

Mr. HAINES. Will the gentleman yield?

Mr. FOCHT. Yes; I yield.

Mr. HAINES. We have the Cadorus River running right through the city.

Mr. FOCHT. Oh, that is a little creek running right alongside of the city. That is not any river and is on the map as Cadorus Creek. I am surprised that the gentleman would endorse this. Instead of talking about restraining the water at Williamsport and on down the river, the place to make the basins is from Williamsport on up north into the mountain headwaters. Then you do not have a basin on the whole north branch nor anything said about the big towns and cities up that way, which is half of the stream after it leaves Sunbury; nor is anything said about Milton and Northumberland on the east bank, nor New Columbia, West Milton, Lewisburg, and Selinsgrove on the west bank of the Susquehanna. If you had seen that tide come down there in 1889 and in 1894, I should like to know what any such thing as a levee would do at Williamsport or Muncy or Sunbury to hold the Susquehanna. This is the most absurd proposition I ever heard of. No engineer ever endorsed such a program as building a levee to restrain the water around Williamsport or Muncy or Sunbury to protect Lock Haven. You have to build dikes and dams and restraining basins above those places up in the mountains, where the tributary streams come down. That is what you will do on the Mississippi some time. You ought to send this bill back and let somebody sit down and cut it to pieces and put in one big project that means something and delete the "pork barrel" features, even if it costs a billion dollars, but there is no sense to this kind of a bill.

[Here the gavel fell.]

Mr. FOCHT. Mr. Chairman, I ask unanimous consent to extend my remarks and insert a letter I received today from a farmer friend in Pennsylvania.

The CHAIRMAN. Is there objection?

There was no objection.

The letter referred to is as follows:

ALLENWOOD, PA., *August 20, 1935.*

Hon. BENJAMIN K. FOCHT,
*Washington, D. C.*

MY DEAR CONGRESSMAN: Having noted your vote on the potato-control bill, please accept my congratulations. You voted not as a Republican or Democratic partisan but as a true American.

The bill passed, but if the farmers of Pennsylvania allow it to be enforced in this State, they are entirely unworthy of their liberty-loving forebears. If they do, they sell their birthright for a mess of pottage.

I remember in discussing the Bankhead cotton-control bill with you about a year ago you made the remark that the Pennsylvania farmer would be next. That prophecy has come true. He is on the spot right now.

My thought is that many of the farmers do not realize what is being done to them.

Fourteen crops are under Government control now, and the time is not far distant when the farmer will be told what and how much he can plant in each field on his farm. His state will be that of a serf, and his overlord will be the Government's representative for the district. He will have the right to pay the taxes unless the Government decides to confiscate his property.

I wish the farmers could be made to realize the probable results of the new deal if carried to its logical conclusion.

With best regards, I am,

Yours sincerely,

C. V. MICHENER.

Mr. McCLELLAN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLELLAN to the amendment offered by Mr. WHITTINGTON: Strike out "$43,000,000" and insert in lieu thereof "$36,000,000."

Mr. McCLELLAN. Mr. Chairman, I think this legislation is worthy of our consideration and I think some good will come from it, but I do not expect immediate relief or that we shall come to the end of the rainbow of promise with reference to flood control through the passage of this legislation.

I have offered an amendment to the pending amendment to reduce the amount from $48,000,000 to $36,000,000. The reason I just made the statement that I doubted seriously we were going to get the results we expected from this bill is because the bill requires that local interests furnish the right-of-way, the lands where these reservoirs are to be built; and in many of those instances where it is expected that results will be accomplished local interests will not be able to furnish the rights-of-way and, therefore, the improvement will not be made.

While that is true, I point out to you that in this instance the amendment offered by the gentleman from Mississippi carries $12,000,000 to pay for the land.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. McCLELLAN. I yield.

Mr. WHITTINGTON. Is not that the identical provision in the case of the St. Francis?

Mr. McCLELLAN. I do not know anything about the St. Francis. It is not the same as the conditions imposed on the other projects reported in this bill.

Mr. WHITTINGTON. It is the same provision that is made with reference to the St. Francis and the Arkansas.

Mr. McCLELLAN. That is not true as to the Arkansas River projects. Now, I ask just what the local interests have got to furnish, just what have they got to do? In this proposition out of the $48,000,000, $12,000,000 is to buy the land, and from the hearings before the Flood Control Committee it figures out as being more than $70 an acre.

All I ask you to do is to pass a bill here that gives all of us the same treatment. I ask you to strike $12,000,000 from this amendment that it is proposed to use to pay for these lands and let these people go to the Army Engineers for approval as all the rest of us must go. In other words, place all the projects on the same basis.

Mr. FERGUSON. Mr. Chairman, will the gentleman yield?

Mr. McCLELLAN. Yes; I yield.

Mr. FERGUSON. The very provision the gentleman from Arkansas is speaking of will prevent unworthy projects being adopted, because the local interests will not supply the rights-of-way if the projects are not worthy.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. McCLELLAN. Yes.

Mr. BOILEAU. Do I understand the gentleman to say that the project to which he refers is given $12,000,000 by this amendment for the purpose of buying land for the project, but that similar treatment is not provided for other projects?

Mr. McCLELLAN. It applies to this project and to this project alone, and not to another one recommended or provided for in the original bill.

Mr. BOILEAU. How did that ever get by the committee?

Mr. McCLELLAN. It did not get by the committee; it is an amendment offered from the floor.

Mr. BOILEAU. I am asking for information. I understand the committee has agreed to this amendment. Is that true?

Mr. McCLELLAN. I do not know what the chairman of the committee did, but I know that the committee did not agree to it, because I am a member of the committee.

Mr. BOILEAU. I am glad to hear that.

Mr. ENGEL. Who is going to pay the processing tax on this pork? [Laughter.]

Mr. McCLELLAN. Whoever gets the pork, and I am trying to keep the gentleman from Mississippi from getting a larger slice than you or I. [Applause.]

Mr. HOFFMAN. The answer is, there is a bounty on pork here.

Mr. NICHOLS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is a peculiar situation. We are told that the Flood Committee spent long weeks and probably months in the consideration of this bill. They have brought in a bill recommending certain projects to the House. The gentleman from Mississippi [Mr. WHITTINGTON] is the ranking majority Member on the Flood Control Committee. He is the man, I am advised, who dictates the policies of the committee. Now, he has sat through the hearings of this committee during all this time. If this were a meritorious project why did not the gentleman from Mississippi have it included in the bill when it came to the House for consideration?

Let me say that I favor the passage of this bill, seriously favor it. I think it is good legislation, but I object to Members coming in and attempting to load this bill with outrageous amendments for outrageous sums of money which will kill the bill on its final passage or which if they do not kill the bill on final passage will kill the bill when it reaches the White House for signature of the President. I hope you Members who are in sympathy with this legislation, who think the bill brought out by the Flood Control Committee was a good bill, will stand by that bill as it was reported, irrespective of the fact that the chairman of the committee now accepts this amendment, because I say to you again, had this project had as much merit as the gentleman now says it has, it would have been in the bill when the bill was reported. I trust the House will vote down this amendment and every other amendment.

Mr. GRISWOLD. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. GRISWOLD. I want to say this to the gentleman that although the chairman may endorse this the committee has not endorsed it.

Mr. NICHOLS. I am glad to hear that the committee does not endorse it.

Mr. BOILEAU. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. BOILEAU moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. BOILEAU. Mr. Chairman, may I say to the Members of the House that this is not offered as a pro forma amendment. I am offering the motion in all seriousness because in my humble opinion a situation has developed that is the most disgraceful I have ever seen in my 5 years' Membership in this House. [Applause.]

Various Members have spoken in favor of the bill because of a particular project in their district or State. I am satisfied that some Members are supporting this legislation who would under no circumstances support the legislation unless their State had been given some consideration.

I do not mean this as an attack upon any particular individual, and I sincerely hope that no individual Member will interpret it as a reflection upon him. We see amendments covering these projects offered from the floor and accepted without adequate consideration. They are put into the bill

and involve millions of dollars. They have not even been considered by the committee.

Mr. Chairman, we have here a bill reported by the committee containing over 100 projects on which a report has not been made by the War Department. To be exact, there are 139 projects contained in this bill which have not been approved by the War Department; upon which the War Department has not made a favorable recommendation.

Mr. Chairman, in my humble opinion it is an outrage for the House of Representatives to give consideration to this piece of legislation with the Membership of the House in the frame of mind in which it is at the present time. I am in no sense of the word trying to admonish anyone. I have only my own conscience and my own conduct to be accountable for. But I sincerely hope the Members of the House will not accept this as a pro forma motion, and will vote to recommit this bill with instructions to strike out the enacting clause and in that way kill the bill. [Applause.]

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am going to make no statement which is not borne out by the record. I am not asking for anything for the Yazoo River system that has not been granted in the case of the St. Francis River. With respect to the $48,000,000 costs, may I say, as I understand, that every item in this bill gives the total cost of the project. The total cost of the Yazoo River project, according to the Chief of Engineers, is $48,000,000, and the local interests will be required to provide certain rights-of-way. They will be required to maintain them in this case just as in the case of the St. Francis River in Arkansas, and other rivers in this bill.

I stated a few minutes ago that the Flood Control Committee considered the Yazoo and St. Francis projects in connection with the Mississippi River. It was thought that the Mississippi River bill would be reported this session. I did not say that all members of the committee had agreed to accept the amendment. I stated the chairman and the ranking minority member of the committee agreed to accept the amendment.

Mr. Chairman, I repeat, I am not asking on behalf of Mississippi anything that has not been granted to other States. I would like to have the Federal Government do the work without any local contribution whatever. There were cases where it was stated the land would cost $70 an acre, but in the great number of cases the cost will run maybe $3, $4, or $5 an acre, according to the testimony, and except for reservoirs, only flowage rights would be necessary.

With respect to Arkansas, may I say that there is in this bill not 7 reservoirs but 13 for the Arkansas River, costing not $48,000,000 but $64,000,000. Let me say again there is in the bill for the White River in the State of Arkansas and Missouri $63,000,000 for 13 reservoirs. These projects ought to be passed on by the Chief of Engineers, and I am saying only projects have been presented to the House that have either been considered by the committee or reported by the Corps of Engineers on streams where the benefits equal or exceed the cost. I want to say, furthermore, that the Chief of Engineers states that in connection with the Yazoo River project the local interests have expended $20,000,000 for flood-control projects. They pay in addition for protection from the floods of the Mississippi River. I am not complaining about the Arkansas or White River projects. I do not raise a voice against Arkansas being included so that their projects may be submitted. If the Arkansas River and the White River are given 13 reservoirs, each costing $127,000,000, then it is fair to make adequate provision for the Yazoo River, the annual flood losses of which often amount to millions of dollars. Moreover, I supported the St. Francis project and I cannot understand how any Representative of Arkansas could oppose the similar Yazoo River project.

The CHAIRMAN. The question is on the motion offered by the gentleman from Wisconsin [Mr. BOILEAU].

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 52, noes 98.

Mr. BOILEAU. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. WILSON of Louisiana and Mr. BOILEAU.

The Committee again divided; and the tellers reported that there were—ayes 60, noes 107.

So the motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. MCCLELLAN] to the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. KELLER. Mr. Chairman, may we have the amendment reported?

The Clerk again read the McClellan amendment to the Whittington amendment.

The question was taken; and on a division (demanded by Mr. NICHOLS) there were—ayes 89, noes 18.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi as amended.

The amendment, as amended, was rejected.

Mr. CARLSON. Mr. Chairman, I offer an amendment:

The Clerk read as follows:

Amendment offered by Mr. CARLSON: On page 2, strike out lines 3 to 14, inclusive, and insert the following:

"SEC. 2. That in the construction of reservoirs for flood control the Federal Government, on recommendation of the Chief of Engineers, is authorized to furnish rights-of-way, easements, and flowage rights, except flowage of highways: *Provided*, That the States or responsible local interests shall give satisfactory assurance that they will (a) undertake without cost to the United States all alterations of highways made necessary because of the construction of the reservoirs and meet all damages because of such highway alterations; (b) maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of War."

Mr. CARLSON. Mr. Chairman, I do not expect to use the entire 5 minutes. We might just as well face the issue now as any other time. This is a new, comprehensive method of flood control in the construction of reservoirs, and there are only a few States in the Union that can take advantage of this program, because their State laws are such that they cannot furnish rights-of-way. I offer this amendment so that a number of States can take advantage of flood control, and these rights-of-way will be furnished only on projects that have the recommendation only of the Chief of Engineers. This is to be a new flood-control program. I offer this amendment in all sincerity, and I see no reason why we should not assist in this needed relief.

Mr. FERGUSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is no project in this bill, including the St. Francis amendment, that authorizes the purchase of rights-of-way. I would hate to see this policy changed in this piece of legislation. As long as the bill contains the provision that local interests must furnish the rights-of-way we are going to be guaranteed that there will be no projects constructed unless they are worth while.

Mr. CARLSON. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. Yes.

Mr. CARLSON. Did the gentleman make the statement that the rights-of-way were not included in the St. Francis? I have just read the St. Francis amendment, and I do not interpret that amendment as providing for any rights-of-way.

Mr. ZIMMERMAN. Local interests furnish the rights-of-way.

Mr. NICHOLS. I just spoke to the gentleman from Missouri [Mr. ZIMMERMAN], and he told me he thought it did include them.

Mr. ZIMMERMAN. The local interests themselves pay for the rights-of-way.

Mr. FERGUSON. Absolutely. There is no such provision in the bill, and the amendment of the gentleman from Mississippi [Mr. WHITTINGTON] was voted down because it did provide for the Federal Government to furnish rights-of-way. I think this must be kept in the bill in order to be a guaranty that everybody will not come in and have these projects built at the entire expense of the Federal Govern-

ment. There is a safety valve in the bill now that forces the local interests to provide the rights-of-way, to hold the Federal Government free from all damages during construction, and to accept, maintain, and operate these projects after they are constructed. Undoubtedly this provision should be kept in the bill, and the amendment offered by the gentleman from Kansas must be voted down. I hope the Committee will stay with me and refuse to accept any more projects in this bill and not adopt any amendment to this measure that has not had the careful consideration of the committee for seven long months.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment of the gentleman from Kansas.

Mr. RICH. Mr. Chairman, I move to strike out the last word. All I wish to say is that if there ever was any merit to this bill, and I do not claim very much for it, you should not permit this amendment to go into the bill, because it is loading it up to the full extent for having the Federal Government do all the work. I do hope that the Membership of the House will vote this amendment down.

Mr. MICHENER. Mr. Chairman, I rise in opposition to the pro forma amendment. May I have the attention of the House for a moment? These are the closing days of Congress. The House is thoughtless, noisy, careless. We are doing something that we will regret. A few years ago I stood on the floor of this House about 2 o'clock in the morning, under similar circumstances, when a river and harbor bill was under consideration and heard Member after Member offer amendments which should not have been placed in the bill. It was common talk by those who were opposed to the bill that we were loading the bill down so that it would be destroyed, and, as a result of that hilarity, an amendment went into the bill carrying $50,000,000. That does not sound so very big to us in this Congress, but when we get back to sanity again it will mean as much as it did 7 years ago. That Congress in that thoughtless moment placed $50,000,000 on the backs of the taxpayers of this country. They did it as a jest. They thought it would kill the bills. Some of the people here now are thoughtlessly insisting on loading this bill for the purpose of killing it. That is not statesmanship. That is not what we are here for.

If we want to amend the bill, let us vote for such amendments only as will help it; and then if we are opposed to the bill, let us have the courage to stand up and vote against it. Let us not put anything in the bill that should not be in it, because if we do, we are going to rue the day. An exhibition such as this House is putting on tonight is disgraceful. It is now 8:15, and we have been in constant session since 12 o'clock. The House is in the wrong mood to be dealing in such a frivolous manner with the people's money. Let us adjourn or give some serious consideration to the matter before us.

Mr. GREEN. Mr. Chairman, I move to strike out the last two words. I thoroughly agree with the gentleman from Michigan [Mr. MICHENER] that in the closing hours of Congress very often amendments are put on bills that have not had mature consideration. On the other hand, there are some meritorious amendments and some meritorious bills passed in the last days of Congress. In the routine of our procedure here it is impossible to obtain consideration by the Congress of everything, even in the eleventh hour. My colleague from Florida, Mr. PETERSON, will soon offer an amendment to this bill which is as meritorious as any item contained in the bill or any item which has been passed on by the Congress. He will offer an amendment for an authorization of $30,000 for flood control in the Withlacoochee River, Fla.

The damage in this valley, which could have been obviated by the $30,000 appropriation last year to county roads and bridges, amounted to $6,000; to State roads and bridges, $30,000; railroads, $25,000; towns, $4,000; farms and growers, $125,000; timber and tie industry, $25,000; timber killed, $250,000—a total of $505,000 damage in this valley alone. It will be economy for this Congress to accept the decision of the engineers who have examined the project. The total proposed cost of the flood-control project in this valley amounts to only $30,000. I plead with the Members to place this item in the bill. It is the only item that my State will advance in this huge authorization bill. I trust the House will accept the amendment. The Withlacoochee is one of the most picturesque streams in the country, and the soil in the valley is fertile and productive. Hundreds of farms annually suffer floods which may by this appropriation be prevented. Waste and destruction can be greatly lessened through proper flood-control methods. The amendment is in the interest of ultimate economy for the American people. I plead for favorable action. [Applause.]

Mr. WHITTINGTON. Mr. Chairman, I ask that the amendment offered by the gentleman from Kansas be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The Clerk reported the Carlson amendment.

Mr. WHITTINGTON. Mr. Chairman, this amendment embraces striking out section 2. If agreed to, there is no sort of provision for the local interests contributing one cent for the construction of the numerous levees and rights-of-way in the bill. If this were an addition to section 2, I would not make the statement, because it would be an entirely different matter.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was rejected.

Mr. CARY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CARY: Page 48, after the figures "$192,000", in line 23, insert the following paragraph:

"ROUGH RIVER IN KENTUCKY

"Such immediate works as to prosecute the construction of drift barriers, the straightening of the river channel and the construction of bank revetments, to effect a reduction in floods and erosion losses; no report to Congress; surveys completed and data in Office of Chief of Engineers; cost, $456,000."

Mr. CARY. Mr. Chairman, the object of this amendment is to take care of a flood condition that exists in the valley of Rough River, Ky., which is a tributary of Green River. This river passes through four counties in Kentucky, a distance of about 71 miles. It is flooding some fifty-odd thousand acres of the best and most fertile land in that valley. In 1929 a survey of that river basin was ordered. That survey was made by the Government engineers, and they made a report as to what should be done. About 40 years ago when there was a lot of timber in that valley, there was some navigation upon that river and the Government constructed a small dam about 7 miles above the mouth of Rough River. There is no navigation now and the report of the engineers shows that the dam is of no further value. The report is that this dam should be taken out and that the river in places ought to be straightened out that a lot of debris that has collected in the river should be taken out.

Mr. RICH. Will the gentleman yield?

Mr. CARY. I yield.

Mr. RICH. What is this going to cost?

Mr. CARY. Four hundred and fifty-six thousand dollars. It is worth a great deal to that valley. It will save a great territory in the country. I hope the Congress will see fit to adopt this amendment.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. CARY. I yield.

Mr. WHITTINGTON. What is the report of the Corps of Engineers as to the comparative difference between the cost and the benefits?

Mr. CARY. They say its destructive effect now has cut the value of this land in half. They fixed the value of the land at $80, and it is now worth $40 an acre.

Mr. WHITTINGTON. What is the relative cost and benefit? Will the benefits equal the cost?

Mr. CARY. Oh, they will far exceed the cost.

Mr. WHITTINGTON. Is that the report of the Army Engineers?

Mr. CARY. I cannot say, but I do know personally that this whole body of land has been destroyed.

[Here the gavel fell.]

Mr. MARTIN of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to say a few words about the background of this bill. In my opinion, no bill has come before this Congress with a better background than this bill, if we do not overload it and kill it with amendments.

First, I want to say something with reference to the background of this legislation as it effects the Arkansas River Basin. Some years ago the Congress, by resolution, ordered the Army Engineers to make a thorough survey of the Arkansas River Basin and its tributaries. Three or four years were spent on that survey at a cost of four to five million dollars. It embraced navigation, flood control, soil erosion, reforestation, reclamation, and every physical feature of the Arkansas Valley Basin. I do not believe there is a project in this bill affecting the Arkansas Valley Basin and all of its tributaries that was not reported on and approved by the Army Engineers as a result of that survey.

Now, with reference to this legislation as a whole, the entire Mississippi Valley watershed or drainage area, all or parts of 31 States, embracing the entire heart of continental United States from the summit of the Rocky Mountains to the Allegheny Mountains, is involved. The Mississippi Valley Committee was set up under the Public Works Administration 2 years ago to consider that entire area and work out a program for its conservation and improvements. The Mississippi Valley Committee consisted of nine eminent engineers of national reputation, headed by Mr. Morris L. Cooke, of Philadelphia. There were only two western men on that committee. The other seven engineers were from the East. So far as I know, I believe that every main project in this bill between the Allegheny Mountains and the Rocky Mountains was examined and approved by the Mississippi Valley Committee. Not only that, they classified all these proposed projects. Class A, economically and engineeringly sound and feasible and ready for immediate execution; class B, having future value; class C, discarded. They not only classified all these projects, but they estimated the cost of them. They turned out the most wonderful report in the history of this Government. Every Member of this House ought to read that report. It is a physical history and survey of that great area of the United States and all of its resources and what should be done to conserve it. They proposed a great program of projects, many of which are embraced in this bill, as the beginning of a great conservation plan which must be carried out in the United States if the surface wealth of this country and its natural resources are to be saved from ultimate destruction. If every Member of this House had read that great report, every Member would vote for this bill.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. CARY].

The question was taken; and on a division (demanded by Mr. CARY) there were ayes 20 and noes 50.

So the amendment was rejected.

Mr. CITRON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CITRON: Page 53, after line 16, add the following paragraph:

"Connecticut River Basin-flood control and protection on the Connecticut River by means of bank-protection works, channel enlargement, flood walls and dikes; survey and data in the office of the Chief of Engineers; cost, $1,000,000."

Mr. CITRON. Mr. Chairman, this is a very meritorious amendment. In 1927 there occurred a disastrous flood on the Connecticut River, affecting the States of Vermont, New Hampshire, Massachusetts, and Connecticut. The flood damage in these States was estimated at $17,000,000. Since then the Army Engineers have made various surveys, both for power navigation and flood-control purposes. This amendment has to do solely with flood control.

At the time this bill was being drawn I asked the War Department to prepare a survey for flood control. When the bill was drafted and finally reported out by the committee the War Department, I believe, had not finished its work. Recently its engineers' department wrote me a letter telling about flood-control matters on this river. I desire to read this letter.

Mr. GRANFIELD. Mr. Chairman, will the gentleman yield?

Mr. CITRON. I yield.

Mr. GRANFIELD. Is it not a fact that an initial flood-control survey of the Connecticut River has been made by the Army engineers of the War Department?

Mr. CITRON. It is.

Mr. GRANFIELD. Hearings were held in connection with the survey in Springfield, Hartford, Northampton, and other cities and towns in that particular locality.

Mr. CITRON. That is true.

Mr. GRANFIELD. As I understand it, engineers of the War Department are very much interested in flood control upon the Connecticut River.

Mr. CITRON. I believe so.

Mr. GRANFIELD. And the gentleman has a letter indicating that the War Department is very much interested in this project. I think, Mr. Chairman, it is a meritorious project and ought to be accepted by the Committee. It is a project that should be approved by the Committee.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. CITRON. I yield.

Mr. WHITTINGTON. What are the respective benefits according to the report of the Chief of Engineers or the letter the gentleman holds in his hand?

Mr. CITRON. I will read it. I procured it from the Engineer Department within the last few days.

Mr. WHITTINGTON. I did not ask for that; I just asked for the benefits.

Mr. CITRON. It does not state the benefits. But certainly they are more than the costs. All that information is on file in the office of the War Department engineers.

Mr. WHITTINGTON. What is the relative value of the benefits as compared with the cost of construction; are the benefits greater or less?

Mr. CITRON. The benefits are greater than the costs.

Mr. GRANFIELD. As I understand it your letter does not disclose the information. But there is information on file showing that such work as you suggest would aid employment and save New England from much damage to life and property in the future.

Mr. CITRON. The Army Engineers' office sent me this letter to show that they have made a survey. For months I have studied and worked upon this matter. I have given to it a great deal of my time. The chairman of this committee knows of my efforts. Several days ago I went over this subject with him and told him about my proposed amendment. I also kept after the War Department for some kind of a report. Finally they submitted to me this letter which I will read. The gentleman from Massachusetts [Mr. GRANFIELD] knows much about this subject. He has been of much assistance.

Mr. GRISWOLD. Mr. Chairman, will the gentleman read the letter?

[Here the gavel fell.]

Mr. GRANFIELD. Mr. Chairman, I ask unanimous consent that the gentleman may have 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CITRON. The letter reads as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
*Washington, August 21, 1935.*

Hon. WILLIAM M. CITRON,
*House of Representatives, Washington, D. C.*

MY DEAR MR. CITRON: In accordance with your request for information concerning possible flood-control projects on the Connecticut River, I am pleased to inform you that the office of the Chief of Engineers has plans and estimates for flood-control works on Connecticut River having a total cost of approximately $1,000,000.

In general, the plans provide for flood protection by means of bank-protection works, channel enlargement, flood walls, and dikes.

Very truly yours,

E. M. MARKHAM,
*Major General, Chief of Engineers.*

We have many large and small cities on the Connecticut River. For example, the city of Hartford is located on this river. Across the river in East Hartford there occur floods. And they are troubled with floods in Massachusetts, Vermont, and New Hampshire. I believe, therefore, that this amendment is meritorious.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CITRON. I yield.

Mr. McCORMACK. May I also call attention to the fact that all of New England—in this bill—has an authorization of only $66,000.

Mr. CITRON. I thank the gentleman for this information; and it includes the States of Connecticut, Vermont, Massachusetts, and New Hampshire, not merely one State.

Mr. GRISWOLD. What is the cost of the project proposed by the gentleman's amendment?

Mr. CITRON. $1,000,000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. PETERSON of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON of Florida: Page 53, at the end of the bill, insert a new section, as follows:

"Withlacoochee River, Fla.; estimated cost $30,000 as per data on file with engineers; work to be done in discretion of Chief of Engineers."

Mr. PETERSON of Florida. Mr. Chairman, ladies, and gentlemen of the Committee, this is for the purpose of taking care of flood control in what is known as "the Withlacoochee area." The report of the Chief of Engineers originally contemplated a much larger project. This is only for the purpose of clearing out the hyacinths and logs. It is estimated that an expenditure of $30,000 will save an annual loss of $505,000. We had hoped to get this under the Works Progress Administration, but they sent us to the Resettlement Administration, and from the Resettlement Administration we were sent back to the Army Engineers, and the great mass of red tape has greatly delayed a most deserving project where people nced immediate relief.

Mr. WILSON of Louisiana. I understand the cost is $30,000.

Mr. PETERSON of Florida. Yes.

Mr. WILSON of Louisiana. The committee will accept the amendment.

Mr. PETERSON of Florida. I wish to thank the chairman of the committee for this announcement.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was agreed to.

Mr. BUCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCK: Insert the following paragraph at the end of line 23, on page 50:

"Middle River, Calif.: From Middle River to the San Joaquin River, Whiskey Slough, Latham Slough from Santa Fe Railroad to Stockton deep water channel and the Empire Cut, as described in House Document No. 481, Seventieth Congress, and House Document 48, Seventy-second Congress, with modifications to widen ways and strengthen the levees to protect against recurring floods and damages to lands and property; cost, $225,000."

Mr. BUCK. Mr. Chairman, as the Members have learned from listening to the amendment just read, these projects are all included in Document No. 48 of the Seventy-second Congress, first session. We are not asking for anything that has not been surveyed by the Army Engineers. We are asking for something that will be a real protection against flood waters.

The rivers, the Middle River and the various sloughs I mentioned, form parts of a very intricate canal system and the delta where the San Joaquin River comes down from the mountains, joining the Sacramento River before it pours into San Francisco Bay. The surrounding lands are protected by levees at the present time, but the floods have eroded these levees and are continuing to do so. Even this past spring serious damage has occurred throughout all of this territory.

Mr. Chairman, I feel very humble in coming here and asking for this very small appropriation after listening to requests here for millions of dollars.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. What does the report of the Chief of Engineers say as to the relative cost and the construction benefits?

Mr. BUCK. The report of the Chief of Engineers was rendered in connection with the Rivers and Harbors Committee investigation and does not bear upon this particular matter.

Mr. WHITTINGTON. The committee, I may say, considered only those projects that were brought in by the Chief of Engineers.

Mr. RICH. Mr. Chairman, what is this going to cost?

Mr. BUCK. It will cost $225,000. It will protect that portion of the country out there known as the "delta of California", lying around the San Joaquin River. This land is all subject to annual inundation by the San Joaquin River.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BUCK].

The question was taken; and on a division (demanded by Mr. BUCK) there were ayes 33, noes 45.

So the amendment was rejected.

Mr. RICH. Mr. Chairman, we have been in session since 12 o'clock. It is now almost 9. I move that the Committee do now rise and that we postpone further consideration of the bill until tomorrow. I am sure the Members would like to have the opportunity to get some dinner.

The motion was rejected.

Mr. WEST. Mr. Chairman, I have two amendments to offer which I send to the desk.

The Clerk read as follows:

Amendment by Mr. WEST: On page 7, strike out lines 16, 17, and 18 on that page.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. WEST. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The gentleman has offered two amendments, one of them to strike out the Galveston project and the other to strike out the Rio Grande River project?

Mr. WEST. That is correct.

Mr. WHITTINGTON. As I understand it, after this bill was reported the Galveston project was carried in the river and harbor bill?

Mr. WEST. Yes; and the Rio Grande project was carried in another bill already approved.

Mr. WHITTINGTON. And the gentleman's amendment strikes both of them from the bill?

Mr. WEST. The gentleman is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. WEST].

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. WEST: On pages 7 and 8, strike out lines 19, 20, 21, 22, 23, and 24 on page 7 and lines 1, 2, and 3 on page 8.

The amendment was agreed to.

Mr. WILSON of Louisiana. Mr. Chairman, I move that all debate on all amendments close in 30 minutes.

Mr. WOOD. Mr. Chairman, I have an amendment which I would like to have considered.

Mr. WILSON of Louisiana. I withdraw my motion for the present.

Mr. NICHOLS. Mr. Chairman, I move that all debate on this bill and all amendments thereto close in 30 minutes.

The CHAIRMAN. The gentleman from Oklahoma [Mr. NICHOLS] moves that all debate on the bill and all amendments thereto close in 30 minutes.

Mr. TABER. Mr. Chairman, I make a point of order against that motion.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. TABER. Mr. Chairman, such a motion is only in order when a bill is being read by sections and after an amendment has been offered. The motion is not in order at this stage.

The CHAIRMAN. The rule provided for the reading of the entire bill, and the Chair holds that the motion of the gentleman from Oklahoma is in order.

Mr. TABER. Mr. Chairman, I move as a substitute for the pending motion, that all debate on all amendments close in 1 hour.

Mr. HOFFMAN. Mr. Chairman, was there not a fair and square agreement that if the reading of the bill were waived the Chair would recognize anyone who wanted to offer an amendment, pro forma or otherwise?

The CHAIRMAN. The Chair can recognize Members to offer amendments. The motion is to close debate on all amendments.

The question is on the substitute motion offered by the gentleman from New York for the motion offered by the gentleman from Oklahoma that debate on all amendments close in 1 hour.

The substitute motion was rejected.

The CHAIRMAN. The question is on the motion of the gentleman from Oklahoma to close debate in 30 minutes.

The question was taken; and on a division (demanded by Mr. NICHOLS) there were—ayes 65, noes 52.

Mr. WOOD. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. NICHOLS and Mr. TABER.

The Committee again divided and the tellers reported that there were—ayes 103, noes 55.

So the motion was agreed to.

Mr. CONNERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: Page 3, after line 10, insert: "Merrimac River, Concord, N. H.: Merrimac River, Concord, N. H., to the sea, flood control, channel clearing, sewage disposal, and water purification, House Document No. 649, Seventy-first Congress, third session; cost, $3,445,000."

Mr. CONNERY. Mr. Chairman, I voted against the motion a few moments ago to restrict the time of debate, because I did not want to take the floor and have my time for debate and then have some other colleague not have the same amount of time. I therefore have asked the chairman to be recognized for only 2 minutes.

Mr. Chairman, Massachusetts, in this bill before the Citron amendment was passed, had only $66,000. The Citron amendment gives Connecticut, Massachusetts, and Vermont $1,066,000. I am asking for $3,445,000 for the Merrimac River, the headwaters of which are in New Hampshire, the river flowing through the cities of Concord and Manchester, in New Hampshire, and through Lowell, Lawrence, Haverhill, and Newburyport in Massachusetts, and then into the Atlantic Ocean.

Mr. EKWALL. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. EKWALL. Does the gentleman think that will be enough, really?

Mr. CONNERY. No; it is a project of $9,000,000, but I have cut it to $3,000,000, in the hopes of having it included in this bill.

Mr. EKWALL. I think we ought to increase the amount.

[Here the gavel fell.]

Mr. FERGUSON. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman is recognized for 2 minutes in opposition to the amendment.

Mr. FERGUSON. Mr. Chairman, I simply wish to state to this House that these are power projects.

Mr. CONNERY. Oh, no.

Mr. FERGUSON. They are not flood-control projects and were so reported by the Army Engineers in their report.

Mr. CONNERY. Mr. Chairman, if the gentleman will yield, there is nothing about power in this at all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 46, noes 81.

Mr. CONNERY. Mr. Chairman, I demand tellers.

Tellers were refused.

Mr. TABER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 1, line 5, after the word "prosecuted", insert "and completed only under allotment for that purpose which the President may make out of the funds appropriated in a joint resolution making appropriations for relief purposes, approved April 8, 1935."

Mr. TABER. Mr. Chairman, this is the amendment which I stated in general debate I intended to offer to find out whether the House is in good faith in expecting that this money will be spent out of the relief appropriation. It will fix it so that it can be done that way. There is plenty of money to cover it, if the President decides it ought to be done. I do not believe that we should appropriate any more money making a general charge on the Treasury for this flood-control proposition because there was allocated to that in the set-up of the bill as it finally passed $350,000,000. I hope this amendment will be adopted, so that we may have some respect as we go back into the House for the Treasury of the United States.

Mr. WILSON of Louisiana. Mr. Chairman, as I explained to this committee, that money may be had from the $4,000,000,000 appropriation, beginning with these projects, but we cannot make it mandatory. Three hundred and fifty million dollars were for soil erosion, reforestation, and all that, and some other things. Some of the projects here have been undertaken. They are meritorious and, as everybody admits, it will take from 3 to 5 years to complete some of them. It is the beginning of a program of comprehensive flood control, and the time may come when we need an appropriation for it before it is completed. I hope that it will be voted down.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 55, noes 88.

So the amendment was rejected.

Mr. WOOD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOOD: Amend H. R. 8455, section 2, page 23, line 5, by adding the following after the comma at the end of line 5:

"Table Rock Reservoir, on White River, in Missouri: For flood control, hydroelectric development, soil erosion, and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $14,286,000."

Mr. WOOD. Mr. Chairman, the chairman of the committee stated that only those projects recommended by the Army Engineers were accepted in this report. The report is all right as far as it goes, but in the White River Basin, of the 20 projects reported by the Army Engineers, Table Rock is in the center of this coordinated system.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. WHITTINGTON. Is not the project on page 23, Wildcat Shoals Reservoir, on White River, a part of the project the gentleman has in mind?

Mr. WOOD. No; it is not. Wildcat Shoals is not a part of it at all, except that it is a part of the integrated system of flood control and hydroelectric development.

Mr. WHITTINGTON. It is in that vicinity.

Mr. WOOD. Yes; Table Rock is right in the center of this coordinated system of flood control and power development and without its development the system cannot be feasibly or economically complete.

Mr. WHITTINGTON. In the report of the Chief of Engineers it was considered a part of it, and this was the most meritorious part.

Mr. WOOD. Table Rock is the most meritorious part according to the Chief of Engineers and the report of the Mississippi Valley Commission. Read on page 184 of the report of the Mississippi Valley Commission, and Table Rock is given as no. 1 of the class A projects.

Of the 20 projects reported upon in the White River Basin Table Rock was at the top of the first five A projects listed. Most of the projects the committee has recommended are B projects. If we had had the Table Rock improvement in 1927, when we had that flood, we would have saved $11,000,000 which was lost as property damages from the flood, and in 1928 there was a loss of approximately $8,000,000.

Mr. WHITTINGTON. This will increase the appropriation on the White River from $66,000,000 to $81,000,000 in this bill.

Mr. WOOD. My amendment calls for $14,286,000. That is in accordance with the report of the Mississippi Valley Commission, and that is acquiesced in by the Army Engineers. I have a letter here from the Chief of Engineers, in which he gives his approval to this project.

Mr. SHORT. I think the gentleman should point out that this is the only provision on the White River in the State of Missouri.

Mr. WOOD. That is correct. Mr. Chairman, I ask unanimous consent to insert, as a part of my remarks, this letter I received from Maj. Gen. E. M. Markham, Chief of Engineers, in which he gives his approval to the Table Rock project.

The CHAIRMAN. Is there objection?

There was no objection.

The letter referred to is as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
*Washington, August 10, 1935.*

Hon. REUBEN T. WOOD,
*House of Representatives, Washington, D. C.*

MY DEAR MR. WOOD: I am in receipt of your recent verbal inquiry as to the status of the proposed Table Rock Dam on the White River, southwest of Branson, Mo.

I take pleasure in advising you that this Department has made a comprehensive survey of the White River under the provisions of House Document No. 308, Sixty-ninth Congress, first session, in the combined interests of navigation, flood control, development of water power, and the needs of irrigation. The report on this survey was transmitted to Congress on March 30, 1932, and printed as House Document No. 102, Seventy-third Congress, first session. A copy of the report is enclosed for your information.

The survey of the White River has indicated that the construction of a dam at Table Rock, Mo., is feasible for the development of hydroelectric power. The dam considered for this site would be of the concrete gravity type with a height of 168 feet, a length of 1,740 feet, to provide a storage capacity of 1,200,000 acre-feet, and would be provided with a generator capacity of 81,000 kilowatts. The project would appear to be economically feasible for the development of hydroelectric power if and when a market for this power is developed. The report on this survey made no recommendations for improvement of the White River by the Federal Government. This Department received an application from the White River League for the inclusion of this project in the Emergency Relief Program. An analysis of the project indicated, however, that it could not be considered as eligible for inclusion in that program as the cost for the necessary rights-of-way and the type of work involved would make the cost per man-year for direct employment on the site considerably in excess of the cost established for the projects now being included in the relief program.

Very truly yours,

E. M. MARKHAM,
*Major General, Chief of Engineers.*

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. WOOD].

The amendment was rejected.

Mr. LORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LORD: Page 3, line 10, insert a new paragraph, as follows:

"Headwater area of Susquehanna and Delaware Rivers and tributaries, and Onondaga Creek, New York State: Improvement of existing drainage ditches and the construction of new ditches, channel straightening, levees, cut-off canals, reservoirs for flood storage, island removal, or the construction of other flood-control works in accordance with the plan to be submitted by the office of the Chief of Engineers; cost, $8,500,000."

Mr. LORD. Mr. Chairman, we have had a terrible flood in New York State that has done damage something like $27,000,000. While New York State will pay a greater portion than any other State of the cost of what we are voting in this bill, we believe we should have some consideration. We want to control the upper streams of the Delaware and Susquehanna Rivers and their tributaries. This small appropriation will help a little to control them and give us some recognition for what we will have to pay. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LORD].

The quesction was taken; and on a division (demanded by Mr. FERGUSON) there were ayes 43 and noes 52.

So the amendment was rejected.

Mr. HOEPPEL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOEPPEL. Inasmuch as we are voting millions of dollars a minute, I should like to know whether it is in order to offer an amendment to build a dam around the United States Treasury to protect the taxpayers? [Laughter and applause.]

The CHAIRMAN. That is not a parliamentary inquiry.

Mr. EDMISTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDMISTON: On page 40, strike out lines 19, 20, 21, and 22.

Mr. EDMISTON. Mr. Chairman, this is an unusual amendment, as I am asking to strike out of the bill an appropriation of $626,000 [applause] for my district. I am in favor of this bill. There are good projects in this bill for the State of West Virginia, but this particular project is a bad project. The people living in this valley do not want this dam built, and we do not want it done. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. EDMISTON].

The amendment was agreed to.

Mr. DITTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DITTER: On page 53, line 17, add a new paragraph, as follows:

"Schuylkill River, Pa., in Montgomery County, for flood control, $100,000."

Mr. DITTER. Mr. Chairman, those of the Membership of the House who have visited the historic shrine at Valley Forge will remember that the battlefields of Valley Forge abut on the Schuylkill River. During the past few months serious damage has been done not only to that historic shrine but to other contiguous lands. I offer this amendment in all seriousness. I believe it merits the support of every Member who believes that the old battlefield is worth preserving and protecting.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. DITTER. Gladly.

Mr. WHITTINGTON. The amendment makes no reference to any sort of report from the Corps of Engineers; neither is there any statement as to the cost and the benefits.

Mr. DITTER. I can answer the gentleman by saying that Colonel Lee, of the Army Engineers, has already examined and considered the justification of the project in question, and if other amendments which have been offered and supported here tonight warrant the expenditures authorized, the modest request which I make for Valley Forge demands the support of this House.

Mr. MARTIN of Colorado. Will the gentleman vote for the bill if we put his amendment in?

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. DITTER].

The question was taken; and on a division (demanded by Mr. MARTIN of Colorado) there were—ayes 61 and noes 63.

Mr. DITTER. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. MASSINGALE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. MASSINGALE: On page 20, line 17, after the figures "$2,265,000", insert a new section as follows:

"Washita River in Oklahoma, flood control, reservoirs, and other incidental benefits; report to Congress not yet made; survey made and data in office of Chief of Engineers; $3,000,000."

Mr. MASSINGALE. This amendment is offered to take care of a mere matter of inadvertence. The Washita River has been surveyed, and three dams have been recommended. Every member of the Oklahoma delegation was in favor of the Washita River being included in this bill. I hope, therefore, the amendment will be adopted. If any river in the country is entitled to recognition for flood control, certainly the well-known flood history of the Washita puts it in the category of deserving attention along this line.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. MASSINGALE. I yield.

Mr. RICH. I will say to the gentleman from Oklahoma that with this $3,000,000 added to the $45,626,700 already in the bill, Oklahoma ought to be feathered pretty well.

Mr. MASSINGALE. That is good; I am glad the gentleman is so liberal; but none of the "feathering" goes to western or southern Oklahoma.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

Mr. HARLAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARLAN: Page 48, after end of line 23, add a new paragraph:

"To appropriate property and assume control of flood-prevention operations of the Miami Conservancy District of Ohio, $32,000,000."

Mr. HARLAN. Mr. Chairman, in view of the shortness of the time, I ask unanimous consent to revise and extend my remarks by including therein a few paragraphs from a brief submitted by the city managers of Dayton, Middletown, and Hamilton.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARLAN. In 1913 we experienced a terrible flood in southwestern Ohio. As a result of that flood, a survey was made for flood-protection work, and we employed Dr. Arthur Morgan, who is now in charge of the Tennessee Valley Authority.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I am sorry I cannot; I wish I could.

Mr. ANDRESEN. Is the gentleman for balancing the Budget?

Mr. HARLAN. Certainly; yes.

As a result of that work, the southwestern district of Ohio obligated itself on bonds to the value of $64,000,000 in flood-prevention work all in that district. The result is that the towns in that district are now expending as much for flood protection out of their own resources as they are for general expenses.

As a result of this tremendous charge upon the cities in this district their municipal functions are falling into neglect, their fire departments and police departments are being reduced, and it has become impossible for them to market their bonds sufficiently to get any material assistance from the Federal Government under the P. W. A. projects.

The people in my part of Ohio are so overburdened by this triple load of taxation that tax delinquencies are unprecedented, and in fact that section of Ohio is on the verge of a tax strike. If this occurs, which seems inevitable at this time, money for the support of flood-control work in this part of Ohio will not be forthcoming, and this great effort on the part of these people to save themselves and to help protect the lower Mississippi Valley will gradually sink into decay.

This conservancy district owns in the neighborhood of 12,000 acres of land, some of which is the most fertile land in the United States, and almost all of which is subject to profitable use by the Federal Government. There is an opportunity to use a great deal of this land for reforestation. There are five dams in this district which could be used to establish five lakes in a part of the country where there are practically no lakes. This will furnish conservation facilities for wildlife, it will assist in raising the subterranean water table, and will supply healthful places of entertainment for our people.

The Government in assuming all of this property for Federal purposes will be performing a valuable service to the lower Mississippi Valley because all of this water from the whole southwestern Ohio can be held back, thus minimizing the flood conditions farther down on the Ohio and Mississippi Rivers.

These pioneering, hard-working, independent citizens have already paid $32,000,000 toward the cost and upkeep of this project. Almost every day they read in the papers where some other district in the United States has received P. W. A. development, and they are constantly reminded that they cannot get this type of work because their bonds cannot be sold. They read of the Government spending millions of dollars for flood control and they realize that they have never at any time received any help on this whole project, and they will be told that all over the United States new projects are being paid for out of the Federal Treasury with no local sacrifices called for whatsoever, and you cannot blame them for being resentful. I wish to say to this House right now that if this amendment is not adopted, and from the temper of this audience I rather anticipate that it may not be adopted, it is certainly my intention to vote against this whole bill.

Just the other day I received a communication from the city managers of Dayton, Hamilton, and Middletown, Ohio, setting forth their plaint, and I wish to include these remarks on this subject:

HAMILTON, OHIO, *August 14, 1935.*

Hon. BYRON B. HARLAN,
*House of Representatives, Washington, D. C.*

DEAR SIR: You will recall that during our conversation with Hon. Harry L. Hopkins, Works Division Administrator, it was suggested, and he requested, that we submit a transcript setting forth certain statements that were made at that hearing. He further suggested that a brief be submitted to you, and that you in turn would see that he received it.

Enclosed you will find a brief covering many of the high points brought out in our conversation.

We wish to thank you for your cooperation and your assistance in this matter.

Respectfully submitted.

R. P. PRICE,
*City Manager, Hamilton, Ohio.*
F. O. EICHELBAGER,
*City Manager, Dayton, Ohio.*
WALTER J. BRAUSE,
*City Manager, Middletown, Ohio.*

On Monday, July 1, 1935, a delegation of citizens and city officials, representing the municipalities in the Great Miami Valley, in what is known as the "Miami conservancy district", met in Washington with Colonel McIntyre, the executive secretary to the President, and filed with him a petition praying for relief from the excessive conservancy taxes and assessments.

At the close of the interview with Colonel McIntyre, he arranged for a conference with the Honorable Harry M. Hopkins, Works Relief Administrator, at which meeting this matter was further discussed, and Mr. Hopkins did not hesitate to offer his hearty cooperation in having the matter presented for a hearing before the administrative board, requesting also that the delegation submit a transcript setting forth the statements made verbally at this hearing.

The taxpayers of this district are confident that it would be just and proper that the Government take over the work being done by the Miami conservancy under the legislation entitled "The Miami Conservancy Act of Ohio", thus assuming the bonds and relieving the taxpayers in this district of further assessments.

They cite the fact that it is rare that assessments are levied against any particular community when other communities derive equal benefits, and that assessments are not made against communities for river, harbor, or levy protection. In this particular case the Ohio and Mississippi Rivers are affected by any flood condition created in the Great Miami Valley.

Up to the time of the disastrous flood of 1913, the Federal Government had not given serious consideration to flood prevention as a result of which the Miami Valley received no assistance from the Government. However, since that time similar catastrophes have taken place in other parts of the United States, in which the Government has not hesitated to appropriate large sums of money for this purpose, thereby relieving the various communities affected of any assessments for costs.

Briefly, the Miami conservancy district was formed by a special act of the legislature following the flood of 1913. Dams were built and the rivers walled to make a repetition of such a catastrophe an impossibility. To do this bonds were issued in the amount of $33,890,909.83. Benefit valuations were made against the entire district affected by the flood, in the total amount of $77,000,000—about twice the amount of the bond issues. Assessments have been made on a 50-percent basis of the total benefit valuation of $77,000,000 and are based on the benefits accruing from the protection. About half of the assessment is levied against the Government units as a whole and the remaining half is levied against the individual properties in the flood area. It is found that the major burden is borne by three counties in the following ratio:

| | Percent |
|---|---|
| Montgomery | 73 |
| Butler | 24 |
| Miami | 3 |

Warren and Hamilton Counties are assessed a very small amount.

The following table will show the total amounts that have been paid by each county to December 31, 1934, and also the 1934 payments:

| County | Total payments | 1934 payments |
|---|---|---|
| Montgomery | $26,131,512.82 | $1,876,673.45 |
| Butler | 8,820,862.52 | 613,724.57 |
| Miami | 1,073,611.04 | 78,787.47 |
| Warren | 183,276.04 | 12,809.54 |
| Hamilton | 12,960.26 | 886.64 |

Below are figures showing the general situation December 31, 1934, of the conservancy district for such historical interest as it may contain:

| | |
|---|---|
| Bonds retired | $10,953,919.30 |
| Bonds outstanding | 22,963,990.53 |
| Original cost of project | 29,712,991.38 |
| Total bonds issued | 33,890,909.83 |

Irregular serials mature 1922 to 1949; interest rate, 5½ percent.

Thus far, the taxpayers of the Great Miami Valley have paid approximately 50 percent of the conservancy assessment, and they would be only too willing to waive this if they can secure relief for the balance due, which covers approximately 15 more years, the life of the levy.

It should be borne in mind that this burden is carried alike by the manufacturer, the merchant, and the laborer, and just at this time is about all and really more than the man of moderate means can do to meet his building-association payments.

It is needless, therefore, to stress the importance of this movement in this section of the United States, from which is derived an enormous amount of Government taxes, with officials and civic organizations constantly confronted with this conservancy tax, which is at present taking more from the pockets of the taxpayers than any other individual tax collected, and thus hampering their efforts to aid counties and cities assume a retrenchment policy. For example, we will cite one city in the district—the city of Hamilton—taking 1934 as a comparison. The county tax rate was $2.53 per thousand. Of this amount, 56 cents was for conservancy, while the tax rate for the city of Hamilton was $8.05 per thousand, of which $3.81 was for conservancy, which, if deducted from the total, leaves $4.24 per thousand for general operations and bond retirement. Tax delinquencies for the same year amounted to $143,404.29 on a valuation of $63,898,225. The amount paid by the city of Hamilton to the conservancy district for the same period was $242,775.59. Added to this, of course, is the special assessment levied against those who were directly affected by the flood, making a total that the city of Hamilton pays into the conservancy sinking fund approximately $700,000 per year.

The taxes levied for conservancy purposes are of great importance to the citizens of the entire district. They are at the present time, and will be for a number of years, a major expense item, falling upon the counties as a whole, and particularly upon the citizens residing in the cities within the district. About one half of the taxes levied appear as a general tax on the counties and cities as units and the other half is a direct tax on each property affected.

If we had no conservancy tax in the cities of Dayton, Middletown, and Hamilton at the present time, we would have no financial problems, would have low tax rates, and would be in a position to pay for needed improvements, and could with more confidence and vigor invite new industries to locate in the district. As it is, it is quite a penalty to impose upon an industry contemplating establishment at Hamilton or Dayton, to have to pay almost as much for conservancy tax as for the total city operating tax.

For example, if some particular industry was to locate in the city of Hamilton, before the industry excavated a shovelful of earth or turned a wheel it would be penalized at the rate of $4.29 per thousand for every $1,000 invested in the construction of buildings and purchase of land, to say nothing of this particular land being located in the district affected by the flood, which would incur an additional special assessment.

By this you can see how the growth of the community is stagnated by virtue of excessive taxes for flood prevention. It is true that there has been a considerable reduction made in the valuation of properties in the valley, which has a tendency to lower the tax rate for operating and sinking-fund purposes as they affect the counties and cities themselves. This, however, is not true of the conservancy tax, for any reductions in the valuations of the properties only result in an increase in the rate per thousand in order to bring in the same amount of money necessary to retire bonds as they mature.

The conservancy district certified that for next year there should be collected from real estate in Hamilton, for the benefit of the district, $241,418.64, as the current assessment, and $163,672.39, as the accumulated delinquency. In fixing the tax rate for Hamilton, the budget commission made a levy for the current assessment but did not take action for the collection at the present time of the $163,672.39 which stands on the tax books against property owners who are delinquent in their tax payments.

These conditions further react against the intent of the Federal Housing Act, as those soliciting the citizens to take advantage of the opportunity to secure assistance in repairing, painting, and remodeling property through loans offered under this act are confronted with the fact that the owners are unable to secure the loans because of unpaid taxes, and most of these unpaid taxes are conservancy taxes.

This also has its effect upon communities in the district when effort is made to float bonds for improvement purposes, for all of the cities in this particular district have reached their limit in the issuance of bonds without a vote of the people, and are helpless to join with the Federal Government in taking advantage of opportunities to place people back to work.

After the disastrous Mississippi flood, Congress set up about a half-billion dollars for flood control on the Mississippi and its tributaries. Thus it appears that the only thing to be determined is whether the Great Miami is a tributary to the Mississippi. If so, we are entitled to our share of the flood-prevention fund. No section had a worse flood than we in 1913. The last information we had was that there was $338,000,000 left in the fund that was unappropriated. This is a matter worthy of careful consideration, and our organization will appreciate an investigation to determine the possibility and methods of turning the conservancy district over to the United States Government.

You are familiar with the fact that the Government is rendering considerable assistance at this time in the construction of the Muskingam Valley conservancy set-up. What part of this the Government is financing we are not in a position to state, but the citizens of the Great Miami Valley feel that they are entitled to equal consideration.

As suggested in your office, if the Federal Government purchased the reservoirs and lands of the Miami conservancy district for the purpose of reforestation, the proceeds could be used by the Miami conservancy district to place in the sinking fund for the retirement of the bonds as they matured.

Respectfully submitted.

R. P. PRICE,
*City Manager City of Hamilton, Ohio.*
WALTER J. BRAUN,
*City Manager of Middletown, Ohio.*
F. O. EICHELBERGER,
*City Manager City of Dayton, Ohio.*

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and there were on a division (demanded by Mr. HARLAN)—ayes 20, noes 60.

So the amendment was rejected.

Mr. TURPIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TURPIN: Page 4, after line 13, add the following:

"Plymouth Borough, Pa.: Levee protection of people; plans in House Document No. 647, Sixty-ninth Congress, second session; cost, $560,000.

"Swoyersville and Forty Fort, Pa.: Levee protection of people; plans in House Document No. 647, Sixty-ninth Congress, second session; cost, $407,500.

"Exeter Borough, Pa.: Levee protection of people; plans in House Document No. 647, Sixty-ninth Congress, second session; cost, $180,500.

"Nanticoke Borough, Pa.: Levee protection of people; plans in House Document No. 647, Sixty-ninth Congress, second session; cost, $293,600.

"Kingston and Edwardsville, Pa.: Levee protection of people; plans in House Document No. 647, Sixty-ninth Congress, second session; cost, $1,275,500.

"Wilkes-Barre and Hanover Township, Pa.: Levee protection of people; plans in House Document No. 647, Sixty-ninth Congress, second session; cost, $1,638,000.

"West Pittston, Pa.: Levee protection of people; plans in House Document No. 647, Sixty-ninth Congress, second session; cost, $71,500."

Mr. TURPIN. Mr. Chairman, I have been particularly interested in flood control and regret I have but 2 minutes to present my reasons for this amendment. I have appeared before the Flood Control Committee time and time again. Last April I received from the Chairman of the Flood Control Committee the following letter:

WASHINGTON, D. C., *April 17, 1935.*

Hon. C. MURRAY TURPIN, M. C.,
*House of Representatives, Washington, D. C.*

MY DEAR CONGRESSMAN TURPIN: Reference is made to your several personal calls on me concerning your desire to secure ample allotment of funds for diking and dredging of the Susquehanna River in your congressional district. In order that the people of your district may be correctly informed as to just what has been done in this matter, I wish to state:

The Committee on Flood Control, of which I am chairman, and with which committee you have been cooperating on these matters, has reported to the Congress H. R. 6803, a copy of which I am attaching hereto. This bill allocates and makes available funds appropriated for public works for the relief of unemployment, $600,000,000 to be used in improvement works on all streams and rivers throughout the country where surveys and estimates have been completed by the Corps of Engineers of the Army and where a particular project has been found both economically and engineeringly justified. If the House of Representatives and the Senate concur in this proposal and same is approved by the President, the following work would be undertaken on the Susequehanna River in your section:

| | |
|---|---|
| West Pittston | $71,500 |
| Exeter | 180,500 |
| Swoyerville and Forty Fort | 407,500 |
| Plainsville | 225,000 |
| Wilkes-Barre and Hanover Township | 1,638,000 |
| Kingston and Edwardsville | 1,275,000 |
| Plymouth | 560,000 |
| Nanticoke | 293,600 |
| Total | 4,651,600 |

I wish to again assure you that this committee appreciates your active interest and cooperation in these matters which are of such importance to the welfare of all sections of our country.

Yours very sincerely,

RILEY J. WILSON, *Chairman.*

Not one of the seven projects listed on the Susquehanna in this bill are on the north branch of the Susquehanna, where the flood conditions prevail, and not one of the projects listed in this bill pertaining to the Susquehanna has had a report from the Government engineers submitted to Congress, while the projects I offer as an amendment were reported to the Sixty-ninth Congress, Document 647.

In view of the promises made to me and the necessity of flood control in my district, I ask that my amendment receive favorable consideration.

The improvements contemplated on the Susquehanna in this bill are 115 miles below our flood area and are a waste of money so far as assistance to our Wyoming Valley is concerned. Our farmers alone lost over $600,000 due to floods this summer with accompanying property damage to others. The Army Engineers report 200,000 people living in this flood area and that under a combination of conditions to include heavy snow falls and a cold winter that would produce a thick covering of ice on the river—if this condition existed and should be followed by a simultaneous warm spell and continued rains, that a hundred million in property loss can be expected with accompanying terrific loss of life. My amendment is a most worthy one. I have been promised this consideration. I have been misled. I ask the adoption of this amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. TURPIN) there were—ayes 44, noes 79.

So the amendment was rejected.

Mr. WHITE. Mr. Chairman, I offer an amendment which I send to the desk.

Mr. FERGUSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FERGUSON. Has the half hour which was allotted to debate on this bill expired?

The CHAIRMAN. There are 13 minutes remaining.

Mr. RICH. Mr. Chairman, I move that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. KNUTSON) there were—ayes 42, noes 75.

So the motion was rejected.

Mr. WADSWORTH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WADSWORTH. I am very much interested and my curiosity is aroused as to just how rapidly the Chair may count.

The CHAIRMAN. That is not a parliamentary inquiry.

The Clerk will report the amendment offered by the gentleman from Idaho [Mr. WHITE].

The Clerk read as follows:

Amendment offered by Mr. WHITE: Page 51, line 12, after the figures "$3,375,000" insert a new paragraph, as follows:

"Cœur D'Alene River and south fork of Cœur D'Alene River, Idaho: Channel improvement and bank protection work to prevent erosion and flood damages. No report to Congress. Survey completed and data are in the Office of the Chief of Engineers; cost, $262,000."

Mr. WHITE. Mr. Chairman, this is the first time a proposal has been made to improve a river in the State of Idaho. We are only asking for the sum of $262,000 to protect the Coeur d'Alene Valley. In the wintertime the surrounding mountains are covered with snow from 6 to 10 feet deep, and when a chinook strikes that snow a tremendous flood occurs. In 1933, for example, the whole valley was swept by one of these terrible floods. Churches, hospitals, and other places were washed away. I went to a hospital that had one end washed away. Bridges were swept away, railroads and highways were washed out.

The War Department has finished their examination and they have made a report on this project. The amendment which I have just offered was taken from the records in the Chief of Engineer's office this afternoon, and it is at his request that this amendment is offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. WHITE].

The amendment was rejected.

Mr. TAYLOR of Tennessee. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TAYLOR of Tennessee. Can the Chair advise the Members of the House how much has been added to this bill by way of amendments up to this time?

The CHAIRMAN. The Chair cannot advise the gentleman as to that matter.

Mr. WOOD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOOD. At 8:45 p. m., the House agreed to a motion to close debate in 30 minutes. I am wondering just how far the clock has to go around to register 30 minutes.

The CHAIRMAN. That is not a parliamentary inquiry.

Mr. GUYER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. GUYER: Page 49, line 14, insert a new paragraph after line 14:

"In Franklin, Miami, and Lynn Counties, Kans., for survey, levees, and clearing channel of Marais des Cygnes River; cost, $50,000."

Mr. GUYER. Mr. Chairman, this is a very small appropriation, requesting $50,000 to take care of one of the most puzzling streams in the United States, known as the Marais des Cygnes River. We request $50,000 to make another survey and locate reservoirs and to clear the channels.

Mr. Chairman, we are talking tonight about one of the most constructive and creative propositions that this Congress has undertaken this year. Many Members have acted this evening as if this were a circus, but may I say that what we do in reference to flood control will last longer than anything else we have done this year. [Applause.] It is constructive and creative, and I want to compliment the chairman of the committee as well as the Members who worked with him in framing this great legislation.

All of this flood prevention, soil conservation, and kindred enterprises are really worth while. We have surpluses now,

but the time is coming when every inch of soil will be required to feed our population. The history of the human race has been that wherever a soil will support a huge population that population will in time to come, and unless the soil is conserved, there will be famine and desolation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. GUYER].

The amendment was rejected.

Mr. HOLLISTER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Amendment offered by Mr. HOLLISTER: I move that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. PARSONS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PARSONS. Mr. Chairman, I make the point of order that this is the second time a motion has been made to strike out the enacting clause.

Mr. HOLLISTER. Mr. Chairman, I should like to be heard on the point of order.

The CHAIRMAN. It is not necessary to discuss the point of order. The Committee has transacted business since the similar motion was made and the Chair, therefore, overrules the point of order.

Mr. HOLLISTER. Mr. Chairman, we have had a very pleasant time and we can stay here all night having a pleasant time. I am sure we have put on a wonderful show for the galleries, but I believe in the interest of orderly legislation, in the interest of our own self-respect, in the interest of the self-respect of the House of Representatives, we ought to stop this show now and decide whether or not we are going to proceed in an orderly manner.

We have seen amendments involving $40,000,000 considered just as if they involved 5 cents. We have seen some amendments passed and we have seen some amendments killed with, apparently, no particular rime or reason.

I am merely submitting the motion to the membership that in the interest of common decency and in the interest of their own self-respect, they stop this show now and report the bill back as I have suggested. [Applause.]

Mr. NICHOLS. Mr. Chairman, there has been a deliberate attempt on the part of some of the Members of the House to make this thing a sideshow. Some of you have succeeded. I want to say to you that this is meritorious legislation which is entitled to the consideration of this House. [Applause.]

As I have said, the attempt was first started, deliberately, to load the bill. You failed in that. There has been amendment after amendment offered to this bill, and the amendments have been consistently voted down by the House. There have been seven amendments adopted and three of the amendments were to take money out of the bill which amounted to approximately as much as the money that was put into the bill by the amendments that were adopted.

I call on the common sense of the membership of this House, in the name of common decency, let us keep the House of Representatives decent and consider this bill in a legislative and a deliberative and a gentlemanly manner. [Applause.]

The CHAIRMAN. The question is on the motion offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. HOLLISTER) there were—ayes 60, noes 92.

So the motion was rejected.

Mr. ANDREWS of New York. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

Mr. SCHULTE. Mr. Chairman, I object.

Mr. HOPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 13, line 12, after the figures "$1,050,000", strike out the period, insert a semicolon, and add the following: "*Provided*, That the Chief of Army Engineers be, and he is hereby, authorized in his discretion to substitute reservoirs in the Cow Creek drainage area to give the same flood protection, if the cost thereof is justified."

The amendment was rejected.

The CHAIRMAN. If there are no further amendments, the Committee rises under the rule.

Accordingly, the Committee rose, and the Speaker having resumed the Chair, Mr. FULLER, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, pursuant to House Resolution 349, he reported the same back to the House with sundry amendments adopted in Committee.

The SPEAKER. Under the rule the previous question is ordered. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed, read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. SNELL. Mr. Speaker, on the final passage of the bill, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 153, nays 141, not voting 136, as follows:

[Roll No. 190]

YEAS—153

| | | | |
|---|---|---|---|
| Arnold | Edmiston | Kloeb | Randolph |
| Ayers | Ekwall | Kocialkowski | Rankin |
| Berlin | Evans | Kopplemann | Rogers, Okla. |
| Boland | Farley | Kvale | Romjue |
| Boykin | Ferguson | Lambertson | Sadowski |
| Brennan | Fitzpatrick | Larrabee | Sanders, La. |
| Brown, Ga. | Ford, Calif. | Lea, Calif. | Sanders, Tex. |
| Buck | Ford, Miss. | Ludlow | Sandlin |
| Buckler, Minn. | Frey | Lundeen | Schaefer |
| Buckley, N. Y. | Fuller | McAndrews | Schuetz |
| Caldwell | Gasque | McClellan | Schulte |
| Cannon, Mo. | Gildea | McGehee | Scott |
| Carlson | Granfield | McLaughlin | Secrest |
| Carpenter | Gray, Ind. | McReynolds | Sirovich |
| Chandler | Green | McSwain | South |
| Chapman | Greenwood | Maloney | Spence |
| Citron | Greever | Martin, Colo. | Stack |
| Colden | Gregory | Mason | Starnes |
| Colmer | Griswold | May | Steagall |
| Connery | Guyer | Meeks | Taylor, Colo. |
| Cooper, Tenn. | Haines | Miller | Terry |
| Costello | Halleck | Monaghan | Thompson |
| Cravens | Hart | Montet | Tolan |
| Crosby | Hennings | Moran | Utterback |
| Cross, Tex. | Hildebrandt | Moritz | Vinson, Ky. |
| Crosser, Ohio | Hill, Ala. | Mott | Wallgren |
| Crowe | Hill, Samuel B. | Nelson | Walter |
| Cullen | Hoeppel | Nichols | Wearin |
| Daly | Hope | O'Connell | Werner |
| Dear | Houston | O'Connor | West |
| Delaney | Jacobsen | O'Day | Whelchel |
| Dempsey | Jenckes, Ind. | Parsons | White |
| Disney | Johnson, Okla. | Patman | Whittington |
| Dorsey | Johnson, Tex. | Patterson | Williams |
| Doxey | Johnson, W. Va. | Pearson | Wilson, La. |
| Driver | Jones | Peterson, Fla. | Wood |
| Duncan | Kee | Quinn | Zimmerman |
| Dunn, Pa. | Keller | Ramsay | Zioncheck |
| Eckert | | | |

NAYS—141

| | | | |
|---|---|---|---|
| Andresen | Darrow | Hull | O'Leary |
| Andrew, Mass. | Deen | Imhoff | O'Neal |
| Andrews, N. Y. | Dickstein | Jenkins, Ohio | Perkins |
| Arends | Dies | Kahn | Peterson, Ga. |
| Ashbrook | Ditter | Kelly | Pierce |
| Bacon | Dondero | Kinzer | Pittenger |
| Barden | Doughton | Knutson | Plumley |
| Beam | Duffey, Ohio | Lambeth | Polk |
| Blackney | Duffy, N. Y. | Lanham | Ramspeck |
| Bland | Eaton | Lemke | Ransley |
| Boileau | Engel | Lesinski | Rayburn |
| Bolton | Fenerty | Lewis, Colo. | Reed, Ill. |
| Brewster | Fiesinger | Lord | Reed, N. Y. |
| Brown, Mich. | Focht | Luckey | Reilly |
| Brunner | Fulmer | McCormack | Rich |
| Buchanan | Gavagan | McFarlane | Richardson |
| Burdick | Gehrmann | McKeough | Risk |
| Cary | Gingery | Mahon | Rogers, Mass. |
| Casey | Greenway | Mapes | Russell |
| Castellow | Gwynne | Marcantonio | Sauthoff |
| Celler | Hancock, N. Y. | Marshall | |
| Christianson | Harlan | Martin, Mass. | Shanley |
| Church | Hartley | Massingale | Short |
| Coffee | Healey | Maverick | Sisson |
| Cole, Md. | Higgins, Conn. | Mead | Smith, Conn. |
| Cole, N. Y. | Hobbs | Merritt, N. Y. | Smith, Va. |
| Cooley | Hoffman | Michener | Snell |
| Cooper, Ohio | Hollister | Millard | Somers, N. Y. |
| Crawford | Holmes | Mitchell, Tenn. | Stefan |

| | | | |
|---|---|---|---|
| Stewart | Thomas | Turner | Wilcox |
| Sweeney | Thomason | Turpin | Withrow |
| Taber | Thurston | Umstead | Wolcott |
| Tarver | Tinkham | Wadsworth | Wolfenden |
| Taylor, S. C. | Tonry | Welch | Woodruff |
| Taylor, Tenn. | Treadway | Wigglesworth | Young |
| Thom | | | |

NOT VOTING—136

| | | | |
|---|---|---|---|
| Adair | DeRouen | Hook | Patton |
| Allen | Dietrich | Huddleston | Pettengill |
| Amlie | Dingell | Kennedy, Md. | Peyser |
| Bacharach | Dirksen | Kennedy, N. Y. | Pfeifer |
| Bankhead | Dobbins | Kenney | Powers |
| Beiter | Dockweiler | Kerr | Rabaut |
| Bell | Doutrich | Kimball | Reece |
| Biermann | Drewry | Kleberg | Richards |
| Binderup | Driscoll | Kniffin | Robertson |
| Blanton | Dunn, Miss. | Kramer | Robinson, Utah |
| Bloom | Eagle | Lamneck | Robsion, Ky. |
| Boehne | Eicher | Lee, Okla. | Rogers, N. H. |
| Boylan | Ellenbogen | Lehlbach | Rudd |
| Brooks | Englebright | Lewis, Md. | Ryan |
| Buckbee | Faddis | Lloyd | Sabath |
| Bulwinkle | Fernandez | Lucas | Schneider |
| Burch | Fish | McGrath | Scrugham |
| Burnham | Flannagan | McGroarty | Seger |
| Cannon, Wis. | Fletcher | McLean | Shannon |
| Carmichael | Gambrill | McLeod | Smith, Wash. |
| Carter | Gassaway | McMillan | Smith, W. Va. |
| Cartwright | Gearhart | Maas | Snyder |
| Cavicchia | Gifford | Mansfield | Stubbs |
| Claiborne | Gilchrist | Merritt, Conn. | Sullivan |
| Clark, Idaho | Gillette | Mitchell, Ill. | Sumners, Tex. |
| Clark, N. C. | Goldsborough | Montague | Sutphin |
| Cochran | Goodwin | Murdock | Tobey |
| Collins | Gray, Pa. | Norton | Underwood |
| Corning | Hamlin | O'Brien | Vinson, Ga. |
| Cox | Hancock, N. C. | Oliver | Warren |
| Crowther | Harter | O'Malley | Weaver |
| Culkin | Hess | Owen | Wilson, Pa. |
| Cummings | Higgins, Mass. | Palmisano | Wolverton |
| Darden | Hill, Knute | Parks | Woodrum |

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Robsion of Kentucky (for) with Mr. McLeod (against).
Mr. Collins (for) with Mr. Wilson of Pennsylvania (against).
Mr. Bell (for) with Mr. Hess (against).
Mr. Cartwright (for) with Mr. Goodwin (against).
Mr. Lee of Oklahoma (for) with Mr. Crowther (against).
Mr. Bloom (for) with Mr. Fish (against).
Mr. Claiborne (for) with Mr. Bacharach (against).

General pairs:

Mr. Mansfield with Mr. Allen.
Mr. Huddleston with Mr. Reece.
Mr. Boehne with Mr. Gilchrist.
Mr. Cochran with Mr. Carter.
Mr. Boylan with Mr. Amlie.
Mr. Cox with Mr. Maas.
Mr. Blanton with Mr. Doutrich.
Mr. Drewry with Mr. Buckbee.
Mr. Eagle with Mr. Dirksen.
Mr. Weaver with Mr. Burnham.
Mr. Vinson of Georgia with Mr. Gifford.
Mr. Warren with Mr. Powers.
Mr. Kerr with Mr. Cavicchia.
Mr. Bulwinkle with Mr. Englebright.
Mr. Corning with Mr. Lehlbach.
Mr. Rudd with Mr. Tobey.
Mr. Kleberg with Mr. Merritt of Connecticut.
Mr. Kennedy of New York with Mr. Culkin.
Mr. Sullivan with Mr. McLean.
Mr. Robertson with Mr. Gearhart.
Mr. Snyder with Mr. Schneider.
Mr. Parks with Mr. Wolverton.
Mr. Oliver with Mr. Kimball.
Mr. Montague with Mr. Seger.
Mr. McMillan with Mr. Adair.
Mr. Bankhead with Mr. Kniffin.
Mr. Eicher with Mr. Pfeifer.
Mr. Dockweiler with Mr. Stubbs.
Mr. Burch with Mr. Hamlin.
Mr. Lamneck with Mr. Rabaut.
Mr. Ryan with Mr. DeRouen.
Mr. Fletcher with Mr. Harter.
Mr. Woodrum with Mr. O'Malley.
Mr. Cannon of Wisconsin with Mr. Biermann.
Mr. Lloyd with Mrs. Norton.
Mr. Clark of Idaho with Mr. Dunn of Mississippi.
Mr. Pettengill with Mr. Smith of Washington.
Mr. Sabath with Mr. Dingell.
Mr. Faddis with Mr. Owen.
Mr. Lucas with Mr. Binderup.
Mr. Rogers of New Hampshire with Mr. McGrath.
Mr. Smith of West Virginia with Mr. Hook.
Mr. Fernandez with Mr. Darden.
Mr. Cummings with Mr. Robinson of Utah.
Mr. Beiter with Mr. Lewis of Maryland.
Mr. Clark of North Carolina with Mr. Gray of Pennsylvania.
Mr. Scrugham with Mr. Ellenbogen.
Mr. Brooks with Mr. O'Brien.
Mr. Patton with Mr. Carmichael
Mr. Dobbins with Mr. Richards.
Mr. Hancock of North Carolina with Mr. Driscoll.
Mr. Sumners of Texas with Mr. Flannagan.
Mr. McGroarty with Mr. Mitchell of Illinois.
Mr. Underwood with Mr. Higgins of Massachusetts.
Mr. Gassaway with Mr. Dietrich.
Mr. Knute Hill with Mr. Gillette.
Mr. Kennedy of Maryland with Mr. Sutphin.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the bill was passed was laid on the table.

THE TAX BILL

Mr. DOUGHTON, from the Committee on Ways and Means, reported a conference report and statement upon the bill (H. R. 8974, Rept. No. 1885) to provide revenue, equalize taxation, and for other purposes, for printing under the rule.

FOUR HUNDREDTH ANNIVERSARY, HERNANDO DE SOTO

Mr. KELLER. Mr. Speaker, I present a conference report and statement upon House Joint Resolution 265 (Rept. No. 1886) to commemorate the four hundredth anniversary of Hernando De Soto for printing under the rule.

PRESIDENT'S BIRTHDAY BALL

Mr. UTTERBACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein the speech of the gentleman from Iowa [Mr. WEARIN].

The SPEAKER. Is there objection?

There was no objection.

Mr. UTTERBACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. OTHA D. WEARIN at Charles Town, W. Va., on Wednesday, January 30:

It seems peculiarly fitting and proper that my first public address in this section of the East, outside of the city of Washington, should be in West Virginia, the ancestral home of my family, from whence, many long years ago, my great-grandfather, Michel Wearin, and his four sons started their westward migration that led them into Ohio, Indiana, and eventually to the valley of the Nishna in the Hawkeye State beyond the Father of Waters.

Tonight I return to the scenes of my forefathers with a feeling that somehow I sort of belong here in this lovely, historic, western portion of the Old Dominion. To those of you who might have been our neighbors, I bring greetings from those of us who have wandered far beyond the blue to lend a helping hand in carving empires from seas of waving prairie grass. I assure you it was the ever-present, indescribable, but cheering bond of security in the homeland here in this Commonwealth east of the Alleghenies that made possible whatever meager success we may have achieved. Our thoughts turn back to you, times beyond number.

I am with you this evening by the courtesy of your distinguished and able Representative in Congress, the Honorable JENNINGS RANDOLPH, who I assure you has become a prominent Member in the halls of your national legislative body. It is our good fortune, both of us, to be members of the younger group of men who are serving in the House of Representatives at the present time. Sir William Pitt, who as a Member of Parliament at 21, Chancellor of the Exchequer at 23, Prime Minister and practically ruler of all England at 25, used to say half whimsically that he was "guilty of the damnable crime of being a young man." We note with interest, however, that throughout the history of civilized society men under 40 have marched in the vanguard of public affairs, in many instances rendering a tremendous service to the cause of their country.

The Declaration of Independence in our own beloved Nation was written by a man who was still in his thirties, as was his contemporary who practically planned and organized our National Treasury system. Upon certain occasions I devote a full evening to the discussion of marked contributions on the part of the world's youth, not the least of whom was William Cullen Bryant, who at 16 wrote one of the greatest poems of all time, "Thanatopsis." It is sufficient to say that this State of West Virginia, as has your sister of whom you were at one time part and parcel, the Old Dominion, seen fit to continue recognizing youth.

It seems only fitting and proper at this milestone of our national progress that we pause for a moment to consider that ever-present challenge, "Whither bound?" In the early days of American democracy there were but few economic rocks ahead for those who ruled this infant Nation. What seemed unlimited acres of rich and fertile soil stretched out beyond the Alleghenies to a far-flung golden coast line that was little more than a mythical dream. When society became oppressive or when opportunities at home were for one reason or another curtailed, the individual was at liberty to expand, to take to the open road, to establish a new home in a territory that he might reclaim for his own. Macaulay once said, in effect, that our Nation would be safe under the rule of democracy until we had claimed our land, harnessed our rivers, and linked our shores with transportation.

I would remind you likewise that in this society it was of paramount importance—in fact, it was a necessity—that we utilize the

foreign markets of our neighbors. The products of England, of France, and of the Orient were brought into the coastal harbors of the Atlantic, up the Potomac, the Chesapeake, and the other great rivers of the East that penetrate beyond the outermost edges of the tidewater area. In return we shipped back in the empty holds of the then scarcely adequate merchant marine the riches of our tobacco, cotton, furs, grains, and other valuable articles of trade. In other words, a normal trade condition existed. We bought and we sold, thereby creating margins of profit abroad and at home. Under this program of settlement, of expansion, and of trade America prospered and became rich. She passed through intermittent decades of rising and falling markets occasioned by various circumstances, among which was the increasing tendency of what at one time was known as "the Federalist group", now better termed, perhaps, "the Nationalist", and to be found in both major political parties today, who were advocating and securing higher levels of tariff protection upon the theory that the policy would safeguard our workmen's standard of living and enrich the coffers of infant industries.

Wars were fought, discoveries were made, alterations of government were effected, and still America lived. As a result of those circumstances the balance of trade was largely in the hands of our neighbors across the sea, and things were faring quite well in this new democratic land of ours.

At about this juncture in affairs an incident of great importance and significance—in fact, the turning point in the economic history of America occurred. War was declared on the Continent of Europe, ostensibly because of murdered royalty in the little country of Serbia, but in reality because of long-smoldering hatreds and ambitious dreams on the part of military groups that dominated not only monarchs but the deliberative assemblies of their respective countries. Eventually America was catapulted into the conflict, but even before that incident occurred her position in the international set-up underwent a distinct alteration. She found to her satisfaction and delight that she was selling more than she was buying. The demand for American-made goods on the part of nations devoting their full strength to the operation of war machines was tremendous.

American munitions manufacturers were in glory. Production of all types in industrial circles was stimulated, even farm prices began to rise, and America thought she was entering upon a period of industrial expansion that would continue indefinitely. Eventually our own forces were drawn out upon the bloody fields of battle, at which time the production of this Nation was driven to the last inch. Every available pound of steam was pushed into American boilers; every wheel whirred in its endless round of haste. Our Nation was like a great liner being pushed to the last knot in a record run, and, fortunately, we made it; but at the conclusion of hostilities we found ourselves in a state of affairs that taxed the knowledge of our diplomats and financiers. Our position was exactly the reverse of what it was before the opening days of the World War. In place of being in debt, every major civilized nation on the globe owed us money. The principles of an inescapable economic law suddenly dawned upon the consciousness of those who ruled the Nation in Washington and the temples of the money changers.

There are only three satisfactory ways in which man or country can do business. Those three methods are cash, credit, and exchange. Keeping those facts in mind let us analyze briefly the circumstances under which this country was operating. A new party had come into power in Washington pledged to an extreme nationalistic policy, to be promoted through the agency of an excessively high protective tariff which was enacted in the early years of its reign ere the stench had scarcely cleared from the battlefields of Europe and long before the smoking guns of the respective armies had been trundled from the scene of action. America had been urged to produce to capacity and was still doing so under the theory that she could preserve her prosperous era thereby, but obviously her output was greater than her capacity to consume and, therefore, she must find a market for her surplus in order to keep the wheels of her factories turning, the plows of her farmers scouring, and the hands of her workmen employed. But what was the situation with reference to that market?

The nations of Europe had borrowed to the hilt in their supreme effort to win the war, consequently their security as far as the international bankers of America were concerned was not good and, therefore, the possibility of doing business with Europe on the basis of credit was impossible.

Not only had foreign nations exhausted their credit but they had spent practically every available dollar of cash, as was evidenced by the fact that the United States had in its possession at that time 60 percent of the world's gold supply. It takes the balance of that commodity to operate satisfactorily the business of the universe, other than in America. So we can see very plainly that the possibility of doing business for cash with America in order to absorb her surplus was impossible. The only remaining method available was by exchange of goods for goods, but the American tariff system at that time was so excessively high that no such arrangement was possible.

We maintained ourselves for a few short months in order to get by a congressional election through the illicit and unfortunate practice of permitting our foreign neighbors to sell millions of dollars in worthless bonds to the unsuspecting American public that the international bankers of this country would not buy themselves. Thus, as far as the common man was concerned insult was added to injury. It was evident to all those who were careful observers at the time that a catastrophe was inevitable, and it came from not being able to sell our surplus that we were producing at top speed in an effort to supply American labor with employment, that was piling higher and higher in the granaries and storehouses of the Nation. When American industries began to realize the situation they gradually started decreasing operations with the result that we soon had the peculiar phenomena of vast riches, tremendous supplies of food, clothing, and supplies on hand while men lost their jobs by the tens of thousands and, thereby, their purchasing power.

In the face of these facts that I have endeavored to explain to you in the order of their occurrence there are still those in America who would have you believe that an excessively high protective-tariff system preserves the standard of American laboring men, when, under the highest tariff of American history, 12,000,000 to 15,000,000 of them marched the streets and the country roads of America hungry and unemployed. European markets were closed to us because they had exhausted their financial resources in the war as well as their credit and the leadership of this Nation, like an overfull vulture, sat back in complacence and refused to do business upon any reasonable basis of exchange.

It was this situation which confronted our able and distinguished Franklin D. Roosevelt in March 1933, only it had grown to the point of a great national calamity. The closing of industries had affected the purchasing power of American labor, thus leaving the farmers of the Nation without a market, resulting in corn that sold in my country for 8 cents a bushel, less than the tariff on that product, wheat that sold in Kansas for approximately half the tariff on the product.

Agricultural producers therefore were unable to meet their obligations, resulting in the closing of banks by the thousands. There was little the new administration could do at its advent in Washington other than to temporarily endeavor to curtail agricultural and industrial production, unsound as the theory involved therein is, until such time as the financial condition of the Nation in general could be temporarily bolstered.

Unfortunately, while we are attending to the flames at our threshold, the prairies beyond the dooryard are on fire. In the curtailing of production, while we are endeavoring to negotiate trade treaties, which is the only available means of correcting the unfortunate situation perpetrated upon the American people, the markets that should have been America's ever since the armistice are being rapidly absorbed through nationalistic programs on the part of other countries who are being stimulated to feed and clothe themselves. It is to be hoped that this unfortunate condition through which America has passed can be corrected and that we can pull out of the trough in which we have been swamped.

I hope that we will be able to see the return of a healthy condition in American business occasioned by the normal trade of this Nation with the far corners of the earth in order that our surpluses of agriculture and manufactured products, totaling in many individual cases as much as 60, 70, or 80 percent, can be marketed. Only through such a program can we preserve individual liberty and a degree of prosperity in the United States. Only in that manner can we keep the wheels of industry moving, continue men at work, and create a prosperous agriculture. To follow a nationalistic program of control and regulation to its ultimate conclusion would, of course, be out of harmony with the Jeffersonian theory of personal liberty of a type that does not endanger the welfare of others. Nationalism of the type that was being stimulated under the provisions of the Smoot-Hawley Tariff Act would lead, of course, to the enthronement of liberty in robes of personal greed that would eventually have swished aside the welfare of the masses. Certainly we do not desire that type of economic policy in America nor do we anticipate nationalistic control that will lead us to state ownership in other than a few fields that have become so universally indispensable to the public welfare. In other words, generally speaking, I believe that America still prefers poker to contract bridge.

To my mind, if the intelligent young men and women of America can pioneer their way as they always have done toward the goal of sensible economic relationships on the part of this Nation with all nations, if we can achieve a sound trade basis under which American labor can be kept employed in our factories, thereby supplying the necessary purchasing power to create prosperity in American agriculture, we will be on our way to a permanent status of sound business that will again speak well for the financial independence of the average American citizen. In doing this we will in the words of that noted poet whose name has already entered into my remarks tonight:

> Build thee more stately mansions, O my soul,
> As the swift seasons roll!
> Leave thy low-vaulted past!
> Let each new temple, nobler than the last,
> Shut thee from heaven with a dome more vast,
> 'Till thou at length art free,
> Leaving thine outgrown shell by life's unresting sea!

## EXTENSION OF REMARKS

Mr. GRAY of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. O'CONNOR. Mr. Speaker, every Member has permission to extend his own remarks in the RECORD as often as he wants until the last copy of the RECORD is printed.

NEUTRALITY LEGISLATION

Mr. WITHROW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter written by my constituents on the question of neutrality.

The SPEAKER. Is there objection?

There was no objection.

Mr. WITHROW. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter favoring immediate enactment of neutrality legislation:

TOMAH, WIS., *August 21, 1935.*

HON. GARDNER R. WITHROW,
*House Office Building, Washington, D. C.*

DEAR MR. WITHROW: We are disturbed lest Congress may fail to enact the necessary neutrality legislation this session and thereby the United States may be drawn into the next foreign war.

Will you do your utmost to secure the immediate enactment of a comprehensive neutrality policy that will prevent the United States from being drawn into a foreign war? So that our feelings may be known to other Senators, please place our expression of opinion in the CONGRESSIONAL RECORD.

Most sincerely yours,

THEDA SCHUELKE.
MRS. C. W. BIRKENMEYER.
MRS. THEDA JOHNSON.
MRS. L. W. EARLE.
NELDA SCHUELKE.
MRS. W. F. SCHUELKE.
CAROLINE W. L. VOSWINKEL.

HOUR OF MEETING TOMORROW

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, what is the reason for this?

Mr. TAYLOR of Colorado. The reason is that I apprehend it may save another day.

Mr. SNELL. Let us know what is coming up tomorrow.

Mr. TAYLOR of Colorado. Nobody can tell what is coming up tomorrow. There will be a lot of things coming up tomorrow.

Mr. SNELL. If we are going to have just such a performance as we have had here today, I shall object.

Mr. O'CONNOR. I would not blame the gentleman if he did, but to start with, we have nine rules.

Mr. SNELL. This was a rule from this great Committee on Rules.

Mr. O'CONNOR. Oh, I served on the Rules Committee when the gentleman was chairman and he reported flood-control bills.

Mr. SNELL. Never such a bill as the one we have had here today in all my life.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I object.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ROBERTSON, of Virginia, indefinitely, on account of illness.

To Mr. DARDEN, of Virginia, indefinitely, on account of illness.

SENATE BILL REFERRED

Bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3440. An act to amend certain acts relating to public printing and binding and the distribution of public documents, and acts amendatory thereof; to the Committee on Printing.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3019. An act to amend "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269);

H. R. 6732. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes;

H. R. 7167. An act to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes;

H. R. 7199. An act to provide for the donation of certain Army equipment to posts of the Veterans of Foreign Wars;

H. R. 7709. An act to provide time credits for substitute laborers in the Post Office when appointed as regular laborers;

H. R. 8632. An act to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for the reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933; and

H. R. 8651. An act to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 414. An act to convey certain lands and buildings to the city of Reno, Nev.;

S. 1374. An act relative to the proposed survey, location, and construction of a highway to connect the Northwestern part of continental United States with British Columbia, Yukon Territory, and the Territory of Alaska;

S. 1448. An act for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918;

S. 2203. An act to promote the development of Indian arts and crafts and to create a board to assist therein, and for other purposes;

S. 2578. An act authorizing distribution of funds to the credit of the Wyandotte Indians, Oklahoma;

S. 2608. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933;

S. 2644. An act for the relief of the estate of Harry F. Stern;

S. 2761. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon;

S. 2888. An act to provide for the disposition, control, and use of surplus real property acquired by Federal agencies, and for other purposes;

S. 3092. An act to provide funds for cooperation with White Bird school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children; and

S. J. Res. 65. Joint resolution to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended.

EXTENSION OF REMARKS

THE HOMESTEAD NATIONAL MONUMENT OF AMERICA, THE LINK BETWEEN THE HOMESTEAD ACT OF ABRAHAM LINCOLN AND THE RECOVERY PROGRAM OF FRANKLIN DELANO ROOSEVELT. (1863–1935)

Mr. LUCKEY. Mr. Speaker, under the leave granted me to extend my remarks, I present a brief statement in support of the proposed establishment of the Homestead National Monument of America in Gage County, Nebr.

The citizens of Beatrice for the past 30 years have been making an effort to convert the Daniel Freeman Homestead No. 1 into a national park. The interest now has not only

spread throughout the State of Nebraska, but has gone beyond its boundaries into other States.

The Freeman homestead is located 5 miles northwest of Beatrice. It contains 160 acres of fertile soil. It is a typical midwestern tract of land in the shape of a T. Its surface varies from slightly rolling to level areas. Through the center of it a small stream winds its way, which is fed by constant-flowing springs. The banks of the stream are carpeted with a heavy growth of blue grass, shaded by stately trees of several varieties.

The old freighting road from the Missouri River to the mountains runs for nearly a mile through the homestead, and on the hill at one corner of the farm overlooking the valley and the freighting road are the graves of Mr. and Mrs. Freeman. A short distance below is a marker made of the stone taken from the old Nebraska State Capitol and erected by the D. A. R. of Nebraska.

The Daniel Freeman homestead marks the most important act for the welfare of the people ever passed in the history of the United States. For the first 80 years of the United States history there were no free homesteads. All those who wanted land had to purchase it. While it was priced low, the people in many cases were too poor to buy it even at a low cost. In 1852 a party called the "Free Soil Party" demanded homesteads for the people. In 1854 the first free-homestead bill was introduced in Congress by Congressman Galusha A. Grow, of Pennsylvania. The act required the settler to pay 25 cents an acre for the land, and it was passed in 1860 but vetoed by President Buchanan. Two years later the bill was introduced again in a slightly different form and on May 20, 1862, the Free Homestead Act was finally passed and signed by President Abraham Lincoln. The law was effective January 1, 1863.

The Homestead Act is sometimes conceived as a plan which originated in the Middle West. However, its inception was embodied in the desire to relieve the conditions in the East. There were many unemployed then—as there are now. The Homestead Act was in one respect a reward to the soldiers of the Union Army. It gave every citizen a right to make a home upon the public domain. Thus, the middle western territory was the solution to the problem of the East.

The first free homestead in the United States was taken by Daniel Freeman on Cub Creek in Gage County, Nebr. When the free-homestead bill was signed, Daniel Freeman was a soldier in the Union Army. Shortly after, while on a furlough, he selected his tract of land and started for the nearest land office, which was at Brownville, Nebr. He arrived there on December 31, 1862. The little village was thronged with settlers who came there for the same purpose. The land seekers enjoyed themselves that evening at a New Year's party. Since the next day was New Year's Day, the land office was closed. Mr. Freeman had orders to leave on the 1st of January to join his regiment. It was known how anxious Daniel Freeman was to be the first to file for a homestead, so by general consent, at midnight, the clerk of the land office opened it for a few minutes and made it possible for Daniel Freeman to sign for the first homestead in the United States.

Daniel Freeman served his country in the Union Army until the close of the Civil War in 1865. He then brought his bride and settled on his Nebraska homestead, which symbolizes the home building and the settlement of the Middle West.

Some 1,000,000 homesteaders followed Mr. Freeman, receiving about 120,000,000 acres of land as a free gift from our Government. There were other grants of land which were made to promote the growth of this section. Nebraska alone received 3,370,000 acres. Sections 16 and 36 of each township were appropriated for the public school, 90,000 acres were appropriated for the agricultural college, 46,080 acres for the university. The remainder was to be used for internal improvements. Other grants were made to railroad companies to encourage railroad construction.

As the Middle West was settled it was found that in sandhill areas 160 acres was not sufficient to support a family, so in 1904, through the efforts of Congressman Moses P. Kinkaid, of Nebraska, another homestead act was passed which increased the area from 160 acres to 640 acres. Some 8,000,000 acres of sandy and rough land was settled by virtue of this act. Today it is being found that many of these areas cannot support families even on this enlarged basis, so the Government is buying back this land and is turning it into wild-game reserves, national parks, and forest reserves similar to the Halsey Reserve and the Niobrara Reserve in Cherry County, Nebr.

The Homestead Act, enacted for the purpose of solving a problem of humanity, marks a certain era in our civilization. The need then was chiefly material. Today humanity again is at the crossroads. The need now is partly material, but also spiritual. It is contended by many that since the Homestead Act marks this most significant development of the Middle West, its importance should be signified by making homestead no. 1 into a national monument.

Does it not seem fitting that since homestead no. 1 marks the old era in the Government's effort to solve the problems of humanity, this same Government should use this same homestead no. 1 and make it a national park? It should be conceived as a monument to the pioneers of the new day who must view the needs of humanity, not only in satisfying material wants, but also in satisfying those intangible spiritual needs which are necessary for full, rich living and a complete life—the goal of our democracy.

This is the story of the part the homestead idea played in the life of our civilization. The importance of perpetuating the knowledge of its significance is so keenly felt and appreciated by such organizations as the Congress of Parents and Teachers, the D. A. R., the American Legion, and many other citizens that a request is being made to convert, by an act of Congress, homestead no. 1 into a national park.

### WAR DEPARTMENT INVESTIGATION

Mr. McSWAIN. Mr. Speaker, under general permission, I insert the following, which are my own remarks relative to the War Department investigation, prepared primarily as a press release:

Chairman McSWAIN of the Committee on Military Affairs this day filed his report upon the proceedings of that committee in its investigation of War Department transactions by authority of House Resolution 59. This is a very voluminous report and covers a wide range of subjects. It calls attention to the fact that the committee has been exceedingly busy during this entire session with its investigation. It has examined about 90 witnesses and taken about 3,000 pages of typewritten testimony, and has examined hundreds of files and thousands of letters from the War Department and from those firms and individuals who have had business transactions with the War Department. The report briefly recapitulates the cases relating to Maj. Gen. Benjamin D. Foulois, Brig. Gen. Alexander E. Williams, and Col. Joseph I. McMullen, and directs attention to the fact that every substantial allegation of fact that has been made by the committee with regard to these officers has been sustained.

A large part of the report deals with the transactions of Joseph Silverman, operating under a number of different firm names, with the War Department since the year 1919. It describes the methods and tactics employed by Silverman in seeking by influence and favors to obtain action upon his proposals to buy War Department surplus goods. It points out the fact that the terrible abuses that have grown up in connection with these transactions, with which the name of Silverman is connected, were due to the existence of a statute permitting the sale of surplus Army goods by negotiated contracts. This act of Congress, passed in 1919, should be repealed, and a bill has been introduced by Chairman McSWAIN to repeal that statute and to require that all such surplus Army goods shall be advertised and all persons shall have an equal right to bid, and the property shall be sold to the highest bidder. The War Department has approved of this bill, and undoubtedly it will be enacted into law early in the next session of Congress.

The report also deals with the practices that have heretofore prevailed with reference to the purchase of Army aircraft and Army motor vehicles. It points to the fact that the act of July 2, 1926, with reference to the procurement of aircraft, has not been obeyed in either letter or spirit, and that the Judge Advocate General of the Army, the Attorney General of the United States, and the Comptroller General of the United States have all held that the views of the committee as to the proper construction of the act of July 2, 1926, are correct.

The report quotes letters from the Secretary of War and the Assistant Secretary of War to the effect that the practice heretofore prevailing of purchasing aircraft by negotiated bids has been abandoned and that, beginning about a year ago, design competi-

tions have been opened and manufacturers have been invited to submit new designs of aircraft, and that as a result of this new procedure great progress has been made. It is believed that the progress of military aviation during the last year, as a result of this lively competition between the several manufacturers, has advanced as much as 5 years over conditions heretofore prevailing. As a result of this new principle of competition we now have at Wright Field, being tested and evaluated, three bombers which are believed to be in advance of anything else of the kind in the world. They are the Martin bomber, the Douglass bomber, and the Boeing bomber. The latter bomber very recently made a nonstop flight from the factory where it was built in Seattle, Wash., to Dayton, Ohio, of 2,100 miles in 11 hours and used only 65 percent of its power. Progress in the building of bombers by competition is duplicated also as to pursuit planes and observation planes. Speed has been tremendously accelerated in the last year, and the Committee on Military Affairs believes that the new policy of the War Department will not only put America ahead of other nations in the performance of its aircraft but will keep America ahead if the principle of competition in design and performance is kept up in the right spirit.

The report of the committee also deals extensively with the practice heretofore prevailing with reference to the purchase of motor vehicles such as truck and passenger automobiles. It points out that favoritism and partiality have been shown by reason of peculiar and unnecessary specifications whereby all manufacturers except one would be excluded from bidding. An illustration is the fact that full-force lubrication was prescribed in the early part of 1934 as against the ordinary splash system of lubrication. By reason of these specifications the Chevrolet trucks were excluded from bidding for War Department business. The committee recommends that henceforth when automobiles in large quantity are to be bought that representatives of the War Department and of the several services requiring such automobiles meet in conference with representatives of the various automobile manufacturers and that they then confer as to the absolute requirements of performance necessary to meet the demands of the service. Then such broad and comprehensive specifications will be written as to permit actual bona fide competition between the several manufacturers of automobiles. By reason of this competition the Government will not only get trucks at a lower price but will undoubtedly in the end obtain better trucks and better automobiles.

The report of the committee also goes somewhat extensively into the subject of an alleged conspiracy sought to be entered into between Joseph Silverman, Frank Speicher, and representatives of certain manufacturers of automobiles whereby all bids for automobiles would be pooled and the pooling agent was to be Joseph Silverman, and the testimony tends to show that Joseph Silverman was to obtain a commission of about $750,000 on the purchase of $10,000,000 worth of automobiles and trucks. This $750,000 was to be split three ways, according to some testimony, one-third to Silverman, one-third to Frank Speicher, and one-third to Norman K. Haig. Of course, there is some testimony that certain underlings, tools of these principal actors, were to receive financial rewards. Such testimony quotes Joseph Silverman to the effect that "he had a horse to feed, whereas others had only rabbits to feed." The text of the testimony would indicate that by a "horse" it was intended to refer to some very expensive and costly individual of great influence that Silverman claimed to control. By "rabbits" it manifestly meant persons of less influence who would receive less reward.

The report also indicates by 15 different questions lines of inquiry and investigation which the committee has been unable to complete. As to the matters covered by those questions, no testimony is included in the report, because the committee states that it has been very scrupulous to follow the policy announced by Chairman McSWAIN at the time House Resolution 59 was adopted by the House, that the reputation of no man would be besmirched by insinuations, and that facts and only facts would be adduced. Chairman McSWAIN stated that it was not the purpose of the committee to go headline hunting or to seek sensations. The committee congratulates, through the chairman, the War Department and the Congress and the whole country that so few Army officers have been found to be guilty of dereliction of duty and wrongdoing. It directs attention to the fact that of 12,000 Army officers, a very small number, certainly less than a dozen in all, have been found to be connected with questionable practices; and the names of all such are excluded from the public, except those already mentioned in this statement, because the committee is unwilling to blast the reputation of any officer until abundant evidence is in possession of the committee that his own conduct justifies condemnation.

On the contrary, the thousands of high-minded, honorable, honest, patriotic, and efficient officers are commended for their service to the country and their efforts constantly to improve their efficiency in order to be of greater service in the event of a national emergency. Chairman McSWAIN says that the investigation has already resulted in saving to the Government millions of dollars and has purged the condition that had heretofore created a great deal of suspicion, and that he believes the investigation will in the future result in the saving of tens of millions of dollars. Furthermore, the housecleaning by this investigation will have a beneficial and cleansing effect for a long time, perhaps a hundred years. The memory of the shame and disgrace of those who were caught red-handed will constantly be before all others who may be tempted and the temptation will consequently be resisted. Therefore, Chairman McSWAIN says that the investigation has strengthened the cause of national defense tremendously. It has cleared the atmosphere, which has been murky with suspicion and rumors for several years. The investigation has been very thorough, and if, from now on, anybody suggests suspicion, the complete answer is that the committee worked very hard, spared no man, however high or however low, went to the bottom of all records, searched the files of every person having had business with the War Department, and that if there was anything wrong the committee would have found it.

The public will remember that one of the results of the investigation was the exposure of an unbusinesslike condition at the Port Newark Army supply base at Newark, N. J. It was discovered, after nearly 3 years of diligent investigation by the committee, that the Mercur Corporation, which was operating said supply base, which in fact was a very large warehouse or series of warehouses, was in default in its payments to the Government of approximately $800,000. As a result of that investigation a suit for accounting was ordered to be instituted and has been instituted several months ago in the southern district of New York, and the same is now pending. The Department of Justice is vigorously prosecuting that suit and undoubtedly a substantial recovery will be had. Many other matters are referred to briefly in the report, and as the investigation will continue during the recess and also during the next session of Congress as additional irregularities may be discovered, the public will be apprised of them through partial reports from time to time and through press releases, but no innocent man will be besmirched and yet no powerful person will be protected if in the wrong. The committee is out to get the facts and nothing but the facts, and will not be deterred in its determination to ascertain the truth, the whole truth, and nothing but the truth.

## NEUTRALITY

Mr. DITTER. Mr. Speaker, in spite of the justification to bring the present session of Congress to a close as speedily as possible, I am persuaded that the serious situation in Europe today demands our attention in the hope of avoiding a recurrence of the conditions which grew out of the Serbian episode of 1914, and which ultimately forced America into the World War. News dispatches touching upon the Italian-Ethiopian relations paint a gloomy and foreboding picture.

Europe is again at the brink of an abyss. The peace of Europe is again threatened. The stage seems set for a struggle similar to the conflagration which burned away billions of dollars only a few short years ago. The war to end wars was apparently a dismal failure in the march of humanity for progress and toward peace. The seriousness of the situation is made plain as we read of the special meeting of the British Cabinet today to study the gravity of the conditions prevailing in Europe. I am not an alarmist. Scare headlines do not affect me, but no one, who has given any attention to the subject, can be insensible of the imminence of the danger. And, Mr. Speaker, it is my conviction that we have a duty to perform, a duty to every American boy, to every American mother, to every American home to do everything in our power before we adjourn to prevent this Nation from being drawn again into the vortex of devastation and destruction. And, Mr. Speaker, I am willing to remain in session until such reasonable measures are enacted as will still the fears and quiet the heart throbs of the mothers of the land who remember only too well the anguish of the bugle call, the drum beat, and the rattle of musketry. The certainty of the neutrality of America should be established. The imminence of the danger brooks no delay.

A detailed recital of the influences which brought our Nation into the World War are hardly necessary. Suffice it to say that indisputable evidence has been presented which proves conclusively that dealing in munitions and the financial factors incident thereto played a most prominent part in plunging us into the struggle. An examination of a letter from Secretary of State Lansing dated September 6, 1915, to President Wilson is illuminating as it portrays conditions and discloses the true picture of events which culminated in our declaration of war. A neutrality policy had been adopted by the country. The warring nations of Europe were increasingly dependent upon us for goods and munitions. Our exports exceeded our imports and large credit balances in our favor were established. The financial strain upon the European nations and the European bankers as a result of the increasing indebtedness indicated either a discontinuance of purchases here in America by the belligerents or a collapse of their financial structure. The Secretary of State, in pointing out what seemed to him to be the dire

consequences of a discontinuance of our munitions trade, based his appeal for a change in our neutrality policy on the threatened diminution of industry and the loss of our business interests. The letter advocated a change in policy which would permit loans being floated here to enable the belligerent nations to continue to meet their obligations for the purchase of more devices for carnage and destruction.

Mr. Speaker, one line of that letter warrants exact repetition as the Secretary says:

My opinion is that we ought to allow the loans to be made for our own good.

The hellish harrows of that conflict, the memories of 1917 and 1918 rise up to haunt us as we read the words "our own good." Our own good meant putting dollars above the instrumentalities that give us love and affection and home ties and precipitated our Nation into the fiendish fury. The Secretary's plea was effective. Price was put above peace. Loans were floated. Munitions were manufactured. Neutrality became a farce. The success of debtor nations was threatened. Propagandists played their part. And America was in the World War. "Make the world safe for democracy" was the deceptive phrase used to entice the flower of American manhood to the fields of France, to make business safe for those who dealt in devices for the destruction of civilization. Parenthetically it should be said, the phrase "war debts" is still a haunting memory.

A possible repetition of such conditions should not be countenanced today. Upon us falls the solemn obligation to keep America safe for peace, to prevent the sacrifice of American manhood on the altar of commercial expediency, and to contribute our influence as a people to world peace. I have supported and shall continue to support a program for the adequate defense of the Nation. I am convinced that the surest path for the peace of America lies in the maintenance of an Army and Navy which will command the respect of the nations of the world. But this program does not include a policy of meddling through business interests in the affairs of Europe.

Mr. Speaker, I therefore urge the adoption of the Senate resolution on neutrality. It provides the most feasible protection against the dangers which we face. It places a premium on peace and places manhood above munitions. I believe that it will minimize the possibility of America's being drawn into the threatened European destruction and that it will make America safe for the survival of the spirit of peace and good will.

### KRAMER BILL TWIN-KILLER OF AMERICAN LIBERTY WITH THE NAVAL-MILITARY GAG BILL

Mr. MAVERICK. Mr. Speaker, the Kramer bill has been reported out of the Judiciary Committee. I was really astonished when the bill was reported out. I regard the Kramer bill and the "military disaffection bill" as the two most dangerous bills ever to get near the floor since the Alien and Sedition Acts of 1798. They are twin bills to kill American liberty and freedom. I am glad to note that Hon. EMANUEL CELLER, of New York, has filed a brilliant minority report opposing the Kramer bill. Mr. CELLER's report is a document worth reading. He cites many cases which are interesting, and should be studied. I am informed several other Members will vigorously oppose it.

Personally I do not think that the depression is by any means over—I am afraid the worst is yet to come. I think that we face much more serious problems than we can now possibly realize. And as an American—or as a human being—hating and despising brutality, despotic government, race prejudice, poverty, hunger, starvation, and the violation of ordinary human rights, I favor settling our problems in a peaceful manner and with the ballot.

Insofar as we understand government, brute force is not a proper agency to control men's minds and their ideas.

Force begets force. Hatred begets hatred. And if we start jailing people for talk and for writing, however irresponsible or wild these utterances may be, we are leading ourselves into trouble, and we already have dozens of laws to protect this Government against criminal and overt acts; this Kramer bill is absolutely unnecessary. The worst thing about these antisedition bills is that they will be misused against innocent people for the suppression of opinions, the prevention of freedom of press, will be an instrument of widest oppression, will cause fanatical actions throughout the country, and will serve no purpose except to cause trouble, disturbance, and ill feeling. It is another Stalin-Hitler bill that thoroughly deserves an overwhelming defeat.

I heretofore indicated and have inserted in the RECORD the attitude of the press against the naval-military gag bill and I have found that literally thousands of editorials and stories have been written against that bill—and the Kramer bill is getting the same reception. It would be impossible to even enumerate the editorials and stories, but I take pleasure in inserting in the RECORD an editorial from the State of Virginia, which is undoubtedly the most conservative State in the Union. It is from the Richmond Times-Dispatch of Wednesday, August 21, 1935, and is as follows:

#### ANOTHER THREAT TO LIBERTY

At the risk of becoming tedious, the Times-Dispatch warns against another threat to civil liberties—the Kramer bill, now pending in Congress. Like the iniquitous Tydings-McCormack antisedition bill, this measure embodies great potentialities for evil, and is unnecessary besides. The bill makes it a felony to advocate the overthrow of the United States Government by force and violence. There are strict laws on the books now against insurrection or conspiracy, and the only utterances now immune are individual utterances and writings. If the constitutional guarantee of free speech and a free press means anything, they must remain immune.

No one can say where the thing would end if the Kramer bill were passed. Advocated by such professional patrioteers as the Hearst and Macfadden newspapers, this gag law might be used in many ways, once it was on the statute books. It could be invoked against publishers of newspapers or books who might be deemed to have published something construable as advocacy of violent overthrow of the Government. It might be used to deny organized labor its constitutional rights.

We are frankly suspicious of any legislation of this nature sponsored by the Hearst newspapers. The despicable and dishonest "red hunts" in which those sheets have indulged of late are enough to disgust any honest citizen.

This country has gotten along pretty well for considerably more than a century without the enactment of a peace-time seditional law, and there is no reason to believe that we need one now. The sedition law of 1798 is the last such piece of legislation with which we have been afflicted, and we trust there won't be any more like it.

The Kramer bill is a companion measure to the Tydings-McCormack bill. It is designed to protect the civilian population from the "red menace", whatever that is, just as the Tydings-McCormack bill is aimed at saving the Army and Navy from the bold, bad Bolsheviki. The sooner both bills go down the chute the better.

### THE FALLACY OF THE PRESIDENT'S EMPLOYMENT POLICY

Mr. ANDRESEN. Mr. Speaker and Members of the House, the morale and spirit of thousands of honest unemployed in this country is being crushed and destroyed by the labor policy of the President in connection with the huge spending program of the present administration. The President's Executive order which requires that 90 percent of labor on Government projects must be taken from relief rolls is an insult to the hundreds of thousands of unemployed who have had the courage, pride, and fortitude to in some way take care of themselves and stay off of the Governmental relief rolls.

Hundreds of letters, telegrams, and resolutions of protest against the President's labor policy have come to me from individuals, labor organizations, service and business clubs. These communications have come particularly from my own congressional district in southeastern Minnesota. In the cities of Winona, Kellogg, Wabasha, Lake City, Red Wing, and other communities in the district thousands of unemployed, not on relief, are walking the streets of their respective communities.

Work is available for thousands of laborers in connection with the construction of dams in the upper Mississippi River. The unemployed not on relief have asked to be put to work on these projects, but Mr. Harry Hopkins and the President turn deaf ears to their appeals and say, "You cannot have work because you are not on relief." The number of employable persons on relief are few, and instead of using other local unemployed the administration is importing labor from

long distances to take away the work which rightfully belongs to local labor.

I have discussed this matter with Mr. Hopkins and his associates. They will do nothing. On August 9 of this year I addressed a letter to the President, requesting him to change his labor policy, but up to date he has utterly ignored my request and the appeals of thousands of unemployed in my district.

For the benefit of the Members of the House, I am inserting herewith my letter to the President.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D. C., August 9, 1935.*

HON. FRANKLIN DELANO ROOSEVELT,
*President of the United States, The White House,*
*Washington, D. C.*

MY DEAR MR. PRESIDENT: My attention has been called repeatedly to the unemployment situation as it exists in southern Minnesota, and I therefore feel it my duty to bring to your attention the discrimination which is being practiced against unemployed individuals who are not on relief.

I wish to call your particular attention to the Public Works project, Dam No. 3 in the Mississippi River, which is being constructed near Red Wing, Minn.

The case, as outlined with reference to Dam No. 3, is identical with the labor situation as it relates to other construction projects on the Mississippi River. Projects are under way at Winona, Minn., La Crosse, Wis., and at other points on the upper Mississippi River.

In order that you may have complete information in regard to local sentiment, I am enclosing herewith resolutions adopted by the Board of County Commissioners of Goodhue County, and letters from the Red Wing Chamber of Commerce and the local Kiwanis Club of that city. The labor organizations of Red Wing and the city council have also taken action, requesting that a change be made in the Executive order which was made by you with reference to the employment of labor in connection with governmental expenditures. As I understand it, the present Executive order provides that 90 percent of labor employed must be taken from the relief rolls. The local relief office at Red Wing has adhered to this order.

Goodhue County, Minn., has an approximate population of 32,000 people. The relief rolls show that there are less than 125 employable men on relief. There are approximately 700 unemployed men, not on relief, registered with the National Reemployment Service. These individuals never have been on relief. The Federal authorities at Red Wing inform me that many of these individuals are entitled to relief, but that they, due to pride and intestinal fortitude, have refused to accept relief either from the Federal Government or local agencies. These men want work, not a dole or relief; but due to the Executive order, which provides that 90 percent must be taken from the relief rolls, it is impossible for these unemployed men, not on relief, to secure work at Dam. No. 3.

I have been informed by Federal authorities that around 1,000 men will be needed in connection with the construction of Dam No. 3. If the unemployed men, not on relief, are not given work in connection with this project, it will not be long before they will be compelled to accept both local and Federal relief doles. Neither they nor do I feel that these people should be punished because of their earnest desire not to be subjects for relief. I, therefore, sincerely ask that you make a change in your present order so that the unemployed generally may be given consideration for work in connection with public-works projects. If you feel you cannot make a general order to this effect, I will be grateful if you will make an exception, so that it will apply to Dam No. 3 and other construction projects in the Mississippi River from Dam No. 3 to and including La Crosse, Wis.

Mr. President, it is a serious matter, in which many people are involved, and I, therefore, sincerely trust that after analyzing the situation you will make possible the employment of several thousand men who have no desire to go on public relief and who are anxious to get work in order to provide for themselves and their families.

Respectfully yours,

AUGUST H. ANDRESEN.

The labor situation outlined for Goodhue County is typical of labor conditions in Houston, Winona, Wabasha, and other counties in southeastern Minnesota. Only a small percentage of the able-bodied unemployed are on relief. The other unemployed have in some way existed during these trying years, and now when work is available they are denied the right to earn an honest dollar for themselves and families, by the administration in Washington. If the present policy is pursued, these people will soon be faced with the shame of seeking public relief. They want work, not a dole or relief.

Mr. Speaker and Members of the House, every Member of Congress should immediately bring pressure upon the President to change his labor policy so that these courageous unemployed may be given work, when work is available.

NEUTRALITY OF THE UNITED STATES

Mr. HILDEBRANDT. Mr. Speaker, there is no finer chapter in the biography of that great Commander of the Union Army during the Civil War, Gen. Ulysses S. Grant, than that in which he said, "Let us have peace."

Another great American declared, "There never was a good war nor a bad peace." While this, like any generality, is too sweeping to be literally correct, the principle is certainly true. War as a rule is undeniably bad, and peace as a rule is certainly good. In the few instances, such as the American Revolution and the Civil War, in which war was probably unavoidable, it was nevertheless utilized as an emergency method, not as procedure to be followed frequently.

In these closing days of the first session of the Seventy-fourth Congress, it is important for us to be fully aware of the danger arising from the complications in Europe and to be on the alert to prevent being drawn into another insane orgy of slaughter. I am firmly of the opinion that proposals now under consideration in Congress to assure the neutrality of the United States in the event of another war, to prohibit by selling supplies to one side or the other, and to forbid American citizens to entangle themselves in foreign conflicts by traveling in the war zone, except at their own risk, should receive favorable action. In an hour pregnant with uncertainty and risk such as this, we should adopt a policy of immediate and thorough-going preparedness—not the kind that means getting ready for participation in criminally useless international butchery, but the kind that involves preparing to maintain peace and keep out of a blood festival in which the flower of the manhood of warring nations will be sacrificed for profit and pelf.

A very sensible statement is made in a recent issue of the Federal Bulletin, official organ of the Federal Council of the Churches of Christ in America. The magazine, after remarking that there is a genuine war threat and that military preparations are wide-spread, says:

But war is not inevitable. If constructive steps are taken by the United States and other nations, it can be averted.

This is the right attitude. Whatever may occur in Europe or Africa, war is not inevitable for the United States. If anything is inevitable, it ought to be inevitable for us to remain at peace and refuse to be drawn into another carnival of mass murder.

If the world goes crazy, let America stay sane.

I quote from the eloquent words of Congressman James H. Davis, of Texas, in the House of Representatives in February 1916, when he was urging his colleagues to keep out of the World War, participation in which cost us such an appalling price in blood and tears and money.

While men's imaginations are being excited with visions of invading armies, burning cities, tramping soldiers, fluttering flags, prancing horses, thundering battleships, belching cannons, screaming shot, and bursting shells—the pomp and splendor of war—we appeal to the sanity of the plain people and call upon them to stand steadfast by the teachings of the founders of the Republic and the ancient landmarks of democracy.

MONEY IS ANYTHING WHICH FACILITATES THE EXCHANGE OF GOODS AND SERVICES

Mr. GOLDSBOROUGH. Mr. Speaker, during the testimony given by Governor Eccles before the House Committee on Banking and Currency I suggested that in a country as rich as this is we ought to be stockholders and not bondholders, and we ought to get rid of the enormous creditor element and creditor complex and manipulation which is going on in this country.

In this power age, where, as a matter of fact, labor is constantly being released from industry, we have got to get some system whereby we can declare a national consumers' dividend either by a direct dividend or by a discount on the price consumers pay for the necessaries of life, reimbursing the merchants for the discount they dispense. Thus we would increase the means of payment needed in business as

it expands either with currency or bank deposits placed in the hands of those who will spend as fast as production increases. But under the present system we can do this only by getting into debt faster than we can spend.

The reply Governor Eccles made to my suggestion—although I believe he was in sympathy with it—was a formal defense or apology for the present system of private bank creation of money and loans of such money to the Government.

Mr. Eccles spoke of the very low interest rates now prevailing, which, it seemed to him, produced a far less dangerous situation than debt created on the basis of very high interest. He noted, also, that the debt that the banks create in creating check-book money is in fact only a small part of the total debt of the country.

He failed to note that if the supply of money were created by act of Congress, either as demand bank deposits or as currency, business and the people would not have to pay either interest or the principal.

Now we have to pay to private banking groups, who do not lend it out of anything that they possess either in capital or surplus, both the principal and interest for newly created money which the people themselves create and at the same time pay for by accepting it in exchange for their goods and services.

Let me repeat. The people pay for all newly created money immediately when they part with their goods and services for it. It is not single individuals only but the people as a whole who part with their goods and services for this new money, because the first individuals who accept it from the Government set an endless chain in motion whereby the whole Nation constantly accepts the same money for goods and services, and by this public contract to pass it current the individuals concerned are reimbursed.

The normal and constitutional method should be by act of Congress authorizing the Treasury to issue deposit accounts directly to the people in payments for goods and services, for which the banks, as agents, might legitimately accept a service fee for the bookkeeping involved.

The unconstitutional method is the present one, whereby the banks create the deposit money in default of action by Congress, and without touching their capital and surplus charge it up on their books as a principal debt to them.

The difference between the two methods of money creation by Congress through the Treasury, and money creation by the private banking groups, is the difference between a nation in debt to the banks and a nation out of debt to the banks. If Congress should pay checking deposits to the people in exchange for their goods and services to the Government, and without this fictitious interposition of debt to the bankers, the industries would eventually be able to finance themselves out of common-stock issues which the people could absorb with their cash income instead of financing themselves, as now, largely with bonded indebtedness.

Moreover, while the debt that the banks create in creating the checking deposits for the people's business is, superficially regarded, only a small part of the total debt of the industries, it is the controlling part of the total debt, and the most mischievous part of it.

The history of the depression confirms this statement.

For example, during the depression seventeen and one-half billion dollars of loans, demand and time, were liquidated and not renewed. Of this sum seven and one-half billions was the money used in active demand deposits or checking accounts; these deposits were used in the actual daily turnover of business transactions.

As these demand deposits were exhausted by payment of loans and their nonrenewal, and as borrowers defaulted on their loans, the collateral securities pledged for them were dumped suddenly on the market at auction prices.

This dumping process pulled down the values of all the underlying securities of the Nation.

It pulled down the value of all property in the length and breadth of the United States. It put a damper on all business. It reduced the volume of business transactions per year from eight hundred billions, conservatively reckoned, to four hundred billions and less. It cut the national income in half. The total wealth of the Nation rapidly fell in value from four hundred billions to two hundred billions.

This calamity occurred because the means of payment, which resides principally in debt-created, check-book money and in a little pocket money, was destroyed by one-third. The worth of every dollar owed in the country, that is, the worth in goods to pay a dollar of debt, was rapidly increased by as much as 80 percent.

By such swelling of the purchasing power of every debt-created dollar the very act of bank liquidation and the resultant attempt at total debt liquidation served only to swell the total real debt, instead of reducing it.

The swelling of the worth of every dollar, of course, swelled the unpaid balance of every debt. That is, the dollar which had to be paid increased faster in size than the dollars of debt decreased in number. When this process got started, it went on and on in a vicious circle. As the dollars became fewer and harder to come by, the financial position of even the strongest debtors became weakened, because their collateral securities speedily lost value and had to be increased or sold out.

This vicious tailspin into the trough of depression would have been prevented but for the fact that the money system of the country was in pawn to private groups of individuals—the bankers—who arrogated, and still arrogate, ownership of all demand deposits—check-book money—that go into our public system of exchange.

They arrogate this right to create the money for the Nation without vouchsafing any reason, and in defiance of article I, section 8, clause 5 of the Constitution, which makes the creation of money and the regulation of its value exclusively the function of Congress, in behalf of the whole people.

The gigantic burden of public debt to private groups which has been built up is the result of this chronic borrowing method whereby the people pay twice with goods and services for their means of payment in trade and industry, and by the second payment are liable to have their money canceled out of existence.

If their check-book money had been created by Congress, the principal sums needed for transaction of the Nation's business would have cost nothing; the money would remain in circulation and could not be destroyed, and the service charges entailed in handling the public accounts would have been only the cost of the bookkeeping. Instead the people have had to pay the private banking groups for this bookkeeping service, with interest and with tax warrants besides, equal to the principal sums created. Thus the banks have got a strangle hold on the money supply of the Nation, so that they can deflate the principal sums created without reference to the needs of business for increased circulation of new money as business expands.

I reiterate that the people pay for all new money the moment it is accepted in exchange for the people's goods and services. They should not be made to pay for it all over again through the fiction of debt to private banks who do not have the money to lend in the first place and who base the creation of it upon the national wealth, which is not theirs but belongs to the people.

### NEUTRALITY LEGISLATION

Mr. SCOTT. Mr. Speaker, under the leave to extend my remarks in the RECORD I include an address to be delivered by me tonight over radio stations WMAC, New York City; WOL, Washington; and affiliated stations:

I appreciate the opportunity of addressing you people over this network tonight because of the timeliness of the subject I am to discuss. I address myself briefly to the subject of neutrality legislation of the first session of the Seventy-fourth Congress which is now driving toward adjournment.

For almost 8 months we have been in session, and some of us were beginning to believe that we would adjourn as preceding Congresses have done since 1918, without taking a single step as a legislative body to remedy the evil which existed in 1917 and which permitted our being drawn and sucked into the great World War.

But for the heroic efforts of Senators CLARK, NYE, and BONE, along with others, we might have adjourned and returned to our several districts to report to the millions of fathers, mothers, sons, and daughters, that with the world facing the present crisis that it

does, the Congress did not see fit to enact legislation, in some measure at least, to circumvent the necessity of our young men once more being sent overseas to give their lives and their limbs to make the world safe for the international bankers' dollars.

As a result of the efforts of these men, the Senate yesterday passed Senate Joint Resolution 173 and sent it over to the House for its concurrence. Some doubt now exists as to the possibility of action in that body. A petition is being circulated by Mr. MAVERICK, of Texas; Mr. KVALE, of Minnesota; and myself which reads as follows: "The Senate has passed Senate Joint Resolution 173, commonly known as the 'neutrality resolution.' The undersigned Members of the House insist that some action be taken upon this resolution before Congress adjourns. We feel that we would not be acting in the best interests of the country if we failed to take action on this resolution before adjournment." Every effort will be made to force a vote in the House before adjournment.

Briefly, the resolution comprises three important provisions, one forbidding the shipment of arms, munitions, and implements of war, when a state of war exists, to any belligerent or to any neutral port for transshipment to a belligerent. The second provision forbids American citizens to travel on belligerent ships, except under certain conditions. The third denies the right of a belligerent to send its submarines into any American port or to establish a submarine base in any American port. The resolution passed the Senate without a record vote. Now, it is up to the House. I for one am willing to stay here for the rest of the year, and will vote against any adjournment until this neutrality issue shall have been settled in one way or another.

A glance at the papers on any day is sufficient to convince all of you that Europe today is on the brink of another such disaster as we suffered in 1914–18. What doubt is there that another such great international conflict would destroy our western civilization? In the words of the Emperor of Ethiopia, "If, unhappily, such a conflict leads to a world struggle between the black and white races, the very existence of humanity itself is threatened. I feel that neither the United States nor England nor the other great powers realize the gravity of the situation."

What steps have we taken in an attempt to keep the United States out and her young men at home? Until yesterday in the Senate none. Tonight in the House none.

Can we once more be led foolishly to slaughter? Let me quote Senator BONE briefly at this point:

"I have had assurances—how reliable they are, or how reliable is the source from which they come, I do not know—but there have been intimations that this country of ours has 'commitments'—'commitments', forsooth!—which may, in the event of war again bring the tread of marching feet in our streets and once more compel us to listen to the martial voice of the bugles."

I wonder who in God's name in this country, under the American flag and under our form of government, has a right to make commitments which may take the life of my boy or the boys of other millions of fathers in this country? Who, in the city of Washington, has the unholy power, under our Constitution, to put the boys of America in uniforms, and if need be, and against their will, send them across the seas to die in some foreign land? I wonder how we could ever answer to American mothers for such a crime. In 1917 we sent thousands of them to their deaths on foreign soil. What sort of an answer will there be in the hearts of American mothers to the echoes of the bugles when they again sound the horrible call to arms?

What led us into that human maelstrom in 1917? Allow me to quote from the remarks of Senator VANDENBERG:

"It seems to me perfectly clear, from any critical analysis of our war record from 1914 to 1918, that the absence of a specific neutrality policy, which was effective in its prescriptions, absolutely robbed us of any chance to direct our own subsequent destiny. In reality we were sucked into the war irresistibly in spite of anything we could do to prevent the ultimate process. It was the failure to have an affirmative neutrality policy which effectively quarantined us against the results of our previous pseudo neutrality, which ultimately created a situation in which we were the victims of our own failure to have the precise kind of a rule which it is now proposed the United States shall announce and announce in time."

What did he mean? The answer is contained in a letter from the then Secretary of State, Robert Lansing, to the President of the United States, Woodrow Wilson, on September 6, 1915.

A summarization of that letter pictures only too clearly the events, concocted by those blinded by greed for the almighty dollar and an inhuman disregard for the lives of others in its quest, that led a once peace-loving people to the very edge of the abyss and produced the final, foolish fact of men gone mad shooting one another for what reason God only knows.

But to the Lansing letter.

"MY DEAR MR. PRESIDENT: Doubtless Secretary McAdoo has discussed with you the necessity of floating Government loans for the belligerent nations, which are purchasing such great quantities of goods in this country, in order to avoid a serious financial situation which would not only affect them but this country as well."

What events had transpired to inspire this comment from Mr. Wilson's Secretary of State?

Prior to the outbreak of hostilities the United States Government had made no statement of policy on the sale of munitions. We had announced no neutrality policy. Armament manufacturers sold munitions of war to the belligerents. After the war had started it was impossible for Congress to form a new policy without incurring representations that such a new policy involved the taking of sides against one particular belligerent. Thus the sales had to continue.

After the mushroom growth of war purchases by belligerents it became evident that European governments would go bankrupt if they tried to pay for those purchases in gold, and an industrial depression in this country would have followed. The only alternative was for us to loan money to the belligerents. The first great Anglo-French loan of $500,000,000 was floated by a syndicate headed by J. P. Morgan & Co.

André Tardieu, former Premier of France, commented that after these foreign loans had been floated, "from that time on, whether desired or not, the victory of the Allies became essential to the United States."

So, Mr. President, Robert Lansing wrote:

"My opinion is that we ought to allow the loans to be made for our own good, and I have been seeking some means of harmonizing our policy, so unconditionally announced, with the flotation of general loans. As yet I have found no solution to the problem.

"Secretary McADOO considers that the situation is becoming acute and that something should be done at once to avoid the disastrous results which will follow a continuance of the present policy."

For the sake of profit, for dollars, to protect the loans of certain interests in this country, 50,000 boys now lie buried in France. Thousands of others are in insane asylums. Thousands are in hospitals or will be, and we now face the possibility of repeating the supreme economic and social folly of 1917.

It has been 17 years since we ended the war with Europe and we have not done a thing to keep from being drawn into another one. There is not a line of law to reflect the concern of Lansing and others because of this country's lack of preparation in the way of legislation to define policies of neutrality in the case of another European war.

Neutrality, as history shows, is hard to maintain. Once America gets a start in a foreign war, through trades or credits, we are apt to be drawn in as we were in 1917. There is no certain escape from this danger. But we at least can take obvious precautions.

I cannot refrain from saying at this point, purely as a matter of opinion, that as long as gold glitters for the greedy, wars will be inevitable. But, while we strive to eliminate the cause of war, let us take the necessary precautions to guard against being pulled into an European catastrophe against the will of the people.

It is to be regretted that the resolution does not contain some provisions affecting the extending of credits of any kind to belligerents. However, we will take what we can get with the expectation of asking for more later.

The House must pass Senate Joint Resolution 173 before it adjourns, before it is too late. We will not be back until January 3, I hope.

## CONVENTION OF THE NATIONAL RURAL LETTER CARRIERS ASSOCIATION

Mr. LORD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by me before the Convention of the National Rural Letter Carriers Association, Boston, Mass., August 21, 1935.

Mr. Chairman and friends of the National Rural Letter Carriers' Association, it has been my privilege to address gatherings of many organizations, but I can truthfully assure you that in no instance have I felt more genuine interest in the work of the assemblages before which I was to appear than I feel today. As a farmer, a man of the common people familiar with their needs and desires and circumstances from boyhood up, I know better than many men in public life the value of the service rendered by rural letter carriers. I know what it means to the farmer who lives at a distance from a village and post office—the farmer on the back road. I know what it would mean to the farmer is such a service were withdrawn. I also know something of the sacrifices that rural letter carriers are obliged to undergo in order to make certain that the farmer really gets his mail regularly and promptly in the bitter blizzards of winter as well as in the sunny days of summer.

You are fulfilling a function in society that is totally different from that of any other group of public servants. Each group has its place, to be sure, but I venture to say that a great many of them would hesitate long and seriously before they would abandon their more comfortable and easy positions for the toil and patient effort that are required of rural letter carriers.

It is not necessary for me to tell you that I am 100 percent in favor of any and all legislation that will benefit carriers so long as it does not conflict with good public policy. I have frequently cooperated with your able and efficient national president, W. G. Armstrong, and his associates, and I am confident that they will confirm my assertion that I am consistently an advocate of proper statutory protection of your rights and interests.

You are aware, of course, of my championship of a program of road building that would take the farmer out of the mud. I may explain that this program would equally take the rural carrier out of the mur for it would substitute modern stone and gravel roads for mud roads.

Throughout the country there are about 3,000,000 miles of highways outside of cities in the United States. Two million miles of this distance consists of mud roads—roads over which travel

is possible and convenient in dry periods of the year, but almost impossible in time of snow, sleet, and rain—which are a perpetual menace to trade, health, and efficient mail service. It is a striking and an unpleasant fact that this country has 2,000,000 miles of such highways. A highly developed country like ours, with the greatest machines and inventions that science can devise, ought to have decent roads everywhere.

Construction of good stone and gravel roads to back farms that I have been urging will enable farmers to get to town at any season of the year and will make the task of the rural letter carrier a far less burdensome one.

Following many appeals to Federal officials by myself in cooperation with Mr. Armstrong, your national president, and other public-spirited men, there has been allocated $800,000,000 of the $4,880,000,000 works-relief fund for highway construction and grade-crossing elimination. This money, as I understand it, is to be divided about equally between these two classes of work, allowing $400,000,000 for roads. It has been stipulated that not less than 25 percent of the money apportioned for roads shall be used for farm-to-market highways.

In all frankness, I am not satisfied with this arrangement, and I feel that a much larger sum is needed to do justice to rural sections. However, I welcome it as an important step in the right direction, and I hope that further steps of the same nature will be taken.

When I arrived in Washington as a freshman in the congressional class, I had no personal ambitions, but I did want to be assigned to the House Committee on Roads. I am somewhat familiar with the subject of roads, have studied it for years, and have had considerable practical experience along that line—and practical experience is the best education anybody can ever get on any subject. My wish was granted and I received the assignment to the Roads Committee. I have spent many hours each week in committee meetings and in conference with highway officials and specialists. From the outset I carried on an agitation for back-to-the-farm roads, and my views received respectful attention from my fellow members of the committee. The committee reported a bill carrying an appropriation of a billion dollars for highways, of which $300,000,000 was to be for these back roads. To my disappointment this item was finally stricken out, despite my best efforts to have it retained.

Just about this time Congress passed the bill appropriating $4,880,000,000 for public works on which men on relief were to be employed. It occurred to me that a portion of this money could be utilized for roads, even if my suggested item of $300,000,000 in the committee bill had been dropped. I took the matter up with Secretary of Agriculture Henry A. Wallace, Harry L. Hopkins, Federal Emergency Relief Administrator—who is also now Works Progress Administrator—Thomas MacDonald, Chief of the Bureau of Roads, and President Roosevelt himself. When I say that I "took it up" with these officials, I do not mean that I simply wrote them letters or called them on the telephone—although I did both—but that I went further and had lengthy personal talks with them. I went to the White House and discussed the entire subject fully with the President, with whom I had been acquainted when he was Governor and when I was a member of the New York State Legislature. In all of these instances I approached the topic from a strictly civic and nonpartisan standpoint, for it has always been my policy to try to secure the most beneficial legislation for the people, cooperating wherever possible with the members of all parties who take the same broad view.

Regulations have recently been promulgated by the Works Progress Administration for applications for Federal aid for rural roads. As you know, each State has its W. P. A. director, and the States are divided into districts, with directors in charge of each district. There are over 300 such districts throughout the country.

In formulating projects the sponsoring agency should confer with the local district office of the Works Progress Administration for information concerning the number and occupation of persons on relief rolls who are to be put to work. Sponsors should, it is stated, utilize the facilities of local and State planning boards in the formulation of projects. The sponsoring governmental agency is expected to contribute equipment, materials, and services to the maximum amount possible. The priority of the project will depend in part on the amount of each contribution and the extent to which these contributions increase the proportion of labor cost to the total Federal funds required.

The application, when completed, is filed with the district director of the W. P. A. After he has approved it, it is passed on to the State director for approval, and, if approved by him, it is forwarded to Washington for the O. K. of the Works Progress Administrator, the Allotment Board, the Secretary of the Treasury, the Comptroller General, and the President of the United States.

After the project has been approved by all of these officials and returned to the local office, work can be begun at once, provided there are men on relief rolls who have no other employment.

Twenty to thirty days—and in some cases a much longer period—will be needed for the project to pass through the route I have described. Personally, I believe there is too much red tape and that some of it should be cut. I see no reason for so lengthy and complicated a circuit. I am always in favor of getting things done as promptly and in as simple and direct a fashion as possible. This rule applies in commercial matters and it ought to be observed in Government. In geometry we were taught that a straight line is the shortest distance between two points. My philosophy is that the more we follow straight lines in the business of Government and eliminate twists and turns and unnecessary details, the quicker we shall accomplish something of real benefit to the average citizen.

However, in spite of my disapproval of the involved and confusing procedure that must be gone through in order to have a project approved, I have outlined it for the information of those interested. Such an explanation might seem out of place in an address before the National Rural Letter Carriers' Association, but I know that there is no class to which better roads will mean more than the men who carry mail to country homes on back roads. So I felt it would be worth while to tell you just what has to be done in obtaining Government help. You will, as a result, be better able to cooperate with farmers whenever you wish to do so in preparing applications and in determining just what you want to ask for.

I may add that, while I wish a more comprehensive and far-reaching program had been given official sanction, it took a great deal of steady work to get even this much authorized. I have already mentioned the splendid assistance I received from your president, Mr. Armstrong, and his fellow officials in your association. I should likewise give credit to the National Grange, the American Farm Bureau Federation, Charles M. Upham, of the American Road Builders' Association, and a number of other prominent men.

Last but not least an immense debt of gratitude is due the thousands of rural carriers who have circulated petitions and sent out a mass of letters advocating the improvement of country roads. I have received a mass of correspondence from carriers in nearly every State in the Union, and they have furnished much valuable information showing the poor condition of the highways over which they travel in discharging their daily duties. One man sent me a photo showing the boat in which he is obliged to deliver mail in rainy spells. Others have forwarded photos and detailed descriptions of roads that are at times mudholes and creeks rather than public thoroughfares.

The facts given by rural carriers have been of tremendous assistance in proving the need of building new and enduring roads.

The result of these continuous efforts was, as you know, the decision to construct farm-to-market roads where the labor was available and men were on relief—and the amount to be spent may reach even beyond $600,000,000. In the long run, therefore, I—with my helpers, Mr. Armstrong and others—have succeeded in getting this important work started, although what has so far been mapped out is only a beginning. We must exert ourselves to see that this is a permanent enterprise, so that we continue to build roads after the stress of the times is over.

This expenditure will go far toward relieving the present unfortunate situation and taking the mail carriers out of the mud. There should be a more adequate expenditure and with your assistance I shall keep on working until we secure it. There should also be a slashing of red tape, as I have said, and I shall likewise do all within my power toward that end. But I do feel considerable satisfaction that we have accomplished what we have—and I may add that it was not easy to get as far as we have gone.

I have not attempted to deliver an oration to you today, for I know you prefer facts that vitally affect you. By doing these unromantic and matter-of-fact things, it seems to me, we are of more service than when we make highfaluting speeches and deal in flowery phrases. The older I grow, the more firmly I believe in plain, practical human helpfulness—with no frills or put on.

In closing, I cannot better analyze my philosophy than to quote that famous poem of Sam Foss:

"There are hermit souls that live withdrawn
In the peace of their self-content;
There are souls, like stars, that dwell apart
In a fellowless firmament;
There are pioneer souls that blaze their paths
Where highways never ran;
But let me live by the side of the road
And be a friend to man.

"Let me live in my house by the side of the road,
It's here the race of men go by—
They are good, they are bad, they are weak, they are strong,
Wise—foolish—so am I.
Then why should I sit in the scorner's seat,
Or hurl the cynic's ban?
Let me live in my house by the side of the road
And be a friend to man."

### THE ALIEN REGISTRATION ACT OF 1935

Mr. AREND. Mr. Speaker, under leave granted to extend remarks in the RECORD, I include the following: On Monday, August 19, 1935, I introduced a bill known as "H. R. 9175", the purpose of which is to provide for the registration of the estimated 5,000,000 aliens that are now in and those who may in the future come to this country.

To require all aliens now here and those who may come to this country to obtain from the Federal Government by paying the prescribed fee a permit before they can be employed or go into business; to discourage the unlawful entry of aliens into this country; to provide what in effect may be

considered an identification system for all aliens who comply with the conditions set forth in this act; to establish a uniform system under which acceptable foreign citizens may enter the United States for the purpose of engaging in business or to seek employment; to enable the Federal Government to determine who are acceptable aliens; to provide a system by which all aliens now in this country may contribute to the costs of government in recognition of the favors granted them; to encourage acceptable classes of aliens to become citizens of the United States; to adequately provide against the entry into this country of all undesirable aliens; to provide for the deportation of all undesirable aliens, including those who are now on relief rolls; to protect the American wage earners from the competition of cheap alien labor; to create a more profound respect for and a greater appreciation of the benefits of American citizenship and to provide a new source of revenue.

It is estimated that the registration fees provided under this act will amount to $100,000,000 annually and that the removal of aliens now on relief rolls will result in a saving to the Government including both State and Federal of over $200,000,000 a year. At the present time it seems doubtful if the ordinary tax sources of revenue will be sufficient to ever balance our Federal Budget. It is, therefore, imperative that if we are ever to have a stable Federal financial policy new sources of revenue must be developed. I believe that this bill will provide an appreciable amount of revenue and also effect a substantial saving in relief costs.

The burden on the American taxpayer in caring for indigent aliens is worthy of the utmost consideration.

Many prominent patriotic and civic organizations have endorsed the principle of this bill—the American Citizens' Protective Association of Chicago, various posts of the American Legion, the Order of Ahepa, and others.

I realize the fact that this bill cannot become a law during this session of Congress. I am introducing it for the purpose of calling the attention of Members of Congress to the principle of alien registration, hoping that the bill will become law at the next session of Congress.

### MODERN METHODS IN WORLD TRADE

Mr. HARLAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by myself August 15:

In the spring of 1933 certain ominous facts pertaining to foreign trade were evident. During the preceding 4 years world trade had decreased approximately 66 percent, while United States foreign trade had dropped 75 percent.

Foreign governments had developed a new technic in their war for trade supremacy. Trade quotas, currency manipulation, import licenses, exchange pools, reciprocity treaties, and many other instruments of attack and defense had supplanted the antiquated weapon of rigid tariffs. In such a war we simply had no chance, even with our close and natural customers. In 9 years our ratio of Cuban imports had dropped from two-thirds to one-half; our South American trade, so well established during the World War, was rapidly disappearing. Our warehouses were overloaded with agricultural surpluses. Our factories that had produced for export were closed and American capital was building plants and employing labor abroad.

Obviously two courses were open—we could either continue our past inaction and watch our foreign trade vanish, or we could employ some of the instrumentalities of our competitors and endeavor to regain lost ground.

To ignore our foreign markets presented apparent difficulties. A country that contains 6 percent of the world's population, but produces 58 percent of its corn, 52 percent of its cotton, 34 percent of its coal, and 46 percent of its copper must either find a market for its surpluses or discontinue production.

This latter solution would have required the transfer of displaced farmers and miners to manufacturing pursuits, where unprecedented unemployment already existed. It was utterly hopeless to sell our agricultural products abroad unless we could take some merchandise in exchange. There was not enough gold in the world to pay for prolonged exportation, and even if it were desirable for us to accumulate all of the world's gold in this manner it was too much to expect foreign nations to buy and exhaust their own gold supply where they could not sell.

We attempted a reduction of agricultural products through the Agricultural Adjustment Act and by the process taxes avoided for a time the necessity of employing displaced farmers in manufacturing, but none of us wish to continue crop control as a permanent policy and we do not like to pay process taxes even if they are constitutional. We yearn for the normal operation of economic laws; we dislike artificial planning and we want the farmer to grow his crops and sell them at a profit. To do this we must have back our world markets, otherwise there was no hope of any permanence in recovery.

This was the paramount conception of the Roosevelt administration, and both offensive and defensive measures, heretofore used only by our competitors, were at once adopted. Power was granted our Executive to impose limitations and prohibitions in addition to tariff duties; our currency was modified to meet foreign attack; provision was made to finance import and export business; a fund was set aside to neutralize foreign-exchange manipulation; but, more important than all, the President was authorized by Congress to enter into reciprocal trade agreements.

These agreements have been a potent stimulus to foreign trade; they have placed the making of tariff schedules on a scientific basis, and they have greatly advanced the cause of international good will.

So far five agreements have been completed and signed. Four of these are in effect, but the Cuban agreement is the only one which has been in force long enough to give any definite indications of its beneficial operation. This agreement shows that a marked stimulus has been given by it to the trade between the two countries. While it will be a matter of years before the permanent effects of the new policy will be known, nevertheless a twofold purpose has been initiated: (1) There is undisputed evidence of improved economic conditions in our neighboring republic; and (2) a market for some American goods has been partially regained in that country. Our exports to Cuba for the first 10 months of the agreement were about $17,000,000 greater than for an immediately similar period before it went into effect. Imports from Cuba have similarly increased under the agreement.

Exports of important American products to Cuba during the first 9 months of the trade agreement as compared with the corresponding 9 months of 1933 and 1934 compare as follows:

| | | *1933* | *1934* |
|---|---|---|---|
| Automobiles: | | | |
| Passenger cars | number | 416 | 1,750 |
| Trucks | do | 695 | 1,486 |
| Tires: | | | |
| Pneumatic | do | 51,620 | 70,401 |
| Solid | do | 805 | 1,431 |
| Radio sets | do | 7,053 | 23,182 |
| Lard | kilos | 5,232,867 | 11,734,596 |
| Wheat flour | bags | 665,158 | 750,801 |
| Lumber | board feet | 17,166,702 | 23,066,064 |

As to the effect of our new policy on our foreign trade generally, fluctuations in currency values of all the leading nations make such reports very confusing. However, the League of Nations reports on world commerce just released show that in quantity world foreign commerce has increased approximately 5 percent in 1934 over 1932; whereas, United States foreign trade has increased approximately 8 percent. This report on world trade included the United States, so that our gain is not shown as favorably by the figures as the facts would justify. Obviously, some force has been working to the benefit of American commerce that is not in existence elsewhere, and it is conceivable that our newly established attitude of being a good neighbor in trade as well as in diplomacy probably has had some beneficial effect.

For the first time an opportunity is given with the Reciprocal Tariff Act to deal with tariffs scientifically in the United States on the basis of studies by qualified experts. Under the present procedure no rate is changed until after committees of experts from all interested departments of the Government have conducted a thorough study of every aspect of the situation and have given attention to the testimony of domestic industries which might be affected by a change. The aim of the Government in joining in trade agreements is to serve the collective interests of the entire population; the interest of all must be considered, whether local or not. It is realized that any change in our tariff rates must be made without violence to domestic industries and will have to be made so that domestic industries may accommodate themselves to new conditions.

In arriving at an agreement there is truly national as well as international cooperation. In the first place, the interests of domestic industries are taken care of by the careful studies of the impartial experts of the Government. All points of view are invited before an agreement is negotiated. After the body of experts has decided on what concessions may be made with the least injury to domestic industries, the international phase, or bargaining with the foreign country, is undertaken. It has been represented by the opposition that such bargaining goes on behind closed doors where the domestic industry has nothing to say about the concessions, and that the foreign interests are in a better position to influence the negotiations than the domestic producers. This is far from the truth. The positions of the domestic interests are well understood before representatives of the Government sit down with foreign governments in the cooperative give-and-take bargaining spirit.

It is useless for the people of good will throughout the world to talk about peace on earth so long as we have economic forces that are driving some nations to a choice between starvation and a war for open markets. Human beings will not willingly starve nor see their offspring suffer from want. By contrast, the horrors of war afford a pleasant escape. With the world divided up into trade-tight tariff-walled compartments, we may continue to expect national freebooting tactics such as those in Manchuria and Ethiopia when a nation with a teeming population can no longer get access to markets peaceably.

The trade-agreements program has been devised as a means whereby we may avoid, so far as possible, further restrains upon the natural exchange of commodities between nations and provide for the gradual removal of existing restrictions. The program is an attempt to facilitate a cooperative solution which will satisfactorily eliminate some of the undesirable changes or further serious dislocations in world trade. This program is cherished by the administration because its sponsors believe that the principle upon which it is based is the true foundation, not only for universal material well-being, but also for the establishment of peaceful relations throughout the world. It is believed by many that almost all disagreeable qualities which develop in mankind grow out of the bitter struggle for existence. Ethical tenets and moral laws are ineffective in the presence of hunger and the instinct of self-preservation. Economic necessities have caused wars, and wars again have produced economic necessities, so that a vicious circle has been perpetuated with the innumerable victims seemingly helpless to break the continuity of its cruel and relentless operation. The present economic exigencies in some countries are heading toward war; but because we have failed in the past is no reason why further attempts should not be made in attacking this vicious evil.

The reciprocal trade agreements policy recognizes the economic interdependence of nations and seeks to enlist the cooperation of other countries in organizing it. In the present requirements of our civilization there is not a country which is or can be wholly self-sufficient; which, in other words, means that all nations are interdependent if they would realize their fullest possibility of material development. Many countries, by indicating their readiness to join in the movement, seem to reveal that they have lost faith in methods of exclusion and their action gives reason to expect that before long a marked loosening of the bonds of international trade will be effected. The Trade Agreements Act opens up the possibility of an entirely new method of dealing with the tariff, which is a recognized cause of much ill will throughout the world.

A most appropriate conclusion for a talk of this kind are the remarks of former President McKinley, made just before his death. He had been a high-tariff advocate, but in discussing the subject he said, over a generation ago, "The period of exclusiveness is passed. Commercial wars are unprofitable; reciprocal treaties are in harmony with the spirit of the times; measures of retaliation are not."

### THE HOLDING COMPANY LOBBY AND THE MONOPOLY OF ELECTRICITY

Mr. GRAY of Indiana. Mr. Speaker, on August 1, by vote of this House the members of the conference committee considering the disagreeing votes of the House and Senate on the utility holding bill, were instructed by motion to exclude attorneys from their sessions and deny themselves legal advice. Since this vote denying the conferees considering the utility holding company bill legal advice, there has been an admission and conclusive showing that this action is in pursuance of a lobby strategy long resorted to to gain unfair advantage.

#### LOBBY STRATEGY

It is an old strategy of lobbying on failure to defeat a bill in committee to suggest some trick amendments to fill the bill with "jokers" and to make it unconstitutional.

This old lawyer lobby strategy was explained August 9, 1935, by Robert W. Lyons, testifying before the chain-store investigation committee. Lyons was a chain-store lobbyist and was charged with offering amendments to make a bill unconstitutional.

Lyons told the investigation committee in answer to this charge of submitting amendments that he would not hesitate to amend a measure when necessary to make it invalid and unconstitutional, and that he considered such practices as perfectly fair in opposing legislation. (Chain store committee hearings Aug. 9, 1935, directed by the House of Representatives, conducted in Washington, D. C., as reported by the Washington Post Aug. 10, 1935, p. 9, column 7.)

#### KILLING BILLS IN COMMITTEE

It has been shown a policy of the utility lobby to first attack pending legislation before the committees where pending and having jurisdiction to consider bills to regulate the service or contract rates and defeat or modify its provisions before the legislation could be brought out for consideration. The utility lobby reporting in April 1927 to utility high officials on legislation in the Kansas Legislature used these very significant words:

The public utilities did not suffer much at the hands of the last legislature. Most of the adverse stuff getting hit with an ax before it got out of committee. (Fed. Tr. Rept. 71–A, p. 18; exhibits 5 and 6, p. 716, Senate exhibit 3077.)

#### PLEADING FOR WIDOWS AND ORPHANS

While the utility holding companies were assuming to forget self and their own interests and pleading the cause of the small stockholder and the widows and orphans as investors, the following from the lobby committee hearings was published in the Washington News August 15, 1935, at page 43:

One of the investors in H. C. Hopson's Associated Gas & Electric Co. who bought in at $60 a share with her life's savings has taken to circularizing members of the Senate Lobby Committee.

Her mimeographed letter, signed by Vanita Crofoot, and giving her address in Seattle, urges support of the Wheeler-Rayburn utility bill "or its equivalent." The letter continues:

"I should gladly welcome Government control even to the extent of the Government owning such companies in order to protect future investors. I placed my life earnings in the Associated Gas & Electric Co., paying $60 a share, and now it is quoted on the New York curb at 11/16. The company's statements do not warrant this drop.

"The Associated Gas & Electric Co. has sent me several communications asking me to write Senators and Representatives of the evils of the Wheeler-Rayburn bill. On the contrary, I wish to urge you to vote for the annihilation of the holding companies because of the benefits that will accrue to the stockholders of the future."

#### TAKING FROM SMALL STOCKHOLDERS

The following, from the hearings of the Senate Lobby Investigating Committee, shows how these utility corporations have made billions taking from operating companies and forcing these operating companies to collect their tribute from the people, as reported by Donald Ramsey to the press August 27, 1935:

It was brought out that Hopson and his partner, A. J. Mange, had gone into the utility business on a "shoestring"—about $10,000 of borrowed money. Starting with that "white chip", they have during the last 12 or 13 years organized a baffling series of corporations and exercised autocratic control over operating power companies valued at $900,000,000.

The following from the utility lobby hearings shows how the utility corporations, after selling stock to small stockholders, had robbed them of their dividends, as reported to the press by Donald Ramsey August 27, 1935:

They have unmercifully "milked" these operating companies for their private profit.

For example, Hopson admitted that from 1929 to 1933, while the Associated Gas & Electric was refusing to pay dividends to investors, his personally owned company "serving" the A. G. & E. system was netting him profits totaling $2,187,604.

#### CORPORATIONS

Corporations are artificial persons, created and authorized by law, in aid of industry, commerce, and trade, given increased and multiplied powers over individuals or natural persons. And they have served a useful purpose under our industrial system. The State or Nation, creating the corporation as a fiction of law, with great and special powers, have reserved or attempted to reserve the right of supervision and control to safeguard against the evils and abuses of corporations and to limit their uses to the purposes intended.

But the holding corporations, coming in under the general laws, under which the necessary corporations are created, have taken charge of the operating companies, in usurpation of the regulatory powers of the State, and through control of the operating companies are defying and challenging the States creating them.

The laws and courts have gone too far in creating and permitting the legal fiction of corporations or artificial persons, supercorporations with power to control over other corporations and subordinate the powers of the State.

#### HOLDING CORPORATIONS

If the dependencies and interdependencies of holding-company operations have become so great and complex that such companies cannot be interfered with without bringing calamity and disaster, then it is high time to call a halt to the further growth and development of holding corporations and their powers before the confusion of industrial tongues brings a fall to our economic tower.

All forms of supercorporations, which exist only to exercise and usurp the sovereign powers of the State for the control and regulation of other corporations, to safeguard the rights of natural persons against corporate imposition and encroachment, should be outlawed and dissolved.

INVESTIGATIONS BEGINNING BACK IN 1928

It is found that the investigation leading up to the preparation of this bill begun back under the Coolidge administration, on the 15th day of February 1928, when the Senate passed resolution no. 83.

This resolution was prompted by the ever-growing evils and abuses of public-utility and holding companies, but more immediately and directly by the public-utility holding companies' lobby appearing in Washington in 1927 to oppose the enactment of legislation looking to a trial of public ownership. Under this Senate Resolution No. 83 the Federal Trade Commission was authorized and directed to make inquiry regarding the service performed by holding companies and the value and prices for such service and the activities of holding companies to control public opinion and legislation.

The Federal Trade Commission promptly entered upon this investigation under the powers and authorities of the resolution and continued its hearings and inquiry until some time during 1934, in all a period of over 6 years. The report of this Commission was filed December 12, 1934, and on the convening of Congress in 1935 the matters were called before Congress by a special message of the President recommending that action be taken to remedy the evils and abuses of holding companies as shown to exist by the report.

It was this inquiry and investigation of the Federal Trade Commission authorized under Senate Resolution 83, in 1928, that brought out the abuses of public holding companies and its evil practices and made this legislation imperative to safeguard bona fide stockholders and the consuming public from this imposition.

COMPLETED BY LOBBY HEARINGS

If the Federal trade report, 71–A, with its record showing a long list of frauds, perjuries, and conspiracies, was not enough to explain the means and methods whereby the utility bill was defeated, the Senate and House lobby investigation, following the vote on the holding bill, completed the chapter of maneuvers to mislead the people of the country and to terrorize Members of Congress and left nothing for surmise.

HOLDING COMPANIES AND TAXATION

But holding companies do not only use their confusing and bewildering stratas to take from unsuspecting stockholders and to exact and take from the people, but they use these complicated forms to cover and conceal their property from taxation.

And in the meantime, early in 1933, when Congress was called in special session, the vacant condition of the Treasury prompted a Senate inquiry of the causes, and it was found that the great financial interests had not been and were not paying taxes on their earnings and incomes for more than 3 years.

And it was further found and disclosed under the inquiry by the Senate committee that incomes of many corporations were being hidden, covered, and concealed, and taxes due upon these incomes evaded by manipulation and jugglery through the means of holding companies. But at that time the Senate investigation under Resolution No. 83 was not complete and no report was made, and the matter was postponed and further continued awaiting the completion of the hearing and report of the facts found.

PAID NEWSPAPER PROPAGANDA

The summary report of the Federal Trade Commission, among other matters brought to light, shows that a publicity utility association was organized prior to 1927, following after the Insull plan, and referred to in the hearings as the "Illinois plan", for the control of public opinion and legislation in the interest of holding companies. Up to 1927 over $38,000,000 had been spent by this association annually, paid for publication of articles and prepared editorials and for expenses in obtaining personal contacts with thousands of editors of the country.

FINANCING PUBLIC SPEAKERS

Another means of publicity shown followed was by financing a great army of local, State, and national speakers to present their facts to the public favorable to public holding companies and this extended to communities and to churches, schools, and college audiences.

PUPILS, TEACHERS, AND SCHOOLS

The following is from the Indianapolis News, November 26, 1934, page 4, reviewing the advance report of the Federal Trade Commission investigating holding companies, showing the program to influence pupils, teachers, and college professors:

WASHINGTON, November 26.—The Federal Trade Commission in another installment of its report on utility propaganda places at $1,312,264 the amount expended by the electric power and gas industries among educators, schools, and universities for the purpose of creating favorable public opinion.

"The framers of the good-will campaign clearly understood the importance of educators and their students in shaping opinion and carefully and comprehensively made the most of it", the report reads.

The utility program for educators and schools from kindergarten to university was designed to mold the thoughts and beliefs of the present and future generations in conformity with the utility interests.

HOLDING COMPANIES TAKE FROM SMALL STOCKHOLDERS

The Senate Lobby Investigating Committee brought facts by admissions showing both how the utility owners have made millions in profits, while the small individual stockholders have been realizing very low dividends, if any, on the stock investments.

The following is from the Washington News, August 20, 1935, page 1 thereof, reporting the evidence given before this committee:

Hopson tells lobby inquiry he received $3,187,064 profits.

Utilities magnate admits private service firms' net income; no dividends paid.

Howard C. Hopson told the Senate Lobby Committee today that $3,187,064.01 profits from his private service companies in 5 years "didn't go to anybody else" except the Hopson family.

For several years during that time, the record showed, Hopson's Associated Gas & Electric Co. paid no dividends.

As every vital necessary of life, every means and element required to live, is subject to be seized upon and held for ransom, tribute, and profit, so electricity has been seized upon to take from the people through excessive charges. It has been shown by the investigation conducted by the Federal Trade Commission that distributing lines and equipment to carry electricity to the people have been constructed and provided under interest and usury charges, sometimes as high as 8 percent, compounded semiannually.

SAMPLE OF LETTERS SENT TO CONGRESSMEN

The following is a fair sample of the letters which were prompted and sent out by the made-to-order small stockholders, and which were sent to mislead, confuse, and terrorize Members of Congress in the consideration of the utility bill to eliminate unnecessary holding companies and to relieve the operating companies, the patrons, and consumers from the exacting charges imposed upon them:

Representative FINLY H. GRAY,
*House Office Building, Washington, D. C.*

DEAR SIR: May I tell you frankly that if you vote in favor of this bill that I shall use every honorable means at my command to see that you are never again returned to public office.

AMENDING THE CONSTITUTION IS NOTHING TO "GET EXCITED ABOUT"

Mr. MAVERICK. Mr. Speaker, in the last few months I suppose more guff and nonsense, not to mention malicious misinformation, has been peddled about on the American Constitution than at any time in our history. The fact that anyone should mention an amendment to the Constitution is cause for spiteful character assassination. Amending the Constitution is certainly constitutional, for amending it is provided in the Constitution itself. This is certainly an elementary statement. We all revere our forefathers, most of us at least as much as those who pretentiously blat in the public prints, but we also know that our forefathers were practical, intelligent, liberal men, who created this Nation by revolting against England, and who thereafter set up a constitutional government, providing for constitutional amendments and changes. The purpose in doing this was to forever make the forcible overthrow of government unnecessary

and improper—making the ballot the basis of changes to meet future conditions.

I am therefore pleased to note a change in the tendency of the conservative press on that point. One of the most conservative papers in America is the San Antonio Express, which is published in my district, the twentieth, of Texas. Let me quote briefly from an editorial written by its chief editorial writer, Hon. Mike Harris:

CONSTITUTIONAL AMENDMENT AND INTERPRETATION

In a memorable address to the Institute of Human Relations at Williams College, Dr. Frank P. Graham, president of the University of North Carolina, lately spoke a thought which is pertinent to the country-wide Constitution Day observance:

The real threats to the Republic and to the fundamental law upon which it stands come from "those who would keep the Constitution brittle and inflexible to the vital needs of an organic society."

Indeed—as is frequently pointed out—the Constitution has survived these 148 years amid the wreck of empires and world-wide social revolution because it has proved adaptable to ever-changing conditions. In other words, it has been not a fixed code but a living instrument. Consequently, with remarkably slight change in content, it has served the great industrial empire of the twentieth, as well as it served the loosely bound frontier agricultural commonwealth of the late eighteenth, century.

After this sensible explanation, the editorial proceeds concerning amendments:

As Dr. Graham reminded his audience, the Constitution provides means for its own amendment. He intimated that one might advocate changes in the fundamental law—according to one's own lights—without being guilty of treason. In fact, the educator—presumably having in mind the Supreme Court's N. R. A. decision—expressed the opinion that the time had come to extend the Bill of Rights to embrace such guarantees as "the right to honest work", an industry-wide "minimum standard of hours, wages, and fair competition", social security, and the like.

Then this conservative paper proceeds as follows about the "red revolution":

However that may be, the threat of "red revolution" or the risk that the American people will enter upon any highly dangerous political experiment by constitutional amendment is too remote to merit serious consideration.

Mr. Speaker, I do not know whether a constitutional amendment is necessary for our country or not. Time will tell. But if a constitutional amendment is necessary, or thought to be necessary, the machinery for peaceful adoption exists, and should be used. My constituents, like those all over America, have voted to change the Constitution several times in the last few years. And just in the last 2 weeks we Texans voted on many amendments to our State constitution—in fact, old-age pensions would have been impossible except for one of the amendments. That was a social change voted by the people in an orderly, constitutional way, which amended the constitution of my State.

The question is so simple that it seems silly to mention it. If the people want to change the Constitution, they should do so. The Constitution says so itself. And in addition, unlike our forefathers who had no permission from their forefathers to set up a new republic and a new social order, we have the written permission of our forefathers to make changes when, as, and if we please. Having been forced by conditions to resort to force, our forefathers wisely decided a way for us to make such changes as we wish in an orderly, peaceful way.

THE SUPREME COURT, THE CONGRESS, AND THE CHIEF EXECUTIVE

Mr. SABATH. Mr. Speaker, in my speech delivered in this House on July 23, 1935, I called attention to the dangerous judiciary encroachment on legislative powers and of the necessity of a liberalizing constitutional amendment.

On the 25th day of July 1935 there appeared in the Washington Times and other Hearst newspapers a syndicated article by one James T. Williams, Jr., which misrepresented my views in the following way:

Currying favor with the reds, pinks, and yellows of politics by mendacious attacks upon the Supreme Court of the United States and contemptuous misrepresentations of the framers of the Federal Constitution is now a favorite trick among the political sappers in Congress.

The article then proceeds with vituperation and diatribe attempting to place me in the category of a "red, pink, or yellow" in American politics.

Anyone who is familiar with my record in Congress for the last 30 years is fully aware of the utter baselessness of this charge. But if I am a "red, pink, or a yellow", then what was Thomas Jefferson, when he wrote in his letter to Judge Spencer Roane on September 6, 1819:

My construction of the Constitution is very different from what you quote. It is that each department is truly independent of the others and has an equal right to decide for itself what is the meaning of the Constitution in the cases submitted to its action, and especially whether it is to act ultimately and without appeal.

In his letter to Thomas Ritchie dated December 25, 1820, Jefferson said:

It is not from this branch of Government we have most to fear. Taxes and short elections will keep them right. The judiciary of the United States is the subtle corps of sappers and miners constantly working underground to undermine the foundations of our confederate fabric. They are construing our Constitution from a coordination of a great and special government to a general and supreme one alone. * * * Having found from experience that impeachment is an impractical thing, a mere scarecrow, they consider themselves secure for life; they skulk from responsibility to public opinion, the only remaining hold on them in a practice first introduced into England by Lord Mansfield.

An opinion is huddled up in conclave, perhaps by a majority, delivered as if unanimous, and with the silent acquiescence of lazy or time associates by a crafty chief judge who sophisticates the law to his mind by the turn of his own reasoning.

* * * * * * *

A judiciary independent of a king or executive alone is a good thing; an independence of the whole of the Nation is solecism, at least in a republican government. (See also Jefferson's letter to Johnson in connection with his controversy with Marshall, vol. 12, p. 252.)

Strangely enough, the term "sappers" was used to describe not legislative "sappers" but judicial "sappers" in the Supreme Court of the United States.

Was John Randolph also "a pink, a red, or a yellow" in politics when he wrote:

The judges of the Supreme Court and of the courts of the United States shall be removed by the President on the joint address of both Houses of Congress.

Andrew Jackson, when vetoing the bank charter on July 10, 1832, and replying to the point raised by the advocates of the bill, knowing that the Supreme Court had already decided that the bank's charter be constitutional, said:

It is as much the duty of the House of Representatives, of the Senate, and the President to decide upon the constitutionality of any bill or resolution which might be presented to them. The opinion of the judges has no more authority over Congress than the opinion of Congress over the judges; and in that point the President is independent of both.

Indeed, the power of the judiciary to declare unconstitutional a considered act of Congress finds no written basis in our Constitution. The debates of the Constitutional Convention of 1787 contain no reference to any such power. Whatever was said there seems to negative the view that the framers intended to vest such powers in the Supreme Court.

In the Debates in the Federal Convention, fifth volume, page 429, James Madison said:

Mr. Pickney opposed the interference of judges in the legislative business. It will involve them in parties and give a previous tincture to their opinions. Mr. Mercer heartily approved the motion. It is an axiom that the judiciary ought to be separate from the legislative; but equally so it ought to be independent of that department. The true policy of the axiom is that legislative usurpation and oppression may be obviated. He disapproved of the doctrine with the judges as expository of the Constitution should have operated to declare a law void. He thought laws ought to be well and cautiously made, and then be uncontrollable.

On the other hand, those who contended that the power did exist maintained that it was implicit in the Constitution itself, although not expressed. This doctrine first found acceptance in the logic of Chief Justice John Marshall in the case of Marbury against Madison, although even in judicial circles the existence of that power was denied. Witness the able opinion of Mr. Justice Gibson, of Pennsylvania, one of the ablest of judges, afterward chief justice of that State.

That Marshall's view was prompted by Federalist political opinions, there can be no doubt. That politics played a great part in his decision is also without question. Witness the fact that the Democratic Party of those days, fathered by Jefferson, Madison, and Monroe and followed by Andrew Jackson, was bitterly opposed to such judicial encroachment.

Alexander Hamilton and Chief Justice John Marshall fought for the principle of strengthening the National Government.

It is paradoxical that the political quarrels of those days were directed to the strengthening of the Federal power, while today those who believe in the doctrine thus established by John Marshall would use his doctrine to destroy that which they have thus built up with the struggle which culminated in our great Civil War.

No one can now deny the power of the Supreme Court to set at naught an act of Congress which is clearly unconstitutional. However, it is equally well settled that the power to declare an act of Congress unconstitutional can only be sparingly exercised and only where the act of Congress is unconstitutional beyond a reasonable doubt.

The spirit of the Constitution is embodied in the phrase of its preamble:

In order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessing of liberty to ourselves and to our posterity.

Certainly it was never intended by the framers of our Constitution to build a fence around the letter of the Constitution and by judicial interpretation emasculate its spirit. What may have been unconstitutional a century ago cannot be so considered today. In validating city zoning ordinances in the case of Village of Euclid against Rambler Realty Co. even the Supreme Court of the United States had occasion to observe, in effect, that a century ago such city zoning ordinances would have been the taking of property without due process. Today the public safety and health demand that such regulations, although interfering with other reasonable uses of private property, are declared valid and enforceable.

The Bill of Rights of our Constitution and the right to be governed as a democratic republic are the only parts of our Constitution that are sacred and immutable. Everything else must, of necessity, be subject to change, as the framers clearly intended, as is shown by the provisions made for amendments to the Constitution and the offering of the amendments from time to time.

The recent judicial attempts to strike down congressional legislation, having for its object the cure of economic ills and the happiness of the American people, are, however, an encroachment upon the spirit of the American Constitution, which is, and should be, remedied either by the judiciary itself or by an amendment to the Constitution itself.

I am charged with currying favor with the reds, pinks, and yellows for criticizing the Supreme Court.

I am sure that everyone will agree that Theodore Roosevelt was neither a "red", "pink", nor "yellow" when he said in his speech at Carnegie Hall:

And I contend that the people, in the nature of things, must be better judges of what is preponderate opinion than the courts and that the courts should not be allowed to reverse the political philosophy of the people.

And further, in his annual message to the Sixtieth Congress, second session, 1908, he wrote:

The chief lawmakers are the judges, because they are the final seat of authority. Every time they interpret vested rights, due process of law, and liberty they necessarily enact into law, parties of a system of social philosophy; and as such interpretation is fundamental, they give direction to all lawmaking. The decisions of the courts on economic and social questions depend on their economic and social philosophy; and for the peaceful progress of our people during the twentieth century, we shall owe much to those judges to hold the twentieth century economic and social philosophies and know changing conditions. Of course, a judge's views on progressive social philosophy are entirely second in importance to his position and of a high and fine character; which means the possession of such virtues as honesty, courage, and fair-mindedness.

Was Theodore Roosevelt a "red" when he advocated recall of judicial decisions?

I am charged with seeking to overthrow the Government and the Constitution in making an unjustified attack on the integrity of the Supreme Court. I assume that this conclusion was drawn from my speech of July 23, 1935, in which I said:

It is indeed unfortunate that many of the judges were corporation lawyers and are capitalistic-minded and cannot forget their political affiliations.

And when I further said:

The summary to which my colleague has called attention shows that the vast majority of judges who have called our acts unconstitutional are Republicans who cannot divorce themselves from their political affiliations.

Were Jefferson, Madison, Monroe, John Randolph, and other Democrats of that day enemies of our Constitution when they declared that John Marshall, in Marbury against Madison, had written his political opinions into his judicial decisions?

Have we not had numerous decisions on the Supreme Court Bench where politics have influenced judicial action?

Did not Judge Bradley, in the celebrated Hayes-Tilden fight, suddenly change his vote to insure the election of a Republican candidate for the Presidency?

What criticism was made of this, and were those who did so enemies of the constitutional governments, sappers, reds, pinks, or yellows?

Mr. Hearst, in his discussion on a Constitutional Democratic Party, which may be found in his newspapers of August 29, 1935, himself fails to recognize the principles of the historic Democratic Party of Jefferson, Madison, Monroe, and Jackson. These men never recognized the Supreme Court's decision read into the Constitution by judicial legislation that an act of Congress might be declared unenforceable by a court.

It was Jefferson, the fountain of the idealism of the Constitution, who said in a letter to Samuel Kercheval concerning the Constitution on July 12, 1816:

Some men look at constitutions with sanctimonious reverence, and deem them, like the Ark of the Covenant, too sacred to be touched. They ascribe to the men of the preceding age a wisdom more than human, and suppose what they did to be beyond amendment. I knew that age well; I belonged to it and labored with it. It deserved well of its country. It was very like the present, but without the experience of the present; and 40 years of experience in government is worth a century of book reading, and this they would say themselves were they to rise from the dead. I am certainly not an advocate for frequent and untried changes in laws and constitutions. I think moderate imperfections had better be borne with, because, when once known, we accommodate ourselves to them and find practical means of correcting their ill effects. But I know also that laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths disclosed, and manners and opinions change with the change of circumstances, institutions must advance also and keep pace with the times. We might as well require a man to wear still the coat which fitted him when a boy as civilized society to remain ever under the regimen of their * * * ancestors * * *. Each generation is as independent as the one preceding, as that was of all which had gone before. It has then, like them, a right to choose for itself the form of government it believes most promotive of its own happiness; consequently, to accommodate to the circumstances in which it finds itself, that received from its predecessors; and it is for the peace and good of mankind that a solemn opportunity of doing this * * * should be provided by the Constitution, so that it may be handed on, with periodical repairs, from generation to generation, to the end of time, if anything human can so long endure. * * * This corporeal globe and everything upon it belong to its present corporeal inhabitants during their generation. They alone have a right to direct what is the concern of themselves alone and to declare the law of that direction. * * * If this avenue be shut to the call of sufferance, it will make itself heard through that of force, and we shall go on, as other nations are going, in the endless circle of oppression, rebellion, reformation, and oppression, rebellion, reformation again, and so on, forever.

Next let me quote that rugged Democrat of the old school, Andrew Jackson. In vetoing an act of Congress Jackson said:

If the opinion of the Supreme Court covered the whole ground of this act, it ought not to control the coordinate authorities of

this Government. The Congress, the Executive, and the Court must, each for itself, be guided by its own opinion of the Constitution. Each public officer who takes an oath to support the Constitution swears that he will support it as he understands it and not as it is understood by others.

So favorably did Lincoln consider this quotation by Jackson that he, Lincoln, used it in justifying his stand on the Dred Scott decision.

Again, Lincoln said in his debate with Douglas concerning the Dred Scott decision:

We believe as much as Judge Douglas (perhaps more) in obedience to and respect for the judicial department of Government. We think its decision on constitutional questions, when fully settled, should control not only the particular cases decided but the general policy of the country, subject to be disturbed only by amendments of the Constitution as provided in that instrument itself. More than this would be revolution. But we think the Dred Scott decision is erroneous. We know the Court that made it has often overruled its own decisions, and we shall do what we can to have it overrule this.

The last refuge of the scoundrel in these days is not only an appeal to patriotism but the platform of the Constitution.

I am no "red, pink, or yellow." I am just a good old-fashioned Democrat, imbued with the principles of Jefferson, Jackson, Wilson, and Franklin Delano Roosevelt, and I hold with Prof. Edward S. Corwin, of Princeton University, when he says in his brochure Twilight of the Supreme Court, at page 184:

"Back to the Constitution?" Yes; if what is intended is "the Constitution" concerning which the Court has asserted, "It was made for an undefined and expanding future." No; if what is meant is certain doctrines, also sanctioned by the Court at times, which were conceived with the idea in mind of putting the future in cold storage. Fortunately, or unfortunately, the few declined to be thus refrigerated. The present-day economic and social conditions the doctrines alluded to have little if any relevance for a community which intends to remain democratic; and if "relations must dominate the judgment", as the Court has said they must, the outlook for such doctrines is not bright. "Back to the Constitution?" The first requirement of the constitution of a progressive society is that it keep pace with that society.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 13 minutes p. m.) the House adjourned until tomorrow, Friday, August 23, 1935, at 12 o'clock noon.

## MOTION TO DISCHARGE COMMITTEE

FEBRUARY 21, 1935.

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of rule XXVII, I, WRIGHT PATMAN, move to discharge the Committee on Ways and Means from the consideration of the bill (H. R. 1) entitled "A bill to provide for the immediate payment to veterans of the face value of their adjusted-service certificates and for controlled expansion of the currency", which was referred to said committee January 3, 1935, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. Wright Patman
2. Joe H. Eagle
3. Raymond J. Cannon
4. Ernest Lundeen
5. R. T. Buckler
6. George A. Dondero
7. William M. Colmer
8. Compton I. White
9. W. P. Lambertson
10. Randolph Carpenter
11. J. R. Mitchell
12. Kent E. Keller
13. William A. Ashbrook
14. Henry E. Stubbs
15. Bryon N. Scott
16. Maury Maverick
17. Martin L. Sweeney
18. Gardner R. Withrow
19. Harry Sauthoff
20. Knute Hill
21. Jed Johnson
22. Josh Lee
23. Charles V. Truax
24. Abe Murdock
25. I. H. Doutrich
26. Merlin Hull
27. William Lemke
28. J. O. Fernandez
29. M. A. Dunn
30. John C. Taylor
31. W. D. McFarlane
32. Jack Nichols
33. U. S. Guyer
34. Phil Ferguson
35. G. J. Boileau
36. Thomas O'Malley
37. Fred H. Hildebrandt
38. Michael J. Stack
39. Joseph Gray
40. Charles J. Colden
41. John M. Costello
42. Martin F. Smith
43. Fred C. Gilchrist
44. George J. Schneider
45. A. J. May
46. Paul John Kvale
47. Charles Kramer
48. B. J. Gehrmann
49. J. P. Rickards
50. Edward W. Patterson
51. William P. Connery, Jr.
52. Will Rogers
53. Usher L. Burdick
54. John M. Houston
55. James H. Gildea
56. Carroll Reece
57. Thomas R. Amlie
58. John L. McClellan
59. R. T. Wood
60. M. A. Zioncheck
61. Jennings Randolph
62. Nat Patton
63. Vito Marcantonio
64. O. H. Cross
65. Martin Dies
66. C. W. Turner
67. Paul H. Maloney
68. Wall Doxey
69. Dan R. McGehee
70. Cleveland Dear
71. John E. Miller
72. Leonard W. Schuetz
73. J. Leroy Adair
74. Riley J. Wilson
75. J. H. Hoeppel
76. Jesse P. Wolcott
77. Charles N. Crosby
78. Aubert C. Dunn
79. Thomas L. Blanton
80. Warren J. Duffey
81. Clarence Cannon
82. Ben Cravens
83. C. G. Binderup
84. Harry B. Coffee
85. Finly H. Gray
86. Karl Stefan
87. Morgan G. Sanders
88. Sam Massingale
89. Charles A. Wolverton
90. John P. Higgins
91. William M. Citron
92. Fred Cummings
93. Chauncey Reed
94. John T. Buckbee
95. William J. Granfield
96. Henry Ellenbogen
97. Frank C. Kniffin
98. William T. Schulte
99. William M. Berlin
100. Braswell Deen
101. Roy E. Ayers
102. Everett M. Dirksen
103. Arthur H. Greenwood
104. Edward C. Eicher
105. Martin J. Kennedy
106. John J. Delaney
107. Frank Carlson
108. John S. McGroarty
109. John F. Dockweiler
110. William A. Pittenger
111. T. Alan Goldsborough
112. Ambrose J. Kennedy
113. Wesley Lloyd
114. J. G. Polk
115. Joseph P. Monaghan
116. Robert Crosser
117. J. G. Scrugham
118. L. C. Arends
119. Albert J. Engel
120. William W. Blackney
121. W. L. Nelson
122. John Lesinski
123. Leo E. Allen
124. J. E. Rankin
125. Wilburn Cartwright
126. B. W. Gearhart
127. Charles L. South
128. M. C. Wallgren
129. J. Will Taylor
130. H. P. Fulmer
131. George G. Sadowski
132. Robert T. Secrest
133. Walter M. Pierce
134. Frank Hancock
135. Theodore L. Moritz
136. J. J. Mansfield
137. Charles I. Faddis
138. Francis E. Walter
139. Glenn Griswold
140. Louis C. Rabaut
141. James W. Mott
142. B. K. Focht
143. Edward A. Kenney
144. Clifford R. Hope
145. Arthur W. Mitchell
146. Luther A. Johnson
147 John A. Martin
148. R. E. Thomason
149. Frank E. Hook
150. P. L. Gassaway
151. Isabella Greenway
152. Elmer J. Ryan
153. George Mahon
154. Theo. B. Werner
155. B. M. Jacobsen
156. Henry C. Luckey
157. J. W. Robinson
158. Charles R. Eckert
159. F. L. Crawford
160. A. L. Ford
161. John J. Dempsey
162. John H. Tolan
163. René L. DeRouen
164. James A. Shanley
165. John J. McGrath
166. John M. Robsion
167. Wesley E. Disney
168. Eugene B. Crowe
169. Mell G. Underwood
170. John W. Flannagan, Jr.
171. John W. McCormack
172. John M. O'Connell
173. Virginia E. Jenckes
174. W. H. Larrabee
175. Lawrence E. Imhoff
176. Richard J. Welch
177. Brooks Fletcher
178. Zebulon Weaver
179. W. F. Brunner
180. John N. Sandlin
181. J. Y. Sanders, Jr.
182. Arthur D. Healey
183. Herman P. Kopplemann
184. Thomas J. O'Brien
185. James McAndrews
186. E. M. Schaefer
187. Chester Thompson
188. Edward A. Kelly
189. Harry P. Beam

190. R. S. McKeough
191. A. J. Sabath
192. Harry H. Mason
193. Donald C. Dobbins
194. Paul Brown
195. E. M. Owen
196. Carl Vinson
197. Robert L. Ramsay
198. Vincent L. Palmisano
199. William I. Sirovich
200. Andrew Edmiston
201. Martin A. Brennan
202. B. Frank Whelchel
203. James A. Meeks
204. George W. Johnson
205. Louis Ludlow
206. Harry L. Haines
207. Don Gingery
208. Oliver W. Frey
209. Harold Knutson
210. Frank J. G. Dorsey
211. Rex A. Green
212. Joe Starnes
213. Otha D. Wearin
214. Frank W. Boykin
215. John D. Dingell
216. C. V. Parsons
217. W. J. Driver
218. Samuel Dickstein

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, August 22, 1935.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, Executive communications were taken from the Speaker's table and referred as follows:

485. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department, amounting to $128.19 (H. Doc. No. 303); to the Committee on Appropriations and ordered to be printed.

486. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Commerce for the fiscal year 1936, amounting to $126,000 (H. Doc. No. 304); to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BUCHANAN: Committee on Appropriations. H. R. 9215. A bill making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes; without amendment (Rept. No. 1871). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H. R. 9168. A bill limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases; without amendment (Rept. No. 1872). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 361. Resolution providing for the consideration of H. R. 9215; with amendment (Rept. No. 1873). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. House Resolution 354. Resolution granting additional powers to the Select Committee to Investigate Real Estate Bondholders Reorganizations authorized under House Resolution 412, Seventy-third Congress, and supplemented by House Resolutions 39 and 79 of the Seventy-fourth Congress; with amendment (Rept. No. 1874). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. House Resolution 347. Resolution that a special committee be appointed by the Speaker to investigate expenditures of candidates for the House of Representatives and for other purposes; with amendment (Rept. No. 1875). Referred to the House Calendar.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 8055. A bill to provide for economic studies of the fishery industry, market news service, and orderly marketing of fishery products, and for other purposes; without amendment (Rept. No. 1878). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 362. Resolution providing for the consideration of House Resolution 350; without amendment (Rept. No. 1879). Referred to the House Calendar.

Mr. AYERS: Committee on the Public Lands. H. R. 1397. A bill to withdraw certain public lands from settlement and entry; with amendment (Rept. No. 1880). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. Senate Joint Resolution 173. Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war; with amendment (Rept. No. 1883). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. House Report 1884. Report on the War Department investigation pursuant to House Resolution 59 (74th Cong., 1st sess).

## CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 4380) granting a pension to Elizabeth Jane Catron Mills Young; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 9105) for the relief of Victor Chappell; Committee on Military Affairs discharged, and referred to the Committee on Claims.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCHANAN: A bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes; to the Committee on Appropriations.

By Mr. GOLDSBOROUGH: A bill (H. R. 9216) to restore to Congress its constitutional power to issue money and regulate the value thereof; to provide monetary income to the people of the United States at a fixed and equitable purchasing power of the dollar, ample at all times to enable the people to buy wanted goods and services at full capacity of the industries and commercial facilities of the United States; to abolish the practice of creating bank deposits by private groups upon the fractional reserves; and for other purposes; to the Committee on Banking and Currency.

By Mr. JONES: A bill (H. R. 9217) to authorize the Secretary of Agriculture to release the claim of the United States to certain land within the Ouachita National Forest, Ark.; to the Committee on Agriculture.

By Mr. KRAMER: A bill (H. R. 9218) to provide that certain service-connected disabilities shall be deemed to have been incurred in World War service; to the Committee on World War Veterans' Legislation.

By Mrs. NORTON (by request): A bill (H. R. 9219) to amend an act entitled "An act to provide for a union railroad station in the District of Columbia, and for other purposes", approved February 28, 1903; to the Committee on the District of Columbia.

By Mr. O'CONNOR: A resolution (H. Res. 361) for the consideration of H. R. 9215; to the Committee on Rules.

By Mr. GRANFIELD: Resolution (H. Res. 363) that there shall be paid, out of the contingent fund of the House, not to exceed $25,000 for the expenses of the select committee appointed under House Resolution 347 to investigate campaign expenditures of the various candidates for the House of Representatives; to the Committee on Accounts.

By Mr. GREEN: Joint resolution (H. J. Res. 398) to provide that employees of the Federal Government in the field shall be bona fide residents of the States in which they are serving; to the Committee on Expenditures in the Executive Departments.

By Mr. KRAMER: Joint resolution (H. J. Res. 399) to protect the revenues derived from distilled spirits, to prevent deception of consumers, and for other purposes; to the Committee on Ways and Means.

### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CALDWELL: A bill (H. R. 9220) granting a pension to Nancy Triplet; to the Committee on Invalid Pensions.

By Mr. DIMOND: A bill (H. R. 9221) for the relief of Marion Wesley Ott; to the Committee on Naval Affairs.

By Mr. DUFFEY of Ohio: A bill (H. R. 9222) for the relief of William W. Harville; to the Committee on Claims.

By Mr. EDMISTON (by request): A bill (H. R. 9223) for the relief of Werner Czwartkovski; to the Committee on Claims.

By Mr. GINGERY: A bill (H. R. 9224) granting a pension to Mary C. Fluke; to the Committee on Invalid Pensions.

By Mr. SMITH of Connecticut: A bill (H. R. 9225) for the relief of Bertha E. Kowalski; to the Committee on Claims.

By Mr. McSWAIN: Joint resolution (H. J. Res. 400) to honor the memory of James Madison; to the Committee on the District of Columbia.

### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9331. By Mr. PFEIFFER: Petition of the Brooklyn section, National Council of Jewish Women, concerning the Tydings-McCormack bill (S. 2253); to the Committee on Military Affairs.

9332. By Mr. SADOWSKI: Petition of the Emergency Conference of Jewish Organizations, Detroit, Mich., protesting against the persecution of the Jews, Catholics, workers, and other minority organizations in Germany; to the Committee on Foreign Affairs.

9333. By the SPEAKER: Petition of the American Jewish Congress; to the Committee on Foreign Affairs.

# SENATE

## FRIDAY, AUGUST 23, 1935

*(Legislative day of Monday, July 29, 1935)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, August 22, 1935, was dispensed with, and the Journal was approved.

### CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Capper | Guffey | Maloney |
| Ashurst | Caraway | Hale | Metcalf |
| Austin | Chavez | Harrison | Minton |
| Bachman | Clark | Hatch | Moore |
| Bailey | Connally | Hayden | Murphy |
| Bankhead | Copeland | Holt | Murray |
| Barbour | Costigan | Johnson | Neely |
| Barkley | Davis | King | Norbeck |
| Black | Dieterich | La Follette | Norris |
| Bone | Donahey | Lewis | Nye |
| Borah | Fletcher | Logan | O'Mahoney |
| Brown | Frazier | Lonergan | Overton |
| Bulkley | George | Long | Pittman |
| Bulow | Gerry | McAdoo | Radcliffe |
| Burke | Gibson | McGill | Reynolds |
| Byrd | Glass | McKellar | Robinson |
| Byrnes | Gore | McNary | Russell |
| Schall | Steiwer | Truman | Walsh |
| Schwellenbach | Thomas, Okla. | Tydings | Wheeler |
| Sheppard | Thomas, Utah | Vandenberg | White |
| Shipstead | Townsend | Van Nuys | |
| Smith | Trammell | Wagner | |

Mr. LEWIS. I announce that the Senator from Mississippi [Mr. BILBO], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Wisconsin [Mr. DUFFY], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Idaho [Mr. POPE] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON], the Senator from Delaware [Mr. HASTINGS], and the Senator from New Hampshire [Mr. KEYES] are necessarily detained from the Senate, and that the Senator from Wyoming [Mr. CAREY] is absent on official business.

Mr. VANDENBERG. I repeat the announcement heretofore made by me that my colleague the senior Senator from Michigan [Mr. COUZENS] is absent because of illness.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

### HOUSE BILLS RECEIVED AND REFERRED DURING RECESS

The VICE PRESIDENT laid before the Senate a report from the Secretary of the Senate, which was read as follows:

UNITED STATES SENATE,
*Washington, August 23, 1935.*

To the PRESIDENT OF THE SENATE:

I beg to report that, under authority of the order of the Senate agreed to on yesterday, the following bills were received by me from the House of Representatives during the recess of the Senate and referred as hereinafter indicated:

H. R. 8455. An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes; to the Committee on Commerce.

H. R. 8652. An act to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes; and

H. R. 9185. An act to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes; to the Committee on Finance.

Respectfully yours,

EDWIN A. HALSEY,
*Secretary of the Senate.*

### PUBLIC-SCHOOL BOARD OF DEVILS LAKE, N. DAK.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2621) to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school building at Devils Lake, N. Dak., to be available to Indian children, which was, on page 1, line 5, to strike out "$150,000" and insert "$25,000."

Mr. NORBECK. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

### THE LATE REPRESENTATIVE TRUAX, OF OHIO

The VICE PRESIDENT laid before the Senate a resolution adopted by the Department of Ohio Council of Administration, Veterans of Foreign Wars, at Columbus, Ohio, as a tribute to the memory of Hon. Charles V. Truax, late a Representative from the State of Ohio, which was ordered to lie on the table.

### SUPPLEMENTAL ESTIMATE FOR INTERIOR DEPARTMENT (S. DOC. NO. 131)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior—acquisition of the property of the Haskell Students' Activities Association at Lawrence, Kans.—fiscal year 1936, amounting to $30,500, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

### PROVISION PERTAINING TO THE TOBACCO INSPECTION ACT (S. DOC. NO. 132)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting draft of a proposed provision of legislation to make available to the Secretary of Agriculture the funds required to give effect, during the fiscal year 1936, to the provisions of the

Tobacco Inspection Act, approved August 23, 1935, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

JULY REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, reporting, pursuant to law, relative to the activities and expenditures of the Corporation for July 1935, including statements of authorizations made during that month showing the name, amount, and rate of interest or dividend in each case, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITION AND MEMORIAL

The VICE PRESIDENT laid before the Senate resolutions adopted by an emergency conference of national and local organizations held at the Newark (N. J.) Y. M. H. A., and called by the Essex County Branch, American Jewish Congress, Workmen's Circle, and B'nai B'rith, protesting against alleged repression and persecution of the Jews and minority groups in Germany by the Government of Germany, which were referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by Carpenters' Local, No. 307, of Winona, Minn., favoring a revision of the so-called "90-percent labor clause" on P. W. A. projects so as to make it 20 percent "in fairness to both organized and unorganized labor", which was referred to the Committee on Education and Labor.

REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on the Judiciary, submitted a report (No. 1449) to accompany the bill (S. 1687) to incorporate the National Yeomen F, heretofore reported from that committee and passed.

Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 531. A bill granting compensation to Walter F. Northrop (Rept. No. 1450); and

H. R. 1912. A bill for the relief of William J. Ryan, chaplain, United States Army (Rept. No. 1453).

Mr. SCHWELLENBACH, from the Committee on Claims, to which was referred the bill (H. R. 6137) for the relief of the Otto Misch Co., reported it with an amendment and submitted a report (No. 1451) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 2869) to legalize the use of Emergency Relief funds for the construction of armories for the National Guard, reported it without amendment and submitted a report (No. 1454) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 3413) to give effect to the convention between the United States and certain other countries for the regulation of whaling, concluded at Geneva, March 31, 1932, and for other purposes, reported it with amendments and submitted a report (No. 1455) thereon.

VETERANS WHO SERVED IN RUSSIA DURING WORLD WAR

Mr. GEORGE. From the Committee on Finance I report back favorably, without amendment, House bill 9116, to extend the provisions of veterans' laws and regulations to persons who served in Russia during the World War, and their dependents, and I submit a report (No. 1452) thereon.

The VICE PRESIDENT. The report will be received.

Mr. GEORGE. I ask unanimous consent for the immediate consideration of the bill. If it shall lead to any debate, I will withdraw the request.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was read, as follows:

*Be it enacted, etc.*, That notwithstanding any provisions of Public Law No. 2, Seventy-third Congress, and the veterans' regulations issued pursuant thereto, for the purpose of payment of pension for disability not shown to have been incurred in military or naval service, the World War shall be deemed to have ended April 1, 1920, for those persons who served with the United States military forces in Russia.

SEC. 2. Veterans who entered active military service subsequent to November 11, 1918, and who served with the United States military forces in Russia prior to April 2, 1920, and their dependents, shall be entitled to the benefits of Public Law No. 141, Seventy-third Congress, provided they meet the other requirements thereof.

Mr. GEORGE. Mr. President, the bill simply extends to American soldiers who served in the military forces in Russia after November 11, 1918, and before the final declaration of peace the provisions of Public Law No. 141, Seventy-third Congress, and gives them the same benefits as are given other veterans of the World War. The Veterans' Administration has no opposition to the bill and the Budget Bureau offers no opposition to it.

The VICE PRESIDENT. The question is upon the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, August 23, 1935, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 414. An act to convey certain lands and buildings to the city of Reno, Nev.;

S. 1374. An act relative to the proposed survey, location, and construction of a highway to connect the northwestern part of continental United States with British Columbia, Yukon Territory, and the Territory of Alaska;

S. 1448. An act for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918;

S. 1763. An act to amend the act entitled "An act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended by the act of December 12, 1930;

S. 1787. An act to add certain lands to the Pisgah National Forest in the State of North Carolina;

S. 1817. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N. Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island;

S. 1832. An act to authorize the Secretary of the Interior to provide by agreement with Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, for maintenance and operation on newly reclaimed Pueblo Indian lands in the Rio Grande Valley, N. Mex., reclaimed under previous act of Congress, and authorizing an annual appropriation to pay the cost thereof for a period of not to exceed 5 years;

S. 1864. An act for the relief of the State of Nebraska;

S. 2203. An act to promote the development of Indian arts and crafts and to create a board to assist therein, and for other purposes;

S. 2578. An act authorizing distribution of funds to the credit of the Wyandotte Indians, Oklahoma;

S. 2608. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933;

S. 2644. An act for the relief of the estate of Harry F. Stern;

S. 2649. An act to provide for a recreation area within the Prescott National Forest, Ariz.;

S. 2681. An act to extend the times for commencing and completing the construction of a bridge across Lake Champlain at or near West Swanton, Vt.;

S. 2761. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon;

S. 2888. An act to provide for the disposition, control, and use of surplus real property acquired by Federal agencies, and for other purposes;

S. 3092. An act to provide funds for cooperation with White Bird school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

S. 3194. An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended;

S. 3270. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia;

S. 3336. An act to repeal titles I and II of the National Prohibition Act, to reenact certain provisions of title II thereof, to amend or repeal various liquor laws, and for other purposes;

S. 3353. An act providing for the exchange of certain park lands at and near Western Avenue and West Beach Drive for other lands more suitable to the development of Rock Creek Park and the street system of the District of Columbia, and for other purposes; and

S. J. Res. 65. Joint resolution to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DAVIS:

A bill (S. 3462) granting a pension to Harry A. Croft (with accompanying papers); to the Committee on Pensions.

By Mr. BYRD:

A bill (S. 3463) to establish the Appalachian National Park in the State of Virginia; to the Committee on Public Lands and Surveys.

By Mr. LEWIS:

A bill (S. 3464) to create a Foreign Trade Board, and for other purposes; to the Committee on Foreign Relations.

By Mr. GUFFEY:

A bill (S. 3465) to authorize the United States Housing Corporation to execute and deliver deeds for certain residence properties in the city of Philadelphia; to the Committee on Banking and Currency.

By Mr. JOHNSON:

A bill (S. 3466) to provide funds for cooperation with the board of trustees of the Warner Springs union school district, Warner Springs, Calif., in the construction of a public-school building to be available to Indian children of the Los Coyotes and Volcan Indian Reservations, Calif.; to the Committee on Indian Affairs.

By Mr. THOMAS of Oklahoma:

A joint resolution (S. J. Res. 177) to define the term of certain contracts with Indian tribes; to the Committee on Indian Affairs.

ADDITIONAL COPIES OF CERTAIN SENATE DOCUMENTS

Mr. NORRIS. Mr. President, I submit a Senate resolution and am going to ask unanimous consent for its immediate consideration. If there is objection made to it, I will then ask that it be referred to the Committee on Printing.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 197) was read, as follows:

*Resolved*, That 1,000 additional copies of each of those numbers of Senate Document 92, Seventieth Congress, first session, which are out of print or the supply of which is about to be exhausted; and 10,000 additional copies of No. 71–A of Senate Document 92, Seventieth Congress, first session, be printed for the use of the Senate document room.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

SUPPLEMENTAL APPROPRIATIONS—NOTICES OF MOTIONS TO SUSPEND RULES

Mr. BYRNES submitted the following notices of motions to suspend the rules:

NOTICE OF MOTION TO SUSPEND RULES

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule 16, for the purpose of proposing to the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, and for other purposes, the following amendment, viz: At end of bill add a new section reading as follows:

"The Commodity Credit Corporation is hereby directed to make loans to farmers at the rate of 12 cents per pound on cotton, when such loans are secured by cotton stored in warehouses approved by said Corporation, upon such terms and conditions as similar loans have been made by said Corporation during the crop year ending July 31, 1935, and the Reconstruction Finance Corporation is hereby directed to make available to the Commodity Credit Corporation sufficient funds to carry out this purpose."

NOTICE OF MOTION TO SUSPEND RULES

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule 16 for the purpose of proposing to the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, and for other purposes, the following amendment, viz: At the ending of the bill insert the following:

"No part of any funds made available for the use of the Commodity Credit Corporation either from the Treasury directly or through the Reconstruction Finance Corporation shall be paid to any person, firm, corporation, or cooperative association for services in connection with the removal of cotton under what is known as the 'reconcentration program' from any warehouse heretofore approved by said Commodity Credit Corporation, nor shall any such funds be expended for storage of any cotton moved under such program from the place of original storage."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 9100) to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SAMUEL B. HILL, Mr. LEWIS of Maryland, Mr. VINSON of Kentucky, Mr. KNUTSON, and Mr. REED of New York were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the bill (S. 2652) to authorize the President to attach certain possessions of the United States to internal-revenue collection districts for the purpose of collecting processing taxes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a bill (H. R. 9074) granting pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows and dependents of such soldiers and sailors, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 9074) granting pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows and dependents of such soldiers and sailors, was read twice by its title and referred to the Committee on Pensions.

LEGISLATION OF PRESENT SESSION—ADDRESS BY SENATOR ROBINSON

Mr. McKELLAR. Mr. President, last evening the Senator from Arkansas [Mr. ROBINSON], the distinguished majority leader, under the auspices of the Star Radio Forum, National Broadcasting Co., Nation-wide network, delivered a speech on legislation enacted during the first session of the Seventy-fourth Congress. It is an able and illuminating speech. I wish to commend it to the careful reading of all Senators and all readers of the RECORD; and I ask unanimous consent that it may be printed in full in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

LEGISLATION ENACTED DURING THE FIRST SESSION, SEVENTY-FOURTH CONGRESS

Near the close of one of the longest sessions of Congress ever held, it may be truly said that the first session of the Seventy-fourth Congress justified its prolongation by passing legislation the quality of which is comparable to the greatest measures enacted in the history of our Government.

I daresay many people who have followed the newspaper accounts of the proceedings understand the importance of the legislation of this session. Some of the newspaper headlines have related to the differences expressed as to legislation, but the Congress, in the main, has actually been a harmonious, hard-working body engaged in threshing out differences to the end that wise and necessary laws be enacted.

The partisan newspapers have stressed wrangles. That is quite natural, for there is drama in a struggle and no drama at all in the ordinary routine of legislation. Men of principle will fight for their convictions, and in the earnestness of debate sharp things are said. Also, to some extent, politics enters into the motives and movements of Congressmen. That is not so bad as it sounds, for it sharpens criticism of bills and refines the final measures.

Legislation frequently is suggested by the President as the Constitution contemplates. Administration sources very naturally find the need for legislation from experience in administering prior laws. Every one of the measures disposed of has been debated, analyzed, and, I believe, improved.

SOCIAL SECURITY

If the session soon ending had done nothing but enact the Social Security Act, it would have qualified itself for a place among memorable Congresses. This measure represents progress. Old-age pensions, unemployment insurance, and definite recognition of the obligations to take care of such unfortunates as crippled children, the blind, and indigent mothers, are some of the features of this new law. The bill creates a Federal-State unemployment compensation; it provides that after September 1, 1936, employers will be assessed excise taxes on their pay rolls of 1 percent next year, 2 percent the year following, and 3 percent thereafter. The funds will be paid according to laws adopted by the States. The bill allows a credit up to 90 percent to employers on account of taxes paid to particular State unemployment funds, and grants a Federal subsidy of $4,000,000 in 1936 and $49,000,000 annually thereafter to assist the States. The bill authorizes $24,750,000 to assist the States in aid to dependent children; grants are to be made of one-third by the Federal Government and two-thirds by the States with the Federal allowance limited to $6 to a child and $4 to any other child in the same household. Three million eight hundred thousand dollars a year is the Federal Government's contribution for the health of mothers and children, especially in rural areas, and $2,850,000 a year is granted in providing surgical and other facilities for crippled children. The Nation will grant $8,000,000 to assist the States in general health service and $3,000,000 on a 50-50 basis for pensioning the needy blind. There are, of course, other grants and provisions, but the most important of them is a cash benefit to people over 65 years old, based on the total amount of wages received before the beneficiary attained the retirement age. The Treasury is to be reimbursed for these grants by a tax upon both employers and employees based upon the latter's wages. Unemployment insurance is part of the program, the rate of pay being based on the average monthly salary contingent and varying according to the years of employment. Every effort is made in those provisions to guard against favoritism. The Social Security Board will be composed of 3 members, not more than 2 of whom to belong to the same political party, and the terms of office will be 6 years, in order that periodical appointments shall not coincide with any Presidential term.

The general recognition of the necessity for such a measure was indicated by the vote of the Congress. The House passed it 10 to 1, and there were only 6 votes against its passage in the Senate.

BENEFITS TO VETERANS

There seems to be a general impression that all the soldier legislation enacted was the soldier bonus bill, which was vetoed by the President, the veto being sustained by the Senate. Actually there were a number of measures in aid of the ex-soldiers. For example, World War veterans have been restored to former rates of compensation for disabilities incurred during service and 75 percent of the former rates for those whose disabilities are described as presumptive, meaning that, while it cannot be established, their disabilities are presumed to have resulted from their period in the Army. Civil War veterans and their dependents are aided by a restoration of 5 percent. Spanish-American War veterans and their dependents benefited by a complete restoration of pensions at an increased cost of about $45,000,000. New hospitals and additions to existing veterans hospitals are taken care of by the appropriation of $21,000,000, and free hospitalization is extended to peace-time veterans who are on the pension rolls.

Another bill extends the period during which claims for adjusted compensation may be filed to January 2, 1940, giving opportunity to every soldier to obtain what he is entitled to when this adjusted compensation falls due.

In addition, an arrangement has been effected to have the Finance Committee consider and report a measure relating to the payment of adjusted-compensation certificates by the 15th of January next and to proceed to the consideration and disposition of the bill during the session which begins January 3, 1936.

EMERGENCY RELIEF

In the early part of this session more attention was paid to the $4,000,000,000 work-relief appropriation than to any other measure that came before the Congress. The purpose of this huge sum, the expenditure of which was left in the President's hands, was the elimination of the dole. The theory is, and the practice should be, that no person capable of working is to receive Government alms. Experience had shown that the dole system was breaking the morale of many, and in certain sections of the country there were instances of people being content to live on the Federal bounty rather than to accept work, even though the wages were higher than the dole. There was even controversy about the rate of pay. Some people thought that Government work under this appropriation should pay the same wages as any other work. The answer to this was that it would require much more than the sum appropriated to meet the pay rolls, and we could never get rid of the relief workers. So the program was adopted making the pay larger than the dole but smaller than the prevailing rate. The obvious purpose of this was to insure that nobody would stay on work relief who could get a private job. That program is under way, and already its effects are visible in the diminution of the emergency relief rolls. Ultimately there will be left on the list of those getting direct relief merely the unemployables. The care of them will revert to their States. Meanwhile the $4,000,000,000 will go into public works, C. C. C. camps, highways, roads, streets, and railway crossings, and various other enterprises that will put men to work and contribute to public improvement. Nine hundred million dollars is set aside for loans and grants to the States to carry on their own projects, it being specifically provided that of the allotments under this heading, 25 percent of the Federal grant must be expended for labor.

There was $800,000,000 still unused from last year's appropriation. This was lumped in with the rest, so in all there is due to be spent nearly $5,000,000,000 to get people off the relief rolls and into employment which, while not paying enough to put them into competition with the labor in private enterprises, will pay wages sufficient to keep going those who would otherwise have no jobs until the superior pay of private employment takes them out of the Government service.

BANKING ACT OF 1935

This was one of the measures about which there was considerable controversy between those who sought to have closer Government control of the Federal Reserve System and those who sought to diminish the Government's part. There was finally enacted a compromise between these two groups. The board of governors of the Federal Reserve System is to be made up of seven members, appointed by the President. After February 1, 1936, the Secretary of the Treasury and the Comptroller of the Currency, who have heretofore functioned, will be eliminated from membership. There is provided a Federal open-market committee, having charge of open-market operations, and the Reserve banks will act in accordance with its instructions. This committee is composed of the board of governors and five members to be elected by the Federal Reserve banks. It is also provided that purchases of obligations must be made in the open market. The measure places a curb on the use of funds for speculative purposes by making it more difficult for member banks to alter reserve requirements on deposits. Reserve banks are required to restate their discount rates every 10 days, subject to the approval of the Board. National banks are permitted to make real-estate loans up to 50 percent of the appraised value of the security offered for a term of 5 years, except in cases of amortized loans, when 60 percent may be loaned for a 10-year term. The measure broadens the eligibility requirements of paper upon which the Reserve banks may make loans. It provides that officers, directors, and employees of a Reserve member bank may serve in a similar capacity in one other bank if approved by the Reserve bank governors. It requires all State banks with deposits of $1,000,000 or more to join the Federal Reserve System by 1942 in order to have their deposits insured, and provides for the permanent insurance of bank deposits up to $5,000 per individual account. It limits dealings in securities to purchases and sales upon order and for the account of customers and prohibits associations from underwriting any issue of securities. It permits associations to purchase securities for their own account, subject to limitations and restrictions by the Comptroller of the Currency, and provides that the total amount of the securities of one issuer or obligor held by an association for its own account shall not exceed 10 percent of the actually paid-in and unimpaired capital stock and surplus fund, except that this provision shall not apply to lawful holdings as of the date this legislation is enacted.

NATIONAL LABOR RELATIONS ACT

This act, generally known as the "Wagner Labor Disputes Law", is perhaps the most important bill from the point of view of organized labor that has come before the Congress. In brief, it creates the National Labor Relations Board, consisting of three members appointed by the President, with the advice and consent of the Senate. States' employees have the right to self-organization, to bargain collectively, and to join or assist labor unions. It classifies as unfair labor practice any effort on the part of an employer to interfere with employees in the exercise of their guaranteed rights to dominate any labor organization, or discriminate in regard to employment so as to encourage or discourage membership in any labor organization; to discriminate against any employee for

filing charges or giving testimony under this act; or to refuse to bargain collectively with the representatives of his employees. It provides for employee representatives and their election, and empowers the Board to prevent any unfair labor practice and vests the Board with investigatory powers.

This measure really carries out one of the elements of the N. R. A. program, which was vitiated by the Supreme Court's decision. It might be just as well for me at this point to tell you something about the constitutional controversy in regard to some of the recent legislation. The effort has been made, of course, to comply with the restrictions embraced in the Supreme Court's decision. There is nothing novel about the questioning of the constitutionality of pending legislation. Very frequently in the past the question has been raised, and not infrequently the Supreme Court has found it necessary to rule against acts of Congress that were signed by a President. For example, the Supreme Court declared unconstitutional seven different laws signed by President Harding. Even President Coolidge, who has come to typify extreme caution in the American mind, fared no better than his predecessor, for the Supreme Court declared invalid laws signed by him. During the relatively somnolent term of President Hoover, the Supreme Court declared unconstitutional three measures regularly enacted and signed by the President. Precedent has determined that it is the function of the judicial branch of the Government to pass on the validity of all laws, and while Congress never knowingly enacts a measure that contravenes the known opinion of the Court, it must, in advance of such an opinion, accept the judgment of its own legal authorities.

Since the founding of the Government there have been 33 strictly Democratic Congresses and 27 Republican Congresses. The others were a mixture of Democratic House and Republican Senates, or Republican Houses and Democratic Senates. During the time of the strictly partisan bodies, the Democrats passed 20 acts declared unconstitutional and the Republicans 42. Therefore, you find that the Republicans have passed 70 percent of the acts declared unconstitutional and the Democrats 30 percent. Twelve of these unconstitutional acts were passed under the administration of the Republican President and popular war hero, General Grant. So why all the constitutional partisan furore?

BUS AND TRUCK REGULATION

The Seventy-fourth Congress also, for the first time, brought under Federal control the busses and motor trucks that so suddenly became an element in our transportation system. The railroads complained that whereas they were under strict control by the Interstate Commerce Commission, that while they have to pay for rights-of-way and maintenance of their roadbeds, this new competition was exempt from all these restrictions; that busses and motor trucks use the public highways without tax or charge, make rates to suit themselves, effect mergers or institute competition just as they please. There is, of course, the other side to the story, the argument of the bus and truck companies that they perform a service the railroads cannot perform, for they gather their passengers and freight wherever they happen to be and deliver them to the doors of their homes or their places of business. Out of the controversy has come this new law, which provides that the Interstate Commerce Commission shall regulate these services and see to it that they supply adequate service and insure safety of operations and equipment. The bill leaves out of such control specific vehicles, such as those used exclusively in carrying livestock, fish, or agricultural commodities, or in the distribution of newspapers, or those which are used and controlled and operated by farm cooperative associations.

The legislation that has been enacted is, of course, only a tithe of the output of the session that began with the new year. Such important measures as the public-utilities bill, seeking control of the holding companies; the tax bill, raising surtaxes in the higher brackets and increasing the tax on large estates; repeal of the "pink slip" provision of income-tax returns; and several others are still passing through the legislative hopper. The Guffey coal bill, designed to keep economic peace in the soft-coal fields, only passed the House a day or two ago. We have passed laws affecting mines and minerals, railroad transportation, extending deposit insurance, protecting wildlife and game. We have added to the farm-credit law, providing for loans to farms for crop production and harvesting; declared a policy in regard to soil erosion; amended the Home Mortgage Financing Act; amended the Farm Mortgage Act, benefiting the tenant farmers and share croppers; regulated petroleum shipments; reenacted railroad retirement legislation that is now confidently believed will stand the test of Supreme Court decision, that will give employees who are 65 years of age and who have completed 30 years of service the opportunity to retire. While legislation was passed at the last session singling our benefits to the cotton producers, we have also enacted legislation benefiting tobacco growers along with other agricultural products. The bill amending the Agricultural Adjustment Act is among the most important passed. In short, the session just closing has performed an enormous amount of necessary work.

There was little excitement, there was little publicity to most of these bills, though each of them represents necessary improvements in our statute books.

It may perhaps give you an idea of how Congress kept busy 7 months when I tell you that there were presented in the House of Representatives 10,000 bills and resolutions and in the Senate nearly 4,000. During the same period there were considered nearly 15,000 nominations.

Much of the legislation, of course, is supplementary to the laws passed in the session last year. As experience developed weaknesses in the structure of these laws, the errors were corrected. The rulings of the Supreme Court, of course, compelled more legislation aimed to bring the ordinances in conformity with that tribunal's decisions.

It is now possible to take a comprehensive view of the new deal to estimate what the advent of President Roosevelt has meant to our country. Cast your mind back to where we were in March 1933, when he arrived in Washington. Promptly on his inauguration Congress plunged into the banking situation. From then on he pursued a policy designed to help everybody in the Republic. It rescued the farmers from despair; it put millions of men back to work; it lighted the furnaces of thousands of mills and factories that had been cold for years; it brought the income of our people up by billions of dollars annually. These are not fancied figures; they are based on the income-tax reports made by our citizens themselves.

Sufficient time is not available to permit a fuller review of the subjects which have engaged the attention of the Congress during the session that is closing. There have been enacted many laws which there is no opportunity now to outline and discuss, and some of them are of notable consequence. We have labored diligently and earnestly with the single purpose of advancing the public welfare.

I do not say that mistakes have not been made. In a program of such magnitude errors are inevitable, but how small and trifling these seem in comparison with the result. This administration is being subjected to intense criticism, which is understandable considering the approach of next year's election. Our President has been charged with everything from communism to despotism, and yet you cannot pick up a daily paper that does not reflect a rise in the stock market, an increase in profits, a resumption of dividends; in fact, every manifestation that tells of a country bound back to prosperity. Criticism is often made, but it is usually without one word of constructive suggestion, one idea of a substitute program. I am proud of the record made by the Congress, proud of the part it has played in the accomplishment that has brought us so far toward contentment. It is my belief that when history writes its review of the legislation of this Congress it will be made clear that the laws enacted at this session were for the greatest good to the greatest number.

RECORD OF THE DEMOCRATIC PARTY—ADDRESS BY SENATOR DUFFY

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a very able speech delivered this morning by the junior Senator from Wisconsin [Mr. DUFFY] at the convention of Young Democrats in Milwaukee.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I want you to know, my young Democratic friends, how sincerely grateful I am for this opportunity to greet you and to welcome this convention to the great State of Wisconsin.

As the only Democratic Senator from this State, and as a proud member of the National Democratic administration, I am personally greatly pleased that you have honored our State by holding your convention in our largest city. I hope it will be so successful in every respect that hereafter it may be known as the convention that "made Milwaukee famous."

Permit me, first, to congratulate you upon your fine interest in matters pertaining to government. In times gone by it was a fair criticism to say that too many of our good citizens gave practically no consideration or study to the complicated processes by which we, as citizens of a Republic, are governed. But, several years ago, when our Government was reeling and staggering from the repeated blows of a great depression, our citizens began to awaken. And so most of us now realize that we live not for today alone. Our consideration and study must be of the morrow.

The youth of today have the most at stake. Their span of life is longer; they should, of course, be greatly concerned for the future.

Your interest in politics shows your interest in matters of government. In a Government such as ours the will of the people is expressed through political parties. I congratulate you upon your interest in and devotion to the oldest and most representative of all American political parties.

Any party that does not attract to itself the youth of the land in large numbers would soon die of dry rot. It augurs well for the Democratic Party that young men and young women in every part of this country are enthusiastically espousing the cause of Democracy, and are becoming active and energetic workers in your organization.

You have every reason to be proud of your party. Its record of accomplishments is such as to send a thrill of pride through every patriotic American. You didn't hear criticism 2 years ago, when the very existence of our kind of government seemed to be in the balance. But conditions are so much better now, and a campaign is just around the corner—and now that the Democratic administration has the ship of state sailing along on even keel again—the cries of those outside looking in will become louder and louder.

We all know that there are differences of opinion as to the precautions that should be taken in times of epidemic. There are divergent views as to regulations of quarantine. In fact, it all depends upon whose baby has the measles.

You recently read a statement from the former President of the United States, expressing his horror and distress with refer-

ence to policies which have to do with the new deal. He was apparently shocked at what he described as "the demands made upon and the surrender by Congress to the President of powers reaching to dictatorial dimensions and the invasion of State rights." His views were not always thus, for I note in 1924, when he, as Secretary of Commerce, appeared before the Committee on Military Affairs of the House of Representatives (which had under consideration a bill concerning policies that should be pursued in wartime), Mr. Herbert Hoover said, "I would also suggest that from a legal point of view a general clause should be added to the bill giving blanket authority to the President to fix prices, wages, transportation charges, compensations, embargoes on imports and exports."

And yet, in his statement the other day, he said that the doing of things that were not nearly so extreme meant "for 2 years primary liberties of the people have been trampled upon."

This gentleman, whose recent utterance was accepted by his own party as expressing a willingness and desire to be our future President, is horrified to see such power placed in the hands of President Roosevelt as has been conferred by this and the preceding Congress. And yet, in April 1924, Mr. Hoover in his formal written statement to the Military Affairs Committee of the House, expressed his philosophy in this way, "It seems to me that for all administrative functions, war especially requires single-headed responsibility. Men must make instant decisions and take instant responsibility."

This ex-President, who apparently is again a candidate for office, pretends to be greatly exercised by Government interference and regimentation of business.

Let me quote this gentleman's testimony before the Military Affairs Committee: "The right to fix prices", he said in reply to a question, "instantly war is entered upon, and to requisition materials under the war power, would be a considerable shock to any pre-war speculator."

But, some of you undoubtedly are thinking that the ex-President, in his arguments for concentrating all authority in the Presidency, had in mind a major war, and not a condition growing out of an economic depression. What I am presenting to you is Mr. Hoover's own philosophy! He had always regarded the depression as a war. He discussed it in war terms all through the 1932 campaign. For example, in a speech at Des Moines on October 4, 1932, he said, "We have fought an unending war against the effect of these calamities upon our people. This is no time to recount the battles on a thousand fronts." In Detroit, 10 days later, he said, "I can understand that part of this weariness comes from the exhaustion of a long battle, but in the battle we have carried the front-line trenches." In fact, Mr. Hoover definitely pronounced the economic situation as a greater crisis than war.

The other day when Mr. Hoover was getting a degree from some university, he said his chief fear just now was "What the forces of Government may impose on you that may limit and destroy your inspirations, your incentives, and your opportunities."

So, you see, my friends, it is just a question of whose baby has the measles.

The Military Affairs Committee of the House was considering what was necessary to take care of a great national emergency. Five years had elapsed since the conclusion of a great war, and the question centered on the legality and advisability of conferring supreme powers on the Chief Executive for the effective handling of an emergency problem.

To more thoroughly understand Mr. Hoover's philosophy, let me quote in full a paragraph of his written statement to the Military Affairs Committee, an excerpt from which I have already presented. He said, "I would also suggest that from a legal point of view a general clause should be added to the bill giving a blanket authority to the President to fix prices, wages, transportation charges, compensations, embargoes on imports and exports, to exercise the war powers of requisition under circumstances that 75 percent of the estimated value may be paid and the balance determined by the courts in case of disagreement; suspend habeas corpus and generally complete an absolute authority in all ramifications over the whole civilian life with the provision that he may delegate these authorities through the various agencies."

These were Mr. Hoover's views as something necessary in the event of the United States ever being involved in a war. We have his own word for it that the depression constituted an even greater emergency than an international struggle, for in his final speech in the 1932 campaign, addressed to the people of California, which speech was carried over the radio, he said, "No more serious moment has ever brought the people of California and myself together in counsel as friends and neighbors than that which challenges us now. California has been honored by the Nation with its leadership during a period even more dangerous than a great war."

And so, 10 years ago when his party was in power and when he expected to be Mr. Coolidge's successor to the Presidency, he was all for giving the President unlimited power in an emergency. It was not a question with him merely of the institution of codes for business or the limitation of crops in order to bring about living prices for the farmer's products; it was not merely a matter of getting industries to agree to a living wage and a limitation of the hours of labor in order that more people might be employed; it was not merely the question of abolishing child labor and sweat-shop conditions; but Mr. Hoover was asking for the absolute suspension of even such guarantees of liberty as the writ of habaes corpus. He was asking an unlimited despotic power in a time of a national emergency. During his term as President there was nothing he did to indicate a change in his philosophy; and on the eve of the election, which set him out of the White House, he announced that the then emergency was a greater peril than a great war.

But that was in 1932, and now toward the end of 1935, when he again is a candidate for the Presidency, he tells the people that the policies of the Democratic administration, mild as they are in comparison with what he advocated in an emergency, are unconstitutional and dictatorial and a threat to liberty and prosperity.

Yes, my friends, it all depends on whose baby has the measles

Young Democrats, since March 4, 1933, this Nation has had an inspired leadership. A great humane program of recovery has been successfully undertaken. We can all be justly proud of the accomplishments of our administration.

I need not recount to you the condition of our country just prior to March 4, 1933. I'm sure the people of America have not forgotten, even though our Republican friends will try to make them do so. We were then face to face with a great crisis. The crushing weight of the depression caused our people to become hysterical with fear and doubt. But a new leader had been chosen by a majority of many millions to direct and carry on the battle against depression. Our people cried out for action. They wanted an end to the aimless policy of drifting.

You recall the great message that went out from our new leader. He promised action. He took our people into his confidence. He was frank enough to predict that he wouldn't make a hit every time he came to bat. I claim that, in batting average, he leads in all leagues.

Of our critical Republican friends I ask not only what they would have done but, in addition, I challenge them to say which of the major legislative acts of this administration they would now erase from the statute books.

The first step on the program was the banking moratorium legislation. I have heard no one complain, but, on the contrary, friends and foes alike have conceded that this step was absolutely necessary to preserve the banking institutions of this country, and millions of depositors are indeed grateful because of this wise, courageous step.

Do the critics complain of the Home Owners' Loan Act which refinanced mortgages on 889,000 modest homes owned by our good citizens who were in financial distress? Had this act not been passed nearly a million would have been dispossessed and thrown out on the streets, discouraged and hopeless. Although these loans totaled almost $3,000,000,000, in the long run there will be practically no expense to the Government. The same is true with reference to the Farm Credit Act. Over 1,000,000 farm families have had their farm homes saved for them, refinanced on a lower rate of interest, and again, although the total amount of loans was slightly under $3,000,000,000, worked out over a period of years, there will be practically no expense to our Government. Over $100,000,000 of these home loans have been completed in Wisconsin, and approximately $125,000,000 of farm loans have been refinanced in the State.

Who of the critics will complain about the great Civilian Conservation Corps program which has taken so many of the young men off the streets of our cities and put them at healthful work which will mean so much to the future of our Nation? I doubt if any critic would have the temerity to complain about that great, humane, character-building program.

And what do the farmers of America think about our administration? Our Republican friends have always thought a great deal about the farmers during campaign years, and then have proceeded promptly to forget about them until the next campaign rolled around. From the end of the Wilson administration in March 1921, until the beginning of the Roosevelt administration in 1933, agriculture in this country was on the downward path, and at the end of that period was prostrate. Do the critics think that they can fool the American farmer with their sneers at the Agricultural Adjustment Act? Do they think that the American farmer can be made to forget? Farmers of America, last year, received more than $2,000,000,000 greater income for their products than in the last year under the Hoover administration. Prices of all farm products have gone up on an average of more than 100 percent while the things which the farmer must buy have not increased in price to nearly that extent. The farmer will not forget that he was getting 23 cents a bushel for his corn in January 1933, instead of the 80 cents he receives today. He will not forget that he received 43 cents a bushel for his wheat, whereas today it sells for around 96 cents a bushel. He will not forget that butter sold then for around 18 cents a pound, and today it is approximately 29 cents a pound, and so on, through the list of the farm products.

And do any of the critics have nerve enough to criticize the act whereby the deposits in our banks are now insured by the Federal Government on deposits up to $5,000? Ninety-eight percent of the bank deposits are for less than $5,000. Do the Republicans criticize this act now? Listen to what the Republican Senator, Mr. VANDENBERG, from Michigan, recently said: "From my observation, I think I have never seen a difficult and perplexing public responsibility more ably discharged than during the 18 months of the Federal Deposit Insurance Corporation, presided over by Mr. Crowley." We in Wisconsin are proud that Mr. Crowley is a citizen of our great State.

And who is there who will criticize the Federal Housing Act, and the great work that has been done in financing the construction of new homes and other new building projects? Seventy-one

percent of the new building construction in Milwaukee this past year has been financed through the F. H. A.

And so on, down through the list, although mistakes may have been made here and there, who is there who will stand before the American people and say that the major parts of the program have not been sound and necessary? Most of these measures were supported on final passage by Republican Senators and Representatives, because the measures had so much inherent good and merit that those representatives of the people dared not oppose them with their vote.

On last Monday we passed the Labor Railroad Retirement Act in the Senate, and there were only three Republican Senators who voted against it. When we passed the Social Security Act, providing old-age pensions and workmen's unemployment insurance, as I recollect, there were only six Senators who voted against it. And so on, through the list, it will be well to keep in mind during the next campaign when the Democratic national administration is being criticized by those who would like to get into office, that in a large measure the Republican Senators and Republican Representatives supported these various measures when they came to a final vote.

Again I congratulate you young men and women for your interest and activity in a program that will bring so much of happiness and contentment in the future to the people of this great Nation.

I only regret that the Chief Executive, the commanding general in this battle against depression, was not able to personally appear here before you as he had intended to do. I know that the President would have been greatly pleased to have appeared before you personally. Shortly before leaving Washington I had the opportunity of visiting with him, and when he found it would be impossible for him to personally attend he wrote out this note of greeting for me to bring to you:

THE WHITE HOUSE,
*Washington, August 19, 1935.*

DEAR RYAN: Please convey my best wishes to the Young Democrats' Convention and say to those present that I had hoped up to the last minute to be able to visit Milwaukee with them. The simple truth is that the pressure of public business, resulting largely from the approaching adjournment of the Congress, makes it impossible for me to leave Washington at this time.

While circumstances combine to keep me here in Washington, it is with some degree of satisfaction that I find it will be possible for me to address the convention over the radio. Arrangements have been completed for me to speak from the White House study Saturday evening at 9:30, Washington time.

I fully realize and appreciate the significance of the Young Democrats' gathering in Milwaukee. Youth is the period of progress through action, and I shall be mindful Saturday night as I talk to them that they are firm in the faith that the purpose of government must ever be the welfare of all the people.

I am grateful to you for this service.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Hon. F. RYAN DUFFY,
*United States Senator, Milwaukee, Wis.*

When the President speaks to you tomorrow evening by radio, I know you will listen to a most inspiring message. I feel very certain that after hearing that message and after having concluded the deliberations of this convention, you will go back to your homes in the various parts of the country with renewed inspiration to fight for and carry on with the great cause. With your youth and with your enthusiasm, you can do much to tell the true story to our people, because it is very certain that the selfish interests in the country, who no longer have a favored place in controlling the activities of this Government, will do all in their power to mislead and to deceive our fellow citizens.

Carry on, Young Democrats! Assist our great leader in the fight he is making for all our people.

## WHEAT CROP IN THE NORTHWEST—LETTER FROM KNUD WEFALD

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter which I received from former Congressman Wefald, now a member of the Minnesota Railroad and Warehouse Commission, in regard to the light-weight wheat which is produced in the Northwest this year.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MINNESOTA RAILROAD AND WAREHOUSE COMMISSION,
*St. Paul, August 19, 1935.*

Senator LYNN J. FRAZIER,
*United States Senate, Washington, D. C.*

DEAR SENATOR: I received your letter of August 5, 1935, reading as follows:

"I am receiving complaints from North Dakota that the low-weight wheat, because of rust, is being closely discriminated against and that there is an abnormally wide spread between the heavy wheat and that of low weight. Under the Minnesota State gradings there is provision for tests for protein content, and if this low-weight wheat is high in protein the fact should be given a good deal of publicity that farmers would demand better prices from the local buyers.

"I wish you would look into this matter and see if the farmers who have the wheat affected by rust cannot get a fair price for it."

To your letter I made reply by wire under date of August 8 to the effect that the Minnesota commission had already on its own initiative begun an investigation of the status of low-weight wheat in the terminal markets.

The Minneapolis Tribune, under date of August 6, carried a story from Washington, D. C., to the effect that you were interested in the situation of low-weight wheat; that you have complaints coming to you from the State of North Dakota expressing fear that low-grade wheat would be unduly discriminated against in the terminals. The article further stated that you had appealed to the Department of Agriculture, the North Dakota State mill, and the Minnesota Railroad and Warehouse Commission for a revision of grading rules to permit the marketing of low-weight wheat by protein content rather than weight.

The article further states:

"Spurred by a telegram from the Farmers' Elevator Co., of Williston, FRAZIER expressed fear that milling companies would pay feed prices for the light wheat, despite tests which he said had proven this wheat just as good for milling as the heavy."

At the outset of this discussion I may reiterate what I stated in my telegram to you that protein tests have been made in Minnesota continuously since 1925, and are now being made. We are facing a situation in the Northwest in regard to light-weight wheat this fall that we have faced on only two different occasions in the past. The first one occurred in the year 1904, of which situation at that time I have comparatively little personal knowledge, and I do not suppose that you have. The situation in 1916 I think both you and I yet have vividly in mind.

Based upon the investigation that we have carried on here, and we have gone to considerable labor and trouble in doing so, the situation this year is quite analogous with the situation in 1916. People familiar with the situation in 1904 say that the situation at this time more closely resembles the situation in that year, with the one difference that there was more heavy wheat in 1904 than there is this year. I also understand that in 1904 there was much more heavy wheat carried over from the previous year. Also, in the year 1916 there was quite a carry-over from the year 1915. At this time there is no carry-over of heavy wheat to speak of.

The light-weight wheat in the Northwest this year was hurt by two different factors, one being excessive heat, and the other an extreme excessive attack of black rust. In some parts of our territory the wheat was hurt mainly by excessive heat; other parts mainly by the black rust. In some parts of the territory it was hurt by both of these factors. I understand that millers and grain men are studying the situation very closely as to the milling quality of all wheat brought to our terminal markets. From sales reports it seems to be indicated that wheat hurt by excessive heat only is considered to be of a better milling quality usually than wheat which has been hurt by black rust or by both heat and black rust. A perusal of sales made on the Minneapolis market yesterday develops the fact that within the range of light-weight wheat on different carloads of wheat having practically the same test weight the price has varied from 7 to 11 cents. At the present time wheat from Montana is bringing a better price than wheat from Minnesota and North Dakota, and wheat from South Dakota is also bringing a somewhat better price than wheat from North Dakota and Minnesota. The claim is made that the difference in price is due to the difference in the milling quality of the wheat.

Since 1916 many different varieties of wheat have been brought out by the different experimental stations, all, or many, of which were claimed to be rust-resistant. The experience with this year's crop has proven that such claim made for practically all of these varieties has been unfounded. In fact, there is said to be only one rust-resistant quality, i. e., the marquillo, which has seemed to have stood up better against the rust than any other variety, but this grade of wheat is again said not to be one of the high milling quality and selling at a discount.

There is considerable difference between the situation now and that of 1916 when Dr. Ladd undertook his milling tests with wheat. At that time it became very far-reaching. Before his experiments were made the question of protein had not attained the same prominence relative to milling qualities of wheat as it has since that time.

We have had our State mill here in Minnesota, which was established for the purpose of making tests and checking on the millers, which came into operation in 1920, and which was ordered established by the Minnesota Legislature in 1919, checking into this matter, and the protein tests in the Minnesota inspection office show a relatively high protein content in the low-weight wheats this year. Samples have been known to run as high as around 20 percent. Since the time that Dr. Ladd made his great disclosure about the protein content in wheat everybody out here in the Northwest has been led to believe that in the making of flour that was the greatest factor of all. Many and many an orator making political speeches and elaborating upon the grandeur of the Northwest has told his listeners time and again the story, which often has been so interpreted, that without this hard spring wheat of the Northwest it would be almost impossible to make decent flour. It seems, however, that protein is, of course, not the only factor; and the peculiar thing about the protein in our 1935 light-weight wheat crop is that most of the protein is contained in the bran, and that bran as a byproduct on the market this year will be of such excessive portions, or percentage, as has not been known to exist in any previous crop year.

So the situation in the milling business this year is that wheat containing the highest percentage of protein content will not sell for anywhere near the same figure that wheat of a much lower

protein content, which again contains the other flour-making properties.

In lightweight wheat affected by rust the buyer gives consideration to the quality of gluten and the excessive percentage of ash and moisture that such wheat may contain.

In 1916 the war was on in Europe, and it was necessary to reserve the food resources of this Nation, which demanded the largest possible extraction of flour from the wheat crop, and for that reason more of the lightweight wheat could be used at that time, and at that time the quality of both the gluten and the protein were considerably better than at the present time, and in a more proper relationship to each other, and those qualities in the lightweight wheat at that time really added strength to the heavy wheat.

At that time there were also left in Minnesota many mills in the small towns, which, after Dr. Ladd's disclosures, enjoyed a great increase in their flour-milling business, who were at that time to some extent competitors of the larger mills, and, in these smaller mills, there was quite an outlet for the lighter weight wheat. At that time farmers from a wide radius around such mills took their grist to these mills and had their own flour milled, which, while it did not have the color and appearance of the high-grade patents, was just as nutritious, if not more so, than the highly finished patented flour products. These small mills are, most of them, now a thing of the past.

Another factor that is entering heavily into the situation at this time is the tremendous increase in the volume of the big bakeries. Housewives have now practically ceased to bake bread in their homes, and the Bakers' Trusts are now largely in control of the bread market, and these demand a certain grade of flour which the mills furnish, and some of these big bakeries at the present time also control some of the mills.

This is just a plain statement of facts, as I understand them to be, the correctness or incorrectness of which you may be able to verify from the Department of Agriculture.

We are told that the machinery of the big mills is so constructed now that only a certain portion of the lightweight wheat can be run with the other heavier weight wheat. The system of milling has become so intricate and so delicate, and based on the production of flour from wheat such as is always obtained in any ordinary crop year, I am told that the installation of machinery that would now properly take care of the lightweight wheat with the ordinary weight of wheat would almost necessitate a revolution of the milling system.

Our State mill, which is under very able management by a man of 25 years' milling experience, and who knows the milling game from A to Z, has made quite an extensive test as to the milling value of low-grade wheat. A copy of his findings on the sample submitted is herewith presented. The Minnesota State mill on the basis of an analysis of 1934 wheat for percentage of flour gives the following results: Wheat of 58-pound test weight gives 71.7 percent of flour; wheat of 59-pound test weight gives 72.90 percent of flour; wheat of 60-pound test weight gives 74.15 percent of flour. As compared to this table he shows the test on 18 samples submitted on which the test weight varied from 41.5 pounds to 49.8 pounds, and the flour percentage varied in the case of the 41.5-pound test weight, 51.60, to 58.97-percent flour on the 49.8-pound test weight. A study of this table, I think, will prove very interesting to you as it also gives the percentage of feed, the percentage of moisture, ash, and protein content in the flour. In the last column is also contained the protein content in the wheat found by our State protein laboratory, a chart of which showing the percentage of feed and flour products in the different wheats is also attached.

One of the great factors entering into the price situation of low-grade wheat this fall is the processing tax of 30 cents per bushel on wheat. Of the ordinary high-test weight, 4½ bushels of wheat will produce a barrel of flour, the processing tax on this being $1.35 on 58-pound wheat. Today's cash price in Minneapolis on 58-pound wheat runs about $1.23. The processing tax added to this, or $1.35, produces a cost to the miller for the wheat of $6.93. Of wheat weighing 50 pounds to the bushel test weight it will take 6½ bushels to produce one barrel of flour. This weight wheat today sold at an average of 97 cents, the wheat of this weight to produce a barrel of flour costing the miller $6.30, plus the processing tax of $1.95, making the cost to the millers for a barrel fo flour of this test weight $8.25. Of wheat weighing 48-pound test weight it will take 7 bushels to produce a barrel of flour. Wheat of this weight sold in Minneapolis today for a price averaging about 85 cents, making the cost to the millers for wheat to produce a barrel of flour of this test weight $5.95, plus the processing tax of $2.10, making the cost to the millers for making a barrel of flour from this test-weight wheat $8.05.

Right here I believe that you are up against one of the most insurmountable handicaps so far as the marketing of lightweight wheat is concerned in the Northwest this fall. The millers out here are voicing the sentiment that the processing tax should be levied not on each bushel of wheat but on each barrel of flour produced, which they figure would put them in a better position to compete with millers in territory where there is the regulation test-weight wheat marketed this fall.

There is another side to this picture, also; there being very little high-test weight wheat left in the Northwest, the Northwest mills will be obliged to obtain a good deal of their milling wheat from other territories that have not been afflicted as the Northwest has been afflicted this year.

I pass this along to you as I have found it. I am trying to give you the picture as it is presented to us out here. Of course, I hold no brief for the millers, and must not be understood to be doing so, but it seems to me personally that the levying of a processing tax on each barrel of flour would for us out here in the Northwest, no matter how it fits the situation in other parts of the country, be a much better thing and would work to our advantage. Possibly the Government could do this, that farmers in the Northwest whose crops were to a great extent ruined by heat and rust, when they market their crops could be in some way compensated by the Federal Government, which is now coming to the aid of everybody who has suffered under any kind of affliction, especially so in taking such great care of the tobacco and cotton raisers and other producers in the South, and could make good to the farmers who have to market this lightweight wheat in a sum per bushel that would put them on somewhat near the same basis with those whom nature and the elements have not punished this year.

I pass this on to you as the most prominent farm representative in the United States Senate to see if you cannot work out something along this line that will aid the northwestern wheat raisers in their present predicament.

Whether or not the processing tax on wheat is of the benefit to the farmers in general that it was intended to be, I do not know. It would appear from what I have here quoted you that on this year's crop it is going to be a severe handicap to the farmers who must market light-weight wheat, but, of course, this is a matter of which you probably know more than we do out here.

In the processing tax as between that paid on 58-pound wheat in a sufficient amount to make a barrel of flour and that paid upon 48-pound wheat in sufficient amount to make a barrel of flour, in the latter case the processing tax on wheat to produce a barrel of flour is 75 cents higher than in the former instance, which again means that the farmers selling 48-pound wheat are being penalized in the sum of 10½ cents per bushel for the processing tax more than is the man who is selling 58-pound wheat. The millers, of course, are passing this difference on to the farmers in a price per bushel that is that much lower.

So far as grades of grains go they are now in the first place promulgated by the Department of Agriculture at Washington. If they can at this time remedy our situation out here with lightweight wheat in affecting changes in grades, I do not know. Under the Federal Grain Act this power is given the Federal Department of Agriculture who promulgates grades on grain through its Bureau of Agricultural Economics. I can assure you that if the Department of Agriculture can find a way by which the present situation can be eased, that the State of Minnesota will cooperate to the fullest extent. They have it in their power to do almost anything they feel like doing, but I am afraid that they will, and possibly can, do nothing about it.

Down to what test weight of wheat millers can go, or will go, for the purpose of making flour, is hard to say. It seems to be the consensus of opinion that they will not go below 48 pounds. In this connection it might be well to call your attention to the fact that while the low-weight wheats will product a much smaller percentage of flour, they will again produce a much greater percentage of feeds, as, for instance, 60-pound weight wheat produces, roughly speaking, 25 percent of feed, while 48-pound wheat produces 38 percent of feed. Going to a test weight as low as 42 pounds, it appears that wheat of that weight will produce 42 percent of feed. Just what effect this will have it is hard to say. It is a byproduct which in the past has meant a big thing to the miller. There is no regulation that I know of with regard to the price of feed. All other feed crops this year being very abundant mill feeds may not be able to command a very high price, especially so due to the fact that so many cattle and hogs have been slaughtered these last years. Under ordinary circumstances as have obtained most years, this great amount of mill feedstuffs would have been a great revenue producer for the millers. How it will be this year nobody can tell. If the millers are compelled to make an extraordinary low price on mill feeds, this will again influence the price of other feedstuffs.

Our Minnesota inspection department and our boards of appeal have been instructed to keep the closest kind of watch on the marketing situation in our Minnesota terminals, especially with regard to lightweight wheat, and anything that we discover that will be of interest we will keep you fully advised on, for, even though the present Congress may soon come to a close, we would like to have you on the fighting line for us in the next session of Congress, and full publicity shall be given to all of these matters in the newspapers to the extent that we will be able to have the newspapers carry such matters.

I think that the wheat farmers of the Northwest especially are entitled to consideration at the hands of Congress and the administration, which consideration has not heretofore been given them. The efforts of the experimental stations relative to bringing out rust-resistant varieties of wheat seems, in view of the situation this year, to have been a failure. For many years back we have been told that the cause of rust was the barberry bush. The farmer has never believed so. He has believed that rust was caused by atmospheric and weather conditions, and he is possibly as right in this as are the agricultural experts.

But many people are now beginning to voice the idea that the Government should undertake a complete soil survey of the wheat-raising areas to find out whether or not certain qualities that were found in abundance in years gone by have not now become

exhausted, and that possibly the remedy might not be found on the basis of such a study and survey. Reduction of acreage evidently does not prevent rust.

The farmer is evidently entitled to an intensive study of his situation along these lines—a more intensive study than what has been given to this situation up until this time.

Very respectfully,

KNUD WEFALD, *Commissioner.*

### ADDRESS BY POSTMASTER GENERAL BEFORE CALIFORNIA FEDERATION WOMEN'S DEMOCRATIC STUDY CLASS

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a very able address delivered by our distinguished Postmaster General, Hon. James A. Farley, Chairman of the Democratic National Committee, before the California Federation Women's Democratic Study Class, at the Ambassador Hotel, Los Angeles, Calif., August 23, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Like every other American, I am glad to come to California. You people out here ought to be happy in the thought that the residents of all other sections envy you. No State of the Union has the varied attractions that has this Golden State of yours. It is no wonder that although you are one of the young ones among the sisterhood of Commonwealths that make up our country that you have attained eminence in population, in wealth, in culture, and you have preserved to such a wonderful extent the courage and enterprise of the pioneers who came here in search of gold nearly a century ago. They found an eldorado, but like other discoverers, they did not know that the incredible fortunes they washed and grubbed out of your mountains and your river beds was only a fraction of the wealth that lay dormant in the Golden State.

I am particularly delighted at this opportunity to address the membership of the Federated Study Clubs of California. This women's organization ought to be duplicated in every State in the Union. And let me congratulate, among many others, those great women, Miss Mary Foy, Mrs. Mattison Boyd Jones, and Mrs. Betty Gilmore, who were kind enough to invite me to address this distinguished gathering. They are the true descendants and heirs of the spirit of those pioneer women who rode in the prairie schooners across the plains, or endured the hardships of the hazardous Panama route, and laid the foundations of California. I know that the old fellows who fought their way through hostile Indian tribes and conquered the obstacles of prairie desert and mountain in order to reach the Pacific coast were splendid men. Probably no group in all our history showed such a depth of courage, resource, and determination as they did. But whenever I read one of the old chronicles of the great western surge of settlers I think of a comment made by one of our Eastern orators at a Plymouth Rock celebration. He said that while he wished to pay every tribute to the qualities of the Pilgrim fathers, his own thought was mainly for the Pilgrim mothers—who not only had to endure the hardships of the voyage of the *Mayflower* but had in addition to endure the Pilgrim fathers themselves. So I feel that when we admire the pioneer men, we must realize that it was the pioneer women who bore the great burden. My hat is off to those women and to their descendants who are carrying on the traditions of the finest epic in American history.

I said a moment ago that I wished the study clubs could be duplicated in every American community. We are passing through one of the most important periods since we became an independent country. When the depression fell upon us with such devastating force it found us unequipped and unprepared. We had learned that we had to have a great Navy to preserve us from foreign aggression. We had learned that we had to keep the nucleus of a sufficient Army to defend our rights, if it came to war. In a degree, we had learned to provide against floods and droughts and epidemics. But when it came to a world-wide economic collapse, we were caught without charts or maps, or even a comprehensive theory as to how such a calamity should be met. As has been the case in every crisis that has come upon this country, the crisis itself produced somebody capable of dealing with it. So it was when our factories were closed, when perhaps 15,000,000 people were out of employment, when banks were toppling like tenpins and nothing seemed secure, we found a man who had a plan and was brave enough to try it out. Like your "forty-niners", he struck for a goal where no trail had been blazed; he proceeded to make his own trail; and I need not tell you, who are cognizant of the difference between today and the day that Franklin Delano Roosevelt came to the White House, that the trail he cut will endure as one of the great monuments in the history of progress.

The journey is far from complete. Every step that we take upward in the painful climbing back to the heights of prosperity brings up new obstacles, new problems. The road to such accomplishments as this Nation now is striving for is bound to be long and arduous. No small part of the difficulties that lie ahead is due to a lack of understanding, not only of the purposes to which the President's policies are directed but of the processes by which he seeks to guide us. That is where your study clubs will perform their greatest service. It is their part to resolve the complexities of an intricate problem into its simple elements, to see to it that every American citizen understands that what we are seeking, and what we hope to bring about is a restoration to work of everybody who can take a job; the elimination from our American system of doles; the reestablishment of business on a prosperous scale; and the maintenance of a high standard of living for all our people. And it must be done in such a manner as will produce the greatest aggregate of good, of happiness, and content for our whole people.

The study group idea is not only taking hold in California, but in many other States. I am delighted at the intelligent interest which is being displayed by the women, and the vigor and determination with which they are organizing in study clubs and reporter groups all over the country to learn everything they can of the President's program. Molly Dewson's reporter plan is in constant demand. I cannot pass her name by without reminding you that the women owe a great deal to her for the wisdom and courage which she has brought to the task of organizing the women of the country back of the new deal. I am frank to admit that the education program initiated by the women's division is a new venture in political tactics, but I am heartily in favor of it, not only for the women but for the men and the young Democrats. I also know that the President has given the program his endorsement. He has said many times and in many different ways that "only through a clear understanding by every citizen of the objectives, organization, and availability of the Government agencies can they render truly effective service and assure progress toward economic security."

We have come a long way toward the desired goal. We have come so far that some people, realizing that the promised land is in sight, would seek again to place their own interests above the interests of all, and to supplant the leadership that has brought us along so well with their own leadership—that same leadership which permitted us to drift into a situation from which they not only did not know the exit but had no hope of finding the way out. It undoubtedly frequently happened that when the pioneers were making their great experiment they came to an impasse—a river they could not cross, or a cliff they could not scale—and then they had to make a detour. Well, it happened in this great experiment in which the President engaged more than once. He had thought out a program that wiped out the sweatshop, abolished child labor, headed the ledger figures of business from the red-ink stage to statistics of profit, cut the unemployment in half.

The Supreme Court decided that the process was unconstitutional, that the Federal Government infringed on the rights of the States when it attempted to fix hours and wages for institutions that produced inside the borders of the State, even though those institutions' products went all over the world. In other words, the recovery program has encountered an insurmountable obstacle, for the Supreme Court has the last word on constitutional questions, and nobody—least of all the President of the United States—can dispute its authority. So a detour had to be sought, and that is what is being sought now. We will reach our destination, but not so quickly as we had hoped, despite the clamors of the group that applauds every set-back, rejoices every time a cog in the machinery of recovery goes wrong, that sneers at Congress, and calls our national legislators "rubber stamps" whenever they support the President, and hails them as great statesmen whenever they vote against something he advocates. In the old days of European kingships there was a saying that "the king can do no wrong." Our political adversaries have substituted for this expression of extravagant loyalty, "The President can do no right."

The Constitution imposes on the President the direct duty of laying before Congress such recommendations as seem to him requisite to the welfare of the Nation. What sort of a Chief Magistrate would we have if, after asking Congress to enact certain laws, he failed to urge the passage of those laws? The Constitution directs that no enactment shall become a law unless the President signs it or it is passed by a two-thirds vote of both Houses over his veto. It was never contemplated by the founders of our Government that the legislative and the executive branches should be two hostile agencies, each striving for superiority over the other. To the contrary, it was planned that they should cooperate and work together for the Nation's good. They are equal partners in the business of making the laws of the country, independent in their respective fields, but dependent, one on the other, in the final enactments.

I mention this merely to point out how silly is the cry that the President seeks to dominate Congress because he urges the passage of bills he deems necessary or the rejection of those he deems harmful. Come to think of it, I never knew of an important measure on which the Capitol and the White House differed, and which had gone through both Houses and was awaiting the President's signature or veto, that Congress did not seek to influence the President. It is almost a matter of routine under such circumstances for Congressmen to come to the White House—either as individuals or in delegations—in an effort to induce the President to accept the bill. Sometimes these visits succeed in their purpose; sometimes they fail. But I have never yet heard this process cited as an effort of the legislative to compel the Executive to do its bidding. But every time the process is reversed, and the President seeks to convert Congressmen to his own way of thinking the faultfinders raise the cry that he is striving to be a dictator and a lot more rubbish of the same sort.

There is little of criticism of or opposition to the President's policies that is not directly attributable either to politics or to the concern of a particular group anxious to preserve some undeserved advantage it has had, and so makes common cause with the political foes of the administration. We are on the verge of a campaign, and to that fact is attributable the rancor of recent

outbursts. Let me take you back, to illustrate the point, to the early days of the Roosevelt regime. Newly come to the White House, with the terrific task of rehabilitating a disturbed, distressed and discouraged country on his shoulders, he stopped the panic of the banks almost overnight. Nothing but praise came to him for the startling definiteness and boldness of this act. Then he laid before the country his whole program of recovery, and part of that plan was the resolution to so shape the future course of this country that the abuses that contributed so much to the acuteness of the depression could not be continued. He laid his program before Congress, and Republicans and Democrats alike hastened to give him the requisite authority to carry out his ideas. He gathered about him the men who had made their fame in economic research; the recognized authorities in their respective fields—and Republicans and Democrats alike applauded. This was in 1933. There was no political campaign on that year. Came 1934, and the congressional elections, and the chorus of detraction rang out.

Our President was charged, in the East, with trying to impose socialism, communism, and a dozen other "isms", on us. He was charged, in the West, with being bent on a despotism in the interest of big business—that being the bogy of the times in that part of the country. Then we heard the derisive cry of "brain trust" as descriptive of the technical experts he had brought in, and they were described as wild-eyed young theorists, with the sole idea of destroying our form of government. Incidentally, let me tell you something about that "brain trust." It was composed of men whose ideas varied by far more than the difference between Democrat and Republican. They represented every possible school of thought, but they were all true, thoughtful Americans. They dictated no policies, but each contributed his view, when the President asked for it, so that he always had before him about all that was known on a given subject, from every possible angle. That is the way he works; the way he has always worked. What he wanted was the facts that had been gathered through their years of study by these men and women, who had gained their experience as members of college faculties, as research experts in big businesses, and in the Government itself. From these facts he developed his policies—and what resulted were his policies; not those of the people he had called in, fond as are our political enemies of attributing to the administration a devotion to dreamy theories.

But to get back to the matter of politics in the criticisms of the new deal. They were at their height in the fall of 1934. I dare say you all remember what happened in the elections that year; that you remember that the administration received an endorsement unparalleled in our history. There followed another period when the fault-finders, with a few chronic exceptions, were silent, and the country pursued its even course toward recovery. Then the shadow of next year's election fell over the country. There was a prompt resumption of the barrage of detraction. All the old absurdities were dusted off and some new slanders were invented. This campaign is going on and I suppose will increase in virulence until November of next year, when it will be hushed by another great endorsement of the Roosevelt administration; another acclamation for the progress we have made under the direction of the President.

The "grass roots" convention at which the opposition party was able to agree on nothing except denunciation of the President, the scurrilous chain letters with which they are flooding the mails, the incantations of their speakers and their brothers in arms, the paid advocates of special interests, create a lot of noise and raise dust storms that may temporarily blind a few people but can have no permanent effect. In all the thousands of words poured out in the last month or two there never has been the slightest suggestion of a substitute program for that which they attacked so fiercely, and, incidentally, which they paraphrased in their resolutions in order to have the appearance of some sort of a platform to present to the people.

Thousands of good folks write me letters calling attention to these attacks, suggesting methods of meeting them, and expressing their disgust at the character of the assaults. I have been much interested to note that a large proportion of these letters come from women. Perhaps because of their comparative newness in politics, they ascribe a greater degree of seriousness to the dust storms than their brothers, who recognize in the phenomena only a commonplace manifestation of a political campaign. My experience during the past few years has almost convinced me that the strength of Democracy lies largely in the feminine adherents to the party. With their keener sympathies, their higher standards, and their intuition, they are quick to perceive and applaud the efforts of the Democratic administration to make this a better country to live in, to increase the opportunities of the plain people to attain comfort, and to restore the Nation to normal prosperity without the curse of special privileges, which in the past has made our prosperity lop-sided, indeed.

We have been successful through two elections, and I attribute the volume of our success in no small degree to the maids and matrons who have not only espoused Democracy themselves, but have become missionaries among the husbands and brothers. This administration has recognized their contributions to the cause of good government to a greater extent than any previous administration. For the first time in our history there is a woman member of the Cabinet.

Yet, it would be a misstatement to attribute Frances Perkins' advent as Secretary of Labor to her sex. She was chosen for the post because her life work had been devoted to dealing with the very problems that that branch of the Government must deal with. It would be more truthful to say that the circumstance that she was a woman was not permitted to outweigh her qualifications for high office. There are other eminent women in high places in the Government who are demonstrating that administrative capacity is by no means a purely masculine trait. Josephine Roche is an Assistant Secretary of the Treasury. Ruth Bryan Owen is Minister to Denmark. Former Governor of Wyoming, Nellie Tayloe Ross, is Director of the Mint. And they are all making good in some of the most difficult and responsible offices.

It might perhaps be of interest to you to know that I have appointed a thousand women to postmasterships throughout the country. Some of these are in charge of the most important cities. Here in California, for example, you have Mrs. Nellie F. Donahue as postmistress at Oakland.

I know, of course, that you in California have similarly honored your great women. Your neighbor, Mrs. Carroll Stewart, is a member of the Federal Veterans' Appeals Board, one of the three women whose advent to that Board signals the administration's recognition of the concern of women in the welfare of the boys who went to war. The superintendent of the great Massachusetts reformatory for women made her reputation as juvenile-court judge in Los Angeles. Annette Abbot Adams was brought from California to be the first woman Assistant Attorney General during the Woodrow Wilson administration. I might prolong the list indefinitely, for your fortunate State stands high in the list of those whose daughters have played an important part in our country's progress.

The University of California at Berkeley owes a debt to Phoebe A. Hearst which cannot be measured in money and no less a debt is owed by Leland Stanford University to Jane Lathrop Stanford. It was through the generous contribution of these good women that these two educational institutions stand where they do today among colleges.

Closely associated with the work of these two women is the founding of Mills College by Susan Tolman Mills. California is indeed proud of the work of these three women. And a history of education in Los Angeles cannot be written without assigning a high place to Mrs. Susan M. Dorsey.

Of the distinguished women of our own day, California numbers among its citizens the gracious and kindly former First Lady of the Land, Mrs. Herbert Hoover.

Now let me talk a little about the future. This country is by no means out of the woods. It is going to take the best efforts of every thinking man and woman to complete the work of recovery so happily begun. If we would have our ideals fulfilled, you people must do a great share of the work. Under our system, improvement in government can come only through politics. It is not as a politician, it is not as chairman of the Democratic National Committee that I ask the study clubs to work for the welfare of our people with even greater devotion than you have in the past, but simply as one good citizen to another. I call on every one of you to get into the game and see to it that we do not lose what we have gained and that every success this Nation makes or has made in the improvement of the lot of the average man and woman shall be merely the stepping stone to still greater accomplishments.

### GOLD AND ITS EFFECT ON THE FARMER'S INCOME

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Frank E. Gannett, publisher of the Gannett newspapers, before the annual Farm and Home Conference at the University of Vermont, Burlington, Vt., August 21, 1935, on the subject of Gold and Its Effect Upon the Farmer's Income.

There being no objection, the address was ordered to be printed in the RECORD as follows:

It is stimulating indeed to come to a State which stands out over the years as the birthplace and home of men and women who have been, and are, conspicuous for their courage, initiative, thrift, self-reliance, and sound attitude toward life. One cannot think of Vermont without thinking of granite, and granite suggests a characteristic of her people—solid, enduring, able to withstand any blows, unmoved by lashing storms, rugged, dependable. I say this in all sincerity as an accurate expression of how those outside your borders regard you.

My visit here has inspired me to depart a bit from the subject assigned me and, with your permission, to say a few words on conditions now prevailing, which mean so much to you and to me. Never did the world face so many serious, alarming situations as today. Never have we needed clearer thinking, saner judgment, and greater devotion to righteousness in attempting to find a solution of our perplexing problems. And where can we find a more representative gathering of people capable of facing any crisis and fighting it through than we have here today? Would that all of our 130,000,000 people had the fortitude, the faith, the independence, the sense of individual responsibility that is typical of the people of this State. If all were like you, we would never doubt the future of America.

Let me hasten to say that I come to you today with a feeling of more optimism, more hope, more encouragement than I have had in a long time. Like you who live in Vermont, I refuse to despair, no matter how dark the days may seem. I know that we ultimately will emerge from any adversity and be benefited by our experience. We go forward despite the wails of the pessi-

mists. So, I repeat, I come here today confident that we are making progress, confident that we are in many ways better off today than we were last year or in any previous year in our history, if we take everything into consideration.

It is true we are still in a mess. But we always were in a mess of one kind or another. And we always shall have problems to meet, wrongs to right, and perfection far off and elusive. But haven't we many blessings that we never had before; haven't we all broader, more interesting lives and a better conception of what we are striving for? Of course we have. For that reason we can attack our problems with more intelligence and more effectiveness and attain speedier results.

We have just come through the greatest depression of all time. I am convinced by my study of statistics and by what I learn from men in high places in our industrial and economic life that we are definitely on the upgrade. Business conditions should be better, not worse. Recovery may be slow and not spectacular, perhaps only partial, but it is on the way. My hope is that it will come fast enough to relieve the great strain that we have been under before there is any further breaking down of the fundamental structures that support our economic and national life.

What caused this disastrous depression? Many have advanced their theories, but, in my opinion, it is all as clear as day and easily proved by scientific facts. The depression was a collapse in prices. This collapse in prices here and elsewhere was due to the increased value of gold. Let us go back to some fundamentals.

Gold is a commodity, just as tin, lead, zinc, corn, wheat, and lumber are commodities. You know that all commodities are subject to the law of supply and demand.

The amount of gold in the world is limited and its production barely keeps pace with the increase in business. The demand for it varies greatly. In the early 1920's all the nations in the world began to bid for gold. Gold became more valuable. The value—note I say value, not price—more than doubled, from 1929 to 1933. In other words, it was necessary to give twice as much wheat, corn, or cotton for the same amount of gold. That made 50-cent wheat instead of a dollar. All the basic commodities became cheap. Prices tumbled not only in America, but throughout the world. You men and women who produce the commodities of the farm appreciate how important in our lives are prices. America today is little changed from the America of 1929. We have practically the same resources, the same capacity to produce, the same skill and efficiency, but prices have changed and this change in prices is, as I have said, the cause of all our woes and our misery.

Here is another important point. There are two kinds of prices—prices that fluctuate greatly and prices that fluctuate but little. In your cost of living are many prices that do not change materially no matter what business conditions may be. They include freight rates, bus and train fares, electric-light and gas bills, telephone and telegraph charges, interest, and insurance. But the prices of basic commodities—wheat and other grains, cotton, tin, lead, zinc, copper, lumber, etc., are sensitive. They change constantly.

In the collapse of prices in 1929 the basic commodity prices—the prices of those commodities that you produce—took a great tumble, but the other prices, those which are administratively set or largely fixed, remained practically stationary. The collapse of commodity prices wiped out billions of dollars of America's purchasing power.

Between 1923 and 1929, inclusive, the average annual income of agriculture was $11,589,000,000. In 1930, because of the change in the value of gold, farmers' income dropped sharply so that in 1932 it was only $5,330,000,000. During the 5-year period 1930–34, the farmers were short $22,788,000,000 of their normal income, the levy of destruction upon one class of citizens equal to the total United States debt at that time. Today, due to the excessive buying power of our dollar, farmers' income is short of normal about $5,000,000,000 annually.

I want this restored to agriculture, not merely as an act of simple justice to the farmers of the country, but, unless their lost buying power is restored, they cannot buy from industry, and industry cannot give normal employment. Here is the crux of the whole depression. We must restore farmers' and basic prices and income so that industry can sell to these 55,000,000 people as it formerly did and again give normal employment.

You in this audience understand how hard the farmer was hit when the prices of his commodities fell while other prices, the prices of many things that he bought, were not materially changed.

There is much confusion about the cost of living. The city worker complains when the price of wheat is raised, but, strange to say, raising the price of wheat does not immediately or equally affect the price of the bread he has to buy. The reason, of course, is that many items of cost in making wheat into flour and flour into bread and of distributing the bread are practically fixed, subject to little change. These fixed prices in the cost of production are more important in the final price than the cost of the raw product. The baker pays about the same rent, insurance, taxes, wages to his workers, interest on his capital investment when wheat is $1 as he does when wheat is 50 cents a bushel. Whether the price of wheat rises or falls does not therefore affect to anywhere near the same extent the cost of bread.

Failure to understand this distinction between fixed prices and flexible prices confuses many people. When they see the price of the farmer's products rise they immediately complain about an increase in the cost of living, when, as a matter of fact, changes in the cost of living are very slow and small compared with other price changes.

But to get back to gold. The value of this commodity rose throughout the world. Until we went off the old gold standard we said that a certain weight of gold at a price of $20.67 an ounce was a dollar. This gold as a commodity doubled in value, so the dollar really was worth $2 in purchasing power. Money, after all, is what it will buy. The Supreme Court has said this emphatically. With this increase in the value of gold, the dollar was doubled in purchasing power, and all of you producers of basic commodities suffered.

Although we use checks and paper money to carry on exchange, in the last analysis the amount of gold in the dollar determines the value of all our dollars. The great price collapse in 1929 and all of those great slumps, depressions, and hard times that this country has gone through were due to an increase in the value of gold as a commodity and the consequent increase in the purchasing power of the dollar because that dollar was based on a definite amount of gold.

The dollar, used as a measuring stick of value, has been constantly changing. If you think of the dollar as a yardstick of value, it was a 36-inch yardstick in 1933, a 51-inch yardstick in 1896, and a 19-inch yardstick in 1920. What would you think of buying cloth in a store where they used a yardstick of such varying length? What would you think of the grocer who changed the pound measure constantly? You would not tolerate such an outrage; and yet the dollar, our measure of value, has been changing constantly. Because we did not know it, we did not protest. At last science has disclosed to us how we have been cheated by this changing measure of value, and the Nation at last is being aroused.

Here is how this changing measure of value works: A farmer gives a mortgage for $10,000 on his farm. This mortgage, when made, could be paid back with 10,000 bushels of wheat; but the value of the dollar changes, and he may find it necessary to give 20,000 bushels of wheat to pay the mortgage. Or he may be lucky and be able to pay it off with 5,000 bushels of wheat, if the value of gold falls.

When the prices of 50 basic commodities, in relation to a small quantity of gold, change, isn't it common sense to assume that these basic commodities have not changed in value but that the one commodity, gold, has changed in value? And yet we have been taking the attitude of the mother who said that all of the boys in the regiment were out of step but her son Jim. We have assumed that the value of one commodity, gold, was eternally the same, while the value of all other commodities changed when, of course, the reverse is the case.

We should have as a measure of value a dollar not made up of a certain amount of gold at a certain price but a dollar that would buy an average given amount of 50 or so basic commodities. Then these commodities would not fluctuate in price and we would not have the great depressions and inflations that come as a result of wide fluctuation in prices.

We could have such a dollar by changing its gold content or by raising the price of gold, which accomplishes the same purpose. In other words, we should manage our currency so that the dollar will have the same purchasing power over a generation.

What a wonderful advance in business such a monetary unit would be. Confidence is the first requisite for business activity. If we could be assured that the dollar we have today would have the same purchasing power tomorrow, next year, and 10 years from now, we could proceed with business transactions. If you knew that the prices of your commodities were to be relatively the same, you would sleep better and stop worrying over prices for your products.

When I was in Europe recently I found Great Britain enjoying prosperity. Everything is booming in England. Ask any intelligent British business man and he will tell you that England's quick recovery and her prosperity today are due, in a large measure, to her managed currency. In London the price of gold is changed almost daily. In other words, the pound represents from day to day a varying amount of gold. By changing the price of gold, prices of other commodities are stabilized and the London business man goes ahead making commitments for wheat, for cotton, or for any other commodity, knowing that the price next month or next fall will be relatively stable.

Great Britain's recovery was surprising to me. The number of unemployed is now the lowest in many years. Thousands of houses are being built and every line of business is active. This recovery is being experienced by those countries dependent upon Great Britain—those countries that do business on the pound sterling and manage their money in the same way as Great Britain does hers, and that we refer to as the "sterling area." Australia, New Zealand, Sweden, Denmark, and Argentina are especially prosperous because they have raised the price of gold and are doing business with a managed currency.

What a contrast I found in the gold-bloc countries in Europe—France, Italy, Germany, Holland, and Switzerland. These countries have clung to the old price of gold with the result that prices of other commodities have continued to fall. Recently you have been reading about critical conditions in France, due to her clinging to the old price for gold and her refusal to devalue the franc in the face of changed world conditions. In France unemployment, foreclosures, business failures have all been increasing. A banker who just returned from France told me a few days ago that anything could happen in France—a revolution even may result if the Government persists in forcing deflation—in other words, if they try to force down prices further. The so-called "fixed prices" must either fall or prices of commodities rise in order to return to bal-

ance. Efforts to force down fixed prices, such as wages, salaries, and other prices I have mentioned, usually bring an uprising.

It was such economic conditions as are developing in France that caused the overthrow of governments in Italy, Germany, and Russia. A time comes when the people will not stand more deflation and will resist or overthrow any government that persists in deflation. In 1932 we had in the Midwest conditions that approached revolution, when farmers congregated and refused to permit foreclosure on their farms because conditions which they could not control were robbing them of their possessions. The plight of the midwestern farmer was due to gold, but he blamed the Government.

With such concrete illustrations before us as are afforded by conditions in Great Britain and in France and the gold-bloc countries, isn't it strange that intelligent America doesn't understand the cause and the cure? On one hand, we have recovery and prosperity under a managed currency; on the other, we have depression, distress, disaster under the old fixed gold standard.

To make the point more clear, let me illustrate. Let us say a pound of cotton exchanges for a grain of gold in New York, Liverpool, Bremen, Havre, or any other seaport in the world. So with other basic commodities that are sold in the world market. By managing our currency we can determine whether this grain of gold will be 5 cents, 10 cents, or 20 cents.

I flew to Buenos Aires last fall. I found great prosperity in the Argentine. We will say the farmer there sold a bushel of wheat for 20 grains of gold. We may say that this represented a peso. The Argentine devalued the dollar so that now the same 20 grains of gold represents 3 pesos. Thus the farmer in the Argentine is now getting higher prices for his wheat, his hogs, his cattle, and all his other products.

It all seems very simple to me, and I am glad to say that, for the first time in our history, our people are beginning to understand gold and its effect on our economic life. We know now that the fluctuating value of gold caused our depressions and our booms. Knowing the cause, we should set up the cure. We should have in Washington a monetary authority of the same integrity and high standing as the Supreme Court, with members elected for life, beyond the reach of political or financial pressure and able to act with courage and independence. This monetary authority could have furnished to it by Congress a set of guideposts, so that whenever the average prices of commodities varied to a certain extent they could change the gold content of the dollar and stabilize prices. This, I believe, is one of the most necessary steps to promote recovery and prevent another great fluctuation in prices, such as is sure to bring another great economic disaster.

America cannot stand another such shock as we have just had, and the machinery should be set up at once to prevent the chaos which is certain to follow unless we act with intelligence and establish a sane, sound, safe monetary system which will give us an honest dollar of the same purchasing power over a generation.

But why need I talk to you more about managed currency and its effect on prices? I feel that you farmers know more about it than any other group. That is the one policy on which the five national farm organizations have united. They urge the adoption of the managed-currency system, that will prevent booms and depressions, that will secure justice between classes. This system has been put to test since 1931 by England. She manages her money, but does not attempt to have the Government manage everything else. Managed currency has restored prosperity and prices for her sterling area.

However, there are many other factors in our situation which need consideration, and I am going to depart from my topic and mention some of them. My visit to this State naturally brings them to the forefront in my mind.

It is the individual, not the Government, that has made America great. Government cannot and must not displace the individual, deprive him of opportunity, initiative, freedom, and liberty of action. Yet today we see a tendency in our country to have government regulate and manage everything and everybody. The time has come, in my opinion, when vigorous steps must be taken to protect those attributes that are characteristic of the people of Vermont, so that we may foster and promote courage, self-reliance, thrift, and independence instead of suppressing and restricting them.

I am not one who defends all that has happened in America in the past. I do not for a minute deny that grave abuses crept into our social system and that drastic steps were necessary to eradicate some of the evils. As a Republican, I even commend our President for some of the things he has done and for having the courage to put the spotlight on some of these abuses, but I do not agree with him or his administration on all the methods that have been adopted.

I claim that here in America we have nurtured in our people the quality of individual courage, initiative, and self-reliance that gives us distinction among the nations of the world. As I have said before, Vermont is one of the cradles of these qualities. I cannot go along with any program, no matter how badly reform is needed, which does not take as its first premise this protection of the individual right to live and plan his own life. It is on this consideration that I find I must break with many of the so-called "new deal" policies. They put the State in place of the man.

Now, I would not have much self-respect if I just said this and could offer no other program for doing what it is obvious must be done in this country—that is, to establish a greater degree of social and economic justice. I think this can be done, and I think it can be done in a way which will safeguard the spiritual as well as the economic rights of the individual. It can be done in such a way that this country will continue to be the America that you and I love. But what program would I suggest?

I always try to get down to fundamentals. I believe, and sincerely believe, that practically all of the abuses which come so near destroying this country, and the attempted cure which may yet destroy us, can be laid at the door of the following:

First, a foolish, unsound, uneconomic, oftentimes dishonestly manipulated monetary system, which I have tried to describe and which has permitted great fluctuation in prices.

Second, the ravages of war. There is nothing more important in your life and mine than international peace; yet I see America doing little to promote it. The threat of war hangs over the whole world today. We are fortunate to be some distance from the dynamite that may explode at any time, but we are not sure that another explosion will not involve us, no matter how firm may be our intentions of keeping away from it.

Last week a dispatch from Washington stated that appropriations for our Army and Navy this year amount to the staggering sum of $896,000,000—almost a billion dollars—in time of peace. This figure means an annual cost of $6.25 for every man, woman, and child. Just think how enormous is this burden.

While we are spending almost a billion dollars to prepare for a possible war, we are spending practically nothing to promote peace. For a long time I have urged, and I repeat it here, that we should have a Secretary of Peace as well as a Secretary of War and a Secretary of the Navy, and we should make at least a small appropriation to promote international understanding and good will. We could do much to remove the causes of war if we set out to use intelligently the press, radio, motion picture, and other means of information. None of the people in the world want war any more than you and I want it; but governments mislead people, inflame them by taking advantage of their ignorance and prejudice, and before anyone knows what it is all about, men are at each other's throats.

A year from now a great political campaign will be under way. So far no one has had the vision to see that there is nothing more important than a vigorous, constructive leadership for promoting peace and abolishing war. Such a question surely is far more important than all the rantings of the cheap politicians who spend their time in criticizing or defending insignificant and unimportant details of government.

A third fundamental is that our country cannot prosper unless agriculture prospers. We have had in the past a policy of milking agriculture up to the point where the cow began to dry off, and then we tried to get her back into production with shots of stimulants like farm boards, cotton loans, and A. A. A., instead of keeping agriculture going by sound, long-time feeding policies.

I am entirely in sympathy with the present administration in its desire to help farmers. The establishment of the Farm Credit Administration marked an important step in the establishment of agriculture on a sound financial basis. The semicooperative features of the Farm Credit Administration as they have been worked out and applied by Gov. W. I. Myers are admirable. I have the profoundest respect and admiration for Bill Myers, as we know him in New York State. There is no better equipped man in the United States to administer the credit affairs of farmers.

I fear, however, as I look into the future, that sound agricultural credit will be broken down by legislation which makes mandatory unsound financing of agriculture. I refer to such things as commodity loans at the market, loans at ruinous interest rates, and loans based on fiat money. Such loans should never be made; it is suicide for agriculture to make them any part of the financing through the Farm Credit Administration. I fear, too, that the greed for power of Democratic politicians may destroy the semicooperative features of farm credit as it is established.

When it comes to the long pull, I believe no such scheme as the Agricultural Adjustment Administration can succeed. It is too big to administer. If it could be administered, the adjustments in production which it makes will be wiped out at least half of the time by the weather. As a farm boy, you see I have great respect for the weather. Finally, the Agricultural Adjustment Administration is un-American in both its principle and its application.

By production control the A. A. A. seeks to make things scarce and high. If they are scarce, as hogs now are, the farmer's returns are small and his costs are high. Volume in agricultural production is just as important in determining both the gross and net returns as it is in my newspaper plants. If things are high, the consumer can't buy. And right here I'd like to stop a moment to say a word about this same consumer.

The consumptive limit of the American people has never yet been reached. Scarcity and high prices destroy consumption. The most pressing problem before the American farmer is not, therefore, production control but the lowering of the costs of distribution so that the consumer may buy more, raise his standard of living, and go on to an ever-increasing state of well-being.

When it comes to the application of the A. A. A. program, it is just as un-American as the principle. If it is made to go, the A. A. A. inevitably must rigidly govern by bureaucrats millions of freedom-loving, proud, and spirited farm people. I have only to remind you of one of your own Vermont town meetings to show how far the farmers of the United States will then have digressed from those principles to which they dedicated this Nation. Even at the cost of better farm prices, there is no room in this country for the bureaucrat or economic dictator.

For these reasons I do not believe that the present administration will develop from the A. A. A. a permanent contribution

to agriculture. I believe that a succeeding administration which is not committed to the economic policies of theorists and bound by its own hasty commitments may get something out of Farm Board and A. A. A. experience. In fact, I think it can even develop a program for agriculture within the limitations of the Constitution and the principles and practices which are a part of the American tradition.

Such things as a permanent land policy, extension of agricultural financing on a sound basis, the orderly upbuilding of farmer-owned, farmer-controlled cooperatives, renewed emphasis on research and education, both of which have suffered under Secretary Wallace, and, finally, some plan which will be participated in all along the line for the distribution of surpluses when, and if, they occur commend themselves to me.

Above everything else, however, I have unlimited faith in the ability of the farmer living on the land to work out most of his problems personally and in cooperation with his fellow farmer. My chief indictment, in fact, of the present administration's agricultural program, with the possible exception of the Farm Credit Administration, is that it entirely ignored the brains and ability of the average farmer. It leaves no place in its scheme for his contribution This despite the fact that this average farmer has been able to take an average farm, erect the highest standard of living of any agricultural people in the world, educate his children, and contribute an untold wealth of material to the man-power of the Nation.

Fourth, the unbridled greed of a few individuals and a few corporate bodies have tended to bring all commercial institutions into disrepute, to the point where some would put the state above the individual. But to do this would mean this country we love would no longer be America. Capital should have a fair return, but after capital has a fair return, the profits should be distributed to workers and consumers instead of being centralized in the hands of a few.

Recently we have heard much about a program to tax wealth and profits. I believe that taxes should be levied on ability to pay, but taxes do not bring about a distribution of profits. Such discriminatory taxes put a burden on business, kill initiative, and lead to extravagant spending on the part of the government which levies them. It would be far better to reduce taxes by rigid economy in government so there would be more profits to divide with the producer and the consumer, as I have outlined.

You people of Vermont seem to understand better than most that an individual cannot spend himself into prosperity and that he cannot spend more than he can earn or produce, without getting into serious difficulties. You have a wide reputation for keeping within your budgets and exercising thrift and rigid economy. The Government does not differ from the individual in this respect. No government can go on spending limitless sums, sums greater than it can raise in taxes, without getting into difficulties.

I believe we must not let our brothers starve; but social justice must work both ways. Idleness and subsistence on relief or charity must not become too deeply embedded in our national life. There must be individual effort to help meet the situation, instead of a complete submission to conditions. We must not overlook the fact that our primary problem is to remove the causes of the break-down, so that private enterprise can again give full employment—the best form of social security is more jobs than men.

A fifth fundamental is that there must be a greater measure of social justice. Many of our social ills are the result of too rapid growth. It will take time to solve them, but they exist and must be recognized.

I have been an earnest advocate of caring for the old, infirm, and unfortunate. Most of us hope to see the time when we can retire from work and have a competence, but measures to bring about these objectives must not be so hastily drawn and ill-considered as to make the whole situation more difficult and further restrict and hamper individual effort.

America today is the most fortunate country in the world. Her resources are magnificent—unequaled. Our people are intelligent, versatile, ingenious, efficient. The developments of the past few years make it possible to produce plenty of everything. Surely we should be able to find a way to distribute this plenty so that everyone will be able to have all that he needs and wants. America has not overproduced. I have said this repeatedly. Statistics prove this. The trouble is that we have not been able to purchase the things we need. Prices, a faulty monetary system, and a faulty economic system have checked consumption so that all have suffered.

There is much for us to be concerned about. We are confronted by the gravest problems that our Nation has ever faced. However, I have faith in our people and in their ability to solve their problems and protect their institutions. These institutions have given us more invention, more wealth production, more widely distributed well-being than any people ever enjoyed. The fundamentals of the system have been proved sound. We need but analyze and remove the causes that brought about the break-down of 1929. We must eliminate the politician who thinks only of securing and holding office by using the tricks of the demagogue. We need the leadership of unselfish, far-sighted men of ability and achievement to help us work out our solution. Let us face the facts. The situation is serious. Let us interest ourselves in our Government. Let us put in office the right sort of men. Let us do our plain duty, and I can see coming out of our recent experience an America greater, happier, and more prosperous than ever before, a nation that should lead the world to permanent peace and well-being for all.

## MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On August 21, 1935:

S. 578. An act authorizing the Secretary of the Interior to permit citizens of Bear Lake County, Idaho, to obtain timber from Lincoln County, Wyo., for domestic purposes;

S. 739. An act to provide for the establishment of a national monument on the site of Fort Stanwix in the State of New York;

S. 2073. An act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes;

S. 2156. An act to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.;

S. 2488. An act for the relief of the widows of an inspector and certain special agents of the Division of Investigation, Department of Justice, and operative in the Secret Service Division, Department of the Treasury, killed in line of duty; and

S. 2556. An act to amend and supplement the steering rules respecting orders to helmsmen on all vessels navigating waters of the United States, and on all vessels of the United States navigating any waters or seas, in section 1 of the act of August 19, 1890, section 1 of the act of June 7, 1897, section 1 of the act of February 8, 1895, and section 1 of the act of February 19, 1895.

On August 22, 1935:

S. 1735. An act for the relief of the estate of W. W. McPeters;

S. 2361. An act to fix the compensation of registers of district land offices;

S. 2373. An act for the relief of Harry Jarrette;

S. 2666. An act for the relief of the Nacional Destilerias Corporation;

S. 2832. An act to provide a preliminary examination of Goldsborough Creek, in Mason County, State of Washington, with a view to the control of its floods; and

S. 2993. An act for the relief of Carrie Price Roberts.

## ACHIEVEMENTS AND PROSPECTS OF THE ROOSEVELT ADMINISTRATION

Mr. WAGNER. Mr. President, for 2½ years Franklin D. Roosevelt has been in the White House. No man in our history assumed office during more perilous times. No man has been more possessed of the poise, the courage, the character, and the talents to meet the problems of state. No man has been more successful in reviving the hopes and opportunities of the common people.

### THE EMERGENCE OF THE NEW DEAL

The economic depression which challenged Roosevelt when he became President was, when viewed superficially, one of the most baffling enigmas of all time. It was a panic, not of poverty but of plenty. In the factory glistening machinery of stupendous potential energy was lying quiet. On the farm surplus products were rotting away in the fields. In the banks idle currency was stacked as in the treasury of an insatiable miser. Honesty of purpose and steadfastness of character had not departed from our sorely tired people. Yet, upon sober analysis, the problem was not baffling at all. We knew that there had been absent from the scene that vital spark which can be supplied only by sympathetic and sensitive government.

Some governments render their greatest services in times of prosperity. Others show their true merits only when the winds of adversity blow strongest. Those who controlled our national policies during the 12 years after 1920 were tested by unmatched prosperity and by untold adversity and failed miserably to meet the demands of either. When Dame Fortune beckoned, she charmed them as the song of the siren, and led them into the trap of speculation that ended in disaster. While the song lasted their ears and eyes were closed to the muted cries of those who were not marching to the music; to the 90 percent of our population who were receiving only 10 percent of the national income; to

the pale, emaciated faces of children who enjoyed neither the sunshine nor the school; to the men and women idle despite their eagerness to work; to the depressive forces arising from the growing disparity between the production and the consumption of wealth. And when hard times came, their merry carelessness was succeeded by a stupefied overcaution that paralyzed action. Not only did they offer no solution—they did not even see the problems.

In truth, no government could see the problems of the twentieth-century America, so long as it clung blindly to the slogans and practices of the preindustrial era. The gospel of self-reliance and rugged individualism, the delivery of constitutional orations, could not minister to the needs of an interdependent society groping desperately for salvation through cooperation.

The new deal has devised a cooperative program that is profoundly conscious of the responsibilities of government, but that has never ignored individual rights or disparaged the values of personal initiative.

OUR HUMANE AND CONSTRUCTIVE RELIEF AND REEMPLOYMENT POLICIES

The acid test facing the Roosevelt administration in 1933 was the existence of 15,000,000 unemployed. To grasp the tragic import of their plight, it is not enough to say that they were hungry and cold. Even an animal can starve to death. But imagine what was happening to the minds and spirits of men who, having been taught that America was a land of opportunity, saw their young and innocent children crippled by privation; who, having been schooled in self-reliance, found every road of opportunity barred against them; who, having breathed the air of freedom, became the stifled victims of circumstance. A few more years of such degradation and they would have been, in accordance with Markham's immortal description, "dull to rapture and despair, stolid and stunned, a brother to the ox."

The new administration sensed at once that upon the fate of these people depended the future of America. The humane expenditure of over $3,000,000,000 has brought relief if not repose to an average of 16,000,000 men, women, and children. If gladness has not yet entered into their lives, at least despair has given way to hope. They know that they will not be allowed to starve.

Seeking to serve the spirit as well as the body, and to encompass in all our emergency activities the permanent welfare of the Nation as a whole, we have recognized that relief can never take the place of work. As quickly as possible there have been marshaled and put into operation a vast array of public-works projects, endowing 3,000,000 people with a feeling of dignity and usefulness that had too long been denied. Another 300,000 of our young manhood, who had been the floaters of society, buffeted and torn by every chance current until they were losing all sense of moral direction, are now at work in the Civilian Conservation camps. Their vigor and initiative are being revived, while they pour their splendid strength into the conservation and development of our natural resources. When industry calls upon their services, they will come forth not as the dregs of society ruined by misfortune, but as young knights bearing the standard of confidence and accomplishment.

SALVATION OF HOME OWNERSHIP

Next to life itself the typical American cherishes his home. Our second step was to isolate and then to cure the terrible epidemic of foreclosures that each year was driving 200,000 farm and urban families from their beloved hearthstones. Through the farm mortgage and the home loan measures over 2,000,000 families who had lived in daily dread of the auctioneer have been saved from eviction. Freed from excessive mortgage burdens, 275,000 happy home owners have borrowed money from the Government at low rates of interest to recondition their dwellings. Over $50,000,000 have already been expended to add light and sanitation to the daily habitat of reunited families.

Supplementary to this we have passed the National Housing Act. Under its provisions Government insurance of loans is releasing the mainsprings of credit for building purposes. Already $203,000,000 of private capital have leaped into action at the first call of opportunity. At the same time, the supervision of interest rates by the Government has set a trap for the loan shark, and is banishing his pernicious presence from the whole realty field.

RESURGENCE OF FARM INCOME

In the task of economic reconstruction our attention centered upon the farmer. We saw that millions of our countrymen, who retain to a larger extent perhaps than others the pioneer American spirit, and who supply the metropolis not only with the foodstuffs and fabrics of life but also with a large part of its genius and talent, were plowing their energies into the ground and reaping only the bitterness of failure. Agricultural income fell from $14,000,000,000 in 1920 to $4,000,000,000 in 1932. Farmers were finding it less disastrous to burn their products than to sell them. The volume of farm foreclosures rose to 213,000 in 1933. Hardy exponent of freedom, the farmer was being reduced to the status of the medieval serf. Incensed by adversity, the most conservatizing and law-abiding element in our national life was driven into open rebellion against law.

What has happened since then? In 2 years evictions have been cut in half. Over $3,000,000,000 in Government refinancing has reduced the farm mortgage burden by 21 percent. The prices of wheat and cotton are more than twice as high as in early 1933, while corn has risen over 400 percent. The cash income of farmers in 1934 was $2,000,000,000 greater than in 1932, representing a gain exceeding 50 percent; and an even larger increase is presaged for the current year. The farmer has recaptured his rightful position in our economy.

RENEWED INTEGRITY OF OUR FINANCIAL SYSTEM

When the beleaguered home owner, the harassed farmer, and the jobless worker attempted to draw upon their meager savings, they found all too often that their fiduciaries had failed. The general business upheaval, the mad entry of commercial and savings banks into the field of pure speculation, and the inordinate puffing of the stock market, conspired to bring about that panic-stricken day when every bank in the country was forced to close its doors.

Faced with the greatest financial crisis in our history, the accurate marksmanship of the Roosevelt policies hit the bullseye of our every financial need. In the first place, the ordinary bank that handles the savings of the small man has been forbidden to play with them in the dangerous underground passages of security affiliates. Banking has been divorced from gambling. Secondly, the investor is protected. The principle of truth and fair disclosure has been written in indelible letters upon every counter where securities are traded. Fooling the public has been transformed from an honored accomplishment into a crime. Thirdly, and most important of all, bank deposits have been made secure. Forty-eight and five-tenths percent of all accounts are now insured; 49,021,000 separate accounts, representing the sum of $35,987,000,000, are protected in full. Has this cost the Government anything? On the contrary, the Federal Deposit Insurance Corporation has made profits of $4,236,000.

In 1933, the Federal Reserve Board recorded 1,799 bank failures, involving $1,228,000,000. During the first half of the present year there were only 62, aggregating $27,577,000. In mute but eloquent testimony to renewed confidence are the figures showing that in 1934 the total bank deposits in the United States increased by $6,206,000,000.

PUBLIC STIMULATION TO INDUSTRY

No responsible person would have the brazen effrontery to claim that these activities are in themselves unworthy. To rescue the unemployed from starvation, to keep the family circle intact in the home, to protect the helpless widow against the dissipation of her savings, to make the farmer a free man, are all objectives that cannot be challenged.

But by subtle indirection, by appealing to irrational prejudices rather than to reason, by quoting slogans while ignoring statistics, critics of our program are claiming that it is injurious to the recovery of private business. The clear

implication of their argument is that the prosperity of industry depends upon the continuing impoverishment and suffering of the vast multitude of our people. Such a claim is as shocking to common morality as it is contrary to common sense. It will be repudiated by business itself. No business wants to place itself again in the safekeeping of that bankrupt leadership which came so close to ruining the country.

Let us examine rather minutely the close interaction between the steps that we have taken and the process of industrial recovery.

Has the home refinancing program injured private business? It is not difficult to trace exactly what has happened to the $2,702,000,000 that the Federal Government has made available for this purpose. Forty-three percent of the money has been used to pay the home owners' debts to savings and commercial banks, thus liquefying the reserves of business men and making larger credits available for their daily needs.

Thirty-five percent has been paid to building-and-loan associations and 20 percent to mortgages and life-insurance companies, thus boosting realty values, thawing out commercial paper, and rescuing from imminent insolvency the props of our whole financial structure. All in all, 98 percent of the credit extended to home owners has been devoted to the repayment of banks and similar institutions. In reducing the crushing burden of debt we have primed the pump of credit and saved both borrowers and lenders from a dismal swamp of stagnation.

Has the farm relief program been injurious to private business? The $2,000,000,000 in additional farm income has swelled the demand for the machinery, the clothing, and the automobiles that industry produces. Of the financial aid that the Government has extended to the farming population, commercial banks have received $420,000,000; insurance companies have received $243,000,000; joint-stock and land banks have received $129,000,000; taxing authorities have received $53,000,000; and individual and unclassified creditors have received $755,000,000. Of every dollar that the Farm Credit Administration has lent the farmer, 89.9 cents have been used to pay his business and banking debts.

Have our financial reforms hurt business? One would have to sink to the deepest depths of the ridiculous to claim that industry is the loser, because our banks are now safe.

Have our relief and public-works policies impaired business? To hear some of the current criticism, one might suppose that the spending activities of the Government were taking place upon the planet of Mars. In reality what has happened to the $990,000,000 that the Public Works Administration has already allocated to non-Federal projects? Two hundred and twenty-nine million dollars have been spent upon building construction. The building contracts have been awarded to private business; the materials have been purchased from private business; the wages earned by the workers have been spent for the products of private business; the profits have all accrued to private business. Does this bespeak the destruction of enterprise? Next, $243,000,000 have been spent for sewerage and water systems, thus improving the sanitary conditions in far-flung communities. Is the protection of public health bad for business? Two hundred and fifty-two million dollars have been spent upon railways, streets, and highways, thus opening new avenues for safer, speedier, and cheaper traffic, and communication from coast to coast. Two hundred and forty million dollars have been devoted to the development of engineering structures, flood control, power, and reclamation. Another $25,000,000 have been devoted to miscellaneous public improvements. If some wise and all-powerful industrial magnate had sought to increase the wealth-producing equipment of the Nation and thus lay the foundation for profitable enterprise, what more fundamental achievements could he have wrought?

In short, these activities of the Government have afforded opportunities to lend idle money to the State at fair rates of interest; they have conserved natural resources; they have reared public improvements at a time when they could be constructed most cheaply; they have pumped the revitalizing fluid of purchasing power through every artery of trade. And, most important of all, they have preserved for the day of economic revival the health and morale of our rich human materials.

The aid the Federal Government has extended to private business has by no means been limited to indirection. The Reconstruction Finance Corporation has assisted hard-pressed banks, insurance companies, and other financial institutions with the stupendous total of $3,984,000,000 in loans and subscription. It has rescued our railroads from sure disaster by extending credit to the extent of $486,000,000. It has advanced $439,000,000 to finance agricultural commodities. It has lent $22,000,000 to industrial and commercial concerns. It has pumped $157,000,000 into self-liquidating products. In the aggregate it has proffered $5,528,000,000 to private enterprise.

When we bulk together the banker, the farmer, the industrialist, the home owner, and the railroad, we find that for every dollar of relief extended to the weary job hunter $10 are being advanced to stimulate private business on every front. And this assistance is being extended so sanely, so constructively, and upon such sound business principles that in the short space of 3 years over 50 percent of all Reconstruction Finance Corporation loans have been repaid.

### INDUSTRIAL REFORMS

These figures are breathtaking in their sweep and accomplishment. But when the final verdict of history is written, I am certain that it will regard as the greatest boon granted to business the opportunity that business has had to practice self-government.

During the rapid development of our industrial system prior to 1929, our business morality and our mechanisms for social control did not keep pace with our material development. Predatory monopoly was rampant. Piratical practices were in the ascendancy. The motto of "rugged individualism", which had served so well in the era of the pioneer, was becoming the mere apologetic of the profiteer. Honest enterprise was forced to resort to the unfair practices of dishonest enterprise.

In the fierce competitive race, wages were forced lower and lower until the bottom dropped out and chaos reigned supreme.

Every sane business man realized that some rationalizing principle was necessary to create order out of this chaos. The National Industrial Recovery Act afforded the opportunity. Under that act, many serious mistakes have been made, but also under its inspiration there have been accomplished the greatest social advances in so short a period within our memories. Public opinion is fickle, but it swings back to the truth. The principles of N. R. A. will not be abandoned so long as sensible men believe that cooperation is superior to strife. They will not be forsaken so long as we hold that light is better than ignorance in respect to the practices whereby business is run. They will not be surrendered so long as we believe in the stabilization of wages and hours, not only as a humane dictate of conscience but also as the basic requirement for steady and profitable business operations. Neither industry nor labor nor the consumer liked everything that the N. R. A. did. But neither industry nor labor nor the consumer will ever be willing to return to the exploitation and deception that we witnessed in the past.

### PROFITS MULTIPLY ON ALL FRONTS

These are the things we have done for business. Let us now study the results. The profits of all manufacturing and trading corporations, which were $640,000,000 in 1933, rose to $1,051,000,000 in 1934, a gain of 64 percent. During the same period the earnings of banks and other trust and investment institutions rose from $210,000,000 to $240,000,000, an increase of 14 percent. I want to read into the RECORD some typical examples of the spectacular improvements that reflected the first year of the new deal. Between 1933 and 1934 the agricultural implements industry rose from a deficit of $10,500,000 to a profit of $2,500,000. Profits in automobile accessories mounted from $2,900,000 to $22,136,000, a gain of 659 percent. Profits in chemicals ascended from $97,000,000 to $117,000,000, a gain of 20 percent. The electrical equipment industry rallied from a deficit of $14,000,000 to a profit

of $19,000,000. The steel industry reduced its deficit from $67,000,000 to $12,000,000. Profits in the office-equipment trade rose from $6,600,000 to $18,500,000, a gain of 177 percent. Profits in printing and publishing increased from $5,900,000 to $13,400,000, a gain of 125 percent.

Even more significant were the expanding activities of those industries which minister directly to the creature comforts of the average citizen. Between 1933 and 1934 profits in food products rose from $76,800,000 to $87,400,000, a gain of 14 percent. In heating and plumbing a deficit of $6,000,000 was replaced by a profit of almost $4,000,000. In household-goods supplies, profits augmented from $19,000,000 to $25,000,000, a gain of 34 percent. In mail orders a profit of $15,000,000 was superseded by one of $28,000,000, a gain of 84 percent.

These amazing advances during the first year of the Roosevelt administration have carried over into the present year. If we contrast the first half of 1935 with the first half of 1934, we find that the profits of the General Motors Corporation have increased 20 percent; the profits of the auto-accessory industry have gone forward 49 percent; the profits in building materials have risen 98 percent; the profits in electrical equipment have increased 112 percent; the profits in machinery are up 65 percent; the profits in textiles are 19 percent higher; the profits in merchandising have mounted 10 percent.

Nowhere in the record of business cycles do we find a parallel improvement.

Strange to relate, we hear the hue and cry that these undeniable gains have been planted in the quicksand of restricted output. The most superfluous economic analysis would reveal that no such tremendous profits could be founded upon curtailing production. What are the facts? The index of industrial production expanded from 60 in March 1933 to 87 in June 1935, while car loadings advanced from 48 to 69. Contrasted with 1,714,000 automobiles produced in the first half of 1934 there were 2,262,000 built in the first half of 1935, reflecting a gain of 32 percent. The volume of residential construction has more than doubled in 2 years. Home building is now 84 percent higher than it was 12 months ago.

RISING WAGES AND REFORMS IN WORKING CONDITIONS

What has all this meant to the average worker, the prime factor in all our industrial wealth? Long had he been shunned and neglected, his voice drowned out by the noise of the factory, always first to bear the brunt of hard times, always last to taste the fruits of prosperity. I have listened to the flimsy fiction that the recovery program has decreased employment. But when I cast my eyes at random over the universally accepted reports of the Bureau of Labor Statistics, I find that between 1933 and April 1935, to take a few representative industries, employment has increased by 117,000 in iron and steel, by 230,000 in machinery, by 285,000 in transportation equipment, by 69,000 in lumber, by 80,000 in textile fabrics, and by 54,000 in wearing apparel. Viewing the country as a whole, the consensus is that 3,500,000 men and women have regained their positions in private industry since revival commenced.

Equally encouraging have been the developments in wages. Between 1933 and 1935 the annual volume of pay rolls rose by $300,000,000 in iron and steel, by $350,000,000 in machinery, by $550,000,000 in transportation equipment, by $100,000,000 in lumber, by $150,000,000 in textile fabrics, and by $150,000,000 in wearing apparel. The total labor income of the Nation rose from $29,000,000,000 in 1933 to $33,000,000,000 in 1934, a gain of approximately $4,000,000,000.

We have carried forward an inspiring crusade for the betterment of working conditions. Child labor, at least under the industrial codes, was practically abolished. The average workweek was shortened to 37½ hours, representing a reduction of nearly 7 hours per week in industry at large. In some of the most grueling overtime occupations, the weekly curtailment totaled from 10 to 20 hours. It remains to be seen whether we shall hold these gains, or allow them to be swept away by reactionary forces.

LIBERATION FROM OPPRESSION AND FROM ECONOMIC INSECURITY

In this manner, we have set up the standards of fair play toward the worker of America. But it is neither our desire nor his that he should be merely the beneficiary of the external kindness of others. Above all, he wants to be a free man, free to participate equally in setting the conditions of work, free to affiliate with others of his kind for purposes of mutual advancement. To protect and foster these ends, the National Labor Relations Act was passed. In every industry affecting interstate commerce, the viscious "yellow dog" contract has been outlawed. The dummy union, which pretends to represent the worker while it is but the plaything of the employer, has been branded according to its true colors by Congress and ordered to dissolve. We have ordained that majority rule shall prevail in the choice of representatives for the purposes of collective bargaining, thus sounding the keynote of the same democracy in industry which we reverence in our political life. In this great endeavor, we rely upon the willing cooperation of those farsighted employers who perceive the mutual benefits of friendly industrial relations, and who realize that they must be based upon justice for all.

The quest for economic freedom has brought about the passage of the social security law. Old-age insurance and pensions will liberate the weary worker from the humiliation of charity and the frustration of dependence after a lifetime of hard work. Unemployment insurance will afford the man who loses his job through no fault of his own, a temporary haven of security while he shifts to some other occupation. As to the orphaned child, the crippled, the sick, and the blind, the Federal Government will provide subsidies setting the tempo of State responsibility throughout the Nation. The conception and inauguration of the social security law alone would have covered any administration with well-won glory. It is hard to realize that it is but one of numerous steps taken to advance the interests of the common people.

IDENTIFICATION OF CONSTITUTIONAL RIGHTS WITH THE COMMON GOOD

Confounded by our solid accomplishments, the opponents of reform are again crying that constitutional rights are being destroyed. The indiscriminate amplitude of these charges is in itself enough to convict the very people who utter them. If all the things were unconstitutional which they have said are unconstitutional, it would be clear that the immortal document was an insuperable barrier to providing food and clothing and shelter for millions of destitute people. Such a conclusion would be contrary to our history, alien to our law, and abhorrent to our sense of social justice.

It is true that the Supreme Court has invalidated some portions of our program. We are prepared to revere and observe every letter of these decisions. We have benefited by the severe criticism which the Court has directed against some of our legislative procedure. But we believe that the Court has merely indicated more appropriate pathways along which to pursue our humane objectives. We repudiate the argument that it ever intended to block every road to progress.

Those who throughout our history have sought to turn a constitution conceived in liberty into a handmaiden of economic slavery are now misrepresenting and misconstruing the latest decisions of the Supreme Court. They read these decisions, not as the application of legal principles to a particular set of facts but as political discourses settling for all time every major policy of the Government along the lines of their own reactionary prejudices. If the Court had decided as much as they pretend, if it had foreclosed as much of the future as they say, there would be no need for additional decisions. Thus the latitude of their interpretations tends inevitably to destroy the very Court which they pretend to revere.

But let us suppose for the sake of argument that our critics are correct when they say that some of our actions are not in accord with the Constitution's letter. The very fact that they are satisfied to make only this inquiry saddles them with a misinterpretation of the Constitution's spirit, for in closing their eyes to the further question whether the

action which they condemn is imperative to promote the life, the liberty, and the happiness of our people, they have warped and twisted the theory of our Government. The United States was founded upon the proposition that where there is a conflict between a specific provision of the Constitution and the welfare of the people it is the provision and not the people that must yield. The spirit of our law is the spirit of growth.

HISTORIC FLEXIBILITY OF OUR CONSTITUTION

During every critical period in our history, the profound patriots who guided us safely through the storm regarded the Constitution as a flexible document. When the Constitutional Convention was called, the Colonies had witnessed the political and economic weaknesses flowing from the Confederation. The need was recognized for a steady and definite form of government, buttressed by a written charter. Yet temporal needs did not blind the fathers to the eternal tenets of democratic institutions.

On September 10, 1789, Alexander Hamilton, that master architect of our Federal Union, said:

An easy mode should be provided for supplying defects which will probably appear in the new system.

One week earlier James Madison had referred to the people as—

In fact, the fountain of all power * * * they could alter constitutions as they pleased.

Twenty-seven years later the newly fabricated Union had passed through the first tests of national life. Into that short period there had been packed more complex problems of tremendous import than the vision of the founders could have foreseen. It was then that Thomas Jefferson, adding the plenitude of his public experience to the native genius of his philosophical and liberal mind, said:

Laws and constitutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths disclosed, and manners and opinions change with the change of circumstances, institutions must advance also and keep pace with the times. We might as well require a man to wear still the coat which fitted him as a boy, as civilized society to remain ever under the regime of our barbarous ancestors. * * * Let us, as our sister States have done, avail ourselves of our reason and experience, to correct the crude essays of our first and inexperienced, though wise, virtuous, and well-meaning counsels, and lastly, let us provide in our Constitution for its revision at stated periods.

The great sage of Monticello added:

Each generation is as independent of the one preceding as that was of all that had gone before. It has then, like them, a right to choose for itself the forms of government it believes most promotive of its own happiness * * * this corporeal globe and everything upon it belongs to its present corporeal inhabitants during their generation. They alone have the right to direct what is the concern of themselves alone, and to declare the law in that direction; and this decision can only be made by their majority.

By the middle of the nineteenth century we had pushed our boundaries westward to the Mississippi. A great cotton empire had developed in the South based upon slave labor. New industries had sprung up in the North based upon the exploitation of wage labor. Because of these two divergent lines of economic development a conflict began to brew, which in the end proved irrepressible. The bitterness of that conflict has now disappeared. The question of the balance of right and wrong is no longer of vital significance to a reunited nation. In that trying era there arose a figure whom all have come to admire. If he had had his way, there might not have been a war. If he had lived, the worst tragedies of the post-war period would have been averted. Abraham Lincoln saw with prophetic insight that the Dred Scott decision would not provide a basis for peace. Without speaking a word of disrespect for the Supreme Court, he said, shortly after that momentous decision was rendered:

The candid citizen must confess that, if the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by the decisions of the Supreme Court the instant they are made, as in ordinary litigations between parties in personal actions, the people will have ceased to be their own masters, unless having to that extent practically resigned their Government into the hands of that eminent tribunal.

Early in the present century the evil features of fully developed industrialism became rampant. Monopolies flourished. The policy of profaning the public interest gained the ascendancy. Natural resources were squandered for private gain. Studies like Sinclair's The Jungle laid bare the sordid lives of men, women, and children in factory areas. Theodore Roosevelt came upon the scene and fired the emotions and imagination of his countrymen by his awareness that new governmental devices must be framed to curb irresponsible economic power. Selfish interests at once accused him of attacking the Constitution, while short-sighted judges rendered restrictive opinions that have since been overruled. Evincing his keen grasp of social realities, Theodore Roosevelt said:

Judges and lawyers are merely instruments for procuring the right solution on certain problems with which all good citizens are equally concerned. How completely the self-styled Republican leaders have wandered today from the principles of Abraham Lincoln is shown by their refusal to apply to this question the principles which Lincoln laid down in discussing the Dred Scott decision. He scornfully refused to treat the decision of the Supreme Court in that case as permanently binding upon the people, or as a matter only for judges and lawyers; and he explicitly laid down the doctrine that the people were the masters of the court, and that it was for the people and not for the courts to determine the principles and policies in accordance with what our Constitution was to be interpreted and our Government administered.

After a brief interregnum of conservatism, Woodrow Wilson entered the White House. By this time, the abuses of industrial monopoly had been augmented by the excesses of finance capitalism. "Other people's money" became mere chips in an exclusive game played for their own advantage by the few who sat at the counting-house tables. Again the intervention of government became necessary, taking new forms to meet new circumstances. President Wilson brought to the task the mature philosophy that he had expounded 13 years earlier in Congressional Government. In that penetrating study, he had written:

The Constitution is not honored by blind worship. The more open-eyed we become, as a Nation, to its defects, and the prompter we grow in applying with unhesitating courage of convictions all thoroughly tested and well-considered expedients necessary to make self-government among us a straightforward thing or simple method, * * * the nearer will we approach to the sound sense and practical genius of the great and honorable statesmen of 1787. And the first step toward emancipation from the timidity and false pride which have led us to seek to thrive despite the defects of our national system rather than seem to deny its perfection is a fearless criticism of our system.

In some instances these great men of our past advocated constitutional amendments. More frequently they urged broader judicial interpretations of the existing document. Sometimes they recognized that what were mistakenly considered constitutional imperfections were in reality defects in contemporary statesmanship. But always they placed the welfare of the people first.

FUNDAMENTAL HUMAN ISSUES AND OUR PROGRAM FOR THE FUTURE

The fundamental issues today are not different in kind from those during prior crises in our history. These issues may be clothed in constitutional terms; but that never prevents them from being human issues, because our Constitution is a human document. Are we to exalt the human factor in industry? Is the sweatshop to remain closed? Are children to be kept at school? Are fair practices and steady profits to be preserved in industry? Is reaction or progressivism to triumph?

This practical idealism must set the pace for our endeavors when Congress meets again. In my opinion, our first step should be the enactment of a permanent Federal law regulating minimum wages and maximum hours. The National Recovery Act, with all its defects, proved this to be the appropriate approach to the weightiest problem confronting our civilization. Experience both before and after the effective application of that law has demonstrated that pure voluntarism is unavailing. Nothing shall alter our determination that neither the sweatshop days nor the pauper's pay shall have any place upon the American scene.

Our second step would be the speedy ratification of an amendment to the Federal Constitution prohibiting child

labor. We have discovered during the past 2 years that the temporary abolition of this insidious practice has been economically sound. The heartless exploitation of the young is indefensible anywhere. In a country as rich as ours it is infamous.

Thirdly, the social-security program must be perfected. New methods must be devised to provide protection on a national scale against sickness and industrial accidents. The inescapable hazards of modern society are the responsibility of government.

In consolidating the gains that have been made we must not overlook the ground not yet won. A dark and terrible uncertainty envelops millions of our fellow countrymen. Recipients of relief, they have not yet been granted the right to work. Our prime task is the restoration of that right.

The fourth step in our program, therefore, should be to maintain our public-works enterprises until private business takes up the slack. I believe that no phase of public works offers larger opportunities today than the projection of low-cost housing. Such activity, inspired by the National Government but designed to release the springs of private capital as well, and combining centralized inspiration with decentralized administration, ought to be commenced at once. Nothing quickens the imagination and fires the intellect more than the thought of bringing space and sanitation into the dreary lives of those who now inhabit the slums.

With returning prosperity we shall not sink again into the ignoble ease or snug self-satisfaction that neglects the major part of our population. We shall not listen again to the conflicting councils of those whose mistakes in government transformed a heritage of prosperity into a legacy of misery and depression; those from whose palsied hands we snatched the sagging torch of our national well-being and raised it again on high. Our one answer to them is: Compare the condition in which you left the country with the position to which we have lifted it.

Inspired by the magnificent example of a great President, we are pledged to push forward to goals not yet attained but clearly within our reach if the wealth and genius and spirit of our people remain enlisted in the cause.

### COLLECTION OF PROCESSING TAXES IN UNITED STATES POSSESSIONS

Mr. SMITH. Mr. President, I ask that the amendment of the House of Representatives to Senate bill 2652 be laid before the Senate.

The PRESIDING OFFICER (Mr. McKELLAR in the chair). The Chair lays before the Senate the amendment of the House of Representatives to the Senate bill 2652.

Mr. LA FOLLETTE. Mr. President, will the Senator briefly explain what the House amendment is?

Mr. SMITH. The bill attaches certain possessions of the United States to internal-revenue collection districts in connection with the collection of processing taxes under the A. A. A. Act.

Mr. LA FOLLETTE. I understood that the bill as originally passed by the Senate simply included certain of our possessions in certain internal-revenue districts.

Mr. SMITH. This is just defining those districts.

Mr. LA FOLLETTE. I ask what the House amendment was?

Mr. SMITH. The House amendment limits the purposes of the bill to the collection of taxes.

The PRESIDING OFFICER. The amendment of the House will be stated.

The LEGISLATIVE CLERK. In line 10, it is proposed to strike out the words "insofar as they have become applicable" and to insert "with respect to the collection of taxes", so as to read:

> The President is authorized to attach by Executive order any or all of such possessions to any internal-revenue collection district for the purpose of carrying out the provisions of this title with respect to the collection of taxes.

Mr. SMITH. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

### TRANSPORTATION OF INFLAMMABLES

Mr. COPELAND. Mr. President, yesterday the Senate passed a bill providing for inspection and regulation of vessels engaged in the transportation of inflammables. It seems that the House had already passed a bill of similar import. Accordingly I ask that the vote by which Senate bill 2005 was passed may be reconsidered and that House bill 8598 may be substituted therefor and considered at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

There being no objection, the bill (H. R. 8598) to provide for the inspection and regulation of vessels engaged in the transportation of inflammable, explosive, and like dangerous cargoes in navigable waters of the United States was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That no vessel, regardless of size or rig, excepting public vessels of the United States, shall transport on the navigable waters of the United States, from point to point in the continental United States, any inflammable, explosive, or like dangerous cargo or anchor in such waters or go into drydock for repairs while having on board such dangerous cargo, until such vessel has been inspected by the board of local inspectors to determine that such cargo may be carried on such vessel with safety, and a permit issued to her for the presence on board of such cargo, which permit shall be framed under glass and posted in a conspicuous part of the vessel.

The Secretary of Commerce is authorized and directed to promulgate rules and regulations concerning construction, the appliances, and apparatus for stowage of vessels used in the transportation of inflammable, explosive, or like dangerous cargo on said vessels in order to preserve life and property while in operation or at anchor. The local board of inspectors shall not issue a permit to any vessel until it finds that said vessel is in substantial compliance with the rules and regulations promulgated by the Secretary of Commerce: *Provided*, That this act shall not apply to a vessel covered by an unexpired certificate of inspection duly issued in accordance with law by the local inspectors of the Bureau of Marine Inspection and Navigation or, if a foreign vessel, by an unexpired certificate of inspection issued under the authority of its own government and recognized under law or treaty by the Government of the United States.

SEC. 2. A penalty of not to exceed $500 may be imposed for each violation of any of the provisions of this act or of any of the rules and regulations promulgated under the authority of this act. The vessel shall be liable for the said penalty and may be seized and proceeded against, by way of libel, in the District Court of the United States for any district within which such vessel may be found.

SEC. 3. This act shall become effective 60 days after its enactment.

The PRESIDING OFFICER. Without objection, Senate bill 2005, of similar title, will be indefinitely postponed.

### FALSE BILLING OF ARTICLES SHIPPED BY WATER

Mr. COPELAND. Mr. President, from the Committee on Commerce, I report an original bill which has been passed upon by the committee and recommended by the Department. It is the bill (S. 3467) amending the Shipping Act, 1916, as amended, and it provides that the provisions of the law applying to false billing of articles sent by land shall be applied to false billing in shipping by water, and ask that it be given immediate consideration.

Senate bill 3467 was read twice by its title.

The PRESIDING OFFICER. The present occupant of the chair inquires if this is a new bill.

Mr. COPELAND. It is a new bill, but it is very desirable to have action by the House. That is the reason why I am doing the unusual thing.

The PRESIDING OFFICER. The Chair will ask the Senator from New York to postpone the request for a little while.

Mr. COPELAND. I may say to the Chair that the bill applies exactly the same principles to false billing of materials sent by water that now apply to false billing of articles sent by land. It is a proper bill, and I hope the Chair will permit it to be given consideration.

The PRESIDING OFFICER. The Chair will ask the Senator to let it go over temporarily.

### FARM-MORTGAGE RELIEF

The PRESIDING OFFICER (Mr. McKELLAR in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 3002) to amend an act entitled "An act to establish a uniform system of bankruptcy

throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which was, on page 8, line 23, to strike out all after "court" down to and including "may", in line 24, and insert "shall."

Mr. BORAH. Mr. President, I move that the Senate concur in the amendment of the House.

Mr. ROBINSON. What is the amendment?

Mr. BORAH. The amendment is to strike out after the word "court", in line 23, on page 8, the words "in its discretion, if it deems it for the best interests of the secured creditors and debtor, may."

This would make it read:

*Provided*, That upon request in writing by any secured creditor or creditors, the court shall order the property upon which such secured creditors have a lien to be sold at public auction.

Mr. ROBINSON. It deprives the court of discretion and makes the provision mandatory?

Mr. BORAH. That is the effect of the amendment.

Mr. ROBINSON. I have no objection to the motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 3210) to refer the claim of the Menominee Tribe of Indians to the Court of Claims with the absolute right of appeal to the Supreme Court of the United States, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4324) to carry out certain obligations under certain tribal agreements.

The message further announced that the House had agreed to the amendment of the Senate to the amendment of the House to the bill (S. 2215) to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended.

### ORDER OF BUSINESS

Mr. CAPPER obtained the floor.

Mr. BANKHEAD. Mr. President, I suggest the absence of a quorum.

Mr. LEWIS. Mr. President, if the Senator will withhold that momentarily, I desire to enter a motion to proceed to the consideration of the bill (S. 2665) to change the name of the Department of the Interior and to coordinate certain governmental functions. I desire to enter the motion so I may pursue the proper course. If the program, as I understand now, is that the Senator from Kansas [Mr. CAPPER] is to have the floor by previous arrangement, I do not wish to take him from the floor.

The PRESIDING OFFICER. The Chair will state to the Senator from Illinois that a motion has been made by the junior Senator from Kansas [Mr. McGILL] to proceed to the consideration of a certain bill. That motion is the pending question, and so long as it remains undisposed of, the motion of the Senator from Illinois to take up another measure is not in order.

Mr. LEWIS. I give notice that I shall move to have considered Senate bill 2665.

Mr. BANKHEAD. Mr. President, I withdraw the suggestion of the absence of a quorum.

Mr. TYDINGS. Mr. President, I do not wish to delay the measure which the Senator from Illinois [Mr. LEWIS] wishes to bring up after the pending matter shall have been disposed of, but may I call his attention to the fact that yesterday I moved to take up a bill which I believe has been reported unanimously by the Judiciary Committee without amendment. At that time there was only one objection to it and then only for the purpose of offering an amendment. I hope the Senator will permit me to have the bill considered and disposed of, as I think it will take only 3 or 4 minutes.

In view of that situation I hope the Senator will not take it as a personal matter if I try to get recognition of the Chair at the time he does at the conclusion of the pending matter.

Mr. LEWIS. I understand the position of the Senator from Maryland, and I hope he will not take it as personal if he finds I contest his request.

Mr. McNARY. Mr. President, will the Senator from Kansas yield?

Mr. CAPPER. I yield.

Mr. McNARY. There are certain rules which govern this body even though at times they are seemingly ignored or disregarded. However, I am not going to agree to any allotting of time to anyone. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Copeland | Logan | Robinson |
| Ashurst | Costigan | Lonergan | Russell |
| Austin | Davis | Long | Schall |
| Bachman | Dieterich | McAdoo | Schwellenbach |
| Bailey | Donahey | McGill | Sheppard |
| Bankhead | Fletcher | McKellar | Shipstead |
| Barbour | Frazier | McNary | Smith |
| Barkley | George | Maloney | Steiwer |
| Black | Gerry | Metcalf | Thomas, Okla. |
| Bone | Gibson | Minton | Thomas, Utah |
| Borah | Glass | Moore | Townsend |
| Brown | Gore | Murphy | Trammell |
| Bulkley | Guffey | Murray | Truman |
| Bulow | Hale | Neely | Tydings |
| Burke | Harrison | Norbeck | Vandenberg |
| Byrd | Hatch | Norris | Van Nuys |
| Byrnes | Hayden | Nye | Wagner |
| Capper | Holt | O'Mahoney | Walsh |
| Caraway | Johnson | Overton | Wheeler |
| Chavez | King | Pittman | White |
| Clark | La Follette | Radcliffe | |
| Connally | Lewis | Reynolds | |

Mr. LEWIS. I announce the absence of the Senator from Mississippi [Mr. BILBO], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Wisconsin [Mr. DUFFY], and the Senator from Nevada [Mr. McCARRAN], who are necessarily detained.

I also announce that the Senator from Idaho [Mr. POPE] is absent from the city.

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present.

The question is on the motion of the Senator from Kansas [Mr. McGILL] that the Senate proceed to the consideration of Senate bill 3434.

### ADDITIONAL JUDGE FOR DISTRICT OF KANSAS

Mr. CAPPER. Mr. President, I rise to protest with all the earnestness I possess against jamming through, in this preadjournment period, a bill creating a new Federal judge for the State of Kansas. The opposition to the measure is so overwhelming in my State, and the proposed legislation is so vitally important to the people of the State, that I ask the privilege of making a statement in opposition to the pending motion.

I trust that my distinguished colleague from Kansas will not insist upon his motion to take up at this time Senate bill 3434, which would provide for the appointment of an additional judge for the district of Kansas. In fact, I am somewhat surprised that such a measure ever was introduced; certainly surprised that a serious attempt should be made to have it enacted into law.

Mr. President, there is no need for an additional district judge in Kansas. As I see it, there is not even any reasonable excuse for creating this additional office in Kansas. Kansas has no more need of an additional Federal district judge than it has for two Governors, or for a second State supreme court. I believe the records of the district court will show this statement to be correct.

When this measure, somewhat to my surprise, was reported by the Judiciary Committee, I sent for a copy of the report. At this point I also wish to protest against the manner in which the bill has been handled. With no desire to criticize the Chairman of the Judiciary Committee, the distinguished Senator from Arizona [Mr. ASHURST], I do

feel compelled to say that I feel I have not been treated fairly by his committee.

I had known that such a measure was in contemplation. In fact, it may be remembered that some time ago the Senate recommitted to the Judiciary Committee a bill providing for additional judges in New York and some other States, additional judges for Kansas and Missouri having been added to the original committee bill. It was pointed out at the time that there was no showing of the necessity for these additional judges.

Several times I have called attention of the distinguished Chairman of the Judiciary Committee to the fact of my interest in this proposal. Having reminded him of this fact, I naturally supposed that if such a measure should be proposed I would be given an opportunity to appear before the committee and express to the committee the views of the people of Kansas, as I understood these views.

I was not notified, however, when this bill came before the committee. I had no means of knowing such a bill was before the committee. The first I knew of Senate bill 3434 was when a report was presented to the Senate, recommending that Senate bill 3434 be passed. The records show that the measure was introduced in the Senate and the report filed on the same day, almost within the same hour. I still believe ordinary courtesy, under the circumstances, entitled me at least to a hearing before the Judiciary Committee.

Mr. President, the people of Kansas do not desire this additional judge, as I expect to show by reading to the Senate numerous letters and telegrams I received when the proposal was made earlier in the session through an amendment to another bill. At the very least, the people of my State are entitled to a hearing before the committee before a measure of this importance to them and to their children is reported to the Senate for action.

Passing over that phase of the matter, I now come to the report accompanying Senate bill 3434. Naturally I had supposed that the report would at least attempt to justify the creation of this additional office, with necessary help and quarters and expenses for traveling and maintenance, and the saddling of this expense upon the taxpayers.

Imagine my surprise when I read the report and found that no effort at all was made to justify the passage of the bill. I will read the report to the Senate. It consists of just one sentence, as follows:

> The Committee on the Judiciary, to whom was referred the bill (S. 3434) to provide for the appointment of one additional judge for the District Court of the United States for the District of Kansas, after consideration thereof, report the bill favorably, without amendment, with the recommendation that it be passed.

Mr. President, that is all there is in the report of the committee. I confess there is one clause in it that I do not understand. The report says, and I quote, "after consideration thereof." Mr. President, in view of the fact that the bill was not introduced until just before the report was made, I am unable to understand whether that "after consideration thereof" is a subtle attempt at humor, or if it intends to convey the impression that the bill was given serious consideration in committee.

But, Mr. President, I believe I can explain to the Senate why the committee report of just one sentence does not give any reasons why the additional judge is desired. There is no report from the Department of Justice recommending the appointment of an additional judge mentioned in the report of the committee. If there is any such report from the Department I confess I never have heard of it.

Mr. President, there may be reason for that absurd report to the Senate—absurd because a committee report is supposed to inform the Senate why the legislation proposed is necessary, or at least why it is desirable. I have before me a statement and accompanying chart from the clerk of the district court, showing the condition of the docket of the Kansas court.

Let me say at this point, Mr. President, that I should much have preferred to present this information first to the Committee on the Judiciary. The members of that committee were entitled, are entitled, to consider these facts before reporting on the measure at all. At this point I appeal to my colleague from Kansas to ask that this bill be sent back to committee for the purpose of holding a hearing, or at least allowing me to come before the committee and present these facts in regard to the docket.

It is not fair to the Senate, in these few hours before the adjournment of this session of Congress, to take up the time of the Senate in considering matters that should first be presented to a Senate committee, and thoroughly considered there. I will say to my colleague, however, that if and when these facts are presented to the committee, the chances are that the committee will refuse to recommend the bill for passage. Nevertheless, I suggest to my Kansas colleague that he adopt this suggestion, and allow the bill to be handled in orderly legislative fashion.

Mr. President, I ask unanimous consent that Senate bill 3434 be recommitted to the Committee on the Judiciary for further consideration.

Mr. McGILL. I object.

Mr. McNARY. Mr. President, I think it was the intention of the Senator to enter a motion.

Mr. CAPPER. Mr. President, I have not made a motion. I have not as yet completed my remarks.

The PRESIDING OFFICER. The Chair understood the Senator from Kansas to ask unanimous consent that the bill be recommitted.

Mr. CAPPER. I still have the floor.

The PRESIDING OFFICER. The Senator still has the floor.

Mr. CAPPER. Mr. President, I desire to call the attention of the Senate to the satisfactory condition of the docket of the district court of Kansas. Accompanying the charts to which I referred is the following statement from W. G. West, the clerk of the district court of Kansas. He says:

> The number of bankruptcy cases filed during the fiscal year 1934 was 719, a less number than any year since 1930; there is a gradual reduction in number since the peak year of 1932.

I call special attention to the fact that the number of bankruptcy cases filed is decreasing; it is more likely to continue decreasing than increasing, with the return of measurable prosperity. So an additional judge is not needed to handle bankruptcy cases—even if more cases were being filed, they could be handled by an additional commissioner. It is not necessary to name an additional judge.

Now, let us see about private suits. Again I quote from the statement of the clerk of the district court:

> Private suits filed during the fiscal year of 1934 were 291, which is a lesser number than any year since 1930, and also a lesser number than any other fiscal year during the 10-year period, with the exception of 1927, 1929, and 1930.

The number of private suits filed is growing less instead of greater, Mr. President. So there seems to be no need of an additional judge to handle private suits. Now, let us see about civil cases. The clerk of the court reports, and I quote:

> The number of civil cases filed during the fiscal year 1934 was 91, which was less than any other year during the 10-year period.

Now, I submit to the Senate an additional judge should not be appointed to handle civil cases, with the number less than at any time in the past 10 years. Again, I quote from the summary made by the clerk of the district court:

> The number of criminal cases filed during the fiscal year 1934 was 64; this number, likewise, is materially lower than any other fiscal year during the 10-year period.

The number of criminal cases, civil cases, private suits, bankruptcy cases—all less than in preceding years. In God's name, Mr. President, what do we need of an additional judge to handle a decreasing volume of business?

Perhaps I am not surprised that the committee report gives no reasons for an additional judge. It is very apparent there are no reasons for this additional judge; at least none that could go into a committee report.

But I find another sentence in the statement of the clerk of the court, to which I should like to direct the attention

of my colleagues in the Senate, including my distinguished colleague from Kansas. The clerk notes, and again I quote:

This chart shows a gradual reduction in the amount of business in the United States District Court of Kansas, and emphasizes the fact there is no necessity for an additional judge in the Kansas district.

What I have so far covered, Mr. President, deals merely with new business before the court. Now, I want to place in the RECORD a few figures as to pending cases on the docket, taken from the statistical reports to the Department of Justice, covering fiscal years ending June 30:

At the close of the fiscal year 1932, there were 818 law and equity cases, both private and United States, pending; at the close of the fiscal year 1934, there were only 618 cases pending. The number of law and equity cases before the court was 200 less in 1934 than in 1932.

That, Mr. President, certainly does not indicate the need of an additional judge.

The number of pending private cases, both law and equity, was 694 at the end of the fiscal year 1932; there were only 377 such cases pending at the end of 1934—a decrease of 40 percent. Why another judge?

Mr. President, I want to call attention also to the number of criminal cases pending. At the close of the fiscal year 1932 there were 533 criminal cases pending; 2 years later, at the close of 1934, there were just 80 cases pending.

Now, Mr. President, I submit in all seriousness that when the number of criminal cases brought is the lowest in 10 years, when the number of criminal cases pending has been reduced from 533 to 80, there can be no reason for urging the naming of an additional judge to handle criminal cases in the Kansas district court.

Now the number of United States cases pending, both law and equity, shows an increase from 124 to 241; but that is more than offset by the decrease in private cases, both law and equity. Also, the number of bankruptcy cases pending increased from 950 to 1,438; but, as everyone knows, these do not take much time of the court, being handled by commissioners. Name an extra commissioner, if necessary, but not an additional judge, whose principal duty in connection with bankruptcy cases would be to name a commissioner. And besides, as noted before, the number of bankruptcy cases filed seems to be on the wane, and all of us hope these will still further decrease as prosperity returns to the agricultural regions of the United States.

Mr. President, there is another point to which I desire to call attention of the majority Members of the Senate. There is a strong feeling in my State—and, I might say, all over the country—that this administration has created too many new jobs; has added unnecessarily to the number of officials and employees on Federal pay rolls.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CAPPER. I yield.

Mr. TYDINGS. Is the Senator in a position to answer whether or not he feels that the A. A. A. has more employees than it needs in order to operate?

Mr. CAPPER. There are no doubt some departments of the Government where it has been necessary to have additional employees. The A. A. A. is engaged in work which is helpful to the farmers in the West. It is probably one department which requires additional employees.

Mr. TYDINGS. The Senator does not think that the A. A. A. has more employees than it needs at the present time?

Mr. CAPPER. I am not fully informed in regard to that.

Mr. TYDINGS. I am interested in what the Senator is saying, and I was wondering whether he would designate those departments or agencies which he thinks have more employees than they need.

Mr. CAPPER. I have not attempted to go into that in detail, but it is a fact that the people of this country generally are protesting in a most emphatic manner against the very rapidly increasing number of employees on the Federal pay roll.

Mr. TYDINGS. I think the Senator's observation is correct, but it strikes me it is only fair in such protests to tell where the extra employees are, so that we may get at them. Just as in the case of any other protest that is not based on fact or suggestion, such a protest is not worth while. It may be that in the A. A. A. they are working with a very limited number of employees in spite of the fact that they have a large personnel. That is something about which I do not know, but I should be interested in having a little more detailed information, not only about the A. A. A. but about other agencies. I do not think it quite fair to make the observation without pointing out wherein the observation is accurate.

Mr. NORRIS. Mr. President, will the Senator from Kansas yield to me?

Mr. CAPPER. I yield.

Mr. NORRIS. I should like to suggest, in answer to the criticism of the Senator from Maryland, which I am inclined to think is a just and fair one, that the Senator from Kansas is doing now just exactly what the Senator from Maryland has suggested, except that he has not covered all the field. As I understand his argument, he is pointing out that in the judiciary field, at least, too many judges are being appointed, and he is giving statistics from the court in Kansas which bear out his argument, I think, that too many judges are being appointed where judges should not be appointed.

Mr. TYDINGS. I think the Senator is making out a good case from his point of view in that regard. It was only because I considered that his remarks went out of the field of the judiciary that I was anxious to have him submit the facts upon which his statement was based.

Mr. NORRIS. I think the Senator's anxiety about other things is perfectly proper, although, in my judgment, the Senator from Kansas, whom he is interrogating, is carrying out the very kind of argument the Senator from Maryland suggests except that he does not cover the entire field.

Mr. CAPPER. Mr. President, there is some argument about the matter of the temporary jobs and positions created. The relief and recovery program, the distresses of the depression, may justify the appointment of many of the thousands of extra persons placed on the pay rolls in the past few years.

But here is proposed the creation of an additional judgeship, which the great majority of the people of Kansas, which the Bar of Kansas know to be unnecessary. It would create another lifetime job, call for more clerical help, for more maintenance expenditures.

The creation of this additional office, Mr. President, will do as much as anything I can imagine at this moment to convince the people of Kansas that this administration, this Congress, has lost its sense of duty to protect the taxpayers of the Nation against unwarranted drains on the Treasury.

It will be cited for years to come as a glaring example of extravagance, of the creation of useless jobs. Passage of this measure will be a most serious mistake.

Mr. President, as I stated before, this information is information that should have been considered by the Judiciary Committee before the measure came to the floor of the Senate. I deeply regret the necessity at this time, with only a few hours of the session remaining, of taking up the valuable time of Senators presenting information which it never should have been necessary to bring to the Senate at all.

However, under the circumstances, and in justice to the people of Kansas, I feel constrained to present these facts to the Senate, in order that it may have adequate information upon which to base its decision.

Therefore, Mr. President, I feel it necessary at this time to read to the Senate a report made to me by the clerk of the district court last March, when I was informed there would be an effort made to name an additional and unnecessary district judge in Kansas. All this information I should have been glad, in fact, was very anxious, to present to the Judiciary Committee. It never entered my mind that the com-

mittee would report out such a measure without affording an opportunity to present this information to the committee.

Here is what the clerk informs me is the status of his office at this time:

Enclosed please find chart showing cases filed in the United States District Court for the District of Kansas over a 10-year period from 1925 to 1934, inclusive.

You will note that the number of bankruptcy cases filed during the fiscal year 1934 was 719, a less number filed than any year since 1930; there is a gradual reduction in number since the peak year of 1932.

Private suits filed during the fiscal year of 1934 were 291, which is a lesser number than any year since 1930, and also a lesser number than any other fiscal year during the 10-year period with the exception of 1927, 1929, and 1930.

The number of civil cases filed during the fiscal year 1934 was 91, which was less than any other year during the 10-year period.

The number of criminal cases filed during the fiscal year of 1934 was 64; this number likewise is materially lower than any other fiscal year during the 10-year period.

This chart shows a gradual reduction in the amount of business in the United States District Court of Kansas and emphasizes the fact that there is no necessity for an additional judge in the Kansas district. If there is any further information which you would like from this office, kindly advise.

I read another letter which I have received from the same clerk, as follows:

UNITED STATES DISTRICT COURT,
*Topeka, Kans., March 23, 1935.*

Hon. ARTHUR CAPPER,
*Senate Office Building, Washington, D. C.*

DEAR SENATOR CAPPER: A comparison of the business of the United States District Court for the District of Kansas over a period of the past 4 fiscal years reveals the fact that the work is being well taken care of and that there is a less number of trial cases pending now than in any other year since 1931.

At each and every term of court special effort is made to have attorneys ready with their cases. Mimeographed copies of the dockets in the respective divisions are mailed to all attorneys of record 3 weeks in advance of the time court convenes. Upon the front pages of the docket attorneys are urged to be ready for trial when their cases are called. In addition, special letters have been mailed attorneys urging disposition of pending cases. When cases are continued it is because attorneys are not ready and not because the judge cannot hear them. To my knowledge there are no cases pending for 6 months or longer which the court has been unable to hear, and in all cases where circumstances require a special hearing the time of the court has permitted that to be done.

The number of law, equity, and criminal cases pending shows a decrease at the close of the fiscal year of 1934 over the corresponding period of 1931. It is a fact that a very small amount of the judge's time is taken up with bankruptcy matters. Such cases are referred to referees and are handled almost entirely in a routine and formal manner as far as the judge is concerned. Lawyers have advised that fully 80 percent of farm debtor cases are awaiting outcome of appeal upon either constitutional or law questions. Probably two-thirds of all pending equity cases are foreclosure suits which require very little of the judge's attention, being disposed of in a formal manner. The majority of Government law cases pending are war-risk cases, most of which have been delayed by either the plaintiffs or by the Government because of the necessity for further investigation. Often war-risk cases have been filed by attorneys in order to give their clients protection under the time-limit benefits provided by statute. Pleas of guilty dispose of approximately 75 percent of all criminal cases.

The following data have been taken from the clerk's statistical reports to the Department of Justice covering fiscal years ending June 30:

| | Pending bankruptcy | Pending law and equity, both private and United States | Pending United States cases, both law and equity | Pending private, both law and equity | Pending criminal |
|---|---|---|---|---|---|
| 1931 | 814 | 658 | 118 | 540 | 355 |
| 1932 | 950 | 818 | 124 | 694 | 533 |
| 1933 | 1,205 | 878 | 156 | 622 | 267 |
| 1934 | 1,438 | 618 | 241 | 377 | 80 |

The above tabulation shows an improvement in the amount of business before the court, and indicates only a normal condition on June 30, 1934.

The annual report of the Attorney General of the United States for the fiscal year ending June 30, 1934, shows the number of private suits, civil, and criminal cases pending in 47 of the judicial districts to be as follows:

| Judicial districts | Civil | Criminal | Private suits |
|---|---|---|---|
| Kansas | 239 | 80 | 377 |
| Missouri: | | | |
| Eastern | 173 | 164 | 547 |
| Western | 195 | 155 | 702 |
| Nebraska | 182 | 96 | 263 |
| Oklahoma: | | | |
| Northern | 86 | 88 | 185 |
| Eastern | 106 | 199 | 94 |
| Western | 154 | 74 | 408 |
| Illinois: | | | |
| Northern | 747 | 452 | 1,245 |
| Eastern | 161 | 21 | 206 |
| Southern | 100 | 57 | 354 |
| California: | | | |
| Northern | 239 | 227 | 498 |
| Southern | 773 | 379 | 1,024 |
| Arkansas: | | | |
| Eastern | 127 | 37 | 396 |
| Western | 134 | 100 | 195 |
| Kentucky: | | | |
| Eastern | 179 | 70 | 282 |
| Western | 127 | 47 | 294 |
| Texas: | | | |
| Northern | 111 | 197 | 335 |
| Eastern | 67 | 61 | 301 |
| Southern | 71 | 139 | 251 |
| Western | 95 | 112 | 252 |
| Indiana: | | | |
| Northern | 142 | 73 | 392 |
| Southern | 62 | 79 | 302 |
| Pennsylvania: | | | |
| Eastern | 347 | 122 | 1,556 |
| Middle | 98 | 71 | 350 |
| Western | 364 | 128 | 638 |
| Ohio: | | | |
| Northern | 154 | 190 | 700 |
| Southern | 223 | 31 | 557 |
| New York: | | | |
| Northern | 143 | 95 | 1,010 |
| Eastern | 613 | 215 | 3,527 |
| Southern | 1,740 | 416 | 3,492 |
| Western | 230 | 190 | 349 |
| Oregon | 262 | 110 | 308 |
| Michigan: | | | |
| Eastern | 366 | 184 | 879 |
| Western | 10 | 14 | 85 |
| New Jersey | 953 | 238 | 1,294 |
| Florida: | | | |
| Northern | 39 | 41 | 115 |
| Southern | 260 | 193 | 711 |
| Minnesota | 274 | 92 | 422 |
| Massachusetts | 804 | 350 | 802 |
| Louisiana: | | | |
| Eastern | 108 | 107 | 325 |
| Western | 59 | 68 | 153 |
| Colorado | 124 | 47 | 197 |
| Wisconsin: | | | |
| Eastern | 40 | 80 | 140 |
| Western | 24 | 59 | 175 |

This tabulation further shows that the number of pending civil and private suits in the Kansas district compares favorably with most of those herein listed.

I hope this information may be of help to you in establishing the fact that there is no necessity for adding another judge to the Kansas district. If you wish any additional information, please advise.

With kindest regards, I am,
Sincerely yours,

W. G. WEST, *Clerk.*

Mr. President, I have some other letters from the clerk of the district court bearing on this matter; also, many letters and telegrams from Kansas citizens protesting against the appointment of an additional judge for the district of Kansas. I will now proceed to read these letters in order that the Senate may know the situation. Again I desire to apologize to the Senate, and to my distinguished colleague from Kansas, for taking up so much time on this matter. I should much prefer to present these letters to the Judiciary Committee. Again I desire to express my disappointment that my distinguished colleague and the committee did not see fit to allow me to appear before the committee, thereby saving a great amount of time; thereby also, as I see it, treating the people of Kansas and myself with the courtesy and justice to which I feel we were entitled in this matter so vitally concerning the standing of the judiciary in our State.

I will now read a letter I have from Judge Lawrence F. Day, a judge of the second judicial district, who resides at Atchison, Kans. The letter is addressed to me, and is writ-

ten to me voluntarily. No letter I am about to read to the Senate was solicited by me. I read:

Understand there is some sort of a movement on foot that would lead to the appointment of a third judge of the United States District Court for the District of Kansas.

I do not know how far this movement has progressed, or whether it is even being considered seriously.

We Kansas people consider it a joke, as a third judge is unnecessary and not needed to handle the amount of business transacted in our Federal court.

Our two judges are sufficient and promptly take care of any litigation pending before them. An appointment of another judge would certainly be a waste of money.

I hope that you will not be in favor of such a measure.

I now read a letter from Hon. Fred R. Smith, Manhattan, Kans., who for many years was one of the prominent district judges of the State of Kansas. He addresses to me this letter voluntarily. He is recognized as one of the leading lawyers of northeast Kansas. He writes:

In respect to the move which is being made at the present time to redistrict the State of Kansas and appoint another United States district judge I wish to state that I can see no good reason for the expenditure by the Government for the amount of money, which would be considerable, to administer the affairs of another United States district judgeship.

As a lawyer who has had some practice before the United States District Court of our State, I am not aware that the docket of the United States District Court in this State has been so large so that the present judge occupying the same is behind in his work to such an extent that a demand of this kind is at all urgent. I think the lawyers generally in this State agree with me that there is no occasion for the creation of another district judgeship.

I trust, therefore, that you will do whatever you can to oppose any measure of this kind, as we are already so seriously burdened with taxes that economy demands retrenchment in this respect wherever possible.

You will no doubt remember me as the former district judge from the twenty-first judicial district of Kansas.

I have here resolutions adopted by the Wyandotte County Bar Association signed by Errett P. Scrivner, secretary, and Russell L. Stephens, president of the Wyandotte County Bar Association. The resolutions are as follows:

That whereas a committee composed of the members of the Wyandotte County (Kans.) Bar Association has been appointed for the purpose of determining the necessity of creation of an additional United States district judgeship in the district of Kansas; and

Whereas the committee so appointed met pursuant to the call of the chairman, E. S. McAnany, thereof; and

Whereas said committee made thorough investigation of all available data and information relative thereto which data consisted of the clerk's statistical reports to the Department of Justice covering the fiscal years ending June 30, 1930, 1931, 1932, 1933, and 1934 and data taken from the Annual Report of the Attorney General of the United States for the fiscal year ending June 30, 1934, showing the number of private suits, civil and criminal cases pending in 47 of the judicial districts; and

Whereas said committee after mature deliberation and consideration of the foregoing data and information determined that no necessity existed for the creation of an additional judgeship in the district of Kansas nor for the appointment of an additional judge in that district; and

Whereas said committee recommended that the Wyandotte County (Kans.) Bar Association go on record as opposed to the legislation proposed to be adopted for the creation of an additional judgeship in the district of Kansas and for the appointment of an additional judge in that district; and

Whereas at a special meeting of the Wyandotte County (Kans.) Bar Association held at the Grund Hotel at Kansas City, Kans., on Monday evening April 15, 1935, said special meeting having been called for the purpose of considering the question of the necessity of an additional United States district judgeship for the district of Kansas; and

Whereas at said special meeting it was voted by a majority of the members of the Wyandotte County (Kans.) Bar Association present that the recommendation of the committee be adopted and made the action of said association and that a resolution relating thereto be drafted by the president and secretary and forwarded to the Attorney General of the United States, and the Representatives of the State of Kansas in the United States Senate and United States House of Representatives: Now, therefore, be it

*Resolved*, That the recommendation of the committee be adopted as the action of the Wyandotte County (Kans.) Bar Association; and be it further

*Resolved*, That the Wyandotte County (Kans.) Bar Association place itself on record as opposed to the proposed legislation; and be it still further

*Resolved*, That the president and secretary of the Wyandotte County (Kans.) Bar Association be directed to forward copies of this resolution to the Attorney General of the United States and to the Representatives of the State of Kansas in the United States Senate and United States House of Representatives.

Dated at Kansas City, Kans., this 15th day of April 1935.

ERRETT P. SCRIVNER,
*Secretary Wyandotte County (Kans.) Bar Association.*
RUSSELL L. STEPHENS,
*President Wyandotte County (Kans.) Bar Association.*

I have also a letter from State Senator Fred M. Harris, who has been president of the Kansas State Bar Association, recognized as one of the foremost attorneys of the State. He addresses me this letter:

I understand there is a bill pending before Congress introduced by Senator MCGILL—

At that time there was no bill pending, by the way. I continue reading:

creating another division of the United States District Court in the State of Kansas. I have been informed that you have stated that you cannot see the necessity for the creation of another division of this court, and that you are opposed to the bill.

I hope very much that this is true. As one who has practiced law in Kansas for a long time, I can see no justification for the creation of this division, or the incurring of the expense which it will entail. I am very sure that the court as it is now conducted is taking care of all work which comes before it satisfactorily, and there is no reason for the creation of another division.

I have never heard of any complaints concerning any delays in the functions of the Federal Court in this State, and in fact I know from experience that most of our courts, both Federal and State, in States like Kansas, are amply able to care promptly for all of the litigation pending before them, and that what material delay there is comes from the actions of litigants or counsel, and is not the fault of the courts.

I have here a statement from the Allen County Bar Association, as follows:

We, the undersigned, practicing attorneys of the Allen County Bar, having been informed through the newspapers that there is a bill pending in Congress to establish an additional judge of the United States District Court in Kansas, beg leave to state that from our experience, practice, and observation of the United States District Court in the State of Kansas, we have not had any trouble or delay in getting cases or matters heard in said court and have found that the present judges of said court have and are keeping the work of their docket up to date, and that there is no unusual congestion or delay concerning matters pending in said court and it is our honest opinion and we feel that the above law to establish another United States district judge in Kansas should not as a matter of economy be enacted in a law at this time.

I next read a letter from Judge Hugo T. Wedell, of Chanute. The letter was written some months ago, before he was appointed to the Kansas State Supreme Court to fill a vacancy. He says:

From what I have been able to gather, the appointment of such a judge at this time is entirely unnecessary. The Federal court docket in this State, I am advised, is more nearly up to date than it has been in years, and that cases are being tried as fast as litigants and attorneys are requesting.

I next read a letter from Forrest D. Smythe, Special Assistant Attorney General, as follows:

I wish to enter my protest against the bill that is now pending for the creation of a new judgeship, as the information that I have received is to the effect that the same is unnecessary and there exists no emergency which would warrant such creation.

Here is a letter from William E. Smith, a prominent lawyer of Wamego, Kans., which reads:

I have noticed in our daily papers that there is quite an agitation going on in our State in certain localities for the creation of another United States district judge. I am sure upon investigation that the concensus of opinion of lawyers, litigants, and business men in Kansas is against the appointment of another judge, because there is no necessity of it; and, furthermore, we do not want the additional expense of $25,000 or $30,000 which it would incur. I have talked with many lawyers and many merchants, and they all say "no."

I have had a great deal of work in the United States district court at Topeka, going on 2 years, and I have no complaint whatever to make, because my work has been handled expeditiously without any delay whatever.

I have a letter here from Senator W. E. Archer, of Hiawatha, Kans., one of the leading lawyers of the State, in which he says:

I am informed there is a suggestion in Washington that we have another United States district judge. I see no reason for the appointment of another judge for this district. We have two now. You know Judge Hopkins is a good, industrious judge. He

keeps up with the docket. Whatever delay there is, in the trying of cases, is occasioned by the attorneys and not by Judge Hopkins. I have heard of no complaints from members of the bar about their inability to get cases tried. I wish you could see your way clear, under the circumstances, to oppose appointment or provision for another judge of this district.

I next read a telegram from E. H. Rees, of Emporia, a leading lawyer there, who says:

As a member of the bar, as senator from this district, and as a citizen of the State, I am opposed to any measure providing for additional Federal judge in this State. It is unnecessary, uncalled for, and I commend you in your action opposing such measure.

I have a telegram from Hal E. Harlan, of Manhattan, Kans., one of the prominent attorneys of the State, in which he says:

Federal docket in good shape in Kansas. See no occasion for additional Federal judge.

Hon. Kirke W. Dale, of Arkansas City, a prominent lawyer there, writes as follows:

Personally, I feel that the situation at this time does not warrant a new district and a new judge. There is not sufficient business in the State to warrant two judges, and, as a matter of fact, Judge Hopkins has made an excellent record keeping the docket to date. There are very few cases, if any, in which demand is being made for trial, and Judge Hopkins has given everyone who so desired an opportunity to try their cases.

I next quote from a letter from John B. Markham, of Parsons, Kans.:

I wish to go on record as being against such a measure, and wish to urge you to cast your vote against this bill for the reason that the present United States district judges are ably handling all matters in their courts, and it would be a needless expense for the appointment of a third judge.

George R. Lehmberg, of MacPherson, Kans., writes as follows:

We have discussed this matter with most of the members of the local bar, but we have not taken any action as a bar association on this bill. Most of the lawyers here do not see any need of another Federal judge at this time. Some of them state that they have not formed an opinion at this time. We personally feel that Judge Hopkins is attending to the matters before him on the bench in a manner so as to keep the docket up to date, and as long as that is being done we feel no special need of another Federal judge.

I could continue reading any number of letters of the same tenor, and I will read a few more.

Here is one from Z. C. Millikin, of Salina, Kans., in which he says:

Just why another judge should be appointed for Kansas is not apparent; the business does not justify it. I hope you will oppose this appointment.

Here is a letter from the mayor of Erie, Kans., C. E. Locke, in which he says:

I wish to take this opportunity to express approval of your attitude in opposition to the creation of a new Federal judge, and to encourage you to continue in your resistance to such unwarranted maneuvers. We all know that the present organization of the Federal court in this State is adequate to all needs.

J. M. Hewitt, a lawyer of Oswego, Kans., writes as follows:

There is no necessity for creating a new Federal judgeship, and your continued opposition to this bill will meet with general approval.

I next read a letter from O. Renn, an attorney of Arkansas City, Kans.:

I am writing you to express my appreciation of your attitude with reference to opposing the appointment of another Federal district judge in the State of Kansas.

You should be commended upon this action for the reasons that the two Federal district judges we have in Kansas at the present time can amply take care of all the business that is to come before this court in Kansas, and another judge would be an extravagance and an expenditure that the people of Kansas should not stand for. It will cause criticism if it is not done—and rightly so.

Arthur F. McCarty, one of the leading lawyers of Salina, Kans., writes as follows:

Considerable familiarity with the business of the Federal court in this district leads me to express the opinion that there is not the slightest need now, nor is there likely to be in the near future, for another judge.

There has been no difficulty keeping up with litigation in the Federal court, and the dockets are, and have been for years, well cleared.

I am sure that the majority of lawyers in Kansas who have business in the Federal court will endorse this view.

I believe, therefore, that in the interest of economy as well as efficiency that the bill should be defeated, and trust you will vote against it if it be reported for passage.

I next read a letter from W. B. Crowther, attorney for the State tax commission:

I hope you will oppose the appointment of another Federal district judge for Kansas. I happen to know that there is no occasion for the appointment of another judge at this time, and it seems to me that it would be too bad to add the expense of an additional judge at this time.

I have here a letter from Roscoe W. Graves, an attorney of Emporia, Kans., in which he says:

There is considerable interest among members of the Kansas bar relative to the proposed legislation to create another Federal judgeship in Kansas. While I do not have a great amount of Federal practice, I suppose I have about what the average non-corporation attorney enjoys, and it is my belief that there are many things that Kansas needs more than another Federal judge. In fact, Kansas does not need another Federal judge. The work in our Federal court is not far behind, and I cannot help but feel that this proposed act is entirely unjustified.

From a letter from Senator Simeon Webb, of Pittsburg, Kans., I read the following:

I understand there is an attempt being made in Washington to try to establish the need for an additional Federal judge in Kansas. I think my practice in the Federal courts is sufficient for me to be able to make the statement that litigants in the District Court of the United States for Kansas are not being delayed in the settlement of lawsuits; in fact, the bar seems to be more inclined to the idea that the judge sets the matters down too soon rather than postponing them. I therefore wish to endorse your stand also on this matter in your efforts to keep another Federal judge from being appointed in Kansas.

(At this point Mr. CAPPER yielded to Mr. NEELY to present the conference report on House bill 9100, which appears under the appropriate heading.)

Mr. CAPPER. I have a letter from A. K. Barton, a prominent attorney of Kansas, in which he says:

The matter of creating another Federal judge for Kansas, as contemplated in Washington, is simply a political move. It is not needed, therefore useless. Congress is unable to balance the Budget, the Treasury Department is periodically issuing bonds, so it seems to me it is a crime to load the taxpayers with another set of useless high-salaried officials.

Mr. President, I have here a hundred or more similar letters in protest, most of them from lawyers, which I shall not detain the Senate to read.

I hope my colleague will consent to have the bill returned to the committee for the consideration which it should have. I move that the bill be recommitted to the Judiciary Committee.

Mr. McGILL. Mr. President, there is a motion pending. Is the motion of my colleague in order at this time?

The PRESIDING OFFICER. The Chair is advised that the motion of the senior Senator from Kansas [Mr. CAPPER] is not in order at this time, as the Senate has not yet disposed of the motion of the junior Senator from Kansas [Mr. McGILL]. The question is on agreeing to the motion of the junior Senator from Kansas to proceed to the consideration of Senate bill 3434.

Mr. McNARY. Mr. President, I ask for yeas and nays.

Mr. McGILL. Mr. President, if there is any question about the right to take up the bill and have it considered, I am ready to answer the argument submitted by my colleague. I do not care to do that if the bill may be taken up as bills usually are in this body. I am willing to have a vote on the motion.

The PRESIDING OFFICER. The junior Senator from Kansas [Mr. McGILL] has moved that the Senate proceed to the consideration of Senate bill 3434. On this motion the yeas and nays have been demanded. Is the demand seconded? Apparently a sufficient number second the demand. The yeas and nays are ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). On this vote I have a pair with the Senator from New Hampshire [Mr. KEYES]. I transfer that pair to the junior Senator from Idaho [Mr. POPE] and vote "yea."

The roll call was concluded.

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent from the city. I transfer that pair to the junior Senator from Nevada [Mr. MCCARRAN] and vote "yea."

Mr. NYE (after having voted in the negative). I inquire if the senior Senator from Virginia [Mr. GLASS] has voted?

The PRESIDING OFFICER. He has not.

Mr. NYE. Having a general pair with that Senator and not knowing how he would vote if present, I am of necessity compelled to withdraw my vote.

The PRESIDING OFFICER. The Chair announces his pair with the Senator from Delaware [Mr. TOWNSEND], transfers that pair to the junior Senator from Arkansas [Mrs. CARAWAY], and votes "yea."

Mr. LEWIS. I desire to announce that the following-named Senators are unavoidably detained from the Senate.

The Senator from North Carolina [Mr. BAILEY], the Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. BONE], the junior Senator from Arkansas [Mrs. CARAWAY], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Wisconsin [Mr. DUFFY], the Senator from Virginia [Mr. GLASS], the Senator from West Virginia [Mr. HOLT], the Senator from Utah [Mr. KING], the Senator from Nevada [Mr. MCCARRAN], the Senator from Louisiana [Mr. OVERTON], the Senator from Idaho [Mr. POPE], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Massachusetts [Mr. WALSH].

Mr. AUSTIN. I desire to announce the following general pairs.

The Senator from Iowa [Mr. DICKINSON] with the Senator from Mississippi [Mr. BILBO], and

The Senator from Delaware [Mr. HASTINGS], with the Senator from Wisconsin [Mr. DUFFY].

The result was announced—yeas 55, nays 19, as follows:

YEAS—55

| | | | |
|---|---|---|---|
| Adams | Connally | Logan | Radcliffe |
| Ashurst | Copeland | Lonergan | Robinson |
| Bachman | Costigan | Long | Russell |
| Bankhead | Dieterich | McAdoo | Schwellenbach |
| Barkley | Donahey | McGill | Sheppard |
| Black | Fletcher | McKellar | Smith |
| Brown | George | Maloney | Thomas, Okla. |
| Bulkley | Gerry | Minton | Thomas, Utah |
| Bulow | Gore | Moore | Trammell |
| Burke | Guffey | Murphy | Truman |
| Byrd | Harrison | Murray | Van Nuys |
| Byrnes | Hatch | Neely | Wagner |
| Chavez | Hayden | O'Mahoney | Wheeler |
| Clark | Lewis | Pittman | |

NAYS—19

| | | | |
|---|---|---|---|
| Austin | Frazier | Metcalf | Steiwer |
| Barbour | Gibson | Norbeck | Tydings |
| Borah | Hale | Norris | Vandenberg |
| Capper | La Follette | Schall | White |
| Davis | McNary | Shipstead | |

NOT VOTING—22

| | | | |
|---|---|---|---|
| Bailey | Couzens | Johnson | Pope |
| Bilbo | Dickinson | Keyes | Reynolds |
| Bone | Duffy | King | Townsend |
| Caraway | Glass | McCarran | Walsh |
| Carey | Hastings | Nye | |
| Coolidge | Holt | Overton | |

So the motion was agreed to; and the Senate proceeded to consider the bill (S. 3434) to provide for the appointment of one additional judge for the district of Kansas.

STABILIZATION OF BITUMINOUS COAL-MINING INDUSTRY—CONFERENCE REPORT

During the delivery of Mr. CAPPER'S speech,

Mr. NEELY. I present the conference report on House bill 9100 and move that the Senate proceed to its consideration.

The PRESIDING OFFICER. The report will be read.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9100) to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, and 21.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, and 22, and agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"It shall not be an unfair method of competition or a violation of the code or any requirement of this act (1) to sell to or through any bona fide and legitimate farmer's cooperative organization duly organized under the laws of any State, Territory, the District of Columbia, or the United States whether or not such organization grants rebates, discounts, patronage dividends, or other similar benefits to its members, (2) to sell through any intervening agency to any such cooperative organization, or (3) to pay or allow to any such cooperative organization or to any such intervening agency any discount, commission, rebate, or dividend ordinarily paid or allowed, or permitted by the code to be paid or allowed, to other purchasers for purchases in wholesale or middleman quantities."

And the Senate agree to the same.

M. M. NEELY,
ALBEN W. BARKLEY,
JAMES J. DAVIS,
*Managers on the part of the Senate.*

SAMUEL B. HILL,
DAVID J. LEWIS,
FRED M. VINSON,
*Managers on the part of the House.*

The PRESIDING OFFICER. The question is on agreeing to the conference report. [Putting the question.] The ayes seem to have it.

Mr. DIETERICH. Mr. President, what conference report is that?

The PRESIDING OFFICER. It is the conference report on the so-called "Guffey coal bill."

Mr. DIETERICH. I wish to be heard on the conference report, if you please.

Mr. NEELY. Mr. President, I make the point of order that the report has been adopted.

The PRESIDING OFFICER. It has not been finally adopted.

Mr. DIETERICH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Kansas [Mr. CAPPER] has the floor. Does he yield for that purpose?

Mr. CAPPER. I yield to the Senator from Illinois if it does not take me off the floor.

Mr. DIETERICH. I do not want to interrupt the Senator from Kansas. If agreeable I shall wait until the Senator from Kansas concludes and then consent to proceed with the conference report.

Mr. JOHNSON. Mr. President, I submit a parliamentary inquiry. Has the report been adopted?

The PRESIDING OFFICER. No it has not been adopted.

After the conclusion of Mr. CAPPER'S speech,

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 2632. An act to provide for the construction of 10 vessels for the Coast Guard designed for ice-breaking and assistance work; and

S. 3446. An act relative to limitation of shipowners' liability.

The message also announced that the House had passed the bill (S. 3002) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, with an amendment, in which it requested the concurrence of the Senate.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

ADDITIONAL DISTRICT JUDGE—KANSAS

The Senate resumed the consideration of the bill (S. 3434) to provide for the appointment of one additional judge for the district of Kansas.

Mr. McGILL. Mr. President, in presenting this matter to the Senate I do not feel there is any reason I should apologize for the manner in which the bill was introduced or referred to the Committee on the Judiciary. No effort is being made upon my part to jam the bill through at the close of the session of the Congress.

Sometime ago a bill was introduced in this body to create two additional judgeships for the State of California and two additional judgeships for the State of New York. When the bill was before the Senate Committee on the Judiciary, the matter of the necessity for additional judges in other States was taken up and discussed by the committee. By virtue of discussions held at that time, and going into the matter to such extent as was deemed necessary, there was added to the bill a committee amendment providing for additional judges in several other States, among which was the State of Kansas.

The State of Missouri never was included in that bill; but a separate bill was introduced by the Senator from Missouri [Mr. CLARK], asking for two additional judges for the eastern and western districts of Missouri, one in each district. So the contention of my colleague that the reason the bill was recommitted to the Committee on the Judiciary was because the States of Kansas and Missouri were in the bill is entirely erroneous, for Missouri never was included in the bill by the committee, nor was any request made by the Senators from that State that Missouri be included in the bill. However, the States of Oregon, New Mexico, Kentucky, West Virginia, South Dakota, and probably some other States in addition to the State of Kansas, were included in the bill.

Mr. CAPPER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to his colleague?

Mr. McGILL. I do.

Mr. CAPPER. My colleague has misunderstood me if he thinks I said that the bill was returned to the committee for the reason that the States of Missouri and Kansas were in the bill. I did not make that statement.

Mr. McGILL. I am glad to have the Senator correct his own statement. If he will read in the RECORD the remarks he made, I am sure he will find he did make the statement, although I am willing now to accept his explanation that it was not due to the fact these two States were included in the bill that it was recommitted to the Committee on the Judiciary.

Mr. McNARY. Mr. President, will the Senator yield for a moment?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Oregon?

Mr. McGILL. I yield to the Senator from Oregon.

Mr. McNARY. The Senator has brought into the RECORD the name of the State which I represent in part as being included in the judiciary bill for the enlargement of the membership of the court.

Mr. McGILL. There was in the committee an amendment to the original bill reported to this body, to which I have made reference heretofore, which included the State of Oregon.

Mr. McNARY. I am not conversant with the measure; but I am very, very certain of my position when I say that a bill of that kind has never passed either branch of the Congress.

Mr. McGILL. It has never passed either branch of Congress. I was about to explain what was done with the bill.

Mr. McNARY. I shall be glad to have the Senator do so. Let me ask the Senator how many districts there are in the State of Kansas?

Mr. McGILL. One.

Mr. McNARY. How many judges are there?

Mr. McGILL. There is one active judge. I am coming to that issue.

As I understood—and I believe I am correct—the bill to which I have referred was recommitted to the Committee on the Judiciary because of the contention, and probably the logical contention, that a group of States should not be included in the same bill, but that each State should present its claims in a separate bill. I find no fault with that. The bill was recommitted to the Committee on the Judiciary; and bills affecting other States, many of which were included in the original committee amendment to which I have referred, were introduced and reported to this body.

Mr. President, the Senator from Oregon has asked me how many judges there are in the State of Kansas. It is true the Government is paying the salaries of two judges, and the disbursements will appear that way on the official records of the Department of Justice.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. McGILL. I yield.

Mr. HATCH. I dislike to interrupt the Senator, but it is necessary that I leave the Chamber. Before he goes on with his remarks at this time, I wish to recall to the Senator that he and I, as members of the Judiciary Committee, did go quite thoroughly into the condition in Kansas, did we not?

Mr. McGILL. I thought we did.

Mr. HATCH. And as a result of our conferences with members of the committee and with others interested in the administration of justice in the State of Kansas, it was agreed that there was a decided need for an additional judge in the State of Kansas. Is that correct?

Mr. McGILL. That is correct; and I only regret it would not be ethical to mention the names of some of the persons who conferred with us on that occasion.

Mr. HATCH. That is quite correct. I also recall to the Senator's mind that there were discussed at that time the conditions in my own State, the State of New Mexico; and it was said then that I really should not press the demands of New Mexico at that time, because the demands of the State of Kansas were so much greater than those of the State of New Mexico, and we are both in the same judicial circuit.

Mr. McGILL. That is correct.

Mr. HATCH. For that reason, I will say to the Senator, I have not urged at this session the claims of the State of New Mexico for an additional judge. However, during the vacation I hope to assemble some additional facts and figures which will show that there is need for an additional judge in New Mexico.

I will say to the Senator from Kansas that as a result of our investigation into conditions in the State of Kansas, I am of opinion that he is thoroughly justified and should press his claim for an additional judge in his State.

Mr. McGILL. I thank the Senator. Prior to the question propounded by the Senator from New Mexico, I was stating that it is true the records of the Department of Justice will show the Government is paying two salaries for judges in the State of Kansas, or in that United States judicial district. Had Judge Pollock, who is an elderly gentleman, retired, he would have continued to be paid his salary. Judge Pollock is a man who is now approximately 80 years of age. He will be 80 years of age on his next birthday, which is not very far away.

Back in 1928 or 1929 Judge Hopkins was appointed, but prior to that time, and during the administration of President Coolidge, a United States district judge by the name of McDermott was appointed for the State of Kansas. Judge McDermott was appointed under the authority of the same statute under which Judge Hopkins is serving. Judge McDermott is no longer a district judge by reason of the fact that when the tenth circuit court of appeals was created he was appointed a member of the circuit court of appeals, whereupon Judge Hopkins was appointed judge of the district court.

I direct attention to Judge McDermott, however, because of the fact that the reason for appointing him a United States district judge was the identical reason Judge Hopkins was appointed a United States district judge, and by virtue of a statute which is quoted to me in a letter sent to me by Mr. William Stanley, who was formerly assistant to the Attorney General, and held that office until recently. The statute is mentioned in his letter, in which he states:

The State of Kansas constitutes one judicial district. There are two judges now serving in this district.

The Senator from Oregon will see that this answers his question:

There are two judges now serving in this district, namely, Hon. Richard J. Hopkins and Hon. John C. Pollock. Judge Pollock was originally appointed in 1903 and served as the only judge of this district until 1929, when Judge Hopkins was appointed pursuant to authority contained in Revised Statutes, section 714, as amended. The relevant part of this statute reads as follows:

Mr. President, I wish to point out that Mr. Stanley is mistaken in his letter, in that he says Judge Pollock was the only judge of that district until 1929. I practiced law in that district prior to coming to the Senate, for a period of 26 years, and I state to the Senate as a matter of fact, regardless of the letter from the Department of Justice, that a number of years before that time, under this statute I am about to read, Judge McDermott was appointed United States judge, and he served as such until the circuit court of appeals of the tenth circuit was created.

The pertinent portions of the statute to which I referred are:

In the event any circuit judge, or district judge, having so held a commission or commissions at least 10 years continuously, and having attained the age of 70 years as aforesaid, shall nevertheless remain in office, and not resign or retire as aforesaid, the President, if he finds any such judge is unable to discharge efficiently the duties of his office by reason of mental or physical disability of a permanent character, may, when necessary for the efficient dispatch of business, appoint * * * an additional circuit judge of the circuit or district judge of the district to which such disabled judge belongs.

Mr. Stanley continues:

Under the terms of this statute, no successor may be appointed to Judge Pollock.

In other words, when Judge Pollock either retires permanently or passes away, no successor can be appointed.

I am making no criticism whatever in this connection, nor have I made any criticism on any occasion, of Judge Pollock or of his ability as a judge, nor do I make any criticism with reference to Judge Hopkins. Judge Pollock was the judge of that court since 1903. To my mind, he has been during his time one of the most able, capable, efficient, and broad-minded judges we have had on the Federal bench. But he has reached the age of retirement, and I believe recognizes that he can no longer go forward with the regular work of a judge of a United States court.

I understand the fact to be but few cases have been handled by Judge Pollock in recent years. He, I am advised, spends the summer months in Canada and the winter months, generally, at Brownsville, Tex. He is probably in the State of Kansas 2 or 3 months of the year.

Kansas is in fact a one-judge State and a one-judge district. The business of that court, so far as it has been taken care of, has been handled since 1929 by Judge Hopkins. I refer again to the statute in order to call attention to the fact that in the Coolidge administration President Coolidge found Judge Pollock was physically unable to perform the duties of his office, and in the Hoover administration when Judge McDermott was appointed to the circuit court of appeals, and a new district judge was appointed, Mr. Hoover, as President, made the same finding with reference to Judge Pollock. Otherwise there would have been no authority for the appointment of Judge Hopkins.

Mr. President, this is not said in criticism of Judge Pollock himself, and I hope no one will construe my remarks in that light. He, considering his physical condition, has reached the age when it cannot be expected he should longer perform the duties of United States district judge.

I regret to refer to the fact, but my colleague in the Senate, the senior Senator from Kansas [Mr. CAPPER], was a Member of this body at the time Judge McDermott and also at the later time when Judge Hopkins was confirmed by the Senate, those judges having been appointed under the statute to which I have referred.

Mr. President, I could read letters and statistics for the balance of the afternoon, but I do not consider that at all necessary.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McGILL. I yield.

Mr. VANDENBERG. I find the printed committee report to be confined to a single page, which really contains no information whatever. I should like to ask the Senator two questions.

It is my understanding that ordinarily an increase in the Federal bench is made dependent, first, upon a recommendation by the Department of Justice, and second, on a recommendation from the annual conference of United States circuit judges. May I ask the Senator from Kansas whether the present bill is based upon a recommendation either by the Department of Justice or the conference of United States circuit judges?

Mr. McGILL. If the Senator from Michigan had been on the floor of the Senate at the time the Senator from New Mexico [Mr. HATCH] interrogated me and made some references to the States of New Mexico and Kansas, he probably would have reached the conclusion that while a written statement had not been made, there had been some discussion between members of the higher court and the Senator from Kansas and the Senator from New Mexico. However, I will say to the Senator from Michigan if the rule is such as he has described, it has not been conformed to with reference to any other bill which has been before the Senate creating an additional judge during this session of Congress.

Mr. VANDENBERG. The Senator may be right about that. We are constantly setting precedents during the present session of Congress.

Mr. McGILL. I do not know that there is any such rule as the Senator describes.

Mr. President, I must hasten, as I wish to conclude my remarks, and do not wish the consideration of the bill to take much more of the time of the Senate.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. McGILL. I yield.

Mr. NORRIS. I am moved to interrupt the Senator by virtue of the question propounded by the Senator from Michigan. While I do not know that there is a written rule, I think, however, while it probably did not occur at this session of Congress, there have been recommendations both from the Department of Justice and from the committee of the court of appeals to which the Senator referred, in reference to some judgeships—not all, but some of the judgeships which we have provided during the present session, although the recommendations were made a year or two ago.

Mr. McGILL. I think that was true with reference to California.

Mr. NORRIS. That was true with reference to California, I think, and true with reference to New York, and it was true with reference to Michigan and probably some other State.

Mr. CAPPER. May I ask my colleague if he knows of any recommendation having been made by the Department of Justice in this case?

Mr. McGILL. The Department of Justice has not made recommendations on this bill nor did it make recommendations on 10 other bills which were passed here in the last few days without any objection on the part of any Senator, including my colleague.

Mr. President, as I stated, I wish to conclude my remarks as quickly as I can. I am not going to enumerate all of the cases pending on the docket of the Federal court in Kansas. There was a falling off of criminal cases following the repeal of the National Prohibition Act. Especially in the State of Kansas there was a considerable falling off of criminal cases during the last several years, largely causing the distinctions which are drawn by my colleague. However, I have a letter

from the Department of Justice, dated August 19, 1935, just last week, written by a special assistant to the Attorney General, Mr. Holtzoff, in which he says:

In accordance with our conversation of this morning I take pleasure in sending you herewith some statistics for your use relative to the judicial business of the Federal courts in Kansas. You will notice that during the fiscal year just ended there has been a considerable increase both in the private litigation and in the criminal cases handled by that court.

With kindest personal regards, sincerely yours,

ALEXANDER HOLTZOFF.

Here are the figures which his statement gives for the fiscal year ending June 30, 1934, and the fiscal year ending June 30, 1935. It shows that of private litigation in 1934, 231 cases were filed. In 1935, 315 cases were filed.

It shows that at the end of the fiscal year 1934 there were 377 such cases still pending, and at the end of the fiscal year on June 30, 1935, there were 445 private cases still pending.

It discloses there were instituted civil cases in which the United States was a party, in the fiscal year ending June 30, 1934, 91 cases; in the fiscal year ending June 30, 1935, 137 cases.

There were 221 cases pending on the docket at the end of the fiscal year 1935.

There were 422 criminal cases instituted during the fiscal year 1935, and 190 were pending on the docket at the close of the fiscal year.

Seven hundred and nineteen bankruptcy cases instituted during the fiscal year of 1934, and there were 1,180 such cases instituted during the fiscal year 1935. There were pending on the docket of the court at the end of the fiscal year June 30, 1935, according to the report of the Department of Justice, 1,989 cases in that judicial district.

Mr. President, there are two other matters to which I wish to refer and then I shall conclude my remarks. I have innumerable letters on this subject. I am not going to take the time of the Senate to read them, because I know that most any kind of letters can be procured by anyone who desires to get them. I have letters from lawyers and from bar associations. With the exception of the Kansas City Bar Association, which is composed of about 175 lawyers—and reports have reached me to the effect that only 47 members attended and voted at the meeting of the bar association in which the resolutions which were presented here were adopted, and also with the exception of the Topeka and Iola Bar Association, the bar associations over the State generally have endorsed this measure, or a measure to provide an additional judge for the State of Kansas.

Likewise, while the former bill was pending I received a wire from the president of the Kansas State Bar Association, in which he referred to the fact that the executive council of that association had gone on record as endorsing such a measure.

I also have a letter from the president of the State bar association of the State of Kansas incorporating similar facts. I do not wish to take up the time of the Senate to read communications which have been addressed to me endorsing this bill.

However, I do wish to refer to this fact. I addressed a letter to the clerk of the United States court in Kansas asking him to make for me a detailed statement of all the fees which had been paid by private litigants to special masters to handle, try, and dispose of their lawsuits. It is a practice which is permitted, it is true, but when it is frequently indulged in it is a practice which is frowned upon by the Supreme Court of the United States. His statement shows he does not include all of the masters' fees paid in that judicial district over the period of the last 10 years such as I asked him to render to me, but that he has left out of his statement such fees as have been paid in foreclosure suits where they have been charged to the cost of the case. However, it does show that for a period of the last 10 years special masters were paid in fees to handle and dispose of law suits wherein the judge was evidently unable to take charge of the cases, the sum of $77,707.09.

I discovered this is not all. I wrote to a lawyer friend of mine at Fort Scott, Kans., asking him to give me the amount of fees paid there where the court holds sessions at certain intervals of the year, and I find from that division of the court alone there should be added at least $13,000 to the amount the clerk's statement originally contained. In other words, it shows that litigants have in private lawsuits in that court paid as much over a period of 10 years as the salary of a full-time judge would have cost the Government. If that does not answer the contention that the judge out there is able to take care of all the cases, then I fail to know what would constitute an answer.

Mr. President, there is just one other matter to which I will refer and then, unless there are questions, I am not going to take up further time. I could introduce just as many letters favorable to this bill, and I know I could introduce more than could be read in opposition to it.

During the present session of the Congress an additional judge was provided for the State of Virginia, which I think was proper. I think that State was entitled to an additional judge. An additional judge was provided for the State of West Virginia, 1 additional judge for Kentucky, 1 additional judge for Tennessee, 1 additional judge for the State of Oklahoma, 2 for California, 2 for New York, 1 for Missouri, and 1 for South Dakota.

Mr. President, the State of West Virginia has a lesser population than the State of Kansas. It had, prior to the time the bill providing for an additional judge was passed by the Senate, 2 United States judges, and the bill which was passed by the Senate gives that State a total of 3 United States judges. The State of Kentucky had 2 United States judges, as I recall, and now will have 3.

Tennessee, if I am not mistaken, had 3 Federal judges, and now will have 4.

Oklahoma, adjoining Kansas on the south, has three United States judges. Its population is but little more than that of Kansas. I think Oklahoma has one more congressional district than has Kansas. If the bill passed the other day by the Senate becomes law, Oklahoma will have 4 judges, while Kansas, if this bill shall fail, will still have but 1.

The State of Missouri had four United States judges prior to yesterday, when the Senate, by unanimous consent, passed a bill providing for the State of Missouri an additional United States judge. Missouri has about twice the population of the State of Kansas. Missouri has about 4,000,000 population, while Kansas has approximately 2,000,000. I think the population is now greater than that, but the last census, the census taken in 1930, showed just a little less than 2,000,000.

The State of South Dakota has a population, according to the census of 1930, of 692,849, while Kansas, according to that census, has a population of 1,880,999, so that more than three times the number of people live in the State of Kansas than live in South Dakota; but, notwithstanding that fact, yesterday afternoon, after the bill providing for the additional judge in Kansas had been objected to during the consideration of the Unanimous Consent Calendar by my distinguished colleague the senior Senator from Kansas [Mr. CAPPER], a bill providing an additional judge for the State of South Dakota was passed, and no objection was raised by him or by any other Senator. The same thing was true yesterday with reference to the bill providing an additional judge for the State of Missouri. None of the other measures providing in all for 11 additional judges which have passed the Senate during the present session has been objected to save and except the bill applying to the State of Kansas, and only by those who have some reason other than the business transacted in the court.

Mr. President, I do not wish to take up more time. I desire to close with the remark that, with the exception of the State of Colorado, every other State in the American Union having but one United States district judge has less than half the population of the State of Kansas.

I hope, Mr. President, that we may have a record vote on this bill and that it will be passed.

Mr. McGILL subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD, immediately following my remarks, a telegram received by me from Douglas Hudson, president of the Kansas State Bar Association.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

FORT SCOTT, KANS., *April 8, 1935.*

Hon. GEORGE F. MCGILL,
*United States Senate, Washington, D. C.:*

Executive council of State bar association, representing all portions of Kansas, favors additional Federal judge. Their sentiment is that considering population and territory it would increase judicial dispatch of business and obviate use of special masters if additional judge were available. Recent extension of Federal authority certainly presages great increase in Federal court work. The council is almost unanimous in its expression of approval of your effort toward this end.

DOUGLAS HUDSON,
*President Kansas State Bar Association.*

Mr. NORRIS. Mr. President, I desire to be heard briefly on the pending question. I have no personal interest, of course, in this bill, and, so far as I know, I have no prejudice in regard to it; but it seems to me something of a general nature ought to be said with reference to the activities of Congress in creating new judgeships.

I do not wish to claim, even indirectly, that any Senator in any of these cases is moved by any improper motive; but, as I see it, the movement seems to cover the country, so that we are going on from one State to another and creating new judgeships. With due respect to the junior Senator from Kansas, if we shall pass this bill, as I presume we will in a few minutes, we will only afford a good reason for the creation of judgeships in States which under existing conditions have not the number of judges that Kansas would have if this bill should pass and an additional judge for Kansas should be provided.

Mr. McGILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Kansas?

Mr. NORRIS. I yield.

Mr. McGILL. The Senator recognizes the fact that Nebraska has less population than has Kansas, does he not?

Mr. NORRIS. Yes.

Mr. McGILL. It has one less congressional district.

Mr. NORRIS. It only has one judicial district, but has two judges.

Mr. McGILL. It has two judges.

Mr. NORRIS. Yes, I recognize that fact. Kansas has one judicial district, as I understand, and two judges.

Mr. McGILL. I maintain that there is really but one, and that it cannot reasonably be contended there is more than one active judge in Kansas.

Mr. NORRIS. It at least could be contended that if every time a judge, on account of age, becomes somewhat infirm and disabled, we enacted a law permitting the appointment of another judge to take his place, we would have 10,000 judges in the United States before many months passed.

If Judge Pollock should retire, as I presume he will soon, then there would be some necessity for this action, in my judgment, but the record that has been produced indicates that, from the standpoint of cases actually pending and delay in litigation, conditions in Kansas are better than in almost any other district of the United States. It is remarkable how in the State of Kansas the judges, even the one who is now incapacitated to some extent, perhaps, by age, have kept abreast of the litigation. The letters of the judge himself, I think, show conclusively that to be the condition.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. McGILL. The Senator does not understand that there was a letter read from Judge Hopkins, of the district court of the United States, does he? As I understand, no letter was read from him.

Mr. NORRIS. A letter was offered for the RECORD from the United States district judge.

Mr. McGILL. I did not so understand.

Mr. NORRIS. I understood that it was. I have it on my desk here.

Mr. McGILL. Very well.

Mr. NORRIS. And I intended to offer it; but I thought the Senator's colleague had already offered it, and so I would not offer it again.

Let me ask the senior Senator from Kansas did he offer the letter of Judge Hopkins to the Kansas Bar Association?

Mr. CAPPER. I offered a letter from the clerk of the District Court of Kansas setting forth the condition of business there and showing the condition to be better than it has been for several years.

Mr. NORRIS. I supposed I had what the senior Senator from Kansas had offered. I have much of the same evidence that he had, although not nearly so many letters. Did the senior Senator from Kansas place in the RECORD the letter of Judge Hopkins to Mr. Douglas Hudson, of the Bar Association of the State of Kansas?

Mr. CAPPER. No; I did not put in that letter. I put in a letter to him from the clerk of the court showing the conditions over a 10-year period as revealed by the record.

Mr. NORRIS. Mr. President, I ask unanimous consent that the letter of the United States district judge, Richard Hopkins, directed to Hon. Douglas Hudson, president of the Bar Association of the State of Kansas, Fort Scott, Kans., be printed as a part of my remarks. I will not stop to read it, but it bears out fully the evidence shown in the letter which the senior Senator from Kansas offered from the clerk. The judge gets some of his evidence from the clerk.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter referred to is as follows:

UNITED STATES COURT CHAMBERS,
DISTRICT OF KANSAS, RICHARD J. HOPKINS, DISTRICT JUDGE,
*Topeka, Kans., April 13, 1935.*

Hon. DOUGLAS HUDSON,
*President Bar Association of the State of Kansas,*
*Fort Scott, Kans.*

DEAR MR. HUDSON: This will acknowledge receipt of your letter of April 8, in which you ask my views "as to the advisability or necessity of an additional judge for this district."

In answer thereto have to say that I presume the condition of business in the district as reflected by records in the clerk's office forms the proper basis for a decision as to whether or not there is necessity for another judge.

I understand from the clerk's office that the dockets in the three divisions in this district are in better condition than at any time in the last 5 years. Your inquiry prompts the following observations:

There are a large number of war-risk insurance cases on the dockets which have been pending some 3 or 4 years. For the last year and a half attorneys for the plaintiffs and the Government have been urged to prepare and dispose of such cases. It has appeared at times that many of such cases should be stricken from the dockets because of failure of litigants or their counsel to prepare or try them and counsel have been so notified in open court. In practically all instances counsel for one side or the other have begged the court to let the cases remain on the docket. Sometime before the beginning of the last December term in Kansas City, the clerk was requested to notify counsel in all war-risk cases in this division to prepare their cases and be ready for trial looking to their disposition at that term of court. On calling the docket counsel on both sides supplicated the court to grant them further additional time. Recently upon my insistence at the Wichita term (second division) the Government promised and agreed to have all war-risk insurance cases ready for trial at the next (September) term of court. At the beginning of the April term in the first division, beginning next Monday in Topeka, I shall again insist on a disposition of such cases in the first division.

Something like a year ago the clerk was requested to notify attorneys in equity cases under my jurisdiction to proceed as rapidly as possible looking to their final disposition. The court is ready, able, and willing to hear all cases—law and equity—as soon as they are ready for trial. For instance, at the recent March term of this court in the second division at Wichita, the court heard every case, criminal and civil, law and equity, that was ready for trial; also heard every motion and demurrer which counsel were ready to present. The same procedure will be followed at the regular April term in Topeka, beginning next Monday and the regular term in Fort Scott, convening early in May.

So far as I am able to advise you, the court is ready and willing to hear every case, every demurrer, every motion that can be prepared and presented without any delay.

Hoping the above answers your inquiry, I am, with kind regards

Respectfully yours,

RICHARD J. HOPKINS.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. NORRIS. I yield.

Mr. VANDENBERG. The Senator from Nebraska, for a number of years, was the distinguished Chairman of the Senate Judiciary Committee. May I ask him if it has not heretofore been the uniform practice that proposals for additional United States district judges should first be submitted to the annual conference of circuit judges for survey and recommendation?

Mr. NORRIS. Yes; but I do not think there was any definite rule or anything of that kind.

Mr. VANDENBERG. But it was the general practice?

Mr. NORRIS. It was, I think, always done.

Mr. VANDENBERG. Does the Senator think that it would be sound practice always to pursue that course for the information of the Senate and its Judiciary Committee?

Mr. NORRIS. It probably would be too much to say that it would always be "sound practice", but it would, at least, be a very good practice, I should think, although I would not agree, in advance, to vote against the creation of a new judgeship even though the judicial conference was opposed to it. I still think the committee and the Senate ought to pass on such measures. It would, however, be an excellent practice, and, as far as I know, has always heretofore been followed.

Mr. VANDENBERG. And surely it may be said that a United States circuit judge ought to have an intimate supervisory knowledge of the problems of the United States district court.

Mr. NORRIS. He certainly does have; he cannot help but have.

Mr. CAPPER. Mr. President, let me ask the Senator from Nebraska if it has not been the practice in years past to have a statement from the Attorney General or the Department of Justice in all such cases?

Mr. NORRIS. Yes; and, as a matter of practice, that course is still followed, I think. Bills of this character are referred to the Department of Justice, as other bills are referred to the respective departments with which they deal.

Mr. CAPPER. So far as I have been able to learn, there has been no action of that kind in this case.

Mr. NORRIS. I do not know as to that. I am not offering that as an argument against the bill. In fact, I am not trying to differentiate this case from any other. I listened to the junior Senator from Kansas with a great deal of interest when he referred to other bills providing for the creation of new judgeships which have been passed sometimes by unanimous consent. The junior Senator from Kansas was absolutely right, I think, and I offer no word of criticism about it, except that I think the Senate has been wrong in proceeding in that way. I do not mean any disrespect to any Senator when I say that I do not agree with the action of the Senate in that respect, I do not agree with the course that has been pursued for years and years by Congress in creating various new judgeships on all kinds of excuses.

I remember several years ago there was put through Congress a bill providing for an additional judgeship in a State where it was admitted there were sufficient judges, but it was done on the ground that the senior judge there was really incapacitated, that he was permanently disabled.

I recall that a great deal of debate took place in the Judiciary Committee in connection with that case, and the bill was passed. I voted for it; I was convinced of the necessity for the legislation. I was, however, surprised several years afterward to have call on me in my office the judge, whom I had never met and whom we had really displaced by putting in another man, who was healthy, and making him senior presiding judge. The judge who had been displaced was much healthier than I was and looked, and probably was, much younger. I immediately asked him how he stayed out of the grave. Yet he was absolutely incapacitated at the time we had passed that bill. He had fully recovered. He was suffering no infirmity and was still drawing the salary and doing the work. The young judge, who by law had been made the senior judge in that distract, was also probably doing good work but doing a good deal of fishing besides.

These things have been happening and they are going to come home to us to roost. The present Congress especially has been creating too many new jobs. We should let some of them go over. We should lessen the expenses of the Government. I say to my Democratic friends that they will have to answer for these things at the polls, even though they are doing some of the things their Republican predecessors did.

I started to refer to the argument of the junior Senator from Kansas [Mr. McGILL] about other States having more judges and fewer people. That is true. That is given now as a reason why we should pass this bill. This will only add to the situation. The passage of this bill will only give an additional reason why we should provide for another judge in some other State where, as a matter of fact, he is not needed.

I want to utter a word of admonition. The time will come when we will have to stop creating these judgeships. We have created so many district judgeships now that if we create any more the rest of us will have to get off the sidewalk. There will not be enough space on the sidewalk for the judges and the rest of us. I think we ought to call a halt on this matter of creating new judgeships. My own opinion is that we ought not to have passed the bill to which the junior Senator from Kansas referred creating a new judgeship for the State of Missouri. There are probably just as good reasons for creating a new judgeship in Kansas as there are for creating new judgeships in some of the other States. Perhaps we should follow the calling of the Unanimous Consent Calendar more carefully and object more than we do. That suggestion applies to myself as well as it does to other Senators.

The senior Senator from Kansas [Mr. CAPPER] has brought the matter to our attention. I think he has done an admirable work in so doing. The responsibility now is ours. I believe we ought to heed the admonition that we are going too fast in the creation of these judgeships.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. NEELY. I move to reconsider the vote by which the bill was passed.

Mr. McGILL. I move to lay the motion on the table.

The PRESIDING OFFICER. The question is on the motion to lay on the table the motion to reconsider the vote by which the bill was passed.

The motion to lay on the table was agreed to.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills and joint resolution of the Senate:

S. 3327. An act to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes;

S. 3414. An act to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of New York; and

S. J. Res. 9. Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 191. An act to amend the Revenue Act of 1918, as amended; and

H. R. 8599. An act to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and

increase efficiency in administration of the steamboat inspection laws, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 946. An act to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana";

S. 1483. An act for the relief of William E. Williams;

S. 2521. An act amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy;

S. 2621. An act to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school building at Devils Lake, N. Dak., to be available to Indian children;

S. 2867. An act to reenact section 463 of the act of Congress entitled "An act to define and punish crime in the District of Alaska and to provide a code of criminal procedure for said District", approved March 3, 1899, and for other purposes;

S. 3184. An act to provide for the immediate settlement of the obligation of the Joe Graham Post of the American Legion arising out of the purchase of the Ship Island Military Reservation;

S. 3374. An act for the relief of the State of Indiana;

S. 3386. An act for the relief of Helen Gallagher Dominian;

H. R. 4324. An act to carry out certain obligations under certain tribal agreements;

H. R. 8587. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

S. J. Res. 163. Joint resolution to authorize the acceptance of bids for Government contracts made subject to codes of fair competition.

HOUSE BILL REFERRED

The bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat inspection laws, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

PERMISSION TO FILE DURING RECESS PUBLIC UTILITIES CONFERENCE REPORT

Mr. BARKLEY. Mr. President, I ask unanimous consent that during any recess of the Senate the conferees on the public utilities holding bill may be permitted to file any report upon which they may have reached an agreement.

The PRESIDENT pro tempore. Without objection, permission is granted.

REGULATION OF INTERSTATE COMMERCE IN GRAINS

Mr. BORAH. I desire to take this opportunity to call attention to a bill which it seems to me we can dispose of and which it seems to me we ought to dispose of promptly. I refer to what is known as the "commodities exchange bill", being the bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes.

I call attention to some of the provisions of the bill which show the importance of disposing of it. The bill has been passed by the House. It is before the Senate with the unanimous approval of the Committee on Agriculture and Forestry, and therefore it ought not to take much time to dispose of it.

I invite attention to page 4 of the bill, where it is provided:

SEC. 4a. (1) Excessive speculation in any commodity under contracts of sale of such commodity for future delivery made on or subject to the rules of contract markets causing sudden or unreasonable fluctuations or unwarranted changes in the price of such commodity, is an undue and unnecessary burden on interstate commerce in such commodity. For the purpose of diminishing, eliminating, or preventing such burden, the commission shall, from time to time, after due notice and opportunity for hearing, by order, proclaim and fix such limits on the amount of trading under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market which may be done by any person as the commission finds is necessary to diminish, eliminate, or prevent such burden. Nothing in this section shall be construed to prohibit the commission from fixing different trading limits for different commodities, markets, futures, or delivery months, or different trading limits for buying and selling operations, or different limits for the purposes of subparagraphs (A) and (B) of this section, or from exempting transactions commonly known to the trade as "spreads" or "straddles" or from fixing trading limits applying to such transactions different from trading limits fixed for other transactions.

(2) The commission shall, in such order, fix a reasonable time (not to exceed 10 days) after the order's promulgation; after which, and until such order is suspended, modified, or revoked, it shall be unlawful for any person—

(A) directly or indirectly to buy or sell, or agree to buy or sell, under contracts of sale of such commodity for future delivery on or subject to the rules of the contract market or markets to which the order applies, any amount of such commodity during any one business day in excess of any trading limit fixed for one business day by the commission in such order for or with respect to such commodity; or

(B) directly or indirectly to buy or sell, or agree to buy or sell, under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market, any amount of such commodity that shall result in giving such person a net long or net short position at any one time in or with respect to any such commodity in excess of any trading limit fixed by the commission for net long or net short position in such order for or with respect to such commodity.

I call attention to these provisions of the bill to indicate the nature of the measure and its importance, as the producers of grain believe. I call attention to the further fact that the bill is here as a House bill, and, as I said a moment ago, has the unanimous support of the Committee on Agriculture and Forestry. I am aware that if it were a controversial matter it would be difficult at this late hour in the session, perhaps, to do anything if we are to adjourn as is contemplated. However, it seems to me, in view of the bill having passed the House and having the unanimous report of the Committee on Agriculture and Forestry, the importance of the measure is such that we ought to be able to find time to pass it.

I would not wish to offer it as an amendment to some other bill if that could be avoided, but I feel that I would be justified in doing so if we cannot find time otherwise to dispose of it. If it is possible to force consideration of the bill, I shall avail myself of the opportunity.

Mr. JOHNSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from California?

Mr. BORAH. I yield.

Mr. JOHNSON. I am not familiar with the bill. Of course, I am not opposed to the provisions which have been read by the Senator from Idaho. However, a rider has been put on the bill which the Senator will find on page 27, which refers to cotton alone. I know nothing of the subject matter, though perhaps I should, but those who are engaged in the cotton industry in the State of California have vigorously protested to me against this particular rider on the bill. Has the Senator any interest in that rider?

Mr. BORAH. I have no interest in the rider.

Mr. JOHNSON. The fact of the matter is that if it should remain in the bill and the bill should go to conference there would be no possibility of it becoming a law.

Mr. BORAH. When the measure comes up, if it does, so far as I am concerned, having no interest in the provision, I shall not object to it being stricken out.

SUPPLEMENTAL APPROPRIATIONS—NOTICE OF MOTION TO SUSPEND RULES

Mr. KING submitted the following notice of motion to suspend the rules:

Pursuant to the provisions of rule XI of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule 16, for the purpose of proposing to the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal

years, and for other purposes, the following amendment, viz: At the proper place in the bill to insert the following:

"The Reconstruction Finance Corporation is hereby directed to make loans to producers of copper which is mined in the United States, of 15 cents per pound, secured by copper stored in warehouses or other places to be approved by said Corporation upon such terms and conditions as shall fully protect the interests of said Corporation and the United States."

STABILIZATION OF BITUMINOUS COAL MINING INDUSTRY—CONFERENCE REPORT

Mr. NEELY. I move that the Senate proceed to the consideration of the conference report on the coal bill, which I submitted some time ago.

The PRESIDING OFFICER. The report is a privileged matter, and has been read. The question is on the motion of the Senator from West Virginia.

The motion was agreed to; and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two House on the amendments of the Senate to the bill (H. R. 9100) to stabilize the bituminous coal mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States; to provide for the general welfare; and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. DIETERICH. Mr. President, I shall not take up the time of the Senate with a further discussion of this particular measure. I did not, however, wish to permit this conference report to be adopted without stating my attitude and my position as one of the Senators from one of the sovereign States affected.

When the conferees were appointed upon this particular matter—I do not know by whom or how the selection was made—after numerous amendments had been received without any protests, without any chance to debate them, without any chance for the Senate to vote upon the particular amendments at that time, I was a little bit puzzled to know how they selected conferees, not that I had any objection at all against them, the senior Senator from West Virginia [Mr. NEELY], whose views upon the measure are very pronounced, the Senator from Pennsylvania [Mr. DAVIS], from another area affected, and the Senator from Kentucky [Mr. BARKLEY]. I knew that the amendments that were presented and adopted so readily would receive very serious and substantial support from the Senate conferees. I was almost expecting violence in that conference, because I knew the conferees were thoroughly in sympathy with the amendments which were presented.

It so happens that after a very long and vigorous fight, no doubt presenting every reason why the amendments adopted by the Senate should be embodied in the bill, the Senate conferees were finally, by sheer exhaustion, forced to yield their position upon that particular measure, and especially upon the amendment offered by the Senator from Indiana, which placed Illinois, Indiana, and Iowa in a little family group of its own that it had enjoyed ever since the days of N. R. A.

Mr. NEELY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from West Virginia?

Mr. DIETERICH. I yield.

Mr. NEELY. The Senator has been spying and eavesdropping, or he never would have known what a heroic battle the conferees on the part of the Senate waged in the effort to retain the amendments to which he refers. [Laughter.]

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DIETERICH. I yield.

Mr. TYDINGS. I do not think the Senator from Illinois made the observation about the conferees in a facetious vein, because my spies bring me word that after having been in session until 26 minutes after 5 this morning, when they refused to yield, it was only 27 minutes after 5 this morning when, absolutely exhausted, they surrendered to the House on these amendments. [Laughter.]

Mr. DIETERICH. I thank the Senator for that information, because I like to have the information that conferees appointed to maintain the position of this dignified branch of the Congress performed their duty courageously and well; and I think they deserve a vote of thanks from the Senate for the faithful and efficient manner in which they have succeeded in having erased from the bill every material amendment adopted by the Senate. It leaves the bill in the same position in which it previously was.

I will confess that the amendments did not remedy very much of the harm that will be accomplished by this bill to the citizens of my State; but I am not going to take up the time of the Senate in these closing hours—or what we hope are the closing hours, when there is a prospect of our going home and getting acquainted with our families again—in a further discussion of the provisions of this bill. It may be true that the old watchdog will probably bite us because we have not seen him for so long that we shall have to be reintroduced and pet him up again to get acquainted. So I am not going to take up the time of the Senate, because I am not in the habit of doing foolish things. I am not even going to ask for a roll call. I rise simply to express my own individual attitude, that I still think this is a bad measure for Congress to pass.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

TAXATION TO EFFECTUATE RAILWAY EMPLOYEES' RETIREMENT ACT

Mr. HARRISON. From the Committee on Finance, I report back favorably, without amendment, House bill 8652, to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes. I ask for the immediate consideration of the bill.

The PRESIDING OFFICER. The clerk will state the title of the bill.

The CHIEF CLERK. A bill (H. R. 8652) to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*—

DEFINITIONS

SECTION 1. That as used in this act—

(a) The term "carrier" means any express company, sleeping-car company, or carrier by railroad, subject to the Interstate Commerce Act, and any company which may be directly or indirectly owned or controlled thereby or under common control therewith, and which operates any equipment or facilities or performs any service (other than trucking service) in connection with the transportation of passengers or property by railroad, or the receipt, delivery, elevation, transfer in transit, refrigeration or icing, storage, or handling of property transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of and operating the business of any such "carrier": *Provided, however,* That the term "carrier" shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any part of the general steam-railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed upon request of the Commissioner of Internal Revenue or upon complaint of any party interested to determine after hearing whether any line operated by electric power falls within the terms of this proviso.

(b) The term "employee" means (1) each person who at or after the enactment hereof is in the service of a carrier, and (2) each officer or other official representative of an "employee organization", herein called "representative", who before or after the effective date has performed service for a carrier, who is duly designated and authorized to represent employees under and in accordance with the Railway Labor Act, and who, during, or immediately following employment by a carrier, was or is engaged in such representative service in behalf of such employees.

(c) A person shall be deemed to be in the service of a carrier whenever he may be subject to its continuing authority to supervise and direct the manner of rendition of his service, for which service he receives compensation.

(d) The term "compensation" means any form of money remuneration for active service, received by an employee from a carrier, including salaries and commissions, but shall not include free transportation nor any payment received on account of sickness, disability, or other form of personal relief.

(e) The term "effective date" means March 1, 1936.

(f) The term "enactment" means the date on which this act may be approved by the President or be finally passed.

INCOME TAX ON EMPLOYEES

SEC. 2. In addition to other taxes, there shall be levied, collected, and paid upon the income of every employee, 3½ percent of the compensation of such employee (except a representative) not in excess of $300 per month, received by him after the effective date.

DEDUCTION OF TAX FROM WAGES

SEC. 3. (a) The tax imposed by section 2 of this act shall be collected by the employer of the taxpayer, by deducting the amount of the tax from the compensation of the employee as and when paid. Every employer required so to deduct the tax is hereby made liable for the payment of such tax and is hereby indemnified against the claims and demands of any person for the amount of any such payment made by such employer.

(b) If more or less than the correct amount of tax imposed by section 2 is paid with respect to any compensation payment, then, under regulations made under this act by the Commissioner of Internal Revenue, proper adjustments, with respect both to the tax and the amount to be deducted, shall be made, without interest, in connection with subsequent wage payments to the same employee by the same employer.

EXCISE TAX ON CARRIERS

SEC. 4. In addition to other taxes, every carrier shall pay an excise tax of 3½ percent of the compensation not in excess of $300 per month paid by it to its employees after the effective date.

ADJUSTMENT OF TAX

SEC. 5. If more or less than the correct amount of the tax imposed by section 4 is paid, with respect to any compensation payment, then, under regulations made by the Commissioner of Internal Revenue, proper adjustments with respect to the tax shall be made, without interest, in connection with subsequent excise-tax payments made by the same employer.

REFUNDS AND DEFICIENCIES

SEC. 6. If more or less than the correct amount of the tax imposed by sections 2 or 4 of this act is paid or deducted with respect to any compensation payment and the overpayment or underpayment of the tax cannot be adjusted under sections 3 or 5, the amount of the overpayment shall be refunded, or the amount of the underpayment shall be collected in such manner and at such times (subject to the statute of limitations properly applicable thereto) as may be prescribed by regulations under this act as made by the Commissioner of Internal Revenue.

INCOME TAX ON EMPLOYEES' REPRESENTATIVE

SEC. 7. In addition to other taxes, there shall be levied, collected, and paid upon the compensation of each employees' representative received by such representative an income tax of 7 percent annually upon that portion of the compensation of such employees' representative not in excess of $300 per month. The compensation of a representative for the purpose of ascertaining the tax thereon shall be determined according to such rules and regulations as the Commissioner of Internal Revenue shall deem just and reasonable and as near as may be shall be the same compensation as if the representative were still in the employ of the last former carrier.

COLLECTION AND PAYMENT OF TAXES

SEC. 8. (a) The taxes imposed by this act shall be collected by the Commissioner of Internal Revenue and shall be paid into the Treasury of the United States as internal-revenue receipts. If the taxes are not paid when due, there shall be added as part of the tax (except in the case of adjustments made in accord with the provisions of this act) interest at the rate of 6 percent per annum, or for any part of a month, from the date the tax became due until paid.

(b) Such taxes shall be collected and paid quarterly in such manner and under such conditions not inconsistent with this act as may be prescribed by the Commissioner of Internal Revenue.

(c) All provisions of law, including penalties, applicable with respect to any tax imposed by section 600 or section 800 of the Revenue Act of 1926, and the provisions of section 607 of the Revenue Act of 1934, insofar as applicable and not inconsistent with the provisions of this act, shall be applicable with respect to the taxes imposed by this act.

(d) In the payment of any tax under this act a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to 1 cent.

COURT JURISDICTION

SEC. 9. The several district courts of the United States and the Supreme Court of the District of Columbia, respectively, shall have jurisdiction to entertain an application and to grant appropriate relief in the following cases which may arise under the provisions of this act:

(a) An application by the Commissioner of Internal Revenue to compel an employee or other person residing within the jurisdiction of said court or a carrier subject to service of process within said jurisdiction, to comply with any obligations imposed on said employee, other person, or carrier under the provisions of this act.

(b) The jurisdiction herein specifically conferred upon the said Federal courts shall not be held exclusive of any jurisdiction otherwise possessed by said courts to entertain actions at law or suits in equity in aid of the enforcement of rights or obligations arising under the provisions of this act.

PENALTIES

SEC. 10. Any person or any carrier which shall willfully fail or refuse to make any report in accordance with this act required by the Commissioner of Internal Revenue in the administration of this act, or which shall knowingly make any false or fraudulent statement or report in response to any report or statement required by this act shall be punished on conviction by a fine of not less than $100 nor more than $10,000.

SOCIAL SECURITY ACT

SEC. 11. The term "employment", as defined in subsection (b) of section 811 of title VIII of the Social Security Act, shall not include service performed in the employ of a carrier as defined in subdivision (a) of section 1 of this act.

TERMINATION OF TAXES

SEC. 12. The taxes imposed by this act shall not apply to any compensation received or paid after February 28, 1937.

SEPARABILITY

SEC. 13. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

## ACTIVITIES AND OPERATIONS OF THE FEDERAL FARM BOARD (REPT. NO. 1456)

Mr. McNARY. Mr. President, as chairman of a committee selected from the Committee on Agriculture and Forestry, I submit a full report on the financial operations of the Federal Farm Board, with some references to transactions of allied organizations and of the Farm Credit Administration, which succeeded the Farm Board. The report is of the date of July 1935.

Mr. President, I herewith submit for the RECORD a brief synopsis and short analysis of the report, which is quite voluminous.

The VICE PRESIDENT. The report will lie on the table. Is there objection to printing the synopsis referred to in the RECORD? The Chair hears none.

The matter referred to is as follows:

From its organization in 1929 until it was succeeded in May 1933 by the Farm Credit Administration the Federal Farm Board made loans for the aid of agriculture amounting approximately to $1,150,000,000.

These loans were drawn from a revolving fund, into which the Congress appropriated $500,000,000. Thirteen and one-third million dollars were collected by the Farm Board as interest. The remainder of the total loaned was due to turn-over of the money.

Nearly $746,000,000, comprising 65 percent of the gross loans which the Farm Board made from the revolving fund, were loaned to the grain and cotton stabilization corporations in efforts to maintain price levels for the producers of those commodities. In addition, $200,000,000 of the Board's gross loans to the agricultural cooperative associations were identifiable as loans for maintaining prices or for redeeming the commodity-collateral loans of Federal intermediate credit banks and other banks, besides an undetermined amount similarly used though loaned for other purposes.

Including the $200,000,000 just mentioned, a total of $403,000,000 was loaned by the Farm Board to national, regional, State, and local cooperatives.

Two-thirds of this amount went to six national cooperatives dealing in grain, cotton, wool, livestock, nuts, fruit, and vegetables.

The remaining one-third was loaned to 159 regional, State, and local cooperatives in 39 States and the Territory of Puerto Rico. These cooperatives comprised growers of wheat and cotton, raisers of livestock and poultry, woolgrowers, and producers of tobacco, rice, grass seed, sugar beets, beans, soybeans, apples, oranges, cherries, grapes, mushrooms, nuts, vegetables, honey and coffee.

Aside from the financing of price-pegging activities the money was borrowed by the cooperatives for paying organization and current operating expenses, buying and building storage facilities, creameries, canning, packing, and processing plants, and for the legitimate financing of the current marketing of members' crops.

It can now be seen that the stabilization activities were foredoomed to failure; but the Farm Board made its loans for price pegging without the benefit of the certainties which experience since has taught. The Board set up its stabilization program in response to urgent public demand; and acted, when it did proceed, on assurance from respected advisers that there was no alternative to price pegging and no strong likelihood of its failure.

Inability to halt the decline of commodity prices led to severe losses. The cooperatives and the stabilization corporation accumulated stocks of wheat and cotton for which no market appeared. By acts of the Congress large portions of these stocks were donated to the Red Cross for use in relief of distress at a loss to the revolv-

ing fund of $197,000,000. Other cotton was taken over by the Department of Agriculture under the terms of the Agricultural Adjustment Act, and in this settlement the revolving fund has sustained a further loss of $45,000,000.

Failure to halt the decline of commodity prices was responsible also for losses incurred in settlement of some of the loans made by the Board to the cooperatives. Inexperience, extravagance, avarice, and in a few cases dishonesty on the part of officials and employees of some of the cooperatives increased these losses.

At the close of the last fiscal year—June 30, 1935—a little over $13,000,000 had been written off in compromise of loans, in addition to the losses of nearly $244,000,000 sustained in disposing of wheat and cotton stocks. It was estimated by the Farm Credit Administration as of the same date that of $125,000,000 then outstanding to the revolving fund in unpaid loan balances, not much more than $37,000,000 were likely to prove collectible.

On that basis the actual and prospective losses to the revolving fund, as of the end of the fiscal year last closed, amounted to $344,900,000; equivalent to 67 percent of the amount of the fund (principal and interest collected), or equivalent to 69 cents out of every dollar appropriated by the Congress to the principal of the fund.

Magnitude of the loans to associations of grain growers caused the committee to have a special study made of the Farm Board's grain loans, which amounted to nearly $635,600,000, and about half of the text of the committee's report is devoted to a summary of the organization of Farmers' National Grain Corporation, a national cooperative association which the Farm Board sponsored, and of its intercorporate relations with Grain Stabilization Corporation and the financial transactions of the two companies.

Another section of the report deals similarly, but more briefly, with American Cotton Cooperative Association, Cotton Stabilization Corporation, and the 14 State cotton cooperatives, borrowers to whom the Farm Board made loans aggregating slightly over $409,000,000.

It was in connection with these two groups of loans—involving, as they did, the major stabilization activities, and also involving the principal instances of sharp dealing with the Government by cooperative organizations—that the most of the Board's losses occurred.

The losses were costly. The committee in its report has sought to summarize the Board's experiences in a manner most useful as a guide to future policy in financing farm marketing. The prominence which, accordingly, the report gives to the Board's losses and its unfortunate transactions ought not to obscure the value of the assistance afforded by the revolving fund to scores of smaller-scale cooperatives who utilized it in good faith and punctiliously met their obligations.

### OCEAN MAIL CONTRACTS

Mr. COPELAND. Mr. President, there is lying on the table a joint resolution to continue the mail contracts until the 30th of April next. I ask that the joint resolution be read, and then I shall ask unanimous consent that it be considered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York that the Senate proceed to the consideration of Senate Joint Resolution 175?

Mr. COSTIGAN. Mr. President, is that motion subject to discussion?

The PRESIDING OFFICER. It is open to debate.

Mr. BORAH. May I ask what the joint resolution is?

The PRESIDING OFFICER. The clerk will read the joint resolution for the information of the Senate.

The joint resolution (S. J. Res. 175) to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934, was read, as follows:

*Resolved, etc.*, That section 5 of the Independent Offices Appropriation Act, 1934, as amended, be amended by striking out "October 31, 1935" and inserting in lieu thereof "April 30, 1936."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBINSON. I move to reconsider the vote by which the joint resolution was passed.

Mr. COPELAND. I move to lay on the table the motion of the Senator from Arkansas.

The motion to lay on the table was agreed to.

### CHANGE OF NAME OF INTERIOR DEPARTMENT

Mr. LEWIS. Mr. President, I call attention to the bill which a number of times I have moved that the Senate consider. I refer to Calendar No. 1204, Senate bill 2665. There seems to be considerable difficulty in reaching any conclusion as to the bill; and the Senator from Alabama [Mr. BANKHEAD] and the Senator from South Carolina [Mr. SMITH] have moved that the bill be recommitted to the Committee on Agriculture and Forestry, assuming that there some harmonious arrangement might be made. Not being able to concur in that suggestion, I take the liberty of superseding all these motions, including those I myself made, by LOW moving that the bill be continued and set over until January, remaining on the calendar, as suggested by my colleague the Senator from New York [Mr. WAGNER], Chairman of the Committee on Public Lands and Surveys.

I give notice now that at the opening of the next session I shall, at the first convenient moment, move to take up, consider, and act upon the bill, I trust to final passage.

### AIR CORPS TECHNICAL SCHOOL, COLORADO

Mr. COSTIGAN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate bill 3398, to establish the Air Corps Technical School and to acquire certain land in the State of Colorado for use as a site for said Air Corps Technical School and as an aerial gunnery and bombing range for the Army Air Corps.

The PRESIDING OFFICER. Is there objection?

Mr. DIETERICH. I object.

The PRESIDING OFFICER. Objection is made by the Senator from Illinois.

Mr. COSTIGAN. I move that the Senate proceed to the consideration of the bill.

Mr. DIETERICH. Mr. President, I am opposed to the motion that the Senate take up this bill at this particular time. I have not my calendar at hand, but I assume that it is the bill which was introduced by the Senator from Colorado looking to the establishment of an aviation training school at Denver.

Mr. COSTIGAN. The Senator is correct.

Mr. DIETERICH. Mr. President, the Air Corps Technical School is now located in the State of Illinois, at Rantoul Field, near the University of Illinois, and has been there ever since it was removed from Kelly Field, in Texas. Lands of sufficient area have been acquired to accommodate the institution. Buildings and equipment are located there, and the particular training for which the school was established has been carried on at Rantoul Field, and is being carried on there at the present time.

For some reason or other the appropriations which were available for improving that particular field have not been expended by the War Department, and the field is not in a good state of repair. The quarters for the officers and enlisted men are not as comfortable as they should be by reason of the fact that, for some reason or other, there has been a disposition to relocate the field.

Mr. President, matters like this should never be the subject of a community contest; they should never be a subject for which certain localities can bid, and that is exactly what was done in this case. The energetic Chamber of Commerce of Denver, Colo., began to offer inducements for the removal of the field to Denver, and the aim of this bill is to authorize the Secretary of War to accept the donations that were made by Denver. It is the matter of one locality, located in one sovereign State, purchasing an activity located in another State.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. DIETERICH. I yield.

Mr. COSTIGAN. I assume the Senator from Illinois is fully aware of the fact that not until a committee of experts, representing the United States Army, after touring the United States, had made a report in favor of locating the technical Air Corps course school at Denver, did the city of Denver offer, without cost to the Federal Government, an adequate site for that school.

Mr. DIETERICH. I understand a committee of technical Army officers visited Denver, and when they got through visiting Denver they were very much sold on locating the activity at Denver. I know that the Denver Chamber of Commerce has been very active in this matter. I am not saying improperly, but I assume that the committee referred to did not lack for entertainment or inducement to try to locate the flying field at Denver. It might be that it is more

desirable to live out at the foot of the Rocky Mountains than upon the plains of Illinois.

Mr. ADAMS. Mr. President, will the Senator yield to me?

Mr. DIETERICH. I yield.

Mr. ADAMS. Could any more inducement be offered than to take people out and show them the beautiful site at Denver?

Mr. DIETERICH. It is a beautiful place, but the rights of sovereign States should be considered when there is a proposal to remove such activities.

I understand that the prairies and the plains of Illinois may not be so attractive as the mountain regions, but, at the same time, Illinois pays her part of the revenues, and I think that if Senators will examine the records they will find she pays much more than some of the States which are asking for these favors.

Illinois is the center of population of the central Northwest, from which region the boys who are being trained for this branch of the military establishment are drawn. The fields of Indiana, Illinois, Wisconsin, Ohio, and Missouri are almost the center of population, and I assume that that ought to be taken into consideration.

So far as the records show, the physical training can be had just as well where the field is now located. Moving this institution would mean a loss; it would mean scrapping the equipment the Government has there; it would mean wrecking the structures it has at that field, and it would mean an additional expense. So I do not feel that this bill should be taken up at this late date, until the Senate has the time, and until those interested in this matter may have an opportunity to present the reasons for and against.

I do not wish to take up time now, but I say frankly and candidly that, in the interest of my State, and in the interest of the north central west, I shall not let this removal take place until the Senate is acquainted with every bit of the testimony that was given before the committee, and with the reports of the committee. Until Senators are thoroughly advised, I am not going to let an injustice like this be perpetrated merely because Denver has an enthusiastic chamber of commerce.

### PARTICIPATION OF UNITED STATES IN FUTURE WARS

Mr. LONG. Mr. President, I do not wish to get into the discussion between Denver and Illinois, but I desire to discuss another matter very briefly.

I have not had an opportunity to review the morning papers, but a Member of this body has informed me that a Labor leader in the House of Commons in England has delivered a speech in which he has stated that it may be well understood that if Great Britain should enter into any war growing out of the Abyssinian situation the United States will become a party to whatever move England may see fit to make. As I have said, I have not read the newspapers today, and I am merely quoting what is told me by a very enthusiastic Member of this body.

However, I have just noted a headline in a local newspaper, published in this city, the Washington Times, which quotes a Member of this body as follows:

Senator POPE sees United States in next war.

So that within a space of 24 hours a Member of the Parliament of England and a Member of the parliament of the United States are headlined in the newspapers with their comments to the effect that the United States will be in a war at an early date, or words to that effect.

While I was away yesterday I regretted to see that the news reports said that the President of the United States was opposing the far-reaching measure which had been adopted by the Senate to keep America out of the next war. I understand, according to the newspaper headlines and reports, much to my regret, that the President of the United States has felt that the Senate has gone too far in its undertaking to keep America out of the next war.

I am not much of a historian, Mr. President, I am glad to say. I pay very little attention to the causes and purposes of wars as history records them, but if I am any judge of the events of history it is that every ruler in distress finds war the most ready surcease from known and positive failure. In other words, as I understand from what little history I can read between the lines, it has always been the case that rulers of all countries and of all times have sought war as a means of covering up their own failing political fortunes. I would not say that that has always been the case with this country, and I would not say that that has always been the case with any other country; but the common report is that in many quarters certain semidictators and "quatre" dictators, if I may use that old Cajan expression, have undertaken to some extent to say, "Let the world beware"; that war is in the air. That is the one resource and recourse which every failing, falling, would-be ruler of this country or any other country, I think, has had; and so I would hate to see any Member of either House of Congress, whether he is at this end of the Capitol or the other end of the Capitol, be willing to mellow or modify any purpose or resolution which the Senate has seen fit to adopt to keep this country from participating in the next war.

I am very sorry, Mr. President, but I have heard the rumor that the intimation that America will soon be in a war has not only come from the lips of a Senator and from a member of the British Parliament 3,000 miles away but I have heard the rumor on the streets of this Capital City that from very high circles has come the statement that America may be expected to be in a war at an early date. If it shall be, it will not be attributable to the Senate. It will not be attributable to the people of this country. I make the statement now, and I want it to be in indelible form, that if America is drawn into this next war, or a war of any kind or character, it will be done by design.

### AIR CORPS TECHNICAL SCHOOL, COLORADO

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado [Mr. COSTIGAN] that the Senate proceed to the consideration of Senate bill 3398.

Mr. COSTIGAN. Mr. President, in view of the statement by the able Senator from Illinois [Mr. DIETERICH], an affirmative word should doubtless be said with respect to the pending bill. The measure was favorably reported to the Senate by the Senate Military Affairs Committee following extended hearings. Those committee hearings were held on the specific recommendations of representatives of the War Department, who personally visited many parts of the United States to ascertain the most suitable and technically valuable site for an Air Corps school. The Army investigation was conducted with painstaking care through many months. The incomparable advantages of Denver for that purpose are set out in the detailed and comparative report which was filed with the Senate Committee on Military Affairs in March of this year.

The bill neither provides nor authorizes any appropriation. It merely enables the Secretary of War to establish the school and accept on behalf of the United States for use a site for such school land, with fee simple title, within the limits of the city of Denver; also a tract of land in Colorado for aerial gunnery and bombing purposes. It should be added that following the filing of that report, at a spring election this year, taxpayers of the city of Denver voted to issue bonds in the amount of $750,000 with which to purchase an especially desirable site, to be tendered without cost to the Federal Government for these purposes.

Mr. President, in confirmation of what I have just said, I trust that the distinguished Chairman of the Military Affairs Committee of the Senate may make whatever statement he may consider appropriate.

The PRESIDING OFFICER. The question is on the motion of the Senator from Colorado to proceed to the consideration of Senate bill 3398.

Mr. LEWIS. Mr. President, I shall follow the Senator from Texas, the Chairman of the Military Affairs Committee, and I reserve for the moment until he has concluded.

Mr. SHEPPARD. Mr. President, on behalf of the Senate Military Affairs Committee I desire to say that on March 13, 1935, the War Department transmitted to us the report of a board of Air Corps officers recommending that certain property in Denver, Colo., be acquired by the Department,

and that the Air Corps technical school be located thereon. The board found that Chanute Field, Rantoul, Ill., the present location, was unsuitable as a location for the Air Corps technical school, and that the best location for the school it could find, after investigating numerous sites throughout the country—some 86, as I remember—was Denver, Colo.

Following the receipt of this report a subcommittee of the Senate Military Affairs Committee took the matter under consideration, and held hearings with a view to ascertaining methods used by the board in reaching its conclusions.

The Senator from Indiana [Mr. MINTON] was chairman of the subcommittee. The subcommittee reported that it found nothing which would impeach the findings of this board of officers. The subcommittee's report was adopted by the Military Affairs Committee and the War Department was advised of this action.

Under date of August 7, 1935, the Department submitted at my request the draft of a bill carrying out the report of the board of officers and this bill was introduced by the Colorado Senators. I delivered the bill to them, in view of the fact that the school was recommended for location within their State. That bill authorized the Secretary of War to establish the Air Corps technical school at or near Denver and to accept on behalf of the United States free from incumbrance or conditions, and without cost to the United States, for the use as a site for the school, the title in fee simple to 640 acres of land, more or less, within the city of Denver.

The bill also authorizes the Secretary to accept a tract of land within the State of Colorado suitable for use as an acrial gunnery and bombing range by the Army Air Corps.

The committee felt, inasmuch as this board of Air Corps officers had found the present site unsuitable, and had found Denver the preferable location, after many months of study and personal investigation of numerous cities, that the bill should be enacted into law, and, therefore, we have favorably reported it.

Mr. LEWIS. Mr. President, I have a few observations which I trust can be made in a very short while. The Senate has heard my able colleague expressing reasons for opposing the motion of our eminent friends the Senators from Colorado.

At this time, Mr. President, it must not be overlooked that we are on the eve of closing this session of Congress. From the statement of the honorable Chairman of the Military Affairs Committee [Mr. SHEPPARD], the Senate must recognize that here was a proposition to remove an already established construction of the defense touching the Air Corps. It is situate in a State where there has been both the spirit of man and the construction by mechanics of this necessary defensive agency. In this State of Illinois and at Chanute sums of money must have been expended by the Government; proportional sums of money by the local government of the State and the community where this particular school is located. This is a school for the education of our young citizens, among other things, of defense—particularly of aviation.

I invite the attention of the Senate to the fact that in this closing hour of Congress—certainly of this sitting—when we have bills of vast importance for consideration, should we not let a matter of this kind go until other Senators from the other States who are also competitors should be here and have an opportunity to be heard? Why should our honorable friend from Colorado upon this occasion bring up for passage a measure which has not been reached on the calendar, and when other Senators, I among the number, as the able Chairman of the Committee on Military Affairs said——

Mr. SHEPPARD. Oh, yes; the bill has been reached once or twice before, and the Senator's colleague has objected.

Mr. LEWIS. It has not been reached today on a call of the calendar.

Mr. SHEPPARD. There has been no call of the calendar today.

Mr. COSTIGAN. It was reached yesterday on the call of the calendar.

Mr. LEWIS. Without that feature, though I would not stand on that, I ask the Senate is it fair that these other places, whatever they are, and other advocates, whoever they may be, should not be heard in the Senate in behalf of those other States that are applicants? Why should the Senator call this up at this particular time when no sufficient investigation can be afforded? Of what investigation has the able chairman of the committee informed us? That there was a committee of experts, so-called. This committee of experts took some course, we understand. Is there a possible chance this afternoon for the Senate to go into the matter of a comparison of the claims of Colorado with those of other States upon which it is said they reached the conclusion that Denver was superior to or of more profitable relation than any other city, in their judgment? Is there an opportunity here to ascertain upon which basis they reach that conclusion? Is there any effort to disclose that Illinois, the community whence it is assumed this school is to be taken, shall have opportunity to have Senators examine and deliberate its original status of deserts? What reason and on what equity is this attempt to rifle Chanute and rob Illinois of the location? I say none whatever. This community of Chanute, composed of noble citizens of industrious life of the highest character of citizenship, and sustained and conducted in civic morality and municipal integrity. Battling for years against all forms of agricultural depression, industrial oppression, the people of the enterprising town of Chanute and its sustaining territory gave all of heart and life to aid the Government in the administration of that school. What offense or omission of duty is charged against this deserving community that as penalty it should be invaded, besieged, and as an enemy camp shattered by dismemberment? The answer is, no commission, no omission of action on the part of Chanute calling for or excusing the infliction put upon it.

Under present circumstances we have not the opportunity such as we should have for examination nor of analysis of the experts and the reports. Likewise, we have no privilege here to examine any report of the War Department which may have been made on which we are to act. Should not this body have the opportunity fully where it can examine the reports, the reasons for the reports, the justification for them, and make its comparison as between its own judgment and the report of the so-called "experts"?

Mr. President, I have other reasons which I take the liberty to press upon the Senate as my personal reasons.

The great city of Denver we greatly admire. We express our admiration for the Senators from Colorado, its great advocates in this body. That is true not alone of Denver but of the State of Colorado likewise, and we express our approval in every form that those who speak of its merits or productions would request.

Mr. President, already the great State of Colorado has been provided with opportunity and places to contribute both the eminence of its intellect and the splendor of its kindnesses in both of those branches which go to the national defense. But is there not another feature to be considered? I present it, and therefore make bold before you to justify myself.

There is ever a cry on the Middle West and to the Mississippi Valley States that we, the Middle West, shall sustain the national defense and pay the tax levied. The first thing ever asked of us was that we should sustain the Navy, and then that we should sustain the Army. Every time anything is attempted in behalf of the national defense those representatives of the Middle West, seeing the manifest objection of its people to appropriations for such purposes, rise once again and cry out the need for the defense of the Nation and the expense needed and that it is justified.

In the great State of Illinois we have opportunities for the education of the farmer boy to make a sailor of him, and yet this proposed measure would initiate the effort to close the Midwest ports of the Gulf and Lakes against the education and advancement of their scholars and the education for marine duty of their citizens. Our Nation demands that the boy of the West shall give his life for the country, but shall not have an opportunity to be educated in order to qualify himself to defend himself and the Nation in the conflict. We

have been able to defeat the destruction of Illinois' Great Lakes School of Education for the services in the Navy.

Now, sirs, turning to the Army, a field of the Army for which a certain site has been selected, its qualifications likewise had to be passed on by the Department before it was selected. It was thus chosen. Having selected upon these investigations, it had been, if you please, sirs, settled, the subject subscribed, and the buildings accepted. There they are, to the value of millions. What reason have we now for their destruction, and what shall we say to the Middle West who call upon us to aid in the national defense, to support the Army, when we are asked to remove this great fort from the Middle West which furnishes an opportunity for education at their very doorway? Why take this privilege out of the State and deprive the Mississippi Valley people, only on the assumption that it appears the advocates of Colorado have succeeded in bewitching the War Department to the theory that they have the best climate and possibly the healthiest region, in order to induce them in the exchange. If we are to engage in real-estate barter, let us create a real-estate exchange here at the Capitol, and let other communities bid as to who shall be the highest bidder.

The Senator from Colorado called attention to the fact that the great city of Denver has issued some bonds to pay the expenses as consideration to take over from the Government this field. We would call that bribery in private politics. What may we call it in this matter? The War Department is to move this improvement and take it away from the Middle West with no other reason or justification other than some experts give an opinion recommending such, all on some basis of which we have not time to examine, nor enter into the reasons or justifications. The opportunities of Senators to be heard are lacking entirely, and all of us submitted to adopt the conclusion of some bureau of manipulators in the War Department.

I ask, Is it fair to bring this measure up for consideration now, when the hearing essential must be so limited as under these circumstances, too limited to enable us to pass upon it, in view of the paucity of information to guide this honorable body?

For myself, with great deference for my eminent friend from Colorado, I regard it as an assault upon the opportunities for an adequate national defense, an attempt to take away from the great Mississippi Valley States what rightfully belongs there in this instance, the right to have the opportunity to educate their children and protect their homes.

For these reasons, I ask that action by the Senate be deferred until the whole subject may be gone into and information sufficient for our use brought before us, before the eminent Senator from Colorado as well as myself and my colleague from Illinois.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Louisiana?

Mr. LEWIS. I yield.

Mr. LONG. It may be that I can strike a note of harmony. Would it satisfy the Senators from Illinois and Colorado to compromise this matter and let the fort be located in New Orleans? [Laughter.]

Mr. LEWIS. Mr. President, the able Senator from Louisiana suggests that possibly, for harmony, we might have this fort removed to New Orleans. However, from what we read of Louisiana we would imagine of all places that exist in the United States in which there is the least harmony and cooperation touching the affairs of the Federal Government and this administration in Washington, it is certainly at New Orleans. [Laughter.]

Mr. President, I have submitted my views, and having submitted them on the basis suggested, I am sensitive about taking up the time of the Senate by uttering further remonstrances against the matter being brought up. I respectfully ask that the subject matter be not taken up now but be left for a later moment when properly it may be taken up and have due and proper consideration, for the reasons I have pointed out.

The PRESIDING OFFICER. The question is on the motion of the Senator from Colorado to proceed to the consideration of Senate bill 3398.

Mr. COSTIGAN. Mr. President, one may well hesitate to follow any eloquent address of the Senator from Illinois [Mr. LEWIS]. He is always persuasive and is frequently compelling. I ought, however, to add a few further references to the report of the Army experts on the proposed Denver location of the Air Corps technical school.

The expert report to the committee, later approved by the committee, includes the deliberate conclusion that the very lives of young men of this country who enlist for technical air training are involved in the Senate's decision. Colonel Yount, of the Army, impressively so stated at one committee hearing. Among the important factors involved and carefully reviewed in the Army report are visibility, geographic and health advantages, strategic merits of location, important photographic facilities, emergency landing opportunities, and other elements conducive to morale and efficient training on which experts are exceptionally qualified to pass.

It should further be stated that no inducements, other than appropriate responses to requests for information, were offered by the citizens of Denver to invite a report favorable to the city of Denver. That decision was left, as was right, to the merits of the case, and only subsequent to the filing of that report, as before indicated, did the people of that fine municipality, in order to meet the decision announced by the technical experts of the War Department, tender, by vote of the taxpayers of the community, free from cost to the Federal Government, adequate sites and facilities for the purposes in view.

It must be added that there is at Rantoul, Ill., no suitable available aerial gunnery or bombing site. For those uses the city of Denver is tendering a bombing site 10 miles square—100 square miles—in which indispensable training and experiments of the Air Corps may be carried on under highly favorable conditions. No comparable area is at hand in the State of Illinois in the vicinity of Rantoul, nor can one be obtained without very substantial expense to the Government, since the region where Rantoul stands is one of rich agricultural lands which must necessarily be acquired by purchase or condemnation.

Mr. SHEPPARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Texas?

Mr. COSTIGAN. I yield.

Mr. SHEPPARD. The Senator has stated one of the chief technical reasons for the location of the school at some other place than Chanute Field. The board of Air Corps officers found that there is no available location within a reasonable distance of this field for a bombing and machine-gun range. Such a range is essential to the proper operation of an institution of this character. The board also found that the climatic features of the present location are unsuitable for the successful completion of the needed training.

Mr. COSTIGAN. I thank the Senator from Texas for his confirmatory contribution.

Mr. LEWIS. Mr. President, the colloquy between the able Chairman of the Military Affairs Committee and the eminent representative of Denver discloses that on the one hand there was not the knowledge the other possessed; and apparently an admission on the one hand and a dispute on the other indicate the necessity of entering into this question generally in order to obtain full information, because the very suggestions of these two able Senators show how little we really know about the subject.

### OCEAN MAIL CONTRACTS

Mr. BLACK. Mr. President, while I was attending a meeting of the special committee, a measure was brought up to which it was known on the Senate floor that I was opposed, and a number of other Senators were opposed. That statement had been made by me to numerous persons, including the Senator who called up the joint resolution, the Chairman of the Commerce Committee, the Senator from New York

[Mr. COPELAND]. I am referring to Senate joint resolution 175, which provides for the continuance of certain contracts which the Postmaster General has reported to be fraudulent and made contrary to law.

I had gone to the Senator from North Dakota [Mr. NYE] and told him that I assumed the measure would not come up, but, if it did come up, I desired that he should object until I could return. The Senator from Missouri [Mr. CLARK], who was also opposed to the joint resolution, was called away and was in the Finance Committee. I cannot believe the Senate will permit this matter to stand as it now is, when it is known not only that I was opposed to it but that numerous other Senators were opposed to it, and I had given notice to the Senator from New York that if the matter should come up I should offer a substitute which I had in my hand at the time I talked to him.

Mr. President, I do not care to go into the debate at this time. I shall do so if the action shall be reconsidered, and I shall refer to some evidence which has just come out before the special committee in reference to this very joint resolution.

Under these conditions, I ask unanimous consent that the action by which the Senate passed Senate Joint Resolution 175, providing for the extension of the time for cancelation of the ocean-mail contracts, may be set aside, and that the joint resolution may be reinstated on the calendar.

The PRESIDING OFFICER. The Senator from Alabama asks unanimous consent that the votes by which Senate Joint Resolution 175 was ordered to be engrossed for a third reading and passed be set aside, and the subsequent action on the joint resolution be reconsidered and that it be restored to the calendar. Is there objection?

Mr. COPELAND. Mr. President, reserving the right to object to his request, I have no objection at all to the Senator from Alabama presenting his case and his argument at any time. If it shall be sufficient to convince the Senate that there should be reconsideration, it will be appropriate to have it.

Mr. President, this is a matter of concern, and we are at the end of the session. Under the Independent Offices Act of 1934 it was provided that on April 30, 1935, the President might cancel or modify any mail contracts not in the public interest. On the 4th of March he sent in a message asking for the enactment of a ship-subsidy bill. Very shortly after that I had a letter from the Postmaster General calling my attention to the importance of speed in the preparation and passage of the proposed ship-subsidy bill, because of the approaching 30th of April, the dead line for cancelation or modification.

On receipt of that letter I went to see the President, reminding him of his message and told him of this letter I had had from the Postmaster General. I told the President it would be utterly impossible even to prepare a bill by the 30th of April, and certainly impossible to pass one. In view of recent events I think no Member of the Senate will doubt that I was right in my prophecy.

We then discussed the question of what should be done with the date of cancelation. The President was good enough to ask my advice about it, and I suggested that the cancelation date should be deferred for 1 year. The President said he was unwilling to have it go so long, because he thought it was important that the subsidy bill should be passed at once, and that it would facilitate the passage of the bill to have the provision of the independent offices act pending. He laughingly said, "You will be there until August anyhow, and you will have time enough to pass the bill." We are here in August, and we have not passed any bill.

Mr. President, it is not quite fair to impose upon the President of the United States the responsibility and the burden of acting in this matter. As I recall, there are 44 mail contracts, and different conditions attach to each.

The able Senator from Alabama has brought out an abundance of testimony which in his judgment justified the cancelation of the contracts. After he finished his work the Post Office Department made a further investigation. The law states, as I recall it, that the President may cancel or modify these contracts on 60 days' notice. The notice was given by the summoning of the contractors before the Post Office Department, where further hearings were had, as I have said.

More recently the Senator from Alabama, as chairman of the investigating committee, has had printed in three or four volumes the significant features of the Post Office Department investigation, together with the recommendations in each case.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. TYDINGS. Do I understand correctly that the Senator from New York objects to the unanimous-consent request?

Mr. COPELAND. I may object to it.

Mr. ROBINSON. Mr. President, I suggest to the Senator that, while I am as anxious as he is to bring the matter to a conclusion, realizing that legislation on the subject of shipping cannot be passed during this session without a prolongation of the session, under the circumstances I think the Senator from Alabama should be afforded the opportunity to offer his amendment. I believe that the request should be granted, and that time will be saved by reopening the matter and considering it now.

Mr. COPELAND. Mr. President, I have not the slightest objection to what is suggested to me by the able leader of our side, except that I do not wish anything in the nature of a filibuster to defeat final action. I do not think it is fair to the President to insist upon his acting upon these contracts on the 31st of October.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. ROBINSON. I agree with the Senator, but I do not anticipate any filibuster. I think the matter will be disposed of with reasonable promptness.

Mr. COPELAND. I have no objection at all if it is understood that the Senator from Alabama will make his presentation. If it is convincing to the Senate that some other procedure than the one my committee recommended be taken, and I say my committee, because I state to the Senate now that the joint resolution is not my measure, it is that of the committee, unanimously reported—if we may hope to have a determination of the matter and not simply have it delayed by a long debate, I am satisfied to let the matter come up as the Senator from Alabama desires.

May I ask the Senator from Alabama what his thought is in that connection?

Mr. BLACK. Mr. President, my thought is that during my absence, with an absolute knowledge that I objected to the joint resolution, and that not only did I object to it, but that I had a substitute to offer for it, advantage was taken of my absence, the joint resolution was passed, and not only was passed, but that a motion was made to reconsider and that motion was laid on the table.

My thought further is that under those conditions good faith requires that the action be set aside without conditions or stipulations, and I cannot see how anybody would ask that there be any stipulations under those circumstances.

Mr. COPELAND. Mr. President, I wish to say further that I informed the Senator from Alabama today, at the beginning of the session, that I intended to bring the joint resolution up this afternoon.

Mr. BLACK. Mr. President, will the Senator yield to me?

Mr. COPELAND. I yield.

Mr. BLACK. The Senator did not inform me that he intended to bring it up this afternoon. He said he intended to bring it up before we left, and I told the Senator that I intended to offer a substitute when it came up, and, so far as I know, there was not even a quorum called. As a matter of fact, I was away, but if a quorum had been called, even, there might have been some excuse.

Mr. TYDINGS. Mr. President, will the Senator from New York yield to me?

Mr. COPELAND. I yield.

Mr. TYDINGS. I appreciate the viewpoint of the Senator from New York in desiring to secure action on the proposed legislation, but may I point out to him that with only a day left, and with many of us interested in bills on the calendar which are important, which we would like to have considered, this discussion is taking on the nature of a filibuster against our bills. I know the Senator does not so intend, but I ask him if he will not think of those bills, which have not as yet had a chance. I was on the floor ready to call up a bill I wanted to have considered when the Senator was recognized. I was glad to have the Senator get the floor and get his matter attended to, but I do not think it is fair to the others of us here that further time be taken by a discussion as to whether or not a unanimous-consent agreement shall be entered into.

Conference reports and many other matters may come in, and if we do not get some action before long it will amount to a denial of action on the bills which some of us want to have passed. I appeal to the Senator to consider this in arriving at his decision.

Mr. COPELAND. I fully appreciate what the Senator has said. I, too, have bills I desire to have considered. I have here an important bill, the flood-control measure, which I hope to have passed, and have been instructed by my committee to do all I can to have it passed. But I do not wish to have the idea entertained by anyone that the Senator from Alabama has been mistreated in this matter. I told him when I came into the Senate Chamber this afternoon that I intended to bring up this joint resolution. I was told of several Senators who were supposed to be in opposition to the joint resolution, and I took occasion to confer with those Senators. Some of them were on the floor when the motion was made.

If Senators desire to go ahead with a long debate in this matter, I have no objection. I am seeking merely to save embarrassment to the President of the United States in asking him to act on this matter if we can spare him that duty by passing a ship-subsidy bill. He should not be asked to do that unless we fail to enact a new Merchant Marine Act.

I know the purpose of the Senator from Alabama, and I respect him for any view he may hold. It is his desire to terminate these contracts, these solemn contracts which have been made between these various companies and the Government.

I ask my leader what he desires me to do in the matter, I leave the matter in his hands.

Mr. ROBINSON. Mr. President, I have already indicated that I think the best course to pursue is to grant the request of the Senator from Alabama and let the matter be considered on its merits.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

Mr. ROBINSON. I have no objection.

The PRESIDING OFFICER. The Chair hears no objection, and the votes by which the joint resolution was ordered to be engrossed, to be read a third time, and passed are reconsidered, and the vote whereby the motion to reconsider the vote by which the joint resolution was passed was laid on the table is also reconsidered.

Mr. ROBINSON. Mr. President, I ask the attention of the Senator from New York. I have no objection to the measure of the Senator from Colorado, now before the Senate, being concluded, but I think that following that the joint resolution of the Senator from New York should be taken up, and that the Senator from Alabama should be afforded opportunity for offering his amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado [Mr. COSTIGAN] that the Senate proceed to the consideration of Senate bill 2398.

Mr. O'MAHONEY. Mr. President, before the motion is put, I desire to be heard briefly. No one knows better than I the beauties of the State of Colorado, the breadth of its plains, and the height of its mountains.

Mr. ROBINSON. Mr. President, if the Senator will yield, I ask unanimous consent that the unfinished business be temporarily laid aside in order that the Senate may proceed with the joint resolution of the Senator from New York.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the joint resolution (S. J. Res. 175) to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934.

Mr. BLACK. Mr. President, I have sent for the substitute which I desire to offer. I desire to say at the outset that no one is more desirous to relieve the President from the embarrassment suggested than am I. It is my belief that the joint resolution but plunges him into embarrassment from which it is impossible for anyone to rescue him.

There will be two questions to state in order to arrive at the real issue on the joint resolution as presented and my substitute for it. The joint resolution of the Senator from New York would extend the status quo which now exists under the law, as indicated, under the Independent Offices Appropriation Act. Under that the President was given a certain period of time within which he could pass upon whether or not the ocean-mail contracts should be canceled. That time, if I am not mistaken, has already been extended once. The resolution of the Senator from New York would extend the date authorizing the President to cancel those contracts until April 1, 1936.

The substitute for the joint resolution which I shall offer would cancel the contracts effective April 1, 1936. In other words, the resolution offered by the Senator from New York imposes upon the President the responsibility to cancel the contract and shifts it from the shoulders of the Congress, which ought to be willing to take its own responsibility.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. CLARK. If I understand correctly the difference between the joint resolution and the proposed substitute, under the joint resolution offered by the Senator from New York the contracts will become permanent on April 1, 1936, unless the President shall take affirmative action looking to their cancelation. Under the substitute offered by the Senator from Alabama the contracts will terminate on April 1, 1936, unless in the meantime Congress shall take affirmative action either to continue them or otherwise.

Mr. BLACK. The Senator is correct.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. JOHNSON. Is the Senator's substitute printed?

Mr. BLACK. No. I will send it forward now and ask to have it read.

The PRESIDING OFFICER. The clerk will read.

The LEGISLATIVE CLERK. It is proposed to strike out all after the resolving clause and in lieu thereof to insert the following:

That on March 31, 1936, all contracts made by the Postmaster General pursuant to the provisions of the Merchant Marine Act, 1928, for the carriage of mail shall stand rescinded, and it shall be unlawful for any officer of the Government to pay from any public funds any compensation to the holder of any such contract for the carriage of ocean mail except on voyages that commenced prior to March 31, 1936. Any contractor whose contract is rescinded may, within 1 year from the passage of this resolution, be entitled to sue the United States for any just compensation under said contract to which such contractor may show himself entitled, in the manner provided for by paragraph 20 of section 41 and section 250 of title 28 of the United States Code. The claimant and the United States shall have the right in such court to set up and have determined and adjusted by the court all legal and equitable claims, differences, offsets, credits, and recoupments to which either may be entitled, to the end that all conflicting claims, assertions, and rights may be fully, fairly, and completely settled and adjudged by the court. The jurisdiction of said court is hereby limited to an award of just compensation, which compensation shall not include any allowance for prospective or speculative future profits that might have been realized by the claimant if permitted further to perform his contract.

Mr. FLETCHER. Mr. President, will the Senator allow the resolution of the Senator from New York to be read now so we may have both measures before us?

Mr. BLACK. Mr. President, at the request of the Senator from Florida, I ask that the original joint resolution be read.

The PRESIDING OFFICER (Mr. ASHURST in the chair). The clerk will read.

The legislative clerk read as follows:

*Resolved, etc.*, That section 5 of the Independent Offices Appropriation Act, 1934, as amended, be amended by striking out "October 31, 1935" and inserting in lieu thereof "April 30, 1936".

The PRESIDING OFFICER. The question is on the amendment, in the nature of a substitute, offered by the Senator from Alabama.

Mr. BLACK. Mr. President, I desire to discuss the proposed substitute amendment. It seems to me that the issue so far as the two measures are concerned is clear. Therefore, it becomes proper to discuss the reasons for each. I shall be glad to state the issue again.

Under the joint resolution of the Senator from New York the President's authority to cancel the ocean-mail contracts is extended until April 30, 1936. Under the proposed substitute offered by me the contracts are canceled effective April 1, 1936, with the right on the part of each contractor to go into the courts, where the contractors and the Government may assert their claims, and the court may determine for itself, on the evidence, if there were damages, if the contract was justly canceled, if there was fraud as found by the Postmaster General; and, if there was fraud, whether or not there were any damages and whether they should be paid.

Under the joint resolution of the Senator from New York the burden is on the President. Under the proposed substitute the Congress takes the burden upon itself.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BAILEY. Assuming that the President should not cancel the contracts under the committee joint resolution on or before April 30, what would be the effect?

Mr. BLACK. My judgment is that if the President should not cancel the contracts they would remain in effect under the old law, continuing to operate just as they have been, and there would be no possibility of any court granting to the Government the great damages which have been inflicted upon it by individuals, some of whom stand upon the evidence as having reached their hands down into the United States Treasury and taken money for which they did not give an honest return.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. FLETCHER. Under the original act, as I recall, the President was empowered to cancel the contracts if he reached the conclusion they ought to be canceled, but he was given the power to adjust the contracts, to make new contracts, and make new arrangements, was he not?

Mr. BLACK. He could continue them if they were in the public interest.

Mr. FLETCHER. Yes, or he could adjust them by mutual agreement. Under the Senator's amendment the contractor is simply relegated to his right to sue for damages. The contract must be canceled. In other words, we tell a man who has a contract with the Government, "That contract ends at a certain date whether you are damaged or not, and if you are damaged you can go to court about it"; but under the original act and under the joint resolution as it is offered now, adjustments may be made before the contracts are canceled and, therefore, the contractor has a right to negotiate with the Government with reference to the contract and ascertain the damages, if there are any damages, and to come to an understanding and agreement about those contracts, and make new contracts if necessary. Under the Senator's amendment the contracts are simply canceled, right or wrong, and the contractor is relegated to the court for damages.

Mr. BLACK. The Senator would be correct were it not for the fact that I have fixed the date for cancelation at a time when the Congress may try to enact legislation without being restrained by pernicious lobbyists of the shippers, or the operators who are here now, and have been here all the week—in fact, all during the session—and who are setting themselves up as able to keep the Congress from legislating on this matter. I am not guessing about this. They are here studying the bills even before they reach the floor of the Senate or the committee, according to the sworn evidence before the investigating committee this afternoon.

Under the resolution which I have offered the contracts are to be canceled effective April 1, but in the meantime Congress may enact a new law. A bill was proposed several days ago which had the approval of the Commerce Department and the Post Office Department. The shipping people objected to it. Not only did they object to it here, but they called California over the long-distance telephone and told their representatives there that they objected to the bill and discussed with them then how they could beat the bill and have passed the particular joint resolution which I am now fighting. That evidence came from Mr. Patchin a few moments ago in room 357 of the Senate Office Building.

Not satisfied with the law which gave them the right to negotiate, as that proposal did, they would still have the right to negotiate under a law which Congress can enact between now and April, and will have some incentive to enact, rather than having the shipping people here using their influence to defeat all legislation of any kind. I regret very much to say that that influence is great, too great.

Mr. Dollar is here. Mr. Patchin is here. Mr. Lykes was here last week. Gentlemen from Georgia have been here. A gentleman from New Orleans has been here whose name, I believe, was Tedrick. They have been flocking and lobbying around the committee doors. They have had their paid attorney here practically since the very first day a bill was introduced in either House.

Mr. President, in order that there may be no misunderstanding let me state that I favor a merchant marine, but when we put our hands down into the United States Treasury I favor that money being used to build a merchant marine instead of being used to line the pockets of favored individuals who have political influence and political power. I charge that that has been done for the last 10 years.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. LONG. I am 100 percent in accord with what the Senator is saying. The Senator is correct in everything I have heard him say up to this time, though I did not hear his entire speech. The only thing I have been disappointed about is that the I. M. M., who are the chief beneficiaries of all this business, never seem to be brought in as having anything to do with this unsavory mess. Does the Senator agree with that statement?

Mr. BLACK. The evidence taken a few moments ago showed that about 10 days ago there was a meeting in the city of New York. Present at the meeting were Mr. Ira Campbell, the chief attorney for the Shipping Operators' Association; Mr. Heiman, who has been acting in some kind of special capacity for the Department of Commerce; Mr. Raymond Moley; Mr. Kermit Roosevelt; and, as I recall, Mr. John Franklin. They were discussing the kind of legislation the Congress should enact with reference to a ship subsidy. We find their representatives here day after day, week after week, month after month.

I deny that the position I am taking is one which will embarrass the President. I assert, on the contrary, that the President of the United States does not know now and never has favored the abuses which have been heaped upon the people of this country in the maladministration of the law which was enacted.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Maryland?

Mr. BLACK. I yield.

Mr. TYDINGS. Without taking any side on the Senator's substitute for the joint resolution sponsored by the Senator from New York, I did not infer from the Senator's remarks that he intended to convey the impression that the men who represent the shipping industry were doing anything wrong in having a meeting in New York, nor that they were not acting within their rights in coming to Washington as often

as they pleased to see legislators and express the views which they might have.

Assuming that to be the position of the Senator, may I ask if they have wrongfully come to Washington in the presentation of those views?

Mr. BLACK. I may say to the Senator in connection with these laws that I do not think a man who has made $1,000 grow into millions of dollars on Government largess and Government securities is the man to pass upon the kind of legislation that should be enacted. I do not think a man who has taken a commission for himself of more than $700,000 for the purchase of Government ships is the kind of man who ought to be reading and passing upon a bill to be introduced before that bill is submitted to a committee of the Senate of the United States.

Mr. TYDINGS. They certainly are entitled to come here and give their side of the matter. Further than that, it was only a short while ago that the farmers of the United States, many of whom had received subsidies, came to Washington and went to the President in a meeting outside the White House. Under the circumstances which called this Congress into long session, if we are to deny any of those who receive governmental benefits from coming to Washington, there will be only about 10 people who will be permitted to come here.

Mr. BLACK. It may be that the Senator, if he knew the facts, would approve what has been going on. It may be that he would think our legislation ought to be held up and that gentlemen who are drawing huge subsidies, lining their pockets with millions of dollars which they did not earn, should take a position that we must enact no legislation at all.

Mr. TYDINGS. Mr. President, will the Senator yield to me further?

Mr. BLACK. I yield.

Mr. TYDINGS. Whether they took it rightfully or whether they took it wrongfully or whether the policy we have is a good one or is a bad one, I still imagine they have a right, as men out of jail and free citizens, to come and talk to Senators and Representatives whenever their interests are involved, and to give their viewpoint; and I assume Senators will have sufficient intelligence to weigh the viewpoints and act according to the arguments presented, and in the light of all the facts, before voting for or against the legislation which these gentlemen may desire.

Mr. BLACK. Mr. President, as I was saying, Congress may decide whether it wishes still further to dillydally along and permit contracts to remain in existence which, after a full, fair, and complete investigation by the Post Office Department, with the claimants represented by attorneys presenting the evidence they desired, the Department has reported without a single exception were illegally entered into, and recommended that they be canceled.

That is the situation we have here. I had printed and placed on the desk of each Senator the reports of the Postmaster General. He showed the huge profits which had been made by individuals from these subsidies. He showed the huge income which had gone into the pockets of certain individuals. He found in every instance that the contract had been made under such circumstances that it might be canceled. That report was made months and months ago; and now it is again proposed to continue to let these individuals dip their hands into the Treasury.

I do not care whether or not they have the right to come to Washington. That is immaterial to this discussion. It is proposed to let them continue to dip their hands into the Federal Treasury under the same old law with the same old contracts, which ought long ago to have been repudiated, which have been proven to be fraudulent, under which, instead of the money going to build ships to give us a merchant marine of which we might well be proud, it has gone to line the pockets of persons who have kept their lobbyists in Washington, at Government agencies, Government departments, Government committee rooms, and everywhere else they could send them, week after week, month after month, and year after year.

I tell Senators, when they vote on this matter they need not let anybody fool them. They are voting on whether they approve the continuation of contracts which the Postmaster General, after a long, full, and complete hearing, has reported without any exception were illegally entered into and ought to be canceled.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the Senator.

Mr. TYDINGS. The Senator is familiar with these contracts, and in many respects I am not.

Mr. BLACK. That is correct.

Mr. TYDINGS. May I ask the Senator if, under the contracts, the Postmaster General or the President has the power to void them?

Mr. BLACK. It is my judgment that the Government, through its duly constituted agency, has a right, whether it is expressed in the contract or not, to cancel contracts which are entered into through fraud.

Mr. TYDINGS. Even if there is no fraud, do not the contracts contain a provision similar to the provision in the old air mail contracts, that on 3 months' notice—I am not sure of the time—the Postmaster General may cancel them?

Mr. BLACK. There are many contracts with many different stipulations. I desire to state very frankly to the Senator that, in my judgment, under the contracts themselves, it is very doubtful in my mind if there would be a right to cancel them, except for fraud in entering into them.

Mr. TYDINGS. If there has been fraud—and we all concede that the contracts may be canceled if there has been fraud—and the Attorney General wishes the contracts canceled because there has been fraud, I can see no reason for any legislation to cancel them. If there has been fraud, the Attorney General or the President or the Postmaster General ought to cancel them.

Mr. BLACK. I think I can show the Senator the situation we should be in if that were done. That is the reason why, personally, I have been exceedingly anxious that legislation be passed at this session of Congress. It is for that reason that although I am opposed to a subsidy in principle, and have not voted for subsidies, I myself agreed that if a subsidy bill should be brought into the Senate which would protect the public interests, I would state to the Senate that, in my judgment, it would be better to pass that kind of a bill, even though the principle was wrong, than to permit conditions to go on as they now are.

Here is the situation we should be in: Let us suppose that all these contracts should be canceled today. Under the existing law we should have to proceed again under the same old act of 1928, which, in my judgment, is not suitable to build up a merchant marine. The result would be that we should have a state of complete chaos. It would be necessary for advertisements to go out. In order for them to be legitimate and honest, they would have to be drawn in such a way as to permit honest, bona fide competitive bidding. That would take time. In the meantime there would be no contracts at all with any of these companies. It is for that reason that, while I think they should be canceled, I have thought and still believe they ought to be canceled, effective as of a future date, so that we shall have time to enact legislation on the subject.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the Senator.

Mr. TYDINGS. I have in mind this situation in particular:

About 5 or 6 years ago, a group of business men in Baltimore thought it wise to establish a passenger and freight line running between Baltimore and the ports of Europe. They had no ships, as I recall, but were anxious to buy some ships which the Government had tied up. The Government was equally anxious to sell the ships. So these gentlemen put up a sum of money, and borrowed a sum of money in addition from the Government; and having sufficient capital they agreed to cut the ships in half, and enlarge them, and put in new engines, and then establish a line between Baltimore and the ports of Europe.

As a condition precedent to that arrangement, the Government gave them a contract. Upon the assurance of that contract, the degree of capital they expended in those ships was predicated; namely, they figured out how they could operate the ships, what size ships, the number of ships, and the speed of the ships.

I do not know whether or not the company has made any profit; but I know that less than a year ago they were on the point of handing the ships back to the Government, because I went with the president of the company to the Secretary of Commerce. They were going to hand the ships back to the Government, lose all the investment they had put in the ships—which amounted to many hundreds of thousands of dollars—and simply say, "We cannot perform the remainder of the contract. This corporation is in liquidation." However, the Government then permitted the shipping company to call at several additional European ports, and enough extra business was obtained so that the concern could keep its head above water. Therefore, if that contract is to be set aside it means that that particular shipping line is going into the hands of a receiver.

The Senator from Alabama may be right, and probably is, because he has made a study of this matter, in his statement that there are grave abuses in the mail-contract situation; but I do not wish to vote for any blanket proposition on the subject after men have honestly gone into an enterprise of this kind, and tried to make a go of a new line competing with foreign lines, and have them wiped off the sea, and have the commerce of the State of Maryland and the Middle West and the far West which comes to that port carried by foreign shipping lines. This particular line, I believe, has succeeded in driving most of the foreign shipping off the Chesapeake and the Atlantic adjacent to the Chesapeake, but if this line should go into the hands of receivers the foreign lines would be back immediately; and this concern has not made millions of dollars.

It has been on the verge of suspending its operations on several occasions, when I have gone down to see the Secretary of Commerce to see if they could not get new ports of call abroad so that they could obtain sufficient revenue to keep the line intact, and, in the absence of securing the right to call at other foreign ports, the president of the company was on the verge of tying up all the ships, and telling the Government to take them for the mortgages it had on them. That may be an isolated case only. I suggest it for whatever it is worth. At any rate, if we are to have a policy of Government aid, I certainly do not want that policy wiped out unless some policy comparable to the one which encouraged these men to go into the shipping business is to be substituted for it.

Mr. BLACK. Mr. President, may I say to the Senator that the evidence shows that these men were not encouraged by the Government to go into the shipping business. They were encouraged by the Roosevelt Steamship Co.

Mr. TYDINGS. It does not make any difference who encouraged them, the Government loaned them money and gave them a contract.

Mr. BLACK. Let me answer the Senator.

Mr. TYDINGS. That is the encouragement to which I am referring.

Mr. BLACK. May I state that I am satisfied that if the Senator would read the evidence in this case, even though the company is in his own State——

Mr. TYDINGS. Very well; what is the evidence?

Mr. BLACK. I know his integrity and his honesty, and in my judgment he would be standing here with me saying just what I say with reference to the contract down in my State; every one of the contracts ought to be canceled, including the one with the Baltimore line.

Mr. TYDINGS. Was there any fraud in the Baltimore proposition?

Mr. BLACK. I do not know. I have an idea that when people get things by political pressure instead of on merit, there is fraud. I may be wrong.

Mr. TYDINGS. Labor, and capital, and the farmer, and the utilities, and everybody else, get things by political pressure.

Mr. BLACK. Perhaps they get their contracts by political pressure, but if the time has come in the history of this Government when anyone will stand on the Senate floor and defend the making of a Government contract to pay out Government money, money collected from the taxpayer, if he is convinced that the contract was not made on merit, but was made by political pressure, then I say that the country has reached a very low state.

Mr. TYDINGS. I do not think these contracts were made through political pressure, and I do not know of any evidence to show it.

Mr. BLACK. Let me read a little evidence to the Senator.

Mr. TYDINGS. I happen to know that when this line was about to be inaugurated the Senators from many States were interested in seeing the line there, and the shippers were, and if the Senator considers that attending conferences was political pressure to bring a service to the people of the community, then it was political pressure. I consider that all right. If there is any fraud connected with it, I am not conversant with it. That would give it a different complexion.

Mr. LONG. Mr. President, will the Senator from Alabama yield to me?

Mr. BLACK. I yield.

Mr. LONG. I want to say that I read a great deal of the evidence before the Senator from Alabama made his presentation. The only surprise I had was that the Senator from Alabama did not bring this matter here earlier. I wish to say, further, that while my estimation for the Senator from Alabama has always been pretty high, it has increased a hundred percent because of the nonpartisan way in which he is exposing what I conceive to be the most universal fraud ever conducted, and those who perpetrated it dominated certain mastheads of the Democratic administration, and the Republican administration before it, and saw to it that when the changes were made they stayed in the saddle to continue the fraud. There is not an honest thing about it.

Mr. TYDINGS. Mr. President, will the Senator yield again?

Mr. BLACK. I yield.

Mr. TYDINGS. These contracts were made under the Hoover administration.

Mr. LONG. Yes.

Mr. TYDINGS. This is the first time I have ever known that I had any particular influence with that administration, as I was very much in opposition to it, particularly in its last days.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. BLACK. I yield.

Mr. LONG. I want to tell the Senator how little influence he had. Along about that time I thought I was a factor in helping to push along one of these contracts, and found out that a Senator in this body helping to get it through wound up with a $5,000 check from one of them to help beat me in my campaign down there. That is about how much the Senator from Maryland is going to find that he had to do with it. The chances are that someone of his enemies in his home town will be getting money with which to fight him.

Mr. BLACK. I have not time to read the evidence, but I just ran across this:

On September 16, 1929, Mr. John M. Franklin wrote to Mr. Walter S. Franklin, his uncle, concerning the delay in securing the route to be certified by the Postmaster General. The following is quoted from the letter:

"The consequent delays are exceedingly unfortunate, but cannot be avoided, as neither Kermit nor I feel that we ought to undertake to bring pressure to bear from political friends until it is apparent no further headway can be made through the Post Office Department."

I just ran onto that.

Mr. TYDINGS. That was a pretty good letter. They did not want to use any other outside influence, if delays could be avoided.

Mr. LONG. They were being nice for the time being.

Mr. BLACK. Here is another:

I talked with Mr. Glover on the telephone this morning, and he said no political pressure was necessary.

Mr. TYDINGS. It looks as if there was not as much fraud as the Senator thought there was up to that point.

Mr. BLACK. What about Mr. Glover?

I talked with Mr. Glover on the telephone this morning and he said no political pressure was necessary, and he would let us know when he wanted us to act. I told him you will write him as per our conversation yesterday, and he said that was good.

This shows how everything is done:

We should play up to the fact that the Baltimore Trust Co. was the prime mover in the establishment of this mail route; and that they asked the Roosevelt Steamship Co. to handle the matter in Washington for them, and that it was at all times distinctly understood that the ships would be run from Baltimore by a Baltimore concern, and that the Pennsylvania Railroad is interested and will do all it can to help.

As a matter of fact, they were run by the International Mercantile Marine through its subsidiary, the Roosevelt Steamship Co.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. TYDINGS. The Senator is not well informed. It just happens that I know considerable about that steamship company, if not more than he does.

The Baltimore Trust Co. today has a million-dollar investment in that steamship company, and the Baltimore Trust Co. is in the hands of a receiver. The only way that million dollars is going to be gotten for the stockholders is by making that concern pay it out.

Mr. BLACK. The only way they will get it will be to get it out of the Federal Treasury.

Mr. TYDINGS. Let me correct the Senator. Furthermore, the president of that company was the president of the Baltimore Trust Co. Furthermore, the founders of that company who induced the Pennsylvania Railroad and other concerns to invest in it were officials, I think, of the Baltimore Trust Co. So it was a Maryland concern.

True, they acted under a company in New York as a subsidiary, because they thought it wise to have experienced steamship people.

It has not paid hundreds of thousands of dollars to any stockholder or holding company, and the real money in that concern came out of the investors in Baltimore City, where $1,000,000 of the capital stock is held today in one of the large banks there.

Mr. BLACK. The Senator may think he knows all about it.

Mr. TYDINGS. I did not say I knew all about it.

Mr. BLACK. I suggest the Senator read the evidence.

Mr. TYDINGS. What is the evidence?

Mr. BLACK. Let us see about this thing. Does the Senator know how much has been paid out in management fees to the International Mercantile Marine?

Mr. TYDINGS. I think I have a pretty good idea of that.

Mr. BLACK. Has the Senator been told recently?

Mr. TYDINGS. I have seen the statement.

Mr. BLACK. Has anyone told the Senator recently?

Mr. TYDINGS. I have not asked recently.

Mr. BLACK. May I call the Senator's attention to the fact that if he will investigate and find out how the money has been siphoned up to the International Mercantile Marine in management fees, it might interest him.

I admit that no riches have gone into the hands of the Baltimore people. The Roosevelt Steamship Co. got the money, although Mr. Simonton and his bank did serve as agents of the company in various ways.

Mr. TYDINGS. May I correct the Senator in another statement? If he will look at the advertising expenses of the Baltimore Mail Steamship Line he will find that all the propaganda and pamphlets, and what not, and advertisments were paid for, not out of the little company but out of the big company, and he will find that that company was about as honestly run as any business in the United States. There are plenty of inquisitive people in Maryland today with an interest in that million dollars of nonpaying stock who would be only too quick to take the matter into court if there had been any fraud, and it has never been in court yet.

Mr. BLACK. Let me read a statement showing the financial condition of this company about which the Senator is talking. He said somebody put $1,000,000 in it. This is one which really did not make the money. The money which has been made out of this fund has been made by the company up above, the International Mercantile Marine.

| | |
|---|---|
| Net worth of the Baltimore Mail Steamship Co. as at June 30, 1934 | $1,515,931.29 |
| Amount unpaid to the United States Shipping Board on construction loan notes relating to the 5 vessels now in operation | 6,153,097.19 |

In addition to that, I might recall just one circumstance which I happen to remember which touched on this line, that a pass went to an employee of the United States Government whose duty it was to pass upon various things with reference to the United States Lines, and, as I recall, that United States Government employee was discharged when it was finally discovered that a pass had been given him over this line at the very time that he was engaged in passing upon the business of this company. That may be all clean and honest and upright and just, and such as to make tears come from the eyes of all those who learn about this glorious company, with its clean, honest, and magnificent record, which gives a pass to a Government employee and causes him to lose his position.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BLACK. I yield for another speech.

Mr. TYDINGS. No, Mr. President. May I point out to the Senator that he is again misinformed? He has read that there has been about one and a half million dollars put into the company after $6,000,000 coming from the Federal Government. Let the Senator also bear in mind that the money put into the company, one and a half million dollars, is secondary money, and that the money owing to the Government is primary money, and that the investors cannot get a penny out of the sale of the property for the one and a half million dollars they have invested until the Government gets its $6,000,000. In other words, they put their money behind the Government money, which is about the best evidence of good faith anyone can wish.

Mr. BLACK. Also the money they put in, which is not quite as much as the Senator thinks, comes behind the money that goes to the Roosevelt Steamship Co. and to the International Mercantile Marine.

Mr. TYDINGS. How much went to the Roosevelt Co. and to the International Mercantile Marine?

Mr. BLACK. Evidently someone has told the Senator something about the facts in reference to this particular company. I suggest that the Senator read the evidence and find out what the sworn evidence was rather than to take someone else's statement for it.

Mr. TYDINGS. I wish to take the statement of the Senator from Alabama for it. I desire to know.

Mr. BLACK. The Senator indicated he desired the Congress to adjourn sometime ago. If I should go into details with reference to the contracts, which happen to be in the State of each Senator here, it would take a long time. There happens to be one in Florida with Lykes Bros. I might have to go into the details of that with the Senator from Florida [Mr. FLETCHER]. And then I might have to go into the details of the companies in New York with the Senator from New York [Mr. COPELAND], and then I might have to go into the details with the Senator from Louisiana [Mr. LONG] concerning the companies in Louisiana.

Mr. LONG. The Senator does not need to give me that information. I know about them.

Mr. BLACK. I shall read what the Postmaster General found, which may be interesting.

This contract may be canceled without any offer of compensation for the following reasons:

This conclusion is based on the evidence.

(a) This contract was a negotiated contract and awarded without authority.

In other words, the law said they should be competitive. It was not competitive. It was a negotiated contract based on political influence and political pressure.

Mr. TYDINGS. How could it be competitive if that is the only line running out of the city of Baltimore?

Mr. BLACK. It could be competitive. Somebody else could have had a chance to bid except this one company. There were 120,000,000 people in the United States. Certainly somebody else would have had a right to bid against them.

Mr. TYDINGS. With no ships?

Mr. BLACK. Should a contract be drawn in such way as to let it only to a man who happened to get a few old ships which the Government used to own, and whose main object was to sell some ships which had been bought from the Government?

Mr. TYDINGS. The Government was getting nothing for the ships when they were tied up.

Mr. BLACK. It is getting precious little now.

Mr. TYDINGS. It got millions of dollars.

Mr. BLACK. It gets very little now.

Mr. TYDINGS. Well, whatever the figure was.

Mr. BLACK. How much was it?

Mr. TYDINGS. Further than that, they spent millions on the ships and gave the Government a mortgage. So instead of having nothing, the Government got a mortgage on something that was worth millions. That is the difference.

Mr. BLACK. The Senator is defending a single contract which happened to be in the State of Maryland. Here is what the Postmaster General said about it after he heard the evidence, and the same lawyers who represent them now represented them before the Postmaster General. They presented their evidence. They were given ample opportunity to present their evidence. He said, first, that the contract can be canceled because the contract was a negotiated contract and awarded without authority. I say if that be true, it is a fraudulent contract. Honesty and decency demand that it be canceled at the earliest possible moment. Is a contract honestly obtained if all one has to do to get it is simply to negotiate it with political pressure, and say, "The time is not ripe yet; wait a little longer and we will bring our politicians later; just a little later, Mr. Glover", and Mr. Glover says, "You do not need to bring them yet", and then to bring them later and have the hearing? The Postmaster General, after the evidence sworn to, makes the report to the Senate:

(a) This contract was a negotiated contract and awarded without authority.

The negotiated contract is a false contract when the law requires it to be competitive. Let us see the next clause.

(b) The contract was illegally transferred and assigned to the subcontractor.

That is the second clause.

(c) Full performance is not required in the public interest.

(d) Savings may be effected in the sum of $8,772,984.85, which is the estimated excess contract pay over the American poundage rates for the balance of the contract term.

In other words, take the one single contract which has been mentioned here, which is in question here, the one single contract which a Senator stood up on the floor to defend, and we find that that contract was awarded contrary to law by negotiation. Instead of complying with the law, calling for an honest open competitive bid, it was negotiated following a slimy, slick trail of political pressure.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. TYDINGS. Does the Senator mean that I was slimy?

Mr. BLACK. Oh, no. I said "political pressure."

Mr. TYDINGS. Will the Senator yield for another question?

Mr. BLACK. Yes; I yield.

Mr. TYDINGS. If the contract is as the Postmaster General says it is, ought not the Attorney General to take judicial notice and the Postmaster General forthwith cancel it?

Mr. BLACK. I wish to state something, since the Senator has brought it up, which I did not intend to say. I now invite the Comptroller General to take notice not only of this contract but of every other contract, and I state that, in my judgment, if he performs his duty not one dollar more will be paid under a single one of them.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. TYDINGS. If perforce, the contracts are illegal, and the Postmaster General says they are illegal, and the Attorney General agrees they are illegal, they ought to be canceled. I am not here to defend illegal contracts.

Mr. BLACK. That is what I am talking about now.

Mr. TYDINGS. But what I am talking about is that the Senator ought not to assume that these contracts are fraudulent because, forsooth, they acted in good faith and the Postmaster General at the time did not know what his duties were.

Mr. BLACK. I do not agree that the Postmaster General did not know what his duties were. I think he knew what his duties were, but I do not think he performed his duties, and I think all the gentlemen who were pursuing this course and were saying, "Do not let anybody know where we are; put someone else up in front" knew the situation. I think they knew what their duties were. I think they knew there was a duty owing to the taxpayers, to the honest, decent people of this country. That duly required honesty and good faith on the part of the officials and on the part of not only the officials but those who dealt with them. There is a correlative duty.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. FLETCHER. As I understand, these contracts were all made by the regularly established agencies of the country—the Shipping Board and the Postmaster General. I am not saying they are valid contracts. I am saying that is the process through which they were formulated. They went through the hands of the Government authorities that were charged with the duty of making them. The other parties themselves joined in the contracts with the Government authority in perfect good faith, so far as I know. The Senator alluded, for instance, to Lykes Bros. Lykes Bros. I know perfectly well, and I never heard any reflection on them.

Mr. BLACK. I will be glad for the Senator to read the sworn evidence in the record.

Mr. FLETCHER. I am speaking of them because the Senator alluded to them. I simply want to say that I am interested in this thought and idea: I do not want to see the American merchant marine destroyed or seriously crippled. I do not want to see the flag of the United States taken off the high seas. That concern has 42 ships in operation on 5 established routes, 1 to the Orient, 1 to the Mediterranean, and others to ports in Europe.

My information is that those 42 ships are barely making expenses with the benefit of the ocean-mail contracts. The operators are not getting rich. They are losing money. They would not be operating at all if the Government contracts were taken away from them.

I do not want to see 42 ships on 5 American routes absolutely taken out of service and the business turned over to foreign ships. That would be the result if we should cancel these contracts now. I am perfectly willing that the contracts should all be investigated and the facts developed and negotiations had whereby adjustment might be had with the contractors on some reasonable basis, if possible; and if not, leave them to the courts. If we cancel the contracts now and the ships have to go out of service, we will have taken the American flag off the seas.

Mr. BLACK. Mr. President, I may say to the Senator with reference to Lykes Bros. that of all the sordid stories that have ever been revealed before any committee in Washington, the story of the Lykes Bros. contract ranks at the top. It is my conclusion, drawn from the sworn evidence and the evidence of Lykes Bros. themselves, that these contracts were

not competitive. On the contrary, from their sworn evidence, it will be found that they did not want them to be competitive. Let me read just a little statement about that.

Mr. TYDINGS. Mr. President, before the Senator does that will he yield for a question? I desire to get some information.

Mr. BLACK. I yield.

Mr. TYDINGS. Is it the Senator's interpretation that under these contracts the President may cancel them at any time?

Mr. BLACK. Yes; it is my judgment that the President could do so.

Mr. TYDINGS. Without any action on the part of Congress at all?

Mr. BLACK. That is correct.

Mr. TYDINGS. Does the Senator mean to say that the President knows of the irregularities to which he alludes and that knowing about them requested cancelation of the contracts?

Mr. BLACK. I have told the Senator, and I will tell him again, that the President has urged that some legislation be enacted so the matter might be settled. I happen to know that the President asked the Department of Commerce and the Post Office Department to agree upon a bill. They did agree upon a bill. The bill upon which they agreed contains exactly the same provision for cancelation that I have offered in my substitute amendment, except that instead of providing the date shall be as of April 1 it is provided that a certain number of days shall elapse after the passage of the bill.

Mr. TYDINGS. I suppose the reason why the President has not acted heretofore is that rather than throw the whole thing out of line he wanted some new legislation.

Mr. BLACK. The Senator is correct.

Mr. TYDINGS. So that, even though the things were irregular in some respects, it would have been a serious blow to our merchant marine to have canceled them overnight.

Mr. BLACK. The Senator is correct.

Mr. TYDINGS. Until he could find some other method of arranging the situation, the President did not want to act?

Mr. BLACK. The Senator is correct.

Mr. TYDINGS. I wanted to raise that point because the Senator was leaving us under the impression that the President knew about these irregularities and did not act.

Mr. BLACK. I am glad the Senator did that. I am trying to make it clear that the President wants a law enacted. He has so stated to many Senators and Representatives, and has so stated publicly and in a message. The bill came here Tuesday afternoon and was delivered to the Chairman of the Commerce Committee. If the Senator will examine it as it has been printed, he will find in it the same provision for cancelation that I have in the substitute amendment which I have offered.

I am not trying to throw this matter into a state of chaos, although, in my judgment, every single contract is filled with fraud and reeking with corruption. At the same time I think it is necessary and essential that we postpone the cancelations for a sufficient length of time to enable Congress to enact a good law which would give each one of the contractors his day in court to obtain such damages as he may be able to prove. My amendment to the joint resolution would not cut him off from that right; it is expressly drawn with the idea of giving them the benefit of every possible right which may be theirs.

Even though the special committee investigated and reported the contracts were fraudulent, even though the Postmaster General investigated through witnesses from both sides under oath and reported that the contracts should be canceled, still, what I am suggesting is that they be canceled 6 months hence, giving Congress time to enact a proper law which would protect the people of the United States and would at the same time not drive the American flag from the seas. The sad and tragic thing about the whole dismal story is that the American flag has been driven from the seas while the people have paid money in order to have it float upon the seas all over the world. It is being driven from the seas because of the fact that contracts were improvidently made which permitted ships to be operated that were not fit to be classed as first-class American vessels, and permitted many men to line their pockets with wealth which should have gone into the construction of ships to be the pride of the American people, who want their flag to be carried aloft on the seas.

I am not speaking against an American merchant marine. I am speaking for a merchant marine, built on a solid foundation of honesty and decency. I have always believed that we could not construct a building which would stand upon pillars of fraud or deceit or irregularity, or privilege to some and injustice to others.

Something was said about Lykes Bros. Let me show the Alladin's lamp that was held in Lykes' hands by reason of governmental favoritism. Let me show how, like the fabled man of old, whatever he touched seemed to turn to gold:

The initial and only investment in the Lykes Steamship Co., other than from subsequent profits derived from steamship operations—

I may say that this credit appeared in another hearing. They have been given credit for part of this money which came from the Government. The initial and only investment was $115,439.

The net profit, before income taxes from all steamship operations, including operation under mail contracts nos. 23 and 45 from October 1918 to June 30, 1933, was $6,625,936.

Mr. LONG. Mr. President, will the Senator repeat the first figure?

Mr. BLACK. It was $115,000.

Mr. LONG. They paid out $115,000 and took in $6,000,000 profit?

Mr. BLACK. It was $6,625,000, and a part of the $115,000 came from the United States Government.

Now, let me read how that contract was made. I will read from Mr. Lykes' testimony. Certainly no one will question it.

Thereafter the following discussion ensued:

This was before the committee which was going to award the contract.

Mr. WHITE. And we ourselves can see that that is all right and desirable, but we know that it is being charged in Congress and elsewhere that the contract, advertisement and contract, permits of no competition, while the law does contemplate competition.

Mr. JOS. T. LYKES. Yes; that is quite true; it will substantially or practically, I will say, limit competition as far as we can see, and very frankly, that is one reason why we want it in one contract, which is, as we say, in accordance, as far as we understand it, with the general intention of all branches of the Government, that the contract should go to these Government services.

In other words, at the very time the matter was being taken up before the interdepartmental committee, under a law which said that there must be competitive bidding, the Government's agent, who has since been removed from the service, and Mr. Lykes, the beneficiary, one of those whose investment jumped from $115,000 to $6,000,000 out of Government gratuities, say, "Why, of course, frankly, that is the reason why we want it drawn in that way, so that there will be no competition."

Mr. LONG. That is fraud under the law.

Mr. BLACK. Of course, it is. Where the law says there shall be competition, and an agreement is made between the person who is to get something and the agent of the person who is to get it to evade the requirement as to competition, how anybody can deny that such an agreement is fraudulent is more than I can conceive.

Mr. LONG. The court says it is void ab initio.

Mr. BLACK. It is void from the beginning. It was void then. It was a fraud against every man, woman, and child in this country; and it is a fraud against them now.

Those votes on this joint resolution are either going to vote to repudiate and denounce fraud or they are going to vote to the contrary. The question is going to be raised so that no one need say that it is not presented for his consideration.

I am simply proposing an amendment to the joint resolution which says to Congress, "You appointed a committee which held hearings for practically a year. That committee came back here and reported to you that these contracts were fraudulent and bad; that the Government had been

defrauded. You then referred the matter to the Postmaster General. After a full and complete hearing, with both sides represented by counsel, with evidence presented under oath, your Postmaster General has filed in your body a report which says that each and every single contract was entered into contrary to law, and may be canceled."

It so happens that one of these contracts was made with an agency which is in my State. It is my belief, from the evidence I have seen, that there was perhaps less of reprehensible conduct with reference to that particular contract than any other contract which is in existence; but the report shows, the recommendation is made, that all of them were made contrary to law, and my amendment to the joint resolution draws no distinction between the company which operates in the State from which I come and the company which operates in any other State. The time has come when, if we are going to build up a merchant marine, we must start to do it on a firm, sound, honest foundation.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BLACK. I yield to the Senator.

Mr. LONG. To argue that merchant-marine activities have to be maintained by crookedness and rottenness, and that we cannot have them in any other way, is just the same as to argue that we are not for the Treasury unless we are willing to have some thief go in there and get ten or fifteen million dollars of its money.

This thing is admittedly fraudulent. It is not only the testimony of the Senator from Alabama, but their own written agreements with one another that the committee had—I saw some of them—go to the extent of saying that they took the most devious courses to see that there was no competition, and the profits they made are the most gigantic and astounding things that were ever heard of. The Senator just read one as to the $100,000. They did not even put up the $100,000. They did not stand a chance to lose $100,000; but under the fiction of $100,000, they got $6,000,000 of Government money. The Roosevelt Steamship Corporation did the same thing. They went into a conspiracy during the Republican administration, and undertook to perfect it and carry it on under the Democratic administration, and I happen to know that they thought they had this very Black committee stopped on this thing a year ago. They thought they had this thing hushed up and that it would not come to light.

Mr. BLACK. Mr. President, here is what happened. Here is how $500 of the Government money grew. Let me read it to you. This grew with reference to each contract that was made by the Government. The Government got the worst end of all of it.

Here is where they started in 1921 with $500—the Admiral Oriental Line. It is claimed that they actually paid in $500. I asked a witness on the stand under oath, and he said he was reasonably sure that they actually paid in the $500.

Mr. LONG. I doubt it.

Mr. BLACK. At the time they put in $500 they gave their notes for $499,500 so as to have a half-million-dollar corporation. Then they got a contract with the Government and began operating a line on November 2, 1922. They operated under this and succeeding manager-operator agreements for 3 years and 5 months. During this period the private company realized net profits from its operation of $533,713.96—a reasonably good profit. They also earned profits in the amount of $463,682 from operations largely made possible by the existence of this contract.

During this period the notes given for capital stock were wholly retired by dividends from earnings. Subsequently, without investing a dollar in addition to the original $500, this company bought the line and certain ships from the Government, and has earned net profits of $4,106,590.46 from the operation of these vessels, including a mail-contract gratuity, making a total net operating profit on the $500 of $4,640,204.42.

Mr. LONG. That is on $500.

Mr. BLACK. This figure does not include $2,127,653.30 profits of the $500 company from other sources.

Now let us see what happened in this case. Let us take what this company did. Its representative is here now. He has been here for a week; that is, its special representative:

At June 30, 1934, the total amount owing to the Shipping Board was $16,684,479.79. Of this amount $1,119,701.79 was past due on construction loans and a total of $1,895,000 in ships sales notes had been extended. Nine hundred and forty-seven thousand five hundred of this latter amount have been reextended, thus avoiding defaults.

The evidence shows that one of the contributing causes of the company's delinquencies was excessive cash withdrawals, directly or indirectly, through their respective families or family corporations, by the four Dollar principals, Messrs. R. Stanley Dollar, J. Harold Dollar, H. M. Lorber, and Herbert Fleishhacker.

In this connection the contractor asserts that there is no relationship between the Dollar Steamship Line (contractor on routes 25 and 27) and the Admiral Oriental Line (contractor on route 26). It appears from the evidence that this position has been successfully maintained in regard to Government loans, and payments thereon. However, for the purpose of ascertaining the amounts of cash withdrawn by the principal joint officers, stockholders, and directors of these two companies the record properly consolidates the payments.

The evidence shows that in 1925, when Government aid on the Dollar routes was limited to fostering a monopoly of American-flag ships for this company as a result of low-priced ship sales, Messrs. R. Stanley Dollar, J. Harold Dollar, H. M. Lorber, and Herbert Fleishhacker withdrew, in cash, the total sum of $162,000. If this rate of withdrawal had been maintained during the first 5½ years of foreign ocean mail contract operations (Jan. 1, 1929, to June 30, 1934), the withdrawals would have totaled $891,000 instead of the $2,762,257.46 actually withdrawn, as shown by the evidence.

Messrs. R. Stanley Dollar, J. Harold Dollar, H. M. Lorber, and Herbert Fleishhacker!

So, Mr. President, we have here this question. It has been impossible to legislate up to date. That is strange, is it not? We have had this question before us ever since this Congress began, but there has been no legislation.

This afternoon we were told before the committee by Mr. Ira Campbell, the attorney for the Ship Operators' Association, that they were against the bill, which had been sent up here and had been agreed upon between the Commerce Department and the Post Office Department, while they were working on it at the instance of the President. We were told by Mr. Patchin that he was against it. He is with the Grace Co., and he said that he called up Mr. Dalton Mann in California this week and talked to him at great length over long-distance telephone, to tell him about this bill, and he stated that they preferred no legislation at all rather than to have this measure, which is drawn in the public interest, and while it would promote a merchant marine, if that can be done by subsidy, and would protect the people's interest, he said that he reached the conclusion that it would be better to have a simple resolution passed by the Senate and the House which would extend the date for the President to cancel the contracts until next April, and he talked to his superior in California about it.

Now we have a resolution which is exactly what they want. The same operators who, according to the report of the Postmaster General, have contracts which were made in violation of law, and which ought to be canceled, came here from the North, the South, the East, and the West, and when placed under oath they said: "Yes; we do not want that law. The only thing to do, therefore, is to get a resolution, a simple resolution, which will maintain the status quo so that we may keep on drawing the money which we have been drawing under these contracts."

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Alabama yield to the Senator from New York?

Mr. BLACK. I yield.

Mr. COPELAND. It is also true that the President of the United States wants the extension.

Mr. BLACK. The President of the United States may want the extension, but if he does, I am fooled, and if he does, I am further of the opinion that he has not been fully informed of the facts in connection with it.

Mr. BAILEY. Mr. President, will the Senator yield to me?

Mr. BLACK. I yield.

Mr. BAILEY. The Senator is stating that the President is not fully informed of the facts. I understood the Senator just now to say that he had informed the President.

Mr. BLACK. I said that I did not believe that the President had approved this particular joint resolution, and that if he had done so, in my judgment, he had not been informed of the facts, and, in my judgment, he could not have been, because the facts which I have just mentioned were brought out on the stand less than 2 hours ago.

Mr. BAILEY. I would not say that he knows things which happened 2 hours ago, but here is a statement before the Senate by the Chairman of the Committee on Commerce that the President desires the joint resolution to be passed as approved by the Committee on Commerce, and presented to the Senate by the chairman of the committee. It strikes me that in order for the Senator who has the floor to sustain his cause, he must convince the Senate that we will here give a vote of no confidence in the President, and take from him a power which we gave him, and take it away from him on the ground that, in the light of the facts known to himself, he has refused to act.

I am unwilling to slap the President in the face, and I am amazed that the Senator from Alabama, having reflected on the committee, and having said to all Senators here, "If you do not vote for my resolution you are condoning fraud", goes further and says that the President himself ought to be deprived of the power we gave him because he has failed to exercise it, notwithstanding the fact that he knew the facts. That is the Senator's position.

Mr. BLACK. Mr. President, that is the interpretation the Senator from North Carolina places upon my position. I am perfectly willing to let the record of our respective votes, our position on economic matters, our record with reference to progressive legislation which the President favors, show which one of us would most likely be with the President. But, Mr. President, I desire to state that even if the President were to tell me in person that he favored this joint resolution, which I do not believe he would do, in view of the facts which have been developed, I would still stand on the Senate floor and state that here and now the Senate ought to vote to cancel these contracts because they were conceived in fraud and iniquity, administered in the same way, and the report has been made by the Postmaster General of the United States.

Mr. President, I decline to be placed in the position that I am making any charge against the President, because that is not true. I have not done so. I have stood to support him.

Mr. BAILEY. Mr. President, I wish to disabuse the Senator's mind of any suspicion that I have accused him of making any charge against the President. I have said that the effect of his argument and of the amendment to the joint resolution is to ask the Senate to withdraw from the President a power which the Congress gave him, and to do it in order that the Congress may take an action which the President has not taken, and that the whole basis of the argument is that various frauds have been committed, that the President has not acted properly in the circumstances, and, therefore, that Congress must act. If that is a misunderstanding of the Senator's argument, I leave it to the Senate. We have all heard the Senator.

Mr. BLACK. It is a thorough and complete misunderstanding, as I shall now attempt to show the Senator again.

I did not state, nor did I infer, that the President's failure to act up to date, even with knowledge of the facts of fraud, was anything for which he could be criticized. On the contrary, I stated that on account of the fact that a cancelation of the contracts would bring about a chaotic condition if done without notice and without preparation, and without a new law to take the place of the old, it would probably be a very improvident action.

Mr. BAILEY. Mr. President, that is a proper statement of what the Senator said in reply to the senior Senator from Maryland, but that is not the point. His proposition is to take from the President a power which the President has had until now, and now has, and has not used, and return that power to ourselves and exercise it, on the ground that the long existence of well-known frauds, exposed by the Senator and his committee in its report, has not been responded to by the exercise of the President's power.

If I give a man a power to use and take it back from him on the ground that he has failed to use it by way of repudiating a fraud, what can be the effect of my action except to say, "You were not worthy of the power I gave you. I will no longer trust you with it. I will take it back and exercise it myself."

I am not saying that the Senator has thought that, but I am saying that that is the effect of his resolution and of his demand upon the Senate.

Mr. BLACK. Mr. President, with all the ingenuity of my good friend the able Senator from North Carolina, he has not been able to draw the distinction which he desires, because he assumes that what I am doing is an attempt to withdraw the power because it has not been exercised. That is not correct.

I stated that under the conditions it was impossible for it to be exercised without bringing about a condition which should not be brought about. Following that we find ourselves in a situation where the President himself has recommended that legislation be passed, and the bill which came to this body after a conference between the Commerce Department and the Post Office Department, at the request of the President, contains a provision for cancelation, the exact provision which I have offered now.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. BLACK. I will not yield until I have concluded what I have to say, because I have not finished answering the Senator.

Mr. BAILEY. I take great delight in the prospect that the Senator shall some day finish. I will do all I can to aid him.

Mr. BLACK. The Senator can do that by sitting down and letting me finish.

Mr. BAILEY. I may.

Mr. BLACK. Or the Senator might stand up and let me finish.

Mr. BAILEY. Thank you.

Mr. BLACK. Mr. President, having come thus far, we find a situation where the President has recommended a law but the Congress has not acted. If this law had been enacted, it would not have been necessary to pass the joint resolution or the amendment to it. But it is my belief that one of the reasons a law has not been passed is because the shipping operators believe—in fact, they know—that if they can get through a simple resolution they may continue to draw these funds which ought to be cut off at the earliest possible moment. In addition to that——

Mr. BAILEY. Mr. President, may I interrupt the Senator?

Mr. BLACK. I yield again.

Mr. BAILEY. I wish here to repudiate and thoroughly to resent the imputation that the joint resolution presented by the chairman of our committee and approved by the committee is a measure that some outside force was undertaking to get through. That is a reflection upon 18 members of that committee. I am going to request the chairman of the committee to respond to that. But I do not think that the Senator from Alabama means to reflect upon the committee. If he does, I should like him to do so in perfectly direct terms and let us know what to expect and how to respond.

Mr. BLACK. I have no objection to saying anything I say in direct terms so that the Senator from North Carolina or any other Senator may know exactly how and when to respond.

Mr. BAILEY. Proceed.

Mr. BLACK. I have tried to proceed. I stated that there was evidence presented before the committee less than 2 hours ago by a witness under oath, a representative of the great steamship lines, that they had looked over the bill which was presented as drawn by the Commerce Department and the Post Office Department, and rather than have that bill passed he reached the conclusion that he would prefer a resolution which simply extended the status quo. I did not make the statement that he drew any such resolution. I said that if this resolution was passed it would comply exactly

to that which he and those who are opposing legislation which will protect the public desire.

Mr. BAILEY. Then, Mr. President, I understand that the Senator does not impute anything to the committee by reason of what he heard in this man's testimony.

Mr. BLACK. As I said, if I had anything to impute to the committee I would do it directly and in plain, unequivocal language so that he who runs can read.

Mr. BAILEY. And he who reads can run.

Mr. BLACK. He might.

Mr. BARBOUR. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BARBOUR. I have listened with a great deal of interest, and certainly with an equal amount of patience, and I just want to be sure that I really understand what the Senator has been telling us at length. As I understand the situation, under the present law the President of the United States, after a certain time, could, if he felt any fraud existed, cancel any or all contracts. That is, he has the authority now to cancel any of these contracts in question if he feels there has been any fraud.

Mr. BLACK. Up to October 31.

Mr. BARBOUR. Now, as I understand the Senator from Alabama, he simply seeks by a single act of Congress to cancel all these contracts after a certain date, whether or not any of them are fraudulent.

Mr. BLACK. No; not whether any are fraudulent or others are not fraudulent. I do it on the ground that the report has been made that all of them are fraudulent.

Mr. BARBOUR. Then willy-nilly, by a flat of legislation, it is the wish of the Senator from Alabama thus out of hand to cancel all these contracts on a certain date?

Mr. BLACK. I do not know about the "willy-nilly" or "flat", but I do know that it is my opinion that when a governmental agency such as the Post Office Department and the committee of the Senate report that they are fraudulent it seems to me that honesty and decency require that they be canceled at the earliest possible moment, because I believe in punishment for fraud. I am opposed to fraud.

Mr. BARBOUR. Mr. President, obviously, we are all opposed to fraud. That, of course, is not the question at all.

Mr. BLACK. I am opposed to fraud. I assume it may be a strange position to take.

Mr. BARBOUR. No; it is not. We all, of course, take the same position.

Mr. BAILEY. Mr. President, will the Senator yield to me once more?

Mr. BLACK. When I have finished answering what the Senator from New Jersey has asked.

Mr. BARBOUR. I now understand the situation, Mr. President. But there is a difference of opinion as to what constitutes fraud and what is not fraud. Whether or not on the basis of fact—not merely opinion—there is or is not fraud.

Mr. BLACK. That may be true. I always thought fraud consisted in taking advantage of somebody by surreptitious means or conspiracy to defraud or something of that kind.

Mr. BARBOUR. The fact remains that the Senator from Alabama feels that all these contracts—and there must be hundreds of them—all over the United States, in respect to probably every port in the United States, involving countless shipping companies and countless citizens—all these contracts are frauds and obtained by fraud. I most certainly cannot agree with the Senator.

Mr. BLACK. And having heard these facts myself, and having also read the Postmaster General's report, after both sides were presented, and represented by counsel, and long and extended hearings, I cannot feel that tender and gentle solicitude for people who I believe have been robbing the Treasury of the United States unfairly.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BAILEY. I simply wish to remark to the Senator by way of an interrogatory: If honesty and decency require the cancelation of these contracts, as the Senator has just said, why may we not trust that cancelation to the great President of the United States? Not one here will say that he would not respond to considerations of honesty and decency.

Mr. BLACK. I agree with the Senator, and I believe he will.

Mr. BAILEY. Then our resolution simply extends the time of his power.

Mr. BLACK. Yes; and places him still in the same position if a law is not passed by next April; while the resolution now offered gives to that same great President whom the Senator mentions and whom I believe will cancel these contracts, because I trust his honesty and his integrity—gives to him an added weapon to obtain a law. He will have not only the desire on the part of myself and the Senator from North Carolina and the Senator from New York and others to get a law but will have back of it then the interests which have been opposing the passage of a law.

Mr. BAILEY. But, Mr. President, the Senator will not deny that his proposal cancels the contracts by the act of Congress, and therefore no longer puts them up to the President's sense of honesty and decency.

Mr. BLACK. I deny that emphatically.

Mr. BAILEY. I am not stating it as the Senator's view. I am stating it as the clear implication of his argument. I do not think that he believes that, but that is what his argument says to me, and I, of course, leave the judgment to the other Senators.

Mr. BLACK. I am sorry I cannot make the Senator see it. I presume it is my inability to express myself clearly, because I know the Senator's keen and logical mind, and I therefore attribute all that to myself. However, knowing what I do about it, I know he is wrong. [Laughter.]

Mr. BAILEY. I am very grateful for the Senator's kindly suggestion. I know that all my shortcomings and those of everyone else may be attributed to him because he has such a great excess of virtue that he could spare a little for the others of us.

Mr. BLACK. I am sorry the Senator does not need any of it. He has a halo, a glorious halo, around his head. It has been there for many years. Far be it from me to attempt to snatch one star from that diadem of holy and honest virtue. Therefore, I return his compliment, and that being concluded I shall now return to the discussion of the issues before the Senate. [Laughter.]

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. COPELAND. The reports referred to by the Senator from the Post Office Department were turned over to the President, were they not?

Mr. BLACK. Yes; they were.

Mr. COPELAND. The Senator received them from the President with a letter?

Mr. BLACK. That is correct.

Mr. COPELAND. So the President has the information?

Mr. BLACK. That is correct.

Mr. COPELAND. May I say that I too have been chairman of an investigating committee this year when Mr. Mitchell made certain charges against the Department of Commerce. I learned then that a committee consisting of representatives from the legal division and from the Comptroller's division of the Commerce Department "combed all the testimony adduced before the Black committee and made reports from time to time. As well as I recall at this time there has only been one case where that committee has located any fraud."

Mr. BLACK. Who said that?

Mr. COPELAND. Mr. Trimble. I respect the Senator as an honest, conscientious man, but it may well be that the conclusions he has reached are not the conclusions which other men might reach. It is very apparent to me that if the President of the United States had believed these contracts were fraudulent he would have canceled them, and that to my mind is self-evident. I cannot agree with the position taken by the Senator from Alabama.

Mr. BLACK. Mr. President, the fact that the contracts have not been canceled up to date, let me repeat, is not the slightest evidence of any kind or character that the President

of the United States does not believe they should be canceled. It is an evidence of the fact that he desired to be cautious. He transmitted a message to the Congress asking for legislation. He has been urging legislation. The Senator from New York will recall that he and I and others were present at a conference with the President with the idea of seeing if some kind of legislation could not be enacted in order that the entire matter might be adjusted.

My proposal is not intended to indicate any distrust of the President. I do not believe it can be fairly construed as such, for the reason that, in my judgment, if the power should be given to the President, some kind of law could be enacted which would relieve us from a state of chaos and confusion. I am confident that he would follow the recommendations of his Postmaster General and cancel the contracts. But it is my belief that he would be better able to accomplish his purpose and secure a law if the Congress should here and now cancel the contracts effective as of a future date.

That is why I made the statement to the Senator from North Carolina, that I did not see how it could be said that my proposal indicated a distrust of the President. What I desire to do is to make it possible to secure action at the earliest possible moment, and at the same time remove any obstacle that may be standing in the way, in whole or in part, of the enactment of legislation. There is a great deal of difference between a situation where everybody wants legislation and a situation where some want legislation. It is my judgment that if these contracts could be canceled effective as of April 1, not only would those who are honestly interested in a merchant marine from a wholly disinterested standpoint, and not from the standpoint of financial benefit, desire to have a law enacted, but also those who have contracts with the Government would be anxious to secure the enactment of legislation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. CLARK. Is not the resolution of the Senator from Alabama actually calculated very greatly to facilitate the enactment into law of the principles set out in the President's message by setting a deadline before which some action must be taken or the contracts be canceled, as against the proposition of leaving the situation in status quo as it is now, so that the President would be faced with the dilemma either of canceling these vicious contracts and leaving the ocean-mail situation without any provision, or else continuing in effect these vicious contracts in toto.

Mr. BLACK. The Senator is correct. It seems to me to be decidedly unfair to place the President up against a situation probably next April if no law shall have been enacted, when he must absolutely decide right then and there, without any law by which his feet may be guided, upon the cancelation of these contracts. I do not believe it to be fair or just to the President of the United States.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BONE. I have not been privileged to hear all of the Senator's argument. I should like to ask what would be the effect of the contracts if they are not automatically canceled by new legislation of the character the Senator now describes? What would be their status after April 1, and would they assume a permanent status if they were not canceled by law?

Mr. BLACK. In my judgment it is the duty of the Comptroller General now to discontinue payments on the contracts. That is one of the reasons why I was willing to forego many views I have with reference to the kind of legislation that should be enacted in an effort to aid in the passage of legislation. I am very anxious that legislation shall be enacted.

The bill which was presented to the Chairman of the Commerce Committee of the Senate as the composite viewpoint of the Post Office Department and the Commerce Department did not represent the views I held. It was in my judgment the best substitute bill that has yet been submitted. I was then and I am now willing to forego my own views on the subject of operating the merchant marine in order to secure the passage of such a bill to protect the interests of the public.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. COPELAND. I may say that the bill referred to by the Senator was presented to the Commerce Committee of the Senate and unanimously rejected. We sent word to the President about it and he sent word back that though he did not have time to go into the matter thoroughly, it seemed to be all right and if the committee approved of it, why not pass it?

Mr. BLACK. The President did not read the bill.

Mr. COPELAND. The President has not endorsed the bill presented here by Mr. West, and the Commerce Committee did not do so.

Mr. BLACK. But the Senator does know that the President had the bill delivered to Mr. West.

Mr. COPELAND. No; I do not know.

Mr. BLACK. And that Mr. West held it until he could find out what was to be done, and that that bill was drawn by these two departments together, at the request of the President.

Mr. COPELAND. I was also told by the Commerce Department that so far as it was concerned, it was a forced agreement.

Mr. BLACK. It may be that the Commerce Department made a forced agreement. If so, I regret very much to hear it, and I should like to know which member of the Commerce Department objected to the bill.

Mr. COPELAND. I will discuss the matter.

Mr. BLACK. Mr. President, I have finished my remarks. I am of the opinion that the best interests of the country, the best interests of the people, the best interests of the President, and the best interests of the merchant marine, require and demand that the substitute be adopted, instead of the original joint resolution; and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Copeland | Logan | Reynolds |
| Ashurst | Costigan | Lonergan | Robinson |
| Austin | Davis | Long | Russell |
| Bachman | Dieterich | McAdoo | Schall |
| Bailey | Donahey | McCarran | Schwellenbach |
| Bankhead | Fletcher | McGill | Sheppard |
| Barbour | Frazier | McKellar | Shipstead |
| Barkley | George | McNary | Smith |
| Black | Gerry | Maloney | Steiwer |
| Bone | Gibson | Metcalf | Thomas, Okla. |
| Borah | Glass | Minton | Thomas, Utah |
| Brown | Gore | Moore | Townsend |
| Bulkley | Guffey | Murphy | Trammell |
| Bulow | Hale | Murray | Truman |
| Burke | Harrison | Neely | Tydings |
| Byrd | Hatch | Norbeck | Vandenberg |
| Byrnes | Hayden | Norris | Van Nuys |
| Capper | Holt | Nye | Wagner |
| Caraway | Johnson | O'Mahoney | Walsh |
| Chavez | King | Overton | Wheeler |
| Clark | La Follette | Pittman | White |
| Connally | Lewis | Radcliffe | |

The PRESIDING OFFICER. Eighty-seven Senators have answered to their names. A quorum is present. The question is on the amendment, in the nature of a substitute, offered by the Senator from Alabama to the joint resolution.

### UNITED STATES TEXAS CENTENNIAL COMMISSION

Mr. CONNALLY. Mr. President, I ask the attention of the Senator from Arkansas [Mr. ROBINSON]. I introduce and ask unanimous consent to take up for passage a joint resolution exempting the employees of the Texas Centennial Commission from the civil service. There are only a few of them, and it will save a great deal of expense. The jobs are temporary.

I ask unanimous consent for the present consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection?

Mr. NORRIS. Let us have the joint resolution read.

The PRESIDING OFFICER. The joint resolution will be read.

The joint resolution (S. J. Res. 178) to authorize the appointment of certain officers and employees of the United States Texas Centennial Commission, without regard to the civil-service laws, was read the first time by its title and the second time at length, as follows:

*Resolved, etc.*, That the Commissioner General of the United States Texas Centennial Commission is authorized to appoint such officers and employees as may be necessary to carry out the provisions of Public Resolution No. 37, Seventy-fourth Congress, without regard to the civil-service laws, and to fix their salaries (except the salaries of the assistant commissioners provided for in section 3 of such public resolution) in accordance with the Classification Act of 1923, as amended.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

### INCOME AND INHERITANCE TAXATION

Mr. METCALF. Mr. President, I ask unanimous consent to have printed in the RECORD the views of the dissenting members of the conference committee on House bill 8974.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

### JOINT STATEMENT BY DISSENTING MEMBERS OF THE CONFERENCE COMMITTEE CONSIDERING H. R. 8974

We have not signed the conference report on the tax bill because we do not wish in any way to be a party to the final enactment of this legislative absurdity.

It is not a revenue bill, and as everybody knows it was never intended to be. The only reason it is before Congress is because the President asked for it, and the only reason it will be passed is because the President wants it passed.

No one can justify the bill. It is significant that neither the House Ways and Means Committee nor the Senate Finance Committee even attempted to do so in their respective reports on the bill. Their silence in this respect is eloquent testimony of the absence of any valid excuse for its enactment.

It has not been possible for the conferees to work out a good bill from either the House or Senate provisions. Their whole effort has been confined to salvaging as many of the President's original suggestions as possible, irrespective of merit, and at the same time they have kept in mind the fact that they must provide at least $250,000,000 of revenue in order to keep the bill from being made any more ridiculous as a tax measure. Under the circumstances it is no wonder that the compromise agreement is unscientific and unsound.

The revenue to be raised would pay the current running expenses of the Government for approximately 11 days, and it is but one-fifteenth of the amount of the deficit for the last fiscal year. Hence it is an absolute joke as a revenue measure.

If it is necessary to come $250,000,000 closer to balancing the Budget, the amount could very readily be realized, without the necessity of imposing further burdensome taxation, by the simple expedient of eliminating some of the unnecessary, wasteful, and extravagant expenditures now being made by the administration.

Perhaps the most objectionable feature of the compromise bill is that providing for a graduated income tax on corporations ranging from 12½ percent to 15 percent, in lieu of the present flat rate of 13¾ percent. This provision is in the bill merely to satisfy a whim of the President. It is unfair and unjust, and violates the principle of ability to pay. Corporations are merely aggregations of individuals, and under the graduated tax the numerous small taxpayers of a large corporation (for example, the 700,000 stockholders in the American Telephone & Telegraph Co.) would have to bear a greater burden than the very wealthy stockholders of smaller corporations. Aside from this fact, any increase in corporation taxes at this time will only add further impediments in the way of business recovery.

Senator JESSE H. METCALF.
Representative ALLEN T. TREADWAY.
Representative ISAAC BACHARACH.

### ORDER FOR RECESS

Mr. ROBINSON. Mr. President, I ask unanimous consent that when the Senate concludes its labors today, it take a recess until 10 o'clock a. m. tomorrow.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

### PERMISSION TO CONFERENCE COMMITTEES TO REPORT

Mr. ROBINSON. Mr. President, I ask unanimous consent that during the recess of the Senate conference committees may be permitted to submit their reports to the Secretary of the Senate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

### NOTICE OF MOTION TO SUSPEND RULES

Mr. KING submitted the following notice of motion to suspend the rules:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 9215) making appropriations for the fiscal year ending June 30, 1936, etc., the following amendment, viz: At the proper place insert the following:

"The Reconstruction Finance Corporation is hereby directed to make loans to domestic producers of wool at the rate of 30 cents per pound, secured by wool stored in warehouses or other places to be approved by said Corporation upon such terms and conditions as shall fully protect the interests of said Corporation and the United States."

### NOTICE OF MOTION TO SUSPEND THE RULES

Mr. BANKHEAD submitted the following notice of motion to suspend the rules:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI, for the purpose of proposing to the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes, the following amendment, viz, at the proper place to insert the following:

"That so much of the last sentence of section 32 of the act entitled 'An act to amend the Agricultural Adjustment Act, and for other purposes' (H. R. 8492, 74th Cong.) as precedes the second proviso is amended to read as follows: 'The amounts appropriated under this section shall be expended for such of the above-specified purposes, and at such times, in such manner, and in such amounts as the Secretary of Agriculture shall prescribe.'"

### WALTER F. NORTHROP

Mr. BARBOUR. Mr. President, I ask unanimous consent for the present consideration of House bill 531, granting compensation to Walter F. Northrop. The bill has passed the House with an amendment reducing the amount from $10,000 to $2,500. I ask unanimous consent to substitute the House bill for my bill, Senate bill 154.

The VICE PRESIDENT. The Senator from New Jersey asks unanimous consent for the present consideration of a bill which will be read by title.

The LEGISLATIVE CLERK. A bill (H. R. 531) granting compensation to Walter F. Northrop.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. KING. Mr. President, will the Senator briefly explain, in a word or two, just what the measure is for?

Mr. BARBOUR. Mr. President, it is quite a long story; but this bill has been passed by the House several times, and I assure the Senator that it is a meritorious case. The full record is in the report which has been submitted heretofore. The amount has been reduced in the House bill from $10,000, which I think was excessive, to $2,500, which completes the matter; and I hope the Senator will withhold any objection to the consideration of the bill.

Mr. KING. Is the bill for compensation for alleged injury?

Mr. BARBOUR. Yes; it is.

Mr. KING. Growing out of what?

Mr. BARBOUR. Growing out of the fact that the claimant was shot by a soldier at Edgewater, N. J.

Mr. KING. I have no objection.

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 to Walter F. Northrop, of Tenafly, N. J., in full settlement of all claims against the Government of the United States for injuries sustained by the said Walter F. Northrop when shot by a soldier at Edgewater, N. J., November 15, 1919: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the

contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

OFFICIAL OR UNOFFICIAL SENATE REPRESENTATIVES ABROAD

Mr. LA FOLLETTE. Mr. President, I submit a resolution, which I ask to have read, printed, and lie on the table.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 198) was read and ordered to lie on the table, as follows:

*Resolved*, That the Senate hereby gives notice that none of its Members has been authorized either directly or indirectly to act as the official or unofficial representative abroad of the Senate or any of its committees.

MENOMINEE TRIBE OF INDIANS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3210) to refer the claim of the Menominee Tribe of Indians to the Court of Claims with the absolute right of appeal to the Supreme Court of the United States, which were, on page 5, line 3, after the word "or" to strike out the word "trial" and insert the word "trials"; on page 8, line 5, to strike out the words "per annum" and insert in lieu thereof the words "for the particular year or years in which maladministration is found"; and on the same page, line 10, after the word "Tribe" to strike out "for each year in which maladministration is found."

Mr. LA FOLLETTE. Mr. President, the amendments adopted by the House to this Senate bill are minor in character. I therefore move that the Senate concur in the House amendments.

The motion was agreed to.

THE WHISPERING CAMPAIGN

Mr. BLACK. Mr. President, a great deal has recently been said concerning the whispering campaign conducted against the President of the United States. During the hearings by the Special Committee to Investigate Lobbying Activities it developed that this plan was conceived by a stockholder of the utility interests. In order that the record may be kept straight and the facts relating to the manner in which this despicable plan was adopted the following is submitted.

On March 28, 1935, Mr. E. P. Cramer, the owner of some utility stock in the Electric Bond & Share Co., a member of the American Federation of Utility Investors, and then engaged in the advertising business, wrote a letter to Mr. C. E. Groesbeck, chairman of such Electric Bond & Share Co., in which, among other things, he said and offered the following suggestions, which suggestions, as will more fully appear, were carried out and adopted:

DEAR MR. GROESBECK: As a stockholder in Electric Bond & Share Co. I should like to suggest that our officers and directors take the leadership in assisting our stockholders to organize for the purpose of enrolling a substantial majority not only of the utility security owners but also of the owners of railroad and industrial securities into an association—not only for effective protection against political attack but also for destruction of the new deal, which is the motivating force behind the attack—not only for opposing and destroying the new deal but also for presenting a constructive national program to take its place.

You have more than once suggested that stockholders join the American Federation of Utility Investors. The other day I read an item saying that 1,200 utility stockholders held a mass meeting in Oil City, Pa., protesting the Rayburn bill and organizing the Security Holders Protective Association. I have seen numerous suggestions for such organization, and I believe other protective associations have been formed. * * *

Among the things I conceive it possible for such an organization to accomplish are: * * *.

3. A whispering campaign designed to create popular suspicion that the "new dealers", and especially the "New Dealer in Chief" are either incompetent or insane, discrediting them in the same way that Michaelson so successfully discredited Hoover. * * *

6. Support, in 1936 political campaign, of Presidential and congressional candidates, regardless of party, who pledge themselves to support the program of the security owners' organization. * * *

In suggesting that our officers and directors act to start the ball rolling I am not unmindful of the fact that the company, as a company, dare not be identified with the activity. Ways to meet this requirement will readily suggest themselves to you.

On August 1, 1935, Mr. E. P. Cramer appeared before the committee and I copy below some excerpts from his testimony which will clearly indicate how and where the whispering campaign against the President originated.

The CHAIRMAN. Are you connected with any association of stockholders or other people?

Mr. CRAMER. Yes, sir.

The CHAIRMAN. What is the name of the association?

Mr. CRAMER. American Federation of Utility Investors.

The CHAIRMAN. Did anyone suggest to you in writing that you join that association?

Mr. CRAMER. I believe that the Electric Bond & Share Co., in which I am a stockholder, made that suggestion.

The CHAIRMAN. Electric Bond & Share Co.?

Mr. CRAMER. Some 2 years ago a printed slip, I believe, was enclosed with the report to the stockholders suggesting that they believed this organization was a desirable one to protect the interests of the stockholders. * * *

The CHAIRMAN. You have been to the office of the Electric Bond & Share Co. in New York, have you not?

Mr. CRAMER. Yes, sir.

The CHAIRMAN. When was the last time you were there?

Mr. CRAMER. I suppose a month or 6 weeks ago.

The CHAIRMAN. Whom did you see while you were there?

Mr. CRAMER. Mr. Walker, assistant to Mr. Groesbeck.

The CHAIRMAN. How long had you known Mr. Walker?

Mr. CRAMER. I did not know him before that moment.

The CHAIRMAN. Was that the only time you ever met him?

Mr. CRAMER. That is right.

The CHAIRMAN. Did you discuss with him at that time a plan with reference to defeating or attempting to defeat the Wheeler-Rayburn bill?

Mr. CRAMER. Not precisely.

The CHAIRMAN. What was your discussion?

Mr. CRAMER. It was pertaining to ways and means of not merely fighting the Wheeler-Rayburn bill but also fighting the competition by the Government with certain subsidiary properties of the company.

The CHAIRMAN. You mean the T. V. A.?

Mr. CRAMER. Yes. And others in prospect.

The CHAIRMAN. What others now in prospect?

Mr. CRAMER. There are other water-power projects which will eventually be developed. Some of the utilities out West, I understand, are at the moment receiving quite a large increase in business in power, which power is being used to construct hydroelectric developments which will later compete with them.

The CHAIRMAN. You did not simply confine the discussion to power with Mr. Walker, did you?

Mr. CRAMER. No.

The CHAIRMAN. You discussed in general the opposition to all of the so-called "new deal" program?

Mr. CRAMER. That is right.

The CHAIRMAN. And you went into details with him and he went into details with you as to the best method of defeating the entire program, did you not?

Mr. CRAMER. Well, in general; but more precisely those phases of it which we considered to be inimical to our interests. * * *

The CHAIRMAN. And he approved the plan which you had in general, did he not?

Mr. CRAMER. Well, he thought it was a good idea if it could be put into effect. * * *

The CHAIRMAN. Let us see about some other things. Here is another suggestion:

Engage an outstanding national figure such as Nicholas Murray Butler, Edwin S. Kemmerer, James M. Beck, or Newton D. Baker.

You suggested that, did you not?

Mr CRAMER. That is right.

The CHAIRMAN. As a matter of fact, you know that has been done, do you not, that both Mr. Beck and Mr. Baker have been employed?

Mr. CRAMER They have been employed by the Edison Electric Institute.

The CHAIRMAN. The Commonwealth & Southern and the Electric Bond & Share Co. contribute to the Edison Electric Institute, do they not?

Mr. CRAMER. I suppose they did.

The CHAIRMAN. And Mr. Groesbeck is one of the trustees, is he not?

Mr. CRAMER. I don't know.

The CHAIRMAN. You knew that they employed him and paid him $35,000, did you not?

Mr. CRAMER. I knew that they had employed him.

The CHAIRMAN. And you suggested that away back in March, did you not?

Mr. CRAMER. Well, not exactly. I merely mentioned it as examples of men of the caliber who, I believe, could be depended upon to give wise counsel and sound leadership. * * *

The CHAIRMAN. Do you remember reading the article by Mr. Paul Mallon about the whispering campaign against the President?

Mr. CRAMER. I don't know that I do off-hand.

The CHAIRMAN. Do you not remember several weeks ago when there appeared an article on the front page of practically all the papers of this country stating that the President in an interview had been asked if his health was good and if he was all right?

Mr. CRAMER. Yes.

The CHAIRMAN. You remember that, do you not?

Mr. CRAMER. Yes.

The CHAIRMAN. And do you remember reading in the paper that that was done because there was a whispering campaign all over the Nation against the President? You read that, did you not?

Mr. CRAMER. Yes.

The CHAIRMAN. You knew about that whispering campaign months before, did you not?

Mr. CRAMER. No.

The CHAIRMAN. You were the man that suggested that whispering campaign be started attacking the President, are you not?

Mr. CRAMER. No, sir.

The CHAIRMAN. Do you deny that?

Mr. CRAMER. Sure.

The CHAIRMAN. Do you deny that you suggested that a whispering campaign be started by the power companies to try to convince the people of the United States that the President was insane? Do you deny that?

Mr. CRAMER. I deny that in the way that you mention it.

The CHAIRMAN. Did you not suggest the words "whispering campaign" in quotations?

Mr. CRAMER. I included that as among the various subjects worthy of discussion.

The CHAIRMAN. Did you not include the idea back in March that a whispering campaign be started against the President of the United States to try to convince the people of this Nation that he was insane?

Mr. CRAMER. I don't recall that.

The CHAIRMAN. Did you not also suggest that they try to convince the people that the so-called "brain trusters" were insane and that there should be a congressional investigation?

Mr. CRAMER. I recall suggesting the congressional investigation.

The CHAIRMAN. And did you not go and discuss these suggestions and plans in the head offices of the Electric Bond & Share Co. in the city of New York with Mr. Groesbeck's assistant?

Mr. CRAMER. Well, not in that detail.

The CHAIRMAN. You set it out in detail in your letter, did you not?

Mr. CRAMER. Yes, sir.

The CHAIRMAN. And you suggested that this whispering campaign be started, did you not?

Mr. CRAMER. I suggested that that was one of the subjects that might be considered.

The CHAIRMAN. And you know that it has been done, do you not?

Mr. CRAMER. I know that such a campaign has appeared.

The CHAIRMAN. Now, may I ask you if you did not use this language? Here is one of the suggestions:

A congressional investigation of the "brain trust" legislative "factory" designed to expose it to public resentment.

Mr. CRAMER. Yes, sir.

The CHAIRMAN. You suggested that, did you not?

Mr. CRAMER. Yes, sir.

The CHAIRMAN. Next:

"A whispering campaign designed to create popular suspicion that the 'new dealers' and especially the 'New Dealer in Chief' are either incompetent or insane, discrediting them in the same way that Michaelson so successfully discredited Hoover."

Did you not suggest that?

Mr. CRAMER. I suggested that as one of the things to be considered.

The CHAIRMAN. And you know as a matter of fact that, following that suggestion, there was a whispering campaign started to try to convince the people of this country that the President was both physically and mentally weak, do you not?

Mr. CRAMER. I know that such a campaign appeared; yes.

The CHAIRMAN. And you know that you discussed it with people yourself, did you not?

Mr. CRAMER. Not specifically. Merely as part of that letter.

The CHAIRMAN. Do you deny that you discussed with people in Plainfield, N. J., and raised the question there as to the President and his physical and mental condition?

Mr. CRAMER. Yes. I did not do that——

The CHAIRMAN (interposing). Why did you suggest that it be done?

Mr. CRAMER. I merely suggested that that was one of the things to be considered. It was done in the previous administration.

The CHAIRMAN. And then after you suggested it and sent this letter to the chairman of the board of the Electric Bond & Share Co., suggesting this whispering campaign to try to convince the people of this Nation that their President was crazy, they asked you to come and see them, did they not?

Mr. CRAMER. No; I do not believe they did. I think that I went in to see them.

The CHAIRMAN. Did you not get a letter from them?

Mr. CRAMER. Yes; I got a letter acknowledging my letter, but not suggesting that I come to see them.

The CHAIRMAN. What did they tell you?

Mr. CRAMER. They said that they would write me about it a little bit later. A few days later I happened to be in New York and went up to their office. * * *

The CHAIRMAN. You read in Time about this whispering campaign that they had started against the President, did you not?

Mr. CRAMER. Yes, sir; I think I did.

The CHAIRMAN. Let us see what this whispering campaign seems to have been, according to them. You read this:

"For a fortnight Washington correspondents have been plagued by queries from editors and publishers back home. All queries began alike: 'Is the story true that * * * ?' The stories also had one central theme: Franklin Roosevelt was on the verge of a collapse, physical, mental, or both. He had, according to the tales roaring through the country in whispers, grown mentally irresponsible."

That was exactly the kind of campaign that you suggested, was it not? Look at this and see if it was not.

Mr. CRAMER. Yes; that is one of the things.

The CHAIRMAN. That is one of the things you suggested. And that is one of the things you suggested to Mr. Walker or Mr. Groesbeck in the letter?

Mr. CRAMER. Well, it is just one of many things.

The CHAIRMAN. I understand it is one of many things. You noticed that shortly after you made that suggestion, you began to hear about this, did you not?

Mr. CRAMER. I don't think it was very shortly.

The CHAIRMAN. It was not long, was it?

Mr. CRAMER. It seems to me it was just recently.

The CHAIRMAN. It was not long, was it, after you went up to see Mr. Walker?

Mr. CRAMER. No; I don't think it was.

The CHAIRMAN. And it was certainly before July 22. Had you seen the President of the United States?

Mr. CRAMER. No.

The CHAIRMAN. How long since you saw him?

Mr. CRAMER. I don't know that I ever did.

The CHAIRMAN. You have never seen him? Had you seen anybody that had seen the President of the United States when you suggested a whispering campaign?

Mr. CRAMER. No.

The CHAIRMAN. To try to condemn him as an insane man?

Mr. CRAMER. Not that I know of.

The CHAIRMAN. You did not think any such thing was true, did you, and if so, on what basis?

Mr. CRAMER. Well, I think that there is something wrong somewhere. I don't know what it is.

The CHAIRMAN. On what basis?

Mr. CRAMER. There is so much confusion.

The CHAIRMAN. So much confusion. Do you claim——

Mr. CRAMER (interrupting). Cross-purposes.

The CHAIRMAN. Do you claim that you had any basis on earth to try to circulate a report to the people of the United States that their President was insane, and if so give it now?

Mr. CRAMER. No; none whatever.

The CHAIRMAN. None whatever. You knew it was false, did you not? So far as you knew, it was false, was it not?

Mr. CRAMER. [No answer.]

The CHAIRMAN. That is true, is it not?

Mr. CRAMER. Well, I don't know.

The CHAIRMAN. Had you heard any doctor make any such statement?

Mr. CRAMER. No; certainly not.

The CHAIRMAN. As a matter of fact, you intended it to be just what it is here, a pure fabrication, did you not?

Mr. CRAMER. I intended it to be analogous to the campaign against Mr. Hoover.

The CHAIRMAN. I see. Now, will you read this, please? You intended it to be a pure fabrication, did you not, Mr. Cramer, because you had no evidence on earth to support any such statement, did you?

Mr. CRAMER. No.

The CHAIRMAN. And you did not know of any, did you?

Mr. CRAMER. No. I would like to read you, if I may, the last paragraph or two of this letter. May I do that?

The CHAIRMAN. All right. Read that too.

Mr. CRAMER (reading):

"The foregoing is not intended as a finished, perfected plan but as something definite to serve as a basis for discussion out of which a successful plan may be evolved."

Now, then, in connection with that subject which you have been——

The CHAIRMAN (interposing). Read the last paragraph now.

Mr. CRAMER (reading):

"In suggesting that our officers and directors act to start the ball rolling, I am not unmindful of the fact that the company, as a company, dare not be identified with the activity. Ways to meet this requirement will readily suggest themselves to you."

The CHAIRMAN. Now, may I show you a letter that came to me on May 22 from Alabama along with others of a similar kind? The Alabama Power Co. is located in Alabama, and that is a subsidiary of the Commonwealth & Southern. Will you read that first paragraph, please, into the record? [Handing paper to witness.]

Mr. CRAMER (examining paper). The first paragraph?

The CHAIRMAN. Yes.

Mr. CRAMER (reading):

"I have not written you before about the Wheeler-Rayburn bill because I did not think that any sane man would ever approve anything so drastic and destructive as this bill seems to be."

The CHAIRMAN. You read there the last paragraph in which you stated to them that the company could not afford to be in it. Why did you tell them that?

Mr. CRAMER. Because all utility companies, in my opinion, are unpopular with the public.

The CHAIRMAN. The object of it was that you knew that anybody that started a campaign against the President—of course, you did not anticipate anybody would ever find out that suggestion, did you? You did not think anybody would ever discover that when you wrote it?

Mr. CRAMER. No; I did not give that any consideration; no, sir. I might add, too, that I have been criticized for that, and I agree that the criticism was just. * * *

Senator SCHWELLENBACH. It was your idea when you made the suggestion of this campaign that only sound and constructive suggestions and methods should be used?

Mr. CRAMER. That is right.

Senator SCHWELLENBACH. And you considered that carrying on an unwarranted falsely malicious whispering campaign to convince the people of this country that their President was insane was a sound and constructive method?

Mr. CRAMER. No, sir; I do not. To elaborate on that, as I said before, these various suggestions were made purely for discussion.

Senator SCHWELLENBACH. Well, they worked out.

## OCEAN MAIL CONTRACTS

The Senate resumed the consideration of the joint resolution (S. J. Res. 175) to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934.

The VICE PRESIDENT. The question is on the amendment in the nature of a substitute offered by the Senator from Alabama [Mr. BLACK].

Mr. COPELAND. Mr. President, I shall not speak more than 3 or 4 minutes in reply to what the Senator from Alabama has said. He has spoken about a lobby, and I assume that the fact that he is investigating lobbies is the cause of his going into the matter of a possible ship lobby.

I have had made a list of persons who have come to me in connection with the ship-subsidy bill. I want it to be known by all men that my door is open to anyone who wants to come to me to give me what he regards as important information. I can trust myself; and, in the last analysis, I am going to decide for myself whether or not the alleged information brought in is good information and worth while.

I find that I have had visits from nearly 40 persons in regard to this matter. I find that of these 11 were representatives of persons holding mail contracts, 20 were those not interested in mail contracts, but interested in shipping, 6 of them were labor groups, to argue about the various seamen provisions of the joint resolution.

Mr. President, this is not the time or place to pay respects to the shipowners. I am just as critical of them as is the Senator from Alabama. They have an annual national convention here in Washington the last of December every year, and the theme of my remarks to them has always been embodied in this question addressed to them: "Why do you not agree on some general principle and attempt to operate your business on a standard which will make an appeal to all concerned, particularly to those who legislate?"

There are just as many opinions in the shipowners' industry as there are shipowners. A concerted lobby on their part is as impossible as it is to get the inmates of a lunatic asylum to agree together on anything. The reason why one guard in a lunatic asylum can take care of 20 inmates is because the 20 inmates never agree.

What I am saying is from the heart; it is disagreeable, perhaps, but the shipping industry of this country is largely responsible for its own sad condition, and it is a sad condition.

Mr. President, I want an American merchant marine, and so does the Senator from Alabama. We do not agree at all as to how such a merchant marine can be established. It is my honest conviction that the Jones-White Act, if it had been honestly and efficiently administered from the beginning, would have given us an efficient merchant marine.

I have no apology to offer for any shipowner or company which might have gone to those in authority in order to secure a contract which was not in the public interest. I am not interested in that; that is all water over the mill. The question now is, What shall we do to obtain an efficient American merchant marine?

Mr. WALSH. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. WALSH. Unfortunately, some of us have been absent from the Chamber, engaged in committee work. Will not the Senator very briefly and concisely state what the issue is between himself and the Senator from Alabama?

Mr. COPELAND. In the independent offices appropriation bill of 1934 a provision was inserted to this effect:

The President is hereby, upon giving 60 days' notice and opportunity for public hearing to parties to such contracts, authorized, in his discretion, on or before April 30, 1935, to modify or cancel such contracts.

The President must determine whether or not it is in the public interest.

Mr. WALSH. Did the President act under that provision of law?

Mr. COPELAND. He did not.

Mr. WALSH. So he canceled no contracts?

Mr. COPELAND. The contracts have not been canceled.

Mr. WALSH. The contractors have proceeded as if the law had not been passed?

Mr. COPELAND. That is correct.

Mr. WALSH. What is the proposal now?

Mr. COPELAND. Just one step, and I will state the proposal.

On the 4th of March last the President sent a message to us asking for the passage of a ship-subsidy bill.

Mr. WALSH. I recall that.

Mr. COPELAND. That was on the 4th of March. I received almost immediately a letter from the Postmaster General saying that on the 30th of April this provision of law to which I have just referred would take effect, and these contracts would be canceled or modified unless they were in the public interest.

Mr. WALSH. Who gave that intimation to the Senator?

Mr. COPELAND. The Postmaster General. I went to the President and told him it would not be possible even to prepare a bill by the 30th of April, let alone pass one, and certainly the events of the last few weeks have vindicated the truth of what I said. We suggested the question about continuing this matter, advancing the date. The President asked me what I thought about the date, and I suggested a year's advance.

Mr. WALSH. One year?

Mr. COPELAND. One year. That was last April. He said, "Congress will be in session until August and you will have plenty of time to pass the bill. If you have not time, then it can be continued another 6 months."

The information I have from the President now is that he would like to have this done, and continue the contracts until the 30th of next April.

Mr. WALSH. And the Senator's proposal is to do that?

Mr. COPELAND. That is what my joint resolution provides. The Senator from Alabama proposes to continue the contracts in force until the last day of March next, and then that all of them shall be canceled.

Mr. WALSH. In other words, the proposal of the Senator from Alabama is to take away the discretionary power which the President will have under the Senator's joint resolution, to cancel the contracts if he sees fit to cancel them?

Mr. COPELAND. Not alone the discretionary power the President will have but that which he now has. He could have brought about cancelation at any time up to this date, and up to the 31st of October he can bring about cancelation and modification.

Mr. WALSH. What is the position of the Postmaster General? Is it the same as the President's?

Mr. COPELAND. I do not know what his position is, but officials of his Department would like to cancel the contracts tomorrow morning at sunrise, because these payments under the contracts are a charge against the Post Office Department, and an unfair charge. It means putting the Department in the red all the time, and, of course, it wants to get out. I do not blame it for that.

Mr. WALSH. I take it the Senator contends that he is advocating a course of action which the administration desires?

Mr. COPELAND. Yes.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BLACK. I do not accept the statement that the administration desires the joint resolution, unless the administration sends a message to the Senate to that effect.

Mr. COPELAND. I will say to the Senator from Massachusetts that it is my understanding that the President wants it.

Mr. WALSH. Has the Senator drawn that conclusion as the result of a conversation which he has had with the President?

Mr. COPELAND. From conversation I had with the President some months ago and information brought to me by the Secretary of Commerce this morning.

Mr. BLACK. Since that statement has been made based upon conversations, I want to state that I am compelled to stand by my statement that unless the President sent a message here personally, I would not accept that as his desire, although even if he sent such a message I would still believe that he should not have done so. I am not questioning the Senator's construction at all.

Mr. WALSH. But it is significant that the Senator from New York states that this morning the Secretary of Commerce indicated that this proposition was approved.

Mr. BLACK. I do not make any question as to the Secretary of Commerce. That is quite a different matter.

Mr. COPELAND. What I said was that the Secretary of Commerce said that the President believed that.

By the same token that the Senator from Alabama is not sure whether anybody can bring any message which is authentic, I want to say to the Senator from Alabama that there have been three bills handed to me—and one of them in the presence of the Senator from Alabama on Monday of this week—which were said to be administration bills, and when I investigated I did not find that to be the fact.

Mr. President, the Senator from Alabama talks about Mr. Ira Campbell. Mr. Ira Campbell was around my office all day yesterday, and I had a telegram from him this morning. Why did he want to see me? To have this resolution passed? No! He did not want passed the owners' liability bill, which was passed by the Senate last night, thank God—a limited liability measure designed to give protection to people at sea. He was here yesterday arguing with me by the hour against that bill, and I had a telegram this morning from him when he did not know that it had already been passed.

Mr. WALSH. Mr. President, who is the gentleman to whom the Senator has just referred? What is his occupation and business, and what is his connection with this measure?

Mr. COPELAND. His name was used extensively by the Senator from Alabama. He is the attorney of the International Mercantile Marine and of Lykes Bros.

Mr. WALSH. He is opposed to the Senator's proposition?

Mr. COPELAND. No; not to my proposition. The Senator from Alabama makes the great point that he is in favor of my proposition.

Mr. BLACK. He is opposed to my proposition.

Mr. COPELAND. He is opposed to the proposition of the Senator from Alabama, and the Senator reaches the conclusion, therefore, that on this particular matter Mr. Campbell is wrong. He may be on a great many others, but so far as supporting my resolution is concerned, I am with him 100 percent, and my committee unanimously supported me in the position which I am taking and in the presentation of this proposal.

Mr. President, I want a ship-subsidy bill. The Senator from Alabama wants one. And I hope that we may get one before this session shall be concluded. So far as I am concerned, I am willing to serve notice now on the shipowners of America that we need their help and suggestions, but I am not going to be one to help coddle them along indefinitely. I think we ought to have a ship-subsidy bill. I think the President has presented us a fine program; and if the Senator from Alabama will cooperate with us in the Commerce Committee, we will try to bring to the Senate a bill which will be worth while.

I think we have one now which might well be passed at this very minute, but the Senate is not in the mood for that. However, I hope, Mr. President, that there will be no inference indulged that here is a situation where the President should have acted.

Furthermore, so far as I am concerned, while I am not a lawyer, I believe that a number of these contracts are in the public interest, and from what lawyers tell me there are a good many of them which could not possibly be canceled in the manner proposed by the Senator from Alabama, which is pretty crude and pretty cruel.

The question is, are we ready to cut off and to abrogate contracts solemnly entered upon and to shut the door on the 1st day of April and say, "This is the end of American shipping so far as these contracts are concerned." I am not willing to have that done, and I ask the Senate to vote down the substitute of the Senator from Alabama and to permit us to go forward in orderly fashion to bring here a ship-subsidy bill which may be enacted into law.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. The Senator a moment ago, as I understood him, made the statement that the joint resolution had the unanimous support of the Commerce Committee. I understand that the joint resolution was reported out yesterday morning, and so far as I know by unanimous vote of those who were present at the committee meeting. I arrived, but the committee meeting had adjourned. I had previously attended a meeting of the Finance Committee. I have no objection to the statement, if it be true, that the joint resolution was reported by the unanimous vote of those who were present, but I certainly would not like the statement to go out that it had the unanimous support of the Commerce Committee, though, so far as I am concerned, I do not ever intend to vote for a ship-subsidy measure.

Mr. COPELAND. I was not talking about the ship-subsidy bill. I was talking about the joint resolution, and I think the Senator from Missouri told me yesterday that he was not particularly opposed to it.

Mr. CLARK. I told the Senator from New York that I was in favor of the substitute of the Senator from Alabama.

Mr. COPELAND. Anyway, on the motion of the Senator from Michigan [Mr. VANDENBERG], seconded by the Senator from California [Mr. JOHNSON], the committee, at a largely attended meeting and the most enthusiastic and best meeting of the committee we have had this year, it was voted by every member present to report the joint resolution, and I brought it here by the order of the committee.

Mr. CLARK. Mr. President, I am not challenging the statement of the Senator from New York that he had the right to report the joint resolution, and by the unanimous action of the committee members present, but I do not wish it to appear in the RECORD that it had the unanimous support of the members of the Commerce Committee, because I very much prefer the substitute measure of the Senator from Alabama.

There seems to me to be a very essential difference between the joint resolution and the amendment of the Senator from Alabama. In the one case these contracts are perpetuated and continued until April 1, 1936, on which date there will still exist the same situation which exists today, if the shipping interests desire to combine as they have combined in the last 2 weeks to compel any effort to rectify the situation along the line of the President's message. Under the Black proposal, on the contrary, a deadline is set on which these contracts will be wiped out and canceled unless Congress, with the concurrence of the President, shall have seen fit in the meantime to take steps to enact legislation to carry out the purposes of the President's message. And the difference seems to me to be a very essential one.

In the one case the President is left in just as embarrassing a position as he is in now, wherein he either has to cancel the contracts outright and wipe out the mail service, which he holds to be very essential, or he has to permit the present contracts to continue with all the vices which have been pointed out.

In the other case a deadline is set which compels all who are concerned about the perpetuation of the ocean mail

service under reasonable conditions to get together and work out legislation to that end. It seems to me there is a very essential difference.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. BLACK. I desire to state that since I spoke a little while ago my attention has been called to the fact, though I have not found the particular section that the United States Code provides, that all mail contracts shall carry a provision that they may be canceled by Congress. In other words, the power is given to Congress to cancel the contracts.

Mr. CLARK. Certainly, nothing is more clear than the fact that the determination of ordinary, honest, fair treatment of the Government and the taxpayers of the United States is the business of Congress. Congress has no right to put the President of the United States in such a situation as is proposed. It is the duty of Congress to determine this as a matter of policy. Congress should exercise its function instead of hiding behind the substitute that the President may have discretion to do whatever he pleases when he has no real discretion.

FRAUDULENT STEAMSHIP CONTRACTS

Mr. LONG. Mr. President, I want to compliment my friend the Senator from Missouri [Mr. CLARK] and my friend the Senator from Alabama [Mr. BLACK] on the stand they have taken in this matter. Unfortunately we cannot get any help from a partisan division in this case. When it is desired to distribute something that is to the financial interest of prominent Democrats, the help of the other side is obtained on partisan grounds. When it is desired to distribute something that is to the interest of a financial set of Republicans, the help of enough Democrats can be obtained to start the ball rolling. Unfortunately this happens to be a case in which my friend from Alabama is bucking a very hard game.

This infamous fraud and scandal, the like of which has never previously existed and for which there is no kind of defense, was conceived and executed under a Republican administration and very aptly continued under a Democratic administration through very clever maneuvering.

I wish to recall to the Senate the 28th day of February 1933, a few days before Mr. Franklin Roosevelt was inaugurated, when it was brought out on the floor of the Senate that these fraudulent contracts were in force, and that methods were then being studied for the purpose of alleviating whatever the condition may have been in order that these frauds might continue under the Democratic administration. Those who are concerned, in order that they may know the Senator from Alabama [Mr. BLACK] has not run onto any new matter, may read the CONGRESSIONAL RECORD of February 28, 1933, beginning at page 5200 and going to page 5233 et sequitur.

Mr. President, if I may take a little of the time of the Senate, I want to say that a year and 3 or 4 months ago, probably 16 months ago, a gentleman came to my office, who said, "An investigation is being made into the ocean mail situation. There are certain documents which have arrived in envelops and in other portfolios which will not be investigated and will not be considered by the committee for some months yet to come." He said, "I want you to get hold of those documents, if you can, and keep certain ones about which I will tell you, because if they are inserted in the record today, no doubt when they come up for proper investigation there will be other matters to excite the attention of the committee, and they will be very important."

There and then this man outlined to me how this gigantic fraud had been perpetrated. Finally, I said to the man, "What is your name?" He said, "I prefer not to give you my name. I am prominently connected with a department of the United States. I know these facts. I want you to get the facts." I said, "Just a moment. You will have to give me your name. I shall not divulge your name, but I should like to know your name."

He gave me his name. He accompanied me into the special committee room where the committee investigating ocean mail contracts at the time was holding its hearings, or the room next to it. There and then I dug up some of the documents, not all of them but a few, to which the Senator from Alabama has referred this afternoon. There and then I went back and discussed this matter with the man who is yet in the employ of the United States Government. He outlined to me how they had organized this fraud to bilk the United States Government out of millions and millions of dollars, how they were continuing it at that time, and how they were at the proper time going to try to exert such influence that the Black Committee would never bring the matter to the floor of the United States Senate.

I came to the floor of the Senate and made an exposure, such as I could, covering a period of some 3 hours, reading these documents. What did they show? One of them, extracted from a file obtained in Philadelphia, was a memorandum or telegram or letter, I cannot remember just which at this time. Whether it was true or whether it was false, there were extracted from the files certain notes which Mr. Kermit Roosevelt had sent from the *Nourmahal* while he was temporarily off the *Nourmahal*, in which he said, "We have the party in hand", or something to that effect.

The committee sent for Mr. Roosevelt and Mr. Astor, and they denied having sent that message after it had been offered on the floor of the United States Senate. I think I was the first one publicly to offer it, but I was indebted to the committee for having found the document.

At a later date the whole matter began to stir, as it had been threatening to do, and the final wind-up was that the very persons who had made these contracts for Hoover were continued in authority under the present administration a sufficient length of time to make these things more or less permanent.

What has been developed? This is one of the kind of cases we are going to take to the people of the United States if the Congress does not correct it. This is one of the kind of cases we are going to take, with the letters and the figures, to show that this spearhead of corruption and rottenness and public thievery and crookedness from the ground up has been permitted by both of the parties for the last 6 years. There is not a man living who will take the time to read who can deny that a fraud, a steal, a rampant swindle has been inflicted on the United States Government. It is so damnably crooked, so rotten, so perfidious, that it smells to heaven, and no man can go through the hearings and excuse himself for helping to continue it for a minute.

One of these men put up $500. One of them in on this skin game, this swindle, this fraud, this crooked, rotten outfit that is being continued today and was started under Hoover, put up the magnificent sum of $500 as his part to get the Government's contract. How much did he take out? My recollection is that his profits out of his investment of $500 were $4,900,000. The Government paid him that sum in clear profits above all expenses after having deducted, my recollection is, $2,100,000 for certain items of depreciation and other expenses which were more or less capital assets.

In another case referred to by the Senator from Alabama [Mr. BLACK] this afternoon Lykes Bros. of Florida were supposed to put up $110,000. They did not put up $110,000. If Senators will investigate the contracts they will find they were not obligated to put up $110,000. But if they did put up $110,000 they drew down $6,250,000 of clear profits from what was supposed to have been an investment of $110,000, though it never was and never could have been an investment of $110,000.

There was also the Roosevelt Steamship Co. The Roosevelt Steamship Co. was a concern owned by Mr. Kermit Roosevelt and by Mr. Franklin, I believe. It was a subsidiary corporation of the International Merchant Marine. They had a contract under which they invested practically nothing. They made profits perhaps not so enormous on their face as the particular companies to which I have just referred, but outlandish profits, nevertheless, on contracts which practically bound them to do nothing, and when we finally got down to what the investment was, we found they

had put it up out of the immense subsidies which had been granted to them by the Government.

How were the contracts granted to them? They were granted to them by the most publicly fraudulent activities that could possibly have occurred. They not only were in collusion, they not only admitted the collusion, but they alleged that they had to have collusion; they alleged that they had agreed to bilk and loot the Treasury of the United States Government. The parties and persons and boards through whom they were to go to loot the Treasury of the United States Government were there and then set out and named and determined, and when they finally reached the entire situation and there had to be a change of administration, they saw to it that their activities were approved, and they had retained in office the gentleman at the head of the Shipping Board until this matter could be made permanent and could not be interfered with.

I have no doubt how the joint resolution will be disposed of. I know this matter has not a chance on God's earth to be voted any other way than according to what my friend the Senator from New York has brought here. I know that the Senator from Alabama will fail to win with his substitute resolution, though I am going to vote for it. Nevertheless I know he will fail to win.

Mr. President, the senior Senator from New York [Mr. COPELAND] is not in the Chamber at this time. I should like to have him here. I have a proposition to submit. He said the President of the United States wants his resolution and does not want the Black resolution. I want to get that in the RECORD. I make the proposition that he cannot get the President of the United States to send a message or a letter to the Congress that he wants any such thing. I am willing to wager he cannot get it to save his life.

I want the President of the United States to put his name on the dotted line this time. Let us find out if he is for the pending joint resolution. I make the proposition that the Senator from New York cannot get a letter or message sent here by the President of the United States against the Black resolution or in favor of the resolution the Senator from New York is backing.

I want that to be heard by the Senator from New York. I hope someone will recall him to the Chamber. I want him to hear this. He is a very good friend of mine. I am not in the position of the Senator from Alabama [Mr. BLACK]. I am a little bit outside of the breastworks and can talk a bit like I want to, but I would not talk differently anyway.

I make the proposition that the President of the United States will not send anything here stating that he is in favor of the resolution in charge of the Senator from New York. I am a good enough politician to tell the Senate that he is not going to do that. He never has done it. Perhaps I am wrong about it. The Senator from New York said his joint resolution is favored by the President of the United States. It will not make any difference with me whether it is or not. I do not care whether the President favors it or not. I would not vote for it; but I make the proposition that the Senator from New York cannot get the President of the United States to say any such thing. I should like to have the misunderstanding cleared up.

Mr. President, my friend the Senator from New York has just entered the Chamber. As I understood him, replying to my friend from Massachusetts [Mr. WALSH], the Senator from New York indicated that he was under the impression that his resolution is favored by the President. May I inquire of the Senator from New York if that is his impression?

Mr. COPELAND. It is.

Mr. LONG. Would I be asking too much—and if I am, I shall withdraw my question—if I should inquire just how the Senator gets that idea?

Mr. COPELAND. I think I hardly need be put on the witness stand.

Mr. LONG. I know that. The Senator and I are good friends. I am just a poor man from down in the backwoods of Louisiana. I want to get the situation straight.

I make the suggestion that we hold this matter open until morning. It is now 7 o'clock. If no one else wants to make a speech about it, I suggest that we postpone it until morning. I suggest to my good friend from New York that the President of the United States can wind up this argument by sending a message here that he is in favor of the resolution in charge of the Senator from New York and opposed to the substitute resolution of the Senator from Alabama. I make the proposition to the Senator from New York that the President will not send here any such message as that, nor will he even give the Senator a letter to that effect. I should like to see this tested out.

The Senator from New York takes the position that the President wants his resolution passed. The Senator from North Carolina [Mr. BAILEY] takes the position, I think without justification at all, that the attitude of the Senator from Alabama [Mr. BLACK] reflects upon the attitude of the President. I do not agree with either one of them. I should like to have the President state his position in this matter. There has been much talk about it. We ought to know all about it. I make the assertion that if the situation is presented to Mr. Roosevelt that the United States Senate is waiting for him to say in writing beyond any question of doubt whether he favors this proposition, no one will ever get a line out of him to the Senate of the United States that he is in favor of the Copeland resolution. That is so, if I know what I am talking about. I do not know just what his position is, of course, because the Senator well knows that I am not particularly in the confidence of the President at this time.

Mr. COPELAND. Let me say a word. Really, what difference does it make? The question is this:

If we should adopt the joint resolution of the Senator from Alabama, on the 31st of March all the ships which are now being paid for on the installment plan would be on the hands of the Government again, and we would have Government ownership and control, just as we had before. Two or three lines would survive. The United Fruit Line would survive and the Grace Line would survive, and perhaps the I. M. M. would survive; but the great majority of the lines would be gone "up the spout."

In my opinion it does not matter what the President's view is. I have told the Senate what I think it is; but, so far as I am concerned, I am satisfied that if we have any interest in the American merchant marine we have no right to draw a line on the 31st of March, and then say, "On April Fool's Day of 1936 the American merchant marine shall cease to exist."

Mr. LONG. I am going to answer the Senator. The Senator from Alabama stated the matter in language entirely too cultivated for me to understand. I am going to answer what the Senator says, and I am going to show wherein the difference lies. It is in three parts:

First, if the merchant marine of the United States must survive or subsist on a fraud of this kind, it never ought to have been allowed to live one day. Whenever the commonest kind of rascality and thievery and crookedness in negotiation and in carrying out a contract has to support a merchant marine, I would rather that merchant marine should never have breathed its first breath of life.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Louisiana yield to the Senator from New York?

Mr. LONG. Just a minute; let me answer the question.

Mr. COPELAND. I merely wish to make one statement.

Mr. LONG. Very well.

Mr. COPELAND. If all these contracts were fraudulent, they should have been canceled long ago.

Mr. LONG. Why, certainly; beyond any question.

Mr. COPELAND. But they are not, and that is where the trouble is. That is where the whole major premise of the Senator falls down, because they are not fraudulent. The great majority of them certainly are above suspicion.

Mr. LONG. Just a moment. When I answer the Senator's question I am going to prove to him that they are fraudulent.

No. 1: If the American merchant marine must survive on fraud and rottenness, it never ought to have existed. We

will at least agree on that if my premises shall be proven correct.

No. 2: What is the difference between what has been offered by the Senator from Alabama and what has been offered by the Senator from New York? The joint resolution of the Senator from New York says that these contracts shall continue until, by affirmative action of the President and the Congress, they shall be discontinued. It will take an act of Congress prescribing a new law, and it will take the act of the President discontinuing the present contracts, to break up what is now going on.

The amendment of the Senator from Alabama says that the longest this fraud can go on is until the 1st day of April.

That is the difference between them. The joint resolution of the Senator from Alabama says that whether Congress acts or not, whether the President acts or not, the only forum vested with control over this matter is the Congress of the United States—so much so that in this particular instance it is written into the contract itself that it can even be discontinued by the Congress of the United States; and therefore Congress, having neglected, or if not neglected, having been unable to perform a duty which it long since should have performed, as the Senator from New York well suggests, now says, "We will not permit this fraud to continue beyond the 1st of April 1936." But if we adopt what the Senator from New York proposes, it continues unless a law is passed by Congress, and it continues provided it is not disrupted by the President's action.

That is just what this thing means. Why do you want to pass the joint resolution of the Senator from New York? You do not need to do that. It will continue anyway until the Congress or the President acts. The joint resolution of the Senator from New York is not needed to stop this fraud. That thing is void on its face, ab initio. It was conceived, made, negotiated, and is today executed, in a continuing fraud, without a single earmark of virtue to defend it today. Never has a fraud been allowed to survive or to exist that long which did not have some earmark or some footprint of virtue or public good about it; but this thing has not one.

One hundred thousand dollars pretended to have been invested, for which the Government has paid profits of six and a half million dollars above expenses. Five hundred thousand dollars—no; I made a mistake—$500 invested, and the men give their note to themselves for $499,500, and take the Government's money and pay off their own note, and have $4,900,000 to spare, from an investment of $500—these crooks. I use that word in a complimentary sense, of course, Mr. President. [Laughter.] I do not mean to offend them.

The Senator from New York has gone; but, nonetheless, why are these crooked contracts? If you need any more proof than the fact that for $500 one of them shows up with clear profits of $4,900,000 of the Government's money, not counting $2,100,000 more that was charged off—if you need any more proof than that one fact alone that this was an unquestionably fraudulent transaction on its face, we will give you another proof.

They admit in writing that they had negotiated this contract in order that it might not be subjected to competitive bidding, in order that this kind of a contract might be had. According to their own written admissions, according to their own sworn testimony, this thing was conceived, planned, and executed so that there would not be any chance for an outsider to come in with a competitive bid. That is why $500 was turned into a profit of $4,900,000. That is why a promise to pay $100,000 was turned into profits of $4,900,000.

I have not gone into other things because they might be questioned, but I could tell you how the Roosevelt and Franklin end of this matter was handled; how they dissolved one corporation and organized another; how the Government refused to allow an extension to one man, and cut the debt in half, and allowed the extension to the Franklin International Mercantile Marine and gave them a ship-subsidy contract to boot.

Here was the United Lines—I will add this much to what the Senator from Alabama has read from the record—here was the United Lines that the Government declined to allow an extension of credits; but in the case of the International Mercantile Marine they not only extended the credits but they cut the debt in half; and then, when they failed to perform their contract and were held liable for $2,000,000 for defalcation, the Government wiped that off the record, too, and forgave them that, and then gave them a big ship-subsidy contract on top of that. That is what they did. There is not a line of proof in this record to contradict it when the facts are gone into; and yet this kind of a swindle has been allowed to go on here all these years, and they have managed to manipulate this situation with the influence they have exerted over the departments of the United States Government, so that they said, "We have devoted our intellect and our minds to settling up the differences which have existed interparty and outside of parties and between the parties, and we have thereby managed to keep Admiral Cone at the head of the United States Shipping Board long enough to confirm these contracts that have been negotiated."

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BLACK. The Senator was talking about competitive bidding. I desire to read him about three lines from the minutes of the board which passed on these bids. This was at a committee meeting:

> Mr. GLOVER. There is no doubt in my mind that the United Fruit will do the same thing. In other words, they want to get some of this money that is being passed around; they are not particular whether on the Colombian service or their routes to the Canal or any other. If we don't act on their request for advertising some of their routes where they are exclusive operators, they will make an effort to get it; and I think that old man Raymond is wrong—he is taking too much for granted.
>
> Mr. JENKINS. What do you think we should do?
>
> Mr. GLOVER. I think we should advertise the Colombian route. I think that is a line which should be given aid. It is up against foreign competition; it renders real service to us, and I think they are entitled to consideration. We always felt that the United Fruit Co. was wrong in coming in and bidding the way they did.

And then again, a little farther on:

> The line has already been certified; and the only way that I see that you can suggest the matter be readvertised so as to give the Colombian Steamship Co. a good chance of getting it, is to have the Shipping Board figure out some way of specifying type, size, speed, etc., to give him a preferred position. What do you think of that?
>
> Mr. JENKINS. That is my idea exactly.
>
> * * * * * * *
>
> Mr. GLOVER. I think that is a good suggestion; I think it is well to word your advertisement so that it might fall into the lap of the Colombian Steamship Co.

And it did, and the pie was passed around.

Mr. LONG. Yes; to be sure.

Mr. BLACK. And the Colombian Co. got that route, and the United Fruit Co. obtained its route.

Mr. LONG. Think of what wonderful men they were. After they took the whole thing, they happened to think of another concern, a big one, it happened to be, and they said, "We ought to let them have a little. We are here, the United States Government", passing around among themselves. "Let your conscience be your guide. Let us let this company in."

"How will you do it?"

He said, "We will fix up the specifications, the speed of the boats, the size of the boats, the length of the service, the route, the color of the cook's hair, so that nobody can get it but this particular company, because we do not want any trouble out of them, and they are likely to yell if we do not cut them a piece of pie," and they did.

Gentlemen of the United States Senate, do you mean to sit here and let that kind of a thing be voted into the law this evening? Do you mean to tell me the President of the United States will come here and say he wants the Senate to continue that kind of a damnable fraud for one more hour? Go get his letter. You will not hear any more from me right now if you do, but you will surely hear from me soon afterward if he will come here and say that.

He will not do it. No; my friend the Senator from New York says now, "What does the attitude of the President matter anyway?" That is all they have been hiding behind

all day long. Now they come here at this later hour and say, "What has the position of the President to do with it anyway?" Why have they been hiding behind the President's position all day long if he does not count for anything?

I do not believe that anyone can get the President of the United States to come here for this kind of a fraud. I do not believe he will do it. I believe the Senator from New York has been misinformed. As good as he is and as honorable as he is, he has lately been taken in on this thing.

I was taken in before he was. [Laughter.] They had me. I want to tell you how they lull you to sleep with this supposed to be Americanism.

I was down in New Orleans, La., Governor of the State of Louisiana, when, lo and behold, one day they put a telegram under my nose and said, "Sign here", protesting to the Congress of the United States against this continuing of the Mississippi Shipping Co. subsidy. I signed once, and they brought me something else, and I signed it again. The man who brought it said, "We will pay for the telegram." I said, "No; never mind about that; I will pay for this one, and I will get you some more."

Lo and behold, a few days later, after I came to the Senate, the Senator from Alabama showed me a check, with a letter or something, showing that the same company which had me wiring up here was sending money down there to use against me in my campaign the same year. [Laughter.]

Here I was, wiring for those devils to Washington, those men who were scuttling the President of the United States, and I will be dadgummed if they were not sending Government money down there, just as fast as they got it from the Government, in order to beat me in my election. [Laughter.]

The same thing is probably happening to the Senator from New York right now, and he does not know about it. [Laughter.] He had better think about that a while.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. LONG. I yield. I hope I have not offended my friend.

Mr. COPELAND. I just wanted to say that I did not get any Government money to help elect me.

Mr. LONG. The Senator was reading a newspaper, and did not hear what I said. I will ask him to read my remarks tomorrow. I know he did not. I can acquit the Senator of ever having had any help from the Government, either the Democrats or the Republicans. The trouble with him is that he is kind of kinfolk to me in that respect, and that is why I do not like to see him get off wrong now.

He has been right too long to be here championing this kind of a thing, and I am trying to give him the benefit of my experience, and keep him from making a mistake. I did not want to tell what a sucker I had been in this thing. I am frank to tell my colleagues what I did not want to confess to my law clients who were hiring me that I had that little sense; but I did. I am trying to keep someone else from getting into this kind of a tangled mess I got myself into before I came to the United States Senate.

We hear talk about the American merchant marine—"hoist the flag." Every time this combination of scuttlers hoists the flag, away over the Stars and Stripes they put the dollar sign, and underneath that the skull and crossbones, and somewhere they may have the Stars and Stripes hung out just for good measure.

One of these contractors that was supposed to be hoisting the American flag was under contract with the Empire of Great Britain to do nothing that would disturb their majesty on the seas. The very company which has signed a contract to exploit the American merchant marine, the very International Mercantile Marine, was in partnership with the British White Star Line, and signed up under another contract with the British Government that they would do nothing that would take the business of the merchant marine of Great Britain, and that they would in no manner at any time do other than protect the supremacy of the seas for Great Britain. Nonetheless, that is the benevolent concern which signed up and practically engineered the transaction through which the United States Government has been filched out of so many millions of dollars that it is not yet able to find out how much it was.

Let us get down to cases. I say that the President of the United States will not come out for the Copeland measure. I say he will not do it. I am willing to have this matter settled, as it will be settled, on the message of the President, and let us have it. Let us all go on record.

Here is a fraud which the people of the United States have been waiting to see uncovered for a long time, and it has been most masterfully uncovered. The first time I entered the United States Senate, and took my seat back on the rear row, the first vote I cast was for a resolution offered by the Senator from Alabama [Mr. BLACK], who was trying to amend some act. I told him today that in statesmanship he had risen many, many points in my estimation on account of the great exposure he has completed here today, when he brought out the fraud of this combination which has practically strangled the party organizations of both the Democratic and the Republican Parties.

Do not fool yourselves; we are going to correct this condition. We may not do it today, but it cannot stand the sunlight. There are certain plants which grow in the shade and there are certain plants which grow in the sunlight. This is one that grows in the dark. It cannot live when exposed to the sunlight. The exposure has been made; this thing has received the kiss of death by this report which has been made here today by the Senator from Alabama.

I hope the Senate will take one of two positions. If it wants to say that it is voting the President's will, let the President send his message here, or if not that, then let the Senate vote to annul something which was conceived in fraud. And I say conceived in fraud deliberately. The Supreme Court has said that whenever there is either collusion or an agreement by which a contract is to be had without competitive bidding, either collusion to control the price of the contract or the effort to prevent it being let by competitive bidding shows fraud, and that a contract let pursuant thereto is void, ab initio, and is void in every stage of the proceedings thereafter. That is the position, without question, under confession, in which we find these contracts.

Mr. President, I would like to ask my friend from New York to postpone this matter until tomorrow morning, until we may hear from the President and ascertain if he would like to have the Copeland measure or the Black measure. I am satisfied he will send a letter here; he frequently does. He will give the Senator from New York a letter tomorrow morning if he wants his measure. If he will, the Senate will not hear anything further from me. Of course, I will not vote for it, but the majority will. Let us either do that or let us vote down this measure and vote the Black proposal up, in which event no one will be done any harm. However, best of all, there will be an element of protection at last thrown around a suffering American public, which has been injured from this fraud and which has had to pay for it most grievously.

The PRESIDING OFFICER. The question is on the amendment in the nature of a substitute for Senate Joint Resolution 175.

Mr. BLACK. Mr. President, I demand the yeas and nays.

Mr. WHITE. Mr. President, because of absence in the conference on the public utilities bill, I have not heard all the discussion which has taken place here this afternoon, but I think I know enough about the joint resolution of the Senator from New York and the amendment proposed by the Senator from Alabama clearly to understand the situation and the issue presented to the Senate. I do not propose to discuss the ocean-mail contracts, for, in my opinion, they are not in issue here.

Some things have been done under the 1928 act which I would not seek to excuse or condone here or anywhere else. Some of these contracts, in my opinion, are unwise. Some of them are improvident. There has been cupidity on the part of ship operators and there has been stupidity on the part of governmental officials, but I stand here and say to the Senate that these wholesale charges of collusion, of fraud, of illegality are not warranted by the facts.

I stand here and say to the Senate that the man who so believes and votes because of such belief is drawing an indictment against the Department of Justice of the United States; he is drawing an indictment against the President of the United States himself, for during more than 2 years of time the President has had authority to cancel or modify each and every one of these contracts, and every fact which has been brought out by investigation of the Senate committee, by the Post Office Department, or by others, has been available for him during long months of time. If Senators see fit, they may vote such an indictment of their Department of Justice, they may vote such an indictment of the President of the United States, but I shall not do so, for the facts do not justify such action.

Mr. President, what is the real issue before the Senate at this time? There is the resolution of the Senator from New York proposing an extension of the Presidential authority to deal with these contracts. There is the substitute motion of the Senator from Alabama, the proposed legislative cancelation of every single one of these mail contracts. I stand here and dare to assert that there are not three Senators in this body who are able to or who have knowledge intelligently to discuss even three of these contracts. There are not five Senators here who have sufficient knowledge in detail of a half dozen of these mail contracts intelligently to discuss them. Yet we are being asked to vote a wholesale cancelation of each and every one of them. To my mind that is an entirely unwarranted thing to ask of this body. It is an entirely unjustified thing for this body to do.

The resolution of the Senator from New York proposes the extension of the Presidential authority. What is that authority? That authority is not only one of cancelation, but it is an authority of modification. There has been no responsible executive officer of this Government who has recommended cancelation of these contracts. The Comptroller General of the United States at no time has declared them illegal. The Department of Justice of the United States at no time has declared them illegal or made any move toward the cancelation of a single one of them. Even the Post Office Department itself, in its report to the President with respect to all of them, while it recommended modification in many instances, while it recommended modification by the Federal Government to recover moneys which it said had been improperly paid, in no instance, so far as my recollection goes, with possibly two or three exceptions, did it or the Postmaster General himself recommend cancelation of these contracts. Over and over again, however, he did recommend modification, and that is a power which the President has under the resolution of the Senator from New York—modification or cancelation—and that is the orderly way in which to proceed; it is the sensible way in which to proceed; and it is the course of action to which the Senate should give its approval.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Alabama in the nature of a substitute. The yeas and nays have been demanded.

The yeas and nays were ordered.

Mr. COPELAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from New York suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Chavez | Lewis | Russell |
| Ashurst | Clark | Lonergan | Schwellenbach |
| Austin | Connally | Long | Sheppard |
| Bachman | Copeland | McCarran | Shipstead |
| Bailey | Costigan | McGill | Smith |
| Bankhead | Fletcher | McKellar | Steiwer |
| Barbour | Frazier | Maloney | Thomas, Okla. |
| Barkley | Gerry | Minton | Thomas, Utah |
| Black | Gibson | Moore | Townsend |
| Bone | Gore | Murray | Truman |
| Brown | Guffey | Neely | Tydings |
| Bulkley | Hale | Norris | Vandenberg |
| Bulow | Harrison | Nye | Wagner |
| Burke | Hatch | O'Mahoney | Walsh |
| Byrd | Hayden | Pittman | Wheeler |
| Byrnes | Holt | Radcliffe | White |
| Capper | King | Reynolds | |
| Caraway | La Follette | Robinson | |

Mr. LEWIS. I announce the absence of Senators for the reasons heretofore given, and ask that the announcement stand in the RECORD for the remainder of the day.

The PRESIDING OFFICER. Seventy Senators having answered to their names, a quorum is present.

The question is on the amendment in the nature of a substitute offered by the Senator from Alabama. On that question the yeas and nays have been ordered. The Clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. COSTIGAN (when his name was called). On this vote I have a pair with the senior Senator from California [Mr. JOHNSON], who is necessarily absent. If he were present, and at liberty to vote, he would vote "nay." If I were permitted to vote, I should vote "yea."

Mr. NYE (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS], who is absent from the chamber at this time. If permitted to vote, I should vote "yea", and, I understand, if the Senator from Virginia were present, he would vote "nay."

Mr. THOMAS of Utah (when his name was called). On this vote I have a pair with the senior Senator from New Hampshire [Mr. KEYES]. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is absent from the city. I transfer that pair to the junior Senator from Tennessee [Mr. BACHMAN], and will vote. I vote "nay."

Mr. ROBINSON. I announce that the Senator from Tennessee [Mr. BACHMAN], the Senator from Mississippi [Mr. BILBO], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. DIETERICH], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Georgia [Mr. GEORGE], the Senator from Virginia [Mr. GLASS], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], the Senator from California [Mr. MCADOO], the Senator from Iowa [Mr. MURPHY], the Senator from Montana [Mr. MURRAY], the Senator from Louisiana [Mr. OVERTON], the Senator from Idaho [Mr. POPE], the Senator from Florida [Mr. TRAMMELL], and the Senator from Indiana [Mr. VAN NUYS] are necessarily detained from the Senate.

Mr. AUSTIN. I announce the following pairs on this question: The Senator from Iowa [Mr. DICKINSON] with the Senator from Mississippi [Mr. BILBO]; the Senator from Delaware [Mr. HASTINGS] with the Senator from Wisconsin [Mr. DUFFY]; the Senator from Oregon [Mr. MCNARY] with the Senator from Iowa [Mr. MURPHY]; the Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN]; and the Senator from Rhode Island [Mr. METCALF] with the Senator from California [Mr. MCADOO]. The Senator from Oregon [Mr. MCNARY], if present, would vote "nay" and the Senator from Iowa [Mr. MURPHY], if present, would vote "yea."

The result was announced—yeas 27, nays 37, as follows:

YEAS—27

| | | | |
|---|---|---|---|
| Bankhead | Caraway | La Follette | Neely |
| Barkley | Clark | Long | Norris |
| Black | Connally | McCarran | Schwellenbach |
| Bone | Frazier | McGill | Shipstead |
| Brown | Gore | McKellar | Truman |
| Bulow | Holt | Maloney | Wheeler |
| Capper | King | Minton | |

NAYS—37

| | | | |
|---|---|---|---|
| Adams | Copeland | Moore | Thomas, Okla. |
| Ashurst | Fletcher | O'Mahoney | Townsend |
| Austin | Gerry | Pittman | Tydings |
| Bailey | Gibson | Radcliffe | Vandenberg |
| Barbour | Guffey | Reynolds | Wagner |
| Bulkley | Hale | Robinson | Walsh |
| Burke | Harrison | Russell | White |
| Byrd | Hatch | Sheppard | |
| Byrnes | Hayden | Smith | |
| Chavez | Lonergan | Steiwer | |

NOT VOTING—32

| | | | |
|---|---|---|---|
| Bachman | Costigan | Donahey | Johnson |
| Bilbo | Couzens | Duffy | Keyes |
| Borah | Davis | George | Lewis |
| Carey | Dickinson | Glass | Logan |
| Coolidge | Dieterich | Hastings | McAdoo |

| | | | |
|---|---|---|---|
| McNary | Murray | Overton | Thomas, Utah |
| Metcalf | Norbeck | Pope | Trammell |
| Murphy | Nye | Schall | Van Nuys |

So Mr. BLACK's amendment, in the nature of a substitute, was rejected.

The PRESIDING OFFICER. If there be no further amendment, the question now recurs on the engrossment and third reading of the joint resolution.

Mr. BLACK. Mr. President, I desire to ask for the yeas and nays on the passage of the joint resolution, but before doing so I wish to state again that, in my judgment, which is backed by information I received too late to make the statement before the last vote was cast, so far as there being any authority for the statement that the President favors the resolution of the Senator from New York as opposed to the substitute offered by me, I do not believe it to be true.

Now, I ask for the yeas and nays on the passage of the joint resolution, and I wish to make a further statement.

Mr. COPELAND. Just a moment.

The PRESIDING OFFICER. Is the demand for the yeas and nays sustained?

The yeas and nays were ordered

Mr. COPELAND. Did the Senator say that the statement I made was untrue?

Mr. BLACK. I stated that, in my judgment, the statement that the President favors the joint resolution of the Senator from New York over the substitute offered by me is not true.

Mr. COPELAND. Very well. I say that the Secretary of Commerce told me today that this day the President said he wanted to have the continuing joint resolution passed.

Mr. BLACK. Mr. President, I desire to occupy about a minute further. The Senate is about to vote on whether or not the time for canceling these contracts shall be extended from October until next April. Those who vote "yea" vote to extend those contracts; those who vote "nay" vote in favor of seeing, if possible, that the contracts, each one of them, which the Postmaster General has reported on as being illegal and not justified, shall be canceled.

Mr. WALSH. Mr. President, may I ask the Senator a question?

Mr. BLACK. Certainly.

Mr. WALSH. Will the contracts become void in October if no action shall be taken on them?

Mr. BLACK. In my judgment, they are void now, and the Comptroller General should stop payments from being made; but if there should be no action now, the President would be given from now until October to act on the contracts.

Mr. WALSH. If he should not act in October, what would become of the contracts?

Mr. BLACK. The contracts would still be there. It is a question of whether they are void on account of being fraudulent, and being paid even though they are void, or whether they shall simply continue as they are.

Mr. WALSH. As I understand the question, the Senator says that even if we should vote down this joint resolution the President would have discretionary power to cancel the contracts between now and October.

Mr. BLACK. That is correct.

Mr. WALSH. And if we should vote for it, he would have discretionary power until next April?

Mr. BLACK. That is perfectly true.

Mr. BARKLEY. Mr. President, will the Senator answer a question? Does the joint resolution of the Senator from New York cancel the contracts on the 1st of next April, or does it merely authorize the President, in his discretion, to extend them until the 1st of next April?

Mr. BLACK. It authorizes the President, in his discretion, to cancel them at any time between now and next April.

Mr. O'MAHONEY. Mr. President, I desire to ask the Senator from Alabama what the effect upon the contracts would be, according to the evidence before his committee, if no action should be taken toward the cancelation of the contracts under the authority of the Independent Offices Act, as extended by this joint resolution?

Mr. BLACK. If no action should be taken?

Mr. O'MAHONEY. Let me state my question again.

The joint resolution proposes to extend until the 30th of April 1936 the power of the President to cancel the contracts. Am I correct?

Mr. BLACK. Under certain terms and conditions contained in that act.

Mr. COPELAND. Mr. President, let me answer the Senator's question, if I may. The President will have until the 30th of April 1936 what he now has.

Mr. O'MAHONEY. Exactly. That is my understanding. Now, the question is, if he does not exercise that authority, what becomes of the contracts?

Mr. COPELAND. They are continued in force.

Mr. O'MAHONEY. The contracts then are continued in force?

Mr. COPELAND. As they would be now. The President, at any time during the past year, could have acted upon these contracts.

Mr. O'MAHONEY. It is my understanding, not being a member of the Committee on Commerce, that there have been considerable negotiations looking toward the introduction of a bill satisfactory to the executive departments for a ship subsidy. Is that correct?

Mr. COPELAND. That is true.

Mr. O'MAHONEY. And that no satisfactory bill has been prepared.

Mr. COPELAND. That is true.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Is the joint resolution still open to amendment?

The PRESIDING OFFICER. The joint resolution is open to amendment.

Mr. O'MAHONEY. I move to amend the joint resolution by striking out "April 30" and substituting in lieu thereof "March 1"; the purpose of that amendment being to shorten the time so that the Congress, after assembling in January, may have the opportunity, if necessary, to act in a legislative manner upon this subject.

Mr. COPELAND. If the Senator will fix the date as April 1, I think I should be satisfied to accept the amendment. With the pressure of things in January, when we must consider the bonus bill and some other matters, and in view of the fact that this is a very controversial question, I doubt if we could prepare a bill in the less than 2 months we should have between the convening of Congress and the 1st of March. I shall be perfectly satisfied if the Senator wishes to make it the 1st of April.

Mr. O'MAHONEY. Then I offer as the date March 31, 1936.

The PRESIDING OFFICER. The Senator from Wyoming offers an amendment, which will be stated.

The LEGISLATIVE CLERK. On page 1, line 5, it is proposed to strike out "April 30, 1936" and insert "March 31, 1936."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY].

The amendment was agreed to.

Mr. LONG. Mr. President, I offer the following amendment: I move to strike out the period in line 5, and in lieu thereof to insert a colon and the following words:

*Provided*, That the right of the United States to annul any fraudulent or illegal contract, or to institute suit to recover sums paid thereon, is in no manner affected by this act.

Mr. COPELAND. I am happy to accept that amendment.

The PRESIDING OFFICER. The Senator from New York indicates his readiness to accept the amendment.

Mr. HARRISON. Let the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The Official Reporter read as follows:

*Provided*, That the right of the United States to annul any fraudulent or illegal contract, or to institute suit to recover sums paid thereon, is in no manner affected by this act.

Mr. HARRISON. Mr. President, may I ask the Senator from New York whether that is not already included in the joint resolution anyway?

Mr. COPELAND. I should say common sense tells us that that is included.

Mr. HARRISON. What effect will that amendment have upon the joint resolution?

Mr. COPELAND. I do not believe it will have any effect; but, if it pleases my friend to add it to the joint resolution, I have no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG].

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question is, Shall the joint resolution pass? On that question the yeas and nays have been demanded and ordered. As many as favor the passage of the joint resolution will vote "yea." Those opposed will vote "nay." The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BULKLEY (when his name was called). Repeating the announcement of my general pair with the senior Senator from Wyoming [Mr. CAREY], and not knowing how he would vote, I transfer that pair to the junior Senator from Tennessee [Mr. BACHMAN] and will vote. I vote "yea."

Mr. NYE (when his name was called). Announcing my pair with the Senator from Virginia [Mr. GLASS], I withhold my vote. If I were at liberty to vote, I should vote "nay." If the Senator from Virginia were present, he would vote "yea."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. KEYES]. I transfer that pair to the junior Senator from Idaho [Mr. POPE] and will vote. I vote "yea."

The PRESIDING OFFICER (Mr. ROBINSON in the chair). The present occupant of the chair announces that the Senator from Tennessee [Mr. BACHMAN], the Senator from Mississippi [Mr. BILBO], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. DIETERICH], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Georgia [Mr. GEORGE], the Senator from Virginia [Mr. GLASS], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], the Senator from California [Mr. MCADOO], the Senator from Iowa [Mr. MURPHY], the Senator from Montana [Mr. MURRAY], the Senator from Louisiana [Mr. OVERTON], the Senator from Idaho [Mr. POPE], the Senator from Florida [Mr. TRAMMELL], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Montana [Mr. WHEELER] are necessarily detained.

The Senator from Massachusetts [Mr. COOLIDGE] has a general pair with the Senator from Minnesota [Mr. SHIPSTEAD].

The Senator from Georgia [Mr. GEORGE] has a general pair with the Senator from Minnesota [Mr. SCHALL].

Mr. AUSTIN. I announce the following general pairs:

The Senator from Iowa [Mr. DICKINSON] with the Senator from Mississippi [Mr. BILBO];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Wisconsin [Mr. DUFFY];

The Senator from Oregon [Mr. MCNARY] with the Senator from Iowa [Mr. MURPHY];

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN]; and

The Senator from Rhode Island [Mr. METCALF] with the Senator from California [Mr. MCADOO].

The Senator from Oregon [Mr. MCNARY], if present, would vote "yea"; and the Senator from Iowa [Mr. MURPHY], if present, would vote "nay."

The result was announced—yeas 45, nays 20, as follows:

YEAS—45

| | | | |
|---|---|---|---|
| Adams | Chavez | Lonergan | Steiwer |
| Ashurst | Copeland | Maloney | Thomas, Okla. |
| Austin | Fletcher | Minton | Thomas, Utah |
| Bailey | Gerry | Moore | Townsend |
| Barbour | Gibson | O'Mahoney | Tydings |
| Barkley | Guffey | Pittman | Vandenberg |
| Brown | Hale | Radcliffe | Wagner |
| Bulkley | Harrison | Reynolds | Walsh |
| Burke | Hatch | Robinson | White |
| Byrd | Hayden | Russell | |
| Byrnes | Johnson | Sheppard | |
| Caraway | La Follette | Smith | |

NAYS—20

| | | | |
|---|---|---|---|
| Bankhead | Clark | Holt | McKellar |
| Black | Connally | King | Neely |
| Bone | Costigan | Long | Norris |
| Bulow | Frazier | McCarran | Schwellenbach |
| Capper | Gore | McGill | Truman |

NOT VOTING—31

| | | | |
|---|---|---|---|
| Bachman | Dieterich | Logan | Overton |
| Bilbo | Donahey | McAdoo | Pope |
| Borah | Duffy | McNary | Schall |
| Carey | George | Metcalf | Shipstead |
| Coolidge | Glass | Murphy | Trammell |
| Couzens | Hastings | Murray | Van Nuys |
| Davis | Keyes | Norbeck | Wheeler |
| Dickinson | Lewis | Nye | |

So the joint resolution was passed.

## WITHDRAWAL OF RIGHT TO SUE ON GOLD-CLAUSE BONDS—CONFERENCE REPORT

Mr. FLETCHER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 348) authorizing exchange of coins and currencies and immediate payment of gold-clause securities by the United States; withdrawing the right to sue the United States on its bonds and other similar obligations; limiting the use of certain appropriations; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 4, 5, and 6; and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In the matter proposed to be inserted by said amendment strike out ", or which may be commenced within six months after the effective date of this joint resolution" and insert "or which may be commenced by January 1, 1936, or to any proceeding referred to in this section in which no claim is made for payment or credit in an amount in excess of the face or nominal value in dollars of the securities, coins or currencies of the United States involved in such proceeding"; and the Senate agree to the same.

That the House recede from its disagreement to the amendments of the Senate to the preamble and the title of the resolution, and agree to the same.

DUNCAN U. FLETCHER,
WM. G. MCADOO,
PETER NORBECK,
*Managers on the part of the Senate.*

HENRY B. STEAGALL,
M. K. REILLY,
JOHN B. HOLLISTER,
JESSE P. WOLCOTT,
*Managers on the part of the House.*

The report was agreed to.

## ORDER OF BUSINESS

Mr. COPELAND. Mr. President, in a moment or two I wish to bring up the flood-control bill. Previous to that I ask unanimous consent to have the bill regarding false billing, to which the Senator from Tennessee objected this morning, considered by the Senate, as he has withdrawn his objection.

The PRESIDING OFFICER. The Senator from New York asks unanimous consent for the present consideration of a bill which the clerk will state by title.

The CHIEF CLERK. The bill (S. 3467) to amend the Shipping Act of 1916, as amended.

Mr. COSTIGAN. Mr. President, reserving the right to object, it will be recalled that several hours ago, in response to the suggestion of the able leader of the Democratic side, I consented to lay aside a motion which was pending before the Senate to take up the bill giving authority to the War Department to accept a site for an Air Corps school at

Denver. It is not my desire to yield a place at this time for another matter. I therefore desire to know whether the request now made is going to take any time.

Mr. COPELAND. Mr. President, let me say that I ask that the pending business be laid aside. I think it will take no time.

Mr. KING. Mr. President, will the Senator from Colorado yield to me?

Mr. COSTIGAN. Certainly.

Mr. KING. I should like to ask the Senator from Colorado whether he expects to seek to have recognition accorded him to move to take up the bill referred to in advance of the consideration of the deficiency bill?

Mr. COSTIGAN. Mr. President, it has been my hope that I might take the floor and yield for the consideration of the deficiency appropriation bill.

The PRESIDING OFFICER. The Senator from New York has submitted a unanimous-consent request. Is there objection?

Mr. COSTIGAN. Under the circumstances, Mr. President, I am constrained to object.

The PRESIDING OFFICER. Objection is made.

SUPPLEMENTAL APPROPRIATIONS

Mr. ADAMS. Mr. President, as I understand, the senior Senator from Colorado has consented to have the unfinished business laid aside temporarily. I, therefore, from the Committee on Appropriations report the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes, and I submit a report (No. 1458) thereon. I ask unanimous consent that the Senate proceed to the consideration of the bill at this time.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. What is the unfinished business?

The PRESIDING OFFICER. The unfinished business is the motion of the Senator from Colorado to proceed to the consideration of Senate bill 3398, relating to an Air Corps technical school.

Mr. KING. Another parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. Has the measure which the senior Senator from Colorado desires to present been made the unfinished business?

The PRESIDING OFFICER. The vote has not been taken on the motion. That is the pending motion.

The junior Senator from Colorado asks unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the deficiency appropriation bill. Is there objection?

Mr. COSTIGAN. Mr. President, may that be done with the understanding that I have been recognized?

The PRESIDING OFFICER. No; but the Chair will recognize the Senator if he continues to stand. Is there objection to the request of the junior Senator from Colorado?

There being no objection, the Senate proceeded to consider the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. ADAMS. Mr. President, I ask that the formal reading of the bill be dispensed with, and it be read for amendment, the committee amendments to be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the first amendment of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Title I—General appropriations—Legislative", on page 2, after line 2, to insert:

SENATE

For expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, fiscal year 1936, $100,000: *Provided*, That no part of this appropriation shall be expended for services, personal, professional, or otherwise, in excess of the rate of $3,600 per annum: *Provided further*, That no part of this appropriation shall be expended for per diem and subsistence expenses except in accordance with the Subsistence Expense Act of 1926, approved June 3, 1926, as amended.

The amendment was agreed to.

FISCAL SYSTEM OF THE UNITED STATES

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD, Senate Concurrent Resolution No. 23, and I was about to ask the Senator from Colorado if he would not yield to me to report this resolution, and ask that it be referred to the Committee on Contingent Expenses of the Senate.

Mr. LA FOLLETTE. Mr. President, if that is to be done, I wish to make a very brief statement before action is taken upon it.

The PRESIDING OFFICER. The Chair was unable to hear the request of the Senator from Oklahoma, there is so much noise and confusion among Senators who persist in carrying on conversations to the interruption of the business of the Senate. The Senator will state his request again.

Mr. GORE. Mr. President, this morning the Senate Finance Committee authorized a favorable report on Senate Concurrent Resolution No. 23. In regular course, it would have to go to the Committee on Contingent Expenses. I was authorized to report the resolution, which I therefore now ask unanimous consent to do, with the further request that it be immediately referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. LA FOLLETTE. Mr. President, I shall not interpose objection to the reference of the resolution, but I wish to say to the Senate, in all frankness, that I think the time has passed when we can give deliberate consideration to the purposes of the concurrent resolution. It really involves one of the most significant investigations which could be made by the Congress. It involves the question of whether or not it is possible under existing economic conditions to bring the Budget of the United States into balance. It carries an authorization for an appropriation of $50,000 to the committee to be created.

In my opinion that will not be sufficient properly to carry out the purposes of the resolution.

In the second place, in view of the long session of Congress, I very much doubt the ability of the members of the committee to meet and consider during the adjournment, between now and the meeting of Congress in January, all the important questions which are involved. However, let it be said that I am not opposed to the resolution going to the Committee to Audit and Control the Contingent Expenses of the Senate for consideration by that committee. I desire to say that in my opinion, even if the Committee to Audit and Control the Contingent Expenses of the Senate should report the resolution, it would be impossible for the committee to be created under the resolution to submit a report within the time designated by the resolution itself. Therefore, as an individual Member of the Senate, I believe that the whole question should be laid over until the next session of the Congress.

Mr. GORE. Mr. President, I believe the Senator from Wisconsin is mistaken as to the date when the contemplated report is to be made. This resolution does not call for a report until February 28, 1937. For the RECORD, I should like to have the resolution reported. It will take only a moment.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LA FOLLETTE. I desire to say, Mr. President, that all of my remarks concerning this resolution are predicated upon the assumption that it will be impossible to secure the active participation of the various members of the standing committees of the House and Senate in this very important investigation between the time of the adjournment of the present session of Congress and the meeting of the next session of Congress, and therefore, in my opinion,

the adoption of the resolution at this late stage in the proceedings of the Congress is a futile gesture. Furthermore, the requirement contained in the resolution that the report must be made in February is futile, because, assuming the premise of my contention that it would be impossible for the committee to report between the adjournment of this Congress and the commencement of the next, my contention is that 1 month's time is too short for the committee to report back.

Mr. GORE. Mr. President, the resolution calls for a report February 1937, a year and a half from now, and if the Senator does not object I should like to have the resolution stated in view of the discussion. It will take but a moment.

Mr. LA FOLLETTE. I shall not object to the request of the Senator to report the resolution and to refer it to the Committee to Audit and Control the Contingent Expenses of the Senate, but I wish to insist that in my view it is perfectly futile for the Congress or the Senate to adopt this resolution at this late date in its proceedings.

The PRESIDING OFFICER. Without objection the resolution will be printed in the RECORD and referred to the Committee to Audit and Control the Contingent Expenses of the Senate. The Chair hears no objection and it is so ordered.

Mr. GORE. I should like to have the resolution read in view of the discussion which has taken place. It will take but a moment.

The PRESIDING OFFICER. The Senator from Oklahoma asks that the resolution be read. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and the clerk will read the resolution.

The legislative clerk read the resolution (S. Con. Res. 23), as follows:

*Resolved, etc.*, That there is hereby established a joint congressional committee to be composed of 10 Senators and 10 Members of the House of Representatives. Such committee shall consist of the Chairmen of the Committees on Appropriations of the two Houses, the Chairman of the Senate Committee on Finance, the Chairman of the House Committee on Ways and Means, and four members of each such standing committees, to be appointed by the respective chairmen of such standing committees. The committee is authorized and directed to make a full and complete study of the present fiscal system of the United States and to submit a report to the two Houses of Congress on or before February 28, 1937, recommending (1) such legislation as it may deem necessary or advisable to place such fiscal system on a sounder and more scientific basis, and (2) such changes in the revenue laws as will effectuate a more equitable distribution of the burdens of taxation and such increases in taxation based primarily on ability to pay, together with such decreases and retrenchments in public expenditure as will ultimately and at the earliest practicable date bring revenues and expenditures into balance.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Seventy-fourth Congress, to employ such experts, and clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per 100 words. The expenses of the committee, which shall not exceed $50,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers approved by the chairman of the committee.

The PRESIDING OFFICER. Is there objection to referring Senate Resolution No. 23 to the Committee to Audit and Control the Contingent Expenses of the Senate? The Chair hears none, and it is so referred.

## SUPPLEMENTAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes.

The PRESIDING OFFICER. The next amendment of the Committee on Appropriations will be stated.

The next amendment was, under the subhead "George Rogers Clark Sesquicentennial Commission", on page 4, line 23, after the word "fiscal", to strike out "year 1936" and insert "years 1936 and 1937", so as to read:

GEORGE ROGERS CLARK SESQUICENTENNIAL COMMISSION

For carrying out the provisions of the act approved August 15, 1935, entitled "An act to amend the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928", fiscal years 1936 and 1937, $40,000: *Provided*, That no part of such sum shall be available until the land to be improved therewith has been acquired.

The amendment was agreed to.

The next amendment was, under the heading "District of Columbia", on page 8, after line 4, to insert:

Salaries and expenses, United States Court of Appeals for the District of Columbia: For five law clerks (one for each justice of the United States Court of Appeals for the District of Columbia) at $2,500 per annum each, from October 1, 1935, to June 30, 1936, $9,375.

The amendment was agreed to.

The next amendment was, on page 8, after line 9, to insert:

Smoke regulation and control: For personal services, equipment, instruments, supplies, transportation, and other contingent expenses, necessary for the enforcement of the act entitled "An act to prevent the fouling of the atmosphere in the District of Columbia by smoke and other foreign substances, and for other purposes", approved August 15, 1935, fiscal year 1936, $15,000.

The amendment was agreed to.

The next amendment was, on page 8, after line 16, to insert:

Assistance against old-age want, District of Columbia: To carry out the provisions of the act entitled "An act to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want", approved August —, 1935, including not to exceed $10,000 for personal services and other necessary expenses, fiscal year 1936, $100,000.

The amendment was agreed to.

The next amendment was, at the top of page 9, to insert:

Pensions for needy blind persons, District of Columbia: To carry out the provisions of the act entitled "An act to provide pensions for needy blind persons of the District of Columbia and authorizing appropriations therefor", approved August —, 1935, fiscal year 1936, $25,000.

The amendment was agreed to.

The next amendment was, on page 9, after line 5, to insert:

Maintaining public order, etc., August 16–31, 1935: For carrying out the provisions of Public Resolution No. 48, Seventy-fourth Congress, approved August 13, 1935, within the limitations and for the several purposes therein expressed, fiscal year 1936, $10,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture", on page 10, after line 3, to insert:

FOOD AND DRUG ADMINISTRATION

To carry out the act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended, approved August —, 1935, fiscal year 1936, $60,000.

The amendment was agreed to.

The next amendment was, on page 10, after line 7, to insert the following:

BUREAU OF AGRICULTURAL ECONOMICS

Tobacco Inspection Act: For carrying into effect the provisions of the Tobacco Inspection Act, approved August 23, 1935, $153,065 of the funds available for carrying into effect the Agricultural Adjustment Act, as amended, are hereby made available for the fiscal year 1936; and in addition thereto $52,670 of the funds appropriated for "Market inspection of farm products" under the Bureau of Agricultural Economics in the Agricultural Appropriation Act for the fiscal year 1936 may be used for the purposes of said Tobacco Inspection Act.

The amendment was agreed to.

The next amendment was, on page 11, after line 4, to insert:

Agricultural Adjustment Administration Potato Act of 1935: For carrying into effect the Potato Act of 1935, being title II of an act to amend the Agricultural Adjustment Act, and for other purposes, approved August —, 1935, the proceeds derived from taxes imposed by title II thereof are hereby appropriated and made available to the Secretary of Agriculture for the provisions of said act; and in addition thereto there is hereby appropriated the sum of $5,000,000, to be available until expended, for carrying out the provisions of said title, pursuant to the authorization contained in section 216 (d) thereof.

The amendment was agreed to.

The next amendment was, under the heading "Department of Commerce", on page 11, after line 5, to insert:

BUREAU OF NAVIGATION AND STEAMBOAT INSPECTION

Salaries and expenses: For an additional amount for departmental salaries, and for salaries and general expenses, Bureau of Navigation and Steamboat Inspection, including the same objects specified under these respective heads in the Department of Commerce Appropriation Act, 1936, $50,000.

The amendment was agreed to.

The next amendment was, on page 11, after the amendment last agreed to, to insert the following:

CONTINGENT EXPENSES

That not to exceed $10,000 of the appropriations for the Department of Commerce for the fiscal year ending June 30, 1936, for the purchase of equipment or supplies shall be available for the purchase of letters patent no. 1531065, or licenses under said letters patent that pertain to equipment, supplies, or business which the said Department of Commerce is authorized to purchase, use, or transact when the Secretary of Commerce shall personally certify that such purchase is necessary in the public interest.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to insert at this point as part of my remarks a letter from the Comptroller General to the Secretary of Commerce, which will explain the purpose of the amendment which has just been adopted.

COMPTROLLER GENERAL OF THE UNITED STATES,
*Washington, July 23, 1935.*

The honorable the SECRETARY OF COMMERCE.

SIR: There has been received your letter of July 15, 1935, as follows:

"As evidenced in the enclosed correspondence the Department of Commerce is considering an offer to purchase from those owning and controlling the Boyer patent rights, the right to manufacture a machine embodying the features of the patent. This machine would be used for the purpose of folding aeronautical charts printed by the Coast and Geodetic, and offered to the public for sale at cost, as prescribed by law. The Department is interested in the offers made by the attorneys of the patentee dated June 10, 1935, a copy of which you will find herewith attached, giving the Bureau of Air Commerce the right, of a period of 2 years at $5,000, to build a machine and fold the new series of air charts about to be brought out by the Coast and Geodetic Survey in the near future in a manner described under the patentee's patent claim and an unrestricted right to use the machine for $8,000.

"The difficulty involved herein was raised by the Attorney General in his letter to me dated January 25, 1935, a copy of which you will find attached hereto, wherein he advised me that the Department not purchase a license under the Boyer patent. At the time this advice was given me by the Attorney General's Office the patentee had offered to sell outright his patent to this Department for a consideration of $50,000. The Attorney General advised, 'If, without such license, you adopt and use in your Department the method described in this patent the patentee is authorized to file a suit against the United States for "unauthorized use." Of course, I cannot predict with certainty that such a proceeding would result favorable to the United States, but reasonable defenses are available, and it appears improbable that the damages awarded, if we should not prevail, would exceed the cost of a license.'

"In view of the above, would the Department of Commerce be within its rights to make purchase of a restricted or unrestricted use by purchasing permission from the patentee to manufacture a machine that will fold the maps in a manner prescribed under the patent? This proposition has been presented to me by the attorneys of the patentee as the attached copy of letter dated June 10, 1935, explains. I would, therefore, appreciate any advice you may give me in the matter."

The procedure in advertising and contracting for supplies whose manufacture may involve the infringement of patents has been stated in decisions to you published in 13 Comp. Gen. 173; 14 id. 298, id. 340. If the public needs are such as to require the building of a machine for use of the Coast and Geodetic Survey in folding aeronautical charts and the facilities of the Government are not available for constructing the machine, there should be an advertisement for bids in conformity with the cited decisions therefor. In view of the report of the Attorney General that reasonable defenses are available to any claimed infringement of the Boyer patent, there should be no attempt to charge appropriated moneys with an amount sufficient to purchase a license for use of the patent and the owners thereof may be relegated to the procedure established by the act of June 25, 1910 (36 Stat. 861) as amended by the act of July 1, 1918 (40 Stat. 705) to establish both the validity of the patent and that the machine, if constructed, infringes it.

Specifically, you are advised that apropriated moneys may not be charged with $5,000 for a license to use the alleged patent for a period of 2 years or with $8,000 for an unrestricted license to use the alleged patent as proposed in letter of June 10, 1935, from the attorneys for the patentee, or any part thereof, in connection with the construction of the contemplated folding machine.

Respectfully,

(Signed) J. R. MCCARL,
*Comptroller General of the United States.*

The next amendment was, under the heading "Department of the Interior, Bureau of Indian Affairs", on page 13, after line 3, to insert:

Acquisition of the property of the Haskell Students' Activities Association: For meeting indebtedness of the Haskell Students' Activities Association and acquiring title to the property of this association for use of the Government Indian school, known as "Haskell Institute", located at Lawrence, Kans., as authorized by the act of August 13, 1935 (Public, No. 266, 74th Cong.), fiscal year 1936, $30,500.

The amendment was agreed to.

The next amendment was, under the heading "Department of Justice", on page 14, after line 10, to insert:

PENAL INSTITUTIONS

McNeil Island (Wash.) Penitentiary: For the acquisition of land on McNeil Island, Gertrudis Island, and Pitt Island, in the State of Washington, in accordance with the authority contained in the act approved August 2, 1935, $300,000.

The amendment was agreed to.

The next amendment was, on page 14, after line 11, to insert:

Buildings and equipment: For the purchase of cites, constructing, remodeling, and equipping necessary buildings, purchase and installation of machinery and equipment, and all necessary expenses incident thereto, for establishment of six new Federal jails, altering and adapting other Government property for prison purposes, and construction of dwellings for prison officers, as authorized by the act entitled "An act to reorganize the administration of Federal prisons; to authorize the Attorney General to contract for the care of United States prisoners; to establish Federal jails, and for other purposes, approved May 14, 1930, to be expended under the direction of the Attorney General, by contract or purchase of material and hire of labor and services and utilization of labor of United States prisoners, as the Attorney General may direct, to remain available until expended, $1,000,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of State", on page 19, line 7, before the word "of", to strike out "and/or" and insert "and", so as to read:

United States contributions to international commissions, congresses, and bureaus: For an additional amount for United States contributions to international commissions, congresses, and bureaus, including the expenses of participation by the Government of the United States in the meetings of the International Technical Committee of Aerial Legal Experts and of the commissions established by that committee, including traveling expenses; personal services in the District of Columbia and elsewhere without reference to the Classification Act of 1923, as amended; stenographic and other services by contract if deemed necessary, without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; purchase of necessary books and documents; printing and binding; official cards; entertainment; and such other expenses as may be authorized by the Secretary of State, and including reimbursement of other appropriations from which payments have been made for any of the purposes herein specified; fiscal year 1936, $6,500.

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department", on page 21, after line 21, to insert:

OFFICE OF TREASURER OF THE UNITED STATES

Refund to H. T. Tate: For refund to H. T. Tate of the amount of an unavailable item in his accounts as former Treasurer of the United States, plus interest, paid by him, which unavailable item the Comptroller General of the United States was subsequently directed to allow in his accounts by section 2 of Private Act No. 190, Seventy-fourth Congress, approved August 7, 1935, $128.19.

The amendment was agreed to.

The next amendment was, on page 22, after line 4, to insert:

OFFICE OF THE COMPTROLLER OF THE CURRENCY

Salaries: For an additional amount for salary of the Comptroller of the Currency as provided by section 209 of the Banking Act of 1935, fiscal year 1936, $8,750.

The amendment was agreed to.

The next amendment was, under the subhead "Procurement Division—Public Works Branch", on page 22, after line 9, to strike out:

Acquisition of premises designated as "1724 F Street NW., Washington, D. C.": For purchase of the premises designated as "1724 F

Street NW., Washington, D. C.", and described as lot 28 in square 170 on the records of the surveyor of the District of Columbia, comprising a 6-story and basement brick office building and approximately 13,200 square feet of land, to provide necessary office space for permanent Government organizations, $200,000.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Judgments and authorized claims—Damage claims", on page 24, line 7, after the word "House", to strike out "Document No. 299" and insert "Documents Nos. 299 and —,"; in line 13, after the name "Department of the Interior", to strike out "$725.45" and insert "$839.20"; in line 18, after the name "Treasury Department", to strike out "$295.58" and insert "$303.59"; and in line 20, after the words "In all", to strike out "$7,861.44" and insert "$7,983.19", so as to make the section read:

DAMAGE CLAIMS

SECTION 1. (a) For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent establishments under the provisions of the act entitled "An act to provide for a method for the settlement of claims arising against the Government of the United States in sums not exceeding $1,000 in any one case", approved December 28, 1922 (U. S. C., title 31, secs. 215–217), as fully set forth in House Documents Nos. 299 and —, Seventy-fourth Congress, as follows:

Civil Work Administration, $536.21;
Veterans' Administration, $43.78;
Department of Agriculture, $981.13;
Department of the Interior, $839.20;
Department of Labor, $28.06;
Navy Department, $1,507.96;
Post Office Department (out of postal revenues), $82.99;
Treasury Department, $303.59;
War Department, $3,660.27;
In all, $7,983.19;

The amendment was agreed to.

The next amendment was, under the subhead "Audited claims", on page 32, after line 6, to insert:

(b) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U. S. C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1932 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), as fully set forth in Senate Document No. —, Seventy-fourth Congress, there is appropriated as follows:

Independent offices: For operations under Mineral Act of October 5, 1918, $32,969.06.

For salaries and expenses, Veterans' Administration, $55.76.

Department of Commerce: For air-navigation facilities, $1,800.

Department of the Interior: For relieving distress and prevention, and so forth, of diseases among Indians, $36.70.

Department of Justice: For fees of jurors and witnesses, United States courts, $6.

Navy Department: For pay of the Navy, $61.23.

For pay, subsistence, and transportation, Navy, $158.96.

Treasury Department: For collecting the revenue from customs, $14,420.50.

For pay of personnel and maintenance of hospitals, Public Health Service, $27.50.

For collecting the internal revenue, $2.

For furniture and repairs of same for public buildings, $2.34.

War Department: For pay, and so forth, of the Army, $737.66.

For general appropriations, Quartermaster Corps, $68.09.

For supplies, services, and transportation, Quartermaster Corps, $12.99.

For National Guard, $2.84.

For pay of the Army, $158.06.

For barracks and quarters, $41.25.

For ordnance service and supplies, Army, $3.84.

For Army transportation, $63.

Total, audited claims, section 4 (b), $50,627.78, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

The amendment was agreed to.

The next amendment was, on page 34, line 7, after section 5, to insert "(a)", and after line 17, to insert:

(b) For payment of claim allowed by the General Accounting Office pursuant to Private Act No. 266, of the Seventy-third Congress and certified to the Seventy-fourth Congress in Senate Document No —, as follows:

Under the War Department, $6,937.14.

So as to read:

SEC. 5. (a) For payment of claims allowed by the General Accounting Office pursuant to private acts of the Seventy-fourth Congress and certified to such Congress in House Document No. 285, as follows:

Under the War Department: For payment to claimants under the provisions of Private Act No. 38, approved May 15, 1935, $2,862.20;

For payment to the Jay Street Terminal, New York, under the provisions of Private Act No. 39, approved May 15, 1935, $1,097;

In all, $3,959.20.

(b) For payment of claim allowed by the General Accounting Office pursuant to Private Act No. 266 of the Seventy-third Congress, and certified to the Seventy-fourth Congress in Senate Document No. —, as follows:

Under the War Department, $6,937.14.

The amendment was agreed to.

The next amendment was, on page 35, line 6, after the numerals "295", to insert "and Senate Document No. —"; and in line 7, after the name "Department of Labor", to strike out "$7,982.26" and insert "$12,598.60", so as to make the section read:

SEC. 6. Judgments against collectors of customs: For the payment of claims allowed by the General Accounting Office covering judgments rendered by United States district courts against collectors of customs, where certificates of probable cause have been issued as provided for under section 989, Revised Statutes (U. S. C., title 28, sec. 842), and certified to the Seventy-fourth Congress in House Document No. 295 and Senate Document No. —, under the Department of Labor, $12,598.60.

The amendment was agreed to.

Mr. BYRNES. Mr. President, I desire to ask the Senator from Colorado if he has offered all the committee amendments?

Mr. ADAMS. No, Mr. President; I have not. I desire to submit an amendment on page 6, after line 7, in connection with the appropriation for the Railway Retirement Board in order to carry out the provision recently enacted into law.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 6, after line 7, to insert:

RAILROAD RETIREMENT BOARD

Salaries and expenses, Railroad Retirement Board, 1936: For three Board members, and for all other authorized and necessary expenditures of the Railroad Retirement Board in performing the duties imposed by law or in pursuance of law, including rent and personal services in the District of Columbia and elsewhere, traveling expenses, printing and binding, repairs and alterations, communications, contract stenographic reporting services, office supplies and equipment, services, law books, books of reference, newspapers and periodicals, $600,000: *Provided*, That the Board may procure supplies and services without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) when the aggregate amount involved does not exceed $50.

The amendment was agreed to.

Mr. ADAMS. I present another amendment which I send to the desk, and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 6, after line 7, after the amendment heretofore agreed to, to insert the following:

RAILROAD RETIREMENT INVESTIGATION COMMISSION

Salaries and expenses, Railroad Retirement Investigation Commission, 1936: For three paid members of the Commission, and for all other authorized and necessary expenditures of the Commission in performing the duties imposed upon it by the Railroad Retirement Act of 1935, approved August —, 1935, including rent and personal services in the District of Columbia and elsewhere, traveling expenses, supplies, services, and equipment, $60,000.

The amendment was agreed to.

Mr. ADAMS. I also offer another amendment, which I will ask to have stated.

The CHIEF CLERK. It is proposed, on page 10, after line 7, to insert after the amendment heretofore agreed to:

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE FORMATION OF THE CONSTITUTION

To carry out the provisions of the joint resolution entitled "Joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formation of the Constitution of the United States", approved August 23, 1935, fiscal year 1936, $10,000.

The amendment was agreed to.

Mr. ADAMS. I send to the desk another amendment which is submitted on behalf of the Senator from South Dakota [Mr. NORBECK] in his absence.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 12, after line 13, it is proposed to insert:

MOUNT RUSHMORE NATIONAL MEMORIAL COMMISSION

For continuation of construction of the Mount Rushmore National Memorial, $100,000.

The amendment was agreed to.

Mr. ADAMS. Mr. President, there are some committee amendments which I suggest may be offered on the floor by individual Senators.

Mr. BYRNES. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to add at the end of the bill the following:

The Commodity Credit Corporation is hereby directed to make loans to farmers at the rate of 12 cents per pound on cotton, when such loans are secured by cotton stored in warehouses approved by said Corporation, upon such terms and conditions as similar loans have been made by said Corporation during the crop year ending July 31, 1935, and the Reconstruction Finance Corporation is hereby directed to make available to the Commodity Credit Corporation sufficient funds to carry out this purpose.

Mr. HALE. Mr. President, I am familiar with the amendment, and I wish to make the point of order against it on the ground that it is general legislation on an appropriation bill.

The PRESIDING OFFICER. The Senator from Maine makes a point of order against the amendment. Does the Senator from South Carolina desire to be heard?

Mr. BYRNES. Mr. President, I concede that the amendment is subject to a point of order. In a meeting of the committee this morning the Appropriations Committee authorized me to present the amendment. The Senator from Maine was present and did not announce his intention to make the point of order. Of course he has the right to make it. I have filed with the clerks at the desk notice of a motion to suspend the rules in order to submit the amendment.

Because of the fact that the point of order is made I should like to ask the Senator from Colorado whether or not he intends to ask for a vote upon the bill tonight. I frankly say in relation to the amendment there will be a vote on the motion to suspend the rules. If it be necessary for me to talk from now until tomorrow I shall endeavor to do so, and I have the assurance of considerable assistance on the floor of the Senate. I certainly do not wish to do that. It would be an undesirable thing to be compelled to do it, but I want to vote upon the merits of the amendment.

The Senator from Maine is making a point of order which I concede. I ask the Senator from Colorado whether he wants to ask for a vote tonight or whether he would be willing to have a vote upon the bill tomorrow? In the latter case I shall withdraw the amendment until tomorrow; let other amendments be offered and complete consideration of the bill, except for my amendment. Then tomorrow I shall offer the amendment because, under the rule, I can then move to suspend the rules and the amendment would be in order.

Mr. ADAMS. Mr. President, I will say for myself that I am willing to forego the opportunity of hearing the Senator from South Carolina talk until tomorrow. So far as I am concerned, I am willing to have the amendment go over.

Mr. BYRNES. Very well. I withdraw the amendment for the present.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. ADAMS. Mr. President, I offer another committee amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was, on page 2, after line 3, after the amendment heretofore agreed to, to insert:

For payment to attorneys of record for the contestant and the memorialists, to wit: Grant T. Hall, George H. Williams, and Thomas H. Barnett, for services rendered and expenses incurred in the contested-election case resulting from the election of a United States Senator from West Virginia on November 6, 1934, fiscal year 1936, $600 each; in all, $1,800.

The amendment was agreed to.

Mr. ADAMS. I offer an additional committee amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 13, after line 21, to insert the following:

ADMINISTRATION OF BITUMINOUS COAL CONSERVATION ACT OF 1935

For all authorized and necessary expenditures in the administration of the Bituminous Coal Conservation Act of 1935, including personal services and rent in the District of Columbia and elsewhere, travel expenses, supplies and equipment, services, law books, books of reference, newspapers and periodicals, and printing and binding, fiscal year 1936, $200,000.

The amendment was agreed to.

Mr. ADAMS. I offer another committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed on page 20, after line 8, to insert the following:

Prohibition of export of arms and war munitions: For the expenses of administering Public Resolution No. —, approved August —, 1935, including personal services in the District of Columbia and elsewhere, stenographic reporting, translating, and other services by contract if deemed necessary, without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent in the District of Columbia or elsewhere; traveling expenses; purchase of necessary books, documents, and periodicals; stationery; communication service; printing and binding; equipment; and such other expenses as may be authorized by the Secretary of State, fiscal year 1936, $25,000.

The amendment was agreed to.

The next amendment was, on page 21, after line 8, after the amendment heretofore agreed to, to insert:

Third World Power Conference: For the expenses of organizing and holding the Third World Power Conference in the United States in 1936 or 1937, including personal services in the District of Columbia and elsewhere without regard to the Classification Act of 1923, as amended, communication services, stenographic and other services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); travel expenses, local transportation, hire of motor-propelled passenger-carrying vehicles, rent in the District of Columbia and elsewhere, printing and binding, entertainment, official cards, purchase of newspapers and periodicals, necessary books and documents, stationery, membership badges, and such other expenses as may be actually and necessarily incurred by the Government of the United States by reason of observance of appropriate courtesies in connection therewith, and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments have been made for any purposes herein specified, fiscal year 1936, to remain available until June 30, 1937, $75,000.

The amendment was agreed to.

The next amendment was, on page 21, after line 8, after the amendment heretofore agreed to, to insert the following:

Commission to study the subject of Hernando De Soto's expedition: For the expenses of a commission consisting of not fewer than five nor more than seven members, to make a thorough study of the subject of Hernando De Soto's expedition and to report back to the second session of the Seventy-fourth Congress its recommendations for a suitable and appropriate celebration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, including personal services in the District of Columbia and elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting, translating, and other services by contract if deemed necessary, without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses, purchase of necessary books, documents, newspapers, and periodicals; stationery; official cards; printing and binding; and such other expenses as may be authorized by the President, including reimbursement of other appropriations from which expenditures may be made for any of the purposes herein specified, $5,000.

The amendment was agreed to.

Mr. ADAMS. I submit another committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed on page 22, line 23, after the numerals "1903", to insert the words "or any other act", so as to make the paragraph read:

Government Printing Office Buildings: The last proviso in the first paragraph of section 1 of the act entitled "An act to provide for a Union Railroad Station in the District of Columbia, and for other purposes", approved February 28, 1903, or any other act, shall not be applicable to the transportation of freight and express cars to and from railroad sidings from the warehouse of the Government Printing Office.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I desire to offer an amendment to perfect the language of the paragraph just read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 22, at the end of line 25, to strike out the period, insert a colon, and insert the following proviso:

*Provided*, That, subject to the approval of plans by the National Capital Park and Planning Commission, there may be constructed an overpass for railroad tracks for the Government Printing Office above First Street NW., between G Street and H Street, in Washington, D. C.: *Provided further*, That any structure erected for the Government Printing Office fronting on First Street NW. shall be so located as to permit the widening of said First Street to a width of 60 feet.

The amendment was agreed to.

Mr. CONNALLY. Mr. President, I offer an amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, after line 3, it is proposed to insert the following:

For payment to Hon. DENNIS CHAVEZ, a Senator from the State of New Mexico, for expenses incurred, including counsel fees, in the contest resulting from the election held November 6, 1934, fiscal year 1936, $7,000.

Mr. CONNALLY. Mr. President, this is offered by direction of the Committee on Privileges and Elections, and relates to the payment of expenses in a contest case.

Mr. JOHNSON. Mr. President, I do not want to interfere with what is being done by the majority of the Committee on Privileges and Elections, but it is not done with the consent or connivance or desire of one member of the committee. I desire to have the RECORD show that fact.

Mr. NEELY. Mr. President, may we have the amendment reported again?

The PRESIDING OFFICER. The clerk will again state the amendment.

The Chief Clerk again stated the amendment.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I offer an amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 13, after line 21, to insert the following:

ADMINISTRATION OF BITUMINOUS COAL CONSERVATION ACT OF 1935

For all authorized and necessary expenditures in the administration of the Bituminous Coal Conservation Act of 1935, including personal services and rent in the District of Columbia and elsewhere, travel expenses, supplies and equipment, services, law books, books of reference, newspapers and periodicals, and printing and binding, fiscal year 1936, $200,000.

The amendment was agreed to.

Mr. BARKLEY. I offer another amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 4, after line 18, to insert:

FEDERAL TRADE COMMISSION

Salaries and expenses: For an additional amount for the Federal Trade Commission, including the same objects specified under this head in the Independent Offices Appropriation Act, 1936, $150,000.

The amendment was agreed to.

Mr. KING. Mr. President, in view of the amendment which was offered by the Senator from South Carolina, and the Senate being in a generous mood and disposed to grant large appropriations, I offer an amendment, which, if I may be permitted to read it, is as follows:

At the proper place in the bill, add the following:

The Reconstruction Finance Corporation is hereby directed to make loans to domestic producers of wool at the rate of 40 cents per pound, secured by wool stored in warehouses or other places to be approved by said Corporation, upon such terms and conditions as shall fully protect the interests of said Corporation and the United States.

And I have another amendment, which I beg also to present for the consideration of the Senate. At the proper place in the bill, insert:

The Reconstruction Finance Corporation is hereby directed to make loans to the producers of copper which is mined in the United States at the rate of 15 cents per pound, secured by copper stored in warehouses or other places to be approved by said Corporation, upon such terms and conditions as shall fully protect the interests of said Corporation and the United States.

And I have given notice of a motion to suspend the rules.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed the joint resolution (S. J. Res. 173) providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war, with amendments, in which it requested the concurrence of the Senate.

COMMERCE IN MUNITIONS, ETC., IN TIME OF WAR

Mr. PITTMAN. I ask that the message from the House of Representatives be laid before the Senate.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 173) providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war; which were, on page 3, after line 8, to insert "Except with respect to prosecutions committed or forfeitures incurred prior to March 1, 1936, this section and all proclamations issued thereunder shall not be effective after February 29, 1936"; on page 3, line 15, after "Navy" to insert "and"; on the same page, line 16, to strike out all after "Commerce", down to and including "designate", in line 20; on page 5, after line 9, to insert "All persons required to register under this section shall maintain, subject to the inspection of the Board, such permanent records of manufacture for export, importation, and exportation of arms, ammunition, and implements of war as the Board shall prescribe"; on page 6, after line 10, to insert "The President is hereby authorized to proclaim upon recommendation of the Board from time to time a list of articles which shall be considered arms, ammunition, and implements of war for the purposes of this section.

"This section shall take effect on the 90th day after the date of its enactment"; and on page 10, line 15, to strike out "$20,000" and insert "$25,000."

Mr. PITTMAN. Mr. President, I intend to move to concur in the House amendments. There is only one material change in them, and that is limiting the life and effect of the provision carrying an embargo against the shipment of arms to belligerent countries. The other amendments are immaterial.

In one case the appropriation is changed from $20,000 to $25,000. In the case of the registration of export and import companies, they are directly required to keep books of account which shall be open to inspection. I felt in the first

place that the general regulation carried that, but I see no objection whatever to the House amendment. Another amendment which is immaterial is with regard to providing for the second proclamation, in section 2, with regard to registration.

Those are the only changes in the joint resolution.

I move that the Senate concur in the amendments of the House.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. When the Senate acted upon the neutrality joint resolution it was generally asserted in the press of the country that we were in violent difference with the State Department upon the entire matter. I ask the Senator whether it is not a fact that the State Department was in agreement with the Committee on Foreign Relations in respect to the joint resolution which was reported from the Foreign Relations Committee and passed by the Senate?

Mr. PITTMAN. I may state that either the Secretary of State, the Under Secretary of State, or the Assistant Secretary of State was in conference with the Senate subcommittee for 5 or 6 weeks. There was general agreement with regard to all the matters that are here included. As to section 1, the State Department had a section drawn which gave to the President of the United States a discretion as to whether or not he would put in force an embargo upon the shipment of arms and ammunition and implements of war. The majority of the subcommittee desired that it should be unlawful, upon the finding of the fact of war, to ship arms or ammunition or implements of war to any of the belligerent countries. The State Department stated that they preferred their discretionary section, but that they would not oppose the section proposed by the subcommittee, and would consent, so far as they could, to the joint resolution as finally adopted by the full committee on Foreign Relations.

Mr. NYE. Mr. President, I certainly do not desire to delay the passage of the amended joint resolution which has been received from the House; but I think we should be in error if we permitted final passage and acceptance of the House amendments without a statement concerning the present position of the measure.

The joint resolution has been amended by the House so as to limit to the 29th day of February 1936, the restrictions proposed by the joint resolution. Just why the date should have been fixed at February 29, no one can undertake to say. Under ordinary circumstances, if the Congress were not in this eager frame of mind to be away from Washington, and if world conditions were other than they are, I should most certainly interpose objections to acceptance of the House amendment in this respect tonight; but, conditions being what they are, I am sure we should be in error if we should lose a single moment in accomplishing the passage of this, which I believe to be the most important bit of legislation with which this session of Congress has dealt.

I wish to say in passing, and not leaving the chance to object, that when Congress convenes next January I am confident that there will be a large army in both the Senate and the House of Representatives striving with all their might to accomplish that manner of remedy which will find the legislation made permanent, rather than confined and limited to run only until February 29; more than that, an army which will be striving diligently to include in its neutrality programs those items involving contraband, those items involving the issue of loans and credits, which we have had to countenance being ignored at this time, but which I hope and sincerely believe will find Congress ready and willing to accept next January.

Mr. LEWIS obtained the floor.

Mr. JOHNSON. Mr. President, will the Senator yield for just a suggestion?

Mr. LEWIS. I yield.

Mr. JOHNSON. I wish to suggest in view of what has just been said concerning the joint resolution, and inasmuch as it is an important enactment, if it be of any value at all, that it go over until tomorrow morning. We have agreed to meet at 10 o'clock tomorrow, and the conference report on the joint resolution can be taken up at that hour, or at the very earliest opportunity, and discussed.

I say this, not with a desire or design of delaying action upon the joint resolution for more than a very brief period, for the expression of some personal views upon something which has just been said tonight, and much that has been printed concerning this joint resolution.

I do not want it to go out to the world that these people, with their high aspirations to prevent war, are going to prevent it by any such measure as that here before us; and I desire to explain exactly why, though a step which might be taken advantageously and with benefit to us, it cannot and it will not prevent any wars in the future, and within it there are not the possibilities of that sort of prevention.

I ask, therefore, Mr. President, if the Senator from Illinois will permit me, that the consideration of the motion of the Senator from Nevada go over until tomorrow.

Mr. LEWIS. Mr. President, if the Senator will allow me, I do not wish to delay action on his request; but I join in that which will allow an expression, a complete expression, from Senators, touching the pending measure, both as to its propriety, its application, and its profit.

Mr. President, for myself, I may say that it is known that I oppose the joint resolution. The present Presiding Officer of the Senate [Mr. ROBINSON in the chair], the leader of the majority, has stated on the floor that in a meeting of the Committee on Foreign Relations of the Senate I opposed the resolution. I was in the minority when the matter was before the committee.

I tendered a resolution, and I think I can quote it literally. I presented a resolution as a substitute for the one adopted, that no legislation whatever upon the subject seeking to define neutrality, or the matter of an embargo, or the matter of forbidding the shipment of arms, be passed by this body in the present session, stating that I felt that the whole matter should be left to the President, to be composed by certain orders as the same should be necessary, if it should become necessary at all from time to time between now and the next session as the occasion demanded.

Mr. President, I wish to say that I stand on my proposed resolution. I concur with the Senator from California. I feel that the measure which these honorable Senators, for whom we have great esteem, and to whose patriotism I subscribe, seeing it expressed both by words and in their splendid actions—I feel that the joint resolution announces to the world that we put ourselves in the strait-jacket, and limit ourselves the privileges, between now and the time named, to trade in the world freely, as is the right of a neutral nation, but an independent one, while we allow all the competing nations of the world to compete as against us, and who, beholding now the limitations we put upon ourselves, will take advantage of the qualifications in which we leave ourselves open, and will so surround us with limitations of their own, and by forms of orders in council and legislation of their parliamentary bodies as will remove us literally from any trade or competition of trade and the preservation of our life, commercial and industrial, between now and any time the Congress will be called upon to meet.

Mr. President, I concur with the Senator from California, who has wisely alluded to a very serious subject, and the subject is not only serious, but the hour is very serious. If we are contemplating a situation wherein we think we observe the prospect of war, it should be dealt with by us in such a serious state as would indicate that we know whereof we speak, and we speak knowingly what we feel.

Therefore, I join the Senator from California in the suggestion that, many Senators here desiring to express themselves should have the freedom to do so in order that they may qualify their votes "yea" or "nay" upon the conference report presented. I join in the request, because I feel that it is better that the whole matter go over until tomorrow in order that the world may see that this was not a mad rush in a sentiment that lacked practical thought

and lacked judgment of contemplative men, in a great deliberative body like this, an act which involves, as soon as we pass it, the whole world.

We should express our view as concerns the world, and I take the liberty to invite the attention of my honorable colleagues, with whom I had the honor to serve just preceding the World War, and until I returned, that it was a preliminary action on our part, ill considered, and hastily arrived at, and shot through in sentiment, that involved us in trouble, from which we never escaped, and under which today we are suffering.

I join in the request of the Senator from California, and I ask the able Chairman of the Committee on Foreign Relations if he will not find it agreeable to have this matter go over, so that on tomorrow we may all have opportunity to express ourselves in the calmness after reflection which I feel this great question and great subject now deserves.

Mr. JOHNSON. Mr. President, I ask unanimous consent if this conference report be the unfinished business, that it be laid aside to be taken up at 10 o'clock tomorrow.

The PRESIDING OFFICER. The Chair calls attention to the fact that the unfinished business is the motion of the Senator from Colorado [Mr. COSTIGAN] to proceed to the consideration of Senate bill 3398. That has been temporarily laid aside for the consideration of the deficiency appropriation bill which is now before the Senate.

The Chair does not think that it is competent to make a new and additional measure the unfinished business.

Mr. JOHNSON. Then, perhaps, in a parliamentary fashion I may reach it otherwise. I ask that the consideration of the conference report be made the special order for 10 o'clock tomorrow morning.

Mr. PITTMAN. Mr. President, just one word. As chairman of the committee, who presented the joint resolution on behalf of the committee, it is my duty, of course, to see that it comes to a vote, if possible. I was rather disturbed by the remarks of the Senator from Illinois. He made a very beautiful and able speech just now, and he indicates that he would like to make another tomorrow.

If there are to be many speeches tomorrow, we will either not finish tomorrow, or some other business will be cut out, or this joint resolution will not be acted on.

The PRESIDING OFFICER. Will the Senator permit a suggestion from the Chair?

Mr. PITTMAN. Certainly.

The PRESIDING OFFICER. The message from the House before us is privileged. If the matter is not to be disposed of tonight, the measure will lie on the table, but, of course, it would have to be taken up at the convenience of the Senate tomorrow.

Mr. PITTMAN. I should like to add to the unanimous-consent request that the conference report be made the special order for tomorrow morning at 10 o'clock, a further request that the motion be voted on at not later than 12 o'clock.

The PRESIDING OFFICER. The present occupant of the chair, exercising his right as a Member of the Senate, will feel constrained to interpose an objection to the preempting of 2 hours of tomorrow for the consideration of this conference report, which it is anticipated will be acted upon substantially unanimously by the Senate. The present occupant of the chair raises an objection to the unanimous-consent request.

Mr. PITTMAN. Mr. President, there is probably no Senator who desires to speak on this question who is in favor of it.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. NORRIS. I suggest to the Senator that he change his request for unanimous consent so that instead of asking that the question shall be voted on at 12 o'clock, he fix the hour at 11.

Mr. PITTMAN. Is there objection on the part of the Senator from Arkansas to the request being modified to vote at 11 o'clock?

Mr. COSTIGAN. Mr. President, reserving the right to object, may I inquire what will be the status of the motion I made this afternoon?

The PRESIDING OFFICER. It will still remain the unfinished business, and in all probability will continue to remain the unfinished business for a considerable time. The present occupant of the chair will not object to the request of the Senator from Nevada [Mr. PITTMAN].

Mr. PITTMAN. Then I make that request.

The PRESIDING OFFICER. The Senator from Nevada submits a unanimous-consent request that at 10 o'clock tomorrow all other business be temporarily suspended, and that the Senate proceed to the consideration of the Senate Joint Resolution 173, and that at not later than 11 o'clock the Senate proceed to vote upon the amendments of the House.

Mr. COSTIGAN. Mr. President, again reserving the right to object, may I submit a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. COSTIGAN. If I understand the situation, the report from the House to which the Presiding Officer has just referred will have right-of-way in the morning under any circumstances unless disposed of tonight?

The PRESIDING OFFICER. No. If unanimous-consent agreement is entered into, 1 hour, commencing at 10 o'clock, will be devoted to consideration of this resolution. The vote will then be taken. But if no unanimous-consent agreement is entered into, the question remains for the disposition of the Senate.

Mr. COSTIGAN. But, Mr. President, no objection, I assume, would exclude the right-of-way of the report presented by the able Senator from Nevada [Mr. PITTMAN], if I understand the parliamentary situation.

The PRESIDING OFFICER. He would be privileged to make a motion to take it up in the morning.

Mr. COSTIGAN. Under those circumstances I do not object.

Mr. LA FOLLETTE. Mr. President, may I inquire whether the request of the Senator from Nevada is that the vote shall be taken not later than 11 o'clock tomorrow morning?

The PRESIDING OFFICER. Yes; without objection, the unanimous-consent request of the Senator from Nevada [Mr. PITTMAN] will be agreed to. The Chair hears no objection.

Mr. NORRIS. Mr. President, I offer an amendment to the pending bill to be inserted immediately after the amendment offered by the Senator from Kentucky. I have talked with the Senator from Colorado [Mr. ADAMS] and submitted my amendment to him, and he has no objection to it.

The CHIEF CLERK. It is proposed, on page 4, after line 18, to insert the following:

PRINTING AND BINDING

For the printing of 1,000 additional copies of each of those numbers of Senate Document 92, Seventieth Congress, first session, which are out of print or the supply of which is about to be exhausted, $50,000; and for the purpose of printing of 10,000 additional copies of No. 71–A of Senate Document 92, Seventieth Congress, first session, $2,800.

The amendment was agreed to.

Mr. McCARRAN. I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 12, after line 12, to insert the following:

BUREAU OF FISHERIES

Fish-cultural station in the State of Nevada: For the establishment of a fish-cultural station in the State of Nevada in accordance with the provisions of an act entitled "An act to provide for a 5-year construction and maintenance program for the United States Bureau of Fisheries", approved May 21, 1930, fiscal year 1936, $60,000.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I think that concludes the amendments which are available at this time to the deficiency bill. It is understood that we shall take up the consideration of amendments in the morning following the disposition of the conference report.

IMPROVEMENT OF RIVERS AND HARBORS

Mr. COPELAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from New York?

Mr. COSTIGAN. I yield for the purpose of an inquiry.

Mr. COPELAND. I should like to ask the Senator a question. I have here the omnibus flood-control bill. This bill by reason of the fact that a number of amendments have been made in the Senate will have to go to conference. I hope the Senator from Colorado will not object to my asking that his bill be temporarily laid aside in order that this may be given consideration.

Mr. COSTIGAN. Mr. President, for several hours now I have been as patiently as possible awaiting an opportunity to have my motion submitted to a vote. If it is possible to have my motion adopted at this time, I shall be willing to have it temporarily laid aside to consider the motion of the Senator from New York. Otherwise I shall feel constrained to object.

Mr. KING. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to the Senator from Utah.

Mr. KING. I just wanted to state to my good friend from Colorado that his motion to take up the bill to which he refers will provoke considerable discussion.

Mr. LEWIS. A great deal of it.

Mr. KING. A great deal of it, my friend from Illinois states.

Mr. COPELAND. Mr. President, I should not wish to be so disagreeable as to move to take up this bill. The matter will be pending in the morning, but I will stay here if the Senator likes until midnight to take care of his bill.

Mr. President, I could make the report and have it lie on the table and be printed and take it up tomorrow, but if there is any hope of adjournment tomorrow, we must have a conference on this bill, because there are differences between the two Houses. I will now report the bill from the Committee on Commerce, and I ask unanimous consent that the Senate give immediate consideration to the bill.

From the Committee on Commerce, I report back favorably, with amendments, the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

Mr. ROBINSON. Mr. President, may I say to the Senator from Colorado [Mr. COSTIGAN] that I have been informed that there will be prolonged debate on the motion to take up his bill. The measure which the Senator from New York [Mr. COPELAND] has reported is one of very great importance, and it a voluminous bill. If it is to be acted upon, which many Senators hope will be the case, it should be considered as soon as possible. We all know that there is a general desire, almost a universal desire, to close the session of the Congress sometime tomorrow, and I can see now that by maintaining before the Senate motions, which will be debated at great length, it will become impossible to proceed with our work to a point where we may hope to finish tomorrow.

I desire to thank Senators for the very cordial manner in which they have cooperated in the disposition of legislation.

I should be glad to have a vote taken on the motion of the Senator from Colorado with the understanding that if, in my opinion, it is taking so much time to consider the bill that it is endangering the disposition tomorrow of other legislation and the conference reports which must be disposed of, it shall either be finally laid aside or I myself shall be compelled to make a motion to lay it on the table. I do not think a bill of that character ought to be permitted to prevent the progress of the business of the Senate to such a degree as to prolong the session. I hope the Senator from Colorado may see his way clear to submit to the request of the Senator from New York.

Mr. COSTIGAN. Mr. President, under the circumstances apparently there is nothing to do but to submit to the request, which, I understand, is that the motion be temporarily laid aside to take up the bill of the Senator from New York.

Mr. COPELAND. That is correct.

Mr. COSTIGAN. I suggest, however, that it would be in better order if there might be assurances that the motion of the Senator from New York will not delay the Senate.

Mr. LA FOLLETTE. Mr. President, will the Senator from Arkansas yield?

Mr. ROBINSON. I yield.

Mr. LA FOLLETTE. May I suggest to the Senator from Arkansas the possibility of giving the motion of the Senator from Colorado or his bill a position at the next session for a special order, by unanimous consent?

Mr. ROBINSON. I should be very glad to do that if it would be satisfactory to the Senator from Colorado, but I do not understand that it would be satisfactory.

Mr. LA FOLLETTE. As a friend of the Senator from Colorado and in view of the situation which is impending in the closing hours of the session——

Mr. ROBINSON. If the Senator will permit, I shall submit a unanimous-consent request in line with his suggestion. I ask unanimous consent that when the Senate meets on the third day of the next session it shall proceed to the consideration of the bill (S. 3398) to establish the Air Corps Technical School and to acquire certain land in the State of Colorado for use as a site for said Air Corps Technical School and as an aerial gunnery and bombing range for the Army Air Corps.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

HOUSE BILL REFERRED

The bill (H. R. 191) to amend the Revenue Act of 1918, as amended, was read twice by its title and referred to the Committee on Finance.

COMMENCEMENT ADDRESS BY OSWALD GARRISON VILLARD

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD a commencement address delivered by Mr. Oswald Garrison Villard at the University of Oregon on June 17, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From Everybody's Business, July 1, 1935]

WHAT VILLARD REALLY SAID

Two weeks ago the distinguished Oswald Garrison Villard delivered one of the most notable commencement addresses in the history of the State University of Oregon. It was approximately 10 typed pages long, with stirring passages abundant, yet the excerpts quoted in the daily papers made it appear as merely another denunciation of "isms." The people depending upon the daily press for their information did not obtain a true picture of Mr. Villard's address. It is fitting and appropriate that the salient portions of his militant appeal be set forth here—where there is not shared the university's apparent fear to let the citizenry know that the commencement speaker was a fighting liberal with faith in the masses of the people:

"Let me begin by assuring you that I have come not to condescend, nor to patronize, nor to advise from some height of superiority. Gone is the day for that and gone is the time, as in my youth, when commencement speakers assured the graduating youth before them that the world was theirs to take, that it was but waiting for them with eagerness to climb an easy highroad to success. Life today is nothing of that kind. It is a direct and a menacing challenge to all of us but particularly to you. * * *

"With the noblest example that could possibly be set before them, that of the Nazarene Himself, men have neither learned how to control the industrial juggernauts they have created, nor the huge piles of wealth they have amassed. In brief, men are not masters of their own souls, nor have they learned to rule, or to conquer, themselves. So we are welcoming you to a national life that at the moment knows not which way to turn; that is not even sure that it has a place for you; that in the midst of a most generous and prodigal nature wonders whether it must not terminate men's active lives at 60, or even 55 years, in order to make room for you, to give you the opportunities you crave, to which you are entitled, the right to live your own life with opportunities for sane and adequate family life in one's own habitation; you are not even guaranteed congenial labor in peace without dread of premature death in barbed-wire entanglements or in obscene trenches that spell nothing but the road to national ruin. This is not a pleasing picture to paint; perhaps I shall be rebuked for beclouding by it this memorable hour in which you are to go forth into the sunshine of your young years, your just-matured manhood and womanhood. But I who have here come to serve you, if I can, must above all else tell the truth; you would think

ill of me, indeed, were I to portray to you a world of dreams that does not exist. * * *

"Nor have I come to grieve, nor to condole. If it is a grave challenge that confronts you, so much the better. If the fight is a tremendous one and the odds great, why, "the fight's the thing", as a great American once wrote, "the one and only thing"—provided, of course, it is a fight not for selfish aims but for human betterment.

"To you is being given the task of solving problems of government and human relations which we have failed to work out. What an appeal, what an opportunity, what a cause! Not for the social and material security so many of us once had and have lost I would exchange this day for that upon which Harvard University put its diploma in my hands. Behind us lies a selfish, cowardly ease; the vast injustice in the marts of trade; a swinish rush for special privilege at the expense of all else; incredible eagerness to rise upon the backs of others; the unbelievable indifference to the disadvantaged, forgotten man and woman in the race for millions; the wicked squandering of the national heritage of natural and human resources. Before you—before you lies high adventure; the invitation and obligation for you, the grandsons of pioneers through mountain fastnesses and unending plains, to dare again in human relations, in every aspect of economic and national life, in international relations. * * *

"Let these be your words. Never surrender. Never yield. Never make terms if you care for the welfare of your souls, if you care for the hallowed walls about you now; if you cherish anything which has been taught to you here. And if you cling to your ideals, you cannot lose; your spirit will be as unconquerable as light itself.

"I have spoken of government. How great the change as to that since graduation day in 1893! Then government touched us individually not at all, at least not directly. It was as remote from our lives as the lotus-eaters in Papeete and lamas of Tibet. The rugged, sterling President of our time mentioned economics but rarely. * * * Today his successor, until the recent Supreme Court veto, wholly governed production, prices, profits, competition, wages, hours, conditions of labor, and he still has the power to reduce the value of the dollar, to increase the price of everything, to readjust wealth, to inflate our currency so generously as to ruin the great middle class and all who have been saving. It has been a dictatorship pure and simple. Government, you see, has changed; politics have become economics and economics, politics.

"More important than that, government, itself, which the founders of this country and of democracies elsewhere felt must ever be made for the citizen and not the citizen for the state, has become, or threatens to become, not the servant, but the master of us all.

"Abroad the despotisms, which are the ill-begotten children of that war which, so the lies ran, was to end war and to make the world safe for democracy, have crushed out every vestige of democracy, have reduced the individual to the merest and most pitiful pawn of the state, without freedom of speech or thought, or a free press, or free schools, or free universities, or free churches in which to worship.

"The individual, says Stalin in Moscow, and Hitler in Berlin, and Mussolini in Rome, is to exist only for the state, which tells him how to be born, how to live, whom to marry, whom to hate, and whom to cherish; predigests and sterilizes all his mental food according to the state's own formula, reserves the right to imprison or kill him without trial if he opposes any of its plans, and to order him to a horrible death on any battlefield it chooses to create. What would Thomas Jefferson and Benjamin Franklin and George Washington say to this? Would they ask you to subscribe to the doctrine that there is no other way out of the economic morass than to deprive the citizen of his every right to life, liberty, and the pursuit of happiness? Would they agree that the Frankenstein which is modern capitalism makes impossible intelligent judging of the problems of the state by all its citizens at the ballot boxes in the polls? I think not. * * *

"It has come to most of us as a most disheartening revelation that here in the United States there are plenty among us who would barter every right and liberty that they have for economic safety. We were brought up to believe that Americans were of sterner stuff than that; that in 1776 at least they set freedom above suffering, as at Valley Forge, and death on any battlefield. Yet I have heard a self-appointed Fascist leader say openly in public: 'We shall rule America because we are fit to rule it and the bulk of the people are not'—this in the land of the Declaration of Independence. And the Commissioner of Education of the United States, Dr. John W. Studebaker, has just sorrowfully asserted that unless there is 'further socialization of education and a true conception of its relation to democracy the country will face a dictatorship by default.'

"Otherwise", he said, "the disintegrating forces now at work, which would bring restriction of freedom of the press, freedom of speech, and free assemblage, will gradually and insidiously creep upon us.' * * *

"No one, I suppose, in all these years has been a severer critic than I of the weaknesses and errors of our administrators; of our courts of justice, too often citadels of horrible injustice; of our police, themselves among the most lawless; of those officials sworn to uphold the law who breach it day by day; of the follies of our Presidents who have plunged us into stupid, utterly needless wars; of the unchecked exploitation of the masses of our people by those entrenched in special privilege fortified by great wealth. Many, many times my pen has quivered with indignation, my voice has been uplifted in rage in the endeavor to right grievous wrongs, to point out weaknesses in the forms of our Government. In good and evil repute I have laid these, my criticisms, upon the altar of patriotism, as my service to my country. But no man, living or dead, has ever heard from me in all those years one word of else than passionate loyalty to democracy itself. * * *

"I bespeak again more democracy—never less—more democracy through a Nation-wide initiative and a referendum as to war, as to foreign policy, as to whether we shall enter the League of Nations; as to whether we shall or shall not, as a Nation, arm to teeth; as to whether the Federal Government shall or shall not exercise those functions which the Supreme Court has just declared it may not—a referendum which at any time a certain number of citizens may invoke.

In this belief all my long experience has fortified me. I will admit that when I left the university I had my doubts. I wondered, in my ignorance of public affairs, how Lincoln could have had his ever-increasing faith in the plain people from whom he sprang. But as I have seen and heard, witnessed and reported, year in, year out, my faith, too, has grown. Obstacles, oh, yes; innumerable—the new propaganda, those deadly weapons, the radio and the movie, which lend themselves so readily to demagogue and dictator. We Americans are too often separated by sectionalism, by local aims, by clashing economic aims, as by climates. We are astoundingly diverse, still young, dangerously spread over too vast a territory. Yet, at bottom the people have an inborn, native wisdom one learns to trust, if only the sources of their information be untainted, their access to truth unbarred. A large "if." Yet here, too, is but a challenge to our faith and our ability to subordinate and safeguard the new means of communication to our needs.

Here we find one of those sources of power which have swollen the modern state. It was Thomas Jefferson who declared, after his Presidency, I believe, that we should have a bloody revolution every 25 years that our masters in Washington might know to whom this Government rightfully belongs. Bloody revolution is no longer possible. The telephone, the radio, the cement road, the tank, the rapid-fire guns, the poison gas, above all the airplane ably to espy from above the clouds the slightest assembly of men with arms, seem to have ended revolt by force. For that we need have no regrets, if the roads to peaceful revolution can but be kept open. Again the challenge for you. It is your duty and your privilege to insist upon the right to change, to fight from the beginning of your careers those who would render all political life static; who would freeze out institutions and methods as they are, and render the existing state unchangeable save in its constant grasping after more and more power * * *.

Yes; in you. Not 10 years hence or 20 years hence, in your middle age, but now. There is no time to lose. The crisis is here; the hour fraught with danger. It is to you we elders turn. I pay you no idle compliment. I state a fact. If there is to be a new birth of faith in this beloved Republic of ours, it must in largest measure come from you * * *.

There is no royal road to political influence, to the making of a sound political opinion. Books have been written upon the subject, but public opinion must still be the thought of the individual citizen, and that citizen is not living up to his obligation until he keeps himself in fullest degree informed, not of what one group believe and wishes him to think, but others, too. Not what his daily newspaper alone tells him, but what other and different pens may have to say * * *.

I used, at your age, to wonder why and how it is and was that some of our truest patriots, the men I have known who were the most devoted upholders and defenders of our institution, were foreign born. The answer is plain. They came out of autocratic states; they sacrificed and suffered to wander over seas and put down their roots in our soil, and their gratitude welled up unceasingly. And what cost them dearly, what they suffered to win, they valued above all else. You and I who were born to this priceless heritage are all too apt to take it as a matter of course, as normal a state of affairs as the air and the sky, the water in the streams. It has cost us nothing. It does not occur to us that the country needs our aid, our devoted service, that it is our most priceless possession, to be safeguarded as we would the lives of the members of our families. As the son of one of these adventurers from overseas, I can give you no better example than theirs. I can ask nothing more of you than that you shall equal their faith, their high concept of our Republic—our country—their unending interest in its future, and readiness to serve it, their readiness to give their lives that liberty and the Republic might survive. If you will but, by day and by night, keep this way of life before you, if you will but serve your country as did they, then will the enemy at the gates fail to enter; then the hurricanes may rage and the seas toss to the skies, but our Republic will survive.

### IMPROVEMENT OF RIVERS AND HARBORS

Mr. COPELAND. Mr. President, I now ask unanimous consent that the Senate proceed to the consideration of the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

There being no objection, the Senate proceeded to consider the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control,

and for other purposes, which had been reported from the Committee on Commerce with amendments.

Mr. COPELAND. I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that committee amendments be first considered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the first amendment.

The first amendment of the Committee on Commerce was, on page 1, line 3, after the word "That", to insert a comma and "as an emergency unemployment relief measure"; and in line 5, after the word "authorized" and the comma, to insert "when approved by the Chief of Engineers."

The amendment was agreed to.

The next amendment was, under the heading "Susquehanna River Basin", on page 3, after line 14, to insert:

Headwater area of Susquehanna and Delaware Rivers and tributaries, Onondaga Creek, and in the region of Keuka and other Finger Lakes, New York State, in accordance with plans prepared by the Chief of Engineers; cost not to exceed $30,000,000.

The amendment was agreed to.

The next amendment was, on page 7, after line 6, to insert:

YAZOO RIVER BASIN

Yazoo River and tributaries—Mississippi: Flood-control project; 7 detention reservoirs for flood control, described in House Document 198, Seventy-third Congress, second session, according to plans and recommendations of the Chief of Engineers in his report of February 12, 1935, printed in House Flood Control Committee Document No. 1, Seventy-fourth Congress, first session, $48,000,000: *Provided*, That the reservoirs for control of headwater flow of the Yazoo River and tributaries may be located by the Chief of Engineers, who may, in his discretion, substitute levees, floodways, or auxiliary channels, or any or all of them, for any or all of the 7 detention reservoirs recommended in his report of February 12, 1935, for control of floods of the Yazoo River.

The amendment was agreed to.

The next amendment was, on page 7, line 19, after the name "Brazos River, Tex." and the colon, to strike out "Flood control survey; House Document No. 181, Seventy-second Congress, first session; cost, $225,000", and insert:

Flood control by not more than 13 reservoirs; data in office of the Chief of Engineers; cost not to exceed $30,000,000, or proportion thereof, according to number of reservoirs approved.

So as to read:

Brazos River, Tex.: Flood control by not more than 13 reservoirs; data in office of the Chief of Engineers; cost not to exceed $30,000,000, or proportion thereof according to number of reservoirs approved.

The amendment was agreed to.

The next amendment was, on page 7, after line 21, to insert:

Atchafalaya Basin floodways and improvement of Atchafalaya River and Basin, including outlet west of Berwick, flood-control project, Louisiana, according to plans and recommendations of the Chief of Engineers in his report of February 13, 1935, printed in House Flood Control Document No. 1, Seventy-fourth Congress, first session, $27,000,000.

The amendment was agreed to.

The next amendment was, on page 13, line 8, after the figures "$1,050,000", to insert a colon and "*Provided*, That the Chief of Army Engineers be, and he is hereby, authorized in his discretion to substitute reservoirs in the Cow Creek drainage area to give the same flood protection, if the cost thereof is justified", so as to read:

Hutchinson, on Arkansas River in Kansas: Diversion of Cow Creek and levees to protect people and city property; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $1,050,000: *Provided*, That the Chief of Army Engineers be, and he is hereby, authorized in his discretion to substitute reservoirs in the Cow Creek drainage area to give the same flood protection, if the cost thereof is justified.

The amendment was agreed to.

The next amendment was, on page 15, after line 4, to insert:

Grand (Neosho) River in Kansas, from Kansas-Oklahoma line to north and west boundaries of Lyon County: Channel clearing for flood relief; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $600,000.

The amendment was agreed to.

The next amendment was, on page 20, after line 16, to insert:

Washita River in Oklahoma: Flood-control reservoirs, and other incidental benefits; report to Congress not yet made; survey made and data in office of Chief of Engineers; $3,000,000.

The amendment was agreed to.

The next amendment was, on page 22, after line 9, to strike out:

Clarendon to Lambrook, on White River, in Arkansas: Levees to protect 287,600 acres of land; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $4,695,300.

And in lieu thereof insert the following:

Clarendon to Laconia Circle, on White River, in Arkansas: Levees to protect 347,000 acres of land; plan "M" in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers; cost, $8,960,000.

The amendment was agreed to.

The next amendment was, on page 23, after line 5, to insert:

Table Rock Reservoir, on White River, in Missouri: For flood control, hydroelectric development, soil erosion, and other incidental benefits; plans in House Document No. 102, Seventy-third Congress, first session; revised cost data in office of Chief of Engineers, cost, $14,286,000.

The amendment was agreed to.

The next amendment was, on page 48, after line 15, to insert:

Buckeye Lake and Indian Lake, Ohio: Works necessary to insure the safety of these reservoirs in accordance with plans to be approved by the Chief of Engineers.

The amendment was agreed to.

The next amendment was, on page 49, after line 4, to insert:

Franklin, Miami, and Linn Counties, Kans.: For survey, levees, and clearing channel of Marais des Cygnes River, cost $50,000.

The amendment was agreed to.

The next amendment was, on page 53, after line 18, to insert:

Schuylkill River, Pa., in Montgomery County, for flood-control works in accordance with the plans to be prepared by the Chief of Engineers as suggested by the survey now being made.

The amendment was agreed to.

The next amendment was, on page 53, after line 21, to insert:

SEC. 3. That for the purpose of controlling floods, improving navigation, regulating the flow of the streams of the United States, providing for storage and for the delivery of the stored waters thereof, for the reclamation of public lands and Indian reservations, and other beneficial uses, and for the generation of electric energy as a means of financially aiding and assisting such undertakings, all projects planned or undertaken to accomplish the aforesaid purposes and for which allotments have been made pursuant to the provisions of title II of the act approved June 16, 1933, entitled the "National Industrial Recovery Act", are hereby authorized and adopted, and all contracts and agreements which have heretofore been executed in connection therewith are hereby validated and ratified, and the President, acting through such agents as he may designate, is hereby authorized to construct, operate, and maintain dams, structures, canals, and incidental works necessary to such projects, and in connection therewith to make and enter into any and all necessary contracts, including contracts amendatory of or supplemental to those hereby validated and ratified.

The amendment was agreed to.

MEDALS COMMEMORATIVE OF RESCUE WORK, "MORRO CASTLE" DISASTER

Mr. COPELAND. From the Committee on Commerce I report back favorably with amendments the bill (S. 1874) to provide for the coinage of medals to be presented to Senator A. HARRY MOORE, certain officers of the New Jersey National Guard, Capt. John Bogan, Sr., and the members of the crew of the fishing boat *Paramount*, and I submit a report (No. 1460) thereon.

I ask unanimous consent to lay aside temporarily the unfinished business and that the Senate proceed to the consideration of the bill.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New York.

There being no objection, the Senate proceeded to consider the bill (S. 1874) to provide for the coinage of medals to be

presented to Senator A. HARRY MOORE, certain officers of the New Jersey National Guard, Capt. John Bogan, Sr., and the members of the crew of the fishing boat *Paramount* which had been reported from the Committee on Commerce, with an amendment to strike out all after the enacting clause and to insert the following:

That in recognition of the heroic efforts of the following-named men and others who participated in rescuing and contributing to the rescue of passengers of the ill-fated steamship *Morro Castle*, the Secretary of the Treasury is hereby authorized and directed to cause to be struck and presented to the men herein mentioned, and others who, in his judgment, are entitled to participate in such a reward, gold medals with suitable emblems, devices, and inscriptions to be determined by said Secretary: Senator A. Harry Moore; Adjt. Gen. William A. Higgins, Lt. John J. Toffee, Jr., Lt. L. V. Rawlins, Master Sergeant Hoffman, First Lt. H. W. Gray, Sergeant Griffith, Sergeant Platt, First Lt. L. D. Hoffman, Maj. Robert L. Copsey, Capt. John A. Carr (deceased), Lt. Thomas B. Mulroy, all of the New Jersey National Guard; Lt. Mathew Saleski; Lt. Col. Eugene H. Valle; Capt. Al Kline and crew of the fishing boat *Ridgewise;* Capt. Charles Piercey and crew of the fishing boat *Doris D.;* Capt. Robert Zeigler and crew of the fishing boat *Diana;* Capt. E. Donald Sternar and crew of the fishing skiff *Bud Jack;* Capt. John Bogan, Sr., and crew of the fishing boat *Paramount;* Capt. Ole Kristianse and crew of the sea skiff *Dee;* Capt. Francis E. Geer and crew of the *Seven Stars;* Capt. William T. Spencer, Jr., and crew of the cruiser *Westward Ho II;* Capt. C. N. Cramer and crew of the yacht *Agnes;* Capt. Henry C. Hillman and crew of the *Dolphin;* Capt. Jesse Cramer and crew of the *Cachelot;* Capt. T. E. Hicks and crew of the *Repajo II;* as well as the following life guards from Sea Girt, N. J.: John Holthusen, Elvin Lake, Richard Tucker, Thomas Black, George Braender, Jack Little; and members of the Bradley Beach First Aid and Ambulance Corps. Also, Robert Simms, Charles K. Gifford, Morris Nelson, David Carlson, John P. Kennell, Victor E. Errickson, Louis Myhammer, all of Point Pleasant, N. J.; and Murray Earl, of Mantolokin, N. J.; and E. Kittell, of Allenhurst, N. J.; and all members of the United States Guard Service from the New Jersey shore stations.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to carry out the provisions of this act.

Mr. LA FOLLETTE. Mr. President, I do not understand the present procedure and what the Senate is now doing.

The PRESIDENT pro tempore. The Senator from New York obtained unanimous consent to lay aside temporarily the unfinished business and to proceed to the consideration of Senate bill 1874 providing for the coinage of certain medals.

Mr. LA FOLLETTE. For whom?

Mr. ASHURST. Let the bill be read.

The PRESIDENT pro tempore. The bill will be read by title.

The CHIEF CLERK. A bill (S. 1874) to provide for the coinage of medals to be presented to Senator A. HARRY MOORE, certain officers of the New Jersey National Guard, Capt. John Bogan, Sr., and the members of the crew of the fishing boat *Paramount*.

Mr. NORRIS. Mr. President, that takes in all of them. I think everybody could get a medal under that title.

Mr. LA FOLLETTE. Mr. President, I ask that the Senator from New York explain just what the bill is.

Mr. BARBOUR. Mr. President, if the Senator will pardon me I can explain this bill. This is a measure of which I am the author which would award medals to my distinguished colleague, the junior Senator from New Jersey [Mr. MOORE], and many others who took part in the rescue of the unfortunate victims at the time of the *Morro Castle* disaster. The bill really originated in the House at the hand of my colleague Representative MARY NORTON of New Jersey, but has been greatly altered since in that many names were added to those that were included in the first instance.

Mr. LA FOLLETTE. What did they do?

Mr. BARBOUR. Many, at the risk of their lives, helped to rescue the unfortunate people who were forced to leap overboard in the water to escape this burning ship. My colleague [Mr. MOORE] for instance, went out in an airplane and, in cooperation with certain of the rescue boats at night and in the stormy weather, directed the rescue of a great many different persons. I cannot see how the Senator from Wisconsin or any other Senator can object to my colleague and these others receiving this recognition.

Mr. LA FOLLETTE. At the moment I am not objecting. I am simply desirous to know what the medals are being conferred for and what the justification is for this honor.

Mr. BARBOUR. The Senator will, of course, remember the *Morro Castle* disaster which took place at night near Asbury Park, N. J. The steamer was destroyed by fire, there was a great loss of life, and many members of the passengers and the crew had to leap overboard to escape the flames.

Mr. LA FOLLETTE. Why not award the medals to the passengers who jumped overboard? [Laughter.]

Mr. BARBOUR. I should be glad to do so, but unhappily a great many of them are in their graves; unfortunately, it is too late to give them anything. Anyway, I hope the Senator will not object to the passage of the bill. It includes all those who took part in the rescue, as well as my colleague, then the Governor of the State.

Mr. LA FOLLETTE. Mr. President, very reluctantly I announce that I shall not object, though the explanation is absolutely inadequate.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the coinage of medals to be presented to Senator A. HARRY MOORE, certain officers of the New Jersey National Guard, the captains and members of the crews of certain fishing and pleasure boats, and to others."

## IMPROVEMENT OF RIVERS AND HARBORS

The Senate resumed the consideration of the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

Mr. VANDENBERG obtained the floor.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. VANDENBERG. No; I will not. I wish to speak upon the pending bill.

I think it is an outrage that $500,000,000 should be authorized in 10 minutes tonight, in the closing moments of this session, without any more consideration than has been given to it; and, so far as I am concerned, I wish to have the Senate know what it is doing.

In the first place, it is authorizing the expenditure of one-half billion dollars, which is twice the amount which the Senate is about, piously, to raise with the new tax bill.

Secondly, the bill violates every precedent ever heretofore established in congressional practice in respect to flood-control works and river and harbor works, because it makes the authorization without recommendations from the Board of Rivers and Harbors Engineers.

If Senators will spend 2 or 3 minutes on this half-billion dollars, I suggest that they start reading the bill, opening it at any page. I opened it at page 14. Project after project contains, in the item, the following words——

Mr. COPELAND. Mr. President, will the Senator yield at that point?

Mr. VANDENBERG. For a medal?

Mr. COPELAND. The Senator is entitled to one, but a lead medal, I should say. [Laughter.] He will need lots of laughs during the next half hour.

Mr. VANDENBERG. I will yield as soon as I shall have completed what I was about to say.

Mr. COPELAND. Very well; I will wait. I can stand it.

Mr. VANDENBERG. In each of these items occurs the following phrase:

Report to Congress not yet made.

And you may go through this bill from page 1 to page 53, and 90 percent of the projects have, within the language defining them, these words:

Report to Congress not yet made.

Mr. President, I consulted this morning with the Chief of Engineers, and I find that this is the situation:

Two or three years ago Congress passed a general resolution asking for a general inquiry into all the possible flood-control projects which might invite the attention of the Government in the next 25 years. The Board of Rivers and Harbors Engineers made this general compilation, not as a basis of recommendation but purely as a general prospectus, intending in

each instance that the time-honored congressional practice of requiring reports and recommendations from the Board of Rivers and Harbors Engineers ultimately should be followed ere any action was taken. But in this bill all the projects that were listed in that quarter of a century prospectus are put together, and we are asked to authorize the expenditure of $500,000,000 for these purposes in advance of any recommendation from the Board of Rivers and Harbors Engineers.

Mr. President, upon my motion this morning, in the Committee on Commerce, an amendment was inserted in line 5 on the front page so that these authorizations shall not become effective at least until confirmed by the Chief of Engineers. I desire to make it plain that that small measure of concession to the congressional practice for 100 years is not in the House bill. It has been inserted in the bill by the Senate committee, and I wish to make it plain that when the bill goes back to the House, if those few words shall be stricken out, this bill will become nothing more than the most gigantic "pork barrel" racket of this entire session or any other.

I wish to emphasize the importance of keeping those words in the bill if Congress has the slightest intention of maintaining the rule which we know to be essential in the name of honest and decent public expenditures; namely, that river and harbor improvements and flood-control improvements shall not be made save in the presence of recommendations from the Board of Rivers and Harbors Engineers.

Mr. President, the committee this morning added another amendment to the bill.

Mr. LONG. Mr. President, will the Senator yield?

Mr. VANDENBERG. No; I do not yield at the moment. This happens to be a serious matter.

The committee this morning also added a sentence which defines the authorization of these projects as emergency work-relief projects. That is the only possible justification for this method of legislation; namely, that in this extraordinary situation, when four or five billion dollars are available for emergency work-relief projects, these flood-control projects should be tentatively authorized, so as to be brought within the jurisdiction of the expenditure of the work-relief funds.

It was stated to the committee this morning that that is the sole purpose of this bill, namely, to bring these flood-control projects, half a billion dollars' worth of them, within the jurisdiction of the expenditures that are made for work relief under the $4,880,000,000 fund.

I concede that an argument may be appropriately made for that sort of an identification of projects to be paid for by that sort of an expenditure; but I call the attention of the Senate to the fact that there is not one word in the bill itself which requires the expenditures to be made in that fashion. On the contrary, so far as the text of the bill and its authority is concerned, every penny of this half billion dollars may run against the General Treasury and the general taxpayers when finally appropriated.

Therefore, in order to test the good faith with which the Senate has inserted in the bill upon page 1 the words indicating that these are work-relief authorizations, I offer a further amendment, on page 2, line 3, reading as follows:

*Provided further*, That the necessary appropriation to complete each project shall first be allocated from the funds appropriated for relief purposes in Public Resolution No. 11, Seventy-fourth Congress.

Mr. LONG. Mr. President, there is not a thing that Congress has acted on since I have been here which has been studied half so much as what is contained in this bill.

Notwithstanding the fact that this is an administrative measure—and I think I have shown that I have been entirely free in regard to measures, whether they are administration measures or not, and probably a little bit against most of them—I may say that this happens to be about the only major piece of legislation which has been thoroughly studied and reported on, not particularly in any one document or Senate file, but this bill has had the most intensive study and investigation and hearing of any subject matter that has been passed upon by Congress during the past several sessions.

As an example, if there has been one hearing in my little State, there have been a hundred, on every project that is contained in this measure, and long delay. Not only have they been investigated by the National Government, they have been investigated by many independent agencies. The National Rivers and Harbors Conference has investigated many of them. There has been the Mississippi Valley Conference investigating them, and there has been the Missouri Valley Conference investigating them.

Not only that, but the Congress of the United State appropriated a large sum of money—I might not be able to state exactly what it was, but it was several million dollars—to make a complete study of this entire question. It was embraced in a report that was filed with the Congress, and there is not a Member of the United States Senate who has not received, not only the maps and the diagrams, but a most exhaustive report, with every detail of construction, with every item of cost, leaving it for the Congress to appropriate, either to do the job in one whole stroke, or to do it in single selected propositions, one at a time.

Instead of doing the entire job at once, which could have been accomplished had Congress seen fit to appropriate the money, it has selected the projects most necessary and which will give the greatest and most wide-spread employment of labor on the work to be done.

Mr. President, this is not a sectional bill by any means. The bill affects the welfare of the people of the entire United States, and I want to say for my friend the Senator from Michigan that evidently he did not take the time to peruse the report filed here by the Army engineers, which contains most elaborate information, and contains the statement that they had further information which might be needed by any committee of Congress, or by any Member of Congress who wished to pursue a study of any matter that was comprehended in the general outline.

Mr. COPELAND obtained the floor.

Mr. BONE. Mr. President, will the Senator from New York yield for a question?

Mr. COPELAND. I yield.

Mr. BONE. Mr. President, the Senator from Michigan has suggested that this bill, if passed, might lay the foundation for a claim against the general fund. I have never understood that a bill of this character might be the foundation of a claim against the general fund without a formal appropriation by the Congress of the United States. It is true that the money might be allocated by the President out of the work relief funds, and, of course, that would not add anything to the burden which we already face; but certainly, as the Senator from Louisiana suggested, the Congress would follow its time-honored habit of passing on each appropriation if it were made a tentative lien on the general fund. I ask the Senator from New York if my statement is not correct.

Mr. COPELAND. Mr. President, the Senator is entirely correct, and I shall enlarge upon what he has said, if I may.

Mr. President, I fairly trembled when I listened to the Senator from Michigan, and wondered what really would have happened to us if we had not had this advice and assistance from him. I can imagine that this was merely a practice speech for next year. It was a good one, and I congratulate the Senator. The trouble is, however, that his facts are not well founded. Let us take just one example, and I think all the cases are alike in this respect.

The Senator complains that no report has been made to Congress. I have before me a report as to the Henderson County Drainage District No. 3, in Illinois, to protect agriculture, survey completed, and data in the office of the Chief of Engineers. The survey has been made, and all the data are in the office of the Chief of Engineers. The report has not as yet been printed. Some of these reports are very long, in some cases a whole volume being devoted to one of them.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. The Senator undoubtedly has in mind that there has been an essential change in this administration, in the last 2 years, from the old practice of selection by the

Board of Army Engineers of the river and harbor and flood-control projects. In other words, when Congress made the appropriations themselves, specified the project, and appropriated the money for the project, they acted exclusively on the recommendations of the Board of Engineers. But in this administration, owing to the installation of the public-works program, a different policy has been adopted. Congress does not now make the direct appropriations for the projects. It has been left to the Public Works Administration, or the Works Relief Administration, or whatever we may please to call it, and what used to be an appropriation by Congress now simply becomes the reservoir from which the Public Works Administration draws the projects to be adopted. Therefore the objection of the Senator from Michigan does not lie in any particular.

I further call attention to the fact that the best money that can be expended in all these projects, so far as putting men to work is concerned, is in flood-control and river and harbor work, because that means 90 percent labor.

Mr. COPELAND. Mr. President, I thank the Senator for what he has said, which is absolutely correct.

The surveys have been made. On file in the office of the Chief of Engineers they have the data. We are here making into an omnibus bill an authorization which may cover years to come. I think the Senator from Michigan was helpful in the amendments he put on the first page of the bill, but when he now attempts to provide that no work shall be undertaken in accordance with this authorization except from funds out of the $4,000,000,000 appropriation, I shall have to resist his effort, because it might well be that even that enormous sum of money would disappear for other purposes long before it came time to allocate funds for projects included in the pending bill.

Mr. President, this bill may be the last one of the kind we will have for years to come. It provides an authorization merely for these various activities, so I hope that the amendment offered by the Senator from Michigan will be rejected.

### CLAUDE W. SHELTON—VETO MESSAGE (S. DOC. NO. 133)

The PRESIDING OFFICER (Mr. CLARK in the chair) laid before the Senate a message from the President of the United States, which was read, referred to the Committee on Military Affairs, and ordered to be printed, as follows:

*To the Senate:*

I return herewith, without my approval, S. 1497, authorizing me to appoint Claude W. Shelton, first lieutenant, United States Army, retired, to the grade of captain, United States Army, retired, effective as of July 1, 1920, with the retired pay of a captain. This measure further provides that no back pay or allowances shall be held to have accrued prior to its passage.

From the facts in this case of record in the War Department, it appears that Claude W. Shelton entered the Regular Army as a provisional second lieutenant of Infantry with rank from June 5, 1917; was immediately promoted to provisional first lieutenant; and held a temporary commission as captain from August 5, 1917, to March 5, 1920. He was placed on the retired list as a first lieutenant March 9, 1920, because of disability resulting from wounds received in action overseas in July 1918. Under the general legislation enacted June 21, 1930, he was advanced on the retired list to his highest war-time rank of captain. That legislation authorizes the advancement of retired officers, who served with credit during the World War, to the highest rank held by them during such service, and also provides that such advancement shall be without any increase in pay or allowances

Briefly stated, the ultimate purpose of this measure is to increase the annual compensation of this retired officer from $1,950 to $2,340. In this connection it appears that Captain Shelton's compensation is being increased regularly under existing law by virtue of the fact that having been retired for disability resulting from wounds received in action, he is credited with inactive service on the retired list for longevity pay purposes.

I have been advised by the War Department that while Captain Shelton would have been eligible for promotion to the permanent grade of captain had he remained on the active list until July 1, 1920, his retirement on March 9, 1920, was approved and effected only after a retiring board had determined that he was permanently incapacitated for active service, and that the action taken in his case was strictly in conformity with the governing laws. Therefore, I can see no reason for singling him out for preferential treatment at this time for the purpose of conferring upon him the pay of a captain, which grade he did not hold on the date of his retirement.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 23, 1935.*

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9100) to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties.

### ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

H. R. 921. An act for the relief of Edgar Sampson;

H. R. 996. An act for the relief of Joe Reno;

H. R. 1286. An act for the relief of James H. Bell (or James Bell);

H. R. 1871. An act for the relief of the Medical College of Virginia, and others, of Richmond, Va.;

H. R. 1965. An act for the relief of William E. Fossett;

H. R. 2325. An act for the relief of James P. Whalen;

H. R. 2620. An act for the relief of Sadie Wilkinson;

H. R. 2621. An act for the relief of Tom L. Griffith;

H. R. 2702. An act for the relief of Emanuel Lieberman;

H. R. 3408. An act for the relief of Rufus Jones, a minor;

H. R. 4226. An act for the relief of Floyd Hull;

H. R. 4339. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Uinta and Wasatch National Forests, Utah;

H. R. 4428. An act for the relief of Caroline (Stever) Dykstra;

H. R. 4570. An act for the relief of Amy McLaurin;

H. R. 4601. An act for the relief of the heirs of Gladys Picklesimer;

H. R. 4784. An act for the relief of J. T. Slayback;

H. R. 4848. An act for the relief of Charles E. Molster, disbursing clerk, Department of Commerce, and Dr. Louis H. Bauer, a former employee;

H. R. 4852. An act to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army;

H. R. 5049. An act providing punishment for forging or counterfeiting any postmarking stamp;

H. R. 5162. An act providing for punishment for attempts to obtain mail by fraud or by deception;

H. R. 5245. An act for the relief of Elizabeth Leiding;

H. R. 5351. An act for the relief of Rose Teiermeyer;

H. R. 5360. An act providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property;

H. R. 5475. An act for the relief of Henry Irving Riley;

H. R. 5516. An act authorizing the President to issue a posthumous commission as second lieutenant, Air Corps Re-

serve, to Archie Joseph Evans, deceased, and to present the same to Maj. Argess M. Evans, father of the said Archie Joseph Evans, deceased;

H. R. 5540. An act extending the period during which no demurrage is charged on collect-on-delivery parcels and excepting the imposition of demurrage charged on collect-on-delivery parcels exchanged between the continental and island possessions;

H. R. 5558. An act for the relief of Clarence F. Jobson;

H. R. 5634. An act for the relief of the Baltimore Renovating Co.;

H. R. 5781. An act for the relief of the widow and next of kin of James J. Curran;

H. R. 5790. An act for the relief of certain creditors of J. R. and J. A. Whelan, Inc.;

H. R. 5811. An act for the relief of Michael A. McHugh;

H. R. 5905. An act for the relief of Cal Settles and Rhoda Settles;

H. R. 6057. An act for the relief of Joe Brumit;

H. R. 6168. An act for the relief of Charles K. Shade;

H. R. 6394. An act for the relief of William K. Caley;

H. R. 6889. An act for the relief of A. Zappone and W. R. Fuchs;

H. R. 6892. An act for the relief of certain Indians on the Cheyenne River Reservation;

H. R. 7076. An act for the relief of the heirs of John Schrodl;

H. R. 7137. An act for the relief of Cassie M. Lyne;

H. R. 7592. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at Sistersville, W. Va.;

H. R. 7740. An act granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Black River at or near the north line of section 2, township 24 north, range 6 east, near Poplar Bluff, Mo.;

H. R. 7897. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River at or near Elizabeth, in the county of Allegheny, Commonwealth of Pennsylvania;

H. R. 7924. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Port Allegany, in the county of McKean, State of Pennsylvania;

H. R. 7928. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Ford City, Pa.;

H. R. 7979. An act to extend the times for commencing and completing the construction of a bridge across Puget Sound at or near a point commonly known as "The Narrows", in the State of Washington;

H. R. 8020. An act for the relief of Jose R. Redlhammer;

H. R. 8098. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Edinburg, in the county of Lawrence, Commonwealth of Pennsylvania;

H. R. 8131. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Owensboro, Ky.;

H. R. 8183. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Emlenton, in the county of Venango, Commonwealth of Pennsylvania;

H. R. 8187. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Tionesta, in Tionesta Township, in the county of Forest and in the Commonwealth of Pennsylvania;

H. R. 8189. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near East Brady, in the counties of Clarion and Armstrong and in the Commonwealth of Pennsylvania;

H. R. 8345. An act authorizing the Secretary of the Navy to accept without cost to the United States certain lands in Duval County, State of Florida;

H. R. 8652. An act to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes;

H. R. 8977. An act to authorize the Secretary of the Treasury to acquire a site for the erection of a post-office building at Columbus, Miss.;

H. R. 9100. An act to stabilize the bituminous coal mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties;

H. J. Res. 276. Joint resolution authorizing the State of Arizona to transfer to the town of Benson, without cost, title to section 16, township 17 south, range 20 east, Gila and Salt River meridian, for school and park purposes; and

H. J. Res. 350. Joint resolution to authorize the President to extend an invitation to the World Power Conference to hold the Third World Power Conference in the United States.

## IMPROVEMENT OF RIVERS AND HARBORS

The Senate resumed the consideration of the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

Mr. TYDINGS. Mr. President, there is no doubt in the world that many projects in this bill are meritorious, but before the year 1937, when we begin to pay for these things, there is going to be a different atmosphere prevailing in this Chamber from the one that prevails here tonight.

A few days ago the Senator from Wisconsin [Mr. LA FOLLETTE] offered an amendment to the then pending tax bill to carry income taxes down to incomes of $800 for single persons, as I recall, and about $1,500 for married persons. Any Senator who votes for the pending bill votes to carry the income taxes at least that far down, if not further.

Congress has appropriated $4,000,000,000 of money we do not have, in order to put people to work. There was about a billion and a half dollars left over from the old P. W. A., and now, forsooth, it is proposed to appropriate another half a billion dollars that we do not have.

Mr. COPELAND. No; not appropriate.

Mr. TYDINGS. Do Senators think that the people of this country have lost their common sense, that each and every poor man does not know that he has to work to raise the money with which to pay this huge debt? I know there is "pork" in the bill. There is some Maryland "pork", and the project in Maryland is a good one, and I should like to see it go into the bill, and I should like to see the work done. But, gentlemen, we have not the money with which to indulge in this business at this time. Men may throw money away, but, oh, there will be a different story when the time comes to write a tax bill. In 1937 the disposition will be to levy no taxes, as the disposition was the other day, but Congress will levy them whether they want to levy them or not, because the day will then be approaching when it is will be so necessary to levy the taxes that there will be no escape.

Is not the sum of five or six billion dollars enough in work projects scattered all over this country, $50,000,000 to be spent in my own State next year, a small State in both population and area, $50,000,000 in the little State of Maryland, which will, if properly spent, take every man off the relief roll, pay him a fair wage, and employ him for at least a year?

What on earth is the necessity, after having drained the Treasury and borrowed the money to carry on that huge program, of putting one-half billion more dollars on top of it at this time?

We may have to have another public-works program in 1937 or in 1938, or we may have another relief program. Is it not wise to use a bit of caution now to save our money for another rainy day rather than to pile up expenditure upon expenditure and break down the backs of the people with taxes which are inevitable?

I do not know—perhaps I have gone mad, but this sort of legislation makes me feel that the Legislature of this Republic has gone mad. We provided means to raise $250,000,000 in taxes just 2 weeks ago. Bills were offered to increase the whole tax structure, from the lowest income all the way to the top, and even then there would only be raised $450,000,000 or $500,000,000. But we do not want to levy those taxes for one reason or another. They are too burdensome, we say.

So, we strike out all the lower incomes to $50,000 a year, and raise only $250,000,000 in emergency taxes, and now we come in, when we did not have the disposition to tax the poor man, and make an expenditure which is unnecessary and which will make it mandatory sooner than necessary to tax the poor man. This is a bill the title of which should read, "To carry taxes down to the lowest wage earner in America." That would be the correct title of it.

I have sat here all during this session and heard about the Guffey coal bill to increase the wages of the miners and the agricultural bill to increase the income of the farmers and the N. R. A. to increase the income of this, that, and the other fellow. What in the world is the use of increasing their income if we are going to take all of that increase and a part of their old salary in new taxes? It is the biggest lot of sham and hypocrisy there ever was, and this Congress ought to be turned out of office if it writes this law upon the statute books in this period of great emergency.

Mr. LONG. I know my friend does not want to overlook one fact, but this is a matter which adds to the national wealth. Every dollar which is spent adds to the national wealth.

Mr. TYDINGS. Yes; if the Senator will give me a hundred dollars it will add to my wealth also. [Laughter.]

Mr. VANDENBERG. Mr. President, I should like to give the Senator one further bit of information about this bill.

Mr. TYDINGS. It adds considerably to the wealth of Louisiana, I notice, because there are any number of Louisiana projects in the bill.

Mr. VANDENBERG. I should like to tell the Senator one thing more about the bill. I should like to have the Senator know that this bill passed the House of Representatives at 10 o'clock last night carrying about $370,000,000 of authorizations, but it was taken up in the Senate Commerce Committee at 11 o'clock this morning, and in 1 hour about $200,000,000 of additional authorizations were added, and that the bill itself was never even read to the committee.

Mr. TYDINGS. I will say to the Senator from Michigan—and I certainly do not want to make any threats—but I am willing to do my part to see that this bill shall not be written on the statute books, at least in this session of the Congress.

I think it is one of the most outrageous measures, considering the condition of the country, which was ever brought into a session of Congress. Project after project was never passed on in the bill. Data assembled, they say, survey made, no recommendation to Congress, $15,000,000. One project after the other, amounting to about one-half billion dollars.

Mr. LONG. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LONG. In 1 year that much of the people's wealth in this country was destroyed by unharnessed flood waters. That much destruction was done in 1 little year.

Mr. TYDINGS. Yes; and in 1 little month twice that much of the people's wealth was destroyed by the burden of taxes which the Senator from Louisiana helped to put on them by the acts of Congress. There is not a dollar in this bill that can get into the Treasury of the United States except in one way. The whole of the half-billion dollars which is herein appropriated has got to be raised by somebody in the form of taxation. An illustration which I have often used to show Senators the burden of taxation today is a small package of cigarettes. That little green stamp on the package of cigarettes represents a 6-cent tax. A man who smokes a package of cigarettes a day, or we will say 300 packages of cigarettes a year, has to pay $18 in cigarette taxes alone.

If he is a carpenter making $4.50 a day he has to work four whole days out of the year simply to pay his cigarette taxes. How much do all those taxes amount to? The entire tobacco tax on all forms of tobacco only brings in $400,000,000 a year. Yet here we have $100,000,000 more than that total tobacco tax for a year contained in this one bill. Of course, there is a project in the bill for nearly every State in the Union, including my own. That is the bait. I could take out about 12 projects and change the complexion of the Senate in regard to this bill.

I will return to any place in the bill and read. I do not refer to any particular State and I do not want to reflect on any Senator, but turning to the first page I happen to come to I read:

Lyon County, on Grand (Neosho) River in Kansas: Levees (unit no. 39) to protect 7,020 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $237,100.

I should like to ask someone where those 7,020 acres of land on the Neosho River are? Is there anyone here who can describe that particular project? The committee must know something about it. The committee has it in the bill, and the committee has a quarter of a million dollars appropriated for that work. I will ask the question, and I shall be glad to yield for an explanation.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. TYDINGS. I shall be glad to yield for an explanation.

Mr. COPELAND. I do not happen to know where those acres are, but I do know the philosophy of the bill. The Senator all through his speech is talking about the appropriation of money. This is not an appropriation bill. This is an authorization. With regard to the particular item referred to by the Senator on page 17 he finds fault in the first place because the report has not been made. The survey has been completed, the data is in the office of the Chief of Engineers, and not a dollar can be spent until the Board of Engineers recommends it and until the Congress appropriates the money.

Mr. TYDINGS. That may be true, and it may not work out as the Senator envisages it. What I know is that after we appropriated $4,000,000,000, with $1,000,000,000 of P. W. A money left over from last year, and more, as the Senator from Virginia [Mr. BYRD] read a table one night showing there was some left over, it is proposed to thrust another $500,000,000 on top of that.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. VANDENBERG. I do not wish the Senator to be misled regarding the situation. The Senator from New York correctly says that so far as the amended Senate bill is concerned none of these expenditures can be made until the money is appropriated.

Mr. COPELAND. That is what I am speaking about.

Mr. VANDENBERG. But the House bill remains an issue and continues to be an issue in the conference, and the reason I rose was to emphasize the fact that if this thing should go through conference and the Senate amendment should be lost in conference, as is so usually the habit, then the precise situation the Senator from Maryland is talking about would exist.

I want to say this for the information of the Senator from Maryland. Wherever the phrase "report to Congress not yet made" occurs, and it occurs 90 percent of the time, a statement by General Markham, Chief of Engineers, made this morning is that that report may be adverse when it is made. The mere fact that data are available does not mean the Engineers are going to approve the project. It merely means they finally assemble the material upon which to make an ultimate judgment, and that judgment may be adverse.

Mr. TYDINGS. Of course.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. COPELAND. Why does not the Senator take us on faith? The Senator himself has modified the House bill as changed, and said if that is the law ultimately he is satisfied with it, but he reflects upon the conferees that they will just meekly give in and that it will be the House bill. We are not discussing the House bill. We are discussing the Senate bill. Let us be fair with each other and not throw any more bricks around the place. I have had rather a rough time today anyhow.

Mr. VANDENBERG. So far as my pending amendment is concerned it is pertinent for consideration of the Senate because it tests the good faith of the proposition that the purpose of these present authorizations is to provide work relief. If that is the purpose, there is no reason why the pending amendment should not be adopted and say so.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. I yield.

Mr. LONG. I have been trying to find out just what the objection is. To begin with, there is no appropriation made in the bill.

Mr. TYDINGS. Then, if there is no appropriation, the Senator should not be contending for any of the projects in the bill. Of course, the Senator does not want anything. He just wants to enact a law that contains these items, and there is no appropriation made and, therefore, they will never be built.

Mr. LONG. I want to call to the attention of the Senator from Michigan that we would not have had one-tenth of the navigation projects in America that we have today if we had waited for the War Department to approve them. There never would have been a Mississippi Valley project or an Ohio River project if we had had to wait on the War Department. We would not have had a steamboat at Pittsburgh today if we had waited for the War Department.

Mr. TYDINGS. We may have had a few more shallow creeks, but the deep waterways would have been maintained just the same.

The item I have picked at random is followed by another one:

Lyon County, on Grand (Neosho) River in Kansas: Levees to protect 7,020 acres of land; report to Congress not yet made; survey completed and data in office of Chief Engineers; cost $237,100.

That means about $30 an acre on that little block of land containing 10 or 15 farms. I doubt if some of that land is worth $30 an acre around there in this particular locality.

The next item is:

Morris County on Grand (Neosho) River in Kansas: Channel straightening and dikes from present dike at Council Grove to Lyon County line, and permanent repairs to dikes and dredging to protect city of Council Grove; survey to be completed and data in office of Chief of Engineers; cost, $150,000.

That great metropolis of Council Grove, bursting with its millions of people, and these great ocean liners going up there laden down to the gunwales with freight from all four corners of the earth.. I can see now the miles of docks along the water front in Council Grove, Kans., the busy steamships occupying the slips with their gigantic funnels sending smoke into the air, while down 100 railroad spurs there comes freight train after freight train.

The next item is:

Pensacola Reservoir on Grand (Neosho) River in Oklahoma: For flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $6,263,000.

I wish we had the Neosho River over in Maryland. [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair will admonish the occupants of the galleries that they are here as guests of the Senate. The Senate is not a hippodrome performance. Any expression of amusement, approval, or disapproval are strictly forbidden. If necessary, the Chair will order the galleries cleared.

Mr. TYDINGS. The last item was $6,263,000 for the Pensacola Reservoir on the Grand Neosho River in Oklahoma. Oklahoma is doing very well. I am very fond of the two Senators from Oklahoma, and if the bill is to pass I know of no State that I would rather see helped.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. MURPHY. Has the Senator no imagination? Cannot he hear that "steamboat comin' around the bend"?

Mr. TYDINGS. I can hear it. I am coming to that creek in Iowa in a moment. [Laughter.]

The next item in the bill is:

Markham Ferry Reservoir, on Grand (Neosho) River in Oklahoma: For flood control and other incident benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $2,591,000.

That is one of the most important projects in America. If this bill fails, the Markham Ferry Reservoir will plunge this country into economic chaos.

Mr. LONG. Mr. President, I wonder if the Senator made any protest against the Government expenditures around Baltimore?

Mr. TYDINGS. I voted against such appropriations. I think that is the best protest I can make. I am one of those Senators, may I say with pride, who does not mind voting against money to be spent in his own State and who always does it when there is no justification back of the proposed appropriation. I am not bribed easily with a good chunk of pork.

Mr. LONG. How large an appropriation was made?

Mr. TYDINGS. The largest appropriation I know of was $4,800,000,000, the biggest appropriation ever made. The Senator from Maryland not only voted against it, but he spoke frequently against it, and is mighty proud that he did. Subsequent events are rapidly proving that he was not as far wrong as some thought he was at that time.

Mr. LONG. How much did Baltimore get?

Mr. TYDINGS. We did not get as much as we are going to have to pay back in taxes. Does that answer the Senator's question?

Mr. LONG. No. I want to know how much it was.

Mr. TYDINGS. We got about $23,000,000 and will pay back $125,000,000 in taxes.

Mr. LONG. Twenty-three million dollars is a pretty good chunk of stuff.

Mr. TYDINGS. And $125,000,000 of tax money is a whole lot larger chunk of stuff.

I do not want to stray out west too far. I am trying to work east. I want to work a little down in Louisiana because we all know that this administration does not give anything to Louisiana. [Laughter.]

Red River Parish, below Shreveport, La.: Levee extension and enlargement to protect 176,000 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $150,000.

To protect the constituent of the Senator from Louisiana [Mr. LONG] who owns 176,000 acres on the Red River.

Mr. ASHURST. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ASHURST. Are copies of this bill available showing the Senate amendments? I have asked three times for a copy of the bill showing the amendments made by the Senate committee. Thus far I have been unable to get a copy. I ask, Why?

Mr. VANDENBERG. Mr. President, if the Senator from Maryland will yield, I can assure the Senator from Arizona that there is no copy with the Senate amendments available. The bill passed the House last night at 10 o'clock. It went through the Senate committee in an hour this morning. It accumulated $200,000,000 additional authorizations in the course of the hour. It is now here with about $600,000,000, and no printed report.

Mr. ASHURST. Mr. President, will the Senator from Maryland yield for a question?

Mr. TYDINGS. I yield.

Mr. ASHURST. Did the Senate Committee on Commerce propose any amendments?

Mr. TYDINGS. About two or three hundred million dollars.

Mr. ASHURST. We should like to have printed copies showing them, at least.

The PRESIDING OFFICER. The Chair will say to the Senator from Arizona that that is not a parliamentary inquiry.

Mr. ASHURST. I think it is a most fundamental thing when Senators are asked to vote upon a bill authorizing the appropriation of two or three hundred million dollars, and no printed copies are available. Why, it transcends in ridiculousness anything I ever heard of in parliamentary procedure.

I am advised that the only copy available to the Senate of the United States is the copy at the clerk's desk; yet we are asked to pass upon a bill containing $200,000,000 of amendments. Is that true.

Mr. TYDINGS. That is true.

Mr. ASHURST. Well, then, I am disgusted. That is all I can say. Here is the one copy, which I return to the desk.

Mr. TYDINGS. Mr. President, I have just read an appropriation of $150,000 for Louisiana, to take care of 176,000 acres of land.

Mr. LONG. Where is that?

Mr. TYDINGS. Page 8, beginning with line 3.

Mr. LONG. All right. Now, let us see. What is that?

Mr. TYDINGS. Red River Parish, below Shreveport, La.

Mr. LONG. All right.

Mr. TYDINGS. The rest of the item is:

Levee extension and enlargement to protect 176,000 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $150,000.

Mr. LONG. I think that is an oil field.

Mr. TYDINGS. The next item is:

Bayou Pierre, La.: Channel enlargement from Bayou Wincey to mouth at Grand Encore to improve drainage; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $300,000.

Mr. LONG. I shall be glad to explain that.

Mr. TYDINGS. I think the Senator from Louisiana has been going down to the White House and looking through the keyhole.

Mr. LONG. No.

The PRESIDING OFFICER. The Chair must suggest to the Senator from Louisiana that before he interrupts another Senator he should address the Chair and obtain the Senator's permission. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. Not for the present.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. TYDINGS. The next item is:

Natchitoches Parish, La.: Levees on west side of Red River, dam and floodgate at mouth of Cane River and drainage ditches; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $315,000.

Saline Point, Avayelles and Catahoula Parishes, La.: Cut-off to reduce flood heights; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $135,000.

Black Bayou, La.: Earth dam and reservoir for flood storage to protect 3,000 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $125,000.

Poor old Louisiana. The way they leave Louisiana out of these large Federal appropriations breaks my heart, and fills my soul with well-nigh unbearable grief. [Laughter.]

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. TYDINGS. For a question.

Mr. VANDENBERG. I do not wish to divert the Senator from the larger amounts to which he is now referring, but I know the particular music from which he is singing does not have the Senate committee amendments in it, and I should like to have him know that the Atchafalaya Basin in Louisiana got $27,000,000 in 5 minutes this morning in the committee.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. I yield for a question.

Mr. LONG. That shows how little the Senator from Michigan knows. He does not even know the name of the river. That river is longer and wider than all the rivers in Michigan put together, but the Senator from Michigan does not even know the name of it.

Mr. VANDENBERG. And it is getting more money than all Michigan.

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. TYDINGS. I refuse to yield just now.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. TYDINGS. Everything I read is plus. The committee may have added something to the bill, but there have been no reductions; you may bet on that. So at least I am giving you the minimum picture.

FIRE POINT, CADDO PARISH, LA.

Fire Point, Caddo Parish, La.: Cut-off and levee to prevent extensive levee relocation; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $135,000.

With each new paragraph my grief for Louisiana, and the bad treatment she has received, mounts in an overwhelming flood.

Bayou Bodcau, La.: Floodway for the diversion of Bayou Bodcau and Cypress Creek to protect 70,000 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost ——.

The ridiculous sum of $1,825,000; a mere bagatelle; just a drop in the bucket; only a dollar for every man, woman, and child in Louisiana is on just that one project. There are only 1,800,000 people in Louisiana. There is $1 for every head on that one project—$1,825,000; a dollar a head. Poor old Louisiana. Here her senior Senator sits tonight, pleading her case, while Congress has given an overnight pension of a dollar a head to every man, woman, and child in the State on just one little project. Of course, none of it will have to be paid back by those people. They will get that dollar apiece, and none of it will ever have to be paid back. There is nothing to worry about—not a thing in the world. That money we are going to make down here at the mint. We are not going to tax anybody for it; or England is going to pay her war debt. Certainly the farmers of Minnesota will never have to raise that money. Delaware peaches will not pay a cent of it, or Rhode Island textiles, or Kansas corn or wheat—either liquid or in grain.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. I yield to the Senator for a question.

Mr. LONG. Does the Senator know how many millions of dollars Louisiana spent to give these States the Mississippi River and the Atchafalaya River? For the Senator's information, I will say that Louisiana has spent about $200,000,000 so that the Nation might have a river over which it has no jurisdiction in Louisiana. Louisiana today is bonded for $200,000,000 that the ships of Maryland and of Iowa, if they go that high, or wherever they go, may use that river.

Mr. TYDINGS. Or Switzerland. [Laughter.]

Mr. LONG. Switzerland, Germany, and everybody else that comes to it.

Mr. TYDINGS. I cannot allow the Senator to speak in my time.

The PRESIDING OFFICER. The Senator declines to yield further.

Mr. LONG. Will not the Senator let me complete this sentence?

The PRESIDING OFFICER. The Senator declines to yield.

Mr. LONG. We have spent $200,000,000 on that river, I have stated.

Mr. TYDINGS. The next item is:

Bayou Des Glaises, La.: Diversion ditch from Moreauville to borrow pit of West Atchafalaya levee at Lake Bayou to improve

drainage for 90,000 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $280,000.

Only a quarter of a million dollars—$280,000.

Wallace Lake, La.: Earth dam and reservoir for flood storage to protect 176,000 acres of land; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $380,000.

A mere bagatelle; only a third of a million dollars.

Shreves Island below Shreveport, La.: Cut-off and levee to eliminate extensive levee relocation; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $97,500.

Grant Parish and Colfax, La.: Levees on east side of Red River to protect 48,000 acres of land, and cut-off to protect Colfax; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $450,000.

A mere bagatelle; only half a million, $450,000.

Now I am going to tell the Vice President something, my friend sitting here on the floor, and a keen observer of human beings.

I sometimes think it pays to filibuster, because when we have an important bill before us on the next to the last night one is pretty apt to have his own State pretty well taken care of; he is pretty apt to find that four or five million dollars of projects that would not have a show otherwise are in the bill, and, instead of filibustering against it, one is apt to work for it.

I simply pass that on as a bit of philosophy for whatever it is worth. If I am any judge of the human being, the boys who anticipated the end went into a huddle, and they decided to make the thing bulletproof. It is too bad they did not call me in on that conference.

Mr. President, I do not impute bad motives to anyone, but I rather suspect that Louisiana received pretty generous treatment because it was hoped by those interested in the measure that other projects in the bill would pass, and therefore why not remove what might be an obstacle to its speedy passage, even though it cost eight or nine million dollars which we would not otherwise appropriate? What is six or eight million dollars between friends?

I have that much measure of friendship for my fellow Senator from Arizona. Eight million dollars would never buy the friendship between us, and why not therefore give to Louisiana $8,000,000 worth of friendly projects, even though they are not needed, even though the engineers in the Army have not recommended them, and never will? That land has to be protected, and this bill has to be protected, and the only way to protect the Neosho, or whatever the river was in Kansas, was to give Louisiana six or eight million dollars worth of projects.

Of course, I live in a State with no water in it. Everybody knows that the Potomac River—well, it is only a brook, and the Chesapeake Bay is only a little stream, and the Susquehanna River, which is the largest river east of the Mississippi, arising away up in New York State, and a mile wide at its mouth, and having on it four of the largest power plants in the world—that is only a little stream, and the Elk and Bohemia and the Patapsco and the Patuxent would make most of these so-called "rivers" look like rain trickling across the pavement from a broken rain spout in a 5-minute April shower. [Laughter.]

Yet, think of those great rivers out West, where the giant ocean liners come laden down, where the babble of many languages is heard on the foredeck up around the forecastle, where the Chinamen and the Lithuanians and the Portuguese and the Morrocans and the Italians and the Englishmen and the Irishmen all man the decks when the liner sails up the Neosho River out in Kansas [laughter], and the five tugboats come out to warp her into the docks, and the 1,000 people of Council Falls who happen to be standing on the wharf, and the million back in the interior of the city are waiting for friends returning from Addis Ababa, Abyssinia. They have to have deep water, or that great port will perish.

I look over here at my lovable friend the senior Senator from Kansas [Mr. CAPPER] and think how the wheat farmers out in the hot July sun, after they have been going along behind the reaper picking up one bundle of wheat after another, and hoisting it upon the large wagon and taking it to the thresher, finally taking all of their goods down to the Neosho River and shipping them over to Belgium, and to France, and to China through the Panama Canal, because those ships go right down the Neosho into the Mississippi, and far down around the Horn and up again to all the eastern world—when I think of taking that $385,000 away from that greater metropolis and leaving those poor Kansas farmers stranded out there, with all their millions of bushels of wheat, I cannot repress a tear. [Laughter.]

Of course, down in Louisiana, that delightful and lovable and romantic country, where the French and the Spaniards and the Anglo-Saxons have intermingled with the charming civilization and delightful cosmopolitan population, where the poor little Mississippi is only 2½ feet deep and only 150 yards wide, where they bring these cargoes, not in big ships but in little rowboats, the ships being anchored 250 miles out in the Gulf of Mexico because of the shallow water, I say with a heavy heart, thank heaven, Congress has at last come to the rescue of the poor old shallow Mississippi and poor old Louisiana.

We are going to dig those 2½ feet down to 35 feet, gentlemen, and make that little 150-yard wide river down there by the Delta 3 miles wide, so that she, like the Neosho, in Kansas, and Council Falls, may enjoy the commerce of the world, and be the crossroads of mighty shipping, as is the metropolis of the State which the senior Senator from Kansas represents.

Mr. LONG. Mr. President, will the Senator yield?

Mr. TYDINGS. I will yield for a question.

Mr. LONG. Does the Senator know that the Mississippi River was not navigable until along about the fifties or the sixties until the Eads jetties were constructed?

Mr. TYDINGS. Does the Senator know that the Susquehanna River was not navigable at the same time when the Mississippi River was not navigable, and that private capital built a tremendous barge canal from the head of the Chesapeake Bay, which is 7 miles wide, away up into the coal and lumber fields of Pennsylvania, and that down that river there came tens of thousands of white-pine logs and hemlock every spring, and the greatest sawmills in this country were constructed in the town where I was born and raised, and that there we reshipped cargoes of coal and lumber to the four corners of the earth, and that at the same time one could walk across the Susquehanna, three-quarters of a mile wide at the town of Havre de Grace, stepping on barges continually, ocean-going and bay-going barges loaded with coal, and with dozens of tugboats flying all around; and that if we had had only 1 percent as much money as was spent in the first 75 miles of the Mississippi it would have been possible today to sail up the Chesapeake Bay and up the Susquehanna all the way to New York State?

But, lo and behold, Senators who were forward-looking and progressive men did not come here and get the river dredged out, as was done in Louisiana. Yet the Susquehanna runs through one of the richest countries of oil and coal and lumber and slate and many other minerals to be found in this country. It is a part of the old wealth. John D. Rockefeller's fortune was established on that watershed, as well as the fortunes of many of our lumber kings. Many of the richest people in this country laid the foundations of their fortunes on the Susquehanna River, and the fortunes of those days, though small as compared with those of today, have grown with the years, until the holders thereof, or their descendants, have become among the richest in the land.

Mr. LONG. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield for a question.

Mr. LONG. Does the Senator further know that Lake Pontchartrain, which Robert Fulton asked to have connected with the Mississippi River, never was connected but that the people of Louisiana spent $26,250,000 and that they have never yet received that money back from the Federal Government?

Mr. TYDINGS. Mr. President, I live in a little town called Havre de Grace, a little town of 4,500 people. Up the river 4 miles there is a little town called Port Deposit. Across the river is the little town of Perryville. Before any of these dams were constructed, in the last 20 years, every spring when the ice and snow would melt on the Susquehanna watershed it would come down and flood the town I live in until water in some parts of the town would rise 6, 8, and 10 feet in the streets. It was a common sight to see many of the citizens in the part of the town which was closer to sea level rowing up and down the streets in rowboats.

In Port Deposit they used to move out when the waters came down for fear of being drowned. The Senator from Delaware [Mr. TOWNSEND] is familiar with those days and with that situation. Did those people ever come to Washington and ask for $385,000? It would have been the last thing they ever thought of doing. Somehow there is something about the old stock which had stayed there 4 or 5 or 6 or 7 or 8 or 9 or 10 generations. There is something about those people. They do not ask other people to help them. They stay and take it. They are the salt of this country, and without them we could not have a country. They do not run to Washington every time they have a little disaster. Time after time their houses have been swept away.

The State of Maryland on one or two occasions has made small appropriations to relieve distress, but if you would call a mass meeting and ask the people to come over and introduce a bill to repay them for some of the losses in the spring, I do not believe you could get five people to go and attend a mass meeting for that purpose. They are not built that way. They stand on their own feet. They stood on their own feet in the same town for 5 or 6 or 7 generations, and have not gone westward to conquer the great unknown, and I sometimes believe even now they are the only real pioneers we have left in America, because they never lost the art of self reliance. They never ran to the Government for help for every little thing that happened to them. They have not been pork-barrel raiders. They are poor people, but, by Heaven, there is no finer citizenship to be found on the face of the earth.

The whole tendency today is not to be self-reliant. If a man gets into trouble he wants a bill passed. If a group gets into trouble it wants a bill passed. People want it paid out of the Public Treasury. Oh, it is all right while it is going out. Then everybody is for it. While the money is being handed out nobody must protest. But wait until pay day comes—and it will come, Senators—and we shall squirm here in our seats, not wanting to vote for this tax and that tax, saying that the poor cannot stand any more taxes, and that the law of diminishing returns eventually will bring less money into the Government by way of confiscation, if it is necessary, than income tax would bring in if the principal on which the income is predicated is not diminished. Oh, we will squirm here. And I am not going to vote for the tax bill when it comes up either. I do not feel called upon to vote for it. I have not voted for these large appropriations, and I do not feel called upon to tax the people. Let those who advocate the spending of this money vote these chains and shackles upon the bent backs of humanity.

Do you tell me that these huge sums are going to increase the purchasing power of the people? It is a sham, an economic sophistry, because you will no sooner give them that purchasing power than you will levy taxes to take it away, with the interest on the money you gave them originally through years and years and years. You are building up a Frankenstein monster. About $883,000,000 of the sum appropriated was necessary. That would have humanely taken care of everyone in need in this country, and normal business recovery, without too great legislative dislocation, would have done the rest. Who is going to work when there is no reward for work? How many men in the Senate have ever had to meet a pay roll? How many men have ever tried to keep a business going on borrowed capital through a dull period? From the man who tries to keep paying his regular pay roll, and tries to keep his employees working for him, who carries his business through the depression with his bad debts and canceled orders, with large stocks of raw materials that he has to finance over that period until the wheels of industry must turn again—from him the impulse for recovery must come.

I am not one of those who hate success. I would have to hate Henry Ford then. What did Henry Ford do? From small beginning with business genius and with sticktoitiveness and with perseverance he built up a mighty industry and carried transportation and knowledge to all the people of this land.

Some people do not like those who hold railroad bonds. Well, without railroad bonds we would have no railroads. We cannot build them on air. Where would we get the money today to carry on all these huge expenditures except by borrowing it from the people who saved it?

I may be wrong. I mean no reflection on anyone, and I say it realizing that I possibly am wrong, but I venture to predict that the roll call upon this bill—the vote "aye" will be listed as the roll call of shame. It will be called the roll call of legislative shame if we add $500,000,000 on top of the $4,000,000,000 or $5,000,000,000 already available of money we have not got, and have not the nerve to raise—if you want to hear the naked truth—because we have not the nerve to raise it now.

That is what the people will think of it. And the man who goes home and says, "I got $642,000 for my district or my locality", he will be sitting pretty a little while, until old General Common Sense gets to work in the mind of every individual who votes at the polling booth, and then he will be somewhat like a very elderly man who had seen a great deal of politics in a small town, often described as a typical political situation. Election time is coming. A bunch of political workers are grouped together and are calling over the poll books. The name of John Brown is called. Somebody said, "Is he for our side or against our side?" Someone who knows John Brown said, "He is against our side." "Well, how is that?" they say. "Did we not just lately put John Brown in a new pavement, and repair the road in front of his place, and put him on garbage disposal for his house, which he never before had, all at his request, and now John Brown is against us. How do you account for that?" This old seasoned politician said, "He has got all that." [Laughter.]

This will look beautiful right now until pay day comes, which will be our comparable election time, and then the way we will lose votes by these supposed benefits will just be too bad, particularly for those of my friends who sit on this side of the Chamber, including the speaker.

Mr. BONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Washington?

Mr. TYDINGS. I yield.

Mr. BONE. The Senator asks where the money came from to build the railroads which run through the West. I am sure the Senator will recall that the United States Government gave $60,000,000 toward the building of the Union Pacific and that is how it was built. That came out of the Public Treasury and resulted in one of the great scandals of the age.

Mr. TYDINGS. Not only did the Federal Government give money but the State legislatures gave rights-of-way 10 or 15 miles wide to get them to build the railroad, and after they built it tried to enact laws to take the right-of-away away from them.

Mr. BONE. But they did not succeed.

Mr. TYDINGS. No; because the courts intervened. It was wrong to give such large rights-of-way to start with; it was unnecessary; but a man ought to be as good as his bargain. If the States encouraged people to come in and invest because of the benefits and privileges and opportunities, they ought to be good enough to go through with their bargain. I have no more use for a legislature which will induce some industry to come into its borders by making some great overture to it, and as soon as it comes then turn against it and try to take all of it away, assuming the benefits were given honestly and in good faith, than I have

for a man who repudiates his note. There is no difference at all.

After they got the railroad it came back to the old political illustration, "Yes, but we have the railroad now. It does not make any difference what the legislature promised them when they came in here." Of course, there is graft in railroads, there is graft in politics, there is graft in religion.

Mr. LONG. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LONG. Does the Senator from Maryland understand we are trying to take any railroad away from him?

Mr. TYDINGS. Nobody is going to take a railroad away from me because I have no railroad. In any line of business, agriculture, or anything else, we find the good and the bad, good and bad in every sense of the word, just as we find good and bad preachers or good and bad railroad administrations. But we will not find any good at all in a graft bill, even if it had $6,000,000 or $7,000,000 for Louisiana in it. I would not even bring in the name of any high official of this Government, but I know that one of our Members from time to time has seen fit to say some pretty unkind things about this administration. However, they certainly have rewarded him with charity. [Laughter.] Faith, hope, charity—these three, but the greatest of these is charity.

The Senator from Louisiana cannot any more go down into Louisiana and say this administration has not treated him right, because he has more per capita than almost anybody else in this body. If he had filibustered on the next to the last day of the last session just 2 hours longer he would have had more than half of all the money in the bill. [Laughter.] He quit about an hour too soon, and that cost him at least $100,000,000. But he is not going to filibuster this time, not on this bill.

Mr. LONG. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield for a question.

Mr. LONG. The Senator from Maryland convinced me the last time that filibustering was not proper. I hope he is not objecting to my reform?

Mr. TYDINGS. I still hold to that opinion when it comes from the Senator from Louisiana, because I see the fruits of his evil work. [Laughter.]

I am not going to give any recipes for potlikker; but I am going to give a recipe to the taxpayers of the country as to whom they should and whom they should not elect to Congress if they want less taxes.

Of course, I know there is a large group of American citizens who belong to that great league known as "The Increased Taxes League." I think the membership in the Increased Taxes League runs into the millions. The farmers of Louisiana are all for increased taxes. Its membership will be found all over the West and even in my own State. Great organizations are clamoring that Congress shall enact laws with bigger and finer and better taxes. It is said that one State found at least three things which so far had not been taxed. I am certain that all those who are going to pay the taxes—particularly the taxes, we will say first of all, to make up any deficit that might be incurred in any one of these departments—will be overjoyed. They would rather pay that deficit and have this $500,000,000 added on to it than to pay just a $100,000,000 or $200,000,000 deficit. The people of the country, of course, according to those who will support the bill, believe that the bigger the taxes the finer everything will be. What is $500,000,000 of new debts?

I am sure the people are sitting up tonight just praying for an opportunity to pay off the $8,000,000 of national debt which will be incurred for taking care of those levees down in Louisiana. I can hear them saying, "I hope that bill passes to give Louisiana $8,000,000, because I want so badly to go down in my pocket and put that money into the Treasury of the United States so those dear levees in Louisiana may be built up to a proper height."

We come to Massachusetts. Of course, Massachusetts has about 4,500,000 people, if I recollect rightly. Massachusetts has about one-twenty-fifth of all the people in the country. Of course, this bill will put people to work. The Senator from Missouri [Mr. CLARK] said that the great benefit of the bill would be to put people to work. One out of every 25 people in the United States lives in Massachusetts. What big appropriations they get up there! North Adams gets $66,000, and that is all for Massachusetts.

But we did not overlook Vermont. Vermont is in the bill strong for $216,000. There are two votes in this body from Vermont. Vermont is a little State, but two votes are just as good from a little State as from a large State.

When we come to New York—of course, that is one of the small States in the Union—it has only one representative in the lower House, but under the Constitution it has two representatives in this body. I think the population of New York in the entire State is something like 250,000. [Laughter.] New York—that great big State—gets $43,000. Of course, if it should ever grow to the size of ten or twelve million people and have many unemployed, the committee might raise the sum; but $43,000 will take care of the 250,000 men, women, and children who happen to reside in the old Empire State at this time.

Vermont is in this bill at two or three places; but it was in different paragraphs and I did not notice that Rutland, Vt., is to get $49,000. That is for the construction of dikes up there. You know, Vermont very much resembles Holland. It is low, flat country. [Laughter.]

They have to have a lot of dikes up there or the sea will come in and absolutely wipe Vermont off the face of the earth.

Have you ever been to Vermont in tulip time? [Laughter.] You see those great plains up there, with the canals weaving through them like beautiful silver threads on a green carpet. You look across miles and miles of level country and see the windmills of Vermont turning round and round. Off here to the left is a field of beautiful cattle grazing—Holsteins, black and white—and the Vermonters, with their pink cheeks and their wooden shoes clattering back and forth as they visit among each other. [Laughter.] But always there is the sea [laughter], threatening at any minute to come in and dash this beautiful picture, this actual madrigal, into smithereens.

Mr. AUSTIN rose.

Mr. TYDINGS. Then when I think of my noble friend, who now rises, sticking his finger in the hole in the dike to save the country [great laughter]——

The PRESIDING OFFICER. The Chair will again admonish the occupants of the galleries that if there should be further demonstrations the galleries will be cleared.

Mr. AUSTIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Vermont?

Mr. TYDINGS. I yield for a question.

Mr. AUSTIN. I wish to ask the very eloquent Senator from Maryland if he is familiar with the yarn of the man who was accustomed to brag or blow about his own State? I believe he was talking to a Vermonter on one occasion, when the Vermonter, after listening carefully, and appreciating his art, said to him, "Well, there is one thing about it, sir. Although you live far from the sea, if you could suck as hard as you can blow, you could make your town a seaport." [Laughter.]

Mr. TYDINGS. I am familiar with the story; and I may say to the Senator that I am only blowing about Vermont to keep its windmills turning. [Laughter.]

When I see my friend from Vermont standing there through the long summer evening, with his $66,000 finger in the hole in the dike, lest this financial flood will be used elsewhere and not flow through the fertile plains of old Vermont, I cannot bring myself to oppose this appropriation. In the case of Vermont, with its plains, and always the sea out there, I say the Senate has been parsimonious and has disregarded the natural beauty of that waving stretch of land.

Then there is Otter Creek Basin. The Senator and I will remember when, as boys, we walked down Otter Creek. He will remember that I had to be 12 years of age before I could run and jump across it; yet $49,000 will mark the spot

where we spent our glorious boyhood. No longer even now, as a mature man, will I be able to jump over the 25 yards of watery expanse as a result of dredging that great stream to the sea, the Atlantic itself.

Mr. BAILEY. How much does that cost us?

Mr. TYDINGS. Only $49,000.

Mr. BAILEY. All right; it is worth it.

Mr. TYDINGS. Of course, when we come to Pennsylvania, there is a State that is just permeated with rivers. They have streams there that make the Mississippi, the Ohio, and the Missouri in their lower reaches look like a fireman's hose. If you go to Williamsport, on the upper reaches of the Monongahela and the Ohio, it takes $1,880,000 to take care of that river at Williamsport. Up at Lock Haven, away out on the Susquehanna—an awful branch of the Susquehanna—it takes $2,200,000 to take care of matters around Lock Haven. Mind you, the river is not navigable, but that is no reason why we should not spend $2,200,000 on the river at Lock Haven. You cannot ship anything down it; you cannot ship anything up it; but what has that to do with Lock Haven getting $2,200,000?

Now I come to Jersey Shore, Pa. I always thought the Jersey shores were in New Mexico, but now I find that Jersey Shore is in Pennsylvania, and because of that they are entitled to $304,000.

And then there is Muncy, Pa. Most Senators have been to Muncy. I do not mean Muncie, Ind., but Muncy, Pa. The Muncie in Indiana is only a village, and that is spelled M-u-n-c-i-e, but this Muncy is spelled M-u-n-c-y. It is a town of 2,625 inhabitants, situated on the bank of a stream 3 miles wide. As I have said, the inland commerce on this magnificent stream has been one of the great wonders of the world; and it is connected up with the Great Lakes, so that when the St. Lawrence Treaty is ratified, the great ships may proceed on to the ocean through the northern route, and thereby cut off 5 days of the time necessary now to go to Europe. [Laughter.]

They do not have any floods at Harrisburg. At Harrisburg, as you ride over the river, you can see the rocks. You can almost walk across the rocks of the Susquehanna at Harrisburg at low water; but it ought to have $80,000. I want Senators to know that Harrisburg is one of our finest cities, and the capital of the great State of Pennsylvania. Why, if you were to bring in this bill and leave out Harrisburg, words would fail me in my denunciation of your lack of comprehension and esteem for that great capital, which was built up there on the banks of the Susquehanna, and is a monument to civic righteousness and virtue.

Down at Havre de Grace, where I live, where they really have floods, of course, we do not actually need any money.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. I yield for a question.

Mr. LONG. The Senator continues to refer to Havre de Grace, where he lives. I think he will find that the committee has not held that against Havre de Grace.

Mr. TYDINGS. Is the Senator from Louisiana on the committee?

Mr. LONG. No; I am not on it.

Mr. TYDINGS. That accounts for it. [Laughter.]

There is Sunbury, Pa. They need levees there to protect people and city property, and they want only $72,000. Senators, I do not think we ought to pass Sunbury by lightly. When we come to think of it, in such a town as Sunbury are to be found the finest traditions with which our Republic is surrounded. You can see Sunbury there now, nestling in the little foothills, the barefoot boy going down to the creek, the wheels of industry turning, the white picket fences, and the old Pennsylvania colonial stone architecture. The only thing that is lacking in that inland town is a waterway. Why not bring the Susquehanna in on a beautiful curve, and let it go out again? [Laughter.]

It is a fitting town for a song like Home, Sweet Home, Here Comes the Steamboat Round the Bend, and, if memory serves me aright, the latter song was written there, and my industrious friend the Senator from Pennsylvania [Mr. GUFFEY] told me no longer ago than yesterday, in the most solemn tones, that one thing he intended to do while he was in the Congress was to wipe that blot of shame from the cheek of Sunbury, where such a lovely song had been written, by seeing that the Susquehanna was brought into the town so that the steamboat actually could be seen coming 'round the bend, and that blot would be taken away.

Mr. BONE. Mr. President, has the Senator reached the State of Michigan in his analysis?

Mr. TYDINGS. I have not as yet, but I am hoping to get there sometime between now and daybreak.

York! Gentlemen, may I turn from the facetious to the very serious, and say that York is getting mighty close to home? It is only about 22 miles from that little town to Havre de Grace, as the crow flies, and it is one of the most lovely and beautiful and industrious towns to be found in this country.

Not far from the Gettysburg Battlefield, the hills of central Maryland roll up to it, and it is as lovely a countryside as I know. It adjoins 2 of the 3 richest counties in the United States, according to the Department of Agriculture.

York is really a thoroughly progressive American town, and I suppose it has a population of 50,000 or more, perhaps a hundred thousand, although I do not like to guess. But it has not a river. [Laughter.]

The town is absolutely inland. There are two little bridges, I think, on the approach to York, which cross a couple of little streams there which we used to ford, but we have $1,700,000 to dig a lovely river right through the town. [Laughter.]

I can see the committee now in its committee room. I can see them when the clerk read, "The next proposition is York, Pa., retarding dams and tunnel improvements, to protect people and city property." I can see the Senators now as they put their arms down on their chairs, and thought mighty hard about the terrible problem that poor old York has. I can see them pulling out their handkerchiefs and wiping the perspiration from their brows and imploring Heaven for wisdom as to what ought to be done to save York from being wiped off the face of this earth.

Finally, after they had consulted one with the other, and the Encyclopedia Britannica, and the Rise and Fall of the Roman Empire, and the laws of Charlemagne, and strength of material, and differential and integral calculus, and trigonometry, and solid geometry and plane geometry, and the Chief Engineers of the United States had been interviewed, and after Einstein had worked the thing out by the invisible logarithm, it was found that $1,700,000 would save old York. [Laughter.]

York! There she stands secure, once these retarding walls and dams are built, and will serve notice on Father Neptune that even though the Atlantic Ocean breaks loose and comes all the way across Pennsylvania it can never break down the walls that surround old York. There is a stronghold that cannot be torn down. [Laughter.]

I am going to pass over the Potomac River Basin because I know that the Senator from the District of Columbia, who is a member of the committee, elected by the people, saw to it that this section was not left out; although I suspect that most of the digging is going to be done in some State, but the District of Columbia is going to have the label put on it, because there is no water in the District of Columbia. When you get out in the Potomac you are apt to be in either Virginia or Maryland. Nevertheless, this work is going to be done for the District of Columbia.

I think they are going to parallel the little railway which runs over to the Senate Office Building with another tunnel, and fill it with water, and Senators who do not like the rapid passage in the cars can row over in their own individual rowboats.

Moorefield, W. Va., levees on the Moorefield River. West Virginia is a more mountainous State than almost any other State in the Union, and these improvements are to be built at the town of Moorefield, W. Va. The Moorefield River is well known in song and story. You could go over in

the streets of Prague, you could go to Budapest, you could go down the Adriatic coast and walk over through the hills of Ragusa, and you could stop any shepherd out there with his flock and you could say to him, if you could speak his language, "Do you know where the Moorefield River is?" And without an instant's delay he would reply, "Certainly. Out in West Virginia." [Laughter.]

That great stream, rising, as it does, between mountains 5 miles high on either side, makes one feel that he is on the Italian lakes, so much grandeur of watery expanses there is on the Moorefield River. I am told that this appropriation is not for dredging, but that the people of that locality once went out to the Grand Canyon of the Colorado, and there saw all the pigments made by nature and caught by the resplendent sun; all the beauty; every color in the spectrum. They came back and looked at these giant, towering cliffs 5 miles high at Moorefield, W. Va.; then they looked down at the tiny stream that is 3 feet wide, and they realized they never could have a stream of water as that which flows through the Grand Canyon, but they are going to use this appropriation to paint the walls so that they will outshine those in the Grand Canyon of the Colorado.

Gentlemen of the Senate, a bit of homesickness overcomes me, and nostalgia that I can hardly bear.

My thoughts go back to the pre-Civil War days. I am going to ask you to shut your eyes and go with me way down South upon the Suwannee River. "Can't you sit there in the moonlight and hear those darkeys singing?" Cannot you see the palmettos rustling in the evening zephyrs? The fragrance of honeysuckle is in my nostrils and my old colored mammy says "Come on in, honey, and get some mo' sweet potatoes."

Well, we are down on the Savannah River, way down in Augusta, Ga., God bless her. Levees and retaining walls to protect the people and city property in dear old Augusta, 687,000 simoleons as they call them there, or dollars on the floor of the United States Senate.

Then there is West Point, Ga., and Lanette, Ala. There are levees and channel improvements, and floodway clearing to protect people and city property. And boy, that is going to cost just $700,000 of Uncle Sam's money.

Then there is Choctawhatchee River Basin. That is at Geneva, Ala. And did I not hear that hard-working and assiduous Senator from Alabama, the senior Senator from that State [Mr. BLACK], who with great fervor this afternoon told about the waste of the Government's money in connection with subsidies, contracts made with shipping companies, and political influence which got the contracts! Gentlemen of the Senate, rest assured there is not a bit of political influence in old Alabama appropriations. They are based on real merit! And this is no subsidy, because unless the Senate appropriates that money, the old Commonwealth upon which stars have fallen is going well nigh to fall to pieces. [Laughter.] She just cannot exist without this appropriation. And I know that both the Senators from Alabama are going to rise up and vote against this iniquitous outlay even though there is no politics in it, and even though the War Department has not approved it. Even though it is not a subsidy, we are not going to see those Senators stand up and vote for that sort of thing.

Then there is Caryville, Fla. Well, there are two Senators from Florida in this body, and I do not believe there is a State in the Union which has been left out. No; I do not believe there is a State in the Union which has been left out. It just so happens, gentlemen of the Senate, that all these projects are built upon merit. These 48 States are not all put in here just because they want to get enough votes to put the measure through. Why, these projects have been gone over with a fine-tooth comb. Permit me to say to my friend from Illinois [Mr. LEWIS] that he can rest assured that if this work is not done very shortly, we will never get out of this depression, never; and "never" is a mighty long time.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LEWIS. I wish to say to my friend from Maryland that there are a great many virtuous items in this bill which I do not wish him to lose sight of nor to ignore.

Mr. TYDINGS. The most virtuous sights I see in this bill are the semicolons and the periods.

Mr. LEWIS. There are some of those which serve as stops.

Mr. TYDINGS. If they would only put the comma in at other places in some of these appropriations I should be more willing to support the measure. For example, here we have six figures, $263500. They have put the comma between the 3 and the 5, making $263,500. If they had put the comma between the 2 and the 6, and put a period before the last two naughts it would have read $2,635. It just simply goes to show that much depends on where you put the decimal point. It is a small thing, but it is very important when the time comes to pay your income taxes.

Mr. LEWIS. May I inform my able friend from Maryland that there is extant in Massachusetts a man by the name of Tucker who desires to be known as the author of a book? He could not write much of a book or anything else. He knew nothing about punctuation. However, he prepared something which looked like a book, and not knowing what to do in the matter of punctuation he put all his punctuation marks at the end of the book with the note that those who read the book could put the punctuation wherever they pleased. [Laughter.]

Mr. TYDINGS. Well, the men who drafted this bill were a little more meticulous. They saw to it that a good, big sum of money was put under the label of each State of the Union, and they did not put all the money at the end of the bill and leave somebody else to divide it up. The men who considered this bill and who must have worked on it until they were on the verge of a nervous break-down, saw to it that no such injustice would be done as might have been done if this had been in a lump sum and put in the discretion of the Army Engineers for proper expenditures.

So far I have not paid my respects to the committee which considered this bill. I remember a while ago a bill was pending to give one of the Members of this body a medal for a very heroic act at a time of a great disaster. If I remember it after I finish these remarks I am going to ask to reconsider that action. I want to bring that bill back before the Senate because when I think of the mental strain and the research and the physical examination of the ground and the thousands upon thousands of photographs which were examined, the geological construction of the ground to be improved, the adding machines which were used, the subtracting machines which were used, the roll calls which were used—when I think of these men meeting from sunrise every day until long after the herd has come down the road in the evening and gone to bed at night, working 18, 19, and 20 hours a day, and on one day they work 25 hours out of 24 making this survey of the United States from coast to coast, hearing all the petitions—when I think of all that, I feel that the medal should be awarded to those men.

Why, that little town there of Elba, Ala! There was a time months ago, of course, when they began consideration of this bill when special trains came here from Elba. Experts of all kinds having data upon any subject which could be desired relating to the town of Elba came here. And the 163 people who got off that special train came before the committee presided over by the senior Senator from New York. I remember he went down the line and shook hands with each one of them, and he allowed them 5 days in which to present their case. A spokesman stepped forward, the mayor of Elba, a very distinguished man, dressed in the old southern style, with his black coat, and his high black hat, and his flowing black tie, and his white waistcoat—he stepped forward, and while I am not much of a mimic, I can almost give you his words and a little of his mannerism. He said:

Suh, I want to thank you powahful much for giving me this opportunity to tell you about old Elba. Now I know that a good many of you Yankees ain't been down in Elba since you took your carpetbags in 1870 when Wade Hampton ran you out with the red

shirts, and you flew North to more peaceful and more lucrative pursuits. But that has nothing to do with the matter which brought me up here or with the bodyguard representing the citizenship of our distinguished and charming little southern metropolis, and if I may say it, old scores are forgotten, the old Civil War is dead, and I just as leave have a mint julep with a Yankee as most anybody else today. I say I say, Mr. Chairman, that after I have presented our case I should be delighted if you gentlemen would come down to the Raleigh Hotel, where old Uncle Cornelius will just take a little mint and some bourbon, and I am sure we can get action upon this little matter in no time at all.

[Laughter.]

Well, sir—

The Senator replied—

we thank you very much for this very touching tribute and for your charming and delightful hospitality, so characteristic of the old South. But, gentlemen, this is a bill—think of it—to spend $500,000,000; and we are working on it because we realize the magnitude of the sum involved. It is the people's money. It must not be wasted. They will have to pay it back in taxes. The farmer who toils down the furrow will have to pay it back. The miner in the bowels of the earth will have to pay it back; the poor in my own city of New York will have to pay it back; and, gentlemen, although the temptation of that mint julep—even now in my mind's eye I see its amber beads; I hear the tinkling of the ice against the brim, and on it I see the green emerald flag waving o'er its top. When I think of all these velvet drops—

He was trying to outdo my friend from Elba—

floating down my throat like a dew drop burying itself in the heart of the rose, it is all I can do—I must save this money for the people. I must see that it is spent wisely. I wish the witness would pardon me while I wipe a tear of regret from my right eye.

[Laughter.]

Then, of course, the witness went on. He was equipped with the Statistical Abstract of the United States. He was a very businesslike man and talked very briskly. He had come from the North. He had only been living in Elba, Ala., about 25 years, bringing with him the fine old energetic spirit of New England. He had decided to come down to Elba. He turned and said:

Gentlemen, I always believe in fortifying myself with facts; and in making this appeal for Elba, Ala., I shall quote from page 651 of the Statistical Abstract of the United States, which shows our imports and exports for the year 1933. Imports $2,653,000,000, exports $500,000,000. Now, you will be somewhat astounded that our imports are five times as great as our exports; but, gentlemen, the reason for that is that boats of foreign tonnage do not draw as much water as our boats. If we had a little deeper river there leading up to the fine old metropolis of Elba, so that our own ships could come up and get our exports and bear them on the breasts of the seven seas to people all over the earth, instead of having $2,500,000,000 of imports and $500,000,000 of exports, as soon as you deepen our harbor our exports will balance our imports and keep $2,000,000,000 in the Treasury of the United States. Need I say more, gentlemen?

[Laughter.]

He took his seat. One could have heard a pin drop. The committee went into a huddle. Finally the chairman came out of the huddle and, addressing the newcomer from Elba, Ala., said:

Rest assured, my friend, your matter shall receive our serious attention in executive session. But it is not the policy of the committee to pass on these matters in open session, for reasons best known to ourselves. Next witness.

Then came a long chain of witnesses. There were 163 who came from Elba. Everything was examined about Elba except the kitchen stove in John Brown's house and the third room of an old shack out on the last road running north and south between Montgomery and Birmingham. Somebody did ask about that, but he was told he need not bother to answer.

The witnesses were asked about the number of people, whether the babies had blue heads or brown heads or pink heads or bone heads, or whatever kind of heads they had. That was a matter into which the Committee on Commerce went most carefully, as it did the width of the streets, the character of pavements, whether they had a building code, how many ships came into Elba and left each year, whether they were of steel or wood or concrete, the industries of the town, the great gigantic steel mills of Elba employing alone 23,265 men all the year round; the vast cotton mills, dozens of them out on the levees of Elba, Ala., wherein worked hundreds and hundreds of growing, healthy, young, vigorous, strong, independent Americans; the freight yards of Elba, with row after row of sidetracks, almost like a child's toy house, and loaded with freight cars.

Weeks went along and, finally, after several weeks, the chairman said, "We must get along." So much information had been given about the water resources of Elba that the committee felt that they could not tell exactly what Elba should have. The chairman said they would have been better off if they had had no information at all because the superior way in which Elba presented its case to the committee made it impossible for all the members of the committee to keep up with the array of statistics which Elba presented.

Finally, a pair of dice were obtained. The dice were shaken and the first two numbers that came out were 2 and 6. Then they shook the dice again and 3 and 5 came out. Then shaking them again the chairman put his hands over them and said, "They have no naughts upon them, but we will put a couple naughts upon those other figures." So Elba, after careful, searching, complete, and comprehensive examination, was awarded a little over a quarter of a million dollars.

Gentlemen of the Senate, do you realize the population of Elba, Ala.? I doubt if the Senator from North Dakota [Mr. FRAZIER] knows that Elba proudly boasts of 262,000 souls. Does the Senator know that the shipyards of Elba built the boat which will win for America the supremacy of the sea against the *Normandie*, and the *Queen Mary* when she is launched in 1939? Perhaps Senators will remember Elba, Ala., as the place where Napoleon stayed until he went back to France for his vacation of 100 days. Charming little place, with the sea all around it. One can stand on Elba, Ala., and look for miles and miles—over mountain ranges! [Laughter.]

Mr. LEWIS. Mr. President, how much did Elba receive?

Mr. TYDINGS. Elba received $263,500, a little more than a quarter of a million dollars. I think, in view of the fact that Elba is as important as it is the committee has been a little parsimonious with Elba. Why could not they have made that $264,000 or $265,000? No; they had to cut it down to $263,500, when only $1,500 more would have given them a round figure. That shows how parsimonious those senatorial committees get and how they hold onto a nickel and will not let go. [Laughter.] That $1,500 taken off this appropriation, may I say to my friend from Illinois [Mr. LEWIS], will probably result in Elba's taking second place in the exports and imports of the United States. They will not have the big facilities to handle it as New York has with this cut in their appropriation. They receive only $263,500 when $265,000 spent at Elba would have made New York look like Sheboygan, Wis. [Laughter.]

But I desire to return to the committee. I started to pay them a tribute, but how can I ever do it?

This is the 23d of August. Just think of it, Senators! Think of it! For 6 weeks and 4 days this committee has been working on this bill 8, 10, 12, 14, 16, and, on one occasion, 19½ hours a day. Through all this heat they sat there like patriots, unwilling to let a dollar of this money go out of the Treasury until a thorough, full, and complete examination had been made of each project. Perspiration rolled down their faces. Lines furrowed their brows. Fatigue drew and darkened their eyes. Iced water was continually consumed; but would the committee quit? Not at all! A great task was to be done. The Atlantic Ocean was too far off from most of the interior towns. The hour had come to bring the ocean to America. [Laughter.] Busy chambers of commerce came before them with plea after plea to carry New York Bay beyond the Mississippi; and the Golden Gate of San Francisco was taken off its hinges and put back on the Salt Lake of Utah.

Through it all there was argument by the most celebrated attorneys in the country. John W. Davis appeared for Big Creek. Elihu Root, an old man famous all over the world as an international lawyer, pleaded for the little town in Vermont; and as that great orator and statesman asked the committee to deal fairly with this little town in Vermont I was standing by, and tears rolled down my cheeks before the maj-

esty of the human appeal which that great old scholar made on that occasion.

Why, the committee cut out lunch! They only had breakfast in the morning and a bite to eat at 11 or 12 o'clock at night, and then only a cold supper and 5 or 6 hours' sleep and a cold bath, and they were back on the job going down over the list, cutting a dollar here and a dollar there, and another dollar here and another dollar there, to save money for the Treasury.

Dr. Calver, the Senate physician, walked up and felt the pulse of the chairman and others, and said:

Here! I demand that these hearings stop. You gentlemen are working yourselves to the verge of nervous prostration. You are going into this thing as though it were an obsession with you. In Heaven's name, stop, lest this Republic lose 15 of the noblest souls that ever walked through the Senate door.

The Chairman said, "No! Duty calls. The Atlantic Ocean is out there. It must be brought inland. The two great majestic waters must be joined, tied in bigamy with the Mississippi River!" [Laughter.] "We will stay on the job if it takes all summer." Sending over to the Government Printing Office for a few more naughts and another handful of commas, and a few more decimal points, the committee turned to page 141, and proceeded on from Ohio westward. [Laughter.]

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. TYDINGS. Just a moment.

Look at them now! I shall not call the names of the members of the Commerce Committee. When they came here in January, the rosy glow of springtime was in their cheeks. Their eyes were clear. Boyish laughter played around their lips. Their hair was light brown or black. Silver then was not in the Treasury; neither was it in their hair. With flashing white teeth and clear eyes and boyish inspiration they went up to that committee room just 2 months ago and commenced their labors. Now look at them.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. TYDINGS. Just a minute.

Now, look at them. Round shoulders, wrinkled foreheads, crowsfeet around their eyes, gray hair, halting steps, indigestion, spectacles; and if it is the last thing the Senate does on the eve of adjournment, I hope my friend from Oregon [Mr. STEIWER], with his patriotic impulses, will hearken to my words, and offer an amendment to take $250,000 out of this appropriation and build a monument for that committee, which will stand for all time as the one committee that worked itself wellnigh into the grave to save the taxpayers every cent it could in this appropriation. Why, if my friend from Illinois [Mr. LEWIS] will pardon an old man for talking to a mere youth like him, I am glad he did not serve on this committee, because I should have lost the joy of looking at his auburn locks had he been on it. [Laughter.]

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. STEIWER. The Senator has just directed one of his very illuminating remarks to me. I know he would not wish to be guilty of inaccuracy in statement, because, in the type of expression he is making, even the very smallest inaccuracy would mar the result of the whole.

I wish to ask the Senator whether the bill itself will not disclose, in its printed form, the time it passed the House, the time it was messaged over to the Senate, and the length of time it has been in the possession of this body.

Mr. TYDINGS. That is true; and I thank the Senator for that statement, because, Senators, with a mere wave of my hand I am going to show you how to compress a couple of months into a very short space of time. Follow me. You will see that I have nothing in either hand. [Laughter.]

Mr. STEIWER. Is the Senator from Maryland going to state to the Senate actually the date on which this bill passed the House, and that upon which it reached the Committee on Commerce?

Mr. TYDINGS. Ah! but the Senator, with his usual frankness, with his usual ingenuousness and his sweet character, assumes that this bill was a bill only from the dates that are printed on its face. Does not the Senator know that long before it found its way into the House, and long before it found its way into the Senate, members of the committee were working in the manner I have described? When it was introduced in one body or the other it was only a half-finished effort. From that time onward they continued their labors until they created this great monument which, if it were a statue, would outrival the Venus de Milo.

Mr. STEIWER. I asked the question of the Senator because I understood that yesterday an order was made that bills might be received from the House after the Senate was in recess, and the Secretary of the Senate was directed by the order to make appropriate reference of bills thus received. I am told by one of the employees of the Senate that this bill was received in that way.

Mr. LONG. Mr. President, a point of order. I object. The Senator is not asking a question, he is making a speech.

Mr. TYDINGS. I will say to the Senator that on July 29, the calendar day of August 22, 1935, which was yesterday, this child was born, and I understand the head of the committee was a doctor. It is not quintuplets, because it has more children than that, a few of whom I have described. This is polytuplets. They say the child came into the world without the benefit of an anesthetic, but it looks as if it will need some anesthetic before it passes the White House. Certainly, unless the $500,000,000 is tucked away in somebody's pocket, I cannot see where the $500,000,000 will be found, unless the amendment of the Senator from Michigan prevails, in which case it would come out of the Public Work; but if the Senator is waiting around for his amendment to be adopted, let me assure him that I do not think he is going to be attended with the utmost of good fortune in his quest, because that money has already been allocated, and this is just extra. This is what would be called "extra dividends", if we were receiving it from General Motors, or United States Steel, or one of the other corporations.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TYDINGS. For a question.

Mr. VANDENBERG. I just stepped outside for a moment. Does the Senator know——

Mr. LONG. Mr. President, I object to the Senator yielding for anything but a question.

Mr. VANDENBERG. I was about to ask the Senator a question.

Mr. LONG. I beg the Senator's pardon.

Mr. VANDENBERG. I am very happy to observe the rules with the same felicity with which the Senator from Louisiana observes them.

Does the Senator from Maryland know that the attachés of the Senate are now engaged in trying to chase a bat out of the President's room, where the President may come to sign this bill?

Mr. TYDINGS. They have nothing on me. I am engaged in chasing bats out of this legislative monstrosity I hold in my hand. [Laughter.]

There is a great deal of poetry in legislation—a great deal of poetry. For example, what could be a lovelier name than Bell Foley Reservoir on Strawberry River? [Laughter.]

It is just like a piece of poetry. The Bell Foley Reservoir on Strawberry River is a tributary of the Black River in Arkansas, a little bit of a river, but will get an appropriation of $2,109,000. It is very large strawberries they raise out on that river, and Bell Foley is a girl who demands the best of attention.

There is also a religious flavor in legislative life. For example, there is East St. Louis. What could be wrong with any appropriation for East St. Louis, named after one of the great ecclesiastics, a very renowned father? I would not say that the mere sum of $960,000 would be half enough for the town of East St. Louis, in the State of my friend the senior Senator from Illinois.

Mr. LEWIS. Mr. President, I merely rise to advise my friend from Maryland that East St. Louis is in the State of Illinois, which, as he knows, is represented by myself, and

I desire that he should know that whatever imperfections he may find as to other items, when he comes to Illinois, it is touched and gilded with perfection, so that I may be compelled to bring that to his attention.

Mr. TYDINGS. I come to bury Caesar, not to praise him. [Laughter.] If my friend wants to praise East St. Louis, I retract my words, because when I think of that town and its importance as a great outlet to the sea, and of all the commerce that cannot find any outlet unless this particular river is dug at East St. Louis, when I think of the hardships of the backed-up commerce of the millions upon millions of western farmers who will have no outlet to the sea, may I say that I, with the Senator from Illinois, take my stand by the side of old East St. Louis. May she stand there like the Rock of Ages, and may Congress never forget to make ample appropriation to accelerate her greatness.

And may the odors that come down the river from the stockyards of Chicago never grow less fragrant. [Laughter.]

But think not that the men have any monopoly upon the religion of legislation. There is St. Genevieve Levee, St. Genevieve. [Laughter.]

Mr. LEWIS. Sweet Genevieve.

Mr. TYDINGS. Sweet Genevieve receives $393,000.

You cannot really run a river or an ocean without having a drainage district. In other words, if you do not have a drainage district, you could not have navigation. There is not enough water now in the Mississippi River, and we want to drain more water into it. Then, the more water we drain into it, the higher the sides have to be, and the deeper it has to be, and the wider it has to be. So the Columbia Drainage and Levee District No. 3, Illinois, comes in for a mere $983,000, and I have no doubt at all that it is a very very fine project, and no doubt many of the lines which the members of the committee now have in their faces were put there as they delved in the metaphysics, and the physics, and the statistics, and the assembled data, all of which caused them to set aside this sum of money, $983,000.

I think one member of the committee did say that it would cost $983,906, but the other members of the committee said that perhaps they could build it if they took off the $6 and just gave them $983,900, so I suppose somehow or other they will be permitted to finish this plan.

I do not wish to dwell on Missouri too long or on Illinois.

By golly! I could not restrain that remark, because the next item is really one which commands one's respect and interest. Here is the Red River of the North Basin, the Souris River in North Dakota and Saskatchewan Province, Canada.

Mr. COPELAND. Mr. President, we cannot hear the Senator.

Mr. TYDINGS. The Souris River in North Dakota and Saskatchewan Province, Canada.

I thought we were going to do most of the work in this country [laughter], but, of course, there should be a little neighborliness like that. Bread cast on the waters will come back. I can see no reason why we should not do a little something for Saskatchewan Province up in Canada. I am told that the Souris River is in both North Dakota and Canada, and I am sure that the Canadian constituents, meaning the actual inhabitants who will be over in Canada, will see to it at the next election they get over the international boundary line and do their bit for whoever is responsible for inserting that delicious bit of "pork chop" in this very fine "piggish" bill.

Here is just a little item:

Lake Traverse and Bois De Sioux River, S. Dak.: Reservoirs for flood protection of agricultural lands, water conservation, and other incidental benefits; no report to Congress; data in office of Chief of Engineers; cost, $1,115,200.

I am glad they put that $200 on there because they would have had a hard time to finish that on $1,115,000.

Lake Traverse and Bois De Sioux River. I do not know, Mr. President; there may be some merit in the thing, but away up there in South Dakota that is a good bit of money for flood control. I want to say to the Senator from Louisiana [Mr. LONG] that he had better look to his laurels. He is down at the mouth of this river, where all these waters come, and they have all to go by him; but we are away up where they start now, and they have $1,000,000 for one project up there, and I do not think the Senator from Louisiana is looking after his interests of his river.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. FRAZIER. Does the Senator know that the rivers in North Dakota run north instead of south, and run into Hudson Bay?

Mr. TYDINGS. That is right. I knew that you were damming up this water for Canada, and not for us. I wish I had brought a map of the United States in here. I know where South Dakota is, but I should like to locate Lake Traverse and Bois De Sioux River and find out how much of that $1,115,000 can go for so small a watershed as to run no more than through South Dakota and North Dakota and then over into Canada. It cannot be a very long river, because if it flows north it can go only five or six hundred miles, when it will be in Canada as the crow flies; yet they are going to get $1,000,000 for flood control up there.

Mr. President, I do not know the exact situation; but, offhand, I should say that if North Dakota gets $1,115,000 to spend on flood control, $100,000,000 ought to be spent on flood control on the Mississippi River, the Ohio River, and the Missouri River for such projects.

Here is the Minnesota River, Lac Qui Parle Reservoir in Minnesota:

For flood protection of agricultural lands in valley of Minnesota River; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost, $464,000.

Now let me see—the Minnesota River: I do not know just where that flows north, east, south, or west, but my recollection is that it flows northwest. Four hundred and sixty-four thousand dollars, half a million dollars, for the protection of agricultural lands in the valley of the Minnesota River.

Kaskaskia River, Shelby County, to New Athens, Ill. Now, I am going to let you in on a small project, and it is remarkable how such little projects get in the bill.

Kaskaskia River, Shelby County to New Athens, Ill.: Leveed floodway and channel improvement for flood control; no report to Congress; data in office of Chief of Engineers; cost, $8,856,000.

Even.

I will not read all of Illinois, except to call off the appropriation:

Between Beardstown, Ill., and mouth of Illinois River, $730,000.
Lost Creek Drainage and Levee District, $46,100.
Liverpool Drainage and Levee District, $48,600.
Hennepin Drainage and Levee District, $46,800.
Big Lake Drainage, $52,500.
Seahorn Drainage and Levee District, $32,000.
Lacey, etc., $188,400.
Banner Special Drainage and Levee District, $128,700.
Rocky Ford Drainage and Levee District, $47,900.
Pekin, etc., $145,300.
Spring Lake, $384,200.
East Liverpool, $137,700.
East Peoria, $29,000.
Thompson Lake Drainage District, $351,000.
Kelly Lake Drainage District, $100,200.
Momence, Ill., $2,540,000.
Between Shelby Bridge and Baum's Bridge in Indiana, $176,600.

Then add to that the $8,800,000 which I read a moment ago. I tell you Illinois did not do so bad. They got about 12 or 15 projects and they pretty nearly captured $15,000,000 to $20,000,000. That is not a bad day's work. I tell you that is not a bad day's work, $15,000,000. They got almost as much pork for Illinois in this bill as they have pork in the stockyards in Chicago and you cannot even hear them squeal. That is another advantage. Good heavens! I have not finished with Illinois yet. I thought I was through. Here is Penny Slough, $91,000.

Sangamon River, $122,400. Sangamon River from mouth of Salt Creek to Robey, Ill., $773,000.
Salt Creek in the vicinity of Middletown, Ill., $48,000.
East of Hubley Bridge on south side of Salt Creek, $20,300.
Lussenhaf Levee, $1,820.
Swager, etc., $10,200.
Donavon Levee, $28,400.
Mason and Menard Drainage District, $78,900.
Tar Creek Levee, $34,800.
Watts Levee on south side of Salt Creek, $34,400.

Farmers Levee, $242,600.
Clear Lake Levee, $69,250.
Oakford Special Drainage District, $25,500.
Near Springfield on Sangamon River, $90,000.
Sangamon River and Salt Creek, $12,500.
Panther Creek, $143,000.
Bell and Mertz Levees, $31,100.
Henderson River, $201,300.
Plus the $8,000,000 appropriation for one drainage district, plus the $2,000,000 district, and we have over $20,000,000 now.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield for a question.

Mr. LA FOLLETTE. I should like to ask the Senator if he knows what committee consideration was given to this bill?

Mr. TYDINGS. I will say to the Senator very seriously that my information is that very little, if any, consideration was given by the committee to the bill.

Mr. LA FOLLETTE. Does the Senator know what time the bill reached the committee?

Mr. TYDINGS. According to the mark upon its face, it reached the committee yesterday from the House of Representatives. I think it was last night. It passed the House at 10 o'clock last night; and the committee, of course, stayed up all night with it, and got it in the first thing this morning.

Mr. LA FOLLETTE. No, Mr. President; I am serious about this.

Mr. TYDINGS. It passed the House last night at 10 o'clock, and could not have reached the Senate until the Senate committee held a meeting this morning.

Mr. LA FOLLETTE. Does the Senator know whether there was an actual physical quorum present at the time the committee considered the bill today?

Mr. TYDINGS. I do not; but I doubt very much if there was.

Mr. LA FOLLETTE. Upon what basis could it have been reported to the Senate, then?

Mr. TYDINGS. I could not say.

Mr. LA FOLLETTE. Will the Senator yield for the purpose of enabling me to ask a question of the chairman of the committee, who is present?

Mr. TYDINGS. I prefer not to do so, but I think in a moment the Senator will have an opportunity if he will bear with me.

Mr. President, in order to point out some of the glaring and outrageous and unconsidered and unjustifiable items in the bill, I have in turn tried to be a bit humorous, a bit facetious, and at times a bit serious. I say that the vote upon this bill, if it shall come to passage in this session of Congress, and leads to a roll call, will be a vote of shame and it will be so viewed by the people of the country. This is a sheer waste of half a billion dollars, without the approval of the Army engineers of many, many projects scattered all over the country, and after having been in the possession of this body for 1 day.

Passing as it did at 9 or 10 o'clock last night in the House of Representatives, it could not have reached the Senate until after noon today, at which time the Chair would refer it to a committee. But here is a bill of 53 pages, relating to hundreds and hundreds of projects scattered all over the country, $500,000,000 in all, and within 2 or 3 hours after it comes to this body, without any consideration, the Senate of the United States is asked to appropriate this money. No Member of the Senate has a copy of the amendments. There is only one copy in existence and that I hold in my hand. Yet there is a possibility that a bill of this magnitude will receive enough votes to be passed by the Senate.

This is not a bill to make employment for the people. This is a bill to make a deficit in the Treasury, to make a debt for future generations to pay, an unnecessary debt in most cases, although some of the projects may have individual merit, because a sum of money has already been appropriated large enough to take all of those on the relief roll off of it and put them to work for a year, and therefore there can be no justification for the bill.

In addition to that, most of the money to be expended under the projects herein outlined would go for materials anyway, and while in the purchase of materials work would be created, it would not be in line with the governmental philosophy heretofore announced in matters of this kind.

Therefore, Mr. President, in order to show the people of America that the Senate is not a wasteful body, that it does not pass upon legislation of this magnitude without any report from the Army engineers, without any examination by the committee of the individual items, and having regard for the condition of the Treasury and the imminence of new taxes, I move that the bill be recommitted to the Committee on Commerce with instructions to report it to the Senate when it next convenes in January.

Mr. LONG. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LONG. There is a motion now pending.

The PRESIDENT pro tempore. A motion to recommit takes precedence.

Mr. VANDENBERG. Mr. President, I suggest the absence of a quorum.

Mr. LA FOLLETTE. Mr. President, will the Senator withhold that a moment?

Mr. VANDENBERG. Very well.

Mr. LA FOLLETTE. I wish to ask the Senator from New York, chairman of the committee, a question. Was there a quorum present at the time the bill was reported out of the committee this morning?

Mr. COPELAND. Yes; there was.

Mr. LA FOLLETTE. Was it an actual quorum?

Mr. COPELAND. Yes; an actual quorum.

Mr. VANDENBERG. I renew my suggestion of the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Connally | Maloney | Sheppard |
| Ashurst | Copeland | McCarran | Shipstead |
| Austin | Frazier | McGill | Thomas, Okla. |
| Bailey | Gibson | Minton | Thomas, Utah |
| Barbour | Guffey | Murphy | Townsend |
| Barkley | Hale | Murray | Truman |
| Bone | Harrison | Nye | Tydings |
| Brown | Hatch | O'Mahoney | Vandenberg |
| Bulow | Hayden | Pittman | Walsh |
| Burke | La Follette | Reynolds | White |
| Capper | Lewis | Robinson | |
| Caraway | Lonergan | Russell | |
| Clark | Long | Schwellenbach | |

The PRESIDENT pro tempore. Forty-nine Senators having answered to their names, a quorum is present. The question is on the motion of the Senator from Maryland [Mr. TYDINGS] to recommit the bill to the Committee on Commerce with instructions.

Mr. TYDINGS. On that I call for the yeas and nays.

The yeas and nays were ordered.

Mr. BAILEY. Mr. President, I am going to vote for the motion to recommit the bill.

I am a member of the Committee on Commerce. The bill, I am informed, came in this morning, and was presented to the committee this morning. There has been no opportunity to consider the bill, other than the opportunity which elapsed between the meeting of the committee, I should say about 10 or 10:30, and the session of the Senate at 12 o'clock.

That is the fact. Unfortunately, it was my duty to be in attendance on the Finance Committee this morning to consider the railroad pension bill; and I was there. That is my reason for not being present at the session of the Committee on Commerce this morning.

I think it is due the country, due to the Senate, and due the members of the Committee on Commerce, that they shall be allowed to discuss the bill and prepare a proper measure. There is a great deal of merit in this plan of flood control, but it is a perfectly safe statement to make that the Committee on Commerce of the United States Senate has not given adequate consideration to this bill. So I shall support the motion to recommit the bill.

Mr. COPELAND. Mr. President, of course the great amount of work on this bill was done by the House committee. They have studied it in great detail. They had before them projects involving between six hundred and

seven hundred million dollars—projects which covered surveys actually made by the Army Engineers, and actually having data in the Engineers' Office. Out of this great mass of material in the Engineers' Office the House committee with great care selected projects, having particularly in mind those which would involve the expenditure of labor.

If Senators had taken pains to read the splendid report of the House committee which has been upon the desks here all day, they would have seen on the very first page that those projects were chosen which had to do with labor. The hearings disclosed, as shown by the report, that more than 80 percent of the sum allocated or authorized by the bill would be expended for labor. It was considered by the House that here was a way in which a large sum of money which has been not only authorized but actually expended in the emergency works joint resolution could be used for projects of this kind.

It so happens that this year we have had an unusually rainy season over much of the country. There have been terrific floods, with great loss, not alone of property but of lives, throughout our country. I was much entertained by the speech of the Senator from Maryland [Mr. TYDINGS], but he was talking about rivers and harbors. He was talking about bringing the sea to Vermont and increasing the waterways with a view to navigation. The purpose of this bill is to protect the lives and property of Americans throughout our country. That is what the bill is for.

The bill came to us, it is true, at an early hour this morning from the House. Nevertheless, there have been going on, in the office of the Department of Commerce, examinations of various projects, proposed amendments which have been sent forward from the Senate. Those projects have been carefully studied, and reports were had from the Board of Army Engineers. The amendments which were offered in the Senate committee this morning were amendments which had been considered by the Army Engineers and brought to the attention of the committee, and there, through the technical staff of the committee, given study.

Let it not be thought for a moment that this great bill has not been studied thoroughly at both ends of the Capitol. There is no reason for anyone here to feel that he is stultifying himself in any way by voting for it. Bear in mind that this is not an appropriation bill; this is an authorization bill. We may not have another omnibus flood-control bill for 5 years, and that is the reason why I have not favored the motion of the Senator from Michigan, because practically everything done this year, and perhaps everything that will be done next year in the way of flood control, under projects here authorized, will be done out of funds to be appropriated. There can be no further work done unless the Congress itself, through the Appropriations Committees, actually appropriates the money. So when we talk about the vast sum authorized here, and the burden upon the taxpayers, that is largely fallacious. I have been in opposition to those large expenditures, but here we have provision made in the way of authorizations, and ultimately will make the appropriations.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. WALSH. Will the Senator state when the Congress last passed an omnibus flood-control appropriation bill?

Mr. COPELAND. It must have been 5 or 6 years ago; I am not sure but that it was even 10 years ago.

Mr. WALSH. Is it customary to pass an omnibus bill of this type from time to time?

Mr. COPELAND. It is.

Mr. WALSH. I understood from the Senator's remarks that this bill this year was prepared somewhat as an emergency relief measure?

Mr. COPELAND. Even so, it has been our custom occasionally to pass river and harbor bills and also flood-control bills; but in the preparation of the bill this year special attention was given to emergency work where there should be the employment of labor.

Mr. WALSH. Is the same practice maintained in the designation of the rivers where money is to be expended for flood control as is practiced in river and harbor bills?

Mr. COPELAND. Exactly the same; and this bill provides that no work can be done except with the approval of the Army engineers.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maryland [Mr. TYDINGS] to recommit the bill to the Committee on Commerce with instructions. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). On this vote I have a pair with the senior Senator from New Hampshire [Mr. KEYES]. I transfer that pair to the junior Senator from Idaho [Mr. POPE] and vote "yea."

The roll call was concluded.

Mr. AUSTIN. I desire to announce the following general pairs:

The Senator from Iowa [Mr. DICKINSON] with the Senator from Mississippi [Mr. BILBO];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Wisconsin [Mr. DUFFY];

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN];

The Senator from Oregon [Mr. MCNARY] with the Senator from Georgia [Mr. GEORGE];

The Senator from Minnesota [Mr. SCHALL] with the Senator from Florida [Mr. FLETCHER]; and

The Senator from Wyoming [Mr. CAREY] with the Senator from Ohio [Mr. BULKLEY].

Mr. LEWIS. I desire to announce that there are necessarily detained from the Senate the Senator from Tennessee [Mr. BACHMAN], the Senator from Alabama [Mr. BANKHEAD], the Senator from Mississippi [Mr. BILBO], the Senator from Alabama [Mr. BLACK], the Senator from Ohio [Mr. BULKLEY], the Senator from Virginia [Mr. BYRD], the Senator from South Carolina [Mr. BYRNES], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Colorado [Mr. COSTIGAN], the Senator from Illinois [Mr. DIETERICH], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Florida [Mr. FLETCHER], the Senator from Georgia [Mr. GEORGE], the Senator from Rhode Island [Mr. GERRY], the Senator from Virginia [Mr. GLASS], the Senator from Oklahoma [Mr. GORE], the Senator from West Virginia [Mr. HOLT], the Senator from Utah [Mr. KING], the Senator from Kentucky [Mr. LOGAN], the Senator from California [Mr. MCADOO], the Senator from Tennessee [Mr. MCKELLAR], the Senator from New Jersey [Mr. MOORE], the Senator from West Virginia [Mr. NEELY], the Senator from Louisiana [Mr. OVERTON], the Senator from Idaho [Mr. POPE], the Senator from Maryland [Mr. RADCLIFFE], the Senator from South Carolina [Mr. SMITH], the Senator from Florida [Mr. TRAMMELL], the Senator from Indiana [Mr. VAN NUYS], the Senator from New York [Mr. WAGNER], and the Senator from Montana [Mr. WHEELER].

Mr. AUSTIN. I desire to announce that the Senator from Oregon [Mr. STEIWER] has a general pair with the Senator from Tennessee [Mr. BACHMAN]. If the Senator from Oregon were present, he would vote "yea"; and if the Senator from Tennessee were present he would vote "nay."

Mr. NYE. I have a pair with the senior Senator from Virginia [Mr. GLASS]. I am reliably informed that if present he would vote as I desire to vote, and I am therefore at liberty to vote. I vote "yea."

Mr. TOWNSEND (after having voted in the affirmative). Has the senior Senator from Tennessee [Mr. MCKELLAR] voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. TOWNSEND. I have a general pair with the senior Senator from Tennessee. Not knowing how he would vote, I am compelled to withdraw my vote.

The result was announced—yeas 29, nays 20, as follows:

YEAS—29

| | | | |
|---|---|---|---|
| Adams | Barbour | Copeland | Hatch |
| Ashurst | Brown | Frazier | Hayden |
| Austin | Bulow | Gibson | La Follette |
| Bailey | Burke | Hale | Maloney |

| | | | |
|---|---|---|---|
| Metcalf | O'Mahoney | Shipstead | Vandenberg |
| Minton | Pittman | Thomas, Utah | Walsh |
| Murphy | Russell | Tydings | White |
| Nye | | | |

NAYS—20

| | | | |
|---|---|---|---|
| Barkley | Connally | Long | Robinson |
| Bone | Guffey | McCarran | Schwellenbach |
| Capper | Harrison | McGill | Sheppard |
| Caraway | Lewis | Murray | Thomas, Okla. |
| Clark | Lonergan | Reynolds | Truman |

NOT VOTING—47

| | | | |
|---|---|---|---|
| Bachman | Couzens | Holt | Overton |
| Bankhead | Davis | Johnson | Pope |
| Bilbo | Dickinson | Keyes | Radcliffe |
| Black | Dieterich | King | Schall |
| Borah | Donahey | Logan | Smith |
| Bulkley | Duffy | McAdoo | Steiwer |
| Byrd | Fletcher | McKellar | Townsend |
| Byrnes | George | McNary | Trammell |
| Carey | Gerry | Moore | Van Nuys |
| Chavez | Glass | Neely | Wagner |
| Coolidge | Gore | Norbeck | Wheeler |
| Costigan | Hastings | Norris | |

So the motion to recommit with instructions was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 8598. An act to provide for the inspection and regulation of vessels engaged in the transportation of inflammable, explosive, and like dangerous cargoes in navigable waters of the United States; and

H. R. 9116. An act to extend the provisions of veterans' laws and regulations to persons who served in Russia during the World War, and their dependents.

ADDITIONAL REPORTS OF COMMITTEES

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board, and increase efficiency in administration of the steamboat-inspection laws, and for other purposes, reported it without amendment and submitted a report (No. 1457) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (H. R. 4799) to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931, reported it without amendment and submitted a report (No. 1459) thereon.

EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Maj. Gen. John Francis O'Ryan, Reserve, for reappointment in the Officers' Reserve Corps of the Army under the provisions of law.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Navy.

He also, from the same committee, reported favorably the nominations of sundry citizens to be second lieutenants in the Marine Corps, revocable for 2 years, from the 1st day of September 1935.

Mr. LONERGAN, from the Committee on Finance, reported favorably the nomination of Thomas S. Smith, of Hartford, Conn., to be collector of internal revenue for the district of Connecticut to fill an existing vacancy.

Mr. HARRISON, from the Committee on Finance, reported favorably the nominations of the following persons to be members of the Social Security Board:

John G. Winant, of New Hampshire, for a term expiring August 13, 1941;

Arthur J. Altmeyer, of Wisconsin, for a term expiring August 13, 1939; and

Vincent Morgan Miles, of Arkansas, for a term expiring August 13, 1937.

Mr. WALSH, from the Committee on Education and Labor, reported favorably the nominations of the following persons to be members of the National Labor Relations Board:

Joseph Warren Madden, of Pennsylvania, for a term of 5 years;

John Michael Carmody, of New York, for a term of 3 years; and

Edwin S. Smith, of Massachusetts, for a term of 1 year.

Mr. ASHURST, from the Committee on the Judiciary, reported favorably the nomination of Edwin R. Holmes, of Mississippi, to be United States circuit judge, fifth circuit.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the nomination of Garland L. Rounds, of Illinois, to be State engineer inspector for the Public Works Administration in Illinois.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

POSTMASTER AT EAST FLAT ROCK, N. C.

Mr. McKELLAR. Mr. President, at the request of the Senator from North Carolina [Mr. BAILEY], I ask unanimous consent that the vote on the confirmation of the nomination, made on the 21st of August, of Olivia A. Oppet to be postmaster at East Flat Rock, N. C., be reconsidered, and that the nomination be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of Bert E. Haney, of Oregon, to be United States circuit judge, ninth circuit.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Albert Lee Stephens to be United States district judge, southern district of California.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Leon R. Yankwich to be United States district judge, southern district of California.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Michael J. Roche to be United States district judge, northern district of California.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. ASHURST. Mr. President, I ask that the President of the United States be notified of the confirmation of the nominations of the three United States district judges and the one United States circuit judge.

The PRESIDENT pro tempore. Without objection, it is so ordered.

UNITED STATES TARIFF COMMISSION

The legislative clerk read the nomination of Raymond B. Stevens, of New Hampshire, to be member for the remainder of the term expiring June 16, 1937.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

PUBLIC WORKS ADMINISTRATION

The legislative clerk read the nomination of Carl H. Bauer, of Illinois, to be director, in Illinois.

Mr. LEWIS. Mr. President, there were certain objections to this nomination, but they have been withdrawn; and therefore I move its confirmation.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

RESETTLEMENT ADMINISTRATION

The legislative clerk read the nomination of E. A. Norton, of Illinois, to be regional director.

Mr. LEWIS. As to this nomination, I wish to add also that there were certain objections; but the objections have been withdrawn, and therefore I move confirmation of the nomination.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

WORKS PROGRESS ADMINISTRATION

The legislative clerk read the nomination of Francis L. Dryden to be State administrator for Maryland.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Ray Hart to be State administrator for Montana.

Mr. MURRAY. Mr. President, I desire to object to the nomination of Mr. Hart for State administrator of the Works Progress Administration for Montana. I have received a number of telegrams and letters from Montana protesting against the confirmation of this nomination, and I wish to interpose an objection to the confirmation of the nomination. I ask that the matter go over until tomorrow.

The PRESIDENT pro tempore. Without objection, it will be so ordered.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters on the calendar.

Mr. ROBINSON. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

THOMAS S. SMITH

Mr. LONERGAN. I ask unanimous consent for the present consideration of the nomination of Thomas S. Smith for the post of collector of internal revenue for the district of Connecticut. The nomination was reported favorably today by the Finance Committee.

The PRESIDENT pro tempore. Is there objection to the present consideration of the nomination? The Chair hears none, and, without objection, the nomination is confirmed.

SOCIAL SECURITY BOARD

Mr. HARRISON. I ask unanimous consent that nominations of the three members of the Social Security Board, reported by the Committee on Finance today, be considered at this time, and that the nominations be confirmed.

The PRESIDENT pro tempore. Is there objection. The Chair hears none. The nominations will be read.

The legislative clerk read the nominations of John G. Winant, of New Hampshire; Arthur J. Altmeyer, of Wisconsin, and Vincent Morgan Miles, of Arkansas, to be members of the Social Security Board.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 10 o'clock a. m.

The motion was agreed to; and (at 12 o'clock and 5 minutes a. m. Saturday, August 24) the Senate, under the order previously entered, took a recess until 10 o'clock a. m.

## NOMINATIONS

*Executive nominations received by the Senate August 23 (legislative day of July 29), 1935*

SECURITIES EXCHANGE COMMISSION

J. D. Ross, of Washington, to be a member of the Securities and Exchange Commission for a term expiring June 5, 1940.

PUBLIC WORKS ADMINISTRATION

Garland L. Rounds, of Illinois, to be State engineer inspector for the Public Works Administration in Illinois.

UNITED STATES CIRCUIT JUDGE

Edwin R. Holmes, of Mississippi, to be United States circuit judge, fifth circuit, vice Nathan P. Bryan, deceased.

SOCIAL SECURITY BOARD

The following-named persons to be members of the Social Security Board for the terms indicated, as follows:

John G. Winant, of New Hampshire, for a term expiring August 13, 1941.

Arthur J. Altmeyer, of Wisconsin, for a term expiring August 13, 1939.

Vincent Morgan Miles, of Arkansas, for a term expiring August 13, 1937.

NATIONAL LABOR RELATIONS BOARD

The following-named persons to be members of the National Labor Relations Board for the terms indicated, as follows:

Joseph Warren Madden, of Pennsylvania, for a term of 5 years.

John Michael Carmody, of New York, for a term of 3 years.

Edwin S. Smith, of Massachusetts, for a term of 1 year.

APPOINTMENTS IN THE NAVY

MARINE CORPS

The following-named citizens to be second lieutenants in the Marine Corps, revocable for 2 years, from the 1st day of September 1935:

John A. Anderson, a citizen of Georgia.
Gordon A. Bell, a citizen of California.
Ferdinand Bishop, a citizen of Washington.
William W. Buchanan, a citizen of Georgia.
William R. Collins, a citizen of the District of Columbia.
Odell M. Conoley, a citizen of Texas.
John W. Easley, a citizen of Virginia.
Loren S. Fraser, a citizen of Illinois.
Dwight M. Guillotte, a citizen of Utah.
Charles W. Harrison, a citizen of North Carolina.
Frederick P. Henderson, a citizen of Indiana.
Thomas S. Ivey, a citizen of South Carolina.
Frank L. Kilmartin, a citizen of the District of Columbia.
Roy L. Kline, a citizen of Iowa.
Frederick E. Leek, a citizen of California.
Joseph R. Little, Jr., a citizen of the District of Columbia.
Lawrence H. McCulley, a citizen of North Carolina.
Robert A. McGill, a citizen of California.
Benjamin L. McMakin, a citizen of Kentucky.
Eschol M. Mallory, a citizen of Florida.
John C. Miller, Jr., a citizen of South Dakota.
Robert D. Moser, a citizen of Idaho.
John J. Nilan, Jr., a citizen of New Jersey.
Louie C. Reinberg, a citizen of Louisiana.
Joseph N. Renner, a citizen of Oregon.
William G. Robb, a citizen of Idaho.
Leo R. Smith, a citizen of Oregon.
Peter J. Speckman, a citizen of Rhode Island.
Jack Tabor, a citizen of Alabama.
Charles S. Todd, a citizen of Ohio.
Norman Van Dam, a citizen of Utah.
William R. Wendt, a citizen of Wisconsin.
Herbert H. Williamson, a citizen of Michigan.
Jacob H. Woodward, a citizen of South Carolina.

## POSTMASTERS

### ARIZONA

Jesse L. Boyce to be postmaster at Williams, Ariz., in place of W. O. Perkins, removed.

### INDIANA

John E. Lehr to be postmaster at Mulberry, Ind., in place of F. E. Leonard. Incumbent's commission expired December 18, 1934.

### KANSAS

Norval W. Woodworth to be postmaster at Plains, Kans., in place of L. L. Jacobs, removed.

Elsie J. Callahan to be postmaster at Burr Oak, Kans., in place of G. G. Smith, removed.

### MASSACHUSETTS

Frank A. Malley to be postmaster at Adams, Mass., in place of J. N. Young. Incumbent's commission expired December 18, 1934.

Ignatius B. Cleary to be postmaster at Auburn, Mass., in place of F. S. Black. Incumbent's commission expired January 22, 1935.

Paul W. Karr to be postmaster at Chatham, Mass., in place of E. T. Bearse. Incumbent's commission expired January 23, 1935.

Franklin G. Cleasby, Jr., to be postmaster at Rehoboth, Mass., in place of E. F. Earle. Incumbent's commission expired December 9, 1934.

Francis Joseph Correia to be postmaster at Wilmington, Mass., in place of H. J. Porter. Incumbent's commission expired January 23, 1935.

### MICHIGAN

Clifford F. Eastman to be postmaster at Beulah, Mich., in place of Robert Wellman. Incumbent's commission expired January 23, 1935.

John L. Lucas to be postmaster at Romeo, Mich., in place of C. H. Dodge. Incumbent's commission expired December 18, 1934.

### MINNESOTA

Carl L. Beecher to be postmaster at Henderson, Minn., in place of C. F. Whitford. Incumbent's commission expired May 7, 1934.

### MISSISSIPPI

W. Hugh Magee to be postmaster at Crystal Springs, Miss., in place of N. R. Lockwood. Incumbent's commission expired March 2, 1935.

### MISSOURI

Roy S. Kenney to be postmaster at Neosho, Mo., in place of C. E. Curtice, deceased.

Forest C. Muir to be postmaster at Raytown, Mo. Office became Presidential July 1, 1935.

Summerfield Jones to be postmaster at West Plains, Mo., in place of A. T. Hollenbeck, removed.

### NEW YORK

Edward B. Buckley to be postmaster at Willard, N. Y., in place of M. D. Martin. Incumbent's commission expired January 23, 1935.

### NORTH CAROLINA

William M. Shaw to be postmaster at Fayetteville, N. C., in place of J. S. Downing, removed.

Lucy Cooke to be postmaster at Hildebran, N. C. Office became Presidential July 1, 1935.

John R. Steele to be postmaster at Ramseur, N. C., in place of G. H. Hodgin. Incumbent's commission expired February 14, 1934.

### NORTH DAKOTA

John A. Nagel to be postmaster at Selfridge, N. Dak., in place of G. M. Anderson. Incumbent's commission expired January 22, 1935.

### OHIO

Harry M. Walden to be postmaster at Coolville, Ohio, in place of R. I. Wolf. Incumbent's commission expired January 13, 1935.

George E. Calhoon to be postmaster at Geneva, Ohio, in place of G. H. Lewis. Incumbent's commission expired February 20, 1935.

Charles Stanley Earnhart to be postmaster at Lebanon, Ohio, in place of M. E. Ross. Incumbent's commission expired February 4, 1935.

Harry F. Mohr to be postmaster at Mechanicsburg, Ohio, in place of W. H. Hunt. Incumbent's commission expired January 23, 1935.

Ben N. Powell to be postmaster at Rutland, Ohio, in place of M. S. Roush. Incumbent's commission expired March 2, 1935.

John L. Carr to be postmaster at South Charleston, Ohio, in place of P. H. Cheney. Incumbent's commission expired March 2, 1935.

Worthy A. Circle to be postmaster at Springfield, Ohio, in place of J. M. Collins. Incumbent's commission expired January 13, 1935.

### OKLAHOMA

Clarence Knappenberger to be postmaster at Watonga, Okla., in place of Harrison Brown. Incumbent's commission expired April 28, 1934.

### PENNSYLVANIA

Margaret G. Cummings to be postmaster at Irwin, Pa., in place of O. R. Baer, transferred.

Fred D. Weiss to be postmaster at New Tripoli, Pa. Office became Presidential July 1, 1935.

Frank Canistra to be postmaster at Republic, Pa., in place of S. M. Lloyd. Incumbent's commission expired February 9, 1933.

Hugh A. Bard to be postmaster at Slippery Rock, Pa., in place of H. L. Kelley, removed.

Catherine Gates to be postmaster at South Fork, Pa., in place of C. D. Gramling. Incumbent's commission expired December 18, 1932.

Kathryn McFadden to be postmaster at Summithill, Pa., in place of T. Y. Tarlton, resigned.

### RHODE ISLAND

Nicholas Ball to be postmaster at Block Island, R. I., in place of S. M. Rose, deceased.

### SOUTH DAKOTA

Carl H. Schyan to be postmaster at Flandreau, S. Dak., in place of E. A. Hornby. Incumbent's commission expired February 4, 1935.

### TENNESSEE

Bertha L. Loy to be postmaster at New Market, Tenn. Office became Presidential July 1, 1935.

### TEXAS

Allan H. White to be postmaster at Amherst, Tex., in place of Hurlburt Slate. Incumbent's commission expired February 20, 1935.

Benjamin T. Tucker to be postmaster at Mercedes, Tex., in place of H. E. Hager. Incumbent's commission expired December 20, 1934.

Walter S. Martin to be postmaster at Port Arthur, Tex., in place of S. I. Dunn. Incumbent's commission expired February 4, 1935.

Bronson C. Howell to be postmaster at Port Neches, Tex., in place of P. M. Parsons. Incumbent's commission expired December 20, 1934.

### WASHINGTON

Vernon R. Nixon to be postmaster at Bellevue, Wash., in place of C. T. LeWarne. Incumbent's commission expired December 9, 1934.

Joseph Carhart Larin to be postmaster at Eatonville, Wash., in place of F. W. Hoover. Incumbent's commission expired February 25, 1935.

### WISCONSIN

Charles E. Hougen to be postmaster at Amery, Wis., in place of W. W. Winchester. Incumbent's commission expired January 22, 1935.

Anton X. Umhoefer to be postmaster at Colby, Wis., in place of A. M. Steinwand. Incumbent's commission expired February 27, 1935.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate August 23 (legislative day of July 29), 1935*

UNITED STATES TARIFF COMMISSION

Raymond B. Stevens to be member.

SOCIAL SECURITY BOARD

John G. Winant to be member of the Social Security Board.

Arthur J. Altmeyer to be member of the Social Security Board.

Vincent Morgan Miles to be member of the Social Security Board.

PUBLIC WORKS ADMINISTRATION

Carl H. Bauer, to be director in Illinois.

RESETTLEMENT ADMINISTRATION

E. A. Norton, of Illinois, to be regional director.

WORKS PROGRESS ADMINISTRATION

Francis L. Dryden to be State administrator for Maryland.

UNITED STATES CIRCUIT JUDGE

Bert E. Haney to be United States circuit judge, ninth circuit.

UNITED STATES DISTRICT JUDGES

Albert Lee Stephens to be United States district judge, southern district of California.

Leon R. Yankwich to be United States district judge, southern district of California.

Michael J. Roche to be United States district judge, northern district of California.

COLLECTOR OF INTERNAL REVENUE

Thomas S. Smith to be collector of internal revenue, district of Connecticut.

POSTMASTERS

CONNECTICUT

Francis L. Bibeault, Moosup.

IOWA

Vivian A. Meredith, Norway.

MASSACHUSETTS

Alice E. Roberts, Nantucket.

NEBRASKA

William Fred Hund, Cedar Bluffs.
Chris A. Weber, Spalding.

NEW JERSEY

Edward Willis Hoagland, Neshanic Station.

PENNSYLVANIA

Leila P. McGillick, Blairsville.
Cora B. Orr, Clarion.
Coletta D. Patterson, Coudersport.
Michael J. Musilek, Dunlo.
Wilmer G. Dimmig, East Greenville.
John J. Botts, Elizabethville.
Lee W. Fisler, Hummelstown.
Bernice W. Webb, Jamestown.
James F. Donahue, Kennett Square.
John M. Zarkoski, Kulpmont.
Llewellyn Angstadt, Kutztown.
Francis B. Bender, Lilly.
Michael S. Karlitsky, Lyndora.
Royal H. Kline, McClure.
Cecil E. Bell, Mapleton Depot.
William L. Rothermel, Millersburg.
Charles C. Naginey, Milroy.
George McCloskey, Mountaintop.
Joseph L. Kelley, Narberth.
Lillie A. Parr, Nescopeck.
Lawrence Miles McCafferty, New Bethlehem.
Charles A. Sieg, Newfoundland.
Morris A. Smaltz, Richland.
Elmer L. Leaphart, Rockwood.
May M. Loughrey, St. Davids.
Francis M. Smith, Sandy Lake.
Guy S. Behler, Slatington.
William Mackay, Strafford.
William C. Jamieson, Sugargrove.
Edward Mackay Hirsch, Tamaqua.
Percy W. Walker, Thompson.
William C. Luksic, Trucksville.
Thomas M. Perry, Valencia.
Francis W. McCartan, Yatesboro.

VERMONT

Thomas J. Fitzgerald, Bellows Falls.

WASHINGTON

Clyde F. Shrauger, Mount Vernon.

WEST VIRGINIA

Wilma J. Starcher, Cowen.

# HOUSE OF REPRESENTATIVES

## FRIDAY, AUGUST 23, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, forgive us our trespasses as we forgive those who trespass against us. May we forgive one another as we hope to be forgiven. Behold what manner of love the Father hath bestowed upon us that we should be called the children of God; grant, blessed Lord, that we may be made worthy of this merciful heritage; with royal hearts may we ponder it. We pray Thee to ennoble and constrain us to walk obediently with God, our Father, diligently and joyfully giving ourselves up to the very best in the heights; in all things help us to revere Thy sovereignty. As we pause, impress us with the conclusion of the whole matter, which is: Fear God and keep His commandments, for this is the whole duty of man. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 921. An act for the relief of Edgar Sampson;

H. R. 996. An act for the relief of Joe Reno;

H. R. 1286. An act for the relief of James H. Bell (or James Bell);

H. R. 1871. An act for the relief of the Medical College of Virginia, and others, of Richmond, Va.;

H. R. 1965. An act for the relief of William E. Fossett;

H. R. 2325. An act for the relief of James P. Whalen;

H. R. 2620. An act for the relief of Sadie Wilkinson;

H. R. 2621. An act for the relief of Tom L. Griffith;

H. R. 2702. An act for the relief of Emanuel Lieberman;

H. R. 3408. An act for the relief of Rufus Jones, a minor;

H. R. 4226. An act for the relief of Floyd Hull;

H. R. 4339. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Uinta and Wasatch National Forests, Utah;

H. R. 4428. An act for the relief of Caroline (Stever) Dykstra;

H. R. 4570. An act for the relief of Amy McLaurin;

H. R. 4601. An act for the relief of the heirs of Gladys Picklesimer;

H. R. 4784. An act for the relief of J. T. Slayback;

H. R. 4848. An act for the relief of Charles E. Molster, disbursing clerk, Department of Commerce, and Dr. Louis H. Bauer, a former employee;

H. R. 4852. An act to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army;

H. R. 5049. An act providing punishment for forging or counterfeiting any postmarking stamp;

H. R. 5162. An act providing for punishment for attempts to obtain mail by fraud or by deception;

H. R. 5245. An act for the relief of Elizabeth Leiding;

H. R. 5351. An act for the relief of Rose Teiermeyer;

H. R. 5360. An act providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property;

H. R. 5475. An act for the relief of Henry Irving Riley;

H. R. 5516. An act authorizing the President to issue a posthumous commission as second lieutenant, Air Corps Reserve, to Archie Joseph Evans, deceased, and to present the same to Maj. Argess M. Evans, father of the said Archie Joseph Evans, deceased;

H. R. 5540. An act extending the period during which no demurrage is charged on collect-on-delivery parcels and excepting the imposition of demurrage charged on collect-on-delivery parcels exchanged between the continental and island possessions;

H. R. 5558. An act for the relief of Clarence F. Jobson;

H. R. 5634. An act for the relief of the Baltimore Renovating Co.;

H. R. 5781. An act for the relief of the widow and next of kin of James J. Curran;

H. R. 5790. An act for the relief of certain creditors of J. R. and J. A. Whelan, Inc.;

H. R. 5811. An act for the relief of Michael A. McHugh;

H. R. 5905. An act for the relief of Cal Settles and Rhoda Settles;

H. R. 6057. An act for the relief of Joe Brumit;

H. R. 6168. An act for the relief of Charles K. Shade;

H. R. 6394. An act for the relief of William K. Caley;

H. R. 6889. An act for the relief of A. Zappone and W. R. Fuchs;

H. R. 6892. An act for the relief of certain Indians on the Cheyenne River Reservation;

H. R. 7076. An act for the relief of the heirs of John Schrodl;

H. R. 7137. An act for the relief of Cassie M. Lyne;

H. R. 7592. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at Sistersville, W. Va.;

H. R. 7678. An act to authorize the Director of the Mint to supplement the approved design of the 50-cent piece commemorating the two hundredth anniversary of the birth of Daniel Boone, the coinage of which was authorized by act of the Seventy-third Congress (Public, No. 258, S. 3355);

H. R. 7740. An act granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Black River at or near the north line of section 2, township 24 north, range 6 east, near Poplar Bluff, Mo.;

H. R. 7897. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River at or near Elizabeth, in the county of Allegheny, Commonwealth of Pennsylvania;

H. R. 7924. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Port Allegany, in the county of McKean, State of Pennsylvania;

H. R. 7928. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Ford City, Pa.;

H. R. 7932. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River at or near Wyalusing, in the county of Bradford, Commonwealth of Pennsylvania;

H. R. 7979. An act to extend the times for commencing and completing the construction of a bridge across Puget Sound at or near a point commonly known as "The Narrows" in the State of Washington;

H. R. 8020. An act for the relief of Jose R. Redlhammer;

H. R. 8098. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Edinburg, in the county of Lawrence, Commonwealth of Pennsylvania;

H. R. 8131. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Owensboro, Ky.;

H. R. 8183. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Emlenton, in the county of Venango, Commonwealth of Pennsylvania;

H. R. 8187. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at or near Tionesta, in Tionesta Township, in the county of Forest and in the Commonwealth of Pennsylvania;

H. R. 8189. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at or near East Brady, in the counties of Clarion and Armstrong and in the Commonwealth of Pennsylvania;

H. R. 8345. An act authorizing the Secretary of the Navy to accept without cost to the United States certain lands in Duval County, State of Florida;

H. R. 8977. An act to authorize the Secretary of the Treasury to acquire a site for the erection of a post-office building at Columbus, Miss.;

H. J. Res. 276. Joint resolution authorizing the State of Arizona to transfer to the town of Benson without cost title to section 16, township 17 south, range 20 east, Gila and Salt River meridian, for school and park purposes; and

H. J. Res. 350. Joint resolution to authorize the President to extend an invitation to the World Power Conference to hold the Third World Power Conference in the United States.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 3003. An act to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Miss., and the establishment of the Ackia Battleground National Monument, and for other purposes;

H. R. 4567. An act for the relief of Robert E. Callen;

H. R. 4770. An act for the relief of Elinora Fareira;

H. R. 6250. An act to amend the National Defense Act;

H. R. 7858. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 8133. An act to authorize certain homestead settlers or entrymen who are disabled World War veterans to make final proof of their entries, and for other purposes; and

H. R. 8444. An act to authorize the transfer of a certain military reservation to the Department of the Interior.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1443. An act to authorize the award of a decoration for distinguished service to Acors Rathbun Thompson, formerly private, Sixty-sixth Company, First Battalion, Fifth Marines, Second Division, American Expeditionary Forces;

S. 1642. An act for the relief of Sophie Caffrey;

S. 1687. An act to incorporate the National Yeomen F;

S. 1724. An act to repeal section 2 of the act entitled "An act to create an additional judge in the district of South Dakota", approved February 26, 1929;

S. 1878. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.;

S. 2039. An act making it a felony to transport in interstate or foreign commerce persons to be employed to obstruct or interfere with the right of peaceful picketing during labor controversies;

S. 2075. An act to provide for the appointment of additional district judges for the eastern and western districts of Missouri;

S. 2077. An act to authorize the award of a decoration for distinguished service to William A. Sullivan, formerly private,

Company E, One Hundred and Fifth Infantry, Twenty-seventh Division, American Expeditionary Forces, in the World War;

S. 2324. An act to incorporate the Military Order of the Purple Heart;

S. 2718. An act for the relief of Walter D. Foster;

S. 2773. An act for the relief of Roy Masters Worley;

S. 2782. An act for the relief of Walter Acker, Jr.;

S. 2881. An act creating the Decatur-Onawa Bridge Board of Trustees, and authorizing said board and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River between the towns of Decatur, Nebr., and Onawa, Iowa;

S. 2882. An act to create the South Sioux City Bridge Board of Trustees, and to authorize said board and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River between the cities of South Sioux City, Nebr., and Sioux City, Iowa;

S. 2961. An act for the relief of Peter Cymboluk;

S. 2996. An act for the relief of the Eberhart Steel Products Co., Inc.;

S. 3118. An act to provide for the creation of the Perry's Victory and International Peace Memorial National Monument, on Put in Bay, South Bass Island, in the State of Ohio, and for other purposes;

S. 3173. An act to authorize and direct the Secretary of the Treasury to pay men formerly enlisted as members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard, for armory training during the period from November 1, 1932, to July 1, 1933;

S. 3197. An act to repeal a provision of section 3 of the act entitled "An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes", approved May 30, 1934;

S. 3218. An act to amend section 201 of the Merchant Marine Act, 1928;

S. 3281. An act to amend the act of February 16, 1929, entitled "An act to amend the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service', approved June 10, 1922, as amended";

S. 3320. An act to authorize the award of a decoration for distinguished service to Rudolph W. Schroeder, who served with the Air Corps, United States Army, during the period of the World War, and who was honorably discharged on November 15, 1920;

S. 3327. An act to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes;

S. 3338. An act for the relief of Julia Krenz;

S. 3399. An act for the relief of Rosalie Piar Sprecher (nee Rosa Piar);

S. 3424. An act to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes;

S. 3428. An act authorizing the Secretary of War to lend Army tents to the Morris Grange Fair Committee, Troy Hills, N. J.;

S. 3446. An act relative to limitation of shipowners' liability; and

S. 3447. An act to amend an act entitled "An act to authorize the collection and editing of official papers of the Territories of the United States now in National Archives", approved March 3, 1925, as amended.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2621. An act to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school building at Devils Lake, N. Dak., to be available to Indian children.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, may I ask the majority leader or the Chairman of the Rules Committee in what order the various rules are going to be called up, as well as conference reports? I think it will facilitate business if we know, so far as possible, in what order these matters are to be brought up.

Mr. O'CONNOR. I know nothing about the conference reports. The Speaker may advise the gentleman as to that. As to the rules, I thought I gave them to one or two of the gentleman's lieutenants this morning.

Mr. SNELL. Sometimes it is a good thing to consult the captain.

Mr. O'CONNOR. The first one we propose to call up is House Resolution 316.

Mr. WOODRUM. If the gentleman would not mind saying what they are. Some of the rest of us are interested.

Mr. O'CONNOR. I intended to. That is the Federal Trade Commission investigation.

Second, the neutrality bill, a Senate joint resolution.

Next, a resolution from the Immigration Committee to suspend some deportations. That is House Resolution 362.

The next, House Resolution 347, appointing a campaign expenditures committee—very important.

Next, House Resolution 348, prevailing rate of wages on projects already started.

Next, House Resolution 354, extending the powers of the committee investigating real-estate bondholders' committees.

Next, three bills, H. Res. 355, H. Res. 356, and H. Res. 357, from the Committee on Merchant Marine and Fisheries, relating to safety at sea.

Next, customs brokers. That has not yet been filed.

Next, a resolution investigating smuggling across the borders. That has not yet been filed. There may be more during the day.

Mr. SNELL. I thank the gentleman.

BROADCASTING

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include excerpts on radio control.

The SPEAKER. Is there objection?

There was no objection.

Mr. MONAGHAN. Mr. Speaker, the people of the United States are desirous of legislation which will first, insure employment opportunities for all workers, and, second, protect the small merchant from being dictated to by Wall Street or big business.

With full realization, and, after careful consideration of how the power interest, or Radio Trust, has successfully imposed upon the Government and secured from a governmental agency—supposedly an agency of the Congress—virtually dominant control of the radio structure, I presented H. R. 8475 as, at least, a real effort to curb the growing power of money in our country.

Many years ago a wise man coined the phrase that the newspapers and magazines of America constituted "the fourth estate"; in other words, that they represented the fourth power in strength in our country. At that time but little was known of radio broadcasting, but today more than 100 newspapers—and they with very few exceptions operated in large populous centers—in order to protect themselves and their investments have found it necessary to pay fabulous sums of money to radio privateers who through their influence with members of the old Radio Commission, or the present Federal Communications Commission, possess licenses or franchises which cost them nothing and which they have sold, to those who wish to broadcast, for large sums of money.

As an illustration of this financial racketeering on the part of big business, the General Electric Co. holds 2 of the 40 clear-channel licenses issued in this country to operate three high-powered stations. The Westinghouse Electric Manufacturing Co. also possess 3 of these 40 clear-channel licenses to operate four high-powered stations. Thus we have 5 of the 40 clear-channel licenses used for the operation of 7 high-powered radio stations owned by 2 of the most powerful members of the Power Trust, namely, the General Electric Co. and the Westinghouse Electric Manufacturing Co. None of these seven high-powered stations are operated directly by either the General Electric

Co. or the Westinghouse Electric Manufacturing Co. These stations are leased to the National Broadcasting Co., and a very fat rental for this governmental property is paid yearly by the National Broadcasting Co. to the General Electric and Westinghouse Electric Manufacturing Cos. In one particular instance, about which I shall later give specific details, the National Broadcasting Co. has leased and released the facilities of one of these high-powered stations at a profit over and above the amount which it paid to the Westinghouse Electric Manufacturing Co.

The National Broadcasting Co. and the Columbia Broadcasting Co., the two networks which dominate the radio-broadcasting field, show through their statistical figures that the average advertiser during the year 1934 spent on their networks more than $150,000. This figure indicates that only those interests dominated by or affiliated with Wall Street could sponsor such an advertising campaign. This means that the local merchant, the man who has helped to build the community, is placed under a great handicap. Either he must accept the dictation of big business and handle only the products which big business wishes him to handle, and at the price which they insist he must handle them, or he finds himself in difficulty.

Big business was not interested originally in radio as a source of profit alone. Testimony given by the President of the National Broadcasting Co. proves that radio broadcasting was originally conceived as a means of promoting the sale of those radio sets manufactured by the Radio Corporation of America, the General Electric Co. and the Westinghouse Electric Manufacturing Co., and, secondly, to promote the use of the long-distance telephone lines held by the Bell Telephone Co. monopoly. The statement of Mr. Aylesworth is as follows:

> Among the broadcast experimenters—and that is precisely what they were in September 1926—the American Telephone & Telegraph Co., operated station WEAF in New York City as an experimental station. Its prime interest was to learn how the radio telephone could be utilized in the furtherance of the Bell telephone system's service to the Nation. Toll broadcasting resulted. Under the leadership of Mr. Owen D. Young, the organizations most concerned, namely, the Radio Corporation of America, General Electric Co., and the Westinghouse Electric, decided upon the formation of a Nation-wide broadcasting service to meet the immediate, as well as the future, requirements for programs of the highest standards. Thus came into being the National Broadcasting Co., organized in November 1926, primarily devoted to indirect sales promotion for the radio manufacturing industry. Its basic principle of operation was obvious—service to the radio-manufacturing industry.

Despite the requirements of the Communications Act of 1934 and the Radio Act of 1927, which specifically state that license can be issued or renewed only by the Federal Communications Commission, provided the applicant's or the licensee's station will be operated primarily in public interest, the president of the National Broadcasting Co. publicly admitted that the primary purpose for which his company was organized was not to serve public interest but to serve the radio manufacturing industry and the Bell Telephone Co.

### BIG BUSINESS IN CONTROL OF RADIO

What is the interest big business has in the control of radio? That control, that influence which big business seeks, whether local or national, is the power to form and mold public opinion. Big business neither knows nor cares what sacrifices are made by those in educational, labor, farm, religious, fraternal, and other fields who, seeking no profit for themselves, seek to enhance the knowledge of others. Big business seeks to control and mold public opinion in order that they may add to the millions they now possess and that the cost of government may be imposed upon the little fellow rather than upon those who are well able to pay.

A few years ago there were more than 125 educational institutions who operated their own radio stations. Today about 5 percent of the 640 stations holding licenses remain. Naturally these stations were operated for the good of the community and not for profit. The chairman of the board of directors of the National Broadcasting Co. truly reflected his sincere and innermost feelings in connection with these stations when he stated:

> But the profit motive of industry—apparently there's the rub. As an industrial executive I admit a natural prejudice in favor of profitable enterprises and a disposition to defend the profit motive as against social or intellectual snobbery.

The profit motive stands first and foremost. Apparently the thought of public interest, the opportunity for unselfish service to one's fellow man by helping him to develop and enrich his mind and heart finds no place in that scheme of life.

Naturally these non-profit-making stations were independent of vested interests, and those who use such facilities were privileged to tell their story without censorship on the part of any controlled representative. Such stations are a menace in the eyes of big business, because through them the public can get the truth. The press of the country made no protest against the existence of such stations. They welcomed competition that might result from non-profit-making stations. The independent press of the country always welcomes fair competition. The controlled press of the country, however, is unable to think for itself, because it only carries out the wishes of its master. It is never at a loss for revenue.

If paid advertising falls off, big business sees that associates in Wall Street furnish enough advertising to pay expenses. The independent press cannot secure advertising when the Radio Trust offers better inducements.

### PRINTING TRADES WORKERS SUFFER

Up to 6 months ago, those who controlled radio broadcasting were satisfied to leave the dissemination of news to the newspapers, but now news-gathering agencies make contracts with radio broadcasting stations. Carried to its logical conclusion there will be no further necessity of a press, because the radio listener will not have to accept a paper which contains word advertising in order to get the news. Some may say this is visionary, but many newspaper men fully appreciate the fact that the radio is disseminating news before it can be printed and distributed.

The greatest problem before the people of America today is the question of employment at decent wages, and under decent working conditions. The Printing Trades Union of America, affiliated with the American Federation of Labor, is credited by all historians with being a leader in the upbuilding of the public schools, in the spreading of education, and in the uplifting of the worker. The officers estimate that the diversion of advertising from newspapers and magazines to radio has already resulted in the loss of employment opportunities of some 40,000 to 50,000 union printing-trades workers in this country. Were these job opportunities lost for the benefit of the Nation as a whole, it would not be so bad, but these men have lost job opportunities solely that a few who contribute nothing constructive might add millions to their hoarded wealth.

### BIG BUSINESS POWER OF CENSORSHIP

Much is heard of the right of free speech and of our opposition to censorship. The right of free speech is so inherent amongst our people that the Congress in enacting radio legislation has prohibited its own agency, the Federal Communications Commission, from censoring any licensee. Yet, while the Government itself is proscribed by congressional action from censoring that which goes on the air, big business, through its control of the Radio Trust, invokes and maintains a censorship of its own. No person, with the possible exception of the President of the United States and some few Members of the Congress, is privileged to use the facilities of radio broadcasting without first submitting to the station over which he is going to speak at least 24 hours in advance, a copy of that which he is to say, and, unless agreeable to the representatives of the Radio Trust, he is not privileged to deliver his remarks on the air. For example, Mr. Aylesworth testified before a governmental investigating commission that:

> The National Broadcasting Co. reserves the right to accept, or reject, any programs, and to broadcast only for those we choose to serve.

If this is not tyranny, if this is not dictatorship on the part of the Radio Trust, may I inquire what it is?

A report made to the Congress last winter by the Federal Trade Commission contained reference to a broadcast which very unfavorably commented on the operation of public utilities. The talk was carried over the National Broadcasting Co.'s network, and a Mr. J. B. Sheridan, director of the Missouri Utilities Committee, immediately wrote to Mr. Aylesworth about the broadcast because of the possible reactions it might cause in the minds of the listeners. Mr. Aylesworth's amazing reply was, to say the least, indicative of the tyrannical and arrogant display of power of members of the Radio Trust. According to the report, he stated:

The speaker was permitted to make the speech in order to avoid the accusation that the National Broadcasting Co. was a monopoly

Moreover, he also stated that—

This is just one of those things, which is not very apt to occur again in the very near future.

One of the most subtle and vicious methods employed by the Radio Trust is the employment of radio broadcasting for not only the invasion of the home with programs which even the Chairman of the Federal Communications Commission has described as offensive but they now seek to control the classroom in the interests not of education but of the advertiser. Having reduced the number of educational and cultural broadcasting stations from 125 to less than 35 in 5 years, the Radio Trust is now endeavoring to mold the minds of the youth of America. Dr. Arthur G. Crane, president of the University of Wyoming, in a recent address before the Federal Communications Commission, stated:

I cannot foresee how America, judging by her past practice and standards, can permit the entrance into the schools of radio broadcasting, if it is sponsored by and paid for by advertisers.

He further stated:

In the State of Wisconsin, where broadcasts have been made to schools with the idea of not supplanting the teacher but supplementing the teacher, with the idea of vitalizing the study for young people, it has been proven that classes given the advantage of the vitalized, stimulating effect of frequent radio broadcasts, progress 20 percent faster than controlled groups that did not have the advantages of the radio broadcasts. I have seen thousands of children gathered into a single auditorium listening to radio broadcasts of great current events, a magnificent service, and there are 30,000,000 of American citizens in school this year, public and private.

EDUCATORS DEMAND CHANGE IN RADIO

Educational institutions, especially private institutions, have, during the past few years, been sorely pressed for finances with which to carry on their most worthy and necessary work. Confronted with increased expenses on the one hand and a decreased student registration and donations on the other, educational institutions which were licensed to operate their own broadcasting stations were in many instances forced to relinquish their franchises. One of the many instances of this condition is that furnished by station WCAJ, owned by the Nebraska Wesleyan University of Lincoln, Nebr. The station was one of the pioneer radio stations of the country, having begun operation in October 1920, but wearied and financially exhausted from repeated attacks by commercial interests seeking its franchise, which involved much time and several thousands of dollars of expense, the station was finally discontinued. Realizing the financial difficulties confronting the university authorities, the commercial interests were able, so I understand, to close a deal by paying for the station less than the value of the broadcasting equipment.

Another outstanding and typical example of the efforts being made by commercial interests or the Radio Trust to eliminate entirely, if possible, the educational broadcasting stations is that concerning the University of Minnesota. Mr. W. T. Middlebrook, a trustee and secretary of the board of regents of the University of Minnesota, recently testified before the Federal Communications Commission, as follows:

This year there will be on our campuses for instruction over 17,000 students for college work, work of a collegiate level. There will be over 7,000 students taking instructions in evening classes, and there will be over 3,000 students receiving instructions through the mail. Altogether, including ordinary and short courses, etc., the University of Minnesota will this year offer instructions to approximately 27,000 people in the State.

The university has an alumni of 35,000, a large number of whom live within the State. It has a former student body of over 40,000; and if we add these students, alumni, and former students and their families and other friends of the institution together, there is a large potential audience. * * * Now the University of Minnesota and its potential audience has been allotted by the Commission a total of 8 hours per week.

Commercial stations operate 112 hours each week.

St. Olaf College, which shares time with the University of Minnesota station, has approximately the same amount of time—8 hours per week. The balance of the time is allotted to a commercial station. * * * I submit that not very much can be done by an educational station of our size, with our material and audience, on any assignment of 8 hours per week or on power assignment of 1 kilowatt. Now, we tried abandoning our station in the early thirties. There has been broadcasting at the university since 1921. It was not satisfactory. Why? Well, the allocation of time made by the commercial station for our university programs became less and less and poorer and poorer as the profit motive encroached. The second course of action was to continue our station and supplement it with a commercial station broadcast. This is what we are doing, but we are experiencing the same result as at the time when we abandoned our own station; we are getting poorer and less supplementary time from the commercial station.

I could, Mr. Speaker, go on indefinitely calling the roll of similar instances of the treatment accorded the educational broadcasting stations, but I believe that the illustrations which I have cited are sufficient to prove the efficiency of the methods being pursued by the Radio Trust to eliminate these non-profit-making and human-welfare types of stations.

TRAFFICKING IN RADIO LICENSES

During the past few years there has developed a system of trafficking in governmental property, namely, trafficking in radio frequencies. This system is well known to members of the broadcast division of the Federal Communications Commission, and, despite their knowledge and despite the fact that Members of Congress have protested against such a practice, it still continues. A notable illustration of this trafficking in radio frequencies is that of the license issued to the Westinghouse Electric Manufacturing Co., station KYW, which was leased by Westinghouse to the National Broadcasting Co. This frequency was assigned originally to the State of Pennsylvania, which is in the second zone. However, the Radio Trust needed another station in Chicago, which is in the fourth zone, and it prevailed upon the old Federal Radio Commission to transfer this frequency to the fourth zone, and station KYW was located in the city of Chicago.

The Radio Trust having acquired subsequently, through purchase, another frequency having a Chicago station located on it, the Radio Trust was not seriously concerned, nor did it strongly interpose objection last year when the Commission decided to return this frequency to the State of Pennsylvania and the second zone where it is now located, in the city of Philadelphia, probably because the Westinghouse interests already have a high-powered station at Pittsburgh.

To further illustrate the viciousness of this system, after acquiring a third high-powered station in Chicago, the National Broadcasting Co., which, as I have previously stated, had leased station KYW from the Westinghouse Electric Manufacturing Co., the licensee turned around and subleased it to Mr. William Randolph Hearst's exclusively owned radio company, known as "Hearst Radio, Inc." To avoid a suit, because the lease which Hearst Radio, Inc. had with the National Broadcasting Co. at the time when the Commission ordered the frequency transferred back to the second zone, it is now necessary for the National Broadcasting Co. to sell, lease, or help Mr. Hearst's radio company locate another station in Chicago or elsewhere; otherwise a damage action may be instituted. This situation may also explain the cooperation and willingness on the part of the National Broadcasting Co. to further the interests of Hearst Radio, Inc. It may also explain Mr. Hearst's ability to purchase last year the high-powered radio station located at Baltimore, known as WBAL, and licensed to the Baltimore Electric Light & Power Co. It may also explain Mr.

Hearst's defense of the utility-holding companies, a matter which is familiar to every Member of Congress.

Now, after station KYW was located in Philadelphia, and the Commission approved the continuance of the licensee in the name of the Westinghouse Electric Manufacturing Co., and gave cognizance to the re-lease by the licensee to the National Broadcasting Co., it further approved one of the most outrageous examples of the arrogance displayed by the Power and Radio Trust interests by permitting a sublease of the facilities of station KYW by the National Broadcasting Co. to the owners and operators of the Columbia Broadcasting System's station in Philadelphia, namely, Isaac and Leon Levy, who are officers, directors, and big stockholders in the Columbia Broadcasting Co., and brothers-in-law of Mr. William S. Paley, president of the Columbia Broadcasting System. Here is another of many similar instances that not only illustrates what is meant by trafficking in radio licenses, but also illustrates the close interlocking connection which exists between, and identifies, these two networks.

Why, Mr. Speaker, the studios of station KYW, the National Broadcasting Co.'s network station in Philadelphia, and the studios of WCAU, the Columbia Broadcasting Co.'s Philadelphia outlet, are all housed in the same building, under the one roof, as it were, owned by the Levy Bros., whose connections with the Columbia Broadcasting System I have already mentioned. Naturally an attorney reserves the right to serve whatever clients he sees fit to identify himself with, but it is rather strange, almost bordering on suspicion, to point out to the Members of Congress the fact that one of the Levy brothers, Isaac D. Levy, has represented the RCA-Victor interests in the courts.

MONOPOLY OF NEWS AND RADIO

To further prove the existence of the system of trafficking in radio licenses, I wish to call attention to another recent instance, and that is the case of radio station WWL, of New Orleans, and station KWKH, of Shreveport, La., two stations which for years shared time on the same frequency. Two years ago the old Federal Radio Commission held a hearing to decide which one of these two stations was serving public interest. It is reliably reported that the Commission first decided favorably for station WWL, and then later reversed itself to favor the Shreveport station. An appeal was taken in the local courts, but before a decision was rendered the commercial interest controlling the Shreveport station sold out to another commercial group, and the Commission, it is stated, suggested a solution to the owners of the two stations whereby, after certain consents were obtained, the Commission would then be in a position to fulfill the expectations of the owners of the two stations by granting each of them full-time operation instead of the part-time assignments for which they were previously licensed.

I refer to the leasing of the facilities of a commercial station in New York City, known as WMCA. The license of this station is held by the Knickerbocker Broadcasting Co. With the exception of one share of stock, which is held by the vice president and general counsel of the corporation, the balance of the stock is in the name of only one individual, Donald Flamm. In the early part of 1934 the Federal Radio Commission approved the leasing of WMCA's facilities to a group of Wall Street bankers.

According to the press, the terms of payment called for an annual rental of $125,000 a year for a period of 5 years, at the expiration of which the Wall Street bankers would obtain control of the station by an additional payment of $500,000, making the total purchase price of the station approximately $1,125,000. I am quite confident, Mr. Speaker, that an investigation of the files of the Commission when approval of this lease was requested will disclose the fact that the terms which I have just mentioned were known to the members of the Commission. At least it was given the widest sort of publicity by the press of the Nation. Early this year the lessees of the station, the Wall Street bankers, decided that the Radio Trust was too strongly entrenched in the broadcasting industry to justify their continued opposition, and they canceled the lease, which the Commission not only approved but, without further investigation or a public hearing, it permitted and approved the continuance of the license in the name of the former licensee, Mr. Donald Flamm and his Knickerbocker Broadcasting Corporation. This station, like the Radio Trust, also appears to have exceedingly powerful influences with the old Radio Commission and its successor, the Federal Communications Commission, as I shall prove later.

One of the most flagrant and deliberate violations of the Communications Act of 1934, which very distinctly states that the "holder of a radio license must at all times have complete control of the mechanical equipment and the programs of the station", is the leasing of stations to the Radio Trust. The Federal Communications Commission and its predecessor, the Federal Radio Commission, have time and time again approved of the trafficking in radio licenses by members of the Radio Trust. The strange, and almost unbelievable, feature of this vicious system is that the transactions of the Radio Trust are winked at by the governmental supervisory and licensing agency, the Federal Communications Commission. After the lease or contract made by and between the Radio Trust and the original licensee has been completed, all the Radio Trust then has to do is to use its powerful influence with members of the Federal Communications Commission to add their approval to the contract or lease whereby the licensee voluntarily assigns over his control of the mechanical equipment and supervision and censorship of the programs of his station—after receiving a large sum of money from the Radio Trust.

Copies of these transactions, I am reliably informed, after approval by the Commission, are kept on file in its offices, subject only to inspection by the Commissioners themselves. These leases are not available for public inspection unless a court action is instituted by a protesting station, or a new applicant for the facilities which have been illegally transferred to the Radio Trust, and, as I have previously stated, approved by the Federal Communications Commission. As an illustration, the National Broadcasting Co., very frequently referred to by its President, Mr. Merlin H. Aylesworth, as the "world's greatest broadcasting system", holds such lease agreements with its powerful affiliated members of the Power Trust, namely, the General Electric Co. and the Westinghouse Electric Manufacturing Co., wherein the complete control, production, supervision, and broadcasting of all of the programs made over these stations are subject to, and only to, the ideals, policies, and wishes of the National Broadcasting Co. Each of these secret lease agreements are on file with, and have been approved by, the Federal Communications Commission.

The so-called "competitor", the Columbia Broadcasting Co.—and I use the word "competitor" very advisedly—is just as guilty of comparable offenses as is the National Broadcasting Co. in its contracting and leasing of radio facilities licensed to municipalities, power companies, newspapers, and others. About 5 years ago the president of the Columbia Broadcasting System, Mr. William S. Paley, signed an optional 15-year lease with the city fathers of one of the widely known Atlantic coast summer resorts, often called "the world's greatest playground", whereby the high-powered radio station, which was licensed originally by the Federal Radio Commission for operation by this municipality, was turned over, stock, lock, and barrel, to the Columbia Broadcasting Co. to do with it as it saw fit. A few years after this iniquitous and illegal document was completed, a small educational station, one of the early pioneers in radiobroadcasting, owned and operated by the Paulist Fathers, licensed for 15 hours each week on the air, made a protest to the old Federal Radio Commission, and directed attention to the existence of this glaring example of "trafficking in radio licenses."

A public hearing was held before the Commission. I am told that the records in this case, on file with the Commission, not only exposed the existence of this secret and illegal transaction but it also developed that the lease had not been submitted to and approved by the Federal Radio Commission until a few months prior to the hearing, and that it had been supplemented by a contract which was even more vicious and of such a nature that it beggars description.

It was without seal or notarization; it was not approved by the proper authorities of the municipality nor by the Commission. It contained corrections and additions which were not properly initialed as required by law. This lease permitted the Columbia Broadcasting Co. to move the transmitter to any part of New Jersey it desired without even consulting the officials of Atlantic City, and it absolutely prohibited the city officials from broadcasting any programs without first obtaining the consent and approval of the Columbia Broadcasting Co., or its dummy holding company, the WPG Broadcasting Corporation, which was formed purely and simply to act as a blind for the real owner, the Columbia Broadcasting Co. The same officers and directors of the Columbia Broadcasting Co. held similar titles in this WPG Broadcasting Corporation, and that is why I refer to it as the "dummy holding company" of this member of the Radio Trust, because none of its stock or directorships were held by any of the duly elected officers of the municipality.

INFLUENCE OF NETWORKS

Regardless of all of these facts, the Federal Radio Commission decided against the small educational station; it approved and whitewashed questionable documents and permitted the situation to continue in the future, as it had in the past. Fearful of congressional notice and action, the Columbia Broadcasting Co., to lull the criticisms of the press of the country, and I suppose to relieve the Commission of future embarrassment, made a new arrangement with the city fathers. A few months ago, when the first of three 5-year options granted to the Radio Trust expired, the Columbia Broadcasting Co. canceled the lease. Then a new and more modern method of trafficking in radio licenses was inaugurated. First, the dummy holding company of the Columbia Broadcasting Co. applied to the Federal Communications Commission for approval to voluntarily assign its license back to the municipality. This was granted by the new Commission, without opportunity for a public hearing to the owners of the educational station, the Paulist Fathers, and others interested. Once more, seemingly strange and most unusual methods of the Radio Trust were accepted by the Federal Communications Commission. Before the Commission approved the assignment of this license, the Columbia Broadcasting Co. entered into a new agreement with the city authorities, whereby it agreed to supply all of the programs needed.

If this is not favoritism, if this does not prove existence of "trafficking in radio licenses" by and with the consent and approval of the Federal Communications Commission, then I do not know what further evidence is necessary.

PEOPLE INDEBTED TO THE INDEPENDENT PRESS

Mr. Speaker, no Member of Congress has more respect nor greater admiration than I for the independent press of the country. Through the medium of its printed columns, its editorials, its loyal devotion to public interest, and its ability to publicize fresh and vital news, it forms and molds public opinion and inculcates true Americanism in the minds and hearts of our present-day youth. I refer to the independent press of every State in the Union.

Public officials and servants are deeply indebted to the uncontrolled and independent members of the metropolitan newspaper fraternity, but this tribute of mine goes deeper and extends particularly to the thousands of small-town editors and newspapers of America. With extremely limited financial resources, the small-town publisher often is obliged to set his own type, print his own newspaper, and sometimes even deliver it. Back home we have scores of these gallant and glorious, self-sacrificing, and unsung heroes of the press fraternity. I call them "heroes" without a moment's hesitation. They are responsible for the enlightenment and education of young and old, for thousands of America's best statesmen; yes, even Presidents of the United States.

Despite all of the good they have done in directing the youth of America, the upholding of its ideals and traditions in their continual fight for what is right, we, the Members of Congress, are slowly but surely helping to crush out of existence thousands of small-town newspaper editors. If the conditions which I cite are permitted to continue, a small minority, composed of controlled newspapers, friendly, to say the least, to the Power Trust, are permitted also to monopolize radio stations. The Radio Trust uses its influence with the Federal Communications Commission to obtain licenses for these friendly interests, after which they become affiliates of the Radio Trust networks. This vicious system compels the listeners of these newspaper radio stations to carry programs only bearing the stamp of approval of the Power and Radio Trusts.

Very properly, the question could be raised as to how this system affects the editors and publishers of small, medium, and large newspapers. There is a vast difference between a newspaper and a radio station, or a network. In its value to the community, a local newspaper and local radio station are somewhat comparable.

Due to international radio agreements, the number of frequencies, or wavelengths, allotted to the United States are limited, as are the number of radio stations which the Federal Communications Commission can license for operation on these frequencies. This very important feature was discovered by the Radio Trust as far back as 1920, when the American Telephone & Telegraph Co. erected its first experimental station in the city of New York. Already this same company is planning and working, under the guise of experimentation, to monopolize television through the operation of what is known as a "coaxial cable", now installed between New York City and Philadelphia, the operation of which was approved only a few weeks ago by the Federal Communications Commission.

When Congress was considering radio legislation in 1927, agents and engineers of the Power Trust and the Radio Trust were most eloquent and profound in their solicitations for the listeners in urban and rural sections. They contended the only solution to the problem was for Congress to set aside 40 of the 90 frequencies for use by high-powered stations.

Having won their point, the Radio Trust immediately started to corner practically all of these 40 "high-powered" clear-channel frequencies, so that today, between exclusively owned, leased, and controlled stations (the Radio Trust refers to their contract-controlled stations as "affiliates"), the Radio Trust has possession of more than 35 of these frequencies. Having obtained possession of the heart of the radio industry, they next started a campaign for the right to boost the power of these stations from 5,000 watts up to 50,000 watts, and I suppose it will not be very long until these 50,000-watt stations are boosted up to 500,000 watts as was recently authorized for a station in the Middle West. Naturally the higher the wattage, the more power is used—power supplied by the same interests that control and dominate the Radio Trust—power that is purchased at high rates by the advertiser on the assumption that he is getting a wider and more intensive coverage by purchasing time on the high-powered stations owned by the Radio Trust for the advertising of his products.

As always, who is it in the final analysis that pays for this supposed high power? None other than the radio listener, the prospective purchaser of the advertiser's products, for naturally if his advertising expenses are increased in order to help boost the consumption of electricity, then the advertiser has to add this increased radio advertising expense to his manufacturing costs, or reduce the salaries paid to his employees. The situation is comparable to a remark credited to the chief spokesman of the Radio Trust, Mr. Merlin H. Aylesworth, president of the National Broadcasting Co., former managing director of the propaganda institution of the Power Trust, which was called the "National Electric Light Association", who said: "Never mind the expense; the public pays it." This statement, made years ago by Mr. Aylesworth before a convention of the Power Trust interests held in Birmingham, Ala., remains today the slogan of the Radio Trust.

ADVANTAGES OF RADIO OVER PRESS

With the exception of the advertising done by big business, the average radio advertiser's appropriation is limited, and if he is susceptible to, or unknowingly becomes a victim

of, the alluring and inducing promises of quick returns advanced by the solicitors of the Radio Trust networks, he is, of necessity, forced to reduce his newspaper and magazine advertising, and, in the case of newspaper, it is the small town newspapers which are hit the hardest. The large metropolitan dailies also suffer by a reduction in the amount of space which this radio advertiser uses. Radio advertising today represents nearly 15 cents of the advertising dollar. Most of this money comes out of the pockets of thousands of "small town newspaper editors."

Again, in comparing a local newspaper with a local radio station, the latter has a decided advantage in that the circulation or distribution area of a newspaper is exceedingly limited, while the area of the radio station's audience is confined only to the amount of power under which it operates, ranging anywhere from 10 to 500 miles.

Realizing the present intolerable and monopolistic advantages which it now enjoys, the Radio Trust has within the past year entered into a gentleman's agreement with certain newspaper interests. For example, imagine what may happen within a very short period of time if the Power and Radio Trusts, with the cooperation of friendly newspaper interests, were able to control both the newspapers and radio stations of their local communities.

Mr. Speaker, this unwise, unsound, and highly unimaginable condition is now under way, with the full knowledge and consent of the Federal Communications Commission. During the past 6 months or so, in the city of Shreveport, La., the only 2 newspapers published there, as well as the only 2 full-time radio stations, are now owned and controlled by the same identical financial interests who have contracted with the Radio Trust for the broadcasting of its programs over their radio stations. This same condition exists in Wilmington, Del., Lancaster, Pa., York, Pa., and other cities throughout the country.

What chance has the honest, unbiased, and independent press of the country when it is forced into competition with a newspaper which also controls a radio station and, therefore, can offer the advertiser a reduced combination rate for both mediums. An examination of the hearings held before the Senate Interstate Commerce Commission last January, on the confirmations of the present members of the Federal Communications Commission, will disclose the fact that the Chairman of the Broadcast Division, Eugene O. Sykes, went on record as being opposed to the ownership and control of radio stations by newspaper interests. Mr. Speaker, hardly a week has gone by since Chairman Sykes, under oath, made this statement, but additions have been made to the list of radio broadcasting stations now owned by large newspaper interests. Nothing is being done to prevent or lessen this far-reaching evil. It is high time that something is done by the Congress to correct this and the many other existing conditions which are being condoned and approved by the Federal Communications Commission.

GRAFTERS PROTECTED—WHY?

Elsewhere I have made mention of the hearings of last January held by the Senate Interstate Commerce Committee on the confirmation of members of the Federal Communications Commission. During these hearings a number of amazing and startling facts were disclosed in connection with the actions of members of this Commission and the activities of the representatives of the Radio Trust. As an indication of what took place during these hearings, I cite one of many outstanding and glaring examples of the need for strong and drastic action by Congress to correct the abuses.

I refer to the case of a Mr. George Llewellyn, who was discharged from the service of the Federal Radio Commission without a hearing simply because this honest, conscientious, and loyal Government employee, a World War veteran, tried to do his duty by exposing the crookedness of a superior. His superior was retained in the service for several months, and permitted to resign, even after an investigation by an agent of the Department of Justice disclosed him guilty of several of the charges.

Due to the intercession of Senator BILBO and Congressman ROBERT RAMSPECK, the entire facts in this case were placed before the members of the Senate Interstate Commerce Committee. Senator BILBO frankly admitted that he was in opposition to the confirmation of Chairman Eugene O. Sykes. He placed before the committee all of the facts bearing on the crookedness of a former official of the Commission and the uncalled-for discharge of a loyal worker and correspondence which clearly showed the official guilty of accepting bribes. The facts indicated how grossly unfair, unjust, and severe the members of the former Federal Radio Commission were in the treatment of this young and loyal employee, and the present chairman of the Broadcast Division of the Federal Communications Commission was the then Chairman of the Federal Radio Commission. Hon. Thad Brown, who acted as Chairman when this case was first brought to the attention of the Federal Radio Commission, is now a member of the Telephone Division of the Federal Communications Commission, acting as vice chairman under Chairman Paul A. Walker, the gentleman who recently found it necessary to use his famous "antigift" order. Colonel Brown last January told the Senate Interstate Commerce Committee members that he favored the ownership and control of radio stations by newspaper interests.

To return again to the case of Mr. Llewellyn: The only defense which Chairman Sykes had to offer for the unexplainable and unjustified discharge of this faithful employee was that when the case was first called to the attention of his Commission he was in Europe attending a conference. But the correspondence very clearly showed that on his return to the States the matter was called to his personal attention not only by Mr. Llewellyn but also by members of both the house and senate of the State in which this young man resides, and in every instance Chairman Sykes refused to give Mr. Llewellyn an opportunity to present his side of the story.

In amazement the members of the Senate Interstate Commerce Committee listened to the unfolding of the many instances of gross negligence and carelessness performed by members of the former Federal Radio Commission and the present existing Federal Communications Commission. Finally, my colleague from the State of Montana, Chairman of the Senate Interstate Commerce Committee, Senator BURTON K. WHEELER, Senator ROBERT F. WAGNER, of New York, and many other members of the committee propounded question after question to Chairman Sykes and Commissioner Brown. Senator WAGNER was most insistent in asking both of these gentlemen if they considered their actions fair and just, and after 2½ years of silence they both had to admit that an injustice had been done and agreed to give him a hearing. He was not only vindicated but so successfully proved his charges that the Commission was compelled to reinstate him in its service.

Mr. Speaker, even if this was the only instance of incompetence, and I might even go so far as to charge malfeasance of office, I contend that it is sufficient reason and justification for a thorough investigation of the Federal Communications Commission, particularly the Broadcast Division of this Commission, as well as the dominating and powerful influences which the Radio Trust seems to have with members of this Commission.

PROTESTS MEAN LITTLE

Some 4 months ago the Chairman of the Federal Communications Commission cited 21 member stations of the Radio Trust to appear before the Commission and show cause why their licenses should not be revoked in view of their having repeatedly broadcast a program which the American Medical Association and the Federal Trade Commission had publicly branded as injurious and harmful to the consumer. The hearings on all of these cases was set for June and then postponed until October.

As all licenses expire in either July or August we find the Commission citing 21 stations before them for what is termed "violations of the law" and then the Commission issuing a renewal of the license even while the licensee is under charges. However, this was changed as the Commission did not wait for any hearing but entirely on its own motion whitewashed the entire matter and issued as their reason for this unusual action the fact that the stations had agreed not to broadcast this particular program again.

Another recent decision which has created considerable interest on the part of those Members of the Congress who have indicated an interest in matters pertaining to radio broadcasting is the findings of the Commission in the recent citation of station WMCA, of New York City. This is the station which some Wall Street bankers leased in order to enter into competition with the Radio Trust and found the competition too hard and left the radio field sadder but perhaps wiser men.

The attorneys for the Commission who investigated the numerous complaints which were filed, protesting against a program broadcast over this station, directed the Commission's attention to three depositions in particular. A public hearing was held. The attorneys for the Commission presented these three depositions, and the only witness in opposition was the vice president and general counsel of the station, who holds one share of stock. The balance of the stock is owned by the president of the company, who was so sure of the decision, even before the case opened, that he did not deem it necessary to publicly tell the Commission such a story as he might have concocted.

The result of this public hearing was another victory for those who seemingly feel that radio is a racket, which only the privileged few may indulge in, as the Commission approved the renewal of the license because the program had been canceled and the sole "star" witness, the possessor of one share of stock, promised that the station would not broadcast such a program again.

The testimony officially taken by the Commission in this case and their action is such that Congress is warranted in demanding an investigation as to whether or not such complaints as are herein referred to are used for the purpose of enriching certain lawyers who seemingly have a way of securing results with this particular commission.

THE PRESS AWAKENS

Mr. Speaker, the free and independent press of the United States seemingly is now aware of the great danger which is confronting it. Only last week, I understand, the California Publishers' Association, comprising 350 publications with newspapers, located in the various communities of California, other than in the cities of Los Angeles and San Francisco, after careful consideration of the effect which radio control has had on the free and independent newspapers of our country, in convention, have called upon the Congress "to purge radio of commercial influence" and return to the people of America control of radio. It is my opinion and my belief that this action on the part of the California Newspaper Association soon will be followed by similar action on the part of the newspaper association in every State of the United States. With such support in addition to the support of labor organizations, farm organizations, educational and cultural organizations, there is no doubt in my mind but that Congress will soon enact H. R. 8475.

The legislation which I have presented to Congress and which I will actively insist upon consideration of at the next session will not deprive the American people of any constructive good which may be obtained from radiobroadcasting. The legislation which I have presented will, first, place the American people in control of the facilities which they alone own, namely, the air. It will deny to the Radio Trust the power of influencing and molding public opinion. It will protect the employment opportunities of many thousands now employed and will, in addition thereto, soon provide employment for the forty or fifty thousand printing-trade workers deprived of employment by the diversion of advertising from newspapers and magazines to radio. It will enable the independent newspapers of our country to derive that revenue which is essential to the continued maintenance of a free and independent press. It will permit of real education being carried into the homes of all of our people.

As an illustration, I cite my own State, Montana, where, in the hills and valleys, in the homes of the ranchers, the miners, and the farmers, the homes where the youngsters too often are deprived of the opportunity of an education, because of the inadequate wages paid their parents or the low prices paid to farmers, it will permit the college carrying to these people throughout our land a type of education now denied them because the Radio Trust and the Power Trust are only interested in the type of information which will add additional profits to their coffers.

Mr. FORD of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The SPEAKER. Is there objection?

There was no objection.

Mr. FORD of California. I wish to say a word in regard to a bill that I introduced in the House. This is the anti-lynching bill, the companion of the Costigan-Wagner Senate bill. Friends of this bill planned to have it voted on in the Senate first. It is most regrettable that in spite of the splendid fight made by Senator COSTIGAN for the favorable consideration of this bill, it was defeated by a filibuster.

One of the arguments used against the antilynching bill was that it was unconstitutional. As to this specious argument I agree with the distinguished Senator from West Virginia, who said:

> Can it possibly be unconstitutional for this Government to protect its citizens—its taxpayers—against mob murderers in cases in which the States refuse or fail to discharge their duty in this important matter? How can anyone with a scintilla of national pride or self-respect seriously contend that the Constitution requires the Federal Government to stand idly by while nearly a hundred of its citizens are every year tortured to death by means more horrifying than any of which the fiercest Indian tribe ever dared to dream?

I believe in the Constitution, and, in common with all good Americans, I am prepared to defend it.

But I am bitterly opposed to the effort now being made to use the cry of unconstitutionality to prevent the passage of measures designed to promote the welfare of our people. This is merely a trick and device to defeat progressive legislation. And yet this argument was used effectively to prevent the passage of the antilynching bill.

Republican politicians are using the defeat of this bill as an argument to prove that a Democratic Congress is not friendly to legislation designed to protect the colored people from mob violence.

The answer to this lies in the record. In 1921 and 1922 the Dyer antilynching bill came before a Republican Congress and met precisely the same fate as the present antilynching bill.

The Republicans remained in control of Congress and the Presidency for 10 long years after the defeat of the Dyer antilynching bill. And during those 10 years of complete control the Republicans neither passed nor tried to pass an antilynching bill.

Not one party, but reactionaries in both parties are responsible. The remedy lies in the hands of enlightened and progressive men and women. We must continue our efforts to persuade legislators to enact laws that will ultimately wipe this stain from our national escutcheon.

MAIN STREET OR CHAIN STREET

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address I delivered at Hagerstown, Md.

The SPEAKER. Is there objection?

There was no objection.

Mr. CHRISTIANSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me at Hagerstown, Md., on August 21, 1935:

> This evening I come before you as one who has a deep interest in the problems which have brought you together. As a young man I clerked in a general store. Later, as the publisher of a weekly newspaper, I experienced that close relationship and mutuality of interest which exist between the small-town merchant and a country editor. As Governor of my State, I used the opportunity for leadership which the office afforded to call to the attention of the people the menace presented by the tendency toward concentration in the field of merchandising. As a Member of Congress, I have supported the cause of the independent merchant.
>
> Shortly after I had left a village of 1,500 people to assume the office of Governor of Minnesota, a friend one day brought me the information that a political boss whose bidding I had refused to do had called me a "small-town man." I said: "Go and tell your friend that I feel that he has paid me a high compliment

and conferred upon me a badge of distinction. I am a small-town man, and proud of it. Tell him that I have the rural outlook and a country background. Tell him that the first time I had writer's cramp, I got it from milking cows. Tell him that my first job in life was to teach calves to drink milk out of a pail; that first I had to pull a calf's ears off to get it up to the pail, and then I had to pull its tail off to get it away from the pail. And tell him, also, that the hungry interests for which he usually speaks are like those calves—it is hard to get their noses out of the pail of special privilege."

It is because during the last few years some of the calves have been getting more than their share of the milk that I am interested in your fight. This Nation today is witnessing a concentration of ownership and control of business unprecedented in the history of the world, and it bodes no good to the Republic. Mergers and consolidations on every hand; ruthless competition driving small business men out of the field and leaving big business men in unchallenged control; these are conditions in America today that are undermining prosperity and even endangering the structure of our democracy.

Fifteen years ago chain stores were doing only 4 percent of the retail business of this country; today they are doing 20 percent. There are now over 100,000 chain stores in the United States, representing 5,000 chains and doing an annual business of over $8,000,000,000.

Two great mail-order houses, already giants, are reaching out into the local field, one of them having undertaken a program of 1,500 community stores. Before this onslaught of big business 300,000 independent dealers have gone down, and unless the movement toward centralization is checked, 500,000 more are due to follow them. Eight hundred thousand men, each the master of his own little store, men who have spent their lives learning merchandising, who know the peculiar needs of their own customers, who love their communities and have given a helping hand in their development, who cherish the institutions of their country because those institutions have enabled the individual man to develop, to grow, and to achieve—these 800,000 masters must become servants, employees of great chain corporations, cogs in a soulless and conscienceless machine, robots of distribution, receiving and obeying orders from the great city, directing them what to sell, how to sell it, and how much to sell it for. This is the prospect that is due to face the American people when Main Street became Chain Street.

"An inevitable development", say some. "You can't sweep back the tide of economic forces."

"Chain stores have come in response to social and economic needs", say others. "They provide a more efficient means for the distribution of goods and commodities, and therefore will continue to grow, despite artificial and legal restrictions."

If either of these contentions were true, I should not be here today. I should not care to take up the cudgels in behalf of the independent merchant, if I thought he was a vermiform appendix in the economic body; I should be the first to advise a surgical operation. I should not be here, if I believed that unyielding economic law doomed the individual unit distributor to extinction, for I can think of any number of easier ways to die than to bump my head against a stone wall.

The spirit of martyrdom is not strong enough in me to make me want to sacrifice myself for a hopelessly lost cause. I like a fight, but I am usually found fighting for causes and principles that have at least a chance to win.

No, there is no economic law which dooms the independent merchant to inevitable extinction. If the independent merchant dies it is his own fault; it is because he retreats when it is time to advance; it is because he lies down and lets the enemy march over him; it is because he fails to call to his aid the millions of right-thinking American citizens—the reserve army that has never yet failed to rally to any just and deserving cause.

There is a great deal of buncombe in the talk about economic drifts and economic laws. There is nothing to justify economic fatalism. This country has made its great progress by circumventing and evading principles which economists have advanced with much seriousness and supported with much learning. Time and again Joshua has told the sun to stand still, and it has stood still.

There was a time when there was hardly an economist worthy of the name who was not an advocate of free trade. A hundred years ago the American people adopted the principle of the protective tariff; and, leaving out of consideration in this discussion the question whether we have not at times adopted tariff schedules that were too high, let me ask you, Is there anyone present who believes that the incomparable progress that the American people have made in industry in a century and a half would have been possible if we had followed the advice of doctrinaire economists and remained on a free-trade basis?

By legislating in defiance of economic law as expounded by learned men, we have kept foreign goods out of the home market, maintained an artificial price level for the domestic producer, enabled him to develop mass production and thereby cut his costs to such a degree that he was able to undersell his low-wage foreign competitor in almost every world market. By statute law we have suspended economic law.

The tariff is only one of the many examples I might cite. By the Transportation Act we have avoided the disasters which would have flowed from a policy of laissez faire in the operation of railroads. By antidiscrimination laws we have stopped many of the abuses which existed when competition was unrestricted. We interfere with economic law when we fix telephone rates and tell power companies what they may charge for lighting our houses or turning the wheels of our machinery.

We interfere with economic law when we say who may and who may not operate bus and truck lines. We interfere with economic law when we grant patents and protect trade marks. We interfere with economic law through the control of credit by the Federal Reserve Board. Saying that any trend or tendency is inevitable because of the operation of economic law is an admission of either insincerity or incapacity. It denotes a lack of the will or the skill to do what ought to be done. It is a confession in social and political bankruptcy.

So let us at the outset reject the idea that there is any economic law which makes continuing concentration in retail business inevitable. What about the second contention, that chain stores have come in response to the need of a more efficient means for the distribution of goods and commodities? Do the facts justify that claim, or is it a mere assumption?

First, are efficiency and economy inherent in bigness? Let Dr. Julius Klein, formerly of the United States Department of Commerce, answer that question:

"For certain types of business the big concern has an undoubted advantage over its smaller competitor. But in those lines of merchandising, where success depends mainly on taking advantage of changing trade opportunities, close watchful contact with market conditions, and expert personal superintendence, the small operator has many advantages over the large establishment. * * * The resourcefulness and freedom of action of the individual will always go far toward offsetting the advantage of large-scale operations of the more complicated organizations. In fact, those characteristics are the most important factors in maintaining American business."

Let us hear what J. C. Penney has to say. Does he, admittedly the most successful of all chain-store operators, claim for chain merchandising any inherent advantage that will put the independent retailer out of business? Speaking of the individual who prefers to operate his own store, he said: "There will always be room, and plenty of it, in this country for this type of man. If he has the ability, the resources, and the necessary energy, he will succeed alongside the chain store, the mail-order house, the big department store, the direct house-to-house salesman, or of any other type of competition."

This man, who operates 1,425 stores, entertains no illusions about the advantages of mass buying and large-scale operations. He knows that the individual owner of a single store can manage that store more economically than the hired clerk taking orders from a distant city. He knows that an owner will find and eliminate those little leaks and losses which a hired man would never see. He knows that in a small organization every member is a salesman, while in a large one there is necessarily a large proportion of nonselling employees. He knows that there is in big business a point of diminishing returns beyond which advantages are nullified by disadvantages.

There is no more efficient and economical unit of distribution than a properly conducted small store. Gorton James, while a division chief in the Department of Commerce, asked, "In what respects can the chain beat the old type of store when the latter is run on the new principles being evolved today?" Answering his own question, he says: "One element is claimed in cash selling, yet the economies of cash selling have been disputed. The cost of credit extension to retail customers is apparently a few tenths of 1 percent. Certain cash stores report inventory shrinkages that mean greater loss than that. Thievery, careless handling, spoilage, and work under pressure of crowds add their mites. More retail selling time is required in cash-and-carry stores. Business comes in peak loads and the entire selling transaction must be finished at once. This adds to the congestion of the store. In a store which gives delivery service, the order can be taken and set aside to be packed for delivery after the rush."

In other words, it is very doubtful whether those merchandising methods which curtail service reduce the cost of doing business.

Even the hired spokesmen of the chain stores do not claim that the growth of the chains is due to any inherent economic advantage of chain-store merchandising. At the Waldorf-Astoria in New York, at a conference sponsored by the National Association of Manufacturers, William J. Baxter, director of a research bureau representing 300 chains, declared: "They haven't been successful due to prices. They haven't been successful due to buying."

Let it be admitted, despite Mr. Baxter's statement, that on account of their large purchases chain stores have in the past been able to buy goods at lower prices than independent merchants.

That advantage is not as great as it may seem. For after the chain merchant has bought a large quantity of merchandise, he must store it in central warehouses before delivering it in small quantities to his local stores. He must pay interest on the money invested in that merchandise; he must keep the goods insured; he must bear the expense of dividing large shipments into smaller parcels; in fact, he must add to the initial cost of the goods every item of expense which is usually attendant upon distribution by the wholesaler. He doesn't eliminate the jobber when he becomes his own jobber. In fact, it may seriously be questioned whether a chain-store merchant who performs this function for his own stores, as an incidental although necessary part of his business, can perform it as cheaply as the independent

jobber who specializes in jobbing and supplies the general trade in a wider field.

If there is any net saving in mass purchases, independent merchants can effect that saving as well as chain stores through cooperative buying associations. It is not necessary for a man to abdicate to a big corporation in order to buy goods at the lowest prices consistent with good quality and honest business practices.

Whenever chain stores have bought goods at a lower price than the jobber who supplies the general trade, they have done it by beating down the manufacturer and forcing him to sell below the cost of production. Such a practice in the long run spells higher prices to the consumer—not lower. Consider what happened in the cheap-watch trade. The Ingersoll dollar watch made good bait for price cutters, who sold it for as low as 59 cents. In order to sell it at that figure predatory dealers forced the manufacturer to sell to them for less than cost and to get all his profits out of the independent merchants. But the latter, resenting the discrimination and refusing to sell Ingersoll watches at less than cost, discontinued the line, and the manufacturer went out of business.

There is no economy in commercial piracy. It may enable a few men to amass a fortune, but to the great mass of the people it spells a total loss. The consumer is best served when he buys his goods from day to day at honest prices, allowing a fair margin of profit on every item, a profit that will enable the manufacturer, the jobber, and the retailer to continue doing business, competing with others in a fair and honorable way. Whenever a manufacturer or a merchant fails as a result of unfair competition, the loss ultimately falls on the consumer. The bankruptcy of many producers and distributors may mean temporary savings for the patrons of bargain counters; but ultimately it results in monopoly for a few producers and distributors, who will charge the public a price limited only by what the market will bear.

Chain merchants have succeeded, not because they have given the public better service, for they have curtailed service; not because they have given better values, for their average price is fully as high as that of the independent merchant; but because they have been able to create the impression that their prices were lower by offering standard, trade-marked merchandise at cost or below cost and recouping their losses by marking up other lines. That this has been their practice was disclosed by Mr. Baxter in an unguarded moment, when he said:

"To me there isn't any question as to the advisability of any retail store if it can sell some nationally known product at cost to get the crowd. * * * A consumer will go to a grocery store and she is willing to pay 55 cents for steak, whereas it might be sold for 52 or 50 cents elsewhere, if she at the same time can purchase Campbell's soup or some other package goods at cost. * * * Scientific retailing means studying the blind articles in the store and selling them at full price. But what we call 'open articles', the ones that the consumer can go from store to store and compare, selling them at low prices."

This is the ethics of merchandising, as preached and proclaimed by the chain stores' paid spokesman. This is the doctrine of caveat emptor—"let the buyer beware"—brought down to date: Not to serve the people, but to fool the buying public by any device, fair or foul. Get the business honestly if you can; but if you can't get it honestly, get it any way. This is the business code presented by an acknowledged exponent of the chain stores.

I don't want to be unfair; I don't desire to be extreme in my statements; I don't care to use harsh language; but there is only one term that to me adequately describes business conducted along the line laid down by this apostle of high-powered and low-principled merchandising. I would call it "commercial racketeering."

Lest that term seem too strong, let me quote Mr. Hoover, who, as Food Administrator, paid his respects to purveyors of food products, who during the period of sugar shortage indulged in unfair practices through the use of combination sales. Many of these combination sales offered sugar at less than actual cost, but the prices of other food commodities were increased sufficiently to make up the loss on sugar and at the same time allow a profit. Speaking of those whom he called "black sheep" of the grocery business, he said that honest merchants "do not cajole their customers by giving the impression that $1 worth of goods is sold for 69 cents, for the days of gold bricking an intelligent public have passed. One's money's worth—no more, no less—is offered, and on such a basis of honesty is permanent business founded."

Mr. Hoover stopped the vicious practice of deception by prohibiting the sale of combination lots which included sugar. May not the question fairly be asked: Should not the same standards be required in time of peace as are exacted in time of war? If it was wrong to deceive the public then, is it not equally wrong now? If the arm of the Government was used to stop commercial chicanery in 1918, should not the arm of the Government be invoked in the same cause in 1935?

There have been pending in Congress from time to time measures to stop the practice of using trade-marked merchandise as a bait. Such legislation would end predatory price cutting on standard goods. It would declare such a practice unfair competition and give independent business men the means of protecting themselves against it.

We have enacted laws to prevent railroad companies from giving rebates to favored shippers. We require warehouses to charge every man the same price for storing grain and other commodities. We make telephone companies maintain a uniform schedule of rates. We revoke the licenses of insurance companies if they collect different premiums from different policyholders for the same risk.

We prohibit discrimination because discrimination lifts the burden off a favored group and places it upon the rank and file. We prohibit it, because when some pay less than a fair price others pay more. We prohibit it because discrimination is the mother of monopoly.

Why should not the principle of fair dealing which has been adopted for the protection of those who use the railroad for transporation, the warehouse for storing commodities, the telephone for communication, and insurance for protection be extended to protect those who buy merchandise and those who sell it?

The law of the jungle should be superseded in the field of merchandising by the law of fair dealing and honest service. We find no fault with the principle that the fittest should survive; but we protest with all the emphasis we can command against a misinterpretation of that principle which gives advantage not to the fittest but to the strongest and the craftiest. The unique contribution of civilization is that it has substituted fitness and adaptability for cunning and brute force as the determining factors of survival. Civilization puts the emphasis on right rather than on might. The powers of government should be used to make business civilized.

In this country we have, despite temporary setbacks, made material progress unparalleled in history. We have amassed wealth and power.

Instead of the primeval forest, trackless except for a few lonesome trails which marked the westward path of the retreating red man, and the unbroken prairie, treeless except for a few cottonwoods which skirted the streams, we have farms of unprecedented productiveness and cities throbbing with industry. Agriculture has invoked the aid of every science, and our soil has produced sustenance for all the world. Industry has increased a thousandfold, and American-made goods are to be found in every market. American-made bridges span the rivers of central Africa. American-made steam shovels dig ore out of South American mines, American-made binders reap the harvests of Asia Minor, and American-made automobiles are penetrating the inner recesses of Thibet. Today you can buy Swift's Premium ham even in the markets of Jerusalem.

Territorially, also, we have made great strides. A century and a half ago our fathers crossed the Alleghenies. Since then the Mississippi Valley has become an empire; beyond the Rockies a region once the home of the cowboy and the adventurer has yielded a dozen sovereign States. Half-way across the Pacific we have carried the flag—emblem of our power. We have carried it, too, to far Luzon, "where the setting meets the rising sun." Night no longer for more than an hour envelops our dominion. The sun is always rising over some portion of American soil into some American sky.

But this power and glory would be mere pomp and circumstance if opportunity for the individual to grow and to achieve were lost.

"Ill fares the land, to hastening ills a prey,
When wealth accumulates and men decay."

Our fathers came to these shores to find opportunity. They had no illusions; they did not dream that all would have the same condition and circumstance; they knew that in any society some by reason of greater foresight, more talents, and better self-control would acquire more wealth than others; they knew that the labor of some men is more productive than that of others. Nature, which does not give to any two trees the same foliage, or even to any two blades of grass the same structure and form, never invests two men with the same capacity. Our fathers did not expect to build a society in which every person would have the same number of dollars, own the same number of acres, live in the same kind of house, or wear the same kind of clothes as every other person. They did not conceive even of a nation without classes, because they knew that men naturally and instinctively gravitate into strata.

What they planned and hoped was that here the avenues between the classes should always be kept open, so that through ability and perseverance, the lowliest might rise, despite the accident of birth and blood, even to the highest places in the Republic. This was what James A. Garfield had in mind when he said that while European society is stratified like the rocks in the earth, ours is stratified like the ocean, where from the sternest deeps any drop may rise to glisten on the highest wave that rolls. This was the dream of Abraham Lincoln when he spoke of America as a Nation built to preserve in the world that form and substance of government, the object of which is to remove the obstacles from the pathway of all, to open the avenues of honorable employment to all, and to give to all an unfettered start and a fair chance in the race of life.

### STATEMENT ON LABOR

Mr. SCHNEIDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include in connection therewith a statement by the Wisconsin State Federation of Labor on labor legislation.

The SPEAKER. Is there objection?

Mr. SCHNEIDER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement

on labor legislation given out on August 22, by Henry Ohl, Jr., president of the Wisconsin State Federation of Labor:

On the eve of the announcement of a great effort to bring about the rejuvenation of the Democratic Party, it became necessary to warn the workers of Wisconsin of the consequences of misplaced confidence. The Wisconsin State Federation of Labor deems it a duty to inform working people that the Democratic Party in Wisconsin, together with its reactionary political ally, the Republicans, has proved itself unworthy the affiliation or support of decent citizens. Its indifference toward the asinine and dishonest acts of its legislators during the present session of the legislature deserves only contempt and condemnation.

Wisconsin labor will never forget that it was the Democrats in the State senate, acting as the henchmen of the antisocial, money-mad Republican representatives, who strangled the highest hope of working men and women for economic sanity and social security by defeating the Wisconsin labor-disputes bill, sponsored by labor. This was the most important and vital piece of labor legislation of the session. It was patterned after the Wagner Labor Disputes Act, passed by Congress and signed by President Roosevelt. Its provisions were to apply to intrastate business while the Federal act covers interstate enterprises. The bill was defeated by a conspiring alliance of Democrats with reactionary Republicans. By their action the Democratic State senators stamped themselves as enemies of the organized labor movement, and the whole Democratic Party organization, by its failure to rebuke its legislative representatives for this action, has placed itself in the same position.

The State labor-disputes bill took no advantages away from capital except the unwarranted, usurped power to squelch intercourse between workers that comes from self-organization into bona fide labor unions, without interference on the part of employers. As a result of the prostituted statesmanship of these misrepresentatives of the people, strikes, lockouts, industrial controversies of various kinds become inevitable, for, with or without a labor-disputes act, labor in Wisconsin will never surrender the natural, constitutional right to organize. If it was the intention of the Democratic Party and its Republican money ally to test the caliber of the organized labor movement in Wisconsin by running counter to its entire program of reconstruction, we say to them now that we accept the challenge for a finish contest on both the economic and political fields.

Every clear-thinking worker is chagrined at the murderous assault made jointly by Democrats and Republicans on the labor-disputes bill. They are also cognizant of other transgressions by these political misfits who lack every qualification of statesmanship. The Wisconsin works-program bill, under which labor had hoped to secure something more than a standard-destroying wage, and which we had every hope would develop a model for the Nation, was assailed as mercilessly as was the labor-disputes bill.

Organized labor will not forget with what fiendish glee the State senate, again led by the Democrats, endeavored to crucify the Wisconsin State Federation of Labor on a lying joint resolution, when they knew it was a lying resolution inspired by a politically disgruntled senator. A more decent assembly, composed of Progressive and Socialist members, rebuked the intent of the senate by killing the resolution by an almost unanimous vote.

Numerous pieces of vital legislation were mercilessly mangled by Democratic amendments before the original bill was given the final death vote of the false statesmen of the Democratic Party, who held the balance of legislative power. Space forbids a complete review of all the impudent defiance of the will of the people in the present legislature by Democratic edict. A more complete presentation will be issued from the official records at the close of the session. We ask the Milwaukee electorate particularly to weigh the fact that this city furnished the kind of reactionary senators that made the science of government a travesty in Wisconsin in 1935

Of Milwaukee County's 7 State senators, 6—Galasinski, Phillips, Schoenecker, Shenners, and Zimmy, Democrats, and Morris, reactionary Republican—voted against the labor-disputes bill, and Callan, Democrat, was absent.

Out of the 14 Democratic State senators only 1 voted for the bill. It is highly significant that of the 6 Republican senators 5 voted against the bill. This conclusively shows the tie-up between the Democrats and the reactionary Republicans.

While the rejuvenation of a discredited political group is being attempted, it will be well for Democrats to consider that every controversy with employers involving industrial relations, sought to be covered by the State labor-disputes bill, will be charged to Democratic perfidy and Republican chicancery. Every strike that takes place because of the opposition of the employer to the right of self-organization will be attributable to Democratic glorification in the enslavement of labor and treachery to their own standard bearer, Franklin D. Roosevelt.

Every penny of cost, every sacrifice, every pang of anguish that might have been avoided by the enactment of the labor-disputes bill will be an additional blot on the escutcheon of Democratic politics in Wisconsin. The failure of every effort to develop labor's plan for management-labor cooperation must be accounted for by Democratic political dishonesty and broken pledges, aided and abetted by spurious Republicanism.

Whatever decent and honest individuals may yet call themselves Democrats after the legislative abortion of 1935 must wonder, as we do, under what process a structure as decayed as is the Democratic Party in Wisconsin can be rejuvenated. The most reactionary and bitterly hostile senate in Wisconsin's history, that of 1935, contained not only old, worn-out fifteenth-century minds, but the younger members, sans any idea of the meaning of statesmanship, aped the fogies in their most indecent and unpatriotic political maneuverings.

Had it been the deliberate aim of those who held the reins of Democratic Party management to commit political suicide, they could not have made a better job of it. The failure of the party leaders, young and old, to protest oft-repeated, unscrupulous, labor-baiting acts of the party's adherents in the legislature certainly offers no hope of awakening a conscience where there is none by a belated assurance of rejuvenation.

Our complaint is not on the basis of a few individuals violating their pledges, but against the party in Wisconsin as a whole which connived at and aided in the grossest, deliberate violations of the principles of democracy and studied labor oppression, with the aid of Republicans as indecent politically as they. They have also called to their aid every recalcitrant employer whose god is profits and to whom the common weal is meaningless.

The Wisconsin State Federation is primarily an economic, rather than political, movement. Politics to us is merely an instrument for economic and social betterment. To this end clean and honest politics or statesmanship is essential. That kind of politics is expected and demanded by our movement. Labor and the farmers have been too patient with the spoilsmongers in both the Democratic and Republican Parties. We have dared to venture into the political arena to accept the challenge of reaction and treachery as characterized in the Wisconsin Senate of 1935.

Our people must not be misled by assurances that any party so utterly lacking in statesmanship as the Democratic Party now promising to rejuvenate itself, anymore than the grabbing, grafting Republican Party can ever be eligible for the suffrage of the great hosts of men and women of labor in the industries and on the farms of the Badger Commonwealth.

HENRY OHL, JR.,
*President Wisconsin State Federation of Labor.*

## STARVATION WAGES

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection?

There was no objection.

Mr. BOLAND. Mr. Speaker and Members of the House, a most deplorable condition is existing in the neighboring city of Alexandria, which is only a few miles from the Nation's Capitol. The Morris Weinman & Son Century Manufacturing Co. is paying starvation wages to its employees. Verifying this statement I wish to submit this company's pay roll for the week ending July 19, 1935.

| No. | Operator | Amount paid |
|---|---|---|
| 1 | Elsie James | $7.55 |
| 2 | E. R. Hutchinson | 5.22 |
| 3 | Arlene Struder | 4.77 |
| 4 | Ethel Mahoney | 7.73 |
| 5 | Lucile Hutchinson | 2.64 |
| 6 | Freide Kicherer | 2.95 |
| 7 | Mrs. F. Bichell | 6.19 |
| 8 | Iva Blankenbaker | 9.41 |
| 12 | Alma Tapscott | 5.50 |
| 13 | Ruth Rowlett | 6.98 |
| 14 | Evelyn Rowlette | 8.91 |
| 15 | Blanche Kitson | |
| 16 | Alice Young | 2.21 |
| 19 | Mrs. C. G. Thapton | |
| 20 | Ethel Beauens | 5.81 |
| 21 | Virginia Cornell | 1.91 |
| 22 | Ethel Burns | 7.88 |
| 28 | Cora Smith | 8.10 |
| 31 | Grace Massey | 11.02 |
| 34 | Mrs. Donald | 9.93 |
| 39 | Hazel Weaver | 1.02 |
| 40 | Edna J. Bollinger | 4.21 |
| 41 | Thelma Meaner | 10.90 |
| 42 | Myrtle Reeves | .83 |
| 43 | Mrs. O. R. Poed | 5.93 |
| 44 | Mrs. Wagner | 4.72 |
| 45 | Mrs. C. S. Powell | 3.13 |
| 46 | Trumpower | 6.78 |
| 47 | Mrs. Lyles | 5.87 |
| 48 | Alma Wood | 12.25 |
| 49 | Annie Anderson | 6.54 |
| 50 | Evelyn Walker | 4.45 |
| 51 | Anna M. Owens | |
| 52 | Ruth Ellicott | 9.57 |
| 53 | Hazel Moser | 6.85 |
| 54 | Frances Donald | 7.29 |
| 55 | Mrs. Greene | 9.90 |
| 57 | Bettie Allison | 9.29 |
| 62 | Molly Rowles | 4.17 |
| 63 | Ruby Scruggs | |
| 64 | Celestia Gladwell | 7.92 |
| 68 | Bessie Harlow | 5.08 |
| 69 | Mamie Jacobs | 4.22 |
| 70 | Ann Bogajski | 7.49 |
| 72 | Irene Williams | 1.32 |
| 73 | Gladys Peacher | 6.48 |
| 76 | Mary D. Pearson | 2.71 |
| 102 | Elsie Daniels | 5.72 |

| No. | Operator | Amount paid |
|---|---|---|
| 88 | Willie Mae Walsh | $4.94 |
| 89 | Lillian Bright | 6.70 |
| 91 | Myrtle Gilley | 6.53 |
| 92 | Dorothy Pettit | 6.52 |
| 93 | Louise Lipp | 5.23 |
| 94 | Mrs. Irene Mercer | 7.62 |
| 80 | B. Shelton | 4.93 |
| 81 | V. Hutchinson | 8.06 |
| 82 | A. Javin | 4.46 |
| 83 | E. Mahoney | 5.26 |
| 84 | E. Petitt | 4.46 |
| 85 | Mrs. Poacher | 4.33 |
| 86 | M. Glass | 4.20 |
| 87 | E. Wright | 19.20 |
| | J. Ballard | |
| | R. Ale | |
| | B. Milton | |
| 33 | Mrs. C. H. Midkiff | 8.53 |
| 60 | Nina Monteith | 4.60 |
| 35 | Mary Ayres | 5.39 |
| 18 | Mrs. Clarken | 3.67 |

The above figures are based upon 48 hours per week according to authentic information I have received. These employees are in most instances known as "machine operators" in the manufacturing of garments. They are good citizens in this community, and it is impossible for them to exist on wages of this kind. How can employees receiving these amounts contribute anything toward business recovery or how can they assist the merchants to develop their business on such starvation wages? It surely is impossible to develop a safe standard of morals and self-respect on a pay roll of this kind. How can we as Members of Congress expect law and order to be observed when women are forced by circumstances to work under unbearable conditions such as these, namely, long hours at the rate of pay shown on the above list? Sweatshops such as this should be prohibited to exist, and the owners should be punished for their Shylock tactics. This company is also competing with legitimate concerns for Government contracts, who have signed agreements with the United Garment Workers of America and complying with the wage agreements of that organization. Therefore, it is my opinion that this company should be prohibited from bidding on these Government contracts because of the menace it is to the welfare of not only Alexandria but the country as a whole.

### ORDER OF BUSINESS

The SPEAKER. The Chair desires to make a statement. Doubtless every Member of the House will appreciate the difficulties and the embarrassment of the Chair, with so many bills of importance to various Members pressing for consideration. It is impossible, of course, to recognize all, but the Chair feels, as he has for the past few days, that Members ought to have a reasonable opportunity to ask unanimous consent to consider public bills, either Senate bills which have been passed, and where there is a House bill on the same subject on the calendar, recommended by the committee, or where they are House bills which are pending with Senate amendments.

It does seem to the Chair that it is fair to give those Members an opportunity, if it is possible, and, so far as possible, to ask unanimous consent for their consideration. Although one or two passed on yesterday, it is manifestly impossible to take up private bills, because there are a multitude of those bills. We will have another day in January, if we adjourn tomorrow, as I fully expect and hope will be done. There are a number of Members who have been asking for recognition. Others have had their chance in the past, and their bills were objected to. The Chair feels that, in all fairness to Members, those Members who have been waiting, who have not had an opportunity to ask unanimous consent, should have that opportunity before others who have had one opportunity and who have had their request rejected. The Chair hopes he can recognize all of them, but under the circumstances the Chair feels that recognition should be given to those who have not had this opportunity.

The Chair will recognize the lady from Arizona.

Mr. KVALE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KVALE. Will the Speaker tell the House that after recognition has been given those who have not had an opportunity, recognition will then be given those who have had an opportunity where the objection has been withdrawn?

The SPEAKER. The Chair will be delighted to accord that opportunity if circumstances permit, but, of course, the Chair does not know how much time will be consumed. There are some rules which must be adopted if we are to get away tomorrow. Of course, any conference report would have preference over any unanimous-consent request.

Mr. WILCOX. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WILCOX. I understood the Speaker to say that he would not recognize Members to call up private bills. Does that also extend to omnibus bills, including private bills, and that no recognition will be given at this time?

The SPEAKER. The gentleman is asking about the omnibus private claims bills?

Mr. WILCOX. Yes.

The SPEAKER. Two of them have gone to the Senate.

The Chair did not mean to say that any Member having a private claim bill would not be recognized. What the Chair was trying to convey to the House was that the Chair felt that Members having public bills were entitled to preference. If we reach the private bills and if we have time the Chair has no desire to cut any Member off from the opportunity of having them considered.

### WAR MINERALS RELIEF ACT

Mrs. GREENWAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1567), an act to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Act."

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, I should like to have the bill explained to the House.

Mrs. GREENWAY. This bill has never been considered before in this Congress. It has passed the Senate, has been approved and reported by the House Committee. It involves no appropriation at this time.

Mr. TABER. It is my impression it involves an appropriation of $75,000.

Mrs. GREENWAY. Will the gentleman let me explain the bill?

Mr. TABER. May I ask the gentlewoman a question or two? This bill involves about 15 or 20 war-minerals claims.

Mrs. GREENWAY. Mr. Speaker, I decline to yield until I explain the bill.

Mr. TABER. And it also involves a future appropriation out of the Treasury of $75,000.

Mrs. GREENWAY. Will the gentleman bear with me for a minute while I explain that? I think the gentleman is considering a different bill, called the "Vinson war-minerals bill", H. R. 2077.

Mr. Speaker, the pending bill has to do with 93 claimants who did not file their claims with the Secretary of the Interior within the 1-year limitation. Out of 1,269 claimants over 1,000 received payment. Ninety-three missed the opportunity for various reasons. The money was appropriated 12 years ago. Eleven million dollars was used and that remaining reverted to the Treasury. Those who for good reason did not file their claims are justly due the consideration this bill allows. I hope the gentleman will not object unless he is 100 percent sure we are talking about the same bill.

Mr. TABER. I know I am talking about the same bill the gentlewoman is talking about. There are 93 of these people who did not present their claims. As I understand it, it will cost the Government $75,000. While the money was once appropriated it has been recovered along with other items into the Treasury, and it would require an appropriation out of the Treasury and this expenditure if this bill is passed. This is my understanding of the situation.

Mrs. GREENWAY. May I ask the gentleman if he is perfectly sure, for the members of the committee do not agree with him, and I have the report in my hand.

Mr. TABER. Yes. This is the bill of August 17, this is the one.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentlewoman yield?

Mrs. GREENWAY. I yield.

Mr. JENKINS of Ohio. Does not this bill have something to do with the war-minerals bill that we had up a short time ago?

Mrs. GREENWAY. Not at all; that was Mr. VINSON's bill, H. R. 2077.

Mr. TABER. Yes.

Mrs. GREENWAY. This bill has never been up before in this Congress. It merely enables 93 people who have been out of pocket and who for bona fide reasons have not been able to present their claims within the 1-year limitation to the Secretary of the Interior for consideration.

Mr. JENKINS of Ohio. If the gentlewoman will yield further, one of these claimants, one of the men interested, came to see me and I asked him a good many questions about this and he told me that it was in the same group, the same category. Now, I shall state my objections, and I am going to be forced to object to consideration of the bill at this time, because this will open the door, this one big claim down in Georgia, or somewhere.

Mr. VINSON of Georgia. Not at all; the gentleman is mistaken.

Mr. JENKINS of Ohio. I see two of the principal proponents of the bill who were proponents of the other bill, on their feet, jumping to the assistance of the gentlewoman from Arizona. They must have some interest in it.

Mr. MILLER. I voted against that bill.

Mr. JENKINS of Ohio. In order, therefore, Mr. Speaker, that there may be proper consideration, I am going to object.

Mrs. GREENWAY. Mr. Speaker, I hope the gentleman will not object.

Mr. JENKINS of Ohio. Mr. Speaker, I object.

### THE NEUTRALITY BILL

Mr. O'CONNOR, from the Committee on Rules, reported the following resolution (Rept. No. 1887), which was referred to the House Calendar and ordered to be printed.

House Resolution 365

*Resolved*, That upon the adoption of this resolution it shall be in order for the Speaker to entertain a motion to suspend the rules and pass Senate Joint Resolution 173 as amended, a joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries, the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states, for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war, and restricting travel by American citizens on belligerent ships during war.

### TO ABOLISH CERTAIN OATHS REQUIRED OF CUSTOMS AND INTERNAL-REVENUE EMPLOYEES

Mr. O'CONNOR, from the Committee on Rules, reported the following resolution (Rept. No. 1888), which was referred to the House Calendar and ordered to be printed.

House Resolution 364

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 9114, a bill "to abolish the oath required of customs and internal revenue employees prior to the receipt of compensation, and for other purposes." That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

### INVESTIGATION OF SMUGGLING OF ALIENS

Mr. O'CONNOR, from the Committee on Rules, reported the following resolution (Rept. No. 1889), which was referred to the House Calendar and ordered to be printed.

*Resolved*, That the Speaker of the House of Representatives be, and he is hereby, authorized to appoint a special committee to be composed of seven members of the standing committee of the House on Immigration and Naturalization, for the purpose of making an investigation and study of (1) the methods used in, extent of, and number of organizations or individuals engaged in the smuggling of aliens into the continental United States in violation of law; (2) the sources of funds to initiate this smuggling activity and the final distribution of the financial proceeds therefrom; (3) the amount of money on deposit in banks and other places of deposit in the name of individuals or organizations engaged in smuggling aliens unlawfully into the United States; (4) the laws, rules, and regulations which are in effect with which our Government men are combating this unlawful smuggling and the adequacy of personnel employed to enforce the laws and regulations; (5) the need for any remedial legislation to more effectively stop the illegal activity of alien smuggling across our land and water boundaries; (6) all other questions in relation thereto that would aid Congress in any necessary remedial legislation; and (7) the work of the land-border patrol, its efficiency, and need for increased men and money.

That said special committee, or any subcommittee thereof, is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, documents, and vouchers, by subpena or otherwise, to take such records and testimony, as it deems necessary.

The subpenas shall be issued under the signature of the Speaker of the House of Representatives at the request of the chairman of the committee, and shall be served by the Sergeant at Arms of the House of Representatives or any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses.

Every person who, having been summoned as a witness by authority of said committee, or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation and study heretofore authorized, or who fails to produce such books, papers, documents, and vouchers as required by subpenas, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

The said committee shall report, by legislative proposals or otherwise, to the House of Representatives before sine die adjournment of the Seventy-fourth Congress.

### ORDER OF BUSINESS

Mr. O'CONNOR. Mr. Speaker——

Mr. SNELL. Mr. Speaker, may I ask the gentleman what is going to be called up now?

Mr. O'CONNOR. I am going to try to pass some rules under unanimous consent.

Mr. SNELL. Mr. Speaker, we ought to know about them before we grant unanimous consent.

### INVESTIGATION WITH RESPECT TO AGRICULTURAL INCOME

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 9, authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. BEAM. Mr. Speaker, I object.

### STAY OF DEPORTATION IN CERTAIN CASES

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 350, requesting that the Commissioner of Immigration and Naturalization be requested to continue the stay of deportation in the cases of aliens of good character in which deportation would result in unusual hardship until Congress had had an adequate time to consider proposed legislation.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, may we have this matter explained to the House?

Mr. O'CONNOR. Mr. Speaker, there are about 2,600 cases involved, 75 percent of which are called "hardship cases." That is, there is no criminal element involved.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. JENKINS of Ohio. Mr. Speaker, I object.

### RETIREMENT OF TEACHING STAFFS AT UNITED STATES NAVAL ACADEMY

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2845) to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States

Naval Academy and the Postgraduate School, United States Naval Academy.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. SNELL. Mr. Speaker, reserving the right to object, may we have this bill explained?

Mr. VINSON of Georgia. Mr. Speaker, this is a departmental measure recommended to Congress by the Navy Department. It has passed the Senate and has been unanimously reported to the House by the Naval Affairs Committee. The object and purpose of this bill is to work out a system of retirement for the civilian professors at the Naval Academy. It will cost in its first year of operation $1,200, then it will cost $15,000 per annum until 1946, after which time there is no cost whatsoever.

The purpose of the bill is to give to the civilian professors at the Naval Academy an annuity along the same line that other colleges and universities have. That is the whole object and purpose of the bill.

Mr. SNELL. Do these men make any contribution?

Mr. VINSON of Georgia. They do. They make a contribution of a certain percentage of their pay.

Mr. SNELL. How much?

Mr. VINSON of Georgia. I am frank to say to the gentleman I will have to look up the bill. Ten percent of their monthly basic pay must be contributed to this fund.

Mr. SNELL. That is fair enough.

Mr. VINSON of Georgia. Permit me to invite the gentleman's attention to section 2, which reads in part as follows:

Toward the purchase of said deferred annuity, each member of such teaching staff shall be required to register a monthly allotment through the Navy Allotment Office, Navy Department, Washington, D. C., equivalent in amount to 10 percent of his monthly basic salary.

Mr. DITTER. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Pennsylvania.

Mr. DITTER. Does it not also provide that one-half of this 10 percent shall be credited to the credit of the particular teacher?

Mr. VINSON of Georgia. The gentleman is correct.

Mr. DITTER. So that he only contributes 5 percent as a matter of fact?

Mr. VINSON of Georgia. The gentleman is correct.

Mr. DITTER. In other words, a credit is established for his possible retirement of one-half of the contribution which he makes?

Mr. VINSON of Georgia. That is right. I may say to the gentleman from New York and the gentleman from Pennsylvania that the Naval Affairs Committee made a most thorough investigation of this matter. We thought it was right and proper to recommend this measure. The ranking minority member of the committee, the gentleman from Pennsylvania [Mr. DARROW], attended the hearings, with the rest of the members of the minority and majority, and we reached the conclusion that this was fair and an act of justice to these deserving instructors of the Naval Academy who devote their entire lives practically to the education of the youths who go to the academy.

Mr. McSWAIN. Mr. Speaker, reserving the right to object, how many years must one of these civilian professors serve and contribute before he is eligible upon retirement to receive this annuity?

Mr. VINSON of Georgia. The retiring age of all civilian members of the staff shall be 65 years of age. I am sorry I have not the definite information.

Mr. TAYLOR of South Carolina. Mr. Speaker, reserving the right to object, if we adopt this principle and call upon the working class to maintain it, we will eventually reach the place where one class will be maintaining the other class. Therefore, Mr. Speaker, I object.

Mr. VINSON of Georgia. I trust the gentleman will withhold his objection.

Mr. TAYLOR of South Carolina. Mr. Speaker, I have objected.

AUTHORIZATION OF COMPTROLLER GENERAL TO CERTIFY FOR PAYMENT CERTAIN CLAIMS

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 72, authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution?

Mr. O'BRIEN. Mr. Speaker, I object.

CERTAIN TRIBAL AGREEMENTS

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4324) to carry out certain obligations under certain tribal agreements, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 7, after "taxation", insert "or which by the terms of any act of Congress was continued under the supervision of the United States during the minority of any such allottee."

Page 1, line 9, strike out "contrary to the law."

Page 1, line 10, strike out "illegal or unauthorized."

Page 1, line 12, strike out "allotted lands", and insert "such tax-exempt lands during the period of such exemption or from any allotment during the minority of the allottee, or any such person who has been erroneously or illegally taxed by reason of not having claimed or received the benefit of any deduction or exemption permitted by law."

Page 2, line 5, strike out "1 year" and insert "2 years."

Page 2, line 12, after "wards", insert "or to exact for its own use and benefit an income or inheritance tax from them while they or their property continued under the supervision of the United States, and/or during the minority of such Indian allottee."

Page 3, line 3, strike out "1 year" and insert "2 years."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were concurred in.

CLAIM OF MENOMINEE TRIBE OF INDIANS

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3210) to refer the claim of the Menominee Tribe of Indians to the Court of Claims with the absolute right of appeal to the Supreme Court of the United States.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, reserving the right to object, I think this is another one of those bills that we ought to have explained.

Mr. BOILEAU. Mr. Speaker, this is a jurisdictional bill for the Menominee Tribe of Indians, and there is a provision in the bill which I believe will meet the objections raised with reference to these gratuities. I know the gentleman from New York [Mr. TABER] has seen this bill, and I understand he is agreeable to its consideration. I believe Mr. Wilkinson explained the provision in the bill with respect to gratuities, providing that there shall be a set-off with respect to such gratuities.

Mr. DITTER. Mr. Speaker, reserving the right to object, how much is entailed in the way of expense to the Government?

Mr. BOILEAU. It is a jurisdictional bill, and we do not know how much it will be. Most of these claims arise out of the act of 1908, which provided for the operation of a sawmill on the Menominee Indian Reservation. These are claims against the Government, and the bill is recommended by the Department of the Interior.

Mr. DITTER. Does the bill provide that a set-off shall be established against any of these claims of the Indians?

Mr. BOILEAU. Any gratuities that have been given by the Government since 1908 are to be considered as off-sets.

Mr. SNELL. How much money is involved in this claim?

Mr. BOILEAU. It is impossible to state.

Mr. SNELL. The gentleman knows something about the amount of the claim involved.

Mr. BOILEAU. I am not in position to say how much, because of the fact the Government has already appropri-

ated $20,000 for the purpose of making a survey. As a matter of fact, they gave $20,000 to this firm of attorneys, $12,000 of which they were at liberty to use as their own fee and $8,000 for expenses; but the attorneys have waived their claim for any fees and permitted the use of the $20,000 to make this survey.

Mr. SNELL. What is the report of the Government on it?

Mr. BOILEAU. The Department of the Interior recommends the enactment of the bill.

There being no objection, the Clerk read the Senate bill, as follows:

*Be it enacted, etc.*, That jurisdiction is hereby conferred on the Court of Claims to hear, determine, adjudicate, and render final judgment on all legal or equitable claims of whatsoever nature which the Menominee Tribe of Indians may have against the United States, arising under or growing out of any treaties, agreements, or laws of Congress, or out of any maladministration or wrongful handling of any of the funds, land, timber, or other property or business enterprises belonging to said tribe or held in trust for it by the United States, or otherwise; including, but without limiting the generality of the foregoing, (1) a claim for damages for swamp lands which the United States allegedly purported to convey to the Menominee Tribe of Indians by a treaty ratified May 12, 1854 (10 Stat. L. 1064), but which the United States allegedly did not convey because of already having conveyed the same to the State of Wisconsin (9 Stat. L. 519); (2) claims for damages resulting from the improper or unlawful expenditures of tribal trust funds, including trust funds created by the act of April 1, 1880, entitled "An act to authorize the Secretary of the Interior to deposit certain funds in the United States Treasury in lieu of investment" (21 Stat. L. 70), and the act of March 22, 1882, entitled "An act authorizing the sale of certain logs cut by the Indians of the Menominee Reservation in Wisconsin" (22 Stat. L. 30), and the act of June 12, 1890, entitled "An act to authorize the sale of timber on certain lands reserved for the use of the Menominee Tribe of Indians in the State of Wisconsin" (26 Stat. L. 146), and the act of March 28, 1908, entitled "An act to authorize the cutting of timber, the manufacture and sale of timber, and the preservation of the forests on the Menominee Indian Reservation in the State of Wisconsin" (35 Stat. L. 51), and the act of February 12, 1929, entitled "An act to authorize the payment of interest on certain funds held in trust by the United States and Indian tribes" (45 Stat. L. 1164); (3) claims for damages allegedly caused by the United States cutting timber on the Menominee Reservation contrary to the terms and provisions of the aforesaid act of March 28, 1908 (35 Stat. L. 51); (4) claims for damages allegedly caused by maladministration on the part of the United States as respects its management of the timber and lumber industries of the Menominee Indian Tribe, in particular, its management of the Menominee Indian mills.

SEC. 2. The Menominee Tribe of Indians is hereby empowered to bring such suit, as party plaintiff, against the United States, as party defendant, by filing its petition in the Court of Claims and serving a copy thereof on the Attorney General of the United States. Such petition shall set forth the facts on which the claim for recovery is based and shall be verified by the attorney or attorneys employed by said Menominee Tribe of Indians in accordance with existing law to prosecute such claims which may be made upon information and belief and no other verification shall be necessary. Suit shall be instituted within 2 years from the date of this act by the filing of a petition in the Court of Claims in behalf of the Menominee Tribe of Indians.

SEC. 3. At the trial of said suit the court shall apply as respects the United States the same principles of law as would be applied to an ordinary fiduciary and shall settle and determine the rights thereon both legal and equitable of said Menominee Tribe against the United States notwithstanding lapse of time or statute of limitations. No payment or payments which have been made by the United States upon any claim or claims therein asserted or for the account of said Menominee Tribe of Indians nor any gratuities paid to or expended for said tribe or members thereof shall apply as an estoppel against said suit but may be pleaded as offsets. No gratuities, however, paid to or expended for said tribe or members thereof prior to the act of Congress of March 28, 1908 (35 Stat. L. 51), or paid pursuant to any emergency relief legislation enacted subsequent to January 1, 1933, or out of any appropriations authorized by the act of June 18, 1934 (48 Stat. L. 984), shall be pleaded by the United States as offsets.

SEC. 4. At the trial of such action so instituted in the Court of Claims, any letter, paper, document, map, or record in the possession of any officer or department of the United States (or a certified copy thereof) may be used in evidence, and the departments of the Government of the United States shall give full and free access to the attorneys for said tribe of Indians to such letters, papers, documents, or records as may be useful to said attorney or attorneys in the preparation for trial or trial of such action and shall afford facilities for the examination of the same and the making of copies thereof.

SEC. 5. Either party shall have the absolute right of appeal (not by writ of certiorari) from any final judgment entered by the Court of Claims to the Supreme Court of the United States and the Supreme Court of the United States is hereby invested with jurisdiction of such appeals.

SEC. 6. (a) If it shall be determined by the court that the United States, in violation of the terms and provisions of the treaty ratified May 12, 1854 (10 Stat. L. 1064), unlawfully failed to convey certain swamp lands to the Menominee Tribe of Indians the court shall render judgment in favor of the Menominee Tribe of Indians for a sum equal to (1) the value of the timber removed therefrom since May 12, 1854, with interest at 4 percent per annum from the time of such removal, and (2) the present acquisition costs of such lands to the Menominee Tribe of Indians, which shall be determined by the court, with a proviso that the United States may in lieu of paying the present acquisition costs of such lands acquire and hold said lands in trust for the sole benefit and use of the Menominee Tribe of Indians.

(b) If it shall be determined by the court that the United States has improperly or unlawfully expended or misappropriated tribal funds or properties of said tribe of Indians the court shall render judgment against the United States for an amount equal to the value of all such funds and property with interest thereon at the same rate per annum as provided by the act of Congress authorizing the creation of the fund or property improperly or unlawfully expended or misappropriated from the date of the unlawful expenditures or misappropriations.

(c) If it shall be determined by the court that the United States has violated the terms and provisions of the act of Congress of March 28, 1908 (35 Stat. L. 51), by cutting other than dead and down timber or such fully matured and ripened timber as the Forestry Service shall have properly designated, or by cutting such timber so as to prevent forest perpetuation, the court shall award as damages to the Menominee Tribe of Indians either (1) the difference between the net income that has been and will be received from the liquidation of the timber unlawfully cut and the net income which would have been and would be received from an acreage which would have produced, under selective cutting, if then cut, the same volume of timber as that unlawfully cut, from the time of the commencement of the unlawful cutting up to the time when the timber unlawfully cut shall have been replaced by replanting and the sustained yield from the said replanted timber shall be equal, acre for acre, to the sustained yield from the timber had it been selectively cut so as to perpetuate the forest, as required by law, with interest thereon at the rate of 4 percent per annum for the same period, said period, wherever specified herein, to be deemed to be 60 years, unless otherwise determined at the trial, plus the cost of replacement of the timber on the same areas, including the necessary protection, until the replanted timber shall have attained the said sustained yield; or (2) the cost of replacement of timber on the respective areas thus unlawfully cut, including the necessary protection until the replanted timber shall have attained the aforesaid sustained yield plus interest at 4 percent per annum for the same period of time on an amount equal to the reasonable value as of the date of the unlawful cutting of the timber on the areas thus cut, whichever is the greater.

(d) If it shall be determined by the court that there has been maladministration on the part of the United States as respects its management of the timber or lumber industry of the Menominee Indian Tribe, including, but without limitation, its disposal of timber and lumber products and its management of the Menominee Indian Mills, the court shall award to the Menominee Tribe of Indians as damages either (1) an amount equal to the net losses incurred during the year or years in which maladministration is found, with interest thereon at the rate of 4 percent per annum from the respective dates of said losses, or, (2) interest at the rate of 4 percent per annum on the capital investment of the Menominee Tribe of Indians in their standing timber, lumber, plant, buildings, equipment, and all other assets used in, or about, or in any way connected, with the Menominee Indian Mills or the timber and lumber industry of the Menominee Indian Tribe for each year in which maladministration is found, whichever is the greater. "Net losses" shall be determined by using customary and accepted principles of accounting. "Capital investment" in standing timber and lumber shall be determined by using the unit price for each species of lumber and timber as used by the United States in its accounting records at the Menominee Indian Mills at the beginning and end of each year in which maladministration is found and dividing the sum thereof by two. "Capital investment" in plant, buildings, equipment, and all other assets shall be determined by using cost less depreciation at the beginning and end of each year in which maladministration is found and dividing the aggregate thereof by two. In determining "Cost less depreciation", the general ledger accounts maintained at the Menominee Indian Mills shall be accepted subject to such adjustments as may be found proper upon investigations using customary and accepted principles of accounting.

SEC. 7. Upon the final determination of such suit, cause, or action, whether by judgment, compromise, or otherwise, the Court of Claims shall decree such fees as it shall find reasonable to be paid the attorney or attorneys employed therein by said Menominee Tribe of Indians under contracts negotiated and approved as provided by existing law: *Provided*, That in the event the claim for damages for swamp lands shall be compromised and settled by the Menominee Tribe of Indians and the United States without the assistance of the attorney or attorneys employed hereunder pursuant to a special resolution adopted by the Menominee Advisory Council authorizing the rendering of such assistance, no fees shall be paid or decreed with respect thereto: *Provided further*, That in the event the claim for damages for swamp lands shall be compromised and settled by the Menominee Tribe of Indians and the United States, prior or subsequent to the institu-

tion of suit hereunder but prior to the trial thereof, with the assistance of the attorney or attorneys employed hereunder pursuant to a special resolution adopted by the Menominee Advisory Council authorizing such attorney or attorneys to render such assistance, the Secretary of the Interior shall, for such assistance, award to said attorney or attorneys such fees, with respect thereto, as based upon a quantum meruit he shall deem reasonable. In no case shall the fee decreed by said Court of Claims and the Secretary of the Interior be in excess of the amount stipulated in the contracts approved by the Commissioner of Indian Affairs and the Secretary of the Interior. The fees decreed by the court to the attorney or attorneys shall be paid out of any sum or sums recovered in such suit or action or received by compromise and not otherwise. All actual and necessary expenses incurred by the attorney or attorneys so employed, including court costs, bills for printing required by law, or court rules, the cruising and examination of lands and timber, the auditing and tabulation of accounts, travel, and subsistence of said attorney or attorneys and his or their employees while engaged solely in the preparation or prosecution of said suit or suits, securing and taking evidence deemed material therein, the compensation of stenographers, and such clerical assistance as shall be reasonably employed solely upon work in connection therewith, fees or commissions of notaries public or commissioners, and any other expense reasonably necessary for the preparation for trial or prosecution of any such suit or suits shall be paid by the Secretary of the Interior, when approved by him, from time to time, as the same shall accrue out of the funds standing to the credit of said Menominee Tribe of Indians in the Treasury of the United States upon verified accounts submitted in such form as may be required by the Secretary of the Interior, and without regard to the outcome or success of said suit or action against the United States. The net amount of any judgment recovered shall be placed in the Treasury of the United States to the credit of the said Indians, and shall draw interest at the rate of 4 percent per annum and shall be thereafter subject to appropriation by Congress for the benefit of said Indians, including the purchase of lands and building of homes, and no part of said judgment shall be paid out in per capita payments to said Indians.

SEC. 8. A copy of the petition in any suit instituted under this act shall be served upon the Attorney General of the United States and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United States.

Mr. BOILEAU. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: Page 8, line 5, strike out the words "per annum" and insert "for the particular year or years in which maladministration is found."

Page 8, line 10, after the word "tribe", strike out the words "for each year in which maladministration is found."

Page 5, line 3, after the word "or", strike out the word "trial" and insert the word "trials."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill (H. R. 8165) were laid on the table.

PROMOTION OF TRAVEL TO AND WITHIN THE UNITED STATES

Mr. LEA of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 33) to encourage travel to and within the United States by citizens of foreign countries, and for other purposes.

The Clerk read the title of the bill.

Mr. HOEPPEL. Mr. Speaker, reserving the right to object, I should like to ask the gentleman whether this bill has any connection or any reference to reducing the pay of the enlisted men of the Army?

Mr. LEA of California. Nothing whatever.

Mr. HOEPPEL. Then I should like to tell the Membership that S. 1301 does have a provision to decrease the pay of enlisted men, and I hope the Members will object to S. 1301, if unanimous consent for its consideration is requested.

I withdraw my reservation of objection to this bill, Mr. Speaker.

Mr. WADSWORTH. Reserving the right to object, may I ask the gentleman from California if this is the measure establishing a travel bureau?

Mr. LEA of California. Not a bureau. It permits the Bureau of Foreign and Domestic Commerce to encourage travel to and within the United States. In a small way, it confers upon that Bureau the right to promote travel as well as commerce within and to the United States.

Mr. WADSWORTH. Mr. Speaker, further reserving the right to object, while this project or proposal may have its attractive side, I see in it the beginning of a new bureau in this Government, and I object.

COLLECTION AND PUBLICATION OF STATISTICS OF TOBACCO

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2215) to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended.

The Clerk read the title of the bill.

The Clerk read the Senate amendments to the House amendments, as follows:

On page 2, line 16, strike out the word "shall" and insert the word "may."

Mr. RICH. Mr. Speaker, reserving the right to object, let the gentleman explain this bill.

Mr. CHAPMAN. Mr. Speaker, the gentleman from Pennsylvania, I think, was here day before yesterday when I explained this bill in considerable detail, and I do not like to take too much of the time of the House now.

Mr. RICH. The Department of Agriculture has the power now to get all this data?

Mr. CHAPMAN. Yes; but this bill is designed to increase that power to a small extent and make it beneficial to the tobacco growers of this country.

No objection was made to the bill at the hearings. It is simply a small change in verbiage in one place to expedite the administration of the law by changing "shall" to "may."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

BUREAU OF MARINE INSPECTION AND NAVIGATION

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat-inspection laws, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WHITE. Reserving the right to object, I would like to have an explanation of it.

Mr. BLAND. The bill first provides for a change in the name of the Bureau of Navigation and Steamboat Inspection to Bureau of Marine Inspection and Navigation. It provides for traveling inspectors to unify the activities of the local inspectors, to take more control over the examination of officers, to make inspections aboard vessels when and as required, to act as part of a trial board in the event of the trial of officers, and to go on vessels, report conditions in the crew, to drill, and generally to see that the laws are properly observed regarding the safety of ships.

It reduces the number of supervisors of the inspecting district. There are now 11 supervising inspectors, who get $4,400 a year; and this bill reduces them to 7, who will get $6,000 a year.

Mr. McFARLANE. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. McFARLANE. What extra duties are placed upon them to justify the increase in salary?

Mr. BLAND. Because they will have the duty of coordinating the work of the local inspectors. There is no increase of salary, because we reduce the number of districts from 11 to 7. These 11 get now $4,400 a year, and the 7 will get $6,000 a year.

Mr. SABATH. There is an increase of salary from $4,400 to $6,000.

Mr. McFARLANE. What extra duties are there that justify the increase in salary?

Mr. BLAND. The duties will not be so much increased, but we will secure more efficient men, better coordination, and more effective work to prevent disasters that have recently occurred.

Mr. McFARLANE. Will the gentleman tell us what these duties are?

Mr. BLAND. The supervisors of inspectors travel around to these districts and check up on each district. This bill

breaks them up into traveling inspectors who will go around and coordinate the activities and bring the local inspectors into line. There will be an inspection service which will inspect more efficiently than is now done. We will have more capable and efficient men than we can hire for $4,400. One of our men is Captain Fried, whose reputation and record is well known in this House. He is serving at $4,400 a year, and we wish to get men of that type as supervising inspectors.

Then there are other features of the bill. There are several traveling inspectors who not only go around to the various other inspection districts and see that the laws are enforced, but they will also travel on the ships and see that the regulations of the Department for safety of life are observed. We provide also for a technical staff.

Mr. McFARLANE. Will this correct the evil such as we have heard so much about in the recent disasters, such as the *Mohawk* and other boats going down?

Mr. BLAND. We hope so. We provide for a technical staff in the Government itself, such as a building inspector in a town, and all plans must be submitted to the Government and must be approved by the Government.

Mr. McFARLANE. Does this bill meet with the approval of Ira Campbell and his bunch?

Mr. BLAND. This has nothing to do with Ira Campbell. He appeared at the committee, and I think it meets with the approval of all of them.

Mr. WHITE. How does this proposed increase compare with the salary received by the captains of United States Army transports?

Mr. BLAND. That I cannot say; but these are not captains. These are performing inspection duties.

Mr. WHITE. Would not the captains of Army transports be competent to do that work?

Mr. BLAND. No; these men must know the inspection laws of the country.

Mr. CULKIN. The service requires highly technical and highly trained men?

Mr. BLAND. Absolutely.

Mr. CULKIN. And without them the service is inefficient?

Mr. BLAND. Yes.

Mr. CULKIN. It does make for greater safety at sea?

Mr. BLAND. Yes.

Mr. HOFFMAN. Is it true that all of these men are practical men and there is not a single "brain truster" in the lot?

Mr. BLAND. Not so far as I know.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. BLAND. Yes.

Mr. DINGELL. I know of an instance where we tried to replace a man who was paralyzed, and unable to function, and we could not get an efficient man to take his place at the port of Detroit, simply because there was no inducement. Ship captains, qualified men in the marine service, were not interested. Therefore, ships on the Lakes were going without proper inspection.

Mr. O'CONNOR. Is this one of the bills for which I reported a rule?

Mr. BLAND. Yes.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Bureau of Navigation and Steamboat Inspection in the Department of Commerce shall hereafter be known as the "Bureau of Marine Inspection and Navigation."

SEC. 2. That section 4404 of the Revised Statutes is hereby amended to read as follows:

"SEC. 4404. There shall be seven supervising inspectors, who shall be appointed by the Secretary of Commerce without regard to the civil-service rules and regulations. In the appointment of the supervising inspectors provided for by this section the Secretary of Commerce shall give due consideration to the reappointment of such of the present supervising inspectors as by their record of efficiency and experience have demonstrated their fitness for their positions. All vacancies occurring thereafter in the Board of Supervising Inspectors shall be filled by selection from the principal traveling inspectors provided for by section 3 of this act. Each supervising inspector shall be entitled to a salary of not to exceed $6,000 per annum and his necessary traveling expenses while traveling on official business assigned him by competent authority, together with his actual and reasonable expenses for transportation of instruments, which shall be certified and sworn to under such instructions as shall be given by the Secretary of Commerce.

"In the case of the absence of any such supervising inspector from his official station, the Secretary of Commerce may designate some officer of the Bureau of Marine Inspection and Navigation to perform the duties of such officer during his absence."

SEC. 3. That there shall be in the field service of the Bureau of Marine Inspection and Navigation in the Department of Commerce not to exceed 10 principal traveling inspectors to be appointed by the Secretary of Commerce, the compensation of such principal traveling inspectors to be fixed by the Secretary of Commerce at not to exceed $5,000 per annum. Each of said principal traveling inspectors shall be entitled to his necessary traveling expenses while traveling on official business. Such principal traveling inspectors shall be selected for their knowledge, skill, and practical experience in steam and motor power for navigation and shall be competent judges of the character and qualities of such vessels and of all parts of the machinery employed in such navigation. They also shall have full knowledge of the duties imposed by law on licensed officers and crews of vessels.

SEC. 4. That section 4450 of the Revised Statutes is hereby amended so as to read:

"SEC. 4450. (a) For the purpose of investigating marine casualties involving loss of life and in connection therewith, any acts of incompetency or misconduct or any act in violation of the provisions of this title, or of any of the regulations issued thereunder, committed by any licensed officer while acting under authority of his license, the Secretary of Commerce shall appoint for each casualty a marine casualty investigation board consisting of a chairman designated by the Secretary of Commerce from the personnel of the Bureau of Marine Inspection and Navigation, a member of the United States Coast Guard Service, and a representative from the Department of Justice. At the request of the Secretary of Commerce, the Secretary of the Treasury and the Attorney General shall assign to the Secretary of Commerce subordinates as herein provided to serve on any such marine casualty investigation board. Should the exigencies of the case require, the Secretary of Commerce is hereby authorized to appoint additional members to any such board.

"(b) For the purpose of investigating marine casualties not involving loss of life and all cases of acts of incompetency or misconduct or any act in violation of any of the provisions of this title, or of any of the regulations issued thereunder, committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty, the Director of the Bureau of Marine Inspection and Navigation, with the approval of the Secretary of Commerce, is hereby authorized and directed to appoint marine boards, each consisting of two principal traveling inspectors and a supervising inspector of the said Bureau.

"(c) The said boards provided for in subsections (a) and (b) of this section shall, upon the approval of the Director of the Bureau of Marine Inspection and Navigation, have authority to engage such other assistants, clerical or technical, as may be deemed necessary by the said Director. The members of said boards shall not receive any compensation in addition to that for their regular appointment, but shall be entitled to their necessary traveling expenses while traveling on official business.

"(d) Immediately after the occurrence of a marine casualty, the appropriate board shall conduct an investigation into any acts of incompetency or misconduct or any acts in violation of any of the provisions of this title, or of any of the regulations issued thereunder, committed by any licensed officer acting under authority of his license, or by any chief or assistant steward, purser, or radio operator acting under authority of a certificate of service issued to him by the board of local inspectors of steam vessels, or by any seaman; and into all circumstances surrounding such marine casualty, and shall determine, so far as possible, the cause of such casualty, the persons responsible therefor, and whether or not United States Government employees charged with the inspection of the vessel or vessels involved and with the examination and licensing of the officers thereof have properly performed their duties in connection with such inspection, examination, and licensing.

"(e) In any investigation directed by this section a marine casualty investigation board or a marine board shall have power to summon before it witnesses and to require the production of books, papers, documents, and any other evidence. Attendance of witnesses or the production of books, papers, documents, or any other evidence shall be compelled by a similar process as in the United States District Court. The chairman of each of said boards shall administer all necessary oaths to any witnesses summoned before said boards.

"(f) The disbursing clerk, Department of Commerce, shall pay, on properly certified vouchers, such fees to any witness summoned under subsection (e) of this section, for his actual travel and attendance, as shall be officially certified to by the chairman of the board conducting the investigation, not exceeding the rate allowed for fees and to witnesses for travel and attendance in any District Court of the United States.

"(g) In any investigation of acts of incompetency or misconduct or of any act in violation of the provisions of this title, or of any of the regulations issued thereunder, committed by any licensed officer or any holder of a certificate of service, the person whose conduct is under investigation shall be given reasonable notice of the time, place, and subject of such investigation and an oppor-

tunity to be heard in his own defense. The whole record of the testimony received by the board conducting such investigation and the findings and recommendations of such board shall be forwarded to the Director of the Bureau of Marine Inspection and Navigation, and if that officer shall find that such licensed officer or holder of certificate of service is incompetent or has been guilty of misbehavior, negligence, or unskillfulness, or has endangered life, or has willfully violated any of the provisions of this title or any of the regulations issued thereunder, he shall, in a written order reciting said findings, suspend or revoke the license or certificate of service of such officer or holder of such certificate. The person whose license or certificate of service is revoked may within 30 days appeal from the order of the said Director to the Secretary of Commerce. On such appeal the appellant shall be allowed to be represented by counsel. The Secretary of Commerce may alter or modify any finding of the board which conducted the investigation or of the Director of the Bureau of Marine Inspection and Navigation, but the decision of the Secretary of Commerce shall be based solely on the testimony received by the said board and shall recite the findings of fact on which it is based.

"(h) If the Director of the Bureau of Marine Inspection and Navigation shall find evidence of criminal liability on the part of any licensed officer or holder of a certificate of service, he shall submit such findings to the Secretary of Commerce who, if he be satisfied that such criminal liability exists, shall refer all of the evidence and the findings in such investigation to the Attorney General for investigation by and prosecution through the Federal district attorney of the district having jurisdiction, under the provisions of the Criminal Code. Nothing in this section shall be construed as prohibiting the Federal district attorney from conducting a criminal investigation or prosecution in connection with a shipping casualty.

"(i) Any attempt to coerce any witnesses, or to induce them to testify falsely in connection with a shipping casualty, or to induce them to leave the jurisdiction of the United States, shall be punishable by a fine of $5,000 or imprisonment for 1 year, or both such fine and imprisonment. Any person making such attempts shall be prosecuted by the Federal district attorney of the district having jurisdiction.

"(j) The Secretary of Commerce shall make such regulations as may be necessary to secure the proper administration of this section."

(k) This section shall take effect 90 days from its enactment.

SEC. 5. (a) That hereafter there shall be in the Bureau of Marine Inspection and Navigation a technical staff, consisting of the Director and technical members who shall be selected for their knowledge, skill, and practical experience in designing and supervising the construction and operation of vessels propelled by machinery, and they shall be competent judges of the character, strength, stability, and safety qualities of such vessels and their equipment. Such technical members shall be appointed by the Secretary of Commerce, without reference to the civil-service laws and regulations. The Director of the said Bureau with the advice and assistance of the technical staff so appointed shall pass upon all contract plans and specifications for passenger vessels of the United States of 100 gross tons and over, propelled by machinery, as provided for by subsection (b) of this section, including the installation of tested and effective sprinkler systems, and upon arrangement plans for all material alterations to existing vessels. Such approval shall be given promptly and with due regard to the orderly progress of the work but only when the Director is satisfied, after a full and complete examination of the plans and specifications, that the vessel, when built or altered, as the case may be, can be navigated with safety to those on board. In case the said Director shall disapprove such plans and specifications, the person or persons submitting the same shall be apprised thereof the reasons for such disapproval and advised of the amendments necessary to secure such approval. The Director shall, at as early a date as practicable, and from time to time thereafter as he shall deem advisable, formulate and publish regulations and instructions for the guidance of builders of prospective vessels showing the safety characteristics of vessels which will meet the approval of the Director: *Provided, however,* That such regulations and instructions shall in all cases be subject to the approval of the Secretary of Commerce.

(b) That no passenger vessel of the United States of 100 gross tons and over, propelled by machinery, the construction or material alteration of which shall be begun subsequent to the passage of this act, shall be granted a certificate of inspection by a board of local inspectors of the Bureau unless the said general contract plans and specifications therefor shall have been submitted at least in triplicate to and approved by the aforesaid Director before the construction of such vessel or alteration thereof shall have been commenced; nor shall any such vessel, the said plans or specifications for which have been materially altered subsequent to such approval be granted a certificate, as aforesaid, unless such altered plans and specifications shall have been submitted at least in triplicate to and approved by the said Director, prior to such change in construction having been made. No such certificate shall be granted to any such vessel which has not been constructed and equipped in accordance with said plans and specifications approved as aforesaid: *Provided,* That approved plans and certificates of the American Bureau of Shipping classed vessels may be accepted by the Director as evidence of the structural efficiency of the hull and the reliability of the machinery of such vessels. In the case of passenger ships building to class with the American Bureau of Shipping, certificates of the said American Bureau of Shipping certifying to the adequacy of the subdivision arrangements, on the basis of any regulations issued by the Department of Commerce, may be accepted by the Director, subject, however, to the submission to the Bureau of Marine Inspection and Navigation and the approval of the Director of all flooding calculations. The American Bureau of Shipping shall continue to function in connection with the Government, its bureaus, departments, boards, and commissions, as heretofore provided under the Merchant Marine Act, June 5, 1920 (ch. 250, sec. 25; 41 Stat. 998; 46 U. S. C. Annotated, sec. 881), and as provided in the act of March 2, 1929, entitled "An act to establish load lines for American vessels, and for other purposes", or any similar act hereinafter enacted.

(c) Upon the approval by the said Director of the original or modified plans and specifications for any such vessel or for any subsequent alteration of such vessel, an endorsement to that effect, signed by the Director, shall be placed upon such plans and specifications, and one copy thereof shall be delivered to the person or persons submitting the same. Whenever any inspector shall ascertain to his satisfaction that any such vessel does not conform in all material respects to said plans and specifications approved as aforesaid, he shall immediately report his conclusions to the aforesaid Director, setting forth the reasons for his belief; and if, after a preliminary examination of the facts of the case, the said Director shall be of the opinion that reasonable ground exists for believing the conclusions of such reporting officer to be correct, he shall notify the person or persons who submitted the said plans and specifications and the board of local inspectors of the Bureau who shall not issue the vessel's certificate of inspection until the discrepancy has been corrected to the satisfaction of the said Director. The final decision of the Director shall be reached with as little delay as the proper consideration of the question will permit. The owner of any vessel coming within the provisions of this act shall notify the Director of any material alterations proposed to be made on such vessel, and should any such alteration be made on such vessel before the plans and specifications for such alteration have received the approval of the said Director the owners shall, in addition to any suspension of the certificate of inspection which the Director may determine to be necessary, incur a penalty of $500 for which the vessel shall be liable and which may be mitigated or remitted by the Secretary of Commerce on such condition as he may deem proper.

(d) That the words "plans and specifications" wherever used in this act shall be held to include prints of all general contract plans and copies of the specifications and other matters of a similar nature, as necessary to the purposes of this act for any vessel to which this act applies. The said plans and specifications of all passenger ships of 100 gross tons and over shall specify for fire-retardant material in their construction so far as reasonable and practicable.

(e) That any person or persons who shall alter, deface, obliterate, remove, or destroy any plans or specifications approved as provided in this act, with intent to deceive or delay any officer of the United States in the discharge of his duties under this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof in any court of competent jurisdiction shall be punished by a fine of not to exceed $5,000 or by imprisonment for not to exceed 5 years, or by both such fine and imprisonment, in the discretion of the court.

(f) This section shall not take effect as to vessels under 500 gross tons until 3 months, nor as to vessels of 500 gross tons and over until 30 days, after its enactment.

SEC. 6. That the Secretary of Commerce shall fix a reasonable rate of extra compensation for overtime services of local inspectors of steam vessels and their assistants, United States shipping commissioners and their deputies and assistants, who may be required to remain on duty between the hours of 5 o'clock p. m. and 8 o'clock a. m. or on Sundays or holidays to perform services in connection with the inspection of vessels or their equipment, supplying or signing on or discharging crews of vessels on the basis of one-half day's additional pay for each 2 hours or fraction thereof at least 1 hour that the overtime extends beyond 5 o'clock p. m. (but not to exceed 2½ days' pay for the full period from 5 o'clock p. m. to 8 o'clock a. m.) and 2 additional days' pay for Sunday or holiday duty. The said extra compensation shall be paid by the master, owner, or agent of such vessel to the local inspectors of steam vessels or the United States shipping commissioners, as the case may be, who shall pay the same to the several employees entitled thereto according to the rates fixed therefor by the Secretary of Commerce: *Provided,* That such extra compensation shall be paid if such officers or employees have been ordered to report for duty and have so reported, whether the actual inspection of the vessel or her equipment, or the supplying, or signing on, or discharging crews takes place or not: *Provided further,* That in those ports where customary working hours are other than those hereinabove mentioned, the local inspectors of steam vessels or United States shipping commissioners, as the case may be, are vested with authority to regulate the hours of such employees so as to agree with prevailing working hours in said ports, but nothing contained in this proviso shall be construed in any manner to alter the length of a working day for the local inspectors, their assistants, the United States shipping commissioners and their deputies and assistants, or the overtime pay herein fixed.

SEC. 7. The Secretary of Commerce may make such regulations as may be necessary to carry out the purposes of this act.

SEC. 8. That all laws or parts of laws insofar as they are in conflict with this act are hereby repealed.

Mr. BLAND. Mr. Speaker, I have a committee amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Committee amendment: Page 14, section 6, line 17, strike out the word "the" and lines 18, 19, 20, 21, 22, and in line 23 the words "by the Secretary of Commerce" and insert in lieu thereof the following:

"The said extra compensation for overtime services shall be paid by the master, owner, or agent of such vessel to the local United States collector of customs or his representative, who shall deposit said collection into the Treasury of the United States to an appropriately designated receipt account. The amount of the receipts so covered during the fiscal year 1936 is hereby authorized to be appropriated and made available for payment of extra compensation for overtime services to the several employees entitled thereto, according to rates fixed therefor by the Secretary of Commerce: *Provided*, That effective July 1, 1936, and thereafter, the amounts of such collections received by the said collector of customs or his representative shall be covered into the Treasury as miscellaneous receipts, and the payments of such extra compensation to the several employees entitled thereto shall be made from the annual appropriations for salaries and expenses of the Bureau: *Provided further*, That to the extent that the annual appropriations which are hereby authorized to be made from the general fund of the Treasury are insufficient, there are hereby authorized to be appropriated from the general fund of the Treasury such additional amounts as may be necessary to the extent that the amounts of such receipts are in excess of the amounts appropriated."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. RAMSPECK. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. RAMSPECK: Page 11, after line 21, insert a new subsection as follows:

"That section 4471 of the Revised Statutes of the United States, as amended (U. S. C., title 46, sec. 464), be, and the same is hereby, amended by adding thereto the following new paragraph:

"'On and after July 1, 1936, every steamer permitted by her certificate of inspection to carry as many as 50 passengers or upward shall be equipped with an automatic sprinkler system, which shall be in addition to any other device or devices for fire protection. Such automatic sprinkler system shall consist of an arrangement of piping connecting one or more adequate supplies of water (which supplies shall be in addition to any other water supply of the vessel) with a distributing device which is so assembled and located as to discharge and diffuse automatically over all portions of the vessel accessible to passengers and/or crew (except cargo holds, machinery spaces, and when of fireproof construction, toilets and bathrooms) a spray of water which will be effective to extinguish fire. Such system shall be kept at all times in good working condition and ready for immediate use. The Bureau of Marine Inspection and Navigation shall cause to be made at least once in every 90 days such tests and inspections as will insure the proper working of such automatic sprinkler systems. In carrying out the provisions of this paragraph the Bureau of Marine Inspection and Navigation is hereby authorized and directed to prescribe rules and regulations to govern the work of installing automatic sprinkler systems in steam vessels.'"

Mr. RAMSPECK. Mr. Speaker, in brief, this amendment provides for the installation of automatic sprinklers in ships carrying 50 or more passengers. The Bureau has had the authority to require this since 1871, but they have not required it. Yesterday I had the privilege of talking to Commander Yeandle, of the Coast Guard, who had charge of the relief work on the *Morro Castle*, and he told me, as his opinion, that if there had been sprinklers on the *Morro Castle* there would have been no loss of life. I think the time has come when the Congress ought to require the shipbuilders and the ship operators of this country to give protection to the lives of the passengers who pay for transportation on these ships. [Applause.] We have not passed a single act in this Congress that would give any protection to the passengers who travel on the ships on the high seas. The time has come, I think, when we ought to at least put on those ships a system of protection which has been found so effective on land and which saves from 40 to 70 percent in insurance cost in the various buildings throughout this country.

Mr. CELLER. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. CELLER. I am in sympathy with the gentleman's amendment, but may I ask what will be the effect of that amendment on ships flying foreign flags?

Mr. RAMSPECK. I do not know that we can apply it to ships flying foreign flags. I am not in a position to answer the gentleman's question, but we can certainly put it on our own, and if we can put it on foreign ships, it ought to be done.

Mr. CASTELLOW. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. CASTELLOW. This would provide for the safety of human beings, the same as is required in Government warehouses for the safety of property which is stored?

Mr. RAMSPECK. That is correct.

Mr. COLDEN. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. COLDEN. The gentleman mentioned something about inspection every 90 days. I did not quite understand that.

Mr. RAMSPECK. I did not say anything about inspection. It requires automatic sprinklers to be put on all ships that carry 50 or more passengers.

Mr. RICH. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. RICH. The statement was made in the amendment that they should have two sources of water supply. On land I see how that can be accomplished, and I think it is a wise thing; but does the gentleman mean dual pumps on the ships, or what would be the two sources of supply that would be possible to make it function?

Mr. RAMSPECK. It means it should have a separate source of water supply for the sprinkler system, so that it would be there and ready to operate in case of a fire. That is the purpose of the provision.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. DUNN of Pennsylvania. The amendment is a wonderful amendment and I believe that every ship in the United States should be compelled to do that, and then other countries, in my opinion, would follow suit.

Mr. WADSWORTH. Will the gentleman yield for a question?

Mr. RAMSPECK. I yield.

Mr. WADSWORTH. As I understand it, the gentleman stated that the Government has had the power to compel the installation of sprinklers since 1871?

Mr. RAMSPECK. That is true.

Mr. WADSWORTH. Why has not the Government exercised that power?

Mr. RAMSPECK. I talked to Mr. Weaver, who is in charge of the Steamboat Bureau, about it, and he said that the shipbuilders did not have the money to put it in. I do not think that is any excuse when we have had such glaring examples as the *Morro Castle* and other disasters.

Mr. WADSWORTH. Was that the only reason he gave?

Mr. RAMSPECK. That is the only reason he gave. There is a report filed on this bill. I introduced this bill several months ago. The only objection stated in the report is that some man in the Bureau of Standards objected to the feasibility of it, or to the authority of Congress to require such a thing. I have a letter in my file from Mr. Briggs, of the Bureau of Standards, stating that they never authorized any such statement to be made as representing the viewpoint of the Bureau of Standards.

Mr. WADSWORTH. Has the Committee on Merchant Marine given consideration to this amendment?

Mr. RAMSPECK. It has not, but the Senate has passed a bill identical with this, which is now on the Speaker's table.

Mr. CULKIN. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. CULKIN. Does not the gentleman realize that this measure, if it becomes effective, will retire from service probably half of the coasting steamers in the United States, half of the inland steamers who happen to carry more than 50 passengers?

Mr. RAMSPECK. I do not see any reason why it should retire them. They could put in sprinkler systems.

Mr. CULKIN. Those boats are not susceptible of this type of construction. It would practically revolutionize their construction.

Mr. RAMSPECK. The gentleman may know more about the construction of ships than I do, and I expect he does, but

certainly sprinklers are put in all types of buildings, and I see no reason why they cannot be put in ships.

Mr. CULKIN. The gentleman does not think that a ship is a building, of course?

Mr. RAMSPECK. Of course not.

Mr. CULKIN. They are two distinct things, and it is a fact that, while I am for this amendment in spirit, and it is along the proper line, it will, in all probability, retire from operation a great many of the old-time boats. That may be meritorious.

Mr. RAMSPECK. The amendment gives authority to the Bureau to regulate the installation. I am quite sure they can devise proper methods of putting them on all boats.

Mr. CONNERY. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. CONNERY. In reply to the gentleman from New York, if it would retire those ships if they cannot have sprinkler systems, they ought to be retired.

Mr. RAMSPECK. Certainly.

[Here the gavel fell.]

Mr. RICH. With reference to coastwise vessels, might this not put American ships out of business and permit ones with foreign flags to operate?

Mr. RAMSPECK. I do not think so.

[Here the gavel fell.]

Mr. BLAND. Mr. Speaker, I rise in opposition to the amendment. As the gentleman from New York has so well said, I am in thorough sympathy with the principle and the intention to save life at sea; but this bill has not been considered by the committee. The bill has passed the Senate and I have assured all interested that it shall have early consideration, certainly among the first bills to be considered in January. It must be remembered, however, that this bill does not apply only to ships on the ocean; it applies also to every inland steamer; it applies to every small steamer that may be carrying 50 passengers and running only 10 miles or 14 miles. There is no limitation as to the length of the voyage.

We have suffered a great catastrophe, it is true, but I am asking that you not pass legislation under the hysteria of that catastrophe that would put out of business or at least place an enormous burden upon ships that are entirely safe without the sprinkler system.

No member of our committee is able to tell you what the results would be. The report which came from the Secretary of Commerce was to the effect that the Bureau of Standards, which was working on this problem to see what kind of a system could be worked out, have been unable to make their report up to this time. This matter will be considered by the committee early in January.

In the bill there is a direction to the Director of the Steamboat Inspection Service to consider the installation of these sprinklers. I urge that it would be unwise to place this amendment in this bill at this time.

Mr. CONNERY. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I have the greatest respect for the distinguished Chairman of the Committee on the Merchant Marine and Fisheries. The gentleman says this bill will be the first thing taken up in January. What will happen between now and January? Are we to have another *Mohawk*, another *Morro Castle*?

Mr. BLAND. The *Mohawk* did not burn, if the gentleman please.

Mr. CONNERY. All right; several others did burn.

Mr. BLAND. Not in the United States.

Mr. CONNERY. Out in the ocean off New Jersey, that is where they burned.

This is a question of safety of life on American ships. It is not a question of whether the Steamboat Inspection Service has the right to do this. The Steamboat Inspection Service has had the right to do this since 1871, but they have not done it. It is up to this Congress to make them do what they should have done since 1871, install these sprinklers to protect human life.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. CELLER. Does not the gentleman think it would be somewhat of a discrimination against American bottoms if we adopt this amendment? How could we make it apply to foreign bottoms?

Mr. CONNERY. Let us take one thing at a time; let us save American lives to start with and then take up the question of foreign ships.

Mr. CELLER. Would not the amendment force passengers to sail on foreign vessels because of higher cost of transportation in American vessels?

Mr. CONNERY. No; I do not think it would.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. McFARLANE. Why not give American vessels the advantage of this added protection; then if people prefer to travel on foreign ships, they may do so at their own risk?

Mr. CONNERY. That is correct.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BLAND. It is entirely possible, under the law, to order them installed on foreign ships. We have already pending here, and which we expect will be brought up for consideration, a limitation-of-liability bill. Why add this additional burden during the next 4 months, when we very seldom have fires at sea?

Mr. CONNERY. Oh, we have had plenty of fires at sea on foreign ships.

Mr. BLAND. I have the record before me.

Mr. CONNERY. And on American ships, too. Then there was the *Burgoyne*, and there were other disasters.

Mr. BLAND. The *Burgoyne* was not an American ship.

Mr. CONNERY. I did not say it was an American ship; I said foreign and American ships.

It seems to me Congress should pass this bill. The House should pass the bill and adopt this amendment, for the Senate has shown by passing the Senate bill that they are in absolute accord with the views of the gentleman from Georgia [Mr. RAMSPECK]. We should pass this amendment to give this added protection to American lives. We ought to pass the Ramspeck amendment.

[Here the gavel fell.]

Mr. CULKIN. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, I am against the amendment and for the legislation. My impression was that the distinguished gentleman from Massachusetts was a doughboy and not a gob. He displays, however, considerable sea technic.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. CULKIN. I yield.

Mr. CONNERY. I live on the shores of the Atlantic Ocean, in Lynn, Mass.; I know a little about ships.

Mr. CULKIN. The gentleman is a better doughboy than he is sailor, and he had a very distinguished record serving as a doughboy.

Mr. CONNERY. I thank the gentleman.

Mr. CULKIN. This amendment, Mr. Speaker, has as its purpose not safety at sea. It could better be entitled "A bill for the relief of the plumbers and steamfitters' union."

The gentleman from Massachusetts smiles. He has a very distinguished record in the service of labor, and I have admired him many times. May I add that I very often follow him on economic questions. His brilliant advocacy of their cause is always timely and proper; but in this case he is speaking out of a wholesome but mistaken loyalty to the cause of labor. This amendment, if put into effect, will simply tie to the docks many hundreds of boats in the United States which are serving the convenience of the public. And may I repeat anew, too, in this connection, that I yield to no man in my devotion to the reasonable and just demands of labor.

Mr. COLDEN and Mrs. JENCKES of Indiana rose.

Mr. CULKIN. I yield first to my friend the gentleman from California [Mr. COLDEN].

Mr. COLDEN. The gentleman overlooked one important item, and that is the fact that these sprinklers are patented and are on the market at a very high price.

Mr. CULKIN. Of course, this installment is a technical matter. You must have this water brought down by gravity.

There are many different types of construction on various craft, both coastwise and inland. Each boat is a law unto itself, and there is much construction that does not permit the installation of the necessary tanks. I think the matter may wait until January, at which time it will be taken up in an orderly way. To do otherwise would wreck this excellent bill.

Mrs. JENCKES of Indiana. Will the gentleman yield?

Mr. CULKIN. I yield to the gentlewoman from Indiana.

Mrs. JENCKES of Indiana. If the gentleman is going to Europe, and he has the choice of going on a boat which has a sprinkler system or one which does not have such system, and he knew he was not going to burn to death before getting over there, or plunging into the sea on the way over, on which boat would he go?

Mr. CULKIN. I do not want to be impertinent, but the question, of course, is as remote as the stars from the question before the House. It tends to create passion on the subject. I have endeavored to present the question fairly. We have a very excellent bill, and the amendment offered cripples it. This amendment should go over until January, at which time it can be considered in an orderly way.

Mr. McFARLANE. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Texas.

Mr. McFARLANE. Has the gentleman ever heard of a steamship company voluntarily putting such improvements as this on a ship at any time? They always say they will do it later on.

Mr. CULKIN. The gentleman's question is another generality which does not go to the heart of the question before the House. We cannot legislate fairly without some knowledge of the facts.

The SPEAKER. The question is on the amendment offered by the gentleman from Georgia [Mr. RAMSPECK].

The question was taken; and there were on a division (demanded by Mr. CONNERY)—ayes 40, noes 55.

Mr. RAMSPECK. Mr. Speaker, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

Mr. McCORMACK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. McCORMACK: On page 2, line 8, strike out the word "shall" and insert the word "may."

On page 2, line 10, after the word "act", strike out the period, insert a comma and the words "or from the United States local inspectors."

Mr. BLAND. Mr. Speaker, I accept the amendment.

The SPEAKER. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### LIMITATION OF SHIPOWNERS' LIABILITY

Mr. SIROVICH. Mr. Speaker, I call up the bill (S. 3446) relative to limitation of shipowners' liability, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. CULKIN. Mr. Speaker, reserving the right to object, is this the House bill?

Mr. SIROVICH. This is a bill that was unanimously passed by the Senate and unanimously agreed to by the Committee on Merchant Marine and Fisheries. In order to understand the provisions of this bill, let me call to the attention of the Members of the House the historical aspects in connection therewith.

The first statutory enactment of limited-liability law took place in Great Britain in the year 1734, and was only for acts of embezzlement on the part of the master and crew and other acts caused by them. It limited liability for nothing else, just acts of the master and the crew. In those days the enemies of the shipowners were the captain and the crew who took out the vessel and embezzled the cargo. They operated against the interests of their owners. Therefore, the owner of the ship had to be protected against the master and his crew.

In 1786 the limitation of liability was extended to robbery and to losses in which the master and crew had no part. In 1813 the limited liability of shipowners in England was still further extended to include other causes of losses, including cases of collision. The only funds against which those who had lost their life or cargo could sue was the money that was raised from the salvage of the ship, and if the ship was sunk there was no money, plus the money that was received for the transportation of passengers and its cargo. This was known as the "limited-liability act of Great Britain."

In 1851, Hannibal Hamlin, the distinguished Senator from the State of Maine, chairman of the Senate Commerce Committee, introduced the limited-liability law that was upon the statute books of Great Britain as part of the laws of the United States. His fundamental purpose was to put the American merchant marine on a parity with that of Great Britain.

In 1862, Great Britain, because of the protests of her citizens, who felt this limited-liability law was written for the interests of the merchant marine and not for the traveling public, abolished the entire law. In its place it substituted a bill which made it mandatory upon all British shipping organizations to pay $75 per ton for each of its registered tonnage for the protection of human life and cargo.

This law was approved in Great Britain in 1862. We never changed our law of 1851. Therefore we are in the tragic position of being the worst nation of the world in taking care of its traveling public, our American citizens. Take the *Morro Castle* as an example. When that ship was sunk, 147 lives were lost and 100 people were permanently injured. The total amount of money for which these 247 people who lost their lives and were injured can sue is the sum of $20,000, while the Ward Line Co., the owners of the *Morro Castle*, have received the sum of $4,500,000 for its insurance. Behold the *Mohawk*, which was sunk; 74 lives were lost and 50 to 70 permanently crippled and injured. All these people can sue since the ship has sunk is the money that the company received for the transportation of passengers and cargo, which amounts to $9,000, while the company received $2,500,000 for loss of its ship. Is it fair? Is it just? Is it humane? Is it American? If my bill which is now being considered is passed, the *Morro Castle* victims, instead of having had only $20,000 against which the victims could sue, would have had at least between $600,000 and $700,000.

Mr. Speaker, in the past, property rights, the property of shipowners, were guarded and protected, but human life took its chance not only with the dangers originating with wind and wave but also with the dangers from incompetent crews and officers and ineffective equipment and inefficient operation of vessels in times of emergency and danger. This limitation-of-liability bill makes our laws the most humane and progressive in all the world, and I appeal to the humanitarian and sympathetic consideration of the Members of the House to pass this bill to bring justice to our deserving American traveling public.

Mr. CULKIN. Are there any changes in it as to requirement?

Mr. SIROVICH. There are no changes in it. There is an omission in the bill that we originally passed, and which the chairman of the committee will take up in January. This bill is a great improvement over the present law, under which we have been operating since 1851.

Mr. CULKIN. This is a bill that was incorporated in the House ship-subsidy bill?

Mr. SIROVICH. Yes.

Mr. CULKIN. It relates to safety at sea and limitation of liability?

Mr. SIROVICH. Yes.

Mr. BLAND. There is only one difference. It does not require the compulsory insurance to be deposited with the Department of Commerce in order to protect against liability. This would have been unworkable and impracticable. We provided that the insurance should be given by American companies, and the question arose as to whether the American companies could have given this insurance or not.

Mr. O'CONNOR. Is this bill similar to one on which we reported a rule?

Mr. BLAND. No.

Mr. CULKIN. I am very strongly in sympathy with the gentleman's bill, and I trust that the House will support it.

Mr. BLAND. The committee met this morning and directed the gentleman to bring it up for consideration.

Mr. SIROVICH. And that request was unanimously made.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,*

LIMITATION OF SHIPOWNERS' LIABILITY

SECTION 1. Revised Statutes 4283, United States Code, title 46, section 183, shall be amended by adding the following proviso at the end thereof: "*Provided*, That the total liability of the owner or owners of any sea-going sailing, steam, or motor vessel, whether American or foreign, other than tugs, barges, fishing vessels, and their tenders, for the entire loss of life or personal injuries caused without fault or privity of such owner or owners to any person, shall be in an amount not less than an amount equal to $60 for each ton of the tonnage of such vessel or vessels, or the amount or value of the interest of such owner in such vessel and her freight then pending, if the latter be the greater amount. The tonnage of a steam or motor vessel shall be her gross tonnage without deduction on account of engine room, and the tonnage of a sailing vessel shall be her registered tonnage, provided that there shall not be included in such tonnage any space occupied by seamen or apprentices and appropriated to their use. The owner of every sea-going vessel or share therein shall be liable in respect of every loss of life or personal injury arising on distinct occasions to the same extent as if no other loss or injury had arisen."

SEC. 2. In respect of loss of life or bodily injury, the actual privity or knowledge of the master of a sea-going vessel (other than tugs, barges, fishing vessels, and their tenders), or of the superintendent or managing agent of the owner thereof, at or prior to the commencement of each voyage, shall be deemed conclusively the privity or knowledge of the owner of such vessel.

SEC. 3. Chapter 6 of title 46 of the Revised Statutes is amended by inserting after section 4283, as amended, the following new section:

SEC. 4238A. Stipulations limiting time for filing claims and commencing suit: (a) It shall be unlawful for the manager, agent, master, or owner of any sea-going vessel (other than tugs, barges, fishing vessels, and their tenders) transporting passengers or merchandise or property from or between ports of the United States and foreign ports to provide by rule, contract, regulation, or otherwise a shorter period for giving notice of, or filing claims for loss of life or bodily injury, than 6 months, and for the institution of suits on such claims, than 1 year, such period for institution of suits to be computed from the day when the death or injury occurred.

"(b) Failure to give such notice, where lawfully prescribed in such contract, shall not bar any such claim—

"(1) If the owner or master of the vessel or his agent had knowledge of the injury, damage, or loss and the court determines that the owner has not been prejudiced by the failure to give such notice; nor

"(2) If the court excuses such failure on the ground that for some satisfactory reason such notice could not be given; nor

"(3) Unless objection to such failure is raised by the owner.

"(c) If a person who is entitled to recover on any such claim is mentally incompetent or a minor, or if the action is one for wrongful death, any lawful limitation of time prescribed in such contract shall not be applicable so long as no legal representative has been appointed for such incompetent, minor, or decedent's estate, but shall be applicable from the date of the appointment of such legal representative: *Provided, however*, That such appointment be made within 3 years after the date of such death or injury."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTRUCTION OF 10 VESSELS FOR THE COAST GUARD

Mr. WARREN. Mr. Speaker, I call up the bill (S. 2632) to provide for the construction of 10 vessels for the Coast Guard designed for ice breaking and assistance work and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. SNELL. Reserving the right to object, will the gentleman tell us what this bill is about?

Mr. WARREN. This bill has been passed by the Senate after very lengthy hearings were held by a subcommittee of the Merchant Marine and Fisheries Committee. It has been requested by every Representative from New England and a great many from New York, New Jersey, and the Columbia River. This is a mere authorization.

Mr. MARTIN of Massachusetts. Is this the so-called "ice-breaker bill"?

Mr. WARREN. The ice-breaking bill; yes.

Mr. MILLARD. I hope the bill will pass unanimously. I can vouch for its necessity in connection with the Hudson River and Long Island Sound.

Mr. TABER. The Public Works Administration allotted a lot of money to the Coast Guard a couple of years ago with which to build new ships.

Mr. WARREN. But not for ice-breaking purposes.

Mr. McCORMACK. They allotted some money to build ships, but not for ice-breaking purposes. We need this type of ship along the Atlantic coast and on the Pacific coast as well as the Great Lakes. This bill has for its object the protection of the entire country where ice-breaking facilities may be needed.

Mr. MARTIN of Massachusetts. The need for such ships was shown last winter when for days certain harbors were closed and not accessible at all.

Mr. McCORMACK. That is true.

Mr. JENKINS of Ohio. How does this bill provide for the Great Lakes?

Mr. McCORMACK. There is no limitation as to where they may be assigned by the Coast Guard.

The original bill applied to Massachusetts Bay and New York, and then I introduced another bill providing for 10 vessels without any regard to where they should be assigned. The Coast Guard can assign them to any place throughout the country where the exigencies require.

Mr. HOFFMAN. Are they going to use them on the northeast coast in the winter and the Great Lakes in the summer?

Mr. McCORMACK. I do not want to enter into any controversy with my friend.

Mr. BACON. As a matter of fact, Admiral Hamlet told me he intended to use some of these boats on the Pacific coast, some in the north Atlantic and some on the Great Lakes.

Mr. McCORMACK. That is the intention; yes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill (S. 2632), as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to construct and equip 10 Coast Guard cutters to be of design and construction suitable for ice-breaking service and for rendering assistance to marine commerce.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPOINTMENT OF TWO ADDITIONAL JUDGES FOR THE SOUTHERN DISTRICT OF NEW YORK

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3389) to provide for the appointment of two additional judges for the southern district of New York.

Mr. SNELL. Mr. Speaker, reserving the right to object, I think we should have an explanation of this bill. We had up here an omnibus bill appointing 15 additional judges, and I supposed that they had covered the country as they usually do.

Mr. O'BRIEN. Mr. Speaker, I object.

ADDITIONAL DISTRICT JUDGE FOR THE EASTERN DISTRICT OF NEW YORK

Mr. CELLER. Mr. Speaker, I called up the wrong bill.

Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3414) to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of New York.

Mr. O'BRIEN. I object, Mr. Speaker.

The SPEAKER. Objection is heard.

Mr. O'BRIEN. Mr. Speaker, I withdraw the objection.

Mr. McFARLANE. I object, Mr. Speaker.

AMENDMENT OF THE BANKRUPTCY ACT

Mr. LEMKE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3002) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, to which I shall offer an amendment.

Mr. SNELL. Mr. Speaker, reserving the right to object, if I understand this bill properly I do not intend to object, but I think the request should be that the gentleman move that the House go into Committee of the Whole and consider the bill. I think this is too important a measure to go through with no explanation whatever.

The SPEAKER. The Chair will state that unanimous consent is required to take up the bill.

Mr. SUMNERS of Texas. Mr. Speaker, I suggest to the gentleman from New York that reasonable opportunity be permitted for the explanation of the bill. I think a very brief explanation of the bill will save time.

Mr. SNELL. I think it should be explained fully. This is a very important measure. I believe I am for it, and I am not trying to object to the bill. However, I think as important a measure as this should receive the consideration of the House and that the bill should be carefully and fully explained.

Mr. SUMNERS of Texas. Will the gentleman give us a chance to explain it under a reservation of objection?

Mr. SNELL. That might be all right, but I think it would be much better if we moved to go into Committee of the Whole for its consideration.

Mr. WOODRUM. Mr. Speaker, will the gentleman from New York yield?

Mr. SNELL. I yield.

Mr. WOODRUM. Of course, the gentleman knows if unanimous consent is given for the consideration of the bill, the bill is then considered in the House as in Committee of the Whole and is read under the 5-minute rule for amendment. It is an important measure and reasonable and adequate time can be taken under such circumstances to consider the bill.

Mr. SNELL. The way we have been considering them today is to get unanimous consent and then have them go right through.

Mr. WOODRUM. That is because we do not object to them. As the gentleman knows, if the unanimous consent is granted, the bill will be considered in the House as in Committee of the Whole.

Mr. SNELL. The only thing I am trying to do is to get a reasonable explanation of this bill.

Mr. WOODRUM. I agree with the gentleman; and, if unanimous consent is given to consider the bill, then it is to be read and considered under the 5-minute rule, and if the Members of the House want to do so, they can have reasonable and orderly consideration under such circumstances.

The SPEAKER. If the bill is taken up by unanimous consent, as the gentleman from Virginia has said, it will be considered in the House just as the bill which the gentleman from Virginia [Mr. BLAND] called up a few minutes ago, which was open for amendment. In other words, it will be considered in the House as in Committee of the Whole.

Mr. TABER. Mr. Speaker, may I suggest that the gentleman first obtain unanimous consent for its consideration.

The SPEAKER. That is the question that is pending before the House now. Of course, it cannot be taken up in the House as in Committee of the Whole unless unanimous consent is given for its consideration.

Is there objection to the request of the gentleman from North Dakota?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

*Be it enacted, etc.*, That section 75 of said act, as amended, be further amended by amending the second sentence of subsection (b), so as to read as follows: "The conciliation commissioner shall receive as compensation for his services a fee of $25 for each case submitted to him, and, when docketed, to be paid out of the Treasury."

Mr. SNELL. Mr. Speaker, I thought we were to have an explanation of this bill.

The SPEAKER. This bill is on the Union Calendar, and when unanimous consent was given for the consideration of the bill it carried with it consideration in the House as in Committee of the Whole. That is being done, and the Clerk had read the first section.

Mr. LEMKE. Mr. Speaker, I move to strike out the last word. I wish to state to the Members of the House that this is not a new act. It is simply an amendment to section 75 of the Bankruptcy Act which was passed under the last administration.

At that time we passed four different sections. Section 74 was for the home owner and unincorporated business. Section 75 was for the farmers; section 76 was for those secondarily liable, such as endorsees on notes, and so forth; section 77 for the railroads; and section 77 (b) for corporations. Now, during the last session Congress added one section to section 75, section 75 (s), that part of section 75 of the Bankruptcy Act which was held unconstitutional by the Supreme Court.

All this bill does is to comply with the decision of the Supreme Court, giving the farmer an opportunity to get a breathing spell after he goes into bankruptcy.

Under this law no farmer can take advantage of it unless he is willing to surrender into the hands of the court all his property for distribution.

The maximum time given him to pay the debt is 3 years, but the district judge can cut it down to less than 3 years if he finds that the farmer is able to pay in less than that time. It is an emergency act. It is a conservation act.

Let me suggest that under this bill no mortgagee loses anything. He loses no rights, and he can come into court where debt adjustments are being made. If the property is sold at public auction, the farmer is given 90 days to redeem.

I am sure that it is not necessary to speak of the necessities of this legislation to you who come from the drought-stricken States.

In fact, there is a serious situation out there in the Middle West and in other parts of the United States, and something must be done to relieve it. There is nothing in this bill that the United States District Courts are not doing and have not already done under the Bankruptcy Act, except that this gives the farmer the same advantage that the small business man, corporations, and others that go into bankruptcy have—that is, to have his affairs liquidated in an orderly way. If the farmer can borrow the money within 3 years to pay off what he owes, well and good; but all of his property must go into the court. Under the old act it was said that the farmer might have a lot of stocks and bonds and be wealthy otherwise. Under this bill he has to surrender all of his stocks and bonds into the custody of the court the same as in other bankruptcy cases, although he can retain possession, under the jurisdiction of the court, by paying a reasonable rental.

Mr. MILLER. The gentleman has an amendment that he is going to offer to the bill under consideration?

Mr. LEMKE. That amendment will be offered by the Chairman of the Judiciary Committee and explained by him.

Mr. MILLARD. The conciliation commissioner receives $25 a case?

Mr. LEMKE. Yes.

Mr. MILLARD. What effect will that have on the referee in bankruptcy?

Mr. LEMKE. When the case comes up in counties where there is a referee, he can be appointed as conciliation commissioner. In counties where there is no referee a conciliation commissioner will be appointed.

Mr. MILLARD. And that is the reason for the conciliation commissioner?

Mr. LEMKE. Yes.

Mr. CULKIN. This bill simply does for the farmer who is in danger of foreclosure, who is in fact insolvent, what has already been done by law for the business man and the railroads.

Mr. LEMKE. Yes; for the incorporated business man and the railroads; but this bill does not do nearly so much as sections 77 and 77 (b) do for the other two classes.

Mr. CULKIN. It does not do any more.

Mr. LEMKE. It does not do as much.

Mr. SHORT. And if an experienced farmer cannot operate his farm successfully, certainly an insurance company or Uncle Sam cannot.

Mr. LEMKE. The gentleman is correct. This bill was very carefully considered by a subcommittee of the Committee on the Judiciary of both the House and the Senate, and by the full Committee on the Judiciary of both the House and the Senate, and last Monday it was passed after an hour and a half discussion on the question of its constitutionality, without a dissenting vote, in the United States Senate.

Mr. CRAWFORD. Assuming that this bill is passed, and that it is held constitutional by the Court, it is the first time that we will have given that kind of assistance to the farmers of this country.

Mr. LEMKE. Yes; except subsection (s) passed by the last session, which the Court held unconstitutional.

Mr. FORD of California. Is it not designed to give to the farmer a breathing spell so that he may orient himself in such a way as to get out of his present difficulties without in the least jeopardizing the lien of his creditors?

Mr. LEMKE. Absolutely, and the district judge has complete control all the time of the farmer's property.

Mr. FORD of California. That is the object?

Mr. LEMKE. Yes.

Mr. ANDRESEN. All it does is to give a 3-year extension for the time of the redemption if the court so directs.

Mr. LEMKE. Under the supervision and control of the court.

Mr. GREEVER. Does the gentleman feel that the constitutional feature that was decided by the Supreme Court is now fully cured?

Mr. LEMKE. I agree with the members of the Senate Judiciary Committee that, with the amendment that Mr. SUMNERS will offer, there will be no constitutional question about the bill.

Mr. KLOEB. The gentleman ably argued the case before the court of appeals at Cincinnati. In view of his arguments there and in view of the legal questions raised as to the constitutionality of the former bill, is the gentleman now satisfied in his own mind that this bill will pass the constitutional test?

Mr. LEMKE. Yes; I am satisfied that this bill now complies with the language of the Supreme Court decision, in which they overruled the circuit court of appeals and two other circuit courts and about 50 other judges. We have complied with the decision that overrules all of those.

Mr. CARPENTER. And if the farmer takes advantage of this act and goes into bankruptcy, will he be entitled to his regular exemption?

Mr. LEMKE. We leave all that just as it is now in the old bankruptcy act. This has nothing to do with that. His exemptions are just the same as before and controlled by State law.

Mr. PIERCE. And the full rental value is to be paid over to the mortgagee?

Mr. LEMKE. The full rental value is to be paid into court, to be paid to the creditors.

Mr. PIERCE. That principle is now being carried out in the Pacific Northwest.

Mr. NELSON. Am I right in understanding that the benefits under this bill apply only to debts previously contracted and not to future debts?

Mr. LEMKE. There is no limitation except that this act will expire in about 2½ years. The reason we did not put that into this bill is because when the former act got up to the Supreme Court there was serious argument whether that could be done, because you would have a farmer have part of his property in a bankruptcy court, and then the property that he acquired afterward would not be in bankruptcy; that is, he would be partly in bankruptcy and partly out, which would, to say the least, cause great confusion.

Mr. CARPENTER. Will the gentleman yield?

Mr. LEMKE. I yield.

Mr. CARPENTER. One of the most difficult things we encountered under the operation of the past law was whether it applied after there had been a foreclosure sale in the district court. What will be the effect of this law?

[Here the gavel fell.]

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent that the gentleman be given 2 additional minutes in order to answer my question.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARPENTER. Does the gentleman have my question in mind?

Mr. LEMKE. I have the gentleman's question in mind. I will say there has been great confusion among the district courts in the other act as to this point, because there were some amendments added in a hurry, and these made it ambiguous. This act clears up those ambiguities, and there will be no misunderstanding.

Mr. CARPENTER. This gives the farmer the benefit of this act after there has been a foreclosure?

Mr. LEMKE. As long as title has not passed, and he has a right of redemption.

Mr. SABATH. Will the gentleman yield?

Mr. LEMKE. I yield.

Mr. SABATH. Does not the gentleman think the home owners in the cities are entitled to the same consideration as the farmers?

Mr. LEMKE. There is another act, a companion to this, which passed the Senate on yesterday, Senate 3049, H. R. 8743, that gives the same opportunity to the home owners. I hope the gentleman will get that bill passed. I will do all I can to help the gentleman.

Mr. SABATH. Could we not amend this bill by inserting that?

Mr. LEMKE. No; because there are two different set-ups. In 74 and 75 they started out differently, and we cannot very well get them together.

Mr. SABATH. I do not want to kill the gentleman's bill, but I am very much interested that the same relief should be granted to thousands of home owners who are about to be evicted as we are giving to the farmers.

Mr. LEMKE. I would say to the gentleman that if he will help me to get those other two bills considered by the Judiciary Committee they will have the same opportunity. The Senate passed the bill on yesterday. I shall do all I can to have H. R. 8743 considered and brought up in the closing hours of this session.

[Here the gavel fell.]

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. LEMKE: Page 8, line 23, after the word "courts" and the comma, in line 23, strike out the balance of line 23 and the first seven words of line 24, and insert the word "shall."

Mr. SUMNERS of Texas. Mr. Speaker, I rise in support of the amendment.

Mr. Speaker, I assume that the Members of the House are satisfied with the explanation made with regard to the general features of this bill. The amendment offered is at line 23, page 8 of the bill, and the purpose is to remove a question as to the constitutionality of the bill.

Under existing language of the bill, whether or not there may be a foreclosure in a case where the award is less than the debt secured is left to the discretion of the judge. Now, that is not a clear explanation, but it will suffice for the present purpose. I would make it clearer if it were important. However, the amendment proposed removes the judge's discretion, if the original debt has not been fully paid, and gives the creditor the right, as a matter of right, to have a foreclosure of the property in the event his debt has not been in full.

Mr. ANDRESEN. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. ANDRESEN. This bill does not in any way destroy the right of the security holder in having preference for his claim?

Mr. SUMNERS of Texas. This bill does not disturb the ordinary relationship between debtor and creditor insofar as the right of the creditor to pursue the property by which his debt is secured. He can have it sold, under the terms of this amendment, to the highest bidder; he may himself bid and he gets for himself whatever the property brings. I did not personally go into the details of the bill when it was being considered in committee, but the Committee on the Judiciary did do it very well. I may say for the members of my committee—there are good lawyers on that committee—and as far as I know, there is no doubt now, although there was doubt with reference to the first bill. I understand from my colleagues on the committee there is not now any doubt as to the constitutionality of this bill, assuming the House will adopt the amendment which has been offered.

Mr. HOBBS. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. HOBBS. What is the gentleman's opinion, if he will be good enough to give it, as to the soundness of the provisions generally and the desirability of the legislation?

Mr. SUMNERS of Texas. My opinion is based to a considerable degree upon representations made to the committee as to the condition that obtains, particularly in the western and northwestern section of the country, where, by reason of a series of droughts, the people are absolutely unable to take care of their indebtedness. This is intended for the purpose of giving them a breathing spell, in which those people whose homes are threatened may have an opportunity possibly to get better crop conditions and to pay their debts.

Mr. ANDRESEN. Will the gentleman yield further?

Mr. SUMNERS of Texas. I yield.

Mr. ANDRESEN. Does this apply to loans that have been made by the Federal land bank?

Mr. SUMNERS of Texas. I would rather the gentleman from North Dakota [Mr. LEMKE] answered these questions as to details.

Mr. LEMKE. It applies to all loans by any corporation of the Government of the United States. Some of the members of the Federal land banks say this law is absolutely essential for them to function.

Mr. McCORMACK. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. McCORMACK. It is the gentleman's opinion that this bill as now drafted comes within the constitutional powers of the Congress?

Mr. SUMNERS of Texas. As I explained, that opinion is drawn largely from the unanimous opinion of the members of the Committee on the Judiciary, who have more carefully examined it, but from the examination which I have made, which is rather casual, I did not observe anything, if this amendment is adopted, which would make me apprehensive as to its constitutionality.

Mr. McCORMACK. Under the circumstances, with the emergency existing, it is a moratorium, and it is a reasonable, logical, and proper thing for the Government to provide for in order to protect the farmers and, I hope, the small home owners from complete liquidation of their property and destruction of the equity they may have therein.

Mr. SUMNERS of Texas. I prefer not to designate the bill.

Mr. KNUTSON. Is this permanent legislation?

Mr. SUMNERS of Texas. No; it is not permanent.

Mr. KNUTSON. How long will it be in effect?

Mr. SUMNERS of Texas. Two and a half years, I believe.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. That section 75 of said act, as amended, be further amended by amending subsection (g) to read as follows:

"(g) An application for the confirmation of a composition or extension proposal may be filed in the court of bankruptcy after, but not before, it has been accepted in writing, by a majority in number of all creditors whose claims have been allowed, including secured creditors whose claims are affected, which number shall represent a majority in amount of such claims."

SEC. 3. That section 75 of said act, as amended, be further amended by amending subsection (k) to read as follows:

"(k) Upon its confirmation, a composition or extension proposal shall be binding upon the farmer and his secured and unsecured creditors affected thereby: *Provided, however*, That such extension and/or composition shall not reduce the amount of or impair the lien of any secured creditor below the fair and reasonable market value of the property securing any such lien at the time that the extension and/or composition is accepted, but nothing herein shall prevent the reduction of the future rate of interest on all debts of the debtor, whether secured or unsecured."

SEC. 4. That section 75 of said act, as amended, be further amended by amending subsection (n) to read as follows:

"(n) The filing of a petition or answer with the clerk of court, or leaving it with the conciliation commissioner for the purpose of forwarding same to the clerk of court, praying for relief under section 75 of this act, as amended, shall immediately subject the farmer and all his property, wherever located, for all the purposes of this section, to the exclusive jurisdiction of the court, including all real or personal property, or any equity or right in any such property, including, among others, contracts for purchase, contracts for deed, or conditional sales contracts, the right or the equity of redemption where the period of redemption has not or had not expired, or where a deed of trust has been given as security, or where the sale has not or had not been confirmed, or where deed had not been delivered, at the time of filing the petition.

"In all cases where, at the time of filing the petition, the period of redemption has not or had not expired, or where the right under a deed of trust has not or had not become absolute, or where the sale has not or had not been confirmed, or where deed had not been delivered, the period of redemption shall be extended or the confirmation of sale withheld for the period necessary for the purpose of carrying out the provisions of this section. The words 'period of redemption' wherever they occur in this section shall include any State moratorium, whether established by legislative enactment or executive proclamation, or where the period of redemption has been extended by a judicial decree. In proceedings under this section, except as otherwise provided herein, the jurisdiction and powers of the courts, the title, powers, and duties of its officers, the duties of the farmer, and the rights and liabilities of creditors, and of all persons with respect to the property of the farmer and the jurisdiction of the appellate courts, shall be the same as if a voluntary petition for adjudication had been filed and a decree of adjudication had been entered on the day when the farmer's petition, asking to be adjudged a bankrupt, was filed with the clerk of court or left with the conciliation commissioner for the purpose of forwarding same to the clerk of court."

SEC. 5. That section 75 of said act, as amended, be further amended by amending subsection (p) to read as follows:

"(p) The prohibitions of subsection (o) shall apply to all judicial or official proceedings in any court or under the direction of any official, and shall apply to all creditors, public or private, and to all of the debtor's property, wherever located. All such property shall be under the sole jurisdiction and control of the court in bankruptcy, and subject to the payment of the debtor farmer's creditors, as provided for in section 75 of this act."

SEC. 6. That section 75 of said act, as amended, be further amended by adding a new subsection (s), after subsection (r), to read as follows:

"(s) Any farmer failing to obtain the acceptance of a majority in number and amount of all creditors whose claims are affected by a composition and/or extension proposal, or if he feels aggrieved by the composition and/or extension, may amend his petition or answer, asking to be adjudged a bankrupt. Such farmer may, at the same time, or at the time of the first hearing, petition the court that all of his property, wherever located, whether pledged, encumbered, or unencumbered, be appraised, and that his unencumbered exemptions, and unencumbered interest or equity in his exemptions, as prescribed by State law, be set aside to him, and that he be allowed to retain possession, under the supervision and control of the court, of any part or parcel or all of the remainder of his property, including his encumbered exemptions, under the terms and conditions set forth in this section. Upon such a request being made, the referee, under the jurisdiction of the court, shall designate and appoint appraisers, as provided for in this act. Such appraisers shall appraise all of the property of the debtor, wherever located, at its then fair and reasonable market value. The

appraisals shall be made in all other respects with rights of objections, exceptions, and appeals, in accordance with this act: *Provided*, That in proceedings under this section either party may file objections, exceptions, and take appeals within 4 months from the date that the referee approves the appraisal.

"(1) After the value of the debtor's property shall have been fixed by the appraisal herein provided, the referee shall issue an order setting aside to such debtor his unencumbered exemptions, and his unencumbered interest or equity in his exemptions, as prescribed by the State law, and shall further order that the possession, under the supervision and control of the court, of any part or parcel or all of the remainder of the debtor's property shall remain in the debtor, as herein provided for, subject to all existing mortgages, liens, pledges, or encumbrances. All such existing mortgages, liens, pledges, or encumbrances shall remain in full force and effect, and the property covered by such mortgages, liens, pledges, or encumbrances shall be subject to the payment of the claims of the secured creditors, as their interests may appear.

"(2) When the conditions set forth in this section have been complied with, the court shall stay all judicial or official proceedings in any court, or under the direction of any official, against the debtor or any of his property, for a period of 3 years. During such 3 years the debtor shall be permitted to retain possession of all or any part of his property, in the custody and under the supervision and control of the court, provided he pays a reasonable rental semiannually for that part of the property of which he retains possession. The first payment of such rental shall be made within 1 year of the date of the order staying proceedings, the amount and kind of such rental to be the usual customary rental in the community where the property is located, based upon the rental value, net income, and earning capacity of the property. Such rental shall be paid into court, to be used, first, for payment of taxes and upkeep of the property, and the remainder to be distributed among the secured and unsecured creditors, and applied on their claims, as their interests may appear. The court, in its discretion, if it deems it necessary to protect the creditors from loss by the estate, and/or to conserve the security, may order sold any unexempt perishable property of the debtor, or any unexempt personal property not reasonably necessary for the farming operations of the debtor, such sale to be had at private or public sale, and may, in addition to the rental, require payments on the principal due and owing by the debtor to the secured and unsecured creditors, as their interests may appear, in accordance with the provisions of this act, and may require such payments to be made quarterly, semiannually, or annually, not inconsistent with the protection of the rights of the creditors and the debtor's ability to pay, with a view to his financial rehabilitation.

"(3) At the end of 3 years, or prior thereto, the debtor may pay into court the amount of the appraisal of the property of which he retains possession, including the amount of encumbrances on his exemptions, up to the amount of the appraisal, less the amount paid on principal: *Provided*, That upon request of any secured or unsecured creditor, or upon request of the debtor, the court shall cause a reappraisal of the debtor's property, or in its discretion set a date for hearing, and after such hearing fix the value of the property, in accordance with the evidence submitted, and the debtor shall then pay the value so arrived at into court, less payments made on the principal, for distribution to all secured and unsecured creditors, as their interests may appear, and thereupon the court shall, by an order, turn over full possession and title of said property, free and clear of encumbrances to the debtor: *Provided*, That upon request in writing by any secured creditor or creditors the court, in its discretion, if it deems it for the best interests of the secured creditors and debtor, may order the property upon which such secured creditors have a lien to be sold at public auction. The debtor shall have 90 days to redeem any property sold at such sale, by paying the amount for which any such property was sold, together with 5 percent per annum interest, into court, and he may apply for his discharge, as provided for by this act. If, however, the debtor at any time fails to comply with the provisions of this section, or with any orders of the court made pursuant to this section, or is unable to refinance himself within 3 years, the court may order the appointment of a trustee, and order the property sold or otherwise disposed of as provided for in this act.

"(4) The conciliation commissioner, appointed under subsection (a) of section 75 of this act, as amended, shall continue to act, and act as referee, when the farmer debtor amends his petition or answer, asking to be adjudged a bankrupt under the provisions of subsection (s) of section 75 of this act, and continue so to act until the case has been finally disposed of. The conciliation commissioner, as such referee, shall receive such an additional fee for his services as may be allowed by the court, not to exceed $35 in any case, to be paid out of the bankrupt's estate. No additional fees or costs of administration or supervision of any kind shall be charged to the farmer debtor when or after he amends his petition or answer, asking to be adjudged a bankrupt, under subsection (s) of section 75 of this act, but all such additional filing fees or costs of administration or supervision shall be charged against the bankrupt's estate. Conciliation commissioners and referees appointed under section 75 of this act shall be entitled to transmit in the mails, free of postage, under cover of a penalty envelope, all matters which relate exclusively to the business of the courts, including notices to creditors. If, at the time that the farmer debtor amends his petition or answer, asking to be adjuged a bankrupt, a receiver is in charge of any of his property, such receiver shall be divested of possession, and the property returned to the possession of such farmer, under the provisions of this act. The provisions of this act shall be held to apply also to partnerships, common, entirety, joint, community ownerships, or to farming corporations where at least 75 percent of the stock is owned by actual farmers, and any such parties may join in one petition.

"(5) This act shall be held to apply to all existing cases now pending in any Federal court, under this act, as well as to future cases; and all cases that have been dismissed by any conciliation commissioner, referee, or court because of the Supreme Court decision holding the former subsection (s) unconstitutional, shall be promptly reinstated, without any additional filing fees or charges. Any farm debtor who has filed under the General Bankruptcy Act may take advantage of this section upon written request to the court; and a previous discharge of the debtor under any other section of this act shall not be grounds for denying him the benefits of this section.

"(6) This act is hereby declared to be an emergency measure and if in the judgment of the court such emergency ceases to exist in its locality, then the court, in its discretion, may shorten the stay of proceedings herein provided for and proceed to liquidate the estate."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill (H. R. 8728) were laid on the table.

### INVESTIGATION OF AIR MAIL CONTRACTS

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 344, for the investigation of the operating methods of air-mail contractors from the standpoint of safety, and for other purposes.

The Clerk read the House resolution, as follows:

House Resolution 344

*Resolved*, That the Committee on the Post Office and Post Roads, as a whole or by subcommittee, is authorized and directed to conduct a thorough investigation of (1) the air-transport operations of companies holding contracts for the transportation of foreign or domestic air mail for the purpose of determining whether adequate safeguards are provided and maintained for the security of air mail and passengers transported by said contractors; (2) the method or methods adopted by the Interstate Commerce Commission to fix and determine the fair and reasonable rates of compensation for the transportation of air mail by airplane pursuant to the authority of the act to revise the air-mail laws, approved June 12, 1934, as amended; and (3) the manner in which, and the extent to which, the companies holding air-mail contracts have reorganized and otherwise qualified in compliance with the requirements set forth in such act of June 12, 1934, as amended.

The committee shall report to the House (or to the Clerk of the House if the House is not in session), during the present Congress, the results of its investigations, together with its recommendations for such additional legislation (if any) as it may deem advisable, after consideration of the facts developed by its investigation.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress, at such time and places along or adjacent to any of said air-mail routes as it may deem necessary, whether or not the House is sitting, has recessed, or has adjourned.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman kindly explain the resolution?

Mr. MEAD. This resolution is a combination of three resolutions introduced during the present session of Congress. Two of these resolutions were presented by the gentleman from Minnesota [Mr. MAAS] and one was introduced by the gentleman from Illinois [Mr. DOBBINS]. The resolutions of the gentleman from Minnesota [Mr. MAAS] asked for information with regard to the method of fixing rates for air-mail pay and also with regard to the reorganization of the air-mail companies.

The resolution introduced by the gentleman from Illinois [Mr. DOBBINS] would inquire into the establishment of a safety code for travel by air.

We believe these three resolutions are timely and that some thought and attention should be given to all three of the items included in this resolution of investigation.

No money will be required in the conduct of this investigation. I will say to the gentleman from Massachusetts that our committee, with the assistance of the late lamented Clyde Kelly, of Pennsylvania, conducted exhaustive investigations. We had voluminous hearings, and the only thing now necessary is time in which to give this material further study. Time is essential; it is difficult for us to get together

during the sessions of Congress and devote such time as is necessary for this work.

The air-mail bill which passed the House a few weeks ago authorized the Interstate Commerce Commission to review air-mail rates, and to make recommendations to Congress by next January. It is our desire, during the coming autumn, to cooperate with the Interstate Commerce Commission in the establishment of a uniform and standardized method of establishing these rates. It is our desire to go along with the Bureau of Air Commerce of the Department of Commerce in the enactment of a law with regard to safety in air travel; and in this connection I will say to the gentleman that such a law is essentially necessary at this time. An illustration of its necessity is the death of the distinguished former Senator from New Mexico, Mr. Cutting.

The regular order was called for.

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from New York?

Mr. McFARLANE. Mr. Speaker, I shall object unless we are to have some discussion of this resolution.

Mr. MARTIN of Massachusetts. The gentleman from New York is making a very fine statement. I think he should be allowed to continue.

Mr. MEAD. The gentleman from Massachusetts asked me to explain the resolution and why it is necessary under the circumstances. I shall be very glad to yield to the gentleman from Texas.

Mr. McFARLANE. I notice that the last paragraph of the resolution reads:

> For the purposes of this resolution, the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress, at such time and places along or adjacent to any of said air-mail routes as it may deem necessary, whether or not the House is sitting, has recessed, or has adjourned.

How is the gentleman or his committee going to travel along these air lines without becoming obligated to the parties who want legislation passed if this resolution does not make some money available?

Mr. MEAD. There is not going to be any traveling on the Government's money or anybody else's money. It was thought that if a very serious crash occurred, such as the crash in which the distinguished former Senator from New Mexico was killed, it might be necessary for some member or members of the committee to accompany the Post Office Department or the Bureau of Air Commerce, which have their own ships, to make an investigation on the spot in connection with the accident.

Mr. McFARLANE. This thought occurs to me: We have enacted legislation at this session of Congress covering most of the things sought to be investigated under authority of this resolution.

Mr. MEAD. No. We have no legislation with regard to safety of air travel. We have such legislation with regard to the operation of steamships, railroad trains, and other types of transportation. There must be a law sooner or later with regard to safety of air travel. Until such time as there is legislation of that character, the progress of air travel will be impeded.

The Post Office Depatment favors this resolution. The committee desires only to complete its task. We have voluminous records; we will have the cooperation of the Department of Commerce, the Bureau of Air Commerce, the Post Office Department, and the Interstate Commerce Commission; but we need time in which to get this information together, and it cannot be done unless we get authority from the House and do the work when there is no session of Congress.

We are asking for authority to work without pay and in cooperation with other governmental agencies.

Mr. McFARLANE. Has the gentleman ever thought about the proposition of combining about seven or eight of these different departments of the Government here which have their own separate branch in aeronautics, like the Agricultural Department, the Post Office Department, the Commerce Department, and the War and Navy Departments? Has the gentleman given consideration to combining them all into one department in which we might have a better picture of this proposition and a more unified situation? If we could unify our different departments having air forces, it would permit us to systematize and more efficiently and economically operate this division of the Government service.

Mr. MEAD. There is merit in what the gentleman says. The matter is covered in the report of the Aviation Commission.

Mr. McFARLANE. The gentleman is not investigating that under the resolution?

Mr. MEAD. That is contained in the report of the Aviation Commission, which will be taken up and considered by our committee if we have the time and authority to do so. I am inclined to agree with the gentleman in his thoughts on this subject.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANASTASIA ISLAND LIGHTHOUSE RESERVATION, FLA.

Mr. WILCOX. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3327) to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. MAPES. Mr. Speaker, reserving the right to object, may we have an explanation of the bill?

Mr. WILCOX. Mr. Speaker, the bill is designed to cure a defect in title to certain lots on Anastasia Island, which were sold to and are now owned by private individuals. The Federal Government owns what is known as the lighthouse reservation, upon which the lighthouse is located.

In 1851 the Government caused a plat of that property to be made and later sold off certain fractional sections. The plat was recorded upon the public records of the county and the Federal Government conveyed the lands in accordance with that plat. In 1915 the Government caused a resurvey to be made and the same lines were again established and monuments erected to indicate the lines which are still standing. That plat is still of record on the public records of the county. According to that plat the adjacent lands which had been sold by the Government were subdivided and sold to private owners. Since then the Government has caused a resurvey to be made, and it has been discovered that the original plat was probably in error as to the location of the lines. In the meantime private owners have acquired the property according to the plat of 1915 and according to the lines as established by the Government. They have bought these lots in good faith and have paid their money and in some instances have built homes. They have been in occupancy of this land for several years, since 1915 in the case of some of these individuals. The subsequent plat, however, has never been recorded, and there is nothing of record to put the purchasers on notice that the Government still has a claim to part of this property.

In order to clear up the title to this land and to enable the Government also to convey a park to the city, the bill authorizes the Secretary of Commerce to make quitclaim deeds to that portion of the property which has been acquired in good faith and on which homes have been built in accordance with the Government's own plat, which probably was in error, and also authorizes the conveyance of a part of the tract to the city of St. Augustine for park purposes.

The Superintendent of Lighthouses of the Department of Commerce, under whose jurisdiction this matter comes, has agreed to the bill. He has filed a report and recommends that the bill pass, in order to do justice and to correct an error of the Government.

Mr. MAPES. How much property is involved?

Mr. WILCOX. Twenty lots, about 100 by 200 feet each.

Mr. MAPES. Are they all improved?

Mr. WILCOX. Practically all of them improved.

Mr. MAPES. Under the jurisdiction of what committee does this matter come?

Mr. WILCOX. Under the jurisdiction of the Committee on Merchant Marine and Fisheries. They unanimously reported the bill.

Mr. RICH. Will the gentleman yield?

Mr. WILCOX. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman made the statement that the Secretary consented to this bill. Did he recommend it?

Mr. WILCOX. Yes. The Secretary of Commerce did not sign the report. The Commissioner of Lighthouses signed the report. The bill has passed the Senate and was reported unanimously by the Committee on Merchant Marine and Fisheries.

Mr. RICH. This involves no cost to the Government?

Mr. WILCOX. No; because it simply corrects an error in title caused in the Government's own survey.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of Commerce is authorized to convey to the city commission of the city of St. Augustine, Fla., for public-park purposes, that portion of the Anastasia Island Lighthouse Reservation, Fla., which is not required to be retained for lighthouse purposes, consisting of Government lots 1 and 2, section 21, township 7 south, range 30 east, Tallahassee, Fla., excepting that part of lot 2 between the 5-acre lighthouse tract and the hard-surfaced road and that part of Government lots 1 and 2 to be conveyed as authorized by section 2 of this act, reserving unto the United States of America a perpetual easement for beams of light across any part of said lands that may be between the lighthouse and the sea. The deed of conveyance shall describe by metes and bounds the exact portion of the reservation transferred and the reservation of the easement heretofore mentioned.

SEC. 2. The Secretary of Commerce is authorized to convey by quitclaim deed unto the following-named holders of record title thereto that portion of the Anastasia Island Lighthouse Reservation contained and included in the plat of Seaside Heights recorded in the office of the clerk of the circuit court in and for St. Johns County, Fla., in Map Book 2 at page 37 of the Public Records of St. Johns County, Fla.: To Annette Mathis, that portion of said reservation platted as lots 1 and 2, block A, Seaside Heights; to Mary A. Masters, lot 3, block A, Seaside Heights; to G. N. and Clara B. Weber, lots 4, 5, 6, and 7, block A, Seaside Heights; to Harry Hellas, lots 1, 2, and 3, block B, and lots 1 and 2, block C, Seaside Heights; to Robert H. Bailey, lots 1, 2, 3, and 4, block F, Seaside Heights; to Southern Real Estate Corporation, lots 4 to 7, block B, 3 to 7, block C, all of blocks D and E, Seaside Heights; all of which said lots and parcels of land, platted as aforesaid for a part of Government lot 4 based upon an erroneous Government survey are a part of and contained within Government lots 1 and 2, section 21, township 7 south, range 30 east, Tallahassee, Fla., according to correct survey of said lands.

SEC. 3. That section 3 of an act approved May 28, 1935 (Public, No. 81, 74th Cong.) (H. R. 7131), authorizing the Secretary of Commerce to convey the lands herein described, be, and the same is hereby, repealed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### APPOINTMENT OF ADDITIONAL DISTRICT JUDGE FOR THE EASTERN DISTRICT OF NEW YORK

Mr. CELLER. Mr. Speaker, I renew my unanimous-consent request for the consideration of the bill (S. 3414) to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of New York, a similar House bill (H. R. 8657) having been reported by the committee.

The gentleman from Texas [Mr. MCFARLANE], I understand, has withdrawn his objection.

The Clerk read the title of the bill.

The SPEAKER. The gentleman asks unanimous consent for the immediate consideration of the Senate bill S. 3414. Is there objection?

Mr. RICH. Mr. Speaker, reserving the right to object, is this the first bill that was presented a while ago or the second one?

Mr. CELLER. No; this is the second one. This has to do with Brooklyn, the eastern district of New York.

Mr. RICH. The gentleman presented a bill calling for two judges?

Mr. CELLER. That bill was withdrawn, temporarily.

Mr. RICH. Has this bill been presented to the Judiciary Committee and reported by that committee?

Mr. CELLER. It has been reported unanimously by the Judiciary Committee. I may say also the bill has been passed by the Senate. It saw the need, the urgent need, of an additional judge for Brooklyn and the entire part of Long Island, the so-called "eastern district." The bill in the Senate was sponsored by Senator WAGNER.

Mr. RICH. Why were not these judges included in the judges' bill that we passed a week ago?

Mr. CELLER. That was a different matter. That was a bill making permanent certain temporary judges. In the case of Boston, due to the death of Judge Lowell there was a vacancy that could not be filled, because he held but a temporary judgeship. Among other things that bill made permanent the judgeship he held. That bill also made permanent several other judgeships: two in the southern district of New York, one of which is being held by a resident judge, the other which was formerly held by Judge Winslow who died; one in Brooklyn now held by Judge Campbell.

I repeat, the judgeship bill which we voted a week or two ago was to make permanent 15 temporary judgeships. Without such a bill no vacancy could be filled after death or resignation. This bill, however, provides for an additional, new judge in Brooklyn.

Mr. RICH. Cannot the judges you have in Brooklyn now take care of the work?

Mr. CELLER. I may refer to the testimony of Judge Campbell before our committee, as well as that of Judge Maxton, chief judge of the United States circuit court of appeals at New York. Both testified to the utter necessity of an additional judge, because the present judges cannot cope with the avalanche of new cases that arise out of the many new statutes we are passing. All the calendars—equity, patent, copyrights, admiralty, criminal, civil—are congested. Judge Campbell wrote to 19 outside judges from various States asking them to help and come to Brooklyn to bring the calendar up to date. Not one judge agreed to come. Why was that? The answer is plain. We only allow judges $5 a day for living while in New York or Brooklyn. That is woefully insufficient. They cannot afford it. Small wonder, therefore, they will not come to Brooklyn.

Mr. TABER. Mr. Speaker, reserving the right to object, how far are they behind in their work in this district?

Mr. CELLER. The common-law calendar is wellnigh a year behind. It is well to remember that justice delayed is justice denied. The equity and admiralty calendars are about 6 months behind, but the tardiness grows worse daily. Seventy-seven B proceedings have fairly swamped the court, and each case of reorganization is intricate, involving intricate motions and ex parte proceedings that last for days. Many of these 77B cases involve millions of dollars, affecting thousands of bondholders, preferred- and common-stock holders, and embrace security committees of all sorts. Oftttimes the court rooms are filled with several thousand persons, all financially interested in the proceedings. Frequently these cases take months to dispose of, requiring daily attention and many nights of research. Then, too, our judges are not allotted any law clerks to help run down cases and help prepare decisions.

Mr. TABER. How many judges have they there?

Mr. CELLER. We have five judges covering a population of something like 5,000,000 people.

Mr. HOFFMAN. How long a vacation do they take?

Mr. CELLER. The courts are never closed. They are open all summer.

Mr. HOFFMAN. About how many decisions or opinions do they hand down?

Mr. CELLER. In this court they closed 1,337 bankruptcy cases in a period of 6 months.

Mr. HOFFMAN. Those were referee cases?

Mr. CELLER. All kinds of bankruptcy cases. That was in addition to cases on the law, equity, admiralty, and criminal law calendars. On those calendars they tried 172 cases. In addition, there were 1,473 bankruptcy motions and many hundreds of motions involving equity, common-law, criminal, and admiralty causes.

Mr. RICH. I may say to the gentleman that I recall very distinctly that he stated if we would do away with prohibition we would have fewer cases in the courts. Now the gentleman finds they have more cases today than they ever had before, and the cause was not prohibition at all.

Mr. CELLER. That may be so. Other laws passed have taken the place of the Volstead Act. We have now 77B proceedings, A. A. A. proceedings, processing tax, gold-clause cases, which we did not have before.

Mr. MITCHELL of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. CELLER. Yes.

Mr. MITCHELL of Tennessee. May I ask the gentleman the condition of the docket now with reference to pending cases?

Mr. CELLER. They are way behind. Here is some of Judge Campbell's testimony—Judge Campbell is an able, painstaking, conscientious, righteous judge—as of March 6, 1935:

We have tried more than 40 cases a month—that is, the 4 judges—working on the average, because there are only 22 trial days to the ordinary term and the average case takes more than 2 days. Of course, there are cases which take less and many of them take many more, but striking an average, 2 days is the very shortest time for the average, and you cannot do on an average in an average month more than 10 cases a man. That is the best. That gives you 40 cases a month, and with 9 months that is 360 cases, and during the summer if you disposed of, say, 30 cases, we would be disposing of 390 cases a year, and we have had over 400 cases added to the calendar since the 1st of July, with 5 of the busiest months of the year ahead, so that shows you that we are going backward instead of going forward.

There being no objection, the clerk read the bill, as follows:

*Be it enacted, etc.*, That the President of the United States be, and he is hereby, authorized and directed to appoint, by and with the advice and consent of the Senate, an additional district judge in the United States District Court for the Eastern District of New York.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill were laid on the table.

AMENDMENT OF REVENUE ACT OF 1918

Mr. BUCK. Mr. Speaker, I call up the bill (H. R. 191) to amend the Revenue Act of 1918, as amended, and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from California to consider the bill in the House as in Committee of the Whole?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That so much of section 611 of the Revenue Act of 1918, as amended (relating to the tax on still wines) (U. S. C., Supp. VII, title 26, sec. 1300 (a) (1)), as reads:

"On wines containing not more than 14 percent of absolute alcohol, 10 cents per wine gallon, the percent of alcohol under this section to be reckoned by volume and not by weight;

"On wines containing more than 14 percent and not exceeding 21 percent of absolute alcohol, 20 cents per wine-gallon;

"On wines containing more than 21 percent and not exceeding 24 percent of absolute alcohol, 40 cents per wine-gallon;

"All such wines containing more than 24 percent of absolute alcohol by volume shall be classed as distilled spirits and shall be taxed accordingly."

is amended to read as follows:

"On wines containing not more than 14 percent of absolute alcohol, 5 cents per wine gallon, the percent of alcohol under this section to be reckoned by volume and not by weight;

"On wines containing more than 14 percent and not exceeding 21 percent of absolute alcohol, 10 cents per wine-gallon;

"On wines containing more than 21 percent and not exceeding 24 percent of absolute alcohol, 20 cents per wine-gallon;

"All such wines containing more than 24 percent of absolute alcohol by volume shall be classed as distilled spirits and shall be taxed accordingly."

SEC. 2. Section 612 of the Revenue Act of 1918, as amended (relating to the tax on grape brandy and wine spirits withdrawn and used in the fortification of wines) (U. S. C., Supp. VII, title 26, sec. 1301), is amended by striking out "20 cents per proof-gallon" and inserting in lieu thereof "10 cents per proof-gallon."

With the following committee amendment:

Strike out all after the enacting clause and insert:

That section 611 of the Revenue Act of 1918, as amended (U. S. C., Supp. VII, title 26, sec. 1300 (a) (1)), is amended to read as follows:

"'SEC. 611. (a) Upon all still wines (including imported but not domestic vermouth), and all artificial or imitation wines or compounds sold as still wine, which are produced in or imported into the United States, after the date of enactment of this amendatory section or which on the day after such date are on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid, in lieu of the internal-revenue taxes now imposed thereon by law, taxes at rates as follows, when sold, or removed for consumption or sale:

"'On wines containing not more than 14 percent of absolute alcohol, 5 cents per wine-gallon, the percentage of alcohol under this section to be reckoned by volume and not by weight.

"'On wines containing more than 14 percent and not exceeding 21 percent of absolute alcohol, 10 cents per wine-gallon.

"'On wines containing more than 21 percent and not exceeding 24 percent of absolute alcohol, 20 cents per wine-gallon.

"'(b) All such wines containing more than 24 percent of absolute alcohol by volume shall be classed as distilled spirits and shall be taxed accordingly.

"'(c) Any such wines may, under such regulations as the Secretary may prescribe, be sold or removed tax free for the manufacture of vinegar, or for the production of dealcoholized wines containing less than one-half of 1 percent of alcohol by volume.

"'(d) The taxes imposed by this section shall not apply to dealcoholized wines containing less than one-half of 1 percent of alcohol by volume.'"

SEC. 2. Section 613 of the Revenue Act of 1918, as amended (U. S. C., Supp. VII, title 26, sec. 1300 (a) (2)), is amended to read as follows:

"SEC. 613. (a) Upon the following articles which are produced in or imported into the United States, after the date of the enactment of this amendatory section, or which on the day after such date are on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid, in lieu of the internal-revenue taxes now imposed thereon by law, taxes at rates as follows, when sold, or removed for consumption or sale:

"On each bottle or other container of champagne or sparkling wine, 2½ cents on each one-half pint or fraction thereof.

"On each bottle or other container of artificially carbonated wine, 1¼ cents on each one-half pint or fraction thereof.

"On each bottle or other container of liqueurs, cordials, or similar compounds, by whatever name sold or offered for sale, containing sweet wine fortified with grape brandy or containing citrus-fruit wine fortified with citrus-fruit brandy, 1¼ cents on each one-half pint or fraction thereof.

"(b) Any of the foregoing articles containing more than 24 percent of absolute alcohol by volume (except liqueurs, cordials, and similar compounds), made with tax-paid distilled spirits at rectifying houses, shall be classed as distilled spirits and shall be taxed accordingly.

"(c) The Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury, is authorized to remit, refund, and pay back all distilled-spirits tax on such liqueurs, cordials, and similar compounds paid by rectifiers or assessed prior to the date of the enactment of this amendatory section."

Mr. TREADWAY. Mr. Speaker, I move to strike out the last word.

This bill has been before the Ways and Means Committee and the gentleman from California [Mr. BUCK] has offered a complete explanation of it in committee. I am sure the gentleman from California would not be presenting the bill if it were not a suitable measure for us to consider at this time.

I wish therefore to use the few minutes that are available to me in referring to the services of a member of the Ways and Means Committee.

We have had a very strenuous session, and as we are approaching the close of the session I want to take it upon myself to express a word of praise and thanks to our able chairman. [Applause.]

I have served on the Ways and Means Committee longer than has the gentleman from North Carolina. I have served on the committee a good many years now and I can honestly and fairly and sincerely say to the House that in all the years I have been a member of the committee, it has never been presided over by a gentleman whose heart was more in sympathy with his fellow man than the distinguished Chairman of the Ways and Means Committee, the gentleman from North Carolina, Mr. DOUGHTON. [Applause.] We have had a good many differences in the committee room, and when the door of the committee opened for the adjournment of the committee, after these differences had been taken up, they were forgotten and no man was more responsible for the high regard with which the members of the committee treated each other than was our fair and kindly chairman. He is a partisan, and I am proud of him for being a partisan—I am one myself—and the more

loyalty we show to the party to which we belong, if we do this in a sincere and honest and upright manner, the better Congressman we are here. This is the type of service BOB DOUGHTON has given our committee. I also want to compliment the chairman upon his unflinching support of the administration which at times may have been somewhat trying. He also has used discretion and good judgment in directing the proceedings and deliberations of the committee.

I cannot say anything that would add to the glory or the reputation he has made as our chairman, but I do wish to add just this one personal word in praise of his service and the hearty cooperation he has had from his fellow majority members; and we in the minority, in our modest way, have tried to go along to the best of our knowledge and ability. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I move to strike out the last word. I appreciate the kind and gracious words of my good friend from Massachusetts [Mr. TREADWAY] more than I can adequately express. He is the ranking minority member of the committee and was a patriarch on the committee when I took my first lesson and took my place at the foot of the class. We have served together for 12 years, and if there has ever been an unkind thought between us I have no recollection of it. I have never worked with a man who was more agreeable, and more dependable than the gentleman from Massachusetts [Mr. TREADWAY]. [Applause.]

He is a partisan, of course, but he is a fair partisan. It has been largely through his splendid cooperation and that of the minority of the committee that we have worked along so harmoniously and agreeably.

I also appreciate the kindness of the Democratic Members of the committee. There has been nothing, so far as I know, of the slightest ill-feeling among the membership of our committee. I have the highest consideration and regard for the greatest confidence in each member of that committee.

May I express the hope in these closing days of this Congress that when we go to our several homes that each member of the committee as well as each Member of this House may have a happy vacation and return here at the next session vigorous in mind and body. [Applause.]

Mr. HOFFMAN. Mr. Speaker, I arise to a question of personal privilege and of the privilege of the House and I move to strike out the last two words.

The SPEAKER. The gentleman is recognized for 5 minutes.

Mr. HOFFMAN. In view of what has just been said, this seems the appropriate time to call the attention of Members of the House to certain newspaper articles reflecting upon the House and its Membership. We should not sit here and permit to go unchallenged, in the absence of the gentleman from Texas [Mr. BLANTON], the ever-ready, competent, and earnest defender of the integrity of the House, of the faithful, self-sacrificing service and independence of thought of its Members, and who when here so frequently calls to the gentlemen of the press the error of their ways, the following statement in the Washington Herald of a few days ago. Let me read:

> Unwept, unhonored, and generally unsung—as Sir Walter Scott would put it—the Seventy-fourth Congress is preparing to make its getaway as quietly as possible from Washington, for 8 months the scene of its unparalleled folly and extravagance.
>
> Gifted with hindsight to a superlative degree, it has no other claim upon the fame of history. It has socked the harrassed American people, struggling out of depression, to the incredible extent of $9,000,000,000, which they will have to pay back in the sweat of their brows. It has made the most abject surrender of the purse into the unrestricted hands of "the crown", since the Stuart kings of England.
>
> It has revolutionized the social structure of America by enacting legislation in which it has not believed. The sins of this Congress will endure for a long time. The half-baked laws it has placed upon the statute books by a mere majority vote can be repealed, in years to come, only by a two-thirds majority over a possible Presidential veto.

The foregoing statement is slightly inaccurate if considered as a statement of conditions as they exist.

The Chairman of the great Appropriations Committee, Mr. BUCHANAN, told the House yesterday that the total appropriations for this Congress were a matter of $10,250,000,000, an all-time record.

The writer of this newspaper article is also in error when he intimates that the laws passed by this Congress are "half-baked" laws. The dough in many of them has never felt heat, unless by "dough" we mean money that has felt the heat of the administration in more than one instance before the Members of this Congress voted it out of the Treasury.

In a newspaper, reference to this Congress as "crawling Congress" is made. That charge is made by those gentlemen who sit up there on their air-cooled thrones away from the "hot air" that goes rolling up from the House floor, and they make these, as Mr. BLANTON would say, unfounded charges, day after day and broadcast them to the people. I hope they were here yesterday and that they witnessed the conduct of this House in demonstrating that it is under the control of no man, no group of men; and especially that it is not under control of the administration.

Three times, I think it was, the administration, through its Cochranes and its Cohens, through its officeholders and job hunters, by hope of reward, by fear of punishment, has exerted its force and endeavored to drive this House into supporting certain provisions of the public-utility bill, the "death sentence" being one, and as many times the House arose in its might and indignation and asserted its independence and freedom of thought. It resisted that effort. It remained firm and unchanged, uninfluenced by this exhibition of power, and so it stood until we learned from the Speaker of the House and from the Chairman of the Committee on Rules that we were in error, until, by their logic and by their convincing arguments, at least some Members on the Democratic side learned, and were convinced, that they were in error in opposing this legislation.

Certainly no one changed his vote because it was the Speaker of the House who made the argument. From the beginning of the session we have all admired the firmness, the fairness, and the kindliness of the Speaker in assisting the House, especially the new Members, in finding their way amid the mysteries of legislative procedure. When wayward and unruly we have been reproved kindly and patiently and through every difficult and trying situation he has asserted a tremendous power in a manner of which no one can complain. Partisan, he has been, but no more so than a good party man should be. No one would suggest that the great power of his office influenced the judgment of any Member in casting his vote yesterday.

Well do I recall the words of our Speaker as cautioning us not to "permit ourselves to be carried away by eloquence or logic of our distinguished friend from Alabama", and telling us that so far as he could remember from the time the legislation first appeared, down until the time of taking a final vote, no one had said there should not be some legislation looking toward the control of holding companies; he told us quite truthfully that we could not, I rather think he meant, should not, "go back to our constituents and admit our inability to pass some kind of legislation looking to control of holding companies."

He frankly stated that he would not discuss the merits of the bill and then appealed to the House, and particularly to the Democrats, to adopt the motion and to approve the compromise, stating that the conference report was a victory for the House. He in thought but reiterated the statement of the gentleman at the other end of the Capitol, one of the conferees, who stated in substance when the Senate bill was first passed that the House would take the "death sentence" or nothing. Had I my way, we would have told the gentleman from the other end of the Capitol to take his playthings and go home if he could not play the game.

This statement of our Speaker, of one of the conferees of the other body, that we could take it or leave it, accompanied as it was by a reference to the folks back home, is not an argument to convince some Members on the majority side. That is, it convinced them of what they must do, rather than of what they should do; but, being convinced by such an argument, they should not be referred to

as "rubber stamp", they yielded not to the will of another but to the logic of the argument.

Now, the Chairman of the Rules Committee made much the same arguments. Both of these gentlemen told us that the conference report was a victory for the House. Strange as it may seem, the gentlemen of the press, those accurate, sensitive gentlemen who are experts at giving us the things which actually happen from day to day and who are so accurate in their news reports that we accept without question their daily offerings, have all without exception, I think, characterized yesterday's vote as a "surrender" on the part of the House. I hope never again, after witnessing the courageous fight and the exercise of an independent judgment, shown on three occasions by the House Membership, will these gentlemen, after yesterday's exhibition, be tempted to say that the Democrats of this House ever yield because of anything except argument based upon facts and reason.

It has been said that the arguments of these gentlemen were inspired by a gentleman politically prominent from the other end of the Capitol, who had stated the preceding night, we changed our views; that unless this report was adopted, the Democrats could not win the next election. I think that statement must be false.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. O'CONNOR. I do not know whether the gentleman has been gazing into crystal balls——

Mr. HOFFMAN. No; I have never been in New York. [Laughter.]

Mr. O'CONNOR. Or has been down on the Avenue listening to fortune tellers. And if the gentleman has never been in New York, he has not seen anything yet.

Mr. HOFFMAN. But I have kept my shirt.

Mr. O'CONNOR. Nothing like what the gentleman says was ever said to me.

Mr. HOFFMAN. Oh, no.

Mr. O'CONNOR. Because I can shout just as loud as anybody else.

Mr. HOFFMAN. The gentleman had a sudden conversion. Up until just a few days ago, if reports are correct, he had not seen the logic of voting the way he did yesterday, but that is all right. That is his business. I do recall that on roll call 114 the Chairman of the Rules Committee voted for the substitution of the House bill for the Senate bill, insofar as this provision was involved.

I am only paying my tribute to the manner and method, the logic, the argument, he used to convince the Democrats, and to call attention to the fact that it was not pressure from the administration which caused the sudden conversion, the change of heart, the votes. The gentleman arrived at that conclusion himself, without any help, and he passed it along to the other boys, and they accepted it not because of any pressure from the administration, not because of the hope of patronage, not because they expected a part of that $4,000,000,000 would be expended in their districts, not because they desired the favor of the President or of Mr. Farley, not because they thought it would bring the party success, for many times they have expressed their desire to go to the country on this issue; they did not accept it and vote contrary to their former records because of the Speaker descending from that high office, second only to the Presidency itself, and requested them to vote for the report, nor because the Chairman of the great Rules Committee, Democratic leader second to none, urged them to vote for that report. Oh, no; none of these things appealed to them. They voted for this report because they were convinced that they had previously erred in their conclusions, that the report was a victory for the House, and hence they must embody their ideas, so they changed their votes and accepted the "death sentence" because they discovered that that was just what they had wanted to do all the time.

And so it is hoped that these gentlemen of the press will never again charge this Congress with being a "rubber stamp" Congress. Let the newspaper boys awaken and realize that here is a Congress asserting always its independent judgment, uninfluenced and unswayed, unable even to listen to any suggestions from a "brain truster", a Cabinet member, or even the President himself.

Never again should they charge the President with violating any of his campaign promises; surely, the President, because he is President of these great United States, intended to carry out every plank of that platform. He intended to reduce the number of bureaus, to cut down the expense of government 25 percent, to give us sound money, to maintain the integrity of the United States, and to support the Constitution, because they know he took an oath to support the Constitution when he was inaugurated.

Let newspaper boys remember rather that it is the Membership of this House which possesses the legislative power; that the President can get money only by independent legislative action; that the almost $5,000,000,000 given him early in this session was given to him not because he desired to assume the great responsibility, not because he thought he could spend that money to better advantage than could the Congress, not because he did not trust Congress or the various governmental departments to spend it, not because he thought this Congress would play politics with it; it was given him because, and only because, this Congress, after great deliberation in which all possible angles were considered, finally determined that it wanted him to have it.

Is it not preposterous to even suggest that this is a "rubber stamp" Congress?

True, some of us who have been here believe that this Congress does nothing except at the suggestion of the administrative department or through its Cohens or Cochranes or some "brain truster" or through a mind who prepares the legislation and hands it over for adoption, but that may not mean it is coerced. These thoughts for action come to us merely, it is said, as suggestions, and it is the House which appropriates the money.

How can the House be a "rubber stamp" Congress; how can it yield itself to the domination of the administration, when it has no other wish than the one to serve the President? A body which does not do its own thinking, which has no thought of its own, cannot yield anything. It has nothing to yield. It is not even a rubber stamp—rubber, though it yields, resist. Judge for yourself the resistance of this Congress. If in doubt, ask any man upon the street and be convinced.

Mr. ANDREWS of New York. Mr. Speaker, I move to strike out the last two words. A distinguished member of the majority party, Mr. SUTPHIN, of New Jersey, is seriously ill and unable to be present on the floor. He is the author of a bill, drawn in January, which was referred to the Committee on Ways and Means, the provisions of which would cancel the interest on the veterans' compensation certificates. I feel quite sure that 90 percent of the Members of the House are in favor of those provisions. I might point out that when the Ways and Means Committee approved the Vinson bill, and when the Rules Committee approved a rule to allow consideration of both the Vinson and the Patman bills, both of those Committees approved the principles outlined in the bill introduced by Mr. SUTPHIN for the cancelation of interest on the veterans' compensation certificates.

I send to the Clerk's desk a resolution which I ask unanimous consent to have considered at this time.

Mr. McFARLANE. I object.

Mr. ANDREWS of New York. I think the resolution better be reported before the gentleman objects.

The SPEAKER. Without objection, the Clerk will read the resolution in the time of the gentleman from New York as a part of his remarks.

The Clerk read as follows:

*Resolved*, That prior to the close of today's session consideration be given by the House to H. R. 1421, a bill to provide that no interest shall be charged on loans secured by veterans' adjusted-service certificates.

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent for the consideration of the resolution.

The SPEAKER. The Chair will state there is a bill from the Ways and Means Committee now pending before the

House. Of course, the resolution is not in order. Neither is the request at this time.

Mr. ANDREWS of New York. That being the case, I will ask the Speaker to recognize me for that purpose later on.

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill?

The bill was passed.

A motion to reconsider was laid on the table.

INVESTIGATION OF PRICES OF COMMODITIES BY FEDERAL TRADE COMMISSION

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 316.

The Clerk read as follows:

House Resolution 316

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of Senate Joint Resolution 9, a joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this is a rule for the consideration of a Senate joint resolution directing the Federal Trade Commission to investigate the prices of commodities, especially as to the middleman's profits. I trust that when that Commission enters upon this investigation that it does so as speedily as possible, and it will first take up the prices of meat, about which there has been a great deal of commotion in Detroit, New York, and other places.

I now yield 5 minutes to the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Speaker, this resolution was introduced by me in January. A companion resolution was passed by the Senate several months ago and was reported from the Committee on Interstate and Foreign Commerce. At the last session of the Congress on the eve of adjournment the Senate passed a similar resolution, but on account of the short time remaining it could not be considered in the House.

As the gentleman from New York [Mr. O'CONNOR] said, this is an investigation to determine middlemen's profits. I think the House generally knows the attitude I have taken in the past on investigations, and if this were a House investigation, as is proposed by several resolutions already introduced, then I would oppose it. I think the Federal Trade Commission is the body to do this job and that it can do it.

This investigation has been approved by the Department of Agriculture. It has been approved by the Federal Trade Commission. It has been approved by the Bureau of the Budget. Finally, it has been approved by the President of the United States, and is one of the measures that he desires to have passed before we adjourn.

Mr. McFARLANE. Will the gentleman yield?

Mr. WARREN. Certainly.

Mr. McFARLANE. Does the gentleman have any information he can give us as to how nearly caught up with its work the Federal Trade Commission is, so that it can be determined when they will be able to go to work on this proposition?

Mr. WARREN. I can inform the gentleman that the Federal Trade Commission has stated that if this resolution is passed they are ready to undertake it as early as possible.

Mr. McFARLANE. Well, what does that mean?

Mr. WARREN. This fall, I am quite sure.

Some experts have said that processors and distributors receive $11.50 out of each consumer's $19 food bill. This inquiry is merely to ascertain the facts and find out who gets the consumer's dollar. I think it is proper and I think the House ought to pass it.

Mr. KVALE. Will the gentleman yield?

Mr. WARREN. I yield.

Mr. KVALE. In addition to protecting the consumer's interests, the gentleman is also interested in protecting the producer?

Mr. WARREN. Of course, because all investigations show that the producer gets an infinitesimal part of what is finally charged the consumer. We wish to be told the reason for the terrific spread, and why commodities produced below the cost of production are sold to consumers at excessive prices.

Mr. FULMER. Will the gentleman yield?

Mr. WARREN. I yield.

Mr. FULMER. Will this investigation be broad enough to ascertain the difference between the price that the farmer receives and the price that is paid by the ultimate consumer?

Mr. WARREN. Absolutely.

Mr. FULMER. In other words, today we are shipping vegetables and fruits to the various centers of the country and in a great many instances the farmers are not getting the actual expense of gathering the fruits and vegetables, and in the meantime the consumer is paying extremely high prices.

Mr. WARREN. I am familiar with the situation that the gentleman from South Carolina is now describing. I can assure the gentleman there is full provision for that investigation under the terms of this resolution.

Mr. SIROVICH. Will the gentleman yield for a question?

Mr. WARREN. Certainly.

Mr. SIROVICH. The Federal Trade Commission at the present time is doing the finest kind of work of any commission, but the Budget Director as well as Congress has cut the appropriation of the Federal Trade Commission from $2,000,000 to $1,400,000. Have we given them enough money to be able to do the work which this bill will require?

Mr. WARREN. They think they can do it with this $150,000. As I stated before, it is one of the few instances where the Director of the Budget has approved funds for an investigation of this nature.

Mr. SIROVICH. I am in full sympathy with the resolution, but I should like to see sufficient funds available so that the work can be properly done.

Mr. BOYLAN. Will the gentleman yield?

Mr. WARREN. I yield.

Mr. BOYLAN. Has the gentleman received any assurance from the Federal Trade Commission when they will take up this work? They are so far behind in their other work that by the time we get this information it will be of no value to us.

Mr. WARREN. A member of the Federal Trade Commission told me he was sure they could begin work in a few months.

Mr. MILLARD. Will the gentleman yield?

Mr. WARREN. I yield.

Mr. MILLARD. I understood the original resolution called for $50,000. This calls for $150,000.

Mr. WARREN. That is correct. After further investigation it was found that it would require $150,000, and the Senate passed it in that form, and I accepted it with that modification.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I am very much interested in this proposed investigation by the Federal Trade Com-

mission. I introduced a similar resolution demanding in particular an investigation by a select committee of the House of Representatives of the high prices of meat and edible meat products and the spread in prices between the producer and the consumer. I want to insist that the Senate resolution be amended so we may lay special emphasis upon a condition that is quite apparent to us all. In other words, I believe that since the pot is boiling in connection with the meat question the Federal Trade Commission should go into this question first and do so immediately; I propose to offer an amendment to the Senate joint resolution which will direct the Federal Trade Commission to comply with the dictum of the House.

There is very little question about the fact that the spread in prices at this time is not justified. I want, moreover, to make clear to the Members of the House that we are all interested, that unless this thing is stifled immediately these meat strikes and disturbances on the part of housewives, who justly rebel against being gouged, will spread to your own localities, and to the principal cities in this country. It is manifestly clear that there has been a price differential between some of the smaller cities and towns as compared with the large industrial cities. This is so because there is an opportunity for gouging the residents, the consumers of the metropolitan areas. So I feel it is timely for me to state, Mr. Speaker, that this spontaneous uprising, this rebellion against this unconscionable price rise is not confined to any one element, faction, or group, or nationality. It is not a question of communism or paid agitators, as was intended to be conveyed to the House by the speech made by the gentleman from Missouri in the Well of the House. But, regardless of who the objectors are, regardless of whether Communists have joined in protesting against the high prices, the fact remains that Communists like the rest of us eat meat and other food products and, therefore, have a right to object when they believe prices are excessive. I hold no brief for communism, make no mistake about that.

I think this matter should be considered very carefully and entirely upon its merits. I am sure the Members of the House will agree with me that the amendment I intend to propose should be adopted, that is, placing particular emphasis upon the needs of the moment and special and immediate treatment of the meat question. The investigation should begin in Detroit.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. SABATH. This is a Senate joint resolution and if we adopt any amendment it will have to go back to the Senate and there is the danger that perhaps the bill may not be passed.

Mr. DINGELL. I agree with the gentleman, but I believe that the Senate conferees will accept the amendment and the resolution in its amended form will pass in both Houses.

Mr. SABATH. Still, it will have to go back to the Senate for further action.

Mr. DINGELL. The Senate, I am certain, will agree to such an amendment.

Mr. SABATH. That may be so, but time is getting very limited.

Mr. DINGELL. If my amendment is adopted I understand, of course, it will require a conference, but I am sure the Senate will agree to accept the provisions of the amendment I have in mind.

Mr. FULMER. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. FULMER. I think what the gentleman has in mind will be accomplished by the adoption of the resolution.

Mr. DINGELL. It will, but it will take too much time, to satisfy me. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. BEAM].

Mr. BEAM. Mr. Speaker, in the brief time allowed to me I desire to call to the attention of the Members of the House the facts concerning this proposed resolution.

I am reliably informed that no hearings were held and no testimony was introduced before the Senate or the Interstate and Foreign Commerce Committee of the House relative to this measure. Not a single witness appeared nor a scintilla of evidence offered in support of this proposal. This rule was preemptorily issued. The only statement that was given before the Rules Committee on the adopting of this rule was made by the distinguished gentleman from North Carolina [Mr. WARREN], who said the potato industry demanded this investigation. Since that time potatoes have been made a basic commodity under the Agricultural Adjustment Act and the urgency and necessity for such a resolution as herein proposed has been eliminated.

What is the purpose of this resolution? It is true that there is a differential between what the farmer receives for his product and what the consumer ultimately pays, but it is also manifestly true that very many elements enter into this equation which must necessarily be considered before the price of any commodity can be definitely determined.

For a number of years, according to the report submitted by the committee, this differential has greatly increased. However, on due consideration and study we find many factors enter into this question which occasions this so-called "spread." During the last 15 or 20 years considerable developments and improvements have occurred in the handling and processing of food products. Transportation facilities have greatly increased. The highly developed refrigeration service which the industry today enjoys and the rise in wage levels and the improvement in working conditions play an important part in this differential. The increase in taxes are a major consideration in this computation.

This, Mr. Speaker, and Members of the House, is the cause for the difference between the price paid the producer of the raw material and the ultimate cost which the consumer is compelled to pay for the processed article.

I am as anxious as anybody in the Chamber to determine the real facts in this matter, and I suggest that this resolution be re-referred to the Interstate and Foreign Commerce Committee with the request to have a full and complete hearing. Summon the necessary witnesses; ascertain the facts, rather than on the eve of adjournment to present a resolution of this character asking the appropriation of $150,000 to conduct an investigation.

I desire to call the attention of the Members of the House to the fact that during this session just concluding we have passed measures necessitating the expenditure of huge sums of money in our attempt to break this depression and restore the country to normalcy. We have passed the Agricultural Adjustment Act, the Tennessee Valley Authority, the work relief appropriation bill, the flood-control bill, and many others, and the gains we have made in the restoration of confidence and employment to the people of America must be maintained and held at all cost.

But the question which must necessarily be the concern of every Member of the House is, "Who is going to pay the taxes for all these tremendous projects?"

We must look to industry and business for this solution. The industries of the country must absorb the large army of the unemployed. We must take the people off the dole and return them to lucrative occupation if we are to restore prosperity to the Nation.

We have had 8 months of continuous session. The uncertainty which prevails during a congressional session, relative to the various enterprises of the country, will not be dispelled or dislodged if during the interim we are going to permit Federal investigations to constantly harass and annoy the industries of the Nation and prevent them from returning to their normal production in the flow and exchange of commerce.

We are going to erect a screen of hesitancy and doubt and impair in a great manner the progress we have already made.

Every lawyer knows that in the organic act creating the Federal Trade Commission the power to investigate was therein conferred. They need no appropriation of $150,000, such as this resolution contains. Why, then, the necessity of

appropriating this large sum of money at a time when the Federal Treasury can ill afford to bear that burden?

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. BEAM. Mr. Speaker, I want to call the attention of the Members of the House to the following paragraph, appearing on page 2 of the resolution:

Whereas it is charged that said various middlemen, warehousemen, processors, manufacturers, packers, handlers, and others have violated the various antitrust laws of the United States; that they have burdened, restricted, and restrained interstate and foreign commerce and adversely affected the volume and price of farm products moving in intrastate and foreign commerce.

Since the N. R. A. Act was declared unconstitutional the antitrust laws on the statute books are back in operation and there is sufficient power in the governmental agencies which exist at the present time to investigate, if such an investigation is warranted. I submit they have ample power under existing law without the passage of this resolution and an authorization for $150,000.

I appeal to the Members of the House to stabilize business if we are to take up the existing slack in unemployment and get men off the dole.

We have to restore confidence to industry. We cannot continue to impede and restrain the industrial enterprises of the country by Federal investigations and Federal authorizations for inquisitions such as is attempted by this resolution. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. SADOWSKI].

Mr. SADOWSKI. Mr. Speaker, during the last two terms that I have been a Member of Congress I have found that the Membership of the House is made up of reasonable men. Men who are honest and sincere; men who have worked hard to bring about recovery to this whole Nation. I have found myself, together with my colleagues from other industrial districts, voting for corn bills, for hog bills, for bills to help the Indians, and the farmers who have suffered from fires out there in the West, and bills to help flood sufferers. We have voted for all those things that did not affect our district directly, but we had an interest in the whole country. The Members representing agricultural districts have likewise voted to help us in the industrial districts. We have tried to work together and I think we have accomplished something. We have increased the purchasing power of the farmer. The Members from industrial districts realize that is a necessary element to prosperity and recovery. They realize that we have to increase the purchasing power of the farmers and we have given full 100-percent cooperation in that respect.

What is happening now? The program of recovery, as far as the farmer is concerned, is liable to be destroyed. Why? Because of the legislation that we have passed? No. Not because of what we have done here but because of the profiteering and gouging of certain middlemen, processors, warehousemen, packers, and others on food, which is a necessity to the consumer. This is what is going to destroy the relief program for the farmer. The consumer is going to rebel.

Let us look at the facts and figures. The consumer in 1932 paid out over $19,000,000,000, of which the farmer received $7,500,000,000. Any reasonable man will say there is something wrong there. We have had a like experience during the war. We know that certain people who work in between the farmer and the consumer are interested in profits and unless you can regulate them or unless you can watch them and supervise their actions they are going to bleed the last dime out of the consumer. The farmer does not get it and the consumer knows he has been wronged.

Mr. Speaker, in my district I had 5,000 women meet out in the park just about three blocks from my office protesting against these high prices. There is no reason for these high prices on meat. I know and you know there is no processing tax on beef. The price of beef has not gone up unreasonably high so far as the price paid to the farmer is concerned. You can still buy cows at 4½ cents. There is no excuse for beef going up to 40 or 50 cents a pound.

The cost of marketing has not gone up so high. The price of meat has increased in some cases 350 percent to the consumer in these various cities. There is something wrong. For years we have tried to get an investigation of this kind, but always the packers and the middlemen have been able to defeat these resolutions. I was raised on a farm and I know something about a farm. I used to shuck corn, cut sugarcane, dig sweetpotatoes, milk the cows, and feed the pigs. I know something about the farmer's problem.

I represent an industrial district. I am representing the consumers today, and this is of interest both to the consumer and to the farmer. Their future is at stake under this bill.

The Federal Trade Commission is one of the most useful, most efficient, and hardest-working commissions in the Federal Government. Judge Ewin Davis, the Chairman of the Commission, spent 14 years in Congress, and is personally acquainted with the problems that face the Nation today. I know that you will agree with me that there is no department or commission that we would rather have look after this most important investigation than the Federal Trade Commission. There is no department in the Federal Government that can give us facts and figures on the amount of tribute that is levied by the packers and processors against the farmer and the cnosumer for handling food products.

It is true that the Agriculture Department can furnish us with reports on the packers; but of what value are they? How do they arrive at these figures? Well, I will tell you. The packers send their own reports to the Agriculture Department, made up by the packers' own auditors and attorneys. That report is then submitted from the Agriculture Department to the Members of Congress. We are entitled to know the facts.

Profiteering on luxuries is one thing, but profiteering on food, which is a necessity for every human being, is another. This cannot be tolerated.

The last appropriation bill passed by the House yesterday, of course, did not contain the appropriation for this investigation. The Appropriations Committee cannot make the appropriation until the resolution has been signed by the President. I sincerely hope that the House will speedily pass this resolution, and I shall make it my personal business to bring it to the attention of the President for signature, so that we can include it in the appropriation bill before it leaves the Senate and comes back to the House for final approval.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, I am sorry we did not have hearings on this resolution, because I know the hearings would have been very illuminating, but to anyone who has been closely allied with the farm industry and the food industry of this country during the past 15 years, it is not necessary for that particular individual to have any hearings to realize the necessity for this resolution and for this investigation. There is a necessity for it for three reasons: One in the interest of the consumer, one in the interest of the producer and middleman group, and the other in the interest of the growers of agricultural, or what you may term "food" products.

If you will take the balance sheets and the operating statements of the food processors and distributors of this country you will find that without exception the lower in the scale of living the farmer goes, the higher the net profits of the processors and the middlemen handling the food products grown by the farmer. This is such A B C stuff to the man in the business who watches these things that it hardly needs to be questioned at all.

Our colleague the gentleman from Illinois asked the question a while ago, Who is to pay the taxes? Here is a

little tax statement which was paid by a farmer just a short time ago, and his rate of taxation is $20.90 per $1,000, or $2.09 per $100. How do you expect this man to pay these taxes, and I am referring only to State and county and State school and university taxes? Where the property is worth $5,000, he is paying $533 a year, provided he can get it. This is an illustration of what our charges are going to.

If your municipalities are to be maintained and your States maintained and your counties maintained, the man on the farm will have to pay taxes. He must get the money with which to pay taxes from the sale of his labor in the form of the products which he delivers from his farm.

There is too much of the consumer's dollar going to the processor, the warehouseman, the commission man, and the broker. If you do not believe this, you come to my office here in Washington and I will show you my own records, where, as a processor and as one engaged in that part of our industrial activities, I can show you evidence you cannot dispute.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. In just a moment.

Then, I will show you cost statements and financial statements of other processors who are competitors of mine, and I will show you some of the rigging done, and what is the reason I said awhile ago that this investigation should be made to protect the processor and the middleman and the warehouseman and the broker from some of the things that he is doing? Here is something for us to think about as Republicans and as Democrats. It is something I have thought about a great deal. Why is it that in 1930 and 1931 and 1932, when we had in this country the highest protective duties in our history, the scale of living of the agricultural worker dropped to its lowest ebb?

Somebody answer that for me—not now, but answer it next January or February or March. It is one thing to pass protective laws—and when I say protective laws, I mean tariff laws—it is another thing to make such tariff protection effective down into the pocketbooks and the living standards of the man in whose name the protection was granted, whether it be the farmer or the factory worker. This is something for us to think about.

Now, we may start an investigation of this kind and find that we have high protection on goods that might come in against the farmer, but we may find that all of the protection and all of the benefits are going to the processors and those who operate on the food products which the farmer grows.

Now, do not misunderstand me. The farmer must have factories in which his goods may be processed. He must have an exchange machine, and I am not one who believes in destroying the factories or who believes in destroying the exchange machine, but I am one who believes that the farmer is entitled to his fair share of the consumer's dollar paid for food.

I now yield to the gentleman from Oklahoma.

Mr. NICHOLS. I am very much in sympathy with this legislation and I think we all agree that the differential is too great between the producer and the consumer, punishing probably everybody between, but will the gentleman tell the House, in the event that after this investigation is made the Commission finds all of the conditions to be as bad as the gentleman can imagine, what is then the process or the means that this House should take in order to correct this condition, after they find things to be in such shape?

Mr. CRAWFORD. What the means will be, I do not know. It may be a different political party in charge. It may not be the same group at all. If I can believe what a lot of farmers tell me, probably we will not be here and therefore I do not know what the future legislative bodies will do.

Mr. NICHOLS. The gentleman understands that I am sincere in the matter.

Mr. CRAWFORD. But if the farmers of this country are to continue to pay tribute to a machine of economics which does not leave them a reasonable standard of living, compared with the standard enjoyed by the other people of our country, then I think they should probably take steps themselves to correct the situation.

Mr. NICHOLS. The thought I had in mind was that the gentleman had considered the matter far enough so he could give us an idea whether we could by legislation control the matter.

Mr. CRAWFORD. I think we can control it, without any question whatsoever, within the provisions of our Constitution as it stands at the present time.

Mr. McFARLANE. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. McFARLANE. Believing that there is a wide differential, the point is this. We have enacted legislation for the processors and the manufacturing group Nation-wide. Why cannot we enact the same kind of legislation and give the producers of wealth an equal opportunity to live?

Mr. CRAWFORD. All the farmers want is a chance to earn and own. When his form of government, whatever it may be, will not leave to him the privilege of earning and owning, he will be down and out.

Mr. FULMER. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. FULMER. What the gentleman is complaining about is the highway robbery that goes on between the producer and the consumer.

Mr. CRAWFORD. I think in a great many instances the processors are taking what might be termed "sheer loot."

Mr. FULMER. I understood the gentleman to say that he thought that the benefits of the tariff should go to the laborer.

Mr. CRAWFORD. That is my feeling about the matter if the protection is granted in behalf of the farm and factory workers. I have already directed the farmers in my district in this line of thought, that the protective tariff law is no good to them until the benefits of that protection are flowing into their pockets. We should not only vote for protective tariff laws but should vote and see that the benefits are carried on down.

No processor ought to object to that, because the protected industry lives by willingness of the people to let that industry be protected. When you remove the protection the protected industry is closed. If I am operating a protected industry, I should be willing that the farmer should have his fair share of the profits that come from it.

Mr. WEARIN. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. WEARIN. The opponents of the resolution seem to be proceeding on the ground that the investigation might do some terrible harm to the processors. If there is nothing wrong with their operations they should have nothing to fear.

Mr. CRAWFORD. More for the benefit of the processor than the producer.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, my colleague a few minutes ago apparently seemed to be carried away by misinformation disseminated by the American Liberty League and a few other enemies of progress. He made the unfortunate statement that this and similar legislation will retard the progress of the Nation. For his benefit and for the benefit of the country I have had compiled a few figures to show that business and profits have increased from 100 percent to 500 percent since President Roosevelt was inaugurated. For instance, rails were quoted at 45 in 1932 and 87 now. Industrials 40 then and 99 now. Utilities that were so much abused 64 then and 98 now. Those figures are on bonds. In stocks, industrials were 17.5 and they are 65 now; rails were 8.7 and they are 27 now, utilities were 23 and today are 38.

Time will not permit me to direct attention to the many willful and malicious detractions on the part of a few specially organized associations, including the American Liberty League, who are expending tremendous sums of money which they have obtained from the avaricious vested interests,

banking institutions, and corporations. They are continuously, in every conceivable manner, willfully and deliberately sending out misinformation, garbled reports, and misleading statements against the President and on legislation which he has been advocating. If they had the interest of the country at heart, they would be obliged to admit and concede that it was President Roosevelt who, determinedly and courageously, in the face of the utter collapse of our largest and foremost banking and financial institutions, of our leading railroads and insurance companies, and of businesses in every line, saved the country from complete destruction and financial ruin.

Mr. Speaker, the daily financial reports give the lie to the insidious propaganda that the President's policies and legislation are retarding business. The best proof of this can be found in the circular issued by the General Motors Corporation, which is in line with other circulars sent out by the big industrial leaders. In that circular they express great fear that the pending legislation, if enacted, will spell destruction. But, lo and behold, we scan the headlines of newspapers in every part of the United States and, in similar vein, read:

General Motors doubles dividends. Will disburse $32,000,000 to its stockholders.

Another headline reads:

Seven months' sales by General Motors expand 27 percent over same period in 1934.

The progress and recovery in many other lines of business is just as pronounced, as is evidenced by the headline which I quote:

Sears, Roebuck sales have 26-percent gain.

The same day an article appeared in the financial pages of one of our large cosmopolitan dailies, which I cannot take the time to read, but briefly it reported that 26 concerns, most of which suffered losses in 1931, 1932, and 1933, are on a pre-depression-dividend basis, namely, paying the same dividends as before the Republican crash of 1929.

Another heading:

Domestic rayon shipments during July rose 12 percent.

Most reassuring was the article itself, which stated that the increase in shipments was more than a seasonal gain, and that it was estimated the world rayon production during the first 6 months of this year increased about 24 percent over the corresponding period of last year.

Mr. Speaker, I could quote from 100 articles bearing on the progress in other lines appearing in the press daily recounting the wonderful progress that is being made under President Roosevelt and the Democratic administration. These articles are based on authentic financial reports and statistics, reported by licensed certified accountants, and therefore true beyond question of doubt. A comparison of these financial articles with the newspaper editorials and vicious propaganda published by these newly organized, vested-interest, antiadministration associations will strikingly show the baseless and deliberate distortion of facts and the too evident attempt to becloud in the minds of the masses the actual recovery and progress that has already set in.

I therefore repeat, it is to be deplored that these benefited industries and industrial leaders should be devoid of any honor or sense of fair play. How can they justify the expending of large sums of money taken from the treasuries of these large corporations, which belong to the stockholders, to continue their attacks against the President and the administration? They will awaken and realize that their dishonest efforts are foolhardy and will be resented and condemned by all fair-minded Americans. [Applause.]

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, first I congratulate the gentleman from Illinois [Mr. BEAM] on his statement a few moments ago with reference to condition of the Treasury, and what we should do in the conservation in expenditure of funds. I call attention to the statement made yesterday by the gentleman from Texas [Mr. BUCHANAN] chairman of Appropriations Committee that the House has appropriated during this session of Congress $10,300,000,000. Yesterday we appropriated in the deficiency appropriation bill $92,000,000, and then you know what an ordeal and scene we had in the House last night during the "pork barrel" Flood Control Committee bill consideration when we appropriated about $450,000,000 more. The fact of the matter is that we have appropriated close to $11,000,000,000 in this Congress, and when you consider the statement of the United States Treasury issued by Mr. Morgenthau, you will see that on August 15 our indebtedness was $31,000,000,000. That is $29,000,000,000 deficit plus the $2,000,000,000 that we charged off last year in gold devaluation. If the statement made by the gentleman from Illinois is not true, then I want the membership of the House to wake up, because we cannot afford to go on spending the money of the Federal Government when we have no money to spend, and when I think that the appropriations of this Congress are 50 percent more than the expenses of the Federal Government last year, I wonder what the people of the Nation think of us as Members of Congress; as a whole it must be very, very bad. Yet today there will be requests made for unanimous consent to spend millions of dollars more. If anybody is going to get away with it today, then he is going to be better than I am, because a few of us Members will stay here to stop these unanimous-consent requests, and I make this statement so that gentlemen will not come here and ask for unanimous consent for proposals costing great sums of money. I do not want to do anything detrimental to any one particular Member of the House. I have no desire to hurt any individual Member. I say that we can yet save this country from financial ruin if we will only do it. I hear Members of the House say that we have gone so far that there is no use trying to do anything to save our credit, to save our financial standing. God forbid that we have gone that far. We are going to stay here and fight to preserve it. We are going to fight until the last bell rings before we give up, and I am going to stay here every minute today and if anyone gets by with a unanimous consent request a bill that will cost the Government money that is not a worthy, meritorious project, he is going to be a dandy, unless he can give us a real honest-to-goodness reason why his bill should be passed.

Mr. HOFFMAN. Where is the money coming from?

Mr. RICH. I have asked that question time and time again. There is no man in the House who will venture an answer. We put through a tax bill providing $250,000,000. The people back home are kicking on that. I say to the people back home that the Members of Congress ought to put in a tax bill here for three to five times that amount, and I warn the people back home that in 3 or 4 years it will be imperative to have a tax bill five times as great. I say to the Members of the House, for goodness' sake stop our ruthless expenditure and wastefulness in appropriation of the taxpayers' money.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Speaker, it is common knowledge that there is too much spread between prices paid to the farmer and prices paid by the consumer. All of us admit that. I believe that one of the chief reasons we have not enacted effective legislation to reduce that spread is because we do not have sufficient data and information on which to base such legislation. The Federal Trade Commission, with the adequate funds appropriated by this resolution, will be able to provide us with facts on which remedial legislation can be based.

Mr. CRAWFORD. Is it not true that during the last few years we have gone out and gathered in more information, statistical and otherwise, on which to base legislation of this kind than ever before in the past 50 years?

Mr. WITHROW. Probably so; but there is a great deal remaining to be done.

Mr. CRAWFORD. I agree with the gentleman.

Mr. LUCKEY. I am very much in sympathy with this measure. Does this resolution permit an investigation into the price of farm machinery?

Mr. WITHROW. I believe it does.

Mr. LUCKEY. The farm-machinery prices are just as high as they were during the war, and 100 percent higher than they were before the war.

Mr. WITHROW. Yes.

Mr. LUCKEY. And that is in this investigation?

Mr. WITHROW. Yes. The subject of high farm machinery prices is one in which I have been interested for some time; in fact, my resolution directing the Federal Trade Commission to investigate into that matter has been pending before the House for the past 5 years. I am hopeful that a thorough study of this matter can now be made under the resolution which we are at present considering.

With further reference to the necessity for action to protect the interests of both farmers and consumers I take the liberty of reading a portion of the report of the Senate Committee on Agriculture and Forestry with reference to this resolution. I quote:

Under this resolution, it will be the duty of the Federal Trade Commission to analyze and allocate the costs of producing and distributing foods to the American consumer. One statistician has estimated that it cost the final consumer of five major American farm products in 1932, $19,021,000,000. That is the sum the consumer paid to the retail merchant. Of this total sum it is estimated that the farmer received but $7,566,000,000 and that it cost somewhere in the neighborhood of $11,500,000,000 to get the farmer's products to the consumer. The distressing part of this situation is that apparently the farmer is getting a smaller and smaller share of the consumer's dollar. For example, it is estimated that—

"In 1928 the farmer got 47 cents of the consumer's dollar; the distributor and processor 53 cents. It has been stated from all authoritative sources that in 1931, before the depression had gotten under full way, only 2 years later, the farmer got 38 cents out of the consumer's dollar, instead of 47 cents, while the processor and distributor got 62 cents. Stepping up again to 1932, just 12 months later, the farmer got only 33 cents, while the distributor and processor got 67 cents. In other words, from 1929 to 1932 the share of the farmer fell from 47 cents out of the dollar to 33 cents. Now, if you multiply that by billions, you get an indication of the colossal slump in agricultural income and the colossal increase in the distributor's share. This downward drift has been reversed to some extent in 1933 and 1934. In November 1933 the farmer got 36 cents of the consumer's dollar, while the distributor and processor got 64 cents. In January of this year, 1934, the farmer's share is again 36 cents of the consumer's dollar."

It is of interest to note that if the gross farm income is in the neighborhood of $5,000,000,000, each one of the citizens of the United States pays the farmer a little less than a dollar a week for his entire food supply. On the other hand, he pays to the distributors and processors of this food supply almost $2 a week.

Charges have been made that the processors and distributors of food supplies, now largely united in huge combines, have attained their present greatness in part by consistently watering their capital structure. Statements have also been made that some of these concerns could not show an original cash investment reaching company coffers of more than 10 percent of their present capitalization and that this position applies with equal force to the oldest and newest of the food combines, while the demand is insistent that dividends be paid not only upon the cash actually invested in the company but upon all watered stock as well. While the farmer got less, many of the food concerns handling his output paid larger dividends and larger salaries and larger bonuses to their officials throughout the depression.

It is the purpose of this resolution to study and ascertain the facts. The resolution calls for an explanation of the method and devices used by such corporations for obtaining and maintaining their alleged control of the farm commodities. It would expose the extent to which fraudulent and unfair methods are employed in the grading and warehousing of these products. It would study the question of whether there is price fixing and manipulation of prices as charged on the commodity exchanges. Finally, the resolution would call for a report upon remedies. It directs the Federal Trade Commission to report on the extent to which cooperative agencies have entered into the processing and marketing of farm products and to the extent which other countries have adopted or promoted marketing agencies of a public or cooperative sort for the simplification and cheapening of processing and distribution charges.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. MONAGHAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of Senate Joint Resolution 9, authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally.

Mr. O'CONNOR. Mr. Speaker, pending that motion I should like to ask unanimous consent to dispense with the 1 hour of general debate, and let the bill be read under the 5-minute rule. There will be plenty of time to discuss the bill under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. O'CONNOR].

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Montana [Mr. MONAGHAN].

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of Senate Joint Resolution 9, with Mr. ARNOLD in the chair.

The Clerk read the title of the Senate joint resolution.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that the first reading of the resolution be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Whereas the decline in agricultural income and the unsatisfactory condition of agriculture and of those engaged therein is a matter of increasing concern to the Congress, and affects the general welfare of the Nation and its citizens; and

Whereas in recent years the agricultural income has decreased while the earnings and profits of concerns processing or dealing in certain lines of farm products have increased or declined only moderately; and

Whereas there has developed an increasingly large proportionate spread between the prices received by the farmer for his products and the prices paid therefor by the consumer; and

Whereas, according to the latest statistics of income published by the Bureau of Internal Revenue, 22 large corporations reported making over 45 percent of the gross sales of all corporations engaged in the processing and manufacture of food products in 1931, and 102 large corporations reported making 60 percent of the gross sales of such corporations; and

Whereas it is charged that monopolistic, oppressive, and unfair methods and practices of various middlemen, warehousemen, processors, manufacturers, packers, and handlers are in whole or in part responsible for the conditions above described, and that wasteful and uneconomic methods have contributed toward bringing about these conditions; and

Whereas it is charged that said various middlemen, warehousemen, processors, manufacturers, packers, handlers, and others have violated the various antitrust laws of the United States, that they have burdened, restricted, and restrained interstate and foreign commerce and adversely affected the volume and price of farm products moving in intrastate and foreign commerce; and

Whereas it is charged that many lines of processing, warehousing, and/or dealing in farm products are so dominated by a handful of large concerns as to impede the free flow of interstate and foreign commerce to the detriment of both the farmer and the consumer; and

Whereas it is charged that through the payment of high and excessive salaries and other devices said middlemen, warehousemen, processors, manufacturers, packers, and others escape just taxation by the United States, that said salaries tend unduly to diminish the tax revenues of the United States and tend to burden and restrain interstate and foreign commerce in farm products, and to divert and conceal the earnings and profits of the concerns paying said salaries, and that by various devices those receiving said salaries escape their just share of Federal taxation; and

Whereas it is believed that the Congress should consider whether new legislation should be enacted or existing legislation amended on any of the subjects hereinbefore described and in aid thereof should be informed on all of said subjects: Therefore be it

*Resolved, etc.*, That the Federal Trade Commission is hereby authorized and directed to investigate and report at the next session of Congress—

First. (1) The extent of the decline in agricultural income in recent years, including the amount and percentage of such decline;

(2) The extent of the increases or decreases in recent years in the income of the principal corporations engaged in the sale, manufacturing, warehousing and/or processing of the principal farm products, and of the other principal sellers, manufacturers, warehousemen, and/or processors of the principal farm products, as compared with the decline in agricultural income, including the amount and percentage of such changes; and

(3) The proportion of total consumer cost of representative products manufactured or processed from the principal farm products which is represented by the proceeds received by (a) the farmer, (b) the manufacturers, processors, and warehousemen, and (c) the distributors and such principal farm products and such representative products manufactured therefrom.

Second. The financial position of the principal corporations engaged in the manufacturing, processing, warehousing, distribution, and marketing of the representative major products manufactured from such principal farm products, including—

(1) The capitalization and assets of such corporations and the means and sources of the growth of such capitalization and assets;

(2) The investment, costs, profits, and rates of return of such corporations;

(3) The salaries of the officers of such companies; and

(4) The extent to which said corporations avoid income taxes, if at all, and the extent to which officers receiving such salaries paid income taxes thereon.

Third. The extent of concentration of control and of monopoly in the manufacturing, processing, warehousing, distribution, and marketing of representative major farm products which is maintained or has been obtained by any corporation or other organization, including—

(1) Methods and devices used by such corporations for obtaining and maintaining their control or monopoly of the manufacturing, marketing, processing, warehousing, and distribution of such commodities, and the proportion of any such major farm commodity handled by each of the large units involved; and

(2) The extent to which fraudulent, dishonest, unfair, and injurious methods are employed in the grading, warehousing, and transportation of such farm products, including combinations, monopolies, price fixing, and manipulation of prices on the commodity exchanges.

Fourth. The extent to which the cooperative agencies have entered into the processing, warehousing, and marketing of representative major farm products and the general effects of such cooperative agencies upon the producer and consumer.

Fifth. The extent to which other countries have adopted or promoted processing, warehousing, and marketing agencies of a public, quasi-public, or cooperative sort for the simplification and cheapening of the processing, warehousing, and marketing of agricultural products, and other administrative agencies which may have been set up for the protection of the farmer-producer and the consumer.

Sixth. Any conclusions and/or recommendations with regard to increasing the income of farm producers or other recommendations with regard to the improvement of the economic position of farmers or consumers growing out of the inquiry.

Mr. MITCHELL of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have not taken a great deal of the time of this House in discussing measures that have been pending. I am interested in this particular piece of legislation and doubtless every Member of the House is. The home owners and the farmers are the foundation stones upon which we must build the future. Ordinarily I do not favor appropriations of this kind, because, as a rule, they result in a waste of the taxpayers' money, largely. But this is an important investigation, if it is effectively conducted, as I have no doubt it will be, in the interest of fairness to the producer and likewise to the consumer.

By way of parenthesis I want to agree with some of the things that have been said with reference to the expenses of Government in this present session of Congress. I share the conviction that we are spending too much of the taxpayers' money by virtue of the appropriations we have made. This should cease.

I wish to be permitted to call the attention of the House to a bill (H. R. 8385) which I introduced on the 6th of June, and upon which I have been unable to secure a hearing before the Committee on Appropriations up until this time. It is on all fours with the present proposed legislation. It affects the farmer, the manufacturer, the consumer, and every citizen of America. The bill would do nothing more nor less than provide a stabilization employment fund. The measure contemplates the setting up of such an agency by the President, in the sum of $1,000,000,000 of the $4,000,000,000 heretofore appropriated to loan to business and to private industry and to the farmers and others in America. It is germane in considering this particular resolution, because the farmers of America complain today that the relief measure takes from them many of the laborers they could otherwise employ. The passage of this bill would remedy that. I ask unanimous consent, Mr. Chairman, to be permitted to insert it in the RECORD at this point. It is a short bill, of only two paragraphs.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The bill referred to is as follows:

A bill to promote increased employment and stimulate industry

*Be it enacted, etc.*, That Public Resolution No. 11 of the Seventy-fourth Congress (H. J. Res. 117) (making appropriation for relief purposes) be, and the same is hereby, amended as follows:

"That $1,000,000,000 of the funds appropriated in the above-referred-to joint resolution be, and the same is hereby, allocated to the President of the United States to be used in the creation of a stabilization employment fund.

"SEC. 2. The President of the United States is hereby authorized to contract with any private employer or employers who meet the terms and agreements prescribed by the President to employ such additional employees at prevailing wages, with the express agreement that the said employer or employers shall be reimbursed by the President of the United States from the above-referred-to Stabilization Unemployment Fund, such financial loss as said employer or employers shall have suffered in the payment of wages, and which loss is proven to be directly accountable to said increased employment."

Mr. MITCHELL of Tennessee. Of this fund the money would be made available to the producers, to industry, to private business, and to anybody else engaged in business who would employ additional helpers or workers.

The President by the bill would be authorized to encourage industry of all kinds by taking men from the relief rolls and off the dole, putting them again into private business. It would result in taking the Government out of business. It would encourage the taxpayers, who are forced to bear the burdens and expense of government. The measure authorizes the President to set up a stabilization employment board and have the business men of America, the farmers, and all others who would avail themselves of its provisions, go to those in charge of the relief work and take from the rolls those now employed in such work as the Government has found for them to do, much of which is a complete loss, and to again employ them on the farm, in the store, the mill, or factory. It would enable these men to again earn their own living. They would be kept for a period of, say, 12 months, and paid the prevailing wage scale that others receive for similar work in that community; and if at the end of 12 months the employer, when he makes out his income-tax report or other sworn statement, shows he has incurred a loss by reason of the extra help employed, the Government would then reimburse him to the extent of the loss incurred due to such extra employment. If he makes a profit, then everybody would be happy and the taxpayers would be saved a loss they are now certain to sustain if this bill is not enacted.

Men who are again reemployed in private industry and business will become better and more useful citizens in the future. They will become once again independent and sovereign. They will have regained confidence in themselves. They will have acquired the habit of making their own living and be again free and independent from charity.

Many prominent business leaders throughout the country have endorsed the bill. A number of newspapers have advocated its passage. The chambers of commerce in different cities of the United States have requested copies of the bill and have by resolution endorsed its provisions. Prominent members of the Cabinet, leaders in both the House and Senate, have endorsed it. There seems to be universal approval of its provisions. The R. F. C. could be designated by the President to enforce its provisions and afford the mechanics of its enforcement. The cost would be small compared with the loss that will be sustained by the taxpayers if it is not enacted. I think the President has the authority, under the provisions of the unemployment-relief bill, as it passed the House and Senate, to direct at this time the use of these funds, or such amount as he sees fit, out of

the $4,000,000,000 already appropriated. I do not think the passage of my bill is necessary except it would make it mandatory on the President to so apply the funds which I know would be most heartening and encouraging to the business world. I know it would help industry. I know it will improve business. I know it will encourage the taxpayers, and I am equally certain it will encourage the unfortunate men and women of America who are now forced to be on the dole and who would be happy to once again take their places along with their fellows in private industry and employment. They would again enjoy the fruits of their own labor. Nothing is so helpful or inspiring as the dignity of honest toil. It is in keeping with the Divine command, "Six days shalt thou labor and do all thy work" and "In the sweat of thy face shalt thou eat bread." Happiness alone comes as a result of honest toil in whatever field of endeavor we may be placed. Let us make this available to our unfortunate brothers in this hour of their distress and anxiety.

If, as a result of H. R. 8385, we increase manufactured goods, as will be the result, then I have introduced a companion bill, H. R. 7838, which seeks to provide a foreign market as an outlet for our products of all kinds. This bill would authorize the erection of suitable market places in which manufacturers, exporters, producers, and growers of American products may exhibit same, solicit and fill orders in foreign countries. These market places would be erected in such countries only as the Secretaries of State, Commerce, and Agriculture agree there is a prospective export business to justify the same. Such market places, when erected, would be leased by the Government to the manufacturers and exporters where their products and the merchandise would be exhibited. The rental coming to the Government out of the stalls or booths so erected would retire the investment in a few years, and then suitable steps could be taken if desired by Congress, to convey the market places to those who had previously rented and profited by the same. The Government would then move out of the picture and private industry step in.

I think these two bills would be helpful to all America at this time and I am most anxious to have the provisions of same become the law. I regret that the committee to whom the bills were referred have refused to grant me a hearing on same after repeated efforts on my part to have them do so. I do not doubt that the passage of these measures would result in the saving of millions of dollars and the improvement of business generally throughout the country. Certainly they would be a relief to the distressed taxpayer, who has now become the forgotten man. He is entitled to our consideration, and we should come to his relief at this time.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I was very much surprised at the remarks of the gentleman from Illinois, my good friend, Mr. BEAM, a few minutes ago. The gentleman from Illinois represents one of the largest meat-packing districts in the United States.

When we held hearings on the Agricultural Adjustment Act, the bill that I introduced in Congress, representatives of these packers appeared before the Agricultural Committee opposing the bill, especially the processing tax. Certainly everybody knows that the tax has not been paid by the packer or processor of hogs. Meat packers, cotton mills, and other processors, however, regardless as to whether they have made the producer or consumer pay these taxes, are now claiming that they have paid these taxes, and many of them are now suing the Government to recover millions of dollars that, if illegally collected, belong to producers and consumers, and not the meat packers, cotton mills, and other processors.

Not only the meat packers and textile industry but all handlers of farm products opposed the bill at the time of its passage, and they have continued to complain, keeping the newspapers full of propaganda against the processing tax, the farmers' tariff.

The people whom the gentleman from Illinois represents should be demanding this legislation, and their Congressman should be fighting for its passage, instead of trying to defeat the bill.

I have challenged the propaganda put out by the representatives of these processing industries and the statements made here on the floor of this House by the representatives of the New England textile mills, who have been making complaints, almost daily, in line with the propaganda carried in the press.

I quote from a speech made by me April 24, during this session:

> It has been charged on the floor of the House during the past few weeks by those representing the New England textile mills and by the gentleman who preceded me, Mr. FISH, of New York, that the processing tax is destroying the textile mills of New England and of the South. Prior to 1933 we had no processing tax, yet many of the textile mills of New England and of the South commenced to slow down and close their factories. I would be glad if the gentleman will tell me why these mills closed at that time.
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> Mr. MARTIN of Massachusetts. Will the gentleman yield?
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> Mr. FULMER. I will be glad to have the gentleman answer the question.
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> Mr. MARTIN of Massachusetts. May I say to the gentleman that I will be glad to participate in any investigation which will go thoroughly into the cotton-textile industry as a whole, including the growing of cotton. I would not want the investigation to be so long delayed that when we get a report there will be no textile industry left. Does the gentleman not agree with me?
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> Mr. FULMER. I agree with the gentleman that we ought to have a thorough investigation, and we should have it promptly.
>
> Mr. Chairman, the time has come for a showdown, and I am willing to go to the last ditch in a thorough investigation from every angle that applies to the whole problem. This administration is entitled to the facts in that, as stated, much misinformation is being carried to the country by the press, by form letters, and even books that are now being printed on this subject. I am sure that our great President, who is leading this country out of poverty and misery with every possible opposition against him by the very people that are responsible for the serious condition that was brought about under a Republican administration, wants the real facts. The Congress of the United States and the people of this country are entitled to know the facts.

I have been a producer of farm products all of my life and have been engaged in buying and selling farm products for many years. I want to say to you, Mr. Chairman, that the thing that producers need today more than anything else is an up-to-date marketing and distributing system. This would also be a tremendous help to consumers. It is my belief that the only way we will be able to get legislation to bring this about is by having this investigation. You need not worry about General Motors or any other well-organized and well-financed group. They have an up-to-date marketing and distributing system. They are able to properly market, distribute, and fix prices. They are able to secure fair prices and make profits regardless of what becomes of producers and consumers.

Farmers, many of them, know nothing about proper grading, where the demands are, or the responsibility of the handlers of their products in markets other than their home markets.

We have been passing agricultural legislation, largely emergency measures, since the election of Mr. Roosevelt. Many of these bills have been very helpful, but none of them can succeed and become lasting unless we have a proper grading, marketing, and distributing system.

I have been urging this for a number of years, and I am glad to see this move for an investigation to ascertain the facts in connection with this problem, so that the Congress may be able to pass legislation to remedy this sad and serious situation. When we talk about doing things for farmers in line with what all well-organized groups are doing to protect their interests, we find many Members in accord, but they state, "Let the farmers do it."

You know and I know that farmers have never been able to organize, and I venture to state that they never will be, therefore, they are unable to do these things.

All industrial and business groups are able to and they do increase or decrease their business in line with economic conditions and based on demand, for their products, but not so with farmers. All industrial and business groups are well posted as to the economic conditions, the trend of business, and, as stated, they govern themselves accordingly. This is

not true with the great masses of producers. In the meanwhile, producers of agricultural products have everything beneath the earth, on top of the earth as well as above the earth to contend with, and are unable from month to month to tell just what will be harvested when the harvest period arrives. If farmers produce a short crop and prices are good, they have not the products and there is no way on the face of the earth to increase their output like industry and business. If farmers are blessed with a good crop, prices are usually low and these products pass on into the hands of processors, speculators, and middlemen and they are unable to reap the reward that belongs to those who sweat blood during long hours to feed and clothe the world. In the meantime, as stated, the shorter the crop, the higher the price to the helpless consumer, and when farm prices are low, because of a good crop, it means but little to the consumer, who has to pay the price fixed by processors, speculators, and middlemen.

There are many things that can be done along constructive lines that would help farmers and that would tend to cut the price on farm products to consumers. However, as stated on many occasions on the floor of the House, those of us who are interested in doing these things cannot get by on account of so many Members apparently being more interested in these well-organized groups than they are in farmers and consumers, and, as stated, we are always confronted with the advice from many Members, "Let the farmers do it."

For a number of years I have been trying to pass a "net-weight bill" which would save millions annually for farmers producing cotton in freights and other waste. This legislation would permit the using of cotton bagging instead of old jute bagging that is imported from India, but we have too many Members from the South not concerned and too many Members representing the Jute Trust opposing this legislation. This legislation is endorsed by farmers, agricultural commissioners, co-ops, cotton merchants, textile mills; and this week the President's committee appointed to investigate the complaints of the New England textile mills, in their report, endorses "net-weight basis" in selling cotton. I am wondering what you are going to do about this next January, when I call upon you to support the passage of this bill.

I have a bill pending with the Interstate and Foreign Commerce Committee, and it has been pending for several years, proposing to bring about high density gin compression in baling cotton. This would cut freight rates and warehouse charges considerably, all of which would help producers and consumers; but I am unable to even get a hearing thereon. I am hoping that this investigation will cover all of these matters, including discriminatory freight rates against the South, and that the report will be so convincing that it will enable me to get favorable action on these important bills.

I tell you, gentlemen, the position of producers and consumers is pitiful, and it is a disgrace on the part of the Congress and the Government of this country to permit the highway robbery that is now going on somewhere between the producer and the consumer that has been and is forcing producers and consumers into such circumstances that they are not able to enjoy the many good things that they are entitled to or even live on an American standard of living.

I want to tell you, my friends, that something will have to be done to remedy this unfair and intolerable situation. We have had many labor strikes, and farmers and consumers are going to follow suit unless they are permitted to receive that which they are clearly entitled to—that is, fair prices, fair returns for their labor, their rightful place in the picture. If this, which appears to be their last resort, is the only means whereby they will be able to get a square deal, you can rest assured that serious problems are facing those of us who are entrusted with passing legislation, both State and National.

My people have been and are producing not only major crops but the finest quality of fruits and vegetables, but why should they continue under the treatment that they are now receiving at the hands of those who operate between them and the consumer? I constantly receive letters from producers and shippers of farm products complaining about unfair prices and that in a great many instances, instead of receiving a check, they are called upon to pay the freight. I know what I am talking about; as stated, I am a producer and a shipper. With all the experience I have had in shipping farm products I find myself just as helpless as any other farmer or shipper under the present marketing and distributing system.

Let me give you just one example. I want to refer to a shipment of beautiful honeydew melons shipped to a commission merchant here in Washington.

You know what honeydews have been costing the consumer here in Washington. Many of you know from your own experience in buying for your own homes. Take a look at these invoices:

[Specialists in fruits and vegetables. Quick sales and prompt returns]

Received, Washington, D. C., 10:30 a. m. July 24, 1935.
Sold for account of H. P. FULMER, 110 Maryland Avenue NE.

| | | |
|---|---|---|
| 35 crates honeydews | | $22.75 |
| Charges: | | |
| Express | $18.20 | |
| Commission | 2.28 | |
| | | 20.48 |
| Net proceeds (check enclosed) | | 2.27 |

Important: Always mail us notice the day you make shipment.

[Specialists in fruits and vegetables. Quick sales and prompt returns]

Received, Washington, D. C., July 25, 1935.
Sold for account of H. P. FULMER, 110 Maryland Avenue NE.

| | | |
|---|---|---|
| 45 crates honeydews | | $29.75 |
| Charges: | | |
| Express | $23.40 | |
| Commission | 2.98 | |
| | | 26.38 |
| Net proceeds (check enclosed) | | 3.37 |

Important: Always mail us notice the day you make shipment. Practically no demand for honeydews now.

These 80 crates contained 12 nice honeydews to the crate—960 honeydews. You know that they have been selling for from 15 to 35 cents apiece to the consumer, but let us say an average of 20 cents. At 20 cents, this shipment would have amounted to $192. You will note that the express on 80 crates amounted to $41.60 and the commission $5.86, a total of $47.46. In other words, I paid $47.46 for express and commission charges on these shipments and received only $5.86 net, while the consumer paid $192 for the 960 honeydews.

We grow the finest watermelons to be found anywhere; but when the freight and commission for selling are paid, the farmer very often does not receive enough to pay him for gathering and loading the melons, and, as stated, in some instances he is called upon for a part of the freight.

No wonder farmers are losing their homes, their religion, and filling untimely graves. In the meantime, no wonder the consumers are going on strike.

Mr. PIERCE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, 7 years ago Professor Dodd, then of Chicago but now in the Diplomatic Service, wrote an article that created quite a stir in this country. The article was entitled "Must the American Farmer Pass to Peasantry?" It was published in the Century Magazine and was thoroughly read and discussed by those interested in farm problems. At that time he pointed out that the processors, the transportation lines, and the men who controlled the avenues through which the products flowed to the consumers were increasing the amount of money taken for these services and that ultimately the farmer would arrive at a point where he would be a peasant. Then he pointed out that the profits of the middleman had been constantly increasing, year by year. His predictions have come true. Many fear the American farmer is on the road to peasantry.

The most astonishing current statement we have is an article appearing in the August number of Harper's, entitled "Chemistry Wrecks the Farmer." I am wondering if the

predictions there made will prove as true as those made by Professor Dodd 7 or 8 years ago.

Undoubtedly the farmer is sinking, largely, I think, because the fellow who controls the marketing of his product, the transportation lines, the taxgatherer, and the middlemen are constantly exacting a larger share of the consumer's dollar spent for agricultural products.

The figures given in the report on this bill showing the number of cents out of the consumer's dollar given to the farmer and to the middlemen will be found to vary somewhat from the figures of other statisticans, but it is admitted generally that the amount of money the farmer is getting out of the consumer's dollar has been constantly decreasing. For the last 2 years his share has been advancing, owing to the operation of the A. A. A.

I am very anxious to see this resolution passed and this money appropriated for this investigation. I am an actual farmer living on my farm. I have seen the cost of transporting a bushel of wheat from my ranch to tidewater increase since the boys went into the World War from 9 cents to 15 cents. I have seen warehouse charges on wheat increase from 50 cents a ton to $1 a ton. Everything the farmer buys has gone up; especially and most inexcusably, farm machinery. There has been a constant advance in freight rates on railroads until the freight rates are now 60 percent higher than at the time of the World War. No investigation is more strikingly necessary than this one at this time.

[Here the gavel fell.]

Mr. MONAGHAN. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. DINGELL. Mr. Chairman, a parliamentary inquiry. What section are we on?

The CHAIRMAN. Section 1.

Mr. WEARIN. Mr. Chairman, I am very much interested in the adoption of this resolution. On January 23 of this year I introduced a similar proposal in the House with the hope that we could have a thorough, complete, and unbiased investigation of this particular problem on the part of the Federal Trade Commission. I was certain this House desired facts with reference to this particuluar problem.

Mr. Chairman, it happens to be my privilege to have a close personal knowledge of the problems of the American farmers. One of the greatest difficulties that exists for them today is the fact that they are faced with walking through the city streets of America witnessing an excessive price for farm products after they have been processed and realizing the tremendous spread between the price they receive and what the consumer is compelled to pay for them. There may or may not be anything wrong between the two points, but at least it is worthy of an investigation that it is represented will cost $150,000, and it is a matter in which millions of people, both the producers and consumers, are vitally interested. We are entitled to know if there is anything wrong. I think we will find a lot of startling things. I do not believe that the present price of farm products is sufficiently high to warrant the present price of the processed products which the consumer has to pay. In fact, the price to the producer could, and should, be higher if his purchasing power is to become sufficiently potent. At this point I will insert some figures to indicate the fact that the spread between producer and consumer has rapidly risen in spite of a decreasing price to the American farmer during the past few months. The farm price for 100 pounds of beef in May was $6.80, retail price $14.48; spread $7.68, or 53 percent. Similar figures for June are $6.55, $14.47, $7.92, or 54.7 percent, and July $6.20, $14.06, $7.86, or 55.9 percent, according to the Department.

Thus, while the farmers' beef price declined 60 cents per 100 pounds from May to July, the distribution cost jumped from 53 to 55.9 percent of the consumer's dollar.

I would remind the Members of this fact: The statement has been made on the floor by one of our distinguished colleagues today that the consumer will normally take care of the spread between the producer and the cost of processing. That is exactly the contention and the great difficulty that has arisen, in that the consumer is having to take up too much spread. The difficulty is the fact that if he takes care of it through a reduced buying power; then it is immediately reflected in a reduced price to the American farmer. It has been evidenced in the recent demonstration of strikers during the past few days that has occasioned a little stir in the market in connection with the drop in the price of hogs and cattle. That brings up the question of the processing tax and this investigation will undoubtedly reveal some interesting facts with relation to that matter.

One of the distinguished Members of this House has already pointed out the fact that there is no processing tax on beef, yet beef is higher than pork today on the American market. Intimation that the price of meat over the block is unduly high because of the processing tax comes with poor grace from food processors who have been realizing a profit during depression years while processing the products of the producer who was going bankrupt because of excessively low prices for raw products. That will be an interesting development that should occur in this investigation.

I would remind the Members of the House also that the American farmer today is faced with the problem of an increased cost the same as the consumer. That is reflected in the price of the products he has to buy with which he produces the raw products on the American farm.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 2. The Department of Agriculture, the National Recovery Administration, the Department of Justice, and other agencies of the Government are directed to cooperate with the Commission in such inquiry to the fullest extent possible.

Mr. HOEPPEL. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOEPPEL: On page 6, line 10, after the word "possible", add new sections, as follows:

"The President is authorized to cause to be made, by any agency or agencies of the United States which he shall designate, a comprehensive investigation of man-displacement by machines and equipment used in mass production. The agency or agencies so designated shall make such investigation with a view to obtaining and furnishing data which will be useful (1) in formulating plans for the purpose of providing greater opportunity for employment in industry and commerce, assuring continued employment, equalizing distribution of available employment, and stabilizing industrial and commercial progress; and (2) in preparing legislation to carry out such purpose, including legislation imposing graduated taxes on mass-production machines and equipment. Such agency or agencies shall report the results of the investigation to the President and the Congress as soon as completed or not later than January 10, 1936.

"SEC. 4. There is authorized to be appropriated the sum of $100,000, or so much thereof as may be necessary, to carry out the purposes of this joint resolution."

Mr. WARREN. Mr. Chairman, I make a point of order against the amendment.

Mr. HOEPPEL. Will the gentleman reserve his point of order?

Mr. WARREN. I reserve it.

Mr. MONAGHAN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. HOEPPEL. Mr. Chairman, I have observed ever since I have been a Member of the House that there is a great deal of sympathy expressed here on the floor for and in behalf of the farmers. I approve that attitude on the part of the Members of Congress. At the same time I have been impressed with the fact that there has been more than a sympathetic attitude on the part of Congress for and in behalf of the bankers. I must disapprove of that attitude which is so evident in the Congress today.

The only concern evidenced toward the middleman, toward the individual in the industrial centers of America, is in the C. W. A., the P. W. A., and the W. P. A., all of which are, in a sense, a part of a more or less camouflaged dole system. We appropriate billions of dollars for "relief" and continue

to pin our hopes for remedying the situation on the lavish expenditure of the taxpayers' money, instead of on sound, basic recovery legislation.

Much has been said for the farmer. I am for the farmer, but how can we help the farmer unless the consumers in the cities have consuming power?

Mr. Chairman, I know the amendment I have offered is technically not germane, but it is decidedly pertinent to the problem of unemployment with which we are today confronted. Machines are putting the American workers on the streets, and we are doing nothing to combat the continued increase of unemployment through this means.

Only last week a lady visited me at my office and stated that the Pacific Finance Co. in Los Angeles, where she was employed, installed one machine and as a result of such installation 30 girls lost their positions.

Why should we be so concerned about the farmer and so especially concerned about the banker, if we disregard the man in between? We have failed to do our duty to the American people. We are closing the Congress today or tomorrow and we are going back home to our constituents with the distressing knowledge that we have nothing real, definite, or tangible to report in the way of legislation enacted in the interests of the great middle class.

We devalued the dollar, and as a result of the gold devaluation and because of the fact that England produces 70 or 75 percent of the gold of the world, we are paying tribute to Great Britain each year to the extent of $225,000,000. We give Great Britain $225,000,000 more in American dollars than the gold is worth, and after we secure this gold we bring it to America and bury it in the ground and spend millions of dollars to guard it. Such stupid imbecility!

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. CONNERY. I am in thorough accord with the gentleman's statement with regard to machines and what they are doing in industry with respect to putting people out of work; but I do not think my friend from California would want to say we have not done anything for the great masses of the people, because more legislation for the benefit of labor has been enacted at this session than has been enacted by Congress during the last 15 years.

Mr. HOEPPEL. Answering the gentleman from Massachusetts, whom I recognize as a friend of labor, and with whom I have always cooperated in the interest of labor, I wish to say that the purchasing power of labor has not been increased under the new deal above the increased price of commodities; and, aside from the millions who have been put to work at the direct expense of the taxpayers through the appropriation of billions of dollars, we cannot point with pride to our accomplishments in respect to labor, as the number of the unemployed today, if the millions were taken from "relief" work, would be equal to if not greater than the number of unemployed when we Democrats took office.

We have helped the banks, the railroads, insurance companies, and big business generally, but the security of the American citizen thus far has not been appreciably improved, except through the huge expenditures of the taxpayers' funds, as I have just described.

WHERE IS THE ABUNDANT LIFE?

Only yesterday on the floor here the gentleman's distinguished colleague from Massachusetts pleaded that we approve a bill passed by the Senate, which would authorize citizens not on relief to go to work in the C. C. C. camps at $30 per month. Think of it! Worthy American citizens offered a wage of only $30 per month! This is indeed lowering the standard of living, and I was very glad to see that this bill was opposed and failed of enactment. Does the gentleman maintain that Americans earning only $30 per month are enjoying the abundant life? We should be ashamed of ourselves for endeavoring to put men not on relief into C. C. C. camps at such an insignificant wage!

OUR BROKEN PROMISES TO YOUTH

We have, out in California, transient camps for youth, where the transient young men of America are herded in camps and forced to perform certain labors at a wage of only $6 per month while in such transient-youth camps. We are now providing $6 a month for boys and girls under the Youth Administration, ostensibly to permit such boys and girls to continue their education. This grant is only given where the family head is on relief. What a contrast to our lavish generosity with the bankers and other privileged classes! It may possibly buy noonday lunches, and yet we broadcast over the radio and print volumes on what we are doing for the youth of America!

I am concerned as to what thinking individuals among the young Democratic organizations must think of our penury to the youth of our land! Speaking in the interest of the youth of our land and as a word of warning to our young Democratic organizations, I appeal to them to insist that the Congress enact legislation which will bring about real recovery. We owe everything to the youth of our country, who will be the citizens of tomorrow, and we are not dealing fairly with them in the Youth Administration program to which I have referred. Youth asks for nothing but its rightful heritage of opportunity, and youth has every right to protest against a system of profligate, inordinate, and absolutely unnecessary spending by the bureaucrats here in Washington, which is inevitably piling up crushing burdens of taxation for future generations!

BARNEY BARUCH'S WALL STREET REPRESENTATIVE CRACKS DOWN

According to the press, "Windy Crackdown" Johnson threatens to puts heads of families into jail in New York City because they refuse to work on W. P. A. projects at less than prevailing wages. According to my viewpoint, procedure of this kind savors of peonage or serfdom and should not be tolerated in our country. It is indicative, however, of the caliber of some of the "new dealers", who apparently have little or no interest in the Democratic Party, or even in the people, but who are primarily concerned in proving their own synthetic theories of economy.

George W. Wickersham, former Attorney General, is recently quoted as stating that the United States will eventually become a nation of paupers or vassals under our present bureaucratic procedure, the tentacles of which are increasingly encroaching upon every avenue of American life.

Congressman WRIGHT PATMAN, as quoted in the CONGRESSIONAL RECORD, appeals for less government in private business and more government in the business of government.

FUTURE PROSPECTS

I am personally satisfied, or at least hopeful, that the lavish spending of the administration will soon reflect itself in improved business conditions. In my opinion, this is inevitable as long as the spending continues. I am very hopeful, as I say, that conditions will improve, but I am satisfied, beyond a question of doubt, that we cannot have real, permanent recovery until the Congress of the United States follows the precepts of the Constitution in respect to the coinage of money and the regulation of the value thereof. Why should we, a sensible people, permit the monopoly of our money and credit to rest in the hands of a few private bankers who, through the subsidy granted to them, continue to extract from the American people interest rates approximating from $12,000,000,000 to $15,000,000,000 per annum.

Everywhere we are confronted with increased taxation. In fact, the tax burden is becoming so onerous that we may, indeed, soon become, as Mr. Wickersham fears, a nation of paupers and of millionaires who evade their legitimate tax responsibilities through the medium of tax-exempt securities.

Congressmen WRIGHT W. PATMAN, of Texas, GOLDSBOROUGH, of Maryland, CROSS of Texas, SWEENEY, of Ohio, and other able Representatives have introduced bills and presented arguments showing that if the Congress would follow the precepts of the Constitution, take over the Federal Reserve System and make other necessary changes in the banking structure, and take the profits of our own credit unto ourselves, recovery would be positive and taxation could be reduced.

Mr. PATMAN claims that the bankers control Congress. I made a similar statement when I was a novice in the Congress. I am satisfied there can be no real recovery and that economic liberty of the people cannot be attained as long as

the international bankers in Wall Street can control the circulation of currency and the extension of governmental credit, on which they charge us inordinate interest rates.

Under our present procedure, we continue to grant subsidies to the bankers and to entrenched wealth by permitting investments in tax-exempt securities while, at the same time, we enact legislation increasing the taxes of the producer and the consumer, thus restricting their purchasing power. We are piling up billions of dollars' worth of wealth in the hands of a few people, which wealth is tax exempt, and the honest producers and consumers are thus forced to carry additional burdens of taxation because tax-exempt wealth does not bear its just share of the load. How positively the Congress proves its interest in Wall Street by its refusal to enact legislation taxing all wealth in America on a basis of equality! The motto over the new Supreme Court building is—"Equal Justice Under Law."

The motto of Congress should be—"Equal Taxation to Every Dollar of Wealth in America."

Personally I am in favor of every individual in America having a tax exemption on a home or farm which he himself occupies, up to a value of approximately $5,000. I would even exempt James Pierpont Morgan and Barney Baruch $5,000. There should be no favoritism to any dollar of wealth above a specified exemption figure.

I would also, if it were in my power, change the income-tax laws to provide that no individual, regardless of his income, would be called upon to pay an income tax on profits or earned income which he could show had been actually expended for goods and service. Money which is fluid, and not hoarded, adds to the wealth of all citizens. Money which is sterile, such as the $9,000,000,000 in gold which the Treasury proposes to bury, and wealth such as tax-exempt securities, does not contribute to the general welfare.

TOWNSEND PENSION PLAN SENSIBLE

One of the reasons I became such an ardent advocate of the Townsend pension plan is the requirement that the pensions paid to our aged worthy citizens must be spent each month. It is an axiom of economics that volume and speed of circulation of currency determine the prosperity of a country. We do not have sufficient volume of currency in circulation and the rapidity of circulation is far below normal. The bankers have more money on deposit today than ever before, but less credit money in circulation.

The Townsend pension plan would increase the volume as well as the rapidity of circulation, and as a result sound recovery would be realized and unemployment would be a thing of the past. The bureaucracies here in Washington could be folded up and the "brain trusters" could return to their colleges to dream further dreams of socialism or communism while the happy American citizens, once again employed, would thank the Democratic administration—if this were brought about through the Democratic administration—for having had the vision of bringing economic liberty to our country, which is a natural paradise.

Under the plan proposed there would be no necessity for the continuance of the insane practice of restricting the production of agricultural products, including cattle and hogs. There would be an abundance for all. In fact, our Nation would become so prosperous that it would be necessary to curtail the hours of employment and tax the production of industry to act as a balance to prevent the development of an excessively high standard of living for the entire Nation. Contrary to our present theory of restriction to raise prices, it would be necessary to reduce the hours of labor and place a tax on production to prevent the depletion of the resources of our Nation.

To be more specific, the standard of living established would be predicated on a stipulated income of approximately $400 per month per family. The official Government records indicate that $4,700 per annum is the ideal income for a family, thus attesting to the wisdom of Dr. Townsend in specifying $4,800 per annum pension for a family.

ORGANIZED LABOR PARTIALLY RECOGNIZES OUR PROBLEM

Organized labor has advanced a 30-hour-week plan, which the Congress of the United States strenuously opposed and would not enact into law because of administration pressure. Instead the capitalists of the country prevailed upon the administration to adopt the N. R. A., which has since been discarded.

Organized labor sought to reduce the hours of employment in order that more individuals might be employed. I personally advanced the technotax, which has more or less the same objective through taxing the machine according to the number of workers which it displaces.

The proposal of organized labor has considerable merit. I also believe that my plan of taxing the machine according to the number of workers it displaces has practical merit.

I am in favor of both of these plans—but neither of them, in itself, will be sufficient to solve our unemployment problem. Until we, as a people, observe the tenets of the Constitution and take from the private banker the monopoly of money which he today holds; until we take from him the right to coin money with a fountain pen, on which he charges us high rates of interest, I am inclined to believe that all our plans, while they may be partially successful, will fail to solve our economic problem on a sound basis of permanency. Economic liberty for the people, in my opinion, cannot be attained as long as we permit the international bankers of Wall Street to control the volume of money in circulation and exact interest from the people on the credit which they themselves establish for their own private use through the medium of a fountain pen.

Mr. WARREN. Mr. Chairman, I renew the point of order that the amendment is not germane.

Mr. HOEPPEL. Mr. Chairman, I admit the point of order, but I would like to have the amendment put in the RECORD.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

Mr. RANDOLPH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not desire to detain the Membership in the consideration of this resolution. I simply wish to say that during the discussion of the Guffey coal stabilization bill I quoted upon the floor of this House certain lines which I believe apropos to the legislation which we were then considering. No one cried me down at that time, so I shall take this opportunity to try it again, believing that perhaps the lines which I shall repeat may be of interest:

The doctor heals and the lawyer pleads,
And the miner follows precious leads;
But this or that, whate'er befall,
The farmer, he must feed them all.

[Applause.]

I believe this to be a statement not alone in poetry but in the very heart of the American people. A question has been raised here this afternoon that would lead us to believe there is a conflict between the interests of the consumers in the cities and the metropolises of this country as over and against those who produce upon the farms the products which are sold in the great metropolitan centers.

Mr. McFARLANE. Mr. Chairman, will the gentleman let me submit another poem in keeping with the thought and the subject under consideration.

Princes and lords may flourish and may fade;
A breath can make them, as a breath hath made.
But a bold yeomanry the country pride
When once destroyed can ne'er be supplied.

[Applause.]

Mr. RANDOLPH. I thank the gentleman; and in this connection I may add that perhaps the deliberations of this body might be a little more pleasant for Members here and the readers of the CONGRESSIONAL RECORD if in the very seriousness of the debates we interspersed these gems of thought expressed by Members and just now quoted by the gentleman from Texas.

I should like to add that for many, many years I was very close to the livestock industry of my State. Simply as a matter of record and to bring myself very close to the discussion, I recall that my father, now deceased, was the largest independent livestock shipper in the State of West Virginia over a long period of years. I know the problem

of purchasing livestock in the hills of West Virginia, shipping them over the B. & O. Railroad tracks into Baltimore, Jersey City, and the New York markets. I myself have been in the caboose on the rear end of many of these trains in the years gone by. I have followed hundreds and hundreds of droves of sheep and cattle from dawn until the noon and afternoon and twilight hours, 10 and 15 miles over dusty roads into the pens in the little towns of West Virginia, so that they might be shipped to the city. The price of meat to the consumer is today far too high, and the farmer has not received a proper price. The spread between the farm and consumer certainly warrants passage today of this resolution for the investigation which will surely bring help to the needy farmer. The discussion causes us to realize that the study of the price which is paid to the man on the farm for his products as over and against the price which the consumer pays for the commodity will bring about in a very few years corrective measures which will be valuable and which will give us a fair knowledge and understanding of the distribution of farm products to the ultimate consumer. [Applause.]

[Here the gavel fell.]

The Clerk read as follows:

SEC. 3. For the purposes of this resolution the Federal Trade Commission shall have the same right to obtain data and to inspect income-tax returns as the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, and to submit any relevant or useful information thus obtained to the Congress or to either House thereof.

SEC. 4. For the purpose of carrying out this resolution the Federal Trade Commission, the Attorney General, and the courts of the United States shall have and may exercise all of the powers and jurisdiction severally conferred upon them by the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 26, 1914.

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $150,000, which shall be available for expenditure as the Federal Trade Commission may direct, for expenses and all necessary disbursements, including salaries, in carrying out this resolution and prosecuting litigation necessary in aid of the powers conferred hereunder.

SEC. 6. The Federal Trade Commission is directed to present an interim report to the Congress on January 1, 1936, describing the progress made and the status of its work hereunder, and a final report with recommendations for legislation not later than July 1, 1936.

Mr. DINGELL. Mr. Chairman, I offer the following amendment:

Page 7, at the end of line 12, insert the following: "The interim report shall include a full report of the results of its investigation of the causes contributing to the spread between the price paid to the producers for hogs, cattle, and sheep, and the price paid by the consumer for meat and edible meat products, as to whether such spread is unreasonable or unjustified, and as to whether any monopoly, conspiracy in restraint of trade, or unfair methods of competition among the large packing concerns is the cause of such spread of prices; and the Commission shall give precedence and emphasis to this part of its investigation."

Mr. DINGELL. Mr. Chairman, ladies and gentlemen of the Committee, I realize that in offering this amendment there need be some delay, but my impression is that this investigation can be of great deal more value if emphasis is placed and precedence given to the question of investigating the spread between the producer and the consumer as regards meat prices.

I want to warn the committee, each and every member, that you are faced with a rebellious electorate on the question of meat and the excessive prices which the consumer is forced to pay for it.

This is relatively a simple amendment. I know that Senator WHEELER will accept it without question and immediately. I know, too, that the House conferees can act immediately, and the bill can be brought back with the amendment without any trouble whatever.

It is timely and essential that this amendment go into the bill. The pot is boiling, and we must lift the lid and pacify the justly rebellious strikers who are the suffering consumers.

The meat consumers must be convinced that the House has recognized this extraordinary condition and means business.

There is no expressed opposition to the price of flour and canned goods, but there is a definite objection, as we have all witnessed in the meat strike in Detroit. This condition must be attended to as the first objective of the resolution.

I am told that within the next week or so we can logically expect a similar strike at Chicago and other metropolitan cities.

Let me tell you, this meat strike is ruining the small retail meat dealer and the small wholesaler. He cannot continue taking losses occasioned by the strike.

This strike may be directed at the wrong party, but unless you do something here to convince the people and show that you are interested in the problem that has been brought to the poor, this trouble is going to spread.

Therefore, I think that this amendment should be accepted and the bill go to conference. It will be back here tomorrow afternoon, and we can pass it without any trouble.

The amendment is worth while, and I know that every Member of the House is interested in it. It does not detract from Senate Joint Resolution 9, but it strengthens it.

The housewives are fighting the packers, but in this war on prices they have to go through the innocent and helpless meat dealers who face ruin. The women, as purchasing agents in our households, are concerned about their families. The losses to the dealers are secondary; they are the casuals of war. The women can see only their objective and are headed straight for it.

Mr. HEALEY. Is not the resolution under consideration broad enough to cover an investigation into the question of meat?

Mr. DINGELL. Yes; but if they go into all questions in the resolution and play with it for 6 or 7 months, we will not be getting at the trouble which is on the surface at the present time. [Applause.]

[Here the gavel fell.]

Mr. WARREN. Mr. Chairman, I rise in opposition to the amendment. This resolution is all-inclusive. It has been carefully drawn and it includes practically verbatim everything contained in the amendment offered by the gentleman from Michigan [Mr. DINGELL]. If we want to take a chance on killing this resolution, when we all know that we are going to adjourn tomorrow, just tack on any amendment, and let the thing get lost over there in the Senate. The Federal Trade Commission has full authority under the present terms of the resolution to give all due emphasis to everything mentioned by the gentleman from Michigan, and I hope the committee will vote it down.

Mr. DINGELL. I would like to know if my friend could assure the House, if this amendment went into the bill, that Senator WHEELER would not accept it immediately?

Mr. ZIONCHECK. I think the gentleman can assure the House that if this amendment is adopted the resolution would be lost, because of the urgency of time.

Mr. WARREN. I think that is quite probably so.

Mr. MONAGHAN. Mr. Chairman, I rise to reiterate what the gentleman from North Carolina [Mr. WARREN] has said relative to the danger of tacking on amendments at this time. I hope the House will reject this amendment, not because it is not a meritorious proposal, and I am confident that the Federal Trade Commission will look into this situation in Detroit and see to it that it is adjusted properly, but I feel that the adoption of any amendment at this late hour would be equivalent to throwing this resolution into the waste basket, and I know that the House does not want that to occur to this very worthy resolution which would mean so much to the farmers and consumers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

Mr. WHITE. Mr. Chairman, I move to strike out the last word.

Mr. MONAGHAN. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WHITE. Mr. Chairman, this is a good resolution, and I shall support it, and I think it touches upon one of the principal problems, one of the main issues before the people today. I call attention to one of the major factors in bringing on the so-called "depression." It has been the profiteering prices that people engaged in manufacturing and distribution have been permitted to charge the people engaged in the basic industries. When I speak of the basic industries, I refer to agriculture, mining, and lumbering. Monopolistic practices are permitted by legislation that was enacted by the Congress in the last several years. The big industrial organizations of the country are permitted to charge profiteering prices to the people engaged in the basic industries of farming, lumbering, and mining. We have seen the prices of the necessaries used in those industries go up skyhigh, and we have seen the people permitted to charge these prices take such big profits that their earnings in some cases in 1 year almost equaled their total capitalization. And all of the time they were taking away from the people engaged in the basic industries every dollar received for their product and thereby lowering the standards of living, and bringing financial distress to the thousands engaged in farming, mining, and lumbering.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. WHITE. Yes.

Mr. CULKIN. The gentleman complains of legislation enacted in the last couple of years?

Mr. WHITE. I refer to that legislation which was enacted by the opposite party since the World War, during the administrations of Presidents Harding, Coolidge, and Hoover, or rather a failure to enforce existing laws provided to protect new enterprises and small competitors, which would have worked to prevent profiteering and establish and maintain a parity between the price of products of those engaged in the basic industries and the products of those engaged in manufacturing.

Mr. CULKIN. And the gentleman commends the effect of the N. R. A.?

Mr. WHITE. I think the N. R. A. was a step in the right direction, but it did not reach the main trouble.

Mr. ZIONCHECK. I think the gentleman's chief complaint is that the present economic competitive system is working too efficiently.

Mr. WHITE. I do not think so. I think every piece of legislation passed in this Congress and the preceding Congress has been designed to kill off competition and stifle competition and do away with the small competitor. We must encourage competition to bring about a parity between the prices of the producer and the prices of the manufacturer, and eliminate the profiteering by manufacturers and distributors in this country.

The CHAIRMAN. Under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ARNOLD, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration Senate Joint Resolution 9; and pursuant to House Resolution 316, he reported the resolution back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the resolution.

The Senate joint resolution was passed and a motion to reconsider was laid on the table.

### GOLD RESOURCES

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a newspaper article.

The SPEAKER. Is there objection?

There was no objection.

Mr. WHITE. Mr. Speaker, in the efforts we are making to devise plans and follow a program to restore prosperous business conditions, I desire to bring to the attention of the Members of the House and the people of this country the importance of developing our mineral resources and increasing the production of gold. We know from experience and from watching developments in Canada, our neighbor on the north, that the production of gold will contribute more to stabilize and promote prosperous business conditions than anything that can be done at this time.

Many of us have overlooked the fact that we still have in the United States vast undeveloped mining resources in the mineral deposits of our western States. Much of this mineral wealth, particularly our gold deposits, is situated in the rugged and isolated mountainous sections of our national forests located in these western States. The mountains of this region are seamed with gold-bearing veins—veins that were eroded in remote geological periods to supply the deposits of gold that produced so abundantly in the 60's and 70's. These lodes contain vast deposits of gold yet to be mined when the necessary roads are provided to penetrate these mountain fastnesses so that machinery and supplies can be moved in and ore and concentrates can be moved out.

Mr. Speaker, no man in our State of Idaho has a more intimate knowledge of the mineral deposits in our State than former State Mine Inspector Robert N. Bell, a geologist and eminent mining engineer, who has penetrated and personally inspected every mining section of our State in his long term of service in charge of the State of Idaho mining department. I include herewith an article by former State Mine Inspector Robert N. Bell as a part of these remarks on gold resources.

[From the Boise (Idaho) Capital News of July 20, 1935]

#### ROBERT N. BELL TELLS OF GOLD RESOURCES

By Robert N. Bell

With little danger of an overproduction of either gold or silver from the remaining resources in the world, any suggestions for increasing the present supply of these essential money metals should be timely.

The recent increase in the price of gold has so stimulated interest in the search for the metal as to provide employment already for thousands of men that would be otherwise on the relief rolls at this time. This new price is the first decent break the gold-mining industry has had, as compared to the base-metal industries, which have been favored repeatedly in price, both by the Government and by the manipulations of the vested interests during the past generation, while gold, remaining at a fixed price, has had to carry the burden of the excessive mining costs periodically induced by base-metal market movements.

Most of the plums of bonanza gold values in the Western States have been picked, and the chances are rather remote in this region for a repetition of such noted occurrences as Cripple Creek, Goldfield, or Klondike.

If the Government wants a permanently increased domestic gold supply, it can probably be obtained by giving the gold-mining industry the present increased price advantage, without additional exacting taxes, as this increased price is necessary to stimulate interest in the development and beneficiation of the vast resources of low-grade gold ore which our western mining States are known to contain, the treatment of which will involve large capital risk with the promise of only a narrow ton margin of profit, even at the new price.

I know of one gold-bearing ore basin in the Southwest that contains a thousand billion tons of submarginal ore at the old price which should have a value of around 80 cents at the new price of gold, and is such a nature that it can be mined and reduced to minus 30-mesh pulp for 10 cents a ton. This statement sounds like the vaporings of a wild optimist, but as a matter of fact it has the substantial support of broadly experienced technicians in both geology and engineering. However, that is another story. The purpose of this article is to exhibit the gold-ore potentialities of Idaho.

Gold as well as all other metallic ores, including iron, occurs the world over in or in close relation to bodies of granitic magma, known as batholiths, with their attendant satellites, stocks, domes, plugs, and cupolas. This relation of granite magmas to metallic ore deposits has been elaborately studied and illustrated by W. H. Emmons of the University of Minnesota, and other noted authorities, and while their contention is that the ore is derived from a deep-seated, cooling, siliceous end phase of granitic magmas, there are some sound practical reasons for the assumption that the real source of gold and other metals is a deeper and more basic magma phase of the earth's structure than granite.

If granite formation is accepted as the mother of gold rather than the stepmother, as above suggested, then the State of Idaho is one of the most favorable fields in the United States for the further search for this desirable money metal, as the State carries one of the two largest granite batholiths in the United States; the only

other one comparable in size is the Sierra Nevada batholith, whose flanking fissures in California and Nevada have been responsible for more than half of the gold production of the United States.

This Idaho granite batholith has an exposed surface area of 22,000 square miles, occupying the central axis of the State for a strike length of 250 miles by 50 to 100 miles broad. This formation was classified by the early geologists such as King, Becker, Eldredge, and Russell as Archean granite. During his extensive reconnaissance in this State, starting in 1895, Dr. Waldemar Lindgren was, I think, the first authority to fix the age of this great magma as recent as Triassic time, due to his discovery of the contact metamorphic effect of the granite on the upturned edges of the sedimentary formations of that age.

Clyde P. Ross in a recent Government bulletin on the Idaho batholith fixes portions of its development as rupturing formations as recent as Pliocene time. The chances are that this great magma is of stage development and that its consequent periodic mineralization ranges from Archean time to the present.

This great granitic area in Idaho was first mapped in detail by members of the State bureau of mines and geology under the direction of Dr. Francis A. Thomsen then dean of the Idaho School of Mines and now president of the Montana School of Mines. This interesting index map of the geology of Idaho, which also shows the vast accumulations of sedimentary strata that flank the batholith on all borders, is available, I think, at the University of Idaho.

The gold deposits of Idaho, including both placer and lode, are credited, at the most conservative estimate, with a production since discovery in 1860 valued at $150,000,000, of which probably $100,000,000 was derived from placers and $50,000,000 from lode deposits scattered over the State from one end to the other.

Most of the rich placer deposits were confined to the eroded surface of the main central granite batholith and a few of its major satellites.

U. S. G. S. Professional Paper No. 62, page 138, quotes Dr. Waldemar Lindgren as expressing the belief and conception of shallowness in value range of the ore-bearing deposits in the batholith due to its assumed deep erosion and the large production of placer gold. This idea crept into the text books and has been a retarding influence in the development of ore bodies in the batholith. However, recent studies of Government geologists have proven this to be unwarranted:

Over 20 years ago the writer pointed out in a practical comparison where the granite of a batholith is just as good a host rock as other formations, if preconditioned and accompanied by sufficient later magmatic differentiates in the form of pronounced belts or zones of porphyry and other intrusive igneous rock, and used as an example the richest hill in the world, for its area, in the granite formations of Butte, Mont., and its accompanying igneous differentiates in the form of dikes. The Butte mines occur in the Boulder batholith, a satellite of the Idaho batholith.

Similar porphyry zones to the Butte district are exhibited in the Idaho batholith in several localities, some of whose accompanying ore deposits have recently been classed by United States geologists as of the intermediate temperature type and in place of post Miocene age. These deposits have received such substantial development as to justify the forecast of comparatively deep-seated persistency of their accompanying gold-ore values and warrant further development and investigation for both rich ore courses and bodies of low-grade, mass-production promise.

In the discussion of the genesis, and especially of the paragenesis of ore, the leading geological authorities of the United States are about as sarcastic of one another's views as are some of the leading exponents of national political issues of the day, and at the risk of lese majeste to these high geological authorities and their opinions as to the ultimate cooling point of a granite magma being the source of metals, especially of gold, I would call attention to some pertinent facts in an effort to stimulate more serious consideration of this extensive Idaho granite ore and its accompanying basic differentiates for development and investigation.

The lode gold mines of Idaho, entirely within its granitic areas, are all intimately in contact or closely associated with very basic dikes as one of the end phases of intrusive igneous activity that preceded the mineralizing ore solutions, and while these deposits are also invariably associated with a vastly greater display of acid dike invasions in the granite, the ore courses are almost invariably younger than the basic dikes which gives the inference of their ultimate derivation from a basic rather than an acid magma, more deeply seated than the granite itself.

In the great gold-bearing lodes of lower Canada, especially at Kirkland Lake, Porcupine, and the Rouyn districts, basic dikes are conspicuously associated with the largest and most persistent ore courses. According to the annual report of the Ontario Department of Mines for 1924, the ore gangue of the Hollinger mine consists predominantly of basic carbonates, with an alkaline rather than an acid end phase of gangue deposition, followed by the gold solutions which seem to have been the last accessory to the mineralization of the lode, indicating an alkaline rather than an acid source of primal differentiate.

According to Horwood, a noted British geologist and former prominent operator on the Witwatersrand outcrop and deep mines at Johannesburg, the gold in this richest of all the world's gold deposits, producing annually more metal than all the other gold mines in the world combined, is derived from a diabase magma and the conduits through which the solutions were carried to the then pervious Rand banket conglomerate were the diabase dikes which so intimately interlace the Witwatersrand sedimentary series to the exclusion of all other kinds of dike rocks.

This authority found appreciable quantitative results in gold, pyrite, and hydrocarbon residues in the walls of these intrusive dikes, identical with the richer concentrations of these minerals in the matrix of the banket conglomerate.

These feeding dikes are believed to represent the end phase of differentiation and cooling of the body of diabase that closely parallels the Witwatersrand formation for many miles and is known to be 5,000 feet thick, while the nearest granite formation to the area has been classed as of Archean age and is 30 miles distant from the nearest outcrop mines and probably has little relation to the origin of the gold in this famous deposit.

These outstanding examples of the relation of basic magmas to the most important gold-ore deposits of the gold and the intimate association of this type of differentiates in the Idaho batholith leads to the suggestion that this great geologic unit of Idaho may prove an attractive field for prospecting for a source of new gold supply

THE ATLANTA ORE BELT

Mr. WHITE. Mr. Speaker, in extending my remarks in the RECORD, I called attention to the importance of the unde-

Mr. WHITE. Mr. Speaker, in extending my remarks of yesterday, I called attention to the importance of the undeveloped mining resources of this country, which included an article from the pen of Robert N. Bell, former State mining inspector of Idaho, a noted geologist and mining engineer.

Mr. Bell, in a subsequent article, describes one of this country's richest gold mining districts which is entering a new era of development, and will contribute in a large measure to the financial and business recovery now getting under way in this country. I include as a part of these remarks Mr. Bell's article.

[From the Boise (Idaho) Capital News of Aug. 17, 1935]

ROBERT N. BELL VIEWS ATLANTA ORE BELT

ATLANTA DISTRICT

By Robert N. Bell, former State inspector of mines

The Atlanta mining district is at present the most productive lode gold district in Idaho. It is situated on the middle fork of the Boise River, 80 miles above Boise and about the same distance from Mountain Home by the present main truck route from the railroad.

This Mountain Home highway to the camp passes over a high mountain divide at an elevation of 8,200 feet and is closed by deep winter snows for 6 months of the year, but during the past 4 years the camp has been made accessible from Boise by airplane for visitors and light express, an airline distance of 50 miles, which is negotiated by the plane in 30 minutes.

Thanks to the support of the Boise national forest authorities and C. C. C. activities, a new watergrade highway is expected to be completed this fall from Boise to Atlanta which, due to the growing activity of the district, is likely to be kept open for truck travel throughout the winter season.

The rich ores of the Atlanta district were first discovered in 1863 as the result of an overflow of placer miners from the Boise Basin. These industrious searchers for placer values found rich bar panningsat the forks of the Yuba and Boise Rivers, which they traced up Quartz Gulch to the bold outcrop of the Buffalo and Monarch mines, with increasingly coarse gold as the vein outcrops were approached. Nuggets are reported to have been found under the present position of the Buffalo dump that weighed several ounces.

The Atlanta district is situated in the heart of the broadest expanse of the Idaho granite batholith, 30 to 40 miles in from its nearest peripheries. The camp is in a pretty intermountain basin, about 1,000 acres in extent, at an elevation of 5,200 feet above sea level, while the surrounding bold granite summits reach an elevation of 9,000 feet.

The area is well watered and timbered. Its batholithic granite is extensively faulted and intruded with acid and basic dikes. In approaching camp on the present highway down James Creek Canyon these great acid dikes can be observed standing out above the crumbly granite surface like Chinese walls, while the smaller basic dikes are found in close relation to the most important ore courses.

The early day operators who discovered the ore deposits were rewarded by very high-grade mineral, due to shallow secondary enrichment. These crude shipping ore values were first packed out by mule trains and later hauled by bull teams to Kelton, Utah, and shipped to Omaha for treatment, the shipping values ranging up to $2,000 per ton in gold and silver.

This very rich secondary ore was succeeded at a comparatively shallow depth by the primary values of the district which, while in sizeable bodies, are of a complex nature with average values of $10 to $15 per ton and difficult to treat. There has been half a dozen different mills built in the district, but recoveries of 60 to 70 percent by amalgamation and gravity concentration did not leave much profit on this grade of ore and most of these enterprises were gradually abandoned with the exhaustion of the richer shipping ores.

The best recoveries made on these ores prior to the present St. Joseph Lead Co. operation was by Marcus White, an experienced Boise metallurgist, who, in association with the late Daniel Kirby, had a lease on the Monarch mine dump. These great dumps totaling 150,000 tons were more or less mixed with development waste; 20,000 tons were treated on this lease that is said to have averaged $5 gold per ton treated by careful vanner concentration in the Monarch mill and a sweet roast on the concentrates, which were

then treated by cyanidation with a recovery of 90 percent of the head values. The administrators of the estate thought they were making too much money and canceled the lease after a summer's operation.

About 1903 the district attracted the attention of a prominent figure of the oil world, T. N. Barnsdale, of Pittsburgh, who purchased the Monarch-Buffalo group and sunk a 600-foot vertical shaft on the Monarch with five extensive levels under the management of Daniel Kirby. The old mill on the property was rebuilt to 100 tons daily capacity under the direction of a well-known metallurgist of Park City, Utah, but in spite of the expensive equipment the recoveries proved poor.

Mr. Barnsdale spent $1,200,000 on this enterprise which after his death tied it up for several years as his estate managers held for that figure in a resale of the property, but finally and only recently turned its operating control over to the St. Joseph Lead Co., of Missouri, the largest lead-producing institution in the world.

The Pettit group of claims, having a common endline with the Monarch, covers the eastern extension of the lode to Montezuma Gulch and was extensively developed with adit tunnels to a vertical face depth of 600 feet by the Bagdad-Chase Co. in about 1907. This company whose activities were engineered by high-grade technical talent, including Wayne Darlington and C. S. Verrill, built a 40-stamp mill on this property and attempted shrinkage mining, which resulted in a severe dilution of the available ore values. This, together with an adverse and expensive undertaking on the Mother Lode in California caused the company to fail and the property was transferred to the Boise-Rochester Co., a Boise organization, who carried on the development under the management of the late Stanley C. Smith, a McGill graduate.

In 1917 this company was recovering $9 per ton in gold from their operations on this end of the lode, which runs better to gold than the Monarch and other mines farther west, but due to milling difficulties, in spite of some initial flotation attempts, and lack of adequate capital for improvement the enterprise was simply swapping dollars when the deposit attracted the attention of I. H. Cornell, chief field engineer of the St. Joseph Lead Co. Mr. Cornell figured wisely on the future use of the property for the company with the advance in metallurgy of gold ore. In 1927 the company developed a timidity in regard to this holding and endeavored to sell it to a prominent New York operator, who selected Frank H. Skeels as examining engineer. Mr. Skeels turned it down at the price then offered, but did the job with such thoroughness and suggestiveness as to attract the attention of the St. Joseph Lead Co.'s manager, who employed him, put him on a Montana deposit, where he displayed distinctive ability, and later sent him to another of the company's big acquisitions in lead-zinc ore in the high Andes of western Argentine.

Mr. Skeels came to Idaho in 1931 with instruction to build a 200-ton mill and clean out the 2 years' supply of $8 gold ore from the company's holdings at Atlanta. He brought nothing with him but a checkbook, and used machinery from the company's plants in Missouri and Montana. He picked up the old crew that he had trained to his ways at the Ramshorn Mine in Custer County, Idaho, during the war, including muckers, miners, mill men, and truck men, and from a flat start in August by the following January he had the power turned on the 200-ton mill, whose small hydroelectric plant was supplemented with a 360-horsepower German Diesel engine. The timber and available material in the old 40-stamp mill was used in the new construction at the portal of the 900 tunnel level.

### MODERN FLOTATION

The principal improvement of this plant over any other in the district is the advantage it carries in ample power and a modern flotation plant.

Since that time this mill has treated 200 tons a day on an average, with the exception of 1 month's shut-down due to a break in the big engine. The mill feed is said to vary between a quarter of an ounce and an ounce gold per ton, and has probably averaged fully half an ounce.

The mill is of the normal amalgamation and flotation type, capable of treating up to 230 tons of ore a day. The ore as it comes from the mine is shattered quartz and is easy rock-breaker work. It is handled entirely by gravity methods. It is passed through a tube mill with a fairly coarse screen, over amalgamation plates and amalgam traps to a flotation circuit, where very fine grinding is involved to release the extremely fine sulphide values. The recoveries have been about 50 percent of the values in free gold and the balance as a high-grade flotation concentrate. The concentrate ratio is said to vary from 1½ to 3 percent, and the concentrate values, depending upon occasional runs of lean pyrite in the feed, range from 6 ounces to 30 ounces gold per ton, with the rather low silver ratio increasing as the Monarch ore is used. The recoveries are said to be plus 90 percent of the mill feed values.

### TWENTY PRIMARY MINERALS

Careful microscopic studies of the concentrates from the Monarch ore by Marcus White revealed 20 different primary sulphide minerals, half of which were silver sulphides in various forms and the balance sulphides of the base metals, which would indicate at least a subepithermal type for these ores, which are doubtless of recent geologic age, as evidenced by big hot mineral springs along the Boise River Canyon nearby.

With the acquisition of the operating control of the adjoining Monarch property and the purchase of the Yuba group, the company now has control of approximately 3 miles of the main Atlanta lode lying between Montezuma Gulch and the Yuba River, and is in a comfortable position from the standpoint of proven ore reserves said to be sufficient to last the present milling capacity for 5 years.

Extensive development of the lode has been carried west at the no. 6 level and has already been extended beyond the Buffalo shaft. This new underground work, according to the last report of the State mine inspector, totaled 19,750 feet.

### COMPARED TO COMSTOCK

The Atlanta district was visited over 50 years ago by a then noted independent geologist of the West—Professor Clayton—who compared the Atlanta lode in strength and persistency to the Comstock lode in Nevada.

This great mineral-bearing earth fracture is 50 to 150 feet wide, and it was forecasted by this old authority that it would some day make a mass production low-grade gold ore producer, but it is likely that the present method of selective mining is better fitted for the treatment of ore of this class.

This great shear zone of quartz and silicified granite stands nearly vertical, strikes north 60° east, and carries segregated bodies of better ore varying from a foot to 40 feet in width along its north wall, with occasional transverse features and rich ore occurrence along the south wall.

During the extensive shaft development on the Monarch mine, as State mine inspector I had access to this work down to the sixth level, and according to Mr. Kirby's carefully kept daily sample sheet, the ore disclosed averaged $9 per ton in gold and silver, principally gold, and the best values throughout this extensive development occurred in close contact with a small parallel basic dike.

### NOT SHALLOW

That all of the rich ore in this lode is not shallow secondary enrichment is evidenced by the occurrence of high values in the present deeper levels. In 1932 I assisted in an attempt to interest the Consolidated Goldfields in the purchase of the Monarch property when I had an opportunity to sample one of the cross sections of the vein where it was 12 feet wide and averaged $12 per ton in gold, after carefully avoiding a definite pay streak 4 inches wide of heavy sulphide ore that assayed $800 gold per ton.

This point in the lode was on the no. 4 shaft level of the Monarch at a vertical depth of 700 feet below the outcrop at that point and it is said that these sweetened streaks of high grade have played an important part in the production of the mine during the past 3½ years.

The Atlanta district was reviewed in a pamphlet published by the State bureau of mines and geology in 1928 under the authorship of S. M. Ballard.

### CROSSED BY FISSURES

The main lode is crossed by an oblique set of fissures that strike east and west and are believed to be older than the main lode and faulted by it. These transverse fissures include the Greenback, the Last Chance, Minerva, Brick Pomeroy, Benton, Big Lode, Tahoma, and Frankie, each of which have considerable shallow development and had small milling equipment and have produced more or less rich ore from their oxidized horizons. These old properties and several other attractive prospects are now being resampled and investigated by responsible Portland and San Francisco capitalists and a deal has recently been consummated for the retreatment of the quite extensive mill tailings pile at the old Monarch mill, said to average $6 to $8 gold per ton.

According to Captain Innis, who operated the Benton mine for 3 years around 1907, one of these transverse fissures has as bold and wide a quartz outcrop as the main lode itself, and at that time had exposed a well band of pay ore with drift widths and $10 gold values.

### REGIONAL FAULT

The extension of the Atlanta lode on its easterly course seems to terminate at Montezuma gulch, which may prove to be a regional fault that has displaced the lode to the south, as on the Yuba slope of the mountain on the Mays-Davis group, there is a bold quartz outcrop traceable for a long distance to the northeast that is 100 feet wide and carries a central crushed zone 30 feet wide that is said to average $6 a ton and is certainly worthy of more development investigation in such a situation. This great quartz zone also has a parallel basic dike.

From the viewpoint of responsible engineering observers, it seems likely that other important gold discoveries may be found along this Atlanta mineral belt, which is believed by these observers to be practically continuous in conspicuous rusty-colored, sheared granite rock, together with accompanying acid and basic dikes and great quartz veins from Atlanta to the opposite slope of the main Sawtooth Range at Vienna, a distance of 18 miles.

Vienna is an old silver camp with several prominent fissures in the granite and igneous dike contracts that was extensively developed during the 80's, and is credited with a production of 3,000,000 ounces of silver.

### NEW PROSPECT

Four miles east of Atlanta, along this high rugged mountain spur that forms the narrow divide between the Middle and South Forks of the Boise River drainage, at the head of LeMoyne Creek, in the edge of a glacial circle 9,000 feet high, the Vrenon prospect is something new brought to light within the past year; is described as an ore shoot in altered porphyry that is 200 feet long, varies from 2 to 6 feet wide, and in half a dozen cross trenches gives an average value of $18 in gold, with occasional high silver values, the richest ore being at a point on the shoot where two small basic dikes intersect the fissure, one of them paralleling it for 100 feet. At this point on the vein course, visible gold has been found in the ore in particles as large as a match head.

This locality also exhibits some immense quartz veins of low-grade ore, with occasional banded segregations of commercial values. This new discovery was made by Jack Vrenon, a veteran Castillian prospector, who, in true pioneer form, made the discovery by tracing out some very excellent placer gold pannings on LeMoyne Creek to the source in the vein. These placer values in shallow trenches at several points along the creek gave pannings indicating several dollars per cubic yard. The gulch, however, is narrow and steep and very rocky, and while not attractive as a placer deposit, its pannings of rough gold was a positive indication of the course of the metal in the parent vein, now being investigated by responsible capital with the prospect of its substantial development.

GOOD SHOWINGS

Along this belt and in the immediate section south of the summit of the Sawtooth Range, where the granite elevations are 10,000 to 11,000 feet high, recent discoveries include other rich ore showings and quartz veins up to 100 feet wide, with average values of 12 ounces silver and $2 gold in one instance, 40 ounces silver and $20 gold across 20 feet in another, according to recent optimistic reports of prospectors, and in still another instance a porphyry dike 50 feet wide carrying up to 2 percent molybdenum.

The Sawtooth Range, extending for 40 miles northwest between the drainage channels of the Boise and Payette Rivers, is a rocky, snowslide country with an open season of about 4 months, but nevertheless one of the most attractive fields in the Idaho granite batholith for investigation with a number of interesting prospects already located, but with much virgin unexplored surface. The rugged topography is probably not duplicated anywhere this side of the San Juan Mountains in Colorado. The completion of the new highway up the Boise River to Atlanta will greatly facilitate the exploration of this interesting mineral field.

ADDITIONAL CLERICAL SERVICE IN ENROLLING ROOM

Mr. WARREN. Mr. Speaker, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 366

*Resolved*, That there shall be paid out of the contingent fund of the House of Representatives during the remainder of the present session not exceeding $200 for additional clerical services in the enrolling room.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sinclaire, its assistant enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 531. An act granting compensation to Walter F. Northrop;

H. R. 8598. An act to provide for the inspection and regulation of vessels engaged in the transportation of inflammable, explosive, and like dangerous cargoes in navigable waters of the United States;

H. R. 8652. An act to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes; and

H. R. 9116. An act to extend the provisions of veterans' laws and regulations to persons who served in Russia during the World War, and their dependents.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9100) entitled "An act to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties."

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2652. An act to authorize the President to attach certain possessions of the United States to internal-revenue collection districts for the purpose of collecting processing taxes; and

S. 3002. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The message also announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S. J. Res. 175. Joint resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934; and

S. J. Res. 178. Joint resolution to authorize the appointment of certain officers and employees of the United States Texas Centennial Commission, without regard to the civil-service laws.

THE NEUTRALITY BILL

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 364.

The Clerk read as follows:

House Resolution 364

*Resolved*, That upon the adoption of this resolution it shall be in order for the Speaker to entertain a motion to suspend the rules and pass Senate Joint Resolution 173, as amended, a joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this is a resolution making in order the so-called "neutrality bill" under suspension of the rules. It is a matter that has been of deep concern to a great number of Members of the House. There is somewhat of an emergency in the situation and some of us hope it will be passed as speedily as possible.

I yield 3 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Speaker, this neutrality matter is a subject which is close to my heart, because I know something about war and I do not want the young men of America, including my own son, to go away to war. God forbid. [Applause.]

NEWSPAPERS SAY WAR

Looking at the newspapers today we see a situation which is one of the most serious that the world has ever known. It is similar to the World War, probably worse, because many of the nations of the world are now physically and morally depleted. I know we are all tired and worn out, but we face a tragic world-wide situation. Let us try to work this out. We read in the headlines of the News of Washington (Scripps-Howard) today:

"Italy is on the march and cannot be stopped by anybody," says Il Duce.

Caesar talk. And someone may think that I, as an old soldier, think this march talk is all glory, flags, and bugles. Like hell! I say that literally. All I can think of is blood and guts; rotting, stinking bodies; mud.

Then we see another headline from London: "United States will go into next war, asserts Senator POPE." He is over in London. It is by cable; it brings memories of the World War. Remember who had the cables? The British. And it seems to me they still have them. Will they use them again to get us into war?

Then we see in another paper that Ethiopia is trying to settle this question with Italy. I fear, however, there is not a chance.

Now, Mr. Speaker, the resolution which is presented today is, in my opinion, not a very good one and does not cover the situation fully. It is by no means complete; I believe it better than nothing. The rule provides that it be adopted without amendment. I am generally opposed to those rules, but I believe we should go home now and that we should do something before we leave. Therefore I hope we will vote for this rule and vote for the bill and put the whole thing over. It will at least be one step ahead.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. MAVERICK. I yield to my good and liberal friend from the State of Washington. He is a credit to his State.

Mr. ZIONCHECK. If we vote down the previous question on the rule, then we can amend the rule so that we can amend the resolution.

Mr. MAVERICK. Oh, it might never come up. Let's go ahead and put it through. This Senate amendment provides an embargo on arms. That is not anywhere near enough, but it is something.

But I submit, Mr. Speaker, there are three features that concern this resolution which should be in any future legislation we should pass.

PRESIDENT SHOULD NOT HAVE POWER TO GET US IN WAR

First, we should not delegate the power to the President of the United States. [Applause.] When I say we should not delegate this power to the President of the United States, I am looking at the President as an institution and not as an individual, because I certainly would say that if Mr. Hoover were President, I would not want a lot of power delegated to him. Therefore, it should not be delegated to any human being. If the President is delegated optional powers to declare embargoes, why is he, in effect, given the power to declare war? We should never surrender such a power to the Chief Executive.

I want Congress to enact definite legislation and not to delegate and abandon to any Chief Executive the duty to keep our country out of war. Let us do our own duty.

POLICY OF NEUTRALITY SHOULD BE PERMANENT

The second point is that the policy of neutrality in this country, the policy of staying out of war, should not be up to the 29th of February, but it should be permanent. We should have a permanent policy of staying out of war. This resolution only provides until the 29th of February. I am willing to agree to that, though reluctantly, because we will be back here in Washington by that time and will have a lot of experience by that time, but when we come together again this should be made permanent. All I can say is that the resolution before us is not complete. It does not go into contracts and loans, which is very important. It does not go into many, many other features, but I am willing to vote for it as the best we can get.

Now, my third point is that when we return we should then go into this fully and enact far-reaching, comprehensive, clear-cut legislation, and not be afraid of crusty advisers of the State Department or noisy admirals. We know that by precedent nothing has been done to stop war, so let us break some precedents, and next year let us not wait until the last minute and vote for some more incomplete legislation. Let us all resolve to study the question in the meantime and come back in January and do our duty promptly.

Mr. ASHBROOK. Will the gentleman yield?

Mr. MAVERICK. I yield.

CONGRESSMAN ASHBROOK A COURAGEOUS CONGRESSMAN

Mr. ASHBROOK. I should like to say that I served in Congress during the World War and there is not a vote that I then cast that I regret today as the vote I cast against the McLemore resolution. I am happy to vote for this resolution.

Mr. MAVERICK. That is a courageous statement to make. I am only a new Congressman, and a soldier of the war. We all erred, and you deserve great praise for your statement, which at least proves a Congressman can think. You cannot be blamed for the way you voted then; all I can say is that I am proud to be your colleague. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, this legislation is dedicated to the worthy purpose of keeping the United States out of war. When the World War was ended everyone rejoiced and hoped the United States never again would be confronted with the danger of war. Unfortunately, we realize the age-long dream of peace is still far from a reality. We are again confronted with a war spirit. I am going to vote for this particular legislation because this is all that can be obtained at the present time. I am quite in accord with the views expressed by the gentleman from Texas [Mr. MAVERICK]. I regret to see this legislation, which is so vital to every American, brought here under a gag rule that makes it impossible for Congress to give real expression to its desires. In this it is in complete harmony with the policy of the House the greater part of its last 3 years. I am sure if we had an opportunity to offer amendments there would be no limitation upon this legislation.

I believe if Congress had the opportunity for fair expression, this legislation would be made mandatory and permanent. We all must realize, if we are to keep the country out of war, we cannot make this type of legislation discretionary. We cannot leave it to one man or any group of diplomats to determine when an embargo shall be applied. This would be extremely dangerous and be worse than no legislation. Instead of a move for peace it would be a possible breeder of war.

Legislation of this character can be passed much easier when war is in the distance. If by any unhappy chance there should be a war raging when the act expired on March 1 there would be far more difficulty in passing the bill than it would right now. Powerful and selfish interests could be depended upon to try and block the reenactment of the legislation.

For this reason I regret a parliamentary situation is created which prevents a vote on making it permanent legislation, as was done in the Senate by practically a unanimous vote.

I understand the situation thoroughly, however. The President of the United States is opposed to mandatory legislation. He would like to have it left discretionary, but we find that in the compromise he will accept the mandatory feature until March 1. At this late hour of the session we can do nothing else than accept the legislation. The alternative would be no legislation.

It is true if the House in its wisdom desired to vote down the previous question it can defeat this gag rule; it can then make this motion open to amendment.

Mr. McREYNOLDS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. McREYNOLDS. Am I to understand from the statement of the gentleman that he is going to undertake to have the previous question voted down?

Mr. MARTIN of Massachusetts. If the gentleman would only wait for a few moments I would have explained that.

I repeat this course is open. Now, I am not going to advocate this because I know if we did we would not get any legislation at all. I am given to understand the limited mandatory law is as far as the President will go.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CULKIN. The distinguished chairman of the committee is quoted in the press the other day as stating that he was opposed to the whole scope of this measure. Did the gentleman notice that?

Mr. MARTIN of Massachusetts. The chairman can answer that question for himself.

Mr. McREYNOLDS. I may state that I have not seen any such article. I will state to the gentleman that every provision in this bill was contained in the bill which was introduced by the gentleman from Tennessee last Saturday except one, and the only question involved in this provision is——

Mr. CULKIN. The gentleman was treated rudely by the press.

Mr. McREYNOLDS. I think the gentleman from Tennessee has been treated very nicely by the press despite what some other gentleman may say about it.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 3 additional minutes to the gentleman from Massachusetts.

Mr. CULKIN. The question is whether we want to make the bill mandatory or discretionary. As I understand it the gentleman wishes it discretionary; that is his real view.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. ZIONCHECK. It is my understanding that the resolution made in order by the pending rule is exactly the same resolution that passed the Senate except the mandatory feature was limited to 6 months.

Mr. MARTIN of Massachusetts. No; not exactly that. The House bill contains a licensing feature for the sale of arms which, I understand, is acceptable to the Senate Committee on Foreign Affairs.

Mr. ZIONCHECK. It is in the Senate bill, I understand.

Mr. MARTIN of Massachusetts. But the paragraphs contained in the House bill are included in the pending bill and will be acceptable to the Senate Foreign Relations Committee.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CHRISTIANSON. The essential difference is in section 2 of the bills, section 2 of the House bill providing that section 1 shall cease to be operative on February 29.

Mr. MARTIN of Massachusetts. This limitation means we shall be obliged to fight the battle all over again next winter.

This is the best bill we can get now and consequently must accept it.

Mr. FOCHT. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. FOCHT. But there is a limitation and the limitation is that he is going to have full power.

Mr. MARTIN of Massachusetts. Who will have full power?

Mr. FOCHT. The President.

Mr. MARTIN of Massachusetts. Not for the time it will be effective.

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. MAVERICK. Does not the gentleman think it would be better to have this bill for the present and work out other legislation at that time?

Mr. MARTIN of Massachusetts. We cannot do otherwise. We all know that if we had a chance to make this legislation permanent, that is what we would do. If we had time, I would say let us fight it out, but there is nothing to do now but accept the situation and support the bill.

Mr. MAVERICK. I feel somewhat the same way.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. SISSON].

Mr. SISSON. Mr. Speaker, I am very earnestly in favor of the immediate passage of this rule, because I am equally earnestly in favor of the passage of this bill and of the bill as it is. It is not a case of a gag rule, because it is obviously unthinkable that we should attempt to legislate from the floor on a matter of this character which has been considered for months and months and months by both the Senate and House committees.

It is to be regretted that this bill comes here at this late hour, but that is water over the dam now. The thing for us to do, so long as there is the imminent danger confronting us, is to pass the best neutrality legislation possible and, in my opinion, this is the most important act of the present Congress.

I may say for the benefit of those who have not had an opportunity to examine it that this is the Senate bill. The issue as between mandatory legislation and permissive or discretionary legislation has been settled, at least for the time being, and I hope for all time in favor of mandatory legislation. I for one want to assure the gentleman from Massachusetts that if I am back here at the next and succeeding sessions I will use my voice and vote never to permit any President of the United States to become a dictator in reference to our foreign policy. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. SISSON. Mr. Speaker, I want to elaborate on the statement I made that this is a Senate bill. It is the Senate bill with this exception which may or may not be an important exception. The legislation is temporary instead of permanent. Of course, all legislation in a sense is temporary because the Congress may change it at any time. There is also this important exception, that the House Committee on Foreign Affairs has added several provisions which somewhat improve the Senate bill. I want to compliment the Foreign Affairs Committee of the House in bringing to us a very fine piece of legislation to meet this emergency.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 8 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, I regret exceedingly that a matter of such immense importance may not have a somewhat lengthier consideration than that which is permitted under this rule. At the risk of sounding what might seem to some persons a discordant note, I beg the indulgence of the Members of the House while I endeavor to make a few observations about this question of neutrality.

It is here proposed in effect to enact a statute of the United States providing mandatorially, at least until next March 1, that no national of the United States shall sell or offer for sale or transport to any belligerent country any arms, ammunition, or implements of war. As the thing will work out, upon the outbreak of war, and apparently only the President of the United States may decide when war breaks out at some point on the globe, he will issue a proclamation, whereupon this statute takes effect automatically to last for 6 months, which to my mind is an extraordinary proposal upon its face. However, I am speaking about the mandatory imposition or establishment of embargoes against the exportation of what is called the implements of war to belligerent countries.

I appreciate perfectly well the ideals which move the good people who support this measure. I respect those ideals myself, but at the same time it seems to me that we would better be fairly realistic when we begin to legislate about what America shall do with respect to its conduct in the future when trouble breaks out in the world. Let us be realistic and see if we can apply the provisions of this proposed measure to circumstances that may arise. Without intending to express any sentiment for or against any foreign nation, let me suggest that today there exists a situation which some people regard as threatening the peace of the world but which affects primarily and in the first instance only two nations, Italy and Ethiopia.

Italy is a great, powerful nation, equipped with industrial facilities and resources. Ethiopia is a small nation, utterly lacking in industrial resources. The philosophy of this legislation suggests that the weak nation shall not be permitted to purchase arms with which to defend itself. This brings up a very important vista that causes me to doubt very much indeed whether we should legislate mandatorily upon a question of this sort. No two wars are alike in their inception. No two wars bring about exactly similar consequent conditions. I am therefore wondering if it is wise for America, which, after all, is the hope of the peace of the world, to freeze its policy of neutrality in a statute. Is it safe? Is it wise?

The purpose of this legislation is to this effect: When two or more nations fall out and go to war, neither of them or any of them may purchase supplies from the outside; for surely if this purpose is sound, then it should become the law of the nations. It occurs to me that such a situation presents an open invitation to the great and the powerful to attack the weak, knowing that the weak is forbidden by the law of the nations, including the law of the United States, to purchase a weapon with which to defend itself. We have had instances of that sort within a very few years.

The Empire of Japan most certainly indulged in military aggression against China. China is a nonindustrial nation, ill-equipped, unprepared, although teeming with her millions in man power.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 4 additional minutes.

Mr. WADSWORTH. Japan, industrialized, armed to the teeth, ready, carried on that aggression. I am not discussing the merits of the controversy.

If I am not mistaken in my recollection, the Government of Great Britain declared an embargo against the exportation of munitions to both Japan and China. Japan made little or no protest against any such embargo, but poor China raised a wail of protest, called attention to the fact she must be permitted to purchase the weapons with which to defend herself and made such an impression upon the sense of justice of the whole world that the British Government withdrew its embargo order.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I cannot yield.

Peace is greatly, greatly to be desired, but, Mr. Speaker, there is something even more precious than peace, and that is liberty. Looking back in our own history, can we forget what happened in 1776 and in the years immediately following that historic year? Had the principle of this bill been in effect in 1776 and had it been accepted by the nations of the earth, it is gravely, gravely doubtful that the 13 colonies could have achieved their independence. Remember our purchases from France!

So, Mr. Speaker, let us go a little slowly before we commit this great Government and this great country of ours irrevocably to a philosophy which may have the final effect of making it impossible for some oppressed, little people to gain its liberty or to defend it. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Speaker, I agree with my distinguished colleague, Mr. SISSON, of New York, that from the standpoint of vital importance to the welfare of America the bill we are passing today, the so-called Senate mandatory "neutrality bill", takes first rank among the accomplishments of the first session of the Seventy-fourth Congress. With the world in turmoil due to the activities of a dictator who seems to be hell bent on war, and with war already brooding over Europe, Africa, and the Orient, it is of the most extreme and pressing necessity that we shall do something to keep America from becoming involved. In these exigent circumstances this bill is a wise, salutary, and timely piece of legislation and it should pass this body unanimously so that the world may know by this significant action of the Chamber of the American Congress which stands closest to the people, and therefore is in a position to interpret the heart and conscience of this Nation, that in the event of another world war America is determined to remain neutral, attend to its own business, and keep its skirts free from the carnival of blood.

One of the wisest statesmen this country ever produced was a resident of the city I have the honor to represent in this Congress. I refer to Benjamin Harrison, the twenty-third President of the United States. He was a thinker, a man of high ideals, a devoted Christian, gifted with dynamic brain power, and a capacity for expressing a great deal of meaning in a very few sentences. He planted in my mind a thought that has ever since been the basis of my philosophy as to what America's relations should be with the family of nations.

The incident I shall relate occurred after he had been President and while he was still in the active practice of law at Indianapolis. I was a young newspaper reporter, working on an Indianapolis paper, and was carrying on a side line of correspondence with some outside newspapers, including the New York World.

One day the World telegraphed orders to me to interview General Harrison on the propriety of the United States Government intervening in an imbroglio in some foreign country—I have forgotten the exact incident—and I went to his home on North Delaware Street to execute the commission. I found him in his study, and when I asked his opinion on the question at issue he shot back an answer that still rings in my ears. He said:

We have no commission from God to police the world.

In that sententious remark is compressed a world of meaning. It is a reaffirmation in a more concise and forceful way of the immortal but more or less disregarded admonition of Washington against America's involvement in entangling alliances. It was Harrison's idea, with which I humbly voice my complete agreement, that America can best fulfill its magnificent destiny by maintaining friendly relations with all nations, cultivating the spiritual values and walking upright in the sight of the Lord rather than by mixing in the brawls of other nations where wars have been a pastime for a thousand years. I commend this expression of a wise man, "We have no commission from God to police the world", as a meaningful utterance, worthy of the best consideration of those who are anxiously contemplating the menacing world situation that exists today. If the world breaks out in flame let us remember the words of Washington and Harrison and let us not throw our fine young manhood into the holocaust.

This neutrality bill is one form of manifestation of the philosophy to which I have referred, and, in my opinion, it reflects the heart and soul of America. If there is one thing on which the people of America are determined it is that our boys shall not be sent to far distant lands to mix in quarrels that are not our own, to kill other boys, and to be killed by other boys who have no personal grievance against us as we have none against them, and who do not speak our language.

For a long time I have been doing my poor best to assist in promoting neutrality legislation, working shoulder to shoulder with such devoted lovers of peace as Representatives FRED J. SISSON, of New York, MAURY MAVERICK, of Texas, FRANK L. KLOEB, of Ohio, THEODORE CHRISTIANSON, of Minnesota, CHARLES W. TOBEY, of New Hampshire, H. P. KOPPLEMANN, of Connecticut, HARRY SAUTHOFF, of Wisconsin, and FRED BIERMANN, of Iowa. On Wednesday of this week we went to the White House, where we were most graciously received by President Roosevelt. In the discussion of foreign affairs that ensued no one could have failed to be impressed by the close attention the President is giving to the world situation, by his intimate knowledge of every development and by his stern determination to protect the peace of America.

The neutrality bill that is before us today is not a perfect measure. It leaves much to be desired but it is good as far as it goes and it will erect substantial safeguards to keep us from becoming involved in the war that already is beginning to blaze across the eastern horizon. As we approach what appears to be a world crisis, whose ultimate vast dimensions no living person can now envision, it is of the utmost importance that this history-making neutrality legislation shall be enacted.

I congratulate the President of the United States on his wisdom in consenting to the enactment of this bill for mandatory neutrality, rather than the State Department's plan for permissive neutrality—that is to say, a bill that would make the President of the United States the sole judge and authority as to the kind of neutrality measures that shall be employed and when and against what countries those measures shall be made effective.

The State Department's plan would be a colossal mistake, and in the far stretch of the years to come it might lead to the most tragic consequences. What we need is neutrality by law and not by Presidential edict. If we were to give to the President the power to prescribe neutrality measures and the time of their application we might just as well sponge out of the Constitution the authority now given to the Congress to declare war and write in its place:

"The power to declare war is hereby vested in the President of the United States."

The one grant of authority would be tantamount to the other. I once heard a President of the United States say that under existing laws he could maneuver the country into war within 2 weeks. He had no intention of doing so, of course, but he was stating what he could do, and he spoke truly. Given the tremendous additional power and authority of a "permissive neutrality" law, and the President would be supreme in his power to wage war.

This would make a situation that would be ripe for a dictator, but which, thank the Lord, would be violently repellent

to every peace-loving American who loves and wishes to cherish the traditions and institutions of his country. As long as President Roosevelt is in the While House "permissive neutrality" would not be abused; but when we enact such laws, we do not enact them for one particular President but for all of the Presidents of the years to come. I can imagine a President of a type and mentality who, in order to pursue his ideas of national aggrandizement or to satiate his lust for power, might use the authority conveyed to him in a "permissive neutrality" law to plunge the Nation into a horrible war. Then, too, he might bring on the most dreadful consequences by acting in perfect good faith; for the judgment of no man is infallible, even though that man may be the President of the United States. "In multiplicity of counsel there is wisdom", says an old proverb, and it is not best to centralize authority in one man.

I am one of those who believe that the power to declare war should be decentralized instead of becoming even more centralized than it is at present. When the present Congress opened I introduced a resolution—House Joint Resolution No. 167—which is designed to keep America from being dragged into unjustifiable wars. It provides that, except in the case of invasion or attack, war shall not be declared until the question has been submitted to the people and approved by a majority of the citizens in a national referendum. It is predicated on the theory that those who have to suffer and, if need be, to die, and to bear the awful burdens and costs of war should have something to say as to whether war shall be declared. That, it seems to me, is elemental justice. I believe with all my heart in decentralizing the war-declaring power down to the people who comprise the warp and woof of America and not in further centralizing it upward to one individual, the President of the United States, and for that reason I am unalterably opposed to such "permissive neutrality" laws as the State Department advocates. The Senate mandatory neutrality bill is one that fits in well with America's relations with the world in these troubled and portentous times, and I would like to see it pass without a dissenting vote. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Speaker, I am approving of this resolution for the reason I believe it is the best we can get at this time.

The world stands at the brink of a very grave crisis. Europe is once more threatened by the grim specter of war, and any step that the Congress of the United States can now take that will keep America from becoming embroiled in that bloody strife is a step which I, for one, am willing to support. [Applause.]

I repeat, I am going to vote for this resolution, although it is not as drastic as I had hoped it would be. One defect in this resolution is the leaving out of the provision barring loans to or the sale of the securities of the warring nations in the United States.

That is not as fatal, however, as it would seem at first blush. The Johnson resolution, passed by the Seventy-third Congress, barred loans and the sale of the securities of all nations now in default of the debts due to the United States.

That resolution bans the principal European nations from securing credit in this country, and it is my conviction that it will be a very effective check until such time as Congress sees fit to so strengthen its provisions as to bar, for all time, the making of loans for war purposes to all nations. Such a policy, with the curb on the sale of munitions, as provided in this resolution, will do more to keep us out of war than any other I can conceive of, and for that reason I am heartily in favor of it. No loans for war purposes to anyone. That is my policy.

Mr. O'CONNOR. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. Mr. Speaker, answering the gentleman from New York who stated that this particular resolution would work to the disadvantage of the small or weaker nation, let me draw a rapid comparison.

Before the war of 1914 we had no such policy as this. The war started and we supposed we were going to sell munitions to both nations, but almost immediately it became impossible for us to sell to Germany and then we could not change our policy because it would look as if we were sympathetic to the German cause.

The same thing would be true if we are on the verge of a difficulty between Italy and Ethiopia. We might now start selling to either nation, but if war starts, the time will rapidly arrive when we cannot sell to Ethiopia and we would be selling to Italy only.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, for one, I was in favor of trying to have adopted a resolution which would have fixed for all time a permanent policy rather than fixing it up to February 29, 1936. However, as Senator CLARK has stated, it is better to have a little bit of something than to have a great deal of nothing; and fully realizing that unless we can have harmony on this particular resolution, and fully realizing that it is more than likely that if we offer amendments or attempt to vote down the previous question, we may get into such a legislative jam at this late hour of Congress that even this resolution might be defeated and lost. I prefer to go along with the previous question and support the resolution.

However, I cannot let this opportunity go by without making two criticisms which I respectfully submit to the Members of the House.

First, why should we place any limitation of time at all?

If this is a just policy, if this is a policy which will keep us out of war, why should we terminate such a policy on February 29, 1936?

I believe that a neutrality policy is not a policy which should be determined by the State Department, influenced by intricacies of diplomacy, but a policy of neutrality should be determined by the representatives of the American people who will have to do the fighting in the event we are thrown into a conflict.

A neutrality policy should not be left to the discretion of the Executive or any branch of the executive department. A neutrality policy should be legislated by the House and by the Senate, legislated by the representatives of the American people, and that policy should be fixed permanently by us. [Applause.]

Mr. CONNERY. Will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. CONNERY. I think the more important question is that of loans. They do not care anything about a neutrality policy if they can get credit.

Mr. MARCANTONIO. I was coming to that. This bill leaves a loophole through which the policy can be evaded. An embargo on arms is ineffective unless you have an embargo on loans. I do not want to fight the last war over again, but I think we all know that a great deal of the propaganda against Germany, a great deal of the poison injected into the schools, into the churches, and into the public forums of the Nation was instigated and paid for by private bankers who had a great financial stake in a victory for the Allies.

If there should be any prohibition at all, the most important of all should be a limit on the extension of credit to belligerent nations. No credit should be given to any of the belligerent nations by any individual, organization, or any financial institution of the United States.

Mr. SISSON. Will the gentleman yield?

Mr. MARCANTONIO. I will yield to the gentleman from New York.

Mr. SISSON. I agree with the criticism of this bill, if it was a complete program and not a mandatorial neutrality. However, we can, at the next session, make this a permanent work of securing an emphatic declaration of neutrality of credit.

Mr. MARCANTONIO. As far as I am concerned, I am going along, but we have a splendid opportunity today to do something real to keep us out of war. Why not do it now, intead of waiting until next year?

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the remainder of my time to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Speaker, I have profound respect and admiration for the distinguished gentleman from New York [Mr. WADSWORTH]. I believe under most circumstances his judgments are sound. He based his objection to the neutrality resolution entirely on the plea that if this becomes a national policy the weak are to be subjected to the oppression of the strong. It occurs to me that the gentleman's contention inevitably requires a determination as to which nation is weak and which is strong. It inevitably means, if we follow the reasoning of the distinguished gentleman from New York, that a national policy of America must be dependent, first of all, upon an arbitration or determination of the question as to which of the belligerent or contending powers is the stronger and which is the weaker, and immediately thereafter there must come, inevitably, a position on the part of this country by which it shall determine to which of two contending forces aid through the sale of arms and munitions shall be given.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. DITTER. Yes.

Mr. WADSWORTH. It was furthest from my thought that the Government of the United States should ever be called upon to make a decision as to which of two contenders might purchase. If any is to purchase, all must purchase. Otherwise, we are unneutral and guilty of an act of war.

Mr. DITTER. Mr. Speaker, I submit to the Membership of the House that the largest part of the gentleman's appeal was based on the possibility of an injustice being done to the weak at the hands of the oppressor. He recited, in support of his claim, the conditions prevailing at the time of our own war of independence, and it seems to me that if there is any justification for the plea of the gentleman from New York, it inevitably means that we are going to provide an aid for that group which is supposed to be weak in order that it might contend against the strong.

The position that I take today is that the neutrality resolution will provide to America an assurance that we shall maintain a spirit of neutrality for the welfare of America. Our first duty is to America. I have stood here on the floor of the House and supported and contended for those measures for the armed forces of America which I believe were justified and necessary. I shall continue in that policy, but I do believe and believe most sincerely that the policy of America should be such that you and I can go back to the districts which we represent and tell our people that we have done everything possible to prevent a recurrence of the conditions that prevailed in 1917–18. I ask on the part of the Membership of the House the same degree of care, the same degree of thoughtfulness, the same grave consideration of this situation as the distinguished gentleman from New York asks, but I ask at your hands, and ask today, a realization of the consequences we face unless a neutrality policy, absolute neutrality, is established by the Nation. This policy will not invite difficulties. It will prevent disasters. It will provide a continuity of the spirit of friendship with other nations. It will lessen the possibility of the development of commercial rivalries and the consequent involvent in international financial problems. But above all, it will assure the mothers of America that the flower of American young manhood will not be led to the carnage of destruction on foreign battlefields. God grant that the threatened disaster may be avoided and that we may have the courage to do our duty to minimize the possibilities of war. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut [Mr. KOPPLEMANN.]

Mr. KOPPLEMANN. Mr. Speaker, I am absolutely in accord with what has been said for this resolution. In case there are any of you who have any doubt, I want to mention the statement made by General Smuts, that this crisis between Italy and Ethiopia may lead to a race war. Already within our own boundaries, we have seen evidence of race warfare in a small way. It is a hideous foreboding of what may come to pass in greater and more horrible degree.

If we pass this resolution, those who incite to race riots and who are perhaps looking to race warfare will realize that such activity will be of no avail. With the adoption of this neutrality resolution there will be an immediate end to race riots in this country, because those participating in them, because they feel themselves in allegiance bound to one or other of the belligerent countries, will know that the United States is without equivocation, neutral, and that the people of this country will not stand for any display of friendship for either Italy or Ethiopia, on the part of residents here, which friendship evidences itself in any sort of conflict. Race riots, unless they are immediately stopped, and their stopping backed by neutrality legislation which will keep this country absolutely impartial to warring nations, will lead to race wars.

This question of neutrality is not one of passive interest to the American people. They want neutrality, and they want neutrality legislation which will leave no doubt that the United States will in no way aid any nation at war. My mail in the last few days has not increased, but my telegrams have. Our people dare not take the time to write a letter. They dare not wait for the mails to bring us their pleas that we keep out of the impending war. They are afraid that we will not act, or act the wrong way, if they do not immediately and by the quickest route tell us that we must pass the strong neutrality legislation.

Not only are the so-called "peace advocates" wiring me. Mothers and fathers are wiring me. Young people—who are about to take their places in useful citizenship, and while their patriotism is above doubt, they feel they can best serve their country in peace, devote their efforts to our cultural and economic and scientific upbuilding—they are wiring me.

Here is a letter I received this afternoon from a veteran of the World War. If his letter were inspired by a lobby he would have demanded that I support the Senate resolution. But no. His letter was inspired only by his own strong feelings in the matter, by the horrible experience which was his during the World War, by the still more horrible experience which has been his during the past few black years during which we have been really paying the price for that treacherous prosperity which was ours during the World War.

This veteran tells me he would "appreciate my giving more thought to the resolutions drawn up by the Senate Foreign Relations Committee from recommendations offered by the Senate Munitions Committee" before casting my vote. And he recommends in addition even stronger provisions than are contained in the Senate resolution.

Ever since the last war there have been repeated efforts to bring about conditions which would prevent war. Still there has not been a time when some nation or other was not at war.

Yet they go on making gestures for peace. And behind these gestures what have they been doing? So adequately preparing themselves for war that they are ready on short notice, if need be, to put their armies, their navies, and their air forces into action.

War which has so often been discussed with an "it will never come to pass" attitude is starkly and horribly facing the world. If war were to be confined to two nations having differences, we might say, "Well, let them battle it out." But we have learned that war cannot be confined. It invites, and it tantalizes, and it provokes, and it spreads until another nation and another and another nation have signed up—it is like a tournament—and the world bursts into flame.

Even the United States, providentially cut off from other continents by thousands of miles of water, is not immune. There are any number of ties which bind us to the rest of the world. Any number of chance happenings can catch us off our guard and throw us unwillingly into war.

We must take every precaution. In the present threatened conflict between Ethiopia and Italy there is not the slightest reason why this country should assume more than an impartial interest.

The first step for the protection and security of the American people lies in our adopting this resolution. By leaving open the possibility of our taking sides with any belligerent nation, we have everything to lose and nothing to gain.

The threat inherent in a war between Ethiopia and Italy is not in itself so troublesome as the consequences to which such a war may lead. Africa is a continent of colonies subject to various parent European countries. All Europe is tense, anxiously watching developments, each nation jealous lest any blow be given to her prestige. That is where the danger lies, and that is just the danger against which the United States must guard.

Our neutrality policy must be changed and redefined. We dare not wait until after war has broken out. We will have become involved by that time. This resolution before us must pass today.

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

### THE SNYDER-GUFFEY COAL BILL—CONFERENCE REPORT AND STATEMENT

Mr. SAMUEL B. HILL. Mr. Speaker, I present a conference report and statement upon the bill H. R. 9100, to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a draw-back under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States; to provide for the general welfare; and for other purposes; and providing penalties, for printing under the rule.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9100) to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, and 21.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, and 22, and agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"It shall not be an unfair method of competition or a violation of the code or any requirement of this Act (1) to sell to or through any bona fide and legitimate farmer's cooperative organization duly organized under the laws of any State, Territory, the District of Columbia, or the United States whether or not such organization grants rebates, discounts, patronage dividends, or other similar benefits to its members, (2) to sell through any intervening agency to any such cooperative organization, or (3) to pay or allow to any such cooperative organization or to any such intervening agency any discount, commission, rebate, or dividend ordinarily paid or allowed, or permitted by the code to be paid or allowed, to other purchasers for purchases in wholesale or middleman quantities."

And the Senate agree to the same.

SAMUEL B. HILL,
DAVID J. LEWIS,
FRED M. VINSON,
*Managers on the part of the House.*

M. M. NEELY,
ALBEN W. BARKLEY,
JAMES J. DAVIS,
*Managers on the part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9100) to stabilize the bituminous-coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendment no. 1: This amendment provides that not more than 3 of the 5 members of the Commission shall be members of the same political party. The Senate recedes.

On amendments nos. 2 and 4: These amendments insert in the proper place and clarify the provision of the House bill under which employees of the Commission may not be related to members of the Commission. The House recedes on both amendments.

On amendments nos. 3 and 5: The House bill provided that appointment and compensation of officers and employees of the Commission and of the Consumers' Counsel should be made and fixed without regard to the civil-service laws and the Classification Act. The Senate amendments provide that such appointment should be made and compensation fixed "with due regard" to such laws. The House recedes on both amendments.

On amendment no. 6: This amendment strikes out the provision of the House bill expressly making the antitrust laws inapplicable to coal producers, marketing agencies, and boards complaying with the code section. The House recedes.

On amendments nos. 7 and 8: The House bill provided that one member of each district board should be selected by the national organization representing the preponderant number of employees in the industry. Senate amendment no. 7 strikes out "national". Senate amendment no. 8 relates the ascertainment of preponderant number to the particular district for which the board is established. The House recedes on both amendments.

On amendments nos. 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18: Amendment no. 9 excludes Illinois, Indiana, and Iowa from minimum price area number 1, and amendment no. 10 makes a new area (no. 2) which includes these three States. The other amendments renumber the other areas. The Senate recedes on all these amendments.

On amendment no. 19: The House bill provided that the minimum prices established should reflect the relative market value of various coals and be just and equitable between producers within the district. The Senate amendment inserts the additional requirement that such prices be just and equitable between producers in competing districts. The Senate recedes.

On amendment no. 20: The Senate amendment provides that it shall not be an unfair method of competition or a violation of the code or the act to sell to or through any bona fide and legitimate cooperative (including duly organized farmers' cooperatives) whether or not the organization grants rebates, discounts, patronage dividends, or similar benefits to members; to sell through an intervening agency to such cooperative; or to pay or allow to the cooperative or intervening agency any discount, commission, or dividend ordinarily paid or allowed, or permitted by the code to be paid or allowed, to other purchasers for purchases in wholesale or middleman quantities. The House recedes with an amendment which confines the operation of the provision to farmers' cooperative organizations and to intervening agencies in connection therewith.

On amendment no. 21: This amendment provides that not more than two of the three members of the Labor Board shall be members of the same political party. The Senate recedes.

On amendment no. 22: This amendment provides that the appointment and compensation of officers and employees of the Labor Board shall be made and fixed with due regard to the civil-service laws and the Classification Act. The House recedes.

SAMUEL B. HILL,
DAVID J. LEWIS,
FRED M. VINSON,
*Managers on the part of the House.*

Mr. SAMUEL B. HILL. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report.

The SPEAKER. Is there objection?

There was no objection.

Mr. SAMUEL B. HILL. Mr. Speaker, I ask unanimous consent that the statement of the conferees be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

Mr. SAMUEL B. HILL. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. REED], and then I am going to move the previous question.

Mr. REED of New York. Mr. Speaker, I fear it will be quite impossible to cover much of the ground involved in

this bill in the 5 minutes allotted to me. I do not know how the membership of this House feels at this particular time with reference to this bill and what it portends. I am not in favor of the provisions of this bill. I am opposed to the bill; but the implications which this bill carries are far-reaching, implications challenging the self-respect and honor of every Member of this House. In a very short time now we will have lived under our present Federal Constitution for 148 years. Under the Constitution we have grown to be a great and glorious nation. We believe in our Federal Constitution.

It has been the ambition of peoples from all over the world to come here and enjoy the opportunities which have come to every person who has stood beneath the folds of our flag. One reason why we have had an orderly and safe government, a government that has given us opportunities, is that for practically 148 years people have been loyal to the Federal Constitution; but today we are invited by the administration in power to ignore any unconstitutional features that may exist in this bill, and to pass it regardless of them.

Every Member of this House has taken an oath of office to defend and preserve and protect the Constitution of the United States. Long ago the Supreme Court established the rule that when any legislation was presented to it by the Congress of the United States it would indulge every reasonable doubt in favor of the legislation, and it indulged those doubts in favor of the legislation because it was assumed that every Member of Congress would endeavor to carry out his oath of office and not transgress the powers and restrictions laid down in the Constitution. That has placed the burden upon Members of Congress to be very circumspect and to be careful and to endeavor to live up to their oath of office and not transgress upon the powers and restrictions laid down in the Federal Constitution. But the President urges that Members ignore their oath of office and disregard the Federal Constitution; that we are not to pay any attention to principles, convictions, and constitutional limitations but instead to pass the responsibility on to the Supreme Court.

What is the purpose of the President in demanding that Representatives violate the solemn obligation of an official oath? Is it not to create ultimately prejudice against the Supreme Court?

Permit me to quote the letter written by President Roosevelt to Hon. SAMUEL B. HILL, of the subcommittee in charge of this legislation:

THE WHITE HOUSE,
*Washington, July 5, 1935.*

Hon. SAMUEL B. HILL,
*House of Representatives, Washington, D. C.*

MY DEAR MR. HILL: Your subcommittee of the Ways and Means has pending before it H. R. 8479, a bill to stabilize the bituminous coal-mining industry and promote its interstate commerce, etc., and I understand that questions of the constitutionality of some of its provisions have arisen in the subcommittee.

This industry, from the standpoint of the operators and the miners, has had many years of difficulty. The product is a great natural resource entitled to the consideration of the Congress both as to the conditions under which it is produced and distributed and as to measures which may be taken for its conservation. The deposits are limited to a few States, the consumption is Nation-wide. Competition and overexpansion have brought destructive price reductions, which have inevitably reacted upon labor standards with a resulting dislocation, restriction, and obstruction of interstate commerce and a recurring danger of industrial strife. Circumstances such as these present the strongest possible illustration of how conditions of production directly affect commerce among the States.

Admitting that mining coal, considered separately and apart from its distribution in the flow of interstate commerce, is an intrastate transaction, the constitutionality of the provisions based on the commerce clause of the Constitution depends upon the final conclusion as to whether production conditions directly affect, promote, or obstruct interstate commerce in the commodity.

Manifestly, no one is in a position to give assurance that the proposed act will withstand constitutional tests, for the simple fact that you can get not 10 but 1,000 different legal opinions on the subject. But the situation is so urgent and the benefits of the legislation so evident that all doubts should be resolved in favor of the bill, leaving to the courts, in an orderly fashion, the ultimate question of constitutionality. A decision by the Supreme Court relative to this measure would be helpful as indicating with increasing clarity, the constitutional limits within which this Government must operate. The proposed bill has been carefully drafted by employers and employees working cooperatively. An opportunity should be given to the industry to attempt to work out some of its major problems. I hope your committee will not permit doubts as to constitutionality, however reasonable, to block the suggested legislation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

I quote also from President Taft's veto message, which indicates the danger of complying with such a request.

EXCERPT FROM MESSAGE OF PRESIDENT TAFT VETOING WEBB-KENYON BILL, AS REQUESTED BY MR. REED

But it is said that this is a question with which the Executive or Members of Congress should not burden themselves to consider or decide. It is said that it should be left to the Supreme Court to say whether this proposed act violates the Constitution. I dissent utterly from this proposition. * * *

The oath that the Chief Executive takes, and which each Member of Congress takes, does not bind him any less sacredly to observe the Constitution than the oaths which Justices of the Supreme Court take. It is questionable whether the doubtful constitutionality of a bill ought not to furnish a greater reason for voting against the bill, or vetoing it, than for the Court to hold it invalid.

The Court will only declare a law invalid where its unconstitutionality is clear, while the lawmaker may very well hesitate to vote for a bill of doubtful constitutionality because of the wisdom of keeping clearly within the fundamental law.

The custom of legislators, and executives having any legislative function, to remit to the courts entire and ultimate responsibility as to the constitutionality of the measures which they take part in passing is an abuse which tends to put the Court constantly in opposition to the legislature and executive, and, indeed, to the popular supporters of unconstitutional laws.

If, however, the legislators and the executive had attempted to do their duty, this burden of popular disapproval would have been lifted from the courts, or at least considerably lessened (63d Cong., 1st sess., S. Doc. 103, vol 49, pt. 5, p. 4291, CONGRESSIONAL RECORD).

Why is it that the Supreme Court resolves all doubts in favor of the constitutionality of acts passed by the Congress? I quote from Cooley on Constitutional Law on this point:

The constitutionality of law, then, is to be presumed, because the legislature, which was first required to pass upon the question, acting as they must be deemed to have acted, with integrity, and with a just desire to keep within the restrictions laid down by the Constitution upon their action, have adjudged that it is so. They are a coordinate department of the Government with the judiciary, invested with very high and responsible duties, as to some of which their acts are not subject to judicial scrutiny, and they legislate under the solemnity of an official oath, which it is not supposed they will disregard. It must, therefore, be supposed that their own doubts of the constitutionality of their action have been deliberately solved in its favor, so that the courts may with confidence repose upon their conclusion, as one based upon their best judgment. For, although it is plain, upon the authorities, that the courts should sustain legislative action when not clearly satisfied of its invalidity, it is equally plain in reason that the legislature should abstain from adopting such action if not fully assured of their authority to do so.

Respect for the instrument under which they exercise their power should impel the legislature in every case to solve their doubts in its favor, and it is only because we are to presume they do so, that courts are warranted in giving weight in any case to their decision. If it were understood that legislatures refrained from exercising their judgment, or that, in cases of doubt, they allowed themselves to lean in favor of the action they desired to accomplish, the foundation of the cases we have cited would be altogether taken away. (Cooley Constitutional Limitations.)

It is but a decent respect to the wisdom, the integrity, and the patriotism of the legislative body by which any law is passed, to presume in favor of its validity, until its violation of the Constitution is proved beyond all reasonable doubt. (*Ogden* v. *Saunders*, 12 Wheat. 213.)

It has been said by an eminent jurist that when the courts are called upon to pronounce the invalidity of an act of legislation, passed with all the forms and ceremonies requisite to give it the force of law, they will approach the question with great caution, examine it in every possible aspect, and ponder upon it as long as deliberation and patient attention can throw any new light upon the subject, and never declare a statute void, unless the nullity and invalidity of the act are placed, in their judgment, beyond a reasonable doubt. A reasonable doubt must be solved in favor of the legislative action, and the act be sustained.

Is the Congress prepared to destroy this century-old salutary rule by convincing the Court that it can no more rely upon Representatives to respect their oath of office and assume responsibility under it when formulating and passing legislation.

Mr. SAMUEL B. HILL. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

Mr. SNELL. On that, Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 186, nays 150, answered "present" 1, not voting 93, as follows:

[Roll No. 191]

YEAS—186

| | | | |
|---|---|---|---|
| Amlie | Doughton | Larrabee | Reilly |
| Arnold | Driscoll | Lea, Calif. | Richards |
| Ashbrook | Duffey, Ohio | Lemke | Richardson |
| Ayers | Duncan | Lesinski | Robinson, Utah |
| Barden | Dunn, Pa. | Lewis, Md. | Rogers, Okla. |
| Beam | Eagle | Luckey | Sabath |
| Beiter | Eckert | Ludlow | Sanders, La. |
| Berlin | Edmiston | Lundeen | Sandlin |
| Binderup | Ellenbogen | McAndrews | Schneider |
| Bloom | Faddis | McClellan | Schulte |
| Boehne | Fenerty | McFarlane | Scott |
| Boileau | Ferguson | McGrath | Scrugham |
| Boland | Fitzpatrick | McKeough | Secrest |
| Boykin | Flannagan | McReynolds | Sirovich |
| Boylan | Fletcher | Maloney | Sisson |
| Brennan | Focht | Marcantonio | South |
| Brooks | Ford, Calif. | Martin, Colo. | Spence |
| Brown, Mich. | Frey | Mason | Stack |
| Brunner | Gehrmann | Massingale | Starnes |
| Buckley, N. Y. | Gildea | Maverick | Steagall |
| Burdick | Gingery | May | Taylor, Colo. |
| Caldwell | Goldsborough | Mead | Taylor, Tenn. |
| Cannon, Mo. | Gray, Pa. | Meeks | Terry |
| Cannon, Wis. | Green | Merritt, N. Y. | Thom |
| Carpenter | Greenwood | Monaghan | Thomason |
| Cartwright | Greever | Montet | Tolan |
| Cary | Griswold | Moran | Tonry |
| Celler | Haines | Moritz | Turpin |
| Citron | Hancock, N. C. | Murdock | Utterback |
| Colden | Harlan | Nelson | Vinson, Ky. |
| Colmer | Harter | Nichols | Walter |
| Connery | Healey | O'Brien | Warren |
| Cooley | Hildebrandt | O'Connell | Weaver |
| Cravens | Hill, Samuel B. | O'Connor | Welch |
| Crosby | Houston | O'Day | West |
| Cross, Tex. | Imhoff | O'Leary | White |
| Crosser, Ohio | Jenckes, Ind. | Parsons | Wilcox |
| Crowe | Jenkins, Ohio | Patterson | Wilson, La. |
| Cullen | Johnson, W. Va. | Peterson, Fla. | Withrow |
| Daly | Jones | Pfeifer | Wolverton |
| Dear | Kee | Pierce | Wood |
| Delaney | Keller | Polk | Woodrum |
| Dempsey | Kennedy, Md. | Quinn | Young |
| Dickstein | Kennedy, N. Y. | Rabaut | Zimmerman |
| Dingell | Kocialkowski | Ramsay | Zioncheck |
| Dobbins | Kopplemann | Randolph | |
| Dorsey | Kvale | Rayburn | |

NAYS—150

| | | | |
|---|---|---|---|
| Adair | Doxey | Kloeb | Risk |
| Andresen | Drewry | Kniffin | Rogers, Mass. |
| Andrew, Mass. | Driver | Knutson | Russell |
| Andrews, N. Y. | Engel | Lambertson | Ryan |
| Bacon | Englebright | Lambeth | Sanders, Tex. |
| Blackney | Farley | Lanham | Sauthoff |
| Bland | Fiesinger | Lewis, Colo. | Schaefer |
| Bolton | Ford, Miss. | McCormack | Schuetz |
| Brewster | Fuller | McGehee | Sears |
| Brown, Ga. | Gasque | McLaughlin | Seger |
| Buchanan | Gavagan | McLean | Shanley |
| Buck | Gearhart | McSwain | Short |
| Buckler, Minn. | Granfield | Mahon | Smith, Conn. |
| Burch | Gray, Ind. | Mapes | Smith, Va. |
| Burnham | Gregory | Marshall | Snell |
| Carlson | Guyer | Martin, Mass. | Somers, N. Y. |
| Carmichael | Gwynne | Merritt, Conn. | Stefan |
| Castellow | Halleck | Michener | Sumners, Tex. |
| Cavicchia | Hancock, N. Y. | Millard | Taber |
| Chandler | Hart | Miller | Tarver |
| Chapman | Hartley | Mitchell, Tenn. | Taylor, S. C. |
| Christianson | Hennings | Mott | Thomas |
| Church | Hess | O'Neal | Thompson |
| Clark, N. C. | Higgins, Conn. | Owen | Tinkham |
| Coffee | Hill, Ala. | Patman | Turner |
| Cole, Md. | Hobbs | Pearson | Vinson, Ga. |
| Cole, N. Y. | Hoeppel | Perkins | Wadsworth |
| Cooper, Ohio | Hoffman | Peterson, Ga. | Werner |
| Cooper, Tenn. | Hollister | Pettengill | Whelchel |
| Costello | Holmes | Pittenger | Whittington |
| Cox | Hope | Plumley | Wigglesworth |
| Crawford | Huddleston | Powers | Williams |
| Crowther | Hull | Ramspeck | Wilson, Pa. |
| Culkin | Johnson, Okla. | Rankin | Wolcott |
| Darrow | Johnson, Tex. | Ransley | Wolfenden |
| Deen | Kahn | Reed, Ill. | Woodruff |
| Dies | Kenney | Reed, N. Y. | |
| Dondero | Kinzer | Rich | |

ANSWERED "PRESENT"—1

Duffy, N. Y.

NOT VOTING—93

| | | | |
|---|---|---|---|
| Allen | Doutrich | Kleberg | Robsion, Ky. |
| Arends | Dunn, Miss. | Kramer | Rogers, N. H. |
| Bacharach | Eaton | Lamneck | Romjue |
| Bankhead | Eicher | Lee, Okla. | Rudd |
| Bell | Ekwall | Lehlbach | Sadowski |
| Biermann | Evans | Lloyd | Shannon |
| Blanton | Fernandez | Lord | Smith, Wash. |
| Buckbee | Fish | Lucas | Smith, W. Va. |
| Bulwinkle | Fulmer | McGroarty | Snyder |
| Carter | Gambrill | McLeod | Stewart |
| Casey | Gassaway | McMillan | Stubbs |
| Claiborne | Gifford | Maas | Sullivan |
| Clark, Idaho | Gilchrist | Mansfield | Sutphin |
| Cochran | Gillette | Mitchell, Ill. | Sweeney |
| Collins | Goodwin | Montague | Thurston |
| Corning | Greenway | Norton | Tobey |
| Cummings | Hamlin | Oliver | Treadway |
| Darden | Higgins, Mass. | O'Malley | Umstead |
| DeRouen | Hill, Knute | Palmisano | Underwood |
| Dietrich | Hook | Parks | Wallgren |
| Dirksen | Jacobsen | Patton | Wearin |
| Disney | Kelly | Peyser | |
| Ditter | Kerr | Reece | |
| Dockweiler | Kimball | Robertson | |

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Sullivan (for) with Mr. Lord (against).
Mr. Smith of West Virginia (for) with Mr. Treadway (against).
Mr. Doutrich (for) with Mr. Goodwin (against).
Mr. Romjue (for) with Mr. Maas (against).
Mr. Robsion of Kentucky (for) with Mr. Tobey (against).
Mr. Knute Hill (for) with Mr. Collins (against).
Mr. Sutphin (for) with Mr. Collins (against).
Mr. Bankhead (for) with Mr. Lehlbach (against).
Mr. Rudd (for) with Mr. Arends (against).
Mr. Lucas (for) with Mr. Eaton (against).
Mr. Dietrich (for) with Mr. Allen (against).
Mr. Palmisano (for) with Mr. Gifford (against).
Mr. Smith of Washington (for) with Mr. Recce (against).
Mr. Underwood (for) with Mr. Stewart (against).
Mr. Dirksen (for) with Mr. O'Malley (against).
Mr. Snyder (for) with Mr. Corning (against).
Mr. Dockweiler (for) with Mr. Bacharach (against).
Mr. Lee of Oklahoma (for) with Mr. Kleberg (against).

General pairs:

Mr. Blanton with Mr. Ditter.
Mr. Disney with Mr. Buckbee.
Mr. Cochran with Mr. Carter.
Mr. Mansfield with Mr. Ekwall.
Mr. Oliver with Mr. Gilchrist.
Mr. McMillan with Mr. Thurston.
Mr. Parks with Mr. Kimball.
Mr. Robertson with Mr. Fish.
Mr. Wearin with Mr. Claiborne.
Mr. Kelly with Mr. Stubbs.
Mr. Lamneck with Mr. Darden.
Mr. Bulwinkle with Mr. McGroarty.
Mr. Umstead with Mr. Eicher.
Mr. Patton with Mr. Wallgren.
Mr. Gillette with Mrs. Norton.
Mr. Hamlin with Mr. Sweeney.
Mr. Sadowski with Mr. Bell.
Mrs. Greenway with Mr. Lloyd.
Mr. Rogers of New Hampshire with Mr. Gambrill.
Mr. Montague with Mr. Evans.
Mr. Kerr with Mr. Beirmann.
Mr. Casey with Mr. Gassaway.
Mr. Higgins of Massachusetts with Mr. Fernandez.
Mr. Jacobsen with Mr. Clark of Idaho.
Mr. Cummings with Mr. Dunn of Mississippi.
Mr. Fulmer with Mr. Hook.
Mr. DeRouen with Mr. Peyser.

Mr. HEALEY. Mr. Speaker, my colleague, Mr. HIGGINS of Massachusetts, is absent due to illness. If present he would vote "no."

Mr. MARTIN of Massachusetts. Mr. Speaker, the gentleman from New Jersey [Mr. EATON] is unavoidably absent. If present, he would vote "no."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT AND STATEMENT—COMMITTEE ON BANKING AND CURRENCY

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file a conference report and statement on House Resolution 348.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

THE NEUTRALITY BILL

Mr. McREYNOLDS. Mr. Speaker, I move to suspend the rules and to pass Senate Joint Resolution 173, providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war, as amended.

The Clerk read the Senate joint resolution, as follows:

Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerant ships during war

*Resolved, etc.*, That upon the outbreak or during the progress of war between, or among, two or more foreign states, the President shall proclaim such fact, and it shall thereafter be unlawful to export arms, ammunition, or implements of war from any place in the United States, or possessions of the United States, to any port of such belligerent states, or to any neutral port for transshipment to, or for the use of, a belligerent country.

The President, by proclamation, shall definitely enumerate the arms, ammunitions, or implements of war, the export of which is prohibited by this act.

The President may, from time to time, by proclamation, extend such embargo upon the export of arms, ammunition, or implements of war to other states as and when they may become involved in such war.

Whoever, in violation of any of the provisions of this section, shall export, or attempt to export, or cause to be exported, arms, ammunition, or implements of war from the United States, or any of its possessions, shall be fined not more than $10,000 or imprisoned not more than 5 years, or both, and the property, vessel, or vehicle containing the same shall be subject to the provisions of sections 1 to 8, inclusive, title 6, chapter 30, of the act approved June 15, 1917 (40 Stat. 223–225; U. S. C., title 22, secs. 238-245). In the case of the forfeiture of any arms, ammunition, or implements of war by reason of a violation of this act, no public or private sale shall be required; but such arms, ammunition, or implements of war shall be delivered to the Secretary of War for such use or disposal thereof as shall be approved by the President of the United States.

When in the judgment of the President the conditions which have caused him to issue his proclamation have ceased to exist he shall revoke the same and the provisions hereof shall thereupon cease to apply.

SEC. 2. That for the purposes of this act—

(a) The term "Board" means the National Munitions Control Board which is hereby established to carry out the provisions of this act. The Board shall consist of the Secretary of State, who shall be chairman and executive officer of the Board; the Secretary of the Treasury; the Secretary of War; the Secretary of the Navy; the Secretary of Commerce; the Chairman of the Foreign Relations Committee of the Senate; and the Chairman of the Committee on Foreign Affairs of the House of Representatives, or some member of each committee whom the chairman of the respective committees may designate. Except as otherwise provided in this act, or by other law, the administration of this act is vested in the Department of State;

(b) The term "United States" when used in a geographical sense, includes the several States and Territories, the insular possessions of the United States (including the Philippine Islands), the Canal Zone, and the District of Columbia;

(c) The term "person" includes a partnership, company, association, or corporation, as well as a natural person.

Within 90 days after the effective date of this act, or upon first engaging in business, every person who engages in the business of manufacturing, exporting, or importing any of the arms, ammunition, and implements of war referred to in this act, whether as an exporter, importer, manufacturer, or dealer, shall register with the Secretary of State his name, or business name, principal place of business, and places of business in the United States, and a list of the arms, ammunition, and implements of war which he manufactures, imports, or exports.

Every person required to register under this section shall notify the Secretary of State of any change in the arms, ammunition, and implements of war which he exports, imports, or manufactures; and upon such notification the Secretary of State shall issue to such person an amended certificate of registration, free of charge, which shall remain valid until the date of expiration of the original certificate. Every person required to register under the provisions of this section shall pay a registration fee of $500, and upon receipt of such fee the Secretary of State shall issue a registration certificate valid for 5 years, which shall be renewable for further periods of 5 years upon the payment of each renewal of a fee of $500.

It shall be unlawful for any person to export, or attempt to export, from the United States any of the arms, ammunition, or implements of war referred to in this act to any other country or to import, or attempt to import, to the United States from any other country any of the arms, ammunition, or implements of war referred to in this act without first having obtained a license therefor.

Licenses shall be issued to persons who have registered as provided for, except in cases of export or import licenses where exportation of arms, ammunition, or implements of war would be in violation of this act or any other law of the United States, or of a treaty to which the United States is a party, in which cases such licenses shall not be issued.

The Board shall be called by the chairman and shall hold at least one meeting a year.

No purchase of arms, ammunition, and implements of war shall be made on behalf of the United States by any officer, executive department, or independent establishment of the Government from any person who shall have failed to register under the provisions of this act.

The Board shall make an annual report to Congress, copies of which shall be distributed as are other reports transmitted to Congress. Such reports shall contain such information and data collected by the Board as may be considered of value in the determination of questions connected with the control of trade in arms, ammunition, and implements of war. It shall include a list of all persons required to register under the provisions of this act, and full information concerning the licenses issued hereunder.

The Secretary of State shall promulgate such rules and regulations with regard to the enforcement of this section as he may deem necessary to carry out its provisions.

The President is hereby authorized to proclaim, upon recommendation of the Board, from time to time a list of articles which shall be considered arms, ammunition, and implements of war for the purposes of this section. This section shall take effect on the ninetieth day after the date of its enactment.

SEC. 3. Whenever the President shall issue the proclamation provided for in section 1 of this act, thereafter it shall be unlawful for any American vessel to carry any arms, ammunition, or implements of war to any part of the belligerent countries named in such proclamation as being at war, or to any neutral port for transshipment to, or for the use of, a belligerent country.

Whoever, in violation of the provisions of this section, shall take, attempt to take, or shall authorize, hire, or solicit another to take any such vessel carrying such cargo out of port or from the jurisdiction of the United States shall be fined not more than $10,000 or imprisoned not more than 5 years, or both; and, in addition, such vessel, her tackle, apparel, furniture, equipment, and the arms, ammunition, and implements of war on board shall be forfeited to the United States.

When the President finds the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation, and the provisions of this section shall thereupon cease to apply.

SEC. 4. Whenever, during any war in which the United States is neutral, the President, or any person thereunto authorized by him, shall have cause to believe that any vessel, domestic or foreign, whether requiring clearance or not, is about to carry out of a port of the United States, or its possessions, men or fuel, arms, ammunition, implements of war, or other supplies to any warship, tender, or supply ship of a foreign belligerent nation, but the evidence is not deemed sufficient to justify forbidding the departure of the vessel as provided for by section 1, title V, chapter 30, of the act approved June 15, 1917 (40 Stat. ; U. S. C., title 18, sec. 31), and if, in the President's judgment, such action will serve to maintain peace between the United States and foreign nations, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, he shall have the power and it shall be his duty to require the owner, master, or person in command thereof, before departing from a port of the United States, or any of its possessions, for a foreign port, to give a bond to the United States, with sufficient sureties, in such amount as he shall deem proper, conditioned that the vessel will not deliver the men, or the cargo, or any part thereof, to any warship, tender, or supply ship of a belligerent nation; and, if the President, or any person thereunto authorized by him, shall find that a vessel, domestic or foreign, in a port of the United States, or one of its possessions, has previously cleared from such port during such war and delivered its cargo or any part thereof to a warship, tender, or supply ship of a belligerent nation, he may prohibit the departure of such vessel during the duration of the war.

SEC. 5. Whenever, during any war in which the United States is neutral, the President shall find that special restrictions placed on the use of the ports and territorial waters of the United States, or of its possessions, by the submarines of a foreign nation will serve to maintain peace between the United States and foreign nations, or to protect the commercial interests of the United States and its citizens, or to promote the security of the United States, and shall make proclamation thereof, it shall thereafter be unlawful for any such submarine to enter a port or the territorial waters of the United States or any of its possessions, or to depart therefrom, except under such conditions and subject to

such limitations as the President may prescribe. When, in his judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply.

SEC. 6. Whenever, during any war in which the United States is neutral, the President shall find that the maintenance of peace between the United States and foreign nations, or the protection of the lives of citizens of the United States, or the protection of the commercial interests of the United States and its citizens, or the security of the United States requires that the American citizens should refrain from traveling as passengers on the vessels of any belligerent nation, he shall so proclaim, and thereafter no citizen of the United States shall travel on any vessel of any belligerent nation except at his own risk, unless in accordance with such rules and regulations as the President shall prescribe: *Provided, however,* That the provisions of this section shall not apply to a citizen traveling on the vessel of a belligerent whose voyage was begun in advance of the date of the President's proclamation, and who had no opportunity to discontinue his voyage after that date: *And provided further,* That they shall not apply under 90 days after the date of the President's proclamation to a citizen returning from a foreign country to the United States or to any of its possessions. When, in the President's judgment, the conditions which have caused him to issue his proclamation have ceased to exist, he shall revoke his proclamation and the provisions of this section shall thereupon cease to apply.

SEC. 7. In every case of the violation of any of the provisions of this act where a specific penalty is not herein provided, such violator or violators, upon conviction, shall be fined not more than $10,000 or imprisoned not more than 5 years, or both.

SEC. 8. If any of the provisions of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 9. The sum of $20,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended by the Secretary of State in administering this act.

Mr. MARTIN of Massachusetts. Mr. Speaker, I demand a second.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Without objection it is so ordered.

There was no objection.

The SPEAKER. The gentleman from Tennessee, Mr. McREYNOLDS, has 20 minutes and the gentleman from Massachusetts, Mr. MARTIN, has 20 minutes.

Mr. McREYNOLDS. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. Mr. Speaker, this is a resolution concerning a matter of vast importance, due to world conditions prevailing at this time, and it is here in the form of a compromise. The threatening war clouds of Europe make it imperative that we pass legislation before Congress adjourns for the session which will lessen the danger of our country becoming involved in war if Italy and Ethiopia engage in war, which now seems inevitable. War between these countries may involve others, and before we meet again next January no one can foretell how many of the major powers of the world may be involved in the conflict. The peace of the world is endangered and the outlook is as dark as it was in 1914 just prior to the beginning of the World War. It behooves us to set our house in order and eliminate every hazard which may tend to drag us into the vortex of war. The purpose of this resolution is to do that very thing.

We know from experience how difficult it is to maintain neutrality when major powers are at war, and our love of peace should prompt us to bury our differences as to the form such legislation should take and agree to pass now this resolution which we are assured may be enacted into law. The end of the session is too near at hand to jeopardize the passage of this important resolution by loading it down with amendments which would necessitate a conference between the two Houses and likely result in no legislation.

The Chairman of the Foreign Affairs Committee of the House, Mr. McREYNOLDS, and members of the subcommittee appointed by him, of which I had the honor to be the chairman, have conferred with the Chairman of the Foreign Relations Committee of the other body, and also with the President, and as a result of conferences had, the terms of this bill have been written and we feel reasonably assured that if we pass it in its present form it will become a law.

It is a compromise bill and Members entertaining different views have, in view of the existing emergency, made concessions which otherwise they would not have done.

The Committee on Foreign Affairs have had many hearings at this session upon the subject of neutrality legislation, and the gentleman who stated that no consideration had been given the subject by the committee was in gross error.

The Senate bill which we are now considering is in many respects similar to House Joint Resolution 386 and H. R. 8788, both introduced by the chairman of our committee, Mr. McREYNOLDS, at this session. H. R. 8788 is a bill to control the trade in arms, ammunition, and implements of war, and which was favorably reported by our committee, is substantially section 2 of the Senate bill we are now considering. House Joint Resolution 386 was a neutrality bill, more comprehensive and in some respects a better bill than the Senate bill. It contained two features not in the Senate bill. One was a provision denying credit or loans by citizens of this country to governments engaged in war and the other prohibited the use of the American flag upon belligerent vessels. Both of these sections would greatly improve the Senate bill and, in my judgment, are most desirable in preventing complications that might involve us in war.

This bill, therefore, is a blending of the McReynolds and the Senate bills, and the chief difference is that section 1 of this bill, which prohibits the exportation of arms, ammunition, and implements of war to warring nations, makes it mandatory upon the President to issue a proclamation of inhibition, while the McReynolds bill left to the President the discretion as to when such proclamation should issue. We have amended the Senate bill so that section 1 will not be effective after February 29, 1936, and Congress will, at its next session, determine its permanent policy in this regard.

Section 2 creates a National Munitions Control Board, composed of the Secretary of State, the Secretary of the Treasury, the Secretary of the Navy, and the Secretary of Commerce. The Senate bill also designated the Chairman of the Foreign Relations Committee of the Senate and the Chairman of the Foreign Affairs Committee of the House as members of this Board, but we believed that it was unwise, if not unconstitutional, to have Members of Congress serve in the executive branch of the Government, and we have amended the bill.

It requires those who manufacture, export, or import arms, ammunition, or implements of war—so as to eliminate them as members of the board—shall register and pay a fee of $500 and secure license for each shipment.

Section 3 of the bill provides that whenever the President issues a proclamation as to the existence of war between foreign countries thereafter it shall be unlawful for any American vessel to carry any arms, ammunition, or implements of war to any port of such belligerent countries, or to any neutral port for transshipment to a billigerent country.

Section 4 provides that during a war in which the United States is a neutral, the President or anyone authorized by him shall have cause to believe that any vessel either domestic or foreign is about to carry out of the United States port, men, fuel, arms, ammunition, or supplies to any warship, tender, or supply ship of a foreign belligerent nation, steps may be taken to prevent the sailing of such vessel or to require a bond conditioned that such vessel will not deliver same to such belligerent ship.

Section 5 authorizes the President to place restrictions during any war in which we are a neutral, governing the entry of submarines into any port or territorial waters of the United States.

Section 6 provides that during any war in which our Government is neutral the President shall find that the peace between the United States and foreign nations, or the protection of the lives of the citizens of our country, or the protection of the commercial interests of the United States requires that American citizens should refrain from travel-

ing as passengers of vessels of belligerent nations he shall so proclaim, and thereafter no citizen shall travel on any vessel of a belligerent nation except at his own risk.

This is a brief outline of the terms of the resolution.

The subject of neutrality and legislation governing it is one upon which conflicting views always have been and always will be entertained. There are two schools of thought on this subject. There are those represented by the gentleman from New York, who believe that neutrality, as he expressed it, should not be frozen into a statute but should be left to the exercise of the President as conditions arise. On the other hand there are those who believe we should have fixed statutory regulations dealing with all warring nations. This bill is a blending of these two schools of thought.

[Here the gavel fell.]

Mr. McREYNOLDS. Mr. Speaker, I yield the gentleman from Texas 5 additional minutes.

Mr. JOHNSON of Texas. Mr. Speaker, I cannot in the time available undertake to discuss the subject of neutrality, vast as it is; I cannot even discuss the various provisions of the bill, and have only briefly referred to them. Section 2 of the bill is permanent. Any concern manufacturing arms for export is required to register and secure a license before it can ship arms, ammunition, or implements of war. This bill provides that the consignee and the destination of the arms shall be shown as well as who manufactures them. We have on the statute books at the present time a prohibition against the exportation of arms to Paraguay and Bolivia, but it has been violated with impunity because it is impossible to detect where the arms are going.

When the pending bill becomes law the Government then will know not only who is manufacturing the arms, but a license must be obtained before they can be exported, and the manufacturer is required to keep permanent records that can be inspected. The books are open to inspection and the Board is required to make an annual report to Congress.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Texas. I yield.

Mr. JOHNSON of Oklahoma. If the gentleman will permit, I am in hearty accord with the purpose of the pending resolution. But under the terms of this bill I am wondering if there is anything to prevent manufacturers in this country from shipping implements of war to a neutral country and their being reshipped from the neutral country to one of the belligerents? We know that has happened in the past.

Mr. JOHNSON of Texas. The bill takes care of that situation, for it prohibits the shipment of arms to a neutral country for reshipment to a belligerent country.

I cannot talk longer, for there are other members of the committee who want to discuss this bill. Let me say in conclusion that, regardless of the conflicting views that may be entertained by the Members of this House as to the character of neutrality legislation that should be passed, I think we are all agreed that we have had enough of war and are resolved that our Nation must not again become involved in a war between foreign countries.

We are still paying the penalties of the last great war, and our children and the generations yet to come will continue to do so. The signing of the armistice and the subsequent treaty of peace ended hostilities, but it did not end the suffering and sacrifices of our people nor of the other peoples of the world.

I am glad, therefore, to vote for this resolution which is designed to and I think will materially reduce the danger of our country's becoming involved in war, if other nations should decide to fight.

The prevention of war is one of the highest duties that government owes society, and any nation that will not take every precaution and use every legitimate means to avert the holocaust of war is unworthy to stand among civilized nations of the world. [Applause.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. CHRISTIANSON].

Mr. CHRISTIANSON. Mr. Speaker, today, on the editorial page of a Washington newspaper, appears an artist's conception of the world going into a tail-spin, a tail-spin into chaos. Since that summer day in 1914, when a rash Serbian youth at Sarajevo fired the shot which set the world on fire, the nations have not been confronted with a more critical situation than that which they face today.

Already the forces of propaganda have been let loose; propaganda which may involve the United States in a war that is not its concern. The questioning of the present neutrality bill, the suggestion that Congress should leave the President with a free hand to apply economic sanctions against recalcitrant nations in cooperation with foreign governments, the plea for little Ethiopia, which strikes as responsive a chord today as the plea for Cuba did in 1898 and the plea for Belgium in 1914; these are all reminiscent of the influences, subtle at first, which moved the United States with irresistible force into the European conflagation in 1917.

We have appropriated unprecedented sums for the Army and Navy on the theory that overwhelming armaments will insure peace. I am pleading today for another form of preparedness, preparedness against war by the removal of as many as possible of the contingencies which might result in our involvement. The bill we are now considering is a step in the right direction. It does not go as far as I would like to go. I would prefer to see the provisions of section 1 made the permanent law of the land, and as a member of the subcommittee which drafted the House amendments I protested against the time limitation. I would also add a section banning all loans and credits to belligerent countries. [Applause.]

I call attention to the possibility that by March 1, 1936, when by reason of the limitation contained in section 1 the provisions thereof will be inoperative, Europe, Africa, and Asia may be aflame. The United States may at that time find itself confronted with a situation that will make it exceedingly difficult to maintain an entirely neutral position. Congress may also find itself confronted with a situation that will make it difficult, if not impossible, to pass a bill to continue the ban on exports. If, at that time, the world should be at war, our farmers would see before them the alluring prospect of 30-cent cotton and $4 wheat; industrialists, including manufacturers of munitions, would see opportunities to sell arms, ammunition, and implements of war at a profit of 400 percent; laboring men, 11,000,000 of whom are still unemployed, would see a chance to secure employment at $10 a day.

The newspapers would be under the pressure of alien influences. There would be emissaries from foreign countries all over the land, seeking to influence public opinion and to inflame the public mind. By March 1, 1936, we may find ourselves confronted by the same conditions which hurled us into war in 1917. We may feel today a fixed determination to stay out, but are we sure that we are made of sterner stuff than those who sat in these seats on Good Friday 18 years ago? We may have confidence in our President, but is that confidence, however merited, more justified than that of the voters who in 1916 reelected Woodrow Wilson because he had "kept us out of war"?

It is because I am one of those who believe in letting their feet be guided by the light of history that I feel that it would be a wiser policy to save ourselves against the possibility of being drawn into war after March 1 next year by eliminating the proviso placing an arbitrary and definite limitation upon the operation of the embargo provisions of this bill.

Mr. KVALE. We will be in session.

Mr. CHRISTIANSON. Yes; we will be in session, but we may be subjected to propaganda, and it may be so powerful that we shall be unable to resist it.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. CHRISTIANSON. Mr. Speaker, there should be a section banning loans and credits to belligerents, although I am frank to say that any attempt to add such a section would raise a highly controversial issue. It would require

more time than we have during the closing hours of a dying session to draft proper provisions, and undertaking to do so might defeat the pending measure. It is only my desire to see some neutrality legislation, however deficient, enacted now that deters me from insisting upon an amendment. The Johnson law provides a ban on loans to nations in default, and constitutes a bar to extending further credit to most of the countries that may become belligerent; but I trust nevertheless that a measure will be adopted next year that will adequately guard against our involvement in controversies that are not our concern by the investment of American money in foreign wars.

Mr. RANKIN. Will the gentleman yield?

Mr. CHRISTIANSON. I yield to the gentleman from Mississippi.

Mr. RANKIN. I wonder what the gentleman thinks of the proposition of the United States or any other great country severing all economic and financial relations with any nation that promotes a war anywhere in the world? My opinion is that such an economic and financial boycott will do more to stop war or prevent war, than anything else that could be done.

Mr. CHRISTIANSON. Severing commercial relations with one of two belligerent countries and not with the other might and probably would be construed to be an unneutral act, and as such might involve us in war. I believe that when it becomes necessary to apply economic sanctions they should be applied to both sides. Such a course would, of course, deprive us of markets we might prefer to retain, but it would keep us out of international pitfalls. I am as well aware as anybody of the desirability of profitable foreign commerce from an economic standpoint, but I would say that when we are faced with the choice of being deprived of the profits of trade or being drawn into a destructive war that might destroy civilization, I for one shall prefer the lesser of the two evils.

Mr. Speaker, I call your attention to a communication that was addressed by Robert Lansing, then Secretary of State, to President Wilson, in 1915. Secretary Lansing said:

> Doubtless Secretary McAdoo has discussed with you the necessity of floating Government loans for the belligerent nations, which are purchasing such great quantities of goods in this country, in order to avoid a serious financial situation which will not only affect them but this country as well * * *. To withdraw any considerable amount (of gold from Europe to finance the American war trade) would disastrously affect the credit of European nations, and the consequence would be a general state of bankruptcy. If the European countries cannot find means to pay for the excess of goods sold to them * * * they will have to stop buying.

From this communication it appears that in 1915 the argument that the Government should involve itself in a foreign quarrel to the extent of making loans to belligerents in order to protect private profits, was voiced by a no less influential official than the Secretary of State. Wittingly or unwittingly he permitted himself to be used as an instrument of foreign propaganda, and it would seem from the communication that the Secretary of the Treasury was in agreement with his proposal. The effectiveness of the financial procedure which Secretary Lansing recommended in getting us into the war appears from what Andre Tardieu of France subsequently said:

> From that time on, whether desired or not, the victory of the Allies became essential to the United States.

Mr. Speaker, I was much impressed, as I am sure other Members were, with the argument just made by the distinguished gentleman from New York [Mr. WADSWORTH], whose ability and patriotism all acknowledge. With his statement that "peace is greatly to be desired, but liberty is even more to be desired than peace" I cannot disagree. I can only answer that it is our liberty, not that of other peoples, that must be our great concern. For our own freedom we would be willing to sacrifice the last drop of blood and the last ounce of treasure. But it is doubtful national policy to stand ready to spend our man power and our economic resources in behalf of any other nation, however serious its plight or just its cause, that happens to be oppressed. We waged a war for humanity in Cuba and inherited a Pandora's box of troubles. We made the world safe for democracy in 1918 and were so successful in our adventure that there is now not a single country in the world where democratic institutions are secure. The drops of blood we shed have grown into iron men.

The gentleman would not bind the hands of this Nation. He would wait until an emergency arises before acting. The trouble is that after an emergency has arisen, after a war has started, the declaration of an embargo becomes in fact a declaration of war.

In substantiation of that statement, I will quote the words of Woodrow Wilson.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. CHRISTIANSON. Mr. Speaker, I quote from what Woodrow Wilson, then President of the United States, said in reply to Germany's request to bar allied war trade in 1915:

> This Government holds—and is constrained to hold in view of the present indisputable doctrines of accepted international law—that any change in our laws of neutrality during the progress of a war, which would affect unequally the relations of the United States with the nations at war, would be an unjustifiable departure from the principle of strict neutrality by which it has consistently sought to direct its actions. The placing of an embargo on the trade in arms at the present time would constitute such a change and be a direct violation of the neutrality of the United States.

The fact that a Senate proposal for such a ban late in 1914 was protested by Great Britain and disavowed by the State Department shows how impossible it is after an emergency has arisen, after the belligerents are already at war, to make a choice of policy. Such a choice would inevitably force us into an unneutral position. We should have to choose either to impose an embargo or not to do so. If the imposition of an embargo or the refusal to impose one operated to the advantage of one belligerent and the disadvantage of the other, necessarily either our failure to act or our decision to act would constitute an unneutral act which might involve us in war. [Applause.]

It has been urged in opposition to this bill that it received but little consideration in the body in which it originated. It is true that there was only one-half hour of debate, but before the debate there was prolonged and thorough investigation of the subject with which the measure deals. The inquiry disclosed the means used by those having a financial interest in wars to force nations into them. The disclosures aroused the conscience of the American people, who are determined never again to carry the flag to foreign soil except to rout an invader.

It has been said that we should not tie the hands of the President. Let me remind you that the Constitution gives to us, and to us alone, the power to declare war, and it is inconsistent with the Constitution to leave in the hands of the Chief Executive discretion, the unwise exercise of which will lead to war. A prudent President would not want the sole responsibility of life and death for millions of our young men, and a rash and indiscreet President should not have it.

I recognize that no mandatory measure can be framed that will fit every conceivable future situation, but that should not deter us from writing into the permanent law of the land provisions that will protect us against obvious pitfalls. It should not prevent us from putting into formal legislation a definition of our policy which all men and all nations may read, on which they may rely, and by which they may be warned.

We are enacting the most important measure of the session. We are passing a bill that history will note. We are serving notice on the world that as we renounced war we are willing to renounce its profits, and that when we gave our adherence to the Kellogg-Briand Pact we did not take the name of peace in vain.

[Here the gavel fell.]

Mr. McREYNOLDS. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. KLOEB].

Mr. KLOEB. Mr. Speaker, since the inception of the Seventy-fourth Congress there have been many Members

who have been active and assiduous in their efforts to establish certain neutrality policies by law. I have been one of them, and I desire to say to my friends who have collaborated with me that I feel that this bill today, while not all that we might desire, yet constitutes a distinct gain. I am for it. I hope that it passes, and it should pass the House unanimously.

To my friend the distinguished Member from New York let me address myself for just a moment. I have the highest regard for the logic of his thought and the strength of his character. I have admired him since I have been a Member of this House. He is solicitous about the welfare of the small nations of the world. He is solicitous over the peace of the world. So also was I solicitous back in 1917 over these same problems. So am I solicitous today, but the lessons taught me prior to and during the World War have changed my mind to the extent that today I am solicitous first for the peace of America [applause], and I think in being solicitous for the peace of America I am solicitous for the welfare and the future of white civilization.

This bill is not all that I would have it. In March of this year I introduced a bill providing for a ban on the making of loans and extension of credits to any nation at war—a mandatory measure. This bill, I felt, would attack the spearhead of the whole neutrality problem. Let us get back to the sinking of the *Lusitania*. When she went down there were established in our minds three principles of neutrality: First, she carried munitions of war in her hold. Had there been a law prohibiting that, perhaps we would not have become embroiled in the war. Second, those munitions were sold upon credit. Had credits been banned, perhaps, the sale of those munitions and their shipment in the hold of the *Lusitania* would never have occurred. Third, she carried American citizens bound for joy rides in a country engaged in war. Had there been a law prohibiting this, perhaps we would not have become embroiled.

So I feel that a law banning loans and credits to any nation engaged in war, followed by a law prohibiting the issuance of passports to any citizen of this country to travel in any nation engaged in war, and an embargo on the shipment of arms would constitute a neutrality policy that would help to keep this country from war in the future. [Applause.]

The bill before us is a compromise. It is the Senate bill with slight modifications. It provides for a mandatory embargo on the sale and shipment of munitions of war to all nations engaged in war. It does not permit the selection of a so-called "aggressor" nation. It provides for the registration of all makers of munitions and the licensing of each shipment. It provides that American citizens travel on belligerent vessels at their own risk. With these provisions I agree. This is not all that I desire. It is, however, a distinct gain. With the hope of taking further steps in the future, I go along.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 4 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, I happen to be one of two Members of the House who voted against war in 1917. [Applause.] I make this statement simply to show that I prefer peace to war when war can be honorably avoided, but I am wondering where we would be today if France had had such a law upon her statute books in 1776.

As I see it, if all the great powers of the world enact legislation similar to this, it will mean the end of all small countries within the next 50 years; and I am speaking more particularly of agricultural countries, because they will not be in a position to maintain their independence.

Mr. Speaker, there is more than one angle to this question. Indeed, over in Africa today there is every prospect of an early war; and we will refuse to sell, to a people who are threatened with having their liberties taken away from them, the means with which to defend themselves and to preserve their independence. Yet we say we believe in democracy.

I am wondering how carefully this legislation has been considered. Is it not about time that Congress stop legislating by hysteria and get down to brass tacks and legislate in a practical manner? I would not do anything, knowingly, to bring on a war, but I would do everything in my power to help another country retain its independence; and I cannot agree with my distinguished colleague from Minnesota when he says that he prefers peace to liberty. I do not want to be a canary bird in a gilded cage. I would rather be a soaring eagle, free and untrammeled.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. CHRISTIANSON. I believe the gentleman unintentionally misquoted me.

Mr. KNUTSON. I am sorry.

Mr. CHRISTIANSON. I was quoting the gentleman from New York as having said that liberty was more to be desired, even than peace, and was making some observations upon that statement.

Mr. KNUTSON. I am sorry. I was not here when the gentleman from New York made his statement, and I ask that the RECORD be corrected.

I come from a people who have sailed the seas for thousands of years. They have never been slaves or serfs, and I would rather die than give up my liberty, and so would you, and we would not be true to those who made those great sacrifices at Valley Forge and at Gettysburg and at Soissons, if we took any other position. [Applause.]

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 4 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, the tragedy of bringing this resolution in and jamming it through in the closing hours of the Congress is, to my mind, a very serious indictment of the administration. I believe this to be the most important bill that we have considered in the Congress this entire session. I shall vote for the measure because I feel it is better than the measure introduced by the chairman of our committee, which would have given the President power to determine which was the belligerent nation, and therefore it would be an act of war. The people of America do not want another war. We must do everything in our power to avert war. I could not help thinking there was much in the argument of the gentleman from New York [Mr. WADSWORTH]. I could not help thinking that in the days to come we may regret our action of today, but I feel under all the circumstances it is the best thing that we can do.

Tomorrow in my home city the Massachusetts American Legion will hold their convention. We should arrange it so that their sacrifice shall not have been in vain. We are not a country of weaklings. If the security of our country is in danger, there is not a young man in the whole United States who would not fight for it, but we want to protect those young men. Every Member of Congress ought to have a chance to express himself and vote upon the different paragraphs of the bill. The men and women upon the floor at this moment represent the people of this entire Nation. We have a solemn duty to perform. Think of passing something that may so jeopardize the future of our country, in 40 minutes. I hope that every Member here will study the international question, will talk with the members of the State Department who have been there for years.

This is not a political question. It involves the welfare of our country. Much of the economic distress in the United States today is due to the great World War. We know of the mistakes that were made at that time, and those of you who were in Congress when war was declared and who voted for war will never forget it, and why did you do it? Because you felt that you were making this country safe for the people of this country, as well as safe for the entire world.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

Mr. McREYNOLDS. Mr. Speaker, I want to explain the reasons why this bill came out in this form. There is no one here or elsewhere who abhors war more than I do, and as Chairman of your Foreign Affairs Committee of the House,

I shall always use every honorable means to prevent and to keep this country out of war. There seems to be a misconceived idea as to what neutrality is. You can pass neutrality laws, and then undertake to enforce them and put yourself into war. I do not approve of the mandatory provision of this bill, I am frank to say. I introduced a bill on August 17, which would give the President discretion, including the provisions of this bill, excepting the second section, which was reported out of the House in a separate bill, that was exercised, in this country, from 1898 to 1912. The President of the United States has a greater responsibility to prevent war and to sustain peace than any of you, and I am always willing to leave it to that office.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I have not the time. No other great country has a mandatory provision of this character, and when you put a mandatory provision in, you absolutely destroy this great country's efforts for peace, and you know it. The only reason that your committee has agreed to this amendment, taking it to the first of March, is on account of present conditions, and the present demand for some character of neutrality legislation. Rather than stand in the way of that, your committee has brought this out and placed a limitation thereof, as we will be in session some 2 months before it expires. With this mandatory provision, suppose a foreign country should attack Mexico or Canada, or should attack any of the South American countries. You could not ship any of those countries arms. Your President would have no discretion. The bill makes no exception. Then where is your Monroe Doctrine? That is the situation.

Mr. SISSON. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I have not the time.

Mr. MAVERICK. Is the gentleman for this bill or against it?

Mr. McREYNOLDS. I am not yielding to the gentleman. He will please keep his seat. I am for this bill. It is a compromise measure. I wanted to explain the reasons why I am for it, merely as a compromise, knowing that at this late hour we could not pass another bill in the Senate, and so anxious were we for some neutrality legislation that we were willing to compromise our views to this extent and send the bill to the Senate, and we feel that they will agree. That is the reason your committee has reported out the bill. For that reason I ask you to pass the bill in this form. I call for a vote.

The SPEAKER. The question is on the motion to suspend the rules and pass the Senate joint resolution as amended.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the Senate joint resolution, as amended, was passed.

A motion to reconsider was laid on the table.

RECESS

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House stand in recess until 8 o'clock tonight.

The motion was agreed to.

Accordingly (at 6 o'clock and 8 minutes p. m.) the House stood in recess until 8 o'clock p. m.

AFTER RECESS

The recess having expired, the House met at 8 o'clock p. m.

PUBLIC-UTILITIES BILL

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that it may be in order for the conferees on the public-utility bill to file their report at any time, notwithstanding the adjournment of the House, and that it may be in order at any time thereafter to consider said report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SNELL. Reserving the right to object, I have no objection to filing the report when it is ready, but I do not want to give unanimous consent to have that considered this evening.

Mr. RAYBURN. Oh, it will not be considered this evening.

Mr. SNELL. Then why does the gentleman make his request?

Mr. RAYBURN. I am telling the gentleman it will not be considered this evening. It will not be called up before we meet tomorrow.

Mr. SNELL. Of course, you could not call it up before we meet tomorrow, but the gentleman does not need unanimous consent to call it up tomorrow.

Mr. RAYBURN. Why not?

Mr. SNELL. You have a conference report.

Mr. RAYBURN. The trouble about it is, I will say to the gentleman from New York, if that request is not granted, it will have to be printed in the RECORD. It will take until 2 or 3 or 4 o'clock in the morning to get this report ready.

Mr. SNELL. Well, we want to know what the report is.

Mr. RAYBURN. It will be presented tomorrow.

Mr. SNELL. I do not want to waive any rights, because I propose to have a vote on this conference report.

Mr. RAYBURN. The gentleman will have that. I will ask for it myself.

Mr. SNELL. It will not be called up regardless, until after we meet tomorrow?

Mr. RAYBURN. It will not.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MAPES. Reserving the right to object, the effect of the gentleman's request, as I understand it, is that the conference report may be filed tonight too late to get in the RECORD?

Mr. RAYBURN. That is right.

Mr. MAPES. And that the House may be asked to vote upon it tomorrow before it is printed and the Members have an opportunity to study it. That is the effect of it?

Mr. RAYBURN. That is correct. There is no question about that.

Mr. MAPES. Will the gentleman try to have enough copies made so that the Members may have an opportunity to read it?

Mr. RAYBURN. I will say this: I will do my best to do that. Whether I can or not, I do not know.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN].

There was no objection.

STAY OF DEPORTATION OF ALIENS OF GOOD CHARACTER

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 350, requesting that the Commissioner of Immigration and Naturalization be requested to continue the stay of deportation in the cases of aliens of good character in which deportation would result in unusual hardship until Congress had had an adequate time to consider proposed legislation, and ask for its immediate consideration.

The Clerk read the title of the House resolution.

The SPEAKER. Is there objection to the immediate consideration of the resolution?

Mr. JENKINS of Ohio. Reserving the right to object—a parliamentary inquiry, Mr. Speaker. What is the status of this resolution?

The SPEAKER. The gentleman from New York [Mr. O'CONNOR] has called up House Resolution 350 and asked for its immediate consideration.

Mr. O'CONNOR. To save time on the rule, there is an hour on this resolution, and it is perfectly agreeable to give the gentleman and those opposed to the resolution half of that time to oppose it.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. TAYLOR of Tennessee. Is that the resolution calling for an investigation?

Mr. O'CONNOR. It is for the postponement of deportation of aliens of good character.

Mr. JENKINS of Ohio. Reserving the right to object, that will only give us 1 hour to discuss the whole proposition?

Mr. O'CONNOR. I hope we will not have to take up anything that will require longer tonight. We have several rules to act upon. We spent 3 days in Rules Committee on this matter, and Rules Committee was unanimous in reporting it out, after thorough hearing.

Mr. JENKINS of Ohio. The members of the committee are insisting that they should have more time than that.

Mr. FOCHT. We want more time than that.

Mr. O'CONNOR. You have a whole hour on it.

Mr. FOCHT. No; we do not have an hour.

Mr. O'CONNOR. Then, Mr. Speaker, I call up House Resolution 362.

The Clerk read the House resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Resolution 350, a resolution requesting that the Commissioner of Immigration and Naturalization be requested to continue to stay the deportation in the cases of aliens of good character in which deportations would result in unusual hardship until Congress had had adequate time to consider proposed legislation. That after general debate, which shall be confined to the resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Immigration and Naturalization, the resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the resolution for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendment thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman give us some time on the rule?

Mr. O'CONNOR. I thought we had an understanding that these rules could be passed tonight by unanimous consent. Now, if an hour is going to be had on each rule, an hour on each bill, and if each bill is to be read for amendment, that is not according to the agreement we had.

Mr. RANSLEY. Mr. Speaker, we had no agreement so far as I was concerned.

Mr. MICHENER. Mr. Speaker, reserving the right to object, the House has some rights. As a matter of fact, important legislation cannot be brought in by agreement between two or three people and be put through by unanimous consent; that is not the consent of the House; these bills should not be passed without consideration.

Mr. O'CONNOR. Then we will consider it.

Mr. SNELL. Mr. Speaker, will the gentleman allow me to make a statement?

Mr. O'CONNOR. Yes.

Mr. SNELL. The only agreement I had with the Chairman of the Rules Committee was that we would let the rules go through without opposition to the rules, but that we would want time for consideration of the bills. We did this in the interest of getting through at a reasonable time tonight. Now, if this is not satisfactory, we will adopt the rule in the regular way and take the time we need on it.

Mr. MICHENER. I think that is fair. Regardless of the time it takes, let us give proper consideration to important legislation and not rush it through.

Mr. O'CONNOR. Can we not adopt the rule and start debate on the resolution?

Mr. SNELL. That is all right.

Mr. O'CONNOR. Mr. Speaker, this is a rule for the consideration of House Resolution 350, requesting that the Commissioner of Immigration and Naturalization be requested to continue the stay of deportation in the cases of aliens of good character in which deportation would result in unusual hardship until Congress had had an adequate time to consider proposed legislation.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. RANSLEY and Mr. MCFARLANE) there were—ayes 119, noes 37.

Mr. RANSLEY. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Pennsylvania demands the yeas and nays.

Mr. MAPES. Mr. Speaker, in view of the apparent misunderstanding on this side, could not the proceedings by which the rule was voted on be vacated?

Mr. MCFARLANE. Mr. Speaker, I shall object to that.

Mr. MAPES. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

Mr. KVALE. Mr. Speaker, I make the point of order that business has intervened since the vote was taken.

The SPEAKER. The Chair will count. [After counting.] One hundred and sixty-eight Members are present, not a quorum.

The Doorkeeper will close the doors, the Seargeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 211, nays 83, not voting 136, as follows:

[Roll No. 192]

YEAS—211

| | | | |
|---|---|---|---|
| Amlie | Driscoll | Knutson | Reilly |
| Andrews, N. Y. | Duffey, Ohio | Kocialkowski | Richardson |
| Arnold | Duffy, N. Y. | Kopplemann | Risk |
| Ashbrook | Duncan | Kvale | Robinson, Utah |
| Ayers | Dunn, Pa. | Lanham | Russell |
| Bacon | Eagle | Larrabee | Ryan |
| Beam | Eckert | Lemke | Sabath |
| Beiter | Edmiston | Lesinski | Sadowski |
| Berlin | Ekwall | Lewis, Colo. | Sanders, La. |
| Binderup | Ellenbogen | Lewis, Md. | Sandlin |
| Bland | Evans | Luckey | Sauthoff |
| Bloom | Faddis | Ludlow | Schneider |
| Boileau | Farley | Lundeen | Schulte |
| Boland | Fenerty | McCormack | Scott |
| Boylan | Fiesinger | McGrath | Seger |
| Brown, Mich. | Fitzpatrick | McKeough | Shanley |
| Brunner | Fletcher | McLaughlin | Sirovich |
| Buchanan | Ford, Calif. | McLean | Sisson |
| Buck | Frey | McReynolds | Smith, Conn. |
| Buckler, Minn. | Fuller | McSwain | Smith, Va. |
| Buckley, N. Y. | Fulmer | Maloney | Somers, N. Y. |
| Bulwinkle | Gavagan | Marcantonio | Spence |
| Burdick | Gehrmann | Martin, Colo. | Stack |
| Caldwell | Gildea | Martin Mass. | Stefan |
| Cannon, Mo. | Gingery | Mason | Sweeney |
| Carmichael | Granfield | Massingale | Taylor, Colo. |
| Carpenter | Gray, Ind. | May | Terry |
| Casey | Gray, Pa. | Mead | Thom |
| Cavicchia | Greenway | Meeks | Thomason |
| Celler | Greenwood | Merritt, N. Y. | Thompson |
| Chandler | Greever | Mitchell, Tenn. | Tinkham |
| Church | Gwynne | Monaghan | Tolan |
| Citron | Haines | Montet | Tonry |
| Coffee | Hancock, N. Y. | Moran | Turner |
| Colden | Hart | Moritz | Turpin |
| Cole, Md. | Harter | O'Connell | Umstead |
| Connery | Healey | O'Connor | Wearin |
| Costello | Higgins, Conn. | O'Day | Weaver |
| Cravens | Hildebrandt | O'Leary | West |
| Crosser, Ohio | Hill, Ala. | O'Neal | Whelchel |
| Crowther | Hobbs | Parsons | White |
| Cullen | Houston | Patman | Whittington |
| Daly | Huddleston | Patterson | Wigglesworth |
| Dear | Imhoff | Peterson, Fla. | Wilcox |
| Deen | Jacobsen | Pettengill | Wilson, La. |
| Delaney | Johnson, Tex. | Pfeifer | Withrow |
| Dempsey | Johnson, W. Va. | Pierce | Wolfenden |
| Dickstein | Kee | Pittenger | Wolverton |
| Dingell | Keller | Powers | Wood |
| Dobbins | Kelly | Quinn | Woodrum |
| Dondero | Kennedy, Md. | Rabaut | Young |
| Dorsey | Kenney | Ramsay | Zimmerman |
| Drewry | Kloeb | Randolph | |

NAYS—83

| | | | |
|---|---|---|---|
| Andresen | Focht | McClellan | Sears |
| Barden | Ford, Miss. | McFarlane | Short |
| Blackney | Green | Mahon | Snell |
| Bolton | Gregory | Mapes | South |
| Brewster | Griswold | Michener | Starnes |
| Brown, Ga. | Guyer | Millard | Steagall |
| Burnham | Halleck | Miller | Stewart |
| Carlson | Hancock, N. C. | Mott | Sumners, Tex. |
| Cartwright | Hartley | Pearson | Taber |
| Castellow | Hess | Perkins | Tarver |
| Chapman | Hill, Samuel B. | Plumley | Taylor, S. C. |
| Christianson | Hoeppel | Polk | Taylor, Tenn. |
| Clark, N. C. | Hoffman | Ramspeck | Thomas |
| Cole, N. Y. | Hope | Rankin | Vinson, Ga. |
| Colmer | Hull | Ransley | Vinson, Ky. |
| Cooley | Jenkins, Ohio | Reed, Ill. | Wadsworth |
| Cooper, Tenn. | Johnson, Okla. | Reed, N. Y. | Warren |
| Crowe | Jones | Richards | Wilson, Pa. |
| Culkin | Kahn | Rogers, Mass. | Wolcott |
| Darrow | Kinzer | Rogers, Okla. | Woodruff |
| Engel | Lambeth | Sanders, Tex. | |

NOT VOTING—136

| | | | |
|---|---|---|---|
| Adair | Biermann | Burch | Collins |
| Allen | Blanton | Cannon, Wis. | Cooper, Ohio |
| Andrew, Mass. | Boehne | Carter | Corning |
| Arends | Boykin | Cary | Cox |
| Bacharach | Brennan | Claiborne | Crawford |
| Bankhead | Brooks | Clark, Idaho | Crosby |
| Bell | Buckbee | Cochran | Cross, Tex. |

| | | | |
|---|---|---|---|
| Cummings | Gillette | McGehee | Robertson |
| Darden | Goldsborough | McGroarty | Robsion, Ky. |
| DeRouen | Goodwin | McLeod | Rogers, N. H. |
| Dies | Hamlin | McMillan | Romjue |
| Dietrich | Harlan | Maas | Rudd |
| Dirksen | Hennings | Mansfield | Schaefer |
| Disney | Higgins, Mass. | Marshall | Schuetz |
| Ditter | Hill, Knute | Maverick | Scrugham |
| Dockweiler | Hollister | Merritt, Conn. | Secrest |
| Doughton | Holmes | Mitchell, Ill. | Shannon |
| Doutrich | Hook | Montague | Smith, Wash. |
| Doxey | Jenckes, Ind. | Murdock | Smith, W. Va. |
| Driver | Kennedy, N. Y. | Nelson | Snyder |
| Dunn, Miss. | Kerr | Nichols | Stubbs |
| Eaton | Kimball | Norton | Sullivan |
| Eicher | Kleberg | O'Brien | Sutphin |
| Englebright | Kniffin | Oliver | Thurston |
| Ferguson | Kramer | O'Malley | Tobey |
| Fernandez | Lambertson | Owen | Treadway |
| Fish | Lamneck | Palmisano | Underwood |
| Flannagan | Lea, Calif. | Parks | Utterback |
| Gambrill | Lee, Okla. | Patton | Wallgren |
| Gasque | Lehlbach | Peterson, Ga. | Walter |
| Gassaway | Lloyd | Peyser | Welch |
| Gearhart | Lord | Rayburn | Werner |
| Gifford | Lucas | Reece | Williams |
| Gilchrist | McAndrews | Rich | Zioncheck |

So the resolution was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Boehne with Mr. Cooper of Ohio.
Mr. Cochran with Mr. Carter.
Mr. Rayburn with Mr. Bacharach.
Mr. McAndrews with Mr. Marshall.
Mr. Rudd with Mr. Tobey.
Mr. Blanton with Mr. Goodwin.
Mr. Lea of California with Mr. Maas.
Mr. Flanagan with Mr. Allen.
Mr. Mansfield with Mr. Reece.
Mr. Gasque with Mr. Merritt of Connecticut.
Mr. Cary with Mr. Rich.
Mr. Doughton with Mr. Treadway.
Mr. Oliver with Mr. Arends.
Mr. Corning with Mr. Robsion of Kentucky.
Mr. Cross of Texas with Mr. McLeod.
Mr. Dies with Mr Thurston.
Mr. Kleberg with Mr. Buckbee.
Mr. Parks with Mr. Eaton.
Mr. Kerr with Mr. Gifford.
Mr. Williams with Mr. Welch.
Mr. Fernandez with Mr. Dirksen.
Mr. Adair with Mr. Crawford.
Mr. Burch with Mr. Ditter.
Mr. Cox with Mr. Collins.
Mr. Kennedy of New York with Mr. Hollister.
Mr. Disney with Mr. Lambertson.
Mr. Peterson of Georgia with Mr. Fish.
Mr. Lamneck with Mr. Doutrich.
Mr. Harlan with Mr. Gearhart.
Mrs. Norton with Mr. Lord.
Mr. Montague with Mr. Englebright.
Mr. Gassaway with Mr. Lehlbach.
Mr. Biermann with Mr. Gilchrist.
Mr. Romjue with Mr. Holmes.
Mr. Sullivan with Mr. Kimball.
Mr. Scrugham with Mr. Snyder.
Mr. Palmisano with Mr. Kniffin.
Mr. Darden with Mr. Rogers of New Hampshire.
Mr. Bankhead with Mr. Dockweiler.
Mr. Robertson with Mr. Eicher.
Mr. Lee of Oklahoma with Mr. Bell.
Mr. Schaefer with Mr. Doxey.
Mr. Lloyd with Mr. Dunn of Mississippi.
Mr. McGehee with Mr. Lucas.
Mr. Ferguson with Mr. Schuetz.
Mr. Boykin with Mr. McGroarty.
Mr. Secrest with Mr. Brennan.
Mr. Brooks with Mr. McMillan.
Mr. Gambrill with Mr. Smith of Washington.
Mr. Murdock with Mr. Stubbs.
Mr. Claiborne with Mr. Mitchell of Illinois.
Mr. Gillette with Mr. Smith of West Virginia.
Mr. Cannon of Wisconsin with Mr. Andrew of Massachusetts.
Mr. Goldsborough with Mr. Sutphin.
Mr. Hamlin with Mr. Nelson.
Mr. Underwood with Mr. Clark of Idaho.
Mr. Nichols with Mr. Walgren.
Mr. Hennings with Mr. Crosby.
Mr. O'Brien with Mr. Walter.
Mr. Higgins of Massachusetts with Mr. Wearin.
Mr. Owen with Mr. Zioncheck.
Mr. Knute Hill with Mr. O'Malley.
Mr. Driver with Mr. Cummings.
Mrs Jenckes with Mr. DeRouen.
Mr. Patton with Mr. Dietrich.
Mr. Werner with Mr. Peyser.

Mr. WHITTINGTON and Mr. FLETCHER changed their vote from "nay" to "yea."

The doors were opened.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. HEALEY. Mr. Speaker, the gentleman from Massachusetts [Mr. HIGGINS] is unavoidably absent on account of illness. If he had been present, he would have voted "yea."

ALLOWANCE OF CERTAIN CLAIMS FOR EXTRA LABOR AT NAVY YARDS

Mr. RAMSPECK submitted a conference report and statement on the bill (S. 872) for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims.

STAY OF DEPORTATION IN CASES OF ALIENS OF GOOD CHARACTER

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that House Resolution 350, requesting that the Commissioner of Immigration and Naturalization be requested to continue the stay of deportation in the cases of aliens of good character in which deportation would result in unusual hardship until Congress has had an adequate time to consider proposed legislation, may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. TARVER. Mr. Speaker, reserving the right to object——

Mr. O'CONNOR. Mr. Speaker, I ask for the regular order.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. TARVER. Mr. Speaker, I object.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the 1 hour general debate provided for in this resolution be dispensed with and that the bill be read for amendment.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. TARVER. Mr. Speaker, I object.

Mr. DICKSTEIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the resolution (H. Res. 350) requesting that the Commissioner of Immigration and Naturalization be requested to continue the stay of deportation in the cases of aliens of good character in which deportation would result in unusual hardship until Congress has had an adequate time to consider proposed legislation.

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 184, noes 8.

Mr. TARVER. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Evidently a quorum is present.

So the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Resolution 350, with Mr. WARREN in the chair.

The Clerk read the resolution, as follows:

House Resolution 350

Whereas during the past 2 years the Department of Labor has stayed the deportation of some 2,600 hardship cases of aliens technically subject to deportation whose deportation would involve the separation of many families, leaving approximately 7,000 dependent relatives here, of whom approximately 5,000 are wives and minor children, pending consideration by Congress of certain proposed legislation; and

Whereas the House Committee on Immigration and Naturalization on June 18, 1934, unanimously adopted a resolution urging the continued stay of deportation in such cases pending such time as the Congress required for a further opportunity to study the problem: Therefore be it

*Resolved*, That in order that the Congress may have adequate time to consider the proposed legislation, the Commissioner of Immigration and Naturalization be requested to continue the stay of deportation until March 1, 1936, in the cases of aliens of good character, excepting those involving a question of moral turpitude, in which deportation would result in unusual hardship; and be it further

*Resolved*, That on or before January 15, 1936, the Commissioner submit to the Congress for its consideration a list of all cases, excepting those involving a question of moral turpitude, stayed up

to and including December 31, 1935, and to submit a list of the names of all cases, together with the full and complete file of each name and case, and all facts pertaining to same.

Mr. PARSONS (interrupting the reading of the resolution). Mr. Chairman, I ask unanimous consent that the further reading of the resolution may be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. McFARLANE. Mr. Chairman, I object.

The Clerk continued the reading of the resolution.

Mr. McREYNOLDS (interrupting the reading of the resolution). Mr. Chairman, I ask unanimous consent that the further reading of the resolution may be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. TAYLOR of South Carolina. Mr. Chairman, I object.

The Clerk concluded the reading of the resolution.

Mr. DICKSTEIN. Mr. Chairman, I yield 30 minutes to the ranking Member on the committee, the gentleman from Tennessee [Mr. TAYLOR].

Mr. Chairman, at this time I yield 4 minutes to the gentlewoman from New York [Mrs. O'DAY].

Mrs. O'DAY. Mr. Chairman, last year the Department of Labor was authorized to stay the deportation through August of this year of 2,026 hardship cases of noncriminal aliens who were technically deportable.

These deportations would have meant the breaking up of a great many families. It would also mean leaving here in this country approximately 7,000 dependent relatives, mostly boys and minor children, who would be left in this country on relief. This resolution asks for the extension of the stay through March 1936 in order that the Commissioner of Immigration, Mr. McCormack, may file with the committee a report of all these cases, which may then be presented to the Congress for final disposition. We also hope that by that time the committee may have worked out some sort of definite policy to cover these cases in the future.

Mr. Chairman, in asking for the passage of this bill the committee and the Department have kept in mind the fact that there are no criminal charges against any of these people. There are no charges of moral turpitude. The men and women involved have lived here for many years—8 or 10 years, or perhaps longer. They have established themselves in this country, and in the years they have been in this country they have lived decent, upright, industrious lives. They have married native-born American citizens and have raised families of American children.

Mr. Chairman, all of us in this House are descendants of aliens who settled this country. These aliens and their descendants have made this Nation what it is today.

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Chairman, I yield the gentlewoman 2 additional minutes.

Mrs. O'DAY. Mr. Chairman, whether our ancestors came over in the *Mayflower* or in the steerage, we are descendants. The aliens whose cases we are considering tonight have lived all these years in America and have lived up to our laws, to our ideals, and to our standards of living so far as they have been able to do so. They cannot be treated as cattle. They must be treated as human beings, because they are human beings, as you and I. To deport them now would break up their homes and would break all of their family ties. I cannot believe that the Members of this House will approve of so inhuman and cruel a thing. Nevertheless, if this resolution is voted down tonight, the homes will be broken up next week when the deportations begin.

I ask you to vote for the resolution. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Chairman, it is certainly with a great deal of reluctance that I find myself in opposition to the chairman of my committee on this piece of proposed legislation. I recognize the human appeal expressed so eloquently by the gentlewoman from New York [Mrs. O'DAY], but in these immigration matters we have got to disregard human appeal and get down to brass tacks, if we ever expect to relieve this country of the undesirable alien element.

This resolution concerns about 2,600 or 2,700 aliens who are in this country in violation of our immigration law. The Labor Department could have deported these aliens heretofore, but it seems they are trying to shift the responsibility; in other words, trying to pass the buck to the Congress.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield; yes.

Mr. KVALE. The gentleman surely does not want to apply the blanket epithet of undesirable to all of these aliens of whom he speaks.

Mr. TAYLOR of Tennessee. I do not know who these aliens are. The Labor Department has not seen fit to advise the Immigration Committee as to the facts and circumstances surrounding each individual case and this is one of the main objections to this resolution.

Mr. GREEN. Is it not a fact that many of these aliens are of a very objectionable and criminal type and have been convicted of crime?

Mr. TAYLOR of Tennessee. We do not know just what types of aliens they are because we have not had the information from the Immigration Bureau.

Mr. DICKSTEIN and Mr. TARVER rose.

Mr. TAYLOR of Tennessee. Mr. Chairman, I regret that I cannot yield because I have only 30 minutes to be used on this side.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman from Tennessee yield to me?

Mr. TAYLOR of Tennessee. I yield for one question.

Mr. DICKSTEIN. Does not the resolution specifically provide that the persons who are to be benefited by this resolution must be persons of good moral character, and is it not a further fact that no person convicted of crime is involved in any of these cases?

Mr. TAYLOR of Tennessee. Of course, they have violated the law by coming in here in violation of our immigration statutes, but the resolution does provide that they must not have been convicted of any crime involving moral turpitude; but they are here in violation of our immigration laws, and while it is all very nice to talk about humanity and all those things in respect of these matters, yet we have such widespread unemployment in this country now that we ought to get rid of these aliens, many of whom are holding jobs which would otherwise be occupied by native or naturalized Americans.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. Mr. Chairman, in view of the fact that I have so many requests for time and that the time allotted me is so limited, and in view of my reputation for self-abnegation, I reserve the balance of my time, and yield 5 minutes to the gentleman from Michigan [Mr. BLACKNEY].

Mr. BLACKNEY. Mr. Chairman, I wish to state at the outset that this is no attack on my part upon the desirable aliens who have come to this country. I realize the debt the American Nation owes to the many sons from foreign soil who have come here and helped us to build up this great Nation of ours. I have every admiration for the alien who comes here, becomes an American citizen, and takes his oath to support the Constitution of the United States, but I do not look with the same respect upon that class of people who come here, perhaps illegally, stay here and get the benefits of our country and do not apply for citizenship in this country of ours. [Applause.]

I am opposed to this resolution. In the first place, I want to make this clarifying statement. Under this resolution, you would get the idea that the Immigration and Naturalization Committee is 100 percent for this resolution. I say this inferentially because in the second paragraph it is stated—

Whereas the House Committee on Immigration and Naturalization on June 18, 1934, unanimously adopted a resolution urging the continued stay of deportation in such cases.

And so forth.

That was 1934, and they say nothing about this year and the present Committee on Immigration and Naturalization, of which I am a member.

A resolution just exactly like this came up before our committee and there were 5 votes for it, 4 against it, and 1 member voting "present." The same day this resolution was filed it came before our committee, and by a vote of 7 to 4 it was reported out. So this is not a unanimous committee proposition.

Mr. TARVER. Mr. Chairman, will the gentleman yield? I want to secure some information if I can.

Mr. BLACKNEY. I am sorry, I cannot yield.

The question of immigration here has become very important. I notice by the Commissioner's report he admits there are 4,922,000 aliens in this country, and if we deduct from that number 1,500,000 who have applied for citizenship, either directly or indirectly through their parents, this leaves 3,422,000.

The resolution states they want a stay of proceedings. For what reason? According to the report, so they can have adequate time, and yet in the preamble to their resolution they say, "Whereas during the first 2 years the Department of Labor has stayed the deportation of some 2,600 hardship cases of aliens", and so forth. They have already had 26 months, and now they are coming in here and asking you for a continued time in order that Congress may have time to study this matter.

The problem that the gentlewoman from New York suggested is growing more acute month after month, the longer we let this period lapse. If what the gentlewoman states is true, then the longer we put this matter off the worse our problem becomes.

I also want to call your attention to this phase of the matter. Do you notice what they are asking this Congress to do? They are asking Congress to request the Commissioner of Immigration and Naturalization to discontinue the stay of deportation of aliens who, under the law, are illegally here. They are asking the Commissioner to violate the duties of his office.

The resolution has no legal force. We cannot by resolution set aside the laws of the land. This Congress has passed so many unconstitutional laws that some Members think that we can set aside laws by resolution.

I am opposed to this resolution because it endorses the nonobservance of the law. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, I have just discovered that this is a simple House resolution. It is an absolute shame to take the time of the House at this time in the session to pass a House resolution of this character. You may just as well bring a resolution here saying that the moon is made of green cheese as to pass this resolution at this time. It has no effect in law, and simply puts the House on record as favoring asking the Commissioner of Immigration to do something that is against the law. I think it is unfair and absolutely a crime to bring such a resolution into the House at this time.

Mr. DICKSTEIN. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Chairman, it is true, as the gentleman has said, that this resolution has no legal status. It simply appeals to the moral sentiment of this House and to the sentimental side of our nature which impels us to do justice to a great many poor people who, unless this resolution is passed, will have to be sent out of the country.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. KERR. Certainly.

Mr. SNELL. Is it true also that it is simply asking the Commissioner of Immigration to violate the law on the statute books?

Mr. KERR. We are not asking any such thing. The gentleman is mistaken if he takes that view.

Mr. SNELL. I do take that view. Does the gentleman tell me that I am wrong?

Mr. KERR. We are not asking the Commissioner of Immigration to violate any law. We are simply asking him to hold in abeyance the matter of whether these particular people shall be deported. Some of them are not deportable. Give him time, and give Congress time to investigate and see whether they ought to be cruelly and wantonly sent out of the Nation.

Mr. SNELL. The law at the present time says that they shall be deported.

Mr. KERR. I think not; in a great many of these cases it depends upon the facts to be found.

Mr. SNELL. All of them.

Mr. KERR. No; very few of them. I say further to the gentleman that many of these cases are cases that any tribunal that has any sense of justice would allow to stay in the country. In many cases they probably have found out that the registration of some good citizen of the country cannot be substantiated, and there are other cases that are just as meritorious as these, and they ought to be inquired into and investigated to see whether or not this Nation would be guilty of an injustice to good people who live here.

Mr. SNELL. The gentleman will admit there is no force in the resolution.

Mr. KERR. I admit, as I said before, that there is no legal status attached to it. It is a question of whether we should do justice to a good many people in this country who ought to have justice accorded to them.

Mr. TAYLOR of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, I am mighty glad that my good and distinguished friend, Judge KERR, of North Carolina, has agreed that this proposition has no legal significance. I want to place against sympathy which the gentlewoman from New York claimed for this bill which does not belong to it the majesty of the law. Sympathy is a virtue which none should decry, but the maintenance of the law and its majesty is our special responsibility. You must choose between them. You must decide whether you will follow the plain law or give way to sympathy—misplaced sympathy.

Mr. KERR. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I cannot yield; I am sorry, for I have great respect for my friend Judge KERR. On the last day of the last session of Congress a resolution similar to this came in, and from where? It came from the Immigration Committee. That committee adopted a resolution, and they read it into the CONGRESSIONAL RECORD. What did the resolution say? It said that the majority of the Immigration Committee would like to see the deporting officers do what is requested in this so-called "resolution."

That is what this does. The last year's resolution had no effect. This has no legal effect. You pass it up or down and it means nothing, except that you have sat here in the last days of Congress and taken 2 or 3 hours' time to consider something that is absolutely unwise and unnecessary, and, as Mr. SNELL and Judge KERR say, has no legal effect. It means nothing. It is not mandatory. Does it order anybody to do anything? Does it say to the Commissioner, "You must do this or that"? It is unfortunate that but few of the Membership in this group have ever read this resolution through. It was introduced in the Congress only the day before yesterday. It was passed upon by the committee yesterday and now it takes a place far more important than it deserves. Oh, they are in a powerful hurry. It is most important! Introduced into the Congress only the day before yesterday and reported out by the committee yesterday and reported out by the Rules Committee yesterday; and what does it mean, what does it say? It says that we are going to ask the deportation officers to continue the stay of deportation until March 1, 1936.

What have we come to that a Congress of the United States has to ask the deportation officers not to deport people when the law says that they must be deported! I wish I could impress you with the fact that this so-called "resolution" is nothing more than a blind behind which the Secretary of Labor is seeking to shield herself from the just criticism that would be directed at her if the facts were known. Why did she not deport those who should be deported and spare those

whose cases excite sympathy? There are over a million aliens now in the country illegally. Why do not the officials engage themselves in ferreting out these criminal aliens and deport them? Do not be misled; not a single one of these 2,600 will be sent out. Why do I say that? It is because this administration has allowed twice as many to enter in 1934 as entered in 1933, and deported only one-half as many in 1934 as in 1933. Do not be carried away by this sob stuff that we have been hearing for years about breaking up families. There is nothing to that. We are not breaking up any families. None of these people will be deported. Why? Because in the very first of this resolution it reads:

Whereas during the past 2 years the——

Mr. SISSON. Will the gentleman yield?

Mr. JENKINS of Ohio. I am sorry that I cannot yield to my friend.

Whereas during the past 2 years the Department of Labor has stayed the deportation of some 2,600—

They have stayed it for 2 years. Why do they have to deport them now? There is nothing in that. I am going to have time later before we get through discussing this bill to show you how this came up. Someone says this is the outgrowth of the Kerr bill. Why did not the Kerr bill come up here for consideration? The Kerr bill has been reported out by the committee and has been on the calendar for weeks and months. Why did they not bring it up? Because they knew it could not be passed. Why? Because it called for a surrender of power by Congress to the Labor Bureau. All who hold themselves out to be restrictionists, I call you to take your stand against this resolution. In this closing hour, amid the confusion and uncertainty, do not lose your moorings, and remember that this is another attempt to lay down the bars. [Applause.]

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama [Mr. STARNES].

Mr. TAYLOR of Tennessee. Mr. Chairman, I yield the gentleman 2 additional minutes.

The CHAIRMAN. The gentleman from Alabama is recognized for 5 minutes.

Mr. STARNES. Mr. Chairman, I thoroughly agree with what has been said, that it is really a waste of time for this House, in the closing hours of this session, to even consider a resolution of this kind and character. It carries no authority. It does not authorize anyone to do anything and it does not direct anyone to do anything. It makes no changes in the present law. It adds nothing to our present immigration laws. Permit me to say in passing, as a member of the Committee on Immigration and Naturalization, I am ready at all times, as are other members of that committee, to consider the so-called " hardship cases ", if the Department of Labor will bring those cases before us and lay the facts before us and permit us to have an opportunity to study them and to pass the necessary remedial legislation if such is required.

Mr. TARVER. Will the gentleman yield for a moment?

Mr. STARNES. I yield.

Mr. TARVER. What proof did the gentleman's committee have of the statement made in the preamble of this resolution to the effect that the deportation of these 2,600 aliens would involve the separation of families? Did the gentleman's committee have proof that that recital was true?

Mr. STARNES. If the gentleman would permit me, I would like to yield further, but I have only a few minutes. We have absolutely no proof before that committee other than the statement made by the Commissioner of Immigration and Naturalization that for a period of more than 2 years he had, himself, without authority of law, but on his own authority, in a study of cases that had been brought to the attention of the Department, stayed the deportation of aliens who had violated the law.

Mr. SISSON. Will the gentleman yield?

Mr. STARNES. No. I made the statement that I would not yield further. He stated before the committee that those cases involved hardship, but he brought no facts to us; he brought no files before us; he made no attempt to classify the cases whatsoever. He said he was bringing it back and putting it on the doorstep of the Congress.

Members who oppose this resolution on the committee are not opposed to the consideration of the so-called " humane cases ", but we do oppose the the nullification of the law by a citizen who is sworn to enforce it and uphold it. [Applause.] If the law is unjust and inhumane, let us repeal it. Your Commissioner of Immigration and Naturalization has characterized our immigration laws as being barbarous, inhuman, and unjust.

If so, they should be repealed, but neither that gentleman nor you nor I nor any other man or woman who is sworn to uphold the majesty of the law and to enforce and administer its mandates, has a right under his oath and under his conscience to violate that law with impunity and to come before the law-making body and ask condonment for a violation of the law. [Applause].

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Chairman, I yield the gentleman 1 additional minute.

Will the gentleman yield?

Mr. STARNES. I yield.

Mr. TAYLOR of Tennessee. The Immigration Committee has adopted the policy of recognition of individual hardship cases?

Mr. STARNES. Absolutely.

Mr. TAYLOR of Tennessee. And we have had two such cases before the committee?

Mr. STARNES. And passed them out; yes.

Mr. TAYLOR of Tennessee. And they have been passed out unanimously by the committee; is that not so?

Mr. STARNES. That is true. The question is whether or not the Congress is going to place moral sanction upon the action of the Commissioner of Immigration and Naturalization in failing to enforce the law over a period of more than 2 years. That is the whole question in a nutshell.

Mr. KVALE. Will the gentleman yield for a question?

Mr. STARNES. I yield.

Mr. KVALE. Bearing out the question of the gentleman from Tennessee [Mr. TAYLOR], does the gentleman want to consider 2,600 cases individually?

Mr. STARNES. That is the way we consider all legislation. That is the way we consider pensions and private bills. [Applause.]

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Chairman, I am not a member of the Committee on Immigration and Naturalization. My attention was first called to these cases on the hearing before the Rules Committee. I have always voted for every restrictionist measure on immigration that has been presented in Congress, and I think I should be considered a restrictionist, but these particular cases are hardship cases, and the hearing disclosed that they are heads of families—2,600 of them.

Some error has been made in listing their names at the port of entry. Sometimes a mistake has been in paying their head tax. They have lived 5, 6, 8, 10 years in this country. Many of them have married American women, and children have been born to these families, the children being American citizens.

I cannot see how the majesty of the law would be violated by permitting the Commissioner of Immigration to consider these hardship cases and at a later date present these facts to the House Committee on Immigration, as this resolution proposes.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GREENWOOD. I prefer to finish my statement; then I will yield if I have time.

If they are separated from their families and sent abroad, their families in many instances are thrown upon relief. All this resolution does is to ask that these proceedings be stayed until January, when the Commissioner proposes to report these cases to our Committee on Immigration in order

that some specific legislation may be provided to take care of these hardship cases. They are not cases of moral turpitude where the people involved have violated the law. Many of them violated the immigration law only from a technical standpoint.

I believe that in all such cases as these justice should be done. The way to do it is to permit these cases to be brought specifically to the Committee on Immigration of this House, that they may consider them separately upon their merits. Many of them have applied for citizenship, but when they made their application they found these technicalities existed that could not be corrected even by the records at the ports of entry.

If these cases should be held over into the future the Commissioner reports that they would be charged against the quota of the country from which they came. Why separate them from their families and send them back only to allow other aliens to come in? Why separate them from their families, send them abroad, and assume responsibility of caring for their families, when all that will be done will be to throw the quota open to other immigrants who may not have the character of these people who will be deported—aliens who will be a greater experiment in immigration than these who have been here 10 years?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. McCORMACK. I understand also that in many of these cases children were born in this country. Under the Constitution they are American citizens. Is that correct?

Mr. GREENWOOD. The gentleman's statement is correct. Many of them have married American women and have families. The children are American citizens, yet the father is barred by some technicality. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, this is the first time I have spoken in this House on any question which really hits home, and I regret exceedingly that I have to take the floor on a matter of this kind, in which I have a deep personal interest. I shall do my best, however, in the 5 minutes allotted to me to treat this subject in as dispassionate a manner as possible. I trust those of you who are opposed to this proposition will give me the same consideration you expect from me. I do not see why there should be any feeling or passion about this matter.

This resolution provides one thing, and one thing alone. First of all, let us bear in mind what the situation behind this resolution is. A bill is pending in this Congress known as the "Kerr bill", which has been reported out by the committee, and which, if passed, will legalize the status of these 2,600 people involved in this resolution. If the Kerr bill is defeated their status will not be legalized and they will be deported.

What does the pending resolution do? It simply states that before the Kerr bill is voted on, before this appeal to Congress is voted up or down—and I mean by "appeal" the Kerr bill—that you shall not execute the "death sentence" of deportation upon these people regarding whom we are going to legislate in the next session of Congress. That is all this resolution does. It simply asks that the execution of the sentence be held up until the Congress of the United States has adopted a definite policy with reference to these 2,600 people. This Congress has not had the opportunity to deal with the Kerr bill. If the Kerr bill passes, these 2,600 people will not be deported. Therefore, why not hold up deportation until Congress passes on that bill?

I appeal to you. Is not this a sporting proposition? Is it not a humane proposition? Is it not a decent proposition? Why, a criminal guilty of murder is given an opportunity to have his appeal heard before he is executed. Why will you not give these people an opportunity to have their status passed on by the Congress of the United States before deporting them?

I have heard a great deal said tonight about aliens, and I regret very much that Members have talked disparagingly about them.

I never thought that in the House of Representatives of the United States good, patriotic Americans would dare talk disparagingly about any racial group in the United States where, after all, we are all of alien stock.

Mr. Chairman, did you ever stop to think that in 1917 thousands and thousands of these very aliens who are being spoken of disparagingly here tonight went across the seas to fight and die for our Nation, and thousands and thousands of them never came back? They were good, decent people then. Why are they not good, decent people now? Against this disgusting bigotry, I cry "shame!" [Applause.]

Mr. KVALE. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Minnesota.

Mr. KVALE. Does not the gentleman think that these 101-percent patriots will agree that the only true Americans are the original Indians?

Mr. MARCANTONIO. I do not know. They better answer for themselves. They think they know it all.

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. SCHULTE].

Mr. SCHULTE. Mr. Chairman, I was very much impressed with the plea made by the gentlewoman from the great State of New York relative to the deportation of 2,600 aliens who are in this country illegally. The other day I tried to bring up a bill which was introduced in the Immigration Committee by myself called the "alien-seamen bill", and the gentlewoman from New York refused me any and all aid. My bill would have stopped all aliens coming into this country illegally, and there would not have been any hardship cases. Why the right-about face?

There is no question but what there will be hardships. There will be families separated. A great many of these cases carry a great deal of merit, too. I say they should be given a chance.

On page 2, line 6, the resolution states as follows:

*Resolved*, That on or before January 15, 1936, the Commissioner submit to the Congress for its consideration a list of all cases, excepting those involving a question of moral turpitude, stayed up to and including December 31, 1935, and to submit a list of the names of all cases, together with the full and complete file of each name and case, and all facts pertaining to same.

That is as it should have been a long time ago. The thing that is necessary in this country is for us all to unite and get behind the Immigration Committee and help them report out some of these bills. There was introduced in the House a bill barring Mexicans from coming into the continental United States to compete against American labor. Where were a great many of the Members then who called themselves restrictionists? The alien-seamen bill is another bill. What does the alien-seamen bill propose to do? The gentlewoman from California objected when unanimous consent was asked for its consideration. That bill will stop all those who find it impossible to find a visa from coming into this country. It does not allow them to be employed as seamen. These people come in under the guise of alien seamen, and the minute they hit the shores of this Nation, what happens?

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, as a member of the Immigration Committee, let me say that my experience on this immigration question started back at a time when I was a member of the Legislature of Pennsylvania. I was directed to inquire into the number of unnaturalized foreigners quartered in the Commonwealth of Pennsylvania. I made an investigation at that time and reported 50,000. I introduced and there was also passed and now in operation in the State of Pennsylvania, also New York, as well as in Michigan and Minnesota, a law providing for the deportation of unnaturalized foreigners.

Mr. Chairman, I want to warn the Members of the House right here and now, and particularly those Members who are being entrapped in this insidious propaganda coming here from New York in the shape of Members of Congress who are right before me. Do not be fooled about this. Let me tell you something else.

You cannot get a man in any city in America to vote for restricted immigration for the simple reason that the foreigners there will see that he is not reelected. I asked Mr. Moore, mayor of Philadelphia, why he would not vote for restricted immigration. He said: "If I voted for restricted immigration I could never be returned to Congress."

Mr. Chairman, I am telling you something about the condition in this country. These foreigners are multiplying at the ratio of 9 to 3—9 to 3, remember—and in two generations we will not have to do as Napoleon did—sweep the boulevards of Paris with grape shot to control the situation against any vicious element. They will accept our challenge and out-vote us.

Mr. SADOWSKI. Will the gentleman yield?

Mr. FOCHT. No; I cannot accept a challenge from the gentleman. These foreigners will accept our challenge. They will go to the ballot box and outvote you unless you meet such situations as is presented here tonight.

I have the greatest sympathy, the greatest pity, the greatest compassion for these poor people who come over here, but I think this is the time when something must be done about those who violate the law to get in. Enough has happened in this country recently to open our eyes. People have come before our committee and talked about socialism. Why, that is a mild thing to talk about. When you talk about the control of this country in the way I mentioned a moment ago that is something different.

I now wish to tell you something about this bill.

Mr. SADOWSKI. Will the gentleman yield?

Mr. FOCHT. No. I have little time. The gentleman is a very noisy gentleman anyhow. I am talking on this bill and cannot yield, but hope the gentleman may get his own time.

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. SADOWSKI].

Mr. SADOWSKI. Mr. Chairman, I was not going to speak on this resolution, but I do want to correct a statement made by the gentleman from Pennsylvania. The gentleman from Pennsylvania said these aliens after two generations would multiply so fast. Is a man after two generations still a foreigner? After your father has been born here and you have been born here, are you still a foreigner?

Mr. FOCHT. Are you asking me that question? I will tell you that my ancestors came here in 1720. Three of them were in the Revolutionary War. My father died as a consequence of the Civil War, had a brother who was a sergeant major in the Spanish-American War, and I had three nephews in the World War.

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, there is no Member of this House who would favor keeping an alien in the United States who was guilty of any crime involving moral turpitude. We do not want racketeers; we do not want gangsters. We have plenty of them here who are American citizens, born and bred here. We do not want any alien gangsters or any American gangsters or racketeers.

However, I think the whole crux of this situation was well stated by the gentleman from Indiana when he said that these 2,600 hardship cases are cases of men who could be deported on technicalities, none of them convicted of any crime involving moral turpitude, and all we are asking in this resolution is that the Department of Labor, through Commissioner MacCormack, send up to the House of Representatives a complete list of all these cases, and then when the Kerr bill comes up, Congress will have all the necessary information upon which to act on this problem.

Now, I have heard a lot of discussion here tonight about aliens and 100-percent Americans. I will give you my idea, if you will bear with me for just a moment, of what I consider a 100-percent American.

This little poem was written during the war, and, I believe, was written by a newspaperman for the Chicago Tribune. It is entitled:

AMERICANS ALL

Now, O'Leary from Chicago and a first-class fighting man
Born in County Clare or Kerry where the gentle art began.
Sergeant Michael James O'Leary, hiking along the road,
Dodging shells and smelling powder while the battle ebbed and flowed.
And the captain said, "O'Leary, from your fighting company pick a dozen fighting Yankees and come raiding now with me.
"Pick a dozen fighting devils, and I know it's you who can!"
And O'Leary he saluted like a first-class fighting man.
O'Leary's eye was piercing and O'Leary's voice was clear.
"Dimitri Popopoulos", and Dimitri answered "Here!"
"Vladimir Slaminski, step three paces to the front!
"For we're wanting you to join us in a little Heinie hunt",
"Garibaldi Ravioli", Garabaldi was to share
And Ole Axel Kettleson and Thomas Scalp the Bear,
Who was a Choctaw by inheritance bred in the blood and bones,
But set down in Army records by the name of Thomas Jones.
"Vanwinkle Schuyler Stuyvesant", Vanwinkle was a bud
From the ancient tree of Stuyvesant and had it in his blood.
"Ulysses Grant O'Sheridan," Ulysses' sire, you see
Had been at Appomattox near the famous apple tree.
"Patrick Michael Casey," Patrick Michael, you can tell,
Was a fighting man by nature with three fighting names as well.
"Don Miguel de Colombo," Don Miguel's next kin
Were across the Rio Grande when Don Miguel went in.
"Joseph Wheeler Lee" and Joseph had a pair of fighting eyes
And his granddad was a Johnny, as perhaps you might surmise.
"Robert Bruce McPherson", and the Yankee squad was done
With "Isaac Abe Cohen" once a lightweight champion.
Then O'Leary paced them forward and said he, "You Yanks, fall in."
Then he marched them to the Captain. "Let the skirmishing begin."
Said he, "The Yanks are coming, and you beat them if you can."
And he saluted like a soldier and a first-class fighting man.

That is my idea of a 100-percent American. [Applause.]

Mr. TAYLOR of Tennessee. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. EKWALL].

Mr. EKWALL. Mr. Chairman, I may state at the outset that I am sure I cannot be accused of being prejudiced against so-called "foreigners", because my father and mother and 2 brothers and 2 sisters were born on the Scandinavian Peninsula, while 3 of us were born in this country. If you accused me of that you would be accusing me of being against my own father and my mother and my 2 brothers and 2 sisters, who were born on foreign soil.

It seems to me that this resolution is of no force and effect. Whenever a lawyer loses his case in court he always claims to lose it on a technicality. There is no such thing as a technicality involved in this resolution. These aliens are either here legally or they are here illegally.

I am sorry that they find themselves in this situation, but they have no legal right to be here and they have no business staying here, thereby taking jobs away from those legally in the United States who are walking the streets looking for work at this time. From the study that I have made of the resolution, it seems to me that the Department of Labor is asking Congress to wash its linen for it. They have had over 2 years to examine these cases. They apparently have not performed their duty and take this method of getting a congressional whitewash. The bill should have been brought up before the Congress in the early months of the session so that we could have had ample time to properly consider it.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. EKWALL. No; I do not yield. I have in my district many people who were born in foreign countries. They are my friends and I am their friend. I am for the honest, hard-working foreign born in this country who are here properly and legally, who are within the law and who want to stay within the law. They have contributed richly to the upbuilding and culture of our country. I am not in favor of a resolution of this kind which, in the first place, will have no force or effect, and which is thrown in haphazard in the closing hours of Congress.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. DICKSTEIN. Mr. Chairman, this is a worthy resolution. These people have committed no offense against our criminal laws. They came across the border years ago, when records were not accurately kept. Some clerk when making the records of many of them recorded their entry in such a way that their names were misspelled, and then when they presented themselves to the proper authorities asking for naturalization they found that their records of entry in their correct names were not there, and they became technically subject to deportation.

For instance, if my friend the last speaker, whose name is EKWALL, had been put down as Eckell, then when Mr. EKWALL presented himself for naturalization they would have arrested him because his name was not properly recorded in the register, and he would be deportable on the grounds of illegal entry into the United States.

Mr. EKWALL. That is a matter for the Department.

Mr. DICKSTEIN. That is the fault of our Government, in that when many of these people came some of the field offices were not keeping proper records. It is no fault of these people who came here with good intentions, who have been here several years, thinking they had come regularly.

Some of them have as high as six American-born children in the family, and an American-born wife.

My friend from Oregon and my friend from Ohio and my friend who sits right in the front—are you ready as Christian gentlemen to tell the Secretary of Labor now to tear these fathers from their American-born children and send the father back to Russia or to another part of the world? Are you that kind of gentlemen? Are you prepared by your vote here today to tell the Secretary of Labor that this man, simply because he did not pay $8 years ago, shall be deported notwithstanding he will thereby leave his wife and children dependent for support upon the community—your community and my community?

What do the restrictionists on this committee want? I am trying to reach an agreement with them. They want me to introduce 2,600 individual bills—one for every immigrant. That is an impossible procedure to follow, for the reason that you would have to stay here for 5 years to carry through the program.

So, I appeal to your sense of justice and I appeal to their sense of justice. I said, "Let us stay the deportation of these cases until January." I am willing to come to some amicable adjustment between the group that believes in extraordinary restriction and the group that believes in justice to mankind. That is all there is to this. The Secretary of Labor said that if she could obtain a resolution of this kind from this House or the Senate before the close of this session of this Congress she would hold the deportation up until January, and if you do not do something she will deport them.

Now, Mr. Chairman, somebody has said proper information had not been given the committee regarding the type of these cases.

Why, Mr. Chairman, the Commissioner of Immigration and Naturalization spent quite a long time in testimony before the committee in public session and in executive session and emphasized what kind of cases had been set aside with a temporary stay of deportation.

Colonel MacCormack told our committee, in part, as follows:

I would like to read to you two comments on this aspect of the immigration law. The first is quoted from the report of the Wickersham Commission on Law Enforcement and Observance, in the following words [reading]:

"In deportation cases, even when the judgment is just and necessary, hardships are extreme, both upon those deported, and upon their families who are permitted to remain; and in the opinion of the Commission, the limited discretion to permit, in cases of exceptional hardship, a relaxation of the rigid requirements of the present statutes, would be consistent with the dignity of a great and humane nation."

* * * * * * *

We have, however, the right to determine when deportation shall take place. That is a right that has been established and exercised through all the years the immigration acts have been in existence.

We set aside cases that at first appeared to us to be appealing, and fixed a date for deportation as of July 1 of last year; to enable our presenting these cases to Congress for its consideration.

Congress failed to act favorably upon the first of the bills presented, as those of us who were present are painfully aware, but directly thereafter the gentleman who had led the battle on them came to us and urged us to continue the stay of the cases already stayed, and to continue the stay of such similar cases as might arise in the interval between Congress' departure and its return.

I refused to continue with the stay of these cases until I could have some definite proof that that was the intention, if not of the Congress as a whole, at least of the committee which was responsible for its immigration and naturalization activities.

Your committee passed a resolution unanimously, which was communicated to the Secretary of Labor and to myself, as Commissioner of Immigration and Naturalization. In that resolution, you asked us to continue the stay of the cases already stayed, and of such other cases as might arise in the interval before Congress again convened.

A bill was introduced into the Congress, with the same sort of a preamble to it. We considered these actions as evidence of an intention to seriously consider the proposals we had submitted and stayed the deportation of those cases, and of the new cases that have arisen.

Now—and I wish to say this most seriously—I would not have felt that I was entitled to my own self-respect, had I failed to stay the deportation of the cases which have been stayed, or had I failed to use every effort to present the facts I have given to you today, to the Congress. We have been, of course, attacked for having stayed these cases. That is all right.

* * * * * * *

Now, as to the stayed cases. During a period of approximately 22 months, there have been stays of deportation in the cases of 2,355 aliens. That is an average of 107 cases a month. Now, that is a comparatively small number, and certainly not important; but, gentlemen, it means 107 cases a month in which there will be a separation, and perhaps a permanent separation, of families, if these people, who are of good character, are forced to depart.

Of these 2,355 cases, 1,569 have been stayed by the central office. The balance have been stayed in the field. We have analyzed the 1,569 cases in the central office.

In considering lenient treatment for such people there must be some consideration as to the effect upon their families and the effect upon the United States should they be forced to leave the country. In these 1,569 cases there are 4,066 American-citizen or legal-resident wives, husbands, children, brothers, sisters, or parents in this country. Approximately two and a half times the number of people deported would be left behind.

Of this 4,066, there are 2,012 American citizens and 350 lawfully resident aliens who are dependent upon the prospective deportees for support, and who would become public charges in the event of their departure. That is, you deport 1,569 and you arrange that the United States shall thereafter care for 2,353.

Again, once and a half the number deported are forced to remain here as public charges.

Furthermore, of this group, 68 percent are, under existing law, permitted to return to the United States, in a preference, or in a nonquota status. Thus, in the class of case for which we recommend lenient treatment nothing is to be gained by deportation. Sixty-eight percent of them can return to the country, anyway, in the course of time. Then, you are leaving two and one-half times the number of relatives here as compared to the number deported. You are leaving one and a half times the number of relatives here, to become charges on the State, as compared to the number deported. So you have here a law which is not only cruel, but foolish, one which imposes unbearable hardships upon the alien and upon his innocent family, and very serious and useless financial charges upon the United States.

* * * * * * *

The wreckage which has resulted from the break-up of families under the past bills has left human misery and heavy burdens of support to the American communities from which breadwinners have been deported. It was said on one of the preceding days that the bill said nothing about hardships of deportation, and perhaps they do need reiteration here.

Deportation may be to a land where one is a stranger and whose language one does not speak. It may be to a political regime which has entirely changed since one's birth. Another sovereign, another country may be the ruler of one's place of birth. It may be a country from which one has fled because of persecution for religious or political reasons, and might mean not only imprisonment but death to return to certain countries which might be named. It does mean loss of stake in this country, and sometimes total means of livelihood.

This country is not the gainer when families of American-born wives and citizens are reduced to destitution by deportation of breadwinners. It does mean break-up and scattering to the four winds. I think of a family which would go to Hungary, to Rumania, to Yugoslavia, and part remain here. The possible banishment and exile feature are very serious considerations in deportation. It is very difficult to return in most of these cases, and the disgrace is something to be considered. Hindu students who are deported to their country as outcasts from this, to which they came for education, would almost rather jump off the boat than land with that disgrace attached.

* * * * * * *

So, Mr. Chairman, this resolution when adopted will serve as an expression of this House to the Commissioner of Immigration and Naturalization and to the Secretary of Labor to the effect that these noncriminal aliens should be permitted to stay here with their families until March 1 next, and to the effect that until that time at least these American-born wives and children will not be forced to see their husbands and fathers sent out of this country, leaving them behind with no means of support after their breadwinner is deported.

I say, Mr. Chairman, and gentlemen of the Committee, this Congress should not adjourn without this House adopting this humane, just, and honorable resolution.

I thank you.

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired. The Clerk will read the resolution for amendment.

Mr. TABER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Is an amendment in order at the end of the first paragraph of the resolution, or not until the whole resolution has been read?

The CHAIRMAN. The Chair construes the resolution to mean one section, and amendments shall be in order after the two resolving clauses are read in full.

Mr. DUNN of Pennsylvania. Mr. Chairman, are only members of the committee permitted to offer amendments?

The CHAIRMAN. Amendments are open to every Member of the House. The Clerk will read the resolving section of the resolution.

The Clerk read as follows:

*Resolved*, That in order that the Congress may have adequate time to consider the proposed legislation, the Commissioner of Immigration and Naturalization be requested to continue the stay of deportation until March 1, 1936, in the cases of aliens of good character, excepting those involving a question of moral turpitude, in which deportation would result in unusual hardship; and be it further

*Resolved*, That on or before January 15, 1936, the Commissioner submit to the Congress for its consideration a list of all cases, excepting those involving a question of moral turpitude, stayed up to and including December 31, 1935, and to submit a list of the names of all cases, together with the full and complete file of each name and case, and all facts pertaining to same.

Mr. TARVER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TARVER: Page 1, strike out lines 1, 2, and 3, and on page 2, strike out lines 1 to 5, inclusive, and insert in lieu thereof, the following:

"*Resolved*, That since ample time has elapsed for the passage of such legislation, if Congress desires to enact it, the Commissioner of Immigration and Naturalization is requested not to longer delay the enforcement of existing laws applicable to such cases."

Mr. DICKSTEIN. Mr. Chairman, I make the point of order upon the amendment that it is not germane to the bill. It simply reverses the entire language of the bill.

The CHAIRMAN (Mr. WARREN). This is a House resolution, merely expressing the sentiment and opinion of the House. The Chair thinks the amendment offered by the gentleman from Georgia is in order, and therefore overrules the point of order.

Mr. TARVER. Mr. Chairman, I am quite in accord with the viewpoint expressed by the gentleman from New York [Mr. MARCANTONIO], to the effect that this question should be decided without passion and without prejudice. God knows, I for one—and I am sure that feeling is shared by every Member of the House—would not by my vote impose an injustice upon any human being, whether alien or not. So far as I am concerned, while I come from a section of the country where there are few people of alien extraction, yet I have the utmost respect for any American citizen who honorably discharges the duty of citizenship, without regard to whether or not his ancestors may have lived in this country as long as mine have done or not.

My objection to this measure is that I do not think it should be presented at this time when it cannot be given careful consideration. It appears that the membership of the committee which reported the resolution is itself divided upon the question of what the true facts are relating to this matter. The gentleman from Indiana [Mr. GREENWOOD], who is not a member of the committee, who states that he never heard of the resolution until yesterday, believes that he is fully advised, to the effect that all of these persons who are threatened with deportation are heads of families, and that none of them has committed a crime, and that the result of their deportation will bring about the separation of families. The gentleman from Alabama [Mr. STARNES], who is a member of the committee, is equally as strongly convinced that those facts have not been made to appear in the hearings before the Committee on Immigration, and he is impressed with the idea that that committee is not in possession of information to substantiate the facts that are recited in the preamble of this resolution.

An effort is being made now in the absence of time for adequate consideration of this measure, to bring it up in the last hours of the session, just as it appears to have been brought up before the Committee on Immigration and Naturalization on the last day of the session in 1934. Why the delay? It appears that a bill has been reported, of which our colleague, Judge KERR, of North Carolina, is the author, which proposes to remedy any injustices that may be threatened to these people, by legislation in the proper manner, by the amendment of existing law. That bill has been reported from the committee for a considerable period of time. There has been ample time for its consideration by the House. All of you will remember the weeks during which we adjourned from Thursday until Monday or for other lengthy periods of time. There was no necessity for postponing the consideration of this measure until the closing hours of the session, at a time when it is impossible for the Membership of the House to become thoroughly acquainted with the facts. The gentleman from North Carolina [Mr. KERR] has advanced an idea which it seems to me is absolutely untenable, to the effect that a large number of these persons who are threatened with deportation are not illegally in this country. If this were the case, it certainly should not be necessary to ask the Secretary of Labor not to deport them.

[Here the gavel fell.]

Mr. GREEN. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. GREEN: Page 1, line 1, and on page 2, line 6, strike out the word "resolved."

Mr. GREEN. Mr. Chairman, after a service of 6 years on the Committee on Immigration and Naturalization, I believe my position is pretty well known by many of my colleagues. All of these years I have belonged to the bloc known as the "restrictionist bloc." Tonight I stand on that same bloc. This is another effort, couched in very splendid language, and in an unusually good atmosphere, to tear down and break down the immigration laws of our country. Almost every one of these aliens who came here slipped in, sneaked in, stole their way in, contrary to the laws of our Nation. They knew when they came here what the laws of our Nation were, but they slipped in, they stole their way in. Now we are asked tonight to make lawful that entry and place those men and women on a parity with the immigrant who came to American through our law and now abide by our law.

There are about 15,000,000 people in the United States of foreign birth. A very large percentage of these foreigners are unnaturalized—foreigners, many of them breeding communism, breeding atheism, breeding all the "isms" it is possible for them to breed, contrary to the teachings and principles of the American Constitution. While those five or six million unnaturalized aliens are here, refusing to be naturalized, making all the trouble they can make, your Nation and mine is appropriating $4,880,000,000 to feed Americans who are unemployed. Where is the consistency of voting a resolution giving approval to illegal alien entrance when your own American citizens are wanting employment and being fed by your Government? Where is the consistency? Instead of making entrance of these aliens lawful, it is the duty of this Congress, as I see it, in the protection of American labor, in the protection of American institutions, to

deport every deportable alien in our midst and give every position of employment to American citizens. My amendment to kill this resolution should be adopted. I urge you to vote with us for immigration restriction. [Applause.]

The CHAIRMAN. The time of the gentleman from Florida [Mr. GREEN] has expired.

Mr. SISSON. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, I hope that during my brief service in this House I have demonstrated my belief in upholding the majesty of the law. I do not so believe in upholding the majesty of the law, however, as to believe it is necessary in this country with our background, with our associations, our origins, our beginnings, that the majesty of the law must be upheld at the cost of breaking up 2,600 families. [Applause.]

What are the facts, what is the record? There has not been any substantial dispute here that there are 2,600 cases, perhaps, technically subject to deportation unless this resolution is passed, and 2,600 cases which are meritorious ones. The complaint here, the objection to the passage of this resolution, is that there has been some failure on the part of some officers of this Government, perhaps on the part of this Congress, to enact the proper kind of legislation to dispose of these cases. Must this sin, this failure, this omission, be visited upon innocent mothers, wives, boys, and girls?

I heard gentlemen say here, and it made my heart sick to hear them say it, that this was sob stuff; that this was old stuff. My God, gentlemen, is the breaking up of families sob stuff? Is the taking away of fathers from their wives and their children sob stuff, old stuff? These men, representing the American people, sprang from people who came from across the waters, all of us; and I heard gentlemen make this cry. I sorrow for them; I pity them. Their ancestors have not been in this country exceeding two generations, or three; and I thought—I do not want to make a harsh statement—but I thought that in the case of many of them it would have been a good thing, perhaps, if immigration into this country had been restricted so as to have cut off their forefathers. [Applause.]

Every criminal, every man accused of crime, even as some Member said, in the case of first-degree murder, is entitled to a stay of execution pending appeal. As a practical matter, as a matter of dollars and cents, if I must appeal to the Membership of this House on this low ground, this sordid ground, this mercenary ground, if you fail to pass this resolution and these 2,600 aliens are deported, you are going to break up their families; in many cases you are going to leave the wives and children, their dependents, helpless, subject to public charity.

[Here the gavel fell.]

The CHAIRMAN. All time has expired on the substitute.

The question is on the substitute amendment offered by the gentleman from Florida.

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Georgia.

The amendment was rejected.

Mr. SNELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SNELL: On page 1, line 3, strike out "Commissioner of Immigration and Naturalization" and insert "the Secretary of Labor."

Mr. SNELL. Mr. Chairman, it is not the custom of the House of Representatives or of the Congress in directing a communication to an executive department to send the communication to the head of a bureau. Such communications always are sent to the head of the department. The gentleman from New York, my friend, Mr. DICKSTEIN, said in his own speech that the Secretary of Labor made the statement that if we would send a resolution asking her to do it she would do it; and that is the proper place to send this resolution provided the House decides to adopt it.

I appreciate the fact that the Commissioner of Immigration and Naturalization may have these individual matters in charge, but the Secretary of Labor must take the responsibility; she is the head of the department.

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, under the present law the Commissioner of Immigration and Naturalization is in charge of deportation cases. This is provided for by the Immigration Act of 1924 and all amendments thereto. He has complete control of all these matters which control was given to him by Congress under the act of 1924.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. SNELL. I appreciate that. As I stated, he is in charge of this, but the Secretary of Labor is responsible for that Department and is responsible for its policies. The gentleman himself, in his own speech, said that Miss Perkins made the statement that if this resolution was directed to her she would do it.

Mr. DICKSTEIN. I am looking for results and not technicalities, so I will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. DICKSTEIN. Mr. Chairman, the gentleman from New York offered an amendment to page 1. I ask unanimous consent that the words "Secretary of Labor" may be substituted for the words "Commissioner of Immigration and Naturalization" or "Commissioner" wherever these words may appear in the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Motion offered by Mr. TABER: Mr. TABER moves that the Committee do now rise and report the resolution back to the House with the recommendation that the resolving clause be stricken out.

Mr. TABER. Mr. Chairman, I am shocked that this House should have to consider a resolution requesting the Secretary of Labor to violate the law. May I read this resolution to you? It is stated:

In order that the Congress may have adequate time to consider the proposed legislation, the Secretary of Labor be requested to continue the stay of deportation until March 1, 1936.

Mr. Chairman, if there is a legitimate case for consideration of this sort of thing it should never come in here under request to the Secretary of Labor or any other official of the Government to violate the law, but should come up under a joint resolution directing the Secretary of Labor to stay an execution of this kind, if there is a legitimate reason. Why should we say things like this? Why should we be a party to an utter disregard of the law? I for one will not be. I cannot think that any Member of the House of Representatives will ever get to the point where he feels like voting for this kind of resolution.

There are perhaps cases of aliens who are in this country illegally that deserve some consideration. However, in my opinion there has been ample time for the Committee on Immigration and Naturalization to report any bill that might cover this situation fairly and honestly, but none has been brought in here before the House. If they wanted to stay proceedings, why did they not bring it in in a legal, legitimate way, instead of asking the Secretary of Labor to violate the law?

Mr. Chairman, I hope that the motion which I have offered will be adopted and that we will not stultify ourselves by agreeing to such a resolution.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, at this time I want to make an appeal particularly to the Democrats and ask you to not be misled by some of the appeals to prejudice and catch phrases that have been used in opposition to this humane resolution, which have emanated from the Republican or left-hand side of the aisle. Following the Civil War the Republicans brought in annually hundreds of thousands of immigrants to this country; brought them in cattle boats and herded them about shamelessly in the mining districts and in the industrial areas in order to hammer down the wages and

the living standard of the American workmen. To be a little more specific, in the district represented by the gentleman from Pennsylvania [Mr. FOCHT] at Lewisburg and vicinity, hundreds and thousands of individuals living within his district were imported there under contract-labor provisions which were countenanced and advanced by the unscrupulous employers and the Republican party.

Mr. FOCHT. Will the gentleman yield?

Mr. DINGELL. I do not yield.

The gentleman was not sport enough to yield to anyone. So I refuse to yield. I challenge the gentleman to take up this issue in his district, if he will present this issue fairly and as it is presented in the resolution.

The blue-blood appeal does not strike any response on this side of the aisle; and may I say to some of the gentlemen who brag about their genealogy that if they will go into it very carefully they may find something they might be ashamed of. To trace an early genealogy, prior to the enactment of our strict immigration laws, many a braggart may find an ancestor who expired on the end of a rope.

Mr. MILLARD. Will the gentleman yield?

Mr. DINGELL. No.

They speak of the majesty of the law, a law which, in this case, is obviously faulty. I can very well conceive that the immigration law is like any other law enacted by the Congress. It might contain errors.

Mr. Chairman, here is an appeal on the part of 2,600 deportables, many of them technical cases, where it is impossible for them to prove anything. Upon these men and women are dependent nearly 7,500 American children and American women who will be thrown upon the relief rolls. Is there not a spark of mercy and charity in the Members of the House to give this element a stay until such time as a law may be enacted by the Congress? I am depending entirely on this side of the aisle to carry out what is intended in this resolution. It is obvious that the minority assumed an attitude that is merciless and un-American. An appeal for stay of execution is being denied them. They knowingly refuse to extend a privilege which is granted even to criminals. These people are not criminals; the resolution does not propose to grant any consideration to anyone guilty of moral turpitude. We are trying to stay the hand of the law temporarily to save the families of 2,600 or more who are technical violators. Many of these came in legitimately, established homes, married American citizens, raised families of American children; in many cases learned on applying for citizenship that the record was not clear or jumbled by inefficient or thoughtless clerks in the Immigration Service. They are not at fault, but still they are helpless. Families must now be torn apart; men, women, and children driven to despair.

I am now and always have been a restrictionist, but, above all else, I am humane and refuse to destroy the happiness of a family, at least not without exhausting every effort in deserving cases. This resolution affects Irish, Polish, German, English, and Scotch; in fact, all nationals alike. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the motion offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 75, noes 99.

So the motion was rejected.

Mr. DICKSTEIN. Mr. Chairman, I move that all debate on the resolution do now close.

The motion was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration House Resolution 350, pursuant to House Resolution 362, he reported the same back to the House with sundry amendments adopted in Committee.



The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the adoption of the resolution.

Mr. SNELL. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 201, nays 119, not voting 110, as follows:

[Roll No. 193]

YEAS—201

| | | | |
|---|---|---|---|
| Adair | Duffy, N. Y. | Kocialkowski | Ransley |
| Amlie | Duncan | Kopplemann | Reilly |
| Andresen | Dunn, Pa. | Kvale | Richardson |
| Andrews, N. Y. | Eagle | Lambertson | Risk |
| Arnold | Eckert | Lanham | Robinson, Utah |
| Ashbrook | Edmiston | Larrabee | Rogers, Mass. |
| Ayers | Ellenbogen | Lea, Calif. | Russell |
| Beam | Engel | Lemke | Ryan |
| Beiter | Evans | Lesinski | Sabath |
| Berlin | Faddis | Lewis, Colo. | Sadowski |
| Binderup | Farley | Lewis, Md. | Sanders, La. |
| Bland | Fenerty | Lord | Sandlin |
| Bloom | Ferguson | Luckey | Sauthoff |
| Boileau | Fitzpatrick | Ludlow | Schaefer |
| Boland | Ford, Calif. | Lundeen | Schneider |
| Boylan | Frey | McAndrews | Schuetz |
| Brooks | Gavagan | McCormack | Schulte |
| Brown, Mich. | Gearhart | McGrath | Scott |
| Brunner | Gehrmann | McKeough | Secrest |
| Buck | Gildea | McLaughlin | Seger |
| Buckler, Minn. | Gingery | McLean | Shanley |
| Buckley, N. Y. | Goldsborough | Maloney | Sirovich |
| Burdick | Granfield | Marcantonio | Sisson |
| Carpenter | Gray, Ind. | Martin, Colo. | Smith, Conn. |
| Casey | Greenway | Martin, Mass. | Somers, N. Y. |
| Cavicchia | Greenwood | Massingale | Spence |
| Celler | Greever | Maverick | Stack |
| Citron | Gwynne | Mead | Stefan |
| Colden | Haines | Meeks | Sweeney |
| Cole, N. Y. | Hancock, N. Y. | Merritt, N. Y. | Taylor, Colo. |
| Connery | Hart | Monaghan | Terry |
| Costello | Harter | Montet | Thom |
| Cox | Healey | Moran | Thomason |
| Cravens | Hennings | Moritz | Thompson |
| Crosby | Higgins, Conn. | Murdock | Tolan |
| Crosser, Ohio | Hildebrandt | O'Connell | Tonry |
| Crowther | Hoeppel | O'Connor | Turner |
| Cullen | Holmes | O'Day | Utterback |
| Daly | Houston | O'Leary | Wearin |
| Darrow | Hull | O'Neal | West |
| Dear | Imhoff | Parsons | Wigglesworth |
| Delaney | Jacobsen | Patterson | Wilson, La. |
| Dempsey | Johnson, Tex. | Patton | Wilson, Pa. |
| Dickstein | Kahn | Peterson, Ga. | Withrow |
| Dingell | Kee | Pettengill | Wolfenden |
| Ditter | Keller | Pfeifer | Wolverton |
| Dondero | Kelly | Pittenger | Young |
| Dorsey | Kennedy, Md. | Quinn | Zioncheck |
| Drewry | Kenney | Rabaut | |
| Driscoll | Kerr | Ramsay | |
| Duffey, Ohio | Knutson | Randolph | |

NAYS—119

| | | | |
|---|---|---|---|
| Bacon | Englebright | McClellan | Rogers, Okla. |
| Barden | Fiesinger | McFarlane | Sanders, Tex. |
| Blackney | Fletcher | McGehee | Sears |
| Brown, Ga. | Focht | McReynolds | Short |
| Buchanan | Ford, Miss. | McSwain | Smith, Va. |
| Burch | Fuller | Mahon | Snell |
| Burnham | Fulmer | Mapes | South |
| Caldwell | Gasque | Mason | Starnes |
| Cannon, Mo. | Green | May | Steagall |
| Carlson | Gregory | Michener | Stewart |
| Carmichael | Griswold | Millard | Taber |
| Cary | Guyer | Miller | Tarver |
| Castellow | Halleck | Mitchell, Tenn. | Taylor, S. C. |
| Chandler | Hancock, N. C. | Mott | Taylor, Tenn. |
| Chapman | Hartley | Owen | Thomas |
| Christianson | Hess | Patman | Turpin |
| Church | Hill, Ala. | Pearson | Umstead |
| Clark, N. C. | Hill, Samuel B. | Perkins | Vinson, Ga. |
| Coffee | Hobbs | Peterson, Fla. | Vinson, Ky. |
| Colmer | Hoffman | Plumley | Wadsworth |
| Cooley | Hollister | Polk | Weaver |
| Cooper, Ohio | Hope | Powers | Whelchel |
| Cooper, Tenn. | Huddleston | Ramspeck | Whittington |
| Crowe | Jenkins, Ohio | Rankin | Wilcox |
| Culkin | Johnson, Okla. | Rayburn | Williams |
| Deen | Johnson, W. Va. | Reed, Ill. | Wolcott |
| Disney | Jones | Reed, N. Y. | Wood |
| Doughton | Kinzer | Rich | Woodruff |
| Doxey | Kloeb | Richards | Zimmerman, |
| Ekwall | Lambeth | Robertson | |

NOT VOTING—110

| | | | |
|---|---|---|---|
| Allen | Bacharach | Biermann | Bolton |
| Andrew, Mass. | Bankhead | Blanton | Boykin |
| Arends | Bell | Boehne | Brennan |

| | | | |
|---|---|---|---|
| Brewster | Eaton | Lehlbach | Romjue |
| Buckbee | Eicher | Lloyd | Rudd |
| Bulwinkle | Fernandez | Lucas | Scrugham |
| Cannon, Wis. | Fish | McGroarty | Shannon |
| Carter | Flannagan | McLeod | Smith, Wash. |
| Cartwright | Gambrill | McMillan | Smith, W. Va. |
| Claiborne | Gassaway | Maas | Snyder |
| Clark, Idaho | Gifford | Mansfield | Stubbs |
| Cochran | Gilchrist | Marshall | Sullivan |
| Cole, Md. | Gillette | Merritt, Conn. | Sumners, Tex |
| Collins | Goodwin | Mitchell, Ill. | Sutphin |
| Corning | Gray, Pa. | Montague | Thurston |
| Crawford | Hamlin | Nelson | Tinkham |
| Cross, Tex. | Harlan | Nichols | Tobey |
| Cummings | Higgins, Mass. | Norton | Treadway |
| Darden | Hill, Knute | O'Brien | Underwood |
| DeRouen | Hook | Oliver | Wallgren |
| Dies | Jenckes, Ind. | O'Malley | Walter |
| Dietrich | Kennedy, N. Y. | Palmisano | Warren |
| Dirksen | Kimball | Parks | Welch |
| Dobbins | Kleberg | Peyser | Werner |
| Dockweiler | Kniffin | Pierce | White |
| Doutrich | Kramer | Reece | Woodrum |
| Driver | Lamneck | Robsion, Ky. | |
| Dunn, Miss. | Lee, Okla. | Rogers, N. H. | |

So the resolution was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. Gifford (for) with Mr. Allen (against).
Mr. Sullivan (for) with Mr. Robsion of Kentucky (against).
Mr. Rudd (for) with Mr. Reece (against).
Mr. Bacharach (for) with Mr. Arends (against).

Until further notice:

Mr. Woodrum with Mr. Bolton.
Mr. Warren with Mr. Crawford.
Mr. Flannagan with Mr. Marshall.
Mr. Corning with Mr. Treadway.
Mr. Boehne with Mr. Kimball.
Mr. Kennedy of New York with Mr. Brewster.
Mr. Mansfield with Mr. Fish.
Mr. Bulwinkle with Mr. Maas.
Mr. Oliver with Mr. Merritt of Connecticut.
Mr. Montague with Mr. Collins.
Mr. McMillan with Mr. Tinkham.
Mr. Sumners of Texas with Mr. Welch.
Mr. Dobbins with Mr. Romjue.
Mr. White with Mr. Brennan.
Mr. Cartwright with Mr. Sutphin.
Mr. Harlan with Mr. Murdock.
Mr. Pierce with Mr. Lucas.
Mrs. Norton with Mr. Higgins of Massachusetts.
Mr. Gray of Pennsylvania with Mr. Eicher.
Mr. Cole of Maryland with Mr. Dietrich.

Mr. GRANFIELD. Mr. Speaker, my colleague, the gentleman from Massachusetts [Mr. HIGGINS], is unavoidably absent. If he were present, he would vote "aye."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

### COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 347.

The Clerk read as follows:

*Resolved*, That a special committee of five be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1937, the campaign expenditures of the various candidates for the House of Representatives in both parties, or candidates of parties other than or independent of the Democratic or Republican Parties, the names of persons, firms, associations, or corporations subscribing, the amount contributed, the methods of collections and expenditures of such sums, and all facts in relation thereto, not only as to subscriptions of money and expenditures thereof but as to the use of any other means or influences, including the promise or use of patronage, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in deciding any contests which might be instituted involving the right to a seat in the House of Representatives.

The investigation hereby provided for in all the respects above enumerated shall apply to candidates and contests before primaries, conventions, and the contests and campaigns of the general election in November of 1936, or any special election held prior to January 3, 1937. Said committee is hereby authorized to act upon its own initiative and upon such information which in its judgment may be reasonable and reliable. Upon complaint being made before such committee, under oath, by any person, persons, candidates, or political committee setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearings on such complaints, the committee shall find that such allegations in said complaints are immaterial or untrue.

That said special committee or any subcommittee thereof is authorized to sit and act during the adjournment of Congress, and that said committee or any subcommittee thereof is hereby empowered to sit and act at such time and place as it may deem necessary; to require by subpena or otherwise the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding 25 cents per hundred words. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpenas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties as prescribed by law.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this is a resolution which is introduced during each Congress pertaining to the next election. It is introduced a little earlier this year because elections may occur even before we are back here in January.

Mr. Speaker, I offer an amendment, on page 1, line 1, to strike out "five" and insert "seven."

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: Page 1, line 1, strike out "5" and insert "7."

Mr. O'CONNOR. Mr. Speaker, I offer another amendment. Page 2, line 8, strike out the words "November of."

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: Page 2, line 8, strike out the words "November of."

Mr. MARTIN of Massachusetts. Mr. Speaker, will not the gentleman from New York explain these amendments?

Mr. O'CONNOR. Mr. Speaker, the first amendment increases the committee from five to seven, so they may appoint subcommittees.

The second amendment, instead of saying in the general election of November 1936, strikes out the word "November" because some elections are held in other months. Does the gentleman desire to use some time?

Mr. RANSLEY. Mr. Speaker, no one asked for time on this side of the aisle. I insisted on having the courtesy of time yielded to me under the rule so that if anyone did desire time I could yield to them.

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendments.

The amendments were agreed to.

The resolution as amended was agreed to; and a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

### REVENUE FROM DISTILLED SPIRITS

Mr. DOUGHTON. Mr. Speaker, I present a conference report and statement for printing under the rule on the bill (H. R. 8870) to further protect the revenue derived from distilled spirits, wine, and malt beverages, and for other purposes.

### STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate, by Mr. Sinclaire, its assistant enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 348) entitled "Joint resolution authorizing exchange of coins and currencies and immediate payment of gold-clause securities by the United States; withdrawing the right to sue the United States on its bonds and other similar obligations; limiting the use of certain appropriations; and for other purposes."

### SNYDER-GUFFEY COAL CONTROL BILL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter.

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, under the privilege to extend my remarks I include herein a letter sent to Members of the Congress, and in which I received, dated August 17, 1935,

shortly prior to the passage of the Snyder-Guffey coal-control bill. This letter was sent by the coal operators in favor of the bill. I particularly call attention to paragraph 3 which attacks the argument that the price of coal, as a result of the passage of this bill, will increase from $1 to $1.50 per ton, and stating emphatically that—

The additional cost of production * * * is 2¾ cents per ton, the net amount of the tax levied in section 3 of the bill.

The operators further stated:

There is nothing in the bill providing for any increase in price or cost other than this tax. * * *

The coal operators have made a definite statement, amounting to a promise, that the price of coal to industry, business, and the consumer will increase only 2¾ cents per ton over the present price as a result of the passage of this bill. This statement, in connection with the future price of bituminous coal, after this bill becomes law, will be of great interest to industry, business, and the consumer.

I challenge the operators whose names are on the communication sent to me to keep the promise contained therein. I am inserting this communication in the RECORD for future comparison between statements and promises of the coal operators favoring this bill, and results to business, industry, and the consumer.

NATIONAL CONFERENCE OF BITUMINOUS COAL PRODUCERS,
*Washington, D. C., August 17, 1935.*

*To the Members of Congress:*

1. The National Conference of Bituminous Coal Producers earnestly requests the enactment of the Guffey-Snyder coal stabilization bill, H. R. 9100. We desire its enactment to prevent a return to complete demoralization and chaos in the industry and to prevent the monopolization of the industry by certain powerful financial influences seeking control of this great natural resource by destructive price-cutting to force competitors out of the business.

2. The National Conference of Bituminous Coal Producers is composed of over 300 coal-mining companies, from all coal-producing States in the Union. The numbers and tonnage represented by the National Conference are increasing daily because of the increasing demoralization of the price structure. The claim made by opponents of the bill that they represent 59.8 percent of the tonnage is wholly unsupported by facts, and the House Ways and Means Committee has in its files numerous telegrams from companies informing the committee that the so-called "Committee Against Guffey Coal Bill" did not have the right to represent them. Some of the tonnage claimed by this committee is merely the result of a telephone conversation with some other opponent of the bill.

3. The additional cost of production due to the Guffey-Snyder coal control bill is 2¾ cents per ton, the net amount of the tax levied in section 3 of the bill. There is nothing in the bill providing for any increase in price or cost other than this tax, and claims that the passage of the bill will increase the cost of coal to the consumer $1 to $1.55 a ton are so ridiculous that anyone having a knowledge of the business is aware that such statements are made in order to mislead Congressmen who are not familiar with coal mining. Proof of this is that the Congressmen from the mining districts are practically unanimous in support of the bill and know that these ridiculous claims are absurd.

4. The voluntary establishment of sales agencies will not solve the problems of the bituminous coal industry. Appalachian Coals, Inc., heralded by the opponents of this bill as the means of saving the industry, has been a complete failure and has not been functioning as a sales agency since April 1, 1935. Upon the expiration of its first contracts, the entire scheme collapsed.

5. The Guffey-Snyder coal stabilization bill is a temporary measure, limited to a period of 4 years, and is experimental. It is the desire of those sponsoring the measure to place the industry in a position where it may maintain prices at the level of production cost and support a decent standard of wages and working conditions. Decent standards of wages and working conditions cannot be maintained in the industry without effective regulation.

6. Coal prices necessarily cannot materially exceed the cost of production because of competition from oil and gas and electricity. This in itself would be, in our opinion, sufficient protection to the public against high prices, but the commission created under the bill also has the power to establish maximum prices in the event of an abnormal condition that would cause an extraordinary rise in coal price levels.

7. The National Conference of Bituminous Coal Producers represents 175,000,000 tons of commercial production in 1934, and it is the largest group of owners that has taken a position on the Guffey bill, for or against. The members of the conference are men who came to Washington and registered their position.

8. The debate in the House on August 16 certainly furnished sufficient ground to believe that this bill is a constitutional measure, and doubts about it cannot be resolved except by a test in the courts. The threats of certain powerful financial interests to attack this measure in the courts should not be allowed to intimidate Congress against the passage of the measure.

We solicit your support for the measure.

Respectfully submitted.

Charles O'Neill, chairman legislative committee; Clarence W. Watson, receiver Elk Horn Coal Corporation, Cincinnati, Ohio; E. C. Mahan, president Southern Coal & Coke Co., Knoxville, Tenn.; Fred S. McConnell, vice president, Enos Coal Mining Co., Cleveland, Ohio; H. L. Findlay, vice president, Youghiogheny & Ohio Coal Co., Cleveland, Ohio; William Emery, Jr., president Cambridge Collieries Co., Cleveland, Ohio; Irvin Davis, president Hatfield-Campbell Creek Coal Co., Cincinnati, Ohio; George W. Reed, vice president, Peabody Coal Co., Chicago, Ill.; William Taylor, vice president, Valley Camp Coal Co., Cleveland, Ohio; Joseph Pursglove, president Pursglove Coal Mining Co., Cleveland, Ohio; Ralph E. Taggart, vice president, Stonega Coke & Coal Co., Philadelphia, Pa.; W. P. Tams, Jr., president Gulf Smokeless Coal Co., Tams, W. Va.; Heath S. Clark, president Rochester & Pittsburgh Coal Co., Indiana, Pa.; E. H. Davis, chairman New York Coal Co., Columbus, Ohio; John L. Steinbugler, president William C. Atwater & Co., New York, N. Y.; D. W. Buchanan, president Old Ben Coal Corporation, Chicago, Ill.; Hubert Howard, president Binkley Coal Co., Chicago, Ill.; Scott Stewart, president W. J. Rainey, Inc., New York, N. Y.; John B. Brunot, president Irwin Gas Coal Co., Greensburg, Pa.

## ESTABLISHMENT OF FURNITURE FACTORIES BY THE RESETTLEMENT ADMINISTRATION

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BOEHNE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from Hon. R. G. Tugwell, Administrator of the Resettlement Administration, in reply to my letter to him of August 20, 1935, which was published in the CONGRESSIONAL RECORD of August 22:

AUGUST 23, 1935.

Hon. JOHN W. BOEHNE, Jr.,
*House of Representatives.*

DEAR MR. BOEHNE: In reply to your letter dated August 20 regarding the wisdom of relief measures now being taken by the Federal Government, please let me say that this administration not only is not intentionally evasive in its responses to your queries but is very appreciative of your sincere desire to get to the bottom of your inquiry.

If, as you say, you represent the people—all of the people—in your locality, it follows that you represent not only the four-fifths of the population who are self-supporting but also the approximately one-fifth who through no fault of their own have become public charges; and who, without a little timely help right now, will remain public charges and a drain on the public pocketbook throughout their lives.

Representing these people, you must have developed certain practical ideas about how they can be made self-supporting, not 5 years or a decade from now, but soon enough to save them and their children from permanent dependence. You must have come to some conclusion about how they can be fitted back into the industrial picture without any serious modification of the present economic structure. We should like to hear what these ideas are.

In the meantime we are going ahead in the best way we know how to help these people obtain at the least possible expenditure of public money the absolute minimum of human necessities even though we have to allow them to do a little of the work for themselves. We hope that our efforts will result in the recovery by these people of their ability to be contributing members of present-day society. We believe their condition, without this timely help, would be totally un-American and intolerable by Americans. We believe that America can afford this much help, and that under the circumstances no one stands to suffer by it.

As to your detailed questions about contemplated expenditures, please believe it is not within the ability of anyone now connected with the Resettlement Administration to answer them completely and accurately at this time. The program will develop as the requirements of the rehabilitation clients and the success of the measures taken seem to indicate that it should develop.

As a Congressman you are, of course, familiar with the amounts of Federal money which have been allocated to the various emergency-relief agencies. You must be familiar, also, with their policy of paying to workers on projects either a subsistence wage or an amount slightly above subsistence, corresponding somewhat to the wages prevailing in the community for the type of work done.

It seems to me that the questions you ask in your letter of August 20 were clearly answered by my statement that the Resettlement Administration is not and will not be engaged in the form of activity to which you object.

As soon as the communities to which you refer are constructed, they will be separated from the Government; what they do after that is pretty much their own affair.

You will understand that I was not responsible for planning or beginning these enterprises. I have been given the responsibility for completing them in such a way that those who live in them will not in the future be dependent on the Government for further assistance. This I intend to do to the best of my ability.

I am unable to see that this is likely to interfere with any present vested interest. But I shall certainly not undertake to say that these people will be asked to forego the ordinary American opportunities to engage in the enterprises necessary to their existence. That is a right which I had supposed, until you suggested it might not be, was open to all citizens.

Sincerely,

R. G. TUGWELL, *Administrator.*

WAGES FOR LABORERS, ETC., ON PUBLIC BUILDINGS CONTRACTS

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 348, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 348

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3303, an act to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY]. This is a rule for the consideration of one of the labor bills, a Senate bill, which we were informed pertains to the prevailing rate of wage on public-works contracts, heretofore let. Does the gentleman from Pennsylvania desire to use any time?

Mr. RANSLEY. No time is asked on this side.

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from New York asks unanimous consent that the bill (S. 3303) to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings be considered in the House as in the Commitee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the act entitled "An act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors or subcontractors, and for other purposes", approved March 3, 1931, is amended to read as follows:

"That the advertised specifications for every contract in excess of $2,000, to which the United States or the District of Columbia is a party, for construction, alteration, and/or repair, including painting and decorating, of public buildings or public works of the United States or the District of Columbia within the geographical limits of the States of the Union or the District of Columbia, and which requires or involves the employment of mechanics and/or laborers shall contain a provision stating the minimum wages to be paid various classes of laborers and mechanics which shall be based upon the wages that will be determined by the Secretary of Labor to be prevailing for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the city, town, village, or other civil subdivision of the State in which the work is to be performed, or in the District of Columbia if the work is to be performed there; and every contract based upon these specifications shall contain a stipulation that the contractor or his subcontractor shall pay all mechanics and laborers employed directly upon the site of the work, unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account, the full amounts accrued at time of payment, computed at wage rates not less than those stated in the advertised specifications, regardless of any contractual relationship which may be alleged to exist between the contractor or subcontractor and such laborers and mechanics, and that the scale of wages to be paid shall be posted by the contractor in a prominent and easily accessible place at the site of the work; and the further stipulation that there may be withheld from the contractor so much of accrued payments as may be considered necessary by the contracting officer to pay to laborers and mechanics employed by the contractor or any subcontractor on the work the difference between the rates of wages required by the contract to be paid laborers and mechanics on the work and the rates of wages received by such laborers and mechanics and not refunded to the contractor, subcontractors, or their agents.

"SEC. 2. Every contract within the scope of this act shall contain the further provision that in the event it is found by the contracting officer that any laborer or mechanic employed by the contractor or any subcontractor directly on the site of the work covered by the contract has been or is being paid a rate of wages less than the rate of wages required by the contract to be paid as aforesaid, the Government may, by written notice to the contractor, terminate his right to proceed with the work or such part of the work as to which there has been a failure to pay said required wages and to prosecute the work to completion by contract or otherwise, and the contractor and his sureties shall be liable to the Government for any excess costs occasioned the Government thereby.

"SEC. 3. (a) The Comptroller General of the United States is hereby authorized and directed to pay directly to laborers and mechanics from any accrued payments withheld under the terms of the contract any wages found to be due laborers and mechanics pursuant to this act; and the Comptroller General of the United State is further authorized and is directed to distribute a list to all departments of the Government, giving the names of persons or firms whom he has found to have disregarded their obligations to employees and subcontractors. No contract shall be awarded to the persons or firms appearing on this list or to any firm, corporation, partnership, or association in which such persons or firms have an interest until 3 years have elapsed from the date of publication of the list containing the names of such persons or firms.

"(b) If the accrued payments withheld under the terms of the contracts, as aforesaid, are insufficient to reimburse all the laborers and mechanics with respect to whom there has been a failure to pay the wages required pursuant to this act, such laborers and mechanics shall have the right of action and/or of intervention against the contractor and his sureties conferred by law upon persons furnishing labor or materials, and in such proceedings it shall be no defense that such laborers and mechanics accepted or agreed to accept less than the required rate of wages or voluntarily made refunds.

"SEC. 4. This act shall not be construed to supersede or impair any authority otherwise granted by Federal law to provide for the establishment of specific wage rates.

"SEC. 5. This act shall take effect 30 days after its passage, but shall not affect any contract then existing or any contract that may thereafter be entered into pursuant to invitations for bids that are outstanding at the time of the passage of this act.

"SEC. 6. In the event of a national emergency the President is authorized to suspend the provisions of this act.

"SEC. 7. The funds appropriated and made available by the Emergency Relief Appropriation Act of 1935 (Public Resolution No. 11, 74th Cong.), are hereby made available for the fiscal year ending June 30, 1936, to the Department of Labor for expenses of the administration of this act."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

INVESTIGATION OF REAL-ESTATE BONDHOLDERS' ORGANIZATIONS, ETC.

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 354, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 354

*Resolved*, That the Select Committee to Investigate Real Estate Bondholders' Reorganizations authorized by House Resolution 412 of the Seventy-third Congress, and supplemented by House Resolution 39 and House Resolution 79 of the Seventy-Fourth Congress, is further authorized and empowered to investigate any defaulted securities and/or reorganizations, protective committees, receivers, trustees, and attorneys, including their fees and expenses and the method of their appointment.

Also representations made by any and all persons, corporations, or others applying for or having received Government funds, directly or indirectly, for use in connection with any defaulted securities, reorganizations, or other similar purposes and the disposition of such funds.

SEC. 2. Whenever in the opinion of the committee material evidence in any proceedings under section 74 or 77B of the National Bankruptcy Act have not been disclosed or presented, or misleading reports or information have been filed, or excessive fees and charges have been claimed or allowed, the committee is hereby authorized and empowered to appear in any court through its duly authorized representative and furnish the court with such evidence in its possession.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. SNELL. Mr. Speaker, will the gentleman from New York yield?

Mr. O'CONNOR. Certainly.

Mr. SNELL. What is the difference between this resolution and the former resolution passed setting up this investigation committee?

Mr. O'CONNOR. I understand that this resolution gives them power to go into the matter of receivers' and lawyers' fees, in addition to the investigation of committees.

Mr. SNELL. And they did not have that authority heretofore?

Mr. O'CONNOR. So I understand. I was on that committee some time ago, but the gentleman from Illinois [Mr. SABATH] is here.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. RICH. As I understand it, you are going to be permitted to designate certain attorneys who will serve for the committee without pay?

Mr. SABATH. That is being done. This is only to give them power to ascertain and eliminate, wherever possible, excessive fees, and find out all the abuses and charges of the committees and receivers and trustees.

Mr. RICH. Will the committee be empowered to engage an attorney at the specific point to do this work for them?

Mr. SABATH. Yes, sir.

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SEAMEN'S LEGISLATION

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 356.

The Clerk read the resolution as follows:

House Resolution 356

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 8597, a bill to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to maintain discipline on shipboard; and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. RANSLEY. I have no requests for time.

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the bill (H. R. 8597) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to maintain discipline on shipboard; and for other purposes, be considered in the House as in Committee of the Whole and read for amendment.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.*, That section 13 of the act of March 4, 1915, be amended to read as follows:

"SEC. 13. That no vessel of 100 tons gross and upward, except those navigating rivers exclusively and the smaller inland lakes and except as provided in section 1 of this act, shall be permitted to depart from any part of the United States unless she has on board a crew not less than 75 percent of which, in each department thereof, are able to understand any order given by the officers of such vessel, nor unless 65 percent of her deck crew, exclusive of licensed officers and apprentices, are of a rating not less than able seamen. Every person shall be rated an able seaman, and qualified for service as such on the seas, who is 19 years of age or upward, and has had at least 3 years' service on deck at sea or on the Great Lakes, on a vessel or vessels to which this section applies, including decked fishing vessels, naval vessels, or Coast Guard vessels; and every person shall be rated an able seaman, and qualified to serve as such on the Great Lakes and on the smaller lakes, bays, or sounds who is 19 years of age or upward and has had at least 18 months' service on deck at sea or on the Great Lakes or on the smaller lakes, bays, or sounds, on a vessel or vessels to which this section applies, including decked fishing vessels, naval vessels, or Coast Guard vessels, and graduates of school ships approved by and conducted under rules prescribed by the Secretary of Commerce may be rated able seamen after 12 months' service at sea: *Provided*, That no boy shall be placed on the lookout or at the wheel except for the purpose of learning, and that in narrow and crowded waters or in low visibility none below the rating of able seaman shall be permitted at the wheel: *Provided further*, That upon examination, under rules prescribed by the Department of Commerce as to eyesight, hearing, and physical condition, such persons or graduates are found to be competent: *Provided further*, That upon examination, under rules prescribed by the Department of Commerce as to eyesight, hearing, physical condition, and knowledge of the duties of seamanship a person found competent may be rated an able seaman after having service on deck 12 months at sea or on the Great Lakes, but seamen examined and rated able seamen under this proviso shall not in any case compose more than one-fourth of the number of able seamen required by this section to be shipped or employed upon any vessel.

"Any person may make application to any board of local inspectors for a certificate of service as able seaman, and upon proof being made to said board by affidavit and examination, under rules approved by the Secretary of Commerce, showing the nationality and age of the applicant, the vessel or vessels on which he has had service, that he is skilled in the work usually performed by able seamen, and that he is entitled to such certificate under the provisions of this section, the board of local inspectors shall issue to said applicant a certificate of service, which shall be retained by him and be accepted as prima facie evidence of his rating as an able seaman.

"Each board of local inspectors shall keep a complete record of all certificates of service issued by them and to whom issued and shall keep on file the affidavits and records of examinations upon which said certificates are issued.

"The collector of customs may, upon his own motion, and shall, upon the sworn information of any reputable citizen of the United States setting forth that this section is not being complied with, cause a muster of the crew of any vessel to be made to determine the fact; and no clearance shall be given to any vessel failing to comply with the provisions of this section: *Provided*, That the collector of customs shall not be required to cause such muster of the crew to be made unless said sworn information has been filed with him for at least 6 hours before the vessel departs, or is scheduled to depart: *Provided further*, That any person that shall knowingly make a false affidavit for such purpose shall be deemed guilty of perjury and upon conviction thereof shall be punished by a fine not exceeding $500 or by imprisonment not exceeding 1 year, or by both such fine and imprisonment, within the discretion of the court. Any violation of any provision of this section by the owner, master, or officer in charge of the vessel shall subject the owner of such vessel to a penalty of not less than $100 and not more than $500: *Provided further*, That the Secretary of Commerce shall make such rules and regulations as may be necessary to carry out the provisions of this section, and nothing herein shall be held or construed to prevent the Board of Supervising Inspectors, with the approval of the Secretary of Commerce, from making rules and regulations authorized by law as to vessels excluded from the operation of this section: *And provided further*, That no certificate of service as able seaman shall be issued by any board of local inspectors until after examination of the applicant therefor, under rules and regulations prescribed by the Secretary of Commerce, as to his efficiency, and upon proof, as a result of such examination, that he has been trained in, and is acquainted with the duties entitling him to such rating. No seaman shall be considered an 'able seaman' within the meaning of the laws of the United States relating to the manning of vessels unless he is in possession of such certificate by the board of local inspectors. All certificates as 'able seaman' and 'lifeboatmen'

issued by the several boards of local inspectors or other Federal officers prior to the passage of this act shall, within 12 months thereafter, be surrendered to such boards of local inspectors for cancelation, and there shall be issued in lieu thereof to all able seamen and lifeboatmen found qualified by such examination new certificates as required by law. Such new certificates shall be stamped with the seal of the board of local inspectors, placed partially over the signature of the applicant for such certificate; and there shall be attached thereto a photograph of the applicant. Any other safeguards which, in the judgment of the local inspectors, subject to the rules and regulations of the Secretary of Commerce, may be necessary and advisable to establish the authenticity of the certificate, are hereby authorized."

SEC. 2. (a) That the board of local inspectors of the Bureau of Marine Inspection and Navigation shall, without examination, issue to pursers, radio operators, electricians, and chief and assistant stewards, certificates for service, which certificates shall authorize them to serve in such capacity: *Provided*, That such certificates shall not issue before oath has been taken before one of the said inspectors that the applicant therefor will faithfully and honestly perform all the duties required of him by law, and carry out the orders of his superior officers on shipboard and, in the case of a radio operator shall produce to the local inspectors his unexpired license to act in that capacity: *And provided further*, That when a certificate has been revoked or suspended under the provisions of subsection (b) of this section, a new certificate shall not be issued until the board shall determine that the issue of such new certificate is compatible with the requirements of good discipline and safety at sea.

(b) In cases where an act of incompetency, negligence, misconduct, or breach of discipline threatening the safety of a vessel or its passengers is charged against the holder of such certificate the local board of inspectors shall conduct an investigation after due notice to such certificate holder and affording him an opportunity to be heard, and if the board after such investigation and hearing shall be satisfied that the holder of such certificate is incompetent or has been guilty of misbehavior, breach of discipline, negligence, or unskillfulness, or has endangered life while acting under authority of such certificate, such certificate shall be suspended or revoked by order of the board setting forth the findings upon which such suspension or revocation is based. In the investigation of such acts of incompetency or misconduct, the said boards of inspectors shall have the same authority in making such investigations and under like conditions as that provided by law for the investigation of the acts of licensed officers.

(c) It shall be unlawful to employ any person, or for any person to serve, as a purser, radio operator, chief or assistant steward who has not such certificate issued by the said inspectors, and anyone violating this section shall be liable to a penalty of $100 for each offense.

(d) This section is not to amend or repeal any of the provisions of chapter 3 of title 47, United States Code—Telegraphs, Telephones, and Radio Telegraphs.

(e) This section shall take effect 3 months after the enactment of this act.

SEC. 3. The Secretary of Commerce may make such rules and regulations as he may deem necessary to carry out the purposes of this act.

Mr. McFARLANE. Mr. Speaker, I think somebody should explain this bill.

Mr. BLAND. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, there are two sections in this bill. This is one of the safety measures sent up by the Department of Commerce. It developed that there had been inefficiency in the examination of seamen through no fault of the Department. The rule and the law has only required affidavits for the determination of the efficiency of seamen. Only a certificate is given without any photograph or anything of that kind.

These certificates are frequently passed from one person to another. Numbers were brought before us in which the name had been erased and another name inserted. It developed in the case of the *Morro Castle* that there were sailors there who could not row the boats when they got in them.

The purpose of this bill is to have a physical examination by local inspectors to find out whether these men are qualified or not, and then to give them a certificate, with a photograph and a seal over the name, so that they cannot be traded on, and that bona fide seamen may be protected against these fraudulent transfers and efficiency increased.

The second section of the bill provides that pursers, radio people, electricians, chief and assistant stewards shall receive certificates for service, so that the Bureau may have some control over the type of men who are to go on the ships. If the stewards or radio operators are inefficient and they have been neglectful of their duties, they may be tried, just as officers of the ships are tried, and denied further service.

It is distinctly a measure in the interest of efficiency and safety. [Applause.]

[Here the gavel fell.]

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

COMMITTEE TO INVESTIGATE SMUGGLING OF ALIENS

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 271.

The Clerk read as follows:

House Resolution 271

*Resolved*, That the Speaker of the House of Representatives be, and he is hereby, authorized to appoint a special committee to be composed of seven members of the standing committee of the House on Immigration and Naturalization, for the purpose of making an investigation and study of (1) the methods used in, extent of, and number of organizations or individuals engaged in the smuggling of aliens into the continental United States in violation of law; (2) the sources of funds to initiate this smuggling activity and the final distribution of the financial proceeds therefrom; (3) the amount of money on deposit in banks and other places of deposit in the name of individuals or organizations engaged in smuggling aliens unlawfully into the United States; (4) the laws, rules, and regulations which are in effect with which our Government men are combating this unlawful smuggling and the adequacy of personnel employed to enforce the laws and regulations; (5) the need for any remedial legislation to more effectively stop the illegal activity of alien smuggling across our land and water boundaries; (6) all other questions in relation thereto that would aid Congress in any necessary remedial legislation; and (7) the work of the land-border patrol, its efficiency, and need for increased men and money.

That said special committee, or any subcommittee thereof, is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, documents, and vouchers, by subpena or otherwise, to take such records and testimony, as it deems necessary.

The subpenas shall be issued under the signature of the Speaker of the House of Representatives at the request of the chairman of the committee, and shall be served by the Sergeant of Arms of the House of Representatives or any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses.

Every person who, having been summoned as a witness by authority of said committee, or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation and study heretofore authorized, or who fails to produce such books, papers, documents, and vouchers as required by subpenas, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

The said committee shall report, by legislative proposals or otherwise, to the House of Representatives before sine die adjournment of the Seventy-fourth Congress.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. TABER. Will the gentleman explain this proposition? It looks to me as if this was an investigation that was going to cost a lot of money.

Mr. O'CONNOR. Mr. Speaker, I yield to a member of the Committee on Immigration who is familiar with it, the gentleman from Alabama [Mr. STARNES].

Mr. STARNES. Mr. Speaker, the purpose of this resolution is to investigate charges of smuggling aliens across our borders. The report to our committee is that the border patrol is woefully inadequate to handle the situation; that certain organized groups are spending sums of money to have aliens smuggled across our borders, and that the border patrols are not equipped. This investigation is for the purpose of thoroughly going into the question of protecting our borders against reports that hordes of aliens are being unlawfully and illegally smuggled across our borders.

Mr. TABER. What is our Department of Justice for?

Mr. STARNES. I am unable to give the gentleman that information.

Mr. TABER. I supposed that was to enforce the law. I cannot see how a committee can take the place of the Department of Justice.

If the situation described by the gentleman is correct, there ought to be an impeachment resolution brought against the Attorney General and it should go to the Judiciary Committee.

Mr. STARNES. The border patrol comes under the Bureau of Immigration and Naturalization, and not under the Department of Justice.

Mr. TABER. It is a branch of the district attorney's office and the Bureau of Investigation of the Department of Justice that has charge of the prosecution of the law. If the situation the gentleman describes is correct, they must be neglecting their duty terribly.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield?

Mr. STARNES. I yield.

Mr. DICKSTEIN. In the last 2 years 24 of our agents were killed in cold blood because they could not raise a gun against a smuggler. This committee can obtain some definite information from certain groups, for it has the names of certain people who will testify before the committee and expose this international smuggling ring which has been bringing in Chinamen, Mexicans, and people of other nationalities.

Mr. TABER. If that be the situation and the immigration agents are not properly equipped with authority to carry guns, and that sort of thing, why is it the Immigration Committee has not brought in an amendment to the law that will take care of it?

Mr. DICKSTEIN. We are trying to find out definite information, to bring back definite evidence and be in a position to present to this Congress sufficient law, if necessary, to put an army of veterans along the 8,000 miles of our borders to stop the smuggling of these aliens. Gentlemen talk about the border patrol. If all the men in the Mexican border patrol were stretched out along the border they would be 8 miles from each other. The whole border system has got to be reorganized by Congress.

All we are asking you to do is to give us an opportunity to study the problem that we may come back here in January and present a law with teeth in it which will stop smuggling. I do not think the gentleman should oppose it.

Mr. TABER. Is an appropriation to be requested?

Mr. McFARLANE. Mr. Speaker, will the gentleman from Alabama yield for a question?

Mr. STARNES. I yield.

Mr. McFARLANE. I notice this resolution appoints seven members of the Committee on Immigration and Naturalization to make a thorough investigation of the question. How much money does the gentleman anticipate it is going to cost to carry it on?

Mr. STARNES. It is estimated it will not take more than $15,000.

Mr. McFARLANE. Does the gentleman think a committee can travel all over this country and investigate this situation for any such sum of money?

Mr. DICKSTEIN. It will not cost more than $15,000. We are going to have three subcommittees working. One will investigate the situation on the Canadian border and one will investigate the situation on the Mexican border.

Mr. MITCHELL of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. STARNES. I yield.

Mr. MITCHELL of Tennessee. Is not this similar to a bill which was brought in during the closing hours of the last session?

Mr. DICKSTEIN. No.

Mr. STARNES. I was not a Member of Congress at the last session; I am not able to say.

Mr. O'CONNOR. I am quite sure it was not.

Mr. MITCHELL of Tennessee. The House has just determined to allow the aliens to stay here. There is no difficulty about knowing they are in here. Why is it necessary to appoint a special committee to investigate it?

Mr. TABER. Mr. Speaker, if I may proceed for a couple of minutes, it seems to me that to authorize more investigations and the spending of more money is ridiculous, especially in this case. It appears this is the situation: The Immigration Committee knows that the agents of the Bureau of Immigration and the Department of Labor have not the authority, have not the power to take care of themselves and enforce the law. They know certain irregular practices are going on which require amendments of the law to correct. Why can they not bring in the legislation without more investigation? Why do they not do that instead of asking for an appropriation of $15,000 for an investigation every time we turn around?

Mr. WOLFENDEN. Mr. Speaker, I make the point of order there is not a quorum present.

Mr. O'CONNOR. I hope the gentleman will withdraw his point of order; we shall be through in a few minutes; we have but one more rule.

The SPEAKER. The Chair will count.

Mr. WOLFENDEN. Mr. Speaker, I withdraw my point of no quorum.

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. DICKSTEIN) there were—ayes 45, noes 84.

Mr. DICKSTEIN. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

Mr. O'CONNOR. I will withdraw the resolution if the gentleman intends to press his objection. Mr. Speaker, if the gentleman will withdraw his point of order, I will try to let the vote go over until tomorrow.

Mr. DICKSTEIN. I will consent to let the vote go over until tomorrow, but I would like to get a record vote.

Mr. RANKIN. Mr. Speaker, if we are to have a record vote, let us have it tonight.

Mr. DICKSTEIN. Mr. Speaker, I withdraw the motion.

Mr. McFARLANE. Mr. Speaker, I object to the vote on the ground there is not a quorum present. If we are going to vote on this bill, let us vote on it now.

The SPEAKER. The Chair will count.

Mr. McFARLANE. Mr. Speaker, I withdraw the point of no quorum.

So the resolution was rejected.

### CUSTOMS AND INTERNAL REVENUE EMPLOYEES

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 365.

The Clerk read the resolution, as follows:

### HOUSE RESOLUTION 365

Mr. O'CONNOR, from the Committee on Rules, reported the following resolution, which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 9114, a bill "To abolish the oath required of customs and internal-revenue employees prior to the receipt of compensation, and for other purposes." That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the Committee on Ways and Means, the bill shall be read for amendment, under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania.

Mr. Speaker, this is a rule for the consideration of the custom brokers bill.

Mr. Speaker, I move the previous question on the adoption of the rule.

The previous question was ordered.

The resolution was agreed to.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the bill (H. R. 9114) to abolish the oath required of customs and internal-revenue employees prior to the receipt of compensation, and for other purposes, may be considered

in the House as in Committee of the Whole and read for amendment.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent to substitute the Senate bill (S. 3286) for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. SNELL. Mr. Speaker, reserving the right to object, is that exactly the same bill?

Mr. COOPER of Tennessee. It is the same bill. The Senate bill 3286 is the same as H. R. 9114.

Mr. SNELL. Does the Senate bill contain the old sections 5, 6, 7, and 8?

Mr. COOPER of Tennessee. No; it is identical with the House bill.

Mr. McCORMACK. The Senate bill is identically the same as the bill under consideration, which is in the amended form reported by the Ways and Means Committee.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There being no objection, the Clerk read the Senate bill, as follows:

*Be it enacted, etc.*, That section 1790 of the Revised Statutes (U. S. C., title 19, sec. 49) is hereby repealed.

SEC. 2. Section 1 of the act entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1899, and for other purposes", approved March 15, 1898 (30 Stat. 277 at 286), as amended, is hereby amended by striking therefrom the following sentence: "Hereafter collectors of customs and their special deputies shall be competent to administer oaths to officers of the Revenue Marine Service and employees in the Customs Service required by sections 1790 and 2693 of the Revised Statutes."

SEC. 3. Subdivision (a) of section 641 of the Tariff Act of 1930 (46 Stat. 759; U. S. C., Supp. VII, title 19, sec. 1641) is hereby amended by striking out "(e)" in line 17 and inserting in lieu thereof "(c)."

SEC. 4. Subdivisions (b), (c), and (d) of section 641 of such acts are hereby amended to read as follows:

"(b) Revocation or suspension: The collector or chief officer of the customs may at any time, for good and sufficient reasons, serve notice in writing upon any customhouse broker so licensed to show cause why said license shall not be revoked or suspended, which notice shall be in the form of a statement specifically setting forth the ground of complaint. The collector or chief officer of customs shall within 10 days thereafter notify the customhouse broker in writing of a hearing to be held before him within 5 days upon said charges. At such hearing the customhouse broker may be represented by counsel, and all proceedings, including the proof of the charges and the answer thereto, shall be presented, with the right of cross-examination to both parties, and a stenographic record of the same shall be made and a copy thereof shall be delivered to the customhouse broker. At the conclusion of such hearing the collector or chief officer of customs shall forthwith transmit all papers and the stenographic report of the hearing, which shall constitute the record of the case, to the Secretary of the Treasury for his action. Thereupon the said Secretary of the Treasury shall have the right to revoke or suspend the license of any customhouse broker shown to be incompetent, disreputable, or who has refused to comply with the rules and regulations issued under this section, or who has, with intent to defraud, in any manner willfully and knowingly deceived, misled, or threatened any importer, exporter, claimant, or client, or prospective importer, exporter, claimant, or client, by word, circular, letter, or by advertisement.

"An appeal may be taken by any licensed customhouse broker from any order of the Secretary of the Treasury suspending or revoking a license. Such appeal shall be taken by filing, in the circuit court of appeals of the United States within any circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, within 60 days after the entry of such order, a written petition praying that the order of the Secretary of the Treasury be modified or set aside in whole or in part. A copy of such petition shall be forthwith served upon the Secretary of the Treasury, or upon any officer designated by him for that purpose, and thereupon the Secretary of the Treasury shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such order, in whole or in part. No objection to the order of the Secretary of the Treasury shall be considered by the court unless such objection shall have been urged before the collector or chief officer of customs or unless there were reasonable grounds for failure so to do. The finding of the Secretary of the Treasury as to the facts, if supported by substantial evidence, shall be conclusive. If any party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the collector or chief officer of customs, the court may order such additional evidence to be taken before the collector or chief officer of customs and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Secretary of the Treasury may modify his findings as to the facts by reason of the additional evidence so taken, and he shall file with the court such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and his recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court affirming, modifying, or setting aside, in whole or in part, any such order of the Secretary of the Treasury shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347). The commencement of proceedings under this subsection shall, unless specifically ordered by the court, operate as a stay of the Secretary of the Treasury's order.

"(c) Prior licenses: Licenses issued under the act of June 10, 1910 (36 Stat. 454; U. S. C., title 19, sec. 415), or under the provisions of subdivision (a) of this section prior to the effective date of this amendment, shall continue in force and effect, subject to suspension and revocation as provided in subdivision (b) of this section.

"(d) Regulations by Secretary: The Secretary of the Treasury shall prescribe such rules and regulations as he may deem necessary to protect importers and the revenue of the United States, and to carry out the provisions of this section, including rules and regulations requiring the keeping of books, accounts, and records by customhouse brokers, and the inspection thereof, and of their papers, documents, and correspondence by, and the furnishing by them of information relating to their business to, any duly accredited agent of the United States."

SEC. 5. Subdivision (c) of section 641 of such act is hereby repealed.

Mr. McCORMACK (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that the further reading of the bill may be dispensed with and the bill be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. CELLER. Mr. Speaker, reserving the right to object, will an opportunity be given to Members to offer amendments at any place?

The SPEAKER. The Members will have that opportunity. Is there objection?

There was no objection.

The Clerk concluded the reading of the bill.

Mr. DALY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DALY to the Senate bill: On page 6, line 2, after the word "thereof", strike out the remainder of the section.

Mr. DALY. Mr. Speaker, I ask the attention of the Members because I am speaking under great difficulty. I am very unwell, and if it had not been that I would have felt recalcitrant in my duty as a Member of this House and unfaithful to the constituency that sent me here I would be in bed in place of upon the floor of this House.

Mr. Speaker, this bill affects customhouse brokers all over the United States. Customhouse brokers are licensed by the Treasury Department, and this bill is in the main for a proper regulation of them and the business they conduct. In section 4 of this bill, paragraph (d), the following occurs:

Regulations by Secretary. The Secretary of the Treasury shall prescribe such rules and regulations as he may deem necessary to protect importers and the revenue of the United States, and to carry out the provisions of this section, including rules and regulations requiring the keeping of books, accounts, and records by customhouse brokers and the inspection thereof.

I have no quarrel with that. I think the Treasury Department should enact proper regulations and that brokers licensed by the Treasury Department should be regulated by the Department. If the bill had stopped there, I would have no objection; but it goes further, and in the most pernicious way that I have ever seen in a bill presented to this House, an act that tears up that sacred fane of confidential communication as between clients and quasi-legal officers. This would render no man, no home, no business safe. If this went through and was carried a little further, it would allow snoopers to go about; and I think we have

allowed snooping enough by the departments of this administration up to date.

Mr. Speaker, I have supported every measure advocated by this administration on the floor of the House, but I think we have gone far enough in giving departments powers far beyond justice, far beyond reason, and far beyond the law, in my opinion. The portion that I ask to be stricken out allows the inspection of papers, documents, and correspondence and the furnishing by them of information relating to their business to any accredited agent of the United States.

[Here the gavel fell.]

Mr. THOMASON. Mr. Speaker, I ask unanimous consent that the gentleman be allowed to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DALY. Mr. Speaker, it could be as well argued that a law could be passed giving the Department of Justice the right to send snoopers into any lawyer's office and have them look into the confidential communications between a client and his attorney. Is not this repulsive to any American? Does it not shock the conscience of any man who is animated by a sense of justice and fair play?

The bill gives the Secretary the right to promulgate any just and fair rules or regulations that he deems proper to enact and there can be no objection to them. It gives him the right to demand that brokers keep books and accounts, and I have no objection to that. It gives him the right to inspect these books and accounts, and I have no objection to that, but when it goes further than that and says that any agent that he cares to send into a brokers' office—and the Ways and Means Committee has said that a broker is a quasi-legal officer—can go into such office and read the private correspondence between any firm he represents and the broker, I must protest. This is something so repulsive to American institutions and American justice and fair play that I do not think I have to make much of an appeal to the Members on either side of the Chamber to support the amendment which will strike out this snooping clause and give the protection that should be given. [Applause.]

Mr. CELLER. Mr. Speaker, I offer a substitute amendment.

Mr. MAPES. Mr. Speaker, we have been here a long time, and this seems to be a controversial matter. I make the point of no quorum.

Mr. McCORMACK. Mr. Speaker, I hope the gentleman will withdraw his point of no quorum for the time being. I doubt if there will be much debate after the gentleman from New York offers his amendment.

Mr. MAPES. We will need to have some business to transact between times tomorrow, and we have done a lot tonight.

Mr. TAYLOR of Colorado. Will the gentleman from Michigan withdraw his point of no quorum?

Mr. MAPES. I withdraw it for the present.

Mr. TAYLOR of Colorado. Mr. Speaker, we have six conference reports tomorrow, and some of them are going to require considerable time. We must get along as far as we possibly can tonight, and I intend in a few moments to move that the House recess until 10 o'clock tomorrow.

Mr. McSWAIN. Mr. Speaker, will the gentleman yield for a question?

Mr. TAYLOR of Colorado. Yes.

Mr. McSWAIN. Will there be any opportunity to consider a bill where the House has passed it and the Senate has passed the bill with some slight amendments in which the committee having jurisdiction in the matter has instructed that the Senate amendment be agreed to?

Mr. TAYLOR of Colorado. The gentleman will have to submit that question to the Speaker. The matter of recognition is within his discretion.

The SPEAKER. Does the gentleman from Michigan insist on his point of order?

Mr. MAPES. Mr. Speaker, it seems to me we would be in much better shape to start in tomorrow, inasmuch as we are to reconvene at 10 o'clock, if we stop now.

Mr. TAYLOR of Colorado. Mr. Speaker, I trust the gentleman will withhold the point a little while.

Mr. MAPES. How long does the gentleman think it will take to finish the consideration of this bill?

Mr. TAYLOR of Colorado. Just a few minutes. I do not apprehend we will be here more than 20 minutes.

Mr. FULLER. Does the gentleman intend to take up any conference reports?

Mr. TAYLOR of Colorado. No; we have six conference reports to consider tomorrow.

Mr. MAPES. Mr. Speaker, I will withdraw the point of no quorum for 10 minutes.

The SPEAKER. The gentleman from New York offers an amendment in the nature of a substitute which the clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Page 6, line 3, of the Senate bill, after the word "correspondence", insert "respecting any imported merchandise then under consideration or previously imported within 1 year in ascertaining the classification or the value thereof or the rate or amount of duty."

Mr. CELLER. Mr. Speaker, I do not wish to oppose this bill. It is farthest from my purpose to oppose the bill. It is a creditable, praiseworthy bill, but as the gentleman from Pennsylvania [Mr. DALY] indicated in a very forceful way, the bill in certain respects goes too far and empowers the Secretary of the Treasury, if he so wills, to set up a system of snooping and spying and espoinage which would be most repugnant. The bill can readily be amended to make it fair, equitable, and far less drastic. The bill in its earlier sections provides for oaths of customs brokers, and a system of licensing and revocation of licenses, with a right to appeal. In the beginning, as written, it did not even have the right of appeal, but the committee saw fit to give that right of appeal, and properly so. In the last section, however, there is accorded the unusual right to the Secretary of the Treasury, by regulations, to go most deeply into the business as well as private affairs of importers and customs brokers.

Many influential citizens of New York have asked me to object to these broad inquisitorial powers that the Secretary is given without let or hindrance. He may go back a hundred years. There is no limitation as to time. There is no limitation as to the character of books or documents or private letters even that he may investigate and examine, not by himself, necessarily, or by high officials of the Department, but by mere underlings and agents—in fact, by "any duly accredited agent of the United States", whatever that means.

My amendment does not go as far as that of the gentleman from Pennsylvania. He would practically wipe out the section as to examinations and investigations of books and documents. My substitute amendment would merely limit the discovery, first, to the imported merchandise under consideration, or, second, that previously imported within 1 year.

That should be sufficient in order to detect frauds and violations. The rank and file of customhouse brokers are honest. This committee provision places a bar sinister upon all of them. That is unfair. It confounds the innocent with the guilty.

There are 35,000 accountants and attorneys enrolled to practice before the Income Tax Bureau and Bureau of Internal Revenue of the Treasury Department. The opportunities for fraud and corruption, while not as great as the Bureau of Customs, nevertheless, there are no such drastic provisions as to investigation and discovery.

The Treasury has successfully administered the 1884 statute governing the practice of accountants and attorneys before that Department for 50 years.

This is the language of the committee report. That 1884 statute has never been amended to require any such drastic investigational powers as the instant bill provides.

Why should such plenary power be invoked against custom-house brokers? I would be willing to give that right to responsible, high officials of the Treasury Department, but

when you are going to give that authority to the rank and file of "agents of the United States", be they in the Treasury or elsewhere, I say, it is time to call a halt.

Here is what the responsible business men of New York say about the bill in that particular:

This gives power to the Secretary of the Treasury to require brokers to submit for inspection all their papers, documents, and correspondence, not only to the Secretary of the Treasury, but to any "duly accredited agent of the United States." This practically gives the Government full power of search over all documents and papers of a customs broker, covering an indefinite period of time.

It could go back a score of years, if need be.

Such a drastic provision as this would be open to abuse, not perhaps by superior officers of the Government, but to irresponsible investigators and detectives. It would probably lead to graft and corruption. The present tariff law limits the power of the Government to call upon brokers and importers to produce their correspondence and documents to a period of 1 year, covering a particular importation. You will find this provision in section 509 of the 1930 Tariff Act.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

Mr. GAVAGAN. Mr. Speaker, I move to strike out the last word. This is a very important piece of legislation. I know the hour is late, and I am as anxious as anyone to see this Congress wind up and go home. But if you will take a moment's time to read subdivision D of section 4 of this bill, you will find absolutely the most drastic piece of regulatory legislation this Congress has ever passed. You subject all of the books and papers to an unqualified examination. Time is not limited. You produce and create the greatest avenue of graft and corruption that you could imagine. The amendment offered by the gentleman from New York is an excellent one. It limits the examination to within 1 year of the date of the transaction, and I think that this House should adopt it and so amend that section.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. GAVAGAN. Yes.

Mr. COLE of Maryland. There are many other types of business which operate with a Government license. Is there any other case you might point to as a precedent for this kind of a regulation?

Mr. GAVAGAN. None whatever, and as a matter of fact the amendment of the gentleman from New York would conform this section to the provisions of the Tariff Act.

Mr. CELLER. Mr. Speaker, I will say to the gentleman from New York that the report of the committee speaks of the power of the Treasury Department over the 35,000 accountants and attorneys enrolled in the Treasury Department, and in the supervision over those 35,000 no such power is given of examination of papers and documents from kingdom come to kingdom come.

My amendment would be in conformity to the practice that prevails in the Treasury Department with reference to those who enroll or practice before that Department generally.

Mr. GAVAGAN. The gentleman is correct.

Mr. Speaker, I withdraw the pro forma amendment.

Mr. McCORMACK. Mr. Speaker, I rise in opposition to the amendment.

Mr. HOFFMAN. Mr. Speaker, I make the point of no quorum.

The SPEAKER. Will the gentleman withdraw that?

Mr. HOFFMAN. I will withdraw it for the moment.

### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ROMJUE, indefinitely, on account of illness.

### SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1443. An act to authorize the award of a decoration for distinguished service to Acors Rathbun Thompson, formerly private, Sixty-sixth Company, First Battalion, Fifth Marines, Second Division, American Expeditionary Forces; to the Committee on Military Affairs.

S. 1642. An act for the relief of Sophie Caffrey; to the Committee on Claims.

S. 1687. An act to incorporate the National Yeomen F; to the Committee on the District of Columbia.

S. 1724. An act to repeal section 2 of the act entitled "An act to create an additional judge in the district of South Dakota", approved February 26, 1929; to the Committee on the Judiciary.

S. 1878. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.; to the Committee on War Claims.

S. 2039. An act making it a felony to transport in interstate or foreign commerce persons to be employed to obstruct or interfere with the right of peaceful picketing during labor controversies; and

S. 2075. An act to provide for the appointment of additional district judges for the eastern and western districts of Missouri; to the Committee on the Judiciary.

S. 2077. An act to authorize the award of a decoration for distinguished service to William A. Sullivan, formerly private, Company E, One Hundred and Fifth Infantry, Twenty-seventh Division, American Expeditionary Forces, in the World War; to the Committee on Military Affairs.

S. 2202. An act to add certain lands to the Cache National Forest; to the Committee on the Public Lands.

S. 2324. An act to incorporate the Military Order of the Purple Heart; to the Committee on the Judiciary.

S. 2718. An act for the relief of Walter D. Foster; to the Committee on Claims.

S. 2773. An act for the relief of Roy Masters Worley; and

S. 2782. An act for the relief of Walter Acker, Jr.; to the Committee on Military Affairs.

S. 2881. An act creating the Decatur-Onawa Bridge Board of Trustees, and authorizing said board and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River between the towns of Decatur, Nebr., and Onawa, Iowa; and

S. 2882. An act to create the South Sioux City Bridge Board of Trustees, and to authorize said board and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River between the cities of South Sioux City, Nebr., and Sioux City, Iowa; to the Committee on Interstate and Foreign Commerce.

S. 2961. An act for the relief of Peter Cymboluk;

S. 3137. An act for the relief of Pauline McKinney; and

S. 3173. An act to authorize and direct the Secretary of the Treasury to pay men formerly enlisted as members of Battery D, One Hundred and Ninety-seventh Coast Artillery (antiaircraft), New Hampshire National Guard, for armory training during the period from November 1, 1932, to July 1, 1933; to the Committee on Claims.

S. 3218. An act to amend section 201 of the Merchant Marine Act, 1928; to the Committee on Merchant Marine and Fisheries.

S. 3281. An act to amend the act of February 16, 1929, entitled "An act to amend the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service', approved June 10, 1922, as amended"; to the Committee on Military Affairs.

S. 3320. An act to authorize the award of a decoration for distinguished service to Rudolph W. Shroeder, who served with the Air Corps, United States Army, during the period of the World War, and who was honorably discharged on November 15, 1920; to the Committee on Military Affairs.

S. 3338. An act for the relief of Julia Krenz; to the Committee on Claims.

S. 3389. An act to provide for the appointment of two additional judges for the southern district of New York; to the Committee on the Judiciary.

S. 3424. An act to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes; to the Committee on Banking and Currency.

S. 3428. An act authorizing the Secretary of War to lend Army tents to the Morris Grange Fair Committee, Troy Hills, N. J.; to the Committee on Military Affairs.

S. 3436. An act to authorize the interment in the Arlington National Cemetery of the remains of the late Will Rogers and Wiley Post; to the Committee on Military Affairs.

S. J. Res. 169. Joint resolution granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director, United States Public Health Service; Bolivar J. Lloyd, medical director, United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, Peru, and Cuba; to the Committee on Military Affairs.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 531. An act granting compensation to Walter F. Northrop;

H. R. 921. An act for the relief of Edgar Sampson;

H. R. 996. An act for the relief of Joe Reno;

H. R. 1286. An act for the relief of James H. Bell (or James Bell);

H. R. 1871. An act for the relief of the Medical College of Virginia, and others, of Richmond, Va.;

H. R. 1965. An act for the relief of William E. Fossett;

H. R. 2325. An act for the relief of James P. Whalen;

H. R. 2620. An act for the relief of Sadie Wilkinson;

H. R. 2621. An act for the relief of Tom L. Griffith;

H. R. 2702. An act for the relief of Emanuel Lieberman;

H. R. 3408. An act for the relief of Rufus Jones, a minor;

H. R. 4226. An act for the relief of Floyd Hull;

H. R. 4324. An act to carry out certain obligations under certain tribal agreements;

H. R. 4339. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Uinta and Wasatch National Forests, Utah;

H. R. 4428. An act for the relief of Caroline (Stever) Dykstra;

H. R. 4570. An act for the relief of Amy McLaurin;

H. R. 4601. An act for the relief of the heirs of Gladys Picklesimer;

H. R. 4784. An act for the relief of J. T. Slayback;

H. R. 4848. An act for the relief of Charles E. Molster, disbursing clerk, Department of Commerce, and Dr. Louis H. Bauer, a former employee;

H. R. 4852. An act to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army;

H. R. 5049. An act providing punishment for forging or counterfeiting any postmarking stamp;

H. R. 5162. An act providing for punishment for attempts to obtain mail by fraud or by deception;

H. R. 5245. An act for the relief of Elizabeth Leiding.

H. R. 5351. An act for the relief of Rose Teiermeyer;

H. R. 5360. An act providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property;

H. R. 5475. An act for the relief of Henry Irving Riley;

H. R. 5516. An act authorizing the President to issue a posthumous commission as second lieutenant, Air Corps Reserve, to Archie Joseph Evans, deceased, and to present the same to Maj. Argess M. Evans, father of the said Archie Joseph Evans, deceased;

H. R. 5540. An act extending the period during which no demurrage is charged on collect-on-delivery parcels and excepting the imposition of demurrage charged on collect-on-delivery parcels exchanged between the continental and island possessions;

H. R. 5558. An act for the relief of Clarence F. Jobson;

H. R. 5634. An act for the relief of the Baltimore Renovating Co.;

H. R. 5781. An act for the relief of the widow and next of kin of James J. Curran;

H. R. 5790. An act for the relief of certain creditors of J. R. & J. A. Whelan, Inc.;

H. R. 5811. An act for the relief of Michael A. McHugh;

H. R. 5905. An act for the relief of Cal Settles and Rhoda Settles;

H. R. 6057. An act for the relief of Joe Brumit;

H. R. 6168. An act for the relief of Charles K. Shade;

H. R. 6394. An act for the relief of William K. Caley;

H. R. 6889. An act for the relief of A. Zappone and W. R. Fuchs;

H. R. 6892. An act for the relief of certain Indians on the Cheyenne River Reservation;

H. R. 7076. An act for the relief of the heirs of John Schrodl;

H. R. 7137. An act for the relief of Cassie M. Lyne;

H. R. 7592. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at Sistersville, W. Va.;

H. H. 7678. An act to authorize the Director of the Mint to supplement the approved design of the 50-cent piece commemorating the two hundredth anniversary of the birth of Daniel Boone, the coinage of which was authorized by act of the Seventy-third Congress (Public, No. 258, S. 3355);

H. R. 7740. An act granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Black River at or near the north line of section 2, township 24 north, range 6 east, near Poplar Bluff, Mo.;

H. R. 7897. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River at or near Elizabeth, in the county of Allegheny, Commonwealth of Pennsylvania;

H. R. 7924. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Port Allegany, in the county of McKean, State of Pennsylvania;

H. R. 7928. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Ford City, Pa.;

H. R. 7932. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River at or near Wyalusing, in the county of Bradford, Commonwealth of Pennsylvania;

H. R. 7979. An act to extend the times for commencing and completing the construction of a bridge across Puget Sound at or near a point commonly known as "The Narrows" in the State of Washington;

H. R. 8020. An act for the relief of Jose R. Redlhammer;

H. R. 8098. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Edinburg, in the county of Lawrence, Commonwealth of Pennsylvania;

H. R. 8131. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Owensboro, Ky.;

H. R. 8183. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at

or near Emlenton, in the county of Venango, Commonwealth of Pennsylvania;

H. R. 8187. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Tionesta, in Tionesta Township, in the county of Forest and in the Commonwealth of Pennsylvania;

H. R. 8189. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near East Brady, in the counties of Clarion and Armstrong and in the Commonwealth of Pennsylvania;

H. R. 8345. An act authorizing the Secretary of the Navy to accept without cost to the United States certain lands in Duval County, State of Florida;

H. R. 8587. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 8598. An act to provide for the inspection and regulation of vessels engaged in the transportation of inflammable, explosive, and like dangerous cargoes in navigable waters of the United States;

H. R. 8652. An act to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes;

H. R. 8977. An act to authorize the Secretary of the Treasury to acquire a site for the erection of a post-office building at Columbus, Miss.;

H. R. 9100. An act to stabilize the bituminous coal mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties;

H. R. 9116. An act to extend the provisions of veterans' laws and regulations to persons who served in Russia during the World War, and their dependents;

H. J. Res. 276. Joint resolution authorizing the State of Arizona to transfer to the town of Benson without cost title to section 16, township 17 south, range 20 east, Gila and Salt River meridian, for school and park purposes; and

H. J. Res. 350. Joint resolution to authorize the President to extend an invitation to the World Power Conference to hold the Third World Power Conference in the United States.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 946. An act to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana";

S. 1483. An act for the relief of William E. Williams;

S. 2521. An act amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy;

S. 2621. An act to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school building at Devils Lake, N. Dak., to be available to Indian children;

S. 2867. An act to reenact section 463 of the act of Congress entitled "An act to define and punish crime in the District of Alaska and to provide a code of criminal procedure for said District", approved March 3, 1899, and for other purposes;

S. 3184. An act to provide for the immediate settlement of the obligation of the Joe Graham Post of the American Legion arising out of the purchase of the Ship Island Military Reservation;

S. 3374. An act for the relief of the State of Indiana;

S. 3386. An act for the relief of Helen Gallagher Dominian; and

S. J. Res. 163. Joint resolution to authorize the acceptance of bids for Government contracts made subject to codes of fair competition.

### BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 3019. An act to amend "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269);

H. R. 6361. An act to amend the Filled Milk Act;

H. R. 6732. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes;

H. R. 7167. An act to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes;

H. R. 7199. An act to provide for the donation of certain Army equipment to posts of the Veterans of Foreign Wars;

H. R. 7380. An act authorizing the Virgin Islands Co. to settle valid claims of its creditors, and for other purposes;

H. R. 7709. An act to provide time credits for substitute laborers in the Post Office when appointed as regular laborers;

H. R. 7927. An act to authorize the Secretary of State to lease to citizens of the United States any land heretofore or hereafter acquired under any act, Executive order, or treaty in connection with projects in whole or in part constructed or administered by the Secretary of State through the International Boundary Commission, United States and Mexico, American section;

H. R. 8473. An act to provide for the compiling and publishing of the Official Register of the United States;

H. R. 8632. An act to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals, in the State of Alabama, and for other purposes", approved May 18, 1933; and

H. R. 8651. An act to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes.

## EXTENSION OF REMARKS

### KRAMER AND OTHER GAG BILLS DANGER TO LAY AND RELIGIOUS EDUCATION

Mr. MAVERICK. Mr. Speaker, I wish to sound a warning to the students and teachers of this country—as well as to anyone who loves knowledge and wants to be free—about the bills to curtail the liberties of American citizens. Educators refer to "academic liberty"—which, of course, is included. There are a great many bills that have been introduced—I think about 20 this session. The two most dangerous are the Kramer bill, H. R. 6427, from the Judiciary Committee, and the military disaffection bill, S. 2253, twin bills of persecution.

In addition, specific resolutions have been introduced aimed at education, particularly higher education. These resolutions are said to concern a wish for investigations of so-called "radical activities" in the various universities of the country. Whatever the intention of the authors of these bills, the result will be violation of all the rights guaranteed in the Bill of Rights of the Constitution of the United States; persecutions and an impediment to knowledge and freedom in this country.

We do not want a situation as exists in many other countries today, where teachers are brutally kicked out and persecuted for doing their duties as educators and for telling the truth; we do not want it so that the students are eventually shot down because of their opinions; we do not want the National Government meddling in educational affairs, either religious or lay; we want free educational institutions where

the teachers have self-respect and the students have a chance to learn something. Such legislation will inevitably lead to religious, political, and economic persecution. So, I repeat, we do not want a situation similar to certain other countries. These resolutions of investigation—aside from the enactment of laws which curtail liberty—will embarrass, humiliate, and persecute students and teachers in State schools, and will do the same for religious schools and universities. Such legislation will undoubtedly lead to persecution of religions and religious sects.

I sometimes get irritated over school teachers—their lack of independence. I know of a city where a political machine kept the teachers down, but with a little help they are now a well-organized group, have maintained their self-respect, and are really educating the children of that city. I hope all the teachers of this country realize their danger, and organize for the preservation not only of academic liberty but for all liberty and knowledge as well.

If any of these military and gag bills are passed, or resolutions of investigation where the Federal taxpayers' money is wasted on useless fishing expeditions, harpooning into the private affairs of professors, teachers, and students, there will be an endless cheap and trashy hullabaloo by cowards and fools which will be a detriment to every person who ever wants to learn anything in this country. Likewise, simple-minded nuisances and bores will have their heyday, intimidating people who are their betters.

I therefore take this occasion to sound a warning to the teachers and students of America, and to all persons interested in true education and American liberty.

### INDIAN GRATUITY OFFSETS

Mr. ROGERS of Oklahoma. Mr. Speaker, as Chairman of the Committee on Indian Affairs and in my own right, I am opposed to that part of the conferees' report whereby it is provided that in all suits now pending in the Court of Claims and in any suit hereafter filed by any Indian tribe, the United States shall be permitted to set off against the claims of said tribe any gratuities expended by the United States for said tribe.

I am opposed to this both because I think it is improper for this legislation to be inserted in an appropriation bill and, secondly, I think that on the merits the amendment is wrong in principle.

As to my objection that this provision should not under our procedure be in the appropriation bill, I think the House should be advised of these facts.

When the second deficiency appropriation bill came before the House, it was brought in under a rule which prevented the Members of the House from making a point of order to anything included in the bill. It is, of course, assumed, and rightly so, that an appropriation bill will not include legislation, and yet under the cloak of a rule which prevented objection being taken to new legislation, the Appropriations Committee wrote into the bill a provision that in all suits filed both at the present time and hereafter in the Court of Claims, the United States could set off all moneys gratuitously expended by the United States for the benefit of the particular plaintiffs. Further, the Appropriations Committee did this without even permitting a fair hearing to be had thereon. The committee, it is true, called one official of the Department of Justice who represented the Department in Indian litigation, but the committee did not even extend the courtesy of a hearing to the Department of the Interior, which is entrusted with the administration of Indian affairs and which by legislation and custom also passes upon the propriety of jurisdictional bills when they are presented to the proper committees of Congress.

The amendment seemed so much out of place that when the appropriation bill, as passed by this House, reached the Senate, this particular provision was struck out in its entirety by the Senate Appropriations Committee. The amendment offered by the Senate which struck out this part is numbered amendment 76.

Notwithstanding the unusual nature of this legislation and the fact that it was struck out by the Senate, the conferees again wrote the same type of legislation into the revised bill as reported by the conferees. It is true that the amendment as reported is in a somewhat modified form, but it is nevertheless true that the amendment still provides in substance that nearly all gratuities given by the United States for the benefit of any particular tribe may be set off by the United States against that tribe in any suit brought to redress wrongs done the tribe by the United States.

The Indian Affairs Committee, which knows more about this type of legislation than any other committee, has not been consulted in any way. It would seem to me that because of this parliamentary situation, if for no other, this amendment, if it could be voted upon separately, should be rejected.

On the merits, however, of this proposed amendment I have this to say:

Such legislation should not have been adopted for the reason that when a gratuity is once given by the Government there is no basic reason for the United States having the right to set off that gratuity in any suit subsequently brought by any tribe. As a matter of law, there is no legal warrant for setting off a gratuity; if a gift is once made, the gift is complete and cannot thereafter be charged against the one to whom the gift is given.

Further, it should be remembered that all of this country was taken from the Indians and, while we sometimes think that we have expended a large sum for the care and support of the Indians, the amount so expended is infinitesimally small in comparison with the value of the property which we have taken from the Indians. In view of this taking, it comes with ill grace for us to take the attitude that we should now collect from the Indians all moneys that we have heretofore told the Indians we were giving them. Such an attitude, instead of bringing good will with the Indians, will only lead to discontent and lay the grounds for further misunderstanding.

Finally, from a strictly legal viewpoint, it is asinine to write into a bill a provision providing that all gratuities may be set off without any definition of what is to constitute a "gratuity." I say with all fairness that I doubt that the Committee on Appropriations, in reporting a blanket provision of this kind, took the trouble to ascertain the conflict that exists in the decisions of the Court of Claims on the subject of "gratuities." Sometimes the Court of Claims under the word "gratuity" has allowed the Government to set off the cost of educating Indian children in nonreservation schools (*Blackfeet Blood, etc., Tribes* v. *United States*, Apr. 8, 1935); other times the Court of Claims has refused to consider such expenditure to be a gratuity (*Berthold Indians* v. *United States*, 71 Ct. Cls. 308). Sometimes the Court of Claims has allowed as a gratuity all moneys expended by the United States in the administration of Government agencies (*Duwanish Lummi, etc., Tribes* v. *United States*, June 4, 1934), on the ground that such expenditures were benefits to the Indians, but the same court has also held that such expenditures could not be included as a gratuity because in spending such money, the Government was merely performing a governmental function (*Assiniboine Tribe* v. *United States*, Apr. 10, 1933).

In that same case the court pointed out such expenditures were common expenses for all tribes. The result is that unless Congress itself specifies what items it considers to be gratuities, it is impossible to know what the Court of Claims will set off. I say that this amendment has no place in an appropriation bill, and that any such legislation should have come before the Committee on Indian Affairs. I say further that had it been possible to oppose this amendment without opposing the entire second deficiency appropriation bill, it would have been opposed by the members of the Committee on Indian Affairs.

### WILL ROGERS

Mr. MORITZ. Mr. Speaker, we were shocked, and everybody felt they lost an intimate friend when they heard that Will Rogers was dead.

I always felt, although I had not met him personally, that I knew Will Rogers. Years ago when he was an ordinary

trouper on the Keith circuit, I was impressed and enjoyed his wit. I saw him go by leaps and bounds to the height which he achieved at his death. I remember calling the attention of my friends to his Sunday articles noted for his wit and veiled truths. It was not until a month or two ago that I had the pleasure of being in his company and conversing with him. The occasion was this: I had to call upon Senator HUEY LONG to discuss some official business, and I was told that the Senator was dining.

I called upon the Senator in the Senate restaurant and the Senator invited me to be seated. I listened while the Senator vociferously explained his share-the-wealth program, using the restaurant menu to figure on. Upon looking across the table I was surprised to see none other than Will Rogers. Will Rogers listened intently, and asked Huey to explain how his system would work on a $10,000,000 farm. I do not believe Will Rogers was convinced and they both joshed about it.

Will Rogers then turned his attention to me and seemed interested in knowing that I came from Pittsburgh, and asked about some of his Pittsburgh friends.

Before leaving the distinguished gentlemen I had the autograph of Senator Long and Will Rogers on the very menu card used in explanation of share the wealth, which menu card I now prize very dearly.

I take some pride in the fact that when Will Rogers was an obscure actor I inwardly predicted that he was a superior man and would be a topnotcher.

He has left his mark indelibly printed in the hearts of the whole of America. "Can't write more; damn paper wet", as he expressed it when writing about one of his deceased friends.

THE WEATHER, THE CORN CROP, AND FOREGN IMPORTS

Mr. STEFAN. Mr. Speaker, reports from north Nebraska indicate that there may be another failure of the corn crop, especially around Norfolk. Some predictions are made that the crop has already been injured 40 to 50 percent. Gene Huse, publisher of the Norfolk Daily News, the world's greatest country newspaper, states this:

The corn crop close by Norfolk doesn't look good; not over 40 or 50 percent.

Statements have been made on the floor of the House that the corn-hog farmer is better off now than he ever has been in history. However, farmers write to me from my district indicating that there are very few hogs to sell. Hogs in the Omaha stock market bring $12 a hundred, and in Chicago $12.20 a hundred. Naturally that is a great difference from a year ago, but not many farmers have hogs to sell.

Now, regarding the hot weather which has continued in north Nebraska, Lloyd H. Pasewalk of the Pasewalk Implement House of Norfolk, Nebr., who has made a close study of the situation, says the hot weather still continues, hot dry winds from the southwest, and up to last Thursday afternoon no rain has fallen for some time. Corn is suffering every day and some fields are entirely gone now, and others are going fast. While there has been some forecast for showers in my district, they will not help the situation much, as a general good rain is needed, and if a general good rain does arrive within the next few days, we would get only part of a normal crop. The dry strip in my district seems to be along the Elkhorn River from West Point west through Tilden. Then again conditions are bad around Albion and Newman Grove. Much encouragement has come to me in reports from Wausa, Center, Bloomfield, territories which have been burned out from year to year. This good news indicates that these sections have had plenty of moisture this year, and their corn is in wonderful shape and is practically made. In that part of the drouth territory, no more rain is needed to make the corn crop.

Reports from the South Omaha livestock market to me would indicate that the receipts of livestock, especially hogs, are falling off, and the prices of hogs are continully climbing. On August 16, the top on hogs was $11.90, and the top on cattle $10.65, with a top on sheep of $8.75, but those who are close to the market declare these high prices are the result of light receipts, and these receipts are readily absorbed by the consumer who still can afford it. Statements have been made on the floor of the House that something must be done toward getting the price of pork and beef down to where the consumer and wage earner can pay for it, and some intimations have been made that the farmer may be getting too much money for his livestock at this time.

While prices of meat on the block continue high, and while meat strikes are being held in various communities, I beg you to give consideration to the fact that the farmer is still not receiving the cost of production. I call attention to the fact that the Department of Agriculture revealed statistics only recently indicating that the packers' charges and profits may have more to do with high prices than the processing tax, against which considerable has been said recently. I have stated frequently that the processing tax should have been distributed among all meat animals in order to give the hog raiser a better deal in the matter of processing taxes. I still maintain that the hog raiser is paying some part of this processing tax. I will not agree entirely with a statement that has been made that $11 of every $19 of processing taxes is collected by the processors. I agree with the statement that the consumer is paying a large share of this processing tax.

I believe that Secretary Wallace and Chester Davis, of the Department of Agriculture, and the heads of the Farm Bureau organization, agreed with me when I spoke before the triple A meeting in Washington on processing taxes and urged that these processing taxes be distributed among the meat animals. In fact, it was my belief that members of the triple A organization who came to Washington at that time were willing to pass a resolution favoring my plan, and it was my belief that the officials of the Department of Agriculture were in favor of this plan. However, intimations were made to me that the great beef barons opposed this plan, and were powerful enough to keep the processing tax on the hog grower alone.

It does not seem fair that the farmer who raises hogs should pay all of the processing taxes at a time when the raiser of beef profits by the increased price for meat animals resulting from the processing tax paid against pork. The figures from the Department of Agriculture show that the price spread from the producer to the consumer is far greater on beef, upon which no processing tax is levied, than upon pork, which is taxed. These figures also show that while beef prices to the cattle raiser have declined from the May peak, the percentage of spread from farmer to consumer continues to increase.

Farm price for 100 pounds of beef in May was $6.80, retail price $14.48, spread $7.68 or 53 percent. Similar figures for June at $6.55, $14.47, $7.92, or 54.7 percent, and July $6.20, $14.06, $7.86, or 55.9 percent, according to the Department.

Thus, while the farmers' beef price declined 60 cents per 100 pounds from May to July, the distribution cost jumped from 53 to 55.9 percent of the consumer's dollar.

During the same 3-month period farm prices for hogs were: May, $7.92 per 100 pounds; June $8.36, and July $8.40. Retail prices $12.93, $13.30, and $13.43; price spreads $5.01, $4.94, and $5.03, and percentage margins 38.7, 37.1, and 37.5, showing that in the case of pork the margin percentage, much lower than beef, also varied with the farm price trend.

Excluding the hog-processing tax, the price margin for the 3 months was $2.76, $2.69, and $2.78, and percentages 21.3, 20.2, and 20.7.

By comparison with the processing tax excluded, it takes a little more than a 20-percent margin to distribute pork products and over 50 percent for beef.

I heartily favor bills which are now pending in the House and which will determine where that difference between the producer and the consumer actually goes. The public is entitled to know that.

I have recently received a letter from the president of the Farmers Westcentral Grain Co. of Nebraska, who has asked me pertinent questions as to the amount of importations of farm products from foreign countries. Many of the things

he tells me are of unusual interest, and for your information I include part of his letter as my remarks:

As you know, I have been a strong advocate of the principles underlying the A. A. A., i. e., the endeavor to give the farmer the benefit of a domestic market at a price level that would give him a fair exchange for the products of industry, and I still believe that the National Congress should give to agriculture the protection necessary to preserve the domestic market for the American farmer, just as they have done through the protective tariff for industry and labor. I have no particular interest in perpetuating any particular administration; my sole interest is in the benefits agriculture is to receive, and I have endeavored in the past to consistently oppose such policies as operate against the farmer. It is a pretty severe strain to me to support the administration in its A. A. A. program when I find certain conditions prevailing that largely undo the benefits derived from the A. A. A.

It is quite true that we had practically lost our export market for surplus agricultural products, especially at a price that would justify the American farmer in continuing large-scale production. Manifestly, if we were to continue to produce more than could be profitably sold it would be at the expense of the price structure, hence the effort to adjust production to profitable consumptive demand. But here is what I find.

My connection with the Farmers National Grain Corporation has taken me into all sections of the grain-producing area. Recently on a business trip to the Pacific coast I took pains to investigate the source of grains used in the processing of feeds for Pacific coast industries. As you know, the poultry industry is a pretty big business out there. My cooperative organization, Farmers National, enjoyed a good business shipping corn from the Middle West to the coast for use in the processing of poultry feeds. I found thousands of tons of corn from our Mississippi Valley farms went into this market. On a trip last April, and again in June, I found that not one bushel of Mississippi Valley or gulf coast corn was being used in those industries. They were supplying their needs with Argentine corn. Every processing mill that I visited was cracking Argentine corn and using it in their formula. This cooperative company with which I am connected also has been selling a considerable quantity of corn to the processing companies in the East that were supplying the Virginias, the Carolinas, and other States in that area with their processed feeds. Our sales department, noticing that our volume was falling off very largely, made an investigation. They were informed by some of the biggest processing mills in the East that they had been able to secure supplies of corn from the Argentine to meet their needs for the next 6 months.

Doesn't it seem foolish to conduct a campaign to secure the consent of the American farmer, through a contract, to reduce his corn acreage and then let this grain come in from a foreign competitor?

The same thing was true in the handling of relief in the northwest. Thousands of tons of Canadian grain, principally wheat, was brought in under a special order for relief purposes, yet I found that millions of bushels of grain in our Pacific northwest, Washington, Oregon, and Idaho, laid in the country elevators waiting for a market, and this grain could have been very profitably used to supply relief needs in the spring-wheat area. If you think those farmers out there were not wrathy over the situation, then you don't know farmers.

It is such inconsistencies as these that are going to destroy the faith and confidence of the farmers in the A. A. A. program. It seems to me that what they need down there, in the A. A. A. administration, is a few hard-headed business farmers, placed in responsible positions, in the place of some of the young college graduates from Yale, Harvard, and Columbia, with their fool theories translated into the rules under which they administer the A. A. A.

Here is a recent example of what irritates our Nebraska farmers. The county agricultural agents received orders, a short time ago, that they must check all compliance records under the corn-hog program, and see that every contract signer who intentionally or inadvertently had exceeded his contract acreage for corn be required to chop out the corn in excess of his contract. This they were advised must be done by the first of August. I know of county agents who worked 24 hours with their committees to get this done, the instructions being that they would lose their benefit payments if it were not done. The county agent and his committee went out among the farmers and in many instances the farmer had to get off of his harvesting machine, quit his threshing, and go out and cut down his corn. Then along came a little later order, stating that they would extend the time to August 5. Then the latest ruling was that compliance might be completed by December 1. The sad part of it is, Congressman, that our extension services, which have to obey these orders from Washington, are going to bear the brunt of the criticism. I have talked with many of our county agents and they realize just what they are up against, yet they are helpless.

I wish that some sane, sensible program would finally be devised whereby agriculture will be placed upon the same economic basis as industry and labor. As you know, I was one of the early advocates and fought hard in Washington for the McNary-Haugen bill, and I still believe that the principles of that bill, put into practical effect, would accomplish the results without all of this bureaucratic domination over the farmers from Washington. I believe strongly in the necessity of a processing tax, but if a processing tax were levied against our basic agricultural commodities and used for the express purpose of diverting into export channels our surplus agricultural products, even to the extent of subsidizing these exports as they did in the case of grain in the Pacific Northwest through the operation of the Emergency Export Corporation, then it would be unnecessary to ask the farmer to sign any kind of a contract, the market would adjust itself automatically and the farmer would be placed upon exactly the same basis as the manufacturer is. The manufacturer has his own market protected, he has a domestic price level on a higher basis than he can secure for his export surplus, and if he runs his factory to the extent where his exportable surplus becomes too great, he lowers his income on his entire output. And so a processing tax is levied for the sole purpose of protecting the farmer, and if he voluntarily so manages his business that the percentage relation between his exportable surplus and that portion which he sells on the domestic market becomes too great, he penalizes himself and so automatically reduces his income. The American farmer will learn that and he will voluntarily adjust his production without the necessity of having a lot of fellows tramping over the country measuring the wheat fields and the cornfields of America with a 5-foot stick.

Although my territory has benefited by the triple A program, and although I voted for its support after the farmers voluntarily made up their own contracts, it has always been and it is still my idea that any reduction program is wrong. Especially am I opposed to the importation of foreign farm produce at a time when our farmers are ordered to reduce. Because of this, I made an intensive study of importations of farm produce. It is my belief that one or two bills which have been introduced to provide the farmer with cost of production will solve our agricultural problem more readily than many of the experimentations which we have undertaken and which have become so costly due to the fact that they necessitate the setting up of so many bureaus and organizations. I was among those who fought strenuously to keep in the triple A amendments that item which makes it mandatory upon the President of the United States to stop the importation of farm produce from foreign countries at a time when in his judgment he believes these importations are competing with the American farmer.

For your information, I include a table of imports made by Mr. LEMKE giving totals for the first 6 months of 1935:

| | |
|---|---|
| Animal and animal products, edible | $39,305,928 |
| Animal and animal products, inedible | 70,381,248 |
| Vegetable food products and beverages | 298,000,898 |
| Vegetable products, inedible | 136,862,212 |
| Textile fibers and manufactures | 135,925,916 |
| Wood and paper | 89,755,987 |
| Metallic minerals | 47,124,985 |
| Metals and manufactures | 89,731,801 |
| Chemical and related products | 38,637,201 |
| Miscellaneous | 38,724,012 |

Some of the items imported during the first 6 months of 1935, making up the above, are:

| Product | Quantity | Value |
|---|---|---|
| Cattle (head) | 223,825 | $5,832,074 |
| Hogs (head) | 46,734 | |
| Meat and meat products (pounds) | 58,000,296 | 10,941,979 |
| Animal oils and fats (pounds) | 6,954,254 | 488,996 |
| Butter (pounds) | 21,500,146 | 3,372,563 |
| Cheese (pounds) | 23,904,588 | 5,127,728 |
| Fish (pounds) | 138,208,900 | 11,961,341 |
| Poultry and poultry products (pounds) | | 1,300,000 |
| Hides and skins (pounds) | 136,500,246 | 20,203,516 |
| Leather (pounds) | 13,295,000 | 3,170,635 |
| Furs | | 23,798,814 |
| Barley (bushels) | 4,404,284 | 3,430,697 |
| Rye (bushels) | 7,550,800 | 3,771,039 |
| Corn (bushels) | 17,620,195 | 9,261,488 |
| Oats (bushels) | 10,054,861 | 2,917,168 |
| Rice and rice preparations (bushels) | 142,000,000 | 840,015 |
| Wheat, about $3,630,000 bonded (bushels) | 12,178,044 | 9,283,938 |
| Barley, malt (pounds) | 172,328,344 | 5,107,798 |
| Vegetables and vegetable preparations | | 10,347,385 |
| Fruit and fruit preparations | | 19,950,758 |
| Nuts | | 5,480,834 |
| Vegetable oils and fats | | 14,407,292 |
| Sugar, sirup, and related products | | 81,120,990 |
| Oilseeds, including flax (bushels) | 8,994,439 | 16,967,397 |
| Cotton, unmanufactured (pounds) | 25,811,516 | 3,691,195 |
| Cotton, manufactured | | 16,360,481 |
| Jute and jute manufactures | | 21,324,468 |

[1] Over.

All of these products could, and should, have been produced by our own people.

This will give you some idea as to whether or not our Government is allowing the importation of farm produce at a time when a restriction program is being carried on.

### MEMORIAL TO JAMES MADISON

Mr. McSWAIN. Mr. Speaker, I have introduced House Joint Resolution 400, providing that Sixteenth Street NW. shall be henceforth legally and officially known as "James Madison Avenue." I herewith insert a copy of House Joint Resolution 400.

Joint resolution to honor the memory of James Madison

Whereas we are approaching the sesquicentennial of that convention of wise and patriotic men who in 1787 formulated the American Constitution, which has been the bulwark of liberty and the signpost of all progress for four generations of our fathers; and

Whereas the president of that Convention will be honored for all time in the name of this beautiful Capital City of the continent-wide Republic of which he is justly called the "father"; and

Whereas the knowledge and diligence of James Madison as a member of that Convention so greatly contributed to its success as to win for himself by common acclaim the designation of "Father of the Constitution"; and

Whereas the names of Washington and Madison should be forever linked together in the minds and hearts of future generations, especially by naming the principal street in the Capital City bearing Washington's name for his adviser, coworker, and friend, Madison: Now, therefore, be it

*Resolved, etc.*, That from and after the enactment of this joint resolution what is now called Sixteenth Street NW., Washington, D. C., shall be legally known and officially designated as "Madison Avenue."

Mr. Speaker, we may soon have a superfluity of statues and monuments to distinguished Americans around Washington. Of course, the best monument for any man is in the hearts of his grateful countrymen. Since James Madison was not a picturesque figure, but was one of the plain, plodding workers of the early days of our history, the people may overlook the important part he played in starting our Government in the right direction. As Washington was the Father of our Country, so Madison has been by common consent recognized as the father of the Constitution.

Mr. Speaker, a most unique and impressive way to honor the memory of any person is to name a city or town for him or a street for him. Here the Capital of the Nation bears the name of the leader of our Revolutionary Armies, of the president of the Constitutional Convention, of the first President of the Federated Republic, and, in fact, of him who was "first in war, first in peace, and first in the hearts of his countrymen." The avenues of this beautiful Capital City are named for the States, and that is a most appropriate custom. Only one avenue has a different name and it is Constitution Avenue. How appropriate, therefore, it is that the greatest street in the city in many respects should be named for the father of the Constitution. Sixteenth Street is a great artery of traffic, but especially is it the home of churches, institutions of learning, embassies, legations, hotels, hospitals, and magnificent residences.

Mr. Speaker, in further exposition of some of the reasons, which to my mind are compelling, to change the name of Sixteenth Street to James Madison Avenue are stated in a press release which I prepared and is as follows:

Congressman McSWAIN, Chairman of the Committee on Military Affairs of the House of Representatives, has introduced a joint resolution to give to Sixteenth Street NW., the name of Madison Avenue. He says that in 1937 we will observe the one hundred and fiftieth anniversary of the great Constitutional Convention which met in Philadelphia and formulated the Federal Constitution, the greatest document of its sort ever conceived of and written by man. Mr. McSWAIN says that as Washington was named for the Father of his Country, so the principal street in the Capital City should be named for the father of the Constitution.

Undoubtedly the learning and parliamentary ability of James Madison made him the leading figure in that great convention, next to Washington. He was Washington's neighbor, adviser, and friend. He was Secretary of State under Thomas Jefferson for 8 years and then President for 8 years during our second war of independence, and during the initial period of the establishment of industry and commerce in America. Madison was associated with Jefferson in the establishment of the University of Virginia.

Mr. McSwain says that he thinks to name a street for Madison would be far more appropriate than to build a monument to him and place it in some park. Few of those who hurry by would ever know whose monument it was and the result would probably be the virtual waste of a considerable sum of money.

The name of a street will cost no money. But that street will be on the tongues of tens of thousands of people every day. Undoubtedly Sixteenth Street is the most prominent street as such in the city. Pennsylvania Avenue is now largely a Government street. F Street and G Street are exclusively business streets. But Sixteenth Street is the home of churches, of institutions for the advancement of learning and science, such as the National Geographic Society, the Carnegie Institute, and Walter Reed Hospital. It is also the home of many of the most prominent embassies and legations. It is the home of several of the most prominent hotels. But most important of all, it is in direct line with the center of the White House and the center of Sixteenth Street is the Washington meridian whence longitude is reckoned.

While other avenues are named for States, except that beautiful, broad, arterial highway known as "Constitution Avenue", it would be a mark of peculiar distinction to name Sixteenth Street for "The Little Giant", as Madison was often called. No more fitting memorial could be conceived of than to honor Madison in this unique manner.

### THE PLIGHT OF THE FARMER WHO FACES LOSS OF HIS HOME

Mr. RANDOLPH. Mr. Speaker, the plight of many farmers in my congressional district is a serious one, because of the foreclosures and sales of the lands which these tillers of the soil have labored to own and improve. They have worked hard to reduce their indebtedness, and this Congress should not adjourn without passage of the moratorium legislation.

Delegations of farmers have visited my office and discussed with Representative LEMKE and myself troubles which beset them. My files are filled with scores of letters which call attention to the dire need for prompt action if the farms are to be saved and those men and women who have labored long and diligently are to keep intact their cherished possessions.

In connection with this matter I include a letter received along these lines and my reply thereto.

STATE OF WEST VIRGINIA,
OFFICE OF TREASURER,
*Charleston, August 16, 1935.*

Hon. JENNINGS RANDOLPH,
*Washington, D. C.*

DEAR MR. CONGRESSMAN: I have not bothered you for sometime with a letter, although have had several matters on my mind.

First, I was glad to see you meet the utility charges against you courageously and openly, and without bending from your original conviction which I regarded as right in the circumstances. Time will prove it to be so.

Second, thousands of farm families throughout the land, worthy as can be, will be greatly disappointed and forced from their properties by foreclosure if Congress does not at this session pass some sort of moratorium measure to prevent sales for a limited time until financing can be done through regular channels. As investigation will show, such farmers were on the way to making adjustments with creditors when the Frazier-Lemke Act was declared unconstitutional, although very few had ever attempted to take advantage of it; it was used more as a club or threat in these negotiations and the results were favorable.

The Farm Credit Administration through its assistant to the Governor refers to the creditors who want their full "pound of flesh", when the farmer cannot pay the "10-percent fringe", and urges the conciliation committees of the various counties to use every effort to prevent forced sales of the lands of worthy people.

If you have not done so and have the time before Congress adjourns I suggest that you make some inquiry throughout the Second District, where I also reside, to determine the situation involving many of your worthy constituents. I understand that Pendleton County, for instance, has many such cases where adjustments were under way when the Frazier-Lemke Act met its fate, and investigation also uncovers others who had not as yet entered their petitions.

I have looked into what the Federal judges of various districts have been doing with the conciliation commissioner cases coming up under section 75 of the bankruptcy law where creditors had failed to agree with the debtor of adjustments, and have yet to find one judge who has thrown any case out of court, but is merely holding it to see what Congress will do toward passing an act to take the place constitutionally of the old act. If nothing is done, there is nothing to be done by these courts but to dismiss the cases.

The farmer then will be at the mercy of this "10-percent fringe." We are hopeful of having the State administration here to appreciate the need, as have 26 other States, of a brief, simple moratorium act covering both homes and farms, but there is, of course, much doubt as to getting it done. While I am on this subject, and if available to you for distribution, I would much appreciate having copies in pamphlet form of the moratorium acts of these States—at least the principal ones, such as New York, which just lately renewed or extended its act for another year; Iowa; Minnesota, whose law was held constitutional by United States Supreme Court; Wisconsin, etc.

I have copy of the moratorium bill as presented in the Senate by Senator FRAZIER—S. 3002—as well as copy of the report of the Senate Judiciary Committee and amendment no. 985. The endeavor was made to present a bill that would meet beyond any question the constitutional test; and it would appear there is no

possible doubt about it this time, but it leaves practically the whole administration to the discretion of the Federal judge of the district from which the petition originates. Let us hope there would be no prejudiced jurists at such legislation. The act, however, offers a breathing spell for the debtor and does no damage to the creditor. It is short and simple, the whole being amendments to section 75. You are doubtless better acquainted with it than I am.

The President no doubt would sign such a bill and the gap would be closed with no harm to anyone until at least the next session, when perhaps conferences within respective districts would enable you all to better determine a permanent policy.

But I do know that your interest in this thing will do you no political harm in your district. The Frazier-Lemke refinancing bill—not the above moratorium bill—is less important at this time, as I see it, than the latter, and I doubt if it could pass in present form. The urgency now is for the moratorium act—the one on the calendar or something similar. I think, too, there should be no objection if homes were included in this bill, as this would broaden the support right away; New York has such a law lately extended to July 1, 1936.

Will you not look into this matter without delay? With very best wishes, I remain

Very truly yours,

W. RALSTON SHAW, *Bond Custodian.*

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AUGUST 19, 1935.

Mr. W. RALSTON SHAW,

*Bond custodian, office of treasurer, Charleston, W. Va.*

MY DEAR RALSTON: Relying to your fine communication of August 16, let me say the situation as you have outlined it is exactly the picture as I see it.

The Frazier-Lemke moratorium legislation should be passed before this session adjourns, and then the farmers of our Nation would know that we would not fail them.

I am one of the Members of Congress who has signed the petition which tried to bring the Frazier-Lemke bill out on the floor of Congress for a vote before this session adjourns. We lack four or five names for the required 218 in order to get it on the floor, because certain strong opposition exists and seems to stop it from coming out in the regular order. I have been doing everything possible in connection with this legislation and am in complete agreement with your conclusions.

With kindest personal regards, I am,

Sincerely yours,

JENNINGS RANDOLPH.

## AMERICA SHOULD STAY OUT OF THE OLYMPIC GAMES

Mr. CELLER. Mr. Speaker, I herewith submit a resolution which I have offered to prohibit the allotment of funds for participation of American athletes in the Olympic Games to be held in Germany.

I also submit a speech of Hon. Jeremiah T. Mahoney, former judge of the court of general sessions, former Justice of the Supreme Court, former champion athlete and a member of the Olympic teams, now president of the Amateur Athletic Union of the United States of America, and a member of the American Olympic Committee. Judge Mahoney, a very distinguished jurist, a very able lawyer, a foe of intolerance, and an exemplary leader of American youth, delivered this speech over station WABC Monday evening, August 19, 1935.

Joint resolution to prohibit the allotment of funds for participation of American athletes in the Olympic Games to be held in Germany

Whereas the German Government has studiously discriminated against Catholics, Jews, liberal Protestants, and Masons; and

Whereas such discrimination has assumed the cruel form of insults, ostracisms, pogroms, and outrages beyond description, so that male and female American participants in the Olympic Games who happen to be Catholics, Jews, Masons, or of certain Protestant denominations, risk possible attacks upon their persons and property by those poisoned by the German Government propaganda; and

Whereas Catholics, Jews, Masons, and certain Protestants, although comprising more than one-third of Germany's population, have not even a remote chance of training, competing, or qualifying for membership on the German teams; and

Whereas many American contestants of the proscribed race or religion, running or competing in a dead heat with a German, might incite the spectators to riot and rowdyism; and

Whereas the Reich has permitted and abetted unsportsmanlike indignities on many of its people, and therefore, firstly, similar indignities might be inflicted on American contestants or spectators, male and female, in the arenas or on Kurfuerstendam; and, secondly, Americans may be denied equality and fairness of treatment in the games held under the auspices of the German officials and thus encourage similar unsportsmanlike and cowardly practices; and, thirdly, American sportsmen should not defile themselves by association with adherents of a government so intolerant and so unsportsmanlike; and

Whereas the principles of true sportsmanship betoken equality and fraternity and fairness: Therefore be it

*Resolved, etc.,* That in order to discourage American participation in the Olympic Games to be held in Germany, and as a protest against the unsportsmanlike attitude of the Reich, no public or semipublic funds, such as Public Works Administration moneys, including the $4,880,000,000 heretofore appropriated, shall be allotted or used to defray expenses of any American athletes to participate in the Olympic Winter Games to be held in the Garmisch, Partenkirchen, Germany, February 6 to 16, 1936, or in the games of the Eleventh Olympiad, to be held in Berlin, Germany, August 1 to 16, 1936.

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### SPEECH OF HON. JEREMIAH T. MAHONEY

In 1888 there was organized by a group of ambitious and patriotic young Americans the Amateur Athletic Union of the United States, of which at the present time I have the honor of being president. In the group of these farsighted but noble young men who were to do such wonderful work in making America athletic, James E. Sullivan was the most outstanding figure, and up to his death he probably did more than anybody else for the physical development and athletic improvement of young America. Through the years, due to his athletic leadership, America has become more and more athletic-minded, and led by the Amateur Athletic Union, with the cooperation of all the other sports-governing bodies in America, America has become so great athletically that in all the Olympic Games already held every 4 years in the various parts of the world, America has always been supreme.

The main purpose of the Olympic Games is to create a closer, sympathetic relationship among the nations of the world, to promote brotherly love, and through athletic intercourse, to cause the nations of the world the better to understand and to know one another.

Since the first Olympiad, therefore, the original purpose of these international meetings has been maintained and incalculable benefits have resulted to the civilized world, through the institution, the continuance and the perpetuation of the Olympic Games. Although in the athletic events that take place during an Olympiad, all contests are most seriously fought, the battles for supremacy have been friendly and the contestants have grown to love and respect more and more their international rivals.

Three years ago the International Olympic Federation, acting pursuant to its rules and regulations, selected Berlin as the site for the Olympics in 1936. All of the nations interested and constituting in part the International Federation, and that includes America, were anxious to go to Berlin, because it had been the intention of the International Federation long ago to have held the Games in Germany, but such decision had been interrupted by the breaking out of the World War.

During the last several years, however, unfortunately, conditions have developed in Germany which have caused many members of the International Federation to pause and to ponder and to consider whether or not it would be better for civilization and for humanity and for international relationships to hold the games in some place other than Berlin.

The difficulty is not due to any feeling against Germany as a country, nor against the Germans as a people. We all respect Germany for what she has been and for what she is; for her accomplishments and her aspirations; and we sympathize with her because of her misfortune and her sufferings. The German people are a loving and noble race and Americans admire and love the Germans. Unfortunately, however, due to the combination of circumstances which put the Nazi Party in control, there is a class governing, ruling, and dominating Germany at the present time, that apparently does not understand the naturally altruistic rules governing clean sport, and for some time in competitive athletics and other relationships the divine teachings that you should love and aid your brother, and you should do unto others as you would wish others to do unto you, have been deliberately ignored.

Those ruling Germany to satisfy their inordinate ambition to absolutely dominate everything and everybody in Germany, and to throttle all independent thought and action, long ago started inexplicable prosecution and persecution; inflicted so much indescribable horror upon cultured and patriotic Germans, born in Germany, and in such cruel and merciless ways, that the whole civilized world stood and stands aghast.

As early as December 1933 the Amateur Athletic Union in annual convention assembled, passed a resolution to the effect that if evidence were established against the Nazi Government of discrimination against the Jews in connection with the Olympic Games, that it was the sense of the A. A. U. that America should not participate in the Olympiad to be held in 1936 if held in Berlin. This action was not precipitate, but was taken after mature deliberation, and the delegates present voted that any final action to be subsequently taken would be controlled by future events.

Nearly 2 years have passed since the adoption of this resolution, and I regret to say that irrefutable proof seems to exist that the discriminations against Jewish athletes in Germany have been continued in such a manner as to justify a definite and positive decision by America that she will not participate in the Olympic games in Berlin unless conditions are radically changed and at once.

It is a cardinal principle of true and loyal Americanism that all people should be permitted to worship God as they see fit, and

that no particular race, creed, or color shall ever be a necessary qualification for public honors or for the right to represent America athletically or otherwise.

It is not denied that the Hitler regime has cruelly persecuted the Jews, banished from Germany many of the most cultured and most respectable and responsible; has placed many others in concentration camps, and has made it almost impossible for the Jews still remaining in Germany to even exist without fear that any moment they may be brutally assaulted, sent to prison, or unjustly punished in other ways.

That there has been discrimination against the Jews with respect to the competition in the Olympic Games has been proven beyond a shadow of a doubt. Attempt is made to explain this by saying that those who wish to try for the German team are eligible only when they belong to a Nazi athletic organization. In the next breath it is conceded that Jews are not eligible for Nazi athletic organizations. In other words, therefore, due to unfair rulings and discrimination, it is impossible for any Jew to qualify for the Olympic Games and no Jew has yet been given the chance to qualify. Germany, therefore, has not kept her pledges to the International Federation.

Furthermore, no Protestant or Catholic can train or compete, or prepare for the Olympic Games unless he or she is a member of a Nazi-controlled athletic organization.

In my opinion the situation complained of has been so incontrovertibly established by evidence impossible of contradiction that the burden of proof is now upon the Nazi Government to establish that there will be no further unfair discrimination.

It may possibly be that few Jews could make the German Olympic teams, but instead of permitting the natural course to decide events, the Nazi Government has stupidly directed action against German Jewish athletes in an un-American, unsportsmanlike, uncharitable, and unolympianlike manner.

Hitler apparently is determined that the Olympic Games must be held in Berlin. He does not seem to be at all apprehensive that the rising tide of indignation the civilized world over might yet culminate in refusal by many nations to participate in Berlin. The Nazi Government does not understand why and hence bitterly resents that anybody should question the conduct of the Nazi Government as being contrary to the rules of sport and the spirit of the Olympic Games. If the Nazi Government were motivated by anything except the basest kind of an insane spirit, the indignation already expressed in America should have been sufficient long ago to compel Hitler and those by whom he is surrounded to amend and change existing conditions.

But what has happened within the last 2 months? The persecution directed originally against the Jews is now directed, even if in modified ways, toward the Catholics, the Protestants, the Masons, organized labor, and those other divisions of the German people who still like to feel that although citizens of Germany, they are not serfs of any temporary ruling class. The banishment of nuns and priests and the imprisonment of many of them, the attempt by Hitler to set up a god of his own, for those of Protestant faith, and to direct the teaching and the preaching in the Catholic Church, has aroused the fighting spirit of all who believe religion should be kept out of politics, and in the hands of those who know and understand the real and only divine Master.

All of the conditions which I have attempted briefly to describe have been created by the Nazi government in defiance of the rules and laws of humanity and of the spirit of sportsmanship and fair play, and contrary to Olympian principles. I feel that the greatest aid that America can give to those countless millions suffering in Germany at the present time is to make a positive declaration to the Hitler government that America shall not participate unless the unjust and inhuman and unsportsmanlike conditions which have been created are eliminated forthwith.

I hope that the protests of fair-minded Americans who have already expressed their feelings and their indignation will not be in vain, and that some benefits will soon result therefrom to make easier the lot of the countless millions born and living in Germany, who love their country, are truly patriotic, are honestly and sincerely religious, and wish to freely worship God as their conscience dictates, but who are not in a position to aggressively fight for principle without fear of dire, unjust, and inhuman punishment.

I am talking only as an individual, and I am expressing my views only as an individual. It is true that I am a member of the American Olympic Committee, but I do not attempt in any way to speak for that committee or for the A. A. U. I am speaking and acting according to the dictates of my own conscience, but when a meeting shall be held of the executive committee or of the delegates of the Amateur Athletic Union, to discuss existing conditions and to determine whether or not the A. A. U. shall favor participation, I now declare in view of the present record that I shall emphatically vote against America's participation in any Olympiad in Berlin in 1936.

### OUR INLAND WATERWAYS

Mr. BEITER. Mr. Speaker, inland water carriage, which has been so extensively developed as an integral part of the transportation systems of Europe, and which was once generally used by us, is again coming into its own in our country. Modernization of river transport and interchange facilities and the improvement and standardization of river channels insures low-cost transportation which agriculture, commerce, and industry so sorely need. With the completion of the upper Mississippi 9-foot channel project, a great trunk inland waterways system has been established in this country from Pittsburgh on the east to Kansas City and beyond on the west, from the Port of New Orleans in the South up the great Mississippi dividing into two branches, one through the Illinois to Chicago and into the "American Mediterranean", the Great Lakes, and the other up the mother stream into the heart of the Midwest to the Twin Cities. No other nation or continent has been so endowed by kindly Providence with a great network of Nature's own transportation highways.

The possibilities of inland water transportation in this country are graphically indicated by its development in Europe. While methods of boat or barge operation may vary from the standardized practices developing in this country today, the great lesson we can learn from Europe is that water transportation is inherently cheap and can be coordinated with other forms as an integral part of a great national transportation system.

Therefore, let us briefly survey the use of rivers as a means of transportation in Europe. The western part of Europe has about 15,000 miles of rivers and canals, nearly all intercommunicated. In Germany alone 9,000 miles are now profitably navigated by as small as 1,000-ton barges. The sea is reached from all the streams, for example, from the Danube to the Black Sea, from the Rhine to the Mediterranean, the English Channel is reached from the Seine, the North Sea from Rotterdam. A connecting canal is now being completed whereby the Rhine will be able to make deliveries over inland waterways with every port in Germany, Poland, and the Baltic from Lubeck to Konigsberg.

It is of interest to note that the barges in Europe are very different from those we are now using. Abroad they are all made with a rudder. This, of course, means that someone must steer. This again, means living quarters. Again, the contracts they enter into provide that barges shall at all times be in charge of two or more able-bodied persons; often the owner or part owner of a barge is its commander and his wife is the second in control. This explains the necessity for living quarters on the barge. It is quite common to find them very comfortable, and that these living quarters in many cases provide a place of birth and subsequent homes for a new generation to again carry on the transportation for the family, or establish themselves in similar barges, building up a business like their parents conducted.

Rotterdam is the greatest port in Europe; the tonnage handled exceeds any other place. It is a surprise to most of us that 90 percent of this business is received and forwarded by barges. At all of the coast points north and east of Rotterdam the greater part of the tonnage handled moves by barges. Much of this movement is made under annual contracts between producers and barge owners. In no way, however, is any effort made to control the rates. The charges are, therefore, only controlled through supply and demand. Indeed, in most of the cities in western Europe there is a transportation market in which one may bargain for rates of carriage, as we do in our exchanges for wheat, flax, potatoes, and so forth. The shipping public would rebel, as would the barge owners, at any effort of a control in their rates, as is the case in our country at the present time.

The United States has been endowed by nature with wonderful possibilities for waterway development. We have a coast line upon the Atlantic of 11,674 miles, upon the Pacific of 3,765 miles, and upon the Gulf of Mexico of 6,418 miles. Our coast line in Alaska is 15,132 miles, and our shore line of the Great Lakes is more than 8,300 miles. This total coast line is 20,000 miles greater than the circumference of the earth at the Equator.

The area of the Great Lakes is 95,160 square miles, of which 60,950 square miles, or approximately 64 percent of the total surface area, is within our international boundary line. These lakes, with adequate improvement of their ports and connecting channels, are capable of the systematic movement of the largest ships afloat.

The rivers of the United States are unsurpassed by those of any other country, both for purposes of power and navi-

gation. About 15,000 miles of these rivers have been improved to a greater or less extent and probably 10,000 miles additional may be suitable for future improvement.

Upon the Atlantic coast we have 83 improved ports, of which 7 have depth of 35 feet or more, 14 between 30 and 35, 5 between 25 and 30, and 57 with depth of less than 25 feet.

On the Pacific coast we have 26 ports, 4 of which have depth of 35 feet or more, 6 between 30 and 35 feet, 5 between 25 and 30, and 11 with depth of less than 25 feet.

On the Gulf coast we have 22 ports, 1 of which is 35 feet deep, 8 between 30 and 35 feet, 5 between 25 and 30, and 9 have less than 25 feet in depth.

In Hawaii we have four ports, all 35 feet deep and capable of accommodating the largest ships engaged in the trans-Pacific trade.

In Puerto Rico we have two recognized ports, each 30 feet deep.

In Alaska we have four ports of less than 25 feet and several improved inlets.

Upon the Great Lakes we have 72 improved ports, of which 32 have depth of 21 feet, to correspond with that of the connecting channels, the other Lake ports having depth of less than 20 feet. The connecting channels are now being dredged from 21 to 24 feet, and the major ports are also under consideration for corresponding depth.

Along the Atlantic coast an inland waterway is nearing completion from Boston Harbor to the Florida Keys. The general depth is 12 feet, and the width ranging from 90 feet on inland cuts to 300 feet in open bays. This waterway unites into one connected system all the navigable rivers flowing into the Atlantic south of the New Hampshire line.

On the Gulf shore an intracoastal waterway is nearing completion from the coast of Florida to Corpus Christi, Tex. The channel is of uniform width of 100 feet and 9 feet deep to correspond with the Mississippi, with which it connects. This intracoastal waterway unites into one continuous system all the navigable rivers flowing into the Gulf of Mexico, including the Mississippi, with all its branches. Connection of this great system with the Great Lakes at Chicago is also nearing completion.

In net result we would have a real transportation system, with about 3,000 miles of what we might call the main line, and some 6,000 miles of laterals.

There are, however, two proposals receiving current consideration which, if applied, will adversely affect the fullest use of our inland waterways. One is the proposal to regulate or control rates on commerce moving wholly by water. Experience has shown that such a proposal would only have the effect of raising the level of water rates to that of more expensive forms of transportation, thereby destroying the cheaper type of transportation. Here again we can learn from Europe. Again it is proposed to levy a transport tax upon tonnage moving over our inland waterways. It is but necessary to remark that this is based upon the claim that all public improvements must be self-liquidating; certainly this is a positive negation of the theory of popular government. The provision for public highways is one of the basic functions for which government is formed. Under the Constitution, our rivers were created Federal highways. This was the very logical outcome of the limitation inherent in the States. The navigable waters transcend the limits of State authority and jurisdiction, but the theory of self-liquidation can be as justly applied to public improvements by the States and their subdivisions. If public transportation using Federal highways must through tax liquidate these improvements, it is as logical to demand that sewage be metered, admissions charged to visitors in our parks, or tuition collected for attendance in our public schools. Under this theory, it is just as logical to erect tollgates along newly paved streets in order that the traffic using them might directly liquidate the cost of such improvements.

Time does not permit a more extensive discussion of this revolutionary proposal. Briefly, I can say, regardless of any theories advanced, that a water-transport tax is objectionable in practice, because it reverses a salutary policy of government which has worked satisfactorily throughout our national history, namely, that our navigable waters are free highways of commerce, owned by and open to all of our citizens without imposts of any kind. These water highways have repaid their cost to the citizens of our country many times over in reduced transportation charges. A water-transport tax, once established, would soon lose all semblance of a maintenance tax, and, like the tariff, would degenerate into a medium of political expediency. Thus it would increase the cost of water transportation, an undesirable result from the public standpoint at any time, and particularly at a time when all efforts are being made to raise the price of commodities without unduly embarrassing a consuming public burdened with debt.

We as a Nation are soon to have at our disposal the greatest system of internal waterways in the world. To insure their greatest usefulness, we must be careful to pursue sound policies toward water-borne transportation thereon. By so doing these modernized water highways will bring untold blessings to our great Midwest inland empire and to this Nation as a whole.

PROPOSED AMENDMENTS TO THE COMMUNICATIONS ACT OF 1934. RESOLUTION FOR THE ESTABLISHMENT OF A BROADCASTING RESEARCH COMMISSION

Mr. SCOTT. Mr. Speaker, I have today introduced three bills and a resolution upon which I should like to see some action in the second session of the Seventy-fourth Congress. These were introduced at this time so that the Members of the House could have an opportunity to look them over during the coming recess. Under permission granted to extend my remarks, I have included a copy of the bills and the resolution with a brief explanation of each.

*Be it enacted, etc.,* That section 315 of the Communications Act of 1934 be and hereby is amended by striking out the whole of said section and by inserting in lieu thereof the following:

"SEC. 315. Each licensee of a radio broadcasting station shall be required to set aside regular and definite periods at desirable times of the day and evening for uncensored discussion of a nonprofit basis of public social, political, and economic problems, and for educational purposes. When any such licensee permits any speaker of any controversial social, political, or economic issue to use its facilities during any such period, it shall afford to at least one exponent or advocate of each opposing viewpoint equivalent facilities. The licensing authority shall without delay make rules and regulations to carry this provision into effect, and in proceeding hereunder it shall appoint, and, in its discretion, act upon the recommendations of an advisory committee consisting of disinterested, representative citizens: *Provided,* That the licensing authority, the advisory committee, and licensees shall have no power of censorship of any kind, nor shall any license be subject to liability, civil or criminal, in any State or Federal court for material so broadcast under the provisions of this section, nor shall any license be revoked or renewal be refused because of material so broadcast."

Section 315 of the Communications Act of 1934 was taken over from the Radio Act of 1927. It provides that licensees shall afford equal treatment—that is, time, rates, and so forth—to legally qualified candidates for public office; that the Commission shall make rules and regulations to carry the provision into effect; that licensees shall have no power of censorship over materials so broadcast; and that no obligation is imposed on any licensee to allow the use of its station by any such candidate.

Section 315 in its present form is unsatisfactory from the standpoint of the industry as well as the public.

Neither the old Radio Commission nor the new Communications Commission has made rules or regulations to carry the provision into effect, though network companies and a number of station owners have promulgated and generally adhered to fixed policies and rules in this regard.

Under section 315 the networks and certain stations have reaped a harvest from the major political parties in national elections and from leading factions in State and local contests. The provision has, of course, favored the party or person with the largest war chest to the prejudice of minority groups and individuals of small means.

The provision is fundamentally unsound in assuming that the public desires only the uncensored discussions on social, economic, and political issues of legally qualified candidates

for office. Campaign periods are relatively short; candidates are not always the leading or most capable advocates of the parties' or candidates' views; controversial discussion is not a seasonal product demanding attention only before elections; too frequently political campaigns are used to avoid or obscure rather than meet and illuminate issues.

The censorship provision is of little value. Though it protects the candidate himself from censorship by networks and stations, and protects stations from actions for slander or libel when a candidate is on the air, it does not extend to speakers other than candidates, and stations have been found guilty of defamation for the remarks of such other speakers.

It is law at present that network and station owners, managers, program directors, and even announcers and technicians in charge of the electrical controls, must, at the peril of the station, determine at the moment of utterance whether a remark is actionable, a feat that no responsible judge or lawyer would presume to perform except in the plainest cases. This has led necessarily to direct and indirect censorship, to the vicious practice of requiring the submission of manuscripts for approval of networks and stations on an editorial basis.

At certain times networks and stations are delighted to obtain political broadcasts. They fill time and supply revenue. But at other times and in certain communities, especially with the growth of volume of profitable advertising, this is not the case. Political broadcasts are refused. It is believed that all stations as an incident of the right to operate as public callings under Federal franchises should be required to devote certain periods to political broadcasts without profit or censorship.

THE PROPOSED AMENDMENT

Under the proposed bill all stations would be required, subject to regulations to be made by the Commission on the advice of a disinterested advisory committee, to give over desirable periods on a regular basis and without revenue to unrestricted discussion of public issues; speakers on such issues would receive equal treatment; licensees would be relieved of all responsibility to the Commission and in the local courts for such broadcasts.

This means that the American system of private ownership, control, profit, and responsibility would be continued, except that during periods reserved for public discussion there would be no revenue to the station and no responsibility by the station to the Commission or the public.

It has been said that under the proposal the pressure for time would tend to squeeze out minority groups; that the agency charged with administration of the provision would exercise a form of censorship; that the proposal would lead to interminable arguments as to what are public, social, political, and economic problems, etc. All of these arguments and difficulties have been canvassed and considered, but no reasonable alternative has been suggested, and I am satisfied that, given a measure of intelligence and cooperation, the provision can be made to work to the satisfaction of the industry and the public. The lack of any satisfactory provision in the present act and of any constructive proposal for change have led year after year to greater and greater confusion and disillusionment as to the value and use of radio as a means of public discussion.

*Be it enacted, etc.*, That the Communications Act of 1934 be and hereby is amended by adding thereto the following:

"SEC. 315. (a) Each licensee of a radio broadcasting station shall keep complete and accurate records open to reasonable public inspection:

"(1) Of all applications for time;

"(2) Of all rejected applications and the reasons for such rejections;

"(3) Of all additions and changes requested in arranged programs on public, social, political, and economic issues, and on educational subjects;

"(4) Of interference with and substitution of programs on public, social, political, and economic issues, and on educational subjects.

"The licensing authority shall make rules and regulations to effectuate this provision."

The proposed addition to section 315 would require stations to keep complete and accurate records open to reasonable inspection of applications for time, rejected applications, and the reasons for such rejections, additions, and changes requested in programs on public issues and on educational subjects and interference with programs on public issues and on educational subjects and interference with programs on public issues and on educational subjects.

This proposal represents a further attempt to limit censorship by network companies and station owners. It will implement the proposed amendments of sections 315 and 326.

*Be it enacted, etc.*, That section 326 of the Communications Act of 1934 be and hereby is amended by striking out the whole said section and by inserting in lieu thereof the following:

"SEC. 326. Nothing in this act shall be understood or construed to give the licensing authority the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the licensing authority which shall interfere with the right of free speech by means of radio communication. No action, civil or criminal, shall be commenced or prosecuted against any licensee in any court, Federal or State, because of anything said or done in the course of any broadcast on any public, social, political, or economic issue: *Provided*, That this provision shall not be understood or construed to exempt any licensee from liability for any defamatory, profane, indecent, or obscene language or action broadcast by any officer, employee, agent, or representative of such licensee."

To implement the proposed revision of section 315 and to clarify the powers of the Communications Commission under the general standard of public interest, convenience, and necessity, I suggest the addition of a sentence to section 326 which will expressly protect station owners (licensees) against actions, civil or criminal, in the State and Federal courts for broadcasts on public questions.

I do not recommend any change in the present language of section 326. I do recommend additional language which will free licensees from responsibility to the Commission or in the courts for broadcasts on public questions, except where licensees are responsible for defamatory or improper remarks.

Under present conditions there is a very real danger that the licensee will be sued for a defamatory utterance that goes out from its transmitter. There is also a very real danger that the Communications Commission (like the old Radio Commission) will consider defamatory or improper utterances for which the licensee is not responsible in acting on applications for renewal of license and other privileges. Censorship has flourished under fear of these dangers, and in many, many cases the act of censorship has been performed by persons who have no qualification whatever to determine the very delicate question of what is and is not actionable or in bad taste.

The suggested addition to section 326 will put an end to the danger of punitive action against the networks and stations and will thus obviate the necessity for editorial treatment of public discussion. It will not, of course, free the speaker himself from responsibility in the courts and elsewhere for his remarks or his conduct on the air.

Whereas the facilities available for radiobroadcasting are severely limited; and

Whereas such facilities should be so administered as to promote the maximum beneficial use thereof in the interest of the people of the United States; and

Whereas the licensing authority established by the Congress has attempted to accommodate approximately 600 radiobroadcasting stations on the 90 frequencies or channels available for assignment in the United States; and

Whereas the licensing authority has assigned most of the channels reserved by it for high power, full-time, interference-free operations to stations owned and controlled by or affiliated with the National Broadcasting Co. and the Columbia Broadcasting System; and

Whereas the National Broadcasting Co. and the Columbia Broadcasting System are engaged on a national scale in the business of supplying programs to and selling time to advertisers on broadcasting stations owned or controlled by or affiliated by contract with them, and in this connection employ the facilities of a number of medium-power, full-time, regional stations as well as the high-power, clear-channel stations mentioned above; and

Whereas the National Broadcasting Co. and the Columbia Broadcasting System are private enterprises engaged in the pursuit of private gain, and in order profitably to supply high-quality programs on a national-network basis they have induced a large number of advertisers to sponsor programs to supply to and broadcast by their affiliated stations, in consequence of which the people of the United States receive through the medium of radiobroadcasting a large amount of advertising matter; and

Whereas the operations of the National Broadcasting Co. and the Columbia Broadcasting System are so extensive that many

listeners are able at night to receive the same program at the same time from two or more stations; and

Whereas it has been the general policy and practice of the licensing authority to consolidate and strengthen the position and influence of said network companies; and

Whereas a large number of stations are licensed to operate with lower power on relatively undesirable channels designated by the licensing authority as local channels and approximately 300 stations are permitted to operate only until sunset, during the daytime, or during specified hours, and

Whereas in the case of stations not operated on a full-time, interference-free basis the policies, assignments, and regulations of the licensing authority promote waste of broadcasting facilities, substantial and continuing losses to station owners as well as inferior and unsatisfactory program service; and

Whereas it is claimed that the right of freedom of speech has been seriously curtailed by the licensing authority, the network companies, and individual station owners; and

Whereas the soundness of the system under which the facilities of immediate mass communication have been turned over to private agencies without choice to them or to the public and without restrictions and supervision ordinarily imposed on public callings, has been widely questioned and many proposals for changes in the system have been advanced; and

Whereas the piecemeal consideration and revision of the broadcasting system established in the United States would be wasteful, dilatory, and disappointing; and

Whereas the nature of the subject is such as to require careful and comprehensive study by a disinterested, expert, nonpartisan body responsible to the President of the United States: Now, therefore, be it

*Resolved, etc.*, That there is hereby established and created a commission of members to be known as the "Broadcasting Research Commission", hereinafter called the commission, to be appointed by the President of the United States. The chairman of the commission shall be compensated at the rate of $15,000 per year, payable monthly, and shall devote the major part of his time to the business of the commission.

SEC. 2. The commission is authorized and directed to make a careful and comprehensive investigation of radiobroadcasting as conducted in the United States and abroad to the end that the President may have complete and authoritative body of information as the basis for reports and recommendations to the Congress with respect to legislation and administrative changes designed to promote the maximum beneficial use of the facilities available for radiobroadcasting in the interest of the people of the United States.

Without limiting the generality of the foregoing, the commission is authorized and directed to study and report on the following matters:

(a) All known instances of interference with and interruption and substitution of programs involving public, social, political, or economic issues, and the reasons therefor;

(b) The economic structure, operating expense, earnings, profits, and cooperate affiliations of all broadcasting stations;

(c) The expediency of reducing the number of broadcasting stations;

(d) The expediency of assigning to broadcasting stations frequencies below the present broadcast band;

(e) The reasonableness of rates and fees charged by broadcasting stations and the feasibility of public relations thereof;

(f) The scientific and economic status of television and facsimile transmission and the ownership and control of patents pertinent thereto; and

(g) The feasibility of a Government-owned and/or controlled broadcast network.

SEC. 3. The commission shall submit its final report to the President of the United States within 2 years from the date of the adoption of this resolution. The report shall contain a complete and accurate statement of the findings and conclusions of the commission together with its recommendations and legislation and administrative changes designed to promote the maximum beneficial use of the radiobroadcasting facilities. The commission may, from time to time, and at the request of the President of the United States it shall submit interim reports. Upon receipt of the final report of the commission the President shall promptly transmit the same to the Congress, together with a statement of his conclusions with respect thereto and his recommendations for legislation designed to effect the purposes of this resolution.

SEC. 4. The commission is authorized to sit and act at such times and places, to hold hearings, to employ such experts and counsel and such clerical, stenographic and other assistance, to require the attendance of such witnesses and the production of such records, papers, and documents, to take such testimony, to have such printing and binding done, and to make expenditures as it deems necessary. Oaths and affirmations may be administered by any member of the commission or by any examiner authorized by it. At the direction of the commission any member or examiner may hold hearings, take and report testimony, and transmit the same together with his findings to the Commission.

SEC. 5. Subpenas shall be issued under the signature of the chairman of the commission and shall be served by any person designated by him. The provisions of sections 102, 103, and 104 of the Revised Statutes shall be applicable to any person summoned as a witness under the authority of this resolution in the same manner as such provisions are applicable to any person summoned as a witness in the case of any inquiry before a committee of the House.

SEC. 6. The final report of the commission, the transcript of all testimony taken before it, and studies made by or for it shall be printed and opened to public inspection.

SEC. 7. The expenses of the commission, including the traveling expenses of the members, not to exceed 15 cents per mile, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers approved and signed by the chairman of the commission.

Nothing can be added to the information and statement of purposes contained in the proposed resolution. It may be necessary, however, to justify the appointment of a further commission.

It is believed that the Communication Commission does not desire and is in no position and is not qualified to undertake the investigation specified in the resolution. The members of that Commission are engaged in the performance of administrative and other duties in connection with the regulation of electrical communications as a whole which require full-time attention and it would be unreasonable to expect them to take the time necessary for the intensive investigation described in the proposed resolution.

The Commission is separated into divisions, but the chairman serves as a member of each division and some or all of the other members serve on two divisions. These divisions are concerned with the regulation of interstate and foreign communication by means of telephony and wire and radio telegraphy, not to mention amateur and aviation services and other branches of the communications business and art.

It should be noted that the proposed broadcasting research commission would be a temporary body, appointed by and responsible to the president, the chairman, who would, presumably, give full-time attention to the work. The object of proposing a commission of this type is to make available for the investigation the services of persons who could and would not ordinarily accept appointment on a Federal commission. It is believed that distinguished and disinterested citizens would be attracted by the opportunity of taking part in a nonpartisan attempt to formulate a sound and permanent policy regarding broadcasting.

In the fall of 1934 the Communications Commission held hearings in Washington on a proposal to set aside a fixed percentage of facilities for educational programs and stations. At these hearings the industry, represented by network companies and the National Association of Broadcasters, presented a consolidated and effective case against the specific proposal before the Commission and against any departure from the status quo, while the outside groups presented half-baked irreconcilable proposals that had no effect whatever on the Commission, and the Commission decided to recommend disapproval of the proposal. The Commission has now called a conference on May 15 for the purpose of considering means of further cooperation between educational interests and the industry, and it is expected that the industry will again appear with a well-organized case to oppose the proposals of the so-called "pressure groups." It is believed that this method of meeting the claims and proposals of persons and groups not associated with the industry and not satisfied with broadcasting will continue to produce confusion and disappointment, that piecemeal revision of the act or regulations will prove to be unsatisfactory.

It is for these reasons that we advocate the appointment of the broadcasting research commission to investigate the industry and the proposals of outside groups and to lay down a policy and program for the future.

### THE ANNIVERSARY OF THE DEATH OF GEN. CASIMIR PULASKI

Mr. TURPIN. Mr. Speaker, in the Southland, in the city of Savannah, in Monterey Square, rises majestically a marble shaft. Surmounting the shaft is a statue of liberty displaying our national colors, erected by an appreciative community to mark the final heroism of one who was not of our blood and not of our nationality; erected to the memory of one who, having felt the crushing despotism of czars and rulers, had cast his lot and pledged his life to a new freedom and a new government of, by, and for the people.

Likewise, in our National Capital, on historic Pennsylvania Avenue, where the staccato tread of tens of thousands of

marching troops have reechoed as they have passed in review before our Presidents; have marched to war to preserve this Nation, its principles, its traditions; that such a government shall not perish from the earth, a grateful Republic has erected an equestrian statue in honor to and in sacred memory of the "father of American Cavalry." On shaft and statue is emblazoned the name of Gen. Casimir Pulaski.

Johnson Square, Savannah, also pays its tribute with a Doric obelisk, jointly paying tribute to Gen. Nathanael Greene and Count Casimir Pulaski. Let us not be unmindful of the silent message of friendship, comradeship, and the brotherhood of men herein conveyed during the formative years of our national life. Greene, an American, a son of Rhode Island; Pulaski, a native of Poland; the cornerstone laid in 1825 by our revered French champion and friend, the great Lafayette.

Throughout our Nation, avenues and parks, societies and lodges attest his name in conveying to oncoming generations our affection for his memory and our gratitude for his supreme devotion to a cause he cherished because of the humane and Christian doctrines involved.

Casimir Pulaski was born in Podolia, March 4, 1748, the eldest son of Count Joseph Pulaski of the Polish nobility. The father was the chief magistrate of Warech and was noted for his knowledge of jurisprudence. Casimir Pulaski was also educated for the bar. Pulaski became interested in military affairs while yet a beardless lad.

He joined his father and brothers in the struggle against King Augustus, and following the death of his father in prison, one of his brothers in action, and still a third taken captive, he became the commander of the insurgent army. He was outlawed and sought refuge in various countries, finally arriving in France.

It was there, in Paris, that he met Benjamin Franklin. Let us leave to the imagination the stories of the new world and of the new nation Franklin imparted to Pulaski.

The year 1777 witnessed the arrival of Count Pulaski at Philadelphia, where he joined the American Army as a volunteer.

Never was there a warrior—

States the historical Ruhlieri—

who possessed greater dexterity in every kind of service. Endowed by a peculiar gift of nature, strengthened by exercise, he always was the first to charge in person, with an intrepidity which inspired his followers to imitate his example.

Count Pulaski and Lafayette both struck their first blows for American independence at Brandywine—Pulaski, a volunteer and without command. Washington's army was repulsed, and a large part of the army was in danger of being captured. It was toward the close of the action that Pulaski requested command of Washington's bodyguard of 30 horse, which was granted. He added to this small detachment various scattered troops and rode into the face of the enemy.

So thoroughly did Pulaski sustain his reputation for conduct, courage, and leadership that 4 days later Congress appointed him the first general of American Cavalry.

Historian Ramsey says:

At Brandywine, Pulaski was a thunderbolt of war, and always sought the post of danger as the post of honor.

From the beginning of Pulaski's contact with the American forces until his death, his services and his generalship were of inestimable value to Washington and his Army.

In the service of Pulaski to this Nation, history but repeated itself, and like our own Lincoln, Wilson, and other lives that will not die, Pulaski and his services were not fully appreciated.

In his address to Congress Pulaski states:

I have expended $16,000, at least, of my own.

And again in his memorable letter to Congress reproaching Congress for its lack of appreciation of his services and efforts, he says:

You must be sensible also that I did not come to America destitute in resources, to be a burden to you; that I have letters of credit from Mr. Norris, and that I was known by almost every foreigner of character.

It is estimated that Pulaski advanced $50,000 of his own money in forming and equipping his legion—a considerable sum to many of us today, a rather enormous sum at that time.

The sincerity of great men may be questioned; it has been questioned and will continue to be questioned. But when a man gives his fortune and offers his life, and at the early age of 31 gives that life for a cause that is not his, for a people that is not his, but solely for a principle that appeals to him, such devotion to duty, such a response to conviction, and such courage stand with but few parallels.

But let us hasten on, through the Battle of Warren Tavern, where Pulaski saved Washington's army from a surprise attack when, while reconnoitering, his cavalry came upon the whole British Army and harassed the enemy until runners could reach Washington with the information. Let us pass the splendid services rendered at the Battles of Germantown, Egg Harbor, and Haddonfield—the latter place, where Pulaski, here, there, and everywhere at the front, had his own horse shot from under him; yet Pulaski, personally, captured seven prisoners and was highly commended for his fearless bravery in the report of General Wayne.

His death, for America, can be told in no finer language than that of a fellow officer serving with Pulaski, Major Rogowski, also a son of Poland. He states in his description of the battle:

For half an hour the guns roared and blood flowed abundantly. * * * Imploring the help of the Almighty, Pulaski shouted to his men "Forward!" and we, 200 strong, rode at full speed after him—the earth resounding under the hoofs of our chargers. For the first two moments all went well. We sped like knights into the peril. Just, however, as we passed the gap between the two batteries, a cross fire, like a pouring shower, confused our ranks. I looked around. Oh, sad moment, ever to be remembered. Pulaski lies prostrate on the ground.

Pulaski was placed on the brig *Wasp*, where skilled French surgeons vainly endeavored to remove the bullet and save his life. Gangrene had set in, and as the ship pulled out of the harbor for Charleston, Pulaski expired. His body was lowered into a watery grave on the 11th day of October 1779 at the age of 31 years, and like unto Moses, no one to this day knows the exact location of his burial.

The *Wasp* pulled into the harbor of Charleston with her flag at half-mast. The Governor, the council of the State, and the citizens united to pay tribute to their youthful defender, who shortly before his bravery and advice had saved Charleston from an ignominious surrender. Resolutions were passed, public ceremonies held, and a day designated for the holding of funeral obsequies. Three French and three American officers carried his bier followed by the horse that Pulaski rode with all the trappings, armor, and dress that he wore. The procession was imposing and a chaplain of the Army delivered a eulogy for the departed officer.

The Honorable A. L. Brick, who appeared before the committee of Congress urging the erection of a monument to Pulaski in Washington, said:

Pulaski died as he had lived, a noble and undaunted warrior, fighting the battles of liberty and of the Republic, he sacrificed himself, all the years of his young life, his fortune, his ancestral dignity, his lofty spirit, his splendid genius, and all his earthly hopes for liberty, justice, and humanity. For these things he gave all he had—his martyred life.

In the American Military Biography the author says:

Perhaps a braver man than Pulaski never drew a sword.

And in describing his death at Savannah:

Thus fell, in a most bold and daring achievement, the distinguished Polish patriot and hero, in the cause of American liberty. His memory is entitled to our veneration, as his life forms an item in the price of our independence.

Let us offer no apologies as we today, with heads bowed in respect, pay loving homage and tender tribute to Pulaski and other heroes of foreign birth who so sincerely, so unselfishly, so splendidly served in the making of our beloved land.

### TAX REFUNDING PLAN

Mr. CELLER. Mr. Speaker, I take great pleasure in announcing that I have this day received from Mr. Jesse Jones, Chairman of the Reconstruction Finance Corpora-

tion, a communication concerning my bill, H. R. 8279, which hereinafter appears.

The purpose of my bill is to authorize the Reconstruction Finance Corporation to extend loans to specially organized corporations financing property owners in the payment of their real-estate taxes, under a tax-funding plan originated and formulated by Mr. B. G. Orlove, Jr., of 270 Broadway, New York City. It has received endorsements of authorities in municipal finance, taxation, and banking.

The aim of my bill is to facilitate the extension of loans for real-estate tax payments at low rates of interest and thus save the taxpayers heavy penalties charged for delinquencies.

This bill was reported favorably and unanimously by the Banking and Currency Committee of the House on June 13, 1935. It passed the House August 15, 1935.

At the hearing held on my bill before the Banking and Currency Committee of the Senate, on August 21, 1935, Mr. Jesse Jones, Chairman of the R. F. C., stated that such tax-funding companies will be made eligible to borrow money from the R. F. C. Mortgage Corporation. This makes unnecessary, at the present session of Congress, any further congressional action on my bill.

At this point, I wish to express my sincere appreciation to Mr. Jones, Mr. James B. Alley, general counsel of the Reconstruction Finance Corporation, and Mr. Earl B. Schwultz, president of the R. F. C. Mortgage Corporation, for the kind cooperation they extended to me in this matter.

I now offer for insertion in the RECORD Mr. Jones' letter and a copy of my bill, H. R. 8279.

RECONSTRUCTION FINANCE CORPORATION,
*Washington, August 23, 1935.*

Hon. EMANUEL CELLER,
*House of Representatives, Washington, D. C.*

DEAR CONGRESSMAN CELLER: Agreeable to my statement to the Senate Banking and Currency Committee on August 21, 1935, at which time that committee had before it your bill, H. R. 8279, the purpose of which was to authorize the Reconstruction Finance Corporation to make loans to institutions organized for the principal purpose of lending money to taxpayers, for the payment of real-estate taxes, water rates, special assessments, or special taxes on real estate, against the security of liens originating from such real-estate taxes, water rates, special assessments or special taxes, or any interest therein, and held by the taxing authority."

Beg to advise that such institutions are eligible to borrow from the R. F. C. Mortgage Co. upon the security of these tax liens; and applications will be considered, to the extent that we have funds available for making such loans, where the borrowing institutions agree to comply with the terms of your proposed bill.

Namely, to charge the taxpayer not over 4 percent per annum interest, and not exceeding a single charge of 2 percent on the amount of the loan as compensation and profit for making and servicing the loan; and provided that if the State law under which the institution operates permits the institution to increase the interest rate on such tax loans in cases of default, the institution shall not increase its rate higher than 6 percent per annum after the default.

You stated at this hearing that banks in New York had said they would lend these institutions, for this purpose, 10 or 15 times as much as the R. F. C. would lend them, if the R. F. C. were given authority to make such loans.

R. F. C. Mortgage Co.'s interest rate will be 4 percent, and it will make such loans only where the taxpayer is not only willing but able to pay his taxes in installments over a fairly short period.

Sincerely yours,

JESSE H. JONES, *Chairman.*

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H. R. 8279

A bill to authorize the Reconstruction Finance Corporation to make loans to institutions organized for the purpose of making loans for the payment of taxes on real estate, and for other purposes

*Be it enacted, etc.*, That the Reconstruction Finance Corporation Act, as amended, is amended by inserting after section 5e thereof the following new section:

"SEC. 5f. The Reconstruction Finance Corporation, in addition to the foregoing powers, is authorized and empowered to make loans to any institution organized for the principal purpose of lending money to taxpayers, for the payment of real-estate taxes, water rates, special assessments or special taxes on real estate, against the security of liens originating from such real-estate taxes, water rates, special assessments or special taxes, or any interest therein, and held by the taxing authority: *Provided further*, That such institution extends such loans at interest rates not exceeding 4 percent per annum plus a single service charge not exceeding 2 percent of the amount of the loan: *And provided further*, That if the State law under which the institution operates permits the institution to increase the interest rate in cases of default, such institutions shall not increase the interest rate to exceed 6 percent per annum in such cases."

THE ADJUSTED-SERVICE CERTIFICATES WILL BE PAID IN JANUARY

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include a radio address which I delivered Thursday evening, August 22, 1935, over N. B. C. hook-up, as follows:

Ladies and gentlemen of the radio audience, the thinking people of this country are greatly indebted to the radio. No means of communication has contributed more to the dissemination of knowledge and correct information than the radio has contributed. The National Broadcasting Co. is making every effort to see that each side of a public question of sufficient public interest is given time over the air. This is fair and is appreciated. I am personally indebted to the National Broadcasting Co. for the time used in this broadcast.

CONGRESSIONAL RECORD

Congress will meet again January 3, 1936. Although the people will receive the news through the newspapers, over the radio, and on the screen and movietone, I also desire to invite their attention to the fact that the CONGRESSIONAL RECORD, which is published daily by Congress, is one of the most unique publications in America. It has no editor; no one receives a penny for selling the CONGRESSIONAL RECORD; no advertisers to be pleased. It is published at cost by the Government Printing Office and it may be purchased by any person in America for $1.50 a month, which is actual cost. Each Member of the Senate may send out 88 copies free and each House Member 60 copies free. The Senate has passed a bill greatly increasing this free quota.

If you are unable to obtain the daily CONGRESSIONAL RECORD by reason of the expiration of your Senator's or Representative's quota, I believe you will find the money to be well spent, if you are interested in public questions, if you will subscribe directly and pay the $1.50 a month. It is an excellent means of obtaining both sides of every important question discussed by Members of Congress, who have given the question careful and thorough consideration, and all the proceedings of Congress.

SUCCESS IN JANUARY

I predict that within 2 weeks after Congress meets on January 3, 1936, next, the House of Representatives will pass the bill, H. R. 1, the Patman bill, to pay three and a half million World War veterans the remainder due on their adjusted-service certificates. Within 30 days after January 3 I believe the Senate will pass a similar measure, and it is my opinion further that the veterans will get their money in a short time thereafter.

Our bill, H. R. 1, the Patman bill, is now pending before the House. We now have enough signatures—218—to a petition to force consideration of the bill within 10 days after Congress meets in January. These signatures were finished today, and the bill will be called up the 13th day of January 1936 in the House of Representatives. Do not be afraid of the 13th. The first time the bill passed the House it was called up June 13, 1932.

The administration leaders in the Senate have agreed to take the bill up and pass on it during the month of January, thereby admitting the great importance of this legislation.

During this session of Congress we only lacked 7 votes out of 531 Members of the House and Senate of receiving two-thirds of the votes in each House for our bill.

TIME TO APPLY EXTENDED

Congress has just passed a law allowing those who have not applied for these certificates until January 2, 1940, to do so.

NO BONUS

An adjusted-service certificate, although often referred to as a "bonus certificate", does not represent a bonus. The word "bonus" is a misnomer, does not appear in the law, was coined by the enemies of the legislation, and should never be used. Three and one-half million veterans of the World War hold adjusted-service certificates ranging in value from $126 to $1,590 each, the average about $1,000. The question of pay that men should receive when they entered the service during the war was not settled when the Selective Service Act was passed. And when the war was over Congress decided to adjust the pay of those who served, in view of the fact that workers in civilian life during the war received from $8 to $20 a day.

Congress decided to give the veterans $1 a day extra for each day they served in the United States and $1.25 a day extra for each day they served overseas. Adding this adjustment to what they actually received during their service, the amount is about one-fourth or one-fifth of what many of them were receiving in the shipyards and munitions factories when they entered the service. Although the amount is small, the veterans are not asking that the adjustment be changed. Instead of giving them the amount confessed was due, false and misleading statements as to the condition of the Treasury, gag-rule tactics, and star-chamber proceedings caused the veterans to be compelled to accept an I O U or a post-dated check payable in 1945, or 27 years after they rendered the service.

CERTIFICATES PAST DUE

Many people cannot understand why we claim it is due now. The reason is that interest on the amount for 7 years was entirely overlooked. In my presence the Secretary of the Treasury admitted that he completely ignored interest for 7 years in arriving at the amount due the veterans.

Therefore, if Congress will now revise the contracts so as to give the veterans the amount acknowledged to be due as of the time they rendered the service, instead of 7 years later, and makes

a fair adjustment of interest, each veteran who holds a certificate was entitled to an amount equal to the full face or maturity value of it October 1, 1931.

INTEREST CONSUMES HALF OF CERTIFICATES

Commencing January 1, 1927, the holders of these certificates were allowed to borrow a small amount each year. They paid 6, 7, and 8 percent interest, compounded annually, for their own money, although the rate has since been reduced. The arrangement is such that by 1945 the veteran who has borrowed 50 percent of his certificate—and 85 percent of them have—will receive practicaly nothing, since compound interest paid to the banks and to the Government will consume the remaining half of his certificate.

If the certificates are dated back and a fair adjustment of interest made, the veteran who has borrowed 50 percent has received what is equivalent to the accumulated interest, the principal remains intact.

DEDUCTIONS GOT THE $30 A MONTH

Do not get the impression that the private soldier actually received $30 a month, as reported. Secretary of War Baker testified in 1918 that it was costing the Government $152 a year to furnish food and clothing for each soldier, or less than 50 cents a day. Therefore, the average soldier received the equivalent of $1.50 a day for his services. The average allotment of his pay for his dependents, if he had dependents, was about $15 a month. He was required to carry war-risk insurance, which cost him on an average of $6.60 a month, the Government thereby requiring him to make his monthly contribution for the protection of the loved ones of his dead buddies. Four million veterans paid Uncle Sam approximately $400,000,000 in this way, for which they did not receive one penny in return.

Uncle Sam paid for the insurance on his ships but not on his men. The soldier was required to pay for altering and mending his clothing and shoes, his barber bills, laundry bills, and bills at canteens for tobacco and incidentals. If he had anything left, he subscribed for a Liberty bond on the installment plan, or he was called a "slacker."

OTHERS RECEIVED ADJUSTED PAY

When the war was over those who dealt with property rights had their pay adjusted by the Congress of the United States. Seven thousand World War "cost-plus" contractors—many of them had engaged in a war for profit—had their pay adjusted. Included in this group were the Du Ponts, who recently admitted that they made a profit of a quarter of a billion dollars out of the war after paying all expenses and taxes on what they billed to South American countries as sporting goods. The railroad owners and war contractors received an adjustment of pay in cash and other benefits amounting to billions of dollars. They asked the Government for a revision of their contracts and were not called unpatriotic for doing it, and they were paid in cash.

Five hundred thousand Federal employees of the Government, who received up to $2,500 a year during the war, received an adjustment of pay amounting to $1,440 each—they asked for a revision of their contracts, and they were paid in cash $240 a year for 6 years.

There is no reason why the Government should issue an interest-bearing bond that is tax exempt, sell the bond to a Federal Reserve bank and then permit the Federal Reserve bank to return the same bond to the same Government it purchased it from and receive another obligation, new money in return for it. The question is, Why issue the tax-exempt, interest-bearing bonds at all? Why not issue the money directly in the first instance? I advise you not to bring that question up among certain bankers as they will claim that you are unorthodox, theoretical, wild eyed, and dangerous. They cannot explain to you why, except to say that money is quite a mystery and only the bankers understand it. However, the people of this country are getting wise to that racket, and I predict that it is not going to last very long. To my mind, it is certainly idiotic and imbecile for the Government to pay a billion dollars a year interest for the use of its own credit—a pure bonus to bankers and bondholders.

Foreign countries asked for a revision of their contracts and had their debts adjusted, which resulted in Congress giving to them as an outright gift the huge sum of $10,000,000,000. Many of these countries used our money to pay their own soldiers adjusted pay and bonuses up to the enormous sum of $7,290 each.

HOW WILL THE MONEY BE PAID?

It will cost the Government about two and a quarter billion dollars to pay the remainder due on the adjusted-service certificates held by three and a half million World War veterans. The veterans, however, will receive about $2,000,000,000 of this amount. There is in circulation today about four and a half billion dollars in paper currency. Practically all of it is Federal Reserve notes. A Federal Reserve bank is not owned by the Government. It is owned by private bankers. Such a bank has the right and power under the present law to deposit a Government obligation payable in 1945 and receive new money in return for it, and from now until 1945 collect interest annually on the obligation of the Government deposited to secure the issuance of the money. This sounds like an idiotic system, and it is.

FAIR FOR VETERANS IF FAIR FOR BANKS

Our bill, H. R. 1, provides that a veteran who has a Government obligation payable in 1945 may deposit his obligation with the Government and receive new money in return for it in identically the same way and manner that the Federal Reserve banks receive new money in return for Government obligations. However, the veterans will not receive an extra bonus each year in the form of interest, as the banks do on the deposited bonds until 1945. The money issued to the banks under such a plan is sound money. The money issued to the veterans will be the same kind of money. If it is fair for the banks, it is fair for the veterans. The Government's credit is being used in either case.

BIG BANKS WANT THEIR RAKE-OFF

The $2,000,000,000 we propose to issue will remain outstanding, and while it is in circulation no one will be paying interest on it. While the Federal Reserve money is outstanding, someone is paying interest on it all the time. Our bill has a push-and-pull provision providing that as the money is paid out to the veterans the Secretary of the Treasury may pull back and retire Federal Reserve notes. The Federal Reserve banks do not like this. It denies them an annual bonus equal to the interest on $2,000,000,000. It is a pure graft, a rake-off, and Congress is entitled to be criticized for permitting it to be done. This provision will absolutely prevent any possibility of undue expansion of the currency. Therefore the bill is not an inflationary bill. It is merely allowing $2,000,000,000 of our circulating medium to be paid into circulation and save the people interest on $2,000,000,000 of our circulating medium and denying these banks their annual grab on this amount.

ADEQUATE METALLIC RESERVE

Under the present law the title to all gold in the Treasury is in the Government of the United States. It belongs to the Government and to the people. The amount is nine and a quarter billion dollars. If we pay the veterans $2,000,000,000 and the Secretary of the Treasury should decide not to retire a dollar of the Federal Reserve notes, we will then have 125 percent gold reserve behind all outstanding money. Can anyone say that money issued with 125 percent gold reserve is fiat money or unsound money? If you advocate it, however, you will be considered very dangerous, not because it is an unsound policy that you are advocating but because it is denying a few bankers special privileges that net them hundreds of millions of dollars a year. The Government now has $18 in gold and $2 in silver to pay every outstanding $10 bill.

CONVERT FROZEN ASSET INTO MONEY

We are asking that one form of Government obligation which the veteran holds be converted into another form of Government obligation—new money. In other words, a frozen asset in the hands of the veteran will be transformed into a negotiable circulating Government obligation, which will be money. No new debt will be created and such payment will not cause a bond issue or an increase of taxes.

CURRENCY NO MORE INFLATIONARY THAN BONDS

The question of whether or not Congress should have ever confessed this debt to the veterans is not material now, as that question was passed upon by Congress in 1924. Remember this, that currency is no more inflationary than bonds and that the idle gold in the Treasury should be used to save the people interest on bonds.

WHO WILL PAY ENORMOUS GOVERNMENT DEBT?

The wealthy people of this country are escaping taxation through the ownership of tax-exempt securities. Who is going to pay the enormous Government debt of $30,000,000,000? The ones who own these Government securities will during the next 30 years collect $30,000,000,000 in interest and pay no taxes and we will still owe the principal sum of $30,000,000,000. Over a period of 60 years these bloodsuckers will have collected $130,000,000,000 on this $30,000,000,000 debt, will have paid no taxes, and the people will still owe the principal sum. If these statements, which can be verified, are not sufficient to awake the American people, I am at a loss to know what will cause them to stop, look, and listen. The people who own will escape taxes. The people who produce the Nation's wealth will be compelled to pay taxes on what they owe and what they consume in order to pay this debt if a change of policy is not made.

1924 ACT SHOULD BE REVISED

The act passed by Congress in 1924, which permitted the veterans to receive the adjusted-service certificates, should be corrected now because it did not carry out the intent of Congress. It provided for the payment of a confessed debt 27 years after the service was rendered. It permitted the veterans to receive 4 percent interest with a requirement that they would have to pay 6, 7, and 8 percent interest when they obtained loans on their certificates, and it deprived the veterans of almost 7 years' interest from the time they rendered the service until 1925, the date of the certificates. The time to make this correction is now. No person who wants to be fair with the veterans and give them the same rights and benefits and no more, as the Government gives to all others under similar circumstances will contend that this adjustment should not be made.

WILL DISTRIBUTE PURCHASING POWER

In conclusion, I believe that any fair-minded listener will agree, first, that although the adjusted-service certificates are payable in 1945, each veteran who holds one is now entitled to an amount equal to the face value of that certificate; second, that the amount due can be paid with sound currency; third, that such payment will not increase taxes or create an additional debt; fourth, that such payment will be a godsend to this country, because it will quickly distribute purchasing power evenly and uniformly into

every nook and corner of this Nation; and fifth, that it is in the interest of the nonveteran as well as the veteran that this payment be made now.

ADVOCATES MUST BE ON ALERT

Let me again remind those who are interested in this proposal to be on the alert and keep the question properly before the country. We are sure to win in January if we are not too certain of success and thereby fail to keep this important question properly before the country. We have the right side, the side of justice. We are supported in our arguments by logic and reason, so let us not weaken in our efforts or fail to do anything for the cause that can be done until the wrong is righted by the payment of these certificates 100 cents on the dollar.

CURRENCY INSTEAD OF BONDS—PRIVATE BANKERS ISSUE BLANKET MORTGAGES AGAINST PROPERTY OF PEOPLE FOR OWN BENEFIT AND CHARGE GOVERNMENT FOR USE OF ITS OWN CREDIT—NO MORE TAX-EXEMPT INTEREST-BEARING SECURITIES SHOULD BE ISSUED—WILL SPECIAL-PRIVILEGED FEW INVEIGLE THIS COUNTRY INTO WAR TO DISTRACT ATTENTION FROM MONETARY REFORMS?

Mr. PATMAN. Mr. Speaker, one of the greatest problems we have in this country today is the evasion of taxes through the ownership of tax-exempt securities. Today there are in existence in this country, tax-exempt securities amounting to $50,500,000,000. Approximately $30,000,000,000 of these securities have been issued by the Federal Government and the remainder by the States, counties, cities, and political subdivisions. The holders of these securities not only do not pay a tax on their capital investment, they do not pay a tax on the income from their investments in these tax-exempt securities.

THE CLASS OWNING WEALTH ESCAPES TAXATION; OTHER PEOPLE PAY TAXES ON WHAT THEY OWN AND CONSUME

The reason a taxation bill cannot reach the really wealthy people of this country today, those who are the most able to pay, those who have the ability to pay, those who could pay with the least inconvenience and without depriving themselves and their families of a single comfort or luxury of life, have their money invested in these securities from which they collect interest annually and pay no tax whatsoever. It has almost reached the point that we have two classes in this country:

First. The class that owns the wealth and pays no taxes toward the support of the Federal, State, county, or city governments, and gets the protection of our laws, the use of the great improvements that have been made through the issuance of tax-exempt securities, the use of the educational institutions of our country, and all other rights and privileges that our country affords without paying any tax whatsoever on the tax-exempt securities that they hold.

Second. The other class is composed of those who do not own much of the country's wealth. In this class you will find those, however, who produce the country's wealth. They build the country in time of peace and save the country in time of war. They pay taxes on what they owe, not upon what they own, either through ad valorem taxes on the real and personal property they owe for or through different forms of sales taxes and other special taxes.

The time is rapidly approaching when we cannot continue to permit the wealthy of this country to escape taxation like they are without levying a sales tax or a similar form of obnoxious taxes to take the place of revenue that should be paid by those who have the ability to pay and do not pay.

THE REASONS FOR PREVENTING ISSUANCE OF MORE TAX-EXEMPT SECURITIES

The former Secretary of the Treasury, Andrew W. Mellon, and those who shared his views, advocate a constitutional amendment to prevent the issuance of more tax-exempt interest-bearing securities for one reason, and I advocate it for an entirely different reason. The reason I advocate preventing the issuance of more tax-exempt securities is because I think it will force the issuance of Government currency and Government credit that will be noninterest-bearing. In other words, I think it will force the issuance of currency instead of bonds. If I did not think so, I would be opposed to preventing their further issuance.

Others, however, including the Mellonites, probably advocate the prevention of the further issuance of these securities for the following reasons:

First. It would greatly increase and probably double the value of all outstanding tax-exempt securities at this time. Many of these securities are payable 20 years in the future. There is no way to compel their retirement until called for. The holders are amply protected by decisions of the Supreme Court, and they are in a storm cellar with all modern conveniences.

Second. If these securities were taxed, they would be taxed where the owner resides. The owners of most of these securities reside in New York City, Boston, Chicago, and a few other places. If a country school district should issue bonds to build a schoolhouse and they were not tax exempt, they would probably have to pay an interest rate about 2 percent higher than they would on a tax-exempt bond. This 2 percent would be paid by the holder of the bond in New York City as taxes to the city, county, and State governments. The large cities where the holders of these securities reside, and even the States in which these cities are located, would probably be able to collect plenty of revenue from the tax on these securities to support their different governments and repeal their other forms of taxation on their local citizens. This would be a happy situation for a few cities in this country and the States in which they are located, but the situation would not be desirable from the standpoint of the other sections of the country.

MORE NONTAXABLE BONDS ISSUED DAILY

The Government is issuing more tax-exempt securities every day. The States, counties, and cities are issuing more tax-exempt securities every day. Wealth is rapidly leaving the channels of production and trade where it pays its fair share of the burdens of the Government, and is going into these tax-exempt interest-bearing securities. This situation cannot continue indefinitely and our country survive. It is certainly wrong for the people who own the wealth to escape taxes and compel those who produce the wealth to pay taxes on what they owe and what they consume in order to support our Governments.

PEOPLE SAVED $11,000,000,000 INTEREST ON SO-CALLED "GREENBACKS"

I read the hearings on the Goldsborough bill, and I noticed a statement put in there by Mr. Robert Harriss in regard to the United States notes that are outstanding.

In 1862 there was issued by this Government between four and five hundred million dollars of United States notes. Not a penny of gold was behind these notes. The credit of the Nation was behind the notes. This was during the War between the States, and when General Early, of Southern Confederacy fame, was about to take Washington and the Union was about to fall, these notes depreciated in value down to about 35 cents on the dollar. They only had the credit of the Government behind them; but when the Union was successful, these notes came back 100 cents on the dollar. The Government did put some gold behind them, but that was not the reason they came back 100 percent. It was because the credit of the Nation was restored. They have remained 100 percent ever since. This money is in circulation today—$346,000,000 of it. The people have been saved more than $11,000,000,000 of interest on that money on the basis of 5 percent, as this table, introduced by Mr. Harriss discloses. If the people can save $11,000,000,000 in interest from 1862 to now on $346,000,000, how much will the people be able to pay and how much will they be required to pay on this $30,000,000,000 debt we have? This is a question we must consider.

POOR PEOPLE CANNOT CONVENIENTLY PAY PRESENT DEBT

Our present Federal debt is about $30,000,000,000. Let us consider for a moment what the Nation's probable debt will be 30 years from now and 60 years from now. A Government expert, at the request of Mr. Robert M. Harriss, of New York City and Dallas, Tex., has compiled the information based upon the Government's debt of November 30, 1934, when it was $26,760,967,700. The compound interest at 3 percent on this sum to 1965 is $38,194,924,859.09, making the debt for this date, 1965, $64,955,892,559.09. The compound interest on the same amount of debt to 1995 is $130,904,032,560.32, making a total of $157,665,000,260.32. The average rate of interest paid by the Government is 3.18 percent.

PARASITES AND BLOOD SUCKERS

Our Government is responsible for making parasites out of the holders of these securities. Congress has caused this class of parasites to be created, and Congress should be held responsible for these blood suckers.

DEMOCRATIC PLATFORM OF 1912

In 1912 the people of this country were aroused because of the concentration of wealth—the unequal distribution of wealth. It was written into the Democratic platform of 1912 at Baltimore, referring to our country's condition.

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

We favor the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including, among others, the prevention of holding companies, of interlocking directors, of stock watering, of discrimination in price, and the control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions.

The platform further stated that the people needed—

Protection from control or dominion by what is known as the "Money Trust"; banks exist for the accommodation of the public and not for the control of business.

PEOPLE'S MINDS DIVERTED

These liberal provisions were carried forward in the Democratic platform of 1916. President Woodrow Wilson advocated these provisions and would have carried this platform and policies into effect, which would have destroyed many of the special privileges that we are having to deal with today, had it not been for the fact that we were forced into a war with Germany and the attention of the people immediately diverted from necessary monetary and economic reforms to winning the war.

PEOPLE NO LONGER FOOLED ON MONEY

The people of this country are again aroused like they were in 1912 and like they were in 1916. They are no longer fooled by the poll-parrot satellites of Wall Street who scream out "fiat money", "printing-press money", "baloney dollars", and similar catch phrases that are coined for the purpose of condemning good causes in the absence of logic and reason to support their arguments. The people of this country realize it is an idiotic and imbecile system for the United States Government to issue a $1,000 bond that is interest bearing and tax exempt; sell that bond to a private banker and then permit the private banker to deposit the same bond with the same Government he purchased it from and receive new money in return for it and continue to collect interest on the Government bond. Thomas A. Edison was right when he said that any Government that can issue a dollar bond that is good can issue a dollar bill that is just as good. No one can possibly contend that currency is any more inflationary than bonds. The only difference is the people through their Government pay interest on the bond and do not have to pay interest on the currency.

WILL WAR BE USED TO AGAIN DIVERT MINDS OF PEOPLE?

Since the people of this country are determined to rid the privileged few of their monopolistic rights and the free use of the Government's credit and other special privileges which will release the grip of Wall Street on the people, I wonder if there will be an effort to involve us in a war in order that the people's minds might again be diverted and these necessary reforms postponed for another generation?

THE OWNERS OF A BILLION-DOLLAR FRANCHISE

There are 12 Federal Reserve bank districts in the United States, the Nation being divided up into 12 areas, with one Federal Reserve bank in each area. These banks are located in Boston, Mass.; New York, N. Y; Philadelphia, Pa.; Cleveland, Ohio; Chicago, Ill.; St. Louis, Mo.; Richmond, Va.; Atlanta, Ga.; Minneapolis, Minn.; Kansas City, Kans.; Dallas, Tex.; San Francisco, Calif. They are not the same banks or the same system created in 1913. So-called "perfecting amendments" have diverted these banks from the course intended when Congress created them.

All the national banks in the area served by the Dallas (Tex.) Federal Reserve Bank belong to the Federal Reserve Banking System. Many State banks belong to the System, but up to date they have not been compelled to join. The same situation exists in other areas. The stock in each Federal Reserve bank is owned by the bankers that are members of the System in that area. The Government of the United States does not own one penny of the stock. It is all owned by private corporations, private banks that are owned by their stockholders.

Most of the money that is in circulation today, paper currency, greenbacks, or whatever you want to call it, is Federal Reserve notes. If all the people of this country knew how these Federal Reserve notes get into circulation and how the private bankers of the country use the Government's credit free, I doubt that they would enjoy the privilege very much longer. It is certainly wrong to allow a few the use of the Government's credit free and charge the other people for its use.

PRIVATELY OWNED BANKS ISSUE BLANKET MORTGAGES ON PEOPLE'S PROPERTY AND INCOME

All transactions of the Federal Reserve banks are tax-exempt. All the profits made by a Federal Reserve bank go into the surplus fund of that bank, and not one penny of its profits go into the Treasury of the United States or taxes in any way. If the Dallas, Tex., bank needs a million dollars in new currency, the order is given to the Director of the Bureau of Engraving and Printing in Washington, D. C., where 4 tons of paper money is printed each day.

Who gives this order? The Federal Reserve agent, who is also chairman of the Board. The chairman of the Board is directly responsible to the president of the Dallas bank, who is elected by private bankers.

What does he offer as security for this money? He places in the bank vault at Dallas, Tex., either Government securities or paper of private banks equal to the amount of the money ordered printed. These deposited securities or bank paper are collateral for the issuance of the money, and they are kept in the possession of the private banker's representative, who orders and obtains the million dollars in new money.

Who agrees to pay each one of these bills that is printed for this bank? If you will notice a Federal Reserve note, it says: "The United States of America will pay to the bearer on demand $—." You will also find on the note or new bill the signature of the Treasurer of the United States and the signature of the Secretary of the Treasury of the United States. Therefore this blanket mortgage upon all the property of all the people of this Nation and this lien upon the income of all the people in this country is issued for the use of the private bankers without any charge whatsoever except the cost of printing, which is about 27 cents a thousand dollars.

EAT THEIR CAKE AND KEEP IT

The 12 Federal Reserve banks now own about $3,000,000,000 of Government securities. These securities were purchased with the Government credit—a blanket mortgage that I have described. Ordinarily you would think that when a Government security is purchased by Government credit that the interest would cease to run against the Government on the obligation purchased, but in this case the Federal Reserve banks continue to collect interest on the obligations so purchased. The situation is analogous to that of one who owes a mortgage on his home for $10,000, giving a neighbor $10,000 to pay the mortgage holder, the neighbor paying the mortgage holder $10,000 and having the mortgage transferred to him, the neighbor, who holds it and continues to charge the home owner interest on the mortgage that he has liquidated. If the home owner continues to pay interest on the mortgage that he has furnished the money to pay he is acting as foolish as the Government.

GOVERNMENT OWNS ENORMOUS GOLD RESERVE

Under present laws, the Government owns nine and a quarter billion dollars in gold. The title to this gold is in the Government. None of it belongs to the banks or to the people. This is sufficient gold for the Government to issue

its credit to the extent of $24,125,000,000, based upon a 40-percent gold reserve. We have five and one-half billion dollars of money in circulation and the Government is paying the Federal Reserve banks an annual bonus to keep a large part of this amount in circulation. No country has ever required more than a 40-percent gold base as coverage for its currency, and very few countries have ever had that much. It occurs to me as unsound for the Government to continue to issue tax-exempt interest-bearing bonds when it has ample gold that may be used as sufficient base for the issuance of approximately $20,000,000,000 more in money or credit.

GOVERNMENT SHOULD CHANGE IDIOTIC SYSTEM

The private banks owning the stock in the Federal Reserve banking system have an investment of $146,000,000. It is the Government's credit, and not this small investment that enables these banks to transact hundreds of billions of dollars worth of business annually. The Government should do the following:

First. The Federal Reserve banks should be taken over by the Government and operated in the interest of all the people, banks, industry, agriculture, and commerce.

Second. No private corporation or corporation owned by private corporations should have the right to issue money.

Third. The Government should issue currency when in need of money instead of tax-exempt interest-bearing bonds.

Fourth. Very few of the bankers of the country, even the real good ones, have ever studied or thought anything about this monetary problem.

Fifth. A billion dollars a year can be used by the Government to a better advantage than paying it as interest on Government bonds that may be used as a basis for the issuance of currency.

Sixth. Direct credits should receive the thoughtful consideration of the people.

Seventh. Opposition to any progressive proposal may be expected from those who will be deprived of special privileges, the die-hard, orthodox, hard-money advocates, and the poll-parrot satellites of Wall Street who only repeat what others say and never think for themselves.

Eighth. We need and must have more money as a circulating medium, but we should not issue more Government bonds in order to get it.

Ninth. The Government, through the ownership of the Federal Reserve banks, can gradually but eventually retire every outstanding dollar's worth of Government securities and save the Government a billion dollars a year in interest.

Tenth. The Government, through the use of these great facilities, can refinance the obligations of States, counties, cities, and political subdivisions by using the people's credit—the Government's credit—at a rate of interest not exceeding one-half of 1 percent. This rate of interest will protect the Government against loss and save the people who are obliged to pay these obligations from one-half billion to a billion dollars a year in interest charges alone, which will result in reducing the tax burden on property in many communities as much as 50 percent.

Eleventh. The Government, through the Government-owned Federal Reserve Banking System, could safely make loans to States, counties, cities, townships, and school districts and educational institutions for public improvement and education based upon adequate and sound security at one-half of 1-percent interest.

NO CHANCE OF INFLATION

This change in our banking laws and governmental system can be made without undue expansion of the currency and without the possibility of inflation by making the changes gradually instead of rapidly and by changing the reserve requirements of banks at the same time. In other words, under the present law a bank can issue $10 in credit to every $1 in money. As the Government pays money into circulation for services or in payment of Government obligations, the reserve requirement can be raised to where a bank cannot issue more than $5 to every one and then $3 to every one, until finally the bank will only be permitted to extend loans to the actual amount of money in its possession, which will cause a 100-percent reserve requirement.

POWER OF MONEY TRUST OVER CONGRESS

The power of the Money Trust over Congress seems to be irresistible, we are told; I think the indifference of Congress is the cause. In either case, Congress is to be blamed for the present Money Trust. The reforms I advocate have been attempted time and again. No person can possibly defend the idiotic system that the Government has in effect at this time of issuing and distributing money for the benefit of a privileged few. As the hidden nests of corruption are disclosed, the people's minds are always distracted in some way to prevent the proper reforms being made.

THE MORGAN OVERDRAFT

Before America entered the war J. P. Morgan's banking house was financing Great Britain in the war against Germany. Mr. Morgan would sell England's bonds to American people and purchase goods and supplies and send them to England in return for her bonds. Just before America entered the war, however, Mr. Morgan had furnished England $400,000,000 more in credit than he was able to sell England's bonds to cover. This was known as the "Morgan overdraft", and was discussed in official communications between the United States and England. A clamour for war was commenced on the eastern sea coast; the few who first desired war probably would never have sold this country on the theory that we should have entered the war had it not been for their tremendous power through the indirect and direct means of control over the newspapers and other means of communication in this country. However, with these great powers and privileges, and through the use of all sorts of propaganda, the people of this country were led to believe that they should enter the World War. The first $400,000,000 of the First Liberty Loan was loaned to England to pay Mr. Morgan. The House of Morgan was saved but we were in a war.

GOVERNMENT FARMED OUT GREAT PRIVILEGE TO PRIVATE BANKS

It is in the interest of Wall Street to prevent the issuance of Government money, if it is possible for them to do so. It is stepping on the toes of the big bankers and is a step in the direction of Congress doing what they have succeeded in preventing Congress doing; that is, coining money and regulating the value thereof as required by the Constitution of the United States. This great privilege of issuing money has been farmed out to them by our Government, and they do not want anything done that will be in the direction of denying them this great privilege that is worth billions of dollars and is probably the greatest racket on earth.

BONUS TO BIG BANKERS

Our Government is paying almost a billion dollars a year interest on its own credit to holders of Government securities. It is not right for the people to be compelled to pay a penny of this amount. If our Government were to borrow money from a foreign country or a foreign bank, it would be right for our Government to pay interest on the amount borrowed, or if our Government should borrow gold from our own citizens to use in international trade to promote the interest of our country, our Government should pay our citizens interest for the use of that gold.

Today, however, our Government does not borrow money from a foreign country or a foreign bank, neither is it borrowing gold from its own citizens; therefore, it should not be compelled to pay tribute, interest, bonus, or gratuity to a few big bankers for the privilege of using its own credit. That is exactly what our Government is doing. It is an imbecile and idiotic system that has grown up over a period of years that cannot be charged directly to any one political party or any one individual. The people have discovered this idiotic system. They have finally gotten the truth. The ones who enjoy these special privileges are making every effort to becloud the issue, deceive and mislead the people with red herrings, and all kinds of propaganda and downright falsehoods disseminated by their hired hands, puppets, and easily misled citizens.

CONSTITUTION ADVOCATES SILENT ON ONE PARAGRAPH

Article 1, section 8, paragraph 5, of the Constitution of the United States says that it is the duty of Congress to issue money and regulate the value thereof. Most of our Constitution advocates never refer to this particular section of the Constitution. If Congress should do what this section provides, most of our economic troubles would be solved. Why does the American Liberty (bond) League remain silent on this paragraph of the Constitution? It has much to say about the Constitution, but nothing about this particular paragraph. Why do all the newspapers and hirelings of Wall Street that have so much to say about Congress violating the Constitution in different ways never accuse Congress of failing to carry out this particular paragraph of the Constitution? If that paragraph is complied with by Congress the depression will be over, and all temporary expedients may be immediately repealed and there will be no doles, bread lines, or made-work relief.

WHAT IS MONEY?

One great economist defined money to be "that which passes freely from hand to hand throughout the community in payment for goods and in full discharge of debts, being accepted without reference to the character or credit of the person offering it, and without the intention of the person who receives it to consume it otherwise than in tendering it to others."

Suppose we did not have money. If you had wheat to spare and needed shoes, possibly you could trade the wheat for the shoes, but not likely; you would probably have to trade the wheat for hides and then trade the hides for shoes. This would be very inconvenient. It is much better that we have something called money that has a definite value measured in all commodities in order that anything may be exchanged for money and money may be exchanged for anything. Money is a standard or common denominator of value. Money itself is of no value; it is a simple tool desired for the purpose of making exchanges. Money is no mysterious thing, no mystic principles veil or obscure it; it is a tool for making exchanges, just as a hammer is a tool for driving nails.

SCRIP USED IN A THOUSAND CITIES

Different commodities have been used as money; knives were formerly used as money in China; tobacco served the same function in Virginia; some other commodities that have served this function are wheat, bark, cattle, iron, and shells. The Department of Commerce recently made a survey and discovered because of a necessity of money over a thousand cities and groups are using scrip and barter for money; it was acceptable to the people at these places in the absence of a sufficient medium of exchange.

HOT CHECK USED AS MONEY

Down at Farmersville, Tex., not so long ago, a customer bought a dollar's worth of goods from a merchant. He gave a dollar check in exchange for the goods. The check was endorsed by the merchant and transferred to 19 other people. When it reached the bank it had 20 endorsements on it, and the banker very promptly told the one presenting the check at the window that the maker did not have sufficient funds to cover that dollar check. Well, instead of each endorser going back on the other endorsers and collecting the dollar and letting those $20 in debts remain unpaid, the 20 endorsers got together, each contributed 5 cents apiece and deposited it to the credit of the man who gave the check. The check was promptly paid, and the $20 worth of debts were paid 95 cents on the dollar.

In this crisis it seems like people are using wooden money and hot checks to good advantage when they cannot have a sufficient medium of exchange furnished to them by their Government to do business with.

STABLE MONEY

It is desirable that we have a stable dollar. Our farmers borrowed money by voting upon themselves road, school, and other improvement bonds when wheat was worth $1.50 a bushel and cotton was worth 20 cents a pound. Later they were called upon to pay these debts when wheat was 40 cents a bushel and cotton 5 cents a pound. This resulted in the payment of $4, in what the farmer had to pay with, to every $1 borrowed; instead of being called upon to pay the 6- or 10-percent interest they contracted to pay, they were called upon to pay the equivalent or 24- or 40-percent interest in what they had to pay with.

SUPPLY AND DEMAND OF MONEY

Do not be misled into believing that supply and demand of a commodity is the sole controlling factor in determining the price of the commodity. Just as much depends on the supply and demand of money and credit. If our cotton and wheat farmers produce only one-fourth of a normal crop this year and money and credit are made scarce, high, and dear, cotton and wheat will be cheap.

Since the supply and demand of money, which includes credit, controls the price of all labor, services, and commodities, our Government should be careful about who controls this great privilege. The people are entitled to have someone in charge of that great lever that expands or contracts money and credit at will who has their general welfare at heart; no one should have charge of this lever who can manipulate it in a way to make profit for themselves to the detriment of the general welfare. What chance has a producer or wage earner of this Nation to earn a decent livelihood for himself and family if the value of his products or labor is fixed by someone who has in mind making a profit for himself?

CONSTITUTIONAL MANDATE

The framers of the United States Constitution in article 1, section 8, very wisely said:

Congress shall have the power to coin money and regulate the value thereof.

This provision of the Constitution is mandatory. All Members of Congress are sworn to uphold the Constitution. Why has this provision never been carried out? The answer is simple. In the early days of our national existence the people were deceived into believing that the subject of money was so mysterious and intricate that only a few of the financiers understood the subject, and therefore the great privilege of issuing and distributing money should be farmed out to them. This was done and it has never been changed, except to give them more power and authority. The strange part of it all is that the ones who are the beneficiaries of this great privilege are not even charged with the duty of furnishing the people a sufficient circulating medium.

FIAT-MONEY PARROTS

Do not blame the bankers for this. They are not to blame; they are doing what Congress has permitted them to do; Congress should be held responsible. However, when Congress seriously considers printing sufficient money to carry out this constitutional mandate the holders of this great privilege and their satellites repeat like parrots such phrases as "printing-press money", "rag money", "fiat money", "baloney money", and "greenbacks." They do not tell you that it is the same kind of money that is printed for them and that it will be backed by the same security which is the credit of this Nation. Let me make a prediction. The people are getting wise to such false, selfish, and greedy propaganda, and will, before very long, compel their Congress to change our idiotic monetary system by complying with the Constitution. I will admit, it takes a long time to sell the people of this Nation a good proposal.

GERMANY'S INFLATION

The inflation in Germany is cited as evidence of what will likely happen here if the power to issue money is taken away from private corporations and restored to Congress. The German situation is not in point at all. In Germany the people owed more debts than they could pay. They could not cancel the debts, but they could print more money to pay them with. In fact, that country deliberately printed money until it was worthless, so their people could use the money to pay their debts with and get out of debt. They accomplished their desires.

OUR AIM

We do not desire to and will not destroy our monetary system, but we do want the people to be allowed the privilege of paying their debts in dollars that are worth approximately what they were worth when borrowed, and to restore to Congress its constitutional duty to coin money and regulate its value.

MODERN, UP-TO-DATE PRINTING PLANT

Here in Washington City the Government owns and operates a modern, up-to-date printing plant for the purpose of printing paper money and Government securities. It is the Bureau of Engraving and Printing, employs 5,500 people, and at one time got behind with its money printing until it had to be operated 24 hours a day. The question is, Who gets this paper money; how do they get it; and who benefits by its issuance?

THE GREAT MONOPOLY WORTH BILLIONS OF DOLLARS

There are 12 Federal Reserve banks in the Nation; they are not the same banks or same system created in 1913. The law has been completely changed, so-called "perfecting" amendments have diverted these banks from the course intended by Congress in 1913. They are owned by the member banks—private corporations—which are in turn owned by individuals. The Government does not own one penny of stock in these institutions, neither does it at this time get one penny of profit from their operations, although they use the credit of the Nation free, are exempt from all taxes, except upon their real estate, and are given the greatest privilege that any institution on earth has ever had—a franchise that is worth billions of dollars.

POWER TO ISSUE BLANKET MORTGAGES

These banks have the right to issue paper money that our Government prints for them at their request; they do pay about 27 cents for printing every thousand dollars worth of bills. I will read from one side of one of these bills:

Federal Reserve note. The United States of America will pay to bearer on demand $5.

On the other side is the picture of the United States Treasury and the words, "United States of America, $5."

You will notice that the Government of the United States agrees to redeem this note that is issued by an institution that is owned solely by private corporations. The Government's agreement carries with it a blanket mortgage on all the homes, other property, and the incomes of all the people of this Nation.

ZERO RATE OF INTEREST

Do such banks pay for the privilege of issuing these blanket mortgages on the property and incomes of the people? The answer is no. The Federal Reserve act, section 16, provides that they shall pay an interest charge that may be fixed by the Federal Reserve Board. The Board fixed the rate at zero. Therefore these 12 banks have used the people's credit up to the amount of $60,000,000,000 dollars a year turnover for 20 years for the zero rate of interest. If they had paid a reasonable rate of interest, the Government would have collected hundreds of millions of dollars.

Practically all the money we have in circulation today is money issued by these banks. They use the Nation's credit free to issue it, but someone is paying interest on it every day it is outstanding. The only way the people can expand their currency under this system is to go into debt deeper and pay more interest. The people owe $203,000,000,000 in debts now. During the year 1932 the national income was $40,000,000,000; that year, when we had less than $5,000,000,000 in circulation, the people paid $10,000,000,000 in interest charges alone.

PEOPLE SHOULD GET MONEY MINDED

I hope the people get money minded, money conscious. Look at the paper money in your possession and do not stop investigating until you know all about why, how, and for whose benefit it was issued. It is the one big problem; when it is solved most of all our other problems will sink into insignificance. Congress is the branch of government charged by the Constitution with solving it or with submitting to the Executive proposals to that end.

TAKE THE GOVERNMENT OUT OF PRIVATE BUSINESS AND TAKE PRIVATE CORPORATIONS OUT OF THE GOVERNMENT'S BUSINESS

Our Government, under the leadership of a great President, is making a determined effort to restore prosperity to the people. Much has been done toward helping wage earners, laborers, farmers, home owners, business, industry, and commerce. Debts have been scaled down, extended, and interest charges have been reduced. It is almost inconceivable that we can continue this start on the road to recovery without the Government having control over its own media of exchange. The issuance and distribution of money is a governmental function. It never should have been farmed out to private corporations; since it has been, the Congress should immediately reassume this great privilege and exercise it in the interest of the people. Our slogan should be: "Get the Government out of private business and get private corporations out of the Government's business." The first step should be for the Government to take over the 12 Federal Reserve banks and coordinate their activities with the Reconstruction Finance Corporation; then the Government's credit can be used for all banks—National, State, or private—all business, all agriculture, all commerce, and all people. Interest rates can be substantially reduced and the Government can obtain considerable revenue by charging a small sum for the use of its credit; all governmental financing can be handled through the new set-up without charging the Government interest which will eliminate the necessity for the issuance by the Government of another tax-exempt interest-bearing bond, or to increase taxes.

NEED FOR ADDITIONAL MONEY

Is there a need for additional money? During the last year there has been a shrinkage of actual currency in circulation of $1,600,000,000. There has been a contraction of commercial checking deposits of $20,000,000,000 since the depression began. Ex-Senator Robert L. Owen, framer of the Federal Reserve Act and one of the best-informed men in the world on our monetary problems, has pointed out that the effect of this contraction has been to destroy the value of property in terms of money and to give money a very extraordinary value in terms of property. The banks apparently are unable or unwilling to expand these deposits by loans and thus restore the volume of credit which we previously had, in whole or even in substantial part. The Government alone can expand the currency money to replace the check money contracted. In 1929 money was turning over or was being used in exchange at an average rate of 22 times a year; it is now turning over 11 times a year. The contraction of money and credit, together with the slow turnover, has reduced the business of the country more than $800,000,000,000 the last year. That situation can be cured by Congress doing what the Constitution says it should do, "coin money and regulate the value thereof."

CURRENCY INSTEAD OF BONDS

A few years ago Mr. Thomas A. Edison was inspecting Muscle Shoals. He remarked that the Government should operate that great project in the interest of the people. He was asked if he favored the Government borrowing the $30,000,000 necessary to make repairs. His answer substantially was: "No; why should the Government borrow its own credit? If it issues tax-exempt interest-bearing bonds and sells the bonds to Wall Street bankers to get the money, by the time the bonds are paid the bankers will have collected as much in interest as the Government received on the bonds. In other words, the bankers who will not furnish an ounce of material or a lick of labor will get as much out of it as the men who do the work and furnish the material." Mr. Edison also said at the same time: "Any government that can issue a dollar bond, interest bearing, that is good can issue a dollar bill, noninterest bearing, that is good; the only difference is the bill is easier to redeem because it does not draw interest." No one can answer Mr. Edison's argument.

HOW MUCH MONEY CAN THE GOVERNMENT ISSUE?

The Government has outstanding today about $30,000,000,000 in bonds and securities. Others are to be issued soon.

The interest this year to be paid by the Government will amount to almost one thousand million dollars. A program should be considered now that will call for the gradual retirement of all Government bonds upon maturity or when callable with new currency and issue no more of such obligations. It will be a simple process. We will merely substitute one form of Government obligation for another form of Government obligation. The stock argument against this is that every dollar issued will go into the banks and upon each dollar as a base the banks may issue 10 credit dollars, which will cause undue expansion of the currency. That is true, but the argument may be destroyed completely by changing the law allowing the banks to use 1 dollar to issue 10; as the actual money is increased, require the banks to use a larger reserve or prevent them from lending money they do not have if the facts and circumstances should warrant. Many people who are against issuing a few billion dollars in money are highly in favor of the banks issuing the same amount in credit, claiming it will serve the same purpose. It will serve the same purpose, but an enormous amount of interest would have to be paid on the credit that would not have to be paid on the money, and besides the banks could call in the credit, deflate values, and destroy prices as they did in 1920. They could not control the actual money in that manner; therefore, they are against it.

HOW WILL THE MONEY BE REDEEMED?

The Treasury has sufficient gold to be used as a reserve for the retirement of a large part of this money if a gold base is desired. Silver may also be used. We have and can obtain plenty of it for that purpose, and at the same time help our export trade. Neither gold nor silver is absolutely necessary, as the money issued will be good for the payment of all debts, taxes, and import duties, although from an international-trade standpoint it may be desirable to use silver and gold. It will be redeemable in services rendered by the post offices; in payment of all kinds of taxes, including income and excise; in payment of all debts, including debts due the Reconstruction Finance Corporation. We will be using cash instead of interest-bearing credit as a medium of exchange. Money will go into channels of trade and production, instead of into tax-exempt interest-bearing bonds.

WILL WAGE EARNER BE INJURED?

It is contended that if more money is issued the dollar will become cheaper, which will be harmful to the farmers and those who live on fixed incomes. We can get on a currency basis, instead of a credit basis, without changing the purchasing power of the dollar, but most of us who advocate issuing more money really desire the return of what may be termed a cheaper dollar. As the dollar becomes cheaper real estate, common stocks, cotton, wheat, raw materials, labor, and all goods and services upon which there is no fixed price increase in value. This will enable the ones in these groups to have additional purchasing power.

Let us see how much it will affect the wage earner who receives one of these so-called "cheaper" dollars. He can use it to pay 100 cents on his debts, taxes, insurance, rent, electricity, gas, water, telephone, railroad freight, and passenger rates, and all other bills, goods, and services upon which there is a fixed and inflexible price. Any adjustment will be in favor of additional purchasing power, which will be in the direction of additional consumption of goods. The factory employee will probably pay a little more for eggs which will enable the farmer to buy more of what his factory produces. It will be better for the wage earner to receive a dollar that will not purchase so much in certain commodities than not to have a job which will enable him to earn a dollar. I much prefer to bring purchasing power up to the point where our surplus may be consumed rather than force production down to a very limited buying power.

PART OF PRESS SUBSIDIZED

We cannot overlook the power of that part of the press that is controlled by selfish, greedy interests. Many newspapers are at the mercy of the powerful few who control the finances of this Nation. They print what they are told to print. If they do not, they will find themselves in the position of one large newspaper in a great city not so long ago. It failed to get the eight pages of advertising on a certain day in the week that it had always gotten. The advertiser had told the newspaper editor to change his policy in which he opposed a certain candidate for office, and he refused. Later this policy was changed, and the advertising was resumed.

Less than 6 months ago in this country, the land of the free and the home of the brave, a newspaper chain that reaches forty or fifty million people every day, was compelled to change its policy in regard to monetary reform, and one of the greatest and most popular columnists, whose views are sound from the standpoint of the people, was put in the dog house so far as this monetary issue is concerned.

I am wondering what the outcome will be. The power of the great means of communication is unlimited, and with this power against you it takes a long time to sell a good cause to the American people.

MORE MONEY NEEDED

A sufficient medium of exchange is very much needed. In 1929, bank clearings in New York City aggregated $500,000,000,000; in 1933, only $157,000,000,000.

Chicago reduced from $36,000,000,000 in 1929 to $9,000,000,000 in 1933. San Francisco, from $11,000,000,000 in 1929 to $4,000,000,000 in 1933. In Detroit, a reduction of from $11,500,000,000 in 1929 to $2,000,000,000 in 1933.

From 1926 to 1929, the demand deposits in banks subject to check averaged $21,000,000,000. In 1933 and 1934 the average was $14,000,000,000. The banks deliberately canceled and destroyed $7,000,000,000 of our circulating medium.

Now, many of us are called radicals and fools because we want to restore $2,000,000,000 of that circulating medium that the banks have destroyed. The same people who criticize us say it is all right for the banks to put credit into circulation, but they don't want the Government to put money into circulation instead.

PROTECT THE FINE JERSEY COW

In other words, they are like the farmer who was purchasing medicine at the drug store. The pharmacist was wrapping up the two bottles, which had been filled in accordance with two prescriptions. The farmer said, "Mark plain them bottles, which is for the wife and which is for the cow. I sure don't want anything to happen to that fine Jersey cow."

Our critics say, "Be careful about who puts the money into circulation. We don't want anything to happen to the great and powerful privilege that a few banks now have to use the credit of the Nation freely."

Although the money that people have to pay with has considerably decreased, and the purchasing power of the dollar has gone up considerably, property values have been destroyed.

TAKE HAND OF GREED FROM THROATS OF PEOPLE

There is only one way to take this impossible and unfair burden off the American people, ourselves, and our children, and that is to take from the throats of the American people the hand of privilege and greed.

WORLD'S GREATEST RACKET

The world's greatest racket is the abuse of the United States Government's credit in the interest of a few.

A TRIBUTE TO CONGRESSMAN AT LARGE CHARLES V. TRUAX OF OHIO

Mr. YOUNG. Mr. Speaker, Members of this Congress who knew Charlie Truax as a colleague and friend often heard of "the little town of Sycamore in Ohio." Our colleague and friend has made his last trip home. I stood at his grave in the cemetery close to his "little town of Sycamore in Ohio." He was my personal and political friend. On the afternoon that he died I talked with him on the floor of the House of Representatives.

I was sitting beside him when he arose and made his last address in this forum. Characteristic of him, the last speech he made on the floor of the House of Representatives was in behalf of the farmers. The first speech he made as a Congressman was in behalf of the farmers. That first speech was made very shortly after he and I came to the

Congress in March 1933 as Congressmen at large representing Ohio. His last utterance was:

Does not the gentleman believe that it does not make any difference how high the cost of hogs goes, nor how high the cost of cattle goes, when a particular farmer loses his farm he is out for the balance of his life? There are a half million going to lose their farms because of the refusal of this Congress to enact the Frazier-Lemke bill.

Congressman at Large Charles V. Truax was a conscientious Congressman. He was able, fearless, energetic, and most industrious. He faithfully represented in an outstanding manner the principles he believed in. I liked him a lot personally. He and I were political companions on the stump in Ohio on many occasions. It was a shock that he should be stricken down at the height of his power and in the fullness of his strength. But an hour or so before he died I sat beside him discussing pending bills, also a fishing trip he hoped to make and felt he could not because of the press of congressional business.

No Member of the House of Representatives worked harder than he. During the weary days that the first session of the Seventy-fourth Congress dragged on he had no complaint to make. He knew that his duty was here in Washington representing a constituency 25 times larger than the constituency represented by district representatives. He took no vacation whatever. He gave all pending legislative measures careful consideration.

Charlie Truax had a quick mind, a keen intellect, a sense of humor that was a great asset, and, in addition, he was an orator of note. He was fearless in expressing his views. He was loyal to his friends and to his constituency. He was a champion of the cause of the farmers and veterans and of the underprivileged. Those who served with him in the Seventy-third and Seventy-fourth Congresses will not forget him.

The facts are he really wore himself out serving his constituency and the country. This grueling session of the Congress and the tremendous amount of work piled on him as a representative of nearly 7,000,000 people directly caused his death. Had Congress adjourned prior to these last blistering weeks I am confident that he would be alive today and looking forward to the great political future that his friends believed was his.

Charles V. Truax will struggle no longer in the arena of public life. His voice will be heard no more on the hustings back in the State he loved and served. He will answer no more roll calls here. He has answered the last roll call. Ohio and the Nation have lost a faithful public official. Our sympathy goes out to his fine wife and children.

IMPROVEMENT ON THE TOMBIGBEE

Mr. RANKIN. Mr. Speaker, this item of $109,000 to be expended in improving the Tombigbee River in Itawamba County, Miss., is one of the most meritorious provisions of this bill. The Tombigbee is a navigable stream, and, in former days, it was a great highway of commerce for that section of the country. In recent years, it has been neglected and has become clogged with logs and debris to such an extent as to produce frequent destructive overflows.

When a flood comes on the Mississippi River, the Missouri, or the St. Francis, or any of the other large streams of the country, it is always given conspicuous display in the newspapers, while the disastrous floods on the Tombigbee are seldom mentioned. It is estimated that 25,000 acres of splendid farming land was inundated by the Tombigbee in Itawamba County alone last year. These floods can be prevented, and they should be prevented. If we would spend as much money on the Tombigbee in proportion to its importance, as we spend on the Mississippi River and its tributaries, the people along the Tombigbee would be saved from the effects of these destructive floods.

In recent years, the landowners along the tributaries of the Tombigbee have floated bonds and constructed drainage canals, in order to reclaim the fertile lands along those tributaries. But the filling up of the Tombigbee with logs and debris has also clogged the mouths of these drainage canals, and backed the water up on these farmers damaging, if not destroying, thousands of acres of the richest farming lands in the South.

While this $109,000 will be inadequate to do the work, still it will go a long way toward relieving the situation. But the thing that disturbs me is that Members keep loading this bill down with expensive amendments until I fear they will so cumber it as to prevent its passage through the Senate. We need this work done on the Tombigbee River now, and it would be deplorable to have this bill so weighted down as to prevent its final passage and kill this appropriation.

It is our hope to secure the passage at the next session of Congress of a measure providing for an inland waterway connecting the Tennessee River with Mobile Bay down the Tombigbee. The Rivers and Harbors Committee is now waiting for a report from the Army engineers as to the probable freight load which this canal would carry or that would be available.

General Markham, Chief of the Army Engineers, stated before the Committee on Rivers and Harbors recently that the project is entirely feasible from an engineering standpoint, and that it could be made to lower the flood crest on the Mississippi River by several feet.

Such a waterway would shorten the water distance from Muscle Shoals and all points on the upper Tennessee River to the Gulf of Mexico by more than 650 miles, and would shorten the water distance from all points on the lower Tennessee and the upper Ohio to the Gulf of Mexico by more than 200 miles. It would shorten the distance from the mouth of the Ohio and from all points on the upper Mississippi and Missouri Rivers to the Gulf of Mexico by 102 miles.

It would turn down through this course the traffic on the upper Tennessee, the lower Tennessee, and the Ohio River, up as high as Pittsburgh, Pa., and would probably pick up a large portion of the freight on the upper Mississippi and the Missouri. This would be augmented by the enormous amount of timber, cotton, corn, and other agricultural products now produced in this section of the country, as well as by the billions of tons of mineral deposits such as bauxite, ceramic clays, coal, iron, asphalt, and so forth, that abound to an almost unlimited extent in this territory.

The probable freight load cannot be estimated; the possibilities are simply unlimited.

It has been pointed out by Dr. Arthur E. Morgan, Chairman of the Tennessee Valley Authority, who is one of the leading civil engineers of America—it has been pointed out by Dr. Morgan that this would be a much better route for ascending vessels than would the Mississippi River route because they would not have to battle against a terrific current.

In case of war, such a canal would be almost indispensable, for the reason that our supply of nitrates would be at Muscle Shoals, and this waterway would give us an additional outlet to the sea.

It is not at all improbable that we will soon be manufacturing millions of tons of fertilizer in this vicinity of Muscle Shoals, which would also go to swell the freight load on this canal.

It would be so easy to connect the Tennessee with the Tombigbee.

When the Pickwick Dam is completed the water level on the Tennessee River at the mouth of Bear Creek will be 155 feet higher above sea level than the water level of the Tombigbee at the confluence of Brown and Mackey's Creek, about 35 miles away. This canal would pass up Bear Creek and Little Cripple Deer, then cut through a sand ridge which is about 85 feet high, into Mackeys Creek, one of the chief tributaries of the Tombigbee.

This work could be done with electric dredges, using the surplus secondary power now going to waste at Muscle Shoals, reducing the cost therefor to the very minimum.

This canal could also be used as a spillway to take the surplus water out of the Tennessee and help to hold back from the Mississippi River the flood waters of that stream and the Ohio, and in that way reduce the flood crest on the Mississippi River by several feet. If they had reduced the flood crest 8 inches in 1927 the overflow would not have

occurred and all that great destruction of human lives and property would have been prevented.

Since flood crests on the Mississippi and the Tennessee Rivers seldom synchronize with the floods on the Tombigbee, this outlet could be operated with little or no damage along the Tombigbee.

The Government could afford to purchase such lands as would be overflowed under these conditions and turn them into a national forest. They would produce the finest hardwood timber in the country—something that America will be greatly in need of as the years go by.

This canal is just as sure to be constructed as the night follows the day, and I hope to see it constructed at an early date. This $109,000 provided in this bill could be spent in such a way that not a penny would be lost when the time comes to construct this canal, and, as I said, it will relieve a distressful situation these overflows are now producing along the Tombigbee and will help to save some of the most valuable farming lands this country affords.

### THE CHAIN-STORE PROBLEM

Mr. PATTERSON. Mr. Speaker, the first session of the Seventy-fourth Congress is now in its closing days. Much legislation has been adopted that, in my opinion, will be exceedingly beneficial to the masses of the people of this Nation. Of necessity there has been some legislation which would be beneficial that has not been adopted at this session of Congress. This legislation constitutes the unfinished business which must be considered by the Seventy-fourth Congress in its second session. To my mind, this Congress need make no apology to the American people for the legislative program which it has adopted.

It has at all times had uppermost in its mind the social and economic welfare of the people of this Nation. The legislation that it has adopted conclusively proves this fact. One of the fundamental principles that the present Congress has recognized is the principle that the individuals of this Nation embarked in any line of enterprise are entitled to fair competition. As a candidate for Congress in 1932 and again in 1934 I proclaimed the fact that the railroads of this country were being crucified upon the cross of unfair competition by competition of motor carriers. This Congress has recognized and rectified that problem.

As I have often stated, there still remains the fact that independent merchants of this Nation are likewise being crucified upon the cross of unfair competition. Recently this Congress saw fit to appoint a committee to investigate this condition. The disclosures made by this committee are alarming. They are alarming because they disclose the fact that if present conditions, trade practices, and unfair competition are to continue, the independent merchants of this country will be compelled and forced to retire from business because of the unfair competition of the large chain-store system. Among other things, the investigation of this committee, headed by my esteemed colleague, the Honorable WRIGHT PATMAN, disclosed the fact, as stated by Mr. PATMAN in a speech before the House of Representatives on July 29, 1935, that one chain-store system in this country during the fiscal year of 1934 received from manufacturing concerns more than $8,000,000 in secret and confidential rebates, discounts, advertising allowances, and brokerage. There can be no challenge made to the statement that the independent merchants of this Nation comprise the backbone of our great civilization. It has often been recognized by military leaders that in time of war the infantry is the backbone of the army. That truism, while unchallenged in time of war, in time of peace might also be unequivocally stated that the independent merchants of this Nation are the backbone of our civilization. Picture to yourself, if you please, a small community such as comprises the homes of most of us here, and picture to yourself a main street utterly devoid of local citizens engaged in business; a main street whose stores flaunt the banner of monopoly. Picture to yourself, if you will, your local citizens appealing to these selfsame stores for funds for the community chest and for other community projects, and you will have the realization of the fact that the chain-store system is concerned primarily with its own welfare, whereas the independent merchants are concerned not only with their own personal welfare but with the welfare of the community as a whole.

Fair competition is a matter of inherent justice; no one, no business, no enterprise, however large or small, should be crucified upon the cross of unfair competition. As a matter of justice the independent merchants of this Nation are entitled to fair competition. They are entitled to do business under the same conditions and with the same privileges as chain-store systems. Secret and confidential rebates, discounts, and advertising allowances must be outlawed. That is the problem to be solved by this Congress. Some legislation, such as the tax upon intercorporation dividends, has already been passed by this Congress. This will, of course, be beneficial, but it will not be a solution to the problem that we face.

Recently a bill has been introduced by my colleague, the Honorable WRIGHT PATMAN, of Texas, which it is hoped will solve the problem confronting the independent merchants. I urge that each and every Member of Congress during the coming recess will carefully analyze the provisions of this proposed legislation, and also the report of the hearings of the committee dealing with this problem, to the end that when the second session of the Seventy-fourth Congress convenes legislation may be enacted that will give to the independent merchants of America their God-given right to engage in business wherein they will be assured of fair competitive practices.

### STAY OF DEPORTATION OF ALIENS OF GOOD CHARACTER

Mr. GRAY of Indiana. Mr. Speaker, as I understand the provisions of this bill, it provides for the suspension of the immigration laws until full and proper inquiry can be made pending the deportation of certain men of good character who have been allowed to enter this country, marry, and rear a family of children here. There are many close ties binding the human family which are hard and painful to sever. But the relations of man and wife, of parents, child, and children, are the most sacred of all ties which bind the human race. They are above man-made laws and take precedence over man-made regulations.

I do not know the merits of the claims of these husbands and fathers of children; but, regardless of the merits of claims, these men have been allowed to enter this country, they have been allowed to marry here and bring children into the world here and assume the sacred obligations of fathers and breadwinners.

The United States Labor Department and labor leaders in Congress, always more adverse to immigration than other departments and other classes, have requested the enforcement of these laws be suspended until full inquiry can be made before the separation of these men from their families.

The strict letter of the law is never held to be the unyielding law. Equity, justice, is always held higher than the law, and is always invoked by the court to relieve from the strict letter of the law.

If equity can be made to intervene to save and salvage mere property rights, equity can be made to intervene to save the sacred relations of father and child. The courts and the immigration bureaus should be assured of the facts and circumstances before these fathers are torn from their children and sent back across the seas to leave their wives and children here a public charge upon the relief rolls.

History shows the strict letter of the law is always appealed to by men to be enforced against others and never against family, friend, or self. The strict letter of the law is always for the other fellow. The belief in a literal hades is still maintained by some men. But no man who maintains this belief can be found who will claim that punishment is for himself. Hades, like the strict letter of the law, is always for other men.

I believe a consideration of humanity, the sacred ties of parents and children, warrant the passage of this bill to stay the enforcement of these laws for a few months and until the full and true facts of each case can be ascertained and

presented to the Bureau. This is recommended by the Labor Department, and this course is approved by the labor leader of the House of Representatives, Mr. CONNERY, and by a broad, charitable view of humanity and of sacred family relations.

ARBITRATION ADOPTED TO SETTLE SHIPYARD STRIKE AT CAMDEN, N. J.

Mr. WOLVERTON. Mr. Speaker, in an order signed late last night, President Roosevelt has made possible a termination of the strike of 4,600 employees of the New York Shipbuilding Corporation at Camden, N. J.

The effectiveness of the Presidential order, however, is contingent on acceptance by both the company and the strikers. In event either party fails to subscribe in writing to the agreement the order is nullified. The indications are that it will be accepted. The Arbitration Board, appointed by the President to function in case of acceptance, is composed of Rear Admiral Henry A. Wiley, United States Navy, retired, chairman; Robert R. Bruere, New York, and Col. Frank T. Douglass, Oklahoma City, Okla.

Admiral Wiley retired from the United States Navy in 1929 after commanding the United States Fleet. He is a member of the National Steel Labor Relations Board and the National Textile Labor Relations Board. He also has served on a number of special boards and in railroad arbitration matters.

Robert R. Bruere was chairman of the Cotton Textile National Industrial Relations Board under N. I. R. A., and has had wide experience in industrial relations. He served as a member of the board of arbitration of the dress and waist industry and as director of the Bureau of Industrial Research in New York.

Colonel Douglass is a member of the National Textile Labor Relations Board and has served on four railway mediation boards by Presidential appointment. He is an attorney and during the World War attained a distinguished record in action.

The subject matter of the dispute between the workers and the officials of the company relates particularly to wages and hours of service, piece or incentive work, and general working conditions, including recognition of the representatives of Camden Local No. 1, Industrial Union of Marine and Shipbuilding Workers, as the duly authorized representatives of the workers for the purpose of collective bargaining.

Prior to the commencement of the strike, which became effective May 13 last, sincere and earnest effort was made to avoid it. Committees representing the workers met frequently in conference with officials of the company. Public officials and business men of the city of Camden interceded. Everyone recognized the distress that would result to the men and their families and the detrimental effect it would have upon the finances of the city and its business interests if a prolonged absence from work should ensue. It was a desire to prevent such an unfortunate situation that prompted and actuated all that was done to obtain an amicable settlement.

When every local effort had failed and the situation seemed hopeless, attention was directed to Washington. It was thought that by the intervention of governmental agencies the strike might be averted. The Department of Labor responded and sent representatives to intercede, but they likewise failed.

In a further effort to obtain a settlement of the differences without resorting to a strike, the committee representing the workers visited Washington to make a personal appeal to officials of the Navy Department to use its authority, or at least its good offices and influence, to procure a settlement. In this connection I addressed to the Assistant Secretary of the Navy, under whose jurisdiction the matter might properly come, the following appeal:

MAY 9, 1935.

HON. HENRY L. ROOSEVELT,
*The Assistant Secretary of the Navy,*
*Navy Department, Washington, D. C.*

DEAR MR. ROOSEVELT: This will introduce to you Mr. William Pommerer, vice president of the Industrial Union of Marine and Ship Building Workers of America, and Mr. David Cole, secretary of the negotiating committee of the same union, and in such capacities these gentlemen represent the workers at the New York Ship Building Co. plant located in Camden, N. J.

At the present time negotiations are being conducted between the company and its employees as represented in this union, which, I understand, has a membership of about 94 percent of the workers, with respect to a new contract to be entered into for the coming year. The present contract expires on Saturday of this week, May 11.

There are some matters of dispute between the men and the company which relate to the writing into the agreement the decisions previously made by the arbitration board set-up under the terms of the present existing agreement, and also with reference to wages to be paid.

At a meeting of employees held within the past week at the Convention Hall in the city of Camden, N. J., there were approximately 3,800 of the 4,400 employees at the meeting and who voted with respect to a strike if the provisions requested by the workers were not entered into, and it showed a 5-to-1 vote in favor of a strike. This attitude, however, was taken solely and entirely because the men thought that their terms were just and that the company was unreasonable in the attitude that it was taking in this matter.

A strike is the last resort. The men do not want it, as it will incur great loss to them and to the community, both of which are sorely in need of continued employment by this group of men. It is only because of a very strong sense of justice due the men that occasions even the thought of a strike.

The gentlemen above named are in Washington today in an effort to have Government officials do everything possible to avert such strike, and to lend its offices to them to the end that the agreement shall contain the provisions which are requested by the workers as representing their union.

I will personally appreciate, as will these gentlemen, everything that can be done to effect the above proposition, and I will appreciate all the help that can be given to them and every possible courtesy.

I am, very sincerely, yours,

CHAS. A. WOLVERTON.

It is regrettable that no action was taken by the Navy Department. I am of the opinion that all matters then in dispute could have been brought to an immediate and satisfactory settlement if the Navy Department had interceded and taken an aggressive interest, and utilized, if necessary, the powers, direct and indirect, it possessed under the terms of the contracts and otherwise. The wide discretionary powers lodged in the Secretary of the Navy by the contracts in many important matters, having a direct relationship to the subject matter of the dispute, created a duty as well as constituted a justification for taking whatever action was necessary. However, as no action was taken the strike became effective a few days thereafter.

The effort to have governmental intervention continued even after the strike was in effect. Frequent contacts were arranged, in behalf of the workers' committee and city officials of Camden, with officials in the Navy Department, Secretary of Labor and other representatives of the Department of Labor, chairmen and members of appropriate committees in both Senate and House, in an effort to procure some basis of settlement that would make possible a resumption of work.

Within a few days after the strike started the Senate passed the Wagner-Connery Labor Relations Act. It was also favorably acted upon by the House about a month later. I voted for its adoption in the hope and with the expectation that it would provide a procedure that would enable a satisfactory settlement to be reached in this and similar labor disputes. It was, however, subsequently determined that it did not provide an appropriate or effective method of immediate solution in this particular case.

Consideration was then given to the possibility of having the special committee of the Senate, of which Senator GERALD P. NYE was chairman, intercede in the matter. After a hearing by the Senate committee the members of such committee, who had attended the same, prepared and authorized the issuance of a statement of its intention, as follows:

The committee gives assurance that if it obtains the additional funds which it is asking to continue its investigations the first inquiry will be into relative wages and hours and working privileges in private shipyards and navy yards.

The committee intends, if permitted, to develop and disclose the whole truth about these matters.

The committee is immediately asking the Navy Department to report the effect upon the naval program of construction contracts which eliminate penalties for delay during strikes.

The committee desires to know from the Navy Department whether this immunity is dangerous to the national defense.

Attending the executive meeting on behalf of the shipyard workers and the citizens of Camden were Congressman Wolverton, Francis X. McCann, and John Green.

The matter of procuring a more comprehensive hearing, by a congressional committee, to ascertain what should or could be done to provide governmental intervention in order that construction work at the yard might be resumed was then urged upon both the Committee on Naval Affairs of the House and the Committee on Labor of the House. Communications were accordingly addressed to the respective chairmen of these committees:

JUNE 6, 1935.

Hon. CARL VINSON,
*Chairman Committee on Naval Affairs,*
*House of Representatives, Washington, D. C.*

MY DEAR COLLEAGUE: This will introduce to you Mr. John Green, president of the Industrial Union of Marine and Ship Building Workers of America, and also Mr. Francis McCann, secretary of the same organization, who are in Washington representing the employees of the New York Shipbuilding Co., located at Camden, N. J. The men have been on strike for upward of a month. During my absence on account of the illness of my father, Mr. KENNEY, of New Jersey introduced a resolution calling for an investigation of the matters at issue. I am in full accord with the purposes of this resolution, and if I had not been away from Washington I would have introduced the same.

These gentlemen desire to present to you the facts in the case to the end that a hearing may be had. I also understand that the committee has been considering the matter of the amendment to the Vinson construction bill which limits profits of shipbuilding companies to 10 percent.

The matters which they desire the committee to inquire into under the Kenney resolution would also have a direct bearing upon the question of profits.

I know the situation in Camden. I am in full accord with the aims and objects of the men, and wish to assure you that the strike was only a last resort. The men are entirely reliable and I vouch for them. They will merit whatever confidence you place in them. I will appreciate your giving favorable consideration to their request. I am,

Very sincerely yours,

CHAS. A. WOLVERTON.

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JUNE 6, 1935.

Hon. WILLIAM CONNERY, Jr.,
*Chairman Committee on Labor,*
*House of Representatives, Washington, D. C.*

MY DEAR COLLEAGUE: This will introduce to you Mr. John Green, president of the Industrial Union of Marine and Ship Building Workers of America, and also Mr. Francis McCann, secretary of the same organization, who are in Washington representing the employees of the New York Shipbuilding Co. now on strike.

Knowing your interest in such matters, I will appreciate it if you will discuss the situation with them, and give such advice as you think would be helpful. Of course, they would appreciate it if by some procedure a hearing could be had before your committee. It is their thought that it might be done by introducing a bill and then having a hearing called, or in any other way that you can suggest. The men are responsible and reliable. I vouch for them. I will appreciate any help that you can give them. I am,

Very sincerely yours,

CHAS. A. WOLVERTON.

Hearings were subsequently ordered by the Labor Committee of the House, and Hon. GLENN GRISWOLD, of Indiana; Hon. JOHN LESINSKI, of Michigan; Hon. GEORGE J. SCHNEIDER, of Wisconsin; and Hon. VITO MARCANTONIO were appointed as a special committee to conduct the hearings.

In order that the fullest possible information might be available for intelligent and helpful determination of the proper course to pursue, I prepared an analysis of the contracts between the Navy Department and the New York Shipbuilding Corporation under which the naval vessels at Camden were being constructed. This study was made primarily for the purpose of ascertaining whether any direct or indirect right, power, or authority existed under the terms of the contracts that would enable the Secretary of the Navy to intervene and make a satisfactory settlement of the existing differences and thereby enable work to be resumed.

This analysis, when completed, was submitted, under date of June 25, 1935, to James Mullin, president of Local No. 1, Industrial Union of Marine and Ship Building Workers; John Green, executive secretary; Francis X. McCann, recording secretary; Thomas Gallagher, chairman of negotiating committee, David Cole, E. P. Baker, and John Diehl. A copy was also submitted to Hon. Frederick Von Neida, mayor of the city of Camden; City Commissioner George Brunner; and E. G. C. Bleakly, city counsel, all of whom, together with City Commissioners Harold W. Bennett, Frank J. Hartmann, and Mary Walsh Kobus, had participated in conferences between workers and officials of the company. At a subsequent date a similar analysis was delivered to the special labor committee for use in the conduct of its hearings. A copy of the same is as follows:

JULY 26, 1935.

Hon. GLENN GRISWOLD,
Hon. JOHN LESINSKI,
Hon. GEORGE J. SCHNEIDER,
Hon. VITO MARCANTONIO,
*Members of Subcommittee of House Committee on Labor*
*Investigating the New York Shipbuilding Co. Strike Situation.*

GENTLEMEN: I have obtained from the Navy Department copies of two types of contract covering construction work between the United States of America, represented by the Secretary of the Navy, and the New York Shipbuilding Corporation, of Camden, N. J., which said contracts are similar in type to those which cover all of the construction work being done at the present time under Government contracts by the New York Shipbuilding Co.

My examination of these contracts indicates that there are several portions thereof which have a direct relationship to the situation now existing as a result of the cessation of work and the consequent delay in the completion of the contract.

I direct your attention first to contract dated August 22, 1934, which relates to Light Cruiser *No. 46* (U. S. S. *Phoenix*), because it would seem as if this contract contains more provisions giving the Secretary of the Navy opportunity to investigate the situation and take action with reference thereto.

On page 2, under article 3, there is a paragraph requiring a maximum amount of work within the first and second year, reading as follows:

"Owing to the national emergency existing making it imperative that the maximum number of men be returned to gainful employment without delay, and to effectuate the purpose of the National Industrial Recovery Act, approved June 16, 1933, the contractor hereby expressly agrees that from the beginning he will prosecute the work with the utmost vigor and despatch and will make every possible effort, without reference to the otherwise normal rate of progress, to accomplish the maximum amount of work within the first and second year thereof."

The above clause indicates very clearly that the purpose and intent of the work is to provide employment, and under such circumstances seems to me to give the Secretary of the Navy right and authority to make inquiry why there is not a maximum amount of work and to take steps to see that the purpose of the contract in this respect is carried out.

On page 2, under article 3, there is a paragraph requiring prompt action on plans, containing the statement: "Time being of the essence of this contract." As a further indication of a clearly defined purpose to provide a maximum of labor, there will be found on page 2, under article 3, clause (o) relating to labor load, which reads as follows:

"A curve or tabulation by months of the total working force employed in the shops and on the ship, showing the distribution by trades and the split between mechanics and helpers."

And in connection therewith I also call to your attention clause (f), reading as follows:

"A brief chronology of such principal events during construction as, in the opinion of the yard, would be of assistance to an inexperienced organization in planning similar work."

There is a further reference to prompt action on plans on page 3 under Article 3, wherein the words are again used, "Time being of the essence of this contract." I am assuming that this phrase is used not only in connection with the delivery date but also in view of the paragraph to which I have called your attention on page 1 relating to the maximum amount of work within first and second year in order to provide employment.

There are also on page 4 clauses (e) relating to labor load and (f) relating to chronology of building, similar to those above mentioned.

Your attention is also directed to article 11 on page 5, relating to the time of completion and liquidated damages for failure to complete within the required time. This article contains several provisions that have a very direct bearing upon the situation now existing, with particular reference to the delay occasioned by failure to proceed with the work. The clause to which I refer reads as follows:

"(a) Said vessel shall be completed in accordance with the drawings, plans, and specifications, and duly approved changes therein, and ready for delivery within 36 months from the date hereof. In case the completion of the vessel as aforesaid shall be delayed beyond the period herein fixed therefor, plus any extension thereof approved by the Secretary of the Navy, deductions on account thereof shall be made from the price stipulated in this contract, as for liquidated and ascertained damages for each and every day (excepting Sundays) during the continuance of such delay, and until the vessel shall be completed as aforesaid and ready for delivery to the Department, as follows, viz: $300 a day during the first month next succeeding the expiration of said period as extended as aforesaid, and $600 a day there-

after; such amounts to be provisionally withheld from time to time, at the discretion of the Secretary of the Navy, from any payment or payments falling due under this contract after such liquidated damages shall have begun to accrue: *Provided,* That in the judgment of the Secretary of the Navy, such delay shall not have been due to fire or to unforeseeable causes beyond the control and without the fault or negligence of the contractor, including, but not restricted to, acts of God or of the public enemy, acts of the Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, and delays of subcontractors due to such causes: *Provided, also,* That if it shall appear to the satisfaction of the Secretary of the Navy that the contractor ordered all necessary materials at the proper times and used every reasonable effort to obtain delivery of such materials at the time and in the order required to carry on this work properly, but that nondelivery of such materials delayed the completion of the vessel, he may, in his discretion, grant such extension of time for the fulfillment of the contract as he may deem proper under the circumstances.

"(b) In case any question shall arise under this contract concerning delay, such question, with all the facts relating thereto, shall be submitted to the Secretary of the Navy for determination; and for all delays that he shall find to be properly attributable to any cause contemplated by the foreging provisions of this article, and to have been delays affecting the completion of the vessels, the Secretary of the Navy shall grant the contractor a corresponding extension of the period prescribed for the completion of the vessel: *Provided,* That no delay in the completion of the vessel, or the alleged cause or causes thereof, shall be considered by the Secretary of the Navy unless the contractor shall, within 10 days from the time of the occurrence thereof, notify the Department in writing of the facts and circumstances in each case, and where possible of the extent to which the contractor claims that the completion of the vessel is thereby delayed: *And provided further,* That the said Secretary may, without prejudice to the rights of the contractor, reserve his decision on any or all requests for extension until such time as he may consider desirable, and if deemed expedient until after the completion of the vessel, the work on her in the meantime, in accordance with the contract, plans, and specifications, not to be discontinued or delayed on account thereof."

In connection with article 11 it is also important to read the provisions of article 13, on page 6, which provides for the termination of the contract:

"In case of the failure or omission of the contractor, at any stage of the work prior to its completion, from any cause or causes other than those provided for in article 11 hereof, to go forward with the work and make satisfactory progress toward its completion within the period prescribed, the Secretary of the Navy may, by written notice to the contractor, terminate its right to proceed with the work."

It seems to me that article 21, on page 11, is a very important provision, particularly clause (a), which requires compliance with the National Industrial Recovery Act, and clause (b), which requires compliance with codes, reading as follows:

"(a) The contractor expressly agrees that in carrying out the terms and conditions of this contract, he will be governed by the provisions of the National Industrial Recovery Act approved June 16, 1933, and such rules and regulations as may be promulgated thereunder by the President or his duly authorized representative, and he will upon request of the Department furnish such evidence as may, in the opinion of the Department, be necessary to show compliance with this requirement.

"(b) The contractor shall comply with each approved code of fair competition to which he is subject, and if he is engaged in any trade or industry for which there is no approved code of fair competition then as to such trade or industry with an agreement with the President under section 4 (a) of the National Industrial Recovery Act (President's reemployment agreement), and the United States shall have the right to cancel this contract for failure to comply with this provision and make open-market purchases or have the work called for by this contract otherwise performed at the expense of the contractor, and the contractor shall not accept or purchase for the performance of this contract or purchase order or enter into any subcontracts for any articles, materials, or supplies, in whole or in part produced or furnished by any person who shall not have certified that he is complying with and will continue to comply with each code of fair competition which relates to such articles, materials, or supplies, and/or in case there is no approved code for the whole or any portion thereof then to that extent with an agreement with the President as aforesaid."

Notwithstanding the fact that the National Industrial Recovery Act has been declared unconstitutional and codes have fallen as a result thereof, yet I think it might be properly assumed that in view of the fact that the provisions of the National Industrial Recovery Act and codes have been written into the contract, it thereby becomes a part of the contract by agreement between the parties, notwithstanding the Supreme Court has declared such unconstitutional where compulsory action was taken to compel compliance with the codes. The reasoning that would sustain the Court's decision does not necessarily apply to this particular contract for the reason that the parties have agreed to be bound by the provisions.

Your attention is also directed to clause (d) under article 21, which requires the contractor to report monthly as to labor statistics, reading as follows:

"The contractor will report monthly, and will cause all subcontractors to report in like manner, within 5 days after the close of each calendar month, on forms to be furnished by the United States Department of Labor, the number of persons on their respective pay rolls, the aggregate amount of such pay rolls, the man-hours worked, and the total expenditures for materials. He shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable: *Provided, however,* That the requirement of this paragraph shall be applicable only for work at the site of the construction project."

Article 25, on page 12, relates to disputes, and reads as follows:

"Except as otherwise specifically provided in this contract, if any doubts or disputes arise concerning any question under this contract or as to anything in the drawings, plans, or specifications, or if any discrepancy appear between said drawings, plans, or specifications and this contract, the matter shall be referred at once to the Secretary of the Navy for determination; and his decision in the premises shall be conclusive and binding upon the parties hereto."

The provisions of article 27, on page 12, relating to adjustment in labor and material costs are very important, because they contemplate adjustments for changes in labor and material costs, such changes involving an increase or decrease in the said contract price, to be determined in accordance with the method provided in the contract. In this connection it is stated as to labor that the proportion of the contract price represented by direct labor is accepted as 30 percent of the contract price, or $3,592,500. And, under clause (b) of article 27, on page 13, there is provided a standard curve of direct labor costs, whereby the same is divided into quotas for each quarter period of the contract, and under clause (c) average hourly earnings are to be compiled as therein provided in order that calculations may be made of the rates of change of average hourly earnings. This article, as I have already said, is extremely important and requires careful study and consideration. It would seem to indicate that there is a purpose and intent to keep labor costs up to a quota and to make such changes as may be necessary. There is, however, a provision in clause (h) which states: "It is expressly agreed that quotas for labor and material will not be altered on account of delays in the completion of the ship", which must be considered in connection with the above. This same clause (h) also provides for determining increases or decreases in contract prices, rates of change, etc., and the conditions under which payments for increases or deductions for decreases in contract prices are to be made by the Secretary of the Navy.

The subject matter of a portion of this clause (h) is so important that I desire to call your particular attention to the exact wording. It will be found at the top of page 14, and reads as follows:

"The Secretary of the Navy reserves the right to substitute for the index for labor or material any other method or index should it at any time, in the judgment of the Secretary of the Navy, appear that the specified indices do not reflect equitably the increases or decreases in costs of material or labor under the contract.

"Should it appear to the satisfaction of the Secretary of the Navy that during the existence of the contract the contractor is making excessive profits from allowances resulting from the application and operation of the provisions for increasing or decreasing labor and material costs, as provided in paragraphs 1 and 2 above, the Secretary of the Navy may convene a board to consider the matter and determine the sum for increased labor and material to be paid the contractor, and the contractor will be bound by the findings of the board upon approval thereof by the Secretary of the Navy."

Article 28, on page 14, relating to limitation of profit has an important bearing owing to the fact that it gives the Secretary of the Navy the right to inquire, to investigate, and examine the books of the contractor with respect to this important matter. This provision is based upon a limitation of profit requiring the payment into the Treasury of any profit in excess of 10 percent of the total contract price. The importance of this provision at the present time arises from the fact that it gives the Secretary of the Navy ample opportunity to make inquiry to determine not only the profits but particularly whether the labor cost is proper in view of the representation that "direct labor is accepted as 30 percent of the contract."

There are many other provisions which probably would have bearing of more or less importance, but the above are the outstanding provisions in the contract to which your attention is particularly directed.

I enclose a complete copy of the contract above mentioned in order that you may have the fullest possible information with respect to the matter.

I am enclosing also contract between the New York Shipbuilding Corporation and the United States of America, represented by the Secretary of the Navy, dated August 3, 1933. It does not seem to be as specific in its details as the provisions in the first-mentioned contract to which I have referred. However, on page 1, under article 1, there is a requirement that there shall be a maximum amount of work within the first and second year, reading as follows:

"Owing to the national emergency existing making it imperative that the maximum number of men be returned to gainful employment without delay, and to effectuate the purpose of the National Industrial Recovery Act, approved June 16, 1933, the contractor hereby expressly agrees that from the beginning he will prosecute the work with the utmost vigor and dispatch and will make every possible effort, without reference to the otherwise

normal rate of progress, to accomplish the maximum amount of work within the first and second year thereof."

It will be readily seen from a reading of these contracts that there is a clearly defined purpose in the national emergency now existing to provide work for the unemployed. The provisions of the contracts are adequate and appropriate to enable the Secretary of the Navy to require that work shall proceed and thereby effectuate the purpose of the contracts.

If there is any further assistance that I can give in the matter, do not hesitate to call upon me, as I will be glad to respond.

Very sincerely yours,

CHAS. A. WOLVERTON.

In the same connection, I further pointed out to the congressional committee and emphasized the powers that could be exercised by the Secretary of the Navy to inquire as to the underlying causes of the existing differences, and suggested that Navy, company, and union officials be requested to appear before the special committee in order that the members of the committee might thereby obtain first-hand information as to the causes and reasons that prevented immediate resumption of work. A telegram urging this course of procedure was addressed to the chairman of the committee, reading as follows:

CAMDEN, N. J., *July 26, 1935.*

HON. GLENN GRISWOLD,
*Chairman Subcommittee,*
*Care of House Labor Committee,*
*House Office Building, Washington, D. C.:*

Detained in Camden for reasons stated in my conversation. Have sent for use before committee today my analysis of Navy construction contracts now in force between Government and New York Shipbuilding Co., which contain provisions which in my opinion give Secretary of Navy ample authority to require resumption of work. Union officials indicate willingness to arbitrate generally along lines indicated by Secretary of Labor, but company has refused. Suggest Navy officials be examined as to failure or unwillingness to utilize power contained in contracts and that company officials, including Metten, Kaltwasser, Manning, and Major Holthauser, be requested to appear before committee on Monday or Tuesday and that union officials be requested to be present at same time, together with Chappell, who has represented Secretary of Labor in negotiations. This will produce quicker and more intelligent results and give better indication of course to be pursued by committee than any other means that I can suggest at this time. Will keep committee advised as to result of court proceedings for restraining injunction which is being heard today by Vice Chancellor Davis in Camden. Kindly wire decision of committee as to hearing to be held as above suggested in order that I may complete arrangements here with interested parties.

CHAS. A. WOLVERTON,
*Member of Congress.*

I also suggested to the special labor committee that if, after such hearing, it should appear that there was not sufficient authority in either the Secretary of the Navy or other governmental agency, then appropriate legislation to accomplish the purpose should be recommended by the committee to Congress for immediate adoption.

However, it is my opinion that sufficient authority did exist to enable the Secretary of the Navy to provide adequate relief in a situation that vitally affected the welfare of the community, brought distress to those dependent upon work in the shipyard, delayed and circumvented the national policy of providing adequate national defense, and interfered with the program of work relief.

The primary purpose of the Government entering into these contracts at this time was to provide work for the unemployed. The very first article of the contract required a maximum amount of work within the first and second year. It clearly and specifically set forth the purpose by using language that leaves no doubt of the object to be attained. It says:

Owing to the national emergency existing making it imperative that the maximum number of men be returned to gainful employment without delay, the contractor (New York Shipbuilding Corporation) hereby expressly agrees that from the beginning it will prosecute the work with the utmost vigor and dispatch, and will make every possible effort, without reference to the otherwise normal rate of progress, to accomplish the maximum amount of work within the first and second year.

This language leaves no doubt as to the purpose and intent to provide employment. It therefore created a certain and distinct obligation upon Government authorities to see that the object of the contract was complied with and that any circumstances that prevented or delayed its fulfillment should be properly settled. But notwithstanding this positive obligation, there was no response made by the Navy Department to the appeals of workmen, city officials, and Members of Congress that something be done.

The special committee from the House Committee on Labor worked hard in an endeavor to bring pressure upon all interested parties, particularly the Navy Department, in an effort to break down a hands-off policy and get action in order that a settlement might result. The Navy Department, because of its direct interest in the subject matter, as well as being one of the parties to the contracts, was undoubtedly the most logical department of the Government to take some action. However, 3 months were permitted to pass without any decisive or worth-while action being taken, and the Labor Department, apparently willing to help, seemed handicapped in its effort because of the indecision of the Navy Department.

Under circumstances such as these, with distress among the workmen and their dependents becoming more pronounced, adding daily to the list of those on relief, some action was necessary. Consequently, it was decided to make a direct appeal to the President, and I accordingly joined with the special Labor Committee of the House and representatives of Local No. 1 in this endeavor. My appeal addressed to the President was as follows:

AUGUST 22, 1935.

HON. FRANKLIN D. ROOSEVELT,
*The President of the United States,*
*White House.*

DEAR MR. PRESIDENT: I desire to call to your attention a condition which alone seems to prevent acceptance of arbitration as a means of settling the differences now existing between the workers and officials of the New York Shipbuilding Corporation, of Camden, N. J.

It appears that in recent days negotiations have been carried on between representatives of the Navy Department, Labor Department, the workers, and the company in an effort to agree upon the questions to be submitted to arbitration, and as a result of such discussions it was agreed by all parties that wages and hours of service, piece or incentive work, and other working conditions should be submitted for decision to a board of arbitration to be selected by you.

It is my further understanding that every subject of arbitration was agreed upon except the question as to whether the present representatives of the workers are their duly authorized agents for the purpose of collective bargaining. The company officials, it is reported, steadfastly refused to accept any arbitration that did not include this question, and the representatives of the workers maintained that throughout the entire strike, continuing for more than 3 months, all negotiations have been carried on between them and representatives of the Government and the company, and that their selection was the result of a direct vote of the workers, and that no doubt, question, or controversy can legitimately be raised as to their representative capacity.

In view of the fact that this one question remains to prevent a complete acceptance of settlement by arbitration, and, thereby enable approximately 4,000 workers to return to work immediately, I appeal to you to use the influence of your high office to the end that this question may be eliminated as a subject of arbitration, and that arbitrators be immediately appointed by you to determine the remaining questions at issue as agreed upon by all parties.

The elimination of this question as a subject of arbitration is in my opinion justified because, (1) the present representatives of the workers are the same individuals who from the first have conducted all negotiations in behalf of the workers, (2) they have reported all negotiations from time to time to meetings of the workers and in each instance their actions have been ratified and their authority to act continued, (3) the Departments of Government, both Navy and Labor, have always negotiated with the present representatives of the workers, and it is inconceivable that they would have done so if not satisfied they were duly authorized representatives, (4) there has never been any evidence to indicate that they were not fully authorized, (5) company officials negotiated with the same individuals prior to the strike being called, without raising any question of authority upon their part, (6) the company in 1934 entered into an agreement with the workers that had been negotiated for by the same organization through the same representatives, (7) the workers do not demand that the company representatives submit to arbitration their right to represent the stockholders of the company, and yet the analogy is plain.

May I further urge that in my opinion there is both a duty as well as a right upon the part of the Government to intervene in this matter. In the first place, the building of the ships is a part of our national defense, and second, their construction at this time is a part of the work program inaugurated to give employment.

I can testify from personal observation and knowledge to the distress that has been occasioned both to workers and the community in general as a result of the cessation of work, and I most sincerely urge that by arbitration or otherwise a means shall be

provided for work to be resumed, otherwise the existing distress will become greater and more pronounced.

I therefore respectfully urge that the matter be given such consideration and action as will eliminate the one question above referred to that prevents arbitration and return to work of approximately 4,000 men who are now in great need.

I am, most respectfully and sincerely,

CHAS. A. WOLVERTON.

Late in the evening of the same day on which the appeal to the President had been made it was announced that the President would apopint a board of arbitration with the view of terminating the strike, and I received the following letter from the President with respect to the subject:

Hon. CHARLES A. WOLVERTON,
*House of Representatives, Washington, D. C.*

MY DEAR CONGRESSMAN WOLVERTON: I have your letter of August 22 with respect to the differences now existing between the workers and officials of the New York Shipbuilding Corporation at the Camden, N. J., yard. As you have perhaps noticed in the paper, on the same day that you wrote to me I issued an Executive order (a copy of which is enclosed) suggesting that both parties submit the questions in dispute, with one or two minor exceptions, to arbitration by a board appointed by me.

It seems to me that the Executive order that I have issued is consistent with the suggestions that you make in your letter, and ought to accomplish the purposes which we both have in mind.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
*Washington, August 24, 1935.*

The following is a copy of the text of the Executive order issued by the President to make effective the arbitration and to which reference is made in his letter:

EXECUTIVE ORDER

*Creating the Camden Board of Arbitration*

By virtue of and pursuant to the authority vested in me under title I of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 195), as amended by the act of June 14, 1935 (Public Resolution No. 26, 74th Cong.), and other provisions of law, it is hereby ordered as follows:

SEC. 1. The parties to the labor dispute at the Camden, N. J., yard of the New York Shipbuilding Corporation, having been unable to reach a mutual agreement with respect to matters in dispute between them, there is hereby created "The Camden Board of Arbitration", which shall be composed of Rear Admiral Henry A. Wiley, United States Navy, retired, chairman; Robert Bruere, of New York City; and Col. Frank P. Douglass, of Oklahoma City. Each member of the Board shall receive necessary travel and subsistence expenses, and, in addition thereto, each member who at the time he is serving on the Board is not receiving any other salary from the United States shall receive $25 per diem.

SEC. 2. The Board shall proceed immediately to investigate, hear evidence, and make findings of fact with a view to formulating, within 60 days, arbitration awards with respect to the following issues in controversy:

(1) The matter of piecework or of incentive work;

(2) The matter of adjustment of wages;

(3) Matters relating to employment and working conditions which have been in dispute in connection with the renewal of the agreement between the parties of May 11, 1934; and

(4) Miscellaneous questions which have been the source of dispute in connection with the recent stoppage of work at the Camden, N. J., yard of the New York Shipbuilding Corporation.

*Provided*, That the Board, notwithstanding generality of the foregoing language, shall not entertain any request by Local No. 1 of the Industrial Union of Marine and Shipbuilding Workers of America for a preferential or closed shop, but in lieu thereof shall include in its award a provision that the New York Shipbuilding Corporation will not fill any vacant or new positions with other persons so long as employees who have been employed since August 1, 1933, are available, are competent, and willing to accept the same positions.

SEC. 3. In order that it may make its awards, the Board—

(a) Shall request the New York Shipbuilding Corporation and Local No. 1 of the Industrial Union of Marine and Shipbuilding Workers of America to file with the Board, not later than noon, Tuesday, August 27, 1935, their separate written agreements to abide by the awards of the Board and to embody them in an agreement, to be signed by the parties, to continue until the completion of the existing naval contracts.

(b) Shall request that the New York Shipbuilding Corporation file with it not later than noon, Tuesday, August 27, 1935, a signed agreement that all of the employees upon the pay roll on May 11, 1935, will, upon their application, be taken back without discrimination and under the same hours, wages, and working conditions as prevailed when the strike commenced, and that the corporation will, pending a new agreement with the employees, operate the plant in every respect in accordance with the provisions of the expired agreement of May 11, 1934, except that while the Camden Board of Arbitration is in existence, questions which are not settled by the employees, stewards, foremen, general manager, or vice president, as provided in section 3 of said agreement of May 11, 1934, shall be referred for arbitration to said Camden Board of Arbitration and during such time no other board such as is contemplated in section 4 of said agreement of May 11, 1934, shall be created or shall arbitrate such questions.

(c) Shall request that Local No. 1, Industrial Union of Marine and Shipbuilding Workers of America, file with it not later than noon, Tuesday, August 27, 1935, a signed agreement immediately to terminate the strike now in existence: *Provided*, That no agreement requested by the Board, in accordance with paragraphs (a), (b), or (c) above shall be effective or binding, unless all such requested agreements are filed.

SEC. 4. The Board shall transmit copies of its findings and such awards as it formulates to the President and to the parties to the dispute.

SEC. 5. In order to effectuate the purposes of this order, there is hereby allotted to the Board the sum of $2,500 from the funds appropriated to carry out the provisions of the National Industrial Recovery Act.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 22, 1935.*

In conclusion, I wish to express my favorable opinion of the fortitude, faithfulness, and courage with which the representatives of the workers with whom I had contact untiringly and unceasingly sought to advance the interests of those whom they represented; and also to express appreciation to each and every member of the Special Subcommittee on Labor of the House, with particular reference to Messrs. GRISWOLD, SCHNEIDER, and MARCANTONIO, for the intelligent, sympathetic, patient, and helpful consideration and assistance they each gave to the effort to settle a controversy that was becoming increasingly distressful to the ship workers, their families and dependents.

I sincerely hope that the ultimate result of the arbitration, provided by Presidential order, will be to establish a basis of mutual understanding that will insure a peaceful relationship in the future between the workers and the company.

RECESS

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; accordingly (at 11 o'clock and 44 minutes p. m.) the House stood in recess until tomorrow, Saturday, August 24, 1935, at 10 o'clock a. m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

487. A letter from the Secretary of War, transmitting, pursuant to section 1 of the River and Harbor Act approved January 21, 1927, section 10 of the Flood Control Act approved May 15, 1928, a letter from the Chief of Engineers, United States Army, dated August 14, 1935, submitting a report, together with accompanying papers and illustrations, containing a general plan for the improvement of the Ohio River for the purposes of navigation and efficient development of its water power, the control of floods, and the needs of irrigation (H. Doc. No. 306); to the Committee on Rivers and Harbors and ordered to be printed, with four illustrations.

488. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting a report of its activities and expenditures for July 1935. The report includes statements of authorizations made during that month, showing the name, amount, and rate of interest or dividend in each case (H. Doc. No. 307); to the Committee on Banking and Currency and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'CONNOR: Committee on Rules. House Resolution 364. A resolution providing for the consideration of Senate Joint Resolution 173; without amendment (Rept. No. 1887). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. House Resolution 365. Resolution providing for the consideration of H. R. 9114; without amendment (Rept. No. 1888). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. House Resolution 271. Resolution to authorize an investigation of smuggling of aliens into the United States and a study of the land-border patrol of the Immigration Service; without amendment (Rept. 1889). Referred to the House Calendar.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 9200. A bill authorizing the erection of a marker suitably marking the site of the engagement fought at Columbus, Ga., April 16, 1865; without amendment (Rept. No. 1890). Referred to the Committee of the Whole House on the state of the Union.

Mr. LAMBETH: Committee on Printing. S. 3440. An act to amend certain acts relating to public printing and binding and the distribution of public documents, and acts amendatory thereof; with amendment (Rept. No. 1899). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. S. 423. An act for the relief of Lynn Bros.' Benevolent Hospital; with amendment (Rept. No. 1891). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 4439. A bill for the relief of John T. Clark, of Seattle, Wash.; with amendment (Rept. No. 1892). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 5307. A bill for the relief of Mallery Toy; with amendment (Rept. No. 1893). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 5304. A bill for the relief of George Titter; with amendment (Rept. No. 1894). Referred to the Committee of the Whole House.

## CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 3150) for the relief of Robinson W. Fullerton, and the same was referred to the Committee on the Civil Service.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARMICHAEL: A bill (H. R. 9226) to authorize the President to sell or lease certain real estate of the United States in the Tennessee River Basin; to the Committee on Military Affairs.

By Mrs. NORTON: A bill (H. R. 9227) to regulate the business of fire, casualty, and marine insurance in the District of Columbia; to the Committee on the District of Columbia.

By Mr. COOPER of Tennessee: A bill (H. R. 9228) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928; to the Committee on Flood Control.

By Mr. SCOTT: A bill (H. R. 9229) to amend section 326 of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 9230) to amend section 315 of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 9231) to add section 315 (a) to the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. CALDWELL: A bill (H. R. 9244) providing for the establishment of a term of the District Court of the United States for the Northern District of Florida at Panama City, Fla.; to the Committee on the Judiciary.

By Mr. PETERSON of Florida. A bill (H. R. 9245) exempting benefits received by veterans of the War with Spain, the Philippine Insurrection, and the Boxer Rebellion from all taxation, and for other purposes; to the Committee on Ways and Means.

By Mr. BRUNNER: Resolution (H. Res. 367) authorizing the study of the Koch report by the Interstate Commerce Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER: Resolution (H. Res. 368) proposing an inquiry to protect American investors; to the Committee on Rules.

By Mr. BURDICK: Resolution (H. Res. 369) authorizing the printing of 10,000 additional copies of hearings before the subcommittee of the Committee on Indian Affairs of the House of Representatives, on H. R. 7781, Seventy-fourth Congress, first session; to the Committee on Printing.

By Mr. SCOTT: Resolution (H. Res. 370) to establish a Broadcasting Research Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. BOEHNE: Joint Resolution (H. J. Res. 402) to prohibit the use of certain funds for the establishment of manufacturing plants; to the Committee on Expenditures in the Executive Departments.

By Mr. WARREN: Joint resolution (H. J. Res. 403) to establish the James Madison Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of James Madison; to the Committee on the Library.

By Mr. KENNEY: Joint resolution (H. J. Res. 404) to create the Will Rogers student-aid fund; to the Committee on Ways and Means.

By Mr. ROGERS of Oklahoma: Joint resolution (H. J. Res. 405) to define the term of certain contracts with Indian tribes; to the Committee on Indian Affairs.

By Mr. JOHNSON of Oklahoma: Joint resolution (H. J. Res. 406) authorizing the issuance of a special postage stamp in honor of Wiley Post; to the Committee on the Post Office and Post Roads.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONNERY: A bill (H. R. 9232) granting a pension to Mary F. O'Brien; to the Committee on Pensions.

Also, a bill (H. R. 9233) granting an increase of pension to John Albert Fritz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9234) for the relief of Eldon A. Taylor; to the Committee on Military Affairs.

By Mr. CRAVENS: A bill (H. R. 9235) to provide for a preliminary examination and survey of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods; to the Committee on Flood Control.

Also, a bill (H. R. 9236) to authorize a preliminary examination and survey of the Red and Little Rivers, Ark., insofar as Red River affects Little River County, Ark., and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County, with a view to the controlling of floods; to the Commitee on Flood Control.

By Mrs. KAHN: A bill (H. R. 9237) for the relief of Annie E. Hyland; to the Committee of Claims.

Also, a bill (H. R. 9238) for the relief of H. B. Thomas & Co.; to the Committee on Claims.

Also, a bill (H. R. 9239) for the relief of Margaret E. Tucker; to the Committee on Claims.

By Mr. LUDLOW: A bill (H. R. 9240) for the relief of Clara M. Johnston; to the Committee on Claims.

Also, a bill (H. R. 9241) granting an increase of pension to Catharine J. Wilson; to the Committee on Invalid Pensions.

By Mr. MONAGHAN: A bill (H. R. 9242) granting a pension to Ellen Morris McClain; to the Committee on Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 9243) granting a pension to Ella Taylor; to the Committee on Invalid Pensions.

By Mr. FENERTY: Joint resolution (H. J. Res. 401) for the relief of Cramps Shipyard, Inc.; to the Committee on Appropriations.

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PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9334. By Mr. CONNERY: Resolutions of the House of Representatives of the General Court of Massachusetts, relative to acts of persecution reported to be committed against the members of religious faiths and their institutions in Germany; to the Committee on Foreign Affairs.

9335. By Mr. CROSSER of Ohio: Petition of several citizens of Cleveland, Ohio, favoring the enactment into law of House bill 8002; to the Committee on the Post Office and Post Roads.

9336. By Mr. MERRITT of New York: Resolution of the Advertising Men's Post, No. 209, of the American Legion, unequivocally and unqualifiedly opposing any amendments to the Agricultural Adjustment Act which would in any manner attempt to curtail advertising or reputable, legitimate advertisers, either through processing taxes or by control of the Department of Agriculture or any other governmental department; opposing any legislation which tends to increase taxes on the very necessities of life; and favoring the protecting and promoting of the welfare of this great industry of advertising, the success of which will do much toward hastening a speedy national economic recovery; to the Committee on Agriculture.

9337. Also, resolution of the Kew Gardens Board of Trade, Inc., Kew Gardens, Long Island, N. Y., embodied in letter to Postmaster General Farley, requesting a uniform rate of 2-cent letter postage throughout New York City; protesting against the present postal arrangement of 4 general post offices and 4 postmasters in Queens, while Manhattan and the Bronx, with a population combined many times that of Queens, has only 1 postmaster, and urging that our Representatives in Congress demand a readjustment of the present archaic post-office set-up in Queens; to the Committee on the Post Office and Post Roads.

9338. Also, resolution of the David T. O'Connell Post, No. 2264, Veterans of Foreign Wars, Ozone Park, N. Y., adopted May 14, 1935, endorsing and urging the adoption of House Joint Resolution 313 as introduced by Representative RUDD, of New York (S. J. Res. 115, COPELAND), setting aside one day in each year to pay tribute to those mothers who suffered motherhood's greatest loss; to the Committee on the Judiciary.

9339. By Mr. LUNDEEN: Petition of the Workmen's Circle, Branch No. 571, Minneapolis, Minn., protesting against religious persecutions in Germany; to the Committee on Foreign Affairs.

9340. Also, petition of the Workmen's Circle, Branch No. 989, Minneapolis, Minn., protesting against religious persecutions in Germany; to the Committee on Foreign Affairs.

9341. Also, petition of the Jewish Youth Federation, Minneapolis, Minn., protesting against religious persecutions in Germany; to the Committee on Foreign Affairs.

9342. Also, petition of the Minneapolis Union Board of Business Agents and Railroad Organizations, Minneapolis, Minn., opposing the religious persecutions in Germany; to the Committee on Foreign Affairs.

9343. Also, petition of the Oak Leaf Grange, Harris, Minn., urging the placing of a license on users of butter substitutes and a tax on butter substitutes used and sold in this country; to the Committee on Ways and Means.

9344. Also, petition of the Independent Dairy Dealers Association, Minneapolis, Minn., urging Congress to appropriate funds for the purpose of allowing the Federal Trade Commission to hold investigations into the abuses and unfair practices in the Minneapolis milkshed area; to the Committee on Appropriations.

9345. Also, petition of the Maccabees, Flour City Tent, No. 72, Minneapolis, Minn., protesting against the religious persecutions in Germany; to the Committee on Foreign Affairs.

9346. Also, petition of Division 912, Brotherhood of Locomotive Enginemen, Minneapolis, Minn., opposing the railroad retirement bills (S. 3151 and H. R. 8651) and favoring the committee bills; to the Committee on Interstate and Foreign Commerce.

9347. Also, petition of the Minneapolis Lodge, No. 271, B'nai B'rith, Minneapolis, Minn., protesting against Jewish persecutions in Germany; to the Committee on Foreign Affairs.

9348. Also, petition of L. S. Donaldson Co., of Minneapolis, Minn., opposing measures restricting the Federal Housing Administration in the work in encouraging distribution of home accessories; to the Committee on Banking and Currency.

9349. Also, petition of the Twin City Committee, St. Paul, Minn., urging the enactment of the amended Wagner-Crosser railroad retirement bill; to the Committee on Interstate and Foreign Commerce.

9350. Also, petition of St. Paul Chapter of the American Jewish Congress, St. Paul, Minn., protesting against the persecution of religious and racial groups, as well as of liberal organizations in Germany, by the German Government; to the Committee on Foreign Affairs.

9351. By Mr. SCHNEIDER: Memorial of the Wisconsin Legislature, asking Congress to formulate a program by which drought relief loans may be repaid in work or services or in a manner other than by cash payment; to the Committee on Agriculture.

9352. By Mr. SHANLEY: Petition of the American Legion Auxiliary, Department of Connecticut, Hartford, Conn., Evelyn S. Parker, department chairman of Americanism; to the Committee on Immigration and Naturalization.

9353. Also, petition of the Warsover Relief Society, I. Joseph, secretary, New Haven, Conn.; to the Committee on Foreign Affairs.

9354. By Mr. SAUTHOFF: Joint resolution of the State of Wisconsin, relating to the replacement of the broken bridge across the Mississippi River at La Crosse; to the Committee on Interstate and Foreign Commerce.

9355. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, relating to the replacement of the broken bridge across the Mississippi River at La Crosse, Wis.; to the Committee on Interstate and Foreign Commerce.

9356. Also, memorial of the Legislature of the State of Wisconsin, relating to relief for farmers in drought areas; to the Committee on Agriculture.

9357. By the SPEAKER: Petition of George W. Gerlach and others; to the Committee on Claims.

9358. Also, petition of the American Indian Federation; to the Committee on Indian Affairs.

9359. Also, petition of the Women's Bar Association of the District of Columbia; to the Committee on the Library.

9360. Also, petition of the Howard Friends League, Inc.; to the Committee on Foreign Affairs.

9361. Also, petition of the United Brotherhood of Carpenters and Joiners of America; to the Committee on Military Affairs.

# SENATE

## SATURDAY, AUGUST 24, 1935

*(Legislative day of Monday, July 29, 1935)*

The Senate met at 10 o'clock a. m., on the expiration of the recess.

### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, August 23, 1935, was dispensed with, and the Journal was approved.

### CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

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|---|---|---|---|
| Adams | Connally | La Follette | Pittman |
| Ashurst | Copeland | Lewis | Radcliffe |
| Austin | Costigan | Logan | Reynolds |
| Bachman | Davis | Lonergan | Robinson |
| Bailey | Dieterich | Long | Russell |
| Bankhead | Donahey | McAdoo | Schwellenbach |
| Barbour | Fletcher | McCarran | Sheppard |
| Barkley | Frazier | McGill | Shipstead |
| Black | George | McKellar | Smith |
| Bone | Gerry | Maloney | Steiwer |
| Borah | Gibson | Metcalf | Thomas, Okla. |
| Brown | Glass | Minton | Thomas, Utah |
| Bulkley | Gore | Moore | Townsend |
| Bulow | Guffey | Murphy | Trammell |
| Burke | Hale | Murray | Truman |
| Byrnes | Harrison | Neely | Tydings |
| Capper | Hatch | Norbeck | Vandenberg |
| Caraway | Hayden | Norris | Wagner |
| Chavez | Holt | Nye | Walsh |
| Clark | Johnson | O'Mahoney | White |

Mr. AUSTIN. I announce that the Senator from Oregon [Mr. McNARY] is detained on official business.

Mr. LEWIS. I announce that the Senator from Mississippi [Mr. BILBO], the Senator from Virginia [Mr. BYRD], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Wisconsin [Mr. DUFFY], the Senator from Utah [Mr. KING], the Senator from Louisiana [Mr. OVERTON], the Senator from Idaho [Mr. POPE], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Montana [Mr. WHEELER], are necessarily detained from the Senate. I request that the announcement stand for the day.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON], the Senator from Delaware [Mr. HASTINGS], and the Senator from New Hampshire [Mr. KEYES] are necessarily detained from the Senate, and that the Senator from Wyoming [Mr. CAREY] is absent on official business.

Mr. VANDENBERG. I repeat the announcement heretofore made by me that my colleague the senior Senator from Michigan [Mr. COUZENS] is absent because of illness.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

### CONSTITUTION SESQUICENTENNIAL COMMISSION

The VICE PRESIDENT. The Chair apoints Mr. ASHURST, Mr. ROBINSON, Mr. VAN NUYS, Mr. BORAH, and Mr. MCNARY as members, on the part of the Senate, of the United States Constitution Sesquicentennial Commission, established pursuant to the provisions of the joint resolution (S. J. Res. 59) providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formation of the Constitution of the United States, approved August 23, 1935.

### DRAFT OF PROPOSED LEGISLATION, AGRICULTURAL ADJUSTMENT ADMINISTRATION (S. DOC. NO. 136)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting draft of a proposed provision for the Agricultural Adjustment Administration, Department of Agriculture, to make available the funds required to give effect to section 40 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

### SUPPLEMENTAL ESTIMATE—AGRICULTURAL ADJUSTMENT ADMINISTRATION (S. DOC. NO. 135)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for $5,000,000, fiscal year 1936, embodying draft of a proposed provision of legislation for the Agricultural Adjustment Administration, Department of Agriculture, to provide for carrying out the purposes of the Potato Act of 1935, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

### PETITION

Mr. TYDINGS presented a petition of sundry citizens of Myersville, Md., praying for the preservation of peace and the outlawry of war as a national policy in settling international disputes, which was ordered to lie on the table.

### REPORT OF A COMMITTEE

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (S. 2003) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States, to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto, and to promote safety at sea", reported it with an amendment and submitted a report (No. 1461) thereon.

### ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on August 23, 1935, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 946. An act to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana";

S. 1483. An act for the relief of William E. Williams;

S. 2521. An act amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy;

S. 2621. An act to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school building at Devils Lake, N. Dak., to be available to Indian children;

S. 2867. An act to reenact section 463 of the act of Congress entitled "An act to define and punish crime in the District of Alaska and to provide a code of criminal procedure for said district", approved March 3, 1899, and for other purposes;

S. 3184. An act to provide for the immediate settlement of the obligation of the Joe Graham Post of the American Legion arising out of the purchase of the Ship Island Military Reservation;

S. 3374. An act for the relief of the State of Indiana;

S. 3386. An act for the relief of Helen Gallagher Dominian; and

S. J. Res. 163. Joint resolution to authorize the acceptance of bids for Government contracts made subject to codes of fair competition.

### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHEELER:

A bill (S. 3468) granting an increase of pension to Isabell F. Smith (with accompanying papers); to the Committee on Pensions.

By Mr. GUFFEY:

A bill (S. 3469) to confer jurisdiction upon the Court of Claims to hear, consider, and determine the claims of Westinghouse Electric & Manufacturing Co., Inc.; to the Committee on Claims.

### AMENDMENT OF SECTION 616 OF REVENUE ACT OF 1918

Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill (H. R. 7623) to amend section 616 of the Revenue Act of 1918, approved February 24, 1919, which was referred to the Committee on Finance and ordered to be printed.

### IMPROVEMENT OF RIVERS AND HARBORS—AMENDMENTS

Mr. HAYDEN submitted four amendments intended to be proposed by him to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which were referred to the Committee on Commerce and ordered to be printed.

### INVESTIGATION RELATIVE TO ENLARGEMENT OF THE YELLOWSTONE AND GRAND TETON NATIONAL PARKS—LIMIT OF EXPENDITURES

Mr. ROBINSON. I submit a resolution and ask that it may be referred to the Committee to Audit and Control the Contingent Expenses of the Senate. I call it to the attention of the Senator from South Carolina [Mr. BYRNES].

The VICE PRESIDENT. Does the Senator desire the resolution read?

Mr. ROBINSON. Let the resolution be read, please.

The VICE PRESIDENT. Without objection the clerk will read.

The legislative clerk read the resolution (S. Res. 199), as follows:

*Resolved*, That the amount allotted for the investigation of the proposed enlargement of the Yellowstone Park, and the activities in the Jackson Hole region as thereto related, by authority of Resolution No. 226, agreed to February 11, 1933, be, and hereby is, increased to the extent of $310 to pay outstanding obligations incurred in pursuance of the purposes of said resolution to be paid from the contingent fund of the Senate.

Mr. ROBINSON. The late Senator Kendrick, of Wyoming, was chairman of the committee under the resolution referred to. At the time of his death there was a balance of the amount stated in the resolution due Miss Minerva V. Scott for services rendered the committee. The claim has been audited and the vouchers have been presented. This small expansion of the amount is necessary in order to discharge the obligation.

Mr. BYRNES. Mr. President, does the Senator from Arkansas ask immediate consideration of the resolution?

Mr. ROBINSON. No. Let it go to the committee.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

### DAILY LIFE OF SENATORS—ARTICLE BY SENATOR ASHURST

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article published in the Washington Herald of December 16, 1923, by Senator HENRY F. ASHURST, depicting the daily life of Senators.

There being no objection the article was ordered to be printed in the RECORD, as follows:

[From the Washington Herald of Dec. 16, 1923]

SENATOR HENRY F. ASHURST: DETAILS ABSORB VAST AMOUNT OF LEGISLATORS' TIME; THEY NEED MORE OPPORTUNITY FOR STUDY AND SEARCH—"THE PRESIDENT, CABINET MEMBERS, BUREAU CHIEFS AND MEMBERS OF FEDERAL COMMISSIONS MAY ADHERE MEASURABLY TO A SCHEDULE, BUT SENATORS AND REPRESENTATIVES FIND IT IMPOSSIBLE TO DO SO"

By HENRY F. ASHURST, Senator from Arizona

Public men in the United States, particularly our Presidents, Cabinet Ministers, Governors of States, Senators and Representatives in Congress, age rapidly nowadays and show wear and tear more quickly than do those of Europe. A variety of factors contributes to this premature fading out and oozing away of the vitality of American statesmen.

Amongst the most prominent of these factors are: The absurdly extreme anxiety of present-day officials to maintain their prestige or their "hold" on popularity; their constant strain of guarding their emotions; their accepting many invitations to deliver speeches when they should attend to public business or seek repose; the consciousness that they are serving a nervous and hurrying people who are hotly pursuing material success and who (whilst generously disposed toward those who fairly serve) demand quick "results" and unceremoniously displace the official who seems slow in "bringing home the bacon." Many American officials are harassed by the delusion that some fortuitous event may continue them in office or transfer them to a more attractive one. Most debilitating of all, however, is their inveterate fear that some unfortunate phrase, some act, innocent enough at the time, may at a later date assume an awkward posture or impale them and prove deadly to their ambitions.

All this burning up of their nervous energy is going on amidst their honest efforts to keep abreast with their enormous tasks.

Not a few public men of ability and character waste time and strength in a refined desire to please many and offend none, hence they are overtimid; are desperate to avoid emphasis and final decisions, and thus they whittle away advantages and qualify their speeches so much as to make them colorless.

Many persons nowadays have a nebulous idea that the Government could (in some way, they know not how), if it were not careless or heartless, make each citizen opulent or at least relieve each citizen from all the annoyances that betide mortal destiny, and but few—very few—public men will face the disfavor that flows from disillusioning those persons who hug such a phantom to their breast.

The President, Cabinet members, bureau chiefs, and members of Federal commissions may adhere measurably to a schedule, but Senators and Representatives find it impossible to do so.

#### SENATOR'S RESOLUTION

"I will divide my time for interviews into 10-minute periods from 9 to 11 a. m., I will read my mail and sign replies thereto at a stated time, and I will reserve to myself at least 2 hours each day during which I shall study some of the ever-present and complex problems of the Nation's life", says Senator Punctilio, who held his place for years at the head of a large manufacturing concern because he knew how to make every minute count.

"No idler, no lobbyist shall interrupt me in my vital work", says Colonel Plunger, noted for his precision and courage with our A. E. F., and just elected to the House of Representatives.

You will soon sing a different tune, Senator Punctilio. We are waiting, Colonel Plunger, to see how your fine plan turns out.

Senator Punctilio reaches his office in the Senate Office Building at 8 a. m. (early for Washington), where his secretary lays before him 120 letters, 8 telegrams, and 10 newspapers that came in this morning. The Senator begins jauntily to dispose of these letters and has dictated replies to 17 thereof when a messenger from his party leader summons him to a caucus to be held immediately where final action will be taken on a party measure. Will Senator Punctilio ignore the caucus? He will not. Before leaving his office his secretary hands him an editorial from the Daily Fogg, which he thinks "misquotes him", but which in truth printed what, in his haste, he actually said yesterday.

While at caucus his secretary sends him a note advising that a delegation of biogenetists from his State is at his office to solicit his vote on a bill that soon comes up. The doorkeeper of the caucus then calls him to the phone where rich young Mr. Speedsome Highlow, from the Senator's State, urges him to come at once to the District jail, where Mr. Highlow is now confined for repeated violations of the speed limit in his high-power automobile. When the Senate convenes at 12 o'clock the opposition will attempt to bring up a bill obnoxious to his constituents and he must be present and exhibit at least a faint glimmer of familiarity with the provisions of this bill.

#### "POLLING COMMITTEE"

The caucus adjourns; Senator Punctilio starts to his office but meets Senator Obsession, who is "polling the committee" to secure favorable report on a pet bill; at Senator Obsession's request he examines the papers, finds the subject unimportant, begs to be excused from joining in favorable report until he shall have examined further, but says Senator Obsession, "I will step into your office now and explain the bill to you in detail."

"Certainly, do come in", says polite Senator Punctilio; buzz goes the Senate bell; the Senate is calling for a quorum, so they go to Chamber.

Now he will listen to the debate. Oh, will he? It is now 12:10, he has replied to but 17 of the 120 letters which came this morning, and another bulky mail was delivered at 12 o'clock which he has not as yet even seen, much less answered. "But," thinks Senator Punctilio, "I will have my secretary and my stenographer both come to the marble room and bring all my mail where I can examine it and also keep an ear to the proceedings in the Chamber."

Foolish Senator Punctilio. The page boys know where you are, for just at this point the page brings him the card of Mr. Author, a tourist, who presents a letter of introduction from one of Senator Punctilio's best friends at home, who urges that Mr. Author be given especial consideration.

It is now incumbent upon the Senator to take Mr. and Mrs. Author to the Senators' gallery, explain the modus operandi of the Senate, and point out the celebrities—wise and otherwise. After 10 minutes of this he is again with his secretary and they make some headway on the correspondence until the offensive bill comes up. He then muddles through the debate.

It is now 2:30, another mail has come in, and the Senator suddenly recalls that he has had no lunch and that on last Sunday whilst at the art gallery Mr. Ghandy, one of his constituents, made him promise that he would meet Mr. Ghandy at the State Department in the office of passport control at 3 p. m. today, as Mr. Ghandy desires to go abroad but has no certificate of his birth in the United States, hence the Department must have the Senator's affidavit as to Mr. Ghandy's nativity.

#### MUST HEAR EVERYBODY

When Senator Punctilio returns to Capitol Hill he is met in the Senate reception room by Mr. G. O. Gettit, of the Daily Reminder, who asks the Senator's view on a vital subject upon which the Senator must not exhibit indifference. He was not ready to commit himself on this subject now, but must not be quoted as "declining to be interviewed."

His party whip now tells him that the Committee on Military Affairs, of which he is a member, must have his presence as it will vote within 5 minutes upon the promotion of Major Domo and that the State militia is opposing this promotion.

On his way to the Military Committee room he is accosted by a representative of the Seamen's Union who tells him that pelagic sealing amongst our seal herd at the Pribilof Islands must be stopped or our seal herd there will soon be extinct. Senator Punctilio thinks he knows what "pelagic sealing" is, but he says to himself, "Where in Sam Hill are the Pribilof Islands?"

He remembers how the Duke of Newcastle was lampooned, when he was reported to have said: "Cape Breton, really an island; how wonderful; show it to me on the map; so it is, sure enough"; therefore, he will make no untoward utterance but assures the seaman that he will "give the subject the attention which its importance deserves."

At the door of the Military Committee room he is waylaid by an anxious political lieutenant who again warns him, as he warned him Saturday, that tomorrow the committee on Interstate Commerce, of which Senator Punctilio is a member, will consider an amendment to the Esch-Cummins railroad law, proposing to restore to the States the right to fix railroad rates on intrastate

business, and that the manufacturing concerns and large business generally are opposed to such amendment, but that the resentment in his own State against the Esch-Cummins bill is strong enough to be seriously considered, and that his vote upon this amendment will be narrowly watched, as it will determine whether he is veering toward the standpatters or is adhering to the progressives, whose votes he obtained in his last campaign.

THEN BILLS TO READ

Senator Punctilio is a member of the following committees: Education and Labor, Finance, Foreign Relations, Interstate Commerce, Military Affairs, Patents.

Pending before these committees are bills aggregating 456 in number; he is also a member of five subcommittees holding hearings from time to time which he is expected to attend. On the Senate calendar are 398 bills reported favorably and subject to call any Monday morning, but he will not admit that he has not read one-tenth of these bills.

At the military committee room he is called to the telephone by his daughter, who tells him to come with her and mama to a lawn fete given by Mr. and Mrs. Secretary of the Exterior and that it would be inelegant for them to go without him. He orders his car, joins his family, and arrives at the lawn fete as the guests are leaving the grounds.

Reaching home, his secretary phones that he must not forget the Kiwanis Club banquet at 8 p. m. tonight, where he is to speak on the hydroelectric possibilities of Great Falls in Potomac River. Going home at midnight he reproaches himself that his speech was weak and inconclusive; his day has been frittered away with chips and whetstones; he has made mud pies; he has touched nothing deeply; he has begun much, but will finish nothing.

This condition exists whilst the days glide into months and the months glide into years, and thus Senator Punctilio, who could be useful to this Republic (he is a man of large executive ability, much force, broad vision, and not a few statesmanlike qualities), is only carrying around a little fork with which he is constantly picking up small rags of somebody else's self-interest. He spins much, but weaves nothing. He has had no time to study and search for truths that make nations great or peoples happy.

His schedule may be lived up to only by his refusal to visit departments or to receive cards brought to him at the Senate Chamber, and when a Senator or Representative adopts this policy the rumor of his "top-lofticallity" in a magnified form reaches his constituents, who are told that in Washington he is a "buttoned-up, cold, selfish recluse, who is neglecting the wants and wishes of his constituents."

COLONEL BUSY, TOO

Colonel Plunger jumps like a grasshopper from an interview with the Postmaster General to the Bureau of Standards, 4 miles away. Six different men expect him to recommend them for postmaster at Hickville, and whilst the colonel proved himself to be a hero at the Argonne, he cannot place 6 pegs in 1 hole; his truth-telling mortally offends three of the applicants when he writes them they are not competent.

In the town of Bargy Rusaert, in his district, business has been slack ever since the sawmills moved away 10 years ago, although the selection by the Government 5 years ago of Bargy Rusaert as a place for target practice and explosive testing stimulated business there somewhat.

The Boosters Club at Bargy Rusaert brings forth a heaven-born idea: An explosive-testing and target-practice range brought a disbursement of Federal money to Bargy Rusaert; therefore, why not a large hospital there for neuropsychiatric ex-service men? Such a hospital would carry a large personnel and much Federal money would be disbursed there each month.

Resolutions are passed by the Boosters Club and Colonel Plunger is called upon to secure this hospital. He replies that Bargy Rusaert is not a suitable place for a hospital as the nerves of the patients there who require quietude would be shattered by the volleys of the guns on the target range and by the repercussions of the explosive testing.

Most of the members of the Boosters Club clearly see the point, but some of them declare that whilst Colonel Plunger is a gallant soldier he is a failure when it comes to bringing home the bacon.

He soon perceives that the party caucus is dominated by the chairmen of seven or eight important committees, and that he must be in the House about 20 consecutives years to reach the head of an important committee.

His superb intellect and his vitality are exercised, not in concentrated attention to subjects of import to the Nation at large, as politicians in his own party, important men that may not be denied an audience, break in upon him with details that a competent clerk could dispose of within 10 minutes.

The above is not what happened to one Senator or to one Representative on one day; it is not remote from what happens to many Senators and Representatives every day.

RECOVERY FROM MARCH 1933 TO JUNE 1935

Mr. ROBINSON. Mr. President, I ask unanimous consent to have printed in the RECORD an informative statement on the subject of recovery during the period from March 1933 to June 1935.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RECOVERY—MARCH 1933 TO JUNE 1935

I. SUMMARY

The record of business recovery since the early months of 1933 is an impressive one.

The rate of activity in the basic industries has quickened until a substantial part of the ground lost during the previous drastic recession has been regained.

Increased output has been accompanied by a remarkable recovery in consumer income, evidenced primarily in expanding pay rolls, cash farm income, dividends, and profits, and expressed also in the increasing volume of retail trade in both city and country areas.

Our foreign trade, while still hampered by international uncertainties and by the reduced purchasing power and trade restrictions of our overseas customers, nevertheless has made appreciable gains since the depths of the depression.

The better tone of business sentiment has been reflected in the stock market where successive new highs for the recovery period have been registered during 1935. Moreover, during recent weeks shares of the basic industries, such as steel and heavy equipment, have been taking the lead.

The pronounced decline in interest rates and the healthy condition of the money market indicate ability to support a considerable volume of new capital issues. The large volume of refunding operations that are being conducted at very low interest rates are evidence of the magnitude of the funds seeking employment and of investment confidence. These factors, as well as improved profit possibilities, may well be the forerunners of large-scale new investment.

An important factor in the improvement recorded since March 1933 has been the influence of vigorous administration measures aimed directly at the correction of certain maladjustments in the price structure. As a result of the policies adopted, a reduction of price disparities and a lift in prices generally has taken place. This contribution to the renewed flow of economic activity has promoted, in particular, a more equitable exchange basis between the various producing groups in the country. Higher relative prices for farm products have given farmers more money to spend for manufactured articles, thus aiding the expansion of factory pay rolls and so bringing more money into urban as well as rural areas.

II. THE RECORD

*1. Basic industry*

Total industrial production: Looking first at the record of the basic industries, we find that industrial production as a whole, as measured in the Federal Reserve Board adjusted index, rose from 59 percent of its 1923–25 average in March 1933 to 86 percent in June 1935. This represented a gain of 46 percent over the 27 months' period. Manufacturing production during the same period gained 50 percent, while mineral output, which had held up much better during the depression than manufacturing, rose 21 percent.

During the first 6 months of this year, the index of industrial production averaged 87 percent, as compared with 65 in 1932, 70 in 1933, and 83 in 1934. Manufacturing production averaged 86 percent against 64 and 82, respectively, in the like periods of 1932 and 1934.

Durable and nondurable goods industries: By June of this year, output in the manufacturing group representing durable goods was more than double the very low volume to which it had fallen in March 1933. Nondurable goods, including such products as textiles, shoes, and foods, advanced 21 percent in output between March 1933 and June 1935, although the losses of this group during the depression were not so heavy as those of the capital goods industries.

Employment: Matching the gains in output, total factory employment, which had fallen to 59 percent of its 1923–25 level in March 1933, rose to 80 percent in June of this year. During the first 6 months of 1935 the index averaged 81 percent, as compared with an average of only 64 percent during the year 1932, a gain of 26 percent.

*2. Individual industries*

Automobiles: Turning to individual industries, we find the most spectacular recovery registered by automobile output. Production in the United States during the first 6 months of this year reached 2,262,000 cars and trucks, a first-half total which has been bettered only twice—in 1926 and again in 1929.

Consumer purchases have kept pace with rising output. More cars were bought in June and July of this year than in any like period since 1929. Particularly encouraging has been the recent gain in truck sales, reflecting the increased desire and ability of business men to replace or enlarge their business equipment.

Steel: Recovery in the steel industry has been substantial. The 18,295,000-ton steel-ingot output of the first 7 months of 1935 is 2.3 percent greater than the like period of 1934, sharply higher than the January-July total in 1933, and 42 percent greater than the 13,228,000 tons produced during the entire year 1932. Moreover, in recent weeks the rate of operation in the steel industry has accelerated, the New York Times index of steel-mill activity, adjusted for seasonal variations, reaching 70 percent of the estimated normal in the week ending August 3, compared to 40 percent on the corresponding date in 1934.

Machine tools: Additional proof of the recovery which is under way in the heavy industries is the reappearance in recent months of purchases for the replacement and improvement of capital equipment. The machine-tool industry, although in itself only a

small portion of the total machinery industry, is nevertheless a sensitive indicator of this revived demand. The index of new machine-tool orders, which during 1932 averaged only 20 percent of the 1926 level, moved up to an average of 68.5 percent during the first 6 months of 1935. Although the automobile industry is reported to have been the chief domestic buyer, orders are recently stated to have been coming in from a broad industrial field.

Building construction: Building construction, which lagged behind other industries in the recovery, has recently given strong evidence of revival.

Compared with the very low level reached in the first 6 months of 1933, building construction showed an advance of 61 percent for the first half of 1935. The improved condition of residential construction is apparent from the value of residential contracts awarded in 37 eastern States, which totaled $208,000,000 during the first 6 months of 1935, as compared with only $113,000,000 during the first half of 1933 and $132,000,000 in the like period of 1934. Although these totals are still extremely low relative to 1929, it is encouraging that gains in residential construction are becoming more pronounced each month, with the result that the F. R. B. adjusted index placed residential construction in June 1935 at 23, as compared with only 8 in March 1933.

A sound basis for continued gains in new home building is provided by the prevailing low-money rates and by the current rise in rents, underway now for 16 months. Likewise encouraging to residential building is the improvement of the mortgage market, as a result, in part, of the activities of Federal housing agencies. The revival in the mortgage market is reflected in the increased investment by insurance companies in urban and rural mortgages during recent months, although the proportion of their funds placed in these types of investment is still very much lower than it was during the predepression years.

Consumer-goods industries: While revival in the basic capital goods industries, essential to reemployment in volume, has been substantial, the recovery registered in the nondurable consumer-goods industries also presents a heartening picture.

Cotton consumption amounted to 2,900,000 million bales during the first 6 months of this year, as against 2,400,000 in the like period of 1932, a gain of 22 percent.

The wool industry, which has made remarkable strides during the current year, showed an increase in output of 153 percent between the first 6 months of 1932 and the same period in 1935. In addition to this showing, as compared with depression years, wool consumption for the year to date has exceeded the like 1929 consumption figures by a substantial amount.

Gasoline production of 180,600,000 barrels during the first 5 months of this year is also above the 1929 comparable output, pushing rapidly forward from 169,000,000 barrels a year ago and 167,000,000 in 1932.

There were 183,800,000 pairs of boots and shoes produced during the first half of 1935, a figure slightly under last year's comparable total, but 23 percent above the output for the first 6 months of 1932.

Electric power and electrical goods: Reflecting the recovery which has taken place over a wide field of economic activity, electric power output this year has reached a new high for the recovery period and has almost touched the 1929 rate of output. While the total demand for electricity fell off relatively little during the depression, due in part to continued growth of household consumption, the recent gains have been due to greater industrial as well as domestic use of electric power. Paralleling the increased output, orders booked for electrical goods, which fell off 78 percent during the depression, have advanced 69 percent between the second quarter of 1933 and the like quarter of 1935.

*3. Consumer income and consumer purchases*

Pay rolls: Examining the evidence of increased consumer income which has accompanied the brisker pace of industrial activity, we find that factory pay rolls, which stood at only 37 percent of the 1923–25 level in March 1933, by June of this year had advanced to 67 percent. For the first 6 months of 1935 they have averaged 69 percent, as compared with only 46 percent during the year 1932.

Farm income: Farm cash income, which had fallen to a depression low of $4.3 billion in 1932, rose to $6.4 billion in 1934, and is estimated this year at $6.7 billion. (Government payments are included in 1934 and 1935 figures.)

National income: Preliminary official estimates of the Department of Commerce place the national income paid out in 1934 at $49,440,000,000, an increase of 11 percent over 1933. A series relating to national income paid out, calculated monthly by the Cleveland Trust Co. on a yearly average basis, dropped almost without interruption from October 1929 to March 1933. From that month to the end of 1934 there was an increase of 30 percent, and the total annual income in 1934 is estimated by this organization as showing a gain of 15 percent over the year 1933. A calculation of national income produced, made by the National Industrial Conference Board on a somewhat different basis, shows an increase of 14 percent in 1934 over the previous year.

Purchases: Expanding consumer purchases reflect the great increase which has been taking place in individual incomes. The renewed demand for automobiles has already been mentioned. Electric-refrigerator sales during the first 5 months of 1935 were 16 percent higher than in the like period of 1934. During the entire year 1934, one and four-tenths million units were sold, as compared with only one million in 1933.

Reflecting largely the increased purchases of nondurable consumer goods, department store sales by June of this year had risen 40 percent from their March 1933 level. During the first 6 months of 1935 they have averaged 21 percent higher than during the first 6 months of 1933. Sales in rural districts during the first half of 1935 averaged 76 percent of 1929, as compared with 47 percent in the like period 2 years ago.

*4. Foreign trade*

Expanding foreign as well as domestic trade has accompanied an increased volume of industrial production. Our total exports, which had fallen off to $1.6 billion in 1932, rose to $2.1 billion by 1934, a gain of 32 percent. Our imports rose from $1.3 billion to $1.6 billion between 1932 and 1934.

*5. Finance*

Stock prices: Supplementing the evidence of increased output is the record of stock prices and corporation profits. During recent months the course of stock prices, as represented by the Dow-Jones index of 30 leading industrial shares, has been steadily upward, reaching successive new highs for the recovery period. This movement has obtained support from the profits records of leading corporations for 1934 and for the current year to date.

Corporation earnings: According to the Federal Reserve Bank of New York, the net profits of 659 corporations amounted to $911.1 million in 1934, as compared with $598.9 million in the preceding year and $41.2 million in 1932. It should be noted, however, that the profits of this group amounted to $2,693.8 million in 1929.

Available data indicate continued improvement in 1935. Moody's estimates that earnings of 105 leading industrial companies were up 30 percent in the first quarter of this year and 20 percent in the second, as compared with the like periods of 1934. Standard Statistics estimates corporation earnings on the basis of 136 company reports up 27 percent the first 6 months of this year as compared with last. The National City Bank reports net profits of 260 corporations at $313,000,000 for the first two quarters of 1935, against $265,500,000 a year ago.

Corporate issues: New capital issues, while still low, give evidence that idle capital is beginning to find employment, though not yet and in a volume comparable to predepression years. Domestic corporation stock and bond flotations of new issues in the first 6 months of 1935 were 69 percent above new issues in the same period of 1933.

A refunding movement, the logical forerunner of substantial new investment for capital purposes, has been stimulated by falling bond yields. The average yield of 60 domestic corporation bonds in the first 6 months of 1935 was nearly 30 percent under the average for the first half of 1933. Corporations taking advantage of the favorable conditions in the capital market refunded $469,000,000 stock, bond, and note issues in the first 6 months of 1935. The comparable figure for 1934 was only $102,000,000.

United States Government finance: During the first half of 1935 the Treasury refunded $5,888,000,000 of its obligations, including Treasury bills, and floated $524,000,000 in new securities. United States Treasury bond yields averaged 2.69 percent in the first 6 months of 1935, compared with 3.64 percent in the same period of 1929 and 3.91 percent in the first half of 1932. The refunding operations, combined with the more favorable rates at which new securities have been issued, served to reduce the average annual rate of interest on the public debt to 2.715 percent in June 1935 from 3.181 percent in June of 1934 and 3.946 percent in June 1929.

*6. Prices*

In March 1933 the wholesale prices of farm products had suffered a depression loss of 57 percent from 1926 levels, whereas the average wholesale prices of commodities other than farm products and foods had dropped off only 34 percent. By June of this year, however, the wholesale prices of both farm products and commodities other than those of farm origin stood at 78 percent of 1926 levels. Meanwhile the prices received by farmers at the farm advanced 89 percent between March 1933 and June 1935. Over this period the ratio of prices received and prices paid by farmers has improved greatly, rising from 55 in March 1933 to 81 in July of this year—a remarkable reduction of price disparities over a comparatively short period.

*The business situation, March 1933 and June 1935*

PART I

[Adjusted for seasonal variation]

| | Unit or base | March 1933 | 1935 | Percent change March 1933–June 1935 |
|---|---|---|---|---|
| Industrial production (Federal Reserve Board): | | | | |
| Total | 1923–25=100 | 59 | 86 | +45.8 |
| Manufacturing production | do | 56 | 84 | +50.0 |
| Mineral production | do | 81 | 98 | +21.0 |
| Manufactured products (Federal Reserve Board): | | | | |
| Durable goods [1] | Aggregates | 7.5 | 19.1 | +154.7 |
| Nondurable goods [1] | do | 26.4 | 31.8 | +20.5 |
| Manufactures (Federal Reserve Board): | | | | |
| Iron and steel production | 1923–25=100 | 22 | 66 | +200.0 |
| Textiles | do | 76 | 101 | +32.9 |
| Food products | do | 84 | 74 | −11.9 |
| Automobiles | do | 27 | 100 | +270.4 |
| Leather and products | do | 84 | 101 | +20.2 |

[1] "Durable" products includes iron and steel, coke, nonferrous metals, lumber, cement, polished plate glass, automobiles, locomotives, and shipbuilding. "Nondurable" includes textiles, leather products, foods, tobacco, and other manufactures not in the durable" group.

*The business situation, March 1933 and June 1935*—Continued

PART I—continued

| | Unit or base | March 1933 | 1935 | Percent change March 1933–June 1935 |
|---|---|---|---|---|
| Manufactures (Federal Reserve Board)—Continued. | | | | |
| Cement | 1923–25=100 | 40 | 58 | +45.0 |
| Petroleum refining | do | 135 | [3] 160 | [3] +18.5 |
| Rubber tires and tubes | do | 41 | [3] 75 | [3] +82.9 |
| Tobacco products | do | 99 | 138 | +39.4 |
| Minerals (Federal Reserve Board): | | | | |
| Bituminous coal | do | 51 | 80 | +56.9 |
| Petroleum, crude | do | 122 | 134 | +9.8 |
| Zinc | do | 44 | 79 | +79.5 |
| Lead | do | 45 | 55 | +22.2 |
| Construction contracts awarded (Federal Reserve Board): | | | | |
| Total | do | 14 | 29 | +107.1 |
| Residential | do | 8 | 23 | +187.5 |
| Nonresidential | do | 18 | 33 | +83.3 |
| Electric power (Annalist) | 1929–30=100 | 80 | 100 | +25.0 |
| Freight car-loadings (Federal Reserve Board). | 1923–25=100 | 50 | 63 | +26.0 |
| Sales, retail: | | | | |
| Department stores (Federal Reserve Board). | do | 57 | 80 | +40.4 |
| Rural sales, general merchandise | 1929–31=100 | 48 | 100 | +108.3 |
| Chain-store sales (Chain-Store Age) | do | 75 | 96 | +28.0 |
| Variety-store sales (Bureau of Foreign and Domestic Commerce). | do | 75 | 91 | +21.3 |

PART II

| | | | | |
|---|---|---|---|---|
| Employment (adjusted for seasonal), manufacturing (Federal Reserve Board). | 1923–25=100 | 57 | 80 | +40.4 |
| Durable goods [4] | do | 44 | 70 | +59.1 |
| Nondurable goods [4] | do | 75 | 90 | +20.0 |
| Iron and steel | do | 40 | 72 | +56.5 |
| Machinery | do | 48 | 84 | +75.0 |
| Transportation equipment | do | 43 | 90 | +109.3 |
| Automobiles | do | 47 | 103 | +119.1 |
| Railroad repair shops | do | 51 | 53 | +3.9 |
| Lumber and products | do | 35 | 49 | +40.0 |
| Stone, clay and glass | do | 38 | 53 | +39.5 |
| Textiles and products | do | 74 | 92 | +24.3 |
| Leather products | do | 78 | 86 | +10.3 |
| Food products | do | 85 | 100 | +17.6 |
| Tobacco products | do | 54 | 58 | +7.4 |
| Paper and printing | do | 80 | 96 | +20.0 |
| Chemicals and allied products | do | 81 | 112 | +38.3 |
| Petroleum refining | do | 95 | 110 | +15.8 |
| Rubber products | do | 61 | 78 | +27.9 |
| Pay rolls (unadjusted for seasonal) manufacturing (Bureau of Labor Statistics). | 1923–25=100 | 37 | 67 | +81.1 |
| Durable goods [4] | do | 25 | 58 | +132.0 |
| Nondurable goods [4] | do | 52 | 78 | +50.0 |
| Iron and steel | do | 23 | 56 | +143.5 |
| Machinery | do | 26 | 67 | +157.7 |
| Transportation equipment | do | 28 | 84 | +200.0 |
| Automobiles | do | 29 | 94 | +224.1 |
| Railroad repair shops | do | 38 | 51 | +34.2 |
| Lumber and products | do | 16 | 36 | +125.0 |
| Stone, clay, and glass | do | 21 | 41 | +95.2 |
| Textiles and products | do | 45 | 71 | +57.8 |
| Leather products | do | 53 | 71 | +34.0 |
| Food products | do | 61 | 90 | +47.5 |
| Tobacco products | do | 33 | 47 | +42.4 |
| Paper and printing | do | 63 | 84 | +33.3 |
| Chemicals and allied products | do | 65 | 94 | +44.6 |
| Petroleum refining | do | 80 | 98 | +22.5 |
| Rubber products | do | 33 | 65 | +97.0 |

PART III

| | | | | |
|---|---|---|---|---|
| Prices: | | | | |
| Cost of living of wage earners (National Industrial Conference Board). | 1926=100 | 69.2 | 79.8 | +15.3 |
| Prices received by farmers at the farm. | do | 38 | [3] 70 | [5] +84.2 |
| Prices paid by farmers (Department of Agriculture). | do | 65 | [3] 81 | [5] +24.6 |
| Wholesale: | | | | |
| Combined index (784 commodities) | do | 60 | 80 | +33.3 |
| Farm products | do | 43 | 78 | +81.4 |
| Foods | do | 55 | 83 | +50.9 |
| All except farm products and foods | do | 66 | 78 | +18.2 |
| Raw materials | do | 49 | 76 | +55.1 |
| Semimanufactured | do | 57 | 74 | +29.8 |
| Finished (Bureau of Labor Statistics). | do | 66 | 82 | +24.2 |

[3] May 1935.
[5] Percent change, March 1933 to May 1935.
[4] Employment and pay roll in "durable" goods industries include iron and steel and their products; machinery; transportation equipment; railroad repair shops; nonferrous metals and their products; lumber and allied products; and stone, clay, and glass products. "Nondurable", food and kindred products; textiles and their products; paper and printing; chemicals and allied products; leather and its manufactures; rubber products; and tobacco manufactures.
[3] July 1935.
[5] Percent change, March 1933–July 1935.

*The business situation, March 1933 and June 1935*—Continued

PART III—continued

| | Unit or base | March 1933 | 1935 | Percent change March 1933–June 1935 |
|---|---|---|---|---|
| Security prices. | | | | |
| Bonds (yield): | | | | |
| U. S. Treasury, long-term | Percent | 3.44 | [3] 2.50 | [5] −24.7 |
| Moody's 30, domestic corporate | do | 4.68 | [3] 3.70 | [5] −20.9 |
| Aaa. | | | | |
| 60 high-grade corporate (Standard Statistics). | do | 6.25 | [3] 4.11 | −34.2 |
| Municipal bonds, 15 large cities (Standard Statistics). | do | 4.88 | [3] 2.95 | [5] −39.5 |
| Stocks: | | | | |
| Industrials, 30 | Dollars | 57.6 | [3] 122.7 | [5] +113.0 |
| Rails, 20 | do | 27.4 | [3] 33.8 | [5] +23.4 |
| Public utilities, 20 | do | 21.8 | [3] 22.5 | [5] +3.2 |

[3] July 1935. [5] Percent change, March 1933–July 1935.

## CURRENCY MANAGEMENT

Mr. BULKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by Mr. James H. Ryan, Jr., together with the accompanying papers.

There being no objection, the letter and accompanying papers were ordered to be printed in the RECORD, as follows:

COMMITTEE FOR THE NATION,
*New York, August 21, 1935.*

Hon. ROBERT J. BULKLEY,
*Banking and Currency Committee United States Senate,*
*Washington, D. C.*

DEAR SENATOR BULKLEY: Please permit us, from a business viewpoint, to endorse and supplement the letter of July 15, 1935, addressed to all Members of the Senate by the five national farm organizations.

The farm organizations simply asked Congress to provide the mechanism which England has found essential for currency management. The best short statement of the case for a managed currency is in the June-July issue of the Monthly Review of the world's largest bank, the Midland, of London, of which the Right Honorable Reginald McKenna, formerly chancelor of the exchequer, is chairman. For the information of Congress and the American public will you please introduce the complete text into the RECORD, with our added comment on page 4 of the reproduction?

We do not take the position that agriculture is always asking for something and is never satisfied. Agriculture is always the first victim of a major depression. Farmers of the United States lost $22,000,000,000 of their normal income in the last 5 years—a levy of destruction upon one group of our citizens equivalent to the total national debt in 1933.

As a group of business men, we realize that we can have no real recovery until agriculture's power to buy from industry is restored. In our own interest as well as in the national interest we appeal to Congress to give painstaking study to the request of the farm organizations.

We believe, with them, that Congress should rise to its constitutional duty to regulate the value of money. We believe that depression and unemployment were caused primarily by the abnormal buying power of gold, brought about by world conditions. We believe that the United States could have escaped, as did some other nations, the worst effects of the world-wide depression if Congress had taken steps earlier to reduce the gold value of the dollar.

Secretary Morgenthau, appearing before a subcommittee of the House Committee on Banking and Currency on March 1, 1934, presented a chart showing how farm prices had risen almost parallel to the rise in the dollar price of gold. Yet he pleaded for Congress to refrain for at least another 8 months from establishing some standard and creating an administrative agency to which it could delegate its constitutional function to regulate the value of money.

Seventeen months have passed, and still the power to regulate the value of money—the highest act of national sovereignty—is left by Congress uncoordinated, partly in the hands of the Executive and partly in the hands of the Federal Reserve Board, with no mandate from Congress as to what the value of the dollar shall be.

When the decision was made to abandon the President's 1933 monetary policy and return to a $35 fixed price of gold, the United States abandoned the recovery measure which is mainly responsible for restoring prosperity to England and her "Sterlingaria" one-third of the world. England manages money but does not attempt to have the Government manage everything else.

The United States abandons its dollar to world forces acting upon the value of gold, and attempts to manage everything else.

Instead of following England's example, the United States accepted the advice of Britain's semi-Socialist economist, John Maynard Keynes, to unbalance our Budget and substitute for private

enterprise a public-works expenditure at the rate of $400,000,000 a month.

England changes her price of gold every day. John Maynard Keynes, in his Agenda for the President, point 8, said, "Cease manipulating the price of gold."

England balances her budget. John Maynard Keynes tells us to keep our Budget unbalanced. Thus we pile up a menacing burden of debt that would cripple the international power of the United States if any war danger arose.

The Banking Act of 1935, as originally drafted, gave the administration coercive control over the Federal Reserve banks to finance deficits that must arise from the Keynes spending plan of recovery. Is it better for us to follow what England does for herself, or the advice of her semi-Socialist economist, which she rejected?

England's greatest increases in exports of manufactured goods have gone to sterlingaria agricultural countries which, under her guidance, raised their prices of gold to equivalents of $45 to $50 an ounce or more.

Brazil has increased its price of gold over the old parity by 145 percent, the United States by 69 percent. In 4 years Brazil has trebled its cotton production, while the United States has lost one-third of its cotton production. From 57 percent the United States has dropped to 43 percent of world production—largely because this administration abandoned its monetary policy of 1933.

The future of the cotton-growing and textile industries of the United States is bound up with currency legislation. These industries are in grave jeopardy. Our position as the world's dominant cotton-growing Nation is already undermined because of the failure of Congress to lift the strait-jacket of monetary disadvantage from American producers.

Here is the inescapable fact that must be dealt with:

A bale of cotton was exchangeable in Liverpool for 5½ ounces of gold between 1921 and 1929. Now it brings only 1.7 ounces. As the value of gold went up the amount of gold received for basic commodities like cotton decreased.

4.6 ounces of gold bought a bale of cotton in 1929.
3.1 ounces of gold bought a bale of cotton in 1930.
2.1 ounces of gold bought a bale of cotton in 1931.
1.6 ounces of gold bought a bale of cotton in 1932.
1.6 ounces of gold bought a bale of cotton in 1933.
1.8 ounces of gold bought a bale of cotton in 1934.
1.7 ounces of gold buys a bale of cotton in 1935.

Manifestly, if we keep the same amount of gold in the dollar, this makes cotton worth fewer dollars.

Why should we allow irrational world forces acting on gold to cut to one-third or one-half the prices received by a million families growing cotton in our South? We can prevent it by simply adjusting the amount of gold in our dollar enough so that the smaller number of ounces will still make as many dollars as formerly. That is what the countries have done that follow England's managed-currency policy They have raised their prices of gold per ounce enough to offset the reduced number of ounces of gold now given in exchange for all basis commodities. In this way they have rebuilt normal basic commodity prices, removed the chief cause of their depression, and insured their recovery.

The countries whose legislative and financial leaders were wise in monetary matters did this promptly and fully. Their farmers prosper. Instead of A. A. A. restrictions, the crossroads of the Argentine are placarded: "Farmers, your day of opportunity is here! Plant more wheat! Grow more cotton!"

The Central Hanover Bank of New York reports—

"Argentina * * * is 'sitting on top of the world.'

"To appreciate how remarkably good conditions in the Argentine are as compared with the United States, suffice it to say that there is practically no unemployment in the country (there are always, even in boom times, some 300,000 unemployed in the entire country), no labor or political troubles, and the Government's budget is practically balanced. In 1934 the Government had a deficit in its budget of only about 18 percent, of total revenues, due in part to amortization of the public funded debt, and also to investments in productive public works. And for relief purposes, the Government disbursed during 1934 slightly over one-half of 1 percent of her total revenues."

Why? Because the Government and the bankers of Argentina had financial insight. They did what the Congress of the United States has neglected to do. Beginning in December 1929 they raised the peso price of the ounce of gold as fast as the value of gold went up, and the amount of gold exchangeable for cotton, wheat, and other basic products went down. Thus they avoided the destructive price collapse for their farmers and basic producers, whose buying power for industry was never undermined to cause nation-wide unemployment, as in the United States.

During the period 1929–35 the Argentine peso price of gold corresponded to the following dollar prices:

| | |
|---|---|
| December 1929 | $21.50 |
| June 1930 | 23.56 |
| December 1930 | 26.46 |
| June 1931 | 28.32 |
| December 1931 | 34.11 |
| June 1932 | 34.11 |
| December 1932 | 34.11 |
| June 1933 | 34.52 |
| December 1933 | 41.13 |
| June 1934 | 44.03 |
| December 1934 | 45.06 |
| April 1935 | 46.09 |

Increasing the price of gold has brought prosperity to Brazil as to the Argentine. The President of Brazil recently stated to the press that his country has no unemployment. The Central Hanover Bank, in its recent publication on "The Cotton Empire of Brazil", states that a "contributory factor in Brazil's cotton progress has been the depreciation of the milreis, currently quoted at about United States $0.054 as against United States $0.08 2 years ago.

The Brazilian price of gold in milreis today is the equivalent of $50 an ounce. When an American farmer sells in world markets cotton enough to exchange for an ounce of gold, he gets $35, or 12 cents a pound of cotton. The Brazilian cotton producer gets, for the same cotton, the same weight of gold. But his government has increased the price of gold, in milreis, so that he receives, in the money which represents his debt-paying and domestic purchasing power, as much as American cotton growers would receive in their money if the United States price of gold were $50 an ounce instead of $35, and the American price of cotton were 18 cents a pound.

United States cotton production is being undermined because Congress, in the Gold Act of February 1, 1934, and the President in his subsequent proclamation, decreed that the cotton producer of the United States should receive for the 1.7 ounces of gold he gets for his bale of cotton, $35, or only $59.50 a bale, while Brazil was wise enough to raise its price of gold so that, despite the fact that a small quantity of gold now represents an abnormally large quantity of basic products, this small quantity of gold would convert into enough Brazilian milreis to keep the price of cotton and basic products at normal levels.

By the Banking Act of 1935 Congress has failed to recover and exercise its constitutional function to regulate the value of money. It has condemned the cotton-growing South to low prices, low purchasing power, and loss of its foreign markets. It has likewise condemned all American producers of basic commodities whose prices are determined by the buying power of gold in international markets.

Before the United States can have assured recovery, Congress must exercise its constitutional function to regulate the value of money. It must establish some standard by which the value of the dollar can be regulated. And Congress must create its own administrative agency to carry out its mandate.

Mandatory restoration of a price level that will bring costs and prices into equilibrium and assure a national income sufficient to liquidate public and private debts is essential for agriculture and industry alike. An effective administrative mechanism for managing the currency is indispensable.

The committee for the Nation, cooperating with Frank A. Vanderlip, proposed such a mechanism in the bill for a Federal monetary authority. This would give the United States a monetary mechanism as effective as that created by Great Britain for its Empire and the sterling-bloc countries. These now include, according to Bank for International Settlements classification: Argentina, Australia, Bolivia, Brazil, Colombia, Denmark, Egypt, Estonia, Finland, Great Britain, India, Irish Free State, Japan, Norway, British Crown Colonies, New Zealand, Paraguay, Portugal, Siam, South Africa, Straits Settlements, and Sweden. In addition, Great Britain is now moving to bring China into the sterling group.

We shall renew before the Congress, at its session next January, our petition for enactment of currency legislation that will put the United States on a basis of equality with sterlingaria.

Further to clarify public and congressional thinking on the problems of how to attain the monetary stability which all the world desires, we refer to the accompanying "Appendix III: Variations in the Value of Gold", in the pamphlet "The Mechanics of Managed Currency", by George Jackson Eder, published by the Committee for the Nation in April 1935.

COMMITTEE FOR THE NATION,
JAMES H. RAND, JR., *Chairman.*

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[From the Midland Bank Monthly Review, London, June-July 1935]

TWENTY-FIVE YEARS OF PROGRESS IN CURRENCY AND BANKING

It is characteristic of human experience that changes taking place within the term of a generation are often overlooked by those living through them. Memory is a servant who often sleeps, and who fails at the task of comparing accurately the new with the old. In the field of money and banking this failure of observation is easily understood, for over the past 25 years comparatively little external evidence of change is revealed, apart from the disappearance of gold coin from circulation and the multiplication of banking offices, bearing fewer separate names. Moreover, special circumstances have concentrated attention largely upon the international aspect of monetary affairs, to the neglect of a general appreciation of development in our own organization. Yet within the system of currency and credit as it operates in this country the period has witnessed vital changes, not only in the machinery, but in the very philosophy of monetary operations. It is worth while recording these if only to remove the unduly pessimistic notion that monetary affairs in modern times have nothing to show by way of progress in any degree approaching the contemporaneous achievements in the technique of making and selling goods.

CURRENCY AND BANK BALANCES

We have mentioned already the most obvious change of all, in the composition of the currency. Gold coin is no longer available for circulation; even when the post-war gold standard was operating there was no means of obtaining it in exchange for paper currency. The concentration of the country's gold stocks

in the hands of a central authority, brought about by war-time requirements, was perpetuated in order to avoid the inevitable waste of dissemination. In 1925 our currency was placed on a gold-bullion standard rather than on the pre-war type of gold standard, and there is now not the slightest probability of the reappearance of gold coin in active circulation. The note circulation, moreover, has been simplified.

In 1910 there were still in England and Wales a number of banks other than the Bank of England which issued notes, in quantities defined under act of Parliament in 1844. Now, by the operation of that act, all these issues have passed away, and English currency has attained the utmost simplicity: token paper, all from one source, for larger sums and token coin for smaller. The change has been accomplished without any loss of confidence whatsoever—no one is in the slightest degree worried by the fact that he no longer possesses the right to change his notes into gold coin, a quality which 25 years ago was regarded as an essential attribute of good paper money.

Along with the change in the composition of the currency has gone a change in the relative importance of currency and bank balances as media of payment. Since 1910 the quantities outstanding of both currency and bank deposits have greatly increased. The figures cannot be accurately stated, but in rough approximation the amount of currency in circulation has been multiplied probably by well over 2 and of bank balances by about 3. The increase in the total supply of money must be associated partly with the growth of population and the enlargement of the proportion of adults included in it, and partly with the rise in the average standard of living and the higher general level of prices. The striking fact is, however, that so much more of the country's business is transacted by transfers of bank balances. In the financial year 1910–11 about 250 millions of checks were used in England and Wales; in 1934–35, notwithstanding the doubling of the stamp duty on checks, the total was well in excess of 400 millions, the increase amounting to roughly 70 percent. The turnover on bank accounts cannot be measured for the earlier year, but a rough indication of its growth is given by the returns of the London clearing house, which in 1934 dealt with a sum two and a half times as large as in 1910. In short, more people are using the banks and using them far more freely than before; this is true, moreover, not only in respect of remittances by the safe and convenient method of checks but in respect of a broadened and far more readily available variety of services. Many people who in 1910 would never have dreamed of entering a bank now use a bank in a variety of ways, even though the essentials of their financial position may be unchanged.

THE STRUCTURE OF BANKING

One reason why the banks have found possible this enlargement of services lies in the progress of structural integration between the two dates. By 1910 the amalgamation movement had gone far, but there was room for it to go further. At the end of that year there were still about 40 joint-stock banks engaged wholly or mainly in domestic commercial banking in England and Wales, but since then the number has been reduced to roughly a dozen. The list of names then extant reads strangely in these days, and the figures seem comparatively small; the largest of the joint-stock banks showed deposits of less than £80,000,000, and only four recorded amounts of £50,000,000 or more. But the change is much more than a matter of figures: the fusion of smaller banks into large institutions brought with it the possibility of rendering more efficient service on more economical terms, while competition between large units has ensured the full exploitation of that possibility.

The process of integration, however, was followed by a deeper change, whose significance lies rather in the realm of monetary science, though fully as important from the public point of view as the greater serviceability already mentioned. In short, the structural consolidation of the banking system made possible the pursuit of a deliberate monetary policy—put in another way, it made continuous and conscious monetary management a practical possibility. For one thing, it brought the cash reserves of the banks into more ordered form. Hitherto there had been no settled and regular practice among the commercial banks regarding their cash reserves; each had its own ideas as to how much cash it should hold, and in what form. The degree of dissemination of reserves is indicated by the fact that several of the banks had accumulated gold stocks of their own.

Nowadays, by contrast, the gold reserves for the entire banking structure are concentrated in the Bank of England, where they are far more effectively mobilized than in the hands of various banks and innumerable members of the public. The cash reserves of the banks are now held solely in the form of balances with the Bank of England and notes in their tills and vaults. Moreover, the banks have by now become ratio conscious: that is to say, they have come to maintain in their day-to-day operations a regular minimum relationship between their cash reserves and deposit liabilities. The result is that the central bank, when it thinks it necessary to increase or decrease the amount of cash available to the banks, can be reasonably sure, in all but extraordinary circumstances, that its expansive or contractive action will be quickly and faithfully expressed in the liabilities of the banks to the public. Clearly, if the banks were still at sixes and sevens in this matter of cash-reserve relationships, the central bank would be severely handicapped in its attempts to regulate the supply of money. The integration of the banking system contributed to the removal of this handicap and made scientific management of money supply practicable. True, it was the abandonment of the gold standard which rendered a managed currency inevitable: but management, whether on gold or off, could operate efficiently only by means of a highly coordinated banking system.

THE METHOD OF MONETARY CONTROL

Associated again with this close integration of the banking system has gone a vital change in the method of monetary regulation. In a highly developed system a central bank has two principal instruments available to its hand in the execution of its policy—whatever that policy may be. It can act on the quantity of money available for the use of the public; and it can act on the rates charged for the use of money; or, to look at the other side of the picture, on the rates of return obtainable by the lending of money, either at short or long term. Twenty-five years ago, by the very nature of the banking system, the first instrument was almost unknown, or at any rate very little used. If the Bank of England thought it to be its duty to pursue a restrictive policy—perhaps to check an outflow of gold or to arrest a speculative movement on the stock exchange or commodity markets—it raised money rates, and only in extreme circumstances did it take action which directly curtailed the quantity of funds available within the narrow area of the money market. Nowadays, instead of a mild and occasional form of quantitative regulation being used as an auxiliary to rate control, regulation of the total supply of money is the dominant instrument of policy. From time to time the quantity of money undergoes alteration without any accompanying effort to vary the rates charged for its use. The rate instrument has, indeed, become far less effective than formerly, and quantity is the dominant force in present-day monetary policy.

The importance of this particular change is twofold. First, it relieves the economic system of the effects of frequent variations in the basis of lending rates. Industry and trade are subject to less disturbance now than before the war from oft-repeated changes in bank rate. And, secondly, it has rendered monetary management far more effective. A rise in interest rates, if it went far enough, was in the old days moderately successful in checking a boom, but a fall in interest rates was very slow indeed to stimulate recovery. Restriction of quantity, especially when undertaken along with a rise in rates, is even more effective as a check to unhealthy developments; and positive expansion of quantity, together with a fall in rates, is far more powerful—as we have seen in the past 3 years—in promoting recovery from depression. Clearly, then, the change of method in monetary management represents a pronounced improvement in the technique employed.

THE NEW OBJECTIVE OF MONETARY POLICY

But perhaps most important of all is the fact that along with a change of instruments has gone a radical change in objectives, a change not so much of character as of relative weights. This, the unexpected benefit of a very ill wind, is a result of the disturbances of the past 25 years, which have enforced the adoption of new standards and principles for the formulation of policy. It must be remembered that by 1910 the gold standard as an international mechanism had operated continuously, and on the whole beneficially, for 40 years. Out of the past 25 years, however, the gold standard has operated for no more than 10, and even then has worked only haltingly and with gravely damaging results. We cannot at this point go into the reasons for the change, beyond remarking that the gold standard of 1910 was really a sterling standard, subject to almost undivided management, when need arose, from London. After the war it was a machine subjected to divided control from three centers having little in common as to either objectives or instruments or surrounding conditions. The gold standard in the old sense proving unsuitable to post-war conditions, some new standard of monetary policy, at first on a national rather than international basis, had to be evolved.

The history of this evolution is worth briefly recounting. Up to the outbreak of war, monetary policy was formulated with a single end in view—the fulfillment by the central bank of the duty, laid upon it by the legislature, of maintaining the statutory parity between the pound sterling and gold. On the outbreak of war this objective was submerged with the effective suspension of the gold standard. Monetary policy was then designed to meet the financial requirements of war and at the same time maintain public confidence; to that end it confined within what seemed the narrowest possible limits the inevitable process of inflation.

When the war and demobilization were over the guiding principle of monetary policy became definitely restrictive; the expansion of the money supply, which had reduced the value of the pound in relation to gold, was to be undone, and the old relationship between sterling and gold re-established. Already, however, a new conception of monetary rectitude was obtaining limited and occasional recognition. It was perceived that the restrictive policy was having injurious effects on our economic life, and from time to time its strict enforcement was modified in the interests of British industry and trade. Accordingly, whereas the restoration of the old parity required relentless deflation, and therefore seemed of doubtful wisdom, the process was in fact softened in an attempt to revive British trade. The result was the worst of both worlds, for the old parity was in fact restored without the prior fulfilment of the conditions necessary for its maintenance. In consequence, from 1925 to 1931 monetary policy was concerned mainly in a continuous struggle—unavailing and injurious to industry—to sustain a parity with gold which the basic conditions could not support. Hence the second departure from gold, in 1931.

A REVOLUTION IN IDEAS

In the past 4 years the progress of ideas has been rapid. This is evident to any reader of speeches on monetary policy delivered 10 years ago and today by members of the governments in office. The maintenance or restoration of any particular gold value for sterling—or, if the expression be preferred, of any particular sterling price of gold—is no longer regarded by both Government and central bank as the dominant objective of monetary policy. In fact, the gold value of sterling has dwindled by 40 percent—neither the Government nor the bank does anything about it, and no one is in the slightest degree disturbed, since the pound buys just as much goods and services as in 1931. Stability of the value of the pound in terms of goods has replaced stability in terms of gold. The essence of the matter is that Britain's monetary policy since 1931 has come to be formulated with first regard to the interests of British industry and trade. For a time after the departure from gold the old measures of restriction, regarded as inevitable in a time of crisis, whatever its nature, were enforced. But the Government shortly adopted and secured the pursuit of a more progressive policy, based on the needs of the time rather than the traditions of an earlier epoch. Hence the great expansion of credit which took place from the summer of 1932, providing the principal stimulus to business recovery in this country, and providing it without any unfortunate consequences in the shape of undue inflation or speculative activity. As usual, the way forward has proved to be the way out.

The fullness of acceptance of the new principle is indicated by the attitude of the Government toward the question of stabilizing the gold value of sterling. Herein again lies a contrast. Early post-war monetary policy was obsessed with the purpose of restoring the old parity between sterling and gold and gave scant thought to any possible alternative; nor, when superficially the moment of restoration had come, was it concerned overmuch with the question whether the basic conditions were favorable for sustaining the old parity. Today it seems evident that the Government is determined not to repeat the mistake. The ultimate relationship of sterling to gold—whether fixed or fluctuating—is left entirely open; no figure is accepted as in itself possessing any special merit; and the time and manner of establishing a figure are regarded as matters for determination with full regard to the conditions and needs of our industry and trade.

At the heart of the matter is a change in the official conception of stability. In the early post-war years the word could have only one meaning—a fixed price of gold, and hence a fixed relationship with other currencies on the gold standard. Today a clear distinction is seen between stability in terms of gold or gold currencies and stability in terms of goods, between exchange stability and internal stability. And the second is regarded as of at least equal importance with the first. For the time being the first is impracticable, so that the second holds the field; but it is becoming more and more clearly recognized that we cannot afford to accept the first, even when practicable, if by so doing we jeopardize the second. It may—indeed, it can—be possible in the long run to attain the two together; meanwhile internal stability is bringing us far greater benefits in solid economic welfare than the pursuit of fixity of exchange could conceivably yield. The two objectives are not always and inevitably irreconcilable, but there can be no doubt as to the change in the relative weights accorded to them in official policy.

Clearly, this change is nothing short of a revolution, and, taken in conjunction with those already referred to, it indicates an almost complete transformation of the monetary system. A new order of precedence has been applied to the objectives of monetary policy, and the machinery for translating policy into action has been vastly altered and improved. In this short article many other changes, of less vital importance than those mentioned, have been of necessity ignored. But enough has been said to show that economic progress in the past quarter of a century has not been confined to the arts of production. The advances there achieved are amazing, but the changes in the monetary system are scarcely less striking, even though less evident on a cursory survey and less easily described in generally comprehensible terms.

COMMENT BY COMMITTEE FOR THE NATION, NEW YORK

If England secured recovery by abandoning a fixed weight of gold and substituting a managed currency system, why was the United States put back onto the fixed gold standard by the Gold Act of February 1, 1934?

If England, wisest of banking nations, which created and managed the gold standard during the nineteenth century, and knew it best, recognizes, as McKenna says, "the gold standard in the old sense, proving unsuitable to post-war conditions, some new standard of monetary policy had to be evolved," why does America stick to that which England has discarded?

If England rejected as impractical the advice of her socialistically minded economist, J. Maynard Keynes, to spend her way out of the depression by unbalancing the Budget without monetary action, why did the United States accept his advice?

Elliott Thurston, in November 1934, reported in the Washington Post: "Now that Marriner S. Eccles, a devout disciple of that ecumenical English economist, John Maynard Keynes, is installed as Governor of the Federal Reserve Board, it is highly illuminating to note how reverently Mr. Roosevelt has bowed before the laws of the British prophet—who has yet to enjoy in his own land the esteem accorded him at the White House, and now at the Federal Reserve Board."

As the eighth point of his Agenda for the President Mr. Keynes stated the United States must end further gold manipulations. Why did this English economist tell the United States not to do the very thing that the Midland Bank head now describes as the basis of British recovery?

Organized agriculture and thousands of businessmen who have studied monetary problems plead with the Congress for a currency system that will restore the dollar to normal and then keep stable its buying power over goods.

Incidentally Maynard Keynes' ninth point was continued unbalance of the Budget. Great Britain has balanced hers. It is now stated in Washington that the next session of Congress will be asked to add $3,000,000,000 more to the $4,800,000,000 relief fund. It is also rumored that the unavowed purpose of the Eccles banking bill is to get control of the central banking system so that it can be forced to carry out the Keynes collectivist program that requires huge Government expenditures.

The Supreme Court decision points to buying power as the essence of good money. Instead of moving in this direction the administration banking bill is mainly a preparation for further huge-scale Government spending.

Do Congress and businessmen know that President Roosevelt's 1933 monetary policy was the same as that which brought recovery without sacrifice of freedom or private enterprise in England? Do they know that since we went back to the gold standard (Feb. 1, 1934) we have been traveling the Keynes-Tugwell-Frankfurter-Eccles road to collectivism instead?

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THE MECHANICS OF MANAGED CURRENCY

By George Jackson Eder

APPENDIX III: VARIATIONS IN THE VALUE OF GOLD

The subject of the fluctuations in the value of gold, its purchasing power in terms of commodities, is a familiar one, and all economists, of every school, agree that gold, or money based on a fixed amount of gold, is not a stable measure of value. It is not generally realized, however, that not merely is gold an unstable measure of value, but that, in recent years, it has proved to be the least stable commodity of all the major commodities.

The following tables, showing the value of gold in terms of wheat, cotton, pig iron, lead, and silver at various periods from 1920 to 1934 reveal a maximum variation of 347 percent in the purchasing power of that metal for the average of the other five commodities. The other commodities, as shown by the tables, have displayed far less variation in their average purchasing power, viz, 77 percent in the case of wheat, 84 percent in the case of cotton, 129 percent in the case of pig iron, 105 percent in the case of lead, and 71 percent in the case of silver.

TABLE 1.—*Variations in the value of gold in terms of wheat, cotton, pig iron, lead, and silver*

| | 1 ounce of gold equivalent to— | | | | |
|---|---|---|---|---|---|
| | Wheat | Cotton | Pig iron | Lead | Silver |
| | *Pounds* | *Pounds* | *Pounds* | *Pounds* | *Ounces* |
| Year 1920 | 492 | 61 | 1,088 | 255 | 20 |
| Year 1926 | 795 | 118 | 2,584 | 246 | 33 |
| June 1929 | 1,034 | 110 | 2,584 | 295 | 39 |
| June 1931 | 1,723 | 230 | 2,053 | 517 | 75 |
| February 1933 | 2,584 | 339 | 3,445 | 689 | 78 |
| Year 1933 | 2,034 | 304 | 3,777 | 678 | 76 |
| Year 1934 | 2,176 | 283 | 4,353 | 893 | 72 |
| Maximum variation (percent) | 425 | 456 | 300 | 253 | 290 |

TABLE 2.—*Variations in the value of wheat in terms of cotton, pig iron, lead, silver, and gold*

| | 100 pounds of wheat equivalent to— | | | | |
|---|---|---|---|---|---|
| | Cotton | Pig iron | Lead | Silver | Gold |
| | *Pounds* | *Pounds* | *Pounds* | *Ounces* | *Grains* |
| Year 1920 | 12 | 221 | 52 | 4 | 98 |
| Year 1926 | 15 | 325 | 31 | 4 | 60 |
| June 1929 | 11 | 250 | 29 | 4 | 46 |
| June 1931 | 13 | 171 | 30 | 4 | 28 |
| February 1933 | 13 | 133 | 27 | 3 | 19 |
| Year 1933 | 15 | 186 | 33 | 4 | 24 |
| Year 1934 | 13 | 200 | 41 | 3 | 23 |
| Maximum variation (percent) | 36 | 144 | 93 | 33 | 416 |

TABLE 3.—*Variations in the value of cotton in terms of wheat, pig iron, silver, lead, and gold*

| | 100 pounds of cotton equivalent to— | | | | |
|---|---|---|---|---|---|
| | Wheat | Pig iron | Lead | Silver | Gold |
| | *Pounds* | *Pounds* | *Pounds* | *Ounces* | *Grains* |
| Year 1920 | 807 | 1,784 | 419 | 33 | 787 |
| Year 1926 | 673 | 2,188 | 208 | 28 | 406 |
| June 1929 | 940 | 2,350 | 269 | 36 | 437 |
| June 1931 | 750 | 1,286 | 225 | 33 | 209 |
| February 1933 | 763 | 1,017 | 203 | 23 | 142 |
| Year 1934 | 769 | 1,538 | 315 | 26 | 170 |
| Maximum variation (percent) | 40 | 131 | 106 | 57 | 454 |

TABLE 4.—*Variations in the value of pig iron in terms of wheat, cotton, lead, silver, and gold*

| | 100 pounds of pig iron equivalent to— | | | | |
|---|---|---|---|---|---|
| | Wheat | Cotton | Lead | Silver | Gold |
| | *Pounds* | *Pounds* | *Pounds* | *Ounces* | *Grains* |
| Year 1920 | 45 | 6 | 23 | 1.9 | 44 |
| Year 1926 | 31 | 5 | 10 | 1.3 | 19 |
| June 1929 | 40 | 4 | 11 | 1.5 | 19 |
| June 1931 | 58 | 8 | 18 | 2.5 | 16 |
| February 1933 | 75 | 10 | 20 | 2.3 | 14 |
| Year 1933 | 54 | 8 | 18 | 2.0 | 13 |
| Year 1934 | 50 | 7 | 21 | 1.7 | 11 |
| Maximum variation (percent) | 142 | 150 | 130 | 92 | 300 |

TABLE 5.—*Variations in the value of lead in terms of wheat, cotton, pig iron, silver, and gold*

| | 100 pounds of lead equivalent to— | | | | |
|---|---|---|---|---|---|
| | Wheat | Cotton | Pig iron | Silver | Gold |
| | *Pounds* | *Pounds* | *Pounds* | *Ounces* | *Grains* |
| Year 1920 | 193 | 24 | 426 | 8 | 188 |
| Year 1926 | 323 | 48 | 1,050 | 13 | 195 |
| June 1929 | 350 | 37 | 875 | 13 | 165 |
| June 1931 | 333 | 45 | 671 | 14 | 93 |
| February 1933 | 375 | 49 | 500 | 11 | 70 |
| Year 1933 | 300 | 45 | 557 | 11 | 71 |
| Year 1934 | 244 | 32 | 488 | 8 | 54 |
| Maximum variation (percent) | 94 | 104 | 146 | 75 | 261 |

TABLE 6.—*Variations in the value of silver in terms of wheat, cotton, pig iron, lead, and gold*

| | 1 ounce of silver equivalent to— | | | | |
|---|---|---|---|---|---|
| | Wheat | Cotton | Pig iron | Lead | Gold |
| | *Pounds* | *Pounds* | *Pounds* | *Pounds* | *Grains* |
| Year 1920 | 24 | 3.0 | 53 | 13 | 24 |
| Year 1926 | 24 | 3.6 | 78 | 7 | 14 |
| June 1929 | 20 | 2.8 | 66 | 8 | 12 |
| June 1931 | 23 | 3.1 | 39 | 7 | 6 |
| February 1933 | 33 | 4.3 | 44 | 9 | 6 |
| Year 1933 | 27 | 4.0 | 50 | 9 | 6 |
| Year 1934 | 30 | 3.9 | 60 | 12 | 7 |
| Maximum variation (percent) | 43 | 54 | 100 | 80 | 300 |

Gold, in brief, has proved to be a most unstable and unsuitable measure of value in recent years. In terms of buying power for a representative group of basic commodities, it has varied nearly five times as much as silver. Under the circumstances, is there any cause for wonder that, with the greatly increased interdependence of nations upon other nations for their raw materials and markets, based upon prices in terms of gold, it has become impossible to maintain so fluctuating a commodity as gold as the fixed basis of currency, and that every nation of the world, with but two exceptions, has been forced to abandon the gold standard since the war?

The failure to recognize these facts accounts for the opposition amongst many groups of men to any attempt by governments to free their currencies from the devastating effects of a rigid tie to gold. It is refreshing, then, to know that one of the most respected and conservative banking firms in the country, Messrs. J. P. Morgan & Co., has not been afraid to face the facts and that, upon the respective departures of England and the United States from gold, Mr. Morgan characterized this action as highly constructive. Another partner in the firm, Mr. Russell Leffingwell, one of the most competent bankers in the country, writes:

"Gold is not an end in itself. It is a means to an end. That end is monetary stability. * * * When the value of gold rises, prices and wages fall and the horrible cycle of deflation, with its terrible consequences in human suffering, begins to revolve toward the abyss. Then the only hope for humanity was to stop gold payments, to go off gold."

In England, after nearly 4 years of managed currency, not tied to gold, financial circles are beginning to realize that a fixed purchasing value for currency is far more important than its weight in terms of gold or its exchange ratio in foreign currencies. The columns of the London Times are filled with letters from such distinguished persons as Sir William Dampier, Sir William Jarratt, and others, stressing the fact that the managed pound sterling is much more stable than the old gold pound. A large brokerage and commodity House (Wigglesworth & Co., Ltd.) reports that "the pound has enjoyed remarkable stability during the last few years of changing values, as can be gauged by the one true method of measuring monetary values, viz, their purchasing power in terms of commodities. * * * It is clear that gold and not the pound is fluctuating."

VALUE OF MONEY CAN ONLY BE STABILIZED THROUGH VARYING ITS WEIGHT IN GOLD

For complete statistical proof that the value of money can only be stabilized through allowing its gold content to vary (or, in other words, by changing the money price of gold), the reader is referred to Gold and Prices, by Warren & Pearson. The price tables in that book confirm the findings of this bulletin and prove that changes in the volume of currency or bank credit cannot be employed to control the value of money and maintain its purchasing power stable. To quote:

"Some persons believe that the commodity price level can be raised by creating purchasing power. So long as the money is maintained at a given parity with gold, the commodity price level cannot be raised much above the world price level in gold. If any considerable effect on commodity prices is to be obtained by creating purchasing power, it must raise prices relative to gold in the whole world.

"Another expression of the same error is to believe that greenbacks, Federal Reserve notes, silver certificates, or other forms of paper money will raise commodity prices. The answer is the same. So long as each piece of paper represents a given amount of gold, very little rise in prices above the world levels can be obtained."

The entire findings of Professors Warren and Pearson bear out completely, through rigorous mathematical and statistical methods, the facts that this bulletin attempts to make clear through analysis of the practical operation of money, banking, foreign exchange, and commodity markets, namely, that, while such factors as the volume of money and credit, changing discount rates, reserve ratios, open-market operations, etc., may tend to raise or lower prices, and are necessary auxiliaries of the monetary function, they cannot control or stabilize the value of money so long as the currency is tied to a fixed weight of gold.

Congress must make it mandatory upon a designated monetary authority, whether that authority be the Federal Reserve Board, a separate commission, or other body, to restore prices to a normal level predetermined and specifically designated by Congress, and thenceforth to maintain the value of the dollar stable at that level in accordance with a suitable basic commodity price index. To accomplish this, Congress must specifically vest the said authority with powers to change the price of gold (or gold content of the dollar) at such intervals as may be necessary. Only in this way can Congress satisfy the urgent needs of its constituents for a fair and stable level of prices; fulfill the promise of the President to restore those price which have fallen most, and to provide a dollar that will not vary in purchasing power from one generation to another; and comply with its constitutional mandate to regulate the value of money.

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FRANK A. VANDERLIP'S INTRODUCTION TO AMERICAN EDITION OF SIR CHARLES MORGAN-WEBB'S "THE MONEY REVOLUTION"

Study of the currency question has certainly ceased to be an academic matter. The immediate practicality of the subject has been brought forcibly even to stubborn minds by the legislation which is being actively debated in Congress and, in one form or another, seems likely soon to become a law.

It would now seem almost immediately inevitable that we will adopt some form of managed currency. We are at last about to regulate the value of our money in more or less the manner which was contemplated by the Constitution. We have always had, in a partial sense, a certain amount of management, just as under the gold standard Great Britain maintained that standard by shrewd, adroit, courageous management.

If one wishes to have some scientific understanding of the subject, where is he to look for guidance? Certainly not to bankers; quite as certainly not to economists, for among both professions there is the widest range of opinions and nothing like a solidarity of conclusive judgment.

The difficulty lies in the fact that much of the writing regarding currency and practically all of the reading is done with little aid of critical brain but through the obscuration of fixed prejudices. The same words mean different things to different minds. But the confusion is even deeper than that. Practically all the so-called "conservatives"—I am sometimes inclined to define the conservative as one who never thinks anything ought to be done for the first time—have a fixed hypothesis in regard to gold, and no assault of facts upon that hypothesis makes the slightest dent.

To those minds, gold is the final and only stable point of reference of value. Anyone who thinks otherwise is outside their pale of mental communion and is condemned with the phrase that they are "tinkers with the currency." They still think gold is a stable measure of value, in spite of the fact that all the world is practically off the gold standard excepting three nations. Our own attachment is by the slenderest thread. Our currency has no convertibility into gold; it is a crime to hold gold; gold can be obtained from the Treasury only at the caprice of the Secretary of the Treasury, and even so it can be obtained only for shipment to a country now on the gold standard.

Economists are confused in their thinking and widely divided in their conclusions. Few bankers make any pretense to a scientific understanding, and even those who have some glimmering are so timid about making any public utterance and are so fearful of taking any stand in opposition to the wishes of the Government that our natural source of guidance is worthless. One-third of our banks, including the biggest, have put themselves in a position in which the Government is their largest single stockholder, and practically all banks are in a thralldom of officialdom which silences all bankers.

For 40 years I have been a student of the subject. I had some part in formulating the original ideas of the Federal Reserve System. In more recent times, I attended the Genoa Conference, which was the first united effort of Europe to extricate itself from the chaos of currencies that the war brought about. No one who is unfamiliar with the Macmillan report, the inner meaning of the results of the Ottawa Conference, the declaration of the delegates of the United Kingdom at the close of the

World Economic Conference, or the practical operation of sterling management since Great Britain went off the gold standard, has a right to speak with authoritative judgment in regard to currency.

Nor can we look for informed guidance from Congress. Congress has abdicated, of its own will. It is revealing of the congressional situation to be told, as I have been, by one of the most highly placed Members that "You must understand that it makes no difference what we think; we are under the lash." The lash in this case means the will of the patronage distributing executive branch.

It is time, and full time, if we have an intelligent democracy, that business men take the time to inform themselves regarding this vital factor in our economic life. Too many business men assert that they are so engaged with the everyday affairs of their business in these troublous times to devote themselves to public questions. What does it matter what attention a man gives to the immediate work that is on his desk if the very foundations upon which his desk and his whole business depend are being altered?

I am fairly familiar with the economic literature of our time which is concerned with this subject. In the whole range, I have found nowhere a clearer, more dispassionate statement of the historical background and the present facts from a world point of view than in this book by Sir Charles Morgan-Webb. Its title is well chosen. The currency revolution is not ahead of us. We are in the midst of it and it has been actively influencing our lives for the last decade.

If Congress, the economists, and the bankers of the country would all take a week off from their pressing activities, not merely to read, but to read with understanding this small volume, they would know something about the currency question. They would have a mass of facts, adequately documented as to their source, instead of being in the situation of the man who was described by Artemus Ward as knowing more things that weren't true than any other living person.

They will learn that an ounce of gold is not a stable measure of value. They will comprehend the proof that was educed in the Cunliffe report, that stable foreign exchange based on the gold standard involves violent fluctuations of prices and consequent depressions and undue inflations of business. They will learn what the Genoa Conference of 1922, held at the instance of the League of Nations, concluded regarding the relative desirability of stability in the exchanges or stability in the price level. They will understand what was back of the policies of Governor Strong in the management of the Federal Reserve Bank System, when he really dictated the open-market operations of the system under the guidance of a price index. They will understand the operations of the British stabilization fund, and trace the currency revolution through the results of the Ottawa Conference and the conclusions embodied in the British Empire currency declaration at the close of the World Economic Conference. In short, they will begin to acquire a scientific understanding of the currency question.

The story is told here in a simple and, it seems to me, a conclusive way. It is not the opinion of one man; it is a historical chronicle that leads irresistibly to a clearer understanding of the intricate and technical principles. I have been so impressed with the value of this book that I have arranged for its publication in America by Economic Forum simultaneously with its issue in England, and I unreservedly commend it to readers who wish to have a solid background for their thinking in relation to the subject of currency.

FRANK A. VANDERLIP.

## ADDRESS BY HIRAM BINGHAM ON ADMINISTRATION POLICIES

Mr. BARBOUR. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD an article which appeared in The Day, of New London, Conn., on July 1, setting forth a most forceful address by former United States Senator Hiram Bingham.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The Day (New London, Conn.) of July 1, 1935]

In one of the most forceful addresses he has made since the present Democratic administration came into power, former United States Senator Hiram Bingham partially "stole the show" at the banquet of the New England Young Republicans Saturday night at the Hotel Griswold, when he charged President Roosevelt with dictatorship ambitions and with being as changeable as the weather on policies being carried out by the administration. He spoke as follows:

"At last the issues for the next campaign are clear. The President has made them so. He disapproves of the American Constitution. He wants to change it so as to give him the power possessed by the heads of the nations of Europe. He does not like the American system. And no wonder. The Supreme Court, although it contains such great liberals as Justice Brandeis and Justice Cardozo, has unanimously told him that he cannot discharge faithful members of semijudicial bodies simply because he does not like their mental processes and their decisions. His discharge of Commissioner Humphrey was a smooth piece of despotism. It was done in a more charming manner than the Tory kings of England treated judges who would not do their bidding. (Webster says that a Tory was 'one who sought to maintain the extreme prerogatives of the Crown.') It is evident that we have a Tory for President.

### CRUEL TOOLS OF TYRANNY

"Our ancestors who wrote and adopted the American Constitution knew that great wrongs had been committed by unjust judges, by judges who feared the crown or the mob. Under the power of despotic English kings the judges were the most cruel tools of tyranny. Wisely did our ancestors place them above the vengeful power of a disappointed executive, as well as secure from the whims of demagogues and their followers. So the Constitution did not give the President the power to discharge an honest semijudicial commissioner. Naturally, he wants it changed. As we love liberty, we must not let it be changed. We should resent every attempt to make the judges subservient to any Chief Executive.

### ISSUES ARE CLEAR

"The issues are clear. The President wants the power to make the laws. He got the Congress to permit him to make more laws than the Congress made in a hundred years. The Supreme Court unanimously says the Constitution does not permit it. So he wants to change it. No wonder. He would like to have his own way; but our ancestors had learned through bitter experience that even those raised to position of great power are, after all, human, and likely to be influenced by human passions, ambition, envy, anger, disappointment, fondness for close friends, dislike of political opponents, etc. So, in order to protect the rights and liberties of the ordinary individual against the human frailties of our rulers, they devised the American system of checks and balances. It provides for a check on overzealous officials. It places the duty of making laws on the representatives whom the citizen can reach, can reward, and can punish. It places the duty of making judicial decisions on judges whose tenure of office does not depend on the whim of the Executive or the pleasure of the mob. It does these things because our ancestors had found out in the course of the long struggle for human liberty that they were necessary. They are still necessary.

### MEANS WELL, BUT CHANGEABLE

"The President means well. But he is very changeable. One day he seems to be a 'sound-money man.' The next day he abandons the gold standard and gives us bills that cannot be exchanged for gold. One day he is for spending no more than we receive. The next day he is for going headlong into debt. One day he is for great irrigation works that will increase the amount of land on which crops can be grown. The next day he is for crop reduction. One day he is opposed to Federal commissions and boards. The next day he creates so many new ones there are not letters enough in the alphabet to label them without confusion. One day he tells Congress that money for relief will be spent in a certain way. Four days later he gives orders that it will not be spent that way. One day he is benevolent. The next day he wants to soak American enterprises that have benefited millions of people. What next?

"The issues are clear. On the one hand, the American system; on the other hand, the new deal. On the one hand, the American Constitution; on the other hand, Government by a little group of wise men who admit they know what is best for the rest of us. On the one hand, liberty, with its responsibilities and its hardships; on the other hand, a paternalistic Government taking advantage of wide-spread suffering under the depression to increase 'the prerogatives of the crown' in the old Tory manner.

### KNEW EVIL OF DESPOTISM

"We have lived for four generations under the blessings of a hard-won liberty. We have forgotten what our fathers who wrote the Constitution knew only too well. They knew that unlimited power was hazardous and liable to be oppressive to freedom. They knew the evils of despotism as expressed through a powerful central government. We do not, except by reading history. Our ancestors struggled for centuries to secure the human right of owning property, houses, lands, cattle, and goods. They fought for generations to win individual freedom and to escape from too much government. We have learned that big business can be oppressive. We have forgotten that big government can be even more so. We distrust bigness in business. Does anyone think that our citizens will be any more trustworthy in government than they are in business? Why is a man who has risen by his own ability to be the head of a great corporation to be distrusted and handicapped by restrictive legislation, and penalized by heavy taxation, while a man of like racial characteristics who has been helped to rise by the friends he has made in politics to be the head of a great government department is to be trusted and relieved of restrictions formulated by wise lawgivers? Is the one man any more likely to deal justly than the other?

### "QUOTES CONSTITUTION

"The issues are clear. The new deal says that men in important economic positions are to be punished and restricted; while men in important governmental position are to be unrestricted and given more power. The Constitution says that no person 'shall be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation'; also that all legislative powers granted to the Federal Government are vested in the Congress, while powers not so granted are reserved to the States and to the people. The President says this is 'distasteful' to him. He wants to change it. We say, 'No.'

"During the past few years we have gone quite some distance on the wrong road to 'life, liberty, and the pursuit of happiness.'

We found the old constitutional trail rather rugged and difficult. So we turned aside on an easier trail, less steep and requiring less exertion. Now we find it is not leading us where we want to go at all. We dislike to retrace our steps, but there is no short cut.

REPRESENTATIVE GOVERNMENT

"Our forefathers discovered what is known as 'representative government.' It worked better than any form ever devised by man. But it was not perfect, so we have been engaged in discarding it. Many so-called 'progressives' and radicals want us to go back to principles of government ownership that were in effect in the Middle Ages and were abandoned in man's struggle for liberty. In the dark ages there was no 'rugged individualism' except on the part of powerful rulers and despots. The ordinary individual did not count at all. Initiative and personal liberty were crushed and forbidden by government, so as to make the individual conform to a pattern and a plan laid down by some higher and wiser political or religious authority. Those were dark days. Let us not be lured back into them by any who would take advantage of our present unhappy state to promise us a more abundant life if we will surrender our birthright of State rights, local self-government, personal liberty, and Americanism."

COMMERCE IN MUNITIONS, ETC., IN TIME OF WAR

The Senate resumed the consideration of the motion of Mr. PITTMAN to concur in the amendments of the House of Representatives to the joint resolution (S. J. Res. 173) providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries, the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states, for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war, and restricting travel by American citizens on belligerent ships during war.

Mr. JOHNSON. Mr. President, with the laudable design of those who have presented the particular joint resolution which is now before us, of course, all of us have the heartiest sympathy. In any endeavor to prevent war all of us will unite. None will unite more enthusiastically or more readily than myself.

About the joint resolution, however, which is presented here there are certain things which I think ought to be said, not to prevent its passage probably, not with the design of altering it particularly, but there are certain observations which should be made in order that our people should understand in some degree exactly what we are doing today and that they should understand that the hopes which have been held out to them that wars will be prevented in the future by a resolution such as is here before us will not be fulfilled at all, but those honestly believing something marvelous is about to be accomplished are doomed to disillusionment, disappointment, humiliation, and regret.

I do not desire ever to assume the roll of prophet, but these are the days of prophets, and I essay a minor role in that regard. Mr. President, we are not going to be in any war that involves Ethiopia and Italy, or that involves any other country beyond our borders. We are not going to engage in any strife in the immediate future where the cause for that strife does not intimately concern ourselves.

To say to us that we must act overnight upon any resolution of neutrality or otherwise because of the fear of war is to me the most arrant nonsense that can be presented. There was a time when propaganda would take us into war. There was a time when pacifist organizations, and others who were dealing with subjects of which they had little or no knowledge, might have led us by blundering into a strife which was no part of our country's concern.

But that day, thank God, is past. Never again during the generation which now lives in this Nation will we be able to be taken into European war or drawn into a European entanglement. The only reason, or perhaps the best reason, why this joint resolution should be passed is that finally the United States of America by it states a policy, the policy of minding our own business, keeping out of Europe, European controversies, foreign wars, and the like.

After 17 years of suffering in that regard, after reading a press throughout this country during that long period which was at variance with the views I have expressed, it is delightful now finally to find justification of the men, very few, who stood firmly years ago and through all the long period since have stood firmly for maintaining America in America's security and in America's pristine glory and keeping out of every foreign entanglement and every European war.

So today, when we are about to pass what is miscalled a "neutrality" resolution, and when we are about to pass something of which we have little knowledge, because at the end of the session and because of the little time we have had to devote to it, in one thing we may glory, my friends, for one thing we may be thankful. The joint resolution makes plain the policy of the United States of America to keep out of European controversies, European wars, and European difficulties. So today is the triumph of the so-called "isolationists", and today marks the downfall, although we may not know it, of the internationalist who has been devoting his gigantic energy in the last 17 years to involving us in machinations abroad and who would take us into Europe's troubles and into Europe's difficulties and foreign organizations dealing with foreign controversies.

I repeat, Mr. President, we are not going to be involved in any Italian and Ethiopian war. I repeat the prophecy that is mine in the minor role I essay—I repeat there is going to be no general world war out of that particular difficulty. When our people are endeavored to be frightened by assertions of that sort, it is the same sort of thing, only the converse, as that peculiar war spirit which sometimes hits a nation and sometimes by propaganda overcomes the good judgment of that nation.

Mr. President, neutrality is a difficult subject. It is all well enough for boys and pacifists, and for distinguished gentlemen who never have thought on the subject at all, to say that overnight they will write a neutrality law. For more than a century the people of this country and its statesmen have endeavored to establish a neutrality policy which would be definite and which would be purposeful. For more than a century all over the world, indeed for much more than a century, from the time of Grotius down to today, the minds of Europe which were bent upon the prevention of war have endeavored to establish a neutrality policy, but up to now none has succeeded in presenting a policy which would stand the test of time or would enable a nation, after a war commenced, to act in accordance with the terms of that particular attempt.

So, sirs, it is not essential that we should write specifically a law now, because time has taught us that it cannot be adequately done. There is nothing in particular to criticize in the joint resolution which has been presented here, but let us not delude ourselves with the idea that the resolution will accomplish any great results in the days to come.

The only reason why I rose on this occasion was to make plain, so far as my puny voice would make it, to the people of this land that this joint resolution will not prevent any war. When they are told, by those who tell them for motives of their own, that this resolution will prevent wars in the future, they are simply being deceived and deluded, and it ought not to be.

I regret that any man from this body should go abroad and should say that we are going to be drawn into a war or we are likely to be drawn into a war. I regret it, and it is an unfortunate thing that it should occur. We are not going to be drawn into any European war again, I repeat. We are not going across the seas with the armed forces of the United States in any other encounter or in any other strife. We have learned our lesson and we have learned it in bitterness. We drank to the very dregs of the intrigues, the propaganda, the bitterness, the hostility, the deception of those diplomats from abroad who came to us during the last war, and, having learned our lesson finally today we decree by this joint resolution that we are not going abroad in any war that is not ours and which does not intimately concern us.

We are going to stay here, minding our business, and being just American. That is the one reason and the big reason for the joint resolution which is now presented to our Chamber.

Mr. President, I wish to read just a word from a very remarkable article which once before I called to the attention of this body. The article is entitled "An Appeal to Reason", by John Bassett Moore.

In reality—

He says—

the current delusion that international law legalizes war, and therefore must now yield to the war-tending and war-like processes prescribed by the Covenant, comprising "sanctions", boycotts, and war itself, is merely the legitimate offspring of the new and consoling theory that peoples may with force and arms peacefully exterminate one another, provided they do not call it war.

From the same anarchic womb springs the exultant cry that the law of neutrality, because it blocked the new channel to peace, has been torpedoed, and that the neutral owners gurgled approval as they drowned. This would be a sad tale if it were true. But it is false. There is not in the world today a single government that is acting upon such a supposition. Governments are acting upon the contrary supposition and in so doing are merely recognizing the actual fact.

In the winter of 1922–23 there was held at The Hague an international conference to make rules for the regulation of the activities of aircraft and radio in time of war. The parties to this conference, over which I had the honor to preside, were the United States, France, Great Britain, Italy, Japan, and the Netherlands. The delegates acted under the instructions of their respective governments. An examination of our unanimous report will show that it was largely devoted to the definition of the rights and duties of belligerents and of neutrals in time of war, and that it treated as still existing the Land War Neutrality Convention, the Convention for the Adaptation of the Geneva Convention to Maritime Warfare, and the Convention concerning Neutral Rights and Duties in Maritime Warfare, all made at The Hague in 1907. The idea that the law of neutrality had become obsolete never was broached.

I read that in order that you may understand something about what has been going on—I wish I had time to read the entire article to you—in the study of the law of neutrality. I wonder how many of the gentlemen outside this Chamber and elsewhere who have been bombarding Members of the Congress with their perfervid appeals, in the name of peace, to pass a neutrality law have ever read a single syllable or line of international law, or of any of the conventions to which this article refers.

All of them know how to prevent war. All of them are going to prevent war now by this so-called "neutrality joint resolution." It is the most complicated and difficult subject with which statesmen have ever dealt. It has been spoken of upon this floor once by the Senator from Maryland [Mr. TYDINGS], in characterizing it in a fashion that was entirely appropriate. The logical result of a policy such as has been enunciated by the Senator from Arizona [Mr. ASHURST] was as well stated to the Members of this body.

Neutrality, and then what? What do we mean by "neutrality"? The only thing that struck me as eloquent in the dispute that has been going on between Italy and Ethiopia was the remark made by the ruler of Ethiopia recently when he said, in substance, to those people who are preventing him from getting arms, "You claim to be neutral. You say that you are neutral in this contest. You know that my antagonist manufactures his arms and his ammunition, and has all that he needs in generous supply. You know that I have none; and yet you embargo sending arms to either of us—arms that he does not need; arms that I must have for self-defense. Your neutrality consists, therefore, of arming him to assassinate me."

I concede this statement found sympathetic lodgment with me.

That is what we must consider when we talk of neutrality. I would not give—and I want no mistake made about that—the power to any man on the face of the earth to determine when and how neutrality should be practiced by this country. I would not put in the hands of any save the Congress of the United States, where it now reposes by virtue of the assent of the people of the United States, the right to do aught which would mean taking us into war. I would not permit any man to determine who is the aggressor in a war, because the instant we permit an individual to determine who is the aggressor, that instant, on the determination, we are in war. We cannot become an advocate on one side of a war and against the other side without putting ourselves in the very war; and to give to any one man the power to decide who is the aggressor in a war is something to which I would never consent under any circumstances.

So I insist the Congress has done what it believed to be the appropriate thing in this connection; but, nevertheless, it is something of which we may feel no certainty and which, with its complexities and its difficulties and its complications, makes it possible that instead of keeping us out of war we may be gotten into war. No one can foresee. So it is that I should really prefer that nothing should be done in this regard save and except the declaration of American policy; the declaration of that policy for which the Senator from Idaho [Mr. BORAH] and myself, as companions in arms in 1918–19 and ever since, I hope, have been striving and fighting, and in every way and upon every occasion endeavoring to uphold as a policy of this Nation.

Because in some quarters it is held that it does that thing, and because in my opinion it does, we may pass this joint resolution with a feeling that while much of it is of no consequence, and ought not to be passed at all, nevertheless a declaration of policy justifying the policy which has been ours, and that which we desire to carry out in the future, is at last seeing congressional approval.

When we deal with a subject such as this, every angle ought to be understood. We say we will ship no arms or ammunition or implements of warfare to any belligerent. We are right in being impartial in the prohibition that thus we write into law; but, nevertheless, there are difficulties concerning that which ought to be understood before final action is taken.

When we do that, and make our prohibition impartial, nevertheless it becomes partial when one side is able to obtain its arms, and the other has no capacity or ability to maintain or to gather together implements of warfare. We become partial, therefore, in a measure; and when we fondly think we are thus keeping from those who are engaged in strife the contraband of war, of course, we are utterly in error in that regard. There are other things—many, many other things—that the wit of man has not yet been able adequately to characterize or adequately to enumerate. As one newspaper recently said in this city, everything save ostrich feathers constitutes contraband of war in a war today; and everything, particularly foodstuffs, particularly things out of which manufactured munitions may be had, constitutes, in reality, contraband of war.

The Senator from Arizona [Mr. ASHURST] was entirely correct the other day when he said—I paraphrase what he said, and do not try to quote him accurately—that logically the result of the sort of policy we are enunciating today is, first, that not a single bale of cotton shall be shipped whenever there is a war on; not a single bushel of wheat shall be exported when there is a war on; not a pound of copper, not an ounce of iron, not a single, solitary morsel of food shall, during hostilities, be exported from this country. He might have gone farther still, and have said that the logical result of a real embargo of this character is that not only must every American stay within the confines of his own country during the belligerency but no commerce of the United States of America shall sail the seas under any circumstances at all.

That is one of the logical results of what we do. While that sort of thing may be necessary sometime when a war may be in progress, it is not essential in the last day of a congressional session, when, tired, weary, worn, frazzled as we are—I do not have any hesitation in saying, and I know my brethren feel in like fashion—that in the last days of a killing session to be bludgeoned into passing a law of this sort without full knowledge is not only a blunder, in my opinion, but it can result in nothing but ultimate harm.

So, Mr. President, I shall be ready to submit this matter in a moment, after my friend from Texas shall have the opportunity to express himself. I regret that the time limit is such that it is an utter and absolute impossibility to talk upon this subject as I would desire. I regret that the time limit of 1 hour, 15 minutes of which were taken up before we had the opportunity to get upon our feet, makes it impossible to present a question of this immense importance

and of such great consequence in the fashion in which it ought to be presented to our people.

One thing I do desire to mention. Every one of these gentlemen who have been prating about the necessity for the law at this time talks about prohibiting loans in this country—prohibiting loans, as if that thought never had occurred to anyone before. I had the honor more than a year ago to present in this body, and it was passed by the other House as well, and signed by the President, a measure which prohibited any loans in this country by any individual or corporation to any nation which was indebted to us and in default. Of course, if there shall be a great world war, Europe will be involved. The countries of Europe will be the antagonists, all of which in reality, save one or two of smaller consequence, are within the inhibition of the law which now exists. So, when the newspapers say that the Senate has not done its duty because it has not provided for the prevention of loans in case of hostility, they speak as indeed they speak in regard to the whole subject—in utter abysmal ignorance.

There is law enough to prevent loans, law enough upon the statute books now, and we need not worry about that omission in the pending measure. I wanted to make that plain if I could.

I see the time is passing so rapidly that I cannot read what I should like to read. I say therefore, in conclusion, just this: Pass this joint resolution if you desire. There is no great harm in it. Pass it, reserving unto the Congress of the United States the right to determine the important questions, and continuing to reserve that right. Pass it if you will, in order that it may state something of a policy. But, sir, in passing it, do not be under the delusion that war is going to be prevented or that the millennium has come because of it.

We must pass it now, in advance of the war, it is said. Not so at all. We would do infinitely a better job if we should wait until the occasion arose and the realities were before us. But in acting upon the joint resolution let us act upon it with no idea that we have solved the great problem that is here. Let everyone of us, so far as we can, make plain to our people, not that we have stopped all future wars, not that this measure is going to prevent any future conflict, but let them know that it is a makeshift, at best, and that, after all, it amounts merely to a declaration of American policy, of keeping out of Europe and Europe's controversies, Europe's wars, and remaining just American.

Mr. CONNALLY. Mr. President, I shall not vote against the pending joint resolution, I shall support it; but I do so because it is temporary, and because it is at least a gesture in the interest and in behalf of peace. I do not believe the Committee on Foreign Relations or the Senate itself has had sufficient time for deliberation and proper consideration of the joint resolution.

Mr. President, I pray God that we may never have another war in which the United States will be involved. I do not believe that this joint resolution in and of itself will make any substantial contribution toward a realization of that hope. For myself, I think it unwise to announce the policy stated in section 1 of the joint resolution. It is a straight announcement by statutory law that the United States, in the event of war anywhere on this earth, will sell neither supplies nor ammunition to any nation, regardless of the issues involved, and regardless of all other considerations.

Under international law it is not an unneutral act for any nation to sell arms and ammunition and supplies to any nation at war. That is not an unneutral act. By this measure, in section 1, we are judging in advance every international clash or conflict which may occur anywhere on earth.

My own view is that section 1 of the joint resolution should provide that the President of the United States, who is charged under the Constitution with the conduct of our foreign relations, should have the power, in the event of a conflict, in his wisdom to place an embargo upon the shipment from this country of arms and ammunition and supplies. Then the United States would not entirely abdicate all of its international influence.

Is it an expression of neutrality to say to two warring nations, one of which has ambitions for territorial conquest, the other unprepared, the other weak, the other trying to pursue its own destiny—is it neutral to say to those nations, "We shall give arms to neither of you", thereby insuring the triumph of the prepared nation, the covetous nation, the ambitious nation, the nation which seeks by force of arms to impose its will on a weaker and defenseless nation?

Mr. President, that is not neutrality; that is a form of unneutrality. That is a form of declaration which announces that the United States will take the side of the strong and the powerful against the weak, the unprepared, and the defenseless. Why not leave that determination to the President of the United States when and if, in his conduct of our foreign relations, it becomes a sound American policy for him to take a position in a crisis of that kind?

Mr. President, Congress alone can declare war. Resting here in this body and in the other Chamber of the Congress is the power to declare war, and it rests nowhere else. We cannot become involved in a war until the Congress plunges the people into the war. Can we judge of it in advance? We cannot. We cannot now put the United States into an international strait-jacket and thereby keep out of war. We cannot by an act of Congress put the United States into a concrete cast internationally which will fit all future occasions and solve all future problems.

The pending joint resolution of itself does not mean peace. I want real peace; I want the United States never to become involved in war; but the surest way to involve this country in war is to let the rest of the world believe that we will fight under no circumstances at all. China is a marvelous example of that sort of attitude.

Mr. President, we are trying to reverse the process. It is the President's function to conduct our international affairs. The history of the world demonstrates that never, in all the long years of strife and struggle, has a parliamentary conduct of international affairs been successful.

It must be vested in the Executive until the Congress steps in and makes a declaration of war.

Mr. President, let us see what would be the consequences of this sort of a policy. Suppose some nation should attack Canada on our northern border, would America believe that it was humane under this joint resolution, passed by a Congress which knew nothing of that controversy, to refuse to feed our northern neighbors? Would we refuse to let them have, in the course of normal trade, without any violation of international law, the things which would mean her life or her death? Would we refuse to sell her wheat to feed her people? Would we refuse to sell her needed supplies?

Mr. PITTMAN. Mr. President, will the Senator yield at that point?

Mr. CONNALLY. I yield.

Mr. PITTMAN. I feel firmly convinced that this measure does not apply to supplies. I feel that it applies only to arms, ammunition, and implements of war, and in no sense deals with the question of supplies. We have had definitions by the Senate of the United States as to what constitutes arms, munitions, and implements of war when the Senate ratified the Convention of Geneva in 1924. In my opinion and in the opinion of the committee the measure does not include what might prove to be contraband of war.

Mr. CONNALLY. Of course, after we get into war contraband is whatever the nation which controls the sea says is contraband. Contraband may become food, it may become any useful article, because the countries which control the oceans announce what is contraband, and that becomes the law of the sea. The Senator from Nevada, I am sure, knows that from our experience in the World War.

Mr. GORE. During the World War cotton was made a contraband of war.

Mr. CONNALLY. Cotton is suggested by the Senator from Oklahoma [Mr. GORE]. Of course, that would be a munition of war.

Mr. PITTMAN. I beg the Senator's pardon, but I wish to say that it would not be a contraband of war. The Convention of Geneva in 1924, which lays out in detail what constitutes arms, ammunition, and implements of war, which Convention of Geneva was adopted by the Senate, does not include cotton, and does not include any raw material in that definition.

Mr. GORE. Mr. President, in the naval convention which was entered into provisionally prior to the World War cotton was the first item which was scheduled among noncontraband articles. The convention was never ratified. The war had hardly commenced until cotton was made a contraband of war.

Mr. PITTMAN. Mr. President, undoubtedly countries can name anything as a contraband of war. I am speaking of the intent of Congress in the joint resolution which we are passing. In this joint resolution we are not dealing with contraband; we are dealing with certain things which are known as arms, ammunition, and implements of war.

Mr. GORE. Mr. President, I suggested to the Senator from Texas [Mr. CONNALLY] that during the World War cotton was made a contraband of war. The Senator from Texas repeated that statement; and this very illustration and the comments of the Senator from Nevada show how fatuous it is for us in time of peace to undertake to determine what nations engaged in a life-and-death struggle in war will consent to treat as contraband and as noncontraband.

Mr. CONNALLY. Mr. President, the Senator from Oklahoma has put his finger on what, to me, is one of the most important factors in this situation, and that is that we are trying to determine now in time of peace by a statute our decision on future events as to whose merits we are not able to look into the future and judge, and without passing upon the interests or the questions of defense of the United States itself.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BARKLEY. If the pending joint resolution had been in effect during the World War, what would have been the result?

Mr. CONNALLY. The result would have been just what the result was anyway; we would have been in the World War anyway.

Mr. BARKLEY. Would not the World War have ended sooner even if we finally did get into it, but not ended as it did end?

Mr. CONNALLY. To the suggestion of the Senator from Kentucky different minds would probably have different answers, but the probabilities are that even if America had not finally entered the war, the Central Powers would have triumphed and have conquered Belgium and impressed their will upon France, and perhaps upon Great Britain herself, before America entered the war or could have been effective after her entrance.

Mr. McADOO. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. McADOO. May I suggest to my distinguished friend from Texas, apropos of the thought he just expressed, that it is not merely a matter of the sale of munitions during a great war to one or the other of the belligerents which is involved.

Mr. CONNALLY. Oh, no.

Mr. McADOO. It is a matter of contraband, and if we take any position upon the determination by one of the antagonists of what is contraband which is contrary to their interests, we can get into just as serious controversy about that question as we can about arms and munitions.

Mr. CONNALLY. To be sure.

Mr. McADOO. Therefore the futility of undertaking in advance to enact a resolution here to determine the policy of Congress with respect to conditions which may arise and which may be more fateful to us than the mere sale and shipment of arms and munitions.

Mr. CONNALLY. I thank the Senator from California, and I wish to say to him that his suggestions are entirely in point. For myself I should provide that the Government itself manufacture its own munitions and implements of war in order to take from private parties the temptation of profit which the gentlemen who offer this resolution are undertaking to provide. I cannot, however, subscribe to the doctrine that we should in advance by statute put ourselves in a plaster cast internationally, and give up whatever international influence America may possess toward peace and toward the pacification of disputes throughout all the world. I cannot subscribe to the doctrine that no matter where the contest, no matter what the issue, America in advance promises that she will exert no influence, will do no act either to bring about peace or to prevent the outrage of the weak and the defenseless by the powerful and by the aggressor.

Mr. President, I recur to one other thing which I suggested a moment ago. If an adversary should attack Canada, would we refuse to feed our neighbors, would we refuse to let Canada have, in the course of normal trade, without any violation of international law, the things which would mean her life or her death?

Mr. President, suppose another Maximilian should unfurl in Mexico the imperial banner, what would America do? Would we say to Mexico, "You must starve. You shall fight without arms and without munitions, though the invader comes from another hemisphere"?

Mr. President, suppose another holy alliance should challenge the Monroe Doctrine and say that it would impose the royal system in Central or South America. But America has said in advance, "We shall not furnish you arms in the Western Hemisphere. We shall not let you buy food in America." We say in advance to any conqueror who wants to invade South and Central America, "Come on over; you are free to do so. America has promised by statute that you shall not be molested." Do we want to adopt that as the policy of America? Do we want to announce to the world that America, the great nation devoted to the ideals of peace, will give up her influence everywhere on this earth to the international bully who is armed, who is armed to the teeth, and is seeking the possessions of his neighbor? Every weak and unprepared country in the world will tremble at that sort of a policy. Every ambitious international country which entertains ambitions of conquest and greed and military glory will welcome the announcement of that policy by America.

Mr. President, I shall support concurrence in the House amendments to the resolution because such amendments make the act temporary. I hope that by next February the Congress may be able to consider these measures in calmness and in wisdom. It is unfortunate that here in the closing hours of this session we should have this question pressed to our lips with the threat that unless we drink it the work of the Senate shall be impeded and adjournment rendered impossible.

Let us come back here in January and, if legislation shall be required, enact a measure which contains a sound public policy and one which does not strip America in the forums of the world of whatever moral influence her history and her example entitle her to claim.

Mr. ROBINSON. Mr. President, I ask for a vote.

Mr. NYE, Mr. VANDENBERG, and Mr. LA FOLLETTE called for the yeas and nays.

The yeas and nays were ordered.

Mr. CONNALLY. Mr. President, there are some other Senators who are anxious to make some remarks and I think in fairness, since 15 minutes was consumed by the roll call and other things that the time ought to be extended 15 minutes.

Mr. ROBINSON. I object.

The VICE PRESIDENT. Objection is heard. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CONNALLY. The vote is on the motion, as I understand, to concur in the House amendments?

The VICE PRESIDENT. The question is on the motion of the Senator from Nevada [Mr. PITTMAN] to concur in the

amendments of the House. The clerk will continue the calling of the roll.

The Chief Clerk resumed the calling of the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. KEYES]. Not knowing how he would vote, I transfer my pair with him to the junior Senator from Idaho [Mr. POPE], and will vote. I vote "yea."

Mr. VANDENBERG (when his name was called). I am paired for the day with the senior Senator from Indiana [Mr. VAN NUYS]. I understand, if present, he would vote as I intend to vote. Therefore, I am free to vote, and vote "yea."

The roll call was concluded.

Mr. LEWIS. I announce that the Senator from Mississippi [Mr. BILBO], the Senator from Virginia [Mr. BYRD], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Wisconsin [Mr. DUFFY], the Senator from Utah [Mr. KING], the Senator from Louisiana [Mr. OVERTON], and the Senator from Idaho [Mr. POPE] are necessarily detained from the Senate. I am authorized to state that were they present and voting the Senators named by me would vote "yea."

Mr. AUSTIN. I announce that the Senator from Oregon [Mr. MCNARY] is detained on official business. If present, he would vote "yea."

I also announce the following general pairs:

The Senator from Iowa [Mr. DICKINSON] with the Senator from Mississippi [Mr. BILBO]; and

The Senator from Delaware [Mr. HASTINGS] with the Senator from Wisconsin [Mr. DUFFY].

I am not advised how any of these Senators would vote, if present.

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is absent from the city. I understand, if present, he would vote as I intend to vote. I am therefore free to vote, and vote "yea."

Mr. MINTON. My colleague [Mr. VAN NUYS] is necessarily absent. If present, he would vote "yea."

The result was announced—yeas 79, nays 2, as follows:

YEAS—79

| | | | |
|---|---|---|---|
| Adams | Copeland | Logan | Reynolds |
| Ashurst | Costigan | Lonergan | Robinson |
| Austin | Davis | Long | Russell |
| Bachman | Dieterich | McAdoo | Schwellenbach |
| Bailey | Donahey | McCarran | Sheppard |
| Barbour | Fletcher | McGill | Shipstead |
| Barkley | Frazier | McKellar | Smith |
| Black | George | Maloney | Steiwer |
| Bone | Gibson | Metcalf | Thomas, Okla. |
| Borah | Glass | Minton | Thomas, Utah |
| Brown | Gore | Moore | Townsend |
| Bulkley | Guffey | Murphy | Trammell |
| Bulow | Hale | Murray | Truman |
| Burke | Harrison | Neely | Tydings |
| Byrnes | Hatch | Norbeck | Vandenberg |
| Capper | Hayden | Norris | Wagner |
| Caraway | Holt | Nye | Walsh |
| Chavez | Johnson | O'Mahoney | Wheeler |
| Clark | La Follette | Pittman | White |
| Connally | Lewis | Radcliffe | |

NAYS—2

| | |
|---|---|
| Bankhead | Gerry |

NOT VOTING—15

| | | | |
|---|---|---|---|
| Bilbo | Couzens | Keyes | Pope |
| Byrd | Dickinson | King | Schall |
| Carey | Duffy | McNary | Van Nuys |
| Coolidge | Hastings | Overton | |

So Mr. PITTMAN's motion to concur in the House amendments to Senate Joint Resolution 173 was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 531. An act granting compensation to Walter F. Northrop;

H. R. 7678. An act to authorize the Director of the Mint to supplement the approved design of the 50-cent piece commemorating the two hundredth anniversary of the birth of Daniel Boone, the coinage of which was authorized by act of the Seventy-third Congress (Public, No. 258, S. 3355); and

H. R. 7932. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River, at or near Wyalusing, in the county of Bradford, Commonwealth of Pennsylvania.

OFFICIAL OR UNOFFICIAL SENATE REPRESENTATIVE ABROAD

Mr. LA FOLLETTE. Mr. President, yesterday I offered a resolution (S. Res. 198) which was printed and ordered to lie upon the table. I ask that the Secretary may read the resolution.

The VICE PRESIDENT. The clerk will read the resolution.

The legislative clerk read the resolution (S. Res. 198), as follows:

*Resolved*, That the Senate hereby gives notice that none of its Members has been authorized either directly or indirectly to act as the official or unofficial representative abroad of the Senate or any of its committees.

Mr. ROBINSON. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Arkansas.

Mr. ROBINSON. I do not object to the consideration of the resolution, but I desire to take the floor to discuss it.

Mr. LA FOLLETTE. I will be very glad to have the Senator do that, and then I myself should like to make a brief statement.

Mr. ROBINSON. Mr. President, numerous press reports, widely published, some of them emanating from this country and others coming from abroad, have indicated that a Member of this body, who is traveling abroad, has assumed to act or to speak with reference to international affairs as a representative of the Senate or as in some quasi-official capacity.

In a time such as this, when a large part of the world is filled with anger, and when international ruptures are threatened, it is exceedingly important that the public understand the basis for all opinions expressed by those who are in official position.

Not only in the instance of the Senator to whom reference has been made in my remarks but in another instance, when it was announced that a beloved official of this body would travel in foreign places the press have sought to give the impression to the country and to the world that he would be on a quasi-public mission, thus seeking to give to a purely personal visit an official aspect. It is my belief that such publicity, for whatever purpose it may be made, is harmful and disturbing rather than beneficial and pacifying.

It is inconceivable to me that any Senator, when traveling in foreign lands, would hold himself out as an official representative of his Government. I am convinced that the junior Senator from Idaho [Mr. POPE] has not done so; neither do I believe that he has sought to do so. In support of that conclusion I submit to the Senate a cablegram received a few moments ago from the junior Senator from Idaho and which I shall read:

OXFORD, *August 24, 1935.*

Senator JOSEPH ROBINSON,
*Washington:*

Advised LA FOLLETTE introduced resolution Senate disclaim authorizing Member official or unofficial representative. Repeatedly stated my visit purely personal seeking information only. Don't know motive for resolution but assure you statements were given with understanding they represented my personal views. Not advised grounds Hearst press attributes me, but statement about United States going into war based possibility of world war similar to 1914. Have made similar statements in United States often. I thought you should know these facts.

J. P. POPE.

Thus the junior Senator from Idaho disavows unqualifiedly those published reports to which reference was made in the beginning of my remarks, attributing to him an effort to speak as the representative of any group or party or person save himself.

In the latter portion of the cablegram it may be observed that he accepts responsibility for those published reports which attribute to him the declaration in interviews that he believes there is great danger that the United States will be drawn into the war should another world

war occur similar to that of 1914. We all recognize the right of any Senator to express his views and to express his sincere views. I have no doubt that the junior Senator from Idaho in making that statement uttered his sentiments.

I take this occasion, however, to say that I do not see any advantage to be gained by either a private citizen or an official of this Government at this time under present conditions giving publicity to the fear which the junior Senator from Idaho expresses. I believe that no advantage whatever is to be gained by expressing a fear or a dread of that nature. The psychological effect of it, in my judgment, is calculated to prove harmful.

There is, in my humble opinion, no spot on this broad continent, no place under the Stars and Stripes, where there is any substantial measure of sympathy in favor of this Nation becoming involved in a European conflict. If I have a correct estimate of public opinion, sentiment everywhere is in favor of doing everything possible to keep this country out of war, to maintain the peace of our people.

If any European nation—and I hope those who sit in the press gallery will give the same publicity to this opinion that was given to the alleged opinion of the junior Senator from Idaho [Mr. POPE]—if any European nation is proceeding on the theory that this Government or its resources, either of man power or wealth, will contribute to the adjustment of European controversies other than by peaceful suggestion or action, that nation is being misled.

We want no war. We want no wealth gained from war. We want peace, and we do not propose to go into a war to settle European controversies.

In making that statement, I do not imply a disposition to sacrifice either the dignity or the honor of my country. I make it that all the world may understand that, so far as my opinion is concerned, we do not propose to be used, we do not propose to be drawn to the support of causes or to the settlement of controversies which do not involve American interests, American rights, or American welfare.

In view of the statement of the Senator from Idaho [Mr. POPE] that he has always spoken only in a personal capacity, I do not believe this resolution should be regarded as a rebuke to him; but as others are going abroad, and as publicity agents, for their own unaccountable purposes, seem disposed to attach importance to visits of American officials to foreign countries, I believe it is well enough to say to the people of the United States and to the people wherever news travels that neither the Senate of the United States nor its committee has sent an ambassador abroad or will send an ambassador abroad.

In expressing an opinion contrary to that asserted by the Senator from Idaho in the cablegram I have read, I neither express nor imply a criticism of him. I have a view contrary to that which he entertains. He will be as happy as I shall be to have the world understand that he is not assuming to represent his Government when he says we may likely be drawn into war. It is with that conviction that I conclude my remarks with the declaration that this resolution shall not be taken as a rebuke to him, but as designed to prevent the recurrence of such unfortunate publicity as that which has been given to his visit and to the proposed visit of other officials of this Government to foreign lands.

Mr. LA FOLLETTE. Mr. President, there is little I can add to the very complete statement which the senior Senator from Arkansas has made concerning this resolution. I do wish, however, to make it clear to the Senate that I was not prompted to introduce the resolution by any desire upon my part either to embarrass the junior Senator from Idaho [Mr. POPE] or to imply that any of this unfortunate publicity which has resulted from his trip was to be attributed to him.

Nevertheless, we all know that, regardless of whether or not the Senator from Idaho made every effort to make it clear that his views as expressed were those of himself alone, the fact remains that the press in this country have carried those dispatches in such a way as to give the impression that the junior Senator from Idaho was in fact an unofficial representative of the Senate and of one of its very important committees.

Further, I wish to make it clear to the Senate that I was equally concerned in making perfectly certain that the trips of any other Senator to Europe or elsewhere abroad should not be subjected to the same kind of misinterpretation which has been placed upon the trip of the junior Senator from Idaho. I think it is very clear that I have no personal considerations in submitting this resolution, because, as a matter of fact, it is possible that I may be a member of another group of Senators who are planning to make a trip abroad. As one of that group, I wish to have it equally clear to the people of this country and to the people of the countries we shall visit that the occasion upon which we are making the trip has no official connection with the Senate nor with any of its committees.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. CONNALLY. While the Senator disclaims any intention to direct this resolution at the Senator from Idaho [Mr. POPE], is it not inevitable that it will result in his humiliation and in a reflection upon the Senator from Idaho?

Mr. LA FOLLETTE. I do not so construe the adoption of the resolution, because the statement made by the Senator from Arkansas [Mr. ROBINSON] and the one I am making at this time are calculated to indicate that there is no intention either by the author of the resolution or by the Senate, if it should decide to adopt it, to reflect upon the Senator from Idaho.

What we are seeking to do, if the Senator will bear with me, is to make it absolutely clear, so far as the situation in the future during the adjournment of Congress is concerned, that unfortunate interpretations shall not be placed either upon the statements made by Senators who may be traveling abroad or upon the fact that they are making such visits abroad.

Mr. CONNALLY. I may say to the Senator that I do not believe the junior Senator from Idaho has at any time pretended to represent either the Senate or the State Department or the President or anybody else; and I cannot resist the absolute conclusion that this resolution, if adopted, cannot be construed as anything else than a direct humiliation and rebuke of the Senator from Idaho. Let me say to the Senator from Wisconsin that if he has any hopes of controlling the utterances of Senators about the World War I invite him to reflect upon the discussions which have been going on in this Chamber for 2 months by the Senator from North Dakota [Mr. NYE] and others, and in the newspapers everywhere, to the effect that America is going to be involved in any war that comes, a world war, or otherwise.

Mr. LA FOLLETTE. Mr. President, I would be the last person in this body who would desire to curb or to curtail the right of any Senator, or any citizen for that matter, to make any statement which he believed in conformity with his convictions upon any question.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. WAGNER. Is not this resolution more likely to be interpreted as a protection to the Senator now sojourning in Europe, rather than any humiliation or embarrassment to him?

Mr. LA FOLLETTE. I think, as a matter of fact, it will be a protection not only to the Senator from Idaho but to every other Senator or any other official connected with this body who may go abroad, by making certain that the public record shows that there is no justification for misrepresentation by the press as to the character of the visits or the character of the utterances made by Senators or by officials of this body in connection with trips they may make abroad.

Mr. President, the fact must be borne in mind by Senators that one of the reasons for the misinterpretation which has been placed upon visits of Senators abroad is the fact that our form of government is so different from the parliamentary system which prevails in some countries of Europe. There the majority of the parliament is responsible for the government. It is in fact the government, and naturally

any utterances made by those who are members of parliament, and particularly of the majority party, are given practically the same significance as though they had been uttered by the government itself.

In our situation, of course, an entirely different principle prevails. Therefore I believe that, as a matter of broad public policy and for the protection of Senators and others connected with this body who may be traveling abroad, the adoption of this resolution will be a protection to them individually against misinterpretation and misconstruction, and also that it will be notice to all the countries concerned that any visits made by Members of this body, or those who may be officially connected with it, are in fact visits made by individuals acting in their capacity as citizens of the United States, and not either official or unofficial representatives of this body or any of its committees.

Mr. LEWIS. Mr. President, this discussion, particularly on the resolution of the Senator from Wisconsin, bringing to us the reflections as expressed by the leader of the majority, invites us to consider what it is that invariably awakens these misunderstandings and misconceptions.

I regret to see that this morning's news of the official Government of our own country discloses that on yesterday and the day before, while the joint resolution on neutrality and embargo that was presented by the honorable Chairman of the Committee on Foreign Relations of this body was then before us, and presented by him with complete explanation coupled with that which appeared afterward to be the conciliatory or as a compromise feature of the joint resolution as it came from the House, two eminent representatives of foreign governments rose in their public place and called attention to what they said was a sure approach of war, in which, each added, all the nations would be involved, and that this, our country, the United States—to use the exact expression—"could not keep out." Then one of these eminent officials, speaking from his place, from whatever motive he had, referring to the country of which he is the spokesman or for which he was then speaking—or, rather, more literally, from which he was speaking—said that the time had come when a change must be had as to their policy of neutrality and the matter of embargo. Then, sir, said the distinguished spokesman, "and the United States should also change its policy."

Mr. President, it was an unfortunate expression, for it is not unfair to say it was not the politesse of diplomacy or the courtesy of parliamentary language that anyone in a foreign government should assume to use the mandatory phrase to this country or concerning it that it "should" change its policy.

Whatever policy America may find necessary for its welfare its people will adopt. Whatever policy it does adopt, if it does not meet the approval or apparently the concurrence of any foreign land, its spokesmen have a right to express their own individual opinions; but I regret that one should, in an official place in a friendly country, find it agreeable to use the expression, and double it, that the time had come when it—referring to that particular nation—would change its policy as to embargo and neutrality, and that because of its change now the United States should change its policy, as though we were under some obligation to follow whatever course the other country chose, and that we were amenable and subject to the direct influence of the intimation that, because they change some policy they had as to control, this United States should change, and therefore under the foreign direction we were obligated to obey.

Mr. President, it is such unfortunate expressions as these which awaken among our people something of a spirit at this time, as the Senator from Arkansas well stated, in the temper of the hour, of resentment because of misunderstanding. It is my judgment, I make bold in this concluding observation to state, that many of the statesmen and officials of these nations who make utterances which attract their own people, and may, alas, invite something of revulsion on the part of others, have not the intention, of course, of awakening conflict, or of arousing among their own people any martial spirit of conflict among themselves or their friends. But, sir, the sentiment at times like these is expressed when there are great political differences within countries, when the home policies of these different countries are awakening conflict among their own people, it is then when there is a natural inclination to quell the mutiny by whatever course might be adopted, a most familiar attitude it is. It is one of direction and long practice to assume some question of conflict with a foreign rival as a reason for opening it, trusting to divert attention from the purely local dispute, and if we fancy we have discovered as new this political device or if we fancy other nations are unacquainted and inexperienced in this, I beg to reply by imposing upon the Senate the suggestion that in Henry IV, Shakespeare has it that as the king lay upon his dying bed he was speaking to his son, the prince, about the political home confusion and touching the local questions then prevailing, the conflicts of policy in politics. The king father to his son the prince advises:

> Therefore, my Harry,
> Be it thy course to busy giddy minds
> With foreign quarrels; that action, hence borne out,
> May waste the memory of the former days.

Surely we adopt the Ecclesiastes philosophy:

> I looked under the sun and saw nothing new.

Mr. President, for the reason, therefore, that these observations such as I allude to, coming from foreign sources, unhappily misunderstood and misinterpreted, are nevertheless a mere expression of what may be called the evasion of politics, I trust we may not attach too much importance or seriousness to them. We again announce as the American policy peace and friendship with all nations, conflict or trespass upon none.

Mr. GORE. Mr. President, I have listened with interest to the discussion now in progress in the Senate. I have listened with interest to these protestations on behalf of peace.

In times of peace everybody pays homage to the goddess of peace. On yesterday Mr. Lansbury, the leader of the Labor Party in the British Parliament, expressed apprehension that war is now imminent. He expressed the belief that in the event of war the United States will become involved. Indeed he said: "The United States cannot possibly keep out of the next war." He may be right. That may be true. I hope that we can preserve peace and prevent war.

Whatever the junior Senator from Idaho [Mr. POPE] may have said across the sea, every Senator must, in the light of our experience, feel some apprehension as to the danger that the United States would become involved, in the event that war should break out in Europe.

I apprehend, as others must, the possibility that the United States might become embroiled in a foreign war. I apprehend the probability that we might become involved in European carnage, should it occur again. In the light of our experience we may well give heed to Mr. Lansbury when he forecasts the certainty that America would again plunge herself in a European sea of blood and fire. As for me, I am one "burnt child" that dreads the fire.

I appreciate the fine sentiments expressed by the senior Senator from Arkansas. In these piping times of peace everybody professes to share those lofty sentiments. But I remember that when the World War burst upon Europe in 1914 the same lofty sentiments were universally expressed, and, I believe, all but universally entertained. There was a general, if not a universal, sentiment in this country against our participation in that holocaust of death. I said at the time that there were a few munition mongers sitting like vultures on the Tree of Life.

Senator Lodge was at that time the Chairman of the Senate Committee on Foreign Relations. He was in Europe at the outbreak of the war. He issued a solemn warning that the United States must remain neutral and must not enter the conflict.

I remember that the President of the United States issued a solemn proclamation of neutrality. He said the United States was not concerned with the remoter causes of the war. He declared it to be our supreme duty and purpose to remain neutral in fact as well as in name; that we must

be impartial in thought as well as in action. We must be neutral in thought. We were even to observe neutrality in our thoughts. Yet the United States entered the war, with all its tragic consequences.

How far our entrance into the war was attributable to the course of events in Europe and how far it was attributable to subtle and sinister propaganda in this country I cannot tell. Sir Gilbert Parker was at that time connected with the intelligence bureau in the military service of Great Britain. He was obliging enough to tell us and to tell the world the steps which he took to decoy or to drag the United States into the charnel house of Europe. I ask to have his own language read into the RECORD at this point.

The PRESIDENT pro tempore. The clerk will read.

The Chief Clerk read as follows:

[From Harper's Monthly Magazine, issue of March 1918]

By Rt. Hon. Sir Gilbert Parker, Bart

Perhaps here I may be permitted to say a few words concerning my own work since the beginning of the war. It is in a way a story by itself, but I feel justified in writing one or two paragraphs about it. Practically since the day war broke out between England and the Central Powers I became responsible for American publicity. I need hardly say that the scope of my department was very extensive and its activities widely ranged. Among the activities was a weekly report to the British Cabinet on the state of American opinion and constant touch with the permanent correspondents of American newspapers in England. I also frequently arranged for important public men in England to act for us by interviews in American newspapers; and among these distinguished people were Mr. Lloyd-George (the present Prime Minister), Viscount Grey, Mr. Balfour, Mr. Bonar Law, the Archbishop of Canterbury, Sir Edward Carson, Lord Robert Cecil, Mr. Walter Runciman (the Lord Chancelor), Mr. Austen Chamberlain, Lord Cromer, Will Crooks, Lord Curzon, Lord Gladstone, Lord Haldane, Mr. Henry James, Mr. John Redmond, Mr. Selfridge, Mr. Zangwill, Mrs. Humphrey Ward, and fully a hundred others.

Among other things, we supplied 360 newspapers in the smaller States of the United States with an English newspaper which gives a weekly review and comment of the affairs of the war. We established connection with the man in the street through cinema pictures of the Army and Navy, as well as through interviews, articles, pamphlets, etc., and by letters in reply to individual American critics, which were printed in the chief newspaper of the State in which they lived and were copied in newspapers of other and neighboring States. We advised and stimulated many people to write articles; we utilized the friendly services and assistance of confidential friends; we had reports from important Americans constantly; and established association, by personal correspondence, with influential and eminent people of every profession in the United States, beginning with university and college presidents, professors, and scientific men, and running through all the ranges of the population. We asked our friends and correspondents to arrange for speeches, debates, and lectures by American citizens, but we did not encourage Britishers to go to America and preach the doctrine of entrance into the war.

Mr. GORE. I wonder why?

Besides an immense private correspondence with individuals, we had our documents and literature sent to great numbers of public libraries, Y. M. C. A. societies, universities, colleges, historical societies, clubs, and newspapers.

It is hardly necessary to say that the work was one of extreme difficulty and delicacy—

Mr. GORE. I wonder why?

but I was fortunate in having a wide acquaintance in the United States and in knowing that a great many people had read my books and were not prejudiced against me.

We advised and stimulated many people to write articles; we utilized the friendly services and assistance of confidential friends; we had reports from important Americans constantly; and established association, by personal correspondence, with influential and eminent people of every profession in the United States, beginning with university and college presidents, professors, and scientific men, and running through all the ranges of the population.

The Americans have nothing to gain by success in this war, except something spiritual, mental, manly, national, and human.

Mr. GORE. There, Mr. President, is the trail of the serpent—"something spiritual", "something spiritual." When Madame Roland was being led to the guillotine she exclaimed, "O Liberty, what crimes have been perpetrated in thy name!"

Perhaps the safest situation that could be imagined actually did arise. The Democratic Party in America, which probably would not have supported a Republican President had he declared war, were practically forced by the logic of circumstances to support President Wilson when he declared war, because he had blocked up every avenue of attack.

Mr. GORE. Mr. President, to what extent our entrance into the World War was due to such propaganda I do not know. No man can tell.

To what extent the boys who gave up their lives in that war owe their untimely death to that propaganda I do not know. To what extent our wounded and crippled veterans owe their infirmities to such propaganda I do not know.

Mr. President, I did not then and I do not now quarrel with any man who voted in favor of our entrance into the World War. It was the most solemn responsibility that any man in American public life was ever called upon to assume. It was the most tragic decision that any man in American public life was ever called upon to render. I never quarreled with them and I could never understand why they quarreled with those of us who did not favor the United States' entrance into the war.

Mr. LOGAN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LOGAN. What is the subject before the Senate at this time?

The PRESIDENT pro tempore. The resolution of the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LOGAN. I understood that the Senator from Wisconsin requested that the resolution be printed and lie on the table. I did not think he asked for immediate consideration.

Mr. CLARK. Mr. President, that was on yesterday.

The PRESIDENT pro tempore. This morning the Senator from Wisconsin took the resolution off the table, and it is now under consideration.

Mr. GORE. Is the Senator from Kentucky answered by the Chair?

Mr. LOGAN. If the Senator will yield I would say that the only interest I have in asking the question is that there is much important business pending before the Senate, and I think it not a very good time to go back and fight over the World War again, or fight over one which we may think is coming in the future.

Mr. GORE. Mr. President, if we revive the memories of that war, the propaganda and the insidious methods which plunged this Nation into the World War—if a review of those causes, if a review of that propaganda may serve as a warning, if it may save the life of one American boy, it is well worth 5 minutes of the invaluable time of the junior Senator from Kentucky.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LOGAN. I have no objection in the world to reviewing the World War. I think it is very valuable, and the Senator from Oklahoma can do it as well as anyone. However, there can be no reason why on the closing day of the Senate, when everyone desires to get through and go home, any Senator should so far forget himself as to take the time to make a long speech, which he could have made anytime in the 8 months during which we have been in session, or anytime in the future. That was the only purpose I had in making my statement.

Mr. GORE. Mr. President, the pending resolution came up but a few moments ago. War is imminent in Europe. It has been imminent for 9 months. An acute crisis exists across the sea. We are warned by our experience, and 200,000 graves plead with the American Senate to be warned by that tragic experience. If the Senator from Kentucky is indifferent toward the voice of the dead, I cannot share his indifference. I was in the Senate when the United States declared war. I was opposed to the war then. Yet we rushed headlong into the bloody vortex of crimson war, and today as a legacy of that deed we have the present depression, with all its evils and with all its agony, warning us against a repetition of that act; and if I venture to take one moment of the Senate's time and it irritates the Senator from Kentucky, I apologize to him and to his constituency.

Mr. LOGAN. Mr. President, will the Senator from Oklahoma yield to me?

Mr. GORE. But I must discharge my duty as I see it.

Now, Mr. President, I say——

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. GORE. And with all the protestations of peace——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Kentucky?

Mr. GORE. No; I do not.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. GORE. Let the Senator answer to his constituency for the indifference which he manifests upon this floor to an impending tragedy which might cost millions of lives and billions of treasure. If I speak a moment upon that subject, and if that be an offense, then, indeed, am I an offender.

Mr. President, we became involved in that war. It cost the warring nations more than $330,000,000,000. It left the warring nations staggering beneath a debt of $200,000,000,000. That was bad enough, but that is not the worst. It cost them ten millions of priceless human lives. And the price has not been paid in full. You cannot destroy that much wealth; you cannot create that much of debt; you cannot extinguish that many human lives in as short a time as 4 years on as small an earth as this planet without bringing the most tragic, the most terrific consequences in its train. This depression is part of that train. And who can say that the half has yet been told? Unborn children who inherit those debts instead of liberty must toil beneath their chains. I grow weary thinking of their load.

Mr. President, the venerable senior Senator from Nebraska [Mr. NORRIS] is the only Member, sitting in the Senate today, who then cast his vote against the war. I was a Member of the Senate at the time. I had been confined to my bed for 3 months when the declaration of war was adopted; I was unable to be present and to register my protest, but I announced then to the world that if I had been present I should have voted against the war. I was one of seven Senators who were opposed to our entering the war; indeed, I was the only Member from Oklahoma who was opposed to our entry into the war. I repeat that I quarrel not with those who voted in favor of the war; I repeat that I could never understand why they quarrel with us who did not.

They got their war; they got their war with all its taxes, with all its debts, with all its bonds, with all its blood, and with all its graves. I do not quarrel with them.

Mr. President, I had promised the people of Oklahoma that I would oppose our entrance into the war. In the presidential campaign of 1916, the national committee did me the honor to send me through the suffrage States of the far West, bearing the assurance that President Wilson had kept this country out of war and that he would continue to keep this country out of war. Our boys were then on the Mexican border. The mothers of this country had just enough touch of war to fill them with horror at the threatened possibility of our entering the war across the sea. That to them was an unspeakable tragedy.

I told the women of the West that a vote for Wilson was a vote for peace; I told the women of the West that a vote for Hughes was a vote for war. I described the scenes that would follow if they voted for Mr. Hughes and elected him to the Presidency—how their sons would be torn from their arms and sent across the seas to die in the bloody slaughter pens of Europe. I assured them that if they voted for Mr. Wilson, and that if Mr. Wilson were reelected, they would kiss their sons to bed at night with their prayers and hail them on the coming of the morrow; that there would be no empty chairs in their family circle. The women of the West wept upon my words.

The Republican organization could not keep the Republican mothers in line; they broke ranks; they voted for Mr. Wilson; they elected Mr. Wilson. They voted to keep their sons out of the jaws of death. They voted in vain. But I told them, as I had told the people of Oklahoma, that I would never vote to draft their sons and ship them over the sea to fight and bleed and die in anybody's quarrels but our own. They took me at my word. I kept my word with them. I kept the faith. It cost me my seat in the Senate. It put me out of the Senate for 10 years. I am, perhaps, the only man in the history of American politics who was ever defeated for keeping his plighted faith. But, Mr. President, today I have this one consolation, that the mothers of Oklahoma will believe me when I tell them now as I told them then that I will never vote to tear their sons from their arms and ship them over the sea to fight and bleed and die in anybody's battles but our own.

### WILL ROGERS—ADDRESS BY SENATOR GORE

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the RECORD directly following the remarks made by the Senator from Oklahoma [Mr. GORE] today a radio address delivered by the Senator from Oklahoma on Friday night pertaining to the tragic death of Will Rogers.

There being no objection, the address was ordered to be printed in the RECORD as follows:

#### WILL ROGERS MEMORIAL

Sorrowing friends, I can say of Will Rogers as Mark Antony said of Caesar, "He was my friend, faithful and just to me." I knew him before his name was known to the trumpet tongue of fame. He was unspoiled by fame and fortune. He could walk with kings and keep the common touch.

He was in the truest sense an original American. He was a Cherokee, an ornament to his tribe, an ornament to his race.

He was Oklahoma's most celebrated native son. He was Oklahoma's most celebrated son. All his rivals paled beside him as the stars beside the sun.

He was America's greatest humorist. He shone with his own luster; he did not shine with borrowed splendor.

He had more than humor, he had a heart; more than talent, he had genius. Genius is universal, it is not national, it is not local, it belongs to no time or place. It belongs to the race. It is the heritage of man.

Will Rogers contributed more than his share of sunshine, of joy, of happiness, more than his share of good will, good cheer, and good fellowship, to the sons and daughters of men. But we never miss the music till the sweet-voiced bird has flown. Hushed and forever are all the happy "hello folks", hushed and forever his world-renowned alarm clock, hushed and forever all the sparkling wit and humor. Silent and forever all the mirth and merriment, silent and forever all the cheery laughter—forever and forever. "And the silence is unbroken and the darkness gives no token and the only word there spoken" is—The Last Round-Up.

This day has seen the last of Will Rogers, but the world has not heard the last of Will Rogers. His fame cannot die. His name will not perish from the earth.

Too many sorrowing souls will sigh
"For the touch of a vanished hand,
And the sound of a voice that is still."
Too many sorrowing souls will sing
"And when some day the shadows fall,
As shadows sometimes do,
I'll reach my hands across the mist,
And touch the hands of you."

Good night, till we meet again.

### OFFICIAL OR UNOFFICIAL SENATE REPRESENTATIVES ABROAD

The Senate resumed consideration of the resolution (S. Res. 198) submitted by Mr. LA FOLLETTE on the 23d instant, which is as follows:

*Resolved*, That the Senate hereby gives notice that none of its Members has been authorized either directly or indirectly to act as the official or unofficial representative abroad of the Senate or any of its committees.

Mr. LOGAN. Mr. President, I have not risen for the purpose of discussing the pending resolution, but only to make a brief statement.

When the Senator from Oklahoma, to whom I have never yet shown a discourtesy, so discourteously refused to yield, I meant only to suggest to him that perhaps I had greater reason to be interested in the World War or its results than had he. I only wanted to say to him that my two youngest and best loved brothers fill 2 of the 200,000 graves he mentioned, and there are others. That is all I wanted to say to the Senator from Oklahoma.

Mr. NORRIS. Mr. President, it is embarrassing to me to discuss the pending resolution; I cannot support it; and yet there is nothing in it that I can deny. It states the truth. But I think it would be very unfortunate if it should be pressed to a vote in the Senate. It may be that its introduction has accomplished a good purpose. I cannot say as to that.

We have not given anybody authority, and we will not, I presume, give anybody authority, directly or indirectly, to act as an official or unofficial representative abroad of this body. I can understand, however, how the junior Senator from Idaho might have been misrepresented, and probably has been misrepresented, by the press of the world, and how a misconception or a wrong idea on account of the publicity that has been, and naturally would be, given to any comment a Senator traveling abroad at this hour might make upon the probability or the likelihood that a great war is about to come upon the world.

If we should adopt the resolution, I can understand how the press of the world might give another impression to the world that would be wrong and that would have a damaging effect upon the attitude that the United States, in my judgment, will take should another European war break out.

It seems to me that the adoption of the resolution would give an erroneous impression, and it seems to me a vote upon it, dividing the Senate, would give an erroneous impression. As I see it, its introduction might possibly accomplish, in one respect, some good.

Its adoption, as I see it, would accomplish evil, because it would not be taken by the world as possibly it should be. It would give a misconception and wrong idea, which might have, and I believe would have, a damaging effect if later on war in Europe should again break out and agitation should begin, as was begun in the World War, to bring us into it. I sincerely trust, under all the circumstances, that the Senator from Wisconsin [Mr. LA FOLLETTE] may see proper to withdraw the resolution in order that there may be no direct vote upon it.

I was here during the World War. I was in this body when we declared war. I am now the only living man who was then a Member of the Senate, who was present in the Senate when the vote was cast and who voted against that declaration. The Senator from Oklahoma [Mr. GORE] was just as sincerely opposed to it, but, unfortunately, was not able to be present on account of illness.

Of all the votes I ever cast in this body or in the House of Representatives during my 10 years of service in that body, I never cast one with which I was so well satisfied as I was and am with my vote against that declaration of war. All of us who have served here any length of time have made mistakes; I know I have made many mistakes; but, as I see it now, after a deliberation of years, that vote was not one of my many mistakes.

I am not one who believes there is any danger of the United States being drawn into what looks like an impending conflagration in Europe. Like the Senator from Oklahoma, I do not now, and I never have uttered any criticism against Members of the House or of the Senate who did not agree with me at that time; but I venture the assertion now that the experience of our Government in the World War was sufficient to keep us out of any future world war so long as that memory is fresh in the hearts and the souls of the American people.

I think now, as I thought then, that we were drawn into it by a false, malicious, and malignant propaganda which is still too fresh in the minds of our people for any men or set of men, by any disguise or statement of falsehood made to appear as truth, again to deceive the American people, and that we are in no danger of getting into another world war, if one should come, unless there should be an invasion of American territory where we would be defending our own flag and our own country.

Much as I should regret to see the nations of Europe engaged again in a war, and far as I would be glad to go to lend the assistance of our Government to keep them out of war, I am not fearful that by any means or by any propaganda we can be drawn into such a war.

As the Senator from Oklahoma has so well said, while 200,000 American lives were lost and many billions of dollars were spent, we are still suffering and we shall continue to suffer from our participation in that war. Long after we are dead and forgotten our descendants will be toiling in the fields and in the shops to pay the bill which has been put upon our people by reason of that war. Our great depression, second only to war—if, indeed, it is second—as I understand and as I look at it, has been to a major extent brought upon us as a result of the false step which we made when we went into the war.

It seems to me we can best maintain our neutrality, it seems to me the situation would be better understood by all, if the resolution should be withdrawn, particularly in view of the fact that the cablegram from the junior Senator from Idaho [Mr. POPE] explains how, if any misunderstanding has come, it has not been because he pretended either directly or indirectly to represent the Senate. That fact ought to clear away the clouds, ought to clear the sky, and make it plain that we are not only out of it, but we are going to stay out of it.

But I fear either the passage or the defeat of the pending resolution, if we vote upon it, would have a tendency to becloud the issue, because of misunderstanding and misrepresentation which might appear in an interested press in Europe, perhaps to some extent in the United States. There might be a misconstruction placed upon our action, no matter which way we voted on the resolution.

Therefore, I hope, under all these circumstances, that the Senator from Wisconsin will see that whatever good he undertook to accomplish has been perhaps accomplished by the fact that we have now on record an explanation of the junior Senator from Idaho [Mr. POPE] that there was no intention of representing the Senate or expressing anyone's opinion except his own, which I concede, and I think we all ought to concede, he has a right to express either here or elsewhere.

Mr. McADOO. Mr. President, I hope the resolution will not be pressed. I think it would be unwise to pass it. The inevitable implication of any such action as this by the Senate of the United States is that the Members of this body have such an uncertain conception of the duties and obligations of a Senator, and of the proprieties of the occasions which may confront them if they go abroad, that notice must be given, in advance, to the world that they cannot be trusted to observe the ethics of their position or to speak within the proprieties of the occasion.

I should not like to see the Senate, by a formal vote, cast any such unjust reflection upon its Members. I think each Member of the Senate may be safely trusted to conduct himself with due regard to the proprieties and to the obligations and responsibilities resting upon him as a Senator.

I do not believe that the junior Senator from Idaho [Mr. POPE] has held himself out as a representative of this body or of this Government in any way. His expressions were rather unfortunate in the circumstances. But he spoke as an individual. If one is a Senator of the United States it is difficult to divest oneself of the character of a Senator.

Mr. BAILEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from North Carolina?

Mr. McADOO. I yield to the Senator.

Mr. BAILEY. Is it possible for a man, being a Senator, speaking on the policy of our country, to divest himself of his character as a Senator?

Mr. McADOO. I have just suggested, in anticipation of the Senator's remarks, that I do not think he can divest himself of his character as a Senator.

Mr. BAILEY. Therefore, I think the Senate ought to take pains to purge itself of the implications of statements of Senators tending to convince the world that we are getting ready to get into a war.

Mr. McADOO. As I said before, I think the remarks of the junior Senator from Idaho were unfortunate in the circumstances; but I do not think it is such a grave and serious matter, after all, as to require the adoption of a resolution by this body putting the world on notice that no Senator has been given any authority to act officially or unofficially as the representative of the Senate or any of its committees if he happens to be abroad, whatever the word "abroad" means. I believe it would carry unfortunate implications and would be a reflection upon the Membership of this body.

I hope, therefore, that the Senate will not by formal action approve, either directly or by implication, any such idea.

Mr. BARKLEY. Mr. President, I do not wish to prolong this discussion, but in justice to the Senator from Idaho [Mr. POPE] I wish to make a very brief statement.

The Senator from Idaho happened to consult me about his trip abroad on several occasions before he left this country. I happen to be the president of the American group of the Interparliamentary Union, which meets once a year in some national capital to discuss international problems. It was contemplated that there would be a delegation from Congress to attend the conference in Brussels, which met on the 26th day of July; but, on account of the continued session of Congress, it was impossible for any of the Members to get away.

Prior to that, the Senator from Idaho [Mr. POPE] had spoken to me about the possibility of being included on any such delegation. He stated that he desired to go abroad, and wished to meet as many prominent persons as he might, and, purely in his personal and individual capacity, to observe whatever he might concerning the situation in the world for his own enlightenment and for whatever use he might make of it as a citizen of the United States.

There is nothing at all improper in making such a trip. There is nothing improper in coming in contact with important men throughout the world in the countries which the Senator might visit. All of us do that when we go abroad.

I have been to Europe two or three times, the first time during the World War, as a member of a sort of involuntary or voluntary committee which went over there to see what was going on. During our sojourn we attempted to see everybody of importance, including kings, prime ministers, generals, and all those who were engaged in the war. Of course, every time we had a conference, whether it was as a group or as individuals, when we came out we were importuned by newspapermen to have something to say.

I presume the proper course for a Member of the Senate is to close his mouth and say nothing about anything he sees or hears, or anything that anybody tells him, but we all know how difficult it is to do that. When a Senator or a private citizen is traveling abroad, and some newspaperman asks him what he thinks about something, he never knows what appears in the press in his own country, because by the time he gets back the newspaper in which it was carried has been forgotten, and as somebody has wisely said, there is nothing so dead as yesterday's newspaper.

I recall that in 1930 the Senator from Montana, Mr. WHEELER; the then Senator from New Mexico, Mr. Cutting; the present Assistant Secretary of State, Dr. Sayre; and Mr. Charles Taft, son of former Chief Justice Taft; and I were in Europe together. I do not think Mr. Taft was in the party that went to Moscow; but I do recall that the Senator from Montana and the then Senator from New Mexico, Mr. Cutting, and Dr. Sayre and I were in Moscow for a week or more. We made an effort to see Joseph Stalin, but he was not in the city. We saw the next in command of the so-called "State Department", as we call it, the man next in authority to Stalin, and had a long interview with him. We saw Dr. Karakhan, who had been Ambassador to China and who was occupying a station similar to that of Assistant Secretary of State in our country. We sought those interviews because we desired to discuss many problems which were at that time interesting to any American and to any citizen of any part of the world with respect to Russia.

At that time we had not recognized Russia. During these conversations the question was discussed, and when we came out of the conferences inevitably and invariably newspapermen were at the door to ask us if we had anything to say. I recall, if I am not mistaken, that the Senator from Montana [Mr. WHEELER] made the statement that he was in favor of the recognition of Russia; and I recall that the distinguished then Senator from New Mexico, Mr. Cutting—one of our beloved and respected Members who, as a result of premature death, has gone to his reward—made the statement to a correspondent of an American newspaper that for a long time he had favored the recognition of Russia by the United States and he still felt that way about it.

I do not think I made any statement on the subject, because at that time I had not made up my mind; but if the Senate of the United States had then been in session, it would have been just as proper for it to have passed a resolution to notify the world and Russia that the Senator from Montana and the Senator from New Mexico were not speaking for the United States Senate, and they had not been sent there as official or unofficial ambassadors of the United States Senate to confer with anybody about the recognition of Russia, or to give out any statement about it, or any impression that might in any way reflect the sentiments of the Senate of the United States.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LA FOLLETTE. I should agree with the Senator's statement if the press, without authority from the Senator from Montana and the late Senator from New Mexico, had, in their dispatches, given the distinct impression that those two Senators were on an unofficial mission as observers and representing the United States Senate and the Foreign Relations Committee. If that had been the situation, it would have been just as important, in my opinion, for the Senate to have disabused the minds of the public in the United States, and the people of the respective countries involved, as I believe it to be in this instance.

I desire to say that Senators who were not here when this discussion started apparently do not understand that both the Senator from Arkansas [Mr. ROBINSON] and myself have made it perfectly clear that this resolution is not directed against the junior Senator from Idaho or intended to reflect upon him; but, as the Senator from Arkansas pointed out, the moment it was announced that the Vice President of the United States was contemplating a trip to the Orient, the same implications—of course, without authority from the Vice President—were placed upon the occasion of his trip, and the press by inference implied that he was going there as an unofficial representative of this Government in an effort to solve some of the problems that are pressing so far as this country and countries in the Orient are concerned.

This resolution is not an attack upon any Senator or upon the Presiding Officer of this body. The purpose of the resolution is to protect Senators and others who may travel abroad from having the occasion of their visit or utterances which they may make misconstrued and misinterpreted to their embarrassment, to the embarrassment of the Senate, and, perchance, to the embarrassment of this Government in the future.

Mr. BARKLEY. Mr. President, I was present when the discussion started and I have heard every word of it, and I appreciate fully what the Senator from Wisconsin says. I hope to be a member of that company which is to take the same trip as that which is contemplated by the Senator from Wisconsin, but if I desire to have the Senate pass any resolution protecting me on account of anything I may or may not say while I am gone, I will ask the Senate myself to do it; I will not ask any other Senator to introduce a resolution to protect me on account of anything I may or may not say.

I realize that implications are frequently drawn from the mere presence of a Member of the United States Senate anywhere on any mission, and I recall that the other day, when it was announced that the Vice President was going to the Philippine Islands, and that on the way to the Philippine Islands he would stop in China and Japan, there were unauthorized and unjustified implications that the Vice President was going to China and Japan as a sort of unofficial ambassador of good will, an ambassador to those countries on some official mission, when everybody who knows anything about it knows that a delegation from both Houses of Congress has been invited by the Philippine government to attend the inauguration of the new Philippine government on November 15 in Manila, and that most of them have accepted, and those who have not regret that they have not

been able to accept. It was not necessary for the Vice President to give out any statement or have the implication carried in the papers that he was going on no such official trip as was implied in the statement in the newspapers.

Since the senior Senator from Arizona [Mr. ASHURST] has come into the Chamber, I recall that in 1930 there was a delegation of Members of the United States Senate and the House of Representatives in London attending the very conference which I mentioned at the outset of my remarks. I remember that we sought and obtained a conference in London with that brilliant statesman David Lloyd George. He received us most graciously, and for an hour—compared to which I do not recall any hour I ever enjoyed as much as I did that hour—we were privileged to talk about everything that concerned the world, in that conversation between Mr. David Lloyd George and a few of us who were assembled with him, among them being the distinguished Senator from Arizona [Mr. ASHURST].

When we came out from that conference, the newspapermen wanted to know what we had talked about, what we had said, and what Mr. Lloyd George had said, and what impressions we had received. It may be that some member of the party—I do not recall about it now—operating under the difficulty which always confronts any public man to say nothing to any newspaperman who approaches him, may have given out some statement that was quoted in the United States. He may have been misquoted; his statement may have been misinterpreted; it may have been misrepresented. But I do not see how the Senate of the United States can with propriety take notice of every statement given out by a Senator who happens to be traveling somewhere in the world.

While it is true, as the Senator from Wisconsin has said, that his resolution is not aimed at the Senator from Idaho [Mr. POPE], we need not be so guileless as not to know that it will be so interpreted in this country and abroad. We all know that it is based upon the alleged statement made by the Senator from Idaho. We do not know what he said; we do not know whether he was correctly quoted or was misquoted. We do not know whether his statement was interpreted correctly or not. In view of the cablegram which he has sent us, it seems to me that we have a right to accept the word of our colleague, who is an honored Member of this body, and who is respected by all of us, regardless of party, that he did not hold himself out, and has at no time held himself out, as in any way remotely representing the Senate of the United States.

The Senator from Idaho [Mr. POPE] is not the first roving United States Senator who ever made a statement abroad which might well have been left unsaid, and in all probability he is not the last United States Senator who will be roving around the world, who will give out statements which might well be left unstated. The question is whether the Senate of the United States feels that the statement given out by any Member of this body, whether he be an humble Member or a Member of long service, and of noted reputation, is so important that the world is so quivering upon the sentences which may fall from the lips of United States Senators, that a mere statement about what might happen under certain conditions is going to bring about a realignment of all the alliances of the world, and drench its fields again in human blood.

I share the hope expressed by the Senator from Nebraska [Mr. NORRIS] and the Senator from California [Mr. MCADOO] that this resolution will not be pressed to a vote, but if it shall be pressed to a vote, for the reasons which I have here expressed, I will vote against it.

Mr. ASHURST. Mr. President, the remarks of the Senator from Kentucky [Mr. BARKLEY] revive pleasant memories, and I am glad to seize this proper opportunity to refer to the able speech I heard the Senator from Kentucky deliver in London upon the occasion of our duties there as American delegates to the Interparliamentary Union. I sat in the audience, and I was moved with admiration because of the precision of his phrases and the meticulous care he employed in recognizing the auspices under which he spoke.

I recall distinctly the conference with Mr. Lloyd George, to which the Senator from Kentucky referred. Mr. Lloyd George spoke over an hour and invited us to ask questions. I took down the answers in my own shorthand. It will be remembered by the Senator from Kentucky that someone asked Mr. Lloyd George about Russia. Now that some years have elapsed, I am at liberty to give the reply. Mr. Lloyd George stated, in substance:

> As you leave this hall, go by Trafalgar Square, and you will see a statue of Lord Nelson. Remember that when upon a certain occasion a signal was given to Nelson to retreat, he put the telescope to his blind eye and said, "I do not see any signal."

Mr. President, let me paraphrase what Lloyd George said, and say that not only in public life, but in private life as well, it is vitally necessary frequently to put the telescope to our blind eye. I am not certain that we might not well do so upon this occasion.

A vast deal has been said this morning about the press. As politicians, we are all anxious, one not more than another, to receive favorable mention in the press.

Reporters are seldom to blame for so-called "misstatements." In the hurry of public life we sometimes give out interviews—I am probably a sinner in this regard—without due preparation. The reporter must shoot from the hip. He has no time to turn the stylus, polish the phrase, and rub the lamp. He must get his dispatch, his story, to the desk at once. There the authorities controlling the paper may not agree with the story or may slap a headline over it not always supported by the text. The press is the "fourth estate." The press enjoys a poetic license, and it should do so. It works under difficulties.

Do not forget that the press is entitled to mangle grammar and to misapply syntax. I see one of the distinguished leaders of the "fourth estate", the Senator from Michigan [Mr. VANDENBERG], listening to me and I am proud to have him here. The members of the "fourth estate" are the only persons who are authorized to use the first person plural for the first person singular; in other words, only newspapermen and men with tapeworms are allowed to say "we" instead of "I."

It is not well to be too touchy and thin-skinned about newspaper reports. We are lending altogether too much importance to what might have appeared in the headlines regarding the absent Senator, Mr. POPE. If we are to hold one another accountable or are to be held accountable for what Senators say, then, indeed, our entire time will be taken up in explaining what we say.

Mr. President, I have had a long political career; I have been in office since I was 18 years of age, and I give this word of advice: Never make an explanation. Let your actions speak. Never explain. If you do, the next day you will be explaining your explanation. [Laughter.]

Mr. President, while my remarks in some respects apparently may have been interspersed with some small measure of jest, I was never more earnest than in the sentences I have just uttered.

Coming, however, to something more important, let me say that the speech the able senior Senator from Arkansas [Mr. ROBINSON] made this morning is one which reached high-water mark in American statesmanship. If, forsooth, he had never done anything else in his public life, if he had never made another utterance except his speech of this morning, I should regard his contribution to his country and to the world at large as very great, when he spoke about our desire for peace.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. BARKLEY. Regardless of the vote on this resolution, which, I repeat, I hope will not be pressed—if, however, it shall have served no other purpose than to offer the occasion for the speech of the Senator from Arkansas, it would have served a noble purpose by its introduction in the Senate, because I do not know when I have heard any expression which so completely represented the feelings of the Senate and of our country as did the expression made this morning by the Senator from Arkansas.

Mr. ASHURST. The Senator from Kentucky has precisely expressed my view of the speech of the Senator from Arkansas. In conclusion let me say the press has a habit, like politicians, of doing what it pleases. The press is just as anxious to have the favorable opinion of politicians as we politicians are to have the favorable opinion of the press; and while the press does not require or wish any defense from me, I must say that I marvel at its accuracy, considering the haste under which they must operate and the necessary and unavoidable uncertainty of public men. Our profession, being that of politics, makes it at particular times necessary that we change our opinions and for good reasons reverse our judgments. In view of all these unavoidable elements, I do not think we ought to complain when the press overplays or underplays an incident, unfortunate though it may have been, regarding a Senator.

Mr. LONG. Mr. President, to my great surprise, as the Senator from Arizona [Mr. ASHURST] was concluding his remarks, I was handed by a friend an editorial appearing in the New York Sun which complimented some part of a speech I made on the floor of the Senate. That was quite a surprise to me. I am going to read the last sentence in an editorial in the New York Sun, particularly because I should like the Senate to know that, after having almost a full term in the Senate, for once in my life I have received one compliment in an editorial appearing in one New York newspaper. It says:

> Senator LONG is not the first to attack the practice of delegating authority, but he has succeeded in reducing his indictment to words that anybody can understand.

Mr. President, I have been very much informed by listening to the speeches of my friends in the Senate who have been abroad. With respect to the pending resolution it is very illuminating for Members, such as myself, who have never stepped outside of the confines of the United States to receive advice from the illustrious Members of this body who have visited foreign countries in their absence from the Senate; and, naturally, those of us who have never had the chance to go anywhere except from here back home and around the country nearby are immensely informed by having advice on this resolution from those Senators who have interviewed statesmen—past, present, and future—of Europe and Asia and Africa and Argentina and various other countries. Now, however, as one who has never been abroad and probably never will go abroad, with deep humility I undertake to speak on the resolution to my colleagues who have spent time abroad. I wish to give expression to an attitude which has not been colored by my contact with foreign countries.

A short time ago I received a letter from England. It is not the only letter I have received from England. I have received two or three letters from England since I have been in the Senate. [Laughter.] This letter, however, I have preserved. I expect to frame it at a future date. The letter was from the British press. It said:

> DEAR SENATOR: The British press will pay your expenses to make a trip over Europe, provided you come by London.

Then someone signed his name for the British press. I figured the thing out. I had wanted to go to England for a good long while. I had wanted to go abroad, and I had made the public statement that as soon as I had the money I was going to England. Away back in 1918 I had polished everything up to go across to the foreign countries, but I was not important enough to give out statements at that time, so I did not go. I was waiting a while. [Laughter in the galleries.]

The PRESIDENT pro tempore. Laughter in the galleries must cease. Conversation must not be carried on by occupants of the galleries.

Mr. LONG. So by the time I reached what might be termed a position of importance I lacked the money to defray the expenses of a trip to Europe. Therefore I have been in America ever since.

Now it has become quite the thing for every Senator, in order to be important among his people, to go abroad and send back a statement, after having conferred with the prime minister of some country, and settled the affairs of England, that he is fixing to go to Moscow to give them his judgment on what is best to be done there. Without such a statement being sent home a man loses standing. Such a statement is expected from him. Right now we are fixing to send 40 of our brothers out of this body over to the Philippine Islands and to Japan. I dare say that at least two-thirds of those men will disappoint their constituents unless an article shall appear somewhere to the effect that after discussing matters with the Mikado they gave him to understand what position he ought to take on certain matters, and that he should stay out of this country and let things alone over here, and get matters straightened out. Then a man is in shape to run for reelection. [Laughter.]

Now, I am trying an experiment in this body. I never have been shown the courtesy which was due me here in one respect. With all these trips which have been framed up, from the Vice President on down, never once has my name been included in the list to go abroad. Except for the fact that I know it would have been termed to be a matter of personal jealousy I was almost on the verge of offering an amendment when I found out that this last trip was going to take place to the Philippine Islands, which has not yet taken place. I had been waiting for some resolution to come here onto which I could tack something in order that the public might feel how I have endured being left off of all these committees—even the one which went to the Virgin Islands. [Laughter.]

So I had drawn up a resolution, waiting for some other resolution to come in here relating to foreign affairs to which it would be appropriate to attach my resolution, but after showing it to my friend from South Carolina he said to me, "It clearly shows that you are personally offended by not having been included on these committees, and perhaps if you will forbear for another term you probably will be sent some time on one of those trips. I would not do it now. Be a little patient about the matter."

I concluded to try the experiment of running for reelection in January and go back to my people and tell them that: "On personal grounds, after 6 years' faithful service, I have not yet had my trip to Europe. Now, give me 6 years more, and when I get my trip to Europe then is time enough to talk about retiring me from the United States Senate." [Laughter.]

One of our friends goes over to England. One of our friends goes over to Japan. I happen to know the particular Senator who last visited England, unless there is someone who visited England since he was there. He is not one of the men who imbibes of the carefully prepared concoctions of other countries like I would have done in days past, or up to 18 months ago. But most of us around over here in groups of three and four will be hobnobbing around with the newspapermen, and we would not expect when we were going around the country even if we were in groups, if the newspapermen made a statement which was not so, to have a resolution passed by the United States Senate with regard to what we said. Otherwise a man had better be careful, for everywhere he goes everything he says may be misinterpreted. I think everyone knows that the United States Senate itself has not too much authority as a body, let alone any individual Senator. The whole body has not too much authority in this day and time. In fact, the people who used to stay on my side of the street to meet me now cross over the street to keep from meeting me when I come down the street. That has happened since I have been Senator during the last few years. So I say that even the whole Senate as a body does not have any too much authority nowadays. Therefore, I do not believe it is necessary every time a Member of the Senate makes some statement that a resolution should be passed saying that it shall not bind the Government. I do not think we ought to commit what I believe would be a laughable absurdity by adopting a resolution of this kind, because then every time any Senator should go abroad the Senate would have to stay in session and pass resolutions concerning the absent Senator.

Mr. CONNALLY. Mr. President, this resolution, no matter what disclaimer may be made or how may be tortured the English language, can be construed only as a reflection on or humiliation of the junior Senator from Idaho.

How does the resolution read?

*Resolved*, That the Senate hereby gives notice—

"Hereby gives notice." To whom? It reminds me of a man putting an advertisement in the newspaper that hereafter he will not be responsible for any of his wife's obligations. The Senate is putting itself in the ridiculous attitude of rushing into the public press and saying that we give notice that nobody is authorized to speak for us. Of course, nobody is authorized to speak for us in foreign affairs, because we ourselves are not authorized to speak for the United States in foreign affairs, except by an official resolution of this body. The records here show that we have authorized nobody to go abroad and that we have authorized nobody to represent the Senate abroad. The records of the State Department show that they have sent nobody abroad in the person of a Senator. It seems to me that the Senate is making itself childish and ridiculous when it tries to negative every inference or statement that may appear in the public press.

Some reference has been made to the fact that it is desired to protect the Vice President when he visits the Philippines. Is the Senator from Wisconsin wiser than the Vice President? I think the Vice President is wise enough to take care of himself when he goes to the Philippines; and from my knowledge of the Vice President, he will take care of himself, and the Vice President is not going to pretend, and nobody who knows the Vice President is going to pretend, that he pretends to represent the United States in any official mission to the Orient. But the Senator from Wisconsin, sitting back here at home, is fearful of the Vice President, inexperienced man that he is, going to the Orient, and the Senator from Wisconsin just sees the Vice President being victimized by some newspaperman and representing himself as the official messenger of the United States Government to the Mikado and to the Emperor of Manchukuo and to China.

Mr. President, the Vice President does not need any protector; he does not need any guardian; and I do not believe that the other members of the delegation that will go need any secret-service agents, mental or physical, to go along with them to protect them.

This resolution ought not to be adopted. If we are going to go into the press and disclaim every foolish or inadvertive thing that every Senator says, we shall be busy disclaiming all the time.

What is it that the Senator from Idaho is supposed to have said? He is supposed to have said that if a world war should break out, America would be in it. Mr. President, Senators standing on this floor have for 2 months been filling the RECORD and beating the air proclaiming that whenever a world war comes we will be in it. That is no offense.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BARKLEY. Has not every treaty to which the United States has been a party and which has been negotiated and signed since the World War been predicated upon the possibility of our being drawn into another war and thereby making an effort to prevent such a war so that the possibility would not exist?

Mr. CONNALLY. Of course, the Senator is correct; and this morning, on the eve of final adjournment, the Senator from Nevada [Mr. PITTMAN], the present occupant of the chair, brings in a resolution of neutrality on the theory that if war should break out anywhere on earth we may become involved in it and urges that the joint resolution should be passed in order to keep us from becoming involved. Yet because a Senator of the United States, traveling abroad in his private capacity, says that if there shall be a world war America will be involved, he is to be humiliated and brought before the bar of public ridicule by a resolution of the Senate giving notice to the world that he is not representing us.

Mr. GLASS. Mr. President, the Senator will recall that in the discussion of the neutrality joint resolution Senator after Senator said its passage was more apt to involve us in the war than otherwise.

Mr. CONNALLY. To be sure; the Senator from Virginia is correct. In the discussion of that joint resolution, both for and against it, the suggestion was constantly made that we might become involved in a world war or some other kind of a war. What were we talking about? We were talking about war; and we were trying to stay out of it, one side contending that the resolution would keep us out and the other side contending that it would probably put us in.

Mr. President, this resolution ought to be rejected. The Senate does many foolish things; it has done so in the past and it will in the future; but this is certainly a foolish and childish thing. Suppose some Senator goes out into the States and makes some ridiculous statement, as Senators frequently do, shall we rush back to Washington and call a special session of Congress in order to adopt a resolution to disavow his foolish utterance?

Mr. President, I move that the resolution be referred to the Committee on Foreign Relations.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Texas to refer Senate Resolution 198 to the Committee on Foreign Relations.

Mr. BAILEY. Mr. President, I am going to vote for the resolution without the slightest intention of reflecting upon the junior Senator from Idaho. I am going to vote for the resolution because the Senate has the treaty-making power and it has a large part in the war-making power. For those two reasons I do not think it becomes any Senator, at any time, under any circumstances, to speak with reference to the policy of our country in war or with respect to any nation. A statement by any Senator either here or outside the Chamber that we will be involved in the next war tends to commit the Senate, at least to that extent of being involved. A statement by a Senator concerning any other nation with which we are at peace tends to offend that nation if the statement itself its offensive.

Within the last half hour the senior Senator from Louisiana [Mr. LONG] spoke lightly of the Mikado of Japan. The Emperor of Japan is a part of the religion of the people of Japan. We ought at all times speak with the utmost respect for him as their ruler and with the utmost respect of their reverence for him. Any other course tends to create irritation and might tend to bring on bad feelings and even worse.

The fact that Senators have spoken on subjects of this sort, have spoken here more than once slightingly of other nations, and that Senators are apt to go abroad—I mean abroad in our land as well as in other lands—and give out utterances that tend to encourage nations abroad in the belief that we will be in the war with them, when we know very well we do not intend to be in any war with them, counsels us to take the step that the senior Senator from Wisconsin is leading us to.

I wish to make for myself here a very clear record. I understand that a part of the treaty-making power of the United States is reposed in me as a Senator; I understand that a part of the war-making power of the United States is reposed in me as a Senator; I understand also that as a Senator I am in a certain degree an ambassador from a sovereign commonwealth in America; and in each of those capacities it is my duty to speak respectfully of all nations and at no point ever to say anything tending to create the impression that the power I have here will be used either one way or the other with respect to them or their affairs.

In view of the habit which we have fallen into, not so much in view of what appears in the current press, and the present circumstances, I think that a flat disavowal of the character proposed here by the Senator from Wisconsin is very timely and highly in order.

Mr. ADAMS. Mr. President, I rise to make a suggestion to the Senate. I understand that the House has passed a resolution providing for final adjournment today, and they hope for our concurrence. The two bodies may not adjourn without the passage of the deficiency appropriation bill. It will be necessary to have a conference between the two houses, because there will be amendments of the Senate

in disagreement between the two bodies. If this discussion is to go on, I suggest that we be permitted to conclude the consideration of that unfinished business in order that we may then proceed to the holding of the conference committee meetings which will be necessary.

Mr. LA FOLLETTE. Mr. President, I hope the Senator will be patient for just a moment. I shall conclude with a brief statement.

Mr. President, in my opinion the resolution involves a very important question of policy. I do not think it is proper in view of the critical situation abroad to attempt to ridicule the resolution. Some Senators may doubt the wisdom of action upon it, but I submit that the issue involved is too grave to be the subject of ridicule or attempts at humor.

Mr. President, the successful conduct of our foreign affairs is at all times of vital importance, but now in view of the fact that we have a very delicate situation in the international affairs of the world it is of paramount importance. I have been entirely frank in stating my reasons for the introduction of the resolution. It is a matter of grave concern to me that there should be improper importance attached to statements made by Members of this body who are now abroad or who may go in the near future.

Mr. CONNALLY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Texas?

Mr. LA FOLLETTE. I yield.

Mr. CONNALLY. The Senator from Texas did not directly make any statement that the Senator from Wisconsin was trying to hide behind a pretext. He did say that the resolution, no matter how we might undertake to construe it, would be construed as reflecting on the junior Senator from Idaho.

Let me ask the Senator a question. What provoked the Senator to introduce the resolution?

Mr. LA FOLLETTE. Two things, as I have stated. One was the constant reiteration in the press, both prior to the time the junior Senator from Idaho [Mr. POPE] went abroad and in connection with every statement made by him which I have seen since he arrived there, of the fact that he was an unofficial observer and representative of the Senate, and in some instances it has been inferred that he was a representative of the Department of State and was reporting directly to the Department and to the President.

The second thing which prompted the introduction of the resolution was a story written in connection with the announcement that the Vice President of the United States might visit the Orient, in which a very clear implication, without quoting any one, of course, was written into the body of the story, which appeared on the front pages of nearly all the metropolitan newspapers of the country, that the Vice President was going abroad to the Orient for the purpose of endeavoring to improve our relations with countries in the Orient.

Mr. CONNALLY. Mr. President, will the Senator yield, and then I shall not bother him again?

Mr. LA FOLLETTE. I will yield if the Senator will make it brief.

Mr. CONNALLY. I shall do so. If the junior Senator from Idaho [Mr. POPE] had not gone abroad, would the Senator have introduced the resolution?

Mr. LA FOLLETTE. Mr. President, I would not have introduced the resolution under any circumstances except for the constant reiteration in the press dispatches that the junior Senator from Idaho is an unofficial representative of the Senate and because of the further fact that the same implication has been drawn in the press from the fact that the Vice President of the United States intends to visit the Orient.

All the resolution contains is a declaration of fact. It does not refer either directly or indirectly to any individual Member of this body or to any person connected with it. However, so far as I am concerned, in view of the delicate situation which exists in international affairs of the world, I am anxious that this body shall take the only step which I believe it can take to notify the world that it has no official or unofficial representative or observer abroad.

The Senator from Kentucky [Mr. BARKLEY] spent a great deal of time in his address in opposition to the resolution, indicating the importance of gathering information. So far as I am concerned, I should be glad to have every Senator, including myself, better informed on all questions; but that has nothing whatsoever to do with the resolution. The fact is that these constant repetitions of statements that Members of this body are traveling or will travel abroad as unofficial representatives and observers of the Senate or of this Government is something of which I believe the Senate should take public notice, and that it should disabuse the public mind in this country and abroad concerning the situation which has been created by these statements in the press.

I ask unanimous consent to print an article in the Washington Times of yesterday.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The article referred to is as follows:

UNITED STATES IN NEXT WAR, ASSERTS SENATOR POPE

LONDON, August 23.—Grave fears of a new European war, with the United States inevitably dragged in despite neutrality legislation at Washington were expressed today by Senator JAMES P. POPE (D.), of Idaho.

Interviewed by International News Service, Senator POPE declared that in his opinion the events of the last few days in the Italo-Ethiopian dispute had seriously clouded the chances of preserving peace. He said:

"The European situation is undoubtedly very grave.

GETTING WORSE

"It is much more serious even at this moment than it was when I arrived in Europe a few days ago."

Asked whether he thought the League of Nations, which is meeting September 4, in a last, desperate effort to avert hostilities between Italy and Ethiopia, would succeed in its aim, the Senator said:

"I am hopeful, but doubtful."

Senator POPE stressed the unofficial aspect of his visit, but it was thought probably he already has made some sort of an informal report to the White House and the State Department on the basis of information already obtained during his visit. He has talked to Viscount Cecil of Chelwood, British sponsor of the League of Nations, and George Lansbury, leader of the Labor Party.

In addition, the Senator has an appointment to see Foreign Secretary Sir Samuel Hoare today or tomorrow. Next week he will visit The Hague and Paris and will be on hand for the September 4 League meeting. He hopes later to visit Rome for a chat with Premier Mussolini.

He continued:

"The main hope of preventing war depends upon the action of France.

"If France joins hands with Britain there is a fair chance of adjusting the situation even yet. If not, there seems but small chance that war will be prevented.

BACKS UP BRITISH

"I think that the course Britain has taken in deciding to stand by the League of Nations covenant is a wise and honorable one. If she asks for sanctions and cooperation of the members of the League of Nations, she will at least be standing by her obligations, even if she cannot go through with her plans alone."

Senator POPE added:

"Whether America is to stay out of the next war depends upon the extent of the impending conflagration.

"If it develops along lines similar to those of the Great War, I think we will be pulled in again. Nations depend upon each other, and in these times nations are all in the same boat.

"If two-thirds of the boat goes down the other third goes down with it. I don't see how we could stay out if another real world war developed. We would inevitably be drawn in sooner or later.

"Perhaps this neutrality legislation under way at Washington would help, but it probably would prove insufficient in time of great stress. However, I personally approve of the neutrality bill."

WANTS UNITED STATES ACTION

The Senator continued:

"I think we should use our moral influence to avert the threatened war. We owe something to humanity and to the nations which signed the Kellog pact.

"The latter should mean something more than a piece of paper. I do not know what machinery might be used, but the situation calls for some consideration and some action."

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Texas [Mr. CONNALLY] to refer the resolution to the Committee on Foreign Relations.

Mr. LA FOLLETTE. On that motion I demand the yeas and nays. First, however, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Copeland | Logan | Reynolds |
| Ashurst | Davis | Lonergan | Robinson |
| Austin | Dieterich | Long | Schall |
| Bachman | Frazier | McAdoo | Schwellenbach |
| Bailey | George | McCarran | Sheppard |
| Bankhead | Gerry | McGill | Shipstead |
| Barbour | Gibson | McKellar | Smith |
| Barkley | Glass | Maloney | Steiwer |
| Bone | Gore | Metcalf | Thomas, Okla. |
| Brown | Guffey | Moore | Thomas, Utah |
| Bulkley | Hale | Murphy | Trammell |
| Bulow | Harrison | Murray | Truman |
| Burke | Hatch | Neely | Tydings |
| Byrnes | Hayden | Norbeck | Vandenberg |
| Capper | Holt | Norris | Wagner |
| Caraway | Johnson | Nye | Walsh |
| Chavez | King | O'Mahoney | White |
| Clark | La Follette | Pittman | |
| Connally | Lewis | Radcliffe | |

The PRESIDING OFFICER (Mr. KING in the chair). Seventy-four Senators having answered to the roll call, a quorum is present.

Mr. SHIPSTEAD. Mr. President, there comes to my mind another reason, which I do not think has been mentioned, why this resolution should be adopted. In my opinion, it does not go far enough.

We have fallen into a custom which I think does not reflect credit on the Government of the United States, the custom in vogue in European governments, of sending unofficial, more or less secret observers and representatives to foreign countries. It implies a lack of confidence in our own diplomatic service. It carries with it an implication that ministers and ambassadors nominated by the President and confirmed by the Senate to represent the Government of the United States in foreign lands have not the confidence of their own Government, and therefore that we must send private individuals with unofficial portfolios. It implies that the Government of the United States is secretly interested in questions so grave that it cannot trust its own diplomatic corps to handle them, so it sends secret, unofficial agents to foreign lands.

Those who have read the history of our unofficial observers prior to our entry into the World War cannot help but believe and become convinced that these so-called American unofficial observers, who have written their private memoirs since the end of the war, had as much to do with getting us into the last war as Sir Gilbert Parker, the head of the British Military Intelligence Service, and referred to by the Senator from Oklahoma as the head of the British spy system, had to do with getting us in. I think it would increase the dignity of the Government of the United States, I think it would increase the confidence which the American people have in their own Government, if we should serve notice that from now on we shall conduct our communications with foreign governments through our regularly nominated and appointed diplomatic service; that no branch of the Government here, as such, has any private official or unofficial observers talking in foreign lands.

Mr. LA FOLLETTE. I ask for the yeas and nays on the motion.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Texas [Mr. CONNALLY] to refer the resolution to the Foreign Relations Committee. On that question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. KEYES]. I am not advised how he would vote on this question. I transfer that pair to the junior Senator from Ohio [Mr. DONAHEY] and will vote. I vote "yea."

Mr. VANDENBERG (when his name was called). I have a pair for the day with the junior Senator from Indiana [Mr. VAN NUYS]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. McKELLAR. I have a general pair with the Senator from Delaware [Mr. TOWNSEND]. I transfer that pair to the Senator from Florida [Mr. FLETCHER] and will vote. I vote "yea."

Mr. BULKLEY. I repeat the announcement of my general pair with the senior Senator from Wyoming [Mr. CAREY], who is absent from the city. I transfer that pair to the junior Senator from Massachusetts [Mr. COOLIDGE] and will vote. I vote "yea."

Mr. LEWIS. I announce that the Senator from Mississippi [Mr. BILBO], the Senator from Alabama [Mr. BLACK], the Senator from Virginia [Mr. BYRD], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Colorado [Mr. COSTIGAN], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Florida [Mr. FLETCHER], the Senator from Indiana [Mr. MINTON], the Senator from Louisiana [Mr. OVERTON], the Senator from Idaho [Mr. POPE], the Senator from Georgia [Mr. RUSSELL], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. AUSTIN. I announce the following general pairs:

The Senator from Iowa [Mr. DICKINSON] with the Senator from Mississippi [Mr. BILBO];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Wisconsin [Mr. DUFFY]; and

The Senator from Oregon [Mr. McNARY] with the Senator from Virginia [Mr. BYRD].

The Senator from Oregon [Mr. McNARY] is detained on official business.

The result was announced—yeas 47, nays 26, as follows:

YEAS—47

| | | | |
|---|---|---|---|
| Ashurst | Copeland | Long | Radcliffe |
| Bachman | Dieterich | McAdoo | Reynolds |
| Bankhead | George | McCarran | Robinson |
| Barkley | Gerry | McGill | Schwellenbach |
| Bone | Glass | McKellar | Sheppard |
| Bulkley | Guffey | Moore | Smith |
| Bulow | Harrison | Murphy | Thomas, Okla. |
| Burke | Hatch | Murray | Thomas, Utah |
| Byrnes | Hayden | Neely | Truman |
| Caraway | King | Norbeck | Tydings |
| Chavez | Lewis | Norris | Wagner |
| Connally | Lonergan | O'Mahoney | |

NAYS—26

| | | | |
|---|---|---|---|
| Adams | Davis | La Follette | Shipstead |
| Austin | Frazier | Logan | Steiwer |
| Bailey | Gibson | Maloney | Trammell |
| Barbour | Gore | Metcalf | Walsh |
| Brown | Hale | Nye | White |
| Capper | Holt | Pittman | |
| Clark | Johnson | Schall | |

NOT VOTING—23

| | | | |
|---|---|---|---|
| Bilbo | Costigan | Hastings | Russell |
| Black | Couzens | Keyes | Townsend |
| Borah | Dickinson | McNary | Vandenberg |
| Byrd | Donahey | Minton | Van Nuys |
| Carey | Duffy | Overton | Wheeler |
| Coolidge | Fletcher | Pope | |

So Mr. CONNALLY's motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the bill (S. 3303) to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 872) for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims.

The message further announced that the House had agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the following bill and joint resolutions of the House:

H. R. 8870. An act to further protect the revenue derived from distilled spirits, wine, and malt beverages, to regulate interstate and foreign commerce and enforce the postal laws with respect thereto, to enforce the twenty-first amendment, and for other purposes;

H. J. Res. 265. Joint resolution pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto, and for other purposes; and

H. J. Res. 348. Joint resolution authorizing exchange of coins and currencies and immediate payment of gold-clause securities by the United States; withdrawing the right to sue the United States thereon; limiting the use of certain appropriations; and for other purposes.

The message also announced that the House had passed a bill (H. R. 8597) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to maintain discipline on shipboard; and for other purposes, in which it requested the concurrence of the Senate.

### HOUSE BILL REFERRED

The bill (H. R. 8597) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to maintain discipline on shipboard; and for other purposes, was read twice by its title and referred to the Committee on Commerce.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

### RECONSTRUCTION FINANCE CORPORATION LOANS

Mr. SCHALL. Mr. President, the paper and pulp industry in my State has suffered severely in the depression, causing failure of the second largest company in that field in the world, with consequent unemployment and distress. Now, I am informed that the Government intends to aggravate that situation by loaning to another company in another State to create more competition and more similar products.

I ask leave to insert in the RECORD a telegram and a resolution pertaining to this matter. A resolution on this subject has been considered this week by the Minnesota State Federation of Labor.

There being no objection, the telegram and resolution were ordered to be printed in the RECORD, as follows:

CHICAGO, ILL., *August 9, 1935.*

THOMAS D. SCHALL:

This association, representing Central Paper Co., Muskegon, Mich.; Filer Fibre Co., Filer City, Mich.; Hoskin Paper Co., Menominee, Mich.; Minnesota & Ontario Paper Co., Minneapolis, Minn.; Mosinee Paper Mills Co., Mosinee, Wis.; Northwest Paper Co., Cloquet, Minn.; Thilmany Pulp & Paper Co., Kaukauna, Wis.; and Tomahawk Kraft Paper Co., Tomahawk, Wis., protest against loan by Reconstruction Finance Corporation to Crossett Lumber Co., Crossett, Ark., for purpose of building kraft pulp and paper mill. Understand R. F. C. gave assurance to industry they would not make such loans without conferring, but they apparently have done so in this case in spite of their promise. There is large overproduction in kraft industry at present, and to bring in additional unnecessary production with Government money to create more competition for existing mills is unjust. This new competition will adversely affect labor in existing mills. We think Government has no right to finance private industry at expense and detriment of established industry. Please put forth every effort to stop this loan.

NORTHERN KRAFT ASSOCIATION.

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INTERNATIONAL FALLS TRADES AND LABOR ASSEMBLY,
*International Falls, Minn.*

Whereas it appears that our Government, through the Reconstruction Finance Corporation, is contemplating making loans to private industry for the purpose of encouraging the construction of factories for the production of newsprint, kraft paper, pulp, and other paper products, and in line with this policy has proposed to loan to the Crossett Lumber Co., of Crossett, Ark., for the purpose of building a kraft, pulp, and paper mill, and is contemplating other loans to other private companies for the construction of factories for the production of newsprint, kraft, pulp, and other paper products; and

Whereas the said industries are already overcrowded and the factories already constructed for the production of such products are operating at only 50 percent of their capacity, on account of the fact that there are already twice as many mills in operation as is necessary to take care of the demand, and the construction of new mills in this field of industry will create further unfair and unjust competition and adversely affect labor in the existing mills and will have the effect of depriving labor now engaged in these industries of their present employment and will prevent labor now so engaged from earning a decent livelihood; and

Whereas the new mills so contemplated to be financed by our Government will be in direct competition with mills engaged in the same industry in the State of Minnesota and will seriously jeopardize the livelihood of the laborers now employed in the said mills, including those at International Falls: Be it, therefore, further

*Resolved by the International Falls Trades and Labor Assembly in regular meeting assembled,* That it is unjust and unfair to the laborers now employed in the factories producing newsprint, kraft, pulp, and other paper products that the Government loan to private industry and private companies public funds to be used for the construction and operation of mills in direct competition with mills already in operation in an industry in which labor is already suffering for lack of demand of its products; be it further

*Resolved by the International Falls Trades and Labor Assembly,* That it do, and hereby does, protest against the granting of such loans, and hereby demands that the Government cancel any commitments made for such loans and that all applications, pending or future, be refused; be it further

*Resolved,* That the International Falls Trades and Labor Assembly do, and hereby does, respectfully urge Hon. Floyd B. Olson, Governor of the State of Minnesota, and the Honorable HENRIK SHIPSTEAD and Hon. THOMAS D. SCHALL, United States Senators for the said State, and Hon. AUGUST H. ANDERSON, Hon. ELMER J. RYAN, Hon. E. M. LUNDEEN, Hon. MELVIN J. MAAS, Hon. THEODORE CHRISTIANSON, Hon. HAROLD KNUTSON, Hon. PAUL J. KVALE, Hon. WILLIAM A. PITTENGER, and Hon. R. T. BUCKLER, Congressmen for the said State, to do all within their power to bring about the cancelation and the refusal of such loans, and that copies of this resolution be at once forwarded to each.

By its executive board.

INTERNATIONAL FALLS TRADES AND LABOR ASSEMBLY,
HAROLD REICH, *President.*
JOHN E. TERRY, *Vice President.*
JOHN PARSONS, *Financial Secretary and Treasurer.*
MILDRED C. LA FANE, *Recording Secretary.*

Dated at International Falls, Minn., this 16th day of August 1935.

### REPEAL OF PART OF SILVER PURCHASE ACT

Mr. McCARRAN. I ask unanimous consent for the consideration at this time of Senate bill 3260, to repeal sections 6, 7, and 8 of the Silver Purchase Act.

Mr. KING. I object for the present.

The PRESIDENT pro tempore. Objection is made.

### SUPPLEMENTAL APPROPRIATIONS

Mr. ADAMS. I ask that the Chair lay before the Senate the unfinished business, the deficiency appropriation bill.

The Senate resumed the consideration of the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes.

Mr. ADAMS. I submit four remaining committee amendments to carry the necessary appropriations for legislation passed during the present session.

I send the first amendment to the desk and ask to have it stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 11, after line 4, it is proposed to insert:

The appropriations for carrying into effect the act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes", approved April 21, 1934 (48 Stat., pp. 598–607), as amended, are hereby made available to enable the Secretary of Agriculture to carry out the provisions of section 40 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes", approved August —, 1935.

Mr. WALSH. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside to enable the Senate to take up a privileged matter; namely, the conference report on Senate bill 872. It will take but a minute.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Massachusetts to lay aside temporarily the unfinished business for the purpose of considering the conference report referred to by him?

Mr. ADAMS. Mr. President, I feel that I must object. If the Senator from Massachusetts understood the situation, I am sure he would appreciate the reason for my objection. We are trying to get the deficiency bill to conference, so that we may get it out of the way. It will not take more than a few moments. I have some committee amendments which I desire to submit and have acted upon.

Mr. WALSH. I have no objection. The matter to which I refer is a purely formal one; but I will wait.

Mr. KING. Mr. President, I ask the Senator from Colorado to state the purpose of the amendment. What will be accomplished by it?

Mr. ADAMS. I will ask the Senator from Alabama [Mr. BANKHEAD] to explain the amendment. It is to carry out the Bankhead Act. It does not involve any additional appropriation.

Mr. BANKHEAD. It does not involve any additional appropriation.

Mr. COPELAND. Mr. President, may I ask whether this is a controversial matter?

Mr. BANKHEAD. No; it is not.

Mr. KING. I should like to ask the Senator from Alabama, then, what the purpose of the amendment is.

Mr. BANKHEAD. It is simply to carry out an authorization heretofore made out of money already appropriated, which will be available under the Bankhead Act. It has been authorized by law.

Mr. KING. As I understand, this would carry an appropriation of probably several million dollars. Is not that true, I ask the Senator in charge of the bill?

Mr. ADAMS. Frankly, I am not able to state the amount involved. It is authorized by law, and recommended by the Budget Bureau, and we seem obligated to include it in the bill.

Mr. KING. Mr. President, the explanation thus far made is not satisfactory to me, though it may be to others. We have made enormous appropriations for the cotton industry, and I understand there is a measure pending, which may be offered, providing for the Government of the United States standing behind all of the cotton producers in the United States to the extent of 12 cents a pound. I do not understand from the Senator from Alabama just exactly the amount that is involved, and the purposes for which the expenditure is asked. It seems to me that we ought to have some enlightenment in the amendment itself as to the amount which is to be carried by the amendment.

It is stated that there has been an authorization. An authorization for what? If there is an authorization and there is to be an appropriation, then the appropriation should be specific so that we may know whether it is one million, or ten million, or a larger sum. It seems to me this is a most unwise, unsound, and improvident way of legislating.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I have another committee amendment which I send to the desk.

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 6, after line 7, after the amendment heretofore agreed to, it is proposed to insert the following:

SECURITIES AND EXCHANGE COMMISSION

Salaries and expenses: For an additional amount for salaries and expenses of the Securities and Exchange Commission, including the same objects specified under this head in the Independent Offices Appropriation Act, 1936, and in addition thereto, rental of quarters in the District of Columbia, $750,000.

Printing and binding: For an additional amount for all printing and binding, fiscal year 1936, $15,000.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I desire to submit a further committee amendment.

The PRESIDENT pro tempore. The Senator will state it.

The LEGISLATIVE CLERK. On page 4, after line 16, after the amendments heretofore agreed to it is proposed to insert the following:

FEDERAL POWER COMMISSION

Salaries and expenses: For an additional amount for salaries and expenses of the Federal Power Commission, including the same objects specified under this head in the Independent Offices Appropriation Act, 1936, and, in addition thereto, rent in the District of Columbia and elsewhere; purchase and exchange, not exceeding $9,100, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles, including not more than one such vehicle for general administrative use in the District of Columbia; supplies and office equipment; services; scientific instruments; expenses incurred in packing, crating, drayage, and transportation of household effects, and other property, not to exceed in any case 5,000 pounds, of officers and employees when transferred from one official station to another for permanent duty, when specifically authorized by the Commission; not to exceed $5,000 for purchase and exchange of law books, other books of reference, newspapers, periodicals and newspaper clippings; $1,125,000, of which amount not to exceed $375,000 may be expended for personal services in the District of Columbia, exclusive of not to exceed $15,000 which may be expended for consultants and special counsel: *Provided*, That the rates or fees paid to consultants or special counsel may be fixed by the Commission without regard to other laws: *Provided further*, That of the amount herein appropriated, not to exceed $175,000, may be expended for the payment of salaries to present employees of the Commission engaged in the national power and rate surveys under authority of Executive Order No. 6251, dated August 19, 1933, and Public Resolution 18, Seventy-third Congress, approved April 14, 1934; and $125,000 shall remain available until June 30, 1937, for rental of quarters in the District of Columbia.

Printing and binding: For an additional amount for all printing and binding for the Federal Power Commission, including engraving, lithographing, and photolithographing, fiscal year 1936, $85,000.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I have one further amendment I desire to offer.

The PRESIDENT pro tempore. The clerk will state it.

The LEGISLATIVE CLERK. It is proposed, on page 19, line 2, after the word " bureaus ", to insert the following:

FEDERAL ALCOHOL ADMINISTRATION

For the purpose of carrying out the provisions of the act entitled " the Federal Alcohol Administration Act ", approved August —, 1935, including rent and personal and other services in the District of Columbia and elsewhere, supplies and materials, equipment, communication service, stationery, travel and subsistence expenses as authorized by law, maintenance, repair, and operation of passenger-carrying automobiles, law books, books of reference, magazines, periodicals, and newspapers, contract stenographic reporting service, the securing of evidence of violations of the act, and miscellaneous and contingent expenses, fiscal year 1936, $300,000.

The amendment was agreed to.

Mr. BYRNES. Mr. President, I ask that the clerk now read the amendment I submitted yesterday.

Mr. COPELAND. Mr. President, will the Senator from South Carolina yield to me?

Mr. BYRNES. I yield.

Mr. COPELAND. Will not the Senator wait a moment before he proceeds with his amendment?

Mr. ADAMS. Mr. President, I desire to present a textual amendment. The President has approved one of the bills for the old-age pensions for the District of Columbia. In the bill as it is printed the date appears " approved August 1935." I wish to have inserted the date "August 24, 1935 ", in the appropriate place. It occurs on page 7, line 24 or 25.

The same mistake occurs in reference to the pensions for needy blind persons in the District of Columbia. I should like to have the figure " 24 " inserted after the word "August."

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 8, line 21, after the word "August ", insert the figures " 24 ", and on page 9, line 5, after the word "August ", insert the figures " 24 ".

The amendment was agreed to.

Mr. COPELAND. Mr. President, will not the Senator from South Carolina allow me to present two small amendments, which will not be controversial, before the other matter is brought before the Senate?

Mr. BYRNES. I yield.

Mr. COPELAND. Mr. President, the Senate will recall that very recently the Senate, and afterward the House, passed a bill to readjust the pay and allowances of the commissioned and enlisted personnel of the Geodetic Survey. It involves one official, with an increase of about a thousand dollars a year. The Department of Commerce has asked me to invite the Senate to include enough money in the deficiency bill to take care of that one item.

Mr. BYRNES. Is there a Budget estimate for it?

Mr. COPELAND. I do not think so, because the bill has not yet been signed, and, of course, if it is not signed there will be no call for the money.

The PRESIDENT pro tempore. The Chair is not able to hear the private conversation now going on.

Mr. COPELAND. Mr. President, I will state for the benefit of the Chair and the Senate that I have presented an amendment to the bill, and I ask to have it reported.

The PRESIDENT pro tempore. Does the Senator from South Carolina yield for that purpose?

Mr. BYRNES. I yield to the Senator for that purpose.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 12, after line 12, after the amendment heretofore agreed to, it is proposed to insert the following:

COAST AND GEODETIC SURVEY

The appropriation for pay, commissioned officers, Coast and Geodetic Survey, for the fiscal year 1936, shall include, and is hereby made available for, pay and allowances to the Director of the Coast and Geodetic Survey at the rates prescribed by law for a chief of bureau of the Navy Department, notwithstanding the provisions of section 5 of the act of February 16, 1929 (45 Stat. 1187).

The amendment was agreed to.

Mr. COPELAND. Mr. President, there is one other amendment to which I call attention. On page 11, line 6, of the bill a Senate committee amendment was adopted appropriating $50,000 for departmental salaries and salaries for general expenses of the Bureau of Navigation and Steamboat Inspection.

I have been approached by the Department of Commerce this morning with a request that that item be increased to $126,000, and I have here a letter from the President, addressed to the Speaker of the House of Representatives, asking that this amount, $126,000, be included in the bill. I also have a letter of the Acting Director of the Budget making the same request.

The reason for this increase in the appropriation is that it has been brought out by the *Morro Castle* disaster that the steamboat-inspection personnel has been too limited, and certain men were employed and paid from another fund. It is now requested that this appropriation in the bill be increased. At the same time, I wish to call the attention of the Senate to the fact that all the money needed to pay the expenses of the Bureau of Navigation comes from fines which are collected, and motor boats are now included in the craft as to which fines may be inflicted, as well as other boats.

Therefore I ask unanimous consent that the action of the Senate in adopting the amendment on page 11, lines 6 to 11, inclusive, be reconsidered, in order that the amount may be increased from $50,000 to $126,000.

Mr. ADAMS. Mr. President, I object.

Mr. COPELAND. Mr. President, I may say to the Senator in charge of the bill that this is a matter which has to do with human life. It was so appealing that the President of the United States and the Director of the Budget both requested this addition to the appropriation. I think it would be outrageous if there should be any failure on the part of Congress to appropriate money which has to do with the inspection of ships. It was lack of inspection which caused the sinking of the *Morro Castle*, and that was the cause of the trouble with the *Mohawk* which sank.

Here is an item of $76,000, which has to do with the saving of human life, and which has been recommended by the Budget, and which ought to be have been included in the bill in the first place.

Mr. GLASS. Mr. President, how long ago was the *Morro Castle* sunk?

Mr. COPELAND. Last fall.

Mr. GLASS. Then, why did they not send the estimate here so that the committee might consider it?

Mr. COPELAND. As a matter of fact, they did send it in, and I have here the letter from the Director of the Budget.

Mr. GLASS. They did not have it before the committee.

Mr. COPELAND. This letter is dated the 22d of August, and I think, as a matter of fact, that I asked the Senator from Colorado about it. Did they not have it before the committee?

Mr. ADAMS. The committee decided that the amount the committee recommended would be adequate, under the circumstances, until the next appropriation bill was passed.

Mr. COPELAND. Then I say to the honored Chairman of the Committee on Appropriations that the committee did have this material, and I have already stated that the Department of Commerce is making this plea for this added money, and it ought to be in the bill.

Mr. GLASS. If the committee on due consideration thought the appropriation included was ample until Congress shall meet again, there is that much more reason why the Senator from Colorado should object.

Mr. COPELAND. I may say to the chairman of the committee that failure to put this in the bill will mean the discharge of 50 men who are now engaged in this work, and that is the reason why it ought to be put in now and why we should not wait until the next meeting of the Congress.

Mr. ADAMS. I will state to the Senator that that is not in accordance with the information that was given to the committee.

Mr. COPELAND. That is the information which I have this morning from the Department of Commerce. They say in their letter:

This amount is necessary to meet a deficit in this Bureau to take care of the existing personnel. If this amount is not appropriated, the Bureau of Navigation and Steamboat Inspection will be forced to discharge a number of employees in order to meet the deficit.

That is the statement from the Department of Commerce as given me within an hour.

Mr. BYRNES. Mr. President, I suggest to the Senator that I yielded gladly in order to enable him to offer his amendment; but inasmuch as the amendment can be considered only by unanimous consent, he might talk with the Senator having the bill in charge and probably he may be able to induce him to change his views.

Mr. COPELAND. I wish to say to my friend from South Carolina that his responsibility, and the responsibility of the committee, and the responsibility of all, is as great as mine. I have told the Senate that human life depends upon this appropriation. I told the Senator having the bill in charge and the Senate that it is the statement of the Department of Commerce that these men must be discharged if this money is not supplied. Now I leave it to the Senate to decide whether it shall or shall not be done.

Mr. ADAMS. The statement was made to us that the additional money was desired in order that they might obviate the practice of furloughing, which has been in effect for some time. I do not understand that it will lessen the efficiency of the Bureau at all.

Mr. COPELAND. Once more I will repeat. The statement of the Department of Commerce is that this amount is necessary to meet a deficit in this Bureau to take care of the existing personnel. If this amount shall not be appropriated, the Navigation and Steamboat Inspection Service will be forced to discharge a number of employees in order to meet the deficit. I ask the Senator from Colorado to take the

item to conference and find out whether or not I am telling the truth about it; and, if I am, certainly this amount of money ought to be provided by the bill.

The PRESIDENT pro tempore. The Senator from New York asked unanimous consent that the vote be reconsidered, and it was objected to.

Mr. COPELAND. I am hoping that the Senator in charge of the bill will withdraw the objection and let the Senate vote upon it.

Mr. ADAMS. Temporarily, I am going to persist in the objection. I shall be glad to talk to the Senator about it later.

Mr. COPELAND. If it will do any good, I shall talk to the Senator about it.

Mr. ADAMS. If the Senator has any doubt about that, we will obviate the talk.

Mr. COPELAND. Very well. Whether we obviate the talk or not, I wish the Senate to know that the responsibility rests upon the Senate, and upon the committee, and upon the chairman of the committee; and if there is any failure to supply the money to pay these inspectors who have to do with the examinations to determine the safety of ships—if the Senate of the United States is willing to take a chance in that matter—at least my conscience is clear.

Mr. BYRNES. Mr. President, I ask that my amendment be read.

Mr. WAGNER. Mr. President, will the Senator from South Carolina yield in order that I may ask a question, which I do not believe will delay consideration of the matter very much?

Mr. BYRNES. I yield.

Mr. WAGNER. There are some of us who are interested in the workings of the Social Security Board, and also the National Labor Relations Board, who feel if the amounts appropriated under this bill are to cover the expenses of administration for the entire fiscal year that they are inadequate. I desire to ask the Senator in charge of the bill whether in making the estimate of the appropriation it was a final determination that the amount provided would be all the Board would receive for the period of the fiscal year, or will the Board, if experience shows that the sum is inadequate for the administration of the entire year, be in a position to come before the committee and make its plea for an additional amount?

Mr. ADAMS. I will say to the Senator from New York that, of course, appropriations made in a deficiency bill are merely intended to meet shortages for an uncompleted term, and would not in any way prevent the inclusion of needed items in the appropriation bills which will come on in the regular course next year. They are not intended as annual appropriations for the fiscal year but to meet deficiencies.

Mr. WAGNER. I thank the Senator.

Mr. HOLT. Mr. President, last night, in my absence, not being physically able to remain in the Chamber, an amendment, on page 2, after line 3, of the bill, was agreed to. I move to reconsider the vote by which that amendment was agreed to. The amendment provides for payment to the attorneys in the contest growing out of the last senatorial election in West Virginia the sum of $1,800.

Mr. KING. Mr. President, I suggest that the Senator from West Virginia take the matter up with the Senator in charge of the bill.

Mr. HOLT. I have taken the matter up with him.

The PRESIDENT pro tempore. The amendment referred to will be stated.

The LEGISLATIVE CLERK. The amendment is on page 2, after line 3, as follows:

For payment to attorneys of record for the contestant and the memorialists, to wit: Grant P. Hall, George H. Williams, and Thomas H. Barnett for services rendered and expenses incurred in the contested election resulting from the election of a United States Senator from West Virginia on November 6, 1934, fiscal year 1936, $600; in all, $1,800."

The PRESIDENT pro tempore. The question is on the motion of the Senator from West Virginia [Mr. HOLT] to reconsider the vote whereby the amendment referred to by him was agreed to.

The motion to reconsider was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

Mr. BYRNES. Mr. President, the motion was simply to reconsider the vote by which the amendment was agreed to, as I understood.

The PRESIDENT pro tempore. Yes.

Mr. COPELAND. Mr. President, I ask what the question was.

Mr. BYRNES. The amendment referred to by the Senator from West Virginia was to pay the attorneys in the West Virginia contest case.

Mr. COPELAND. Mr. President, I desire to know something about this question. What is it about?

Mr. GEORGE. Mr. President, in the matter of the seating of the junior Senator from West Virginia there were petitions and memorials filed with the Committee on Privileges and Elections of the United States Senate. Among the petitions filed was one by former Senator Hatfield from the State of West Virginia. Certain citizens, some 100 in number, or persons alleging themselves to be citizens of West Virginia, likewise filed petitions in protest to the seating of Senator HOLT. That matter was heard by the Committee on Privileges and Elections. Three attorneys, two of them representing former Senator Hatfield, and one representing the memorialists, appeared and filed briefs with the committee, and argued the matter before the committee. These attorneys have filed with the committee accounts for services rendered; that is, they presented their claims.

The matter was referred to a subcommittee of which the junior Senator from Texas [Mr. CONNALLY] was named as chairman. The claims, as I recall, in each case amounted to something more than $5,000. The committee, after hearings in the subcommittee, recommended that each of these attorneys be paid $600 to cover all claims filed by them, whether expenses or for the work done. That amendment was agreed to last night, as I am advised. The junior Senator from West Virginia [Mr. HOLT] has now asked that the vote by which that amendment was agreed to be reconsidered, and it has been reconsidered.

The whole question was whether or not these attorneys who appeared before the committee representing both the petitioner, former Senator Hatfield, and certain citizens of the State, should be paid the sum of $600 each.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BARKLEY. In ordinary contest cases where there is a question between two candidates for the Senate or the House to determine which of them was elected at an election, it has always been customary to allow fees on both sides. This was a matter involving the eligibility of the junior Senator from West Virginia. Even if he had been declared ineligible, his so-called "contestant" would not have been seated. In such a case is there any moral obligation on the part of the Senate to pay the fees of attorneys representing the Senator who was defeated, but who thinks that some legal technicality may prevent the seating of his successful opponent, although if he succeeded in that effort it would not seat him?

Mr. GEORGE. I do not know that there is any moral obligation resting upon the Senate in either case.

Mr. BARKLEY. Is there any precedent for it?

Mr. GEORGE. There is this precedent, I may say: That since I have been a member of the committee for nearly 12 years both the contestant and the contestee have had an allowance to cover their expenses and attorneys' fees; that is, where the contestant or contestee asked it; and I understand that to have been the practice from the beginning.

Mr. BARKLEY. I know it is true in cases where there is a real contest.

Mr. GEORGE. If the Senator will permit me to continue, I will reach that point. In the House there is fixed a sum which is paid to both parties, as I understand; but the Sen-

ate rule has been different. The amount has varied from time to time, dependent, of course, upon the facts in each case. There is no obligation resting on the Senate to make any payment at all to the contestant or the contestee, the only consideration being whether or not in the public interest it is proper to provide some fair compensation for services rendered to the contestant or contestee. In many cases one or more parties might be unable properly to present the case.

We have had no case before the Committee on Privileges and Elections involving a question of the character involved in this particular case; but I call attention to the fact that former Senator Hatfield filed his petition, which asserted not merely that the Senator-elect, Mr. HOLT, was not entitled to his seat because he was not 30 years of age at the time of election or at the time of the commencement of the term to which elected, but former Senator Hatfield asserted that he himself was entitled to the seat. So, whether the ground of contest was good or bad or whether his claim was good or bad, he raised that question and the committee determined it. In the presentation of that question two counsel appeared for Senator Hatfield and additional counsel appeared representing only the memorialists or petitioners, and he raised, of course, substantially the same question, except he did not assert any right on the part of Senator Hatfield to take the seat.

Your committee was of the opinion that a reasonable allowance for the work done was in the public interest, because serious questions may frequently arise, and if the parties directly involved are not able to present them properly to the Senate the facts may not be developed in such a way as to lead to the accomplishment of desirable results.

In this particular instance, of course, but one real fact was presented, although there was an effort to present some other grounds of contest which your committee did not believe to be meritorious and which were simply dismissed without any hearing.

Mr. BORAH. Mr. President, may I inquire of the Senator what is the amount involved?

Mr. GEORGE. The total amount is $1,800. There were three attorneys, and the committee allowed $600 in each case, to cover their expenses. I may say to the Senator that they did claim some actual expenses, because it was asserted that they conducted some investigations to ascertain some facts about the election. It turned out that those facts would not have invalidated the election. They prepared and had printed briefs and they presented those briefs; they appeared and made arguments here before the committee.

It is, of course, a question of policy as to whether the Senate will desire to make any payment whatever in this particular case.

Mr. BYRNES. Mr. President, I ask the Senator if I may submit to the chairman of the subcommittee a statement? The Senator from South Carolina, because he believed the subject involved was not controversial, yielded to the Senator from West Virginia for the purpose of moving a reconsideration. I should now like to ask the chairman of the subcommittee, the motion to reconsider having been carried, whether he insists upon action upon this amendment now? I know that he asked that all committee amendments be first considered and disposed of, but having obtained recognition and having yielded to three or four other Members of the Senate, I should like to proceed with the consideration of my amendment. At the conclusion of its consideration, the amendment which is now at issue may be taken up. I think I see evidence of a controversy about it, and I should like to proceed with the presentation of my amendment.

Mr. COPELAND. Mr. President, there are two great difficulties in the Senate; one is to get the floor and the second is to keep it after one gets it. I assume that all these gentlemen have been speaking in my time; I am very happy to accommodate them; and now I wish to say, the chairman of the subcommittee having consented to a reconsideration of a matter so important as this, I would not wish to stand in his way. I can quite see that the safety of three lawyers and their preservation is in the public interest and that they ought to be paid; but when the safety of human lives upon the sea is at stake that is a matter which must be objected to.

Mr. President, I want safety everywhere. I want safety upon the sea and upon the land. I want safety to those who practice their professions. And now, Mr. President, I apologize to the Chair and I apologize to the committee for having intervened and interfered at all with the safety of the lives of three lawyers. I withdraw any objection I have to the measure.

Mr. ADAMS. Mr. President, I should like to make an observation to the Senate and to the Senator from New York. The matter which was reconsidered, involving the payment of attorneys' fees, was never before the Appropriations Committee. It came into this body from the Committee on Privileges and Elections and was presented in that way; and, so far as I know, has been to no other committee. and was presented from the floor without the knowledge of the membership of the committee. So the terrible parallel which the distinguished and beloved Senator from New York draws is hardly adequate. I merely add that, of course, we are appreciative of the manner in which he approaches the committee in an effort to carry out his own desires.

Mr. COPELAND. Mr. President, I wish to say that I am not at all seeking to carry out my desires alone. I am trying to carry out, in the first place, the desires of the Department of Commerce which has to do with safety upon the sea. In the next place, I represent the desires of the American people. I represent particularly the desires of the survivors of 200 persons who were burned and drowned within a year. While the cases may not be parallel; yet I concede at once that the safety of the lawyers is more important than is the safety of people who travel on ships.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the bill (S. 3286) to abolish the oath required of customs and internal-revenue employees prior to the receipt of compensation, and for other purposes.

The message also announced that the House had passed the bill (S. 2002) to provide for the establishment of load lines for American vessels in the coastwise trade, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3003) to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Miss., and the establishment of the Ackia Battleground National Monument, and for other purposes.

The message also announced that the House had passed a joint resolution (H. J. Res. 407) consenting to an interstate oil compact to conserve oil and gas, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 38), in which it requested the concurrence of the Senate, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That the two Houses of Congress shall adjourn on Saturday, the 24th day of August 1935, and that when they adjourn on said day they stand adjourned sine die.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 39), in which it requested the concurrence of the Senate:

*Resolved by the House of Representatives (the Senate concurring)*, That notwithstanding the adjournment of the first session of the Seventy-fourth Congress, the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign any enrolled bill or joint resolution duly passed by the two Houses and which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

SUPPLEMENTAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes.

The PRESIDING OFFICER. The next amendment of the Committee on Appropriations will be stated.

The PRESIDENT pro tempore. The question now is on the amendment of the Senator from South Carolina which will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following:

The Commodity Credit Corporation is hereby directed to make loans to farmers at the rate of 12 cents per pound on cotton, where such loans are secured by cotton stored in warehouses approved by said Corporation upon such terms and conditions as similar loans have been made by said Corporation during the crop year ending July 31, 1935, and the Reconstruction Finance Corporation is hereby directed to make available to the Commodity Credit Corporation sufficient funds to carry out this purpose.

Mr. HALE. Mr. President, I make the point of order that the amendment proposed is general legislation on an appropriation bill.

The PRESIDENT pro tempore. The point of order is sustained.

Mr. BYRNES. Mr. President, I first want to appeal to the Senator from Maine and ask him whether he will not withdraw the point of order and permit us to have a vote on the amendment to the bill without requiring me to move to suspend the rule for that purpose?

Mr. HALE. I understand the Senator has already filed notice of his intention to suspend the rule.

Mr. BYRNES. I filed the notice in accordance with the rule yesterday. I am not now offering the motion to suspend the rules but I am offering the amendment, just as every other amendment has been offered to the bill. I ask if the Senator will not allow it to be considered as all other amendments are without making the point of order.

Mr. HALE. I cannot agree to the request of the Senator. I am, however, entirely willing that the Senate shall proceed and take a vote on the question of suspending the rule without debate. That will save time.

Mr. BYRNES. Mr. President, as the Senator does not see his way clear to withdraw the point of order, then, in accordance with the notice given yesterday, I move to suspend paragraph (4) of rule XVI in order that the amendment offered by me may be considered.

The PRESIDENT pro tempore. The clerk will read the notice and motion.

The CHIEF CLERK. Yesterday the Senator from South Carolina filed the following notice:

NOTICE OF MOTION TO SUSPEND RULES

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI, for the purpose of proposing to the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes, the following amendment, viz: At the end of bill add a new section reading as follows:

"The Commodity Credit Corporation is hereby directed to make loans to farmers at the rate of 12 cents per pound on cotton, when such loans are secured by cotton stored in warehouses approved by said Corporation, upon such terms and conditions as similar loans have been made by said Corporation during the crop year ending July 31, 1935, and the Reconstruction Finance Corporation is hereby directed to make available to the Commodity Credit Corporation sufficient funds to carry out this purpose."

Mr. COPELAND. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. COPELAND. What is the status at this time? What has to be done in order that the amendment may be considered?

The PRESIDENT pro tempore. A vote of two-thirds of the Senate is required to suspend the rule so that the amendment may be in order.

Mr. COPELAND. Is that a debatable question?

The PRESIDENT pro tempore. It is.

Mr. COPELAND. I should like to ask, does the amendment mean an increase in the price of cotton textiles? Will the garments worn by the poor of my State be increased in price by reason of this amendment, if it should be adopted?

Mr. BYRNES. Mr. President, I understood I had the floor. I have not yielded the floor for a question. I was delighted a few moments ago to yield to the Senator when I had the floor.

The PRESIDENT pro tempore. The Senator from South Carolina has the floor but the Senator from New York rose to a parliamentary inquiry, which is always in order.

Mr. COPELAND. I apologize and I will speak in my own time.

The PRESIDENT pro tempore. The Senator from South Carolina has the floor.

Mr. BYRNES. Mr. President, I regret that I could not yield for a question before I had been permitted to say a word, and, particularly, I think the Senate will agree that I was courteous, in view of the fact that I had been on my feet for about 30 minutes, due to the fact that I wanted to oblige the Senator, and did so in order that he might take up 2 matters and offer 2 amendments. I do not intend to be discourteous to the Senator in refusing now to yield to him, because I demonstrated a willingness to do it.

Mr. COPELAND. Let me apologize to the Senator and thank him for his courtesy. I will speak in my own time on the matter at issue.

Mr. BYRNES. I regret that the Senator from Maine [Mr. HALE] saw fit to make the point of order. He has advised me that he is interested because he believes that a cotton mill or cotton mills in his State might be adversely affected by the adoption of this amendment. If that be the attitude of the Senator, I know that he is mistaken in his viewpoint if he is under the impression that the cotton mills would be adversely affected. I hold in my hand a resolution adopted by the American Cotton Manufacturers' Association in May of this year. Just 4 months ago this association, the members of which spin 84 percent of the cotton of the Nation, adopted this resolution:

Whereas the cotton textile industry has been growing progressively sick and sicker for the past several months; and

Whereas there have been frequent periods in the past when some branch of the textile industry was in difficulty; and

Whereas this is the first time in a number of years when all groups of the industry are stagnant; and

Whereas this condition applies to fine goods, coarse goods, sheetings, dress goods, percales, and work fabrics; and

Whereas it is the general feeling and the definite conviction of manufacturers, merchants, and workers, that the Government having fixed a loan value of 12 cents per pound for the 1934 cotton crop; and

Whereas there can be no revival of cotton-textile trade until the loan policy of the Government on the 1935 crop is announced, for the reason that no merchant will buy cotton goods made from 12-cent cotton and above, when his competitor may be able to buy the identical goods 4 months later made from cotton of less value; and

Whereas the cotton crop of 1935–36 has practically been planted, and all arrangements, agreements, and provisions have been made by the farmers for the next crop: Therefore be it

*Resolved by the American Cotton Manufacturers' Association*, That we earnestly urge the Secretary of Agriculture that he continue the cotton-loan plan for the 1935–36 crop, and that he make an immediate announcement of his intentions to do so; that we urge this in the interest of stability, revival of the textile business, and in the interest of the farmers' income, and we urge that this loan value for the allotted crop for the incoming year be fixed at not less than 12 cents.

That is the resolution adopted by the cotton manufacturers. It explains their position and is well founded. It was the position of most of the bankers, who knew that so long as the United States Government, through the Commodity Credit Corporation, was making loans at 12 cents, they could feel safe in lending a lesser amount, and they have made loans relying upon the continuance of that program. However, the result of the action of the Commodity Credit Corporation within the last 24 hours has caused them to share the views to which I shall give expression in a few moments.

The cotton manufacturers were in favor of continuance of the loan of 12 cents. The banker who was lending the money on the cotton was in favor of it. The cotton growers of the Nation were in favor of it. They could not meet in convention as could the manufacturers. They could have no opportunity to adopt resolutions. However, their views are known by the Senators coming from States in which cotton is grown. Cotton is grown in 15 or 16 States. I am satisfied the statement is correct when I say that every Senator from the cotton-growing States agrees, under the circumstances now existing and in view of representations which have been made, that there is nothing for us to do but to continue the 12-cent loan.

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MURPHY in the chair). Does the Senator from South Carolina yield to the Senator from Massachusetts?

Mr. BYRNES. I yield.

Mr. WALSH. In view of what the Senator has stated, namely, that the cotton manufacturers and the banks which are loaning on cotton and the cotton growers do not approve of the action taken by the Commodity Credit Corporation within the last 24 hours, will the Senator, if he can do so, enlighten us as to what influence led to this action?

Mr. BYRNES. I think I shall be able to give the Senator the information he seeks, but I desire to continue my statement as to the unanimity of sentiment in this matter. Inevitably, where so many millions of people are involved, the minds of men will differ. There are differences of opinion about many matters affecting the loans upon cotton. But when the Members of the Senate representing the cotton-growing States have such unanimity of views with reference to the matter, I do not wonder that the Senator from Massachusetts should ask the question.

The cotton growers, the cotton manufacturers, and the bankers who are interested in the subject have not contended that this should be established as a permanent policy of the Government. They knew it was an emergency program, established only for the emergency. They found themselves with a crop of cotton selling for 5 cents and an accumulated stock of which they had no opportunity to dispose. We embarked upon controlling the production in order to reduce the surplus. We passed the Bankhead Act, and when we passed it we established a program of paying benefits to cotton growers for reducing the acreage and fixing an acreage in order to make it possible for the Government to continue these loans.

Within the last few weeks the cotton growers of the South and Southwest have been told by Members of the Senate that it had been agreed that the Commodity Credit Corporation should continue these loans. Based upon these statements, contracts were made. The whole industry depended and relied upon the continuance of those loans. No person ever suggested that there would be presented to the cotton growers of the South and to the industry the program announced within the last 2 days. I know that evening before last I first learned that the Commodity Credit Corporation would abandon its present policy and would lend 9 cents per pound, with a scheme for paying a bounty to cotton growers under certain circumstances.

The information I received that evening and yesterday was that this program was determined upon by the directors of the Commodity Credit Corporation. The Secretary of Agriculture is a director of that Corporation, as are Mr. Chester Davis, of the A. A. A.; Mr. Johnson; and, I think, Mr. Myers, of the Farm Credit Administration. I must say, however, that my information is that the Secretary of Agriculture was out of the city at the time it was suggested and agreed upon. My further information is that it was a plan suggested by Mr. Johnson. The Secretary of Agriculture, however, heretofore has made known the fact that he was in favor of reducing the loan to 9 cents per pound.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. WALSH. Has any statement been made giving the reasons for this action?

Mr. BYRNES. Several statements have been made, but I do not know that there is any reason given for the action. I must say that I can find no two men who have read the statement who can tell what will possibly happen under the plan. The plan provides that a loan of 9 cents shall be made upon cotton. It then provides that during this fall, between September 1 and January 1, the total amount of cotton sold shall be averaged; and if the average price should be, for instance, 11 cents, then 11 cents shall be deducted from 12 cents, leaving 1 cent per pound, and every man who has raised cotton, whether he sells it now or at any time next year, is to receive a check for 1 cent per pound. It does not mean the difference between what he sold his cotton for and 12 cents a pound, but it means the difference between the average price of all sales of cotton upon spot market; and when that is found January 1, some mathematician is going to figure out the difference between the figure thus obtained, 9 or 10 or 11 or 11½ cents, or whatever it is, and the price of 12 cents per pound, and a check will be sent for the amount represented by the difference.

To show the Senator what can happen under it, immediately after the announcement of this plan cotton dropped 83 points and closed with a loss of $4 a bale. Every Senator from a cotton-growing State knew there could be no other result. I would not say that Mr. Davis and Mr. Wallace should know it, but there is not a Senator from the cotton-growing States who does not know from his experience that when it is proclaimed that 9 cents a pound will be loaned on cotton the price is on the way to 9 cents a pound. That night I gave out a statement that I intended to offer this amendment.

I thought that the people, having some confidence that Congress would act in this emergency, believed that the Congress might direct the continuance of loans at the present rate per pound, as it was expected by every man in public life they would be continued; and because of that the market did not drop to the extent to which it would have dropped under other circumstances. It went off again today, even while this matter is being considered. We know it will go off again Monday. It dropped $4 a bale yesterday, which, with an 11,000,000-bale crop, means $44,000,000. My colleague from Alabama [Mr. BANKHEAD] says it went off another dollar today, which is $5 a bale.

When it dropped, the Commodity Credit Corporation, which has 5,000,000 bales of cotton, lost $5 a bale. Five times five million is $25,000,000. That amount was sacrificed to a plan suggested hurriedly, without consideration, affecting the Government, affecting every man in the industry, but affecting more than all the little fellow, the little farmer, for he must sell when his crop is grown. He is selling today in every Southern State, and particularly in the States nearer the Gulf. It is not for the tenant farmer to choose when he can sell. When his three or four bales of cotton are made he must deliver. He owes money to his landlord. The landlord will take his cotton. If it comes in on Monday, and there is a further drop, and he gets 9½ cents for his cotton, he has the information contained in the newspaper statements of this plan; and here is the way it will work for him:

On January 1 there will be this mathematical transaction to determine what is the average of all the sales between September 1 and January 1.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BYRNES. I yield to the Senator from Arkansas.

Mr. ROBINSON. It is my understanding that the new or substitute plan contemplates a guarantee to the producer of the average price of 12 cents per pound. Is that correct?

Mr. BYRNES. No. I was just explaining to the Senate that that is not correct.

Mr. ROBINSON. That is a statement which has been made in the public press.

Mr. BYRNES. It is, Mr. President. I am satisfied that throughout the South today cotton growers, reading it, have just that impression of it, when it is not the fact, and the statement shows that it is not the fact. Here is what the statement really is: That 12 cents is fixed as a price, and then

the average price of all cotton sold between September 1 and January 1 will be determined on January 1. If the average price of all the sales on 10 spot markets should be 11 cents, the cotton grower who sells today for 9 cents will not receive 3 cents per pound, the difference between 9 and 12; he will receive the difference between the average price, which may be 11, and 12 cents. In the fall, when the little fellow has been forced to sell, and it has gotten out of his hands, if cotton goes up in November and December, and the average price for the 4 months turns out to be 11½ cents, what the cotton grower in Arkansas and South Carolina who sells for 9 cents today is going to get is not 3 cents difference; he is going to get only one-half cent per pound. The man who sells even after January will get that amount, and not the actual difference.

Mr. ROBINSON. Mr. President, I wish to ask the Senator another question. Assuming that the 12-cent price is to be guaranteed as an average, how is that average to be ascertained?

Mr. BYRNES. I have said heretofore that on this statement it would take a Philadelphia lawyer, some certified accountants, and some fortune tellers, with the assistance of persons possessing such ability as they may find, to ascertain it; but the average price is to be determined, according to this statement, by taking the price of all sales upon 10 spot markets from September 1 to January 1 and computing it in some way to reach the average price of all sales, and then that amount will be deducted from 12 cents. If it happens to be a half cent, it means that after January they will have to send out checks to all the cotton growers for this half cent a pound for any cotton that was sold. The amount of administrative work, and how it will ever work out, I cannot possibly conjecture.

Mr. BORAH. Mr. President——

Mr. BYRNES. I yield to the Senator from Idaho.

Mr. BORAH. I desire to have an understanding of the effect of this proposal. As I understand, the effect of the Senator's amendment is to continue the policy which has prevailed for the past year.

Mr. BYRNES. Yes; absolutely.

Mr. BORAH. It adds no new policy and no change. It merely makes it mandatory that the policy be continued?

Mr. BYRNES. The Senator has stated exactly the object of the amendment.

Mr. BORAH. Is it not also true that by reason of the fact that this policy has obtained heretofore those who are engaged in the cotton business would naturally have relied upon its continuation and undoubtedly have made their business transactions upon the basis of that policy?

Mr. BYRNES. Mr. President, every man in the industry has relied on it, from the cotton manufacturer down to the little tenant farmer. He had a right to rely on it because every statement which emanated from Washington told him it would be continued. He had a right to rely on it because Senator after Senator has told him they were assured it would continue. Never, until night before last, did it come to the ears of any man that it would be abandoned; and its abandonment has disrupted the entire South.

Mr. GEORGE. Mr. President, may I make a brief statement, with the permission of the Senator from South Carolina?

Mr. BYRNES. I yield to the Senator from Georgia.

Mr. GEORGE. Not only was the 12-cent loan continued during the marketing period, but the cotton season officially ends August 1, and the 12-cent loan was continued until the very first day of this month. Several thousand bales of new cotton, in that section of the belt where cotton opens earliest, actually came under the 12-cent loan and now constitute a part of the Commodity Credit Corporation's cotton.

Mr. BORAH. And we are not now, by this amendment, formulating any new policy?

Mr. BYRNES. Absolutely no new policy. We merely continue the same policy.

Mr. BORAH. Whatever we may think of the policy as an original proposition, this is simply continuing the policy which has prevailed.

Mr. BYRNES. Absolutely.

Mr. HALE. Mr. President, will the Senator yield?

Mr. BYRNES. One minute.

We might all differ, if we were embarking upon that policy, whether it was wise or unwise. Throughout the entire industry it has been done; but we have believed that until there was a determination by Congress of some permanent policy, some permanent program, the policy which has been pursued should be continued; that we could not back-track on it. When we look into the position in which even the Government places itself we find that it holds 5,000,000 bales of cotton; and, owning 5,000,000 bales of cotton, it proposes to drive down the price to 9 cents, and take a loss to itself of $15 a bale on the 5,000,000 bales of cotton that are held by the Commodity Credit Corporation, and have no chance then of disposing of it.

Night before last cotton was selling for eleven and a half cents. All that the cotton manufacturer and banker in the South, all that the cotton farmer plead for, was an announcement of the program. Had it been announced, cotton would have gone over 12 cents. The Government could have gotten rid of some of its cotton. All of the industry could have sold its cotton.

As it is, let me state how the cotton manufacturer stands today. We have two or three kinds of them. There is the humane cotton manufacturer. During the past few months he has suffered, like every other man. He has had few orders for his cotton. He could not sell at a profit. Some of them, rather than throw their employees out in the street, rather than put them on the relief rolls, have run their organizations even though they were running at a loss. They have stacked their warehouses with cotton goods manufactured at 12 cents, believing that this policy would be continued. There were some others, some few manufacturers, who turned their employees on the streets, who have no inventories, because they did not manufacture at 12 cents. They refused to buy. They know they now have an opportunity to destroy the other manufacturer, who has a warehouse filled with goods made from raw material purchased at 12 cents a pound. They expect to come in, and will come in, under this plan, buy cotton at 9 cents, and undersell the manufacturer who took care of his employees during the past few months.

Mr. HALE. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Maine?

Mr. BYRNES. I do.

Mr. HALE. I tried to ask the Senator a question a minute or two ago.

Mr. BYRNES. Having the floor, I am addressing myself to the Senate. Now that I have finished answering the Senator from Idaho, I gladly yield to the Senator from Maine.

Mr. HALE. I wish to ask a question in reference to the question of the Senator from Idaho.

The Senator from Idaho asked the Senator from South Carolina if his plan is not following out exactly what was done this year.

Mr. BYRNES. Exactly.

Mr. HALE. It seems to me there is a very great distinction between the two plans. Under the plan used last year, the Commodity Credit Corporation loaned money to the cotton growers, and it decided the amount per pound that should be loaned.

Mr. BYRNES. No, no.

Mr. HALE. Under the Senator's provision, Congress itself is to determine the amount. It seems to me that is a very great distinction.

Mr. BYRNES. Mr. President, the Commodity Credit Corporation fixed the loan at 12 cents. Under this plan we are asking Congress only to do what the Commodity Credit Corporation has done.

Mr. HALE. Yes; Congress is to settle it, and not the Commodity Credit Corporation.

Mr. BYRNES. Absolutely. We want Congress to settle it.

Mr. HALE. All the Commodity Credit Corporation could do before was to loan on adequate security.

Mr. BYRNES. Oh, no!

Mr. HALE. They probably overstepped the bounds of what they should have done; but if cotton is selling at 11 cents a pound, obviously the cotton is not adequate security for a loan of 12 cents.

Mr. BYRNES. Of course the Senator from Maine is not familiar with the subject. The Senator from Georgia [Mr. GEORGE] has just called attention to the fact that up to August 1, loans were being made on cotton at 12 cents. Spot cotton in the neighborhood of Corpus Christi, at the time those loans were made, was selling for 12 cents. The Senator from Maine is interested in cotton mills, but I know what the cotton manufacturers think about this subject. Here is what they think: They want the stability of price that goes with 12-cent loans. They are not seeking a fluctuating market. How could the manufacturer intelligently buy yesterday, with cotton dropping $4 a bale in a day? How could he do it today, with cotton dropping another dollar on Monday? The sensible manufacturer was satisfied; and I will say for the cotton manufacturers of the South that they have never stood up anywhere in public to make the plea which is being made in behalf of some manufacturer in Maine by the Senator from Maine. The manufacturer of the South says he is not seeking to drive down the price of cotton; that he is willing to pay a good price for cotton; that they have made money when they have paid good prices for cotton. All they want is that every last manufacturer shall be required to pay the same price, so that no man shall have the advantage of the other.

Under this plan the manufacturer who did have some regard for his employees and kept them at work, and has an inventory, has suffered a loss because some manufacturer, I have no doubt like the manufacturer in whom the Senator is interested, wants the profit to be derived from buying 9- and 10-cent cotton and underselling his competitor.

Mr. President, there is no change in this program. It does not require an explanation. We simply ask to have continued the program that has been in effect with reference to the cotton industry. We know that with the reduction of the surplus down to 7,000,000 bales, with 5,000,000 bales in the hands of the Government, under the control of the Government, if the Congress will direct the Commodity Credit Corporation to do what it was doing up until August 1, cotton will go back to 12 cents, and in the months to come higher than 12 cents, we can get rid of some of the crop we have, and in the meantime we can devise some permanent program which will for all time enable the cotton growers to know what they may expect at the hands of the Government.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from South Carolina yield to the Senator from Louisiana?

Mr. BYRNES. I yield.

Mr. LONG. As a matter of fact, has not the whole country very largely been led to believe that with the enactment of the Bankhead bill this year the cotton situation was settled, and did not everybody think he knew where he stood?

Mr. BYRNES. The Senator is certainly correct. When we embarked upon the policy adopted there had to be control of production. The Congress willingly provided control of production, the farmers in the South willingly consented to it, and last fall, when there was a plebiscite to determine whether it should be continued for another year, more than 90 percent of the cotton growers throughout all the Cotton Belt voted to continue it. The Bankhead Act was continued only because of the understanding that the 12-cent-loan policy would be continued for another year, until a permanent program could be adopted.

Mr. McKELLAR. Mr. President, who brought about this change, and why was it brought about? Can the Senator give us any information as to that phase of the matter? So far as I am concerned, I was never consulted in any way, though I come from a cotton-growing State, and I have not heard of any other Senator who was consulted about it. Why should a change like this be made without consultation with those who come from the section of the country where cotton is produced, and who know something about it?

Mr. BYRNES. The Senator from Tennessee was out of the Chamber when the Senator from Massachusetts asked the same question. There is not a man from Washington to the Gulf who will not ask the same question: Why this change? Consulted? Every man who was consulted was certainly ready to believe that the 12-cent-loan policy would be continued. Neither the Senator from Oklahoma, the Senator from Alabama, nor any other Senator, was consulted. No other Senator and no Member of the House ever heard of it. Those representing the cotton-producing States are supposed to know something about their industry. It is one industry in 10 or 12 States dominating all others, and not one of the representatives from that section was consulted.

I contend that the little tenant farmer, who was not consulted at all, is going to be the man worst hurt. When the Senator from Tennessee goes back to his State and I go back to mine and we find the little tenant farmer selling cotton for 9 and 9½ cents a pound, he is going to be told, if anyone can ever acquire an understanding of it—a week or 10 days from now somebody may understand it sufficiently well to tell him—that if, after all the sales of cotton in the 4 months from September to December are computed, the average shall be 11½ cents, and cotton goes up, a check for half a cent a pound will be forwarded to him. Of course, the tenant will never get it; the landlord will get it. The tenant has to move, he has to leave the place, and will not be there to receive the letter. He has borrowed during the year from the landlord, he has received advances; the landlord sells his cotton, and his chance of getting the check is so small that the people who live in the cotton-growing States know that the tenant is going to be worse off than all others.

Mr. KING. Mr. President, is there any law on the statute books under the terms of which Congress authorized the lending of money, 12 cents a pound for cotton, and if there is such a law, is it of permanent character, so that for an indefinite period farmers will understand that they may deposit their cotton in a warehouse and obtain loans on it to the extent of 12 cents a pound?

Mr. BYRNES. No; I will say to the Senator that no one is under any such impression, and no one is expecting that there should be any such permanent policy. While the Senator was out of the Chamber I stated several times that if this were being started as a new policy, men from the cotton States would certainly differ about its wisdom, and I personally would be against it as a permanent policy. But it is suggested solely as an emergency measure. It is not expected that it will continue except during this emergency. It is not expected that it shall continue for more than another year, because Congress ought to adopt a permanent policy within that period to control the situation. But I will say to the Senator from Utah that I know that if he ever had the opportunity to analyze it he would have no doubt as to what his duty should be at this time. On the one hand, it is the continuation of a policy of which we know, which has been embarked upon, and which we think should be continued for another year, until a permanent policy shall be adopted. On the other hand, here is the Commodity Credit Corporation announcing that they are going to adopt the policy of lending 9 cents, but they are going to give a man, not lend—we are going to have to have a fountain of gifts—the difference between the average price and 12 cents.

The Senator would not be in favor of that, and I only hope that as between two things, neither one of which he

is in favor of, he may see his way clear to vote in accordance with the views of Senators from the Southern States.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. McKELLAR. As I understand—and I hope the Senator will correct me if I am in error—the present policy is a reciprocal policy, the fixing of the price on the one side by the Government, and the reduction of acreage by the farmer. The farmers have proceeded under that policy; they have raised their crops under that policy, and it seems to me it is unfair and unjust for the Government to change its policy after the farmers have done their part.

Mr. BYRNES. The farmers have complied with every requirement of the law, and have done it gladly, believing that they were being led out of the wilderness.

Mr. President, I shall not consume more of the time of the Senate.

Mr. ROBINSON. Mr. President, will the Senator yield to me?

Mr. BYRNES. I yield.

Mr. ROBINSON. It is my understanding that the proponents of the new plan are prompted to resort to it because of the alleged fact that large amounts of cotton are accumulating in the possession of the Government which cannot be disposed of at the price of 12 cents. They claim, as I understand, that to continue lending 12 cents a pound would have the result of approximately doubling the amount of Government cotton at the end of the approaching cotton season, so that the Government would have something like eight or ten million bales in its possession.

In the meantime, they contend that the sale in export of American cotton is constantly being diminished by reason of the stabilization of the price at 12 cents a pound, so that while the surplus, if I may use that term, is accumulating, they claim that the foreign market is diminishing.

They assert that the proposed plan will give to the farmer substantially the same amount that may be borrowed under the 12-cent-loan plan, namely, 12 cents a pound for his cotton. A part of that will consist of a bonus, or bounty, but it is asserted that in the meantime the cotton may be passed into the foreign markets, thus enabling the Government to dispose of a part of what it now has, and diminishing the quantity that will be accumulated.

It is apparent to me that at the end of the 12-cent-loan program a situation may exist which will make it difficult for the Government to handle the matter for the benefit of the producers. As I see it, any plan that may be resorted to will depend upon a limitation of production. I do not understand how the price can be stabilized without some measure of limiting production.

The question they ask is, What difference does it make to the producer if he gets the same amount for his cotton that he would get, substantially, under the 12-cent-loan policy, and at the same time cotton may be disposed of in foreign markets, the foreign markets being resuscitated?

I am asking these questions in order that the Senator from South Carolina, who is familiar with the subject, may express himself upon them. The Department of Agriculture, as I understand, claims to foresee a very difficult situation at the end of the next cotton-marketing season, an increased quantity of cotton in the hands of the Government, the price maintained at a point where it will not sell in the foreign market, and the problem of production control remaining in either case unsettled.

Mr. BYRNES. Of course, I understand that that statement has been made. I hold in my hand a statement issued by the proponent of this plan, the manager of the Commodity Credit Corporation, who is credited with having originated the plan.

Mr. ROBINSON. Who is that?

Mr. BYRNES. Mr. Johnson. He states as follows in the release of yesterday afternoon:

> The statistical position of cotton is peculiarly strong. The mills of the world will necessarily take more than 11,500,000 bales of the current crop and will pay the American farmer the price which he demands.

The estimate of the crop is 11,870,000 bales, as I recall. Therefore, this gentleman says that the world must necessarily take this crop and must pay the farmer the price which he demands. He goes on to show that the position is strong because the Commodity Credit Corporation controls 5,000,000 bales, which it is not going to sell for less than 13 cents. Therefore, this cotton crop of 11,500,000 bales has to be sold, and as it is sold, if his statement be correct, one-half of it is going into the warehouses to be held for 12 cents. He cannot say that there is a world demand for the entire crop, and that it is going to be sold, and that the world will pay the American farmer the price which he demands, and then say that one-half of it is going to be stored in the warehouses to constitute a surplus of one-half the crop at the end of the year. If only one-half of it should be sold, how would the world get the eleven and one-half million bales which he says the world must have and needs? Of course, with 5,000,000 bales held by the Commodity Corporation, with the production, due to the operations of the Bankhead Act, of only 11,800,000 bales, it follows that the cotton mills, which were bidding 11½ cents, would have to bid and pay for their cotton 12 cents and 13 cents, and, when they should pay 13 cents, cotton would begin to move out. Not only would these 11,000,000 bales move out, but, with increasing prosperity in the country, with the evidences we have of more men going to work, it would appear that their estimate made some time ago of eleven and one-half million bales was too low, and that the world should demand 12,000,000 bales, which is small compared to the consumption in former years. The result would have been that cotton in the next 2 weeks would have been 13 cents, and both the United States Government and the Commodity Credit Corporation could start to get rid of some of their cotton which has been stored, moving it into the channels of trade. We cannot say that the world needs eleven and a half million bales, as Mr. Johnson says he is certain it does, and then say if we loan 12 cents on it, that one-half of it is going to be stored. I am satisfied that statement was made by mistake.

Mr. FLETCHER. Mr. President, the effect of the change in the credit arrangement is to make the whole question one of speculation, does it not? Is not speculation encouraged thereby?

Mr. BYRNES. It certainly is, to such an extent that cotton dropped $4 yesterday, and my colleague advises me it dropped a dollar today. It has dropped $5 even while the trade knows that the Congress is considering the question. I know that some people engaged in that trade would say, "Congress may take it into its head to do the right thing and direct the Commodity Credit Corporation to continue their policy"; and if they should, and on Monday it was so announced, and some speculator today sold the market short, he would be caught on Monday, and therefore today they are a little cautious about what they do. But if Congress shall adjourn without doing something, then on Monday, when it shall have adjourned and gone home, and nothing can be done, and the cotton manufacturer and the cotton farmer alike are at their mercy, they will sell that market and there will be nothing to protect it.

Mr. BORAH. Mr. President, what is the view of the Secretary of Agriculture on this matter at the present time?

Mr. BYRNES. I do not know. The Secretary of Agriculture was out of the city, according to my information, when this plan was adopted; but he was quoted, certainly correctly quoted, as being in favor of the 9-cent loan. I understand he was not here when this plan was suggested. He was not then in the city. Whether he was consulted over the telephone I do not know.

Mr. BANKHEAD. I am advised, Mr. President, that he approved this plan.

Mr. KING. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. KING. Is it not a fact that the Secretary of Agriculture during the several years under which the Government has interfered with economic, rational laws, has followed the advice of Mr. Johnson and Mr. Chester Davis,

and that his views—of course, he has consulted with them—have been in harmony with their views, and they have worked together in the enunciation of the policy which has led us into this embroglio, this unsatisfactory condition, and he is still following their views?

Mr. BYRNES. I do not know whether or not he has been in accord with those men in all matters. I think he has been in favor of the plan in question. I know of nothing which will hurt the cotton growers and manufacturers more than the action which has been taken.

Mr. HALE. Mr. President, can the Senator tell what the attitude of the administration is in respect to this matter? The newspapers say that this new action on the part of the Commodity Credit Corporation and the A. A. A. was taken after conferences at the White House.

Mr. BYRNES. Does the Senator from Maine ask that question in order that he may know and vote according to what the administration wants, or does he wish to know in order that he may vote against it?

Mr. HALE. I do not; but I ask what the attitude of the administration is.

Mr. BYRNES. So long as the Senator from Maine informed me that he had no attitude on the subject until he heard from the cotton mills, it is useless for me to tell him what the attitude of the Commodity Credit Corporation is.

Mr. HALE. Their attitude would not influence my attitude at all. I simply wanted to get the information if the Senator had it.

Mr. BYRNES. The Senator says he is waiting for information from the cotton mills in order to know what his attitude shall be.

Mr. HALE. Can the Senator from South Carolina tell me whether the administration is favorable to his amendment or not?

Mr. BYRNES. Whether the administration is favorable to my amendment?

Mr. HALE. Yes.

Mr. BYRNES. I did not consult anybody in the administration concerning it. I offered the amendment because I felt it was for the welfare of the South.

Mr. HALE. The Senator's amendment is to take the place of certain action which has been taken, presumably, under the auspices of the administration.

Mr. BYRNES. I assert that just as strongly as the English can make it. I have endeavored to explain just exactly that to the Senator, and he now understands me correctly. I propose to require them to do what they have been doing, but which they now wish to stop doing.

Mr. President, I have used up too much of the time of the Senate. I apologize for having done so, but I appeal to the Members of the Senate to vote for the motion to suspend the rule so that the amendment, at least, may have the same opportunity which every amendment to this bill has, and which is sought to be denied it by the Senator from Maine by making the point of order.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina to suspend the rule for the purpose of consideration of the amendment of the Senator from South Carolina.

Mr. BORAH. Mr. President, I wish to say that I did not believe in the policy with reference to cotton which was adopted in the first instance, but I did not feel that I had sufficient knowledge of the subject to form any fixed judgment in regard to it. I acted largely upon impression. Whether I believed in it then or not, or whether I believe in it now, it seems to me that the matter ought not to be dealt with in the manner in which, at this time, it is being dealt with by those administering the program. We are asked to continue a policy which was announced and supposed to be a sound policy, and no new program is being proposed whatever. I am not in favor of discontinuing a policy under the conditions which now obtain, and, therefore, I shall vote for the suspension of the rule.

Mr. BANKHEAD. Mr. President, the Senator from South Carolina [Mr. BYRNES] has very fully stated the problems involved in this controversy. I do not wish unduly to delay the Senate by any extended statement on the subject. The question now before the Senate is not the initiation of a loan program. The question directly before the Senate is a decision between two plans. If Congress takes no action, the new plan is in operation. Now it is proposed by Senators from the cotton-growing States, who understand this question, and who are here now asking their colleagues to cooperate with them, if they feel that our position is not unsound to continue the plan which has been in operation for the last 2 years and which has proven so beneficial to all of the people of the Cotton Belt, and which has furnished such greatly increased purchasing power for the industries in the industrial sections of this country.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. BANKHEAD. I do.

Mr. McKELLAR. Not only have the farmers been greatly benefited but, under the plan which has been in effect and which has been tried out now for the second year, is it not true that the Government's loss was comparatively small up until yesterday when the plan was changed?

Mr. BANKHEAD. That is absolutely true.

Mr. President, the cotton situation has been a peculiar one in America. When we entered upon this program the cotton farmers had accumulated a carry-over of 13,000,000 bales, which was the largest in the history of America, a carry-over in excess of an entire year's consumption, and the price of cotton was down to 5 cents a pound.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. BANKHEAD. I do.

Mr. BARKLEY. If I correctly understand the Senator, at the time the 12-cent loan was inaugurated cotton was selling at a substantially lower price than it is now?

Mr. BANKHEAD. That is correct.

Mr. BARKLEY. And the unsalable surplus was greater than it is now?

Mr. BANKHEAD. That is true.

Mr. BARKLEY. So that there is now less reason for changing the policy than there was for adopting it in the first place?

Mr. BANKHEAD. The Senator is absolutely correct about it, and for many reasons. It is so inexplicable to me that I have not been able to reconcile myself to the change.

Mr. LONG. Mr. President, as a matter of fact, does not the Government stand a chance to lose more by what has now been done than if it had gone along as before?

Mr. BANKHEAD. There cannot be any argument about that, and I intend to come to that. Every Senator here who has an interest in the financial affairs of the Government can appreciate that fact when the conditions are explained.

Mr. BORAH. Mr. President, may I ask the Senator a question?

Mr. BANKHEAD. Certainly.

Mr. BORAH. The amendment provides that—

> The Commodity Credit Corporation is hereby directed to make loans to farmers at a rate of 12 cents per pound on cotton, where such loans are secured—

And so forth.

That becomes permanent law, if enacted. Would the Senators who are interested in this matter be willing to limit the time of the operation of the proposed law?

Mr. BYRNES. It certainly is my intention to provide a limitation.

Mr. McKELLAR. There will be no objection in the world to that.

Mr. BANKHEAD. That is the purpose. It is understood, I assume, that an amendment will be offered to apply it to the crop year 1935–36, and will be adopted.

Mr. LONG. Let us amend it now.

Mr. BARKLEY. We cannot amend it now. It will be necessary first to suspend the rule.

Mr. BANKHEAD. That is all right. Such an amendment will be adopted.

Mr. President, following up the suggestion of the Senator from Kentucky [Mr. BARKLEY], when this program was entered upon we had a carry-over of 13,000,000 bales but, by virtue of providing credit facilities to the farmers to bridge over, and by reason of the farmers submitting themselves to the compulsory control of crop production, we have brought about a reduction in the carry-over in the 2 years of approximately a little more than 4,000,000 bales. The carry-over now is a little less than 9,000,000 bales, while we began the program with close to 13,000,000 bales.

In addition to that, with a price of around 8 cents in 1933 when we started—and that price went up on the prospect of what would be done—the price now is and it was last week, for spot cotton, 12 cents a pound in the market. That demonstrates clearly that the plan is operating successfully for the cotton growers, successfully in the efforts to get rid of the surplus and to get back to normal conditions in the trade, which all of us hope for, and successfully in the matter of putting prices nearer to a parity for cotton.

Then, with that program operating smoothly and satisfactorily; with, as the Senator from South Carolina said, the cotton farmers last December voting more than 9 to 1 in favor of its continuance, with white and black, landlord and tenant, more than 9 to 1 expecting this program to be continued under their submission by that vote to compulsory control in order to allow the Government to reduce its carry-over and protect itself on the investment it had made in cotton on these loans—with everything running along smoothly and satisfactorily, with many Senators having been assured that the 12-cent loans would be continued upon the continuance of the Bankhead Cotton Control Act—then, out of a clear sky, in the night, with no notice to anybody concerned in the matter, with no consideration shown to Senators who have been active in leading this cotton program, we are greeted by the announcement that the whole previous program has been discontinued and there has been adopted a different sort of plan so complicated, so confusing, so complex, so delaying to the farmers in its administration that it has upset not only the situation among the producers and the merchants and the bankers, but, unhappily, I may say, it has more upset at present the cotton-textile industry in the sale of cotton-textile goods.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. McKELLAR. Does not the new plan inevitably mean a reduction in the price of cotton to 9 cents in the first place, and also inevitably mean that the Government will have to tax all the people to pay the 3 cents a pound provided by the new plan, amounting to about $150,000,000 a year? Will not that be the legitimate result?

Mr. BANKHEAD. Unless something in the future shall be worked out to change the result, that is exactly what it will mean.

Mr. McKELLAR. If that plan shall be persisted in it will mean the reduction of the price of cotton from 11½ cents to 9 cents.

Mr. BANKHEAD. The price of cotton was 12 cents last week.

Mr. McKELLAR. It will mean a reduction from 12 cents or whatever the price was when the plan was put into effect, and then, in addition to that reduction to the farmers, we will have to tax the American people $150,000,000 more in order to pay the bonus to the cotton growers.

I think it is unfair to the Government and unfair to the farmers, and it is a violation, in my judgment, of good faith toward those who have gone into and established the plan which has heretofore existed.

Mr. BANKHEAD. I feel strongly that way, I may say to the Senator.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BORAH. I only wish to say that it all illustrates the beauty of arbitrary, bureaucratic planning.

Mr. BANKHEAD. I will not go into that question with the Senator, because I am not assured that it was altogether bureaucratic; at least, I am advised that the Secretary of the Treasury, the president of the R. F. C., as well as the Secretary of Agriculture, the administrator of the A. A. A., and Mr. Arthur Johnson, the manager of the cotton pool, were all in on this program.

Mr. BORAH. I was not referring to individuals; I was referring to a system. Fortunately there does come a time when the Congress is a necessary factor in this Government.

Mr. BANKHEAD. I quite agree with the Senator about that.

Mr. BAILEY. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. BANKHEAD. I yield.

Mr. BAILEY. Assume that cotton is to be sold this fall for 9 cents, which is fairly in prospect, is it not?

Mr. BANKHEAD. I think it is almost inevitable unless one thing shall happen, and that is that the farmers individually shall refuse to sell at the market price.

Mr. BAILEY. I do not think the farmer could individually refuse to sell; he has got to live. Assume further that there are a million bales made outside of the provisions of the Bankhead Act. Is that a fair assumption?

Mr. BANKHEAD. Yes; I should say that the amount would be about 700,000 bales on this year's allotment.

Mr. BAILEY. The tax on the sales of such cotton now amounts to 6 cents a pound, does it not?

Mr. BANKHEAD. Yes.

Mr. BAILEY. That would leave the farmer not complying with the Bankhead Act 3 cents a pound for his cotton, would it not?

Mr. BANKHEAD. That is correct.

Mr. BAILEY. Three cents a pound is $15 a bale. How much would the farmer lose under that system?

Mr. BANKHEAD. Mr. President, some statements have been made, I believe, about the accumulation of additional cotton under the 12-cent loan. I want to predict now, as a long-time student of this subject, that you will find a good deal more cotton in the hands of the Government under the 9-cent loan than under the 12-cent loan, because there is nothing else for the cotton farmer to do, those who are able to do it. As the Senator from South Carolina stated, the tenants and the poor farmers are the ones who are most likely to suffer under this program. I was told by the junior Senator from Georgia [Mr. RUSSELL] that cotton is now selling at 10 cents a pound in southern Georgia. Those farmers sell at that price. No one should think that this plan guarantees them the other 2 cents to make up to them 12 cents.

Let me point out that if by virtue of a holding movement on the part of those who are in a position to hold their cotton during the last 2 months of the year, November and December, the average price for the 4 months should be increased to 12 cents a pound, then the poor devils who sell now would not get a single dime in addition to the market price they are today getting for their cotton. If the average price during the season should get up to 12 cents, those who sold it for less would be the "forgotten men"; they would be out of the picture.

Those who are able to hold, and, finally, possibly force the price up, get the price, of course, do not need the 12-cent guaranty; but those who need it most are the most likely to be the sufferers under the plan recently announced.

In addition to that, they will not get the money until next year sometime. The price-fixation period does not end until the 1st of January. Then, all the records must be made up, all the accounts of the farmers must be presented and go through the General Auditing Office. Vouchers must then be made, and we know, as a result of the programs relating to wheat and corn, that it would take months for the money to reach these poor needy men under this delaying, complex, and confusing plan.

It is to the financial advantage of the Government to fix the loan at 12 cents. Nearly all the cotton would move into trade. As Mr. Davis stated, 11,500,000 bales will be needed for this year's consumption. He said the mills must

have it. That will cover this year's crop. When it is said the farmer can get a loan of 12 cents, then the trade will pay him 12 cents and he would much rather sell his cotton for 12 cents than to put it into a loan upon which carrying charges would accumulate.

If the Senate should adopt the amendment of the Senator from South Carolina, prompt returns would be assured and we could be sure that very little cotton would go into the cotton loan. I believe less than a million bales out of the crop would go under the 12-cent loan. I predict that 5,000,000 bales would go under a 9-cent loan.

From all these standpoints it is better to proceed with a plan which is tried and satisfactory, especially as we have now reached the point of beginning to reduce the Government cotton under the reduction program next year. That cotton will be brought out of the pool as a necessary contribution to the world's consumption of American cotton.

Regardless of politics, regardless of all the complications, but looking at this matter from the standpoint of the best interests of the Government, exercising our judgment here as Members of the Senate, looking at the welfare of a great section of the country, I hope the Senate will vote to continue the 12-cent loan, not because it will initiate a plan, but because it will decide between two plans and decide that the tried plan shall be continued. It is to the interest, as has been pointed out, of the cotton trade. Practically all the cotton mills favor the 12-cent loan.

A cent or two in price does not greatly influence the sale of cotton goods. The stabilization of price is the thing that appeals. When the market is going down the wholesalers hold off, the retailers hold off, and the other buyers hold out of the market. We cannot have good business on a declining market. That is axiomatic. There is a reluctance and a delay in placing orders and making purchases.

We are confronted with that situation in the cotton-mill industry, involving several hundred thousand men and women in the employment of those mills. There is that great string of cotton mills from here clear across the Cotton Belt pleading with the administration to continue the 12-cent loan. If there are any business men in the country who are interested in the distribution of manufactured cotton goods, who understand the market for manufactured cotton goods, it is that group of experienced men who have their capital in the business and whose judgment is controlled by experience.

That group is joining with the farmers and with the bankers of the country. Only a day or two ago the Bankers' Association of Alabama adopted a resolution approving the 12-cent loan. At the State convention of the Merchants' Association at Birmingham, where there were in attendance some 5,000 business men, the day after the announcement was given out, according to a telegram to me, they unanimously adopted a resolution appealing for no change this year in the program.

I submit to my colleagues that we ought to have an opportunity, regardless of Mr. Oscar Johnson, Secretary Wallace, Mr. Morgenthau, and Mr. Jesse Jones, to go along with this program, of such interest to all classes of our people.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina to suspend the rules.

Mr. COPELAND. Mr. President, I desire to say a few words about the proposal now before us. The Senator from Alabama [Mr. BANKHEAD] in eloquent terms has described the plight of the cotton farmer and spoken of him as "the forgotten man." Let me assure the Senator from Alabama that the cotton farmer is not the only forgotten man. I have told the Senate so many times that Senators weary of the repetition, but I live in the most thickly populated State in the Union. In my State one-tenth of the entire population of the United States, 13,000,000 people, have residence. At least one-fourth of those people are forgotten men, women, and children.

It is all very well to talk about a plan which will aid the cotton farmer at the expense of the remainder of the people of the country. My State is required to pay one-third of all the taxes of the Federal Government, and at the same time there is imposed an added burden upon the poor of the cities of New York, who are already burdened with taxation, a burden which they cannot carry in addition to those they already have.

In New York the poverty-stricken cannot go into the garden and gather a few vegetables or kill an old rooster to be parboiled. They have nothing to eat but "the sidewalks of New York." Poverty! No country dweller, I care not where he may live, can know such poverty as some of the poor of the cities know. I speak with no disrespect of the country dweller. I have said, with pride, a thousand times in the Senate, that I was born on a farm. Most of my relatives are farmers. I live on a farm. I know country conditions. I know what poverty in the country is. But there is no rural or farm poverty than can compare with the poverty and the attending distress of those who live in tenement houses.

We have gone on and on and on through the past few years in imposing new burdens upon the poor, upon all who live on a budget. The price of everything the people must eat has been amazingly increased. In the case of some articles, the price of food has been doubled. The cotton garments that the poor of my State wear have been increased materially in price by reason of the legislation enacted here.

I might be content to have continued a plan, providing it has been of service in assisting the cotton farmer; but I am discontented and unwilling to submit to the imposition of further burdens upon those who toil, and those who struggle, and those who pinch the pennies in order to keep life within their bodies.

Mr. LONG. Mr. President, will the Senator permit a question?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I yield.

Mr. LONG. Does not the Senator from New York know that, with practically no exception, I think, every Senator from the cotton States has supported every effort the Senator from New York has made for the relief of the masses of his own territory? I think he will find that the Southern Senators without a single exception have stood with him in every effort to relieve distress in his own part of the country. I wish to ask the Senator whether the fact that we have a distressful condition, and he has a distressful condition, would be any excuse for either of us not standing with the other to help alleviate it.

Mr. COPELAND. Mr. President, certainly the Senator from Louisiana is just as tender-hearted and kind as I am—undoubtedly much more so—but when I think over the legislative enactments and try to find some which have been helpful to the people I have in mind at the moment, I confess I fail to recall one. If there were one before us, or if some such measure should come to us, I have no doubt the Senator from Louisiana and all of his colleagues from the South would be for it; but we have entered upon a campaign of work relief. What sort of work relief? Relief for those who can use pick and shovel, for those who can do hard manual labor.

Who are the unemployed in New York City, those who suffer most from present-day conditions? They are the milliners and the dressmakers, the manicurists and the nurses, the clerks in the stores and in the offices, largely women. Will the Senator from Louisiana tell me what has been done to alleviate the conditions confronting that group?

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I do.

Mr. LONG. It has not been done, but I offered here a joint resolution which would have done it—to share the wealth. [Laughter.]

Mr. COPELAND. If I had some way to make better distribution of the wealth of the country so that those struggling people so near to the heart of the Senator from Louisiana could have some share in the gravy of life, and if he were

to present some plan which offered security for that group, I believe any party to which I have ever adhered would join him in his activity.

I have heard much about share-the-wealth proposals. I suppose it is due to my stupidity, my failure to comprehend; it must be these things which have prevented me from following energetically after the Senator from Louisiana. But let me say to him, if it is a matter of any interest, let him not be discouraged so far as I am concerned. When he brings forth a plan which will solve the problem of the masses, I will join him 100 percent. But, Mr. President, I have not seen any such plan enacted into law. On the contrary, I have seen law after law passed which, in its enforcement, has added burdens. I see all these handsome women in the galleries. Every one of them knows that the ham and eggs and the bacon and eggs they have at breakfast, if they are fortunate enough to have such dishes, cost much more than they did a while ago; and a large part of the increase in price is due to the application of the laws which have been passed here in the past 2 years. Instead of solving the problems of the poor, we are adding to them.

I used to be a doctor. I practiced medicine for a good many years—I hate to tell how many—but I desire to say that when I found that some method I had used in the treatment of a given disease continued to fail, and made the patient worse, I discontinued that kind of treatment. I took a new treatment. I found something else. When we find that legislative enactments are making the patient worse instead of better, it is time for us to apply some new form of treatment.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from North Carolina?

Mr. COPELAND. I do.

Mr. BAILEY. Does the Senator from New York mean to say to the Senate that the condition of the American people now is worse than it was in 1933?

Mr. COPELAND. I mean to say that the condition of the American people now is just as bad as in 1933, and in some respects worse. I am going to say why in a moment.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I do.

Mr. LONG. At this point of the remarks of the Senator from New York, if he will permit me, I desire to state that I have the report of the statistical department of the American Federation of Labor, dated August 22, 1935, in which the number of unemployed persons today is estimated to be 11,000,000, which is 359,000 more than were unemployed in August 1934.

The PRESIDING OFFICER. The Senator from New York will proceed.

Mr. COPELAND. Mr. President, at one time I had a friend who had a home in West Virginia, and he burned natural gas in his house. We happened to be at the same summer resort. He had a telegram calling him home because his house had been blown up. He had left burning a little pilot light up in the bathroom on the second floor, and there was a leak in the basement; and the gas poured in, and gradually filled the house until it reached the pilot light, and then was ignited, and the whole mass exploded.

What I mean by being worse off than in 1933 is this: A great many thrifty persons in this country had made savings. They had bank accounts. They had life-insurance policies. They had equities in homes. They were paying money into the building-and-loan associations. They are the persons now who cannot pay. They are the persons whose savings have been dissipated and absorbed. They are infinitely worse off than they were; and more and more the persons who are in the bread lines and in distress are those who have striven through the past, by self-denial and by thrift, to accumulate something. Those accumulations now have gone. Of course, many of them went by reason of bank failures.

I am glad to say that the Democratic Party is not responsible for that state of affairs. But when I think about the added burdens of these people, I am unhappy about it, and then when we have here a proposal to add still more to the burdens of those who live in the modest homes in Jersey City, and in Hoboken, and in Westchester County, and in Rockland County, in my State, I do not like it. If I could feel that these proposed enactments were priming the pump and adding to the hope of recovery, I would be reconciled to them, even though the pinch might be felt in various quarters. But who can say with all honesty that recovery is on in the United States?

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BAILEY. The Senator asks the question, Who can say with all honesty that recovery is on in the United States? The other Senator from New York State said yesterday that recovery is on, and I have his speech before me.

Mr. COPELAND. Mr. President, I may say that there is not a harder working, more conscientious, or abler man in the Senate than is my colleague, and the Senator from North Carolina nods his head to indicate that he agrees with me. Yet my colleague and I have a very good understanding, born of years of intimacy. We love each other even when we are not agreeing.

Mr. BAILEY. I merely answered the question the Senator asked.

Mr. COPELAND. I did not hear all the speech of my colleague.

Mr. BAILEY. Will the Senator permit me to read a paragraph?

Mr. COPELAND. Certainly.

Mr. BAILEY. The Senator's colleague stated:

> What has all this meant to the average worker, the prime factor in all our industrial wealth? Long had he been shunned and neglected, his voice drowned out by the noise of the factory, always first to bear the brunt of hard times, always last to taste the fruits of prosperity. I have listened to the flimsy fiction that the recovery program has decreased employment. But when I cast my eyes at random over the universally accepted reports of the Bureau of Labor Statistics, I find that between 1933 and April 1935, to take a few representative industries, employment has increased by 117,000 in iron and steel, by 230,000 in machinery, by 285,000 in transportation equipment, by 69,000 in lumber, by 80,000 in textile fabrics, and by 54,000 in wearing apparel. Viewing the country as a whole, the consensus is that 3,500,000 men and women have regained their positions in private industry since revival commenced.
>
> Equally encouraging have been the developments in wages. Between 1933 and 1935 the annual volume of pay rolls rose by $300,000,000 in iron and steel, by $350,000,000 in machinery, by $550,000,000 in transportation equipment, by $100,000,000 in lumber, by $150,000,000 in textile fabrics, and by $150,000,000 in wearing apparel. The total labor income of the Nation rose from $29,000,000,000 in 1933 to $33,000,000,000 in 1934, a gain of approximately $4,000,000,000.

That is from the speech of the junior Senator from New York [Mr. WAGNER] in the Senate on yesterday.

Mr. COPELAND. My beloved colleague and I do not use the same yardstick. I can quite believe that the money income of various industries has increased by reason of the higher prices; I agree to that; but I go a little further than my colleague goes. I want to go back to the fundamental question whether or not the volume of business is increasing. The volume of business is what determines employment and prosperity.

I hold in my hand a little pamphlet from which I have quoted once in a while, and this issue gives the current figures. There is only one way of which I know by which to measure the general welfare of the country. I can realize that for one reason or another there may be localized prosperity, a big crop of apples in a community in a county, or something else which might mean prosperity to that particular community. But I know of no better way to measure the degree of recovery than through the carloadings of the country. If there is actually a return of prosperity in the sense of a return of volume of production, there must be an increase in the carloadings. What is the fact about that?

Let me take the figures for March. In the four and a fraction weeks of March of this year the carloadings amounted to 3,014,609. In 1934 for the same period the carloadings amounted to 3,067,612. That shows a falling off of over 50,000 carloadings in the month.

Now, we come to the 4 weeks of April. During that period this year the carloadings amounted to 2,303,103. During the corresponding period of last year they amounted to 2,340,460, showing a falling off of over 35,000 carloadings.

We come now to the four and a fraction weeks in May of this year, when the carloadings amounted to 2,327,120 as against 2,446,365 in 1934. That shows a falling off of 20,000 carloadings.

For the 4 weeks in June of this year the car loadings amounted to 3,035,153, and in 1934 they amounted to 3,084,630, or a falling off of 50,000 cars. When we compare the figures, even with those of 1933, it is shown that there was a falling off.

In the four and a fraction weeks of July of this year the car loadings amounted to 2,228,737, as against 2,351,015 last year and 2,498,390 in 1933.

Now let us take the last week for which I have the figures, the first week in August. In this year the car loadings amounted to 597,083, against 612,660 in 1934 and 620,482 in 1933.

In short, to sum it up, the car loadings this year, so far, have amounted to 18,001,887, as against 18,400,298 in 1934 and 16,463,172 in 1933.

Mr. BAILEY. Mr. President, the Senator will agree, however, that truck transportation has had a great deal to do with the reduction of railway car loadings.

Mr. COPELAND. If I were attempting to compare the car loadings of 1935 with the car loadings of 1930, I should say "yes", but I will not admit that the truck business of 1934 was any less than the truck business of 1935. That is my conviction, and all one has to do to prove it is to examine into the sales of trucks. There is no doubt that the car loadings are declining, and they indicate to a certainty, to my mind, an effect on the welfare of the country.

I am not finding fault with my colleague. He is talking about the money return; I am talking about the volume of business, and I know perfectly that, while there may have been some stimulated employment in certain places, if there is material reduction in the number of car loadings, it is proof conclusive to me that there is a decline in the welfare of the country.

Mr. President, I am not going to say any more. I am opposed to the proposed project, but not because I do not want to help the cotton farmers. I want to help everybody. Human suffering to me is distressing to the last degree. But I have a responsibility to the people living in the State of New York, the great Empire State, and this proposed legislation would add, I think the Senator from Tennessee said, $150,000,000 to their burden. I do not know exactly what he said, but at any rate it will add to the burden of the people.

A short time ago we added $10,000,000 to the burden of the people of New York State through the Guffey bill, and now we are asked to vote more of a burden. How long can that go on? How long can the people endure it?

Mr. President, I am worried about conditions in America. If I can find some plan, whether it is the plan of the Senator from Louisiana [Mr. LONG] or any other, to bring about a return of prosperity and happiness I am for it. But, much as I love the Senator from Alabama [Mr. BANKHEAD] and all my other colleagues from the South, my fear is that this proposal is simply the addition of another burden upon the shoulders of people who are struggling under the burdens which they now carry.

Mr. GEORGE. Mr. President, I express the hope that we may have a vote on the motion to suspend the rule. I am going to add just a few words to what has been said.

In 1933 we undertook to inaugurate programs for business and for agriculture in this country. A part of the agricultural program for cotton included, of necessity, a loan by the Government. Reason about it as we may, of necessity it included the loan feature. Twelve cents was fixed as the loan, and we have lived under that, and the entire economy of the South is built on the basis of that loan.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. GEORGE. I cannot yield now. It would be cruel beyond all possible expression—a cruelty that could help no part of this country—to destroy the purchasing power of one-third, roughly speaking, of the people of the United States.

The whole economy of the cotton-growing section is built on a 12-cent loan which the Government fixed, and of necessity fixed, as a part of the agricultural program. That loan of 12 cents continued until August 1st of this year—23 days ago—and then, yielding to someone else's suggestion, and perhaps for some good purpose, looking to the exportation of cotton into the world market, the program was changed. The change made is confusing, and yet the Agricultural Adjustment Administration asserts that the farmer will receive 12 cents a pound for his cotton. The Senator from New York [Mr. COPELAND] need not be worried about it, the farmer will receive 12 cents a pound for his cotton.

Why and where, then, is there a real saving to the American people brought about by now changing the whole program of the loan to a loan of 9 cents and a subsidy of substantially 3 cents? It may be worth something to the cotton manufacturer, it may be worth a little to the textile manufacturer, but not much. It can only be worth something to the textile manufacturer who did not keep up his stocks and who did not keep his employees at work, because those who kept up their stocks—and they have more in their inventories today than they have had for more than 5 years—those who have kept up their stocks will be hurt just as the cotton farmer who has placed his whole economy upon a 12-cent loan on his cotton.

There is a processing tax of 4.2. The 12-cent loan brings the cotton practically up to parity, but nothing whatever beyond it. It is just simply a question of fairness that in the very midst of the marketing season, when the cotton is coming on the market, the program not be changed to the detriment and the injury and the loss of the people who have produced the cotton.

Within the few marketing hours since this change was announced the cotton farmers of the country have lost outright $60,000,000, and every manufacturer, and every merchant, and everyone else whose business is dependent upon the farmer, has sustained an equivalent loss.

Mr. President, we only ask that the rule be suspended so that we may have a vote on whether this loan on the basis on which it has existed, shall be continued during the 1935 marketing season. By and large it amounts to the same thing to the Government, because the Agricultural Adjustment Administration is authority for the statement that the farmer will receive 12 cents for his cotton anyway this year. Why force him to receive a part of it as a subsidy? Why compel him to take a part of it as a subsidy when he does not want it in that way, and he is entitled to have it as a loan upon the product which he has made under the laws and under conditions which have been placed upon him by the Congress of the United States.

Mr. RUSSELL. Mr. President, after the very able exposition of the question involved in the motion to suspend the rule and permit a vote on this question which has been made by the junior Senator from South Carolina, the junior Senator from Alabama, and my colleague, I shall detain the Senate but a few minutes in expressing my views and those of the people we undertake to represent here.

The announcement of this new, complicated, and complex plan advanced by the C. C. C., or the Commodity Credit Corporation, as a substitute for the program which had been adopted heretofore in dealing with the cotton farmers of the South has caused unspeakable confusion in the minds of the cotton farmers of my State and of the entire Cotton Belt. It not only has caused a feeling of confusion but a feeling of resentment and bitterness. In that feeling, Mr. President, I cannot avoid in part sharing. I hope that the Members of the Senate will realize just what the cotton

farmer of the South has subjected himself to in the Nation-wide program for the improvement of agriculture which was advanced in 1933. He is the only one of the producers of the great basic commodities who has submitted himself to a plan of compulsory restriction and reduction of production. He was asked to reduce his acreage in cotton a total of 35 percent as compared to a request for a reduction of 10 percent in the case of the wheat farmers and, I think, of 5 or 10 percent in the case of the corn farmers.

In the payment of benefit payments, or rental payments, as they are sometimes termed, as I showed on another occasion on this floor, the cotton farmer has received a much lower per capita payment than have the producers of corn in Iowa and wheat in Kansas and the other great commodities which are handled under the Agricultural Adjustment Act.

Now, Mr. President, at this stage of this crop-year, when, in the southern part of the belt over one-half of the crop is gathered, when plans have been made in accordance with a program laid down, with an understanding that the program would be continued, the southern cotton farmer asks today at the hands of the Senate not any additional benefits, but merely, after making these sacrifices, which are greater than those made by any other producers in this country, that he be permitted for one more crop-year to carry on the program to which he has loyally submitted in the past.

In my judgment, all of the efforts of the Agricultural Adjustment Administration in this country are likely to come to naught if the cotton farmer is to be sacrificed by this plan which has been advanced by the Agricultural Department and the Commodity Credit Corporation, formulated and set up largely by men who have not the slightest conception of the economy of the individual cotton farmer, or if they have any conception of his wants and of the economy of the cotton farmer, certainly have absolutely no sympathy for his welfare.

It is easy enough for some alleged economist or some "brain truster", or one with an imaginary plan to sit down with a paper and pencil in his hands and to apply himself to a subject about which he knows nothing, and to produce a set of figures which would make it appear that the plan in all its various ramifications is fair. This plan on its face is fair. Had it been announced in January or February of this year I believe the cotton farmer would have been willing to subscribe to it, but coming at this late day it will work great hardships on those innocent people who have gone along with this Government relying upon the fact that the 12-cent loans that were made last year would be continued this year.

Mr. President, the man I am speaking of here in the few minutes that I shall hold the floor is not the representative of any great cotton interest which is interested in the export trade, which operates thousands of acres and looks on the tenant farmers and the day laborers who work on that farm and who deals with them in much the same way that he would deal with mules and the plows and other physical stock which is necessary to carry on that farm. I am speaking here in behalf of the share-cropper, the tenant farmer. When I hear the Senator from New York and others address this body on the plight of the poor among their constituency, I can say from actual knowledge that there are cotton farmers in the South who during the course of an entire 12 months never handle as much as $100 in cash. I was interested the other day when the Guffey bill was pending to hear reference made to $57 a month as being the average wage of the coal miner, as being an amount so small as to make it impossible for him to exist.

Many cotton farmers never handle $57 in cash in 1 year. On some of the average allotments of 1, or 2, or 3 bales of cotton, and where they are working on what is commonly known as the "half system", the entire cash income from the crop, if he makes two bales, would only amount to $60 a year, and if he made three bales, which is considerably above the average, he would handle only $90 a year. Yet Senators suggest that this extension of justice to the cotton farmer would work a hardship upon some of the poor of the country.

Mr. President, the farmer of the South feels that in a measure faith has been broken with him. I hope some of the Members of this body who do not understand all the details of the handling and marketing of the cotton crop will bear with those who represent that section in granting us merely an extension for 1 more year of the privileges which the cotton farmers have enjoyed heretofore.

The Senator from Alabama [Mr. BANKHEAD] and others have gone into detail to show that it would mean a distinct benefit to the Treasury of the United States and the taxpayers of the United States if the amendment should be adopted. I appeal to Senators for simple justice in behalf of the people who for 70 years have borne the tariff burdens of the country, who are today not asking for one iota of additional benefit, but merely for an extension of 1 year, of which they felt assured but which has been taken away from them at the behest of someone who knows absolutely nothing about the cotton farmer, and without consultation with a single Senator representing a cotton-producing State.

Mr. President, I hope the Senate will suspend the rule and give us an opportunity to consider the amendment.

Mr. SMITH. Mr. President, I had not intended to speak on the question, but I think it is my duty to say something to make clear the situation in which I find myself. I do not know when I have been more embarrassed on account of certain things that have transpired.

Early in the spring, in connection with other Senators, I discussed this matter with the President. He stated that if Congress would extend the Bankhead bill, a loan would be made. I understand that same statement was subsequently made to other Senators. Senators may imagine how astonished I was when the report came out to the effect that the new plan which was suggested had been endorsed by the Farm Administration and by the President. I have not had any conversation with him, so I do not know to what extent the President had endorsed this abortion which has been handed to us.

In its essentials it is not a loan at all. It invites the producers to sell their crops at times during the period outlined in the bill, and with the understanding that the Government will make up the difference between the average price they get in the 10 bona fide spot markets of the country and the price for which the cotton was sold. It is possible under that arrangement for the producer to sell his cotton at, say, 9 cents, and the average price at which all the cotton was sold in the 10 markets to be 11 cents. When he sold at 9 cents he would only get a cent subsidy, and he would have lost a cent. In addition to that, all the cotton must be sold in the open market with a tax under the Bankhead bill of 6 cents a pound.

Mr. President, the present plan is a plan to give the foreign purchaser just as cheap American cotton as it is possible for him to get. Study it from top to bottom and it will be seen that it is a plan to furnish Europe with cheap cotton.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Massachusetts?

Mr. SMITH. I yield.

Mr. WALSH. Does the change affect in any way, now or in the future, the processing tax to be levied on the manufacturer?

Mr. SMITH. I think it will increase that greatly for the reason that the processing tax is supposed to measure the difference between whatever price is obtained for the cotton and the parity price. The parity price is supposed to be about 16 cents a pound, so if cotton goes to 9 cents, a processing tax of 7 cents a pound will be paid, or $35 a bale.

Mr. WALSH. It has been intimated that the proposal is made at this time to prevent an increase in the processing tax.

Mr. SMITH. This will increase it.

Mr. WALSH. Does the Senator think so?

Mr. SMITH. It is not a matter of thinking. It is a matter of mathematical fact. The processing tax measures the difference between what a cotton grower gets for his cotton and the parity price. The parity price is now 16 cents a pound. If he gets 9 cents a pound, there would be a processing tax of 7 cents a pound.

I did not vote for the processing tax and never would vote for it. I do not believe the American spinner ought to be forced to pay a processing tax.

Mr. WALSH. The North and South were together on that matter.

Mr. SMITH. I do not believe that the cotton farmers of the South ought to be mulcted by the high protective tariff, but we ought to have gotten it out of the general tax.

Mr. WALSH. I am in accord with the Senator on that proposition.

Mr. SMITH. I am just saying that in passing. I want the farmers of the country, by this Government that taxes him to death with a high protective tariff, to be given a rebate equal to the tariff he pays.

Mr. BAILEY. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from North Carolina?

Mr. SMITH. I yield.

Mr. BAILEY. As I understand, in the A. A. A. Act or the amendments to the A. A. A. Act which we recently adopted, it is mandatory that the processing tax shall account for the difference between the market price and the parity price.

Mr. SMITH. That is correct.

Mr. BAILEY. It is a mandate of the statute enacted by the Congress.

Mr. SMITH. That is correct.

Mr. WALSH. Mr. President, may I ask the Senator a further question?

Mr. SMITH. Certainly.

Mr. WALSH. If the manufacturer should be able to buy his cotton directly at a cheaper price than now, he would really have to pay more in order to meet the requirements of the processing tax, would he not?

Mr. SMITH. No. Instead of making the loan at 12 cents, if the Government had just come out and said, "Since we are in this business we will make the loan figure 16 cents". I think it would not have been necessary to pay any processing tax, because we provided in the Agricultural Adjustment Act that as the price got within 90 percent of parity or to parity the processing tax should be decreased from 25 percent to as much as zero.

But, Mr. President, I wish to reiterate that I am amazed, I am confused, when such assurances were given us without any equivocation, that the final result was that this abortion was handed to us.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Nevada?

Mr. SMITH. I yield.

Mr. McCARRAN. I desire to ask a question, because the Senator is entirely familiar with the subject and I am not. I am trying to learn from those to whom I have listened here today. Am I right in saying that when we adopted this policy, while we were going through the passage of the act in the former Congress and through the passage of the Bankhead Act in this Congress, assurances were given of a continuation of the policy, the assurances being either nominal or outright? Am I right in that?

Mr. SMITH. The Senator is right in that. I said—the Senator was not here at the time—that some of us went up to discuss this matter with the President, and we were given assurance that if the Bankhead Act should be extended, the loan "as is" would be extended.

Mr. McCARRAN. On that assurance, the present crop has been planted and will be harvested?

Mr. SMITH. And on that assurance the Chairman of the Agricultural Committee, myself, worked with all the power I had to extend the Bankhead Act. It expired on the 1st of August; and while I was standing on my feet, while the conference was on, the Senator from Georgia [Mr. GEORGE] walked up to me and said, "Get it through, because if you can, the loan will be extended immediately." On that assurance I said to the Senate that I had certain reasons to believe that we ought to put it through, and I worked, and we got it through.

I ask the Senator from Georgia if that is not correct?

Mr. GEORGE. Mr. President, that is absolutely correct; and it was merely confirmatory of what had already been stated.

Mr. SMITH. As the Senator from Georgia says, it was merely confirmatory of what had previously been stated.

Mr. McCARRAN and Mr. LONG addressed the Chair.

The PRESIDING OFFICER. Does the Senator from South Carolina yield; and if so, to whom?

Mr. SMITH. I yield to the Senator from Nevada.

Mr. McCARRAN. This is my view: Inherently, I am opposed to a price-fixing policy; but inasmuch as faith has been pledged in this matter, I think justice should follow, and, following that, that this program should be carried out within the faith that was pledged and the word that was pledged. For that reason I, for one, propose to vote for the suspension of this rule, and I propose to vote for the Byrnes amendment.

Mr. SMITH. Mr. President, I do not care to say very much more. It is useless for me to try to review to the Senate the precise terms of this proposed loan, so called—it is not a loan—because the Senate would not understand it if I were to start out to do it [laughter]; but allow me to state to the Senate that it is an absolute subterfuge. That is what it is.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. SMITH. Yes.

Mr. LONG. I desire to have the RECORD show whether or not I have misunderstood the Senator. As I understand, the Senator from South Carolina had the understanding from the President that this loan of 12 cents would be extended?

Mr. SMITH. Yes; I said that. It is not necessary to repeat it.

Mr. LONG. No. I just wanted to get it in the RECORD.

Mr. SMITH. It is in the RECORD.

Mr. LONG. All right.

Mr. McADOO. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from California?

Mr. SMITH. I yield; yes.

Mr. McADOO. I should like to make an inquiry of the Senator.

California grows about 300,000 bales of cotton per annum—not a very large amount, but it is of great importance to the State. I have been receiving telegrams from some of our producers urging the 9-cent loan, saying that they believe it will result in a larger return to the producer than if loans at 12 cents were made.

As I am not familiar with the matter, and I did not happen to be on the floor when the Senator was explaining it, I should be obliged if the Senator would indicate what he thinks of that suggestion.

Mr. SMITH. If the Senator from California thinks he can buy as much with 9 cents as he can with 12 cents, he will answer his own question.

Mr. McADOO. That is not the question. As I understand, there is an alternative method—some rebate which is to come to the farmer for the extra 3 cents.

Mr. SMITH. Yes, Mr. President; but if a farmer had 10 bales of cotton, and he were to sell them at 9 cents because he needed money, relying on the subsidy or the rebate to bring it up to 12 cents, he would find that it was not there. He would get what the average price was during the period from September 1 to January 1, 1936. Whatever that aggregate average is, he would get the difference between that and 12 cents.

Suppose the farmer sold at 9 cents, and the average was 11 cents; then he would get the difference between 11 and 12 cents, or he would lose $5 a bale.

Under the 12-cent loan the cotton is hypothecated. The Government takes it as collateral, and the farmer gets a straight 12 cents.

Mr. McADOO. In other words, if there should be a loss on cotton at 12 cents a pound, the Government would sustain it?

Mr. SMITH. Exactly; and if it should go up, the farmer would be the beneficiary.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. SMITH. Yes; I yield.

Mr. BANKHEAD. The Senator from California asks for an explanation of the telegrams he is receiving. I think I can explain why the Senator is receiving them.

The American Cotton Cooperative Association, with headquarters at New Orleans—a holding company having no direct members, but dealing for the other cooperatives, and who are cotton merchants—helped get up this plan of 9 cents in order to have general trade in cotton. I know of telegrams being sent, and I am sure the Senator's telegrams have been sent as a result of a request from New Orleans from the American Cotton Cooperative Association.

Mr. SMITH. Mr. President, I desire to have the Senate fully understand the difference between the proposed plan and the one that has been working.

On any cotton that is in the hands of the man who produced it he could get the 12-cent loan. Under the proposed plan it is restricted to the Bankhead allotment; and, in addition to that, any man who even gets it on the allotment has to sign a pledge that next year he will reduce his crop still further than it is reduced now. He has to sign on the dotted line before he gets it; and I have signed on my last dotted line.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. WALSH. My questions may be repetitions of those already asked, but they are asked for the purpose of developing clearly some facts that the Senator has expressed.

First of all, do I correctly understand the Senator, and those who take the same position with him, to claim that the proposed change will make no difference to the manufacturer, because he will have to pay, in addition to whatever price he pays for cotton directly, the processing tax, amounting in the aggregate to 16 cents a pound?

Mr. SMITH. Unless he exports his cotton.

Mr. WALSH. Exactly.

Mr. SMITH. But for all domestic purposes he will pay the difference between the price he pays for the cotton and the parity price.

Mr. WALSH. Very well. I understand that.

The second question is this: If that is so, it makes no difference to the consumer, because the manufacturer, in figuring his cost for cotton, has to fix it at 16 cents; so he is out of the picture?

Mr. SMITH. Yes; he is out.

Mr. WALSH. Very well.

Third, this change is likely to bring about a reduction in the price that the farmer may obtain for his cotton?

Mr. SMITH. To be sure.

Mr. WALSH. So the cotton farmer is the one who stands to lose?

Mr. SMITH. Did the Senator ever know the farmer to be anything but a "goat" since he has been here, and from time immemorial? Of course he stands the loss, if any.

Mr. WALSH. Then this contest is really a contest to see whether the Government or the cotton farmer is going, in the future, to bear a loss?

Mr. SMITH. Yes. I am glad the Senator brought up that point. This new arrangement means that whatever loss there is, the farmer bears it; and the gap is wide open for him to sustain a loss. He cannot escape it. This complicated arrangement was evolved by the great cotton growers. You ought to see those who were consulted about this matter, which affects every cotton grower. Just read the names.

I want to make my position clear. Ever since I have been in the Senate, in season and out of season I have worked for the man in the field. I have been held up to ridicule and scorn, as everyone knows, and now, as Chairman of the Committee on Agriculture and Forestry of the Senate, I have gone beyond what I thought under my oath I was justified in doing in order to bring some hope and relief to those who, unorganized, have no spokesman here.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SMITH. Let me finish the sentence. When things were working to the point where the man in the field was giving full reliance on this administration, absolute promises being made, just as his crop is moving, and he is forced, by grim necessity, to sell, he is being sacrificed in the face of a glorious hope.

I yield to the Senator from Kentucky.

Mr. BARKLEY. Does the Senator recall at what price cotton was selling at the time when the Government inaugurated the 12-cent loan?

Mr. SMITH. It had gone up somewhat.

Mr. BANKHEAD. Mr. President, I can answer that question, if the Senator will permit me. The parity price at that time was 12 cents.

Mr. BARKLEY. I am talking about the market price.

Mr. BANKHEAD. The actual market price, as I stated before, was 8 cents; a difference of 4.2 cents.

Mr. BARKLEY. With cotton selling at that time at 8 cents, the Government took the chance of lending 12 cents on it.

Mr. SMITH. First, 10 cents.

Mr. BARKLEY. Two cents above the average price to the farmer. It was increased later to 12 cents.

Mr. SMITH. Yes.

Mr. BARKLEY. What is the market price of cotton today, or what was it yesterday?

Mr. SMITH. It was down to something like 10½ cents.

Mr. BARKLEY. So that the Government at this time, by the continuation of the 12-cent-loan policy, is taking no more chance of loss than it took in the beginning, when it inaugurated the 10-cent loan, or increased it to 12 cents?

Mr. SMITH. No. Now, I wish to make another statement, so that Senators may understand, and if they do not take my word for it, they can read the bulletins and the actual official statistics.

There is a propaganda going around, some of it emanating from the Department of Agriculture, that American cotton, when loans were being made at 12 cents, was out of parity with world cotton. I challenge any cotton man in the world to prove other than that the American price fixes the price not only for American cotton in the world but for all other cotton produced in the world.

Mr. BAILEY. Mr. President, the world price, in gold, for the past 6 months, was 6 cents.

Mr. SMITH. Yes.

Mr. BAILEY. That answers that proposition.

Mr. SMITH. Yes. Let us get this fact clearly in mind. Propaganda has been going around that we were likely to be submerged with world cotton. I state that, according to official statistics, the production of world cotton today is not appreciably greater than it was 20 years ago. The trouble is that there are men in this country who are buying for European concerns, and in view of the fact that Europe in normal times purchases 55 percent of all the cotton grown in the United States, they come here, of course, and try to get the cotton for their European constituents at as low a price as possible. And we sit here and cater to them, so that the price of American cotton is fixed in Liverpool.

Mr. President, as I said before, I would much prefer that we should come to the point, and I think we are coming to the point, where not only would we consider it our duty, but our right, to legislate here, and not leave the country dependent upon a handful of men in the Department of Agri-

culture. Our constituents did not send us here to delegate the great power of making Federal laws to men in the department to write the laws and to administer them, outside of this Chamber and the one at the other end of the Capitol. Yet here we are, waiting with bated breath, and trembling to hear what some man who does not know a cotton stalk from a jimsonweed is going to say as to the value of American cotton. Every stalk of cotton is worked by human hands, and every lock of a 15,000,000-bale crop is cut with human fingers. However, coming as it does from the despised section of the United States, namely, the South, so far as those who produce it are concerned, they are in the discard.

Mr. President, I am embarrassed and confused, but as for me, from now on—

Me and my wife,
My son, John, and his wife,
Us four will serve the Lord.

[Laughter.]

Mr. President, perhaps I have said too much, though I have not said nearly as much as I feel like saying. It is remarkable that 11 States—indeed, 7 States—produce the bulk of the American cotton crop. We can count on our fingers the men from the cotton States who stand here and fight for American cotton. I have earned the sobriquet "Cotton Ed", as though cotton were a thing to be despised, when cotton has brought into this country $1,500,000,000 each year for more than 30 years in the sale of raw cotton, $800,000,000 from Europe in exchange for our raw cotton, laying the foundation for American prosperity and holding the balance of trade in favor of our country up to the time when we became a creditor nation.

No man from my section, save one or two, was ignorant enough, or honest and brave enough to stand for a quarter of a century fighting, fighting hopelessly, but still fighting; and I do welcome some others into the fight. Thank God we have gotten to the point where the fire is burning others besides me.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. LEWIS. Mr. President, taking license from the statement of the able Senator from South Carolina [Mr. SMITH] respecting what he has referred to as the observations upon himself as a great author and advocate of the rights of the cotton producers of America, I ask him, as a matter of information, what is there to the statement being published, and, let me add, greatly published where I live in the Middle West, that the policies of the present administration in its Agricultural Department and otherwise have caused the cotton produced in Brazil, Australia, India, and other portions of the world to wipe out the profits and the prospects of the American cotton grown in the southland, for which the Senator here speaks?

Mr. SMITH. There is not a word of truth in it; not a scintilla of truth in it. The reason why our exports have dropped down is because our loans to Europe have ceased to be made, and the tariff barrier wall has been raised. That wall cannot be gotten over.

So far as the cotton grown in the countries referred to by the Senator, I challenge any man to bring in the samples and let us test them and compare them with American cotton. There is not a spot on the globe which can grow the same character of cotton as is grown in this country. I say "character" of cotton. They can grow the same grade and perhaps the same staple, but it does not have the same tensile strength or the wearing characteristics of the American cotton. That is the reason why American cotton dominates the markets of the world today. But we are being gerrymandered and flipflopped by men, some of them from Sweden and Norway where they grow that magnificent cotton in a foot of snow! Those are the exports we now have.

I wish to wind up what I have said with this statement. I wish the Senate to observe the fact that when it comes to the greatest single asset America has, that the men who are put in charge to draw the rules and regulations and to feed the country with their propaganda, are men who never were south of the Mason and Dixon's line except in a Pullman car, and men who were imported from abroad. We are supposed to sit here and swallow what they put out.

I understand that once there was a man who swore very profanely and did so in the presence of a parson. Someone touched him and said, "Look out, friend, there is a minister." He turned to the minister and said, "Excuse me, parson, I did not know that you were a minister or I would not have sworn in your presence. But parson, I am a plain, blunt man and I call a spade a spade." The preacher said, "Well, judging from the conversation I heard before you found out I was a preacher I am surprised that you do not call it a damned old shovel."

So I think I will from now on call a spade a spade when I do not call it "a damned old shovel."

Mr. President, we have come to the time when we need not only plain-speaking but independent-thinking Senators. America will be safe against the onslaught of enemies inside and out when every man in the Senate resolves before God and his country to do his duty according to his own conscience and convictions. We know that sometimes we are not doing it now; that we would rather warm the leather in our chairs than to save America. Anything which jeopardizes the cotton production jeopardizes America.

Mr. President, the Senate can do just as it pleases. I have said my say, and from time to time I am going to have some other says.

Mr. BAILEY. Mr. President, I had intended to speak, but the matter has been covered by the Senators from the other Southern States. They have considered the question from moral, political, and economic aspects and given the reasons why the rule should be suspended in order that we may have a vote, and I sincerely hope the vote will be in the affirmative. I am going to withhold not only my desire to speak but a sense of real obligation to present the cause of the cotton farmers in my State. I will take my seat, but I earnestly urge the Senators to sustain the motion to suspend the rule.

Mr. KING. Mr. President, I have before me two editorials, one appearing in the Washington Post of this date, under the heading of "The Cotton Subsidy", and the other appearing in the New York Times of this date entitled "The Dilemma in Cotton."

In these editorials will be found a discussion of the foolish course pursued by the Government in dealing with cotton and the unsatisfactory conditions which have resulted. These editorials are a valuable contribution to the subject in hand, and I ask unanimous consent to have them inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The articles referred to are as follows:)

[From the Washington Post of Aug. 24, 1935]

THE COTTON SUBSIDY

The A. A. A.'s attempt to circumvent the cotton preblem by a tortuous route is all too typical of the present course of American Government. Instead of squarely facing the consequences of an unsound policy, the administration is making a desperate effort to please everyone by writing another blank check against future tax receipts.

Continuation of the 12-cent loan on cotton would have been economically disastrous. Last year the Government lent $237,982,000 under that arrangement, of which only $3,339,000 has been repaid. Instead of selling their cotton, farmers secured Federal loans, leaving the A. A. A. to worry about the dispcsition of some 4,600,000 bales held as collateral. The result has been that American cotton exports fell 36 percent in volume during the marketing season just closed. Foreign production has been greatly stimulated, and the position which the United States has occupied for many years in the world cotton market is jeopardized. From the economic viewpoint a change of policy was imperative.

On the other hand, southern Senators were quick to detect the seeds of political calamity in any retreat from 12-cent cotton. The market price had already fallen below the loan value, and with other countries greatly increasing their cotton output, there was reason to fear a collapse in prices which would alienate many embittered votes.

Recourse to the third alternative—the use of Treasury funds as a direct subsidy for cotton growers—was easy. The new policy is designed to stimulate the movement of cotton, since loans will be limited to 9 cents per pound. At the same time, farmers will be propitiated by the addition of outright gifts to benefit payments

and Government loans. Only taxpayers will feel the burden, and even for them its weight will be minimized, until the Government has the courage squarely to confront its steadily mounting obligations. In other words, the whole problem has been dismissed with another casual draft upon posterity.

The decision is the more astonishing because it follows by 1 day an emphatic rejection of cotton subsidies by the Cabinet committee which recently concluded a study of the textile industry. Premiums intended to stimulate exports were disapproved by this group because of the possible retaliatory measures which might be taken in foreign countries against such subsidy. Probably this advice accounts for the elaborate camouflaging of the new subsidy plan, but the underlying inconsistency is nonetheless evident.

Within the next few months the administration may expect other agricultural groups to be knocking at its door, demanding similar gratuities. How can the A. A. A. consistently refuse, especially on the eve of an election? Aside from evolving positively dangerous practices from half-baked theory, the administration has set up a precedent that may prove far more embarrassing than 9-cent cotton. It is by just such surrender of principles to opportunism that democratic governments of the past have been destroyed.

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[From New York Times of Aug. 24, 1935]

THE DILEMMA IN COTTON

The Government's new cotton policy seems to be a half-hearted attempt to extricate itself partially from a serious dilemma. In addition to the plow-up campaign and the acreage restriction which it put into effect in 1933, the Government made loans to the cotton producers at 10 cents a pound on the unsold portion of their crops. A year ago in connection with the Bankhead plan, the Government continued this loan policy, increasing the rate to 12 cents a pound. These loans were made "without recourse." In other words, if the price of his cotton rose above 12 cents the farmer could sell it and pocket the difference; but if it fell below 12 cents the Government would have to hold it and worry about the loss itself.

As a result the Government found itself compelled to take over nearly 50 percent of the crop. It now holds altogether about 6,000,000 bales, and its total investment is about $400,000,000. The consequence has been that, by raising the price of cotton, it has stimulated growth of the staple in other parts of the world, including Brazil, Egypt, and India. The net effect of this must be that when our cotton experiment is over, the world production of cotton, unless we ourselves make a drastic permanent reduction, will be greater than it has ever been. We shall not only have lost our former dominance of the world's cotton growing, but the price is likely to be at a lower level than otherwise for many years.

The loan policy has had another result that mere restriction would not have entailed. It has led to the holding of American cotton at a price that is artificially high. The result is that foreign purchasers, who only a few years ago were counted upon to take about 55 percent of our total production, have been switching to foreign cottons. This substitution has been retarded to some extent because foreign machines were designed to spin American cotton; but now that these machines are being altered or new machines are being installed to spin other cottons, the difficulty of winning these markets back will be greater. A few days ago official figures showed that the exports of cotton for the 1934–35 season, August to July inclusive, had fallen 36 percent even as compared with the previous season.

Thus the result of our cotton policy has been to give the growers higher prices and higher money incomes for the time being. The Government would find it more than embarrassing to confront the political results of abandoning the policy. But can it, on the other hand, begin to tie up several hundred million dollars more of public funds in holding several million more unsold bales of cotton for what is almost certain to be a repetition of the Farm Board fiasco?

The new policy is its attempt at compromise. It will make loans on the new crop, at only 9 cents instead of 12, but it stands ready to grant an outright subsidy to guarantee cotton farmers 12 cents on the average on their individual allotments by paying them the difference between that price and the average price of ⅞-inch Middling cotton from September 1 to January 1.

To some persons this may look merely like a more complicated way, in its net result, of lending the growers 12 cents a pound. There are, however, several differences. The Government will take its loss immediately instead of in an indefinite future. It will prevent any further increase in Government-held cotton hanging over the market. It is apparently designed to permit cotton consumers to buy new-crop cotton at less than 12 cents and to end the differential in favor of American cotton prices. Finally, it may have the purpose of providing a method for continuing cotton control even if the Bankhead Act is declared unconstitutional. But it is not a solution of the basic economic problem, and it raises the danger that growers of other crops will try to force its extension.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina to suspend the rule.

Mr. HALE. On this question I ask for the yeas and nays.

The yeas and nays were ordered, and the chief clerk proceeded to call the roll.

Mr. BULKLEY (when his name was called). I repeat the announcement of my general pair with the senior Senator from Wyoming [Mr. CAREY], who is absent from the city. Not knowing how he would vote, I withhold my vote.

Mr. McKELLAR (when his name was called). The Senator from Missouri [Mr. TRUMAN] and I, who would vote "yea", are paired on the question with the Senator from Delaware [Mr. TOWNSEND], who would vote "nay." I transfer my part of the pair to the Senator from Idaho [Mr. POPE] and vote "yea."

Mr. VANDENBERG (when his name was called). Again announcing my pair with the senior Senator from Indiana [Mr. VAN NUYS], and not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. THOMAS of Utah. The Senator from West Virginia [Mr. HOLT] and I are paired on this question with the Senator from New Hampshire [Mr. KEYES]. If present the Senator from New Hampshire [Mr. KEYES] would vote "nay." If permitted to vote I should vote "yea" and the Senator from West Virginia [Mr. HOLT], if present, would vote "yea."

Mr. AUSTIN. The Senator from Delaware [Mr. HASTINGS], who would vote "nay", is paired on this question with the Senator from Louisiana [Mr. OVERTON] and the Senator from Mississippi [Mr. BILBO], both of whom would vote "yea" if present.

Mr. LEWIS. I desire to announce that the following-named Senators are necessarily detained from the Senate: The Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. BONE], the Senator from South Dakota [Mr. BULOW], the Senator from Virginia [Mr. BYRD], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Virginia [Mr. GLASS], the Senator from Massachusetts [Mr. WALSH], the Senator from West Virginia [Mr. HOLT], the Senator from Louisiana [Mr. OVERTON], the Senator from Nevada [Mr. PITTMAN], the Senator from Missouri [Mr. TRUMAN], and the Senator from Indiana [Mr. VAN NUYS].

Mr. GORE. On this question, I have a pair with the Senator from Massachusetts [Mr. WALSH]. Not knowing how he would vote, I withhold my vote.

The result was announced—yeas 50, nays 19, as follows:

YEAS—50

| | | | |
|---|---|---|---|
| Adams | Connally | Lewis | O'Mahoney |
| Ashurst | Costigan | Logan | Reynolds |
| Bachman | Davis | Long | Robinson |
| Bailey | Dieterich | McAdoo | Russell |
| Bankhead | Fletcher | McCarran | Schall |
| Barkley | Frazier | McGill | Sheppard |
| Black | George | McKellar | Smith |
| Borah | Guffey | Maloney | Thomas, Okla. |
| Brown | Harrison | Minton | Trammell |
| Byrnes | Hatch | Moore | Wagner |
| Caraway | Hayden | Murray | Wheeler |
| Chavez | Johnson | Neely | |
| Clark | La Follette | Nye | |

NAYS—19

| | | | |
|---|---|---|---|
| Austin | Gerry | McNary | Schwellenbach |
| Barbour | Gibson | Metcalf | Steiwer |
| Burke | Hale | Murphy | Tydings |
| Capper | King | Norris | White |
| Copeland | Lonergan | Radcliffe | |

NOT VOTING—27

| | | | |
|---|---|---|---|
| Bilbo | Couzens | Holt | Thomas, Utah |
| Bone | Dickinson | Keyes | Townsend |
| Bulkley | Donahey | Norbeck | Truman |
| Bulow | Duffy | Overton | Vandenberg |
| Byrd | Glass | Pittman | Van Nuys |
| Carey | Gore | Pope | Walsh |
| Coolidge | Hastings | Shipstead | |

The PRESIDING OFFICER (Mr. RUSSELL in the chair). More than two-thirds having voted in the affirmative, the motion to suspend the rule is agreed to, and the amendment is in order. The question is on the adoption of the amendment offered by the Senator from South Carolina [Mr. BYRNES].

Mr. KING. Mr. President, I understood the Senator from South Carolina [Mr. BYRNES] is desirous of offering an amendment to the amendment.

Mr. BYRNES. Mr. President, I submit the following amendment to my amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. In the amendment it is proposed, in line 1, after the word "directed", to insert the words "during the crop-year ending July 31, 1936", so as to make the amendment read:

The Commodity Credit Corporation is hereby directed during the crop-year ending July 31, 1936, to make loans to farmers at the rate of 12 cents per pound on cotton, where such loans are secured by cotton stored in warehouses approved by said Corporation upon such terms and conditions as similar loans have been made by said Corporation during the crop-year ending July 31, 1935, and the Reconstruction Finance Corporation is hereby directed to make available to the Commodity Credit Corporation sufficient funds to carry out this purpose.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from South Carolina, as amended.

Mr. FRAZIER. Mr. President, I wish to offer an amendment to the amendment.

The PRESIDING OFFICER. The amendment of the Senator from North Dakota to the amendment of the Senator from South Carolina will be stated.

The CHIEF CLERK. It is proposed to add at the end of the amendment of the Senator from South Carolina the following:

The Commodity Credit Corporation is hereby directed to make loans to farmers at the rate of 1½ cents per pound on wheat, when such loans are secured by warehouse receipts or by wheat stored on the farm, such loans to be made upon such terms and conditions as the said Corporation may prescribe, and the Reconstruction Finance Corporation is hereby directed to make available to the Commodity Credit Corporation sufficient funds to carry out this purpose.

Mr. FRAZIER. Mr. President, in the spring-wheat States we have a very unfavorable condition this fall on account of the hot weather and rust. We have a great deal of lightweight wheat, and the farmers are being discriminated against in the price of this wheat. Farmers in the sections where we have had drought for 2 or 3 years are very hard pressed.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. FRAZIER. Certainly.

Mr. BARKLEY. Am I to understand the Senator is proposing a rate of 1½ cents a pound, which would be 90 cents a bushel?

Mr. FRAZIER. That would be 90 cents on 60-pound wheat, but on the lower-grade wheat it would be less than that.

Our farmers are very hard pressed. The local grain buyers are taking advantage of the farmers with reference to this lightweight wheat. They tell the farmers they do not know what that kind of wheat will bring on the market, and offer them a price anywhere from 30 or 40 cents a bushel, when, according to the market, even the lightweight wheat sells at 75 or 80 cents a bushel when it gets to the terminal. The farmers are being taken advantage of in this way. We believe this wheat should be kept on the farm or in local elevators, and in order to do that the farmer must be allowed to make a loan.

We made application to the A. A. A. to provide for loans, but they have not done so at the present time. I have favored the loans to farmers on cotton, on corn, and on hogs. I believe the wheat farmers are entitled to the same kind of loan.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. LONG. The Senator has voted for loans on cotton, I understand?

Mr. FRAZIER. Yes; I have voted for them every time.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. FRAZIER. Certainly.

Mr. ROBINSON. The Department has never adopted a policy of making loans on wheat, has it?

Mr. FRAZIER. No; there has not been such a policy adopted.

Mr. ROBINSON. So this involves a question of setting up a new policy?

Mr. FRAZIER. Yes; I so understand. It would be a new policy, although we have had in several States loans on corn on warehouse receipts. That does not apply generally. Therefore I hope that my amendment to the amendment of the Senator from South Carolina will be adopted. It would mean a great deal to the farmers in the spring-wheat States who are very hard up because of the drought period they have gone through during the past few years.

Mr. KING. Mr. President, yesterday when the Senator from South Carolina [Mr. BYRNES] offered his amendment dealing with cotton, and at the same time gave notice that if a point of order was raised against it he would move to suspend the rules for the purpose of considering the same, I may say that I was opposed to the amendment, and, of course, was opposed to suspending the rules for the purpose indicated.

I opposed a number of measures adopted in 1933 and 1934, among them the Bankhead Cotton Act, which dealt with the agricultural situation. I believed that some of the policies of the Agricultural Department, including the A. A. A., were unsound and would prove injurious to the American people and harmful to agriculture itself. I believed that the plan which called for reduction in the acreage devoted to the production of cotton found no rational support upon which to rest, and that the plowing under of a considerable part of the cotton crop I regarded as wholly without justification, if not indefensible.

The plan pursued by the Department of Agriculture in the killing and destruction of millions of hogs I regarded not only as wholly improper but indefensible. We are experiencing now some of the evil consequences of this wasteful and, as I have indicated, improper policy. It would seem that we have learned nothing from the lessons of the past and are attempting to interfere with sound economic policies. Efforts have been made by various agencies in the Department of Agriculture to stem the tide of progress and to arrest those forces in the economic and business world that would as well as other agencies of the Government, are archaic. tend to lift the country out of the depression and set it upon the high road leading to prosperity. Some of the policies that have been carried out by the Agriculture Department, Many of them have been tried and found wanting in various ages in civilized and semicivilized countries; but the results have been disappointing. The economic development of this country, a development which has been the marvel of the world, is largely due to the refusal of the American people to follow socialists, doctrinaires, faddists, and those who have not understood democracy and the realities and practical things of life. Some have pursued illusory phantoms and unsound policies.

There are those in our country who believe that the will of the legislative branch of the Government is supreme, and that it may enact any measures that it conceives the situation requires; and there are many who regard the executive power as omnipotent, possessing authority to direct Congress and to set at naught the decrees of the Court. This Republic can only be preserved so long as the authority of each of the three branches of the Government is preserved unimpaired.

It would be a fateful day for this Republic if a powerful Federal bureaucracy should control, or if the judicial branch of the Government were denied the authority it enjoys under the Constitution of the United States.

I believe there are agencies and organizations, when efforts have been made to curb their illegal and unconstitutional course, which have been critical of Congress and resentful of the admonitions of the Court constraining them to remain within their field of authority. Not infrequently we hear the statement that courts have no authority to declare acts of Congress, or for that matter of the executive department, unconstitutional. I fear there have been some Americans

who do not understand our Constitution and the authority granted therein to the Supreme Court of the United States.

May I say in passing that there have been several thousand enactments by Congress, and as I recall, not exceeding 50 have been declared unconstitutional by the Supreme Court of the United States. I might add that the highest courts of many of the States have been called upon to pass upon laws enacted by their respective legislatures, and the decisions of the supreme courts of the various States reveal that many enactments were held invalid because violative of their constitutions.

But to return to the question to which I alluded at the outset: I repeat that many of the plans of the Agricultural Department and the A. A. A. during the past few years have been illusory and unwise, and will lead into paths injurious to groups of persons or branches of industry, and to the country at large.

The cotton policy which was inaugurated under the preceding administration cost the Government several hundred millions of dollars and was without benefit to the cotton industry. In my opinion, the Government of the United States will sustain losses of between $200,000,000 and $300,000,000 under the cotton plans which have been formulated and are being carried out by the present Agricultural Department and its branches and agencies. What the ultimate loss to the Government will be, if the amendment offered by the Senator from South Carolina [Mr. BYRNES] is adopted, it is difficult to state; but unless some miracle happens, I think I am within the bounds of reason when I aver that the loss will be between $300,000,000 and $400,000,000. The plan adopted by the Agricultural Department called for a loan of 10 cents a pound on cotton, and which was subsequently raised to 12 cents per pound. My understanding is that last year there was loaned more than $350,000,000 under this plan, only an insignificant part of which has been repaid. Our policy has stimulated foreign production and has resulted in injuries to what are called "croppers", and in no lasting advantage to the producers of cotton. The authority of the Government to extend losses of the character indicated is not considered, and we go forward following ill-considered and unsound policies regardless of constitutional limitations or wise economic policies.

There are those within executive departments who believe in artificial policies and who are trying to build an artificial economic and industrial system. It is inevitable that policies of this character will not only lead into a blind alley but will result in most serious economic consequences.

As I have stated, the prosperity of our country has been the result of the free play of economic forces. The people of America were self-reliant, and they went forth with courage and converted deserts and wildernesses and vast plains into sovereign States, great municipalities, and millions of happy homes. But we have been urged to accept the policy of regimentation and to look to the Federal Government to guide and to direct and control our activities, if not our thoughts, by an army of officials whose banners are found in every part of our broad land. They pry into the business and homes of the people, and attempt, as I have indicated, to regiment them in all of their activities.

Mr. President, it is not my purpose to delay the Senate. Congress has been too long in session and its early adjournment will be welcomed by the country, and, I am sure, by Members of the House and Senate. Much legislation has been enacted; indeed too much. Some measures have been wise and will prove valuable and important to the country. Others are tainted with unconstitutionality and have been influenced by emotionalism if not hysterical propaganda; to say nothing of the pressure brought in various forms by pervasive Federal bureaucracy. Too many measures that come before Congress have been originated by executive agencies or by groups and powerful forces not connected with the Government. Too much pressure has been brought by groups and too many measures have been passed as a result of powerful pressure which ought never to have been exerted against the legislative branch of the Government.

I fear it cannot be said that in all things we have acted with that independence that should characterize a great legislative assembly. It is fortunate, indeed, that we have a Federal Constitution that limits the power of the Federal Government; but it is unfortunate, in my opinion, that such powerful efforts are made in various parts of our country to have Congress override States and limit the rights of individuals. It is also unfortunate that forces are at work to weaken, if not undermine, that great citadel and tower of strength indispensable to the preservation of this great Republic—the Supreme Court of the United States.

When a recent decision was rendered by the Supreme Court of the United States I stated, with the utmost sincerity, "Thank God for the Supreme Court of the United States"; and may I say now with equal fervor that efforts to break down the barriers which separate, and should protect, the three branches of the Federal Government should receive no encouragement.

The Senator from South Carolina [Mr. SMITH] a moment ago pleaded with eloquence for a courageous and independent Senate. His remarks indicated that he entertained the view that there had been unjustifiable acquiescence in the views and policies shaped by others and which had been affirmatively acted upon by at least this branch of the National Legislature. It is often said that individuals and agencies outside of the legislative branch of the Government have framed too many of the laws passed by Congress and have been too pervasive and persuasive in bringing about the enactment of legislation.

Statements are heard from representatives of Federal agencies, or groups of socialistic elements in our country, that the Federal Government is more and more to assume control over every form of industry and to bring individuals under a system of discipline and regimentation entirely foreign to democratic policies and to our form of government. Undoubtedly some of the so-called "liberal" elements are endeavoring to secure the adoption of their political and economic views which, if carried into effect, would modify, if not destroy, our theory of government. The static condition of society is of course undesirable; ours has never been a stagnant or static society; no more dynamic and progressive forces have been founded in any land than those who laid the foundations of this Republic and guided it for more than 150 years. Many suggested socialistic schemes would tend to enervate, destroy initiative, and to impose regulations which, if I may use the expression, would devitalize and enervate the people.

Mr. President, in view of the assaults which I believe are being made upon our Government, and in view of what I believe to be efforts to divide the people into groups and classes and to foment strife and discontent and enmities, it is important that those who love this Republic, who believe in the principles for which it stands and the great mission to which it has been dedicated, should meet with courage and firmness whatever assaults or hostile movements may be made.

I stated that democracy is a progressive faith; it believes in the individual, in his competency; in his ability to organize society, communities, and States in which the rights of all shall be protected and local self-government, in all that that term implies, shall be enjoyed. As a mighty bird may not fly with two left wings, this great Republic may not conquer the winds and the storms with two left wings. In other words, this Republic possesses all of those physical and moral and spiritual attributes to enable it to live on for ages to come, serving humanity and holding high the principles of liberty and justice.

Our fathers never dreamed that there would be evolved a Federal superstructure which would lay powerful hands illegally upon individuals and sovereign States. I respectfully submit that the Federal Government is too oppressive. It has exercised authority which it did not possess, and is bringing improperly within the sphere of its influence and power not only individuals, but organizations and States. The pity of it is that many of the people are losing sight of

our form of government and are attributing to the Federal Government authority which it does not possess. They are willing to abdicate rights which free people must enjoy, and not only consent, but ask national control and supervision over their private affairs and the domestic and internal affairs of individual States.

Mr. President, there must be a recrudescence of democracy—a stronger and more virile spirit of independence upon the part of the people; a determination that neither a powerful centralized government nor a socialized government shall take the place of this Republic.

Mr. President, yesterday, as stated, I offered two amendments, one providing for the R. F. C. to make loans to producers of copper and another also directing the R. F. C. to extend credit to the producers of wool. I hoped that the introduction of these amendments would have some effect upon those who gave notice that they intended to suspend the rules and offer an amendment that would call for loans amounting to hundreds of millions of dollars to the producers of cotton. I hoped that by this time it would have become apparent that the cotton policy was unsound, and that no longer would the Federal Treasury be called upon to pay bounties or to tax the people hundreds of millions of dollars in order to contribute to the cotton industry. I knew there were many sound thinkers, and many of the farmers of the South, who recognized that the course of the Government with respect to cotton had furnished no solution to the problem, and was resulting in consequences, past and present, that were injurious, and in future pointing to disaster. However, it appears that my efforts to arouse Senators to the unwise and dangerous course which had been pursued and was to be continued, have not furnished evidence of success. In view of the facts, and my convictions in regard to the theory and philosophy involved in this program, I shall not move to suspend the rules for the consideration of the two amendments referred to.

### STATUS OF EXECUTIVE NOMINATIONS

Mr. ROBINSON. Mr. President, I ask to have entered the order which I send to the desk.

The PRESIDING OFFICER. The proposed order will be read.

The Chief Clerk read as follows:

*Ordered,* That paragraph 6 of rule XXXVIII be suspended and that all nominations now on the Executive Calendar of the Senate, or pending before any of the standing committees of the Senate, shall remain in statu quo until the convening of the regular session of Congress on January 3, 1936, and that the said nominations shall not be affected by the adjournment of the present session of Congress.

The PRESIDING OFFICER. Is there objection to the proposed order?

Mr. McNARY. Mr. President, I recall a precedent where a resolution of this character was agreed to; but what is the condition at this session which makes imperative the adoption of this resolution?

Mr. ROBINSON. It is expected that some nominations may go over and be undisposed of when we adjourn sine die tonight, as it is contemplated that we shall do.

Mr. McNARY. Then the status of those which are pending will remain the same as at this time?

Mr. ROBINSON. Yes. I expect to have an executive session, but it is my expectation that some nominations may not be acted upon.

Mr. McNARY. Then those that go over will be pending before the committees, and not on the calendar?

Mr. ROBINSON. Yes.

The PRESIDING OFFICER. Without objection, the order will be agreed to.

### IMPORTATIONS OF WOOD PULP OR PULPWOOD

Mr. BORAH. Mr. President, I ask permission to offer a resolution, to which I call the attention of the majority leader, the Senator from Arkansas [Mr. ROBINSON].

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 200) was read as follows:

*Resolved,* That the United States Tariff Commission, under authority conferred by section 332 of the Tariff Act of 1930, is directed to investigate and report to the Senate all facts relating to wood pulp, or pulpwood, showing the volume of importations compared with domestic production, and the conditions, causes, and effects relating to foreign competition, and all other facts showing the differences in, or which affect competition between the production of wood pulp, or pulpwood, in the United States or that imported in the principal markets of the United States.

Mr. ROBINSON. Mr. President, I am wondering if the Senator from Idaho has had his attention called to Senate Document No. 115, Seventy-fourth Congress, first session.

Mr. BORAH. Yes. That is the forestry report?

Mr. ROBINSON. Yes. It is a report entitled:

National Pulp and Paper Requirements in Relation to Forest Conservation.

Mr. BORAH. I have had my attention called to that; but I should like to have the information brought down to the present date, or as nearly so as practicable. I take it that the Tariff Commission will be able to avail itself of much of the information which is there contained, and therefore that the investigation will not be so very expensive.

Mr. ROBINSON. I have not had an opportunity of making a thorough investigation, but it is my impression that under the section referred to in the resolution now presented by the Senator from Idaho the Tariff Commission has jurisdiction to collect the information for which the Senator's resolution calls, and I make no objection to the resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution offered by the Senator from Idaho?

There being no objection, the resolution was considered and agreed to.

### SUPPLEMENTAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes.

Mr. LONG. Mr. President, as one of what might be called the cotton Senators, I hope we shall not be asked to go too far on this bill; but I believe wheat ought to be added to the list. I think Senators from the cotton-producing States ought to try to unite the leading commodities of agriculture for all the protection they can get through this distress. I hope the liberal sentiment which has been exhibited by the wheat Senators will be reciprocated by the cotton Senators. I understand that what is proposed is that a fair amount be loaned on wheat, and I hope we shall write it into the bill; but I hope that after this we shall not be compelled to burden the bill down to a point where we will destroy its purpose.

Mr. COPELAND. Does not the Senator think apples should also be added?

Mr. LONG. I was hoping we would not load the cart down.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota [Mr. FRAZIER] to the amendment of the Senator from South Carolina [Mr. BYRNES].

Mr. FRAZIER. On that I call for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a pair with the senior Senator from New Hampshire [Mr. KEYES]. I transfer that pair to the junior Senator from Idaho [Mr. POPE] and vote "yea."

The roll call was concluded.

Mr. BULKLEY. Repeating the announcement I made on the last vote with respect to my general pair, I withhold my vote.

Mr. WALSH. On this question I am paired with the Senator from Oklahoma [Mr. GORE]. I transfer that pair to the junior Senator from Massachusetts [Mr. COOLIDGE], and vote "nay."

Mr. AUSTIN. I announce the following general pairs:

The Senator from Delaware [Mr. HASTINGS] with the Senator from Wisconsin [Mr. DUFFY];

The Senator from Iowa [Mr. DICKINSON] with the Senator from Mississippi [Mr. BILBO];

The Senator from Michigan [Mr. VANDENBERG] with the Senator from Indiana [Mr. VAN NUYS].

Mr. McKELLAR. I have a pair with the Senator from Delaware [Mr. TOWNSEND], which I transfer to the Senator from Missouri [Mr. TRUMAN], and vote "yea."

Mr. ROBINSON. I announce that there are necessarily detained from the Senate the Senator from North Carolina [Mr. BAILEY], the Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. CONNALLY], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Oklahoma [Mr. GORE], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Mississippi [Mr. HARRISON], the Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], the Senator from Connecticut [Mr. LONERGAN], the Senator from California [Mr. McADOO], the Senator from New Jersey [Mr. MOORE], the Senator from Louisiana [Mr. OVERTON], the Senator from Nevada [Mr. PITTMAN], the Senator from Idaho [Mr. POPE], the Senator from Washington [Mr. SCHWELLENBACH], the Senator from Missouri [Mr. TRUMAN], and the Senator from Indiana [Mr. VAN NUYS].

The result was announced—yeas 41, nays 23, as follows:

YEAS—41

| | | | |
|---|---|---|---|
| Adams | Clark | McGill | Russell |
| Bachman | Costigan | McKellar | Schall |
| Barkley | Frazier | McNary | Sheppard |
| Black | George | Murray | Shipstead |
| Borah | Hatch | Neely | Smith |
| Bulow | Johnson | Norbeck | Steiwer |
| Burke | La Follette | Norris | Thomas, Okla. |
| Byrnes | Logan | Nye | Thomas, Utah |
| Capper | Long | O'Mahoney | Trammell |
| Caraway | McCarran | Reynolds | Wheeler |
| Chavez | | | |

NAYS—23

| | | | |
|---|---|---|---|
| Austin | Dieterich | King | Robinson |
| Bankhead | Fletcher | Maloney | Tydings |
| Barbour | Gerry | Metcalf | Wagner |
| Brown | Gibson | Minton | Walsh |
| Copeland | Glass | Murphy | White |
| Davis | Hale | Radcliffe | |

NOT VOTING—32

| | | | |
|---|---|---|---|
| Ashurst | Coolidge | Hastings | Overton |
| Bailey | Couzens | Hayden | Pittman |
| Bilbo | Dickinson | Holt | Pope |
| Bone | Donahey | Keyes | Schwellenbach |
| Bulkley | Duffy | Lewis | Townsend |
| Byrd | Gore | Lonergan | Truman |
| Carey | Guffey | McAdoo | Vandenberg |
| Connally | Harrison | Moore | Van Nuys |

So Mr. FRAZIER'S amendment to the amendment of Mr. BYRNES was agreed to.

Mr. COPELAND. Mr. President, it seems to me that, having taken care of cotton and wheat, we ought to take care of other products of the country as well. I think we should add apples and maple sirup.

In order that the matter may be properly before the Senate, I move to amend by including apples from the West, maple sirup from New England, and onions from my State. We ought to have the benefits distributed. If we are to help the forgotten man in the South and in the wheat lands of the West, the forgotten men in Orange County, N. Y., who raise onions, and the forgotten men in Vermont and other States of New England and in northern New York, where they make maple sugar and maple sirup, and the apple growers of Washington and Oregon, should not be overlooked.

I wonder if Senators have ever been out in a sugar camp to see how the people toil? They struggle through the snows of winter in order that we may have maple sirup, and up in my State we have the biggest onion bed in the world—10,000 acres in one place—and those poor people struggle along often afflicted by frost and by the overflow of the Wallkill River.

Then I think about the suffering people who raise apples in Washington and Oregon, as well as in my State; and this, too, will insure the vote of the Senator from Delaware [Mr. TOWNSEND], who has a large apple orchard, and it will get the vote of the Senator from Virginia [Mr. BYRD]. We ought to make it unanimous.

Mr. President, I think it is a shame to be so sectional in the distribution of the benefits. If we are to be nationally minded, let us think of the whole country. So let us include all these parts and sections which are neglected and where the forgotten men and women live. Let us consider everyone.

Mr. President, having delivered myself of this statement, I withdraw the amendment to the amendment which I have offered.

The PRESIDING OFFICER. The question is on agreeing to the amendment as amended.

Mr. NORRIS. Mr. President, I believe the Congress is making a mistake. I see no reason why, if we are to go as far as we have indicated we are going, we should not go further and take in others. We will be driven to it.

I voted against the motion to suspend the rule. I did not believe we ought to make the loans contemplated by the amendment which brought about the motion to suspend the rule. But if we are to buy all the cotton, we ought to buy all the wheat, and I voted for the amendment of the Senator from North Dakota, although, if it were standing alone, I would vote against it.

Mr. FRAZIER. In the case of the loan on wheat it would not mean the buying of the wheat, because the price of wheat is a little more than the amount of the loan would be at the present time. As I understand, it would mean the buying of the cotton but not at too high a price to the farmer.

Mr. NORRIS. Mr. President, there are two agricultural products outstanding in this country beyond and above all others. They are cotton and wheat. I do not believe these loans at this time ought to be made by the Government on either one of them. I do not think we ought to loan on one and not on the other. However, I think it would be a mistake to loan on both of them at this time and in the amounts named. I think we should vote down the amendment.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. If we vote for these loans why not accept the motion which I submitted the other day for copper and for wool, and take in products all along down the line?

Mr. NORRIS. In principle there is no difference between them. I do not intend to weary the Senate at this hour with an argument which perhaps is useless to make, even were I able to make a convincing argument. It does seem to me that in both instances under consideration we are committing an error. For that reason I voted against the motion to suspend the rule, and I am now going to vote against the amendment as amended.

I have finished what I wish to say, and I shall yield the floor.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating or marketing securities in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

## REGULATION OF PUBLIC-UTILITIES HOLDING COMPANIES—CONFERENCE REPORT

Mr. WHEELER submitted the conference report on Senate bill 2796, the public-utilities holding company bill, which is printed in full in the House proceedings of today's RECORD.

The VICE PRESIDENT. The question is on agreeing to the conference report on Senate bill 2796.

Mr. NORRIS. Mr. President, I wish to say a few words before action is taken.

Mr. WHEELER. Mr. President, will the Senator permit me to make a unanimous consent request?

Mr. NORRIS. The Senator has the floor. I cannot keep him off the floor.

Mr. WHEELER. I was going to ask unanimous consent that the conference report be taken up for consideration at this time.

The VICE PRESIDENT. It is a privileged matter.

Mr. NORRIS. I have no objection to that, but I do object to the Chair having the conference report agreed to without permitting Senators to speak on it.

The VICE PRESIDENT. The conference report is now before the Senate and any Senators desiring to speak on it may do so.

Mr. NORRIS. Mr. President, I cheerfully yield to the Senator from Montana [Mr. WHEELER] if he desires to speak on the question. Let him discuss it first.

Mr. WHEELER. I have no desire to do so. Proceed.

Mr. NORRIS. I wish to say just a few words about this matter. This question, as everyone knows, has been controverted very bitterly. I have followed the Senator from Montana [Mr. WHEELER] in his work, and I think he has done a wonderful work. I never have known, in my public experience, a bill as complicated as the one under consideration, where there was as much patience and ability and ingenuity and courage exhibited as has been exhibited by the Senator from Montana ever since this bill went to conference, and indeed when it was before the Senate for consideration and passage.

I am going to vote for the conference report. I believe that I do not disagree with the Senator from Montana on anything which ought to be in it. I am firmly of the belief, however, that this is a conference report which the Senator from Montana was induced to sign because he realized he could not get anything better. I am confident that he is not satisfied with it, and I also realize that in conference reports there must always be a compromise. I think I will go as far as any other Senator along that line. However, from my point of view, there are some things which ought not to be compromised, and one of those things which I am not willing to compromise on is to extend the life and privileges and legal existence of holding companies beyond the first degree. There are not many holding companies, even in the first degree, which ought to exist, but I concede that in some instances at least there is a reason for the existence of holding companies in the first degree. However, I have many times on the floor of the Senate and elsewhere challenged any man to cite an instance where the existence of a holding company beyond the first degree was justified, or where such a holding company performed a public service which, at least in my judgment, could not be performed as well or better were it not in existence.

The utility-holding companies bill has trod a very weary and wearisome road.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BORAH. I desire the Senator to state just what the conference report does with reference to holding companies. I have not been able to satisfy myself on that score.

Mr. NORRIS. I expect to do as well as I can along that line before I shall have finished. I realize that not in recent years at least has a bill gone to conference where there has been the bitterness exhibited which has been exhibited in this conference which has gone on all these weary days. I think the Senator from Montana and his conferees were right in the attitude they took. I have no sympathy whatever with the idea that we should by law permit holding companies to continue their robbery and their thievery of the American investors in securities and the American consumers of electricity. Such companies are parasites. I welcome the definition which was given to section 11 when it was said it was a death sentence to holding companies. It ought to be. In my opinion, we cannot regulate holding companies. There is not any useful service for them to perform. There is not any excuse for their existence. I should rather see this bill fail than to legalize the existence of holding companies beyond the first degree. I would welcome making of that an issue, one which should be decided by the people in the next campaign.

There is some very cumbersome language in the report, as is often found in conference reports.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. NORRIS. Very well.

Mr. WHEELER. I think the Senator is somewhat in error in his statement to the effect that the conference report legalizes holding companies in the second degree. It provides that holding companies shall not be permitted beyond the second degree; and it gives the Commission power, if they are not necessary beyond the first degree, to prohibit them. The Commission must find that they must be subject to local regulation and local authority in order that they may be permitted to exist.

If the Senator will recall, the amendment was first offered in the Senate by the Senator from Idaho [Mr. BORAH] to permit holding companies in the second degree. I accepted it as modified to the first degree. In conference, which has lasted over a month, we finally accepted an amendment which permits holding companies not beyond the second degree under certain terms and conditions, providing that the Commission must find a necessity for their existence in the second degree.

Mr. NORRIS. I remember, when the amendment offered by the Senator from Idaho was before the Senate, that I spoke on it very briefly. I think it was a suggestion which I made, though I may be wrong, that induced the Senator from Idaho to change the amendment and make it apply to everything beyond the first degree. I ask the Senator from Idaho if I am correct about that.

Mr. BORAH. Mr. President, I offered the amendment to apply to anything beyond the second degree, and then at the suggestion of the Senator from Nebraska, and with the approval of the Senator from Montana, I limited it to the first degree.

Mr. NORRIS. That is my understanding of what happened. The Senator from Idaho made the change so it applied to first degree holding companies.

Mr. WHEELER. Mr. President, let me call the Senator's attention to the fact that it does not go so far as to permit them in the second degree because of the limitation that the Commission must find that they are necessary before they may be permitted.

Mr. NORRIS. This is the language which I think allows holding companies to exist in the second degree:

> In carrying out the provisions of this paragraph the Commission shall require each registered holding company (and any company in the same holding-company system with such holding company) to take such action as the Commission shall find necessary in order that such holding company shall cease to be a holding company with respect to each of its subsidiary companies which itself has a subsidiary company which is a holding company.

That language, to a man who has as weak a mind as I have, is a little bit cumbersome and difficult to understand. But I have studied it as best I could, and I have concluded that it means that a holding company in the second degree is recognized as lawful under the conditions laid down here.

I admit that what will happen will depend a great deal upon the Commission. I have a great deal of confidence in the Commission as it now exists. A recent appointment to it has improved it, in my judgment. I refer to the appointment of Mr. J. D. Ross, of Seattle. I am not finding fault with the Commission. I think it is going to be an excellent body of men and that it will do what it believes to be right. The Commission may exist 6 months or may exist a year; it will be changed as time goes on, but the law, unless it shall be repealed or modified, which is probably doubtful, will remain the same. So we must inevitably come to the conclusion, it seems to me, that the law which we are about to put upon the statute books recognizes, under the conditions set out in the conference report, the lawful existence

of a holding company in the second degree. There is no excuse under our civilization for such a condition to exist any more than for a wagon to have five wheels. Why we should be so tender as to defend a system which has ruined millions of investors and has bled white other millions of consumers is more than I can understand.

Mr. President, I wanted to say this much to give my idea of what we are about to adopt, although probably under the circumstances it is the very best we can get. If it were submitted to me for decision, I should rather take nothing than to take this. But, realizing the honesty and the courage of the Senator from Montana and those with him who have made this fight, I feel, under the circumstances, like going along with them in the approval of the conference report.

Mr. President, I ask unanimous consent to have published in the RECORD as a part of my remarks an article on the Holding Company Menace, written by Kenneth G. Harlan, Washington, an eminent engineer and an outstanding authority in the electric world.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOLDING-COMPANY MENACE

[By Kenneth G. Harlan, Public Utility Expert, Tacoma, Wash.]

PUBLIC UTILITY HOLDING ACT—1935 (S. 1725)

In reply to the thousands of holding-company advertisements, appearing recently in metropolitan newspapers throughout the country; to the memorandum prepared by Mr. David Friday on The Economic Effects of Holding Company Dissolution, and to the brief submitted by the Engineers Public Service Co. upon the same subject, attention should be directed to certain salient features in connection with these writings which are either misstated or entirely ignored.

The arguments presented by Mr. Friday, at first glance are impressive, but when properly analyzed have little to commend them. A most careful search through his manuscript fails to reveal any real basis for the conclusions reached, and the closer one examines his work the more obvious it becomes that it contains the same insiduous propaganda that the power interests, for years past, have resorted to, just another bold attempt to gloss over the real facts through ingeniously devised arguments prepared by clever and highly paid experts. I think it was Macaulay, who once said:

"If anything could be gained by disputing the law of gravitation, able men could be found to write articles against the truth of that law."

STRONG INDICTMENT OF HOLDING COMPANIES

The Engineers Public Service brief issued February 28, 1935, is another typical example of subtle strategy. It, too, when carefully examined, precludes serious consideration. Arguments are based upon an erroneous premise; therefore, the conclusions reached obviously are fallacious. As a matter of fact, upon careful examination it actually in itself is a strong indictment of the holding company set-up. First, it tacitly admits the 19 abuses set forth in the Federal Trade Commission Report (ch. 14, dated Jan. 28, 1935), then weakly endeavors through ambiguous and evasive arguments to convey the idea that the vices which the Commission objects to become real virtues when committed by Stone & Webster, or its affiliates.

ANCHORED TO CUSTOM INSTEAD OF RIGHTOUSNESS

On page 17, second paragraph, the brief states:

"These preferred stocks were issued in full conformity with accepted customs of the times and in compliance with the spirit of existing laws."

This statement implies that if to do wrong was customary, then it must have been right, and by the same token past wrongs under the circumstances should now be validated.

No one will deny that the "accepted customs of the times" was for public utilities to float huge sums of securities against inflated and fictitious values that never existed except in the minds of avaricious speculators and profiteers. Indeed, such practice was part and parcel of that era of "plunder and prosperity" that preceded 1930. But it was that era which led this country to the verge of ruin, and certainly today, in the readjustment of the Nation's economic structure, no one could seriously contend that fiction, over-capitalization, and high finance deserve the least consideration.

INVESTORS' LOSSES INEVITABLE

Again, on page 17, the third paragraph states:

"Such a forced dismemberment of the company would cause a substantial loss to innocent investors in the preferred and common stocks of the engineering company, inimical to the national interest."

The fear anticipated obviously is well founded, but regardless of what legislation is passed these deflated securities which originally were issued against "'air and water' will never again receive the breath of life." The loss of these investments to citizens of this country is lamentable, but what divine right has the power industry to expect the Government to help them validate these worthless securities? The industry itself, foisted them upon an innocent public, and today their position in this respect is indefensible. Would not the impoverished investors in every other industrial line, that were completely "washed out" in 1929, be entitled to the same degree of protection? Can it be successfully argued that on the one hand investment in private utility stocks should be protected by the Government, while, on the other hand, no attention given to the billions of dollars of public investment in other industrial lines that have been wiped out forever?

RATE PAYERS REAL VICTIMS

Reprehensible as it is that widows, orphans, and countless thousands of people will be forced to bear tremendous losses, sight should not be lost of the "rate payers" who are the real victims, and who outnumber utility investors probably a hundred to one. How about them? Should they be forced to stand a continued burden of excessive rates? And is not their welfare a foremost consideration, particularly when it is clear that in no event will the investors' losses ever be recouped without imposing additional unjust burdens on utility consumers?

EVILS SHOULD NOT BE PERPETUATED

To permit the continuation of holding company abuses is to prolong the undue burden of overcapitalization and high rates that have been imposed upon the general public. "The sins of the fathers should not be visited upon their children," and the time has come for a reckoning and readjustment in this particular industry. I say "particular industry" because the power business differs from the ordinary type of private business. It is by nature a monopoly, and therefore, by nature it is a public business. Because it is a monopoly, the abuses and evils that became deeply rooted within it have been manifold and extend far beyond what could ever be experienced in the ordinary type of "private business", which to the contrary is not a natural monopoly, and where economic and competitive laws protect the public's welfare.

DAVID FRIDAY'S MEMORANDUM

Adverting again to the memorandum prepared by David Friday, arguments are propounded to justify the holding company's high place in the power industry. Mr. Friday attributes the downward trend in the cost of electricity to "holding company domination."

On page 21, in referring to commodity price trends, the memorandum said:

"But one thing did not rise, as against pre-war, and that was the rate charged the consumer for electricity, especially in the domestic field. The average rate paid for electricity for household use during the years 1910 to 1914, which are usually taken today in discussion of price 'parity', was 9 cents per kilowatt-hour. The highest level which it had reached during the war years was 8.27 cents. In 1922 it was 7.38 cents." (In 1929 it was 6.33 cents and in 1934, 5.29 cents per kilowatt-hour.)

Mr. Friday then says: "Growth in demand stimulated and financed by holding companies ignores fundamental cause of price trends."

Now Mr. Friday completely ignores the fundamental cause of price trends in the electrical industry. It is true that for 30 years there has been a progressive downward trend in the average rate paid for electricity, and that at times during the same period other commodities fluctuated considerably, and in certain instances materially advanced, but to attribute the cause of downward trends to the holding company's influence is, indeed, a severe stretch of the imagination. To any student of the electrical industry the cause is obvious; 30 years ago the only outlet an electrical plant had for its product was a few incandescent lights and a limited use of electrical motors. Scientific development in this particular field ensued, and as modern electrical devices came into use, a greater demand was made upon the power plant for its product. This naturally was accompanied by increased earnings. The wider the diversity of use, and the greater the advancement of the art became, the more pronounced was the downward trend in the cost of electricity.

ELECTRIC AGE

We entered what was known as the "electric age." Homes became modernized, freely using electricity for cooking, water heating, refrigeration, air conditioning, and a wide variety of domestic appliances.

As the use per customer grew, naturally the rates for energy decreased. For instance, in 1920 the average annual use per residential customer was less than 300 kilowatt-hours; in 1927, 480 kilowatt-hours; in 1932, 601 kilowatt-hours; and in 1934, 630 kilowatt-hours. Corresponding cost of electricity for the same periods was, in 1920, over 8.75 cents per kilowatt-hour; in 1927, 7.2 cents per kilowatt-hour; in 1932, 5.7 cents per kilowatt-hour; and in 1934, 5.3 cents per kilowatt-hour. Thus it is seen that the real cause for a downward trend in the cost of electricity has been directly attributable to wider use of the product rather than to any virtue of the holding company. It is simply a matter of increased volume, at an unusually progressive rate, and today this has far from reached maximum proportions. Unquestionably the future will bring even greater volume and with wider diversity of use will correspondingly affect the price of electricity and further downward trend without question will be experienced.

HOUSEHOLD INVESTMENT IN ELECTRICAL APPARATUS BEARS IMPORTANT RELATION TO "VALUE OF SERVICE"

Upon page 27, Mr. Friday, commenting upon shrunken purchasing power said:

"The reduction in personal incomes has been so great that the people were compelled to make a reexamination of the importance or worth to them, of the various commodities and service which

they had been in the habit of buying. With a drastic shrinking in income, it became necessary to drop something out of the scale of living. This compelled buyers to choose between the various things they had been in the habit of purchasing, and to admit those which were worth less to them, as compared to the price they must pay. * * * This process of choice which we are all compelled to make because of the scarcity of income or purchasing power is the very essence of economic valuation, and the very heart of the problem of economic conduct. * * *"

Mr. Friday then goes on to state:

"When submitted to this test the conclusion as to the value of electric service is that it is very high as evidenced by the economic conduct of domestic consumers. Throughout the period they have increased their consumption of electricity for domestic use at the same time that they were curtailing their purchases of other goods."

We agree with Mr. Friday that the "value of electric service" is very highly regarded by the general public, but we cannot agree that the "process of choice" which the people were compelled to make was actuated by the reason stated. We believe it obvious that the public's choice to use electricity more freely than other commodities during said depression has been because of the comparatively large investment that the average home has in electrical appliances and modern devices. This investment alone would tend to induce the individual to curtail on other commodities before attempting to reduce this particular service.

TAXES

From the figures on pages 29 and 30, Mr. Friday draws some very interesting conclusions regarding taxes. He refers to the $245,000,000 that was paid in 1934 by privately owned electric utilities, and his compilations show that this tax amounted to 14.3 percent of the total annual revenue. These compilations and conclusions do not, however, convey any information as to the rate of tax which was paid by these utilities, based upon the total valuation he sets forth in other parts of his memorandum (p. 7).

Such information is presented in the following table, and in light of statements contained in the various documents presented by the utility companies upon this subject, it should be interesting:

*Total tax payments by privately owned electric utilities, 1902–34*

| Year | Total taxes | Investment in plant | Mills |
|---|---|---|---|
| 1902 | $2,654,885 | $483,000,000 | 5.5 (70 mills on $37,926,930). |
| 1907 | 6,345,796 | 1,054,000,000 | |
| 1912 | 13,117,198 | 2,098,000,000 | |
| 1917 | 29,897,106 | 2,993,000,000 | 10.2 (70 mills on $437,101,700). |
| 1922 | 73,128,440 | 4,229,000,000 | |
| 1927 | 150,253,376 | 8,880,000,000 | |
| 1932 | 203,853,468 | 12,125,000,000 | 16.8 (70 mills on $2,912,263). |
| 1934 | 245,000,000 | | |

NOTE.—Taxes for years 1902 to 1932, inclusive, taken from U. S. Census reports. Taxes for 1934 compiled by Edison Electric Institute.

Thus it is seen that in 1902, according to Mr. Friday's figures, the power industry paid, or rather collected, a total tax equivalent to 5½ mills on the total investment claimed; in 1917, 10.2 mills; in 1932, 16.8 mills. Stating it differently, if in the year 1932 the companies had paid upon a 70-mill basis (approximate millage then in effect in the State of Washington and various other States), such would have represented a tax basis of $2,912,000,000 (based on 50 percent of total value of $5,834,000,000) instead of $12,125,000,000 as shown; in 1917, $427,101,700 (total value, $854,202,400) instead of $2,933,000,000; and in 1902, $37,900,000 (total value, $75,800,000) instead of $483,000,000.

Again, if the total value claimed ($12,125,000,000) was used for taxation purposes at a 50-percent ratio and a 70-mill rate applied in 1932, the taxes would amount to $424,340,000, instead of $245,000,000, which the companies claim to have paid. These figures included large portions of income tax, franchise fees, and miscellaneous taxes, which, if deducted for the purpose of placing the tax upon a comparable basis, would reduce the $245,000,000 by at least $100,000,000. Consequently, a wide disparity is strikingly apparent.

TAX VALUE VERSUS RATE-MAKING VALUE

In reviewing the tax situation as such pertain to electric utilities, one is impressed by the comparatively small amount of taxes that these utilities have actually paid compared with other lines of enterprise. It emphasizes the wide disparity between tax value and "rate making" value (the latter usually closely follows the "book investment" figures).

TAX ON PUBLICLY OWNED UTILITIES

Another tax angle worthy of mention is the company's claim that in paying these taxes they are placed at a decided disadvantage with publicly owned utilities. As a matter of fact, records clearly show that as a whole the publicly owned electric utilities pay a tax equal to and in many cases more than that paid by private utility companies. It is true this tax is not paid upon the same basis. As a rule, it is in the form of an assessment against gross earnings. For instance, the city of Tacoma pays 7½ percent of its gross revenue into a general fund in lieu of taxes. In other words, out of every $100 paid by a customer for electricity during the year $7.50 is used by the city to help pay the taxes of this individual. When compared with the taxes paid by private utilities in the State of Washington, it is found that the 7½-percent gross revenue tax paid by the city of Tacoma is a little more than equivalent to the total taxes paid by the private power companies to the State and political subdivisions on "power and light" property.

TAX-FREE CITIES

Probably everyone is familiar with the scores of towns and cities throughout this country that raise the total amount of administrative expense through competitive electric rates, thereby precluding the necessity of raising any funds whatsoever through direct taxation.

HOLDING COMPANY FINANCIAL DILEMMA

On page 38, Mr. Friday, in attempting to justify the holding company and the problems of finance, states:

"Beside the technical problems of the immediate future, the electrical industry is faced with the same difficult problems of finance which made the holding companies indispensable in the past."

He then refers to the rapid increase in the use of electricity and forecasts that by 1940 the country will be producing at least 40 percent more kilowatt-hours than in the year 1929. It is difficult to follow Mr. Friday's reasoning in trying to justify the holding company upon the grounds of financing, that is, if one is to apply the measures of sound economics. We admit it is true that through the process of pyramiding and the device of interlocking companies, inflation and overcapitalization are much easier than if each operating company was forced to stand upon its own feet. Through such involution of manipulation and the scrambling together of operation companies it is indeed difficult to tie any one particular operating company to a solid "bench mark" and for the same reason it is extremely difficult for those who buy securities to trace their worth back to specific values or tangible assets.

PUBLIC BECOMING EDUCATED

Naturally we are impressed with Mr. Friday's reasoning, i. e., that it will be more difficult to sell securities in the same manner that they have been sold in the past, for we have grave doubt if the same degree of ignorance on the part of the public will, in the future, permit the abuses that flourished in the past.

Moreover, the problem of financing the future development of the electric industry which the private companies apparently view with so much alarm would present no problem at all, if in the past these companies had practiced sound business principles—if, as in other lines of business, the private utilities had set aside actual depreciation reserves to protect the integrity of their investments instead of paying unwarranted dividends, they would not now be facing these financial problems. But again, this is the misfortune of the company and the holders of its securities, and not an element which should be passed on to the consuming public in the forms of higher rates.

PUBLIC FURNISHES CAPITAL

Through the subtle process of holding companies the local operating company has constantly been "milked dry", and too frequently where renewals and replacements are necessary the utilities go again to the public for more money through the sales of securities because they have failed to set aside adequate funds to keep the "dollar whole" in business.

HOLDING COMPANIES POSITION INDEFENSIBLE

Inevitably the day has arrived when the power and light industry of this country essentially must undergo a complete reorganization. This industry has built a financial card house with a deck that was stacked against the public from the start. A continuation of "high financing" through the immoral practices of the holding companies would be indefensible and improvident, and inimical to the public good.

SUBTLE PROPAGANDA

When these utility corporations buy costly newspaper space and other forms of subtle propaganda in an effort to induce help from their security holders, upon the pretense that deep concern is felt for them, they place themselves in a poor light before the public, for the course they pursue is typical of the methods they previously employed when these worthless securities were foisted upon utility patrons and innocent buyers.

Does anyone think for a moment that this apparent concern for investors is actuated through a desire to recoup the losses of these poor people? It seems hardly reasonable that these big corporations who so shamefully exploited their patrons and the general public, should now manifest so much sympathy and show such a magnanimous spirit.

STATE REGULATION IMPOTENT

Most interesting are the statements that State regulation has in the past fully protected the public's interest; that today it amply guarantees the public against evil practice, and because of past regulation the State now has a moral obligation, so to speak, to protect the securities that have been issued and sold regardless of their propriety and worth. Those conversant with State regulation know full well that regulatory bodies have never assumed jurisdiction over the financial structure of the utility property or the methods that utility corporations have followed in financing their business. Each time in the past when such was attempted, the courts have held that it extended beyond the jurisdiction of State regulatory bodies, i. e.:

*Missouri, ex rel. Southwestern Bell Telephone Co. case* (262 U. S. 276, 67 L. Ed. 981, 43 Sup. Ct. 544, 31 A. L. R. 807). The

court said that State regulatory body, while it could regulate with a view to enforcing reasonable rates, etc.:

"It is not the owner of the property of public-utility companies and is not clothed with general power of management incident to ownership."

As a further limitation of power the court quoted with approval from the *Springfield G. & Electric Co. case* (291 Ill. 209, 234, 125 M. E. 891):

"The Commission is not the financial manager of the corporation and is not empowered to substitute its judgment for that of the directors of the corporation; nor can it ignore items charged by the utility as operating expenses, unless there is an abuse of discretion in that regard by the corporate officers."

Not only is the regulatory body "not clothed with general power of management incident to ownership" and "not empowered to substitute its judgment for that of the directors of the corporation" as to matters of operation, but it has been unsuccessful in its attempts to supervise or regulate the sale of public-utility securities. In face of these facts, it is absurd for the companies to now argue or imply that because of past State regulation there is a moral obligation upon the part of the State or Nation to validate the watered stock and phantom dollars that underlie their financial structure.

ROOT ROT

These utility companies come not before the Nation at this time with clean hands, and in resisting the removal of the "root rot" embedded deeply in their financial tree and in fighting the reorganization through which the industry must inevitably go, they not only lack vision, but are futile attempting to block the tide of public indignation and inevitable "show-down." The evil must be removed and the new tree must bear fruit free from the effects of parasites that have diseased its roots.

Attached hereto is one of the advertisements referred to. It has appeared in numerous metropolitan newspapers and is similarly designed to appeal to security holders. It complains of the fact that although by July 1932 the depression had touched bottom and dragged securities down to a low level, most industrial stocks have since risen more than 100 percent, but that utility stocks were, in March 1935, 25 percent lower than at the depth of the depression in 1932. The argument is advanced that the Tennessee Valley Authority Act, passed in 1933, was responsible for the downfall. The companies deplore the excessive burden of taxation, and the rates that have been forced down through competition. They hold that the Wheeler-Rayburn bill will complete the ruin of the utility investors, because it will wipe out practically all utility-holding companies. And lastly they insert a letter purported to have been written by some elderly couple, pathetically imploring the company to help them.

T. V. A. NOT RESPONSIBLE FOR SORRY PLIGHT OF HOLDING COMPANY

In the first place the holding company need not lay its sorry plight upon the doorstep of the Tennessee Valley development. The malady from which it is suffering is a chronic disease, organic from its inception. The disease promised to be fatal only after the Federal Trade Commission and others active in the public interest had exposed the machinations of this distorted mechanism of "high finance." The light of truth acting as an X-ray revealed to the public the disease which by its sordid nature was inevitably destined to destroy the "holding company."

The "excessive burden of taxation" referred to is a stereotyped argument so greatly overworked that long since has it ceased to be convincing. The obviously inspired letter from the elderly couple is only one of thousands that people have been induced to write. Notably, the paragraphs are carefully couched in language to fit the occasion, but only the most stupid could fail to peer beyond the thin veil of deception relied upon to gloss over the real facts.

SECURITY HOLDERS VICTIMS OF VICIOUS ECONOMIC SYSTEM

These security holders are already facing losses which inevitably are beyond the power of this Government to prevent. They are the victims of a distorted and vicious economic system which took its grim toll, before the Nation was conscious of what had happened. A desperate appeal for support is now being made to the very people who were so shamefully looted, and despite the utter hopelessness of their situation, many a good person is being influenced by the clever and subtle propaganda now being widely disseminated throughout this country.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

Mr. WHITE subsequently said: Mr. President, I desire to say a very brief word in respect to the conference report on the public-utilities bill which so recently and so speedily was adopted by the Senate.

I should gladly support legislation providing the most rigid regulation of holding companies engaged in interstate commerce. I should vote for legislation which would make unlawful hereafter the creation of such companies beyond the first degree.

I declined to sign the conference report on the holding-company bill just adopted because I believed the agreement there recorded presented to the Senate a bill economically and industrially deflationary and destructive; that it invades property rights; that it seeks improperly to delegate congressional responsibility and authority; that it lays down no definite standards to guide and control the regulatory body to which such far-flung authority is sought to be given; that it perverts the purpose of the commerce clause of our Constitution; that it is in derogation of the rights of States; and that it otherwise disregards constitutional inhibitions.

For all these reasons, I declined to sign the conference report.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8974) to provide revenue, equalize taxation, and for other purposes.

FEDERAL REGULATION OF LIQUOR TRAFFIC—CONFERENCE REPORT

Mr. GEORGE. I ask unanimous consent to take up the conference report on the alcohol-control bill.

Mr. ADAMS. Mr. President, may I interrupt to make a suggestion? The element of time is of great importance if we wish to get away. The consideration of the deficiency bill has not as yet been concluded.

The VICE PRESIDENT. Will the Senator from Georgia defer his request for the purpose of completing the deficiency bill, if it does not take too much time?

Mr. GEORGE. I defer my request for that purpose.

SUPPLEMENTAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. BYRNES], as amended.

The amendment, as amended, was agreed to.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

Mr. COPELAND. Mr. President, I desire to make another appeal to the Senator in charge of the bill relative to the Bureau of Navigation. He assures me that I did not tell the whole story earlier in the day.

I am getting quite accustomed to that charge. I heard it yesterday a number of times; but the Senator from Colorado says that the material presented to the committee relative to the amendment on page 11 was not in accordance with the typewritten statement which was given me by the Commerce Department this morning.

That being the case, I can quite understand how the Senator from Colorado was not sympathetic earlier in the session to the suggestion I made regarding this amendment; but the difference between us lies in the fact that in one case it was represented to the committee that furloughs were necessary, and in the material I have the statement is made that employees would be dismissed.

I am not particularly interested in which is the case. If there is a lack of service in the protection of life at sea by reason of the failure of inspection of vessels, it does not make much difference to me whether it is the technical arrangement regarding furloughs or whether it is a question of more employees. The facts remain—and those facts are not in dispute—that the President of the United States has recommended the addition of $76,000 to this appropriation, and that the Director of the Bureau of the Budget has approved that amount.

I ask the Senator in charge of the bill if he will not permit me to amend this proposal of the committee, and make the amount $126,000, instead of $50,000.

Mr. ADAMS. Mr. President, I wish to put in the RECORD very briefly the difference in facts.

The statement which was apparently furnished the Senator from New York, upon which he based his request,

stated that this amount is necessary to meet a deficit in this Bureau to take care of the existing personnel, and that if this amount should not be appropriated the Bureau of Navigation and Steamboat Inspection Service would be forced to discharge a number of employees to meet the deficit.

The facts are these: The appropriation made for the fiscal year beginning less than 8 weeks ago for this service was $1,598,000; and yet in 8 weeks we are told by the statement of the Department of Commerce that there is a deficit. If they have consumed that amount, and need over $100,000 more, they are quite helpless.

The request which came to us from the Director of the Budget was for additional employees and to relieve from the furlough situation. This bill is a deficiency bill. It is not an annual appropriation bill. Congress will meet on the 3d of January 1936. There are adequate and ample funds to take care of this Bureau and this Department up until that time. It simply has become the habit—and I think the Senator from New York knows it—of every bureau and every department to think up, every time there is a deficiency bill, how many applications they can make for appropriations, and if the matter is of a sympathetic type, the applications come in.

Here is a proposed appropriation which is not needed at the present time. Therefore, it seems to me that the Senator from New York ought not to ask for it. I do not think the Bureau of the Budget understood the situation, and I do not believe a sufficient showing has been made to justify the committee in receding from its position.

Mr. COPELAND. Mr. President, I am a member of the Appropriations Committee; but unfortunately, by reason of the ship-subsidy situation, I did not attend the meeting of the committee when this matter was considered. Therefore, I did not know all the things which have been told me since by the Senator in private conversation here upon the floor. I feel that my strictures earlier in the day were not quite in order, and I am sorry about that. I ask the Senator to forgive me for that part of my speech.

Mr. ADAMS. I may say to the Senator that he does not need to ask that. My only concern was for the members of the committee whom I am representing.

Mr. COPELAND. The sentiment I expressed to the Senator personally I extend to all the members of the committee. Having said that, I wish to call the attention of the Senate to this fact—and forgive me for speaking about it again:

We have had working for several months a committee of investigation suggested by my colleague [Mr. WAGNER] under an arrangement made by the Senate for an official investigation of the *Morro Castle* and *Mohawk* disasters, with a view to determining the causes, if any, which may be removed by legislative action to make travel at sea safer than it is at the present time; and in connection with that work the committee invited a group of technical experts, naval architects and other persons, to serve with us.

Mr. ADAMS. Mr. President, will the Senator allow me at this point to put in three dates? There was a discussion of these disasters, and I desire to put in the dates, to show their relevancy. I have checked them up.

I find that the *Morro Castle* disaster was on September 8, 1934, practically a year ago; the *Habana* disaster, January 6, 1935; the *Mohawk* disaster, January 24, 1935; all before the passage of the annual appropriation bill which covered this service. I am merely saying that so that the Senator will understand that the subject is not something new, or something which the committee has disregarded.

Mr. COPELAND. I appreciate that; but there is another matter of which I have not spoken to the Senate, and I wish to speak of it now.

There passed the House yesterday a bill seeking to reorganize the Steamboat Inspection Service. The bill is upon the table; and before we adjourn, if I have an opportunity, I hope to be able to pass it through the Senate. There can be no doubt that the inspection service of ships upon the sea and upon the Great Lakes is inadequate; and this bill, which has passed the House and which is now before us with the recommendation of the Commerce Committee, seeks to reorganize the service and make it a more efficient and more effective service. Of course, what I am now saying was not known to the subcommittee on the deficiency appropriation bill.

It is necessary, in my opinion, to have this amount of money to carry us through until the first of next year, when our technical committee will be prepared to recommend a more suitable and proper inspection service. Having made my apologies to the Senator from Colorado—and he did not need those, because our intimacy is such that we do not need to have any apologies—having stated the matter as I have, and attempted to impress upon the Senate the real necessity of tightening up our rules and regulations in the inspection of vessels, and furthermore to improve that work, it is necessary to have more personnel.

Therefore I beg of the Senator that he will permit this item to be increased.

I think I saw the Senator from Maine [Mr. WHITE] on his feet. No man here is better informed on the subject of the merchant marine than is he, and I am sure that his feeling is the same as mine. We have had a very active committee, and one which has worked faithfully, regardless of what may be the personal feeling of those in charge of the Bureau of Navigation, and so far as I am personally concerned, I should be quite unwilling to fail to urge every possible argument why this service should be taken care of. Have I said anything which impresses the Senator from Colorado?

Mr. ADAMS. Mr. President, I am impressed, but the Senator does not want the committee to take a bill to conference and endeavor to support something which it thinks is not necessary. I therefore must maintain the objection.

Mr. COPELAND. Mr. President, it is for the Senate to decide. It is not my responsibility alone if disasters like the sinking of the *Morro Castle* and the sinking of the *Mohawk*, not to mention many others, should occur. If at sea disasters occur which can be traced to the failure to provide that efficient, alert, and perfect inspection which is necessary, it is the responsibility of all Senators, it is the responsibility of the Congress—it is not alone my responsibility, and I do not intend to carry any more of that responsibility than I have to.

I have been criticized about this matter. All through my campaign last year there were certain great metropolitan newspapers in New York which criticized me daily in the news columns and in their editorial columns because of my failure to do my duty in regard to providing for safety at sea. That will be the charge brought against every Senator here, and if for the small sum of $76,000 we can make our ships safer and make safety more certain upon the seas, certainly it is our duty to expend money.

Mr. President, there is a particular reason why we should adopt this amendment. The inspectors collect in fines inflicted on the owners of speed boats and other craft which violate the rules of our Department of Commerce tens of thousands of dollars in excess of what we are asking for here. As a matter of fact, this whole Department is self-sustaining.

Therefore, in order that the responsibility may rest upon the Senate itself, I am about to move a reconsideration of the action of the Senate by which it adopted the amendment on page 11 of the bill relating to the Bureau of Navigation and Steamboat Inspection. I am offering the motion in order that I may ask, if it succeeds, that the sum be changed from $50,000 to $126,000.

The VICE PRESIDENT. The Senator from New York moves that the vote by which the committee amendment on page 11 of the bill was agreed to be reconsidered.

The motion was rejected.

### FEDERAL REGULATION OF LIQUOR TRAFFIC

Mr. GEORGE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8870) to further protect the revenue derived from distilled spirits, wine,

and malt beverages; to regulate interstate and foreign commerce and enforce the postal laws with respect thereto; to enforce the twenty-first amendment, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 21, 23, 24, 25, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 44, 45, 46, 47, 48, 50, 51, 52, 53, 54, 56, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 76, 77, 78, 80, 81, 82, 83, 84, 85, 86, 87, 87½, 88, 89, 90, 91, 92, 94, 95, 96, 97, 98, 100, 101, 102, 105, 106, 107, 108, 109, 110, 112, 113, 114, 115, 116, 117, 118, 119, 120, 122, 123, 124, 125, 126, 128, 129, 131, 134, 136, 138, 139, 140, 141, 142, 145, 148, 149, 152, 154, 155, 156, and 157.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 26, 38, 40, 41, 42, 43, 49, 55, 57, 73, 75, 93, 104, 111, 121, 133, 135, 137, 143, 144, and 147; and agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(1) The Administrator shall make a report to Congress, at the beginning of each regular session, of the administration of the functions with which he is charged, and shall include in such report the names and compensation of all persons employed by the Administration."

And the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "the date upon which the Administrator first appointed under this Act takes office"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "the date upon which the Administrator first appointed under this Act takes office"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "or has, within three years prior to date of application, been convicted of a misdemeanor under any Federal law relating to liquor, including the taxation thereof"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted and restore the matter proposed to be stricken out by said amendment; and on page 22 of the House bill, after line 23, insert the following:

"In the case of malt beverages, the provisions of subsections (a), (b), (c), and (d) shall apply to transactions between a retailer or trade buyer in any State and a brewer, importer, or wholesaler of malt beverages outside such State only to the extent that the law of such State imposes similar requirements with respect to similar transactions between a retailer or trade buyer in such State and a brewer, importer, or wholesaler of malt beverages in such State, as the case may be. In the case of malt beverages, the provisions of subsections (e) and (f) shall apply to the labeling of malt beverages sold or shipped or delivered for shipment or otherwise introduced into or received in any State from any place outside thereof, or the advertising of malt beverages intended to be sold or shipped or delivered for shipment or otherwise introduced into or received in any State from any place outside thereof, only to the extent that the law of such State imposes similar requirements with respect to the labeling or advertising, as the case may be, of malt beverages not sold or shipped or delivered for shipment or otherwise introduced into or received in such State from any place outside thereof."

And the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by said amendment insert the following: "as will require an accurate statement, in the case of distilled spirits (other than cordials, liqueurs, and specialties) produced by blending or rectification, if neutral spirits have been used in the production thereof, informing the consumer of the percentage of neutral spirits so used and of the name of the commodity from which such neutral spirits have been distilled, or in case of neutral spirits or of gin produced by a process of continuous distillation, the name of the commodity from which distilled; (4)"; and the Senate agree to the same.

Amendment numbered 103: That the House recede from its disagreement to the amendment of the Senate numbered 103, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert a colon and the following: "*Provided further*, That nothing herein nor any decision, ruling, or regulation of any Department of the Government shall deny the right of any person to use any trade name or brand of foreign origin not presently effectively registered in the United States Patent Office which has been used by such person or predecessors in the United States for a period of at least five years last past, if the use of such name or brand is qualified by the name of the locality in the United States in which the product is produced, and, in the case of the use of such name or brand of any label or in any advertisement, if such qualification is as conspicuous as such name or brand"; and the Senate agree to the same.

Amendment numbered 127: That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by said amendment insert the following: "as will require an accurate statement, in the case of distilled spirits (other than cordials, liqueurs and specialties) produced by blending or rectification, if neutral spirits have been used in the production thereof, informing the consumer of the percentage of neutral spirits so used and of the name of the commodity from which such neutral spirits have been distilled, or in case of neutral spirits or of gin produced by a process of continuous distillation, the name of the commodity from which distilled; (4)"; and the Senate agree to the same.

Amendment numbered 130: That the House recede from its disagreement to the amendment of the Senate numbered 130, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert, "The prohibitions of this subsection and regulations thereunder shall not apply to the publisher of any newspaper, periodical, or other publication, or radio broadcaster, unless such publisher or radio broadcaster is engaged in business as a distiller, brewer, rectifier, or other producer, or as an importer or wholesaler, of distilled spirits, wine, or malt beverages, or as a bottler, or warehouseman and bottler, of distilled spirits, directly or indirectly or through an affiliate"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment, as follows: In the fifth line of said amendment strike out "Commission" and insert "Administrator"; and the Senate agree to the same.

Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"DISPOSAL OF FORFEITED ALCOHOLIC BEVERAGES

"SEC. 9. (a) All distilled spirits, wine, and malt beverages forfeited, summarily or by order of court, under any law of the United States, shall be delivered to the Secretary of the Treasury to be disposed of as hereinafter provided.

"(b) The Secretary of the Treasury shall dispose of all distilled spirits, wine, and malt beverages which have been delivered to him pursuant to subsection (a)—

"(1) By delivery to such Government agencies as, in his opinion, have a need for such distilled spirits, wine, or malt beverages for medicinal, scientific, or mechanical purposes; or

"(2) By gift to such eleemosynary institutions as, in his opinion, have a need for such distilled spirits, wine, or malt beverages for medicinal purposes; or

"(3) By destruction.

"(c) No distilled spirits, wine, or malt beverages which have been seized under any law of the United States, may be disposed of in any manner whatsoever except after forfeiture and as provided in this section.

"(d) The Secretary of the Treasury is authorized to make all rules and regulations necessary to carry out the provisions of this section."

And the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 11. Section 610 of the Revenue Act of 1918, as amended (U. S. C., Supp. VII, title 26, sec. 1310), is amended by adding at the end thereof the following new paragraph:

"'The provisions of the internal-revenue laws applicable to natural wine shall apply in the same manner and to the same extent to citrus-fruit wines which are the product of normal alcoholic fermentation of the juice of sound ripe citrus fruit (except lemons and limes), with or without the addition of dry cane, beet, or dextrose sugar (containing, respectively, not less than 95 per centum of actual sugar, calculated on a dry basis) for the purpose of perfecting the product according to standards, but without the addition or abstraction of other substances, except as may occur in the usual cellar treatment of clarifying or aging.'

"SEC. 12. Section 612 of the Revenue Act of 1918, as amended (U. S. C., Supp. VII, title 26, sec. 1301), is amended to read as follows:

"'SEC. 612. That under such regulations and official supervision and upon the giving of such notices, entries, bonds, and other security as the Commissioner, with the approval of the Secretary, may prescribe, any producer of wines defined under the provisions of this title may withdraw from any fruit distillery or special bonded warehouse grape brandy, or wine spirits, for the fortification of such wines on the premises where actually made, and any producer of citrus-fruit wines may similarly withdraw citrus-fruit brandy for the fortification of citrus-fruit wines on the premises where actually made: *Provided*, That there shall be levied and assessed against the producer of such wines or citrus-fruit wines a tax (in lieu of the internal-revenue tax now imposed thereon by law) of 20 cents per proof gallon of grape brandy, citrus-fruit brandy, or wine spirit whenever withdrawn and hereafter so used

by him in the fortification of such wines or citrus-fruit wines during the preceding month, which assessment shall be paid by him within 10 months from the date of notice thereof: *Provided further*, That nothing contained in this section shall be construed as exempting any wines, citrus-fruit wines, cordials, liqueurs, or similar compounds from the payment of any tax provided for in this title.

"'Any such wines or citrus-fruit wines may, under such regulations as the Secretary may prescribe, be sold or removed tax free for the manufacture of vinegar, or for the production of dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume.

"'The taxes imposed by this section shall not apply to dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume.'

"SEC. 13. Section 613 of the Revenue Act of 1918, as amended (U. S. C., Supp. VII, title 26, sec. 1300 (a) (2)), is amended by inserting after 'grape brandy' a comma and the following: 'or containing citrus-fruit wine fortified with citrus-fruit brandy.'

"SEC. 14. Section 42 of the Act entitled 'An Act to reduce the revenue and equalize duties on imports, and for other purposes', approved October 1, 1890, as amended (U. S. C., Supp. VII, title 26, sec. 1302(a)), is amended by inserting at the end thereof the following new paragraph:

"'The provisions of this section and section 43 shall apply to the use of citrus-fruit brandy in the preparation of fortified citrus-fruit wines in the same manner and to the same extent as such provisions apply to the use of wine spirits in the fortification of sweet wines, except that no brandy (other than a citrus-fruit brandy) may be used in the fortification of citrus-fruit wine and a citrus-fruit brandy prepared from one kind of citrus fruit may not be used for the fortification of a citrus-fruit wine prepared from another kind of citrus fruit or for the fortification of a wine prepared from any fruit other than citrus fruit.'

"SEC. 15. Section 3255 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 26, sec. 1176), is amended to read as follows:

"'SEC. 3255. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may exempt distillers of brandy made exclusively from apples, peaches, grapes, oranges, pears, pineapples, apricots, berries, plums, pawpaws, persimmons, prunes, figs, cherries, dates, or citrus fruits (except lemons and limes) from any provision of the internal-revenue laws relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so: *Provided*, That where, in the manufacture of wine or citrus-fruit wine, artificial sweetening has been used, the wine, or the fruit pomace residuum thereof, or the citrus-fruit wine may be used in the distillation of brandy or citrus-fruit brandy, as the case may be, and such use shall not prevent the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, from exempting such distiller from any provision of the internal-revenue laws relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so: *And provided further*, That the distillers mentioned in this section may add to not less than five hundred gallons (ten barrels) of grape cheese not more than five hundred gallons of a sugar solution made from cane, beet, starch, or corn sugar, 95 per centum pure, such solution to have a saccharine strength of not to exceed 10 per centum, and may ferment the resultant mixture on a winery or distillery premises, and such fermented product shall be regarded as distilling material.'"

And the Senate agree to the same.

Amendment numbered 151: That the House recede from its disagreement to the amendment of the Senate numbered 151, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 16. (a) Section 1 of the Act of March 3, 1877, as amended (U. S. C., Supp. VII, sec. 1250), is amended by striking out "not exceeding ten in numbers in any one collection district," and by inserting at the end of such section the following new paragraph:

"'The Commissioner of Internal Revenue, under such regulations as he may promulgate from time to time with the approval of the Secretary of the Treasury, may, in his discretion, establish such warehouses adjacent to distilleries, and may, in his discretion, permit the removal of brandy directly from the distillery to such warehouses, and from such warehouses to the distillery warehouse of the producing distiller.'

"(b) Section 51 of the Act of August 27, 1894, as amended (U. S. C., Supp. VII, sec. 1265), is amended by striking out "not exceeding ten in number in any one collection district," and by inserting at the end of such section the following new paragraph:

"'The Commissioner of Internal Revenue, under such regulations as he may promulgate from time to time with the approval of the Secretary of the Treasury, may, in his discretion, establish such warehouses adjacent to distilleries, and may, in his discretion, permit the removal of spirits directly from the distillery to such warehouses, and from such warehouses to the distillery warehouse of the producing distiller.'"

And the Senate agree to the same.

Amendment numbered 153: That the House recede from its disagreement to the amendment of the Senate numbered 153, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "17"; and the Senate agree to the same.

That the Senate recede from its amendment to the title.

PAT HARRISON,
WILLIAM H. KING,
WALTER F. GEORGE,
ROBERT M. LA FOLLETTE, JR.,
JESSE H. METCALF,
*Managers on the part of the Senate.*

R. L. DOUGHTON,
SAMUEL B. HILL,
THOS. H. CULLEN,
ALLEN T. TREADWAY,
ISAAC BACHARACH,
*Managers on the part of the House.*

Mr. GEORGE. I move the adoption of the conference report.

Mr. COPELAND. Mr. President, this is the only enjoyable day I have had during the session. I have been working hard this year. I find that the duties of my committee are arduous and exacting. Having met more or less disaster, as well as a few successes, and the work being over so far as my committee is concerned, I have today had rather a field day of my own. Nobody else has enjoyed it, but I have.

Mr. President, this bill theoretically is called a bill to further protect the revenue derived from distilled spirits, wine and malt beverages, to regulate interstate and foreign commerce, and enforce the postal laws with respect thereto, and to enforce the twenty-first amendment. That is pretty comprehensive.

I offered an amendment to the bill, which was accepted by the committee. Then I was permitted, by grace of the committee and of the Senate, to insert in the RECORD my speech regarding the amendment.

Mr. President, this bill is capable of being amended to bring in $300,000,000 which we should have and could have.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. WALSH. Do I understand correctly that the amendment proposed by the Senator from New York was rejected by the conferees?

Mr. COPELAND. Yes, it was.

Mr. WALSH. I am sorry to hear that.

Mr. COPELAND. That is, the Senator from Massachusetts is sorry because he has faith to believe that it would accomplish something like what I am speaking of.

Mr. WALSH. As a member of the subcommittee of the Finance Committee who heard the evidence, I was very much impressed with the proposal for increasing the revenue from liquor taxes. Will the Senator from Georgia later explain what were the reasons for the rejection of the amendment of the Senator from New York?

Mr. COPELAND. Perhaps the Senator from Georgia will do so now.

Mr. GEORGE. I wish to state, Mr. President, that the amendment, as the Senator from Massachusetts knows, would, if adopted, change the entire method of collecting revenues upon alcoholic beverages.

Mr. WALSH. It was opposed by the Secretary of the Treasury, and as I understand nothing which was presented before the committee changed his views.

Mr. GEORGE. The Secretary of the Treasury continued in his opposition to the proposal, and the House committee refused to give in. The House committee had objections to the proposal.

Mr. WALSH. I appreciate the difficulties which confronted the Senate conferees in regard to this matter.

Mr. GEORGE. The chairmen of both the conferees of each body agreed in conference that a special study should be made of the amendment offered by the Senator from New York, and to that study should be assigned certain of the experts of the Committee on Taxation.

Mr. WALSH. And that the report of that study should be available at the next session of the Congress.

Mr. GEORGE. Yes; the report of that study should be available at the next session. In addition to that, a bill,

House bill 8001, came over from the House yesterday, which I believe it is understood we shall not have time to consider, to which the amendment of the Senator from New York will be entirely pertinent, because that bill relates directly to revenue.

Mr. WALSH. I understand the bill which came over yesterday rather extensively changes the tax provisions of the present law.

Mr. GEORGE. Rather extensively changes them, and it will necessarily remain on our calendar until the next session.

Mr. WALSH. That bill has been referred to the Finance Committee.

Mr. GEORGE. Yes. The committee gave full consideration to the proposal which the Senator from New York suggested, and we were disposed to retain it if we possibly could have retained it in the bill. The House conferees, backed as they were by the rather strong statement of the Secretary of the Treasury that he thought the bill would be unworkable, did not give in.

Mr. McKELLAR. As I understand the Senator, there is no possible chance, even if it went back to conference now, of the amendment being agreed to because of the attitude of the House, but the Senator believes it may be worked out later. I am very much in favor of the plan and I hope it will be worked out later.

Mr. GEORGE. I think there is a chance of doing so. I am sure the members of the conference know with what diligence we labored on this particular matter. We gave it more time than almost any other bill considered, excepting the utility holding companies bill.

Mr. LA FOLLETTE. Mr. President, I should like to add to the statement made by the Senator from Georgia, that the conference committee did not indicate that their minds were closed upon the proposal contained in the amendment offered by the Senator from New York but they took the position that their committee had had no opportunity to hold hearings upon it, nor to consider it, and for that reason they felt that they could not in a conference make necessary investigation upon which to predicate a sound judgment concerning this proposal.

I should like further to state that the Chairman of the Finance Committee has already appointed a subcommittee on the bill H. R. 8001, to which the Senator from Georgia [Mr. GEORGE] has referred, and it seems to me that it would be very appropriate—and I am sure the Senator from Mississippi [Mr. HARRISON] will be glad to act along that line—if that subcommittee would give consideration at an early date to the proposal contained in the amendment of the Senator from New York.

As one member of the conference I wish to say that I feel certain that any suggestion which holds out the hope of raising an additional $300,000,000 of revenue, which is not now being collected, will obtain the sympathetic consideration not only of the members of the Finance Committee but of every other Member of the Senate and of the House.

Mr. KING. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. KING. I may say that I am chairman of the subcommittee which will consider the bill to which this measure might be appended as a legitimate, germane proposition, and I can assure the Senator from New York that the committee will welcome his attendance and will be very glad to receive his suggestion.

Mr. WALSH. Mr. President, by virtue of the favorable position taken by the Senators and the promises of Senators that in January the Senator from New York will be permitted to present the matter, I suggest that the Senators no longer prolong the debate on this subject but let the deficiency bill be disposed of. I think there is every reason for expecting success in January.

Mr. HARRISON. Mr. President, this matter was brought to the attention of the Chairman of the Finance Committee and the members of the committee, and I wish to congratulate the Senator from New York for having brought it to our attention. I will say that the Senator performed a great public function in bringing it to our attention. I can assure him, in view of a conference with the Ways and Means Committee which we had this afternoon, that this matter will receive all due consideration, with the hope that something may be worked out. However, it could not be done at this time, although the Senate conferees insisted upon it and tried to bring it up, but they just could not succeed.

Mr. COPELAND. Mr. President, in my profession we make it a point to sugar-coat our bitter pills. This is a sugar-coat which is being applied to the bitter pill which is being administered to me. I am not unconscious of that fact. I do not wish the Senators to think that I disregard the real situation.

Mr. President, I am going to say two or three things about this matter and then we shall see what we will do. I wish every Senator here to know just a word about this plan. There is a group of citizens in my city who were very bitter in their opposition to prohibition. Some of them were very pious folk. Some of them belong to the church of which I am an unworthy member. So they entered into a compact that they would make every effort, if prohibition should be repealed, to find a way to do away with bootlegging and all the evils thereof. Out of that organization came this plan to increase the revenues, to decrease bootlegging, and to cheapen the price of liquor. The latter was of no interest to me.

Let me show what the situation is at present. May I have the attention of the few Senators who are here, because it is not every day that somebody offers a plan to give the Government $300,000,000? We had a tax bill here and labored for weeks with it and finally evolved a monstrosity. The most that anybody contends it will bring in is $250,000,000. Here is a plan that will bring $300,000,000 to the Government. What is that plan?

The tax on liquor is paid to the Government when the liquor leaves the bonded warehouse. That tax is $2 a gallon; $2 a gallon is paid when the liquor leaves the bonded warehouse. The only evidence that the liquor which one may buy is legal liquor is a little strip over the cork. For $100 I can buy a million of them. That does not bring any worthwhile money to the Government. That encourages bootlegging.

What is the plan? The plan is that the bond which covers the liquor in the bonded warehouse shall be extended to cover the wholesaler and the retailer; that when the liquor is sold to the consumer there shall be a revenue stamp upon the bottle representing 50 cents or 25 cents, or whatever it is the particular parcel of liquor requires under the law.

What happens under this tax? It takes 3 gallons of liquor to make a case of 12 quarts. The tax would be three times $2, or $6. That is what the Government is entitled to have—$6 a case. When that liquor is taken out of the bonded warehouse, 25 percent is added to it as the profit to the wholesaler. Twenty-five percent of $6 is $1.50. That makes the tax $7.50. When the liquor is sold to the retailer there is a 33⅓-percent increase put on. Thirty-three and a third percent of $7.50 is $2.50, which makes it $10. Then there is still another additional tax, which brings the total tax up to $12. The $6 which the Government had in the beginning has become $12 when the liquor reaches the consumer. Senators can readily realize what that means. It means that the bootlegger can go to the retailer and say, "I will sell you liquor at $5 or $10 a case less than you can buy legal liquor for, and I will supply you with the beautiful little stamps which go with the corks."

The testimony shows that the Secretary of the Treasury and Mr. Choate, the Director of the A. B. C., and others say that less than half the liquor consumed in the United States pays any tax. That is demonstrated here in the District, so it is not theoretical at all. Under this plan the stamp is placed on the bottle. Under this plan the bond would be extended to the retailer. He would be under a thousand dollar cash bond, and no retailer is going to take a chance,

for a 25-cent stamp, of a thousand dollar fine and imprisonment for a year.

This plan would mean that bootlegging would cease. It would have to cease. The retailers would not dare take a chance on the penalty which would be imposed upon them of a loss of their thousand dollar bond and a prison sentence. There can be no doubt—at least, it is the belief of those who have investigated it—that the revenues of the country would be increased by $300,000,000 a year by reason of this system.

Is not that worth while? It impressed the chairman of the committee [Mr. GEORGE], it impressed the Senator from Massachusetts [Mr. WALSH], and it impressed everybody who has taken the pains to study it. But on the theory that this might be considered a tax-revenue measure, of course, I can quite understand, and I say it without any ill-feeling, that the House Members might feel it ought to originate in the House.

Mr. President, I had a talk with the chairman of the House committee, Mr. DOUGHTON, and with the Chairman of the Finance Committee [Mr. HARRISON], and with our leader [Mr. ROBINSON], and with the Senator from Wisconsin [Mr. LA FOLLETTE]. I want this to appear in the RECORD, and I want Senators to remember it. I had been solemnly promised that a joint subcommittee of the two committees should be appointed to study the plan.

I do not feel just right about one matter in this connection, so I have asked that the Senator from Mississippi may be sent for in order that he may be here when I make the statement, because I do not want to say it in his absence if I can help it. I was asked by the chairman of the committee to go to his office, and there I met Mr. Robert Jackson, the attorney of the Department, and Mr. Parker, the tax expert whom we all respect and love. We discussed this matter and it was determined that Mr. Jackson should take the message to the Secretary of the Treasury, and that on Monday I should have an opportunity to present the matter to him. I never heard anything more about it. That is one thing I do not like. I do not know who is to blame and I am not blaming anybody, but, at least, I had no opportunity to try to convert the Secretary of the Treasury. His letter, which is founded upon a misapprehension, in my judgment, was the conclusive thing which defeated action in the adoption of the report.

Mr. WAGNER. Mr. President, I ask my colleague whether he will permit an interruption; or will it interfere with his train of thought? I desire to read a short letter and make a request of the senior Senator from Maryland [Mr. TYDINGS] but if it is going to interrupt my colleague, I would rather wait until later on.

Mr. COPELAND. I will ask the Senator to wait just a minute.

Mr. GLASS. Mr. President, I desire to suggest that some of us have been sitting here for hours and hours waiting for action on the deficiency bill so that it may go to conference. There will have to be a conference on the bill, and all of this talk may go on while the conference is proceeding. Some consideration ought to be given to Senators who wish to work instead of talking. [Laughter.]

Mr. COPELAND. Let me say to my friend from Virginia that work is my middle name. I wish to work, too; and I do work. I have no objection to suspending my procedure and letting the appropriation bill go to conference. Are Senators ready to vote upon it now?

Mr. GLASS. That is all we desire to do.

Mr. COPELAND. Very well; go ahead and vote.

Mr. GLASS. For the past hour we could have been in conference. For 2 hours we could have been in conference while all this talk was going on.

Mr. HARRISON. Let us lay aside this conference report for the present and vote on the other matter.

Mr. THOMAS of Oklahoma. Mr. President——

Mr. LONG. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. What is before the Senate?

The VICE PRESIDENT. The conference report on the alcohol-control bill, in charge of the Senator from Georgia [Mr. GEORGE].

Mr. LONG. Will the Senator from New York yield to me to submit a unanimous-consent request?

Mr. COPELAND. I yield.

Mr. LONG. I wish to submit a unanimous-consent request that the conference report be temporarily laid aside.

Mr. GEORGE. I am in charge of the bill.

The VICE PRESIDENT. The Senator from Georgia is in charge of the bill.

Mr. GEORGE. I have been here all afternoon on this one report; but I ask now that it be laid aside temporarily, if there is to be no further debate upon the deficiency bill, in order that that bill may be disposed of.

Mr. RUSSELL. Mr. President, I must tell my colleague that I have one amendment, which it will take about 2 minutes to consider, which I must offer to the bill.

Mr. BANKHEAD. I have an amendment to the administrative features of the bill.

Mr. GEORGE. Then I insist on proceeding with the conference report. It is privileged.

The VICE PRESIDENT. The conference report is before the Senate, and the Senator from New York has the floor.

Mr. COPELAND. Mr. President, I wish to say to my genial friend from Virginia that I did not bring up the conference report on the alcohol bill. It is not my fault that it was brought up.

Mr. GLASS. My remarks were not particularly directed to the Senator from New York. I think we ought to get to conference on the deficiency bill, and I think we ought to have been there 2 hours ago.

Mr. COPELAND. Mr. President, when I was interrupted I was saying that a letter from the Secretary of the Treasury, based, in my judgment, upon a failure of understanding on the part of the man who prepared the letter, was responsible for the failure of the conferees to include this item in the final report. I had a right, in view of the pledges made to me, to have an opportunity to explain this matter to the Secretary of the Treasury; but I did not have that opportunity.

Now, I have gotten that out of my system; but, as I understand the matter, may I say to the chairman of the committee a subcommittee has now been appointed from the Senate committee.

Mr. HARRISON. That is quite true.

Mr. COPELAND. And the chairman of the House committee has promised to appoint a similar subcommittee from that committee for the purpose of giving serious study to this problem.

Mr. HARRISON. That is quite true.

Mr. COPELAND. Now, may I ask the Senator, is this just a little bit more of sugar coating?

Mr. HARRISON. I hope not, because the Senator knows I have talked to these gentlemen every time he has requested me to do so, and they have impressed me, and I have thought well of the plan.

Mr. COPELAND. Very well. I thank the Senator.

I desire to say that so far as the House conferees are concerned, from the able chairman down, I understand that they did not have time to study this question. On the strength of this pledge and the statement I have made for the RECORD, I am going to withdraw any further opposition to the conference report. I was prepared to go on for 5 or 6 hours, hoping to rival the genial Senator from Maryland [Mr. TYDINGS], not in the material presented, but at least in the length of speech which I intended to make.

With this understanding, to which the entire Senate now is a party, I am going to withdraw any opposition to the adoption of this report. I was prepared to go on for hours in opposition to it, but I should not feel that I was doing my duty to the Senate, or being fair to the gentlemen who represent us upon the committee, if I should go further in the matter.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. LONG. Mr. President, I wish very briefly to cover some matters which I have been undertaking to state all day. I wish these matters to be in the RECORD.

Farm revenue began to show its slump in 1929. That year it was $11,941,000,000—$394 to every farm person. Farm revenue today, on a dollar that is worth only 59 cents where the other dollar was worth 100 cents in 1929, is much less than even the $11,000,000,000, probably somewhere around $7,000,000,000; and instead of there being $394 to every farm person in earnings, I am informed, according to some of the statements made on the floor this evening, that many of the share-croppers do not earn over $75 to $100 per family. Therefore, in this year 1935, from a farm standpoint, we are far worse off than could have been anticipated even on any comparison made with some of the bad years.

Unemployment relief shows that the roll is today greater than it ever before has been in the history of the country. Unemployment figures furnished to me today by the American Federation of Labor show that this month of August 1935—to wit, on the 22d day of August 1935—the unemployed persons in America are 359,000 in excess of the month of August 1934.

Public debts are up several billion dollars. Private debts are up several billion dollars. Costs of living are up, in some instances, 40 percent. The cotton surplus is greater than it was a year ago. The carloadings are less this month, we find, than they have been even in the worst months of 1933.

If I may quote the figures, in January 1935 we were a little bit better off as to carloadings than in January 1933, but worse off than in January 1934; but in the month of June the carloadings in 1935 were only slightly more than they were in 1933 and less than they were in 1934. In the month of July, however, we began to strike a new low. In the month of July—the month that is just past—carloadings in 1934 were 2,351,015 cars. In 1933, for the same month, there were 2,498,390 cars; and in the month of July 1935 there were 2,228,737 cars. So the carloadings today are not only worse than they were in 1934, but they are worse than they were in 1933. For the week of August 3, carloadings for 1933 for the same week were 620,482 cars; for 1934 there were 612,660 cars; and for 1935 they were lower than they have ever before been, 597,083 cars.

Mr. President, I have submitted this report in order that Senators here may have an opportunity to know that, instead of getting better, unemployment is worse, the cost of living is higher, public debts are higher, private debts are higher, taxes are higher, the farmer makes less, there are more laborers walking the streets, and general paralysis must come unless after all these other experiments we try the one safe course that has been suggested to the Senate beginning with this depression—redistribution of wealth of the United States.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The conference report was agreed to.

### RELATIONSHIP BETWEEN EMPLOYEES AND CONTRACTORS ON PUBLIC WORKS

Mr. WALSH, from the Committee on Education and Labor, pursuant to Senate Resolution 228 (73d Cong.), as amended, submitted a supplementary report containing a detailed enumeration concerning certain typical cases coming to the attention of the committee in connection with the relationship between employees and contractors on public works, a discussion of the economic and social effects thereof, together with additional proposals, suggestions, and recommendations, which was ordered to be printed as Report No. 332, part 3.

### UNITED STATES SILVER POLICY

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to submit a Senate resolution. I ask also that it be printed in the RECORD and lie on the table.

I give notice that when the Senate reconvenes in January next at the first opportune time I shall take occasion to discuss the resolution.

There being no objection, the resolution (S. Res. 201) was ordered to lie on the table and to be printed, as follows:

*Resolved*, That it is the sense of the Senate that the Secretary of the Treasury shall proceed immediately to carry out the United States silver policy enthusiastically to the end that our silver monetary stocks shall contain $1 in silver to each $3 in gold, or until the price of silver in the world market shall reach $1.29 per fine ounce; be it further

*Resolved*, That if and when silver reaches $1.29 per ounce, thereby making the bullion in the silver dollar worth $1, then such value be fixed, maintained, and stabilized by the free sale and purchase of silver at such price; be it further

*Resolved*, That in any monetary or stabilization conference called by or participated in by the United States the question of making silver a primary and basic monetary metal shall be considered.

### PUBLIC-UTILITY HOLDING COMPANIES—DIFFERENCE BETWEEN SENATE AND HOUSE BILLS

Mr. WHEELER. Mr. President, I desire to make a brief statement explaining the principal differences between the Senate bill and the House bill relating to public-utility holding companies.

The two principal differences between the Senate bill and the House bill relate to sections 11 and 13.

Section 11 in the Senate bill, as you will recall, required that a holding company limit its operations to one integrated operating system and to businesses reasonably incidental thereto. The House bill also purported to limit the operations of a holding company to one integrated system, but permitted an exception which allowed the Commission to permit a holding company to control as many systems as it deemed consistent with the public interest. The House bill accordingly thrusts the entire burden of breaking up the giant holding companies upon the Securities Commission without any effective or constitutional standard to guide them in their task and with no concrete congressional sanction to fall back upon to resist the pressures that would inevitably be brought against the Commission to prevent their taking any effective action. Since both bills accepted the proposition that a holding company should normally be limited to one integrated system, my colleagues and I conceived it to be our task to find what concrete exceptions, if any, could be made to this rule that would satisfy the demand of the House for some greater flexibility. After considerable discussion the Senate conferees concluded that the furthest concession they could make would be to permit the Commission to allow a holding company to control more than one integrated system if the additional systems were in the same region as the principal system and were so small that they were incapable of independent economical operation and if the combination of these small systems under one holding company would not create a corporation so large as to impair the advantages of localized management and the effectiveness of regulation. I consider this a very generous concession upon the part of the Senate. If properly administered, however, this concession should not defeat the purpose of the President to break up the giant holding companies with their undue concentration of economic power and with their absentee management by remote control.

The conferees also agreed to accept the substance of the Senate provisions of section 11, which gives the Commission power to require the removal of unnecessary complexities from the corporate structures of the holding companies and to require the fair and equitable distribution of voting power among the security holders. There is a mandatory provision which requires the Commission to compel holding companies to take such action as may be necessary to make them cease to be holding companies beyond the second degree. While holding companies beyond the first degree are not completely proscribed, the Commission could prevent a holding company beyond the first degree if it found that the second link created an unnecessary corporate complexity.

The Senate had to yield on the provision that all holding companies should cease to be holding companies after 1940 unless affirmatively found to be necessary to the operations of an integrated system under the applicable State law. The provisions retained in the bill, however, which require as a general rule the limitation of the holding company to one integrated system and which require that the corporate structure of the holding company be not unnecessarily complicated, should serve to break up all of the unnecessarily large and complicated holding-company empires.

The second principal difference between the Senate and the House was section 13. The Senate bill provided that all

intrasystem service, construction, and engineering contracts should be performed economically at cost fairly allocated among the operating companies, and only through mutual service or cooperative companies. The House bill gave the Commission power to regulate intrasystem contracts of this character but did not forbid the making of a profit on such contracts. The Senate conferees took the point of view that there is no justification for a holding company's making a profit from subsidiary operating companies under its control. The holding company stands in a trustee relationship to such companies, and it is impossible to regulate profits in such transactions. The House conferees yielded to the Senate on this point but objected to the provisions in the Senate bill requiring all such contracts to be performed by mutual service or cooperating companies. The Senate conferees felt that the mutual-service company device which is now used by a few of the more progressive holding companies was the most, if not the only, effective means of avoiding abuses in this field, but the Senate yielded to the House to the extent of not making the use of mutual-service companies mandatory by statute. The machinery for the use of such companies, however, is set up in the act, but the Commission is not obliged to force the companies to adopt this device if the Commission finds that the companies can, through some other device, perform these intrasystem services economically and efficiently at cost fairly allocated among the operating companies.

SUPPLEMENTAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes.

Mr. RUSSELL. Mr. President, I offer an amendment which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 35, after line 8, after the amendment of Mr. BANKHEAD heretofore agreed to, to insert the following:

No part of any funds made available for the use of the Commodity Credit Corporation either from the Treasury directly or through the Reconstruction Finance Corporation shall be paid to any person, firm, corporation, or cooperative association for services in connection with the removal of cotton under what is known as the "reconcentration program", from any warehouse heretofore approved by said Commodity Credit Corporation, nor shall any such funds be expended for storage of any cotton moved under such program from the place of original storage.

Mr. ADAMS. Mr. President, I feel obligated to raise the point of order against the proposed amendment as legislation on an appropriation bill.

Mr. RUSSELL. Mr. President, as it was stated by the clerk, the amendment is a limitation on an appropriation, and it was approved by the Committee on Appropriations. I should like to have a few minutes to explain the purpose of the amendment. I do not think there will be any objection to it once it is explained.

If the amendment is understood by the Senate I am sure it will not provoke the slightest opposition. Mr. President, at the present time the Commodity Credit Corporation has loans on cotton amounting to more than 5,000,000 bales stored in small warehouses throughout the entire Cotton Belt. Recently there has been a threat to move this cotton by the Corporation under a plan that would permit the American Cotton Cooperative Association to have the cotton reconcentrated in the great cotton centers of the South and stored in warehouses owned by the large cotton factors.

I understand that the American Cotton Cooperative Association is to receive a fixed fee, to be paid by the Commodity Credit Corporation, and this program further contemplates that this cotton will be stored with a few cotton factors and taken away from the many smaller warehouses which now have it in storage.

This movement could not possibly benefit the cotton growers of the South. They do not desire to have the cotton moved because, as a general proposition, cotton brings about 25 points more in the smaller markets than the spot price which obtains in the large cotton centers. This reconcentration could not benefit the Commodity Credit Corporation. It will add to charges to be assessed against the person who made the loan on the cotton. It can only inure to the benefit of the American Cotton Cooperative Association and of the few cotton factors who have the warehouses in the large centers and will receive the cotton for storage.

Applying the old rule of a barber shop, that the first come shall be first served, or the rule of the mill, that the man who first brings his corn in shall first have it ground, this cotton should be left where it is. Why should it be moved? There is the flimsy excuse that it is to make room for this year's crop. Common fairness would demand that this year's crop should be moved if it is necessary to move any cotton to the reconcentration centers.

There are a number of small warehouses which have spent thousands of dollars in order to afford facilities to store this year's crop, and there is no reason, justification, or excuse for picking this cotton up at the small warehouses, paying the American Cotton Cooperative Association a benefit thereon, and moving it to the large warehouse centers. I hope the amendment will be agreed to.

Mr. ADAMS. I withdraw the objection.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BANKHEAD. Mr. President, I submit an amendment, which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert, on page 35, after line 8, after the amendment of Mr. FRAZIER heretofore agreed to—

That so much of the last sentence of section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes" (H. R. 8492, 74th Cong.) as precedes the second proviso is amended to read as follows: "The amounts appropriated under this section shall be expended for such of the above-specified purposes and at such times, in such manner, and in such amounts as the Secretary of Agriculture shall prescribe."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. ADAMS. Mr. President, I move that the Senate insist upon its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ADAMS, Mr. GLASS, Mr. MCKELLAR, Mr. HALE, and Mr. KEYES conferees on the part of the Senate.

INVESTIGATION COMMISSION UNDER RAILWAY RETIREMENT ACT

The VICE PRESIDENT. The Chair appoints Mr. BROWN, Mr. MURRAY, and Mr. CAPPER as the Members, on the part of the Senate, of the Investigation Commission authorized by section 8 of House bill 8651, the Railway Retirement Act.

PURCHASE OF SILVER AND ISSUANCE OF SILVER CERTIFICATES

Mr. MCCARRAN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate bill 3260, the silver-purchase measure.

Mr. HARRISON. Mr. President, I hope the request for unanimous consent may be granted in order that the bill may be passed.

The VICE PRESIDENT. Is there objection?

Mr. METCALF. I object.

Mr. HARRISON. Mr. President, I hope the Senator will not object. I am sure it will save much time, and we can get the conference report on the tax bill through much more readily if this bill may be passed. That is the interest I have in it.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 3260) to amend Public Law No. 438, Seventy-third Congress, entitled, "An act to authorize the Secretary

of the Treasury to purchase silver, issue silver certificates, and for other purposes", which was read as follows:

*Be it enacted, etc.*, That section 6, section 7, and section 8 of Public Law No. 438, Seventy-third Congress, are hereby repealed and all Treasury rules and regulations made in pursuance of said sections 6, 7, and 8 of Public Law No. 438 are declared null and void and inoperative.

Mr. THOMAS of Oklahoma. Mr. President, in support of Senate bill 3260, let me say that the Congress, on June 19, 1934, enacted legislation commonly entitled "The Silver Purchase Act of 1934", directing the Secretary of the Treasury to purchase silver at his discretion in world markets until the total so acquired would establish a ratio of $1 in silver to $3 in gold in our total monetary stocks.

A provision in this bill levied a tax of 50 percent on profits realized by holders of silver, and authorized the Secretary of the Treasury to promulgate regulations for the administration of the act.

Another provision authorized the President to acquire by nationalization all silver held in this country at his discretion. This was done by proclamation on August 9, 1934, and profits that resulted to individuals whose silver was thus acquired by the Government were not taxed, because the method of acquisition necessitated that a fair and just market price be the basis of settlement. This price was 50.01 cents per fine ounce.

Section 6, the first section proposed to be repealed, authorizes the Secretary of the Treasury to regulate domestic silver dealings through a license system.

Section 7 authorizes the President to nationalize all silver owned and held within the United States.

Section 8 provides for a tax of 50 percent of all profits on silver transactions gained by citizens of the United States.

Pursuant to the authority granted in the said three sections, all exchanges dealing in silver have either been forced to suspend entirely or have discontinued the handling of silver either through future sales contracts or spot silver transactions. In addition to closing the exchanges, the President, through a proclamation, nationalized and took over for the account of the Treasury all domestic silver.

All persons desiring to buy and sell silver must place their orders with foreign brokers and deal with foreign silver exchanges. All fees, commissions, and expenses are paid to foreigners to the disadvantage of Americans.

Since the approval of the act all persons, firms, associations, and corporations realizing a profit through silver transactions have paid to the Government a tax of 50 percent upon the profits thus realized.

While we have no report on the amount of tax or revenue collected by the Government, it is estimated to be scarcely more than a nominal sum.

In carrying out the mandate of the Congress the Treasury Department authorized the Federal Reserve Bank of New York to act as the fiscal agent for the Treasury in its silver transactions. As evidence of this statement, a responsible representative of the Treasury Department, on June 21, 1934, advised a New York firm of silver brokers as follows:

Since the Federal Reserve Bank of New York is acting as fiscal agent for the Treasury in its silver transactions, it is suggested that you address your application to that institution.

As further evidence that the New York Federal Reserve Bank was commissioned to represent the Government in the purchase of silver, a responsible representative of the Treasury Department in a letter of date November 5, 1934, made the following statement:

I would suggest that if you care to discuss this situation further that you communicate with Mr. Knoke, Assistant Deputy Governor, Federal Reserve Bank, New York.

The New York Federal Reserve Bank is a private institution, owned wholly by the member banks located within the New York Federal Reserve Bank district. The New York Federal Reserve Bank evidently accepted the agency to represent the Government in the purchase of silver, and as such agent in turn commissioned certain member banks to assist in carrying out the program of purchasing silver for the Government.

As proof of this statement a responsible official, representing the New York Federal Reserve Bank, on June 25, 1934, made the following statement:

In reply would say that we use only member banks for the purchase of such silver as we may buy for account of the United States. We do not select or in any way suggest the brokers which the member banks use.

To those who are familiar with the silver monetary program it is obvious that the agency or agents selected by the Treasury Department to assist in carrying out the silver-purchase program are antagonistic to such program, as it is well known that the Federal Reserve Bank of New York, and the great majority, if not all, of the member banks in the New York Federal Reserve district are enemies of and opposed to the wider use of silver in our monetary system.

So far as the committee can ascertain, the Treasury has no other agent or agents cooperating to carry out the silver-purchase program; hence, it is obvious that the Federal Reserve Bank of New York, and such member banks as may have been commissioned as subagents by the New York Federal Reserve Bank, and such brokers as may have been selected by the favored member banks, know from day to day the policy of the Treasury Department in purchasing silver.

The first major effect of the enactment of the silver-purchase program was the closing of the silver exchange in New York City, thus forcing all transactions in silver to be made outside the borders of the United States. Immediately after the enactment of the said legislation a silver exchange was set up in Montreal, Canada, and the silver exchange in London took on added importance, and such London silver market has become the center for world transactions in both silver futures and in spot silver.

The enactment of the Silver Purchase Act obviously has had the effect of increasing the price of silver throughout the world.

When the law was passed silver was selling for less than 50 cents per ounce on the world market. As a result of our increased buying of silver, the world price increased to 81 cents per ounce. The congressional mandate to the Treasury Department was to purchase silver until one of two things happened: First, until the stock of monetary silver in the Treasury should equal one-third in monetary value of our Treasury gold stock; or, second, until silver should reach the price of $1.29 per ounce in the world market.

When the Silver Purchase Act was passed we had gold to the value of some $7,820,000,000 and silver to the monetary value of some $838,000,000. At that time, with the amount of gold in the Treasury, we obligated our Government to acquire additional silver to the monetary value of approximately $1,750,000,000. Since June 1934 we have increased our gold holdings by the sum of over $1,300,000,000, and while we have increased our silver stocks to the extent of some 450,000,000 ounces, we find that, to carry out the policy fixed in the Silver Purchase Act, we must yet secure silver to the monetary value of approximately $1,500,000,000.

Evidence before the committee disclosed that recently the price of silver in the London world market rose to 81 cents per ounce, at which time, due to unknown influences, the price rise was checked and during subsequent weeks the price of silver in such market has fallen to 67¾ cents per ounce, or a decline of over 13 cents per ounce.

Thus, after almost 14 months we find that we are obligated to acquire almost as much silver now as when the law was passed, thus showing that the first objective—the acquiring of one-third as much silver at its monetary value as we have gold in the Treasury—is not being obtained.

The further fact that the price of silver has been reduced from 81 cents to some 67¾ cents per ounce demonstrates that the second objective—the purchasing of silver until the price should rise to $1.29 per ounce—likewise is not being obtained.

The committee is of the opinion that the three sections proposed to be repealed serve as a barrier to reaching the objectives set forth in the Silver Purchase Act.

The provisions of law embraced in said sections have brought about the following conditions:

(1) Destroyed the leading silver market of the world, which had been built up in this country at New York over a period of years.

(2) Transferred to London the business and profits of American persons and firms.

(3) Diverted to foreigners the business of melting and refining silver coins and bullion of low content which ultimately finds its way to the United States Treasury and the cost of which treatment is reflected in the price the United States Treasury subsequently pays for such silver.

(4) Encouraged American industrial firms to acquire property abroad for the purpose of constructing and operating manufacturing plants, the operation of which outside the boundaries of the United States will permit such firms to refine, manufacture, and sell abroad silver articles in competition with citizens of the United States.

(5) Concentrated with foreign interests the shipping, both by rail and ocean freight, as well as the incidental insurance and handling charges, of silver coin and bullion acquired abroad for Government account, despite the fact that such foreign charges do not permit of competition with rates of American lines. As an example, the freight from Shanghai to London is five-eighths percent ad valorem and from London to New York three-fourths percent, making the combined freight cost, Shanghai to New York via London, 1⅜ percent ad valorem, the elapsed time about 48 days; while the freight on direct shipments from Shanghai to San Francisco is but three-eighths percent, the elapsed time in transit about 22 days; and from Shanghai to New York it is also but three-eighths percent ad valorem, while the elapsed time in transit is about 42 days.

(6) Deprived American brokers of business to which they are justly and legitimately entitled by making it possible for Government orders to be entrusted solely to a chosen few New York banks, which, in turn, deal exclusively with the four London bullion brokers.

(7) In practical operation have the effect of showing our hand daily to the same agencies that are not only non-American, but are constantly in the employ of foreign interests that are openly opposed to the financial policies of this Government, and notably to its silver program.

AMERICANS INJURED, FOREIGNERS BENEFITED

The four firms of London bullion brokers, to whose hands is entrusted silver buying and selling orders from every market, have received upward of $300,000 in commissions alone on purchases during the past year for account of banks acting for the United States Treasury. During the same period American bullion brokers are estimated to have received less than a total of $10,000 in commissions on United States Government business.

The established brokerage or commission of the London brokers is one-eighth percent on purchases, or at a price of 68 cents per ounce, $85 per 100,000 ounces, as against the established New York open-market brokerage of $30 per 100,000 ounces.

The said sections of the Silver Purchase Act of 1934 have operated to injure, if not destroy, the following American interests:

(1) American silver exchanges and markets.

(2) American brokerage and commission houses.

(3) Americans engaged in the buying and selling of silver for profit.

(4) The policy of selecting the New York Federal Reserve Bank to act as the exclusive agent of the Federal Treasury in the purchase of silver is an unjustifiable discrimination against the other 11 Federal Reserve banks, and especially injurious to the Pacific coast Federal Reserve banks and their members.

(5) American shipping lines have been damaged by reason of the forced shipping of all silver to the London market.

(6) American insurance companies have likewise been damaged by the loss of business to the London insurance companies.

(7) American smelting and refining companies have been damaged because of the concentration of silver interest in London.

Eighth. The London silver market has failed to render satisfactory services to the world silver trade in that the London banks have failed and refused to grant and extend proper credits to those dealing in silver; hence, to the extent that credit is needed the American banks have been damaged through the loss of such business.

Ninth. The records show that the bulk of silver shipments originate in British South Africa, British India, China, and Japan. At present such silver is shipped to London and such portion as is purchased for American account is in turn shipped to America. The evidence shows that vast sums could be saved if such silver were shipped direct to the Pacific coast ports, and processed in American refineries and deposited at suitable points, without the double expense of being sent to London and thence on to the United States. It is injurious to our Government and our citizens to have Japan, for example, ship 15,000,000 ounces of silver to London at a cost of 1 percent and have that silver reshipped from London to the United States at an additional cost of 1 percent when these 15,000,000 ounces could have been shipped—a change in the law permitting—to San Francisco direct at a saving to us of 1 percent. And yet the periodical reports of Samuel Montagu & Co., of London, show that this is precisely what is happening at this time. And the same condition is true of practically every ounce of silver imported into this country by the Treasury within the past year. It is equally injurious to have this silver smelted in London in order to make it acceptable delivery for the American Treasury when it could be smelted in this country at the same cost and to the benefit of American labor and capital. It is equally injurious to have the remaining 3 percent for storage, handling, trucking, commissions, and miscellaneous items go to the benefit of British business when it could benefit our own people with a change in the law. This condition, however, must continue indefinitely unless the said sections are repealed, thus permitting this silver to be sold in the United States without tax.

Tenth. On the some 60,000,000 ounces of silver which the Treasury bought in London during recent weeks—and this 60,000,000 figure is that of the eminently reliable firm of Sharps & Wilkins, bullion dealers—it is estimated that our country has sustained a direct loss of 5 percent, or $2,000,000. If we assume that our entire foreign-trade figures do not represent more than 10 percent in actual profit, this loss of $2,000,000 is equivalent to a loss of potential American business of not less than $20,000,000. The figure of 5 percent as the loss to this country on this business consists of 1 percent excess shipping costs; 1 percent average smelting cost; 1 percent for handling, storage, trucking, interest, and various commissions in London; 2 percent representing miscellaneous financing, foreign exchange, and other incidental costs.

To secure the silver necessary to make our silver stocks equal to $1 in silver to $3 in gold we must buy some 1,100,000,000 additional ounces of silver. To secure such silver we must pay the sum of approximately $1 per ounce on the average; thus the necessary silver will cost us approximately $1,100,000,000. Under the law we can buy such silver with silver certificates, so in effect we will exchange paper for such silver. If the total expense of handling such silver is some 5 percent, then, unless the said sections are repealed, we will have to pay foreign brokers, commission houses, shipping lines, insurance companies, smelting and refining companies, and trucking and storage companies the approximate sum of $55,000,000 in fees, commissions, tariff, wages, and salaries, all to the damage and injury of our American institutions and citizens.

With 6 years of the worst depression in history still upon us; with a subsidy in force to domestic producers of silver; with America, North and South, producing the bulk of the world's newly mined silver; with an unbalanced Budget; with proposals pending for greatly increased taxes; with millions still out of employment, your committee recommends the repeal of said sections 6, 7, and 8 of the Silver Purchase Act of 1934, thereby causing the return to American institutions and Americans citizens the control of and the profits arising from the silver industry.

Mr. President, this bill, if enacted into law, will produce, indirectly, far more revenue than the sections proposed to be repealed have or will produce the Government of the United States. I believe it is perhaps the first bill that ever repealed a tax which by its repeal actually will contribute many times the revenue which the tax itself has contributed.

We are informed that the Silver Purchase Act by its tax provisions has increased the revenue of the United States by only a million dollars, or thereabout. That means that the profit on silver by citizens of the United States has been only $2,000,000.

Silver was 45 cents an ounce when the act was passed. The object of the Silver Purchase Act was to increase the price of silver. It was thought at the time by the Treasury that this increase in the price of silver, being due to governmental action, should carry with it a tax of 50 percent of the profits. Mr. President, what are the facts?

Silver, after having gone up to 81 cents an ounce, is now about 65 cents an ounce. In other words, silver is 20 cents an ounce higher than it was the day before the act was passed. There are approximately 10,000,000,000 ounces of silver available for monetary use in the world. At 20 cents an ounce the world's monetary silver stocks have increased $2,000,000,000. That increase has affected Americans seemingly only to the extent of $2,000,000. One million has been paid into the Treasury as a 50-percent tax. The whole two-billion increase, of course, may not have been realized by the sale of silver. I say that the increase in the value of the monetary silver stock in the world has been $2,000,000,000. It was this type of increase that was made the subject matter of the consideration of the tax at the time the tax was levied. I voted against the imposition of the tax at the time the Silver Purchase Act was passed; and there were 22 Members who are now Members of this Chamber who voted against the imposition of the tax at the time.

We do not claim any particular gift of foresight, but perhaps a little closer attention to the problem might be credited to those Members who foresaw that any action on silver would certainly raise the price of silver as was intended under the act, and that any tax on profits would tend to drive the Americans away from silver and permit the profit to accrue to foreigners.

The Silver Purchase Act became operative on June 19, 1934. We have not had 14 months' experience under the act, and the tax provisions have yielded the Treasury a little over a million dollars, say a million one hundred thousand. The act itself appropriated $500,000 for its execution. Certainly the tax cannot be considered as a revenue measure.

I make bold to state the elimination of the tax will produce revenue. The Secretary of the Treasury has asserted that the silver-purchase policy laid down in the act would be carried out in the full intent and spirit of the act. Consequently we are to expect that either one-fourth of our monetary stocks will become silver or that silver will reach $1.29 an ounce. These are the alternate mandates laid down by the Congress of the United States on the Treasury. Discretion, of course, was given the Treasury in the matter of the detail of carrying out the policy.

We have the Silver Purchase Act on the statute books. We have the definite promise of the Treasury to carry out the act in its full extent and purport. So, silver will either be accumulated until it amounts to one-fourth our monetary stock or, in the meantime, its price will be raised to $1.29 an ounce.

With respect to the first proposition I have little hesitancy in stating that silver will not be accumulated until it reaches one-fourth of our monetary stocks. Mr. President, we have now over nine billions one hundred and ninety millions of gold in the Treasury of the United States. We will have to accumulate over three billions of silver at its monetary price to fulfill the first alternative of the act. The truth is that we are but little advanced over what we were on June 19, 1934, in the increase of the ratio of silver to gold in this country. If we pay for the silver in silver certificates, we will have to accumulate approximately a billion and a half ounces of silver at $1.29 an ounce. If we sell gold and with it buy silver, we reduce the gold stocks by the sale, and consequently we reduce the number of ounces of silver which we will have to purchase to perfect the ratio of 3 to 1 gold to silver. But even that requires the purchase of nearly a billion ounces of silver.

I do not think that the silver market of the world will produce the sale either for silver certificates or for gold of such quantities of silver until the price reaches the $1.29 an ounce. In other words, I think that the fulfillment of the policy laid down in the Silver Purchase Act will be reached by the alternative, namely, not by the accumulation of one-fourth our monetary stocks in silver but by silver first reaching $1.29 an ounce.

This brings me to the heart of the discussion of the proposed amendment to the tax bill. The tax provisions of the Silver Purchase Act have, I repeat, denied American participation in the profits accruing from that act. The removal of the tax provisions will admit of American participation in the profits accruing from the increased price of silver. These profits are immediately subjected to all present provisions of the income-tax law, whether it applies to corporate or individual income-tax returns.

Let me repeat. In raising the price of silver from 45 cents to 65 cents in the 14 months, we have increased the value of the monetary stocks of silver in the world by $2,000,000,000. Let me also repeat that out of this increased value American participation has been to the extent of approximately only $2,000,000. The rest of the world has seemingly profited by the policy. The reason why America has not received her portion of the increase, I truly believe, is to be found in the tax provisions of the Silver Purchase Act. Our profit has been only $2,000,000, with 50 percent, or $1,000,000, returned to the Treasury of the United States.

Now, were America to hold but 10 percent of the silver of the world and to profit by Treasury action, our profit would approximate most conservatively $200,000,000. This $200,000,000 would be subject to the income tax. It is rational and sensible to assume that people with respectable incomes would be the actual beneficiaries of this profit participation.

But, Mr. President, I am going to be conservative, very conservative. I am going to assume that only those in the lowest income brackets would hold any silver, which is a ridiculous assumption on the face of it. I am going to assume that the normal 4-percent tax in the lowest brackets would apply in this country. But even on that assumption, the repeal of the silver tax would yield $8,000,000 to the Treasury of the United States.

The present tax provisions yield a million. The elimination of them yields a minimum of eight million. At the time of the passage of the Silver Purchase Act it was estimated by the Treasury that the tax would yield twenty-five million. But it really drove the American from any participation and it has yielded only a million dollars.

I think, in the discussion of this bill, that we should consider most favorably the elimination of the silver-profit tax and thereby admit of the participation of Americans in this and admit of the restoration of the American silver market on the primary grounds of additional revenue to the Treasury of the United States.

I want to add that silver now is depressed to 65 cents an ounce. If we accept the statement of the Secretary of the Treasury, and if the silver-purchase policy is followed up to its true intent and purport, silver will reach $1.29 an ounce. This is practically double the present price. The increase of 64 cents an ounce on the 10,000,000,000 ounces in the monetary stocks of the world is an increase that must be anticipated of $6,400,000,000. American participation in this to only 10 percent of the total increase is a participation that amounts to $640,000,000. I want to throw this open to the income-tax law now on the statute books.

I do not want to seek out any new ways of raising revenue. I do not want any bill that represents new tax provisions. I merely want to abolish what seemingly is, after 14 months' experience, a nuisance tax, and to permit the prevailing laws incorporated in the income-tax laws to run as they were intended to run and yield to this Government its true share of

an additional anticipated income in the form of profit on a $640,000,000 base.

Certainly this is almost an ideal approach to new revenues. It carries with it no suggestion of anything destructive. It does not attack a dollar of present property value. Nor does it reach down to the poor and put added burdens upon them. It merely says that by an act of Congress wealth is in the process of creation. Why limit this to foreigners? It is the action of the United States that increases the value of the 10,000,000,000 ounces of silver in the world. It never should be the action of the United States to deny this to its own citizens.

Mr. President, I have studied this matter closely for the 14 months the Silver Purchase Act has been in operation. I have watched particularly the progress we have made in the accumulation of silver with respect to gold in the monetary stocks in this country. I have seen practically no increase in the ratio. I have seen the price of silver, of course, rise. But from that I can get no lesson that profit is certain or assured or axiomatic, for I have seen it rise to 81 cents an ounce and then drop step by step until it is the lowest it has been in 6 months.

Mr. President, I now wish to lay before the Senate a few statements with respect to silver, so that every Member of this body may have a clear conception of what we want to do with silver, and not for silver.

Why do we want to raise the price of silver? Why do we want to accumulate one-fourth of our monetary stocks in silver? We have urged monetary adjustment continuously in order to bring about a higher general price level. We have believed that we can do this most effectively by an expansion of the currency. The gold is not in circulation. It is sterilized in the vaults of the Treasury. The Treasury notes are not favored by the administration, and we have continuously urged an expansion of the currency through an increase in the amount of silver money.

Over in India there are perhaps 4,500,000,000 ounces of silver; in China, 2,500,000,000; and in the United States approximately 1,500,000,000 ounces. This leaves perhaps 1,500,000,000 distributed among the other nations of the world.

Silver is the money of far over half the peoples of the world. It is within the power of the United States to increase or decrease at will the value of the monetary units of the silver-using nations. Cheap silver makes cheap money, and cheap money makes cheap costs of production. Cheap costs of production in the silver-using countries of the world make it possible for them to produce cotton, for example, more cheaply than we can produce it and to sell it on the world market at a profitable price to them which is lower than the price at which the United States can produce cotton and secure out of it even the costs of production.

So I am not at this moment emphasizing the monetary feature of the tax on imports. I am emphasizing two things—revenue to the Treasury of the United States, and revenue which is potential if we remove the tax provisions of the Silver Purchase Act. And I am emphasizing another thing, and that is the competitive position in the world of America if we put to use our power to raise silver.

Mr. President, the tax laws of this country today are predicated principally upon tariffs, upon excises, upon personal incomes, upon corporate incomes, upon inheritances, upon gifts, and upon the newer forms of processing taxes. In the study of revenue there is no subject more important than the study of the means to induce general prosperity in this country. The more we increase prosperity, the more the present laws will yield in the wiping out of deficits and the reduction of the tremendous national debt.

The clamor has gone up to balance budgets. There are wide-spread demands throughout the Nation that the debt be no more increased, but that it be reduced. And there is also the wide-spread attack on any program of new modes and methods of taxation. The answer to the whole question is prosperity. And if step by step we can increase the general prosperity of America, the old taxes will yield sufficient to operate and to wipe out deficits and to reduce the debt.

I am thinking of the tax provisions of the Silver Purchase Act in the sense that they, I repeat, instead of being revenue producing actually deny at least eight times their present revenue to the Government. That is simply one approach to it. But I am looking at the great cotton South with its competition among the silver-using nations of the world, and I am thinking what the rise in the price of silver, which is almost assured in the elimination of this tax, will do in increasing the income of America due to her ability to sell cotton in the markets of the world and resume her former position which she has lost in the cheap-cotton producing nations of the world. All that we can garner for America in respect to her greatest single agricultural crop in turn is reflected in income to the Treasury of the United States.

Mr. President, 3 weeks ago there was transmitted to the President of the United States a letter signed by 46 Members of this body recommending to our Chief Executive the following specific things:

First. The bringing about of the higher level of commodities.

Second. Placing silver in a position where it can assist gold in serving as a basis for currencies and credits of the world.

Third. The adjustment of the value of silver currencies so as to serve the best interests of the cotton-producing sections of the United States.

Fourth. Increasing the possible profit to the Treasury through a legitimate revaluation of gold and silver.

Fifth. The adjustment of the value of gold and silver, making possible early stabilization of world currencies.

I do not care to go into many of the objectives set forth in that letter and acknowledged by the President of the United States in a communication already read into the RECORD. But I merely say that the repeal of the provisions of the Silver Purchase Act, the repeal of sections 6, 7, and 8 of that act will, in my mind, do much to restore the American market, to permit of Americans participating in a profit, and to raise the price of silver rapidly to the point of $1.29 an ounce.

I am going to make this comment. I am going to say that if we had asked England what policies she would prefer that America follow, I think the answer would be that she would prefer to have America keep silver low in price for the benefit of the British Empire. If we were to ask France what policy she would prefer that America adopt, I believe that France would ask us to go directly to the gold standard. I believe that if we would ask the cotton-producing countries of the world, in South America or in the east, they would reply: "Keep silver low in price so that we may compete in the markets of the world."

I believe we should ask of our own minds and consciences what we should do as the American policy. I commend to every Member of this body the passage of this bill, so that additional revenues may accrue to the Treasury directly through wide-spread American participation in the increased prices of silver and indirectly through the prosperity certain to agriculture and industry by the regaining of our competitive position in the markets of the world.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INCOME AND INHERITANCE TAXATION—CONFERENCE REPORT

Mr. HARRISON submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8974) to provide revenue, equalize taxation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 8, 12, and 25.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 10, 13, 14, 18, 20, 21, 22, 23, and 24; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Upon net incomes not in excess of $2,000, 12½ per centum.

"$250 upon net incomes of $2,000; and upon net incomes in excess of $2,000 and not in excess of $15,000, 13 per centum in addition of such excess.

"$1,940 upon net incomes of $15,000; and upon net incomes in excess of $15,000 and not in excess of $40,000, 14 per centum in addition of such excess.

"$5,440 upon net incomes of $40,000; and upon net incomes in excess of $40,000, 15 per centum in addition of such excess."

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In the matter proposed to be inserted by the Senate amendment strike out "15½" and insert "15"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: On page 20 of the Senate engrossed amendments, strike out lines 6 to 25, both inclusive, and lines 1 to 16, both inclusive, on page 21, and in lieu thereof insert the following:

"SEC. 202. Estate tax—valuation

"(a) Section 302 of the Revenue Act of 1926, as amended, is amended by adding a new subdivision as follows:

"'(j) If the executor so elects upon his return (if filed within the time prescribed by law or prescribed by the Commissioner in pursuance of law), the value of the gross estate shall be determined by valuing all the property included therein on the date of the decedent's death as of the date the year after the decedent's death, except that (1) property included in the gross estate on the date of death and, within one year after the decedent's death, distributed by the executor (or, in the case of property included in the gross estate under subdivision (c), (d), or (f) of this section, distributed by the trustee under the instrument of transfer), or sold, exchanged, or otherwise disposed of, shall be included at its value as of the time of such distribution, sale, exchange, or other disposition, whichever first occurs, instead of its value as of the date one year after the decedent's death, and (2) any interest or estate which is affected by mere lapse of time shall be included at its value as of the time of death (instead of the later date) with adjustment for any difference in its value as of the later date not due to mere lapse of time. No deduction under this title of any item shall be allowed if allowance for such item is in effect given by the valuation under this subdivision. Wherever in any other subdivision or section of this title or in Title II of the Revenue Act of 1932, reference is made to the value of property at the time of the decedent's death, such reference shall be deemed to refer to the value of such property used in determining the value of the gross estate. In case of an election made by the executor under this subdivision, then for the purposes of the deduction under section 303(a)(3) or section 303(b)(3), any bequest, legacy, devise, or transfer enumerated therein shall be valued as of the date of decedent's death with adjustment for any difference in value (not due to mere lapse of time or the occurrence or nonoccurrence of a contingency) of the property as of the date one year after the decedent's death (substituting the date of sale or exchange in the case of property sold or exchanged during such one-year period).'

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: On page 6 of the Senate engrossed amendments, in line 1 and in line 7, strike out "$1.50" and insert "$1.40"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "(except subsections (f), (g), and (i) thereof)"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 109. Personal holding companies

"(a) Section 351(a) of the Revenue Act of 1934 is amended to read as follows:

"'(a) Imposition of tax.—There shall be levied, collected, and paid, for each taxable year, upon the undistributed adjusted net income of every personal holding company a surtax equal to the sum of the following:

"'(1) 20 per centum of the amount thereof not in excess of $2,000; plus

"'(2) 30 per centum of the amount thereof in excess of $2,000 and not in excess of $100,000; plus

"'(3) 40 per centum of the amount thereof in excess of $100,000 and not in excess of $500,000; plus

"'(4) 50 per centum of the amount thereof in excess of $500,000 and not in excess of $1,000,000; plus

"'(5) 60 per centum of the amount thereof in excess of $1,000,000.'

"(b) Section 351 (b) (C) of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: 'and distributions (not in complete or partial liquidation and not a "dividend" as defined in section 115) made during the taxable year out of earnings or profits of such year.'

"(c) The amendments made by this section shall apply only in the case of taxable years beginning after December 31, 1935."

And the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 110. Corporate liquidations.

"(a) Section 112 (b) of the Revenue Act of 1934 is amended by adding after paragraph (5) a new paragraph reading as follows:

"'(6) EXCHANGE IN LIQUIDATION.—No gain or loss shall be recognized upon the receipt by a corporation of property (other than money) distributed in complete liquidation of another corporation, if the corporation receiving such property on such exchange was on the date of the enactment of the Revenue Act of 1935 and has continued to be at all times until the exchange, in control of such other corporation. As used in this paragraph "complete liquidation" includes any one of a series of distributions by a corporation in complete cancellation or redemption of all its stock in accordance with a plan of liquidation under which the transfer of the property under the liquidation is to be completed within a time specified in the plan, not exceeding five years from the close of the taxable year during which is made the first of the series of distributions under the plan. If such transfer of property is not completed within the taxable year the Commissioner may require of the taxpayer, as a condition to the non-recognition of gain under this paragraph, such bond, or waiver of the statute of limitations on assessment and collection, or both, as he may deem necessary to insure the assessment and collection of the tax if the transfer of the property is not completed in accordance with the plan. This paragraph shall not apply to any liquidation if any distribution in pursuance thereof has been made before the date of the enactment of the Revenue Act of 1935.'

"(b) Section 112 (c) (1) of the Revenue Act of 1934 is amended by striking out 'or (5)' and inserting in lieu thereof '(5), or (6)'.

"(c) Section 112 (e) of the Revenue Act of 1934 is amended by striking out 'subsection (b) (1) to (5)' and inserting in lieu thereof 'subsection (b) (1) to (6)'.

"(d) Section 112 (i) of the Revenue Act of 1934 is amended by striking out '(4), or (5)' and inserting in lieu thereof '(4), (5), or (6)', and by striking out '(3) or (5)' and inserting in lieu thereof '(3), (5), or (6)'.

"(e) The amendments made by this section shall apply only in the case of taxable years beginning after December 31, 1935."

And the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In the matter proposed to be inserted by the Senate amendment strike out "15½" and insert "15"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In the matter proposed to be inserted by the Senate amendment strike out "85 per centum" and insert "90 per centum"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(i) Section 144 of the Revenue Act of 1934 is amended by striking out the period at the end thereof and inserting a colon and the following: '*Provided further*, That in the case of the payment, after December 31, 1935, of dividends of the class with respect to which a deduction is allowed by section 23 (p), the deduction and withholding provided for in this section shall also apply to 10 per centum of the amount of the payment: *Provided further*, That the Commissioner, under rules and regulations prescribed by him with the approval of the Secretary, may authorize withholding under this section and section 143 (a) (1) (B), in cases where the taxpayer has a taxable year ending on any other date than December 31, at the rate of 13¾ per centum (and, in the case of payments of dividends with respect to which withholding is required, may authorize such payments to be made without withholding) until the beginning of the taxpayer's first taxable year which begins after December 31, 1935.'"

And the Senate agree to the same.

"(b) The amendment made by this section shall be effective only with respect to transfers of estates of decedents dying after the date of the enactment of this Act."

And the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: On page 27 of the Senate engrossed amendments, lines 7 and 8, strike out "after the date this amendment takes effect" and insert "on or after the first day of the second month following the date of the enactment of the Revenue Act of 1935"; and on page 29 of the Senate engrossed

amendments, line 3, strike out "fifteenth" and insert "thirtieth"; and on page 31 of the Senate engrossed amendments, strike out lines 13 to 17, both inclusive; and on page 32 of the Senate engrossed amendments, strike out lines 1 to 6, both inclusive; and the Senate agree to the same.

PAT HARRISON,
WILLIAM H. KING,
WALTER F. GEORGE,
ROBERT M. LA FOLLETTE, JR.,
*Managers on the part of the Senate.*
R. L. DOUGHTON,
SAMUEL B. HILL,
THOS. H. CULLEN,
*Managers on the part of the House.*

Mr. HARRISON. I move that the conference report be agreed to.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

### AUTHORIZATION TO SIGN BILLS AFTER ADJOURNMENT

Mr. ROBINSON. Mr. President, I ask that the Senate proceed to the consideration of House Concurrent Resolution No. 39, which is on the table.

There being no objection, the concurrent resolution was considered, read, and agreed to, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That notwithstanding the adjournment of the first session of the Seventy-fourth Congress, the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign any enrolled bill or joint resolution duly passed by the two Houses and which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

### LOAD LINES FOR VESSELS IN THE COASTWISE TRADE

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2002) to provide for the establishment of load lines for American vessels in the coastwise trade, and for other purposes, which were, on page 2, line 15, to strike out "September 30", and on the same page, line 17, after the word "law" to insert a colon and the following additional proviso:

*Provided further*, That in applying the load lines to vessels on the Great Lakes the Secretary of Commerce is vested with discretion to vary the load-line marks from those established by said treaty when in his opinion the changes made by him will not be above the actual line of safety.

Mr. COPELAND. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

### INTERSTATE OIL COMPACT

Mr. THOMAS of Oklahoma. Mr. President, I ask that the Chair lay before the Senate House Joint Resolution 407, which has just come over from the House of Representatives.

The VICE PRESIDENT laid before the Senate the joint resolution (H. J. Res. 407) consenting to an interstate oil compact to conserve oil and gas, which was read twice by its title.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the joint resolution. This is a measure giving consent of Congress to the oil States compact, a measure containing but one section. A similar measure containing four or five sections passed this body on a former occasion. The House passed a joint resolution containing one section. I ask unanimous consent that the Senate proceed to its consideration.

The VICE PRESIDENT. Is there objection?

Mr. METCALF. What is the calendar number?

The VICE PRESIDENT. It is a measure just sent over from the House of Representatives embracing one section of an oil bill which has heretofore been passed by the Senate. The remainder of the sections have been stricken out. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed.

### ADDRESS BY THE PRESIDENT OF THE UNITED STATES

Mr. ROBINSON. Mr. President, I ask consent that the radio address to be delivered by the President of the United States this evening be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD.

The address is as follows:

I am deeply sorry that I have had to forego the opportunity of accompanying my old friend, Senator RYAN DUFFY, to Milwaukee to be with you, as I had planned tonight. But the closing days of a far-reaching and memorable session of the Congress of the United States keeps me here in Washington.

You doubtless know everything that I am going to say to you—because starting as early as last Monday certain special writers of a few papers have given you a complete outline of my remarks. I have been interested and somewhat amused by these clairvoyants who put on the front pages many days ago this speech which, because of pressure of time, I could only think out and dictate this very morning.

Whatever his party affiliations may be, the President of the United States, in addressing the youth of the country—even when speaking to the younger citizens of his own party—should speak as President of the whole people. It is true that the Presidency carries with it, for the time being, the leadership of a political party as well.

### A DUTY TO ANALYZE NEEDS

But the Presidency carries with it a far higher obligation than this—the duty of analyzing and setting forth national needs and ideals which transcend and cut across all lines of party affiliation. Therefore, what I am about to say to you, members of the Young Democratic Clubs, is precisely—word for word—what I would say were I addressing a convention of the youth of the Republican Party.

A man of my generation comes to the councils of the younger warriors in a very different spirit from that in which the older men addressed the youth of my time. Party or professional leaders who talked to us 25 or 30 years ago almost inevitably spoke in a mood of achievement and of exultation. They addressed us with the air of those who had won the secret of success for themselves and of permanence of achievement for their country for all generations to come.

### NO SPECTER OF WANT IN PAST

They assumed that there was a guarantee of final accomplishment for the people of this country and that the grim specter of insecurity and want among the great masses would never haunt this land of plenty as it had widely visited other portions of the world. And so the elders of that day used to tell us, in effect, that the job of youth was merely to copy them and thereby to preserve the great things they had won for us.

I have no desire to underestimate the achievements of the past. We have no right to speak slightingly of the heritage, spiritual and material, that comes down to us. There are lessons that it teaches that we abandon only at our own peril. "Hold fast to that which is permanently true", is still a counsel of wisdom.

While my elders were talking to me about the perfection of America, I did not know then of the lack of opportunity, the lack of education, the lack of many of the essential needs of civilization; that all these existed among millions of our people who lived not alone in the slums of the great cities and in the forgotten corners of rural America—existed even under the very noses of those who had the advantages and the power of government of those days.

### YOUTH'S TASK TO CORRECT ERRORS

I say from my heart that no man of my generation has any business to address youth unless he comes to that task, not in a spirit of exultation but in a spirit of humility. I cannot expect you of a newer generation to believe me, of an older generation, if I do not frankly acknowledge that had the generation that brought you into the world been wiser and more provident and more unselfish, you would have been saved from needless difficult problems and needless pain and suffering.

We may not have failed you in good intentions, but we have certainly not been adequate in results. Your task, therefore, is not only to maintain the best in your heritage, but to labor to lift from the shoulders of the American people some of the burdens that the mistakes of a past generation have placed there.

There was a time when the formula for success was the simple admonition to have a stout heart and willing hands. A great, new country lay open. When life became hard in one place, it was necessary only to move on to another. But circumstances have changed all that. Today we can no longer escape into virgin territory; we must master our environment. The youth of this generation finds that the old frontier is occupied, but that science and invention and economic evolution have opened up a new frontier—one not based on geography but on the resourcefulness of men and women applied to the old frontier.

### LESSONS LEARNED BY SUFFERING

The cruel suffering of the recent depression has taught us unforgettable lessons. We have been compelled by stark necessity to unlearn the too comfortable superstition that the American soil was mystically blessed with every kind of immunity to grave economic maladjustments and that the American spirit of individualism—all alone and unhelped by the cooperative efforts of

government—could withstand and repel every form of economic disarrangement or crisis. The severity of the recent depression, toward which we had been heading for a whole generation, has taught us that no economic or social class in the community is so richly endowed and so independent of the general community that it can safeguard its own security, let alone assure security for the general community.

The very objectives of young people have changed. In the older days a great financial fortune was too often the goal. To rule through wealth or through the power of wealth fired our imagination. This was the dream of the golden ladder—each individual for himself.

It is my firm belief that the newer generation of America has a different dream. You place emphasis on sufficiency of life rather than on a plethora of riches. You think of the security for yourself and your family that will give you good health, good food, good education, good working conditions, and the opportunity for normal recreation and occasional travel. Your advancement, you hope, is along a broad highway on which thousands of your fellow men and women are advancing with you.

LIFE TODAY VASTLY MORE COMPLEX

You and I know that this modern economic world of ours is governed by rules and regulations vastly more complex than those laid down in the days of Adam Smith or John Stuart Mill. They faced simpler mechanical processes and social needs. It is worth remembering, for example, that the business corporation, as we know it, did not exist in the days of Washington and Hamilton and Jefferson.

Private businesses then were conducted solely by individuals or by partnerships in which every member was immediately and wholly responsible for success or failure. Facts are relentless. We must adjust our ideas to the facts of today.

Our concepts of the regulation of money and credit and industrial competition, of the relation of employer and employee created for the old civilization, are being modified to save our economic structure from confusion, destruction, and paralysis. The rules that governed the relationship between an employer and employee in the blacksmith's shop in the days of Washington cannot, of necessity, govern the relationship between the 50,000 employees of a great corporation and the infinitely complex and diffused ownership of that corporation.

If 50,000 employees spoke with 50,000 voices, there would be a modern Tower of Babel. That is why we insist on their right to choose their representatives to bargain collectively in their behalf with their employer. In the case of the employees, every individual employee will know in his daily work whether he is adequately represented or not. In the case of the hundreds of thousands of stockholders in the present-day ownership of great corporations, however, their knowledge of the success of the management is based too often solely on a financial balance sheet.

RIGHT OF INVESTOR PROTECTION

Things may go wrong in the management without their being aware of it for a year, or for many years to come. Without their day-to-day knowledge, they may be exploited and their investments jeopardized. Therefore, we have come to the recognition of the need of simple but adequate public protection for the rights of the investing public.

A rudimentary concept of credit control appropriate for financing the economic life of a nation of 3,000,000 people can hardly be urged as a means of directing and protecting the welfare of our twentieth-century industrialism. The simple banking rules of Hamilton's day, when all the transactions of a fair-sized bank could be kept in the neat penmanship of a clerk in one large ledger, fail to protect the millions of individual depositors of a great modern banking institution.

And so it goes through all the range of economic life. Aggressive enterprise and shrewd invention have been at work on our economic machine. Our rules of conduct for the operation of that machine must be subjected to the same constant development.

And so in our social life. Forty years ago slum conditions in our great cities were much worse than today. Living conditions on farms and working conditions in mines and factories were primitive. But they were taken for granted. Few people considered that the Government had responsibility for sanitation, for safety devices, for preventing child labor and night work for women.

RECALLS FIGHT IN 1911 FOR REFORM

In 1911, 24 years ago, when I was first a member of the New York State Legislature, a number of the younger members of the legislature worked against these old conditions and called for laws governing factory inspection, for workmen's compensation, and for the limitation of work for women and children to 54 hours, with 1 day's rest in 7. Those of us who joined in this movement in the legislature were called reformers, Socialists, and wild men.

We were opposed by many of the same organizations and the same individuals who are now crying aloud about the socialism involved in social-security legislation, in bank-deposit insurance, in farm credit, the saving of homes, in the protection of investors, and the regulation of public utilities. The reforms, however, for which we were condemned 24 years ago, are taken today as a matter of course. And so, I believe, will be regarded the reforms that now cause such concern to the reactionaries of 1935.

We come to an understanding of these new ways of protecting people because our knowledge enlarges and our capacity for organized action increases. People have learned that they can carry their burdens effectively only by cooperation. We have found out how to conquer the ravages of diseases that years ago were regarded as unavoidable and inevitable. We must learn that many other social ills can be cured.

PICTURES NEW INDIVIDUALISM

Let me emphasize that, serious as have been the errors of unrestrained individualism, I do not believe in abandoning the system of individual enterprise. The freedom and opportunity that have characterized American development in the past can be maintained if we recognize the fact that the individual system of our day calls for the collaboration of all of us to provide, at the least, security for all of us. Those words "freedom" and "opportunity" do not mean a license to climb upward by pushing other people down.

Any paternalistic system which tries to provide for security for every one from above only calls for an impossible task and a regimentation utterly uncongenial to the spirit of our people. But government cooperation to help make the system of free enterprise work, to provide that minimum security without which the competitive system cannot function, to restrain the kind of individual action which in the past has been harmful to the community—that kind of governmental cooperation is entirely consistent with the best tradition of America.

Just as the evolution of economic and social life has shown the need for new methods and practices, so has the new political life developed the need for new political practices and methods. Government now demands the best-trained brains of every business and profession. Government today requires higher and higher standards of those who would serve it. It must bring to its service greater and greater competence. The conditions of public work must be improved and protected. Mere party membership and loyalty can no longer be the exclusive test. We must be loyal, not merely to persons or parties but to the higher conceptions of ability and devotion that modern government requires.

GLOOMY PROPHETS IN EVERY AGE

There was a day when political sages, or those who controlled them, took the attitude that anything new, or what they called "new fangled", would lead to dire results. There is nothing new in those prophecies of gloom. I read these lines in a paper the other day—a little poem entitled "Going to the Dogs":

My grandpa notes the world's worn cogs,
And says we're going to the dogs;
His grandad in his house of logs,
Swore things were going to the dogs;
His dad, among the Flemish bogs,
Vowed things were going to the dogs;
The caveman in his queer skin togs,
Said things were going to the dogs;
But this is what I wish to state—
The dogs have had an awful wait.

I would be lacking in any sense of responsibility and lacking in elementary courage if I shared in such a hopeless attitude. I, for one, am willing to place my trust in the youth of America. If they demand action as well as preachments, I should be ashamed to chill their enthusiasm with the dire prophecy that to change is to destroy. I am unwilling to sneer at the vision of youth merely because vision is sometimes mistaken. But vision does not belong only to the young.

CALLS FOR UNITED MARCH

There are millions of older people who have vision, just as there are some younger men and women who are ready to put a weary, selfish, or greedy hand upon the clock of progress and turn it back.

We who seek to go forward must ever guard ourselves against a danger which history teaches. More than ever we cherish the elective form of democratic government, but progress under it can easily be retarded by disagreements that relate to method and to detail rather than to the broad objectives upon which we are agreed. It is as if all of us were united in the pursuit of a common goal, but that each and every one of us were marching along a separate road of our own. If we insist on choosing different roads, most of us will not reach our common destination.

The reason that the forces of reaction so often defeat the forces of progress is that the Tories of the world are agreed and united in standing still on the same old spot and, therefore, never run the danger of getting lost on divergent trails. One might remark in passing that one form of standing still on the same spot consists in agreeing to condemn all progress and letting it go at that.

Therefore to the American youth of all parties I submit a message of confidence—unite and challenge! Rules are not necessarily sacred; principles are. The methods of the old order are not, as some would have you believe, above the challenge of youth.

Let us carry on the good that the past gave us. The best of that good is the spirit of America. And the spirit of America is the spirit of inquiry of readjustment, of improvement; above all a spirit in which youth can find the fulfillment of its ideals. It is for the new generation to participate in the decisions and to give strength and spirit and continuity to our Government and to our national life.

## ACHIEVEMENTS OF THE ROOSEVELT ADMINISTRATION, FIRST SESSION, SEVENTY-FOURTH CONGRESS

Mr. ROBINSON. Mr. President, I ask unanimous consent that I may have leave to print in the RECORD a comprehensive review of the legislation of the present session.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBINSON subsequently submitted excerpts from an article appearing in the New York Times, dated Tuesday, August 27, 1935, by Hal H. Smith, giving a summary of the principal acts of the first session of the Seventy-fourth Congress and other material:

## SUMMARY OF THE PRINCIPAL ACTS OF THE FIRST SESSION OF THE SEVENTY-FOURTH CONGRESS

The close of the session of Congress showed a wide range of important legislation enacted. A summary of the principal measures adopted, their intent and effect, is presented.

### AGRICULTURE

#### THE A. A. A. AMENDMENT ACT

(Approved Aug. 24, 1935. Public Law No. 320)

Designed to bring the farm program within the limits of constitutionality and to add to its effectiveness in raising farm purchasing power to the level set by Congress, the act makes no radical change on the program, but includes many provisions for strengthening and clarifying its operation.

Covers the question of constitutionality in three general provisions: (1) Seeks to plug every loophole against the charge of undue delegation of powers by Congress by spelling out in detail what shall be done and what cannot be done at every step of the A. A. A. program; (2) confines the program strictly to interstate and foreign commerce, as that term has been defined in decisions of the Supreme Court, in an effort to obviate any charge of invading the field that belongs to the States and at the same time makes provision for dovetailing Federal and State agricultural programs; (3) ratifies and confirms all past A. A. A. acts prior to the adoption of the amendments carried in this new act, including adjustment contracts with farmers, taxes, benefit payments, marketing agreements, and licenses to handlers of farm products.

Allows the institution of suits to recover processing taxes, but only after a claim has been presented to the Commissioner of Internal Revenue, with evidence that no part of the tax has been passed on to the consumer or back to the producer. Prohibits injunction suits to stop the collection of a tax in order to prevent tying up the farm program. Allows the taxpayer to obtain redress, if entitled to it, after he has paid his tax, by filing a claim refund.

Contains a new clause designed for the protection of consumers, making it clear that no steps can be taken to maintain prices above what is termed fair exchange value.

Authorizes the Ever-Normal granary plan, a method for keeping supplies of nonperishable crops stored on the farm as insurance against a shortage or violent price fluctuations.

Provides for control by quota of imported products when they enter in such quantities as to threaten the price structure of American-grown products.

Allows the use of 30 percent of receipts from import duties (about $92,000,000 this year) to subsidize the export of farm products, with the exception of raw cotton, or to increase the returns of producers on the part of the crop consumed in this country.

Strengthens the marketing agreement method for producers of milk, fruits, vegetables, soybeans, pecans and walnuts, tobacco and naval stores. Licensing handlers as a means for enforcing marketing agreements is done away with. Instead, marketing agreements are to be enforced by administrative orders, but these cannot apply to apples or to fruits and vegetables for canning, except olives and asparagus.

Authorizes a farm-adjustment program for potato growers.

Makes $10,000,000 in addition to present funds available to eliminate diseased cattle.

Appropriates funds from the $4,000,000,000 work-relief fund to carry out existing options for the purchase of submarginal land.

Eliminates price fixing for all commodities except milk.

Extends for another year the Smith-Kerr Tobacco Control Act and the Bankhead Cotton Control Act.

#### THE FARM CREDIT ACT OF 1935

(Approved June 3, 1935. Public Law No. 87)

Amends the Emergency Farm Mortgage Act of 1933, the Federal Farm Loan Act, the Agricultural Marketing Act, and the Farm Credit Act of 1933.

Permits land bank commissioners to make loans secured by first or second liens on real property with maturities up to 43 years.

Enlarges the purposes for which land-bank commissioners may make loans to include all those for which the Federal land banks are authorized to make loans.

Makes the definition of the term "farmer" in the Emergency Farm Mortgage Act of 1933 identical with the term "farmer" as defined in the amended Federal Farm Loan Act.

Extends until February 1, 1940, the time within which loans can be made by the land-bank commissioner; removes the present limitation ($600,000,000) on the amount of bonds of the Federal Farm Mortgage Corporation which may be used in making such loans; and permits such loans to be made in consolidated farm-loan bonds, if acceptable to the borrower.

Reduces the interest rate paid by Federal land bank borrowers whose loans were obtained through national farm-loan associations or were outstanding on May 12, 1933, to a maximum of 3½ percent per annum for all interest payable on installment dates occurring within a period of 1 year, beginning July 1, 1935, and to a maximum of 4 percent per annum for all interest payable on installment dates occurring within a period of 2 years, commencing July 1, 1936.

Authorizes Federal intermediate credit banks to discount paper for banks for cooperatives and to make loans to such banks.

Permits the issuance of consolidated debentures by Federal intermediate credit banks, following substantially the same procedure as that followed by the Federal land banks in the issue of their consolidated bonds.

Provides that the rate of interest on any loan made by the Governor of the Farm Credit Administration or a bank for cooperatives to any cooperative association on the security of commodities shall conform, as nearly as practicable, to the prevailing interest rate of commodity loans charged borrowers from the Federal intermediate credit bank of the district in which the principal office of the association is located.

Extends for an additional period of 2 years the authority of the land bank commissioner, under section 30 of the Emergency Farm Mortgage Act of 1933, to make loans to joint-stock land banks in order to further their orderly liquidation.

#### THE TOBACCO INSPECTION ACT

(Approved Aug. 23, 1935. Public Law No. 314)

Seeks to establish and promote the use of standards of classification for tobacco and provide and maintain an official tobacco-inspection service.

Authorizes the Secretary of Agriculture to investigate the marketing of tobacco and establish official standards for its grading; to demonstrate the official standards and prepare and distribute samples of these grades at reasonable charges for such service.

Empowers the Secretary of Agriculture to designate those auction markets where tobacco moves in commerce, but provides that before taking such action he shall determine the wishes of tobacco growers, who must approve such action by two-thirds majority of those voting on the question. At markets so designated, after not less than 30 days' public notice, no tobacco may be offered for sale until graded by an authorized representative of the Secretary.

Provides that the Secretary of Agriculture shall order such reinspection, or appeal inspection, of tobacco as he may deem necessary for confirmation or reversal of certificates issued under the act.

Authorizes the Secretary to collect, publish, and distribute, by telegraph, mail, or otherwise, without cost to the grower, timely information on the market supply and demand, location, disposition, quality, condition, and market prices of tobacco.

#### THE A. A. A. RICE AMENDMENT ACT

(Approved Mar. 18, 1935. Public Law No. 20)

Levies a processing tax on rice, beginning April 1, 1935. Without such an amendment of the A. A. A. Act a processing tax could not have been made effective until the beginning of the next marketing year, August 1, 1935.

Provides that, for the period from April 1, 1935, to July 31, 1936, the processing tax with respect to rice shall be at the rate of 1 cent per pound of rough rice, subject to any modification of such rate made pursuant to any other provision of the act.

Authorizes the Secretary of Agriculture to issue tax-payment warrants to growers who hold rough rice from the 1933 and 1934 crops and to millers holding stocks of rough rice which have been purchased at the prices specified in the existing marketing agreements and licenses. These warrants may be used in the payment of the processing tax on rice.

Eliminates the floor-stocks tax on clean rice in the hands of millers, jobbers, retailers, or others in the trade who, at the time of the passage of the act, had stocks on hand, in order to exempt from the tax all old-crop rice for which the marketing-agreement price had been paid.

#### THE FARM RESEARCH ACT

(Approved June 29, 1935. Public Law No. 182)

Directs the Secretary of Agriculture to conduct research into laws and principles underlying basic problems of agriculture in its broadest aspects; research relating to improvement of the quality of, and the development of new and improved methods of production, distribution, and new and extended uses and markets for agricultural commodities and byproducts and also research relating to the conservation, development, and use of land and water resources for agricultural purposes.

Appropriates for this purpose $1,000,000 annually for five fiscal years, beginning July 1, 1935, and $5,000,000 for each fiscal year after July 1, 1940.

Provides for further development of the cooperative extension system by appropriating $8,000,000 for such extension work in agriculture and home economics for the fiscal year 1936, and for each succeeding fiscal year $1,000,000 additional until the total appropriations shall amount to $12,000,000 annually, the appropriation to continue in the latter amount for each succeeding year.

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### AIR MAIL

#### THE AIR MAIL CONTRACT ACT

(Approved Feb. 21, 1935. Public Law No. 12)

Postpones from March 1, 1935, to April 1, 1936, the provision of section 15 of the Air Mail Act of June 12, 1934, that no contract

for any primary air-mail route should be awarded to or extended for a contractor already holding contract for one primary route.

Makes no other change of any kind in the legislation previously enacted governing the carriage of air mail but obviates the letting of new contracts for a brief period pending action by Congress on the report of the Commission which was authorized to report recommendations for a national aviation policy.

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## BANKING

### THE GLASS BANKING ACT OF 1935

(Approved Aug. 23, 1935. Public Law No. 305)

Seeks to provide for sound, effective, and uninterrupted operation of the banking system through amendment of the Federal Reserve Act, reorganization of the Federal Reserve Board and technical amendments of the banking laws, and by making Federal deposit insurance of bank deposits permanent.

Reorganizes the Federal Reserves Board into a seven-member board, all to be appointed by the President and each to have the title of "governor" and serve a 14-year term. Changes the name of the Federal Reserve Board to the "Board of Governors of the Federal Reserve System." The Secretary of the Treasury and the Comptroller of the Currency are eliminated from membership, ex officio, on the Board after February 1, 1936. The entire reorganization of the Board is to be effected by that date.

Creates a Federal open market committee, effective March 1, 1936, which shall consist of the 7 members of the Board of Governors of the Federal Reserve System and 5 representatives of the 12 regional Federal Reserve banks, to be elected annually by designated regions, the committee to have power to control credit fluctuations by purchasing and selling Government bonds, notes, or other obligations of the United States on the open market through the Reserve banks. The open market committee is to have charge of open-market operations and the Reserve banks must act in accordance with its instructions.

Amends section 14 of the Federal Reserve Act to make eligible for purchase by Federal Reserve banks, without regard to maturities, direct obligations of the United States or obligations fully guaranteed by the United States, but provides that such direct and guaranteed obligations may be purchased only in the open market.

### MAY DOUBLE RESERVES RATIO

Retains existing statutory requirements governing maintenance of reserves against deposits as a further check on the use of bank funds for speculation. Provides that by a vote of not less than 4 of the 7 members of the Board of Governors, the present requirements of 7, 10, and 13 percent could be doubled, but not lowered.

Allows Reserve banks to continue to propose changes in rediscount rates, subject to Board approval, but requires such rates to be restated "every 14 days, or oftener if deemed necessary by the Board."

Authorizes the President to designate one of the seven governors of the Federal Reserve System to act as its chairman and another to serve as vice chairman, each for 4 years; and gives the heads of the 12 Federal Reserve banks the new title of "president" instead of "governor" so as not to conflict with the new Reserve Board titles. The presidents of the Federal Reserve banks would be selected for 5-year terms by the boards of directors of the banks, subject to approval by the Board of Governors of the Federal Reserve System.

Permits national banking associations to make real-estate loans secured by first liens upon improved real estate, including improved farm land and improved business and residential properties, up to 50 percent of the appraised value of the real estate offered as security, for a term of not over 5 years, except in cases of amortized loans, when 60 percent may be loaned for a 10-year term. Forbids national banking associations to make such loans in an aggregate sum in excess of the capital and surplus of the bank, or in excess of 60 percent of its time and savings deposits, whichever is the greater.

### BROADENS LOAN REQUIREMENTS

Broadens the eligibility requirements of paper upon which the Federal Reserve banks may make loans.

Makes permanent the temporary law, expiring August 31, 1935, fully insuring bank deposits up to $5,000 for a depositor. Provides that the annual assessment on banks for insurance fund membership shall be one-twelfth of 1 percent upon their average deposit liability.

Requires all State banks with deposits of $1,000,000 or more to join the Federal Reserve System by July 1, 1942, if they desire to continue to have their deposits insured.

Permits nonmember banks to terminate their insured status within 30 days of effective date of the Banking Act of 1935 by giving written notice to the Federal Deposit Insurance Corporation.

Provides that the total amount of the securities of one issuer or obligor held by a national banking association for its own account shall not exceed 10 percent of the actually paid-in and unimpaired capital stock and surplus fund, except that this provision shall not apply to lawful holdings as of the effective date of the Banking Act of 1935.

Requires the Secretary of the Treasury, whenever in the judgment of the directors of the Federal Deposit Insurance Corporation additional funds are required for insurance purposes, to purchase obligations of the corporation in an additional amount not exceeding $250,000,000.

### THE DEPOSIT INSURANCE EXTENSION ACT

(Approved June 28, 1935. Public Resolution No. 38)

Extends for 60 days, or until August 31, 1935, the temporary plan for Government insurance of bank deposits up to $5,000.

Provides that the deposits in banks which, on June 30, 1935, were members of the fund should continue to be insured during the extended period to August 31, 1935, without liability on the part of such banks to further calls or assessments.

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## BANKRUPTCY

### THE LIVESTOCK BANKRUPTCY ACT

(Approved May 15, 1935. Public Law No. 60)

Amends the National Bankruptcy Act of July 1, 1898, so as to permit livestock raisers to take advantage of that act.

Enlarges the definition of "farmer", which has been restricted by the courts in some instances to include not only individuals primarily bona fide engaged in producing products of the soil, but also those who are primarily bona fide personally engaged in dairy farming, the production of poultry or livestock, or the production of poultry or livestock products in their unmanufactured state.

### THE FARM MORTGAGE ACT

(Approved Aug. 28, 1935. Public Law No. 384)

Amends section 75 of the Bankruptcy Act of July 1, 1898, so as to permit farmers threatened with foreclosure, and unable to obtain relief through conciliation methods, to go into bankruptcy.

Provides, in a new subsection (s), written to conform to the Supreme Court's decision of last spring holding the original 5-year moratorium law invalid, that any farmer failing to obtain a composition or extension, or if he feels aggrieved by a composition or extension proposal, may ask to be adjudged a bankrupt. He may also ask the court that all his property, wherever located, be appraised, and that his exemptions, as prescribed by State law, be set aside to him, and that he be allowed to retain possession, under supervision and control of the court, of all the remainder of his property, including his encumbered exemptions under terms and conditions set forth in the new act.

Authorizes courts to stay all proceedings against such a farm debtor for 3 years, during which time the debtor shall be permitted to retain possession of all or any part of his property, in the custody and under the supervision and control of the court, provided he pays a reasonable rental for that part of the property of which he retains possession. The rental would be paid into court to be used, first, for payment of taxes and upkeep, and the remainder to be distributed among the secured and unsecured creditors and applied on their claims.

Provides that at the end of 3 years, or prior thereto, the property having been appraised, the debtor could regain unencumbered possession of it by paying into court the amount of the appraisal of the property of which he retains possession, including the amount of encumbrances on his exemptions, up to the amount of the appraisal, less the amount paid on principal.

Directs that upon request in writing by any secured creditor or creditors holding a lien on the property, the court shall order its sale at public auction. The debtor would be allowed 90 days in which to redeem any property sold at such a sale by paying the amount for which the property is sold, with interest at 5 percent, to the court, and he may then apply for his discharge from bankruptcy, as provided for in the act.

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## COMMUNICATIONS

### THE TELEPHONE INQUIRY ACT

(Approved Mar. 15, 1935. Public Resolution No. 8)

Directs the Federal Communications Commission to investigate and report to Congress on the following matters with respect to the American Telephone & Telegraph Co. and all other companies engaged directly or indirectly in telephone communication in interstate commerce, including all of their subsidiary, affiliated, associated, and holding companies in which any of them have any direct or indirect financial interest or in which any of their officers or directors hold office or any control:

1. The corporate and financial history and the capital structure and relationship of such company and of its subsidiary, affiliated, associated, and holding companies, including the determination of whether such structure may enable them to evade State or Federal regulation, or taxation or to conceal, pyramid, or absorb profits, or to do any act contrary to the public interest.

2. The extent and character of intercompany service contracts and all transactions between telephone companies and their subsidiaries and holding companies, etc., and particularly between the A. T. & T. Co. and the Western Electric Co. and other manufacturers of electrical equipment.

3. The reasons for failure generally to reduce telephone rates and charges during years of declining prices.

4. The effect of monopolistic control upon reasonableness of rates.

5. The effect of mergers, consolidations, and acquisitions of control by telephone companies, including "write-ups" in purchase prices.

6. Methods of competition with other companies or industries.

7. Whether the companies, through propaganda or money expenditure, have sought to control channels of publicity to control public opinion.

Makes $750,000 available for the inquiry.

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CONSERVATION

THE SOIL-EROSION ACT

(Approved Apr. 27, 1935. Public Law No. 46)

Recognizes that unless soil erosion can be controlled on farm, grazing, and forest lands the prosperity of the United States cannot be permanently maintained; declares it to be the policy of Congress to provide permanently for the control and prevention of such erosion and directs the Secretary of Agriculture to coordinate all Federal activities in that direction.

Authorizes him to conduct soil-erosion surveys, investigations, and research; to carry out preventive measures, including engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land; to enter into agreements with, or to furnish financial aid to, any agency, governmental or otherwise, for the purposes of the act; and to acquire lands, or rights or interests therein, by purchase, gift, condemnation, or otherwise wherever necessary to protect land resources against soil erosion.

Authorizes certain conditions to the extending of benefits under the act to lands not owned or controlled by the United States or any of its agencies.

Directs the Secretary of Agriculture to establish an agency to be known as the "Soil Conservation Service" to exercise the powers conferred by the act and authorizes the utilization of the Soil Erosion Service, making the latter's unexpended funds available until June 30, 1937.

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CRIME

THE FEDERAL MARSHALS ACT

(Approved June 15, 1935. Public Law No. 146)

Amends and clarifies existing law by providing that United States marshals may serve process in any Federal judicial district.

Empowers Federal marshals and their deputies to make arrests without warrants for any offense against laws of the United States committed in their presence, also for any felony cognizable under Federal laws where the felony has in fact been or is being committed and they have reasonable grounds to believe that the person to be arrested has committed or is committing it.

Provides Federal statutory authority for Federal marshals and their deputies to carry firearms.

THE POULTRY RACKET ACT

(Approved Aug. 14, 1935. Public Law No. 272)

Seeks to break up the poultry racket in New York and New Jersey or elsewhere which is interstate by placing the live-poultry industry under the Packers and Stockyards Act and thereby undertaking to establish correct and reasonable charges for all services rendered at the unloading point in destination of shipment.

Adds a new title V to the Packers and Stockyards Act, approved August 15, 1921, so as to bring the shipment of such poultry within the jurisdiction of the Secretary of Agriculture.

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GAME PROTECTION

THE GAME AND WILDLIFE ACT OF 1935

(Approved June 15, 1935. Public Law No. 148)

Amends the Migratory Bird Hunting Stamp Act of 1934 by liberalizing and simplifying the issuance of stamps by the Post Office Department.

Amends the Lacey Act of 1900, which in large part was designed to aid the States by prohibiting shipment in interstate commerce of game and other wildlife killed or shipped in violation of their laws so that it will apply to present-day vehicles and methods of transportation such as the automobile and airplane.

Extends the operation of the Lacey Act to foreign commerce in game and wildlife and puts teeth into that act, which made no provision for its enforcement, by imposing penalties for its violation.

Authorizes payment to the States of 25 percent of any revenue that may be derived from wildlife refuges and reservations administered by the Department of Agriculture.

Empowers the President to allocate out of the $4,880,000,000 appropriation made in the Work Relief Act of April 8, 1935, such sum as he may deem necessary or advisable for the acquisition of areas in carrying on the Government's program of wildlife restoration, rehabilitation, and protection.

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FORESTS

THE NATIONAL FORESTS CONTRACT ACT

(Approved Apr. 17, 1935. Public Law No. 38)

Authorizes the Secretary of Agriculture to terminate contracts for the purchase of national-forest timber, made prior to June 30, 1934, without the collection of damages for failure on the part of the purchaser to cut all of the timber, except as the value of the remaining timber may have been reduced by the cutting and removal done by the purchaser.

Provides that all applications for action by the Secretary under authority of the act must be submitted before April 17, 1936.

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HOUSING

THE HOME MORTGAGE RELIEF ACT

(Approved May 28, 1935. Public Law No. 76)

Liberalizes the Federal Home Loan Bank Act so as to facilitate the functioning of the Federal home-loan banks and enable their members to carry home mortgages over longer terms and on an easier basis. Extends the limitation of existing law with respect to the maturity of mortgages which may be accepted as collateral for advances by Federal home-loan banks from 15 to 20 years and makes all home mortgages up to $20,000 in amount—instead of those on properties valued up to $20,000—eligible as such collateral.

Increases the borrowing power of the Home Owners' Loan Corporation from $3,000,000,000 to $4,750,000,000 to provide for applications already filed and for applicants who in good faith sought relief prior to the enactment of the new act or who filed their applications within 30 days thereafter.

Provides that for the purposes of the Home Owners' Loan Act of 1933 assessments levied upon real property by special districts organized in any State for public improvements should be treated as general-tax levies, leaving it to the Home Loan Bank Board to determine the reasonableness of the annual tax burden on property securing loans by the Corporation.

Removes the prohibition against making a deduction from the loanable value of the property where the aggregate amount of the annual taxes, levies, and assessments does not exceed 5 percent of the value of the property as determined by the appraisal.

Permits State-chartered institutions which are converted into Federal savings and loan associations to continue to make loans in the territory in which they made loans while operating under a State charter.

Authorizes the Home Owners' Loan Corporation to purchase: (1) Federal home-loan bank bonds, debentures or notes (including consolidated bonds or debentures); (2) full-paid income shares of Federal savings and loan associations on the same terms and conditions and within the same limitations as in the case of purchases of such shares by the Secretary of the Treasury after the funds made available have been exhausted; and (3) shares in any institution which is a member of a Federal home-loan bank and whose accounts are insured under title IV of the National Housing Act, if the institution is eligible for such insurance. The total amount available to the Corporation under this section was fixed at $300,000,000.

Increases by $200,000 the amounts made available to the Federal Home Loan Bank Board for encouraging the promotion, organization, and development of Federal loans and savings associations.

Extends from January 1, 1936, to April 1, 1936, the time within which loans must be made in order to be eligible for insurance under section 2 of the National Housing Act and makes loans up to $50,000 eligible for such insurance if made for the purpose of financing alterations, repairs, and improvements with respect to real property "improved by, or to be converted into apartment or multiple-family houses, hotels, offices, business or other commercial buildings, hospitals, orphanages, colleges, schools, or manufacturing or industrial plants."

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LABOR

THE WAGNER LABOR RELATIONS ACT

(Approved July 5, 1935. Public Law No. 198)

Creates a permanent National Labor Relations Board of three members, appointed by the President with Senate consent, to promote equality of bargaining powers between employers and employees and to diminish the causes of labor disputes. This permanent Board replaces the old temporary National Labor Relations Board established under Executive orders of President Roosevelt.

Declares collective bargaining to be a national policy.

Provides that employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection.

Lays down five unfair labor practices by forbiding employers—

1. To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in the collective bargaining section (sec. 7) of the act.

2. To dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it.

3. To encourage or discourage membership in any labor organization by discrimination in regard to hire or tenure of employment or any term or condition of employment.

4. To discharge or otherwise discriminate against an employee for filing charges or giving testimony under the act.

5. To refuse to bargain collectively with the representatives of employees subject to the provisions of section 9a of the act which

provides that bargaining representatives chosen by a majority of such unit exclusively in bargaining on pay, wages, hours, and other conditions. A minority would be allowed to present "grievances."

Empowers the Board to decide in each case whether, in order to insure to employees the full benefit of their right of self-organization and to collective bargaining, and otherwise effectuate the policies of the act, the unit appropriate for the purposes of collective bargaining shall be the employer unit, plant unit, or any subdivision thereof.

Directs the Board to prevent any person from engaging in any of the five enumerated unfair labor practices affecting commerce, this power to be exclusive and not affected by any other means of adjustment or prevention that has been or may be established by agreement, code, law, or otherwise.

Stipiates that nothing in the act shall be construed so as to interfere with or impede or diminish in any way the right to strike.

THE EMPLOYMENT SERVICE ACT

(Approved May 10, 1935. Public Law No. 54)

Amends the so-called "Wagner-Peyser Act" of June 6, 1933, so as to alter the amount apportioned to certain States for public employment offices affiliated with the United States Employment Service.

Provides for an apportionment of not less than $10,000 to each State for its assistance in the establishment of local employment offices. Under the Wagner-Peyser Act the appropriation of $3,000,000 annually until June 30, 1938, was to be apportioned among the States in the proportion of their population to the total population of the Nation. By strict application of this rule four States—Delaware, Nevada, Vermont, and Wyoming—receive less than $10,000 each.

THE GUFFEY COAL BILL

(Approved Aug. 30, 1935. Public Law No. 402)

Seeks to stabilize the bituminous coal-mining industry and promote its interstate commerce.

Recognizes and declares that the mining and distribution of bituminous coal are affected with a national public interest and that the general welfare of the Nation requires that the industry be regulated as provided in the act.

Establishes in the Interior Department a National Bituminous Coal Commission of five members, appointed by the President to administer the act.

Sets up in the Interior Department the office of consumers' counsel, appointed by the President, to appear in the interest of the consuming public in any proceeding before the Commission, and also to conduct independent investigation of matters relative to the soft-coal industry.

Imposes upon the sale or other disposal of all bituminous coal produced in the United States a punitive excise tax of 15 percent on the sale price at the mine, to be payable to the United States by producers of such coal. Coal producers who file with the National Bituminous Coal Commission their acceptance of the Bituminous Coal Code provided for in the act are to be entitled to a drawback in the form of a credit upon the amount of such tax equivalent to 90 percent of the tax.

Directs the Commission to formulate a Bituminous Coal Code, which shall contain certain mandatory conditions, provisions, and obligations set forth in the act.

Provides for the organization of 23 district boards of coal producers, each district consisting of not less than 3 nor more than 17 members; permits the establishment or maintenance of marketing agencies within any district by a voluntary association of producers within any producing field in such district, and vests district boards and marketing agencies with power to adopt rules of procedure, subject to approval of the Commission.

Authorizes the district boards, on their own motion or when directed by the Commission, to establish minimum prices on coal produced in a district; to make such classification of coal and price variations as to mines and consuming market areas as the boards may deem necessary and proper, and, in order to sustain the stabilization of wages, working conditions, and maximum hours of labor, the act directs that these prices shall be established so as to yield a return per net ton for each district in a minimum price area equal as nearly as possible to the weighted average of the total costs, per net ton, of the tonnage of such minimum price area.

Reenacts and makes applicable to the bituminous-coal industry the provisions of section 7a of the National Recovery Act giving to labor the right to organize and bargain collectively through representatives of their own choosing free from interference, restraint, or coercion of employers.

Creates a Bituminous Coal Labor Board of three members appointed by the President, to see that the labor-relations provisions of the act are carried out, adjudicate disputes, and act as mediator in any dispute between a producer and its employees where such dispute is not determined by the tribunal set up in a bona fide collective contract.

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LIQUOR

THE FEDERAL ALCOHOL CONTROL ACT

(Approved Aug. 29, 1935. Public Law No. 401)

Creates a Federal Alcohol Administration as a division in the Treasury to exercise control over the liquor traffic. This Administration is to be headed by an administrator appointed by the President.

Makes it unlawful, except pursuant to a basic permit issued under this act by the Administrator, to engage in the business of importing liquor, wine, or malt beverages, or to sell or ship liquor so imported. This provision becomes effective 60 days after the Administrator takes office.

Makes it unlawful, except pursuant to a basic permit, to engage in distilling liquor, producing wine, rectifying or blending distilled spirits or wine, or bottling or warehousing of distilled spirits, or to sell or ship the same, also effective 60 days after the Administrator takes office.

Makes it unlawful, effective March 1, 1936, to engage in the business of purchasing for resale at wholesale distilled spirits, wine, or malt beverages, except under a basic permit.

Stipulates that basic permits shall be given (1) to any person who on May 25, 1935, held a basic permit as distiller, rectifier, wine producer, or importer issued by a Federal agency, and (2) any other person, unless the Administrator finds that such person does not fall within definitions in the act.

Directs that all basic permits shall be conditioned upon compliance with the requirements of section 5 (relating to unfair competition and unlawful practices), of section 6 (relating to bulk sales and bottling), of the twenty-first amendment and relating to its enforcement, and of all other Federal laws relating to distilled spirits, wine, and malt beverages, including taxes respecting them.

Makes it unlawful for any distiller, brewer, rectifier, blender, or other producer to indulge in various kinds of unfair competition and unlawful practices specifically forbidden by section 5 of the act. These practices relate to exclusive outlets, commercial bribery, consignment sales, labeling, advertising, and other matters.

Provides that it shall be unlawful for any person to sell or otherwise dispose of distilled spirits in bulk except under regulations of the Administrator for export, or to import, or to the following: Distilled spirits in bulk, except, under such regulations, for sale or use by the following: A distiller, rectifier of distilled spirits, person operating a bonded warehouse qualified under the internal-revenue laws or a class 8 bonded warehouse qualified under the customs laws, a wine maker for the fortification of wines, a proprietor of an industrial alcohol plant, or an agency of the United States or any State or political subdivision thereof.

Defines the term in bulk to mean containers having a capacity in excess of 1 wine-gallon.

Abolishes the temporary Federal Alcohol Control Administration which President Roosevelt established under the provisions of title I of the National Industrial Recovery Act. This becomes effective when the new Administrator takes office.

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MISCELLANEOUS

THE FEDERAL REGISTER ACT

(Approved July 26, 1935. Public Law No. 220)

Provides for the custody in The National Archives establishment of Federal proclamations, orders, regulations, notices, and other documents and their prompt printing and distribution by the Public Printer in a new Federal serial publication to be known as the "Federal Register."

THE CENTRAL STATISTICAL ACT

(Approved July 25, 1935. Public Law No. 219)

Provides for the creation of a Central Statistical Board to plan and promote the improvement, development, and coordination of, and the elimination of duplication in, statistical services carried on by or subject to the supervision of the Federal Government, and, so far as may be practicable, of other statistical services in the United States.

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MONETARY

THE GOLD CLAUSE ACT

(Approved Aug. 24, 1935. Public Resolution No. 63)

Provides that lawful holders of coins and currencies of the United States shall be entitled to exchange them, dollar for dollar, for other coins or currencies which may be lawfully acquired and are legal tender for public and private debts.

Permits the owners of the gold-clause securities of the United States, at their election, to receive immediate payment of the stated dollar amount thereof with interest to the date of payment or to prior maturity or to prior redemption date, whichever is earlier.

Directs the Secretary of the Treasury to make such exchanges and payments upon presentation in accordance with the act and in the manner provided in regulations prescribed by him.

Stipulates that the period within which the owners of gold-clause securities shall be entitled to receive payment prior to maturity shall expire January 1, 1936, or on such later date, not after July 1, 1936, as may be fixed by the Secretary of the Treasury.

Withdraws any consent which the United States may have given to the assertion against it of any right, privilege, or power whether by way of suit, counter-claim, set-off recoupment, or other affirmative action or defense in its own name, or in the name of any of its officers or instrumentalities in any proceeding (1) upon any gold-clause securities of the United States or for interest thereon, or (2) upon any coin or currency of the United States, or (3)

upon any claim or demand arising out of any surrender, seizure, or acquisition of any such coin or currency or of any gold or silver and involving the effect or validity of any change in the metallic content of the dollar or other regulation of the value of money.

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## NATIONAL DEFENSE

### THE WAR DEPARTMENT SUPPLY ACT

(Approved Apr. 9, 1935. Public Law No. 29)

Appropriates $401,998,170 for all activities under control of the War Department, of which $341,348,204 is for military purposes which are chargeable to the national defense, and $60,649,966 for nonmilitary activities, including the Panama Canal, river and harbor work, and flood-control projects.

Raises the average enlisted strength of the Army from 118,750 to 165,000 men, the increase of 46,250 enlisted men extending to all branches.

Grants the Army Air Corps $45,383,400, an increase of $17,986,947 over the total for the current fiscal year, of which $19,138,000 is immediately available for production or purchase of new airplanes, their equipment and accessories, and $2,500,000 for procurement of spare engines and parts for airplanes and engines; and, in addition, authorizes the making of contracts for $7,686,753 for equipment, spare parts, and accessories for planes.

Makes a direct appropriation of $500,000 for increasing the enlisted strength of the National Guard by 5,000 men, and appropriates $4,452,304 for the Reserve Officers' Training Corps; $2,000,000 for training about 30,000 in citizens' military training camps, and $6,372,178 for the Organized Reserves.

### THE WILCOX AIR BASE ACT

(Approved Aug. 12, 1935. Public Law No. 263)

Authorizes and directs the Secretary of War to determine in all strategic areas of the United States, including Alaska and overseas possessions and holdings, the location of such additional permanent Air Corps stations and depots as he deems essential for the effective peace-time training of the General Headquarters Air Force and the Air Corps components of overseas garrisons.

Directs that, in determining the locations of the new primary air base, consideration be given to the location of bases as follows: (1) The Atlantic Northeast—to provide for training in cold weather and fog; (2) the Atlantic seacoast and Caribbean areas—to permit training in long-range operations, especially those incident to reinforcing the Panama Canal; (3) the Southeastern States—to provide a depot essential to the maintenance of the General Headquarters Air Force; (4) the Pacific Northwest—to establish and maintain air communication with Alaska; (5) Alaska—for training under conditions of extreme cold; (6) the Rocky Mountain area—to provide a depot essential to the maintenance of the General Headquarters Air Force and afford opportunity for training in operations from field at high altitudes; (7) such intermediate stations as will provide for transcontinental movements incident to the concentration of the General Headquarters for maneuvers.

Authorizes the appropriation of such money as may be necessary for the purposes of the act.

### THE NATIONAL GUARD OFFICERS' ACT

(Approved June 19, 1935. Public Law No. 154)

Gives the President the right to order officers of the National Guard of the United States to active duty in an emergency at any time and for the period thereof, provided that, except in time of a national emergency expressly declared by Congress, no officer of the National Guard shall be employed on active duty for more than 15 days in any calendar year without his consent.

Increases the number of junior officers in order to make it possible that the most capable young men may be retained as commissioned officers.

Creates an inactive Reserve, and enables the National Guard to have some connection with those officers who do not wish to remain as active officers.

### THE NAVAL SUPPLY ACT

(Approved June 24, 1935. Public Law No. 163)

Carries $458,684,379 in direct appropriations for the Naval Establishment and reappropriates enough money to bring the total to $466,184,379.

Appropriates $126,795,000 for new warships, including those already under construction, including sufficient funds for the initial year's work on 24 vessels in the current year's building program. The latter includes a $27,895,000 aircraft carrier, two $19,150,000 light cruisers, 15 destroyers, and 6 submarines.

Grants an appropriation of $26,515,660 for new airplanes and, in addition, authorizes the Navy Department to enter into contracts for $6,000,000 worth of planes to be appropriated for later.

Provides for an increase of 11,000 enlisted men, bringing the authorized enlisted strength to 93,500 men.

Increases the allowance for the Naval Academy so as to permit the appointment of four midshipmen, instead of three, by each Member of Congress.

Reopens the Great Lakes Naval Training Station and also the Newport, R. I., training station.

### THE NAVAL AVIATION CADET ACT

(Approved Apr. 15, 1935. Public Law No. 37)

Creates the grade of aviation cadet in the Naval Reserve and Marine Corps Reserve.

Empowers the Secretary of the Navy to appoint aviation cadets from male citizens of the United States to serve on active duty for a period of 4 years, unless sooner released. At the completion of their active duty they would be eligible for commission in the Naval or Marine Corps Reserve.

Provides for pay of aviation cadets while on active duty undergoing training at the rate of $75 a month, including extra pay for flying risk, as provided by law, and at $125 a month while on active duty not undergoing training.

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## NEUTRALITY

### THE NEUTRALITY ACT

(Approved Aug. 31, 1935. Public Resolution No. 67)

Directs that, upon the outbreak or during the progress of war between foreign states, the President shall proclaim the fact and thereafter it shall be unlawful to export arms, ammunition, or implements of war from any place in the United States or its possessions to any port of such belligerent states, or to any neutral port for transshipment to, or for the use of, a belligerent country. Violations of this provision are punishable by $10,000 fine or 5 years' imprisonment, or both. Except with respect to prosecutions committed or forfeitures incurred prior to March 1, 1936, this section and all proclamations issued thereunder shall not be effective after February 29, 1936.

Establishes a National Munitions Control Board, consisting of the Secretaries of State, Treasury, War, Navy, and Commerce, to carry out the act.

Requires all persons engaged in manufacturing, exporting, or importing arms, ammunition, and implements of war to register with the Secretary of State within 90 days after the act takes effect, listing the arms they manufacture, export, or import. The registrants would pay a fee of $500 and, upon receipt of this, the Secretary of State would issue a registration certificate valid for 5 years.

Provides that all persons required to register shall maintain, subject to inspection of the Board, such permanent records of manufacture for export, importation, and exportation of arms, ammunition, and implements of war as the Board shall prescribe.

Forbids any person to export or attempt to export from the United States, or to import to the United States, any of the munitions referred to in the act without a license from the Board.

Makes it unlawful, after the President issues a proclamation under the act, to carry munitions to belligerent ports, or to neutral ports for transshipment to belligerent countries named in the proclamation as being at war, under penalties of $10,000 fine or 5 years' imprisonment, or both, and forfeiture of munitions and vessel.

Authorizes the President to lay down conditions barring foreign submarines from American ports, except under such conditions as he may prescribe, during any war in which the United States is a neutral.

Directs that whenever, during any war in which the United States is a neutral, the President finds the maintenance of peace between this country and foreign nations, protection of lives of American citizens, protection of the commercial interests of the United States and its citizens, or the security of the United States are involved, he shall so proclaim, and thereafter no citizen of the United States shall travel on any vessel of any belligerent nation except at his own risk, unless in accordance with rules prescribed by the President.

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## PETROLEUM

### THE "HOT OIL" ACT

(Approved Feb. 22, 1935. Public Law No. 14)

Regulates interstate and foreign commerce in petroleum and its products by prohibiting the shipment or transportation of contraband or "hot oil" from any State in which produced.

Calls for Federal confiscation of illegal petroleum taken across a State line.

Authorizes the President to lift the prohibition of interstate movement of contraband petroleum whenever he finds that the amount of petroleum and petroleum products moving in interstate commerce is so limited as to be the cause, in whole or in part, of a lack of parity between supply and consumptive demand resulting in an undue burden on or restriction of interstate commerce in petroleum and its products.

Stipulates that if the section of the measure giving the President authority to so act is held invalid the prohibition against shipment in interstate commerce shall still be in force.

Makes the legislation effective until June 16, 1937.

### THE OIL AND GAS PROSPECTING ACT

(Approved Aug. 21, 1935. Public Law No. 297½)

Amends the Oil Leasing Act of 1920 by authorizing and directing the Secretary of the Interior to grant prospecting permits giving the exclusive right, for not exceeding 2 years, to prospect for oil or gas upon not to exceed 2,560 acres of land wherein such deposits belong to the United States and are not within any known geological structure or producing field, subject to specified conditions and requirements that must be met by the applicant.

Stipulates that upon discovery of valuable deposits of oil or gas, the permittee shall be entitled to a lease of one-fourth of the land embraced in the permit.

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POSTAL SERVICE

THE M'KELLAR-MEAD 40-HOUR MAIL ACT

(Approved Aug. 14, 1935. Public Law No. 275)

Provides a 40-hour week for 123,000 postal employees, effective October 1, 1935.

Affects supervisors, clerks, special clerks, carriers, rural-delivery men, mail equipment shop workers, laborers in first- and second-class post offices, cleaners, janitors, telephone operators, and elevator conductors.

Extends the benefits of the act to railway postal clerks by providing that the service of such clerks assigned to road duty shall be based on an average not exceeding 6 hours and 40 minutes daily for 306 days annually and that railway postal clerks required to perform over 6 hours' and 40 minutes' service daily shall be paid in cash at the annual rate of pay or granted compensatory time, at their option, for such overtime.

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POWER

THE TENNESSEE VALLEY ACT

(Approved Aug. 31, 1935. Public Law No. 412)

Amends the organic T. V. A. Act to give clarifying and remedial legislation to the Tennessee Valley Authority, based upon its 2 years of operation.

Gives the T. V. A. definite sanction to sell surplus power, a right challenged in the courts in rulings on injunctions brought under the original T. V. A. Act of 1933.

Affirms the right of the T. V. A. to sell electricity to States, counties, municipalities, and nonprofit organizations within transmission distance from its dams, and specifically mentions the construction of Norris, Wheeler, and Pickwick Landing Dams, along with the existing Wilson Dam at Muscle Shoals, as being necessary in the unified development of the Tennessee River system for navigation, flood-control, and power purposes.

Authorizes the T. V. A. to utilize its yet unused bond issues of $50,000,000 for loans to States, counties, and municipalities to enable them to acquire electric distribution facilities.

Empowers the T. V. A. to construct such dams and reservoirs in the Tennessee River and its tributaries as, in conjunction with the Wilson, Norris, Wheeler, and Pickwick Landing Dams, would provide a 9-foot channel in the Tennessee River from Knoxville to its mouth.

Permits T. V. A. regulation of power-resale rate schedules.

Grants power to acquire existing electric facilities used in serving farms and small villages.

Directs the Comptroller General to audit T. V. A. transactions at such times as he shall determine, not less frequently than once in each fiscal year, but specifically restrains the Comptroller General from making his report on his periodic audit of T. V. A. accounts until the corporation shall have reasonable opportunity to examine the exceptions and criticisms of the Comptroller General or the General Accounting Office and to point out errors therein, explain or answer the same. Assesses the General Accounting Office for the cost of such audits with the exception of such part of such expenses as may be allocated to the cost of generating, transmitting, and distributing electric energy.

Affirms the right of the corporation to exercise its own judgment in contract awarding.

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RECONSTRUCTION FINANCE

THE R. F. C. EXTENSION ACT

(Approved Jan. 31, 1935. Public Law No. 1)

Extends the lending power and other active functions of the Reconstruction Finance Corporation for 2 years, or until February 1, 1937.

Provides that the Corporation may make disbursement at any time prior to January 31, 1936, on account of any commitment heretofore made to make a loan or subscribe to preferred stock or purchase capital notes or debentures.

Provides for loans or advances, or renewals of extension thereof, to mature not later than January 31, 1945, instead of February 1, 1940, as under previously existing law.

Empowers the Corporation to require, as a condition of making, renewing, or extending a loan to a railroad for more than 5 years, that arrangements be made to reduce or amortize its indebtedness according to a plan approved by the Interstate Commerce Commission.

Authorizes the R. F. C. to assist in the reestablishment of a normal mortgage market by subscribing for or making loans upon the nonassessable stock of any class of any national mortgage association organized under the National Housing Act and of any mortgage-loan company, trust company, saving and loan association, or other similar financial institution. The borrowing powers of the R. F. C. are increased by an amount sufficient to carry out the provisions of this section.

Continues the Commodity Credit Corporation until April 1, 1937, and the export-import banks to June 16, 1937.

Enlarges aid to industry by authorizing the R. F. C. to lend to any institution, now or hereafter established, financing principally the sale of electrical, plumbing, or other household appliances, both urban and rural.

Grants power to the R. F. C. to make loans to recognized and established concerns and individuals engaged in mining, milling, or smelting ores.

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RECOVERY

THE N. R. A. EXTENSION ACT

(Approved June 14, 1935. Public Resolution No. 26)

Extends the N. R. A. in skeletonized form until April 1, 1936.

Repeals all provisions of title I of the National Industrial Recovery Act delegating power to the President to approve or prescribe codes of fair competition and providing for the enforcement of such codes.

Provides that the exemption (from the antitrust laws) provided in section 5 of title I of the National Industrial Recovery Act shall extend only to agreements and action thereunder (1) putting into effect the requirements of section 7a, including minimum wages, maximum hours, and prohibition of child labor; and (2) prohibiting unfair competitive practices which offend against existing law, including antitrust laws, or which constitute unfair methods of competition under the Federal Trade Commission Act.

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RELIEF

THE WORK RELIEF ACT

(Approved Apr. 8, 1935. Public Resolution No. 11)

Appropriates $4,000,000,000 in a new sum, together with $880,000,000 in existing balances of the Reconstruction Finance Corporation and Public Works Administration, to be used in the discretion and under the direction of the President to provide relief, work relief, and to increase employment by providing for useful projects.

Earmarks the $4,000,000,000 appropriation in eight general classifications of projects, intended to cover every possible line of public works, as follows:

(a) Highways, roads, streets, and grade-crossing elimination, $800,000,000.

(b) Rural rehabilitation and relief in stricken agricultural areas and water conservation, transmountain water diversion, and irrigation and reclamation, $500,000,000.

(c) Rural electrification, $100,000,000.

(d) Housing, $450,000,000.

(e) Assistance for educational, professional, and clerical persons, $300,000,000.

(f) Civilian Conservation Corps, $600,000,000.

(g) Loans or grants, or both, for projects of States, Territories, possessions, including their subdivisions and agencies, municipalities, and the District of Columbia, and self-liquidating projects of public bodies thereof, $900,000,000.

(h) Sanitation, prevention of soil erosion, reforestation, forestation, flood control, rivers and harbors, and miscellaneous projects, $350,000,000.

Gives to the President full authority to fix wage scales on these works, with the limitation that he shall pay prevailing wages, according to the Davis-Bacon Act, on strictly Federal building projects, and that other wages shall not be lower than existing private scales.

Authorizes the President to make loans to farmers, farm tenants, croppers, or farm laborers for the purchase of farm lands and necessary equipment.

Continues in full force and effect until June 30, 1936, the Federal Emergency Relief Act of 1933.

Authorizes continuation of the Federal Emergency Administration of Public Works until June 30, 1937.

Extends to March 31, 1937, the authority of the President under the act of March 31, 1933, for the relief of employment through the performance of useful public works under which the C. C. C. was established.

THE DISASTER LOAN ACT

(Approved July 26, 1935. Public Law No. 224)

Authorizes the Reconstruction Finance Corporation to make loans to nonprofit corporations, with or without capital stock, organized for the purpose of financing the acquisition of home or building sites in replacement of sites formerly occupied by buildings where such sites are declared by public authority to be unsafe by reason of flood, danger of flood, or earthquake; and for the purpose of financing the repair or construction of buildings or structures, or water, irrigation, gas, electric, sewer, drainage, flood control, communication, or transportation systems, damaged or destroyed by earthquake, conflagration, tornado, cyclone, or flood in the years 1934, 1935, and 1936.

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SHIPPING

THE COASTWISE TRADE ACT OF 1935

(Approved July 2, 1935. Public Law No. 191)

Amends section 27 of the Merchant Marine Act of 1920 so as to prohibit the following classes of vessels from engaging in the coastwise trade:

1. Vessels built in or documented under the laws of the United States and later sold to foreign owners.

2. Vessels built in the United States for foreign countries or foreign purchasers.

Prevents the repatriation of old ships which originally qualified for the coastwise trade of the United States and have been sold and are trying to return.

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### SOCIAL SECURITY

(Approved Aug. 14, 1935. Public Law No. 271)

Provides for the establishment of a system of Federal old-age benefits and undertakes to enable the States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of State unemployment compensation laws.

Creates a bipartisan Social Security Board of three members, to administer the program independently of the Department of Labor. They are to be appointed by the President, by consent of the Senate, and serve 6-year terms, except that of the first three members appointed, one would hold office for 2 years, another for 4 years, and the third for 6 years.

Authorizes an appropriation of $49,750,000 for the current fiscal year, and so much as may be needed thereafter, to enable each State to furnish financial assistance as far as practicable under the conditions in such State, to aged needy persons more than 65 years old. Federal grants are authorized on a 50-50 matching basis with the States, except that the Federal Government's share in no case would exceed $15 a month.

Provides for a long-range contributory old-age pension system, to be financed by an income tax on employees and a pay-roll tax on employers, starting in each case at 1 percent in 1937 and rising each 3 years until 1949, when each contribution is to be 3 percent. Under the operation of the system, each qualified worker who retires at the age of 65, but not prior to January 1, 1942, would receive a monthly pension until his death ranging from $10 to $85, depending upon the total amount of wages earned by the beneficiary after December 31, 1936, and before he reaches retirable age.

Provides for a Federal-State system of unemployment compensation by Federal grants in aid, based on the imposition of a uniform pay-roll excise tax on employers.

Authorizes an appropriation of $24,750,000 for the current fiscal year and such amounts as may be needed in future years to enable each State to furnish financial assistance as far as practicable under the conditions in such State to needy dependent children.

Authorizes an appropriation of $3,800,000 a year, beginning with the current fiscal year, to assist the States in promoting the health of mothers and children especially in rural areas and in areas suffering from severe economic distress.

Authorizes an appropriation of $2,850,000 a year, beginning with the fiscal year 1936, to assist States in providing medical, surgical, and corrective services for crippled children, the Children's Bureau to operate with State public welfare agencies.

Authorizes an appropriation of $1,500,000 to aid State agencies in caring for homeless and neglected children.

Authorizes an appropriation of $841,000 for the fiscal years 1936 and 1937, $1,938,000 a year thereafter to supplement and strengthen State vocational rehabilitation of the physically disabled and $8,000,000 annually for assistance to the States and their political subdivisions in maintaining adequate public health services, as well as $3,000,000 for the fiscal year 1936, and as much as may be needed annually thereafter to assist State plans for aiding the needy blind, the Federal grants for the latter to be made on a 50-50 matching basis to States meeting set standards.

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### TAXATION

#### THE REVENUE ACT OF 1935

(Approved Aug. 30, 1935. Public Law No. 407)

Amends the existing revenue laws so as to yield an estimated additional revenue of $250,000,000 from the following changes in tax rates:

Estate taxes: Increases the rates of the present estate taxes, beginning the impost at 2 percent on net estates of $10,000 and ranging upward to 67 percent on that part of the estate between $10,000,000 and $20,000,000, 69 percent on that part between $20,000,000 to $50,000,000, and to a maximum of 70 percent on all above $50,000,000. In addition the specific exemption is lowered from $50,000 (in existing law) to $40,000 thereby providing for a thoroughly upward revision affecting every estate-tax bracket. (This section of the new act is a complete substitute for the inheritance tax as requested by the President and as adopted by the House but rejected in conference.) Under existing law estate taxes begin at 1 percent on the first $10,000 and range up to 60 percent on that part of the estate over $10,000,000. The new estate-tax provision is effective as to decedents who die after the enactment of the Revenue Act of 1935.

Gift taxes: Revises the existing gift taxes so as to make them three-fourths of the new estate-tax schedule. The new gift-tax rates begin at 1½ percent on the first $10,000 and range up to 50¼ percent on $10,000,000 to $20,000,000, 51¾ percent on $20,000,000 to $50,000,000, and 52½ on gifts of more than $50,000,000. The gift-tax exemption also is reduced from $50,000 to $40,000. The new gift taxes are effective as to gifts in the calendar years 1936 and thereafter. Under the existing law the first bracket rate is three-fourths of 1 percent on the first $10,000, ranging upward to 45 percent upon net gifts in excess of $10,000,000.

Individual income surtaxes: Increases the surtaxes on individual incomes, beginning with a surtax of 31 percent in the bracket of net incomes between $50,000 and $56,000, graduating upward through the brackets to 73 percent on net incomes between $1,000,000 and $2,000,000, 74 percent on $2,000,000 to $5,000,000 and 75 percent on over $5,000,000. The new individual surtaxes are to become effective for the first taxable year ending after December 31, 1935. Under existing law the individual income surtaxes begin with a tax of 30 percent in the bracket for incomes between $50,000 and $56,000 and range upward to 59 percent on incomes in excess of $1,000,000.

Graduated income tax on corporations: Imposes a new graduated income tax on corporations, to be levied as follows: 12½ percent on net corporation incomes up to $2,000, 13 percent on $2,000 to $15,000, 14 percent on $15,000 to $40,000, and 15 percent on net corporation incomes in excess of $40,000. The tax is to become effective for the first taxable year ending after December 31, 1935. Under existing law the corporation income tax is a flat rate of 13¾ percent and there is no graduation of the rate.

Capital-stock tax: Increases the capital-stock tax, levied under existing law at the rate of $1 per $1,000 on the declared value of corporation stock, to a new rate of $1.40 per $1,000. A new declaration of values is also allowed with respect to the capital-stock tax. The new tax takes effect beginning with the fiscal year ending June 30, 1936.

Excess-profits tax: Levies a graduated tax on excess profits of corporations as follows: 6 percent on profits exceeding 10 percent and not over 15 percent, and 12 percent on profits exceeding 15 percent of the declared value of corporation stock. The new excess-profits tax takes effect with the first income taxable year that ends after June 30, 1936. Under existing law there is a flat rate of 5 percent on profits exceeding 12½ percent.

Intercorporate-dividends tax: Under existing law intercorporate dividends of domestic corporations are deducted entirely from gross income in computing net income subject to tax. Under the new revenue act 90 percent of such dividends are deductible, leaving 10 percent taxable at the new graduated corporation tax rate. This provision takes effect the first taxable year beginning after December 31, 1935.

Personal holding company tax: Increases the rates of tax on undivided profits of personal holding companies to make them conform to the higher surtaxes. Existing law provided for a surtax on undistributed adjusted net incomes of personal holding companies at the rate of 30 percent of the amount of such income not in excess of $100,000, and 40 percent on incomes in excess of $100,000. Under the Revenue Act of 1935 the tax is to be 20 percent on such incomes not over $2,000, plus 30 percent of the amount thereof over $2,000 and not over $100,000, plus 40 percent of the amount thereof over $100,000 and not over $500,000, plus 50 percent on the amount thereof over $500,000 and not over $1,000,000, plus 60 percent of the amount thereof over $1,000,000. This provision takes effect the first taxable year beginning after December 31, 1935.

#### THE EXCISE TAX ACT

(Approved June 28, 1935. Public Resolution No. 36)

Continues for another 2 years, or until the summer of 1937, certain excise taxes and also the 3-cent postage rate on nonlocal, first-class mail matter, yielding an estimated revenue of $501,991,000 in the current fiscal year 1936. Under the Revenue Act of 1932 certain of these excise taxes would have become inoperative after June 30, 1935, certain others would have ceased on July 31, 1935, and still others would have continued to operate only at reduced rates or with increased exemptions after June 30, 1935. The extra penny, first-class postage rate would have become inoperative on June 30, 1935.

Defers for 2 years scheduled reductions in taxes on future sales of produce, issue and transfer of stocks and bonds.

Continues until 1937 excise taxes on gasoline, brewers' wort, matches, lubricating oil, electrical energy, toilet preparations, furs, jewelry, radio sets, phonographs, mechanical refrigerators, sporting goods, cameras, lenses, firearms, chewing gum, admissions, telephone and telegraph messages, oil by pipe line, automobile trucks, passenger automobiles and motorcycles, parts and accessories, and tires, as well as temporary import duties on crude petroleum, gasoline, lubricating oil, paraffin wax, coal and coke, lumber, and copper.

#### INCOME-TAX RETURNS

(Approved Apr. 19, 1935. Public Law No. 40)

Repeals the "pink slip" provision of the Revenue Act of 1934, pertaining to the publicity of income-tax returns.

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### TRANSPORTATION

#### MOTOR CARRIER ACT

(Approved Aug. 9, 1935. Public Law No. 255)

The Motor Carrier Act of 1935 provides that the power to regulate transportation of passengers or property by motor carriers engaged in interstate commerce is vested in the Interstate Com-

merce Commission, provides regulations for the supervision of busses and trucks, and provides penalties for failure to comply.

THE RAIL EXTENSION ACT

(Approved June 14, 1935. Public Resolution No. 27)

Extends for 1 year, or until June 17, 1936, the Emergency Railroad Transportation Act of 1933 and the office of Coordinator of Transportation.

Provides that orders of the Coordinator or of the Interstate Commerce Commission made under that act shall continue in effect until vacated by the Commission or set aside by other lawful authority.

Continues the assessment of $2 a mile on railroads for financing the Coordinator's office and makes it the duty of the Secretary of the Treasury to collect such assessments.

THE RAILROAD RETIREMENT ACT

(Approved Aug. 29, 1935. Public Law No. 399)

Establishes a system of retirement annuities for railroad workers who reach the age of 65 years, and for any under that age who have had 30 years' service with the rail carriers and who either make application for retirement or are retired because of physical or mental disability.

Attempts to meet the objections of the Supreme Court in setting aside the original Rail Retirement Act of 1934, by basing it on the taxing power of Congress to tax instead of on its authority to regulate interstate commerce.

Creates as an independent agency of the Government a Railroad Retirement Board of 3 members to be appointed by the President, 1 on recommendation of the employees, 1 on recommendation of the carriers, and the third without recommendation of either interested party, to administer the act and submit a special report within 4 years recommending changes regarded as necessary in the retirement system.

Sets up an Investigation Commission of 9 members, including 3 Senators appointed by the Vice President, 3 Representatives named by the Speaker, and 3 others to be selected by the President. Authorizes the Commission to make a thorough investigation of all pertinent facts relative to a retirement annuity system applicable to railroad carriers, and report its findings to Congress not later than January 1, 1936.

Provides for the payment of annuities from the Treasury to rail employees, after retirement, who are 65 years of age or more, or who have given 30 years of service, provided they are over 50 years of age.

Stipulates that in the event of death of a person entitled to an annuity the Board shall for 1 year pay to his estate an annuity equal to one-half of the annuity to which he may have been entitled.

The act imposes no excise or income taxes on employers or workers, leaving this to be provided for in supplementary companion act for financing the retirement plan.

Becomes effective March 1, 1936.

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THE RAILROAD REORGANIZATION ACT

(Approved Aug. 29, 1935. Public Law No. 381)

Designed to simplify and improve the procedure for financial reorganization of railroads (engaged in interstate commerce) under the Bankruptcy Act and to assist the administration's rail coordination plan.

Provides that any railroad corporation which is insolvent or unable to meet its debts as they mature (or creditors of such a company having claims aggregating not less than 5 percent of its indebtedness) can file a petition in a Federal court for relief under section 77 of the Bankruptcy Act, as amended by this new act, upon approving which the court would have exclusive jurisdiction of the property, wherever located, its process extending to any judicial district.

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VETERANS' BENEFITS

(Approved Aug. 23, 1935. Public Law No. 312)

Amends the Economy Act of March 20, 1933, by providing that needy war veterans and former members of the peace-time forces suffering from service-connected disabilities may receive free hospitalization, and extends until January 2, 1940, the time within which World War veterans may make application for adjusted compensation.

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PUBLIC EMPLOYMENT OFFICES

(Approved May 10, 1935. Public Law No. 54)

Amends section 5 (a) of the Wagner Act of June 6, 1933, establishing public employment offices in the several States, by providing that in making the apportionments no State shall receive less than $10,000.

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HOMESTEAD SETTLERS

(Approved May 22, 1935. Public Law No. 64)

Provides that any homestead settler during 1935 who is compelled to leave his homestead to seek employment in order to obtain the necessaries of life or to educate his children may be excused from compliance with the law governing residence, cultivation, etc., for that year.

DAMAGES FROM FLOODS AND OTHER CATASTROPHES

(Approved July 26, 1935. Public Law No. 224)

Extends for 2 years the time within which nonprofit corporations may obtain loan from the Reconstruction Finance Corporation to repair damages caused by floods and other catastrophes.

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PRISON-MADE PRODUCTS

(Approved July 24, 1935. Public Law No. 215)

Makes unlawful the transportation of prison-made goods from one State into another where such goods are intended to be sold in violation of State law, and provides that packages containing such goods shall be plainly marked.

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SPANISH-AMERICAN WAR PENSIONS

(Approved Aug. 13, 1935. Public Law No. 269)

Provides that all laws in effect on March 19, 1933, granting pensions to Spanish-American War veterans which were repealed or amended by the Economy Act of 1933 are reenacted, effective August 13, 1935.

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ANTISMUGGLING ACT

(Approved Aug. 5, 1935. Public Law No. 238)

Seeks to prevent the loss of millions of dollars of revenue annually, since the repeal of the eighteenth amendment, from the smuggling of intoxicating liquors by providing (1) for the establishment of customs-enforcement areas adjoining the 12-mile limit; (2) for search, seizure, and forfeiture of smuggling vessels; (3) for the enforcement of revenue laws within treaty limits against foreign vessels; (4) for prohibiting smuggling offenses by American nationals and vessels against the revenue laws of other countries; (5) for the general increase of fines and penalties; (6) for effective administrative control over boats of less than 500 net tons; and (7) for a change of the rules of proof in forfeiture cases.

—

AGRICULTURAL RESEARCH

(Approved June 27, 1935. Public Law No. 182)

Directs the Secretary of Agriculture to conduct research into laws and principles underlying basic problems of agriculture in its broadest aspects; relating to the improvement of the quality of agricultural commodities and byproducts and manufactures thereof; into improved methods of production and distribution of, and new markets for, agricultural products, all of the foregoing to be in addition to that provided by existing law. It also authorizes similar research to be conducted by agricultural experiment stations, and provides for payments to the several States of sums to be allotted for that purpose; authorizes additional appropriations to carry out the purposes of the act and to pay the expenses of cooperative extension work in agriculture and home economics; it also authorizes additional appropriations for the benefit of the land-grant colleges.

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THE PROMISE OF A "BREATHING SPELL" FOR BUSINESS

(Mr. Howard's Letter)

MY DEAR MR. PRESIDENT: As an independent editor keenly interested in the objectives of the new deal, I have been seeking reasons for the doubts and uncertainties of those business men who are skeptics, critics, and outright opponents of your program at a time when there is no commensurate dissatisfaction being evidenced by other of the electorate.

I do not accept it as a fact that the interests of what we broadly term business necessarily are in conflict with mass interests.

I expect to continue in support of your stated interpretation of American liberalism—notwithstanding my dissent and disagreement as to some details and some theories. Therefore it is in a friendly and, I hope, constructive spirit that I attempt a few observations and opinions which I believe timely and pertinent.

These represent, I believe, a composite of the most frequently expressed criticisms of your administration.

HOSTILE AND FRIGHTENED

That certain elements of business have been growing more hostile to your administration is a fact too obvious to be classed as news. So long as this hostility emanated from financial racketeers, public exploiters, and the sinister forces spawned by special privilege, it was of slight importance. No crook loves a cop. But any experienced reporter will tell you that throughout the country many business men who once gave you sincere support are now not merely hostile but are frightened.

WHAT IS FEARED

Many of these men whose patriotism and sense of public service will compare with that of any men in political life, have become convinced and sincerely believe—

That you fathered a tax bill that aims at revenge rather than revenue—revenge on business;

That the administration has side-stepped broadening the tax base to the extent necessary to approximate the needs of the situation;

That there can be no real recovery until the fears of business have been allayed through the granting of a breathing spell to

industry, and a recess from further experimentation until the country can recover the losses.

I know you have repeatedly stated your position on sections of the Nation's problems, but as an editor I know also the necessity for repetition and reiteration. There is need to undo the damage that has been done by misinterpreters of the new deal.

I know that you feel as I do—that with all its faults, and the abuses it has developed, our system has in the past enabled us to achieve greater mass progress than has been attained by any other system on earth.

Smoke out the sinister forces seeking to delude the public into believing that an orderly modernization of a system we want to preserve is revolution in disguise.

Cordially and sincerely yours,

ROY W. HOWARD.

AUGUST 26.

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(The President's Reply)

SEPTEMBER 2, 1935.

MY DEAR MR. HOWARD: I appreciate the tone and purpose of your letter, and fairness impels me to note with no little sympathy and understanding the facts which you record based on your observation as a reporter of opinion throughout the United States.

I can well realize, moreover, that the many legislative details and processes incident to the long and arduous session of the Congress should have the unavoidable effect of promoting some confusion in many people's minds.

I think we can safely disregard the skeptics of whom you speak. Skeptics were present when Noah said it was going to rain, and they refused to go into the ark.

We can also disregard those who are actuated by a spirit of political partisanship or by a willingness to gain or retain personal profit at the expense of and detriment to their neighbors.

Then there were those who told us to do nothing. We had heard of the do-nothing policy before and from the same sources and in many cases from the same individuals. We heard it when Theodore Roosevelt and Woodrow Wilson proposed reforms.

The country has learned how to measure that kind of opposition. But there are critics who are honest and nonpartisan and who are willing to discuss and to learn. I believe we owe, therefore, a positive duty to clarify our purposes, to describe our methods, and to reiterate our ideals.

Such clarification is greatly aided by the efforts of those public-spirited newspapers which serve the public well by a true portrayal of the facts and an unbiased printing of the news.

However, experience is the best teacher, and results are the best evidence. As the essential outline of what has been done rises into view, I am confident that doubts and misapprehension will vanish. I am confident further that business as a whole will agree with you and with me that the interests of what we broadly term "business" are not in conflict with but wholly in harmony with mass interests.

I note what you say of the hostility emanating from financial racketeers, public exploiters, and sinister forces. Such criticism it is an honor to bear. A car with many cylinders can keep running in spite of plenty of carbon—but it knocks. When it is overhauled an important part of the job is the removal of that carbon.

In the large, the depression was the culmination of unhealthy, however innocent, arrangements in agriculture, in business, and in finance.

RECOVERY AND REFORM

Our legislation was remedial, and as such it would serve no purpose to make a doctrinaire effort to distinguish between that which was addressed to recovery and that which was addressed to reform. The two, in an effort toward sound and fundamental recovery, are inseparable. Our actions were in conformity with the basic economic purposes which were set forth 3 years ago.

As spokesman for those purposes I pointed out that it was necessary to seek a wise balance in American economic life, to restore our banking system to public confidence, to protect investors in the security market, to give labor freedom to organize and protection from exploitation, to safeguard and develop our national resources, to set up protection against the vicissitudes incident to old age and unemployment, to relieve destitution and suffering, and to relieve investors and consumers from the burden of unnecessary corporate machinery.

DEFENDS TAX PROGRAM

I do not believe that any responsible political party in the country will dare to go before the public in opposition to any of these major objectives.

The tax program of which you speak is based upon a broad and just social and economic purpose. Such a purpose, it goes without saying, is not to destroy wealth but to create broader range of opportunity, to restrain the growth of unwholesome and sterile accumulations, and to lay the burdens of government where they can best be carried.

This law affects only those individual people who have incomes over $50,000 a year and individual estates of decedents who leave over $40,000.

Moreover, it gives recognition to the generally accepted fact that larger corporations, enjoying the advantages of size over smaller corporations, possess relatively greater capacity to pay. Consequently the act changes the rate of tax on net earnings from a flat 13¾ percent to a differential ranging from 12½ percent to 15 percent.

No reasonable person thinks that this is going to destroy competent corporations or impair business as a whole. Taxes on 95 percent of our corporations are actually reduced by the new tax law.

A small excess-profits tax is also provided as well as an intercorporate dividend tax, which will have the wholesome effect of encouraging the simplification of overly complicated and wasteful intercorporate relationships.

Congress declined to broaden the tax base because it was recognized that the tax base had already been broadened to a very considerable extent during the past 5 years.

TAXES THAT POOR PAY

I am aware of the sound arguments advanced in favor of making every citizen pay an income tax, however small his income. England is cited as an example. But it should be recalled that despite complaints about higher taxes our interest payments on all public debts, including local governments, require only 3 percent of our national income, as compared with 7 percent in England.

The broadening of our tax base in the past few years has been very real. What is known as "consumers' tax"—namely, the invisible taxes paid by people in every walk of life—fall relatively much more heavily upon the poor man than on the rich man.

In 1929 consumers' taxes represented only 30 percent of the national revenue. Today they are 60 percent and even with the passage of the recent tax bill the proportion of these consumers' taxes will drop only 5 percent.

NEED OF PROMPT ACTION

This administration came into power pledged to a very considerable legislative program. It found the condition of the country such as to require drastic and far-reaching action. Duty and necessity required us to move on a broad front for more than 2 years.

It seemed to the Congress and to me better to achieve these objectives as expeditiously as possible in order that not only business but the public generally might know those modifications in the conditions and rules of economic enterprise which were involved in our program.

NOW A BREATHING SPELL

This basic program, however, has now reached substantial completion and the breathing spell of which you speak is here—very decidedly so.

It is a source of great satisfaction that at this moment conditions are such as to offer further substantial and wide-spread recovery. Unemployment is still with us, but it is steadily diminishing and our efforts to meet its problems are unflagging.

I do not claim the magician's wand; I do not claim that Government alone is responsible for these definitely better circumstances. But we all know the very great effect of the saving of banks, of farms, of homes, the building of public works, the providing of relief for the destitute, and many other direct governmental acts for the betterment of conditions. And we do claim that we have helped to restore that public confidence which now offers so substantial a foundation for our recovery.

RETURN OF CONFIDENCE

I take it that we are all not merely seeking but getting the recovery of confidence, not merely the confidence of a small group but that basic confidence on the part of the mass of our population, in the soundness of our economic life and in the honesty and justice of the purposes of its economic rules and methods.

I like the last sentence of your letter, and I repeat it: "With all its faults and with the abuses it has developed, our system has in the past enabled us to achieve greater mass progress than has been attained by any other system on earth. Smoke out the sinister forces seeking to delude the public into believing that an orderly modernization of a system we want to preserve is revolution in disguise."

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

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STATEMENT OF JESSE H. JONES, CHAIRMAN OF THE RECONSTRUCTION FINANCE CORPORATION

RECONSTRUCTION FINANCE CORPORATION,
*Washington, August 26, 1935.*

Loans for the construction of pulp and paper mills were advocated and discussed before the House Banking and Currency Committee in January of this year when the extension of the R. F. C. Act was under consideration, and debated on the floor of the House January 29, 1935, when the amendments to the R. F. C. Act were adopted. Reference is made to pages 77, 78, 79, and 80 of the hearings of the House Committee on Banking and Currency "to extend the functions of the R. F. C.", January 21, 22, 23, 24, and 25, 1935; also, the CONGRESSIONAL RECORD of January 29, 1935, pages 1164–1184.

We have only had one formal application for the construction of a pulp and paper mill—that of the Crossett Lumber Co., at Crossett, Ark.

The security for this loan is conservatively estimated at $12,000,000, or more than three times the amount of the loan. It includes, in addition to the new mill, a first mortgage on 333,803 acres of

timber and pulpwood land; 970,000,000 feet of pine saw timber; 198,000,000 feet of hardwood saw timber; 1,054,000 cords of pine pulpwood; 716,000 cords hardwood chemical; 3 large sawmill plants; and the town of Crossett, Ark., with a population of 3,500 people, who are dependent upon the operations of the Crossett Co. The town of Crossett, Ark., comprises about 3,000 acres of land on which there is located 685 modern homes, store buildings, office buildings, hotel, boarding houses, hospital, theater, ice plant, and such other buildings as are needed to make a complete town, served by electricity, water, and sewerage, all belonging to the borrower, and included in the mortgage.

The loan is for $3,850,000—estimated cost of the new mill—and matures in installments ending January 31, 1945. The company's previous earning record, including the last few years, assures payment of the loan.

The annual capacity of the new pulp and paper mill will be approximately 31,000 tons of kraft paper, and 15,500 tons of dried sulphate pulp, and we have been importing approximately 500,000 tons of kraft pulp annually.

Construction of the Crossett mill will furnish a great deal of employment immediately and continually thereafter in its operation.

A brief filed by the American Pulp and Paper Association, opposing the loan, was given full consideration before the loan was granted.

Every governmental loan to industry competes with private capital, and it is for Congress to determine how long it wishes such loans made.

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[From the Philadelphia Record of Aug. 28, 1935]

THE CONGRESS THAT KEPT ITS WORD

Adjournment of Congress—the greatest liberal Congress in the country's history—leaves a tremendously increased appreciation of its accomplishments.

Removed from the welter of legislative controversy the enactments of this session stand out as an imposing monument to the American spirit of liberalism. In perspective those enactments appear not as an oddly assorted collection of laws but as a far-reaching and integrated foundation for new and greater American progress.

Above all, this was a people's Congress, a Congress which kept its pledged word to support President Roosevelt and the new deal, a Congress in which the vested interests had less influence than in any Congress within the memory of living men.

The Tories are damning it.

But compare its record with that of any Tory-dominated Congress in the past 150 years—and you'll understand.

For once, human rights took precedence over property rights.

For the first time since Lincoln the people came into their own.

Paramount in the record of this Seventy-fourth Congress are its broad and fundamental reforms:

1. The banking bill creating a central banking system under which the Government wrests control of the Nation's monetary system from Wall Street—far and away the greatest achievement of the session and the most momentous single piece of legislation in latter-day American history.

2. The Social Security Act, which sets up old-age-pension and unemployment-insurance systems—an act which does not go nearly as far as it should, but which still is a precedent-breaking step forward.

3. The Wagner Labor Disputes Act, which gives belated recognition to the rights of labor in collective bargaining—an act which should mean a new era in industrial relations and which should set up new safeguards for the buying power of the workers.

4. The new tax bill, frankly based on the principle of ability to pay and embodying the companion principle of redistributing purchasing power through income and inheritance taxes in the higher brackets—a bill which is expected to raise comparatively little additional revenue, but which beats a new path through the economic jungle of plutocracy.

5. The Wheeler-Rayburn Act regulating public-utility holding companies—a long-needed reform for protection of utility stockholders as well as consumers, a bill fought through only in the face of the most impudent and highly financed lobby in congressional annals.

6. The act giving the Interstate Commerce Commission authority to regulate motor carriers—a reform which has been hanging fire in Congress since 1926.

7. The Guffey coal bill, which sets a far-reaching precedent in industrial regulation and which offers the only practical solution to the chaos in the bituminous fields.

The Record, we are proud to say, fought for every one of these liberal measures—and it was fighting for most of them long before Mr. Roosevelt took office. But we are particularly gratified to have initiated the fight for Government control of the monetary system—a victory won in the Eccles bill.

All of these measures are dedicated to the purpose of bringing order out of the chaos into which this Nation was plunged by the excesses of capitalism run rampant—excesses which even today the Tories confuse with liberty.

In other words, these new-deal reforms are aimed to prevent our economic machine from racking itself to pieces.

President Roosevelt would save capitalism—by curbing the power of capitalists to destroy it.

All this constitutes a record of which Mr. Roosevelt and every liberal Member of Congress may be proud.

It was achieved only in the face of bitter opposition from Tories within the President's party and within his own circle.

It was achieved only by compromising on point after point, sometimes on essential issues.

But it was achieved.

In spite of everything, the record of this Seventy-fourth Congress is the record of a Congress which kept its word, a magnificent victory for the principles of liberal democracy.

And it is a monument to our great liberal President, who not only possessed the vision to point the way but who was gifted with the political genius to reach the goal.

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[From the Washington Star]

DEMOCRATIC LEADER SAYS CONGRESS HAS AIDED HUMANITY

(By Senator JOSEPH T. ROBINSON, Democratic leader of the Senate)

The achievements of this session of Congress will be memorable. Practically every problem that touches human interest has been made easier of solution by the legislation enacted.

As a coordinate branch of the Government cooperating with the executive and judicial branches, I think it can be truly said that the Congress has done its part to carry on through a grave crisis. Legislation enacted in the Seventy-third Congress, and reinforced by the legislation of this session, was passed with the expectancy that it would help every phase of human and industrial endeavor.

Salient features of legislation are the appropriation of $4,880,000,000 for work relief, purposely proposed to substitute for the dole. If the people whole-heartedly cooperate with the Government in this great enterprise, we should hear the increased hum of industry.

LENDING POWERS EXPANDED

Industry has been materially aided also by the extension of lending powers to the Reconstruction Finance Corporation, Home Owners' Loan Corporation, and Farm Credit Administration, thus making it possible for the self-reliant to reestablish themselves and continue with Government loans instead of direct Government relief.

A bill declaring a moratorium on farm mortgages, coupled with the increased powers to the Agricultural Adjustment Administration, will further promote the come-back that agriculture has made and give to the farming interests additional courage. The Senate voted to assist the tenant farmers and share-croppers.

The social-security bill, providing a system of old-age pensions and unemployment insurance, is an outstanding enactment that, working in cooperation with the States, will give a definite feeling of security to the aged and unemployed.

LABOR AND FINANCE

The law revising the central banking system will improve our banking methods and give further security to financial interests. The extension of deposit insurance continues the faith of the individual small depositor in our banks. The establishment of bargaining rights for labor has been provided in a law creating the National Labor Relations Board. The regulation and stabilization of the soft-coal industry has been provided for in the Guffey bill, and a national strike in the industry thereby averted.

The railroads have been aided by a revision of the bankruptcy law, and steps have been provided to pension their old employees. The regulation of motor carriers—bus and truck transportation—has been provided.

The tax bill increasing surtaxes in the higher brackets and raising the tax on gifts and large estates, coupled with the repeal of the "pink slip" income provision, constituted generally the revenue legislation.

The World War veterans last session had restored the benefits they were receiving before the enactment of the Economy Act, and I have made definite arrangement for a vote on the bonus bill in the Senate at the beginning of the next session in January. The Spanish-American War pensions have been restored to full former rates.

PROVIDE PATHWAY

Enactment of a law placing public-utility holding companies under Government regulation gives further security to the investing public and consumers.

Congress in these enactments, coupled with those of a former Congress, has provided a way for the people to carry on. The American spirit, so nobly exemplified in our 150 years, having been shown the way by Government cooperation, has but to exhibit its usual courage and determination to regain full restoration of prosperity and happiness to which this Nation is so justly entitled.

As the President aptly said in his letter to the Congress:

"Much has been accomplished for the permanent well-being of the Nation as a whole."

FINAL ADJOURNMENT

Mr. ROBINSON. I ask that the Senate proceed to the consideration of House Concurrent Resolution 38.

There being no objection, the concurrent resolution was read, considered, and agreed to, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That the two Houses of Congress shall adjourn on Saturday, the 24th day of August 1935, and that when they adjourn on said day they stand adjourned sine die.

FELICITATIONS FROM THE PRESIDENT OF THE UNITED STATES

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, which was read, as follows:

THE WHITE HOUSE,
*Washington, August 24, 1935.*

The honorable the PRESIDENT OF THE SENATE,
*Washington, D. C.*

MY DEAR MR. PRESIDENT: If the opportunity presents itself, will you be good enough to extend my greetings to the Members of the Senate and to express to them my deep and sincere congratulations upon the work which they have accomplished? When a calm and fair review of the work of this Congress is made it will be called a historic session. It has dealt, in a spirit of statesmanship, with matters of vital interest to the lives of our people. Much has been accomplished for the permanent well-being of the Nation as a whole.

I am grateful for, and happy in, the cooperation between us, and I extend to each and every one of you my good wishes for a well-earned rest.

Faithfully yours,

FRANKLIN D. ROOSEVELT.

Mr. LEWIS. Mr. President, responding to the letter of the President of the United States to this honorable body, in which the President sends his felicitations and best wishes to the Senate, together with his expression of appreciation for its consideration of himself, permit me to say, in behalf of both sides of the Senate, that I know it returns his compliments, felicitates him, and wishes him upon his vacation rest, recreation, and reward.

I thank the Senate.

BORAH AMENDMENT TO TAX BILL

Mr. BORAH. Mr. President, when the tax bill was before the Senate I offered an amendment which was rejected in conference. I have had prepared by a very able, competent authority a number of facts and statistics bearing upon the question of tax-exempt securities. I had intended to comment on the subject, but I shall be content simply to have the data printed in the RECORD at this point as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

THE BORAH AMENDMENT

There is only one source of national-wealth statistics in this country.

That is the National Industrial Conference Board, maintained by industry in New York City.

From year to year they make an estimate for an analysis of the national wealth.

In 1914 the estimate was $192,000,000,000. In that year the public debt of the United States Government was approximately a billion dollars.

In 1920 the national-wealth figure was $488,000,000,000, and in that year the public debt of the United States was approximately $26,000,000,000.

In 1930 the estimate of national wealth was $329,000,000,000, and the public debt had been decreased to the approximate figure of $16,000,000,000.

Commencing with 1930, we had a tremendous drop in our national wealth, as everyone knows. We dropped $32,000,000,000 from the 1929 figure. In 1931 we dropped $49,000,000,000 below the 1930 figure. In 1932 we dropped $33,000,000,000 below the 1931 figure. We lost from 1929 to 1932 $114,000,000,000 in the estimates of our national wealth. We averaged in each depression year for the 3 years of 1930, 1931, and 1932 a total of $38,000,000,000 depreciation in our national wealth. The lowest year of all was 1933.

So the depression cost us in devaluation alone at least $152,000,000,000. We started that depression with a public debt, I repeat, of $16,000,000,000. By June 30 of 1931 it rose to nineteen billion four hundred million; by June 30 of 1932 to twenty-two billion five hundred million; by June 30 of 1933 to $27,000,000,000. It is approximately $30,000,000,000 today, and Congress has by recent enactment permitted it to go to $45,000,000,000.

But the national debt is only part of the picture. Let us go back to 1914. The debt of the 48 States, with three-thousand-odd counties, the sixteen-thousand-odd cities, towns, and villages, the 128,000 school districts, the 19,000 townships, and the 14,000 other subdivisions—all with power to incur public debt, and in all amounting to 182,000 political units—was less than $5,000,000,000 in 1914.

Today the public debt of the 48 States is at least two billion five hundred million; and the public debt of local governments, which in 1932, before special studies were made, was announced at $17,500,000,000, has been found to be approximately $21,000,000,000.

Before we close the fiscal year we must expect thirty-two billion in national debt, two billion five hundred million in State debt, and twenty-one billion in local government debt. This is a total of fifty-five billion five hundred million which must be pledged against the total national wealth of approximately $200,000,000,000.

Public obligations of the United States and the several States and the political subdivisions thereof amount today to a full 25 percent of all our estimated national wealth, and yet the debt itself exists in the form of wealth in the form of tax-exempt bonds.

We have a first mortgage on America—a $200,000,000,000 America—of $55,000,000,000. And supporting that mortgage is the power to tax, the power which John Marshall once said was inexhaustible.

Back in 1914 the wealth of the United States was but $192,000,000,000, and against this wealth was a total debt—National, State, and local government—of less than five billion five hundred million. That debt was less than 3 percent of the national wealth. Now, I repeat, we have a debt 10 times as great, of $55,000,000,000, and the value of the property has increased but $8,000,000,000, as we compare 1914 and 1935.

There is another element that is added to this debt burden and that is the expenditures for operating government—National, State, and local, inclusive. For National Government we realize that we are on approximately an $8,000,000,000 Budget. For State and local government—and I use the year 1932 because it is the last I have—the expenses of operating was $9,662,000,000.

So we are spending at the rate of $17,600,000,000 and despite that expenditure we are building up from 1914 to 1935 a debt from 5 billion to 55 billion 5, or an increase of $50,000,000,000. This is an increase of 2 billion 500 million per year in the funded debt of American Government.

Interest, of course, is an element in governmental expenditure. The average interest on the national debt last year was 3.18 and on the new refinancing this year as low as 2.7. The interest on the State and local government debt of course is larger.

But, assuming an average interest of 3 percent on the national debt and an average of 5 percent on the debt of the States and the local governments, interest would amount to $2,175,000,000, leaving the operating costs of government still $15,500,000,000 in the United States. If it is objected that debt service includes payment on the principal, I point to the fact that the last 20 years has seen the principal increase annually $2,500,000,000 as an average, or a total of $50,000,000,000 from the 5 billion 5 in 1914 to the 55 billion 500 million of 1935.

Although debt service may have seen technical payments on the principal, at the end of each year we find ourselves further and further in debt.

Nor is the World War to be charged with the burden. Nothing attributable to the World War built the State and local government debt of this Nation from 4 billion in 1914 to 21 billion in 1935. Nor did the World War build the national debt from the 16 billion of 1926 to the thirty-odd billion of today.

The war is accountable for at least 15 billion. But it is not accountable for the wild extravagance of State and municipality and school district and drainage district, nor of the National Government which built the debt from 5 billion 5 in 1914 to 55 billion 5 in 1935, or a total of $50,000,000,000 increase.

The war is accountable for fifteen billions of this, the difference between the national debt of 1914 of a billion dollars and the national debt of 1926 of $16,000,000,000.

The amendment offered to the tax bill would strike at the root foundation of the problem of debt. The debt of America is what it is because of the existence of the tax-exempt bond. The debt of America is what it is because the tax-exempt Government bond is a refuge and hide-out and asylum for great wealth. If we knew who owned these bonds, we would know how to legislate with respect to our debt structure.

Let me repeat. In 1914 there was $192,000,000,000 estimated as the national wealth. America enjoyed a great prosperity. In 1920 we reached our all-time height of $488,700,000,000.

Then came the depression of 1921, where devaluation set in to the extent of $171,000,000,000 in a single year.

We recovered a little in 1922. We recovered more in 1923, and again 1924 was a year of devaluation. We recovered in 1925. We dropped again in 1927; 1928 and 1929 built the national wealth to a high of three hundred and sixty-one billion; and then devaluation set in that reduced it once more to the present value of approximately $200,000,000,000.

The real wealth of the Nation is first in its farms, evaluated in 1920 at $78,000,000,000, which evaluation was reduced in 1930 to $57,000,000,000, and again reduced by 1934 to thirty-seven billion. That is $40,000,000,000 struck from the evaluation of the farms of America, the first and most important item in the national wealth.

Yet Government expects to raise its increased costs directly upon land values insofar as local government is concerned.

The urban real estate of America was evaluated at approximately $100,000,000,000 in 1930. And this real estate has depreciated conservatively one-third during the depression. Yet the cities and villages and towns and school districts and special assessment districts of America expect to receive the bulk of the revenue directly from depreciated real estate as represented by the homes of the teeming masses of industrial labor congregated in our great cities.

Besides the real property tax, upon which perhaps 75 percent of all the tax revenue of all America rests, there are, of course, other taxes. We have the iniquitous sales tax which admits no recognition of the ability to pay and which exacts from the food, clothing, and necessities of the poor practically dollar for dollar the amount exacted from the wealthy.

We have the various excise taxes and we recognize that the poor can smoke just as much and drink just as much and perhaps use playing cards more than do those able to pay.

We have the graduated income tax. We have the profits taxes, and inheritance taxes, of course. But on the income tax there is no equality, no uniformity. It all depends from what source the income is derived. And to escape income tax great wealth directs itself to the tax-exempt security and withdraws itself from the risk of productive industry.

My attention has been called to two prominent citizens of this country, one whose real-estate investments approximate $35,000,000 at today's appraisals, the other whose investment in Government debt approximates the same amount of $35,000,000. In one instance the property itself earns less than its carrying charges, and it is taxed on the values of other days and on an appraisal of better than $50,000,000.

For taxes alone the carrying charge is approximately a million five hundred thousand dollars. There is no income from which to pay the debt as accumulated annually, to meet this charge.

In the other instance, the tax-exempt bond is available, and this individual is reputed to hold United States securities to the extent of a full $35,000,000. These securities yielded 3.18 last year and this year 2.7.

In the two forms of wealth, the one had added to its estate approximately a million a year out of the taxpayers of the country, and the other contributed to the tax bill of the country at least a million and a half. The one invested in real wealth, with the view of producing more wealth, and the other invested in the dead hand of debt which, under our present laws, is the most productive investment possible.

The Government bond is no longer held by the poor of the country. The great patriotic bond subscriber of the World War has long since lost his property, as it was intended he should do so in the recurring depressions of 1921 and 1924 and 1929.

The salaried employee, the industrial worker, and the farmer, who pledged their properties and who borrowed money to in turn loan it to the United States for the successful prosecution of the war, were dealing in the bonds of the United States destined and preordained to fall into the hands of the wealthy with their tax-exempt character. All that it was necessary to do was to depreciate the value of this Government bond temporarily, depreciate it as low as 85 in 1920, and then to pick up these bonds at a discount and then to hide behind the tax-exempt features built into the contract, until today, I venture to say, that if we could know who owned the debt of the United States or the debt of the various States or political subdivisions thereof, we would have nothing but the list of those in whose hands the wealth is concentrated. The amendment to the tax bill removing the tax-exempt feature of the Government bond was made to include that form of wealth which represents fully 25 percent of the wealth of this Nation in the taxable property of the Nation.

The reason is not simply that we may lay our hands upon 55 billion 500 million of nontaxable wealth, or wealth not subject to normal income taxes, but rather than that we put our hands upon the source that causes Government debt.

I am convinced that except for the bond, the tax-exempt bond, the World War would not have been one-half as attractive to the rich. For there is nothing more attractive to the greedy and avaricious of this world than the munition and war profits on the one hand and the asylum of the tax-exempt bond on the other.

I am satisfied that the $11,000,000,000 due us from foreign nations would not have been so readily loaned had not it produced in turn exactly $11,000,000,000 of tax-exempt bonds—the refuge of great wealth in this Nation.

I am convinced after careful study that the vast expenditures of local government which raised that debt from approximately $4,500,000,000 in 1914 to twenty-odd billion today, would not have been incurred except behind the public works of many an American city, behind the good roads in many an American county, behind the public improvements in city, county, town and hamlet, school district and special assessment district, there was the greedy hand of the banker urging upon the locality the expenditure of money, financed by the tax-exempt bond.

I will go further and say that organized throughout America and immediately after cessation of hostilities groups of specialized bond salesmen went into the highways and byways of America selling the local politician easy financing and painless payments for public improvements—only because some bank or trust company was seeking for its preferred customers tax-exempt bonds behind which they could hide their wealth secure from governmental taxation.

The amendment was not proposed to interfere with any present form of contract. It was most conservative. It applied to future issues, and it attempted to prevent the escape of $55,000,000,000 in one form of wealth from the revenues so necessary. It has been predicated upon the fundamental fact understood by every man, that this type of wealth today is now in the hands of the wealthy.

It was attempted to equalize the burden of taxation in proportion somewhat to the ability of the citizen to pay.

It applied only to future contracts between the Government and its bondholders.

Without discussion, without an understanding on the part of the Senate, it was quickly accepted by those in whose hands the tax bill was intrusted.

There wasn't an objection on the floor to the amendment. It was accepted as germane. It was accepted as revenue producing. It was accepted as an honest attempt to express in legislative enactment the whole philosophy of taxation outlined in the President's message on the tax bill. It was taken to conference. The instruction of the Chamber was given the conferees to insist upon the amendment, and we understand that it was used simply as a trade, simply as a point to iron out difficulties that might possibly have arisen between the tax bill as passed by the House of Representatives and the tax bill as presented by the Senate.

All that this amendment contributed, or all that the McCarran amendment contributed, were trading points. Neither was discussed on its merits in the Chamber. Neither is being judged upon its merits as it undergoes defeat.

If the tax-exempt bond is removed and if fifty-five billion five hundred million of this type of property is ultimately subjected to normal tax on income, I tell you that this fifty-five billion is yielding in interest or in income today approximately $3,000,000,000.

If the bonds were held by the poor or those of the very lowest-income brackets, this vast debt would yield back to the Treasury $85,000,000 a year.

Instead of debating this on the floor, the amendment was accepted and the newspapers carried the suggestion that the Treasury is against it because it might interfere with future financing. Now, grant that because we remove the tax-exempt feature of the bond the record interest rate of 2.70 on the Federal debt rises to a full 5 percent. On $32,000,000,000 of this the income which the bondholder receives would be $1,600,000,000, in place of the present income of $864,000,000.

Granted this tremendous rise in the rate of interest, there still opens to the provisions of the income tax $55,500,000,000 tax-exempt securities held by the wealthy. Were the securities held by the poor, it would yield a minimum of $111,000,000 under the present 4-percent normal income tax of the lowest bracket, and it would more than yield in tax return the increase of interest paid than could possibly be exacted.

But this is not the important thing. The important thing is that our debt is increasing at the rate of $2,500,000,000 a year, and this rate has been sustained for over 20 years. The important thing is that our national wealth is now approximately $200,000,000,000 and we owe an official government debt of $55,500,000,000.

At the present rate we have but 58 years to go when the public debt will equal the present total national wealth. This makes not for insolvency at some theoretical date in the future. This is the proof of present insanity.

## MORRIS L. ERNST

Mr. WAGNER. Mr. President, several days ago I received a letter from one of my constituents, a man of very high character and standing at the bar, whose legal talents are devoted to the underprivileged and the unfortunate without compensation as often as those of any attorney in New York. The letter reads as follows:

AUGUST 7, 1935.

MY DEAR SENATOR: The annexed letter speaks for itself. Since the committee investigating conditions in the Virgin Islands has so far refused, as indicated in said letter, to allow me an opportunity to appear and testify, I ask that you ask leave to print this letter sent to Senator TYDINGS in the CONGRESSIONAL RECORD. The testimony before Senator TYDINGS' committee on the Virgin Islands carried implications against my client, MacIntosh, whose case is now on appeal. There was also some testimony that I tried to intimidate a Federal judge.

It is important that the public records indicate my position. Will you, therefore, use your efforts to arrange for the letter I handed you to be printed in the CONGRESSIONAL RECORD?

Thanks.

MORRIS L. ERNST.

After I received this letter, I conferred with the senior Senator from Maryland [Mr. TYDINGS], and he has given me assurance that he will submit to his committee Mr. Ernst's request to be heard. In view of that assurance—and I think I am stating it correctly—I shall not offer the explanatory letter which Mr. Ernst asked to have printed in the RECORD. But if an opportunity is not afforded Mr. Ernst to appear before the committee, I shall at least make an effort to have his letter of explanation printed in the CONGRESSIONAL RECORD when we reconvene in January.

I make this statement because I think those of us who are members of the bar readily admit that testimony given before a Senate committee is a matter of public record, and the testimony given would, if it were true, reflect upon the honor and the professional conduct of Mr. Ernst. Because of his standing in my State, and as a matter of simple justice I think that Mr. Ernst ought to be given opportunity to refute the charges leveled against him. I know nothing about the merits of the controversy; all I ask is fair play.

Mr. TYDINGS. Mr. President, I may say to the Senator from New York that there has been no disposition on the part of the Committee on Territories and Insular Affairs investigating affairs in the Virgin Islands to deny Mr. Ernst the hearing, except for the following reasons: First, the committee was engrossed with an investigation of the affairs of the islands, and the reflection or implication upon Mr. Ernst was so collateral that at the time the committee did not wish to go into that field of investigation. Secondly, when it was alleged that Mr. Ernst had engaged in conduct in which a reputable attorney should not engage, I sent Mr. Ernst a telegram and asked him to reply categorically to the charges. Mr. Ernst wrote me that he could not reply categorically to the charges, and, inasmuch as he could not reply categorically to the charges, it did not look to me as though Mr. Ernst was as frank with the committee as he might have been, because in the matter of the six or seven questions I asked him, "Did you say so-and-so as is alleged?" "Did you say so-and-so as is alleged?"—it struck me that Mr. Ernst could have said either "yes" or "no." Mr. Ernst asked the committee for a hearing, but the committee was engrossed in other matters, and never got around to Mr. Ernst's case. However, the committee has not been discharged, the matter is still open, and when we convene in January, if the Senator will again call it to my attention, I shall be glad to bring the matter before the committee.

Mr. WAGNER. May I say that the humblest criminal is entitled to a hearing in the forum where charges against him have been made. Mr. Ernst is a prominent lawyer of New York. If these charges were to be established as true, they might subject him to extreme embarrassment. All that Mr. Ernst asks is that the same committee which listened to the testimony of unprofessional conduct permit him to appear, to face those who make the charges against him, and to submit himself to direct and cross-examination. I think that is only a simple act of justice, and I am sure that when the Senator reflects he will grant Mr. Ernst the opportunity.

Mr. TYDINGS. I have reflected. Mr. Ernst was not in Washington. In order to protect Mr. Ernst I immediately addressed a telegram to him that he could put into the RECORD forthwith his denial of these charges. Mr. Ernst did not answer the telegram for 4 or 5 days. Then when he answered he said he had been absent from the city and had not had a chance to look into the matter. Then he wrote me a letter which was most rambling insofar as any comment on the charges was concerned.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. TYDINGS. Let me finish.

Mr. WAGNER. I have the floor.

Mr. TYDINGS. The Senator asked me a question. I will wait until the Senator finishes.

Mr. WAGNER. Go ahead.

Mr. TYDINGS. I will take care of Mr. Ernst in my own time.

Mr. WAGNER. I wanted to know whether Mr. Ernst asked to appear before the committee and testify.

Mr. TYDINGS. In my own time I shall be glad to answer.

Mr. WAGNER. Very well then. I shall be glad to let the Senator answer now.

## ALLOWANCE OF CERTAIN CLAIMS FOR EXTRA LABOR AT NAVY YARDS—CONFERENCE REPORT

Mr. WALSH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 872), an act for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same.

Amendments numbered 2, 3, 4, and 5: That the Senate recede from its disagreement to the amendments of the House numbered 2, 3, 4, and 5, and agree to the same with amendments as follows: Restore the numerals stricken out by the said House amendments, and on page 5, line 14, of the engrossed bill, after the word "pay", insert the following: "one-half of"; on page 5, line 17, after the word "aforesaid", insert the following: ", and pay the other one-half of the same to the attorney or attorneys who performed services toward securing provision for the payment herein of the amounts so found"; on page 5, line 17, after the words "death of", insert the following: "any of"; on page 5, lines 21 and 22, strike out the words "of such fee" and insert the following: "for such services"; and the House agree to the same.

DAVID I. WALSH,
WM. E. BORAH,
ROYAL S. COPELAND,
*Managers on the part of the Senate.*

AMBROSE J. KENNEDY,
U. S. GUYER,
ROBERT RAMSPECK,
*Managers on the part of the House.*

The report was agreed to.

## DATA ON NATIONAL RECOVERY ADMINISTRATION

Mr. HARRISON. Mr. President, as Chairman of the Committee on Finance, I have just received a letter from the President, enclosing certain data relating to the National Recovery Administration, which I ask permission to have printed in the RECORD.

The VICE PRESIDENT. The letter and data will be printed in the RECORD, as requested.

The letter and data are as follows:

THE WHITE HOUSE,
*Washington, August 24, 1935.*

MY DEAR MR. CHAIRMAN: Reports upon industrial conditions, covering the short period in which commerce and industry have been functioning without the advantage of the codes of fair competition, have been received by me from the National Recovery Administration. Notwithstanding successful and praiseworthy efforts being made by many employers to maintain standards of employment, these indicate a tendency toward serious impairment of established standards by a minority. To place these facts before your committee, I am transmitting herewith certain information substantiating this conclusion. As additional evidence is gathered, I shall continue to furnish it to your committee to lay as broad a factual base as possible for your consideration of the problems involved. The National Recovery Administration is also making a general survey of the results so far obtained under the National Industrial Recovery Act.

It does not seem possible to complete this work in time for its use at the present session of the Congress. In the short time remaining it seems impractical to ask the Congress to give consideration to an industrial statute of broad import. If your committee staff could be delegated to analyze, during the coming months, the material collected, I believe adequate data would be made available for a thorough understanding of the complex situation confronting industry and labor. With this done your committee could meet, in the fall, for hearings and the formulation of proposed legislation for preserving permanently to the Nation such social and economic advantages as were gained through previous emergency enactments. This would enable you to offer at the opening of the coming session a well-considered program for congressional action.

Pending determination by the Congress of whether further industrial legislation will be enacted, it is hoped that industrial groups will, in increasing numbers, avail themselves of the pro-

visions of the joint resolution extending National Industrial Recovery Administration which permit agreements (1) putting into effect the requirements of section 7 (a), minimum wages, maximum hours, and prohibition of child labor; and (2) prohibiting unfair competitive practices which offend against existing law. Such agreements, when approved by the President, as to matters covered by the joint resolution, are exempted expressly from the penalties of the antitrust laws, including criminal prosecutions, injunctions, and treble damages. By such action industry can undoubtedly do much to preserve the very substantial gains made while the codes were in effect. Applications for approval of such agreements should be filed with the Federal Trade Commission.

Industry may continue to take advantage of the familiar trade-practice conference procedure of the Federal Trade Commission.

It will be my purpose during the adjournment of Congress to call into conference representatives of management, labor, and consumers in the hope that discussion will create among them a general agreement as to the best means of accelerating industrial recovery and the elimination of unemployment. I am hopeful that such an effort will be successful, especially in view of the definite manifestation of interest by all in the solution of these problems.

I am sending a similar letter to the Honorable ROBERT L. DOUGHTON, Chairman of the Committee on Ways and Means, House of Representatives. May I request that consideration be given by your committee toward adopting a plan conformable to these suggestions, and, if possible, correlating the activities of the respective Senate and House committees.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Hon. PAT HARRISON,
*Chairman Finance Committee, United States Senate,*
*Washington, D. C.*

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AUGUST 13, 1935.

## DEPARTURES FROM FORMER CODE STANDARDS FOR THE MONTH OF JULY, 1935

The following data based on information submitted by various State N. R. A. officers show changes in labor and price standards that have occurred during the month of July.

*Number of changes made in July 1935, by industries*

| Industry | Hours | Wages | Hours and wages | Price cutting |
|---|---|---|---|---|
| Retail trade | 1,469 | 98 | 426 | 777 |
| Retail food and grocery | 851 | 11 | 208 | 226 |
| Motor-vehicle retailing | 195 | 86 | 117 | 154 |
| Auto repair and servicing | 304 | 16 | 112 | 53 |
| Wholesale | 549 | 26 | 97 | 201 |
| Apparel | 197 | 122 | 219 | 170 |
| Textile | 93 | 79 | 104 | 150 |
| Boot and shoe | 67 | 51 | 44 | 14 |
| Construction | 120 | 135 | 429 | 100 |
| Furniture | 73 | 11 | 24 | 28 |
| Graphic arts | 131 | 25 | 45 | 113 |
| Lumber | 172 | 24 | 93 | 99 |
| Paper | 45 | 9 | 9 | 41 |
| Basic materials | 66 | 10 | 30 | 40 |
| Amusements | 17 | 8 | 11 | 21 |
| Trucking | 97 | 123 | 83 | 23 |
| Restaurant | 188 | 23 | 77 | 13 |
| Baking | 163 | 14 | 80 | 30 |
| Manufacturing, miscellaneous | 527 | 95 | 163 | 197 |
| Miscellaneous | 243 | 53 | 92 | 40 |
| Total | 5,567 | 1,019 | 2,463 | 2,490 |

### STATE TOTALS

*Month of July 1935; August 13, 1935*

It appears from this report that the greatest number of departures from the previous hour and wage provisions during the month of July were in the States of Texas, California, New York, Nebraska, Georgia, and Michigan. The same States lead in the deviations from former code labor provisions in the month of June, with the exception of Michigan.

The greatest number of reports of price cutting were in the States of Tennessee, New York, Nebraska, Michigan, and Texas.

The following comparison may be made of the total number of reports of deviations from former code standards:

Labor provisions, June, 5,779; July, 9,049;
Price cutting, June, 857; July, 2,490.

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| Texas | 819 | Michigan | 157 | Michigan | 370 | Tennessee | 534 |
| California | 620 | New York | 100 | California | 215 | New York | 498 |
| New York | 549 | Georgia | 90 | Georgia | 194 | Nebraska | 166 |
| Nebraska | 370 | Louisiana | 78 | New York | 179 | Michigan | 122 |
| Georgia | 250 | California | 70 | Nebraska | 164 | Texas | 92 |
| Oklahoma | 231 | Massachusetts | 49 | Texas | 164 | South Carolina | 81 |
| Massachusetts | 186 | Tennessee | 44 | Florida | 127 | California | 77 |
| Minnesota | 178 | Texas | 41 | Minnesota | 89 | Louisiana | 75 |
| Indiana | 170 | Minnesota | 38 | Louisiana | 82 | Missouri | 51 |
| Tennessee | 160 | Connecticut | 33 | Virginia | 67 | Florida | 44 |
| Iowa | 136 | Florida | 25 | Tennessee | 64 | Alabama | 37 |
| Louisiana | 130 | Nebraska | 24 | Massachusetts | 54 | Ohio | 36 |
| Connecticut | 116 | New Jersey | 18 | Illinois | 52 | Virginia | 35 |
| Illinois | 104 | N. Hampshire | 18 | Mississippi | 52 | Georgia | 33 |
| Florida | 104 | Rhode Island | 17 | Rhode Island | 43 | Oregon | 33 |
| Mississippi | 102 | Pennsylvania | 17 | Alabama | 42 | Wyoming | 32 |
| Utah | 79 | Mississippi | 17 | Oklahoma | 42 | Rhode Island | 30 |
| South Carolina | 75 | Alabama | 16 | Indiana | 37 | Montana | 29 |
| Wyoming | 68 | Ohio | 15 | Pennsylvania | 37 | Maryland | 27 |
| Arkansas | 67 | Maryland | 12 | Maryland | 35 | N. Hampshire | 25 |
| Rhode Island | 66 | Maine | 12 | S. Carolina | 35 | Kansas | 21 |
| Missouri | 66 | Illinois | 11 | Maine | 32 | Indiana | 17 |
| Alabama | 65 | S. Carolina | 11 | Oregon | 32 | Illinois | 15 |
| Nevada | 64 | Virginia | 10 | Iowa | 29 | Minnesota | 15 |
| Oregon | 64 | Kansas | 9 | Ohio | 27 | Arizona | 15 |
| Kansas | 60 | Iowa | 9 | New Mexico | 26 | Connecticut | 14 |
| New Mexico | 57 | Indiana | 8 | Kansas | 25 | Arkansas | 9 |
| Ohio | 49 | Missouri | 6 | Utah | 21 | Mississippi | 9 |
| N. Hampshire | 40 | Montana | 6 | Connecticut | 19 | S. Dakota | 9 |
| Arizona | 36 | Washington | 6 | Missouri | 18 | Nevada | 8 |
| Colorado | 36 | Delaware | 5 | Wyoming | 11 | Wisconsin | 8 |
| Maryland | 33 | Oklahoma | 5 | Kentucky | 10 | Utah | 7 |
| Montana | 30 | Arizona | 4 | N. Carolina | 10 | Pennsylvania | 6 |
| Michigan | 27 | Oregon | 4 | Arkansas | 9 | Massachusetts | 5 |
| Washington | 24 | Vermont | 4 | Montana | 8 | New Jersey | 5 |
| Virginia | 23 | Arkansas | 2 | Vermont | 8 | Washington | 5 |
| Wisconsin | 23 | Colorado | 2 | Arizona | 7 | Iowa | 4 |
| Pennsylvania | 20 | Idaho | 2 | N. Hampshire | 7 | Oklahoma | 4 |
| Maine | 16 | N. Carolina | 2 | New Jersey | 7 | Vermont | 4 |
| Kentucky | 12 | Kentucky | 2 | Washington | 6 | Maine | 3 |
| N. Carolina | 12 | New Mexico | 2 | Wisconsin | 5 | Idaho | 2 |
| Delaware | 11 | Wisconsin | 2 | Delaware | 5 | N. Carolina | 2 |
| Vermont | 7 | Wyoming | 2 | Idaho | 4 | New Mexico | 2 |
| Idaho | 6 | Nevada | 1 | Nevada | 4 | Kentucky | 1 |
| New Jersey | 3 | S. Carolina | 1 | West Virginia | 3 | | |
| N. Dakota | 3 | Utah | 1 | Colorado | 2 | | |
| S. Dakota | 3 | | | S. Dakota | 1 | | |
| West Virginia | 1 | | | | | | |

### RETAIL TRADE

*Month of July; August 13, 1935*

Reports have been received of 1,469 instances of increases in hours in 41 States; 98 instances of decreases in wages in 24 States; 426 instances of increases in hours and reductions in wages in 39 States; and 777 instances of price cutting in 31 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| Texas | 340 | Louisiana | 14 | Michigan | 48 | Tennessee | 130 |
| California | 117 | California | 13 | Texas | 48 | Maryland | 121 |
| New York | 103 | New York | 13 | Nebraska | 42 | New York | 101 |
| Nebraska | 97 | Michigan | 7 | Florida | 34 | Michigan | 91 |
| Michigan | 50 | Tennessee | 7 | California | 30 | California | 38 |
| Oklahoma | 49 | Florida | 6 | New York | 28 | Wyoming | 36 |
| Indiana | 47 | Georgia | 4 | Georgia | 24 | Texas | 34 |
| Iowa | 46 | Ohio | 4 | Minnesota | 23 | Nebraska | 31 |
| Georgia | 46 | Oregon | 4 | Louisiana | 20 | Rhode Island | 24 |
| Tennessee | 39 | Alabama | 3 | Oklahoma | 19 | Ohio | 23 |
| Utah | 38 | Rhode Island | 3 | New Mexico | 12 | S. Carolina | 20 |
| Massachusetts | 34 | Illinois | 3 | Mississippi | 11 | Florida | 15 |
| Louisiana | 33 | Nebraska | 3 | Ohio | 8 | Kansas | 15 |
| South Carolina | 33 | Montana | 2 | Oregon | 8 | Oregon | 15 |
| Rhode Island | 33 | New Mexico | 2 | Massachusetts | 8 | Montana | 12 |
| Wisconsin | 30 | S. Carolina | 2 | S. Carolina | 7 | Indiana | 10 |
| Nevada | 29 | Arizona | 1 | Alabama | 6 | Georgia | 10 |
| Kansas | 28 | Indiana | 1 | Kansas | 6 | Arkansas | 9 |
| Minnesota | 28 | Iowa | 1 | Utah | 6 | West Virginia | 7 |
| Florida | 27 | Connecticut | 1 | Illinois | 6 | Illinois | 5 |
| Oregon | 27 | Oklahoma | 1 | Indiana | 5 | South Dakota | 5 |
| Alabama | 25 | South Dakota | 1 | Rhode Island | 4 | Virginia | 4 |
| Connecticut | 20 | Minnesota | 1 | Iowa | 3 | Alabama | 3 |
| Ohio | 20 | Washington | 1 | Maryland | 3 | N. Hampshire | 3 |
| Illinois | 17 | | | Virginia | 3 | New Jersey | 3 |
| Arkansas | 14 | | | Connecticut | 3 | Mississippi | 3 |
| Colorado | 14 | | | New Jersey | 3 | Connecticut | 2 |
| Montana | 14 | | | Wisconsin | 2 | Iowa | 2 |
| Arizona | 11 | | | Montana | 2 | Utah | 2 |
| New Mexico | 10 | | | Wyoming | 2 | Massachusetts | 2 |
| N. Hampshire | 10 | | | Nevada | 2 | Colorado | 1 |
| Wyoming | 8 | | | Arkansas | 1 | | |
| Washington | 7 | | | Colorado | 1 | | |
| Virginia | 6 | | | Arizona | 1 | | |
| Maine | 5 | | | Missouri | 1 | | |
| Maryland | 4 | | | Idaho | 1 | | |
| N. Carolina | 4 | | | Delaware | 1 | | |
| Kentucky | 2 | | | Washington | 1 | | |
| Pennsylvania | 2 | | | Maine | 1 | | |
| Idaho | 1 | | | | | | |
| North Dakota | 1 | | | | | | |
| Total | 1,469 | Total | 98 | Total | 426 | Total | 777 |

### RETAIL FOOD AND GROCERY

*Month of July; August 13, 1935*

Reports have been received of 851 instances of increases in hours in 40 States; 11 instances of decreases in wages in 6 States; 208 instances of increases in hours and reductions in wages in 26 States; and 226 instances of price cutting in 24 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| Texas | 168 | Florida | 3 | Florida | 49 | Nebraska | 60 |
| California | 110 | Georgia | 2 | California | 33 | New York | 37 |
| Nebraska | 65 | Louisiana | 2 | New York | 20 | Texas | 22 |
| Michigan | 54 | California | 2 | Texas | 18 | Tennessee | 16 |
| New York | 52 | Nevada | 1 | Nebraska | 15 | Oregon | 14 |
| Georgia | 47 | S. Carolina | 1 | Oregon | 12 | Montana | 11 |
| Oklahoma | 34 | | | Michigan | 11 | Wyoming | 10 |
| Florida | 32 | | | Alabama | 6 | Kansas | 8 |
| Oregon | 32 | | | Georgia | 5 | Michigan | 6 |
| Massachusetts | 25 | | | S. Carolina | 5 | S. Carolina | 6 |
| Minnesota | 19 | | | Arizona | 3 | California | 5 |
| Alabama | 18 | | | Louisiana | 3 | Nevada | 5 |
| Louisiana | 17 | | | Minnesota | 3 | Florida | 4 |
| Wyoming | 16 | | | New Mexico | 3 | Minnesota | 4 |
| Mississippi | 14 | | | Rhode Island | 4 | Alabama | 3 |
| South Carolina | 13 | | | Tennessee | 3 | Ohio | 3 |
| Arizona | 12 | | | Indiana | 2 | Arizona | 2 |
| Iowa | 11 | | | Iowa | 2 | Louisiana | 2 |
| New Mexico | 11 | | | Massachusetts | 2 | Illinois | 2 |
| Utah | 11 | | | Ohio | 2 | Maine | 2 |
| Connecticut | 8 | | | Utah | 2 | Georgia | 1 |
| Ohio | 8 | | | Connecticut | 1 | Mississippi | 1 |
| Arkansas | 7 | | | Kentucky | 1 | Oklahoma | 1 |
| Nevada | 7 | | | Mississippi | 1 | Washington | 1 |
| Tennessee | 7 | | | Oklahoma | 1 | | |
| Kansas | 6 | | | West Virginia | 1 | | |
| Montana | 6 | | | | | | |
| Indiana | 5 | | | | | | |
| N. Hampshire | 4 | | | | | | |
| Washington | 4 | | | | | | |
| South Dakota | 3 | | | | | | |
| Rhode Island | 3 | | | | | | |
| Idaho | 2 | | | | | | |
| Kentucky | 2 | | | | | | |
| Maine | 2 | | | | | | |
| N. Carolina | 2 | | | | | | |
| Colorado | 1 | | | | | | |
| Delaware | 1 | | | | | | |
| Maryland | 1 | | | | | | |
| New Jersey | 1 | | | | | | |
| Total | 851 | Total | 11 | Total | 208 | Total | 226 |

MOTOR-VEHICLE RETAILING

*Month of July 1935; August 13, 1935*

Reports have been received of 195 instances of increases in hours in 28 States, 86 instances of decreases in wages in 16 States, 117 instances of increases in hours and reductions in wages in 30 States, and 154 instances of price cutting in 26 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| Texas | 46 | Michigan | 22 | Texas | 26 | Louisiana | 30 |
| California | 12 | Louisiana | 15 | California | 10 | N. Hampshire | 15 |
| Dist. of Col. | 11 | California | 14 | Georgia | 10 | Tennessee | 14 |
| Iowa | 11 | New York | 9 | Indiana | 7 | Oregon | 11 |
| Connecticut | 10 | Texas | 4 | Florida | 6 | Ohio | 10 |
| Utah | 10 | N. Hampshire | 4 | Iowa | 6 | Florida | 10 |
| Oregon | 8 | Florida | 3 | Nebraska | 6 | Georgia | 9 |
| Georgia | 7 | Mississippi | 3 | Mississippi | 4 | Michigan | 9 |
| Indiana | 7 | Georgia | 3 | Oregon | 4 | Alabama | 8 |
| Michigan | 7 | Indiana | 2 | Utah | 4 | S. Carolina | 7 |
| Nebraska | 7 | Arizona | 2 | Alabama | 3 | Maryland | 3 |
| Oklahoma | 7 | Connecticut | 1 | Maryland | 3 | Nevada | 3 |
| Tennessee | 7 | Kansas | 1 | Mass | 3 | Rhode Island | 3 |
| Mississippi | 6 | Minnesota | 1 | New York | 3 | Texas | 3 |
| Florida | 5 | New Jersey | 1 | Virginia | 3 | Virginia | 3 |
| New Hamp | 5 | Wisconsin | 1 | Arkansas | 2 | Arizona | 2 |
| Colorado | 4 | | | Louisiana | 2 | Indiana | 2 |
| New York | 4 | | | Nevada | 2 | Montana | 2 |
| S. Carolina | 4 | | | Rhode Island | 2 | Oklahoma | 2 |
| Nevada | 4 | | | Arizona | 1 | New Mexico | 2 |
| New Mexico | 3 | | | Colorado | 1 | California | 1 |
| Arkansas | 2 | | | Kansas | 1 | Iowa | 1 |
| N. Carolina | 2 | | | Idaho | 1 | Mississippi | 1 |
| Rhode Island | 2 | | | Minnesota | 1 | New York | 1 |
| Arizona | 1 | | | New Mexico | 1 | Utah | 1 |
| Delaware | 1 | | | Oklahoma | 1 | Dist. of Col. | 1 |
| Massachusetts | 1 | | | W. Virginia | 1 | | |
| Ohio | 1 | | | S. Carolina | 1 | | |
| | | | | Wyoming | 1 | | |
| | | | | Wisconsin | 1 | | |
| Total | 195 | Total | 86 | Total | 117 | Total | 154 |

AUTO REPAIR AND SERVICING

*Month of July 1935; August 13, 1935*

Reports have been received of 304 instances of increases in hours in 28 States; 16 instances of decreases in wages in 4 States; 112 instances of increases in hours and reductions in wages in 17 States, and 53 instances of price cutting in 14 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| Texas | 68 | California | 7 | Texas | 32 | Tennessee | 11 |
| California | 47 | N. Hampshire | 7 | Nebraska | 19 | Texas | 8 |
| Nebraska | 32 | Ohio | 1 | New York | 12 | New York | 6 |
| Michigan | 26 | Tennessee | 1 | Iowa | 9 | Maryland | 5 |
| Iowa | 23 | | | California | 8 | Montana | 4 |
| New York | 20 | | | New Mexico | 6 | Nebraska | 4 |
| Georgia | 10 | | | Georgia | 5 | California | 4 |
| Kansas | 9 | | | Michigan | 3 | Indiana | 3 |
| Oklahoma | 8 | | | Minnesota | 2 | Connecticut | 2 |
| Nevada | 7 | | | Montana | 2 | Michigan | 2 |
| Tennessee | 5 | | | N. Hampshire | 2 | Louisiana | 1 |
| Utah | 5 | | | Ohio | 2 | Ohio | 1 |
| Washington | 4 | | | Pennsylvania | 2 | S. Carolina | 1 |
| Arkansas | 3 | | | Rhode Island | 2 | Wyoming | 1 |
| Indiana | 3 | | | Utah | 2 | | |
| New Mexico | 3 | | | Oklahoma | 2 | | |
| Ohio | 3 | | | Wyoming | 2 | | |
| Alabama | 2 | | | | | | |
| Colorado | 2 | | | | | | |
| Connecticut | 2 | | | | | | |
| Idaho | 2 | | | | | | |
| Louisiana | 2 | | | | | | |
| Rhode Island | 2 | | | | | | |
| Minnesota | 2 | | | | | | |
| Maryland | 1 | | | | | | |
| Massachusetts | 1 | | | | | | |
| N. Hampshire | 1 | | | | | | |
| S. Carolina | 1 | | | | | | |
| Total | 304 | Total | 16 | Total | 112 | Total | 53 |

WHOLESALE

*Month of July 1935; August 13, 1935*

Reports have been received of 549 instances of increases in hours in 33 States, 26 instances of decreases in wages in 11 States, 97 instances of increases in hours and reductions in wages in 22 States, and 201 instances of price cutting in 13 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| California | 78 | New York | 6 | New York | 12 | Tennessee | 92 |
| Texas | 53 | Georgia | 5 | California | 11 | New York | 62 |
| New York | 52 | Louisiana | 3 | Louisiana | 10 | Alabama | 14 |
| Ohio | 39 | Missouri | 3 | Nebraska | 10 | Nebraska | 8 |
| Oklahoma | 39 | Florida | 2 | Florida | 7 | California | 6 |
| Tennessee | 36 | Washington | 2 | Georgia | 7 | Missouri | 5 |
| Georgia | 32 | Michigan | 1 | Minnesota | 7 | Washington | 4 |
| Louisiana | 25 | Minnesota | 1 | Alabama | 6 | Arizona | 3 |
| Florida | 22 | Nebraska | 1 | Texas | 6 | Louisiana | 2 |
| Nebraska | 20 | Massachusetts | 1 | Iowa | 4 | S. Carolina | 2 |
| Arkansas | 18 | S. Carolina | 1 | Tennessee | 3 | Rhode Island | 1 |
| Massachusetts | 17 | | | Kansas | 2 | Texas | 1 |
| Oregon | 16 | | | Oklahoma | 2 | Georgia | 1 |
| Missouri | 16 | | | S. Carolina | 2 | | |
| Iowa | 10 | | | Connecticut | 1 | | |
| Mississippi | 10 | | | Indiana | 1 | | |
| S. Carolina | 10 | | | Illinois | 1 | | |
| Connecticut | 8 | | | Mass | 1 | | |
| Wisconsin | 8 | | | Mississippi | 1 | | |
| Michigan | 6 | | | Montana | 1 | | |
| Alabama | 5 | | | N. Hamp | 1 | | |
| Minnesota | 5 | | | N. Dakota | 1 | | |
| Montana | 5 | | | | | | |
| Colorado | 4 | | | | | | |
| Pennsylvania | 3 | | | | | | |
| Maryland | 2 | | | | | | |
| Nevada | 2 | | | | | | |
| Virginia | 2 | | | | | | |
| Illinois | 2 | | | | | | |
| Arizona | 1 | | | | | | |
| Indiana | 1 | | | | | | |
| Rhode Island | 1 | | | | | | |
| Utah | 1 | | | | | | |
| Total | 549 | Total | 26 | Total | 97 | Total | 201 |

APPAREL

*Month of July 1935; August 13, 1935*

Reports have been received of 208 instances of increases in hours in 27 States; 122 instances of decreases in wages in 24 States; 208 instances of increases in hours and reductions in wages in 33 States; and 170 instances of price cutting in 14 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| New York | 35 | New York | 24 | Illinois | 34 | New York | 105 |
| Illinois | 34 | Georgia | 16 | Georgia | 25 | Tennessee | 20 |
| California | 31 | New Jersey | 16 | Pennsylvania | 19 | Missouri | 14 |
| Georgia | 16 | Tennessee | 9 | Maryland | 14 | Georgia | 8 |
| Kansas | 11 | California | 7 | Oregon | 13 | Louisiana | 8 |
| Pennsylvania | 9 | Connecticut | 7 | New York | 13 | So. Carolina | 4 |
| Connecticut | 7 | Massachusetts | 7 | Massachusetts | 10 | Virginia | 4 |
| Maryland | 7 | Pennsylvania | 7 | Connecticut | 9 | Alabama | 1 |
| Massachusetts | 7 | Delaware | 4 | Minnesota | 8 | California | 1 |
| Nebraska | 6 | Illinois | 4 | Tennessee | 7 | Connecticut | 1 |
| Mississippi | 5 | Minnesota | 4 | California | 5 | Florida | 1 |
| Missouri | 5 | Alabama | 2 | Texas | 5 | N. Hampshire | 1 |
| Virginia | 5 | Maryland | 2 | Indiana | 4 | New Jersey | 1 |
| Oklahoma | 4 | Nebraska | 2 | Michigan | 4 | Texas | 1 |
| Louisiana | 4 | Virginia | 2 | Virginia | 4 | | |
| Texas | 4 | Florida | 1 | Kentucky | 3 | | |

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| Minnesota | 3 | Louisiana | 1 | Louisiana | 3 | | |
| Tennessee | 3 | Indiana | 1 | Mississippi | 3 | | |
| Colorado | 2 | Maine | 1 | Missouri | 3 | | |
| Kentucky | 2 | Montana | 1 | Nebraska | 3 | | |
| Maine | 2 | Missouri | 1 | New Jersey | 3 | | |
| Alabama | 1 | N. Carolina | 1 | Alabama | 2 | | |
| Indiana | 1 | S. Carolina | 1 | Delaware | 2 | | |
| Montana | 1 | Texas | 1 | Iowa | 2 | | |
| Nevada | 1 | | | Utah | 2 | | |
| New Jersey | 1 | | | Arkansas | 1 | | |
| Wisconsin | 1 | | | Maine | 1 | | |
| | | | | N. Hampshire | 1 | | |
| | | | | New Mexico | 1 | | |
| | | | | Rhode Island | 1 | | |
| | | | | Washington | 1 | | |
| | | | | W. Virginia | 1 | | |
| | | | | Wyoming | 1 | | |
| Total | 208 | Total | 122 | Total | 208 | Total | 170 |

TEXTILE

*Month of July 1935; August 13, 1935*

Reports have been received of 93 instances of increases in hours in 19 States; 79 instances of decreases in wages in 19 States; 104 instances of increases in hours and reduction in wages in 25 States; and 150 instances of price cutting in 11 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| New York | 17 | New York | 19 | Illinois | 30 | New York | 94 |
| Georgia | 15 | Georgia | 14 | Georgia | 15 | Tennessee | 25 |
| Tennessee | 11 | Pennsylvania | 16 | New York | 10 | S. Carolina | 18 |
| California | 7 | Tennessee | 9 | Pennsylvania | 6 | Pennsylvania | 4 |
| Minnesota | 7 | Rhode Island | 5 | N. Carolina | 5 | California | 2 |
| Massachusetts | 6 | Maine | 4 | Massachusetts | 5 | Virginia | 2 |
| Vermont | 5 | Alabama | 2 | Alabama | 4 | Alabama | 1 |
| Wisconsin | 5 | California | 2 | Virginia | 4 | Indiana | 1 |
| Connecticut | 4 | Maryland | 2 | Maryland | 3 | Massachusetts | 1 |
| Mississippi | 3 | N. Hampshire | 2 | Tennessee | 3 | New Jersey | 1 |
| Michigan | 2 | Virginia | 2 | California | 2 | Utah | 11 |
| Rhode Island | 2 | Connecticut | 1 | Louisiana | 2 | | |
| S. Carolina | 2 | Florida | 1 | Mississippi | 2 | | |
| Virginia | 2 | Indiana | 1 | Rhode Island | 2 | | |
| Maryland | 1 | Louisiana | 1 | Connecticut | 1 | | |
| N. Carolina | 1 | Massachusetts | 1 | Delaware | 1 | | |
| Pennsylvania | 1 | Mississippi | 1 | Kentucky | 1 | | |
| Washington | 1 | N. Carolina | 1 | Indiana | 1 | | |
| Alabama | 1 | Ohio | 1 | Iowa | 1 | | |
| | | | | Maine | 1 | | |
| | | | | Michigan | 1 | | |
| | | | | Nebraska | 1 | | |
| | | | | Missouri | 1 | | |
| | | | | Texas | 1 | | |
| | | | | Wyoming | 1 | | |
| Total | 93 | Total | 79 | Total | 104 | Total | 150 |

BOOT AND SHOE

*Month of July 1935; August 13, 1935*

Reports have been received of 67 instances of increases in hours in 20 States, 51 instances of decreases in wages in 9 States, 44 instances of increases in hours and reductions in wages in 11 States, and 14 instances of price cutting in 2 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| Michigan | 17 | Massachusetts | 32 | Maine | 25 | New York | |
| Iowa | 8 | Maine | 6 | Massachusetts | 8 | Tennessee | |
| Massachusetts | 7 | Michigan | 6 | Nebraska | 3 | | |
| Georgia | 6 | N. Hampshire | 2 | California | 1 | | |
| New York | 5 | Maryland | 1 | Georgia | 1 | | |
| Oklahoma | 4 | Nebraska | 1 | Louisiana | 1 | | |
| Maine | 3 | New York | 1 | Maryland | 1 | | |
| N. Hampshire | 3 | Wisconsin | 1 | N. Hampshire | 1 | | |
| North Carolina | 2 | Minnesota | 1 | New York | 1 | | |
| Rhode Island | 2 | | | Oklahoma | 1 | | |
| California | 1 | | | Texas | 1 | | |
| Indiana | 1 | | | | | | |
| Louisiana | 1 | | | | | | |
| Nebraska | 1 | | | | | | |
| New Mexico | 1 | | | | | | |
| North Carolina | 1 | | | | | | |
| Kentucky | 1 | | | | | | |
| Ohio | 1 | | | | | | |
| Tennessee | 1 | | | | | | |
| Pennsylvania | 1 | | | | | | |
| Total | 67 | Total | 51 | Total | 44 | Total | 14 |

CONSTRUCTION

*Month of July 1935; August 13, 1935*

Reports have been received of 120 instances of increases in hours in 23 States; 135 instances of decreases in wages in 23 States; 429 instances of increases in hours and reductions in wages in 21 States; and 100 instances of price cutting in 12 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| California | 23 | Georgia | 32 | Michigan | 244 | Tennessee | 70 |
| Michigan | 20 | Louisiana | 19 | California | 72 | New York | 8 |
| New York | 11 | Florida | 13 | Georgia | 28 | Florida | 6 |
| Georgia | 8 | Tennessee | 12 | Texas | 12 | S. Carolina | 3 |
| Louisiana | 8 | Minnesota | 10 | Mississippi | 11 | Alabama | 2 |
| Wyoming | 7 | Texas | 9 | New York | 11 | Georgia | 2 |
| Nevada | 6 | Nebraska | 6 | Minnesota | 9 | Idaho | 2 |
| Florida | 5 | New York | 6 | Tennessee | 8 | Nebraska | 2 |
| Minnesota | 5 | Michigan | 5 | Louisiana | 6 | N. Carolina | 2 |
| Indiana | 4 | California | 4 | Florida | 6 | Arizona | 1 |
| Nebraska | 4 | Mississippi | 3 | Nebraska | 5 | California | 1 |
| Arkansas | 3 | Arkansas | 3 | S. Carolina | 5 | Texas | 1 |
| Connecticut | 3 | Alabama | 2 | Wyoming | 3 | | |
| Mississippi | 2 | Kansas | 2 | Oklahoma | 2 | | |
| Tennessee | 2 | Idaho | 1 | Alabama | 1 | | |
| Utah | 2 | Maine | 1 | Indiana | 1 | | |
| Alabama | 1 | Maryland | 1 | Illinois | 1 | | |
| Arizona | 1 | Montana | 1 | Kansas | 1 | | |
| Illinois | 1 | Ohio | 1 | Maryland | 1 | | |
| New Mexico | 1 | S. Carolina | 1 | Montana | 1 | | |
| Rhode Island | 1 | Massachusetts | 1 | N. Carolina | 1 | | |
| Texas | 1 | Vermont | 1 | | | | |
| Washington | 1 | Wyoming | 1 | | | | |
| Total | 120 | Total | 135 | Total | 429 | Total | 100 |

FURNITURE

*Month of July 1935; August 13, 1935*

Reports have been received of 73 instances of increases in hours in 21 States; 11 instances of decreases in wages in 8 States; 24 instances of increases in hours and reductions in wages in 12 States; and 28 instances of price cutting in 7 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| New York | 13 | New York | 2 | Georgia | 6 | Nebraska | |
| Georgia | 7 | Nebraska | 2 | California | 4 | New York | |
| Texas | 6 | Virginia | 2 | Florida | 2 | Tennessee | |
| Massachusetts | 5 | California | 1 | Michigan | 2 | Iowa | |
| Oklahoma | 5 | Georgia | 1 | Texas | 2 | Michigan | |
| Indiana | 4 | Louisiana | 1 | Massachusetts | 2 | Louisiana | |
| Minnesota | 4 | Illinois | 1 | Illinois | 1 | Virginia | |
| Nebraska | 4 | N. Hampshire | 1 | Missouri | 1 | | |
| California | 3 | | | New York | 1 | | |
| Louisiana | 3 | | | S. Carolina | 1 | | |
| New Mexico | 3 | | | Tennessee | 1 | | |
| Illinois | 3 | | | Maryland | 1 | | |
| Iowa | 2 | | | | | | |
| N. Hampshire | 2 | | | | | | |
| Michigan | 2 | | | | | | |
| Washington | 2 | | | | | | |
| Florida | 1 | | | | | | |
| N. Carolina | 1 | | | | | | |
| Ohio | 1 | | | | | | |
| Oregon | 1 | | | | | | |
| Virginia | 1 | | | | | | |
| Total | 73 | Total | 11 | Total | 24 | Total | 28 |

GRAPHIC ARTS

*Month of July 1935; August 13, 1935*

Reports have been received of 131 instances of increases in hours in 23 States, 25 instances of decreases in wages in 14 States, 45 instances of increases in hours and reductions in wages in 17 States, and 113 instances of price cutting in 14 States, distributed as follows:

| Hours | | Wages | | Hours and Wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| California | 32 | New York | 5 | Michigan | 11 | New York | 53 |
| Nebraska | 23 | Connecticut | 4 | New York | 8 | Nebraska | 19 |
| New York | 20 | New Mexico | 3 | Nebraska | 5 | Tennessee | 12 |
| Illinois | 8 | Minnesota | 2 | California | 4 | Michigan | 11 |
| Oklahoma | 8 | Virginia | 2 | Georgia | 2 | S. Carolina | 5 |
| Georgia | 6 | Colorado | 1 | Illinois | 2 | Utah | 3 |
| Michigan | 5 | Georgia | 1 | N. Carolina | 2 | Texas | 3 |
| Minnesota | 5 | Florida | 1 | Texas | 2 | Alabama | 1 |
| Tennessee | 3 | Illinois | 1 | Alabama | 1 | Connecticut | 1 |
| Colorado | 3 | Massachusetts | 1 | Connecticut | 1 | Georgia | 1 |
| Iowa | 2 | Ohio | 1 | Delaware | 1 | Mississippi | 1 |
| Maryland | 2 | Michigan | 1 | Florida | 1 | Ohio | 1 |
| Massachusetts | 2 | Oklahoma | 1 | Iowa | 1 | Oklahoma | 1 |
| Nevada | 2 | Mississippi | 1 | Massachusetts | 1 | Virginia | 1 |
| Rhode Island | 2 | | | Oklahoma | 1 | | |
| Alabama | 1 | | | Utah | 1 | | |
| Connecticut | 1 | | | Washington | 1 | | |
| Delaware | 1 | | | | | | |
| Florida | 1 | | | | | | |
| South Carolina | 1 | | | | | | |
| Virginia | 1 | | | | | | |
| Washington | 1 | | | | | | |
| Wisconsin | 1 | | | | | | |
| Total | 131 | Total | 25 | Total | 45 | Total | 113 |

LUMBER

*Month of July 1935; August 13, 1935*

Reports have been received of 172 instances of increases in hours in 32 States; 24 instances of decreases in wages in 11 States; 93 instances of increases in hours and reductions in wages in 19 States; and 99 instances of price cutting in 11 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| Texas | 30 | Louisiana | 5 | Georgia | 14 | Tennessee | 42 |
| New York | 21 | Alabama | 4 | Mississippi | 14 | New York | 21 |
| Georgia | 14 | Mississippi | 4 | Alabama | 10 | Nebraska | 11 |
| Louisiana | 13 | Florida | 2 | Tennessee | 10 | Virginia | 7 |
| California | 12 | Tennessee | 2 | Minnesota | 8 | Missouri | 6 |
| Tennessee | 12 | New York | 2 | Virginia | 8 | Minnesota | 4 |
| Indiana | 10 | Indiana | 1 | Louisiana | 6 | S. Carolina | 3 |
| Mississippi | 8 | Maryland | 1 | Florida | 5 | Louisiana | 2 |
| Oklahoma | 6 | Massachusetts | 1 | S. Carolina | 4 | Maryland | 1 |
| Alabama | 5 | S. Carolina | 1 | Missouri | 3 | Vermont | 1 |
| Massachusetts | 4 | Vermont | 1 | Indiana | 2 | Connecticut | 1 |
| Arkansas | 4 | | | Maine | 2 | | |
| Colorado | 3 | | | Arkansas | 1 | | |
| Minnesota | 3 | | | California | 1 | | |
| Nebraska | 3 | | | Nebraska | 1 | | |
| Wisconsin | 3 | | | Maryland | 1 | | |
| Virginia | 2 | | | Michigan | 1 | | |
| Vermont | 2 | | | Oklahoma | 1 | | |
| Illinois | 2 | | | Wisconsin | 1 | | |
| Michigan | 2 | | | | | | |
| Oregon | 2 | | | | | | |
| Arizona | 1 | | | | | | |
| Connecticut | 1 | | | | | | |
| Idaho | 1 | | | | | | |
| Kentucky | 1 | | | | | | |
| Maryland | 1 | | | | | | |
| Nevada | 1 | | | | | | |
| N. Hampshire | 1 | | | | | | |
| New Mexico | 1 | | | | | | |
| S. Carolina | 1 | | | | | | |
| Washington | 1 | | | | | | |
| Wyoming | 1 | | | | | | |
| Total | 172 | Total | 24 | Total | 93 | Total | 99 |

PAPER

*Month of July 1935; August 13, 1935*

Reports have been received of 45 instances of increases in hours in 16 States; 9 instances of decreases in wages in 6 States; 9 instances of increases in hours and reductions in wages in 4 States, and 41 instances of price cutting in 10 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| New York | 12 | New York | 4 | New York | 6 | New York | 27 |
| Illinois | 7 | Alabama | 1 | Maine | 1 | Tennessee | 6 |
| Massachusetts | 4 | Michigan | 1 | Massachusetts | 1 | Arizona | 1 |
| Colorado | 3 | Oklahoma | 1 | Nebraska | 1 | California | 1 |
| Minnesota | 3 | Pennsylvania | 1 | | | Georgia | 1 |
| California | 2 | Virginia | 1 | | | Massachusetts | 1 |
| Nebraska | 2 | | | | | Illinois | 1 |
| Florida | 2 | | | | | Rhode Island | 1 |
| Oklahoma | 2 | | | | | Virginia | 1 |
| Virginia | 2 | | | | | South Carolina | 1 |
| Maryland | 1 | | | | | | |
| Michigan | 1 | | | | | | |
| Mississippi | 1 | | | | | | |
| Maine | 1 | | | | | | |
| New Jersey | 1 | | | | | | |
| Ohio | 1 | | | | | | |
| Total | 45 | Total | 9 | Total | 9 | Total | 41 |

BASIC MATERIALS

*Month of July 1935; August 13, 1935*

Reports have been received of 66 instances of increases in hours in 22 States; 10 instances of decreases in wages in 5 States; 30 instances of increases in hours and reductions in wages in 15 States; and 40 instances of price cutting in 12 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| Minnesota | 9 | Minnesota | 4 | Minnesota | 5 | New York | 8 |
| New York | 7 | Georgia | 2 | Maine | 5 | Tennessee | 7 |
| Texas | 7 | California | 2 | Florida | 4 | Georgia | 5 |
| Indiana | 6 | Alabama | 1 | S. Carolina | 3 | Texas | 5 |
| California | 5 | Virginia | 1 | Nebraska | 2 | Florida | 4 |
| Georgia | 4 | | | New York | 2 | California | 2 |
| Connecticut | 3 | | | Alabama | 1 | Nebraska | 2 |
| Louisiana | 3 | | | California | 1 | Illinois | 2 |
| Massachusetts | 3 | | | Indiana | 1 | S. Carolina | 2 |
| Pennsylvania | 3 | | | Louisiana | 1 | Indiana | 1 |
| Michigan | 2 | | | Maryland | 1 | Louisiana | 1 |
| Nebraska | 2 | | | Pennsylvania | 1 | Maryland | 1 |
| Tennessee | 2 | | | Texas | 1 | | |
| Utah | 2 | | | Virginia | 1 | | |
| Alabama | 1 | | | Wisconsin | 1 | | |
| Maryland | 1 | | | | | | |
| Iowa | 1 | | | | | | |
| New Mexico | 1 | | | | | | |
| Nevada | 1 | | | | | | |
| Rhode Island | 1 | | | | | | |
| Virginia | 1 | | | | | | |
| Wisconsin | 1 | | | | | | |
| Total | 66 | Total | 10 | Total | 30 | Total | 40 |

AMUSEMENTS

Reports have been received of 17 instances of increases in hours in 11 States, 8 instances of decreases in wages in 6 States, 11 instances in increases in hours and reductions in wages in 6 States, and 21 instances of price cutting in 3 States, distributed as follows:

| Hours | | Wages | | Hours and Wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| Minnesota | 3 | Kansas | 3 | Oklahoma | 3 | Nebraska | 17 |
| Texas | 3 | Alabama | 1 | Michigan | 3 | Texas | 3 |
| New York | 2 | Louisiana | 1 | Ohio | 2 | Louisiana | 1 |
| Oklahoma | 2 | Iowa | 1 | Maine | 1 | | |
| California | 1 | N. Hampshire | 1 | Nebraska | 1 | | |
| Colorado | 1 | New York | 1 | New Mexico | 1 | | |
| Georgia | 1 | | | | | | |
| Iowa | 1 | | | | | | |
| Michigan | 1 | | | | | | |
| Nebraska | 1 | | | | | | |
| North Carolina | 1 | | | | | | |
| Total | 17 | Total | 8 | Total | 11 | Total | 21 |

TRUCKING

*Month of July 1935; August 13, 1935*

Reports have been received of 97 instances of increases in hours in 28 States, 123 instances of decreases in wages in 12 States, 83 instances of increases in hours and reductions in wages in 16 States, and 23 instances of price cutting in 7 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| Massachusetts | 16 | Michigan | 95 | Georgia | 34 | Tennessee | 11 |
| Nebraska | 10 | Texas | 9 | Louisiana | 11 | S. Carolina | 4 |
| California | 7 | Minnesota | 4 | Minnesota | 6 | Minnesota | 3 |
| Virginia | 7 | Tennessee | 3 | Iowa | 5 | Nebraska | 2 |
| Georgia | 6 | Louisiana | 3 | Massachusetts | 4 | Florida | 1 |
| Iowa | 6 | Florida | 2 | South Carolina | 4 | Louisiana | 1 |
| Louisiana | 5 | Iowa | 2 | Nebraska | 3 | Pennsylvania | 1 |
| Tennessee | 5 | California | 1 | Texas | 3 | | |
| Texas | 5 | Maryland | 1 | California | 2 | | |
| Maryland | 4 | Nebraska | 1 | Connecticut | 2 | | |
| New Hamp | 4 | New York | 1 | Idaho | 2 | | |
| Michigan | 3 | Ohio | 1 | Tennessee | 2 | | |
| Idaho | 2 | | | Vermont | 2 | | |
| Minnesota | 2 | | | Arizona | 1 | | |
| New York | 2 | | | Indiana | 1 | | |
| Alabama | 1 | | | Maryland | 1 | | |
| Arizona | 1 | | | | | | |
| Arkansas | 1 | | | | | | |
| Connecticut | 1 | | | | | | |
| Florida | 1 | | | | | | |
| Illinois | 1 | | | | | | |
| Kansas | 1 | | | | | | |
| Montana | 1 | | | | | | |
| New Mexico | 1 | | | | | | |
| Ohio | 1 | | | | | | |
| Rhode Island | 1 | | | | | | |
| Vermont | 1 | | | | | | |
| Washington | 1 | | | | | | |
| Total | 97 | Total | 123 | Total | 83 | Total | 23 |

RESTAURANT

*Month of July 1935; August 13, 1935*

Reports have been received of 188 instances of increases in hours in 20 States; 23 instances of decreases in wages in 8 States; 77 instances of increases in hours and reductions in wages in 18 States; and 13 instances of price cutting in 6 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| Nebraska | 29 | Nebraska | 10 | Nebraska | 16 | Tennessee | 7 |
| California | 20 | Michigan | 4 | Rhode Island | 10 | Arizona | 2 |
| Michigan | 20 | California | 3 | Michigan | 9 | Montana | 1 |
| New York | 19 | New York | 2 | Ohio | 9 | Nebraska | 1 |
| Texas | 17 | Massachusetts | 1 | Texas | 6 | Ohio | 1 |
| Connecticut | 14 | Montana | 1 | Kansas | 5 | Utah | 1 |
| Nevada | 9 | Ohio | 1 | Iowa | 3 | | |
| Arizona | 8 | Rhode Island | 1 | Oklahoma | 3 | | |
| N. Hampshire | 7 | | | Utah | 3 | | |
| Rhode Island | 7 | | | California | 2 | | |
| Wyoming | 7 | | | Arizona | 2 | | |
| Massachusetts | 6 | | | New York | 2 | | |

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| Utah | 6 | | | Indiana | 2 | | |
| Ohio | 5 | | | Massachusetts | 1 | | |
| Iowa | 4 | | | Missouri | 1 | | |
| New Mexico | 3 | | | New Mexico | 1 | | |
| Arkansas | 2 | | | Pennsylvania | 1 | | |
| Indiana | 2 | | | South Dakota | 1 | | |
| Montana | 2 | | | | | | |
| Idaho | 1 | | | | | | |
| Total | 168 | Total | 23 | Total | 77 | Total | 13 |

BAKING

*Month of July 1935; August 13, 1935*

Reports have been received of 163 instances of increases in hours in 28 States; 14 instances of decreases in wages in 8 States; 80 instances of increases in hours and reductions in wages in 25 States; and 30 instances of price cutting in 15 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| California | 25 | California | 5 | Michigan | 15 | Tennessee | 9 |
| Michigan | 21 | Michigan | 2 | Texas | 12 | Missouri | 4 |
| Nebraska | 19 | Texas | 2 | Louisiana | 5 | New York | 4 |
| Georgia | 12 | Georgia | 1 | Nebraska | 5 | S. Carolina | 2 |
| Iowa | 10 | Louisiana | 1 | New York | 5 | California | 1 |
| Missouri | 10 | Minnesota | 1 | Tennessee | 4 | Florida | 1 |
| Texas | 7 | New York | 1 | Florida | 3 | Iowa | 1 |
| Virginia | 7 | Pennsylvania | 1 | Georgia | 3 | Minnesota | 1 |
| Louisiana | 6 | | | Ohio | 3 | Mississippi | 1 |
| Massachusetts | 5 | | | Maryland | 3 | Nebraska | 1 |
| New York | 5 | | | Missouri | 3 | Ohio | 1 |
| Arkansas | 4 | | | Pennsylvania | 3 | Texas | 1 |
| Tennessee | 4 | | | Virginia | 3 | Virginia | 1 |
| Florida | 3 | | | Alabama | 2 | Wisconsin | 1 |
| Illinois | 3 | | | Arkansas | 1 | Wyoming | 1 |
| Montana | 3 | | | California | 1 | | |
| New Mexico | 3 | | | Connecticut | 1 | | |
| S. Carolina | 3 | | | Indiana | 1 | | |
| Alabama | 2 | | | Iowa | 1 | | |
| Mississippi | 2 | | | Massachusetts | 1 | | |
| Oklahoma | 2 | | | New Mexico | 1 | | |
| Connecticut | 1 | | | Oklahoma | 1 | | |
| Dist. of Col | 1 | | | Rhode Island | 1 | | |
| Indiana | 1 | | | S. Carolina | 1 | | |
| Minnesota | 1 | | | Wisconsin | 1 | | |
| Nevada | 1 | | | | | | |
| N. Hampshire | 1 | | | | | | |
| Utah | 1 | | | | | | |
| Total | 163 | Total | 14 | Total | 80 | Total | 30 |

MANUFACTURING, MISCELLANEOUS

*Month of July 1935; August 13, 1935*

Reports have been received of 527 instances of increases in hours in 37 States; 95 instances of decreases in wages in 24 States; 163 instances of increases in hours and reductions in wages in 31 States; and 197 instances of price cutting in 16 States, distributed as follows:

| Hours | | Wages | | Hours and wages | | Price cutting | |
|---|---|---|---|---|---|---|---|
| New York | 94 | New York | 13 | New York | 34 | Tennessee | 72 |
| California | 67 | California | 12 | California | 15 | New Jersey | 66 |
| Minnesota | 38 | Connecticut | 12 | Virginia | 10 | Texas | 16 |
| Texas | 35 | Louisiana | 10 | Louisiana | 9 | California | 15 |
| Massachusetts | 32 | Michigan | 10 | Georgia | 8 | S. Carolina | 8 |
| Michigan | 26 | Georgia | 6 | Michigan | 8 | Virginia | 7 |
| Connecticut | 24 | Minnesota | 5 | Minnesota | 8 | Illinois | 3 |
| Indiana | 23 | Virginia | 4 | Rhode Island | 7 | Rhode Island | 2 |
| Oklahoma | 20 | Illinois | 3 | Ohio | 6 | Georgia | 1 |
| Georgia | 17 | Florida | 2 | Tennessee | 6 | Indiana | 1 |
| Illinois | 17 | Indiana | 2 | Indiana | 5 | Kentucky | 1 |
| Tennessee | 17 | Massachusetts | 2 | Nebraska | 5 | Louisiana | 1 |
| Wisconsin | 17 | S. Carolina | 2 | S. Carolina | 5 | Maryland | 1 |
| Louisiana | 14 | Texas | 2 | Pennsylvania | 4 | Michigan | 1 |
| Nebraska | 12 | Alabama | 1 | Massachusetts | 4 | Nebraska | 1 |
| Iowa | 8 | Delaware | 1 | Florida | 3 | Ohio | 1 |
| Mississippi | 8 | Idaho | 1 | Oklahoma | 3 | | |
| Maryland | 7 | Mississippi | 1 | Connecticut | 2 | | |
| Rhode Island | 6 | Missouri | 1 | Illinois | 2 | | |
| Delaware | 5 | Ohio | 1 | Kentucky | 2 | | |
| South Carolina | 5 | Pennsylvania | 1 | Maryland | 2 | | |
| Arkansas | 3 | Tennessee | 1 | Missouri | 2 | | |
| Florida | 3 | Utah | 1 | New Jersey | 2 | | |
| Kansas | 3 | Vermont | 1 | N. Carolina | 2 | | |
| Kentucky | 3 | | | Texas | 2 | | |
| Missouri | 3 | | | Vermont | 2 | | |
| Montana | 3 | | | Kansas | 1 | | |
| Pennsylvania | 3 | | | Mississippi | 1 | | |
| Virginia | 3 | | | South Dakota | 1 | | |
| Colorado | 2 | | | Utah | 1 | | |
| Utah | 2 | | | Washington | 1 | | |
| Vermont | 2 | | | | | | |
| Arizona | 1 | | | | | | |
| Idaho | 1 | | | | | | |
| N. Hampshire | 1 | | | | | | |
| Washington | 1 | | | | | | |
| West Virginia | 1 | | | | | | |
| Total | 527 | Total | 95 | Total | 163 | Total | 197 |

AUGUST 15, 1935.

**To: Capt. W. P. Robert, United States Navy, chairman Committee to Report on Changes in Labor and Trade Practice Standards, Washington, D. C.**

**From: A. T. Martin, executive secretary.**

The following is a supplementary report on information received from various sources concerning changes made by members of industry from former code provisions:

NONCOMPLIANCE

*Retail*

Arkansas—Fayetteville: Fayetteville Ice Co., with 22 employees, has increased working hours from 48 to 54 per week, with no change in wages.

California—Los Angeles:

McKie Drug Co. is paying $16 a week to its 1 employee; hours have been increased from 40 to 56.

Merchants Supply Co., employing 7 persons, has increased hours from 48 to 52 per week.

Pep Boys has increased the number of employees from 119 to 131, most of these being salesmen who were put on a commission basis without any guaranty. The hours have been increased from 48 to 54 per week.

Pico Furniture Co., employing 7 persons, is requiring employees to work 56 hours per week.

Roosevelt Furniture Co., employing 5 persons, has increased hours from 48 to 54 per week; salesmen are working on a commission basis with no guaranty.

Western Auto Supply Co. has 100 branches with a total of 600 employees; wages remain same, but hours increased from 48 to 57 per week.

Connecticut—Hartford:

Hartford Apron & Towel Supply Co., with 90 employees, has increased the working hours of employees to 45 per week, paying straight time for overtime.

Victory Laundry, with 18 employees, has increased the working hours of its employees from 40 to 55 per week, and pay on a straight time basis.

Iowa:

Des Moines:

Grund Novelty Co., employing from 50 to 60 persons, has increased working hours from 40 to 50 per week, with no corresponding wage increase.

K. Ginsberg Furniture Co., with 3 employees, has increased working hours from 48 to 53 per week.

Winnick's Department Store had increased working hours from 48 to 56, and has now made an additional increase from 56 to 63 hours per week, affecting approximately 25 employees.

Mason City:

Hub Clothing Store has increased working hours of 2 employees from 48 to 63 per week with no additional compensation.

Style Shop, with 5 employees, has increased working hours from 48 to 62 hours per week.

Vance Music Co. has increased the working hours of 2 of their 5 employees from 48 to 53 per week.

B & B Shoe Store has increased the working hours of 2 employees from 48 to 54 per week.

Louisiana—New Orleans:

Cire's Pharmacy has cut its force from 9 to 7.

Charles A. Walsdorf, employing 8, has reduced wages 10 percent but has made no change in hours.

McMahon's Pharmacy, employing 6, reports no changes except that delivery boys are being paid by the hour.

Fener's Pharmacy, employing 1, is working this employee overtime and paying him less than the former code minimum.

Paillet & Jacobs, employing 8, have increased hours from 40 to 44 per week with no change in wages.

L. G. Balfour, employing 4, has increased hours from 40 to 43 per week, with no change in wages.

Dinkel & Roque, employing 2, have increased hours from 40 to 44 per week with no changes in wages.

Fine Jewelry Shop, employing 3, has increased the hours of 1 porter from 44 to 48 per week with no change in wages.

George A. Nami, employing 3, has increased the hours of employees to 48 per week, with no change in wages.

Michigan—Detroit: American House (a hotel) is working employees 84 hours per week.

Minnesota—Minneapolis:

Great Lakes Coal & Dock Co. is working 17 employees from 42 to 48 hours per week, but is paying more than the former code minimum hourly wage, but only straight time for overtime.

The International Fuel Co., employing 8, is working them 48 to 50 hours a week, as compared with the former code maximum of 40, with no change in the hourly wage except that they are now paying only straight time for overtime.

Mississippi:

Canton: The following concerns are disregarding hours, but have made no changes in the wages of employees: Sterling Department Store, employing 6; Perlinsky's, employing 4; Loeb's, employing 2; Kaplan's, employing 3; The Apparel Shop, employing 3; Molony's, employing 2; Mosby's Drugs, employing 2; B. E. Jones, employing 2; Boswell Battery Co., employing 2; Edward's Drug Co., employing 2.

Columbus:

Kuhn's 5-, 10-, and 25-cent Store has extended the work week to 63 hours, and is paying clerks $1.34 per day.

F. W. Woolworth Co., employing 15, has increased hours 4 per week with no change in wages.

Greenville:
F. W. Woolworth Co., employing 16, has increased the hours of 12 workers from 48 to 57 per week with no change in wages; 2 part-time workers have been dismissed.
The Sterling Store, employing 10, has increased the work week of 8 employees from 48 to 57, with no change in wages.
Gulfport:
Vanity Shop, employing 8, continues to disregard the former code provisions.
Jackson:
City Coal & Material Co., employing 10, is disregarding hours, but is maintaining the former code wage minimum.
Brannon Coal Co., employing 4, is observing the former code minimum wage provisions, but is disregarding hours.
Meridian:
Sherrod's Drug Store, employing 3, continues to fail to comply with the former code labor provisions.
J. W. Holt, employing 3, is continuing to observe former code standards except with respect to the hours and wages of 1 porter, who is working overtime without additional pay.
Missouri:
The report did not state which city the following concerns are located in, but it did state that they are either in St. Louis or Kansas City.
McNier Furniture & Carpet Co., employing 5, is working 54 hours a week, which represents no change since the decision.
McDougall Shoe Co., employing 13, is paying them $12.50 a week, which represents no change since the decision.
Kuhava's Department Store, employing 4, is paying them $13.50 a week, which represents no change since the decision.
Grand Leader, employing 4, is paying $13.50 a week, which represents no change since the decision.
Sears-Roebuck, employing 2,450, is paying them $12.40 a week, which represents no change since the decision.
Hirsch Bros., employing 100, have increased hours from 44 to 48 per week.
Nebraska:
Beatrice:
H. & H. Voortman Co. increased employees' hours about 10 per week.
Heated Stores increased employees' hours 8 per week.
Funton Paint Co. is working painters 48 hours per week.
Hastings:
Farmers' Union Hardware Store, employing 5 persons, works employees more than former code hours.
Gambles Stores increased the hours of its 4 employees 4 per week.
Omaha:
Benson Williams Drug Co., employing about 20 persons, has abandoned code hours.
Parker Street Pharmacy works an elderly man for an hour or two per day for about 15 cents an hour.
Louis Palmer works employees 10 hours per day, 6 days per week, and 7 hours on Sundays, for $8.
New Mexico:
Albuquerque: Shamberger's (shades and draperies), employing 3 persons, increased hours from 48 to 54 per week, at same wages.
Santa Fe: The following concerns increased employees' hours from 48 to 54 per week at same wages: Santa Fe Cycle Shop, 3 employees; Capital Pharmacy, 14 employees.
Oklahoma:
Oklahoma City:
National Shirt Shop, employing 3 persons, increased hours from 48 to 50 per week.
The following firms increased hours from 44 to 48 per week, at same wages: Taylor's, 12 employees; Street's, 28 employees; Rosenfield Jewelry Co., 19 employees; Kimberlin's, 7 employees.
The following concerns increased hours from 40 to 48 per week, at same wages: Paul's Shoes, Inc., 8 employees; Peyton's, 56 employees.
John A. Brown Co., employing 496 persons, increased hours from 40 to 43 per week.
Harry Katz, Inc., employing 101 persons, increased hours from 44 to 51 per week, at same wages.
Lerner's, employing 9 persons, increased hours from 44 to 49 per week, at same wages.
Betty Maid Shop is working its 3 employees 50 hours per week.
Rothschild's, employing 90 persons, increased hours from 44 to 50 per week, at same wages.
South Carolina:
Bishopville: D. & R. 5- and 10-cent store, employing 6, has lengthened working hours.
Lake City:
McElveen & Timmons Co., Inc., employing 1, have lengthened working hours and reduced wages.
S. Libbert, employing 15, has lengthened working hours.
Seneca: Hoppers' 5- and 10-cent store, employing 3, has lengthened working hours.
Tennessee:
Chattanooga: Hodge's Drug Co., employing 4, has increased working hours by 10 to 20 per week; no increase in wages.
Cleveland: Central Drug Co., employing 4, has lengthened hours by 12 per week, with no increase in wages.
Knoxville:
C. T. Henshaw Upholstering Co., employing 5, has increased hours from 40 to 48 per week, with no increase in wages.
W. C. Sharp Drug Co., employing 15, has increased working hours to 58 per week, with no increase in wages.
Your Drug Store, employing 11, has increased working hours from 54 to 60 per week, with no increase in wages.
Gay Drug Co., employing 9, has increased hours from 54 to 60 per week, with no increase in wages.
Magnolia Avenue Drug Co., employing 7, has increased working hours from 54 to 60 per week, with no increase in wages.
Mims Drug Co., employing 6, has increased working hours from 54 to 60 per week, with no increase in wages.
Dale Avenue Pharmacy, employing 13, has increased working hours to 60 per week, and decreased wages to $8 per week minimum.
Lawrenceburg: Al J. Smith, employing 4, has increased working hours by 12 per week, with no increase in wages.
Memphis: North Memphis Coal Co., employing 9, has increased working hours by 10 percent, with no increase in wages.
Pulaski: Hogan Bros., employing 6, have increased working hours by 12 per week, with no increase in wages.

*Retail food and grocery*

California—Los Angeles:
Ben Valle & Co., employing 8, is paying 1 employee below the code minimum, and has increased hours from 48 to 56 per week.
Midnight Market, employing 1, is working this employee unlimited hours.
Peterman's Market has reduced the employees from 12 to 9; reduced wages and increased hours from 48 to 54 per week.
Pico-Crenshaw Market, employing 20, has increased hours from 48 to 54 per week and reduced wages.
Shannon's Victor Hugo Market, employing 6, has reduced wages and increased hours from 48 to 60 per week.
Iowa—Mason City:
United Fruit Co. has increased working hours of 3 employees from 48 to 63 per week, with no wage increase.
Barret Bros. Grocery, employing 10, has increased working hours from 48 to 60 per week.
Massachusetts—Worcester: Lincoln Square Market (Brockleman Bros.) has increased the hours of 60 employees from 48 to 60, plus. Friday and Saturday workers are receiving $2 and $2.50 for 12 to 15 hours of work.
Michigan—Detroit: Farmer Market is working its employees 68 to 70 hours per week.
Nebraska—Beatrice: Gabelman, I. G. A. Store, works its 1 employee unlimited hours for $25 a week.
Welbee's Grocery Co. has increased the hours of its employees one-half hour per day and no day off.
"M" stores have increased employees' hours from 4 to 6 weekly.
Annex Grocery is working employees 58½ hours weekly.
Lang's Store is working employees 58 hours per week.
F. Fenger Meat Market is working employees 70 hours weekly.
Hastings: Bi-Lo Market has increased the hours of its 9 employees from 48 to 52 per week.
Lincoln: John Beachley Grocery, employing 8, is working 61 hours per week and paying $18.
Omaha:
Yale Place Grocery is working employees unlimited hours.
P. Schworm Grocery is operated by the proprietor and his son, who work about 12 hours per day.
New Mexico—Santa Fe:
Manuel O. Ortiz is working 3 members of his family 60 hours per week.
Hillyer's Grocery and Meat Market, employing 4, has increased hours from 48 to 54 per week, at the same wages.

*Motor vehicle*

Arizona—Douglas: Bill Banker, employing 4, has lengthened hours and increased salaries.
Arkansas:
Fort Smith:
Ross Motor Co., with 49 employees, has increased working hours from 44 to 54 per week, with no change in wages.
Sheridan Motor Co., with 62 employees, has increased the working hours of 50 employees from 44 to 54 per week.
Sutton Chevrolet Co., with 50 employees, has increased working hours of 30 employees from 44 to 54 per week, with no change in wages.
Russellville:
Russellville Motor Co., with 8 employees, has increased the working hours of 7 employees from 44 to 60 hours per week, with no change in wages.
Buerkle Buick Co. has increased the working hours of 4 employees from 44 to 48 per week, with no change in wages.
Michigan—Detroit: The Gratiot Co. is not paying its salesmen any drawing account.
Minnesota—Minneapolis: The Kimball Graham Co. has discontinued the system provided for in the former code, whereby salesmen are paid a guaranteed minimum of $14.50 per week.
Holt Motor Co. has increased the hours of its office employees from 44 to 48.
Nebraska:
Hastings: Quiggle Motors Co. has increased the hours of its employees to 54 hours per week, depending on business.
Omaha: McFayden Stewart Co., employing between 75 and 100, has increased the hours of mechanics to 48 per week.

*Auto repair*

Connecticut—Waterbury: Charles Penniman Battery Co., employing 3, has increased the working hours of its employees to 54 per week.

Iowa—Des Moines:
Van Dyck Garage has increased the working hours of its employees from 44 to 54 per week, with no additional compensation.
Stephen's Battery & Electric Co. has increased working hours from 48 to 54 and 60 per week, with no change in wages.
Seventh Street Garage has increased working hours of all employees by the addition of from 6 to 10 hours per week, with no compensation for the extra hours worked.
Sam's Rent-A-Car System has increased the working hours of all employees to 62 per week, whereas the code provided for a 48-hour week.
Lorenz Auto & Tire Co. has increased working hours of its employees from 48 to approximately 54 and 60 hours per week.
Nebraska—Omaha:
The Motor Inn Garage works two mechanics 48 hours per week, and in emergencies longer hours are worked; a third man works 54 hours per week.
The Japp Tire & Battery Co. works its 1 employee 54 hours per week.
New Mexico—Albuquerque: Ever-Ready Garage, employing 2, has increased hours from 44 to 48 per week, at the same wages.
Tennessee—Knoxville:
Red & Gray Tire Co., employing 13, has increased working hours from 48 to 56 hours per week, with no increase in wages.
Super Tire & Rubber Co., employing 14, has increased working hours to 56 per week and decreased wages to a minimum of $10 per week.

*Wholesale*

Arkansas—Fort Smith: Stein Wholesale Drygoods Co., with 15 employees, has increased working hours to 44 per week, with no change in wages.
California—Los Angeles:
Merchants Supply Co., employing 7, has increased hours from 48 to 52 per week.
Western Auto Supply Co. has 100 branches, employing 600, and has increased hours from 48 to 57 per week.
Connecticut:
Hartford: M. Rubenbauer, with 6 employees, has increased the working hours of his employees from 40 to 45 hours per week, and pays a straight-time rate for overtime work.
Waterbury: Torrington Supply Co., with 7 employees, has increased the working hours of its employees to 48 hours per week, with no extra pay for overtime.
Iowa—Des Moines: Midwest Auto Supply Co. has increased working hours from 48 to 60 per week, with no increase in wages.
Louisiana—New Orleans: E. Schulingkamp & Co. is working its employees overtime when necessary.
Nebraska—Lincoln:
J. C. Orcutt, employing 3, works them 54 hours per week.
George Alexander Co., employing 5, works 54 hours per week for $15.

### MARINE CASUALTY INVESTIGATION BOARD

Mr. COPELAND. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1514, House bill 8599.

Mr. LA FOLLETTE. Mr. President, let it be reported.

The VICE PRESIDENT. The Senator from New York asks unanimous consent for the present consideration of a bill which the clerk will report by title.

The CHIEF CLERK. A bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a Marine Casualty Investigation Board and increase efficiency in the administration of the steamboat-inspection laws, and for other purposes.

Mr. COPELAND. Mr. President, the bill has passed the House. This afternoon I described it somewhat in detail when I was endeavoring to get an appropriation for the Bureau. It does not involve any money. It is intended to increase the efficiency of the inspection service. Personally I regard it as a matter which tends to increase safety at sea. It has been recommended by the Department for about 15 years.

Mr. ROBINSON. Mr. President, was the report of the committee unanimous?

Mr. COPELAND. It was.

The VICE PRESIDENT. Is there objection to the request of the Senator from New York?

Mr. LA FOLLETTE. Mr. President, I wish to cooperate with the Senator from New York in these closing hours of the session, but I insist that we know just exactly what is proposed to be done.

Mr. COPELAND. I shall be glad to tell the Senator. The bill would reduce the number of supervising inspectors and thus make a better set-up. It would provide for not to exceed 10 principal traveling inspectors. Among other duties they would investigate marine casualties involving loss of life. The present system is somewhat defective. If there is found evidence of criminal liability on the part of an officer, the holder of a certified license, there is a way to see that there will not again happen that thing which happened in the *Morro Castle* case, where the second officer who was in command had his license taken away from him and calmly restored again in 3 months, which certainly was not good judgment.

There is a provision for the inspection of plans and specifications of vessels to determine their seaworthiness. I think those points cover the bill. It has no relation to seamen or sailors.

Mr. LA FOLLETTE. Mr. President, this bill was reported by the committee on the 23d of August. It embraces 16 pages.

Mr. COPELAND. Please do not misunderstand the time of reporting. This is a matter we have had for several months before the committee investigating the *Morro Castle* disaster. The reason why it was not reported earlier was because we had no thought at all that the bill could pass the House, but when it passed the House then we thought it desirable to have it passed by the Senate.

Mr. LA FOLLETTE. I am not criticizing the Senator from New York or any other member of the Committee on Commerce, but here is a bill of 16 pages which the Senator asks us to consider. Not a single amendment has been proposed by the Senate committee. While it may have an entirely meritorious purpose, and I assume it has, nevertheless I believe that at this late stage in the proceedings, when we are about to adjourn, it is unfair to ask the Senate to enact legislation of this importance. Therefore, Mr. President, I am constrained to object.

The VICE PRESIDENT. Objection is heard.

Mr. COPELAND. Mr. President, let me make one more appeal to the Senator from Wisconsin. This is really a matter of great concern to us. The reason why no amendments are offered is because we have a technical committee at work which will suggest in our January report such additional changes as may be needed. The Steamboat Inspection Service take the view that this legislation ought to be enacted.

Mr. LA FOLLETTE. The Senator has me at a complete disadvantage because I have had no opportunity to consider the bill at all. It may be meritorious in every line and sentence, but in this late stage of the proceedings of the Senate I submit it is unfair to ask us to pass a 16-page bill by unanimous consent.

While I do not desire to reflect upon the committee or any member of it, if the measure is as meritorious as the Senator contends, it should have had an earlier report and we should have more time to consider it. I am entirely in agreement with the Senator. I am not captious in my objection, but I do not think, in the present parliamentary situation, that I am being unreasonable in asking, especially in view of the Senator's statement that further reports are to be made from the technical committee, that it should go over until the next session.

The VICE PRESIDENT. Objection is heard.

### WILLIAM J. RYAN, CHAPLAIN, UNITED STATES ARMY

Mr. ROBINSON. On behalf of the Senator from New Jersey [Mr. MOORE], I ask for the present consideration of House bill 1912, Calendar No. 1511, for the relief of William J. Ryan, chaplain, United States Army. The claim is only for $225.75, and the record shows that the claim has been approved by the War Department. It is for a personal injury incurred by the claimant by reason of an automobile accident, the automobile being operated by an officer or agent of the Government of the United States.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

### RESOLUTIONS REPORTED FROM COMMITTEE TO AUDIT AND CONTROL THE CONTINGENT EXPENSES OF THE SENATE

Mr. BYRNES. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate,

I report back favorably, without amendment, Senate Resolutions numbered 192, 185, 189, 175, 180, 114, 173, and 199, and ask unanimous consent for their immediate consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none. The clerk will state the resolutions for which the Senator from South Carolina requests consideration.

HATTIE L. BUTLER

The resolution (S. Res. 192), submitted by Mr. McNARY on August 19, 1935, and reported this day by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to as follows:

*Resolved*, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1935, to Hattie L. Butler, widow of Philip H. Butler, late an employee of the Senate under supervision of the Sergeant at Arms, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

EXPENDITURES BY THE GOVERNMENT FOR COTTON COOPERATIVES

The resolution (S. Res. 185), submitted by Mr. McKELLAR on August 14, 1935, referred to the Committee on Appropriations, reported by that committee on August 15, and reported this day by Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the Committee on Appropriations, or any duly authorized subcommittee thereof, is authorized and directed to investigate the expenditures by the Federal Government for cotton cooperatives and their losses heretofore sustained. The committee shall report to the Senate, at the earliest practicable date, the result of its investigations, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth Congress, to employ clerical and other assistants, to require by subpena or otherwise the attendance of witnesses and the production of books, papers, and documents, to administer oaths, to take testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report hearings shall not be in excess of 25 cents per hundred words, and the expenses of the committee, which shall not exceed $1,500, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

ASSISTANT CLERK TO COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

The resolution (S. Res. 189) submitted by Mr. CONNALLY on August 16, 1935, and reported this day by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That Resolution No. 111, agreed to January 19, 1934, authorizing the Committee on Public Buildings and Grounds to employ an assistant clerk to be paid from the contingent fund of the Senate hereby is continued in full force and effect until the end of the Seventy-fourth Congress.

INSPECTION OF NAVY YARDS, ETC.

The resolution (S. Res. 175) submitted by Mr. TRAMMELL on July 30, 1935, and reported this day by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the Committee on Naval Affairs, or any subcommittee thereof duly appointed by the chairman of the committee, and the subcommittee of the Appropriations Committee having charge of naval appropriations, are hereby authorized to visit, for the purposes of inspection, United States navy yards, air stations, and other naval activities, the expenses incurred in pursuance thereof, not to exceed $5,000, to be paid from the contingent fund of the Senate.

REIMBURSEMENT TO SENATOR GEORGE

The resolution (S. Res. 180) submitted by Mr. GEORGE on August 8, 1935, and reported this day by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for expenses of inquiries and investigations, fiscal year 1935, contingent expenses of the Senate, the sum of $400, to Hon. WALTER F. GEORGE, Chairman of the Committee on Privileges and Elections, as reimbursement for necessary expenses incurred incident to certain election contests which have been pending before said committee.

NATIONAL ECONOMIC COUNCIL

The resolution (S. Res. 114) submitted by Mr. BULKLEY on April 4, 1935, referred to the Committee on Manufactures, reported from that committee on August 14, and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was considered, and was read, as follows:

*Resolved*, That the Committee on Manufactures, or any duly authorized subcommittee thereof, is authorized and directed to investigate the desirability of establishing a national economic council and to make recommendations with respect to the functions and duties which might be assigned to such council. The committee shall report to the Senate as soon as practicable the result of its investigations, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses, and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. KING. Mr. President, I should like an explanation of this resolution. We have had a number of economic councils, and a number of them are existing today under Executive authority. I wonder what additional economic council is desired.

Mr. BYRNES. This resolution was introduced by the Senator from Ohio [Mr. BULKLEY], who is familiar with the purposes of it; and I ask him to explain it.

Mr. BULKLEY. It is simply to study the proposition. The resolution was reported from the committee without a dissenting vote. I hope the Senator will not object to it.

Mr. KING. By whom is the study to be made?

Mr. BULKLEY. By the Committee on Manufactures.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. BYRNES. The Senator from Ohio [Mr. BULKLEY] is the Chairman of the Manufactures Committee, and he explained to the Auditing Committee that what they intended to do was simply during the recess to make some investigations in order to report back to the next Congress, in the hope that some legislation might be had.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

ASSISTANT CLERK TO IMMIGRATION COMMITTEE

The resolution (S. Res. 173) submitted by Mr. COOLIDGE on July 20, 1935, and reported this day by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the Committee on Immigration hereby is authorized to employ for the remainder of the present session an assistant clerk to be paid from the contingent fund of the Senate at the rate of $2,400 per annum.

INVESTIGATION RELATIVE TO ENLARGEMENT OF THE YELLOWSTONE AND GRAND TETON NATIONAL PARKS—LIMIT OF EXPENDITURES

The resolution (S. Res. 199) submitted today by Mr. ROBINSON, and reported this day by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the amount allotted for the investigation of the proposed enlargement of the Yellowstone Park, and the activities in the Jackson Hole region as thereto related, by authority of Resolution No. 226, agreed to February 11, 1933, be, and hereby is, increased to the extent of $310 to pay outstanding obligations incurred in pursuance of the purposes of said resolution to be paid from the contingent fund of the Senate.

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favor-

ably, with amendments, Senate Resolutions Nos. 157 and 182, and ask unanimous consent for their immediate consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the resolutions will be read.

SPECIAL COMMITTEE ON CONSERVATION OF WILDLIFE RESOURCES—EXPENSES

The Senate proceeded to consider the resolution (S. Res. 157) reported by Mr. PITTMAN (for himself, Mr. MCNARY, Mr. NORBECK, Mr. CLARK, Mr. BAILEY, Mr. BYRD, and Mr. WHITE) from the Special Committee on Conservation of Wildlife Resources and referred to the Committee to Audit and Control the Contingent Expenses of the Senate on June 20, 1935, and this day reported by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, with an amendment.

The VICE PRESIDENT. The amendment reported by the committee will be stated.

The amendment was, in line 4, after the word "purposes", to strike out "$15,000" and insert "$5,000", so as to make the resolution read:

*Resolved*, That the special committee authorized and directed by S. Res. 246 on April 17, 1930, to investigate the conservation of wild animal life, hereby is authorized to expend in furtherance of such purposes $5,000 in addition to the amounts heretofore authorized.

Mr. O'MAHONEY. Mr. President, may I ask what the resolution is for?

Mr. BYRNES. It is for a continuation of the investigation of the conservation of wild animal life, which has heretofore received $15,000; and the Committee to Audit and Control the Contingent Expenses of the Senate has reduced the amount to $5,000.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The resolution, as amended, was agreed to.

CAUSES OF DECLINE IN COTTON PRICES—LIMIT OF EXPENDITURES

The Senate proceeded to consider the resolution (S. Res. 182) submitted by Mr. SMITH on August 12, 1935, and reported this day by Mr. BYRNES from the Committee to Audit and Control the Contingent Expenses of the Senate, with an amendment.

The VICE PRESIDENT. The amendment of the committee will be stated.

The amendment of the Committte to Audit and Control the Contingent Expenses of the Senate was, in line 10, after the word "Forestry", to insert a colon and the following proviso: "*Provided*, The investigation shall not cover transactions beyond July 31, 1935", so as to make the resolution read:

*Resolved*, That Senate Resolution 103, agreed to March 16, 1935, and Senate Resolution 125, agreed to May 7, 1935, and Senate Resolution 172, agreed to July 30, 1935, Seventy-fourth Congress, first session, are hereby continued in full force and effect, and that the limit of expenditures that may be made under authority of such resolutions is hereby increased by $50,000 and shall be paid from the contingent fund of the Senate upon vouchers to be approved by the Chairman of the Senate Committee on Agriculture and Forestry: *Provided*, The investigation shall not cover transactions beyond July 31, 1935.

The amendment was agreed to.

The resolution as amended was agreed to.

STATEMENT BY SENATOR COPELAND RELATIVE TO THE "LEVIATHAN"

Mr. COPELAND. Mr. President, I ask consent—and I know it will be readily given, for fear I may make a speech—that the speech which I intended to make on the *Leviathan* may be printed in the RECORD as if I had made it.

Mr. LA FOLLETTE. Mr. President, I am very sorry to object to that; but a similar incident occurred once before in this session of Congress, and I am opposed to the Senate getting into the practice of permitting Senators to extend their remarks as though they had been delivered. Therefore, I am constrained to object to the Senator's request, although I shall have no objection to its being printed in the RECORD as a statement coming from the Senator from New York.

Mr. ROBINSON. Mr. President, I ask unanimous consent that the statement of the Senator from New York [Mr. COPELAND] concerning the *Leviathan* be printed in the RECORD.

The VICE PRESIDENT. Is there objection?

Mr. COPELAND. I shall interpose no objection, although I might wish to go on and make the speech.

Mr. ROBINSON. I shall withdraw the request if the Senator objects.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE "LEVIATHAN"—STATEMENT BY SENATOR COPELAND

On July 30, the senior Senator from Minnesota made a senatorial speech entitled "The Scuttling of the Good Ship *Leviathan*." On certain phases of his subject his allegations were so obviously erroneous that I doubt if there is another Member of this body who seriously believes or accepts them. He is so mistaken in many of his statements as to alleged facts and figures, however, that I do not feel that the present session should be permitted to come to a close without having in the RECORD an accurate statement of the real facts.

I am not charging the Senator with any willful misstatement, of course. Undoubtedly he obtained his information from others who, either from woeful ignorance as to the true picture concerning the operation of this vessel, or from a desire deliberately to deceive, furnished him with the misrepresentations contained in that speech.

The Senator told us that the lay-up of the *Leviathan* was not only detrimental to the American merchant marine but was done so pursuant to the request of British interests. It is stated that the *Leviathan* was a most profitable carrier up to the time of her first lay-up in May 1933. It was alleged that she earned an average profit in excess of $70,000 per voyage under the Chapman management during the first 2 years of the depression.

The facts are that the United States Shipping Board operated this great vessel from July 4, 1923, to April 8, 1929, during which time she completed 80 voyages with total gross earnings of only $39,561,275.72 as compared with direct operating expenses of $39,103,635.83. But these figures do not include 1 cent of overhead or depreciation or interest, which are just as necessary a cost as the wages paid to the seamen. Allowing a reasonable expense for overhead of 10 percent of the gross earnings and an annual depreciation charge equivalent to 5 percent per year of her sales price in 1929, but still excluding any financial charges, I am reliably informed, the average loss per voyage even during this period of abnormal travel in the north Atlantic was in excess of $70,000. The so-called "Chapman interests" operated the *Leviathan* from April 8, 1929, to December 4, 1931, during which time she completed 40 voyages and one cruise with total gross revenue of $14,539,100.43 and total operating expense of $11,712,757.71 (exclusive of overhead, depreciation, and financial charges). Allowing 10 percent of the gross revenue for overhead, depreciation at the rate of 5 percent per annum on the purchase price, and 4¼ percent interest on deferred payments of the purchase price, there was little, if any, profit made.

The so-called "I. M. M.—Dollar-Dawson group", which took over the *Leviathan* on December 4, 1931, made 16 voyages and one cruise after that date to May 1933, the period of her first lay-up. The *Leviathan* during this period had gross earnings of $2,809,099.20 and a direct operating expense (exclusive of overhead, depreciation, and financial charges) of $3,253,630.74, or a direct-operating loss of approximately $28,000 per voyage.

This direct operating loss makes it unnecessary to add the absolutely necessary overhead expense, depreciation, and financial charges in order to establish the fact that if this great ship *Leviathan* was scuttled it was not by reason of British-controlled ownership or because of subservience on the part of our Government officials charged with the duty of developing an American merchant marine to British shipping interests. It was due solely to economic conditions, the obsolescence of the *Leviathan* with the fear of old ships and the operation of new and modern passenger vessels which are more attractive to the traveling public.

After the United States Lines, which included the *Leviathan*, was taken over by the I. M. M.-Dollar-Dawson group in the fall of 1931, an investigation was conducted by a committee of the other branch of the Congress and hearings were held to find out about the transaction. At that time considerable emphasis was given to the fact that the former Shipping Board had required this new interest to operate the *Leviathan* for only seven voyages per annum. These could be made during the summer season, whereas the British vessel *Majestic* operated the year round. Both the Shipping Board and the *Leviathan* owners keenly appreciated the possible unfavorable public reaction to this situation; and notwithstanding the *Leviathan* operated at a loss on the seven voyages made during the summer of 1932, her owners made eight additional voyages between September 16, 1932, and May 1, 1933, when it was almost an absolute certainty that the making of these

additional voyages would entail a considerable loss. The sole purpose of these additional voyages was an endeavor to make the *Leviathan* an all-the-year-around vessel if this could possibly be done without too great a loss, but it was found it could not be done.

In the meantime, the United States Lines Co. had completed and put in operation in August 1932 the largest and most expensive merchant ship ever constructed in American shipyards, namely, the *Manhattan*. Her sister ship, the *Washington*, was placed in operation in May 1933. Regarding these, the Senator stated that the United States Lines Co. placed in operation two small vessels as a substitute for the *Leviathan*. They are smaller than the *Normandie*, the *Bremen*, and several other superliners, but by no means are "small" vessels. They cost in excess of $10,000,000 each and are the largest ships ever constructed and operated under the American flag.

In the spring of 1933, it became quite obvious from the bookings offered for the *Leviathan* for the summer season 1933 in comparison with the bookings made for those two new palatial liners—the *Manhattan* and *Washington*, that little, if any, improvement could be expected in the earnings of the *Leviathan* during the summer season over her earnings during the so-called "off season." The Shipping Board had been constantly studying the results of the operation of the *Leviathan*. It had established the United States Lines in the North Atlantic trade many years before and was fully cognizant of the value of a premier passenger vessel in the development of an American merchant marine. The Board also knew that the United States Lines Co. needed new and additional ships to take the place of several worn out vessels which at one time were operated by the Board on this line but had been withdrawn from the service because of their age and physical obsolescence. The construction of additional new vessels would have been indefinitely delayed if the company was required to continue to operate the *Leviathan* at a substantial loss. Consequently the Shipping Board, after much consideration of the matter, gave its consent to lay up the *Leviathan* during the summer season of 1933.

Now, the Senator stated that this act on the part of the former Shipping Board was in effect a subsidy by the United States in the sum of $900,000, the effect of which would advance shipping interests of Great Britain and react against United States shipping. It has been stated elsewhere, too, that the effect of laying up the *Leviathan* during the year 1933 saved the United States Lines Co. from payment of $900,000 as liquidated damages provided for in their contract.

That is not the case at all. The fact is that if the United States Lines Co. failed to operate the *Leviathan*, without the consent of the Shipping Board, it would not only have been obligated to pay the United States $900,000 as liquidated damages but to forfeit to the Government all of their vessels, except the two new vessels I have mentioned. Obviously the United States Lines Co. had no intention of paying any such sum as liquidated damages or forfeiting all of its vessels. It would much rather have operated the *Leviathan* for five voyages, of course, and absorbed the loss, which has never been estimated even by that company to exceed $500,000 a year.

At the end of the season of 1933, the company again took up with the officials of the Department of Commerce the question of the operation of the *Leviathan*. The Secretary of Commerce wanted to be absolutely sure that it was not possible to operate the *Leviathan* during at least the summer season without sustaining a prohibitive loss, and for the reason the company was required to operate the *Leviathan* during the summer of 1934.

At the end of the 1934 season, the company once more brought to the attention of the Department of Commerce the losses sustained during the 1934 season and urged that some arrangement be made whereby these losses could be saved and the amount of the saving be put into new construction. After 6 months of investigation and consideration, the Department of Commerce decided it would be to the best interests of the American merchant marine to lay up the *Leviathan* during the remaining 2 years which otherwise she would be required to be operated under the terms of the 1931 contract.

How were the interests of the American merchant marine to be furthered by laying up the *Leviathan*?

In the first place the United States Lines Co. estimated that the *Leviathan's* losses for each of the years 1935 and 1936 would be $500,000. The Department of Commerce said: "All right, we will accept your estimate of losses and since you will save $1,000,000 if the Government does not require you to operate the *Leviathan* during the years 1935 and 1936, you must share that saving with the Government and agree without any qualifications to pay to it $500,000 or one-half of your estimated total saving; you must also agree to construct a new ship of the *Manhattan-Washington* type, to cost approximately $10,000,000, and the plans for that vessel must be submitted for approval and a firm contract made for the construction of the vessel during the current year. If you fail to construct this new vessel you shall pay the Government $1,000,000 as liquidated damages unless you and your parent company—the International Mercantile Marine—cannot borrow the money from any source to build this vessel, otherwise, you will have to operate the *Leviathan*." So, the net result of the transaction is that while it does save the United States Lines Co. possibly $1,000,000 in operating losses, the Government receives at once one-half of that sum in money and, what is far more important, the American merchant marine is to acquire a new $10,000,000 vessel, which will sail the seas for 20 years instead of insisting upon the operation of the obsolete *Leviathan* for a period of 2 years and that is all a strict application of the contract could require.

The action of the Secretary of Commerce in permitting the *Leviathan* to be tied up during the remainder of her stipulated period of operation did not result in any pecuniary loss to the Government. On the contrary it resulted in a gain to the Government of $500,000 in hand. It resulted further in a definite obligation on the part of the company to construct at once a third 30,000-ton liner of the type which has proved far more successful on the North Atlantic than even the new foreign superliners. The development or popularity of the American merchant marine will not be retarded in the slightest during the period the new ship is under construction because there is no demand on the part of the traveling public for passage on the *Leviathan* at the rates that must be charged.

The Senator stated, and it has been stated elsewhere, that the lay up of the *Leviathan* for the years 1935 and 1936 was in effect giving a subsidy to the United States Lines Co. in the amount of the liquidated damages as specified in the contract for failure to operate the *Leviathan* and the other vessels during those years. To repeat, the penalty is $700,000 and forfeiture of all the vessels for the year 1935; $600,000 and forfeiture of all of the vessels for the year 1936; but this is absurd; it is not the fact any more than is the allegation that the lay-up of the *Leviathan* for the year 1933 was in effect a granting of a subsidy to the company in the sum of $900,000. The utter absurdity of the total figure of $2,220,000 cited by the Senator, and of many of the other irresponsible statements so frequently and carelessly made about this famous old ship, were fully demonstrated at the hearings held in June of this year by the Committee on Commerce. The record of those hearings has been printed and therefore I will not now burden Senators with the technical facts on this point, or the technical reasons why the *Leviathan* cannot be operated except at a terrific loss.

Throughout his speech the Senator from Minnesota emphasized the fact that the British vessel *Majestic* was still in operation and sought to lead the Senate to believe that the owners of the *Leviathan* were British controlled and that the withdrawal of the *Leviathan* would inure to the benefit of the British vessel *Majestic*. I read in the public press, and no doubt others have also, an announcement by the owners of the British vessel *Majestic* that at the end of this season the *Majestic* would be withdrawn from service and sold for scrapping. If this be true, it seems to be a complete answer to any inference of ulterior motive in laying up the *Leviathan*. And that it is true is confirmed by the fact that the world famous *Mauretania*, a sister ship of the *Leviathan*, is now being scrapped, and the *Olympic* has, within the past few days, been offered for sale for scrapping.

In conclusion, may I say a few words more with respect to the I. M. M.—the alleged British-owned and British-controlled company? It is not my purpose to place a halo around the head of the stock ownership of the International Mercantile Marine Co. But it was only recently stated under oath before a committee of this body, and is now a part of its public records that 97 or 98 percent of all the stock of this company is owned by American citizens, and has been for some years. Also part of the public records of this body is the statement under oath of the officials of the company which shows the rapid disposition of foreign tonnage and of interest in foreign steamship lines. As I understand it, in 1930 the company made an agreement with the Shipping Board to dispose of all of its foreign shipping interests as rapidly as possible and not to acquire any new foreign tonnage. The officials of the company in March 1935 advised me, and also the officials of the Department of Commerce, that it had disposed of every dollar it had invested in foreign tonnage or in foreign shipping companies.

It seems to me this much should be said in connection with the matter. I am sure the Senator from Minnesota will be glad to have this information, and possibly others will be interested.

### THE PRESENT AGRICULTURAL SITUATION

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD various statements taken from the press and periodicals of the country concerning the present agricultural situation throughout the Nation.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, that is a rather indefinite request. Did the Senator say he desired to print in the RECORD various statements that have been made concerning the agricultural situation in the country?

Mr. BARKLEY. I desire to have printed in the RECORD a sort of cumulative statement culled from newspapers and periodicals during the past month or two concerning the present agricultural situation of the country.

Mr. McNARY. Mr. President, in many years of experience I have never known any request that has been so indefinite as this one. The matter in question might contain a hundred pages; it might contain a thousand pages. Unless the Senator can get the material in better form than that, I shall object.

The VICE PRESIDENT. The Senator from Oregon objects to the request of the Senator from Kentucky.

SCHOOLS ATTENDED BY INDIAN CHILDREN

Mr. ROBINSON obtained the floor.

Mr. FRAZIER. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from North Dakota?

Mr. ROBINSON. I do.

Mr. FRAZIER. From the Committee on Indian Affairs, I desire to report three House bills making appropriations for the assistance of public schools where Indian children attend. Two of them are on Indian reservations, and one is at the border of a reservation. I ask for their immediate consideration.

Mr. KING. Are the bills on the calendar?

Mr. FRAZIER. No; they have been passed by the House, and reported by the Committee on Indian Affairs of the Senate.

Mr. KING. I think they ought to go to the calendar.

The VICE PRESIDENT. Objection is heard.

Mr. FRAZIER. Does the Senator mean that for an objection?

Mr. KING. Yes.

Mr. FRAZIER. Mr. President, I have one more bill which is on the calendar and which has passed the House. I move to substitute House bill 5813 for Senate bill 3091, being Calendar No. 1485. This is for the Trenton school district, North Dakota.

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from North Dakota to move to take up a certain bill?

Mr. ROBINSON. Mr. President, that is one of the bills to which the Senator from Utah has just objected.

Mr. FRAZIER. No; this bill is on the calendar, Mr. President.

Mr. ROBINSON. I understand; but it is a bill of the same nature, and the Senator is proposing to substitute a House bill for a Senate bill. I cannot yield for the present.

WILLIAM MITCHELL

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 2178, Senate bill 2804, to authorize the payment of retired pay to William Mitchell.

Mr. President, when this measure was last under consideration and the calendar was being called, by mistake, I was listed as one of those who objected to the bill. The fact is that, in my opinion, General Mitchell performed a great service in behalf of the consideration of the importance of aerial defense when he made his fight within the Army to bring the attention of the Army staff and the country to the importance of that problem.

As a matter of fact, he found a great amount of opposition at the time he made his fight because at that time he was pioneering in the field in which he was making his endeavor. I think, looking back upon it in retrospect, every impartial person will agree that General Mitchell rendered a great service to the aerial defense of this country and to the Army itself in the fight he made for aviation.

Therefore I have been moved to make this request for the immediate consideration of this bill.

The VICE PRESIDENT. Does the Senator from Arkansas yield?

Mr. ROBINSON. I yield.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin?

Mr. AUSTIN. Mr. President, this bill would place Colonel Mitchell in a status other officers earned by loyal and faithful service. The record shows that a court martial found him guilty of contemptuous and insubordinate utterances with intent to discredit the administration of the Navy Department. The record shows that the court martial found that Colonel Mitchell by his utterances conducted himself to the prejudice of military discipline and to the discredit of the military service.

President Coolidge, in approving the sentence imposed after a court martial and review of the record, stated, among other things:

> The board of review finds that those statements were made without basis in fact.

That is, that the statements were false.

President Coolidge also stated among other things, referring to Colonel Mitchell:

> He employed expressions which cannot be construed otherwise than as breathing defiance toward his military superiors.

This particular man is not entitled to special favors which are denied to others similarly situated. No errors appeared in his trial, and the subcommittee who considered the record of the court martial and review first reported adversely upon the bill, and then by virtue of certain requests, they reversed themselves and reported the bill.

I am sure that the conduct of the committee in reporting the bill was very complimentary to a distinguished Member of this body, but was not a reason for the Senate of the United States undertaking to review the court martial or to grant any relief without cause.

I will not occupy the time of the Senate longer in respect to this communication from the War Department, I hold in my hand, than to read a short extract from it, and then to request that the entire communication to the Chairman of the Committee on Military Affairs be inserted in the RECORD in connection with my remarks.

I now read from page 3 of the communication of May 24, 1935, to the Chairman of the Committee on Military Affairs of the Senate. The War Department says this:

> In submitting his recommendations to the President, the Secretary of War [Mr. Davis] stated in part as follows:
>
> "The Board of Review is of the opinion that officers of the Army are so hedged about by restrictive statutes that it would be impossible for them to utilize in commercial pursuits, while remaining officers, much of the training which they have as officers. This is so to such an extent that it would make it difficult for the accused in this case to secure employment that would permit him to make adequate provision for himself and his dependents. The Judge Advocate General concurs in this view and also invites attention to the Presidential rule in force in regard to enlisted men, namely, that a single sentence shall not forfeit allowances or more than two-thirds of the pay of one retained in the service.
>
> "I concur in all the above recommendations except that I recommend that the execution of so much of the sentence as adjudges forfeiture of all the allowances and one-half of the monthly pay of the accused be suspended during the pleasure of the President. According to the figures furnished by the Judge Advocate General, this would permit the accused to receive monthly $120 rental allowance, $36 subsistence allowance, and $241.66 of pay, making the total of one-half of his pay plus allowances $397.66."

Mr. ROBINSON. Mr. President, I have been patient. I yielded to the request made by the Senator from Wisconsin. Debate is not in order on the bill unless consent is given that it should be considered. I must ask whether the bill is to be considered. If it is not, I shall wish to proceed to other matters. I do not wish to be discourteous to my friend, the Senator from Vermont.

Mr. AUSTIN. Mr. President, I am stating my reasons for objecting to the immediate consideration of the bill. I thought that was the privilege of a Senator.

The PRESIDING OFFICER (Mr. CONNALLY in the chair). Under the rules the Chair is of the impression that when a Senator objects further debate is not in order. Debate now is being carried on by unanimous consent.

Mr. ROBINSON. I do not wish to be discourteous to the Senator from Vermont, but there are some other matters which must be attended to, and if the bill is not to be considered, we are simply wasting time in debating it.

The PRESIDING OFFICER. The Chair understands the Senator from Vermont to object.

Mr. AUSTIN. I do object.

The PRESIDING OFFICER. Objection is heard.

Mr. AUSTIN. I wish to have the statement to which I have just referred inserted in the RECORD.

Mr. LA FOLLETTE. Mr. President, will the Senator from Arkansas suffer just one statement?

Mr. ROBINSON. The Senator from Vermont may proceed to a conclusion, the Senator from Wisconsin insisting that he be heard.

Mr. LA FOLLETTE. I am not insisting, but I think that in fairness to General Mitchell I ought to have a chance to make one statement.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AUSTIN. Mr. President, I conclude the statement of my reason for objecting by asking consent that there be inserted in the RECORD the communication from the War Department which I send to the desk.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MAY 24, 1935.

Hon. MORRIS SHEPPARD,
*Chairman Committee on Military Affairs,*
*United States Senate.*

DEAR SENATOR SHEPPARD: Careful consideration has been given to the bill, S. 2804, Seventy-fourth Congress, first session, "To authorize the payment of retired pay to William Mitchell", which you transmitted to the War Department under date of May 18, 1935, with a request for information and the views of the Department relative thereto.

The proposed legislation authorizes the President to place the name of William Mitchell upon the unlimited list of retired officers, United States Army, as a colonel, with the retired pay to which he would be entitled if now upon the active list of the Army, by reason of his distinguished services.

The records show that the beneficiary of this bill entered Federal service during the Spanish-American [War] as a Private, Company M, 1st Infantry, Wisconsin Volunteers, on May 14, 1898, and later served as signal officer, United States Volunteers, in the grades of second lieutenant and first lieutenant, from June 8, 1898, to April 26, 1901. While with the volunteer forces he served in Cuba from December 1898 to August 1899, and subsequently in the Philippine Islands at the time of the insurrection.

On April 26, 1901, he entered the Regular Army as a first lieutenant, Signal Corps; was promoted to captain March 2, 1903, and major July 1, 1916; detailed in aviation section, Signal Corps, July 27, 1916; and was promoted to lieutenant colonel on May 15, 1917. He held emergency commissions as colonel in the Signal Corps from October 10, 1917, to October 14, 1918, and as brigadier general, Air Service, from the latter date to June 30, 1920. He was promoted to the permanent grade of colonel July 1, 1920, and was assistant to the Chief of the Air Service, with the rank of brigadier general, from July 16, 1920, to March 4, 1921, when recess appointment expired; and again held that office from April 27, 1921, to April 26, 1925, when he reverted to his permanent grade of colonel. He resigned as a colonel, Air Service, effective February 1, 1926.

He was on the initial General Staff Corps eligible list; was detailed in the General Staff Corps from February 14, 1913, to June 7, 1916; and was a graduate of the Army Staff College in 1909, and a distinguished graduate of the Army School of the Line in 1908.

General Mitchell served overseas with the American Expeditionary Forces from the spring of 1917 to February 1919 and participated in the following major operations: Cambrai, Somme defensive, Champagne-Marne, Aisne-Marne, Oise-Aisne, St. Mihiel, and Meuse-Argonne. He was awarded the Distinguished Service Cross for repeated acts of extraordinary heroism in action, and for displaying bravery far beyond that required by his position as Chief of the Air Service, First Army, American Expeditionary Forces. He was also awarded the Distinguished Service Medal for exceptionally meritorious and distinguished services as Air Service commander, first of the zone of advance and later of the First Corps and First and Second Armies. Extract copies of the General Orders announcing the citations for such awards are enclosed. Other decorations conferred upon him include the British Order of St. Michael and St. George, and the French Croix de Guerre with Palm and Legion of Honor, and the Italian Order of Sts. Maurice and Lazarus.

General Mitchell was tried by general court martial which convened at Washington, D. C., October 28, 1925, under charges of violation of the ninety-sixth article of war, eight specifications. In substance, it was charged that the accused at San Antonio, Tex., on two occasions in September 1925, made, uttered, and published to certain individuals and news-gathering agencies, certain statements, fully set forth in the specifications. Many of the expressions contained in those statements, as well as the whole tenor of each of those statements, were highly derogatory to the War Department and the Navy Department, and the officials exercising the administration thereof, without designation of names of individuals criticized. It was specifically alleged that in thus making, uttering, and publishing those statements the accused conducted himself to the prejudice of good order and military discipline, and in a way to bring discredit upon the military service; in a manner insubordinate to the War Department, highly contemptuous and disrespectful thereto; and with intent to discredit the administration of the Navy Department. Such conduct is violative of the ninety-sixth article of war and is under that article punishable at the discretion of the court trying the case.

The accused pleaded not guilty. The court found him guilty of all the specifications and the charge, and sentenced him "to be suspended from rank, command, and duty, with forfeiture of all pay and allowances for 5 years." The board of review in the office of the Judge Advocate General, after an exhaustive study of the case, found, in effect, that the evidence amply supported the findings; that the sentence imposed by the court was authorized by law for the offenses of which the accused was found guilty by the court; and that the record of trial was legally sufficient to support the findings and sentence. That board, while recommending that the sentence be approved, expressed the opinion that the portion of its adjudging forfeitures should be modified in view of the peculiar position in which the accused would find himself if the sentence in its entirety were approved.

The Judge Advocate General concurred in the views of the board of review and transmitted the record of the trial and the opinion of the board, with his recommendation, to the Secretary of War for the action of the President. In submitting his recommendations to the President, the Secretary of War (Mr. Davis) stated, in part, as follows:

"The board of review is of the opinion that officers of the Army are so hedged about by restrictive statutes that it would be impossible for them to utilize in commercial pursuits, while remaining officers, much of the training which they have as officers. This is so to such an extent that it would make it difficult for the accused in this case to secure employment that would permit him to make adequate provision for himself and his dependents. The Judge Advocate General concurs in this view and also invites attention to the Presidential rule in force in regard to enlisted men, namely, that a single sentence shall not forfeit allowances or more than two-thirds of the pay of one retained in the service.

"I concur in all the above recommendations except that I recommend that the execution of so much of the sentence as adjudges forfeiture of all the allowances and one-half of the monthly pay of the accused be suspended during the pleasure of the President. According to the figures furnished by the Judge Advocate General this would permit the accused to receive monthly $120 rental allowance, $36 subsistence allowance, and $241.66 of pay, making the total of one-half of his pay plus allowances $397.66.

"I therefore recommend that the sentence as thus modified be duly executed. I am moved to recommend such modification of the sentence because of the fact that the accused is married and has children dependent upon him, and I do not believe that they should suffer any severe hardship as a result of his misconduct."

On January 25, 1926, the President approved the sentence; but in accordance with the recommendation of the Secretary of War, suspended, during his pleasure, the execution of so much of the sentence as adjudged forfeiture of all the allowances and one-half of the monthly pay of the accused. The sentence, as modified by the President, was published in general court martial orders no. 3, War Department, January 26, 1926, copy of which is enclosed.

In approving the sentence the President stated, in part:

"A duly constituted court martial has determined that the accused has been guilty of highly censurable conduct. The country has every reason to expect that its officers, especially those who hold positions of high rank and have had long experience in the service, will at all times be strictly obedient to the provisions of the law and the requirements of the rules by which they are governed.

"The court martial has found that on September 3, 1935, the naval airship *Shenandoah* was destroyed in a storm and that destruction involved the loss of 14 persons of her crew. Two days later, and at a time when the naval airplane *PN–9* was supposed to be lost and all members of her crew drowned, the accused, taking advantage of the horror-stricken state of the minds of the people and their natural desire to learn the causes of such losses, and their readiness to listen to the views of persons having, or supposed to have, expert knowledge of such subjects, published his statement of September 5, 1925, set out in the charges, and in which he violently assailed the War Department and the Navy Department. He characterized the administration of those departments as incompetent, criminally negligent, and almost treasonable. He charged those administering those Departments with ignorance, suppression of the truth, and giving misleading, if not false, information concerning the Air Service to Congress and the people. The board of review finds that those statements were made without basis in fact. In his statement of September 9, 1925, set out in the charges, he employed expressions which cannot be construed otherwise than as breathing defiance toward his military superiors.

"The theory of government implies that every official, so long as he retains office, shall deport himself with respect toward his superiors. This is especially true of those in the military service. Unless this rule is applied there could be no discipline in the Army and the Navy, without which those two forces would not only be without value as a means of defense but would become actually a menace to society. Discipline is the whole basis of military training."

It is pertinent here to remark that, as a retired officer of the Army, Colonel Mitchell would again find himself under those same legal and ethical restraints that proved to be his undoing in 1926.

In a letter addressed to The Adjutant General under date of January 26, 1926, General Mitchell tendered his resignation as an officer of the United States Army, to take effect February 1, 1926. His resignation was accepted by the President, and he ceased to be an officer of the Army on the latter date.

As interpreted by the War Department S. 2804 contemplates that the beneficiary thereof shall be placed on the retired list of the Army and credited for the purposes of computing his longevity pay, with continuous and constructive service to the present time. At the time of his resignation he had served in the Army for a total of 27 years 9 months and 18 days. It appears, however, that in the event of the enactment of this bill he would receive retired pay of a colonel with more than 30 years' active service, amounting to $375 per month.

In his published statement of September 5, 1925, Colonel Mitchell, after expressing his pleasure in the service he had enjoyed, stated:

"I owe the Government everything; the Government owes me nothing (p. 13, G. C. M. O. 3).

This statement accurately reflects the views of the War Department as to the merits of the proposed legislation.

The War Department can find no justification for the enactment of the proposed special legislation, which would single out Colonel Mitchell for preferential treatment from among the many former excellent officers of the Regular Army who have voluntarily severed their connection with the military service. By his voluntary resignation more than 9 years ago, Colonel Mitchell forfeited all rights and claims to retirement. The Department is firmly of the opinion that he should not be the beneficiary of legislation that would place him in a status that other officers earn by loyal and faithful service.

For the reasons set forth in the foregoing, the War Department is opposed to the enactment of this legislation.

Sincerely yours, GEO. H. DERN, *Secretary of War.*

Mr. LA FOLLETTE. Mr. President, in view of the objection made by the Senator from Vermont, I realize it is futile to debate this matter, but I want the RECORD to show that the position taken by the Senator from Vermont is purely technical and legalistic.

Like all pioneers, General Mitchell met the resistance of everybody in the service. He was willing to make sacrifices for his convictions concerning the importance of aviation. In my opinion, he was unjustly punished by those who were out of sympathy with his point of view.

I further hold, Mr. President, that the advance of time and science has demonstrated that General Mitchell rendered a service to the people of the United States in the fight he made for the consideration of aviation. I regret that the lateness of the session makes it impossible to secure consideration of this bill.

Mr. ROBINSON. Mr. President, in view of what has been said concerning this bill, I am going to take the liberty of making a brief statement. I regard the bill as meritorious. General Mitchell is one of the great soldiers and heroes of the Nation. I believe he is entitled to the recognition which the bill proposes.

### GRIER-LOWRANCE CONSTRUCTION CO., INC.—VETO MESSAGE (S. DOC. NO. 134)

The PRESIDING OFFICER (Mr. CONNALLY in the chair) laid before the Senate a message from the President of the United States, which was read, referred to the Committee on Claims, and ordered to be printed as follows:

*To the Senate:*

I return herewith, without my approval, Senate bill 2808, entitled "An act for the relief of Grier-Lowrance Construction Co., Inc."

The bill proposes to confer on the Court of Claims jurisdiction over the claim of the Grier-Lowrance Construction Co., Inc., for losses and damages alleged to have been sustained in connection with the performance of a contract made by the company with the United States for the construction of the foundation for the bridge and watergate features of the Arlington Memorial Bridge project. The court is, however, empowered to take cognizance of such matters under the general jurisdiction reposed in it by section 145 of the Judicial Code, and consequently no special legislation is needed to that end.

The present measure seeks to enlarge the claimant's right to recover by providing that the claim should be adjudicated on the basis of all losses and damages attributable to any act of the Government. The general law limits the recovery to losses and damages due to wrongful acts of the Government. No reason appears why an exception should be made in favor of this claimant to the extent of granting to it rights not accorded to other claimants in similar circumstances. The bill further proposes to deprive the Government of certain defenses to the projected suit, namely, that the claimant failed to file timely protests as provided by the contract; that a finding made under the usual arbitration clause contained in the contract is final and binding; and "any other technical defense." While the claimant should perhaps be accorded its day in court, the Government should naturally be permitted, as it is in all cases, to interpose and present such proper defenses as its counsel deem wise and appropriate to advance. No reason appears why the Government should be denied such right in this instance.

For the foregoing reasons, I am constrained to withhold my approval from the bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 24, 1935.*

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 9070) to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes.

### ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 2215. An act to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended;

S. 2632. An act to provide for the construction of 10 vessels for the Coast Guard designed for ice-breaking and assistance work;

S. 2652. An act to authorize the President to attach certain possessions of the United States to internal-revenue collection districts for the purpose of collecting processing taxes;

S. 3002. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

S. 3210. An act to refer the claim of the Menominee Tribe of Indians to the Court of Claims with the absolute right of appeal to the Supreme Court of the United States;

S. 3286. An act to abolish the oath required of customs and internal-revenue employees prior to the receipt of compensation, and for other purposes;

S. 3303. An act to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings;

S. 3327. An act to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes;

S. 3414. An act to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of New York;

S. 3446. An act relative to limitation of shipowners' liability;

H. R. 3003. An act to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Mississippi, and the establishment of the Ackia Battleground National Monument, and for other purposes;

H. R. 8974. An act to provide revenue, equalize taxation, and for other purposes;

H. R. 9070. An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes;

S. J. Res. 9. Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally;

S. J. Res. 159. Joint resolution granting the consent of Congress to the States of New York, New Jersey, and Connecticut to enter into a compact for the creation of the Interstate Sanitation District and the establishment of the Interstate Sanitation Commission;

S. J. Res. 173. Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states;

for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war;

H. J. Res. 265. Joint resolution pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto, and for other purposes; and

H. J. Res. 348. Joint resolution authorizing exchange of coins and currencies and immediate payment of gold-clause securities by the United States; withdrawing the right to sue the United States thereon; limiting the use of certain appropriations, and for other purposes.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER. (Mr. CONNALLY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

NOMINATION OF EDWIN R. HOLMES—RECOMMITTAL

Mr. ASHURST. I ask that the nomination of Edwin R. Holmes, of Mississippi, to be United States circuit judge, fifth circuit, be recommitted to the Committee on the Judiciary. The nomination is Calendar No. 5192.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

Mr. FLETCHER, from the Committee on Banking and Currency, reported favorably the nomination of J. D. Ross, of Washington, to be a member of the Securities and Exchange Commission for a term expiring June 5, 1940.

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of M. Hampton Magruder of Upper Marlboro, Md., to be Collector of Internal Revenue for the District of Maryland, to fill an existing vacancy.

Mr. DONAHEY, from the Committee on Interstate Commerce, reported favorably the nomination of Robert E. Freer, of Ohio, to be a Federal Trade Commissioner for the remainder of the term expiring September 25, 1938, vice George C. Mathews, resigned.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

NOMINATIONS OF POSTMASTERS

Mr. McKELLAR. I report a number of routine nominations from the Committee on Post Offices and Post Roads. Senators from the several States have approved the nominations, and I ask unanimous consent for their confirmation en bloc.

The PRESIDING OFFICER. The Senator from Tennessee [Mr. McKELLAR] asks unanimous consent for immediate consideration of sundry nominations for postmasters which have been reported from the Committee on Post Offices and Post Roads. Without objection, the nominations are confirmed.

TREATIES—INTERNATIONAL COPYRIGHT UNION

Mr. PITTMAN. I ask unanimous consent for the immediate consideration of treaties on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate, as in Committee of the Whole, proceeded to consider the convention, Executive E (73d Cong., 2d sess.), the International Convention of the Copyright Union as revised and signed at Rome on June 2, 1928.

Mr. PITTMAN. I ask that that treaty be passed over on account of an agreement in connection with a bill of the same character.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGREEMENT—OBLIGATIONS OF MOST-FAVORED-NATION CLAUSE

The Senate, as in Committee of the Whole, proceeded to consider the agreement, Executive L (74th Cong., 1st sess.), to refrain from invoking the obligations of the most-favored-nation clause in respect to certain multilateral economic conventions, which was opened for signature at the Pan American Union on July 15, 1934, and signed on behalf of the United States on September 20, 1934, which was read the second time, as follows:

The high contracting parties, desirous of encouraging the development of economic relations among the peoples of the world by means of multilateral conventions, the benefits of which ought not to inure to countries which refuse to assume the obligations thereof; and desirous also, while reaffirming as a fundamental doctrine the policy of equality of treatment, to develop such policy in a manner harmonious with the development of general economic rapprochement in which every country shall do its part; have decided to enter into an agreement for these purposes, as set forth in the following articles:

ARTICLE I

The high contracting parties, with respect to their relations with one another, will not, except as provided in article II hereof, invoke the obligations of the most-favored-nation clause for the purpose of obtaining from parties to multilateral conventions of the type hereinafter stated, the advantages or benefits enjoyed by the parties thereto.

The multilateral economic conventions contemplated in this article are those which are of general applicability, which include a trade area of substantial size, which have as their objective the liberalization and promotion of international trade or other international economic intercourse, and which are open to adoption by all countries.

ARTICLE II

Notwithstanding the stipulation of article I, any high contracting party may demand, from a State with which it maintains a treaty containing the most-favored-nation clause, the fulfillment of that clause insofar as such high contracting party accords in fact to such State the benefits which it claims.

ARTICLE III

The present agreement is operative as respects each high contracting party on the date of signature by such party. It shall be open for signature on behalf of any State and shall remain operative indefinitely but any party may terminate its own obligations hereunder 3 months after it has given to the Pan American Union notice of such intention.

Notwithstanding the stipulations of the foregoing paragraph, any State desiring to do so may sign the present agreement *ad referendum*, which agreement in this case, shall not take effect, with respect to such State, until after the deposit of the instrument of ratification, in conformity with its constitutional procedure.

ARTICLE IV

This agreement is a single document in English, Spanish, Portuguese, and French, all of which texts are equally authoritative. It shall be deposited with the Pan American Union, which is charged with the duty of keeping it open for signature or resignature indefinitely, and with transmitting certified copies, with invitations to become parties, to all of the states of the world. In performing this function, the Pan American Union may invoke the assistance of any of its members signatory hereto.

In witness whereof, the undersigned Plenipotentiaries have signed this agreement on behalf of their respective Governments, and have affixed hereto their seals on the dates appearing opposite their signatures.

Opened for signature by the Pan American Union, in accordance with a resolution of the Seventh International Conference of American States, this fifteenth day of July 1934, at Washington.

The foregoing document has been deposited on this date with the Pan American Union and opened to the signature of all States, in accordance with the resolution of December 24, 1933, of the Seventh International Conference of American States, and the resolution of June 27, 1934, of the Governing Board of the Pan American Union, Washington, D. C., the fifteenth day of July 1934.

[SEAL] E. GIL-BORGES,
*Secretary of the Governing Board of the Pan American Union.*

For the United States of America:
CORDELL HULL, *ad referendum*, September 20, 1934. [SEAL]
For the Republic of Panama:
R. J. ALFARO, *ad referendum*, September 29, 1934. [SEAL]
For the Republic of Cuba:
M. MÁRQUEZ STERLING, *ad referendum*, October 16, 1934. [SEAL]
For the Republic of Nicaragua:
HENRI DE BAYLE, *ad referendum*, January 23, 1935. [SEAL]
Au nom de l'Union Economique Belgo-Luxembourgeoise:
OTH. R. STRATEN, *ad referendum*, 14 Mars 1935. [SEAL]

I hereby certify that the foregoing document is a true and faithful copy of the original, with the signatures affixed thereto up to the present date, of the agreement on the application of the most-favored-nation clause in bilateral commercial treaties which is deposited in the Pan American Union and open to the signature of all States.

Washington, D. C., March 14, 1935.

[SEAL] E. GIL-BORGES,
*Secretary of the Governing Board of the Pan American Union.*

Mr. PITTMAN. This protocol has received unanimously a favorable report at the hands of the Committee on Foreign Relations. It has nothing to do with bilateral treaties. It provides that in the case of nations entering into conventions they need not feel that they should be obligated by virtue of the most-favored-nation clauses.

The PRESIDING OFFICER. If there be no amendment, the agreement will be reported to the Senate.

The agreement was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The Chief Clerk read as follows:

*Resolved (two-thirds of the Senators present concurring therein)*, That the Senate advise and consent to the ratification of Executive L, Seventy-fourth Congress, first session, an agreement to refrain from invoking the obligations of the most-favored-nation clause in respect of certain multilateral economic conventions, which was opened for signature at the Pan American Union on July 15, 1934, and signed on behalf of the United States on September 20, 1934.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the agreement is ratified.

AGREEMENT BETWEEN UNITED STATES AND GERMANY

The Senate, as in Committee of the Whole, proceeded to consider the agreement, Executive P (74th Cong., 1st sess.), between the United States and Germany terminating part of article VII of the Treaty of Friendship, Commerce, and Consular Rights, signed December 8, 1923, and in effect since October 14, 1925, which was read the second time, as follows:

The undersigned duly authorized representatives of the United States of America and Germany on behalf of their respective Governments have reached the following agreement:

ARTICLE I

The second, third, fourth, sixth, and seventh paragraphs of article VII of the Treaty of Friendship, Commerce, and Consular Rights between the United States of America and Germany signed December 8, 1923, shall cease to have force and effect on and after the day on which this agreement comes into force.

ARTICLE II

The present agreement shall become operative on October 14, 1935, and on and after that day shall have full force and effect as an integral part of the said Treaty of Friendship, Commerce, and Consular Rights.

The present agreement shall be ratified, and the ratifications thereof shall be exchanged at Berlin as soon as possible.

Done in duplicate, in the English and German languages, both authentic, at the city of Washington, this 3d day of June 1935.

CORDELL HULL [SEAL]
HANS LUTHER [SEAL]

Mr. PITTMAN. Mr. President, this is the reenactment of the treaty of amity and commerce between the United States and Germany, which has been in existence for some time. However, the German Government desires to revoke the favored-nation clause in that treaty. Therefore a new treaty along the same line was negotiated and executed by the two governments, leaving out the favored-nation clause. It is satisfactory to the United States and Germany, and, of course, we desire to preserve all the other commercial clauses.

The PRESIDING OFFICER. If there be no amendment agreement will be reported to the Senate.

The agreement was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

*Resolved (two-thirds of the Senators present concurring therein)*, That the Senate advise and consent to the ratification of Executive P, Seventy-fourth Congress, first session, an agreement between the United States and Germany terminating part of article VII of the Treaty of Friendship, Commerce, and Consular Rights, signed December 8, 1923, and in effect since October 14, 1925.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to and the agreement is ratified.

EXTRADITION CONVENTION WITH BELGIUM

The Senate, as in Committee of the Whole, proceeded to consider the treaty Executive Q (74th Cong., 1st sess.), a supplementary extradition convention between the United States and Belgium, signed at Washington on June 20, 1935, which was read the second time as follows:

The Governments of the United States of America and His Majesty the King of the Belgians, being desirous of enlarging the list of crimes on account of which extradition may be granted under the convention concluded between the two countries on October 26, 1901, have resolved to conclude a supplementary convention for this purpose and have appointed as their plenipotentiaries:

The President of the United States of America:

Mr. Cordell Hull, Secretary of State of the United States of America and

His Majesty the King of the Belgians:

Count Robert van der Straten Ponthoz, His Majesty's Ambassador Extraordinary and Plenipotentiary to the United States of America;

Who, after having communicated to each other their respective full powers, which were found to be in due and proper form, have agreed upon the following articles:

ARTICLE I

The following crimes and offenses are added to the list of crimes and offenses numbered 1 to 14 in article II of the said convention of October 26, 1901, on account of which extradition may be granted, that is to say;

15. Crimes and offenses committed in violation of legislation on bankruptcy.

16. Fraud or breach of trust on the part of a depositary, banker, agent, middleman, trustee, executor, administrator, guardian, director, or agent of any company or corporation, or on the part of any person occupying a position of trust.

ARTICLE II

The present convention shall be considered as an integral part of the said extradition convention of October 26, 1901, and article II of the last-mentioned convention shall be read as if the list of crimes and offenses therein contained had originally comprised the additional crimes and offenses specified and numbered 15 and 16 in the first article of the present convention.

ARTICLE III

The present convention shall be ratified by the high contracting parties in accordance with their respective constitutional methods and shall go into effect 1 month after the exchange of ratifications, which shall take place at Brussels, as soon as possible.

In witness whereof, the above-named plenipotentiaries have signed the present convention, both in the English and French languages, and have hereunto affixed their seals.

Done in duplicate, at Washington, this twentieth day of June, one thousand nine hundred and thirty-five.

CORDELL HULL [SEAL]
Cte. R v. STRATEN. [SEAL]

The PRESIDING OFFICER. If there be no amendment, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

*Resolved (two-thirds of the Senators present concurring therein)*, That the Senate advise and consent to the ratification of Executive Q, Seventy-fourth Congress, first session, a supplementary extradition convention between the United States and Belgium, signed at Washington on June 20, 1935.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

TREATY BETWEEN UNITED STATES AND UNITED MEXICAN STATES

The Senate, as in Committee of the Whole, proceeded to consider the treaty, Executive R (74th Cong., 1st sess.), between the United States of America and the United Mexican States, signed at the city of Mexico on June 13, 1935, to facilitate assistance to and salvage of vessels, public or private, of either country, in danger or shipwrecked on the coast or within the territorial waters of the other country, within specified radii, which was read the second time, as follows:

TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED MEXICAN STATES FOR THE SENDING OF VESSELS FOR PURPOSES OF ASSISTANCE AND SALVAGE

The United States of America and the United Mexican States, being desirous, for humanitarian reasons, to facilitate the assistance and salvage of vessels in danger or shipwrecked on the coasts or within the territorial waters of the other country, have for that purpose resolved to conclude a treaty, and to that end have appointed as their plenipotentiaries:

The President of the United States of America, R. Henry Norweb, Chargé d'Affaires ad interim of the United States of America to Mexico; and

The President of the United Mexican States, Emilio Portes Gil, Secretary of State for Foreign Affaires;

Who, after having communicated to each other their full powers, which were found to be in due and proper form, have agreed to the following articles:

ARTICLE I

The High Contacting Parties agree that vessels and rescue apparatus, public or private, of either country, may aid or assist vessels of their own nationality, including the passengers and crews thereof, which may be disabled or in distress on the shores or within the territorial waters of the other country within a radius of seven hundred and twenty nautical miles of the intersection of the International Boundary Line and the coast of the Pacific Ocean, or within a radius of two hundred nautical miles of the intersection of the International Boundary Line and the coast of the Gulf of Mexico.

ARTICLE II

The Commanding Officer, master, or owner of a vessel or rescue apparatus of either country, entering or intending to enter the territory or territorial waters of the other, in order to assist a distressed vessel, shall, at the earliest practicable moment, send notice of such action or intention to the competent authorities of the port of entry of that other country nearest the scene of distress. This notice may be sent by radio or telegraphic dispatch or by any other expeditious method of communication. Such vessel or apparatus may freely proceed to, and assist, the distressed vessel unless advised by such competent authorities that adequate assistance is available, or that, for any other reason, such assistance is not considered necessary.

ARTICLE III

The Commanding Officer, master, or owner of a vessel or apparatus which enters the territory or territorial waters of a country to render assistance to a distressed vessel under the authority of this treaty shall notify the competent authorities of such country upon departure from such territory or territorial waters; and private vessels so entering, as well as private distressed vessels and the cargo, equipment, stores, crew and passengers thereof, shall be subject to the provisions of the laws in force in the country in whose territorial waters such assistance is rendered.

As used in this treaty, the word "assistance" means any act necessary or desirable to prevent the injury, arising from a marine peril, of persons or property, and the word "vessel" includes aircraft, as well as every kind of conveyance used or capable of being used for transportation on water.

ARTICLE IV

This Treaty shall remain in force for one year, and thereafter until terminated with three months notice by one of the High Contracting Parties.

ARTICLE V

The High Contracting Parties shall ratify this Treaty in conformity with their respective constitutional provisions. The exchange of ratifications shall take place in the city of Washington, D. C., as soon as possible, and the Treaty shall be in force from the time of the exchange of these ratifications.

In faith whereof the respective Plenipotentiaries have signed this Treaty and have hereunto affixed their seals.

Done in duplicate in the English and Spanish languages in the city of Mexico, the thirteenth of the month of June in the year one thousand nine hundred and thirty-five.

[SEAL] R. HENRY NORWEB.
[SEAL] E. P. GIL

The PRESIDING OFFICER. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

*Resolved (two-thirds of the Senators present concurring therein)*, That the Senate advise and consent to the ratification of Executive R, Seventy-fourth Congress, first session, a treaty between the United States of America and the United Mexican States, signed at the city of Mexico on June 13, 1935, to facilitate assistance to and salvage of vessels, public or private, of either country, in danger or shipwrecked on the coast or within the territorial waters of the other country, within specified radii.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the treaty is ratified.

WORKS PROGRESS ADMINISTRATION

The legislative clerk read the nomination of Ray Hart to be State administrator for Montana.

Mr. MURRAY. Mr. President, I have been requested by labor organizations and trade organizations in Montana to present an objection to the nomination of Mr. Hart, and I now make that objection.

The VICE PRESIDENT. The Senator from Montana asks that the nomination go over.

Mr. LA FOLLETTE. I object, Mr. President.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination? (Putting the question.)

The nomination was confirmed.

NATIONAL LABOR RELATIONS BOARD

The legislative clerk read the nomination of Joseph Warren Madden, of Pennsylvania, to be a member.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John Michael Carmody, of New York, to be a member.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Edwin S. Smith, of Massachusetts, to be a member.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC WORKS ADMINISTRATION

The legislative clerk read the nomination of Garland L. Rounds, of Illinois, to be State engineer inspector in Illinois.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. LEWIS subsequently said: Mr. President, I did not hear the clerk call the name of Garland L. Rounds, of Illinois, to be State engineer inspector in Illinois under the Public Works Administration.

The VICE PRESIDENT. He has been confirmed.

Mr. LEWIS. I must say, sir, that there have been telegrams sent to me making protest against his confirmation, and I owe it to all concerned to say that the Secretary of the Interior said they were all investigated and found to be unfounded. For that reason I have asked that they be withdrawn from the records, and had I been present I should have moved the confirmation of Mr. Rounds.

The VICE PRESIDENT. The nomination has been confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

EDWIN R. HOLMES

Mr. FLETCHER. Mr. President, I inquire what became of the nomination of Edwin R. Holmes, of Mississippi, to be United States circuit judge of the fifth circuit.

The VICE PRESIDENT. The nomination of Mr. Holmes, the Chair has been informed, was recommitted to the Com-

mittee on the Judiciary today on the motion of the Senator from Arizona [Mr. ASHURST], the chairman of that committee.

IN THE ARMY

The legislative clerk read the nomination of John Francis O'Ryan to be major general, Reserve.

Mr. SHEPPARD. I ask unanimous consent that the nomination be confirmed, and that the President be notified.

The PRESIDING OFFICER. Without objection, the nomination is confirmed, and the President will be notified.

FEDERAL TRADE COMMISSION

Mr. WHEELER. I understand the name of Robert E. Freer, of Ohio, to be Federal Trade Commissioner has been sent to the Senate. It was sent to the Senate Interstate Commerce Committee and reported out by that committee and should be on the calendar. I ask that the nomination be taken up for immediate consideration at this time.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the nomination. The Chair hears none. The nomination will be stated.

The legislative clerk read the nomination of Robert E. Freer, of Ohio, to be Federal Trade Commissioner.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WHEELER. Mr. President, I ask that the President be notified of the confirmation of Robert E. Freer, of Ohio, to be Federal Trade Commissioner.

The PRESIDING OFFICER. Without objection, the President will be notified.

COLLECTOR OF INTERNAL REVENUE

Mr. TYDINGS. The nomination of M. Hampton Magruder, of Upper Marlboro, Md., to be collector of internal revenue for the district of Maryland, to fill an existing vacancy, was today favorably reported from the Committee on Finance. I ask unanimous consent for immediate consideration of the nomination.

Mr. McNARY. Mr. President, was this nomination acted on favorably today by the committee?

Mr. TYDINGS. It was.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination? The Chair hears none. The nomination will be stated.

The legislative clerk read the nomination of M. Hampton Magruder, of Upper Marlboro, Md., to be collector of internal revenue for the district of Maryland.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. ROBINSON. I ask unanimous consent that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Navy are confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate stand in recess until called to order by the Chair.

The motion was agreed to; and (at 7 o'clock and 20 minutes p. m.) the Senate took a recess subject to the call of the Chair.

AFTER RECESS

ORDER OF BUSINESS

The Senate reassembled, when called to order by the Vice President, at 9 o'clock and 42 minutes p. m.

The VICE PRESIDENT. If the Chair may be permitted, he will yield to the Senator from Arkansas [Mr. ROBINSON] and to the Senator from South Carolina [Mr. BYRNES] to explain the possible disappointment of some Senators over the fact that the Senate was not called to order at an earlier hour. The Chair recognizes the Senator from Arkansas.

Mr. ROBINSON. Mr. President, a situation has arisen respecting the deficiency appropriation bill which is now brought to the attention of the Senate.

The bill, incorporating sundry Senate amendments, was returned to the House of Representatives late this afternoon. The House has taken no action regarding the bill, and it is my information that it does not intend to do so.

This afternoon a concurrent resolution was agreed to providing that each body, when it had concluded its labors on this day, should take an adjournment sine die. The question arises as to what action the Senate will take. The body at the other end of the Capitol is in session. It is expected to continue in session for a short time.

Under the concurrent resolution agreed to, automatically, at not later than 12 o'clock tonight, according to my interpretation of the concurrent resolution, each of the two bodies will stand adjourned. Either body is at liberty to adjourn at any time it chooses to do so before 12 o'clock.

Mr. BYRNES. Mr. President, first I should like to say that I advised a number of Senators that the Vice President would reconvene the Senate at 8:30 o'clock. There was a misunderstanding on my part. The Vice President had to take part in a conference and could not return to the Senate before this moment.

With reference to the deficiency bill, the fact is that the bill as it was passed by the Senate was sent to the House. All those of us who are interested in the passage of that bill desire that the House have an opportunity to vote upon the bill. If the House conferees should agree to meet with the Senate conferees, under the rules of the House the legislative proposals added by the Senate would have to be submitted to the House for a vote.

I am just advised by the Chairman of the Senate Committee on Appropriations that the Chairman of the House Committee on Appropriations has said that no conferees have been appointed on the part of the House, and that they do not desire to have conferees appointed.

Under the legislative situation now existing, as I understand, all that I can do is to enter a motion to reconsider the vote whereby House Concurrent Resolution 38, the adjournment resolution, was agreed to and then move that the House of Representatives be requested to return the concurrent resolution to the Senate.

Before formally making that motion, I desire to call the attention of the Senate to the provisions of the deficiency bill.

We have spent the entire summer in session. We have passed a social-security bill, and the deficiency bill carries an appropriation for the Board set up under that bill. Every expenditure of that Board is provided for in the deficiency bill. If the deficiency bill shall not be passed, the Board will not be able to function.

In addition to that, an appropriation is contained in the bill for the Labor Board which is absolutely essential if it is to function.

Provision is made for an appropriation of $13,000,000 for the Soil Conservation Service, which is essential to the functioning of that Department of the Government.

An appropriation is made, under the provision for the Department of Commerce, for a census of the persons who would be entitled, under the old-age pension law, to participate in the benefits of that act.

The legislatures of many States will meet in January. If this deficiency bill shall not be passed and if we shall not provide the funds, it is questionable, in my mind, whether it will not seriously delay the operations of old-age pensions and other provisions of the social-security bill.

Mr. President, all those of us who are interested in the deficiency bill ask is that the House of Representatives vote upon the measure. Therefore I think the Senate has a right to ask the House, and I think it should ask the House, to return to the Senate the House Concurrent Resolution 38, because it is my belief that whenever that request is made, the Members of the House of Representatives will see to it that conferees are appointed to meet the conferees who have been appointed on the part of the Senate.

In my recollection of 14 years' service in the House of Representatives and my service in the Senate, never before have any two men undertaken to say that the House of Representatives will not appoint conferees on an appropriation bill to meet conferees appointed on the part of the Senate.

We have spent many weeks and months enacting legislation here of vital importance to the country. It will have been wasted time if this bill providing the funds to carry into effect the provisions of those various acts shall fail. Therefore, I enter the motion first to reconsider the vote agreeing to the House Concurrent Resolution 38. Then I move that the House of Representatives be requested to return House Concurrent Resolution 38 to the Senate.

The VICE PRESIDENT. The Senator from South Carolina offers a motion, which the clerk will state. Has the Senator the motion in writing?

Mr. BYRNES. I enter a motion to reconsider the vote whereby the Senate agreed to House Concurrent Resolution 38.

Mr. ROBINSON. Mr. President, before that motion is submitted, the request for the return of the resolution should be made and the resolution should be returned.

Mr. BYRNES. Mr. President, I may say that I was under the same impression as the Senator from Arkansas, and only after consulting the Parliamentary Clerk did I make the motion I have made.

The VICE PRESIDENT. As the Chair understands the parliamentary situation, the Senator from South Carolina enters a motion to reconsider the vote by which the Senate agreed to the House Concurrent Resolution 38. It seems to the Chair that the Senator should make a motion to have the resolution returned from the House.

Mr. BYRNES. Mr. President, I made the motion in that way simply upon the advice of the parliamentary clerk. If the Chair is of the other view, then I move that the House of Representatives be requested to return the resolution to the Senate.

The VICE PRESIDENT. The Chair understands from the parliamentary clerk that the Senator should enter his motion to reconsider and then move to request the House to return the resolution.

Mr. BYRNES. Mr. President, that is exactly what I first did. I first entered a motion to reconsider. That motion having been entered, I now move that the House of Representatives be requested to return the resolution to the Senate.

The VICE PRESIDENT. The question is on the motion of the Senator from South Carolina.

Mr. LEWIS. Mr. President, I am of the opinion, with great deference to the able Senator from South Carolina, and others who may differ, that we are inviting a sense of resentment from the House, and I fear that instead of benefiting ourselves and aiding our position we will give them cause for retaliation. It seems to me also, sir, that there should be some record before this body as a justification for withdrawing the resolution from the House. The statement by the able Senator from South Carolina and by the eminent leader of the majority we accept. However, there is no record here which would appear to justify this body in making an assertion from the record of any conduct on the part of the House. Surely there should be some record of whatever transpired, by which record we could justify ourselves in what we regard as an affront.

Mr. ROBINSON. Mr. President, may I ask the Senator from Illinois a question?

Mr. LEWIS. Always.

Mr. ROBINSON. How would such a record be made?

Mr. LEWIS. My answer is, anticipating that question, that there has been from some place, somehow in the House, a statement, either from a chairman of a committee or from a committee, of its refusal to deal with us; that it has declined to deal with us, and giving some reason which can be entered in the record here as a parliamentary basis for making the record such as the Senator from South Carolina suggests. Otherwise, it will appear on the face of the situation that we have presumed to take offense at something the House has done or has not done, leaving it open, with no record showing what has happened, and we give them cause for affront. I feel, sir, there is not the parliamentary basis on which the suggestion of the able Senator could be carried out with propriety.

Mr. ROBINSON. Mr. President, I say to the Senator from Illinois that it is my information that the House does not intend to communicate a message to the Senate on the subject.

Mr. LEWIS. That the House does not intend to communicate a message at all, sir?

Mr. ROBINSON. No; no formal message. The fact is that no action has been taken on the bill since it was returned to the House, and no action is contemplated unless it be to refer the bill to a committee.

The Senate would have no official information of such action unless the House saw fit to send a message, which, seemingly, it does not intend to do.

I am offering no ground of offense to the other body. I am simply apprising the Senate of the situation in order that the Senate may take such action as it sees fit to take. If we wait for a message from the House of Representatives on the subject, the hour of adjournment will arrive, and we will have adjourned without any action being taken on the bill.

I think I ought to add that it is my information that the officials charged with the administration of the several measures mentioned by the Senator from South Carolina will not be prevented from functioning. My information is that means will be found to carry on the activities authorized under those various measures. Details as to how that is to be done I cannot state, because I do not know them. There was much deliberation on the subject and prolonged conferences with official representatives of the House, the conferences having lasted substantially from the time the Senate took a recess until within a few moments of the time the Vice President called the Senate into session, the conferences being for the purpose of trying to find some practical way by which the difficulties already mentioned involving the deficiency appropriation bill may be worked out. That has not been done, and I feel it my duty to acquaint the Senate with the situation.

Mr. LEWIS. Mr. President, merely in line with the observation which I have taken the liberty to make to my brother Senators, I ask my able friend from South Carolina what reason would he feel that he had a right to give this body as his justification for withdrawing from the House the resolution of adjournment?

Mr. BYRNES. If the Senator from Arkansas [Mr. ROBINSON] is correct there will be no formal communication, but the Senator from Illinois desires an informal communication as to the attitude of the House.

Mr. LEWIS. No; Mr. President, it is not that I desired. I say to my able friend, when he tenders such an important matter as a motion to withdraw our action from the House that I feel he should have some reason, and what reason would he give therefor? He has a reason, but is the reason which he would tender to this body an existing official action upon which to base the action?

Mr. GLASS. Mr. President, will the Senator yield?

Mr. LEWIS. I yield to the Senator from Virginia.

Mr. GLASS. As Chairman of the Appropriations Committee of the Senate, I personally visited the other branch of the Congress and directly communicated with the Chairman of the Appropriations Committee of that body. He authorized me to say to the Vice President and to the leader of this side of the Senate Chamber that there would be no conference on this bill, and I accordingly made that communication to them. I think that fully justifies the proposal of the Senator from South Carolina.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. LEWIS. I yield to the Senator from Nebraska.

Mr. NORRIS. I desired to suggest to the Senator from Illinois that the action which is proposed by this motion on the part of the Senator from South Carolina could in no sense be construed as offensive to the House of Representa-

tives. It is a common occurrence to take such action. It occurs frequently that a Senator makes a motion to reconsider a bill, and then makes a motion to have it returned from the House, if it has been sent to the House. It is a common occurrence for the House of Representatives to do the same thing. In fact, never in my experience, both in the House and the Senate, has the body which has been requested to return a bill ever declined to do so. So I do not see that this is contrary to precedent. It certainly could not be construed as being offensive.

Mr. LEWIS. Mr. President, a bill which was passed in this body, as the able Senator from Nebraska has said, could be returned and jointly would be acted upon. On the other hand, here is a resolution which came to us from the House as the action of the House.

Mr. LONG. Mr. President, will the Senator yield?

Mr. LEWIS. Let me state my position and then I shall yield gladly to the Senator from Louisiana.

That resolution, in the wisdom of the able leader on this side, was presented and as a resolution of the House was concurred in and adopted by us. Now comes the entry of a motion to withdraw from that resolution. Surely it must be that there should be something official which would indicate why we should do so; otherwise we have, figuratively speaking, affronted the House by simply withdrawing from a concurrent resolution which came from the House in the matter of adjournment sine die.

It seems to me, while the able Senator from Virginia [Mr. GLASS] has informed us of some action of the Chairman of the Appropriations Committee of the House, we have not in that anything before us that would justify the proposed action of the Senate in retiring from the action of the Senate in concurring in the resolution of the House. I feel the foundation is not sufficient for us to justify the motion as it now stands.

I now yield to the Senator from Louisiana.

Mr. LONG. Mr. President, may I state to my friend from Illinois that there are several million farmers raising cotton and wheat who are absolutely destitute, needing the relief to be supplied as a result of the action of the Senate by a two-thirds vote. They ought to have it, and if we do not stop palavering around about the situation, we will adjourn and leave those people with nothing to eat.

Mr. LEWIS. Yes; and I would regard such as a calamity, but how do we help it by paralyzing the measure which lies over there that provides for such relief? The bill is there and must be acted on there in order to give it the consummation desired.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LEWIS. I yield gladly to the Senator from Missouri.

Mr. CLARK. The Senator has had much more experience with legislative matters than I have had.

Mr. LEWIS. I am never so wise as is my able friend from Missouri.

Mr. CLARK. The Senator knows very well that there is no reflection on the House and no discourtesy to the House involved in the motion of the Senator from South Carolina. The Senate adopted the concurrent resolution.

We have the statement of the Chairman of the Appropriations Committee of the Senate, one of the great committees of the Senate, that he has been officially informed by the Chairman of the Appropriations Committee of the House that the request of the Senate for a conference is not even to be given the courtesy of consideration by the House. The Senator from Illinois suggests that that is merely the view of the chairman of a committee of the House; but the fact is, and it has been borne out by the events of the last few hours, that the request for a conference has not been acceded to.

It is now a question whether the Senate is willing to allow all the efforts of the Senate to be terminated by the failure of the appropriation for the administrative services provided for and necessary to all the agencies we have created at this session, or whether we are going to insist on having consideration of an ordinary routine request for consideration of our suggestion for a conference on a very important appropriation bill.

I do not think there is anything in the world out of keeping with the ordinary parliamentary procedure or anything of discourtesy to the House of Representatives in the motion of the Senator from South Carolina. On the other hand, I believe that the present situation suggests the question to the Senate as to whether the Senate is going to permit the House to treat the Senate with great discourtesy.

Mr. LEWIS. Is there not some way, speaking to the able Senator from South Carolina and my eminent leader on this side, as well as the able Senator from Missouri, whose views are, of course, of value—is there not some way that can be communicated to the House that the measures referred to by the Senator from Louisiana and the Senator from South Carolina, so important and so weighted with great consideration and consequence, are being imperiled by the nonaction of the House rather than to act upon the mere statement made by the able Chairman of the Committee on Appropriations, the Senator from Virginia [Mr. GLASS]?

Will not the Senator from New York [Mr. COPELAND] kindly refrain from conversation that I may be heard by my associates?

The VICE PRESIDENT. The Senator from Illinois requests order on the floor and has mentioned the Senator from New York by name. The Senator from New York will kindly comply with the request of the Senator from Illinois in order that he may proceed with his remarks.

Mr. LEWIS. Mr. President, it seems to me there must be surely a feeling of humanity and justice as well as of rightful consideration on the part of the House. If we can find a way to communicate with the House and show that these things are in peril, perhaps their consideration of humanity and justice may cause them to act. Is there not a way to do that?

Mr. CLARK. How can the Senate of the United States act except as we have done today by taking official action under the Constitution and sending measures to the House? How can the House act except by acting on our request for a conference, except as they have done by flouting the action of the Senate?

Mr. LEWIS. My answer is that I have merely intimated that some method by our own body be adopted to communicate to the House that these measures are in peril and danger. I cannot but feel that that would have weight.

Mr. BARKLEY rose.

Mr. LONG. Mr. President, a parliamentary inquiry.

Mr. LEWIS. I yield to the Senator from Kentucky who has been a Member of the House.

Mr. LONG. Mr. President, have I not a right to submit a parliamentary inquiry?

Mr. LEWIS. I shall yield in just a moment after I shall have yielded to the able Senator from Kentucky.

Mr. BARKLEY. Commenting on the inquiry of the Senator from Illinois as to whether there is some official way by which the Senate may notify the House of the importance of the legislation which both Houses have passed, I simply wish to say that the Senate has officially notified the House by passage of an appropriation bill carrying appropriations for those very agencies. We have, according to our custom, asked for a conference upon the Senate amendments to that bill.

Certainly it would not be expected that the Senate should adopt a resolution inviting the House to please confer with us after we had already officially invited them to confer and communicated that invitation officially to the House. If that answers the Senator's inquiry, I will say that it is my belief there is no way by which the Senate can more efficiently communicate to the House than it has already done.

Mr. LEWIS. I appreciate the observations of the Senator from Kentucky. I know that he himself and the Senator from South Carolina have been long distinguished Members of the House. My service in the House was of too limited a character for me to place my judgment in adversity to them.

I yield to enable the Senator from Louisiana to communicate a parliamentary inquiry to the Chair.

Mr. LONG. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the parliamentary inquiry.

Mr. LONG. If this discussion should continue for an hour and 50 minutes longer, there would be no use of talking any further, would there?

The VICE PRESIDENT. It would be in line with the conduct of the Senator from Louisiana for the last 6 months. [Laughter.]

Mr. SCHALL obtained the floor.

Mr. ROBINSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Arkansas?

Mr. SCHALL. I yield.

Mr. ROBINSON. I merely wish to emphasize what I said a few moments ago. Either House is at liberty to adjourn, under present conditions, at any time it chooses. The indications to me are that the body at the other end of the Capitol may adjourn while we are talking about this matter.

Mr. SMITH and other Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Minnesota yield; and if so, to whom?

Mr. SMITH. Will the Senator yield to me for just one sentence?

Mr. SCHALL. Yes.

Mr. SMITH. I think we are on the verge of discourtesy to the body at the other end of the Capitol by insinuating that they do not know the importance of legislation which both bodies have passed. I think the House is as well advised as to that as we are.

Mr. BANKHEAD. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Alabama?

Mr. SCHALL. Yes.

Mr. BANKHEAD. In view of the suggestion of the Senator from Illinois that this action might be construed as a discourtesy to the House, I wish to say that I happened to be in the House when the Chairman of the Appropriations Committee made a statement to the House. One of the grounds upon which he based his action in having no meeting of the conferees was the fact that the Senate had passed a concurrent resolution to adjourn tonight, and expected, under the terms of the concurrent resolution, to force the House into a consideration and decision on the various items in the deficiency bill within the next 2 or 3 hours. So I think, in view of that statement, it would not be a discourtesy, but would be entirely appropriate, to take the action contemplated.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 1878. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.;

S. 2364. An act relative to the retirement of certain officers and employees;

S. 3085. An act authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose;

S. 3204. An act to provide additional funds for the completion of the Mount Rushmore National Memorial, in the State of South Dakota, and for other purposes;

S. 3433. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases; and

S. J. Res. 175. Joint resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934.

The message also announced that the House had agreed to the amendments of the Senate numbered 1 and 2 to the bill (H. R. 6776) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, and that the House had disagreed to the amendment of the Senate numbered 3 to said bill.

The message further announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 3109. An act for the relief of Herman W. Bensel;

H. R. 3149. An act to confer jurisdiction upon the United States District Court for the Southern District of Texas, Corpus Christi Division, to determine the claim of Mrs. L. B. Gentry;

H. R. 4567. An act for the relief of Robert E. Callen;

H. R. 5097. An act for the relief of Mary E. Lord;

H. R. 5521. An act for the relief of Frank Williams;

H. R. 5750. An act for the relief of Mary Brown Raley;

H. R. 6250. An act to amend the National Defense Act;

H. R. 7140. An act for the relief of the Bell Oil & Gas Co.;

H. R. 7858. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H. R. 8444. An act to authorize the transfer of a certain military reservation to the Department of the Interior.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 1575. An act to correct the military record of John S. Cannell, deceased;

H. R. 4770. An act for the relief of Elinora Fareira; and

H. R. 8133. An act to authorize certain homestead settlers or entrymen who are disabled World War veterans to make final proof of their entries, and for other purposes.

### ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 872. An act for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims;

S. 2002. An act to provide for the establishment of load lines for American vessels in the coastwise trade, and for other purposes;

S. 2796. An act to provide for control and regulation of public-utility holding companies, and for other purposes; and

H. J. Res. 407. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

### AMENDMENT OF SECTION 36 OF EMERGENCY FARM MORTGAGE ACT

The VICE PRESIDENT. Will the Senator from Minnesota yield in order that the Chair may lay before the Senate a message from the House of Representatives?

Mr. SCHALL. I yield.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives agreeing to the amendments of the Senate numbered 1 and 2 to the bill (H. R. 6776) to amend the Emergency Farm Mortgage Act of 1933, as amended, and disagreeing to the amendment of the Senate numbered 3 to the bill.

Mr. SHEPPARD. I move that the Senate recede from its amendment numbered 3 to the bill.

The motion was agreed to.

### SECURITIES AND EXCHANGE COMMISSION—J. D. ROSS

As in executive session,

The VICE PRESIDENT. Will the Senator from Minnesota permit a nomination to be laid before the Senate at the request of the Senator from Florida [Mr. FLETCHER]?

Mr. SCHALL. Yes.

The VICE PRESIDENT. Without objection, the clerk will state the nomination.

The legislative clerk read the nomination of J. D. Ross, of Washington, to be a member of the Securities and Exchange Commission.

Mr. FLETCHER. I ask for confirmation of the nomination.

Mr. LONG. I object to that.

The VICE PRESIDENT. Objection is heard.

Mr. FLETCHER subsequently said: Mr. President, I understand the Senator from Louisiana will withdraw his objection to action on the nomination of Mr. Ross.

Mr. LONG. I withdraw it.

The VICE PRESIDENT. The Chair understands the Senator from Louisiana withdraws his objection. Without objection, the nomination is confirmed.

Mr. FLETCHER. I ask unanimous consent that the President be notified of the confirmation.

The VICE PRESIDENT. Without objection, it is so ordered.

PRINTING OF PULIC LAW NO. 320—AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT

Mr. HAYDEN. Mr. President——

The VICE PRESIDENT. The Senator from Minnesota has the floor. Does the Senator from Minnesota yield to the Senator from Arizona?

Mr. SCHALL. Yes.

Mr. HAYDEN, from the Committee on Printing, reported a resolution (S. Res. 202), which was considered by unanimous consent and agreed to, as follows:

*Resolved*, That there be printed 20,000 copies of Public Law No. 320 of the current session entitled "An act to amend the Agricultural Adjustment Act, and for other purposes", for the use of the Senate document room.

PRINTING OF PUBLIC LAW NO. 305—BANKING ACT OF 1935

Mr. HAYDEN, from the Committee on Printing, reported a resolution (S. Res. 203), which was considered by unanimous consent and agreed to, as follows:

*Resolved*, That 20,000 copies of Public Law No. 305 of the current session entitled "An act to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes", be printed for the use of the Senate document room.

DELAY IN SUPPLEMENTAL APPROPRIATION BILL

Mr. BYRNES. Mr. President, will the Senator from Minnesota yield to me?

The VICE PRESIDENT. The Senator from Minnesota has the floor. Does he yield to the Senator from South Carolina?

Mr. SCHALL. Yes.

Mr. BYRNES. I wish to ask the Senator from Minnesota if he will not permit us to have a vote upon my motion, because, if we are to accomplish anything by it, it should be messaged to the House at the earliest possible moment.

Mr. SCHALL. Yes; if I do not lose the floor.

The VICE PRESIDENT. When the Senator yields the floor, he yields it; that is all.

Mr. SCHALL. I do not wish to do that.

The VICE PRESIDENT. The Senator from Minnesota is recognized.

Mr. SCHALL. I ask permission to have a short statement of my own read through the eyes of the clerk.

The VICE PRESIDENT. Without objection, it is so ordered. The clerk will read the statement.

Mr. LA FOLLETTE. Mr. President, will the Senator from Minnesota yield to me?

Mr. SCHALL. Yes.

Mr. LA FOLLETTE. I ask unanimous consent that without further debate we may vote upon the motion of the Senator from South Carolina [Mr. BYRNES], and that immediately upon taking that vote the junior Senator from Minnesota may be recognized.

The VICE PRESIDENT. The Senator from Wisconsin asks unanimous consent that an immediate vote may be had upon the motion of the Senator from South Carolina, and that at the end of that vote the Senator from Minnesota may be recognized.

Mr. COPELAND. I object.

The VICE PRESIDENT. Objection is heard. The clerk will read the statement of the Senator from Minnesota.

SENATOR SCHALL'S CREED

The legislative clerk proceeded to read the statement.

Mr. KING. Mr. President, I ask for order.

The VICE PRESIDENT. It is impossible to get order for a performance of this kind, and there is not any use in asking it.

Mr. KING. Nevertheless, I make the request.

The VICE PRESIDENT. The Chair will try to obtain order; but it is impossible, unless the Senate is interested in what is going on, to keep order in the Senate. The clerk will read the statement.

The legislative clerk proceeded to read the statement.

Mr. LONG. Mr. President, I ask the Senator to yield to me.

The VICE PRESIDENT. The clerk is reading the state- of the Senator from Minnesota.

Mr. LONG. The Senator from Minnesota says he will yield to me; and I now move——

The VICE PRESIDENT. The Senator from Minnesota has not told the Chair so. Does the Senator from Minnesota yield to the Senator from Louisiana?

Mr. SCHALL. Yes; I yield.

Mr. LONG. I now ask, if the Senator from Minnesota will yield for that purpose, that the statement of the Senator from Minnesota, which the clerk is reading, be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Chair wishes to congratulate the Senator from Minnesota on having his remarks once printed in the RECORD.

Mr. SCHALL's statement is as follows:

TOM SCHALL'S CREED

Mr. SCHALL. People of Minnesota, a few months hence we shall be embarked in the greatest campaign for Union and liberty, for the independence of America from autocracy, since the days when our forefathers fought for the principles of Thomas Jefferson and Abraham Lincoln. In a Nation-wide campaign which engages the hearts and minds of 130,000,000 people it may be helpful to crystallize our points of view on the fundamental principles and measures that appear worthy of our concern in that conflict, that we may press forward in orderly union to our goal—the preservation of American liberty and all we call "America." To that end I here submit this outline which I term my "creed" and ask to hear from those interested in the preservation of our Republic.

First. I believe in the great Declaration of July 4, 1776, on which Thirteen Colonies in a wilderness here built the world's greatest Republic and the greatest Nation in all that makes for the welfare and uplift of the human race. I believe we are endowed by our Creator with inalienable rights of "life, liberty, and the pursuit of happiness", subject to the will of no self-constituted autocrat; and that to secure these rights our Government was instituted—deriving its "just powers from consent of the governed."

And I condemn those Federal autocrats who now declare, "We shall never go back to the ideas of 1776", and who, like Prince George III, have "erected a multitude of new offices and sent hither swarms of officers to harass our people and eat out their substance."

Second. I believe in the Constitution of the United States, which begins—"We the people of the United States"—thereby making the people the only sovereign in America; the Constitution adopted September 17, 1787, and ratified and proclaimed March 1789, under which the United States of America was ordained and established; the Constitution which made this "an indissoluble Union of indestructible States"; the Constitution which every office-holder in this country has sworn to support and uphold in order to get his office and spend the money of the people.

And I condemn every perjured autocrat and every perjured bureaucratic tool who, in violation of his oath, turns about as soon as he gets into office and defies the people who made that Constitution, evades and violates its major express provisions, and even ridicules the Court which upholds it.

Third. I believe in the American Bill of Rights, the 10 original amendments, drafted by Thomas Jefferson and proclaimed in force December 15, 1791, providing for:

Freedom of speech and of the press, the right of the people peaceably to assemble and to petition the Government for redress of grievances;

That no person shall be deprived of life, liberty, or property without due process of law; and

That the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people.

And I condemn as violations thereof and a menace to our liberty all measures of this administration in the past 3 years to hamper freedom of the press by codes and regulations and licenses, as in the time of the Stuart tyranny in England, 300 years ago, and I condemn in particular the Communications Act of 1934 and amendments thereof which aims at placing under autocratic Federal control all radio, telegraph, and long-distance telephone communication, including interstate and foreign news dispatches, and giving the President the autocratic power, whenever he sees fit to declare emergency or Federal policy, to close down on all communications, except as dictated by him, subject to fine and imprisonment and forfeiture of communications privileges.

Fourth. The first mark of a republic that distinguishes it from an absolute monarchy or dictatorship is a free and independent legislative branch of government beyond control of the Executive.

The authors of the Constitution recognized this principle when they wrote article I creating the two Houses of Congress and reposing in that Congress the complete legislative power, including the tax power, which is the "power to destroy", the tariff making, the appropriation and allocation of public funds, the power over interstate and foreign commerce, banking and currency, the power to declare war, and the power to make all laws for the Executive to administer and enforce.

Such legislative branch of government, elective by the people, is the guaranty that this is a republic founded on the principle of "government of laws", and not a dictatorship, monarchy, or oligarchy, as recently declared by the leading "brain trust" spokesman, where a so-called "government of men" takes the place of government by the people.

I indict this administration:

(1) That the vast majority of major bills in the sessions of 1933, 1934, and 1935 have not emanated in Congress but have been written by the White House, foisted upon Congress by White House lobbies, even to the length of seating a White House lawyer or the king's agent in a Senate seat to direct legislation, forced passage of bills unprinted and carrying hundreds of millions of the people's money, strangled public debate by gag-rule methods, and placed strict censorship by devious underhanded methods upon all news going out of Washington, and employed hundreds of the best newspaper minds in the country with Government funds, contrary to any law, to print at Government expense false propaganda and circulate it under Government frank.

(2) That the Executive and his bureaus unconstitutionally have usurped the legislative function of Congress in a large share of the major bills of three sessions—of which the unanimous decision of the United States Supreme Court in the N. R. A. case of May 26, 1935, has presented notable evidence. I was the first man in Congress to inveigh against the autocratic rule of the N. R. A., and stood almost alone for a long time the target of abuse. I was called "guerrilla", "buzzard", and "traitor", which terms would now apply to the entire Supreme Court. I could not, if I had had the decision of the Supreme Court before me, have spoken more truly in scores of speeches uttered in criticism of the usurpation by this administration; and I repeat now as I have scores of times before on this floor.

(3) That the tax power of Congress has been unconstitutionally usurped by a bureau in levying processing taxes upon industry, the consumer, and the wage earner.

(4) That the commerce power of Congress, which is restricted by the Constitution to interstate and foreign commerce has been usurped by executive bureaus to cover intrastate commerce and industries lawfully within the power and jurisdiction of the respective States.

(5) That allocation of public funds has been usurped by the Executive to the amount of $4,800,000,000, or a billion more than the total annual revenue of the Government, within the provisions of a single bill—already the propaganda is being manufactured for a like usurpation in the next Congress, making a total expenditure for this one administration of $39,000,000,000, 15 billion more than the cost of the entire 35 administrations including Wilson's first administration and the five wars in that time of 125 years.

(6) That the tariff-making power, which is exclusively a legislative function of Congress and its fact-finding Tariff Commission, has been taken over by the President and his Secretary of State and conducted in star-chamber proceedings, with no public hearings for industry, labor, and agriculture, and conducted in secret with only a foreign-interested emissary in the confidence of the Government, thereby, in conjunction with the process to tax, resulting in the greatest tidal wave of farm imports in our history.

The new deals of Europe—in Rome, Berlin, and Moscow—abolished representative government by the people by abolishing the legislative freedom of their parliamentary bodies, along with the constitution and the bill of rights. The Washington new deal, following the Fabian policy of harassment and hullabaloo, has accomplished virtually the same result under the cloak of "planned emergency" and hypocrisy.

Fifth. I believe in the vigilant and firm maintenance of article 4, section 4, of the Constitution, to wit:

> The United States shall guarantee to every State in this Union a Republican form of government.

This is the foundation of that American doctrine that ours is—"an indissoluble union of indestructible States"—a principle for which our fathers fought in 1776 and 1860, and now again in issue.

And I condemn that autocracy, which by threats and favoritism, by encroachment upon State rights and State sovereignty, by use of a White House war club of $5,000,000,000 and a total 4-year emergency fund of $18,000,000,000, seeks to destroy that guaranty, break up the "indestructible States" and subject all to a Federal autocracy, as under the new deals of Rome, Berlin, and Moscow.

Sixth. I believe in that principle of common honesty in national finance whereby Thomas Jefferson resisted the mulcting of the people for a spending orgy by irresponsible politicians, whereby he restricted expenditures to the costs of government economically administered, with due concern for national defense and suffering through acts of nature, and whereby he denounced debt and deficit and subsidy which convert an independent people into dependent serfs and subjects.

And I condemn that new-deal autocracy which in 4 years of planned emergency will have squandered a vaster sum than our cost of the World War—gives the President in one "allocation" subject to his own will for 1936 greater than the total 5-year expenditure of Abraham Lincoln in conducting the Civil War—and is expending more for new-deal rule in 3 years than all the Presidents from the inauguration of Washington in 1789 up to President Wilson's inauguration in 1913; not only creating deficits accruing $12,000,000,000, but creating funded and contingent debt of $40,000,000,000 that shall hang as a millstone around the necks of our children and children's children.

Seventh. I believe that the tax power—the power to destroy—belongs in the hands of the people through their elected representatives in Congress, where it was placed by the Constitution of 1789 pursuant to the Declaration of 1776, where, indeed, it was placed by Magna Carta in 1215—so that Executive autocracy may not have the power to rob and destroy.

And I condemn as subversive of this "idea of 1776", (1) the processing tax levied by an executive bureau, (2) the

White House confiscatory tax bill of 1935, introduced not for the constitutional purpose of revenue, but for one of the following three unconstitutional purposes: (a) for soak-the-rich politics, (b) for cracking down industry as a foundation for a Moscow industrial system, which this administration has already prepared to enter into by six great holding companies organized in Delaware which articles of incorporation I placed in the RECORD February 6, 1935, and which can be organized for no other purpose than to take over every industry in this country and make of us a facsimile of the United States of Russia, or (c) to enable a Rothschild-Wall Street conspiracy to buy America cheap.

Eighth. I hereby affirm my faith in the following good American measures and principles, for which the President pledged himself 100 percent from the platform of the Chicago Democratic Convention in 1932, and thereupon after election has repudiated:

A party platform is a covenant with the people to be faithfully kept by the party when entrusted with power.

Immediate and drastic reduction of Government expenditures by abolishing useless commissions and offices * * * eliminating extravagance to accomplish a saving of not less than 25 percent.

Maintenance of national credit by a Federal Budget annually balanced.

Sound currency to be maintained at all hazards.

Fact-finding tariff commission free from Executive interference—as basis of tariff-making by Congress.

Extension of Federal credit to the State to provide unemployment relief.

Unemployment and old-age insurance under State laws.

Enactment of every constitutional measure that will aid the farmer.

Strict and impartial enforcement of the antitrust laws to prevent monopoly.

Fullest measure of justice and generosity for all war veterans who have suffered * * * from actual service.

Firm foreign policy including: Peace with all the world. * * * Sanctity of treaties and * * * financial obligations. * * * We oppose cancelation of the debts owing to the United States by foreign nations.

Strengthening of Corrupt Practices Act and severe penalties for misappropriation.

Curtail the extravagant expenditures of the Government and * * * revoke improvident subsidies.

We condemn the usurpation of power.

To accomplish these purposes and to recover economic liberty, we pledge * * * in the hour of our country's need, equal rights to all, special privileges to none.

Added from the floor: We advocate the continuous responsibility of Government for human welfare, especially for the protection of children.

I take up the flag which a Federal repudiator and his obedient henchmen have thrown down, and on the platform, which is not only sound Democracy but also sound Republicanism and sound Farmer-Laborism and sound Progressivism, I take my stand for 1936.

The spirit of truth which Christ left us is embodied in the Constitution.

To the above I wish to add a plank from De Tocqueville, the great author of our national textbook Democracy in America. I submit De Tocqueville as against the present tyranny of Russia, the pagan authority of Caesar, the "permanent dictator" of Rome, whom all autocrats still worship and seek to imitate. Here are the words of De Tosqueville:

Christianity is the companion of liberty in all its conflicts, the cradle of its infancy, and the divine source of its claims.

The vital slogan for all liberty-loving Americans in 1936 was contributed to our cause long before the "horse and buggy" days and by the Greater Leader for liberty, who said:

Render therefore unto Caesar the things which are Caesar's, and unto God the things which are God's.

### DELAY IN SUPPLEMENTAL APPROPRIATION BILL

Mr. COPELAND. Mr. President, the Vice President a little while ago honored me with an admonition.

The VICE PRESIDENT. The Chair did that at the suggestion of the Senator from Illinois [Mr. LEWIS], who called attention to the fact that the Senator from New York was interrupting him. The Chair would not have done so if it had not been for the statement of the Senator from Illinois.

Mr. COPELAND. I wish to ask the Senator from Illinois whether he asked the Vice President to mention my name.

Mr. LEWIS. No; it was I who asked the Senator from New York to desist from conversation.

Mr. COPELAND. Mr. President, so long as I am a Member of this body, representing a sovereign State, whether the admonition comes from the Vice President or from a Senator, I still propose to function in as normal a manner as I am capable of doing.

The VICE PRESIDENT. Will the Senator permit the Chair to say that he intended no reflection; but the Senator from Illinois called attention to the fact that the Senator from New York was having a conversation and asked that he be called to order, and the Chair did so at the request of the Senator.

Mr. COPELAND. Mr. President, I do not care where the request came from. I do not expect to be admonished in just that way when week after week and month after month an admonition might have been given to a dozen Senators on this floor. Let us have a clear understanding about that.

Mr. LONG. Mr. President——

Mr. COPELAND. I am not yet through. I do not yield.

Mr. LONG. Will not the Senator please yield to me for just one moment? I wish to assure the Senator from New York that no one loves him in this body as I do. [Laughter.] Will not the Senator from New York please let us vote?

Mr. COPELAND. No; no matter how much the Senator from Louisiana loves me; and I am glad he does, because he himself is one of the most lovable characters I have ever known. [Laughter.]

Mr. President, I am not in the counsel of the leaders. I never was, and probably never will be. But I have never seen such an amazing lack of frankness as I have observed here tonight. Why should the House give consideration to such an outrageous bill as the one we sent over there? It is not the items in the bill which they have considered with which they are finding fault. They are finding fault with those items which have been put into the bill on the floor of the Senate.

This afternoon, when I was trying to present an amendment to the bill, I found marked sensitiveness on the part of the committee because I attempted to present a matter which they never had themselves considered. Why should not the House be resentful of our sending over there amendments to the bill carrying appropriations of hundreds of millions of dollars, dollars which will come out of the poor people of the United States?

They are not finding fault with the amendments of the bill, which are in italics. Their criticism relates to these things which were pushed into the bill today without even consideration by this body.

Mr. President, I respect the House of Representatives. I wish we had half the spunk they have. I never had the honor of sitting in that body. I wish I had had, because, if I had, I would be proud to think that I had been a Member of the House. Why should the House of Representatives accept amendments relating to cotton and to wheat running into hundreds of millions of dollars? I could not even get an amendment into the bill for onions and maple sirup and apples.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BANKHEAD. I should like to know how many hundreds of millions of dollars the Senator has been trying to get us to spend on rivers and harbors.

Mr. COPELAND. Mr. President, if anyone wishes to know what I think about it, I think that every river and harbor bill and every flood-control bill is simply a "pork barrel." That is what I think about it. I presented these matters because I am chairman of the committee having jurisdiction of them, and I did it with my fingers crossed. That is where I stand.

The Senator from Alabama need not throw any bricks at me, either. If there is one man here who has put upon the Senate and upon the country contributions and a demand for contributions for a section of the country, contributions which must be paid for by taxation from my section of the country, if there is another man here, let him stand up.

Mr. BANKHEAD. Mr. President, I assume the Senator will be courteous enough to permit an answer to that direct reflection.

Mr. COPELAND. Certainly.

Mr. BANKHEAD. I do not know what the Senator is talking about, and I doubt whether he knows what he is talking about. I assume that he is talking about the cotton program, but I want to remind him that practically all the money which comes to the South as a result of the cotton program goes to the State of New York to support the industries and the financial interests in his State in the payment of interest.

Mr. COPELAND. O, Mr. President, ever since I have been in the Senate I have heard that New York is the reservoir into which flows the wealth of the Nation.

Mr. BANKHEAD. They told the truth when they said it.

Mr. COPELAND. But every time they want to build a schoolhouse or something else in the State of Alabama they come to New York to borrow the money.

Mr. ROBINSON. Mr. President, will the Senator from New York yield to me?

Mr. COPELAND. I yield.

Mr. ROBINSON. We are, I trust, near the close of a very long session. We have transacted much business, and quite naturally near the end of the session as always happens there is a considerable degree of pressure.

I feel that it would be unfortunate and that we would all regret it if we should permit ourselves to respond to a resentment which will quickly pass, and indulge expressions here which will constitute a permanent record.

I hope that we may all continue that good will toward one another which has been manifested throughout the session.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. For a question.

Mr. CLARK. The Senator from New York has announced that he reported the river and harbor bill and the flood control bill, and took charge of them on this floor with his fingers crossed. I want to bear witness that the Senator from New York did not report the bill from the Commerce Committee authorizing the plundering of the Federal Treasury by millions and millions of dollars for a lot of shipowners with his fingers crossed.

Mr. COPELAND. Mr. President, I can take that. If the Senator from Missouri is willing to have the American merchant marine sunk, I am not with him. But I think it is an outrageous thing that ever so many years we hitch together a bill and everyone rushes in to put some "pork" in it, and if the Senator from Missouri is willing to contrast that sort of a bill with a constructive bill to build up an American merchant marine, he can have that opinion but I do not share it.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.

Mr. CLARK. Let me say that, so far as I am concerned, I have not been a party to the reporting of any bill from the Committee on Commerce of which I was not in favor, and quite willing to defend on the floor.

Mr. COPELAND. I have to say that the Senator has been consistent. If there is any bill that has been brought before the Committee on Commerce since I have been chairman which he has not opposed, I should like to know what it is.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. STEIWER. I ask the Senator's indulgence for just a moment that I may read into the RECORD some figures——

Mr. LONG. Mr. President, a point of order! I object to the Senator yielding for a speech. He can yield only for a question.

The VICE PRESIDENT. The Senator cannot yield for that purpose.

Mr. STEIWER. I will propound a question.

The VICE PRESIDENT. The Senator from Oregon.

Mr. STEIWER. I wish to ask the Senator from New York if he is familiar with the figures which the competent clerk of the Senate Committee on Appropriations has compiled showing the appropriations by this Congress as follows:

| | |
|---|---|
| Regular annual acts | $2,888,054,864.14 |
| Deficiencies, approximately | 485,535,063.92 |
| Permanent annuals | 2,200,111,127.00 |
| Emergency Relief Appropriation Act, 1935 | 4,000,000,000.00 |
| Transfer of funds from the Reconstruction Finance Corporation | 500,000,000.00 |
| Miscellaneous acts and resolutions, approximately | 4,000,000.00 |
| Total | 10,077,701,055.06 |

Mr. COPELAND. The Senator asked me if I knew whether those appropriations were made.

Mr. STEIWER. I merely wanted to know whether the Senator from New York was familiar with the grand total of expenditures.

Mr. COPELAND. Will the page please bring me the figures. I thought they were a little larger than that. It is only $10,077,000,000, is it not?

Mr. KING. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. KING. There are several hundred million dollars which have not been added to that statement.

Mr. COPELAND. That is what I thought. How much of this will be spent down in the State of the Senator from Alabama?

Mr. BANKHEAD. Not much, if the Senator raises that question.

Mr. COPELAND. I am asking the question of the Senator from Alabama. Does he know how much will be spent there?

Mr. BANKHEAD. Practically nothing. Most of it is spent up in New York.

Mr. COPELAND. I thought the time had come for frank talking.

Mr. BANKHEAD. I asked the Senator if he wanted to be frank and state the figures. He is acquainted with the figures. I am not. If he wants to be frank let him state them.

Mr. COPELAND. Oh, very well, Mr. President——

Mr. BANKHEAD. All right, let the Senator state them if he wants to be frank, and not create a false impression.

Mr. COPELAND. If they pass the bill over in the House I venture to say that the Senator——

Mr. BANKHEAD. Mr. President——

Mr. COPELAND. I am not going to yield. The Senator can make his talk later.

Mr. BANKHEAD. The Senator should not talk about it if he does not intend to yield.

Mr. COPELAND. I venture to say that if the last deficiency bill shall pass there will be plenty of money spent in Alabama. Outside of the taxes which we pay in New York, and we will put those aside, let me say to the Senator that there are human beings who live in New York. There are human beings; if you scratch the skin they will bleed just like you and I will bleed. They are just plain human beings. But they have to eat.

Mr. President, may I ask if the Chair has admonished anyone else recently?

Mr. BANKHEAD. What?

The VICE PRESIDENT. The Senator from New York seems to have the arena all to himself.

Mr. COPELAND. I have at the moment, but at the time I asked the question I did not.

The VICE PRESIDENT. Let there be order in the Senate, and also in the galleries.

Mr. COPELAND. The people I was talking of in New York do not live on Fifth Avenue. They have no offices in Wall Street. I am talking about Oliver Street. I am talking about the tenement districts. The charge that will be made upon those people if this bill shall become a law, which that wise body at the other end of the Capitol is preventing, will be enormous. There will be a charge of Heaven only knows how much upon the products, the necessary products, the plain little cotton gowns and overalls those people buy. Undoubtedly the House is aware of

the significance of the amendments which we put on the bill without due consideration of the committee.

Mr. President, I derive some consolation also from the House. I received some more consolation this evening due to the fact that by a vote of about 3 or 4 to 1 they passed the resolution continuing the mail contracts because of a message which came from the White House that the President wanted an extension.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BLACK. Do I understand that the Senator makes the statement on the floor that a message came from the White House favoring the resolution which the Senator had offered here? If so, I deny it.

Mr. COPELAND. If I may trust friends in the press gallery who heard the statement of the Chairman of the Rules Committee, he stated that he had had word from the President that he wanted the resolution passed.

Mr. BLACK. Mr. President, will the Senator further yield?

Mr. COPELAND. I yield.

Mr. BLACK. I decline to permit the statement to go unchallenged on this floor that the President approved that resolution. I do not believe that the Chairman of the Rules Committee made such a statement, and I have definite and positive information that he had no authority to make the statement that the President favored that resolution.

Mr. COPELAND. Is the Senator splitting hairs when he says this? Was it because there was a word in it nere or there?

Mr. BLACK. No; I am not splitting the Senator's hairs.

Mr. COPELAND. I have a great many of them to split.

Mr. BLACK. Yes; the Senator has a few, but I think he is going to split them walking around on the floor if he does not stop.

Mr. COPELAND. Well, I will keep on my feet. I will not stand on my head even for that.

Mr. BLACK. I think the Senator would be very graceful standing on his head; about as graceful as he is standing on his feet. However, the question I had in mind was that in my judgment it could not be established that the President had authorized anyone to say that he favored the passage of that resolution, or one of the resolutions over the other resolution.

Mr. COPELAND. But I happen to know, and I think the Senator will not dispute this, that the rule brought out prohibited any amendment. Therefore, the amendment offered by the distinguished Senator from Alabama last night, which he contended for so vigorously, had no chance.

Mr. BLACK. Will the Senator yield?

Mr. COPELAND. Oh, certainly.

Mr. BLACK. Yes; I think it is true that the rule which was brought out did not permit an amendment, and it was because those who, like the Senator, are very anxious and solicitous about spending any money to help the farmers in some other section, but who want to raid the Treasury for the shipowners and the shipbuilders in various places, were not willing to permit the House to vote upon a direct issue between the two resolutions.

Mr. COPELAND. Of course that is a reflection upon the House. I could not join the Senator in that. If we were to go on paying $27,000,000 a year to maintain a merchant marine, somebody who is better at figures than I am can divide $10,077,701,000 by $27,000,000, and he will see that that is about a fraction of one-half of 1 percent.

Seriously, I think we are lacking in frankness when we find fault or even evidence suspicion of fault in the tone of voice, that the action of the House is for this, that, and the other reason. Everyone knows why it is. It is because we have loaded down this bill with such a burden of weight that the Treasury cannot stand it.

If we were to show real statesmanship, we would call back that bill with a view to eliminating these amendments, which never were given serious consideration in our committee, and make it a bill more in harmony with the one which came to us, with the amendments which were properly considered and put in the bill.



Mr. President, I am not here for the purpose of filibustering. I am going to vote against any proposition to recall the adjournment resolution because I desire this Congress to adjourn. It should have adjourned 3 months ago. Everything that we have done during the past 2 or 3 months is something we could do next year, or something we ought never to have done.

Now, so far as I am concerned, I shall subside. I hope I have conveyed the idea that I feel that there is an amazing lack of frankness on the part of Senators in considering the situation. If I were in the confidence of the leadership, I expect these things would have been explained to me so I could understand them. But not being in that confidence I have to gather my understanding, as it seems to me, from my observation of things going on around me.

Senators may do as they like. They can follow our leadership and call back the resolution of adjournment and stay here all day tomorrow and next week. So far as I am concerned, if that is done, I will stay; but I think it is perfectly absurd, and if we had real manliness in our souls I think we would confess our faults, bring the bill back, and take off these outrageous amendments, and let the bill be passed upon its merits, as is statesmanlike and decent in the way of legislation.

SEVERAL SENATORS. Vote! Vote!

The PRESIDENT pro tempore. The question is on the motion of the Senator from South Carolina [Mr. BYRNES] to request the House to return to the Senate House Concurrent Resolution No. 38.

Mr. TYDINGS and Mr. COPELAND. Let us have the yeas and nays.

The yeas and nays were not ordered.

Mr. TYDINGS. Mr. President, as I understand the situation, we have asked for a conference with the House of Representatives and they have declined to accede to our request.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. TYDINGS. Yes.

Mr. CLARK. As I understand the situation, the House has not even shown the Senate the courtesy of refusing to accede to a conference. They have ignored the Senate.

Mr. TYDINGS. That is practically what I have said. I do not see why the Senate ought not to be dignified enough to stand its ground. I think for the Senate of the United States to knuckle now at the eleventh hour when the body at the other end of the Capitol refuses for the first time, so far as anybody knows, in legislative history, to meet with our representatives to work out a matter which is in dispute between the two Houses, and that in the face of that refusal we are willing to recall an adjournment resolution, is the wrong thing for the Senate to do. I submit the Senate would thus prove that it has no more backbone or dignity than a jellyfish.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BANKHEAD. I should like to ask the Senator if he does not understand, as a former Member of the House, that the situation is not due to any action of the House, but is wholly due to the individual personal action of the Chairman of the Appropriations Committee of the House in refusing to present the matter to the House?

Mr. TYDINGS. He represents the House, and every Member of the House knows what has taken place. He and every other Member of the House understand the situation—that the Senate has asked for a conference, that conferees on the part of the Senate have been named, and those who head the committee having the measure in charge in the House have refused to treat with the Senate. Because of that refusal the Senate has done no wrong whatsoever, but comes into court with clean hands; and the Senate is ready now to overlook that slight and affront and indignity and go all the way in agreeing to a motion so we can meet the whim of the House.

If the House treats with the Senate, and there is an agreement before 12 o'clock, it would be proper to withdraw the

motion for final adjournment, but until the House treats with the Senate I do not think we are justified in agreeing to this motion. I know when we have the wheat interests together with the cotton interests there are probably enough votes to do it. I am not going to filibuster against it. I simply want to state why I shall not vote to recede from the adjournment resolution which we have adopted.

Mr. KING. Mr. President——

Mr. TYDINGS. I yield to the Senator from Utah.

Mr. KING. Under the concurrent resolution transmitted to the House and which we adopted, at 12 o'clock midnight automatically do we not stand adjourned?

Mr. TYDINGS. We do stand adjourned.

The PRESIDENT pro tempore. Let there be order in the Chamber. All Senators on their feet will please sit down. The question is on the motion of the Senator from South Carolina. [Putting the question.] The Chair is in doubt. Let there be a division.

On a division the motion was agreed to.

Mr. LA FOLLETTE. Mr. President, I now move to reconsider the vote whereby the motion of the Senator from South Carolina was agreed to.

Mr. BYRNES. Mr. President, I move to lay that motion on the table.

The PRESIDENT pro tempore. The question is on the motion of the Senator from South Carolina to lay on the table the motion of the Senator from Wisconsin.

The motion was agreed to.

Mr. LONG and Mr. ROBINSON addressed the Chair.

The PRESIDENT pro tempore. The Senator from Arkansas.

Mr. ROBINSON. I yield to the Senator from Louisiana.

Mr. LONG. I want the floor in my own right. If the Senator wants to proceed, that is all right.

Mr. ROBINSON. I wish to move a recess.

Mr. LONG. Oh, do not do that.

Mr. ROBINSON. Very well.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. The Senator from Louisiana is now recognized in his own right.

Mr. LONG. Mr. President, I assume that at a very early moment the Senate will dispatch this resolution over to the House, and the House, if it does the ordinary, regular, usual, and courteous thing, will return the concurrent resolution so the Senate may reconsider its action with reference to adjournment today.

If I were endeavoring to delay anything I would not conclude the remarks which I intend to make, but I do not want the Senate to take a recess. I am ready, willing, and anxious to proceed and shall surrender the floor the very moment that any action is taken at the other end of the Capitol to send the measure back in order that we may rescind our action.

I want to say to my friend who addressed the Senate—and he is my friend, my political friend and my personal friend—the Senator from New York [Mr. COPELAND], and also I take the same view with regard to my friend from Maryland and others, that my friend the junior Senator from Alabama [Mr. BANKHEAD], reflected a serious note in this body tonight which the Members of this body do not appreciate. I understand the State of Alabama is suffering like a great deal of my own State and like other States in the South, as well as some States in the West, which are affected because of the condition of wheat, are suffering. That State is affected by cotton, and favors this kind of situation.

The United States Government has told the farmers of the State of Alabama and of South Carolina, as well as the other States, including Louisiana, that the Government is going to lend them 12 cents a pound on their cotton. The farmers have gone to work on that basis. They have reduced their acreage, signed up contracts, under some of which, at the very most, a man with a family will get no more than $75 to $100 a year even at that. After the agreement had been made in good faith, the Government tows them out in the middle of the ocean, pulls the plug out of the bottom of the ship, and tells them, "Sink or swim", and takes that action regardless of the good things these farmers have been doing.

If Senators go home tonight, if the House takes this infamous action, if the body at the other end of the Capitol tonight refuses to let this bill pass that has been passed by two-thirds vote of the Senate after suspending the rules, I want the Senators and Members of the House to go home knowing that every act of destitution that has been committed tonight and will be committed this fall is due to the unusual, perfidious conduct, not of the United States Senate. I am not permitted to say where else it has occurred without breaching the rules of the Senate.

Those poor devils have had the word of the President of the United States. The Senator from South Carolina [Mr. SMITH] says he was given this assurance by the President of the United States. That assurance was communicated to the Congress of the United States; and with that assurance, the promise of the party of the Government, given to them by the highest officer who was competent to make that pledge, the Congress of the United States sits tonight, in one place or the other, undertaking by some process that a majority shall not give complete, accredited performance to what it has been understood would be done in connection with the Bankhead Act.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. The Senator, of course, knows that the House is likely to adjourn at any moment.

Mr. LONG. Yes, sir.

Mr. CLARK. And that by continuing his present address the Senator is likely to endanger the motion of the Senator from South Carolina.

Mr. LONG. On the contrary, I am not delaying a thing on earth. The Senator is mistaken. I am trying to prevent this body from going into recess. That is our trouble now. We went into a recess this afternoon, and we were not called back into session until about 3 hours of our time had elapsed. It was well known here in the Capitol. I myself went out here and called on certain important men in charge of the functions of this Government and of the Senate and told them that a majority of the Senate wanted to do something to keep the House from keeping that bill from being passed tonight; and it was 2 hours after that time before we could have the Senate called into session. There was a refusal on the part of a leader high in the affairs of the Government to call this body together, for no other purpose on God's living earth except that. You do not have to eat a whole beef to tell when it is tainted.

Why talk about the House? Why talk about some Member of the House? We all know who is responsible for the perfidious breaking of faith that has been performed here in the Capital City today and tonight.

Do not think the people of the United States will not know who is to blame. You watch the election returns from the solid South. We will give you a solid South next year if you starve the people down there this fall. We will give you a dadgummed solid South, one you are not used to having.

You starve these southern people. You have done it for years and years. The Republicans never have worried about the South, because it did not make any difference whether they gave them anything or not; they still were going to vote the Democratic ticket. The Democrats come in, and they do not worry about the South, because they are going to vote the Democratic ticket anyway. Tweedledum, tweedledee; it made no difference. Go down in the South every election and spring the "nigger" issue.

Talk about the "nigger" down there. "You had better vote the Democratic ticket. If you do not do it, the 'nigger' will take charge of the country"; and as long as they did not have any better sense than to pay attention to that kind of falderal, about all they needed to do on election day was to wave the "nigger" flag down in the South, and keep the so-called "conservative South" lined up with the so-called "conservative East", hoodwinking either the East or the

South, one or the other, all the time, and keeping this kind of perfidious conduct in the saddle.

I know how my friend from New York looks on this thing. He is a splendid friend of mine, one of the best friends I have ever had in public life; and that means he is a very good friend, because for any man to have been with me in public life means that he must have been willing to take a rocky road. There is mighty pretty scenery on the road, but the road is a little bit rocky. One never forgets some of the things he sees and some of the lessons he learns.

My friend from New York has stood with me here in this body several times, and I appreciate it very, very much. He is a gentleman of the first order. He cannot appreciate that the southern Senators—and I say that for almost all of them—so far as I can recall have never turned their backs upon any proposal that has ever been made in this body for the relief of the distressed, the hungry, and the suffering people of the city of New York. There may have been some who have done it, but I do not recall a single instance when any appreciable number of the Senators from the South have not done everything in their might and main to accommodate the purposes of the Senator from New York in feeding the hungry of that part of the country.

The Senator from New York feels that his people are taxed. He does not realize that for years and years about all the cotton farmer got out of the cotton he raised was the right to eke out an existence in a poverty that no one wanted except himself, and that whatever prosperity ever came from raising cotton went to this region in the East where they make far more profit out of handling the cotton through the exchanges and through the textile mills in the East than the man who plowed the ground ever made.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. LONG. I yield to my friend.

Mr. COPELAND. Was the Senator ever in a tenement house?

Mr. LONG. Yes; I have been in some tenement houses—quite a few of them.

Mr. COPELAND. Did the Senator ever see any such poverty on any farm in his State, or any other place in the country, as he can see in a tenement house?

Mr. LONG. Yes; I have seen worse. I have seen as bad or worse, I think. I agree with the Senator from New York that the condition is as bad as it can be in tenement houses, and it is as bad as it can be on some of the farms. For the information of the Senator from New York, I believe I could say to him that the whole four rooms of the house in which I lived the first few days of my life probably were not as big as perhaps one room in some of the tenement houses he is talking about. I did not live there so very long. Part of my time was spent in a house not so much better, perhaps.

I want to say to the Senator from New York and other Senators, we are not going to bring the United States out of this terrible turmoil by any of the band-box legislation we have been passing. The Senator is right about that. It is not going to relieve the farmer. All the Bankhead Act is doing is managing to allow some of the people—not all of the people—to hold hair and hide together until something can happen, or until the Congress of the United States will wake up long enough and severely enough to do something to reform the condition from which we are now suffering.

The great trouble with my friend from New York, however, and many others of my friends here, is that you cannot be brought seriously to see that you will have to redistribute the wealth of the United States to help anybody.

You will never help the tenement-house man, you will never help the share-crop man, you will never help the common man and the poor people of this country, no matter in what part of the country they live nor what may be their occupation, until you redistribute the wealth of the United States. You are not going to do it. Everybody says he is in favor of it, just as they talk about the weather, but they never do anything about it.

The Democratic Party says it is for a redistribution of wealth. Does anybody deny that the Democratic Party contends that? Does anybody deny that the President of the United States says he is in favor of a redistribution of wealth? No. We have heard that song sung back to us that we have sung to them. They sent the message of the President of the United States in here, saying and resaying over again everything we ever said about it; but we are adjourning with bills pending that have been before Congress for 3 years to provide for a redistribution of wealth, and nothing is going to be done about it. All right!

I inquire of the Chair, if I may propound a parliamentary inquiry, has anything been heard yet from the House? Is anything back from the House, the papers on this resolution to adjourn? May I inquire of the Chair if they have been returned?

The PRESIDENT pro tempore. No information regarding the matter has been received by the Chair.

Mr. LONG. Then I will continue to talk in the hope that in the next few minutes we will hear something. [Laughter.]

## REGULATION OF WHALING

Mr. NORBECK. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG. I yield.

Mr. NORBECK. I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1513, Senate bill 3413, relating to a convention for the regulation of whaling.

Mr. LONG. I yield for that purpose.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 3413) to give effect to the convention between the United States and certain other countries for the regulation of whaling, concluded at Geneva, March 31, 1932, and for other purposes, which had been reported from the Committee on Foreign Relations with amendments, in section 2, on page 2, line 9, to strike out the words "said Convention" and to insert in lieu thereof the words "the Convention for the regulation of whaling, concluded at Geneva, September 24, 1931, signed on the part of the United States, March 31, 1932"; in section 8, on page 4, line 4, to strike out the word "date" and to insert in lieu thereof the word "data"; in section 9, page 4, line 21, after the words "vessel a", to strike out the word "fine" and to insert in lieu thereof the word "forfeiture"; on page 21, after the word "which", to strike out the word "fine" and to insert in lieu thereof the word "forfeiture"; on line 25, after the word "act" and the period to insert the words "In the event of the seizure and conveyance to port, such vessel including its apparel shall be forfeited to the United States by proper proceedings in the United States District Court of the said district", so as to make the bill read:

*Be it enacted, etc.*, That this act shall be known by the short title of "The Whaling Treaty Act."

SEC. 2. That unless and except as permitted by regulations made as hereinafter provided, it shall be unlawful to hunt, take, capture, kill, attempt to take, capture, or kill, possess, offer for sale, sell, offer to purchase, deliver for shipment, ship, cause to be shipped, deliver for transportation, transport, cause to be transported, carry or cause to be carried by any means whatever, receive for shipment, transportation, or carriage, import or export at any time or in any manner, any right whale, or the young of any whale; or to sell, purchase, ship, transport by any means whatever, import, or export, the products of any right whale, including oil, meat, bone, meal, or fertilizer.

SEC. 3. That it shall be unlawful to kill at any time any calves or any female whales accompanied by calves or suckling whales, protected by article 5 of the convention for the regulation of whaling, concluded at Geneva, September 24, 1931, signed on the part of the United States, March 31, 1932.

SEC. 4. That for the purposes of this act, right whales shall be deemed to include North Atlantic or North Cape whales, Greenland or Bowhead whales, and Pacific right whales; calves or suckling whales shall be deemed to include whales having a length less than the following dimensions: Blue or sulphurbottom, 60 feet; finbacks, 50 feet, and humpbacks, 35 feet.

SEC. 5. That subject to the provisions and in order to carry out the purposes of the convention, the Secretary of the Treasury is authorized and directed from time to time to determine when, to what extent if at all, and by what means it is compatible with the terms of the convention to allow hunting, taking, capturing, killing, possession, sale, purchase, shipment, transportation, carriage, import, or export of any whale or the product of any whale protected by said convention.

Any regulation made under the provisions of this act shall become effective when approved by the President.

SEC. 6. That the fullest possible use shall be made of the carcass of every whale taken by extracting the oil by boiling, or otherwise, from all blubber, from the head, the tongue, and from the tail as far forward as the outer opening of the lower intestine; and when whales are brought on shore adequate provision shall be made for utilizing the residue after the oil has been extracted.

SEC. 7. That it shall be unlawful for any person, association, partnership, or corporation or for the owners of any vessel of American registry to kill a gray whale at any time, or to kill any whale wantonly, for sport, or without utilizing the carcass.

SEC. 8. That before engaging in whaling, any person, association, partnership, or corporation shall obtain a whaling license from the Secretary of the Treasury. In making application for such license the applicant shall:

(a) furnish evidence of having adequate equipment for complete utilization of the whale insofar as practicable and for the manufacture of whale oil, meal, guano, or fertilizer;

(b) agree to engage crews and gunners of whaling vessels on some basis not solely on number of whales taken;

(c) provide for keeping accurate records of the catch, any biological data necessary, and statistical records of production required by the Secretary of the Treasury;

(d) pay a fee of $1,000 for a license good for 1 year from date of issue.

SEC. 9. That the provisions of this act or any regulations thereof shall be enforced primarily by the Coast Guard and the Bureau of Customs. The Secretary of the Treasury is hereby authorized when necessary to request assistance of the Secretary of the Navy, and it shall be the duty of the Secretary of the Navy, upon request, to cooperate in the enforcement of this act. Any commander of a Coast Guard, customs, or naval vessel, who shall find a whaling vessel of United States registry violating this act, shall have authority to seize such vessel and order it conveyed at the expense of the owners to the nearest port of the United States, and shall also have authority, in lieu of seizure, to impose on and collect from the commanding officer of such whaling vessel a forfeiture of $2,500, which forfeiture shall be reported and paid forthwith to the United States District Court of the district in which is situated any port to which such whaling vessel might be conveyed for action under the terms of this act. In the event of the seizure and conveyance to port, such vessel including its apparel shall be forfeited to the United States by proper proceedings in the United States District Court of the said district.

SEC. 10. That any employee of the Treasury Department, authorized by the Secretary of the Treasury to enforce the provisions of this act, shall have power without warrant to arrest any person committing a violation of this act in his presence and to take such person for examination or trial before an officer or court of competent jurisdiction, shall have power to execute any warrant or other process issued by an officer or court of competent jurisdiction for the enforcement of the provisions of this act, and shall have authority, with a search warrant, to search any place. All whales or parts or products thereof captured, shipped, transported, carried, imported, or possessed contrary to the provisions of this act, or of any regulations made pursuant thereto, shall, when found, be seized by any such employee or by any marshal, deputy marshal, or commander of a Coast Guard, customs, or naval vessel, and upon conviction of the offender, or upon judgment of a court of the United States that the same were captured, shipped, transported, carried, imported, or possessed contrary to the provisions of this act, or of any regulations made pursuant thereto, shall be forfeited to the United States and disposed of as directed by the court having jurisdiction.

SEC. 11. That any person, association, partnership, or corporation who shall violate any of the provisions of said Convention, or of this act, or who shall violate or fail to comply with any regulation made pursuant to this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be deprived of his license and shall be fined not more than $10,000 or imprisoned not more than 6 months or both.

SEC. 12. That nothing in this act shall be construed to prevent the several States and Territories from making or enforcing laws or regulations not inconsistent with the provisions of said Convention or of this act, or from making or enforcing laws or regulations which shall give further protection to whales or their young, or which shall regulate the possession, transportation, or sale of whale products of any kind.

SEC. 13. Nothing in this act or in the regulations thereof shall apply to natives or Eskimos engaged in whaling who use only canoes or other native craft propelled by oars or sails, do not carry firearms, are not employed by others than natives or Eskimos, and are not under contract to deliver products of their whaling to any third person.

SEC. 14. That if any clause, sentence, paragraph, or part of this act shall for any reason be adjudged to be invalid by any court of competent jurisdiction, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to give effect to the convention between the United States and certain other countries for the regulation of whaling, concluded at Geneva, September 24, 1931, signed on the part of the United States, March 31, 1932, and for other purposes."

PORCUPINE SCHOOL DISTRICT, NORTH DAKOTA

Mr. FRAZIER. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG. I yield.

Mr. FRAZIER. Some little time ago I called up three House bills which have been passed in the House and reported out of the Senate Committee on Indian Affairs. The Senator from Utah objected at the time. I have conferred with him, and I think there is no objection now.

I ask unanimous consent for the immediate consideration of House bill 8516.

There being no objection, the Senate proceeded to consider the bill (H. R. 8516) to provide funds for cooperation with Porcupine school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children, which was ordered to a third reading, read the third time, and passed.

CANNON BALL SCHOOL DISTRICT, NORTH DAKOTA

Mr. FRAZIER. Mr. President, I ask unanimous consent for the immediate consideration of House bill 8511.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 8511) to provide funds for cooperation with Cannon Ball school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children, which was ordered to a third reading, read the third time, and passed.

FORT YATES SCHOOL DISTRICT, NORTH DAKOTA

Mr. FRAZIER. Mr. President, I ask unanimous consent for the immediate consideration of House bill 8512.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 8512) to provide funds for cooperation with Fort Yates school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children, which was ordered to a third reading, read the third time, and passed.

PARTIES IN CIVIL SUITS

Mr. TYDINGS. Mr. President, heretofore, when Calendar No. 891, Senate bill 2524, to amend the United States Code, came before the Senate, there was only one Senator who objected. That Senator has since stated that he has no disposition to object further to the consideration of the bill. It was reported unanimously from the Committee on the Judiciary, and is a bill to protect the rights of minority stockholders in mergers of public utilities and other mergers. I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. Is there objection?

There being no objection the Senate proceeded to consider the bill (S. 2524) which was read, as follows:

*Be it enacted, etc.*, That except as provided in sections 113 to 117 of this title, no person shall be arrested in one district for trial in another in any civil action before a district court; and, except as provided in sections 113 to 118 of this title, no civil suit shall be brought in any district court against any person by any original process or proceeding in any other district than that whereof he is an inhabitant; but where the jurisdiction is founded only on the fact that the action is between citizens of different States, suit shall be brought only in the district of the residence of either the plaintiff or the defendant: *Provided*, That in cases where there is more than one defendant, suit may be brought in any district where any of such defendants resides, but the court shall, upon petition, transfer such suit to the district where the convenience of all the parties will be best subserved, and process in such cases may be served on any defendant who resides in any other district than the one in which such civil suit is brought by service in the district where such other defendant resides or may be found.

The PRESIDENT pro tempore. Heretofore the Senator from New Jersey [Mr. BARBOUR] offered an amendment, which the clerk will state.

The CHIEF CLERK. On page 2, line 10, after the word "found", it is proposed to insert a comma and the following: "and this proviso shall apply only where all of the parties joined as defendants are indispensable parties."

Mr. TYDINGS. I shall not object to the amendment.

Mr. CLARK. Mr. President, may we have an explanation of the bill?

Mr. TYDINGS. Mr. President, the first part of the bill is exactly as the law now stands. The proviso just read by the clerk at the end of the bill, providing that service could be had upon a defendant not in the jurisdiction of the court where the suit is brought is the new matter. I have filed with the Committee on the Judiciary a very extensive brief.

Mr. McCARRAN. Mr. President, is there a unanimous report from the committee?

Mr. TYDINGS. The bill was unanimously reported by the committee as a result of hearings.

Mr. President, this bill is occasioned by the fact that where there is a merger, the parent company being in one jurisdiction and the operating company in another jurisdiction, quite frequently the assets of the operating company are siphoned out to the parent company. When the stockholders go into a State court they cannot get jurisdiction because the parent company is in another jurisdiction. When they go into the United States court the jurisdiction is there so circumscribed in certain cases that they cannot get jurisdiction there. The result is that there is no court where they can get all the parties necessary to prove the fraud. The concluding proviso of the bill provides, where a situation of that kind exists, that the court may issue a summons in another jurisdiction, where the parties are indispensable, so that all the proceedings may be tried by one court to ascertain whether or not the minority stockholders have been defrauded or not.

I have submitted a brief, buttressed by hundreds of decisions, showing the necessity for this legislation, and the existing gap in the law.

Mr. McCARRAN. Just one question. I think I recall the bill in the committee. Under the bill, would the plaintiff have the right to select the place of jurisdiction?

Mr. TYDINGS. The law would remain just as it is now in that respect, except that it confers the right on the plaintiff, if he brings suit, where the law now permits him to bring suit, to get summons on some indispensable party outside of the jurisdiction.

Mr. BARBOUR. Mr. President, the Senator from Maryland will recall that the Senator from Pennsylvania [Mr. DAVIS] and myself had an amendment in connection with this bill. As I understand, from subsequent conversations with the Senator from Maryland, he feels that the provisions now in the bill make the amendment unnecessary.

Mr. TYDINGS. I think the bill contemplates the amendment, and that the amendment would be superfluous.

Mr. BARBOUR. Then, Mr. President, I have no desire to call up the amendment.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

### GEORGE W. RHINE

Mr. GLASS. Mr. President, I ask unanimous consent to call up for immediate consideration Calendar No. 1501, House bill 3783, for the relief of George W. Rhine, doing business under the name of Rhine & Co. The bill has passed the House. It is recommended by the Treasury, and favorably reported by the Committee on Claims, without amendment.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 3783) for the relief of George W. Rhine, doing business under the name of Rhine & Co., which was ordered to a third reading, read the third time, and passed.

### SCHOOL BUILDINGS, TRENTON DISTRICT, NORTH DAKOTA

Mr. FRAZIER. Mr. President, there is on the calendar Senate bill 3091, Calendar No. 1485. The House bill, H. R. 8513, is an identical bill. I ask unanimous consent to substitute the House bill for the Senate bill, and I ask for its immediate consideration.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate considered the bill (H. R. 8513) to provide funds for cooperation with Trenton school district, Williams County, N. Dak., for extension of public-school buildings to be available for Indian children, which was ordered to a third reading, read the third time, and passed.

### RESTORATION OF HOMES IN HAWAII

Mr. TYDINGS. Mr. President, there is a bill on the calendar affecting the Territory of Hawaii—House bill 7974, Calendar No. 1505. It simply provides that a certain landing field on the island of Molokai shall be turned over from the Hawaiian Homes Commission for aviation purposes, and I ask for its immediate consideration.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 7974) to withdraw and restore to their previous status under the control of the Territory of Hawaii certain Hawaiian home lands now in use as an airplane landing field, which was ordered to a third reading, read the third time, and passed.

### OTTO MISCH CO.

Mr. SCHWELLENBACH. Mr. President, I ask for the immediate consideration of House bill 6137, Calendar No. 1510, for the relief of the Otto Misch Co.

Mr. KING. Mr. President, I ask the Senator from Washington for an explanation of the bill.

Mr. SCHWELLENBACH. During the year 1933 this claimant had a contract to erect a marine hospital at Norfolk, Va. After the work on the contract had been completed a hurricane occurred which resulted in very serious damage to the buildings. An emergency existed. It was not possible to ask for bids for the repairs. If the repairs had not been made, the amount of money which had been expended on the contract would have been wasted; so the Treasury Department asked this claimant to proceed immediately with the work. The work was done in 1933. It was necessary. There was no dispute about the amount involved. The Department recommends the amount of the payment to the claimant, feeling that the bill should be approved.

Mr. KING. Was it unanimously reported by the committee?

Mr. SCHWELLENBACH. Yes.

Mr. KING. Has it been passed by the House?

Mr. SCHWELLENBACH. Yes.

The PRESIDING OFFICER (Mr. McGILL in the chair). Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6137) for the relief of the Otto Misch Co., which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert the following:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Otto Misch Co., the sum of $28,000, in payment for work done by the said company in repairing damages to the United States marine hospital at Norfolk, Va., caused by hurricane and flood on August 22 and 23 and September 15 and 16, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed for a third reading, and the bill to be read a third time.

The bill was read the third time, and passed.

CLARENCE C. CALHOUN

Mr. BARKLEY. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 1500, Senate bill 3453.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from Kentucky?

Mr. McNARY. Mr. President, may we have some statement of the bill?

Mr. BARKLEY. The bill pertains to the exemption of Clarence C. Calhoun, who is a lawyer here, from the provisions of the code which would prevent his employment by the Government, because of the fact that he has had claims against the Government.

Captain Calhoun has peculiar qualifications for employment by the Department of Justice in the matter of some insurance cases. I have been advised that the Department desires to employ him, but because of the fact that he has had claims against the Government it cannot do so without the passage of such a bill as this. It is for this reason that the bill is introduced.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

There being no objection, the Senate considered the bill (S. 3459) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to certain counsel, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That nothing in sections 109 and 113 of an act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended (U. S. C., title 18, secs. 198 and 203), or in section 190 of the Revised Statutes of the United States (U. S. C., title 5, sec. 99), or in any other act of Congress forbidding officers or employees or former officers or employees of the United States from acting as counsel, attorney, or agent for another before any court, department, or branch of the Government or from receiving or agreeing to receive compensation therefor, shall be deemed to apply to Clarence C. Calhoun, in the event he shall be employed, retained, or appointed by the Attorney General or under authority of the Department of Justice to assist in the prosecution of litigation arising under the War Risk Insurance Act, as amended.

STATEMENT BY SENATOR REYNOLDS ON THE SILVER QUESTION

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the junior Senator from North Carolina [Mr. REYNOLDS] on the silver question.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I wish to speak briefly on one small phase of the tax question which seems ridiculous in the light of the fact that we have before us a bill which attempts to create over $400,000,000 of new revenue, while I am directing my remarks to one feature of present tax legislation that yields to this Government only about $1,000,000.

The one-fourth of 1 percent of present income compared with the 100 percent of anticipated income under the new bill is seemingly insignificant. I prefer to think, however, that the provisions under present law whereby there accrues to the Treasury a mere million dollars is as important to the economic prosperity of this Nation as is the gigantic tax bill before us.

According to the 1930 estimate of the International Statistical Institute of the League of Nations at Geneva, there are 2,000,000,000 people living on this earth of ours—950,000,000 on the continent of Asia, 550,000,000 on the continent of Europe, 230,000,000 on the American continents, 150,000,000 in Africa, and 7,000,000 in Australia.

Every year this old earth seemingly is gaining in population 30,000,000 people, and at the present rate we are doubling our population every 66 years. Today 150,000 persons are born, and today 100,000 die.

Now, throughout the history of the world there have been two great monetary metals—the older one, silver, and the more recent one, gold—and there isn't a continent in the world, except Europe with one-quarter of the world's population, that is now left on the gold standard. But it isn't the 550,000,000 of Europe who are left on the gold standard. It is only seven nations of Europe, the so-called "gold-bloc" countries of France, Italy, Belgium, Luxemburg, the Netherlands, Poland, and Switzerland. France and Italy with 41,000,000 apiece, Poland with its 32,000,000, Belgium and the Netherlands with 8,000,000 apiece, Switzerland with its 4,000,000, and the little Grand Duchy of Luxemburg with its 300,000 contribute a total of only 134,300,000 out of this world's 2,000,000,000 population—so that less than 7 percent of the peoples of the world are represented by the so-called "gold-bloc" countries which at Brussels in October of 1934 reaffirmed their determination, as set forth in the London conference of 1933, to maintain the present gold parities of their respective currencies and to act together in their economic plans predicated upon gold.

Let me reiterate a fundamental fact based upon geography and population that, if we look at this earth geographically, Asia, Africa, the two Americas, and Australia have not a nation or people within their confines that attach their currencies to gold. There remains the one continent, Europe, that still has a gold bloc. Within that continent of Europe there are seven countries, representing one hundred and thirty-odd million people out of Europe's 550,000,000, that have pending an agreement reaffirmed last October 20, 1934, at Brussels to act in concert with respect to gold. The delegates from these seven European gold-bloc nations proclaimed their fidelity to the gold standard and proposed to expand trade within the group and to fortify members against continued pressure from the depreciated currencies of other nations.

On November 13, 1934, in Belgium, the DeBroqueville Cabinet resigned because of the inability to agree on retaining the present gold value of the belga.

Today the gold standard is the standard of but three nations of the world—France, Holland, and Switzerland—France with its 41,000,000, Holland with its 8,000,000, and Switzerland with its 4,000,000. A total of 53,000,000 of this world's inhabitants is tied to the old gold standard. Less than 3 percent of the peoples of the world, the inhabitants of three European nations, still cling to the gold standard.

On the other hand, 2 years ago there was held in London an economic conference attended by 63 nations, and on June 21, 1933, under the authority granted by an act of Congress approved May 12, 1933, the President ratified by proclamation the so-called "London agreement", which had been unanimously adopted by 63 governments with respect to silver.

The essence of the London agreement was this, that these 63 governments of the world would refrain from the policy and the practice of melting up and debasing silver coins; that they would replace low-value paper money with silver coins; that they would not enact legislation which would depreciate the value of silver in the world market. The great Republic of China with her nearly five hundred millions was a party to the London agreement and, of course, is a silver nation. China agreed not to sell silver accruing from the debasement of her coins.

India, with over 350,000,000 population, was a party to the London agreement and agreed to limit the sale of silver in the world market, due to the melting of her coinage, to 35,000,000 ounces for a period of 4 years.

Spain likewise agreed, with her 30,000,000 people, to limit such sale to 5,000,000 ounces annually for the succeeding 4 years.

Australia, Canada, Mexico, Peru, and the United States, representing a total of over 160,000,000 people, agreed to impound the production of silver from their respective mines to a gross of 35,000,000 ounces annually.

Here are governments of the world representing in 8 nations alone out of the 63 over a billion people, over one-half the population of the earth, concentrating on a use for silver.

The London Economic Agreement was signed by 63 nations, representing 1,700,000,000 people interested in silver; on the other hand, there are the gold-bloc nations, with a population of less than 55,000,000. And that is why I say our interest is in silver.

Mr. President, I do not blind myself to the fact that the powerful and the rich of this world still love gold. I have before me an Associated Press dispatch of June 22, 1935, with the heading, "London Keeps Faith in Gold." The subtitle to this release is "French Vie With Britons in Buying Bullion."

I will read it. It is, of course, a release from London. I quote:

"LONDON, June 22.—Faith in gold continues strong in the minds of speculators, investors, and financiers.

"Speculators especially have been buying large quantities in the London bullion market and 'putting it away' for some future realization.

"French nationals, in their fear of franc devaluation, have sent funds over here and turned them into gold, which is being offered in the market daily. Their anxiety to secure the precious metal is indicated by their willingness to pay a premium of 2 shillings over the parity price of the franc."

Now, Mr. President, the next is the important paragraph:

"That gold is going to be the basis of any future international currency is generally accepted here, and it is pointed out in some quarters that the countries which have 'gone off gold' are gradually increasing their supplies of the metal, while countries still supposed to be 'on gold' are losing it."

Then we have the propaganda of a certain F. R. Phillips, chairman of the Central Mining & Investment Corporation, with vast interests in gold mines. This is his statement, made at the annual meeting of that corporation:

"It is incontrovertible that before trade between countries again flows freely the existing exchange restrictions must be very much relaxed or entirely removed, and in order to bring this about it is necessary that the currencies of the various countries must again be stabilized, and stabilized on the only sound basis of currency, namely, gold. Our faith in gold remains undiminished; indeed, it is strengthened by the fact that countries, whether on or off the gold standard, have either added still further to their stocks of gold or are desirous of doing so."

That is the end of the quotation from the Associated Press release.

Mr. President, it has often occurred to me during the past 2 years when silver has been foremost in the thoughts of the peo-

ple of the world why it is that this Government has been so solicitous as to who owns silver and who speculates in silver but has never once sought to inquire who owns gold and who speculates in gold.

It is such press releases which can only be considered pure propaganda that suggest to my mind that the rich of this world love gold and that the poor of this world love silver. It has driven me to the conclusion that gold is the rich man's money and that silver is the poor man's money.

Out of this Associated Press dispatch the chairman of a mining corporation can impress upon a financial world that the British Empire, off the gold standard since 1931, is awaiting that day when the peoples of the world—a billion seven hundred million of them—represented by the 63 nations that participated in and signed the London Economic Agreement—may again have their fortunes tied to the rich man's money, gold.

On January 15, 1934, President Roosevelt sent a message to the Seventy-third Congress, in which he said:

"It is a prudent step to vest in the government of a nation the title to and possession of all monetary gold within its boundaries and to keep that gold in the form of bullion rather than in coin.

"Because the safekeeping of this monetary basis rests with the Government, we have already called in the gold which was in the possession of private individuals or corporations. There remains, however, a very large weight in gold bullion and coin which is still in the possession or control of the Federal Reserve banks.

"Although under existing law there is authority, by Executive act, to take title to the gold in the possession or control of the Reserve banks, this is a step of such importance that I prefer to ask the Congress by specific enactment to vest in the United States Government title to all supplies of American-owned monetary gold, with provision for the payment therefor in gold certificates. These gold certificates will be, as now, secured at all times dollar for dollar by gold in the Treasury—gold for each dollar of such weight and fineness as may be established from time to time."

The President continued—

"The title to all gold being in the Government, the total stock will serve as a permanent and fixed metallic reserve which will change in amount only so far as necessary for the settlement of international balances or as may be required by a future agreement among the nations of the world for a redistribution of the world stock of monetary gold."

Then comes the following sentences, Mr. President, which I deem to be of utmost importance, still quoting from the Presidential message—

"Our national currency must be maintained as a sound currency which, insofar as possible, will have a fairly constant standard of purchasing power and be adequate for the purposes of daily use and the establishment of credit.

"The other principle is the inherent right of government to issue currency and to be the sole custodian and owner of the base or reserve of precious metals underlying that currency."

That ends the quotation from the Presidential message of January 15, 1934.

Now, Mr. President, I voted for the nationalization of gold because I believe that if the currency of the Nation is to be predicated upon a metal, the Government should own that metal. But I did not notice, following that message or the congressional action with respect to gold, that there was any movement on the part of the administration to discover who owned the stocks of gold in the country and to place a retroactive law upon the statute books which would tax the profits that were to be made in gold.

Of course, the gold within the country was seized, it was confiscated, it was nationalized. But there was no discriminating legislation against the American citizen who held gold abroad. He did not have to leave the country for a period of 90 days and then sell his holdings held abroad to escape taxation. We were not concerned with the profits to be made by nationals out of gold. We nationalized our gold and then we revalued it.

Many people believe that gold has a fixed value. Actually, gold fluctuates daily in the terms of the currencies used by the peoples throughout the world. Every country has its own money, its own currency, and the price of gold may be daily quoted in the national currencies of the peoples of the earth.

In revaluating gold we have revaluated actually our own currency. And America and other nations, particularly England through her exchange equalization fund, pushed up the value of gold. As the price of gold was pushed up artificially since 1931, as much as 70 percent in terms of the currencies of a majority of the peoples of the world, then the ability of the peoples of the world to pay for goods in their own currencies has fallen where gold is used still as the international yardstick of value.

For 3 years now England, which holds the balance of power in numbers of her consumers, has manipulated gold to suit her own ideas as to what the world commodity prices in terms of her currency should be. The longer we hitch our currency to gold, the longer we will keep the prices on American commodities low.

When America nationalized her gold and revaluated her gold there was our opportunity to do something for the American people. But the American people find that the only thing we did was to sterilize gold in the vaults of the United States Treasury. And by withdrawing gold from the markets of the world and not using it, we simply aided the British policy in raising the price of gold.

Then we embarked on a silver policy. We carried out fully the terms of the London Economic Conference. We did more. The President by a proclamation opened the Government mints to the coinage of standard silver dollars from silver produced in the United States or in its possessions.

On May 22, 1934, President Roosevelt sent a message to Congress recommending the enactment of legislation declaring it to be the policy of the United States to increase the amount of silver in our monetary stocks, with the ultimate objective of having and maintaining one-fourth of these monetary stocks in silver and three-fourths in gold. He asked that the Executive authority be authorized and directed to make the purchases necessary to obtain the ultimate objective. He asked authority to nationalize all silver at just compensation, and authority to regulate imports, exports, and transfers of monetary silver. Then he asked for a 50-percent tax on all profits to be made out of the Government's action.

Gold is the rich man's money, and silver is the money of the peoples of the earth. A profit was to be made on gold, and a profit was to be made on the world's monetary silver. But we didn't inquire as to who owned gold, and we did inquire as to who owned silver. We didn't tax the profits to be made from gold, and we did tax the profits to be made from silver.

But gold was a monetary metal, and silver had been given no monetary value in and of itself. When we nationalized silver we did it on the basis of accumulating it. In order to withdraw it from the world market and raise the price of silver, we embarked upon our silver purchase policy, definitely and expressly to raise the price of silver to $1.29 an ounce or until that time when silver in the Treasury vaults would bear the relation to gold in the Treasury vaults of 1 to 3.

Following the Presidential message on silver on May 22, 1934, Congress did nothing.

Following the Presidential message on gold on January 15, 1934, Congress laid the basis for the United States to have a fixed and permanent metallic reserve by nationalization, and Congress laid the basis for the Presidential revaluation of the gold dollar.

But as respects that other recommendation, incorporated in these words: "Our national currency must be maintained as a sound currency which, insofar as possible, will have a fairly constant standard of purchasing power and be adequate for the purposes of daily use and the establishment of credit"—Congress did nothing

It was hoped that by the provisions of the Silver Purchase Act Congress would repeat with respect to silver what had been done with respect to gold. But immediately we were asked to turn our attention away from the accumulation of a great silver reserve against which money might be safely and freely issued, and we became entangled in the useless and senseless provisions of the Silver Purchase Act which had to do with taxation.

Gold is the rich man's money; silver is the money of the hundreds of millions. Gold is the money of 3 nations; silver the money of 63 nations. Gold is the standard of the governments of 55,000,000 persons, while silver is the standard of 1,700,000,000 of the peoples of the earth.

I have quoted for you the Associated Press dispatch to the effect that "London keeps faith in gold." London keeps faith in gold—and the Treasury of the United States, in carrying out its silver policy, appoints the Federal Reserve Bank of New York, the notorious enemy of silver, as its agent and abolishes the American silver market and goes straight to London to reestablish the strength of a world silver market in which we once led—to reestablish its strength over in London.

And the silver policy of the United States Government today is executed by four London silver-bullion brokers, who can advise the speculative interests of this world when to sell short and when to buy long.

We have facing us three provisions in a tax bill that virtually exclude the American citizen from participating in the benefits of this program on silver. Our attention was away from the interests of the people of the world in their commercial relationships with us, and concentrated on punitive legislation which punished the American who invested in silver and freed the American who invested in gold.

We actually, by the very language of the act, made the American citizen get out of the country, expatriated him for a period of 90 days if he were to escape a 50-percent tax on his profit in the sale of silver. We did not only that. We actually passed a retroactive law which confiscated the profits that might have been made on silver between May 15, 1934, and the date of the passage of our act.

I am not interested in either the investors in silver or the investors in gold. But I simply cannot refuse to blind my eyes to the fact that behind this monetary legislation is not the interest in America or in the peoples of the world. But somehow, somewhere, there has crept into the treatment of gold and of silver not the objective consideration which two monetary metals should have but rather a philosophy which treats with contempt the owners of the one and with high honor the owners of the other.

Nor do I care to be understood to have my mind for one minute lured far away to foreign peoples and foreign objects to the discount of my own country. The plain blunt truth of it is that I believe we abandoned temporarily the purchase of silver in the markets of the world until our neighboring country of Mexico, which I visited but a few months ago, could accommodate herself to the rising price of silver.

I believe likewise the President of France was simply honest in his expression of gratitude to the Secretary of the Treasury of the United States who went to the aid of France, one of the

three gold-standard countries of the world, with the full use of the equalization fund at the command of a foreign power.

And I know, or I have seen an open letter from a London bullion broker to his clients to the effect that he used the Treasury of the United States to support the market for private investors all over the world so that they could make their speculative profits in silver while at the same time on our statute books there was a 50-percent tax on the American who dared to do likewise.

When I go abroad it is merely to compare the situation with respect to both gold and silver, and I find that the teeming masses of the world have adopted silver—the poor nations of the world, if you will, have adopted silver—and the powerful nations of the world—or the rich nations of the world—have adopted gold.

I had hoped that through our silver-purchase policy we would have raised the price of silver from the 47 cents that it was on the day we passed the act to $1.29 by now. The purpose of the act was not to make a record by the Treasury Department in how cheaply it could accumulate silver. It was not in the mind of any man in this body to have a corner on the world silver supply only to impound it in the Treasury of the United States and do nothing with it. It was not in the mind of any Member of this body to have the Treasury build up a record of accomplishment by which silver is amassed at the lowest possible price.

There isn't an interest in this whole United States, a basic economic interest, that is not affected and, I believe, affected favorably in the carrying out of the silver policy as intended. Admittedly the 10 or 11 silver-producing States would have their income enhanced and their prosperity increased. In 1931, 1932, and 1933 there was an average production of about $8,000,000 dollars of silver in the United States, or an average of 24,000,000 ounces. And, of course, it makes a vast difference whether silver is 25 cents or $1.29 an ounce, and whether the West receives $31,000,000 instead of $8,000,000 for the same production.

Our own country has produced since 1918 an average of 53 million ounces for the past 16 years, and it would make a vast difference to the silver-producing States of the West whether the income from their mines totals $8,000,000, which has been the average for the past 3 years, or $68,000,000, which is $1.29 an ounce multiplied by the average production of 53,000,000 ounces.

But it is not the silver-producing States alone. It is the great cotton South that had expectations for a correct use of silver. According to the testimony of Oscar Johnson, from the Treasury and Agricultural Departments, before the Committee on Agriculture and Forestry, on page 94, there is reason to anticipate that the foreign growth of cotton for 1935 will be between twelve and thirteen million bales, with a world carry-over of 14,500,000 bales. The American crop Mr. Johnson estimated at 15,000,000 bales. Here is a world supply of over 42,000,000 bales.

In the competitive markets of the world, cotton is produced almost entirely by the silver nations, and it was the hope of the South that by raising the price of silver we would raise the cost of production of cotton in the silver-using nations of the world. We had also thought that the increased use of silver in our monetary system would offset the acknowledgedly lower price which cotton would take on the old monetary standard, and give us a cheaper money which an economically ruined South could at least use to pay debts and transact normal business.

But instead of aiding us, we have piddled along in the execution of this Silver Purchase Act with attention directed to the tax provisions of the act instead of its chief purposes. We have not sought to accumulate silver until its total volume equals one-third of the gold of the country. We have gone along on a policy seemingly of going into the market and buying at the cheapest price or, worse yet, at a price whose sole justification is that it will take the world-wide clients of the London bullion brokers safely out of their speculative activities, whether they are long or short.

We have permitted silver to rise to 81 and drop to 67, and no man in this Chamber can answer the question as to how we can expect silver to reach $1.29 an ounce by permitting it to drop from 81 to 67.

The relationship of cotton to silver is obvious to any man who knows the cotton story. I repeat. Our competitors are silver nations. The largest single crop in point of value in America is always cotton. It is also our largest export crop.

A prosperous South breathes unlimited prosperity to the Nation and contributes a buying power with the northern manufacturers of all types of goods. It contributes untold millions of raw materials to our rails and waterways and coastal shipping. It uses American bottoms; it uses American marketing machinery and American financial machinery. It's good income-tax income for the United States Treasury, and it's good for nearly 600,000 individual cotton producers in this Nation who are being pauperized and reduced to the standards of the rest of the world as cotton is plunged into new lows.

But that is not all. Mr. President, the South had another reason for our hope in the Silver Purchase Act. In the year 1933-34 the consumption of cotton over the preceding year in the leading nations of the world increased by approximately 800,000 bales. Prominent in this increase were Great Britain, France, Russia, Italy, Czechoslovakia, Spain, Poland, Holland, Austria, Portugal, Finland, Hungary, Denmark, Japan, Canada, Mexico, and Brazil. All these nations used American cotton and the cotton of foreign countries. Yet, despite the increase in consumption in these 18 nations, the use of American cotton fell off in the cases of Germany, Italy, Czechoslovakia, Spain, Poland, Switzerland, Holland, Hungary, and China.

Among the countries which gained in the consumption of cotton we lost 580,000 bales in their consumption of American cotton. In addition to this, though India dropped in the consumption of cotton 26,000 bales, America lost in Indian trade 95,000 bales. At the same time, these very countries who dropped their use of American cotton by over 580,000 bales, increased the use of cotton—the product of other nations and their own—by 384,000 bales.

In the world market the conclusion is irresistible that the silver-using nations are our competitors in cotton; that as silver is increased in price in the markets of the world the cost of cotton production must rise in these silver-using nations; and that the one thing to do is to raise the price of silver, gradually if you will, but certainly and effectively and within the course of the next few months to $1.29 an ounce.

And not alone for the agricultural South but likewise for the textile industry of all America we must recognize that the consumption of cotton in this country in the year 1933-34 was 5,670,000 bales against 6,109,000 during the previous year. We used actually 430-odd thousand less bales of cotton last year than we did the year before. This is American consumption and this economic fact has a direct bearing upon the monetary question. Had we sincerely carried out the policy of Congress and accumulated silver and let its price go to the $1.29 an ounce, we could safely say not only that the silver-producing States of the West would have prospered by $50,000,000 additional revenue annually, but that America would have been able to ship at least an equivalent of the world's increased use of cotton amounting to approximately 800,000 bales or $40,000,000 without any change in the price of cotton.

But I am one of those who believe that these figures are ridiculous and I believe, Mr. President, that by any rational approach to the silver question and to the monetary question generally we can raise the price of cotton 10 cents a pound in this country and make out of cotton a billion-dollar crop which will be consumed annually.

As to the other economic effects of the tax provisions in the Silver Purchase Act, I, of course, am wholly in accord with the theory that we never should have thrown away our silver market which was the leading silver market of the world and handed it over to England on a platter.

I am also of the belief that there is no law on the statute books of America which has the potentiality of corruption as has the Silver Purchase Act whereby we, the United States Government, become the outstanding buyer of silver in the world. And instead of using the old market machinery on a fair and open basis of a free market, we permit the world market to use us as a preferred customer and then operate secretly in an operation which involves the Treasury and the Federal Reserve private banking system of this country—not the whole system but just one regional preferred agency up in New York City—and permit that Federal Reserve bank, privately owned, in turn to operate through four bullion brokers over in London so that, Mr. President, you can't find out and I can't find out what the Treasury attitude toward silver is today. We don't know whether they are buying or selling, and maybe it is none of our business—but certainly it has become the business of a little group of men up in the Street and it has become the business of four men over in England. They know; we can't know.

Mr. President, when the time comes for my good friend the Senator from Nevada to offer his amendment to the tax bill, I certainly trust that no Member will vote to table it, if such a motion is made. I trust we will almost unanimously keep in mind that it is England that produces the gold of the world, predominantly, and that it is the Americas that produce the silver; that the peoples of the world love silver; that only three nations cling to the gold standard today; that there are elements in the financial world against silver, and these very elements control the execution of our silver-purchase policy; that gold is the money of the rich, and silver is the money of the poor. And when it comes to voting to the discrimination of one against the other, in our hearts and in our consciences we should vote against gold and for silver.

We do not have to vote that way today. We have done for gold everything asked of us. We have nationalized it; we have revalued it. We have over nine billions of it over in the Treasury, sterile. And we never went about taxing the owners of gold as though they were quasi-criminals.

We have an opportunity of making use of silver. There is no objection in the bill whatever to the silver-purchase policy as such. But silver has not been monetized. It is still a commodity, and as a commodity there is no use of refusing free and open trading in it. A free and open American market regained for silver will, I believe, help to raise silver in price and it will at least direct our Government to purchase through Americans and perhaps of Americans, with American market machinery, the metal we are now driving out of the hands of private individuals and into the hands of the speculators of the world, Americans excluded, and driving it into the hands of the speculators of the world from whom we are now buying it, through secret agencies.

I will vote to repeal the tax sections of the Silver Purchase Act.

### ADDRESS BY GOVERNOR EARLE, OF PENNSYLVANIA, AT MILWAUKEE, WIS.

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered last

evening at the National Young Democratic Convention at Milwaukee, Wis., by Gov. George H. Earle, of Pennsylvania.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A political party is as young as its leader's ability to feel, interpret, and satisfy the needs of its times. Ours is a young party again. We have no time to mull over the past glories, no occasion to carp witsfully for the good old days. We are at grips with a reality here and now—a reality which 3 years ago threatened to engulf this Nation.

We have made progress. But we are still in the thick of one of the 3 major crises in American history.

We can still apply the principles of Jefferson and Jackson, and we can at least borrow from them the courage to face the need for change, the faculty of seeing straight, the ability to act as the circumstances of our times dictate.

The fundamental change wrought by the new deal is this: It has turned the eyes of the country in upon itself. The center of gravity has swung away from New York toward this Middle West, where it belongs. We have ceased to trace the will-o'-the-wisp of economic dominion beyond the seas, and we now seek our markets among our own people. As an industrialist myself and as Governor of a great industrial State, I feel that change keenly.

Looking back we can trace much of the folly of the old deal to the fallacy of foreign markets. The unwholesome prosperity of the 1920's was built upon the sands of shores other than ours. Our credit structure rested not entirely on our own shoulders and too heavily on those foreign peoples who, through no fault of their own, were unable to bear it.

Why? Who directed that nearly fatal tendency toward economic imperialism? How did we come to leave the midwestern farmer sinking lower and lower into debt and insecurity while we poured out billions of American money to finance purchases of our goods in foreign countries?

The Republican leaders who governed during the 1920's encouraged this madness because they were dominated by Wall Street bankers who made their profits in foreign trade, loans, and exchange. These international bankers came to see the winning of world markets as the beginning and end of American economic effort. Absorbed in one purpose, they allowed the relative price of farm products to sink in order that the wages of industrial workers could be lowered, thus placing American products in a "better" competitive position in the world markets.

To these bankers Government action to increase the farmer's income was held to be the lowest form of public immorality.

Yet they begged and threatened and in some instances even bribed to obtain ship subsidies from the Federal Government. Even today the blind obsession of these men is still able to block a Government-subsidized building program in the United States. Yet all over Germany are workers' housing developments built with the money of American investors—money which these international bankers handled, upon which they drew their commissions and most of which never has and never will be and never could have been repaid.

If these billions had been spent at home in the electrification of farms, in the prevention of soil erosion, in the elimination of slums, the real wealth of America would have been increased and we would be enjoying dividends today in the form of better health, greater comfort, greater opportunity, and a major advance in our war against crime.

But instead we choose to depress the American farmer and the American worker while we offered up our surplus billions to the false goddess of foreign trade.

The political and economic drill sergeants who formerly ruled the United States formed this Nation into a hollow square, facing outward, eyes yearning across the seas.

About face, America! Turn eyes inward from the Atlantic and from the Pacific. Between these coasts is the great inland empire of the Midwest, greater than any of the foreign empires of trade of which Wall Street dreamed. Here are our markets.

Here in the Midwest our future lies!

I do not mean that the new deal is in any way a sectional movement. It is not turning the Nation inward for the special benefit of the Midwest. East coast, west coast, and the South will benefit equally with the interior States from the reorientation of the national effort. The west coast and the South have suffered bitterly from the former focus of national effort upon foreign trade. The remedy for the evils of those sections lies in the same direction as does the hope of the East and the Midwest—in the stimulation of domestic trade.

This great country can be self-fulfilling, self-sustaining, economically self-sufficient. In a world gone mad with war, thank God for that. We do not need colonies beyond the seas, nor do we need to jostle and struggle in the lawless marketplace of international trade.

The obsession of foreign trade reached its height when Herbert Hoover was Secretary of Commerce. He flung out a series of go-getters across the globe to sell America to the world. Unfortunately, America was being sold out at home. The proper market for the great industries of the east coast is the agricultural population of the Midwest. But the Hoover policy tended systematically to impoverish that great potential Midwest market while it sought to enrich our markets abroad with unpayable loans.

With the internationalist attitude in economics prevailing, it was only natural that the foreign political policy of the United States should reflect the European attitude. Our State Department busied itself with such extreme idealism as the Kellogg Pact, meanwhile neglecting the only sound, safe, and natural foreign policy which the United States can pursue.

We don't want war. Never in our history have we had less reason to become involved. Imperialist sentiment which flared up in the United States toward the end of the last century has died down—never, I hope, to rise again. We are not directly threatened by any nation, because there is no strong country which has not dangers too near at home to venture in this direction.

And yet the national economic policy dictated by Wall Street to three successive Republican administrations was leading us blindly but surely into war.

We must make up our minds that we cannot take profits out of Europe, nor can we save Europe from the deep-seated causes of war which today seem to be drawing her nearer and nearer the explosion point. We must take that attitude without any smug self-satisfaction and without contempt for less fortunate men overseas. Our safety is largely the luck of geographical position and natural resources, which make us a self-contained economic unit.

Do not let us throw away our luck. It is charity to help our neighbor who lies injured by the road, but it is senseless suicide to plunge into the crater of an active volcano because our neighbor has fallen in.

The Democratic Party must become the party of deliberate and uncompromising neutrality. It is our task and our opportunity to keep this Nation out of war. We can do it because President Roosevelt has freed the United States from the hallucination of dependence upon foreign trade and from the shackles of the international bankers.

President Roosevelt has turned our eyes and our efforts inward. We must keep them turned in this direction, working always toward an economy that is self-sufficient and self-fulfilling. By that I do not mean merely that we should develop certain raw materials which we now buy abroad. I mean first of all, that we raise the status of the American consumer to a point where our industries need no longer look futilely and perilously beyond the seas for a market for our products.

The old deal said, "Cut labor costs. Cut food costs. We must beat the competition of this or that or the other nation."

The new deal says, "Raise the farmer's income. Raise the worker's income. Give industry customers at home."

As Governor of a great industrial State and an industrialist myself, I would rather sell a radio to every American farmer than a rifle to every soldier in Europe.

Since they are diametrically opposed in principle, it is not strange that the new deal should display a striking contrast with the old in its methods of fighting the depression. Hoover had placed his whole faith in foreign trade. It was his career, his life, his philosophy. When it failed him he was helpless. He turned to Wall Street and Wall Street was helpless. They tried this and that expedient, talked endlessly of the encouraging significance of this or that development abroad—but they never looked from Washington westward across the country.

Thus the Hoover administration drifted, cut off from reality, wandering through a nightmare of nervous optimism and broken promises.

The old deal told the people to have faith in the stock market and the stock market crashed. It told labor to have faith in the stability of American industry, but industry was unable, by itself, to justify that faith. It told the farmer to have faith in the Farm Board, and the Farm Board failed. It told the people to have faith in the banks, and the banks crashed. It told the unemployed veterans to feed themselves on glory—and then it told them, at the point of bayonets, to get out of Washington.

Was it any wonder that the fortitude and trust of the people snapped? Was it any wonder that the wildest rumors circulated and an abject paralyzing fear seized the country from its princes of banking and industry on down?

The amazing contrast between the last days of Hoover and the first days of Roosevelt springs partly from a difference in character, but to an equal degree, I believe, from the difference between their conflicting philosophies of political economy. Hoover could do nothing about the condition of the rest of the world. So he did nothing. Roosevelt could do something about America. Turning his back upon the inanities of the London Economic Conference, he went to work.

Immediately, a people more demoralized than at any time since the Civil War rallied round him with renewed courage. This man had direction. He had an objective and he knew how to start about obtaining it.

Characteristically, he announced a broad policy of raising wages, increasing farm income. He scorned the myth of international currency stabilization and sought instead to stabilize American currency at a point which would do justice between the average debtor and the average creditor. Both these policies have been largely successful. Their results are reflected in improved business conditions in every part of the country.

The N. R. A., although it was set aside by the Supreme Court, established for all time in our national life the principle that business and industry have a social responsibility. It made the employer recognize and accept, for his own protection and the protection of society, the public obligation to provide fair wages, reasonable working hours, and other safeguards for labor.

Regulation of public utilities in the public interest has been a major objective of the Roosevelt administration. We did not need the crash of the Insull empire to tell us that regulation was needed,

but the task of accomplishing it in the face of hostile propaganda and high-pressure lobbying is difficult and tedious. The President has made a major step forward in giving the Nation his Tennessee Valley Authority project as a rate yardstick, and all of you know of the fight his administration has made to break down the gigantic utility holding companies which have been bleeding the ratepayer for so many years.

The Guffey coal bill, passed by the Senate yesterday, is another major achievement of the Roosevelt administration and reflects great credit upon our own Democratic Senator from Pennsylvania. This bill, asked for by both operators and miners, averts what might have been a major catastrophe in the march to recovery.

One of the major accomplishments of President Roosevelt which will be of enduring value to our people for generations to come is the enactment of the Eccles banking bill. In this the President struck a mighty blow at Wall Street domination, taking the power to regulate the value of our medium of exchange out of the hands of the bankers and placing it where it belongs—in the hands of the Government. This bill, together with bank-deposit guaranties, the Securities Act, and similar measures, represents a memorable achievement in the protection of our credit structure.

President Roosevelt's message on income taxes is, I believe, one of the most important documents of our time. Taxation on the basis of ability to pay has been recognized as the most equitable revenue principle. But the depression and the President have taught us that it is not only the fairest principle but the most efficient, in the economic sense.

I believe that the capitalistic system, with all its faults, is by far the most workable, the most beneficial to the people as a whole. But in the light of recent experience it is simply folly to deny that laissez faire capitalism, as it has been practiced among us, has been misused for the benefit of the few and the exploitation of the many. Wealth tends to accumulate in the hands of a few, just as it did in the precapitalist days of the feudal economy. This concentration, appropriate enough in feudalism and in the early stages of industrialization, has proved wellnigh fatal in our own day. We are no longer facing the original need of expending our means of production at a faster and faster pace. If we were, then it would be improper, from the point of view of public welfare, to seek a more equal distribution of wealth because the more wealth is concentrated the more we can invest in new production. Our problem today is a different one. The concentration of wealth into a few hands leaves these proprietors with plenty of productive machinery but with insufficient customers for the products of that machinery.

There exists in this country enough productive plants to feed everyone adequately, clothe everyone adequately, and supply other necessities and even semiluxuries to all. But there does not exist the mass purchasing power necessary to make these products useful to all. It is folly to talk of maintaining the price-and-profit system unless we resolve—as the President has resolved—to break the jam of concentrated wealth and force the proprietors of productive machinery to give themselves customers by a more equal distribution of national income.

Sharply graduated income taxes are an important device in the accomplishment of that economic reform. They operate in a manner exactly opposite to the sales tax which encourages the concentration of wealth. In Pennsylvania I led a successful fight against the sales tax, which I consider a sock-the-poor tax. From the man of average and subaverage income, who must spend every cent he makes, the sales tax take, say, 2 percent of his whole earnings. But from the well-to-do and the rich who spend on living expense only a small part of their income, the sales tax takes far less than 2 percent. Thus it becomes a graduated income tax that is graduated downward instead of upward. It is exactly the sort of tax which we must avoid.

It accelerates the very tendency which causes depressions and which makes it so difficult to emerge from depression.

In sponsoring the Social Security Act, President Roosevelt faced the realities in America today. For better or worse—I believe it will ultimately be for the better—the progress of industrialization and technological change has reached the point where it is no longer possible to obtain security for every man and his family. We need not be surprised at this development. There was a time when one family was an entirely self-supporting unit which did not seek cooperation even for protection against its enemies. In various ways economic cooperation in units as large as tribes or villages grew and with it an increasing lack of certain kinds of self-reliance. Until recently in the United States it was generally possible for a decent, hard-working man of average intelligence to build up for himself and his dependents an adequate competence. But the pace has become too fast. Depression aside, we must face the fact that modern industrial life wears out the worker's capacity for maximum efficiency long before he is past the age when his children are grown up and able to support him. Many factories make a policy of laying off men at 40. Other skilled workers find life-long trades suddenly valueless to them because technological advance has superseded them.

What are we going to do with this army of men and their dependents? Throw them upon the humiliations of charity? That's a bitter reward for self-respecting and efficient service. Urge them to save? With wages what they have been and still are, that's an even bitterer jest.

The money to provide for them is here. They themselves made it with their hands and brain. It only remains to find a funnel by which that wealth can be siphoned off the excess profits of industry and stored up in the form of security pensions.

To do this is justice—and something else besides. There is a secondary aspect of the security bill which in the long run may prove the more important. The pensions and unemployment insurance will be useful to the whole Nation—rich and poor—because they will cushion the shocks of periodic depressions which have threatened to shake our economic life to pieces.

We have seen what happens when our people are without safeguards against the effects of panic, depression, or even the ordinary economic fluctuations of our modern life. Because we have failed to provide these safeguards in the past, we now must provide relief. You will agree that prevention is the better policy.

I most earnestly contend that the veterans of industry, as well as the veterans of our wars, are entitled to economic protection in accordance with the service they have rendered in creating the wealth of our state. Practical economics dictate that there be some external factor, controlled by the Government, to balance our industrial machinery so as to eliminate the periodic depressions. Labor and social security laws provide that factor.

The new deal has carried the Nation forward out of the morass of economic imperialism onto the firmer ground of progress within our own borders. This national conception of the public good demands policies delineated on a national basis. As always, we must look to our Constitution to show us what we can do and how we can do it. Certain provisions of the Constitution—especially the interstate commerce clause—have lately been interpreted by the Supreme Court in a manner too narrow to meet the present needs of the Nation. As communication and the interdependence of various parts of the Nation develop still further this narrow construction of the powers of the Federal Government over business will become an ever-increasing obstacle to progress.

What are we going to do about it? The Constitution itself supplies the answer: If we cannot find a way within the Constitution then that document must be amended in the form prescribed therein. I have too much respect for the framers of the Constitution to believe that they ever intended the words they wrote to become predominant over the national need. They were men who themselves lived in changing times, men who were not afraid to accept new responsibilities, to strike out upon new paths. Did they intend the Constitution to become the instrument of injustice, of oppression, of national utility in the face of disintegration? I do not believe it.

We've changed the Constitution with 21 amendments and regretted only one of them. Now, if it appears that the Nation cannot be rescued without another amendment, then amend we must. If this be treason, make the most of it.

I believe in liberalism, in the liberalism of Franklin D. Roosevelt. Liberalism is fair play. Liberalism believes that the best heritage it can leave to the future is to put the present in order.

When I hear the reactionaries complain of what they term the "confusion" of the new deal I take it as an implied compliment to the President and his party. They must have expected an administration of demigods if they thought the chaos in which the old deal ended could be straightened out in two and a half years.

The President is blazing a new trail out of depression valley. Slowly but surely our Nation is scaling the mountainside of recovery along that trail.

But like every newly blazed trail the path is slow and the roadway uneven, arduous. Tedious and painstaking effort must be exerted to settle the new roadbed—to lay the foundation of a lasting path which may be traveled safely and conveniently by our own and future generations.

We today, it must be remembered, are not building only for the present but also for the future a road to economic security and social justice.

It is for us, the young Democrats, the representatives of liberal government, to take part in this great work and to advance this new design for American living—the development of American markets for American industry and agriculture.

In the words of the President, we are on our way.

### MUNITIONS INDUSTRY AND NEUTRALITY

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement and letter writen by myself dealing with the status of the various legislative proposals of the committee of the Senate investigating the munitions industry and a statement on the neutrality bill.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

#### THE NEUTRALITY BILL—A STATEMENT BY GERALD P. NYE

I wish I could be as sure as some seem to be that America will not be drawn into another foreign war. Our experience of 20 years ago is, or should be, a ready reminder of the power of the forces that would drag a great nation into wars not of its own making. We witnessed in our last effort to remain neutral how munitions sales, bankers' loans to the Allies, and Americans sailing upon the vessels of nations at war, such as the *Lusitania*, tended to bring us into a conflict which was in its inception of no relation to us. Had America had a well-defined and strong neutrality policy at the beginning of the World War, she might have escaped participation in that war, and escaped, too, the penalties which we have been bearing and paying ever since, with the end not yet in sight.

Now, with the world topsy-turvy and quite definitely headed for more war, we can well afford to exercise every caution against

repetition of our painful experience of 20 years ago. In many respects the situation in Europe and Africa at the moment is on all fours with that existing in 1914, starting with Sarajevo. We need now, as we need nothing else, a determined neutrality policy. If we wait until war is an actuality before moving, we shall find it quite impossible to alter existing neutrality policy without committing at once what one or more nations will deem an unneutral act. Such was the case during the World War prior to our entry, when our Government refrained from adopting any policy for fear its doing so would cause one side or the other engaged in the war to feel that that policy was directed at them and advantageous to their opponents.

Members of the Senate Munitions Committee have offered and had pending before the Senate and its Foreign Relations Committee for many weeks what is thought by its sponsors to be an encompassing program of neutrality, a program covered by four legislative proposals, as follows:

Senate Joint Resolution 99, a proposal to withhold passports from Americans sailing in war zones, forbidding Americans sailing upon the vessels of belligerent nations, and a warning that Americans who risk their lives in war trade can expect no greater support from their fellow countrymen than those adventurous souls who risk their lives by joining the foreign legions;

Senate Joint Resolution 100, which provides an embargo on all loans and credits to belligerents during a war; a program which would at once notify the Morgans and other banking houses that if they must have a hand in another European war they will have to personally enlist in the foreign legion;

Senate Joint Resolution 120, carrying two distinct proposals. First, it provides a positive embargo against the exportation of munitions of war to any nation engaged in war. Second, it provides that in that larger field classifying commodities as other than munitions but considered contraband of war, while American exportation of contraband is permissible, the buyer must undertake to accomplish delivery of the supplies, and the use of American ships and the American flag to accomplish that delivery is forbidden.

The fourth legislative proposal is embodied in S. 2998 and provides for an extensive program of licensing of American munitions manufacturers and exporters, with a well-thought-out provision affording large publicity and knowledge of munitions activities.

Since the announcement of Senators some few days ago to resort to drastic means to accomplish consideration of the neutrality question before adjournment is taken by Congress there has been a decided demonstration of what the people of this country want in this field. The telegrams and other communications, together with editorial comment over the country, clearly reveal the demand for this or equally strong legislation to insure, so far as it can be insured, American neutrality. These expressions are not alone by isolationists by any means. They come from so-called "internationalists" as well—from fathers, mothers, boys and girls, from educators, from men high in business and professional circles.

The Senate and House have just adopted Senate Joint Resolution 173, a compromise reached after many days of effort. I regret exceedingly that the compromise seems necessary, but it is apparent that it is the maximum to be expected in these last and tired hours of the session. As a compromise it is a stopgap that will afford splendid service if war comes to other parts of the world while Congress is in recess until next January. But it should be noted that the compromise does not cover many features encompassed by the aforesaid program. The compromise generally covers the proposal embodied in S. 2998, in part Senate Joint Resolution 99, and in part Senate Joint Resolution 120. But it leaves wholly uncovered the question of control over loans and credits to belligerent nations and the question of exportation of contraband. More than this, the compromise limits the effectiveness of the mandatory feature governing the matter of munitions exports only until March 1, 1936. The only reason this limitation is accepted is because of the element of time and emergency existing and of definite belief that it can be made a permanent policy when Congress reconvenes in January.

The compromise proposal is worth while. It alone, or even the larger program originally proposed and still pending for consideration when Congress takes up its work again in January, will or would not prevent our being drawn into more war. But it will materially lessen the danger of America being dragged into another conflict on foreign soil.

Neutrality is a difficult thing to maintain to say the least, but Senate Joint Resolution 173, the compromise and temporary neutrality proposal, constitutes splendid gain and is certain to serve advantageously during these months when almost anything can and may happen.

Regarding the issue concerning control over loans and credits, which the compromise proposal ignores, it has been said that by reason of the Johnson resolution forbidding loans to nations which have defaulted in meeting the debts owing the United States there is no need for further action. While this resolution does largely meet the issue it should not be overlooked that it does not apply to all nations or any nation that might go to war, for there are some nations which do not owe us and which have not defaulted in meeting their obligations to us.

It is likewise being said that to write now a mandatory neutrality program and policy to become effective with the outbreak of war anywhere in the world might be a terrible mistake and destroy our best purposes. Some recite the unfortunate condition that would prevail if Canada or Mexico were attacked by a foreign power with such a strong and mandatory neutrality as is proposed in effect. It is argued that the President should have permissive power in these emergencies. We ought to be reminded that President Wilson had permissive powers in our last effort to remain neutral. It seems to me that Congress, establishing a neutrality policy, could well be expected to alter it to meet such situations as are suggested by the far-fetched possibility of our neighbors being attacked. Emphatically, experience dictates that a strong neutrality policy be established. If it is found to be poor policy, it can be altered, even repealed. In any event such a program takes away from one man the power to let us drift into war and leaves the decision of American participation in war to the representatives of the people, their Congress.

There is high resolve on the part of many in this Congress, among whom I am glad to be included, to return to the task in January of enlarging upon the neutrality policy now written, to make permanent what has been provided as temporary, and to include in the policy a coverage of the disputed issues of loans, credits, and contraband.

The measures to which I have referred follow: Senate Joint Resolution 99, Senate Joint Resolution 100, Senate Joint Resolution 120, Senate bill 2998, and Senate Joint Resolution 173.

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UNITED STATES SENATE,
SPECIAL COMMITTEE INVESTIGATING MUNITIONS INDUSTRY,
*August 24, 1935.*

MR. WILLIAM T. STONE,
*Foreign Policy Association,*
*8 West Fortieth Street, New York City.*

DEAR MR. STONE: I had promised at the close of this session to advise you at once concerning the status of the various measures which have been recommended by the Munitions Investigating Committee to the Senate for passage and of the reports made by the committee and its plans respecting future activity in conclusion of its duties under resolution ordering the investigation.

We have thought it a matter of economy to refrain from the conduct of public hearings until we were prepared to stage them quickly and completely. For that purpose no hearings have been scheduled until January, when we shall undertake to make quick work of the remaining hearings to be held. Immediately following these the committee will make its final report to the Senate, and its completed recommendations as well to the Senate.

After devoting a great deal of study to the salesmanship exercised in the sale of munitions of war, the committee members have sponsored a bill, S. 2998, which aims to accomplish a measure of control over the situation at least in a temporary way. While the bill does not by any means go to the head of the ill for which remedy it desperately needed, it does afford an approach of merit and ought to be passed. It will be subject, of course, to enlargement when we have finished our work, after which, I hope, there can be recommended a sweeping program looking to the control of this industry which has evidently at times recognized no bounds of decency in furtherance of its business. S. 2998 is approved by the State Department, and has been recommended to the Senate by the Foreign Relations Committee. It is now upon the Senate calendar and is probably not going to have passage during these closing hours. However, it should be noted that in a material way the provisions of this resolution have been incorporated by the Foreign Relations Committee in the neutrality bill which had its final passage through Congress today.

The committee has studied the economic conduct and control in the last war in a more thorough way, I believe, than any other body has ever done. As a result of its work in that field, it has drafted and proposed to the Senate its war-profits tax bill. In December of 1934 the President expressed in a public way the need for taking profit out of war. To the Munitions Committee there was referred H. R. 5529, a House bill designed to take profit out of war, but a bill devoid of taxing strength such as are considered highly essential if control of war profits is really to be accomplished. Our committee conducted the extensive studies and hearings upon the question and on May 1, 1935, reported to the Senate the House bill largely amended to provide for war-time taxes. The bill was at once referred to the Senate Military Affairs Committee, which conducted hearings upon it and reported it to the Senate with its recommendations on June 14. The bill was then referred to the Senate Finance Committee. A subcommittee thereof was appointed but not until last week was a meeting of that committee held. It then became apparent that it was futile to hope for action in time to win results before adjournment of this Congress. It is regrettable that the matter has been thus delayed, but the Munitions Committee has done its best to move it along. Our committee feels that the preparation of the war-profits legislation was a larger duty assigned it by the Senate. I hope that you can find as much encouragement as we are finding in the very evident prospect that the Finance Committee will afford that consideration which will permit early report of the bill to the Senate when Congress reconvenes in January.

In connection with this bill let me say that two reports have been submitted to the Senate by our Munitions Committee. Its report offered of recent days is the most thorough study of its kind into the subjects of war-time taxation and war-time price fixing.

After very extensive study on the subject of naval shipbuilding and on the activities of the shipbuilding companies, a report was laid before the Senate on the subject (No. 944) on June 19, 1935. At the same time the committee introduced, through Senator VANDENBERG, two bills each directed at the prevention of collusion in bidding for naval vessels and to eliminate profiteering in their construction. These bills, S. 3098 and S. 3099, were introduced on

June 19, 1935, and referred by the Senate to the Naval Affairs Committee. That committee has held no hearings upon the bills and has made no efforts to report them out. One of the results of the failure of Congress to act on these two bills in the present session is that the huge 1935 naval-construction program is left without adequate control in the hands of the Government against collusion and profiteering. Before the bills were introduced we had been given the impression that they would be considered promptly. However, at this moment there is no assurance given that they will ever be considered or reported, but I want to say to you that upon the reconvening of Congress in January the committee will exert its every effort to accomplish consideration by the Naval Affairs Committee and by the Senate.

You know, of course, that the Munitions Committee has been much interested in legislation covering the general principles of the shipment and sales of munitions to belligerents during a war in which the United States is a neutral. These bills touched on the general field of foreign relations, and so their committee did not wish to report on them as a committee, but allowed two of its members to put them before the Senate in a bipartisan way in order that they might be referred to the Foreign Relations Committee. These proposals are Senate Joint Resolutions Nos. 99, 100, and 120. Today witnessed final passage of a compromise neutrality bill, which does not cover all the ground proposed in the aforesaid resolutions but which constitutes a real and genuine step in the way of progress. Success for this program only indicates the large opportunity that exists for larger progress when Congress reconvenes.

The committee will, of course, offer further legislation and reports following its hearings in January, when it hopes to conclude its work. The committee, however, will not feel that it has completed its work fully until it has acomplished the passage of adequate legislation to meet the situation revealed to exist by the investigation.

I have been asked often regarding the help which has been afforded our committee. In addition to those who have been engaged and paid through the moneys appropriated by the Senate for the conduct of this investigation, we have had the services and assistance of able men from the Interstate Commerce Commission, who were loaned to us upon our request. The committee has also had the assistance of some lawyers, engineers, and clerical help through the New York State F. E. R. A. This assistance has all been employed in the committee's New York office. Our work was not considered a relief project but a works project. All the workers assigned to the committee in this connection were assigned to it by the F. E. R. A. of New York and not by the Munitions Committee. As many as 39 such workers were at one time utilized by the committee. This has been splendid assistance, and the committee appreciates the help that has thus been afforded it.

You have indicated a desire to know of the availability of the printed hearings of the investigation and of reports made by the committee. Permit me to say that these are available at a very nominal cost through the Superintendent of Documents of the Government Printing Office here in Washington.

Sincerely appreciating the purpose of your inquiry and the cooperation which you have afforded us, I beg to remain,

Sincerely yours,

GERALD P. NYE.

### THE COTTON-LOAN PROGRAM

Mr. BARKLEY. Mr. President, under leave to extend my remarks in the RECORD I insert the following radio address by the Senator from South Carolina [Mr. BYRNES] to be delivered on August 31, 1935, as follows:

I wish to take this opportunity to express my appreciation to WBT of Charlotte, N. C., and to WFBC of Greenville, S. C., for the opportunity afforded me to respond to many inquiries as to the cotton-loan program announced by the Government on last Monday.

The plan is substantially as follows:

During this crop year the farmer will receive a loan of 10 cents, based upon low middling seven-eighths cotton. The loan will bear interest at 4 percent, as was the case last year.

In addition to the 10-cent loan, the farmer will receive an adjustment payment equal to the difference between 12 cents and the average price at which middling seven-eighths cotton sold on the 10 designated spot markets on the day that the farmer sold his cotton. In other words, if the farmer on yesterday, the 29th, sold middling seven-eighths cotton for 10½ cents, he can now make a claim for 1.42 per pound, which represents the difference between 12 cents and the price at which middling seven-eighths cotton sold on the 10 designated spot markets yesterday, which was 10.58 cents per pound.

The loan is made on the basis of low middling seven-eighths cotton because that was the basis fixed for loans last year. In the case of the bounty, or adjustment payment, the basis is middling seven-eighths cotton because quotations on the 10 designated spot markets are based upon middling seven-eighths cotton.

If a farmer produces extra staple cotton or has cotton of a grade better than middling seven-eighths, he will receive a premium from the buyer who purchases his cotton. If he sold yesterday the adjustment payment he receives will be 1.42 cents per pound in addition to the premium that he receives because of the superior grade of his cotton. In other words, even though he received yesterday, because of the superior grade of his cotton, a price in excess of 10.58 cents, he will receive an adjustment payment equal to the difference between 10.58 and 12 cents.

On the other hand, the man who yesterday sold cotton grading lower than middling seven-eighths will, of course, receive less from the buyer than the price of middling seven-eighths. The bounty of 1.42 per pound, however, will be added to whatever price he received for his cotton.

The farmer can borrow 10 cents per pound upon all of the cotton he produces, regardless of the Bankhead allotment.

However, he cannot receive the bounty or adjustment payment except upon his actual production, not exceeding the Bankhead allotment. The loan is made upon all cotton in order to encourage the orderly marketing of the crop. The bounty could not be paid upon cotton which is in excess of the Bankhead allotment, because it would encourage violation of the curtailment program.

At the time the farmer makes his claim for an adjustment payment, he must agree to cooperate in the curtailment program of next year. Statements that there will be a 50-percent reduction are unfounded. There has been no determination of what that program will be and there will be no determination until there is clearer information as to the size of this crop and as to the demands for the crop.

The money to make possible these adjustment payments to cotton growers will come from the fund authorized by the recent legislation setting aside one-third of the tariff revenues to encourage the marketing and exportation of agricultural products.

The Comptroller General has not yet determined whether, under the language of the law establishing this fund, the Department will have to pay those who did not cooperate this year, as well as those who cooperated. That decision will be rendered in a few days. Department officials, however, state that should the Comptroller General rule that those who did not cooperate must be paid, the Department could require and would require that such growers, before they received payments, agree to cooperate next year. It is their purpose, if they have to make adjustment payments to those who did not cooperate this year, not to make such payments until those persons not only agree to cooperate next year, but give some evidence of compliance with that agreement.

There are many reasons for the requirement that the grower agree to cooperate next year. Among them is the fact that the constitutionality of the Bankhead Act is being attacked in the courts. The Supreme Court will probably decide that question this fall. While the attorneys representing the Government are of the opinion that its constitutionality will be sustained, still, if they are in error and the Court should hold the act unconstitutional, the Department would then have the agreements in exchange for bounty payments, which would make possible the continuation of the effort to reduce the carry-over toward normal proportions. Without the ability to control production, no man can justify a 10-cent loan.

A very important feature of the new program is that whenever a check is given to the grower for his bounty or adjustment payment, he will be asked to sign an agreement to pay each producer, share-tenant, share-cropper, or other person having an interest in the cotton the amount of such interest.

The adjustment payments to farmers will apply to all sales of this year's crop, dating back to the first day of the crop year, August 1. Therefore, the farmer who has, since August 1, sold his cotton should immediately obtain from the buyer of his cotton a sales slip, showing the name of the buyer, the date of the sale, and the grade and weight of the cotton. These slips he should keep until the printed forms are prepared upon which he can make a claim for his adjustment payment. These forms will in due time be forwarded to the county agents.

The farmer who after this date sells should get from the purchaser a sales slip signed by the buyer, giving this information, and retain it until he can get a printed form for his claim. The printed forms for applications for loans will, in the opinion of the Department, be available by September 8.

Should the price of cotton decline below 10 cents, there is no excuse for a farmer selling his cotton when he can borrow 10 cents from the Government. He must remember that he cannot receive a bounty or adjustment payment in excess of 2 cents per pound—the difference between the loan price and 12 cents. To permit any man to receive in excess of this would simply encourage him to dump his cotton at any price and destroy the whole program.

Under the plan originally announced it was generally believed that the adjustment payment would be received only for cotton sold between September 1 and January 1. The inevitable result would have been to encourage dumping upon the market during these 4 months. Under the new plan which has been put into effect this loan will be made and the adjustment payment will be made upon cotton at any time between August 1, 1935, and July 31, 1936. There is, therefore, no excuse for dumping. There is every incentive for the farmer to get the best possible price for his cotton, and there is an assurance that the farmers having better grades of cotton will get the premiums paid for such grades and staples.

The Commodity Credit Corporation today holds 4,450,678 bales of cotton. In addition, there is under the control of the Government what is known as "pool cotton", amounting to approximately 600,000 bales of spot cotton. Sales from the pool have been suspended. The Government is going to withhold this approximately 5,000,000 bales of cotton from the market until the price reaches 13 cents. That means the available American cotton will be limited to the relatively small amount of cotton which is abroad and in the hands of spinners and the crop which is made this year, which is estimated at 11,780,000 bales.

The demand for cotton has recently improved. If the cotton growers will but cooperate with the Government in its effort to help them and will avail themselves of the 10-cent loan instead of dumping their cotton, they have everything to gain and nothing to

lose. If they will borrow the 10 cents and the crop is marketed in an orderly manner, cotton is bound to increase in price. Should it rise above 13 cents, the cotton growers will receive an equity out of the four and a half million bales of cotton which are in the hands of the Commodity Credit Corporation as security for the loans of last year, but the title to which cotton still remains with the farmers.

While it is no part of this plan, it will be of interest to cotton growers to know that under legislation adopted just prior to the adjournment of Congress this year the grower holding a Bankhead certificate for cotton in excess of that which he grows can sell that certificate to another cotton grower residing anywhere in the same State instead of being restricted to such sale within the same county, as was the case last year.

Under the amendments to the Agricultural Adjustment Administration Act, the Department was authorized to compensate ginners in connection with the enforcement of the Bankhead Act. The appropriation bill, which was filibustered to death, carried the appropriation for this purpose. The President has asked the Comptroller General to determine whether or not, out of any funds heretofore appropriated, money could be secured to pay ginners the amounts authorized by the A. A. A. No decision has yet been rendered by the Comptroller General. My earnest hope is that it will be found possible to immediately carry out the wishes of the Congress. If it is not, then when Congress meets in January the appropriation bill will be passed providing the compensation for the ginners.

I have never believed that we could present sound arguments for a 12-cent loan policy on a permanent cotton program. The loan program was inaugurated in an emergency and with the expectation that it would continue only during the emergency. It was made necessary because in 1932 and 1933 our carry-over of cotton increased to such a figure at a time when the demand was decreased, that cotton sold at 5 cents per pound. We knew that we could not continue to produce cotton upon an unrestricted acreage and ever expect any recovery of the purchasing power of the people of the South. Voluntary efforts to control production had failed. Action was proposed by State legislatures, and the legislatures of several States actually enacted laws prohibiting the planting of any cotton for a year. This was to be done without providing any benefits to those who were deprived of the right to produce the greatest money crop of the South. A number of the States failed to enact these laws, and the plan failed. The United States Government then attempted to come to the aid of the cotton farmer by providing for the control of production, paying benefits to those who would reduce their production. The Bankhead Law went into effect. Gradually the carry-over has been reduced. There must be a still further reduction. The average annual carry-over in the 5 parity years, 1909 to 1914, was 3,200,000 bales.

After all of our efforts at curtailment we still had on hand in America on August 1 this year 7,150,000 bales, 5,000,000 bales of which are being held off the market by the Government for 13 cents. Nevertheless, we know that there must be a continuation of the reduction program until we have something approaching a normal carry-over.

At the same time every sane man knows that we must provide for the export of our cotton to foreign markets. Under this new plan we can hope for an increase in our exports. The estimates of the Department of Agriculture are that there will be a reduction in the amount of cotton produced in China. No marked increase is looked for in Brazil. If, while the farmer is receiving an average of 12 cents per pound, cotton can still be exported at a price that it will be absorbed by foreign purchasers, we can look forward to an increased price and the gradual reduction of the stock of cotton held by the Government.

The legislation setting aside one-third of the tariff revenues to encourage the exports of agricultural products will furnish the fund with which we can supplement the farmer's income while we encourage our exports.

It will be urged that this is a subsidy to the cotton farmer. It is the application of the principle of the tariff to the production of the cotton grower. He can never benefit by any tariff duties. He has always paid tribute to the manufacturers of the Nation through the operation of the tariff. This legislation simply diverts one-third of the tariff revenues to be used to improve the condition of the farmer and to maintain his purchasing power.

While this plan is put into operation, the Congress and the administration can look to the establishment of a permanent policy. While we must continue to control the production until the carry-over is reduced, we can consider the advisability of adopting a plan under which the fund established from the tariff duties can be used to pay to the cotton grower an adjustment payment upon that part of his crop which is consumed domestically. If, for instance, 50 percent of the cotton crop is consumed by domestic mills, and if, under the Bankhead Act, a grower is allotted 50 bales, he could receive an adjustment payment upon 25 bales, or 50 percent of his crop, sufficient to increase the price received for this portion of his crop to the price determined upon as the parity price. The other 50 percent of his crop would be sold at the world price and would compete with the cotton of other nations. It would give no advantage to a foreign spinner because the domestic spinner will pay the same price as the foreign spinner, the increase to the farmer coming out of the fund derived from tariff revenues.

Other plans somewhat similar have been proposed and are being considered. As a result of the study given to the subject, I feel confident that a sound permanent policy can be established.

The announcement of the 9-cent loan and the first plan recommended by the Commodity Credit Corporation undoubtedly brought disappointment to cotton growers. They had expected a continuance of the 12-cent loan. It must be said that from the outset the President believed in the continuance of the 12-cent loan, because he believed that the farmer had cooperated with the expectation of receiving an average of 12 cents per pound for his cotton. I think it is true that the delay in the announcement of a program was due to the inability of the President and the directors of the Commodity Credit Corporation to agree. It certainly is true that the President finally approved the plan of the Commodity Credit Corporation only because he was assured by the directors of that Corporation that the plan suggested of the 9-cent loan and the payment of the difference between the average price over a period of 4 months and 12 cents would give to the cotton grower an average of 12 cents.

When the plan was announced I was equally convinced it would not accomplish the purpose of the President. I offered an amendment to an appropriation bill directing the continuance of the 12-cent loan. I did so because I believed it was the best, if not the only, way to force a reconsideration by the Commodity Credit Corporation of their announced plan.

The Chairman of the Appropriations Committee of the House was opposed to the cotton amendment, and under the rules of the House action could not be secured without delay, and the House had adopted a resolution to adjourn. A committee of southern Senators called upon the President. I analyzed the plan that was announced and our committee presented their views. The President became convinced that the original plan was inequitable and would not accomplish his purpose. When he became so convinced, he called in the directors of the Commodity Credit Corporation, and as a result of the conferences that followed between us the new plan was announced.

I realize that it is not wise to legislate the rate of a loan upon any commodity. Ordinarily that should be determined by executive officials, based upon the value of a commodity and the control of production. When we legislate upon the subject, similar action is asked for other crops and commodities, the production of which is not controlled, as is the case with cotton under the Bankhead Act.

When the President agreed to this new plan, Senators from the cotton-growing States, with one exception, were in favor of the passage of the deficiency appropriation bill. Its failure to pass is not due to the cotton amendment. We knew that the defeat of that bill could not help the cotton growers and would hurt many others throughout the Nation, and we advocated the passage of the appropriation bill.

My difference with the President in this matter was only a difference of opinion as to whether or not a certain plan approved by him actually accomplished the object he had in mind and that I had in mind.

Whenever such an issue arises, it is my belief that it is wise for a legislator to confer with the Executive. If we cannot agree and the matter is one of vital importance to the people of my State, then, regardless of the views of the Executive, I advocate that policy which will best promote the interests of the people I represent. As to issues where no such principle is involved, it is my policy to endeavor to reach a compromise, because nearly all legislation is enacted as the result of a compromise.

In this matter it was a happy conclusion, because the plan which is now announced is fair to the cotton growers of the South and carries out the desire of the President that the cotton growers should receive for this year's crop an average of 12 cents per pound.

### LOOKING AHEAD WITH ROOSEVELT

Mr. BARKLEY. Mr. President, under the authority granted by the Senate, I am inserting in the RECORD an article to appear in Collier's Weekly of September 7, 1935, entitled "Looking Ahead with Roosevelt", by George Creel, of California, as follows:

[From Collier's Weekly for Sept. 7, 1935]

LOOKING AHEAD WITH ROOSEVELT

By George Creel

It is the deep conviction of Franklin D. Roosevelt that the Constitution of the United States was never meant to be a "dead hand", chilling human aspiration and blocking humanity's advance, but that the founding fathers conceived it as a living force for the expression of the national will with respect to national needs.

At the time that Washington rode from Mount Vernon to Philadelphia for the Constitutional Convention, the Thirteen Colonies did not hold as many people as the present population of New York City; Robert Fulton had not yet built his steamship; there were no railroads; and a purely agricultural civilization was without conception of slums, sweatshops, holding companies, stock exchanges, automobiles, and airplanes. With a great continent open for settlement by the needy, dissatisfied or ambitious, how was it possible for the Convention to imagine the March days of 1933, when 10,000,000 jobless men tramped the streets and highways, when hundreds of thousands faced homelessness through dispossession, and when half the people rested under the black fear of hunger?

THE ESSENCE OF THE CONSTITUTION

Sincerely, steadfastly, the President refuses to believe that the framers of the Constitution meant to tie the hands of posterity

until the end of time, denying future generations freedom of action in meeting the problems presented by 150 years of change. Like Abraham Lincoln, who put forth the Emancipation Proclamation in full faith that the great document was never designed to embalm evils and injustices, he rejects the theory that the Constitution was intended to stand as a barrier against social and spiritual progress.

He knows, as few seem to remember, that the founding fathers were not doddering octogenarians, fearful of change, but young and ardent men who had just thrown off the shackles of Old World despotism. Even with Franklin's 81 and Washington's 55, the average age came under 40. Madison, for example, was 36 and Hamilton only 30.

The thing that has come to be called the "new deal" is Franklin Roosevelt's conscientious, deliberated effort to continue the Constitution as a truth and a hope, not as a mere collection of obsolete phrases. Believing that the vast and bewildering changes in American life compel new objectives in human relations, the laws that he has proposed are frank attempts to gain those objectives, and nothing is more certain than that he will keep up the drive with all the force of his being and all the power of his office.

Against charges of precipitancy he places grim facts of record. The conditions that he inherited demanded immediate action. What faced him were terrifying emergencies, and to have parleyed and postponed would have invited chaos. Banks were crashing, factories shutting down, millions begged for work and food, mortgages were being foreclosed on homes and farms, and industry and agriculture alike rushed to ruin. In 1932 alone there were 31,822 failures with liabilities of $928,000,000, and the threatened bankruptcy of the railroads menaced savings banks and life-insurance companies.

Two courses were open to him. Either he could have sat idle while Congress framed a constitutional amendment to be acted on by the legislatures or the special conventions of the 48 States, a process of months at best, or he could assume, as he did assume, that it was never the thought of the founding fathers to deny those that followed them the right of self-preservation.

NECESSITY MAKES THE LAWS

The Farm Credit Administration saved farms and farmers; the Home Owners' Loan Corporation saved city and suburban homes; the Reconstruction Finance Corporation, galvanized into new and vigorous life, saved banks, railroads, industry, and came to the rescue of depositors in closed banks; the Federal Emergency Relief Administration cared for ten millions, and the Civilian Conservation Corps took a million American youngsters out of city streets and gave them wholesome, useful occupation.

A Federal Housing Administration stimulated home modernization and new construction; a Public Works Administration swung into action with its millions for great and necessary projects, and the Agricultural Adjustment Administration proceeded to double the purchasing power of the farmer, lifting wheat from 25 cents a bushel to 98 cents; corn from 10 cents to 80 cents; oats from 8 to 50; rye from 25 to 60; alfalfa from $5 a ton to $25; cattle from $6 a hundredweight to $13.50; and hogs from $2.50 to $9.50.

The worst drought in history presented the administration with another emergency that did not permit of backing and filling. Millions were rushed to the devastated areas, and in addition to other aid, 300,000 stockmen were granted feed loans for the maintenance of foundation herds, and some 445,000 individual seed loans were made.

Where was there specific warrant in the Constitution for these expenditures? Ten million jobless, hungry men were as remote from the consciousness of the founding fathers as airplanes. What did they know of city plague spots where men and women lived miserably, breeding hates and rebellions? Or a million boys, doomed to idleness and despair? Or wholesale dispossession? The President acted under the compulsion of terrific necessities, and never at any time was there a doubt in his mind that such swift action would have had the approval of those great men who put such stress on life, liberty, and the pursuit of happiness.

The clamor against him for his failure to have the constitutionality of new-deal measures "guaranteed" has moved him not at all, and will continue to leave him unmoved. Doubt as to the attitude of some court will not be permitted to delay legislation imperatively needed for the relief of human misery and the cure of obvious evils. He holds that any other course is an invitation to frustration and defeat, for where is there any authority able to pass on the constitutionality of a law in advance of enactment? Federal district judges? No two can agree, and scarce a week passes by but an appellate court overrules them, and is overruled in turn by a higher tribunal. The Supreme Court itself divides 5 to 4 in important decisions.

With respect to the future, his mind is equally calm and his purpose equally clear. In the next few months the Supreme Court will hand down fresh pronouncements with respect to new-deal laws, and it is possible that the President will get "another licking."

If so, much will depend on the language of the "licking." In event that unconstitutionality is found, perhaps the decisions will point the way to statutory amendments. This is the hope. If, however, the Constitution is construed technically; if it is held that 150 years of change have no bearing on the case, and that the present generation is powerless to meet social and economic problems that were not within the knowledge of the founding fathers, and therefore not made the subject of their specific consideration, then the President will have no other alternative than to go to the country with a constitutional amendment that will lift the dead hand, giving the people of today the right to deal with today's vital issues.

A SEARCH FOR THE BEST WAY OUT

Nothing bothers Franklin Roosevelt less than charges of inconsistency. As does every other seeing man, he knows that the rush of science and invention left America's economic and social thinking far behind, and as a consequence the great crash found us absolutely unprepared. With the national mind confused, and the unanimous demand for instant remedial action unaccompanied by any agreement as to the nature of that action, there was bound to be a large amount of groping. If it be inconsistency to search for the best way out, refusing to cling to preconceptions when new conditions force their abandonment, then he welcomes the accusation.

While he lays no claim to supreme wisdom, and freely admits that blunders have been made and will continue to be made, in all probability, objectives stand clear in his mind, and he is without doubt as to ultimate goals. What he wants is not a meager American life, but a full, rich existence for every citizen, and to this end all effort will be made to raise consumption to a level with our very highest production. Restrictive controls are temporary expedients compelled by lack of a modernized system of distribution.

Refusing to dodge realities, he stands like iron in his belief that we have come to a stage in the Republic's development when unlimited, unrestricted competition must give way to cooperation, and a planned economy substituted for the haphazard, helter-skelter, dog-eat-dog system under which America has been living. The purpose of a social order, as he sees it, is to supply those who live under it with the necessities of existence in abundance, to provide work for the strong and willing, to rob old age of its terrors, and involuntary unemployment of its despairs, and, above all, to give such guaranties of social security that men will be able to go to bed at night without wondering miserably what will become of them on the morrow. Any civilization that fails in these objectives, he insists, is not a civilization that deserves to endure.

The President is without apologies for the N. R. A. It had its extremes and absurdities, but the fundamentals were, and still are, as much commandments as though they had come down from Sinai. Majority rule is the essence of the democratic principle, and it must and will be applied to business. When the decent and honorable 90 percent in an industry agree on a code of ethics, it should not be possible for an outlaw 10 percent, refusing to play the game of fair competition, to make the ethical majority choose between bankruptcy and the surrender of standards. The abolition of child labor, together with the establishment of standards for minimum wages and maximum hours, continue to stand as Roosevelt objectives.

THERE'S NO ABSOLUTE OWNERSHIP

It is not his intent to do away with the profit motive or to drive against the institution of private property. The wistful imaginings of More and Bellamy have their appeal to him, as they must to every man with any capacity for idealism, but he refuses to drug himself with ideals as an escape from reality. He does hold, however, that there is no such thing as absolute ownership, and that the right of private ownership cannot be permitted to operate against the general welfare. Following the same line of reasoning, he believes that the profit motive can be divorced from greed and brutal disregard of ethics and fair play. Courage, initiative, and enterprise are to be preserved as precious heritages, but they must be the real article, and not mere masks for rapacity.

Neither now nor at any previous time has the President set a limit on size in business. It is not his thought that industry should be put back into rompers, but it is his determination that the big fellows must give up their loaded dice and play the game fairly and squarely with the little fellows. If there is no inclusion of false values in capitalization, and if growth is not accompanied by the strangling, smothering tactics of unfair competition, the size of a business will be left to the test of economic efficiency. A vitalized, vigilant Federal Trade Commission will establish these safeguards and see that they are heeded.

With respect to banking, there is no doubt in his mind as to the need of radical reform. With 48 State banking systems, a national banking system, and the superimposition of a Federal Reserve System on both, unification must come and will come. For the present, however, he contemplates only such centralization of existing power as will enable the Government to recapture the control of money and credit. All that pending legislation proposes is the concentration in the Federal Reserve Board of authority over discount rates, reserve requirements, and open-market operations. It means, however, the recognition of a national viewpoint rather than the local viewpoint, and that is the struggle.

In requesting legislation to bar gold suits against the Government nothing was more remote from his mind than to rob any citizen of a constitutional right. What moved him was anger against a new type of racketeer. No man now holding a Government bond can prove loss, for the dollar today buys more than it did in 1926, a year accepted as an average for the period between 1920 and 1929. What these swarming litigants want, in the President's opinion, is $1.69 for their dollar, and he views it as an essentially dishonest demand.

The hue and cry against his tax program as a soak-the-rich drive has worked no change in his purpose, and he is equally unimpressed by the charge that it was a political move to gain the

favor and support of left wing elements. The question of taxation has been in his mind from the first, and the message of June 19 represented the crystallized convictions that came from long thought and deep study.

A revenue measure in its essence, it is only in the manner of raising the revenue that there is an expression of his social philosophy. The principle to which his mind has run—the principle laid down in the bill—is that taxes must be levied in proportion to ability to pay and in proportion to benefits received. He has no firmer belief than that wealth does not come from individual effort, but through the cooperation of the entire community, from people in the mass. Income is the one true measure of benefits received and ability to pay, and the income tax, in his belief, must stand as the governing principle in Federal taxation.

Another formed thought of the President is in connection with the debt burden. The new bankruptcy acts, encouraging reorganizations, point a way to reduction of principal, but it is equally important that interest rates be lowered. Usury has been, and is now, an all too common practice, either boldly or through the slick expedient of adding "commissions" to the legal rate. In a letter to James A. Moffett, under date of November 1, 1934, the President virtually commanded a uniform basic interest rate of 5 percent as the start of a drive against pawnbroking methods. Today every lending agency of the Federal Government, operating in agriculture, industry, and in direct contact with the home owner, is being used, and will be used, to force interest rates down to a fair figure that takes cognizance of the debtor's ability to pay.

PEACE ON THE INDUSTRIAL FRONT

The real and true partnership of labor and management is another objective close to the President's heart. Industrial peace is as much a necessary human goal as world peace. Section 7-a in the National Recovery Act was the Government's frank recognition of the right of workers to organize and to bargain collectively with their employers through representatives of their own choosing. The Wagner bill, creating an independent and quasi-judicial National Labor Relations Board, is the necessary extension and elaboration of section 7-a, and stands now, as it will continue to stand, as a Roosevelt fundamental.

What, he asks, is a corporation itself but the organization of capital? What of the chambers of commerce, the various manufacturers' associations, and the numberless groups of employers? He holds tenaciously to the conviction that workers must have the same right, and it is equally his insistence that an honest acceptance of the law will bring about a real partnership between labor and capital instead of the shoddy, meaningless phrase that is now the rule.

If there is one new-deal agency that enlists the championship of the President more than another, it is the Securities and Exchange Commission. As a Governor he came to an exact appreciation of the evils of unbridled speculation and knew sickness of heart by reason of the extent to which the credulous were robbed of their savings. In 1 year in New York State alone $500,000,000 was filched from fools by get-rich-quick promoters and high-pressure salesmen. He stands like granite on the premise that it is a prime function of government to make the word "investment" mean what it was intended to mean, and at no point will he give an inch in his support of the S. E. C. and its right to regulate stock exchanges and to drive against swindlers.

TOWARD A NEW SOCIAL ORDER

It is a somewhat common complaint against the President that his "sunny optimism" and "sophomoric enthusiasms" blind him to the grim facts of given situations. As a matter of truth, his "sunny optimism" proceeds from a deep and abiding faith in the resources, the courage, and capacities of America and the American people. Out of his belief that we lead the world in invention, science, specialized skill, and adventurous enterprise, he believes implicitly that we can lead the world into a new social order that will free men from their fears and miseries and make them truly masters of their destiny.

In 1929, when prosperity was assumed to have been at its peak, some two and a half million men were walking the streets in search of work. Even if the country recovers in full measure, at least five or six million will be technologically disemployed. Jobs must be found for this vast army of idle. What the President conceives is a continuous and expanding program of public works that will not only provide employment for all, but lift American life to a new and nobler level. We have the resources, the brains, the energy, and all that we need is to rid ourselves of the fixations carried over from years of scarcity, the period of struggle.

Our housing is a reproach. Half of the population lives meanly. There are existing cities to be rebuilt and new cities to be built. Not only slums must go, but tenement districts and drab, dingy neighborhoods, giving way to a loveliness that will permit a release of the spirit. Municipalities are without money for the task, and to say that the Federal Government cannot step in is to continue squalor and misery.

Thousands upon thousands are living under Daniel Boone conditions, and the whole great field of sanitation offers itself for exploration and advance. For years medical research has gone cap in hand, begging pennies. What better use for money?

Few nations have given greater lip service to education than America, yet our illiteracy statistics are appalling. What more active poison can be poured into the wells of citizenship than ignorance? What the President plans is a continuance and intensification of the drive against adult illiteracy and a vigorous compaign to make education a true thing and a vital thing. Already a start has been made in the creation of the National Youth Administration. One hundred thousand high-school students will be helped to complete their courses and another hundred thousand college students will be aided. Exceptional ability will be rewarded with post-graduate years.

The President's imagination has gained force and sweep from his contact with the life and problems of 48 States. At the time the Constitution was written, men deemed America's fertility inexhaustible. If a farm petered out, there was new land to be had for the taking. Today, however, scientists declare that unless remedial measures are taken at once, another hundred years will see the reversion of part of the country to desert.

A great conservation plan, therefore, is in the making, based on Franklin Roosevelt's conviction that the Federal Government must have the right of control over all running water. Millions will be devoted to the fight against soil erosion, for the retirement of submarginal land, and for great reclamation projects, reforestation, and the redistribution and resettlement of population. At no point, however, will this feature of the program be compulsory. Just as the Republic offered homesteads in earlier days, so will the new deal present unhappy, dispirited groups with the opportunity for a new start in a new environment, leaving it to them to accept or reject.

In this vast, far-flung plan, the development of water power will be emphasized to the limit. It is the last great natural resource remaining in possession of the people, and nothing will be permitted to interfere with its full utilization. As far as possible, development will respect private investment. Contracts will be made with existing companies for transmission in order to avoid duplication of facilities, and when competition is compelled by the exigencies, purchase of private plants will be made at a fair price.

Nevertheless, there is a job to be done, and it will be done. A comparison bitter in the President's mind is that the Scandinavian countries sell current so cheaply that barns have electric light and running water, while here in the United States a full 90 percent of the rural population live by oil lamps and pumps or wells. Already the Farm Home Electric Authority, operating at present with the Tennessee Valley Authority, has succeeded in cutting the prices of electrical equipment in half and reducing interest rates on installment buying from 18 to 5 percent.

It is inevitable in all this period of radical change that the question of sovereignty will be raised. Throughout his entire adult life the President has been a champion of States' rights, but what he has been forced to see is that many festering evils lie within domains that the Commonwealths cannot reach, and that there are needed standards in various social and economic areas that must be national.

The Lindbergh Kidnaping Law, the Mann Act, and the Pure Food Act were direct invasions of State sovereignty, yet they were passed and have stood without challenge, because public opinion recognized the necessity for Federal control. If it is constitutional for the central Government to protect the Nation against kidnapers and food poisoners, the President sees no reason why the children of America should not be guarded against exploitation and the 90 percent of honest, decent business men against the wolfish competition of an indecent, dishonest 10 percent.

A BALANCED BUDGET IN SIGHT

With respect to a balanced Budget, the President holds that the best and quickest way to balance the National Budget is to balance the budget of the American citizen. Even so, receipts and expenditures are being given the ultimate in careful consideration, and the Treasury experts already see the day when the Budget can and will be balanced, and that without ignoring an essential governmental duty or human obligation. Here are the figures:

The Treasury receipts for the fiscal year ending July 1, 1934, were $3,116,000,000, and the deficit was $3,630,000,000. For 1935 receipts were $3,800,000,000 and the deficit $3,002,000,000. For the year ending July 1, 1936, receipts will be $3,992,000,000 and the deficit $3,892,000,000. For 1937 it is estimated that receipts will amount to $4,200,000,000, with a deficit of $2,000,000,000, and the estimate for 1938 is $5,000,000,000 receipts and a $5,000,000,000 deficit. In 1939, according to estimates, receipts will run well above five billions and instead of a deficit we will be able to show a half-billion plus. The United States has not neared its debt limit, and another fact stressed by the President is that the cost of the debt structure is being steadily reduced. Two years ago a little over 4 percent, its cost is already down to nearly 3 percent.

Turning away from domestic problems to world conditions, it may be said that the President is under no illusions as to the ability of a nation to live of itself and by itself in this modern universe. He knows, however, that under present conditions there is small possibility of international concert along constructive lines, but when the nations of earth come to their senses we will play our part in disarmament, in world trade, and in currency stabilization.

In the meantime the administration will not give ground before the drive of the economic nationalists and their gospel of a self-sufficient America. The work of the trade-agreement section will be continued and supported. It is the belief of the President and his advisers that both agricultural and industrial recovery can be given no greater impetus than by the recapture of foreign markets

for our surpluses. The basis of the effort, however, will be reciprocity, with emphasis always on the exchange of such products as will work the minimum of harm to our own domestic market.

INTELLIGENT CRITICISM WELCOMED

Today, after the two most strenuous years ever experienced by any Chief Executive with the possible exception of Washington, Franklin Roosevelt has suffered no impairment of strength or health and retains in full degree both the courage and optimism that have been his outstanding temperamental characteristics. It is true that he has evinced irritation in connection with certain attacks of the opposition, and this has been hailed as giving the lie to his own repeated statements that he not only invited criticism but welcomed it.

The answer to this is that the President's quarrel is not with the fact of criticism but the nature of it. Sincerely believing that no public official has the gift of infallibility, it is a fundamental of his political philosophy that nothing is more helpful and corrective than a strong and intelligent opposition. It is his complaint, however, that new-deal opposition has been neither strong nor intelligent, but merely abusive and obstructive, and in support of this he cites the fact that never at any time have his opponents come forward with an alternative proposal. They attack what he has done, but not once do they say what they would have done or would do. To answer attempts to end child labor and wipe out slums by crying that it is the opening wedge for a dictatorship that will destroy free speech, free press, free assemblage, abolish trial by jury, and end in the quartering of soldiers in the homes of citizens, seems to him in no sense critical, but the last word in sabotage.

On the whole, however, he retains his amazing serenity, not underestimating his task, but addressing himself to it with all that he has of courage, conscience, and ability, sustained by the thought that the American people, after all, are his sole judges and that their judgments are based on results.

COAL INDUSTRY REGULATION

Mr. BARKLEY. Mr. President, under authority granted by the Senate, I insert in the CONGRESSIONAL RECORD a radio address by Senator JOSEPH F. GUFFEY, on August 29, 1935, on regulation of the coal industry, as follows:

Before proceeding with the subject matter of my address, I desire to express my thanks to the Washington Star for its invitation to address this vast radio audience on the bituminous-coal industry of this country and the effect thereon of the Bituminous Coal Act, which I sponsored and which passed the Congress.

I was born in the shadow of a bituminous-coal tipple. I have lived all my life in the center of the bituminous-coal fields of Pennsylvania. I am not a coal producer, mine operator, or broker. I own no stocks or bonds of any coal company. I own no coal lands or coal royalties. Every member of my family is in a similar position. Therefore, I believe I am in a position to approach the problem of the coal industry from an entirely disinterested viewpoint.

I am familiar with both the working and living conditions in bituminous-coal fields, not only of Pennsylvania, but eastern Ohio and northern West Virginia.

One of my earliest recollections was seeing the miners evicted from their homes and compelled to live in tents on sand bars in the river, and this in severe winter weather.

I have witnessed all the labor troubles in the bituminous-coal fields for the past 40 years, and I have also witnessed all the horrors of the mine disasters in this territory.

Now, on the other hand, I have seen all the problems and hardships of the operators who, in my opinion, have had almost as hard and difficult a time as the miners.

The bituminous-coal industry consists of between ten and twelve thousand mines in which approximately 500,000 men are employed. These employees have approximately 2,000,000 relatives dependent upon them. A majority of our people depend upon it for heat and light, and a large part of industry depends upon it for power. It is the principal source of power for railroad transportation.

Yet in spite of the importance of this industry, upon which so much depends, it has never been operated on a sound economic basis. There have been many reasons for this, the most important being the failure or inability, for one reason or another, of the mine owners and operators to conduct their business on a profitable basis.

The owners and operators willfully, or because of force or fear, have engaged in cutthroat competition, which has resulted in the adoption of the most wasteful methods of mining, thereby accelerating the depletion of the rich fields of coal, and leaving in the ground great quantities of this valuable natural resource. This waste was brought about by their efforts to mine that coal which could be gotten out in the easiest way and at the lowest possible cost, so that they might try to keep up with the mad competitive struggle in which they were engaged. A large number of these operators were forced to do this by large consumers, such as the railroads and public utilities, who, because of their tremendous purchases of this product, imposed their will and demanded and obtained coal at prices even below the cost of production. The railroads were purchasing and consuming substantially one-third of our bituminous output, and they actually purchased coal at from a minimum of 5 cents to a maximum of $1.30 a ton below the actual production cost. These railroads, systematically and methodically, used their vast purchasing power to prey upon the coal industry by playing one operator against another, one coal field against another, and one coal against another. They shifted their tonnage purchases from one field to another until they brought the operators of the first field to their knees and compelled them to accept prices which the railroads wanted to pay. They shifted their buying from one State to another for the same purpose. They even wrecked coal companies. They did not stop at anything which would result in their obtaining coal at absurdly low prices. It is a matter of record that contracts were made by the railroads for coal at $1 a ton, 90 cents a ton, 85 cents a ton, 75 cents a ton, and in one instance one railroad had a contract in northern West Virginia as low as 52 cents a ton. At the very time that railroad companies in northern West Virginia were paying 52 cents a ton for West Virginia coal they were charging from $3.09 to $3.38 a ton for hauling coal from the Kanawha district in West Virginia to Washington, D. C. And of course, the smaller consumer had to pay that charge.

Individually the men who own and operate the coal mines in this country are just as fine citizens and intelligent men as exist in any cross section of our population, or of any industry or profession, but they simply have not been able to function collectively and conduct their business in such a manner as to operate successfully and without that mad and destructive competition in which they have always engaged.

What has been the effect upon mine owners and operators?

Many of them were unable to pay their power bills or their supply bills, and few, if any of them, were able to pay their mine workers anything like a living wage. Some of them have beaten their employees out of their pay rolls, not once or twice but as many as five times. That was because they couldn't sell their coal reserves, built up an indebtedness, and were left without hope for the future. Inevitably they had drifted or were drifting into a receivership and eventual dissolution of their assets.

These conditions which have existed in the bituminous-coal industry have had a drastic effect upon the 500,000 men who work in and about the mines, as well as their 2,000,000 dependents. These men have almost always been paid a pitiful wage, one upon which it was impossible for them and their kin to live adequately. The miner has never had anything like full-time work. In 1923 he averaged only 179 days; in 1930, 187 days; in 1931, 160 days; in 1932, 146 days; in 1933, 167 days. In most instances the pay was from $2.50 to $3 a day. The highest wage scale during the period was $5, and this usually was paid in districts with fewer working days than the average. Men were working in nearby States for as little as $1.50 per day for 12 or 14 hours' work. Even while the N. R. A. codes were in operation, the average miner did not make over $15 a week. In northern West Virginia, where many railroads were buying their fuel coal, the price per ton paid to the workers who mined the coal and loaded it into the mine cars was as low as 22½ cents. That is about one-third the amount it costs one in Washington to hire a man to carry a ton of coal from the curb or alley and place it in a coal bin; and the miner had to pay for his own explosives, buy his own tools, and keep his lights going out of that 22½ cents a ton.

WAGES 65 PERCENT OF COST

Wages consume approximately 65 percent of the cost of mining bituminous coal and are the only item of cost in which there is any flexibility. If an operator has to reduce his cost, he thinks in terms of reducing the wage cost. He cannot reduce his power cost, his timber cost, his machinery and supply cost, his taxes, or royalties. When forced to reduce his costs in an effort to keep up the destructive competition in which he is engaged, he goes out to the pit head with his tacks and tack hammer and nails up a notice on the bulletin board that wages have been reduced. The result has been that the miner and his dependents live in misery, poverty, and even serfdom.

I have actually seen these miners and their families living in hovels which would not be used by farmers as shelter for their cattle and swine.

The bituminous-coal industry was conducted with partial success under the N. R. A. for a little more than a year. This was the first time in half a century, except for the war period, that the mine owners and operators cooperated for the benefit of themselves and the miners. At the same time the consumer obtained his coal at reasonable prices. The N. R. A. code developed advantageous effects in the way of stability and brought the industry in general from insolvency to profit. Those coal operators who observed the code as to price and collective-bargaining features were able to sell their coal at a price which would cover the cost of production, pay a decent wage to labor, and yield a return on the investment. But this was not to continue. The N. R. A. Act did not contain the authority necessary to force compliance with the code by the operators. After the code had been in effect for about a year, certain producers began to cut prices in violation of the code agreements. These price cutters or "chiselers", as they became known in the trade, so unstabilized the industry that the law-abiding operators were compelled to appeal to the code authorities for permission to cut prices to figures in line with those of the violators of the code. In other words, the market was controlled by the so-called "chiseler."

A general disregard of the price provisions of the code, a more or less general attempt to evade the provisions of the code in the making of contracts and in the delivery of tonnage resulted. The entire code was jeopardized. The price structure broke down. The code became unworkable.

Such a state of affairs could only mean one thing—a return by all owners and operators to the previous cutthroat and unscrupulous competition with its resulting wasteful mining operations, cutting of wages, receiverships, etc.

Having first-hand knowledge of these failings of the owners and operators, knowing of the misery and hardships with which the miners and their dependents were faced, and feeling that this industry and this natural resource could only be saved and made available to the American public through direct action by Congress, I undertook to prepare and have enacted into law the necessary legislation. This effort has terminated in the enactment of what is known as the "Guffey-Snyder bituminous-coal bill."

The legislation was formulated for the purpose of curing the evils which have played havoc with this industry, so that the owners and operators might make a fair profit on their investments, so that the miners who toil to produce this valuable product might receive fair wages and they and their dependents might enjoy decent living conditions, and so that the consumers—the great American public—might always have a dependable supply of fuel at reasonable prices. The legislation, in my judgment, will accomplish these objectives through its provisions for stabilization, cooperative marketing, conservation, and taxes.

This law provides for the appointment of a National Coal Commission by the President, by and with the advice and consent of the Senate. The Commission will regulate and manage the industry in the interest and for the welfare of the entire Nation, but as private enterprise and with due regard for consumer, investor, and workman. Working under the Commission and subject to its authority at all times will be district boards consisting of duly elected representatives of the producers, marketing agencies, and labor. Thus, the plan is most practical in that the Commission will have under it and cooperating with it practical coal men—operators and miners—who have a complete knowledge of the business. This insures intelligent and successful administration.

These district boards will be organized with the aid of the Commission, and it will be their function to fix minimum prices as provided for in the bill.

Generally speaking, each district board will be supreme in its district, but subject, of course, to the approval of its actions by the Commission. Where district boards are required to act in conjunction with other district boards, as in fixing minimum prices, the Commission may and will take steps to avoid conflicting action by such boards. Producers and all parties in interest are given the right to appeal to the Commission from any action of the district boards. Appeals from even orders of the Commission itself may be taken in courts of appeals.

UNIFORM ACCOUNT SYSTEMS

The boards, in fixing minimum prices, must take into consideration wages, operating costs, sales profits, losses, and the like. This will not be a difficult task, because wages, which consume 65 percent of all coal-production costs, will be definitely known at all times and the Commission will compel producers to maintain uniform systems of accounting covering costs. The methods of determining these prices are specifically set forth in the bill and must be followed by the district boards. In addition, the prices arrived at by the district boards must be confirmed by the Commission before they become effective. If the Commission does not agree with the prices proposed by the boards, it is obligated to modify or disapprove them. The ultimate result will be that prices fair to all concerned will be established.

The bill provides for the formation of a code and contains specific provisions making the competitive practices discussed previously, together with others not discussed but nevertheless important unfair methods of competition.

It imposes a tax on the sale or other disposition of soft coal of 15 percent of the sale price, or in the case of captive coal, which is coal produced for large corporations by subsidiary companies, of the fair market value thereof. All those coal producers who join and live up to the code and its provisions will receive a credit or drawback of 90 percent of the amount of the tax. This tax will be productive of substantial revenue—it is estimated that it will produce approximately $10,000,000 per annum, which is more than enough to pay all expenses faced by the Government because of the administration of the act. Of course, those coal operators who fail to sign the code or live up to its provisions will not receive the 90-percent credit or drawback. Should there be any such, they will be handicapped in their efforts to market their coal in competition with those operators who comply because of this additional expense. Personally, I feel that a very few, if any, of them will assume this extra burden.

The bill also directs the Commission to study methods of production control and to report its findings and conclusions to the next Congress. This is important in that should a satisfactory method of production control be found, it would assist very much in the stabilization problem. The Congress will consider this report and if it concurs with the findings of the Commission, amend the present legislation.

What will this bill do for the labor that works in and about the mines?

It will provide a better living wage with which these 500,000 men may take care of their 2,000,000 dependents, all of whom most of the time have lived close to starvation. It will restore to these men and their families their rights as American citizens by bringing to an end in some mining communities conditions which in fact made serfs of them. It will do this through the labor provisions of the bill.

By the terms of the bill and the provisions of the code, employees in the industry have the right to organize and bargain collectively through representatives of their own choosing. They are to be free from interference, restraint, or coercion of employers in the designation of representatives or in self-organization for collective bargaining or other mutual aid or protection. No one employed or seeking employment is to be required to join a company union. Employees are guaranteed the right of peaceful assemblage for the discussion of principles of collective bargaining. They cannot be required as a condition of employment to live in company houses or to trade at a company store. Maximum and daily hours of labor will be agreed upon by producers of more than two-thirds of the annual tonnage and representatives of more than one-half of the mine workers employed, and such agreements must be accepted by code members.

Wage agreements in any district or group of districts of more than two-thirds of the annual tonnage in the district or districts involved and the representatives of a majority of the mine workers involved are to be accepted as minimum wages by the code members operating in the district or districts involved.

A bituminous-coal labor board is provided for and is given power to conduct elections for the purpose of determining who are the freely chosen representatives of the employees, to offer its services as mediators in certain disputes, and, upon written submission of a controversy by the parties thereto, to arbitrate the matter submitted.

I believe these labor provisions guarantee rights to which the workers are entitled and that they will do much to relieve the constant disruption of soft-coal mining caused by dissatisfaction of the workers and consequent strikes.

What effect will this legislation have upon the consumer and how is he protected?

Little, if any, increase in the price of bituminous coal to the consumer will result from the operation of this act. I believe that increased efficiency of operation which will be brought about by this plan will reduce the cost of production in an amount greater than the tax imposed. In my judgment, under the methods prescribed for fixing prices, all operators will be compelled to carry on their business with the greatest possible efficiency. The prices of coal at the mine are coordinated and averaged in accordance with the operating costs of all the mines in the respective districts. The owner whose operating costs are high will have as an incentive for efficiency a prospect of a better profit if he becomes more efficient. As he does this the general average of operating costs of the mines in his district necessarily will be lowered and the minimum price for coal at the mine thereby reduced. This will inure to the benefit of the consumer.

The Coal Commission is authorized to establish maximum prices at a uniform increase above the minimum prices, the amount of the increase to be such as will represent a reasonable return or profit above the average total cost.

A consumers' counsel is provided to represent the consumers of soft coal. He is to be independent of the district boards, the Commission, the Labor Board, and the industry. He is prohibited from being connected with the coal industry or competing allied industries, and is given his own assistants and appropriation. It is his duty to appear and represent the consumer in proceedings before the Commission. He will have compulsory process to obtain testimony and is given authority to institute proceedings and investigations by the Coal Commission.

The bill requires the Commission to hear complaints and to take action to remedy abuses found whenever substantial complaint is made by consumers that soft-coal prices are excessive.

The consumers' interests have been well protected, indeed.

This Guffey-Snyder bituminous-coal bill is a rational formula for the stabilization of a much-oppressed national-resource industry. The importance of this industry in the economic scheme of things in our country warrants this direct action by the Congress. It is my judgment and belief that it will prove most beneficial to all the people of this Nation.

FAIR WEATHER FOR FARMERS

Mr. BARKLEY. Mr. President, it is always gratifying to be able to refer to an administration policy which transcends the bounds of partisan politics and becomes the object of support by citizens regardless of party. I refer to the Roosevelt administration's farm program, and my evidence for calling it nonpartisan lies not merely in the conduct of the program itself but in the results as given to the Nation recently by an unquestionably unbiased nonpartisan authority.

There has come to hand today the August 24 issue of Editor and Publisher, which includes a special 36-page supplement devoted to the present condition of agriculture and the prospects for the immediate future. This supplement is, the magazine says, the first of its kind. It is one of the most amazing and encouraging reports it has been my privilege to read in a long time. Let me quote two paragraphs from an editorial introducing it:

In the reports from close observers of agriculture the country over, published in this number, the A. A. A. program is not treated as a political issue. For the farmer it has overwhelmingly attained its purpose. Marginal land is out of production. Rich acreage has been planted to feed crops, which a bountiful season has prospered. Fat stock is going to market in far smaller numbers than

before the limitation was set, but commanding prices that make the smaller herds and droves of no moment to the seller. For the first time in many years the farmer and stockman is in the driver's seat, making up in one lush year all that nature and politics and bad management had lost him in many. Secretary Wallace says that the farmers' income available for spending on commodities has doubled since 1932. * * *

* * * The present fact is that the farm population, comprising one-third of the whole, is now prepared to spend money for urgently needed supplies. This is good news for sellers and advertisers of commodities. To make the opportunity clear to advertiser, agency, and publisher, Editor and Publisher herewith presents a national survey, the first of its kind to be prepared, and the heartening statement of the Secretary of Agriculture. The situation as depicted here proposes sound encouragement. * * *

The banner headline on page 1 states the theme, "Farm come-back over whole Nation now opening up vast rich markets." There follows an article by the Secretary of Agriculture in which he summarizes in two brief paragraphs the purpose and the accomplishments of the Agricultural Adjustment Act. Here is the purpose:

The Adjustment Act grew out of the theory that general recovery could be hastened by increasing the purchasing power of farmers. It was agreed that the way to increase farm purchasing power was to correct the severe and increasing disparity between the prices of agricultural and other commodities.

The results, in general terms and without, of course, ignoring the influence of other recovery measures and of the weather, have been as follows:

Disparity between the prices of agricultural and other commodities has been narrowed; farm purchasing power has been increased; the national economic emergency has been relieved.

Secretary Wallace goes on to specify that the index of farm purchasing power, considering the pre-war years as 100, has gone from a low of 49 in early 1933 to a high early this summer of 87; that farm cash income has gone from four and one-third billion dollars in 1932 to an estimated $6,700,000,000 for 1935; that income left to the farmer for living expenditures had more than doubled between 1932 and 1934.

The Secretary also cites a study of railroad shipments which shows how increased farm income in the southeast has definitely stimulated increased industrial activity and income in the northeast, with notable increases in shipments of every conceivable manufactured product.

In short—

The Secretary concludes—

the increase in farm purchasing power has been reflected, as the theory of the Agricultural Adjustment Act stipulated, in increased industrial and commercial activity and in putting city wage earners back to work.

The remainder of this 36-page supplement of Editor and Publisher is given over to articles by newspaper correspondents and others and to advertisements of newspapers from every section of the country testifying to the fact that farmers, so long in the trough of depression, are at last leading the Nation back to recovery. The high spots of the story are summarized in a box on page 2 under the headlines "Farm Market Ripe for Selling. Here Is the Story in Brief."

It looks like the farmer's wife is going to wear silk stockings again this year. Secretary Henry A. Wallace writes for Editor and Publisher that farmers' income available for buying commodities has more than doubled since 1932. The customarily wary United States Crop Reporting Board, through its expert chief, Joseph A. Becker, ventures that with the single exception of wheat, the outlook for all principal crops is highly satisfactory from a national standpoint as regards food supply and from the farmer's standpoint as regards the jingle in the sock.

This is how experts in every section, invited to speak out by Editor and Publisher, tell the glad story:

Northeast: Milk prices to farmers 100 percent above depression low. Apple crop 50 percent to 100 percent (in spots) above 1934. Poultry outlook best in years. Potatoes, fruit, hay swell.

Mississippi Valley: Minnesota farm rebuilding may touch $100,000,000. Wheat crop cut by rust 45 percent, but hay, rye, barley, others almost double. Hogs were $3.50 hundredweight January 1934, and $11.35 hundredweight August 1935. Farm income for 6 months, $135,000,000—a 30-percent gain.

Iowa sees half billion farm income, the biggest since 1930. The hog market booms. Corn gains 55 percent over 1934.

Central Illinois has satisfactory corn, while whole State's production is up 60 percent. Hay crop largest since 1927 and apples will stack up higher than since 1931. Peaches are rolling nicely. Grain forage brings real grins, and corn, wheat, oats, barley total bushelage doubles 1934.

Ohio's cherry, peach, grape yield grand. Vegetable farmers have a ready market for a good yield.

Indiana's diversified crops are way above average. An estimated farm income of $500,000,000 boosts the 1934 total 30 percent. Car purchases up 25 percent.

Peaches and apples are rosy in Michigan and all soft fruit meant a good net.

Wisconsin's $300,000,000 compares with a depression low of $189,000,000. Grain, tobacco, fruit, berries, eggs all above generous hopes. Milk prices excellent, with plenty outlets. Fields are green—lakes brimming.

North Dakota reports 44,000,000 bushels wheat despite handicaps. Flax, rye, potatoes, sugar beets very strong. Prospects, say North Dakotans, of $1,000,000 farm income. With feed to spare, they're scouring the West for hungry animals to eat it.

South Dakota has 300,000,000 bushels of durum wheat, only 2 percent below the 10-year average. Forage crops are unequaled in 25 years. Rain brought hat-high corn, and car registrations double in some sections.

Nebraska stockmen are riding the crest. One hundred and sixty-two million dollars this year for beef and hogs through Omaha stockyards, $150,000,000 last year. Machinery sales up 50 percent. A farm bought at $130 an acre sold the next day for $175.

Kansas in 20 words: Wheat up 8 cents a bushel; corn, 7 cents; cattle, $3 hundredweight; hogs, $5; lambs, 75 cents; eggs, 10 cents a dozen.

South: Kentucky tobacco at 13,000,000 is 5 percent better. Forty-five distillers scrambling for Kentucky corn. Federally pegged cotton prices will swell income, with better production methods aiding. Missouri's emergency crops proving boon. Texas has largest feed crop in history. Oklahoma poultry is a big item, and citrus satisfactory. Spinach, cabbage, sweet corn bursting pocketbooks. Weevil damage lighter, and A. A. A. even less—they are saying—laughingly admitting its benefits.

Mountain States: Montana's Gibson Dam and other irrigation projects in region booming land and crop values. A $64,000,000 income will mean 42 percent increase over 1934. Stockmen are smiling over additional $10,000,000. Wheat yield through this section is high, oats sometimes double. Cash income of Colorado livestock 25 percent more than 1934 so far. Forage and pasture conditions best in years.

Pacific Northwest: Wheat yield 10 percent up; peas assuming big proportions. Apple quality is high, and soft fruit generally going at higher prices.

Southwest: California's luxury products will rival old-time prices as citrus, avocado, wine, walnut industries prosper. Deciduous fruit best in years, says chamber of commerce. "Smart money" said to be buying up land in southwest coast. California expects $625,000,000 1935 farm income.

And that isn't all.

Proceeding through the special supplement, we begin to see the significance of this increased farm income. Here is a full-page "ad" in which the Des Moines Register and Tribune asks—

A half billion dollars * * * what's that to you? Iowa's half billion dollar 1935 farm income means more than money in farmers' pockets; * * * it means surging business in hundreds of Iowa cities and towns, humming factories, busy stores, a parade of glistening new cars upon concrete highways, the buying of scores of new necessities and luxuries, * * * it means $65,000,000 more to spend than in 1934.

And on the opposite page we find J. S. Russell, farm editor of the Des Moines Register and Tribune, observing that the prospective half-billion-dollar income for Iowa in 1935 is the largest since the prosperous year of 1930. He continues:

The new 5-year peak in Iowa farm income represents tangible evidence of increased farm prices, which have been working upward the last year as surpluses were wiped out. The Government programs and the diminution of supplies due to the drought have been factors in this reversal of the trend of a couple of years ago.

With prices at new high levels for recent years, the production is now undergoing expansion back to normal levels. Favorable crop conditions this year are an important factor, and, even though farm prices recede somewhat in coming months from present levels, the increased production is expected to more than offset any declines. * * *

Mr. Russell adds that Iowa's farm-equipment factories have been doing their best business since 1929; that for the first 6 months of 1935 the sale of automobiles in Iowa showed an increase of 75 percent over the same period of 1934, even though 1934 was better than either 1932 or 1933. He notes a trend toward farm repairs, improvements, and new buildings. In short, he lists the numerable pleasing results of the fact that the Iowa farmer's buying power has advanced from half of pre-war to better than 90 percent.

To the east in Indiana the story is the same. Here is a full-page ad for the Indianapolis News pointing out the amazing increases in Indiana farm income this year and add-

ing the statement, "Indiana farmers are able to buy and ready to buy." An advertisement for the Indianapolis Star sings the same tune, observes that Indiana farm income in 1935 will exceed the total of 1934 by 30 percent, and links together the fact that Indiana farmers are spending money with the fact that industry in Indiana is busy. The situation is summed up in an article by Bert Henley, market editor for the Indianapolis Star, who writes:

Indiana farmers are writing their semiannual financial statements in black ink this year, and the change, according to their own way of expressing it, is "highly gratifying."

Since the beginning of the year there has been a slow but steady improvement in marketing conditions as well as in prices for almost all products the farmer has to sell, and farmer income has had a generous boost. Estimates on the amount of increase in Indiana farm income vary according to the type of farming, and range from a modest gain of slightly more than 25 percent for the crop farmer to more than 100 percent for the farmer who depends largely upon the production and sale of cattle for his income.

The case for Nebraska is summed up by Walter E. Christenson, managing editor Omaha World-Herald. He remarks that the people of the plains during the devastating drought of 1934 "thought they heard in the whistling hot winds the death rattle of midwestern agriculture. What they really heard", he points out, "was the boom of returning prosperity." Then he cites the record: Bank clearings from 10 to 20 percent above 1934; farm-implement sales in Omaha 50 percent above 1934; retail sales from 7 to 10 percent ahead. And Mr. Christenson asks:

If so much improvement has followed the worst drought here in Nebraska's history, what will happen when the 1935 income starts rolling in?

He answers his own question:

When you travel through the State now you see hay fields dotted with stacks which were bare a year ago; bins filled with grain which were empty then; tall, green, silk-dotted corn in fields that were barren in 1934. Pigs in the pasture are fat and sleek. Yearlings on the range again have plenty of grass.

One of these days the 1935 money will start pouring in real volume into Nebraska's towns and cities. When that happens, even the most optimistic will rub their eyes. The plain fact is that Nebraska's 1935 production, as estimated today, multiplied by current market prices, will give the State one of the best incomes of its history. * * *

The picture is reflected in the land market. A month ago a Nebraska estate in liquidation tried to sell a medium-quality farm. The best offer, $60 an acre, was rejected. Two weeks later, after being readvertised, it brought $75. The other day an Omaha man bought a farm in Omaha territory at $130 an acre. The next day he was offered $165.

Those are signs of the times.

Mr. Christenson's testimony is given additional weight by the advertisements of Omaha papers in this same supplement. The Omaha Bee-News, for example, takes a page to explain that "Nebraska comes back with a bang—purchasing power at a high peak and steadily improving."

The story for Kansas is ably told by the well-known Roy A. Roberts, managing editor of the Kansas City Star:

The blessing of rain in the drought-stricken Southwest and the aid of Government—

Mr. Roberts' article reveals—

have helped the great southwestern farming country to stage one of the greatest physical and mental comebacks in contemporary farm history.

Mr. Roberts continues:

Competent observers estimate that the crop income in this section, including the States of Missouri, Kansas, and Oklahoma, will be at least double that of last year. * * *

The price side of the picture contains as much food for satisfaction. Wheat is 8 cents a bushel higher in price than a year ago; corn is 27 cents a bushel more; cattle, $3 a hundred pounds higher; lambs are up 75 cents a hundred; and eggs, 10 cents a dozen. Butterfat has lost a cent a pound.

With the increased production and the improved prices, the southwestern farmers, also beneficiaries of tens of millions of dollars in adjustment payments from the Agricultural Adjustment Administration of the Government, see the beginning of a chance to get back on their feet.

In this connection, the new rehabilitation program of the Government is presenting an interesting angle. For example, there were 16,000 Kansas farm families on work relief last fall—there was no dole or direct Government relief in Kansas; beneficiaries of Government aid took it out in work on Government projects.

This summer there is not a single bona fide farm family in the State on relief. Six thousand of the original 16,000 families financially wrecked by the drought of last summer have become self-sustaining again through the improved conditions since the rains. The other 10,000 farmers are being rehabilitated by loans from the Government Resettlement Administration.

Further evidence from Kansas comes from the advertisement of the Kansas City Journal-Post, which, under a cartoon of the farmer dancing in the field, avers that—

The farmers are cheerful again in the Kansas City area.

Over in the Mountain States what early this spring looked like a dismal outlook has changed to one of great promise, according to E. M. McKim, of Western Farm Life. He writes:

The cash income from livestock and livestock produce during the first quarter of 1935, when much of the fattened stock is marketed, was 24 percent greater than during the same period of 1934.

Range and pasture conditions are excellent in most of the territory, assuring plenty of feed for livestock and a good carry-over of hay for winter feeding. With prices for livestock maintaining high levels, the cattle and sheep raiser is in an excellent position. The scrub stock have been culled out of his herds, thanks to governmental emergency cattle and sheep buying last year. With the demand for good feeder stock strong and with his herds going into the coming winter in good flesh, the producer of livestock bids fair to reap handsome profits from his activities during the coming months.

Out on the Pacific coast the report comes that smart people are investing their money in farm land. John E. Pickett, editor of the Pacific Rural Press, tells the story this way:

"Smart money", which has been quietly going into California farm land for more than a year. These men feel that farm land is the soundest investment of all, and they are encouraged by the fact that agriculture in the Pacific coast region has made the best recovery of any major industry, and has a cheerful outlook ahead.

Here's official testimony on that trend:

The eleventh district office of the Farm Credit Administration at Oakland, comparing sales which have come within its official notice, reports that California farm sales for the first 6 months of 1935 are 115 percent more numerous than for the first 6 months of 1934, and the price of land per acre is rising month by month. Exact comparisons on this are difficult, but it is a published fact that the 115 percent increase in farms sold represented an increase of value of more than 300 percent, and down payments are nearly twice as large as they were a year ago.

This optimism is supported by the fact that the best farm year since 1929 is unfolding in California. Of the more than 180 crops which the State produces in commercial quantities, there are almost no crop failures and very few of the overlarge crop surpluses which are sometimes as disastrous as failures.

The winter rains and snow storages for irrigation helped this. Precipitation was the best in 45 years, and there were no important weather complications to destroy any crops. The United States Department of Agriculture estimates show that farm income in California for the first 5 months of 1935 is standing 33.8 percent higher than for the first 5 months of 1934, which was considered a year of great improvement, and if two-thirds of that rate of gain should be maintained for the balance of 1935 the total income from agriculture in the State will be approximately $625,000,000, or an impressive average of more than $5,000 income per farm.

Incidentally costs of production for farmers have not yet returned to the 1929 level, so the spendable income which the United States Department of Agriculture calculates by deducting from the gross farm values the cost of production, plus value of the crops retained for home consumption, may well give the farmer the most spending money which he has had in 7 years—certainly the most in 6.

Retail sales show a pulse quickening from this blood transfusion from agriculture. Automobile sales have increased 79 percent in California during the first 5 months of 1935 and truck sales are 48 percent higher. The major part of this gain is in rural territory, where there is almost no unemployment as compared with the cities where those on relief gravitate, and a much higher average income per family. * * *

The rural cities also have a commanding lead over such cities as Los Angeles and San Francisco in retail sales per capita. Last September the Bank of America published a study showing that the agricultural towns of the State headed the list in per capita sales of such products as food, general merchandise, automotive, apparel, furniture and household, lumber and building materials and all groups. The large cities led only in the per capita expenditures in eating places.

Even the highly conservative Los Angeles Times seems to share the feeling that this year and the year ahead look appreciably better than 1932, for Mr. Harold M. Finley, of that newspaper, says that California agriculture—

Both in the fields in which it has a minimum of competition and those in which its crops share the fortunes of the country's staples, California is sitting more prettily this summer than at any other

time since the depression. Prosperity seems to have rounded that corner in California insofar as agriculture is concerned.

Down in Texas, according to Victor H. Schoffelmayer, agricultural editor of the Dallas Morning News, they are expecting a bumper 1935–36 season with the increased farm income by a reflection in a pronounced business upturn. Back east in Pennsylvania, a full-page advertisement for 14 of the smaller city newspapers announces "Expected fall advances based on strong economic foundations in Pennsylvania." The advertisement goes on to speak of general advances in production values and industrial pay rolls and employment.

Anyone who will recall the news from South Dakota in the summer of 1934 will recall a story of misery and suffering. According to the Argus Leader, of Sioux Falls, South Dakota has made a romantic come-back through the combined help of the weather and the Federal Government. Mr. Ralph O. Hillgren, of that newspaper, after citing the crop and farm income gains this year, mentions their significance to general business in this fashion:

New-car registrations in June trebled the number for the same month in 1934, and for the first 6 months were more than double the total in a similar period in 1934. South Dakota was second in the percentage of increase in car sales for the first half of the year.

Farm-implement branches at Sioux Falls have been unable to supply the demand for tractors and other farm machinery. Some of the large houses have experienced increases up to 200 percent.

Furniture dealers in Sioux Falls report business increases over last year as high as 100 percent. Amusement places have better receipts, railroad passenger traffic is greater, and even food dealers assert business is steady to 25 percent greater.

In Montana Mr. Lester Call, editor of the Montana Farmer, testifies that Montana is not only maintaining a leading position among agricultural States but is striding along toward real prosperity. He writes that only five States enjoyed a greater percent increase in cash farm income in 1934 over the previous year than did Montana. The figure for Montana was 42 percent. This year, with large crops, the prospect is equally bright. Results are shown in the fact that new motor-truck registrations increased 105 percent in Montana last year and automobile registrations for the first half of this year increased 100 percent.

For the Northwest as a whole, the story of returning farm prosperity is told in the advertisement of the Minneapolis Journal and in the article by Charles F. Collisson, farm editor of the Minneapolis Tribune, who declares that a trade revival is already in full swing up there as a result of a tremendous come-back of northwestern agriculture.

Over in the Corn Belt again for a moment I notice an article by Frank Ridgeway, farm editor of the Chicago Tribune, which states that the sun seems to be shining once more in more ways than one on Illinois farmers; and my eye is struck by advertisements of the Daily Pantagraph of Bloomington, Ill., and the Journal-Transcript, of Peoria, Ill. The latter advertisement puts the situation this way:

Revived business conditions in all agricultural States are not only apparent in America's richest farm belt, of which Peoria is the heart, but in Peoria itself, where more than 10,000 workmen are busily engaged in making farm implements to help harvest this year's crop. Total industrial employment in Peoria is highest in history. Because of these improved conditions, the buying power of its neighboring farmers and city workers make Peoria an excellent market for your products.

Over in Ohio the situation is neatly summed up in an article by the editor of the Sandusky Star-Journal, Mr. Earl F. Walrath, who quotes a local farm authority on the farmer's condition as follows:

He is out of the night and the sun is up. The farmers of this region can now begin to see where they can pay their taxes and some of their interest. They see where they can talk over, in a friendly way, their affairs with their creditors again. The farmer's wife is beginning to look at new hats and new dresses.

Up in Michigan, according to an advertisement for the Booth Newspapers, Inc.—

Recent industrial activities in Michigan have made this State the no. 1 market of the Nation for many months. Now, bumper crops and good prices add to this prestige. Michigan's varied agricultural interests are enjoying prosperous times.

In my own State of Kentucky, according to Mr. Paul Hughes, of the Louisville Times, both farmers and retail merchants are jubilant over the prospects for fall and winter trade. The Louisville Board of Trade predicts that farmers will have as large an income this year and last year and much more to spend, because a large percentage of them have taken care of the debts that pressed them during the depression.

For the South as a whole, of course, the story is sensationally satisfying. The picture in the Cotton Belt is ably described in this Editor and Publisher supplement by Mr. William Johnson, of the Arkansas Democrat, of Little Rock, Ark., when he writes:

From Arkansas, Oklahoma, and Texas eastward to the Carolinas the Cotton Belt is a lively scene of mounting farm income, revived business, restored confidence, and renewed planning for the future.

The spectacular recovery of cotton in 1933 and 1934 from the depression-smashed price of 1932 released a pent-up tide of buying that has swung the South into the forefront of the climb of all agricultural sections back to normal conditions. * * *

Even though returns from the 1935 crop should be no larger than from last year's harvest, there is certain to be a stronger uplift imparted by it to agricultural and business recovery. This is because producers have now got their debts reduced and comfortably adjusted and most of their delinquent taxes paid. They will have more to spend from each cotton dollar in 1935 than they had from any since the depression came.

That's why confidence is high today in the Cotton Belt. It's refurnishing its homes, remodeling its dwellings, building needed new ones, and again equipping itself for normal, happy living. And it sees every prospect of going farther with this pleasant enterprise on the crop of 1935 than it has on any since 1929.

The effect of this increase in farm buying power the country over is summarized from point of view of the farm-machinery industry by Mr. Harry G. Davis, director of research of the Farm Equipment Institute. Mr. Davis writes as follows:

Recovery of agriculture has been reflected sharply in the volume of trade in industries which deal exclusively with farmers. The farm equipment industry, whose sales dropped to 28 percent of normal in 1932, noted a pick-up when farm prices started up in 1933, and its volume went up to about 29 percent of normal in that year. In 1934 it reached 47 percent. Sales for the first half of 1935 indicated that this year's volume will be approximately 75 percent of normal.

Taken in all, the situation of agriculture is most favorable. There is a spirit of optimism in rural districts that has been lacking for many months. Demand for goods of all kinds is most active and modernization has reached the farm to the degree that farm people are now buying very much the same class of goods city people buy.

All this seems to be a wonderful change to have come about in such a short time, but really there is nothing remarkable about it. It is not an overnight change, but the result of a number of factors which have been operating to improve the economic status of agriculture. Among those might be mentioned the Federal Government's agricultural policy, the wide-spread drought of the past 2 years, and the general improvement in industrial employment, all three of which have had their influence in more nearly balancing the supply and demand for agricultural products and bringing about a higher price level. Cash rental and benefit payments have given farmers ready money, while the Farm Credit Administration has eased, if not entirely removed, their pressing debt burdens.

Finally the Editor and Publisher sought the testimony of the country's leading farm journals. In introducing this summary, Editor and Publisher says:

Concrete evidence that the farmer is leading the country out of the depression can be found in the following symposium of farm journal editors—experts in their field. The general expression of these men, representing farm papers in every section of the Nation, indicates the long pent-up demand for goods by the American farmer is going to break forth this fall with an unprecedented sale of merchandise. The farmer is harvesting his automobile, washing machine, and scores of other products. He is coming to town with money to spend, judging from the optimistic and hard-boiled facts put forth by editors in the farm field.

There is room to record only a few of these expert appraisals. Here are four of them:

C. V. Gregory, editor Prairie Farmer:

Farm income is made up of price times volume. When volume is too large prices go too low and total income is decreased. We have been through that. Last year the drought reduced volume too drastically. Some reduction would have increased income. Too much reduction kept the increase from being as large as it would have been with large yields. This year, according to present prospects, will be just about right. Grain yields in the eight Middle Western States of Illinois, Indiana, Iowa, Wisconsin, Nebraska, Minnesota, and the Dakotas will be more than double last year, but still closely enough in line with domestic needs so that prices should not go too low.

Ray Yarnell, editor Capper's Farmer:

Middle Western agriculture is definitely better off than it was a year ago. That is the verdict of farmers themselves. Crops are better, income is larger, debts are lower, optimism is stronger. The Capper farm papers recently sent questionnaires to a large number of farmers scattered throughout the Middle Western States, from Ohio to Colorado and from Minnesota to Texas. More than two-thirds of the farmers replying said they were definitely better off than they were a year ago, and the same percentage felt they were definitely coming out of the depression. By almost exactly the same ratio they reported that farmers they knew owed less current debts and that trade in small towns was decidedly improved. * * *

L. L. Rummel, editor Ohio Farmer:

The year 1935 is a banner season. I don't recall in 20 years when our State has looked so luxuriant in all its fields and orchards, and surely not in 5 years has the farmer spent so much for machinery, fence, paint, roofing, building, electric service, motor vehicles, and other farm necessities as he is doing this season. A drive through the country anywhere, a chat with a county-seat merchant or the mail carrier, a survey of machinery merchants or power companies—all bear testimony that our farmers are back in the market in a big way with cash to pay. * * *

Sam R. McKelvie, publisher Nebraska Farmer:

One farm woman in Nebraska said last week, "My new washing machine is right out there", pointing to a field of wheat just ready for harvest. A farmer in another part of the State made this remark: "I'll begin harvesting my new automobile day after tomorrow." So the farm people themselves think of their crops and livestock in terms of merchandise. Plenty is the key to farm purchasing power, and the indications are that Nebraska farmers will have a normal crop or better this year.

DELAY IN SUPPLEMENTAL APPROPRIATION BILL

Mr. LONG. Mr. President, at this hour of 11:20, inasmuch as some 40 minutes ago there was dispatched to the House a request to return the papers in House Concurrent Resolution 38, relating to adjournment, I inquire whether or not anything which now lies on the table has been received from the House.

The PRESIDENT pro tempore. There is no report.

Mr. LONG. Mr. President, I have heard it stated here tonight, and I have heard it privately, that this marks the first instance in a long list of precedents which has never been broken, of a House of Congress declining a request for the return of papers in a matter of this kind when such request is made to it by the other branch of the Congress.

It is a very fitting occasion for this to happen. It so chances that it is occurring at a time when the consequences are to be visited upon the farmers of the United States. The wheat and cotton farmers of the United States represent a majority of the farmers, and are in a position today where their earnings amount to one-half of what they did in the year 1929. The year 1929 is referred to as the first year of the Hoover depression, and yet in the year 1929 farm income was $2 as compared with $1 today.

Mr. President, there is a very sad picture to be drawn. Let me refer to the State of Texas. We all know that is the main cotton State of the South. It lies to the west of the State where I live. Part of my life was spent in the State of Texas. In the State of Texas the cotton yield is about 3,000,000 bales. This action tonight will cost the farmers of the State of Texas $50,000,000 on cotton; from $10,000,000 to $20,000,000 on wheat. The farmers of the State of Texas are tonight being penalized from $65,000,000 to $75,000,000 as a result of what is occurring here between the two Houses.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. LONG. I am glad to yield to the Senator from New York.

Mr. COPELAND. I ask the clerk to read a telegram which I send to the desk.

The PRESIDENT pro tempore. Without objection, the clerk will read, as requested.

The Chief Clerk read the telegram, as follows:

WASHINGTON, D. C.

ROYAL S. COPELAND,
*United States Senate:*

Will you not be willing to stay here an hour or two extra so that our leave bills can come up under motion? This will give justice to 350,000 employees and only means a small amount of time to you.

Respectfully,

E. CLAUDE BABCOCK,
*President American Federation of Government Employees.*

Mr. COPELAND. Mr. President, may I ask the Senator from Tennessee if he would not be willing for us to take up House bill 8459, which relates to annual leave for Government employees?

Mr. McKELLAR. Mr. President, undoubtedly I will not. I have already stated publicly that at the coming session of Congress in January I shall be glad to cooperate with the Committee on Civil Service to take up the bill and consider it thoroughly, and deal fairly with all the employees of the Government; but I am not going to agree to the consideration of the bill at this late hour when it means a 4-day week for some of the employees and for others no leave of any kind, nature, or description. I am not willing to do that. If the Senator endeavors to bring up the bill, of course, I shall do my best to defeat it.

Mr. COPELAND. Does the Senator mean to intimate that the Civil Service Committee did not give the bill the consideration it deserves?

Mr. McKELLAR. Oh, no. I am not making any intimation against the Civil Service Committee. I am exercising my right as a member of that committee and as a Member of the Senate to object to the consideration of the bill at this time.

Mr. COPELAND. Of course I can sympathize with the Senator and I respect his rights. However, I feel that the employees of the Government are entitled to the sick leave provided by the bill, but if the Senator takes another view, that is all right.

Mr. McKELLAR. Does the Senator from New York believe in a 4-day week and only 5 and a half hours a day for the 4 days?

Mr. COPELAND. Yes; for everybody.

Mr. McKELLAR. I disagree with the Senator.

Mr. COPELAND. I thank the Senator from Louisiana for yielding to me.

Mr. LONG. Mr. President, I wish to say that while the Senator from New York was addressing the Senator from Tennessee I have been advised that the House voted 125 to 103 to return the resolution to the Senate. Now they have called for a yea-and-nay vote, and probably that is being done for the purpose of having the hands of the clock reach 12 o'clock before a decision can be reached. If they do that, the people of Texas, the farmers of Texas, the cotton farmers of Texas, are going to find out in the next 25 minutes whether or not they are going to be penalized $50,000,000 out of their pockets and $20,000,000 out of the pockets of the wheat farmers.

In 35 minutes the farmers of Texas—Texas, remember! I am going over there and tell them about it, too, believe me. I am going to Texas. I am going to Texas and tell the people of Texas that here tonight a gold mine has been taken away from them.

Mr. BONE. Mr. President, will the Senator speak a little louder? I cannot hear him. [Laughter.]

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LONG. What is the name of the Senator who just interrogated me? [Laughter.]

Mr. BONE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BONE. I am very reluctantly compelled to admit that the oratory of the Senator has completely submerged me. I can understand why he questions the Chair about my identity.

Mr. LONG. Mr. President, I yielded only to enable him to tell me his name and not to tell me anything else. [Laughter.]

I was conferring a few days ago with the Senator from Nevada [Mr. McCARRAN]. He said to me that in the State of Nevada in 1 year, or possibly 2 years, they produce gold enough and other minerals enough in that State to yield somewhere between $50,000,000 and $75,000,000. That seemed like a terrible lot of gold. Think of the gold mines of that State, rich in sluices of ore, yielding $75,000,000 of gold. Think of what is being done tonight. There is being taken from the pockets of the cotton farmers of the State

of Texas tonight at least $15 a bale on 3,000,000 bales of cotton—$45,000,000 of the coin of the realm that ought to be going into the pockets of the distressed cotton farmers of Texas.

Whether that shall be done depends upon whether the House breaks a precedent which has stood since this country was first born. If they see fit to break that precedent, they do it in the teeth of the knowledge that they are inflicting losses of from $65,000,000 to $75,000,000 upon the cotton farmers of the State of Texas.

There are other States which will be affected as well. Oklahoma produces something like 1,250,000 bales of cotton, perhaps more than that. Oklahoma will be penalized millions of dollars.

Louisiana? Of course Louisiana can stand it better than any other State. [Laughter.] We have blessings there that other States do not have. The State of Louisiana can somehow or other make it through. We do not ask you to consider us in this matter. We are a philanthropic State. We are a patriotic Commonwealth. We need very little help from the outside.

As a matter of fact we had rather not have any outside help. We do not need any help and we do not want any help. We are able to finance ourselves.

A short time ago, several months ago, pronouncements went out here that the State of Louisiana would not receive any of this Federal money. Has anybody heard anybody crying about it down in Louisiana? Suppose we never get a dime of it. It is not going to inflict any great harm on us, because we learned to take care of ourselves and of a large part of the rest of the United States long, long ago.

Go over to Alabama: what is Alabama going to owe to this? Suppose this thing takes off $15 a bale on every farmer's cotton in Alabama tonight. How much is that going to cost the farmers in Alabama? I do not know what they are allowed under this compromise Bankhead Act. I have not looked up, by States, just how much it is; but it will be several million dollars. I should imagine somewhere around $10,000,000, at the very least, will be extracted from the pockets of the destitute cotton farmers of the State of Alabama.

Go over to Georgia. How much is Georgia going to lose tonight as a result of this unheard-of conduct, this breaking of precedent at a time when the farmers are struggling as they are?

How much will the farmers of Georgia lose? I do not know how much the allotment of Georgia is under the Bankhead Act, but I should imagine that the State of Georgia, under this matter, will lose somewhere between 10 and 12 million dollars.

Go to the State of Tennesse and they will lose somewhere in the millions of dollars.

In the case of North Carolina, I should say under the Bankhead Act they would have been allowed perhaps 600,000 bales of cotton, and therefore the State of North Carolina will lose $9,000,000 as a result of this kind of action tonight.

Go to the State of Arkansas: How much is Arkansas going to lose by this conduct of the House tonight, and of the national administration? I should imagine that the State of Arkansas will lose something like $10,000,000.

There you have it—10 millions, 12 millions, 15 millions, 30 millions, 45 millions, 50 millions in cotton of Texas; 70 millions in wheat and cotton of Texas; many more millions of wheat of Oklahoma. Then go and visit the wheat States of the Middle West, and see what their losses are going to be. There you have, tonight, the Congress of the United States fiddling while Rome burns; the Congress of the United States excited over the anxiety, the pleasantries, the highly pleasurable conduct of one part of the Capitol conducting a circus, and another part of the Capitol that is made to wait because it is not allowed to act, and the farmers of the United States being penalized—in one State, $70,000,000 for 1 year. They are going to have a good deal of explaining to do.

"Oh, well, the South is going to remain as it has been", is it? Let us see if it is.

I come up for reelection in January. I am the first man up. They have not got me up an opponent down there yet. They had better hurry up or I will not get a chance to run if they do not get up an opponent. It looks as if the people of Louisiana will be the first people in America to speak on this thing, provided this man over here in Ohio does not come to the White House and demand some more. I was just thinking that we might put off the election in Louisiana if this Ohio man would tell me how to work the thing. I am a good friend of the Governor down there in Louisiana. [Laughter.] I am often called in as one of the lawyers of that State. I have made quite nice fees in some of the cases there this year, if things pan out as I figured they would. I hope they will pan out even better than I figured they would.

Mr. President, it is now 25 minutes of 12 o'clock.

Mr. MINTON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Indiana?

Mr. LONG. I yield for a question.

Mr. MINTON. The question takes this form:

> Oh, HUEY! Oh HUEY! Come home to us now!
> The clock in the steeple's half past.
> You wander across that little green aisle,
> Pray, tell us how long will it last?

[Laughter.]

Mr. LONG. I do not yield for that purpose.

The PRESIDENT pro tempore. The Senator refuses to yield.

Mr. LONG. The Senator from Indiana is not entitled to any answer. Tonight he asked me for one of my pictures. [Laughter.] I know, Mr. President, that probably my photographs are in many places. There is no telling just where you will find them; but there is one thing as to which I can go home and be absolutely sure of a good defense—that not by any positive action of my own has my photograph been put up in the office of the Senator from Indiana. The Senator voted wrong on this bill, too. He has usually voted wrong on all these questions.

Now, at 23 minutes to 12 o'clock, I propound the parliamentary inquiry to the Chair, Has there been anything returned, or any report made by the House to this body, in regard to House Concurrent Resolution 38, relative to adjournment?

The PRESIDENT pro tempore. The Chair will state to the Senator from Louisiana that the way in which House messages come to the Senate is that the messenger appears at the door, and his appearance is announced. It has not yet happened.

Mr. LONG. Then, Mr. President, I will continue for a few moments, in the hope that the messenger will appear at any moment. [Laughter.] If there were other business that the Senate had to take up that I thought would do it more good than listening to me, I should yield the floor. I know of no such business. The fact of the case is, I do not know that I have seen any such business since I have been here.

The Presiding Officer who is no longer in the Chair made the remark tonight that the Senator from Illinois and certain ones conferring with him were pursuing a course of conduct for which I had become noted for the past 6 months. Of course the Presiding Officer did not know what he was talking about on that matter, because he had not been there long enough to know. [Laughter.] He has not been in the Chair all the time. The Presiding Officer has some pretty hard duties. It is pretty hard to keep your ear to the telephone to learn what is going on all around the country, and know what is going on in the Senate at the same time.

I undertook tonight to advise the Presiding Officer of the Senate, the Vice President of the United States. I met him in there, and I said to him, "I think it would be a good idea to come in here and call the Senate into session"; and he said something to me which I will not repeat. [Laughter.] As he walked out of the door, he looked as though he were a little bit excited. He did not come to this door; he

meandered around, and I did not know but that perhaps he was excited, and I followed him to the corridor. He meandered through the crowd, went around here to the elevator, turned to the left, and came here, and I still followed very closely behind him. When he got here he turned the other way, going toward the other end of the Capitol. I said, "Hold on! It is this way. You have the wrong direction."

He never turned around or said a word. It was 15 minutes to 9 o'clock. The Senators were all here, all dressed up and nowhere to go, and the Vice President of the United States looked as if he had turned the hands of the clock back, not 2 hours, but 2 years or 3 years.

He reminded me of a friend of mine who was a judge. He was married when he was about 50 years old. He had a house all fitted up, a cozy home. The day after he was married he went back to his old boarding house and sat down and began eating at the same table. He forgot all about being married. [Laughter.] The Vice President of the United States forgot all about being Vice President of the United States. He was trying to go back over to the House.

The people of Texas are going to pay mighty heavy for this. There is going to be a big contribution for breaking that kind of a precedent. The last time we had the Vice President of the United States on the ballot, he was running for Congress at the same time, and he was actually elected to two offices on the same day, Vice President of the United States and Representative from the State of Texas, on the same day. That is a pretty good precedent. That was the breaking of a precedent, and it was a pretty good precedent. A lot of people want to know why the people of Louisiana are fixing up their election laws. We are learning something every day from the State of Texas as to how election laws ought to be fixed up.

Mr. President, now it is 19 minutes to 12 o'clock; there are 19 more minutes, and there is nobody at the door, nobody at the door. [Laughter.]

I am going to ask the gentleman who came around here a moment ago and told me what was going on in the House if he will be so kind as to inform me, through whatever legitimate processes there may be, what is going on over there. I would like to receive the information as to what is occurring over in the House on the yea-and-nay vote which they have called for. I do not know how long it takes for a roll call there. I guess it takes about 20 minutes.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. It takes about 45 minutes to call the roll in the House of Representatives.

Mr. LONG. Then, if it takes that long, I suppose the Clerk will call the roll slowly enough over there tonight so that it will probably be 12 o'clock before the roll can be called; before they finally get through, the clock will have struck 12.

That is quite a filibuster they have conducted. Of course, they are not going to be out any money. They have $4,800,000,000 in this work-relief fund. They are not worried about setting up these boards which they have provided, one board supposed to administer the social-security law, another board to dispense other functions of human relief, or supposed to be; but, after all, they have $4,800,000,000 that has been appropriated in the work-relief bill, and they will take the money and pass it around to the same men. They may call it something else, but it will not make any difference. They might get a little bit more. I do not suppose that is going to make any difference.

The only man who is going to lose anything is the farmer, the cotton farmer and the wheat farmer. They are going to lose their money. They are going to be not only as bad off as they were last year, but they are going to be worse off than they were last year. They are going to take away from them even what they have.

This year there are more farmers out of homes than ever before. There are more of them out of homes that have been sold under mortgages, and now they are going to cut what little they have; and the southern Senators have to go home and do one of two things. They have to tell their constituents that they fought this thing and the results of this effort or they have to tell them that they are here now ready to defend the result of what has been done in the Congress at this session or, rather, what the Congress has failed to do at this session. I for one will be able to go back to my constituents as I came here.

Now, I want to say something to my friend the Senator from Alabama and to my friends on the other side of the Chamber, where I belong [laughter]; that is, where I did belong. It does not make much difference now. There is no longer any necessity of an aisle here in the Senate. So far as the division of the Republicans and Democrats is concerned, there is no such thing left here any longer.

That has long since been forgotten. There is no need of an aisle. But I was just going to say, since I am speaking on the side of the aisle that used to be called the Republican side of the aisle, when my friend goes back to Alabama I hope the people of Alabama will appreciate the fight he has made for these farmers. But we went about it the wrong way, and I now have cause to refer to the original advice I gave on this farm problem.

I never did believe that anything but tears would come from this farm program. I knew that at some time or other they would have to pull the cork out of the ship and let it go. I knew this thing would come to distress. I know there would be a weeping time, and I said so on the floor of the Senate. I did not think it would come quite so early, but there never was a silver lining that ever was seen in this farm program so far as the Southern States were concerned.

Now, they have lured us out into the wide-open sea, pulled the bung out of the old A. A. A. ship, and we go, sink or swim, live or die, the best we can. There is a farm income of around $150 a person, compared with a farm income of $394 a person that we had in the 1929 depression year of Herbert Hoover.

Oh, Mr. Hoover was bad enough, he was bad enough, but I never did know, I had never heard it alleged, that he had a political twin. [Laughter.] I never knew that he had one. No, sir, Mr. President, I never knew that politicians were born twins, but if there is any such thing as political twins, the last two Presidents of the United States had the same political creator. One of them is just like the other, but one of them is worse than the other. [Laughter.]

If I had to pick between the two of them, I do not know which one I would pick tonight. The same old policies that Hoover tried to put over, that we kept him from putting over, were put over by the President who now sits in the White House. At last he has had to abandon what was a scourge.

Fifty million dollars will be paid by the poor cotton farmers of Texas, $10,000,000 will be paid by the poor cotton farmers of Louisiana, millions and hundreds of millions of dollars will be paid by the wheat farmers of the West and the North, and the whole trouble is that at the other end of the Capitol things are so manipulated that the action taken by a two-thirds vote here in this body today cannot be gotten into law because they have seen fit to break a precedent.

Mr. President, it is 12 minutes to 12 o'clock.

The VICE PRESIDENT. Has the Senator concluded his remarks?

Mr. LONG. I am willing to do so, if the Chair would like to have me do so. I am willing to conclude my remarks. It does not make a bit of difference to me right now. I see that we are in for it. I see this thing has all been fixed up for us. I see I have to go back to the little cabins in Louisiana and say to the poor cotton farmer, "I am sorry for you, old man. It is not only not going to be any better than it was last year, but it is going to be worse. You have to fork over $10,000,000 that you had last year on which you starved to death." I am sorry, but that is the message you have got to go back and deliver to the farmers of the United States.

Now, Mr. President, it is 10 minutes to 12 o'clock. I am going to see if some one of the noble leaders in this body, on either side of the Chamber, has anything to say. The Senate

has been kept in session, due to the efforts of several of us; we have not recessed; the doors of the Senate have remained open, so that any moment the messenger might come from the House.

Mr. ASHURST. He will be here in a moment.

Mr. LONG. If he will be here in a moment, I want the Senate to remain in continuous session. Perhaps some other Senator would like to talk for 10 minutes until he gets here. Does the Senator from South Carolina wish me to yield to him?

Mr. BYRNES. If the Senator will yield, I will be obliged to him.

Mr. LONG. I yield to the Senator from South Carolina.

Mr. BYRNES. Mr. President, I desire to make a very brief statement in reply to some of the statements made earlier in the evening.

I do not think there should be any misunderstanding about this situation. It cannot be said that it is due to the action of the House, as was stated by the Senator from New York [Mr. COPELAND]. The House has never had an opportunity to act upon the deficiency bill. What those of us who are interested in the appropriation bill complain of is that the House has been denied the opportunity to consider the amendments of the Senate. The bill was sent over there hours ago; but the House has been denied an opportunity to consider it, although those who received the papers say that had they been presented to the House they know the House would have voted to concur in the action of the Senate. The Senate voted 50 to 19 to suspend the rule and adopt an amendment.

If, under the rules, that bill had gone to conference, there could be no complaint on the part of any man in either body because of the action of the conferees upon it; for, under the rules of the House, the two legislative propositions contained in the bill would have to be submitted to the House to be acted upon there. It is the object of the House and the Senate to permit the Members of the House, elected by the people of the respective districts, and the Members of the Senate, elected by the States, to vote their convictions upon a measure. So the bill was sent to the House hours ago; but instead of being presented to the House, it has been pocketed and the House denied an opportunity to vote on it.

Mr. KING. Mr. President, will the Senator yield for a question?

Mr. BYRNES. I yield.

Mr. KING. Does not the House have plenary power, if a committee or subcommittee refuses to act, to compel, by proper resolution, the presentation or the restoration of the papers to the House and discharge the committee?

Mr. BYRNES. That cannot be done under the rules of the House. There is no way by which the House could get those papers tonight, because the motion, if one were made, unless unanimous consent was given, would have to be to send the bill to the Appropriations Committee. They do not have to discharge the committee.

Mr. LONG. Mr. President, will the Senator yield to me to give some information?

Mr. BYRNES. Yes.

Mr. LONG. The House has just voted overwhelmingly to send the concurrent resolution back to the Senate, and it is expected to arrive here almost immediately.

Mr. BYRNES. Then, Mr. President, I was going to present——

(Mr. Chaffee, one of the reading clerks of the House, appeared at the main door of the Senate.)

Mr. LONG. Here is the clerk from the House. The people win.

Mr. BYRNES. Mr. President, if the people win, I will take my seat.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, returned to the Senate, in compliance with its request, the following concurrent resolution (H. Con. Res. 38):

*Resolved by the House of Representatives (the Senate concurring)*, That the two Houses of Congress shall adjourn on Saturday, the 24th day of August 1935; and that when they adjourn on said day they stand adjourned sine die.

Mr. ROBINSON. Mr. President, the question now is on the motion of the Senator from South Carolina [Mr. BYRNES] to reconsider the vote by which the concurrent resolution (H. Con. Res. 38) was agreed to, as I understand?

The VICE PRESIDENT. That is the motion, as the Chair understands.

SEVERAL SENATORS. Vote.

The VICE PRESIDENT. The question is on the motion of the Senator from South Carolina to reconsider the vote by which House Concurrent Resolution 38 was agreed to.

The motion was agreed to.

### RECESS

Mr. ROBINSON. I move that the Senate take a recess until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 11 o'clock and 55 minutes p. m.) the Senate took a recess until Monday, August 26, 1935, at 12 o'clock meridian.

## NOMINATIONS

*Executive nominations received by the Senate August 24, (legislative day of July 29), 1935*

### FEDERAL TRADE COMMISSIONER

Robert E. Freer, of Ohio, to be a Federal Trade Commissioner for the remainder of the term expiring September 25, 1938, vice George C. Mathews, resigned.

### COLLECTOR OF INTERNAL REVENUE

M. Hampton Magruder of Upper Marlboro, Md., to be Collector of Internal Revenue for the District of Maryland, to fill an existing vacancy.

### POSTMASTERS

#### ARIZONA

William D. Washington to be postmaster at Ashfork, Ariz., in place of W. P. Shrodt. Incumbent's commission expired December 8, 1934.

#### CONNECTICUT

Joseph Stewart to be postmaster at Shelton, Conn., in place of N. C. Kruer. Incumbent's commission expired January 22, 1935.

#### MASSACHUSETTS

Alfred A. Averill to be postmaster at Edgartown, Mass., in place of A. A. Averill. Incumbent's commission expired December 18, 1934.

Charles H. Slowey to be postmaster at Lowell, Mass., in place of X. A. Delisle. Incumbent's commission expired December 18, 1934.

William D. Powers to be postmaster at Rockport, Mass., in place of R. M. Lowe. Incumbent's commission expired January 22, 1935.

#### NEBRASKA

William Nelson to be postmaster at Spencer, Nebr., in place of H. S. Prouty. Incumbent's commission expired February 21, 1935.

#### NEW JERSEY

James A. O'Connor to be postmaster at Fairview, N. J., in place of W. C. Jordan, removed.

#### NEW YORK

Asahel G. Harvey to be postmaster at Hudson, N. Y., in place of C. E. Hardy. Incumbent's commission expired December 20, 1932.

#### OKLAHOMA

Abraham V. D. Robinson to be postmaster at Claremore, Okla., in place of R. R. Sutton. Incumbent's commission expired April 28, 1934.

#### TENNESSEE

Walter H. Boswell to be postmaster at Livingston, Tenn., in place of O. B. Zachry, removed.

Hamilton H. Taylor, Sr., to be postmaster at Rutherford, Tenn., in place of C. E. Akin. Incumbent's commission expired February 25, 1935.

Frank C. Hargis to be postmaster at Wartrace, Tenn., in place of W. S. Yell. Incumbent's commission expired April 15, 1934.

UTAH

Alpha B. Barton to be postmaster at Monticello, Utah, in place of C. E. Walton, Jr. Incumbent's commission expired December 16, 1933.

WASHINGTON

Albert L. Hopkins to be postmaster at Gig Harbor, Wash., in place of F. S. Drummond, deceased.

WEST VIRGINIA

Robert Lake Bailey to be postmaster at Bluefield, W. Va., in place of J. T. Akers. Incumbent's commission expired March 1, 1932.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate August 24 (legislative day of July 29), 1935*

SECURITIES AND EXCHANGE COMMISSION

J. D. Ross to be a member.

WORKS PROGRESS ADMINISTRATION

Ray Hart to be State administrator for Montana.

PUBLIC WORKS ADMINISTRATION

Garland L. Rounds to be State engineer inspector in Illinois.

MEMBERS OF THE NATIONAL LABOR RELATIONS BOARD

Joseph Warren Madden
John Michael Carmody
Edwin S. Smith

FEDERAL TRADE COMMISSION

Robert E. Freer to be a Federal Trade Commissioner.

COLLECTOR OF INTERNAL REVENUE

M. Hampton Magruder to be collector of internal revenue, District of Maryland.

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

John Francis O'Ryan to be major general, Reserve.

PROMOTIONS IN THE NAVY

*To be captain*

Newton L. Nichols

*To be commanders*

Allan W. Ashbrook
Robert O. Glover

*To be lieutenant commanders*

Lunsford Y. Mason, Jr.
Paul S. Slawson
Valentine M. Davis
John F. Rees

*To be lieutenants*

Harry F. Miller
Everett E. Mann
James M. Hicks

*To be lieutenants (junior grade)*

Harry Sosnoski
Joseph A. Jaap
Louis A. Bryan
Joseph H. Kuhl
Francis D. Foley
William M. Ryon
Louis J. Kirn
Robert H. Kerr
Travis R. Leverett
William P. Schroeder
Wallace H. Weston
Paul E. Emrick
William A. Stuart
Salem A. Van Every, Jr.
Marcus W. Williamson
Harmon T. Utter
Frederic N. Howe
Ralph C. Johnson
Clarence E. Kasparek
Walter D. Innis
George F. Rice
Kenneth P. Letts
William C. Johnson, Jr.
Robert L. Strickler
Magruder H. Tuttle
Roland E. Stieler
Charles B. Lanman
Frank E. Wigelius
Emerson E. Fawkes
Sheldon W. Brown
John H. Morse, Jr.
Roland H. Dale
Richard H. Best
James V. Reilly
William L. Richards
John Munholland
William B. Short, Jr.
John R. Van Evera
Harry S. Cook
Ray M. Pitts
George E. Hughes
Herbert J. Campbell
Archibald W. Greenlee
Earl R. Eastwold
DeWitt W. Shumway
Truman E. Carpenter
Harry G. Moore
Alfred R. Matter
Robert J. C. Maulsby
Burdette E. Close
James G. Craig, Jr.
Edwin C. Asman
Theodore S. Lank
George E. Pierce
Richard H. Gorsline
Peris G. Bunce
John L. Chittenden
Robert E. Coombs, Jr.
George L. Bellinger
Dennis S. Crowley
Aquilla G. Dibrell, Jr.
Robert B. Moore
Samuel S. McCornock
Daniel F. Smith, Jr.
Donald K. McLeod
Isador J. Schwartz
Lionel A. Arthur
James M. Clement
Thomas W. Hopkins
Arthur A. Goodhue
Howard E. Born
Carl F. Faires, Jr.
Thomas P. Lowndes
Richard O. Greene
Wallace C. Short, Jr.
William B. B. Lyons
Richard D. Adams

*To be medical inspectors*

Joel J. White
Edwards M. Riley
Lewis W. Johnson
Wilbur O. Manning
John L. Frazer, Jr.

*To be assistant dental surgeons*

Richard F. Redden
William A. Smith

MARINE CORPS

TO BE SECOND LIEUTENANTS

John A. Anderson
Gordon A. Bell
Ferdinand Bishop
William W. Buchanan
William R. Collins
Odell M. Conoley
John W. Easley
Loren S. Fraser
Dwight M. Guillotte
Charles W. Harrison
Frederick P. Henderson
Thomas S. Ivey
Frank L. Kilmartin
Roy L. Kline
Frederick E. Leek
Joseph R. Little, Jr.
Lawrence H. McCulley
Robert A. McGill
Benjamin L. McMakin
Eschol M. Mallory
John C. Miller, Jr.
Robert D. Moser
John J. Nilan, Jr.
Louie C. Reinberg
Joseph N. Renner
William G. Robb
Leo R. Smith
Peter J. Speckman
Jack Tabor
Charles S. Todd
Norman Van Dam
William R. Wendt
Herbert H. Williamson
Jacob H. Woodward

POSTMASTERS

ARIZONA

William D. Washington, Ashfork.
Jesse L. Boyce, Williams.

CALIFORNIA

James A. Lee, Glendora.

COLORADO

French Springston, Eaton.

CONNECTICUT

Joseph Stewart, Shelton.

INDIANA

John E. Lehr, Mulberry.

KANSAS

Elsie J. Callahan, Burr Oak.
Norval W. Woodworth, Plains.

MASSACHUSETTS

Frank A. Malley, Adams.
Ignatius B. Cleary, Auburn.
Paul W. Karr, Chatham.
Alfred A. Averill, Edgartown.
Charles H. Slowey, Lowell.

Franklin G. Cleasby, Jr., Rehoboth.
William D. Powers, Rockport.
Francis Joseph Correia, Wilmington.

MICHIGAN

Clifford F. Eastman, Beulah.
John L. Lucas, Romeo.

MINNESOTA

Carl L. Beecher, Henderson.

MISSISSIPPI

Cleo S. Parker, Cruger.
W. Hugh Magee, Crystal Springs.
Thomas F. Kirkpatrick, Hollandale.
J. Auburn Bethany, Shuqualak.
John Thomas Rainer, Taylorsville.
George T. Herlihy, Waveland.

MISSOURI

Sidney M. Cramer, Archie.
Nelson H. Mullen, Belton.
Mary R. Fewel, Calhoun.
John E. Moore, Clinton.
Daniel C. Selvidge, Collins.
John M. Coe, Creighton.
Forrest Beason, Fair Play.
Etta Boswell, Forsyth.
Robert C. Smith, Garden City.
Orion J. L. Brookhart, Harrisonville.
Allie V. Nell, Leeton.
Boyd F. Eversole, Lowry City.
Maurice D. Cole, Montrose.
Roy S. Kenney, Neosho.
Mary G. Kenton, Norborne.
Dayton A. Street, Purdin.
Roy Cooper, Puxico.
Forest C. Muir, Raytown.
Summerfield Jones, West Plains.
Herbert L. Wells, Republic.
Arvella C. Bennett, Rockville.
Merl L. Gamble, Sheldon.
Azzo B. Grier, Strafford.
Jessie B. Smith, Walnut Grove.

NEBRASKA

William Nelson, Spencer.

NEW JERSEY

James A. O'Connor, Fairview.

NEW YORK

Edward B. Buckley, Willard.
Asahel G. Harvey, Hudson.

NORTH CAROLINA

William M. Shaw, Fayetteville.
Lucy Cooke, Hildebran.
John R. Steele, Ramseur.

NORTH DAKOTA

John A. Nagel, Selfridge.

OHIO

Harry M. Walden, Coolville.
George E. Calhoon, Geneva.
Charles Stanley Earnhart, Lebanon.
Harry F. Mohr, Mechanicsburg.
Ben N. Powell, Rutland.
Worthy A. Circle, Springfield.
John L. Carr, South Charleston.

OKLAHOMA

Abraham V. D. Robinson, Claremore.
Clarence Knappenberger, Watonga.

PENNSYLVANIA

Bernard H. Kerrigan, Bryn Mawr.
Margaret G. Cummings, Irwin.
Fred D. Weiss, New Tripoli.
Frank Canistra, Republic.
Hugh A. Bard, Slippery Rock.
Frank M. Severns, Southampton.
Catherine Gates, South Fork.
Kathryn McFadden, Summithill.
Thomas H. McKiveen, Trafford.

RHODE ISLAND

Nicholas Ball, Block Island.

SOUTH DAKOTA

Carl H. Schyan, Flandreau.
Fred W. Benish, Kennebec.

TENNESSEE

Walter H. Boswell, Livingston.
Bertha L. Loy, New Market.
Hamilton H. Taylor, Sr., Rutherford.
Frank C. Hargis, Wartrace.

TEXAS

Allan H. White, Amherst.
Benjamin T. Tucker, Mercedes.
Walter S. Martin, Port Arthur.
Bronson C. Howell, Port Neches.

UTAH

Alpha B. Barton, Monticello.

VIRGINIA

James Tolby Owens, Clintwood.

WASHINGTON

Albert L. Hopkins, Gig Harbor.
Vernon R. Nixon, Bellevue.
Joseph Carhart Larin, Eatonville.

WEST VIRGINIA

Robert Lake Bailey, Bluefield.

WISCONSIN

Charles E. Hougen, Amery.
Anton X. Umhoefer, Colby.

# HOUSE OF REPRESENTATIVES

## SATURDAY, AUGUST 24, 1935

*(Legislative day of Friday, Aug. 23, 1935)*

The recess having expired, the House met at 10 o'clock a. m.

The SPEAKER. The Chair will say to the House there are six or more conference reports on the desk. The Chair is going to take the liberty of asking the gentleman from New York and the House to suspend consideration of the bill which was under consideration when the House recessed last night until these conference reports, or at least the most of them, can be disposed of. The Chair will not recognize anyone until most of these conference reports are disposed of for any purpose except to correct the RECORD, to ask permission to insert matter in remarks, or to consider privileged urgent matters that may come up.

Mr. SNELL. That is a very good suggestion.

### A RESOLUTION TO END WAR—SUPPORTED BY FIFTY-FIVE MEMBERS OF CONGRESS, FRANK B. KELLOGG, AND MANY OUTSTANDING CITIZENS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein expressions from a number of my colleagues on the subject of war and international relations.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. Mr. Speaker, the purpose of this article in the CONGRESSIONAL RECORD is to report to the country the progress that has been made in promoting House Joint Resolution No. 167, the war referendum resolution I introduced in the last session, which is designed to minimize the possibility of America being dragged into unjustifiable wars. If this resolution is adopted and the amendment it purposes is written into the Constitution it will keep us out of wars we have no business to enter and will protect our precious boys, the fine young manhood of the Nation, from being swept into the maelstrom of foreign conflicts.

I believe there are more humanitarian possibilities wrapped up in this resolution than in any other measure that has come before the Congress in my time and that every American who loves his country, and desires to serve it, should support this resolution with all his heart and with every ounce of his resources and energy.

If we could get this proposed amendment or its substance written into the Constitution we would perform a major service for humanity in these dark and troubled times when dictators are threatening the peace of the world and war broods over Europe, Africa, and the Orient, and we would erect a permanent and substantial safeguard against war for all time.

If the amendment I propose is adopted, persons who make loans to foreign governments or to nationals of foreign countries and those who sell munitions to belligerents will not find it so easy to maneuver this country into war to protect their hellish profits. They will find that the people of America will have something to say about that and that the people, when given a chance to vote on war, will place humanity above dollars and the lives of our precious young men above greed and selfishness.

My resolution is a simple proposition and provides that, except in the case of invasion or attack, there shall be no declaration of war until the question has been submitted to the people and approved by a majority of the voters in a national referendum; also that in the event of war all war properties, munitions plants, and so forth, shall be taken over by the Government for the period of the emergency, thus removing the profit incentive to war. It is predicated on the theory that those who have to suffer and die, if need be, and to pay the awful costs of war ought to have something to say as to whether war shall be declared. The owners of war properties, dreaming of fabulous profits to begin when war is declared, will have a rude awakening if the amendment I have proposed is adopted. They will find that on the declaration of war they will become the servants and not the masters of the state; that thenceforth all their properties and resources will be used during the period of the war for the benefit of the state and for a nominal interest return of 4 percent on pre-war tax valuations, and that they will share with the rank and file some of the burdens and the sacrifices of war, which is as it should be. My amendment, in short, takes the profit out of war, and once the lure of profits is removed there will be few wars.

### HOW FRIENDS CAN ASSIST

This resolution has passed the stage of a most successful hearing and is now pending before the House Committee on the Judiciary awaiting action by that committee. I expect to press it with all possible vigor when the Congress reconvenes in January. There has been enough of a national awakening to show that the resolution correctly interprets the heart and soul of America, but a movement of such magnitude, involving an amendment to the Constitution, cannot succeed unless it has the support of an active and determined public opinion on a Nation-wide scale.

My own means are so limited that I cannot give the proposal the publicity which its merit warrants or the promotion that is necessary to bring it forward and make it stand out as an essential feature of the next legislative program, so I would be glad if persons of financial resources, who wish to do something worth while for humanity, would take the task in hand to see that funds are provided and organizations are established to bring the resolution to public notice in their respective communities and to urge those who are interested to ask their Representatives and Senators in the Congress to support it. Only by such combined and intensive efforts can success be attained.

### A SUCCESSFUL HEARING

The hearing on the resolution took place on June 19 last before Subcommittee No. 2 of the Judiciary Committee and was presided over by the chairman, Hon. EMANUEL CELLER, of New York, for whose courtesy and fine spirit of cooperation I wish to express my grateful appreciation. The other members of the subcommittee that conducted the hearing are Representatives ROBERT L. RAMSAY, of West Virginia; P. L. GASSAWAY, of Oklahoma; JAMES P. B. DUFFY, of New York; CLARENCE B. HANCOCK, of New York; and EARL C. MICHENER, of Michigan.

I have attended hearings on many bills, but never had I been present on an occasion so fraught with human interest, when the witnesses were so united, so sincere, so enthusiastic in support of the proposition presented. Speeches in behalf of the resolution were made by the following:

Dr. Mary Williams, professor of history, Goucher College.

Rabbi Edward L. Israel, of Baltimore, Md.

Gen. Smedley D. Butler, major general United States Marine Corps, retired.

Dr. Homer P. Rainey, president of Bucknell University, Pennsylvania.

Hon. THOMAS L. BLANTON, a Representative in Congress from the State of Texas.

Mrs. Harvey W. Wiley, general federation director from the District of Columbia Federation of Women's Clubs.

Miss Dorothy Detzer, national secretary of the Women's International League of Peace and Freedom.

Hon. MATTHEW A. DUNN, a Representative in Congress from the State of Pennsylvania.

Hon. HAROLD KNUTSON, a Representative in Congress from the State of Minnesota.

Mr. Arthur J. Lovell, vice president and national legislative representative, Brotherhood of Locomotive Firemen and Engineers, Washington, D. C.

Hon. JOHN J. BOYLAN, a Representative in Congress from the State of New York.

Dr. Arthur Call, secretary American Peace Society and the Interparliamentary Union.

Mr. J. A. Farquharson, national legislative representative, Brotherhood Railway Trainmen, Washington, D. C.

Mr. W. D. Johnson, vice president and national legislative representative, Railway Conductors of America.

While the committee was in session the executives of the 21 brotherhoods of railroad men met in Washington and adopted a stirring memorial in favor of the proposed constitutional amendment, and it was brought over to the committee room and read to the subcommittee by Mr. W. D. Johnson, vice president of the Railway Conductors of America.

### KELLOGG AND THE WAR MONGERS

Hon. Frank B. Kellogg, former Secretary of State and author of what is known around the world as the "Kellogg Peace Pact", made known at this meeting that he is in complete sympathy with the resolution I have introduced. In a letter read at the meeting he said:

> I certainly believe that if a national referendum were required before the United States should engage in a war except in the case of repelling an invasion, it would go a long way toward preventing any war. I think your resolution is a very good one, and I should be glad to do what I could to further its approval.

Later, on August 14, Mr. Kellogg again wrote to me a letter of cheer and encouragement in which he said:

> I wish you luck! I do not know whether our people would ever adopt a constitutional amendment on this subject or not, but I should consider it a great handicap on the war mongers.

Mr. Kellogg has used a very expressive term—"war mongers." It is the war mongers we want to reach—those who would coin the blood of human beings into filthy dollars, those who would wrench the hearts of women and children with misery unspeakable in order to accumulate vast private fortunes.

### COMMENDED BY ARCHBISHOP CURLEY

Most Reverend Michael J. Curley, archbishop of Baltimore, is as enthusiastic for my resolution as is Mr. Kellogg. In a letter he says:

> I have read your bill, and I wish to say to you very frankly that it has my fullest approval. Any measure that will keep us out of war and from a repetition of the horrible tragedy of 1914–18 ought to be welcome to the people of the United States. It is my humble opinion that the people of this country do not want war, and I doubt if the people of any nation in the world want war. After all, wars are not made by the people and certainly were not made by the millions of the sons of sorrowing mothers who went down to

their graves in the fratricidal strife of those 4 horrible years never to be forgotten.

Nations have been lashed unwillingly into war by high-powered propaganda carried on under the supervision of the swivel-chair gentlemen, who keep far away from the danger point in all wars, and at the same time the people have been made the victims of the wretched individuals who have made countless millions of dollars out of, so to speak, the dead flesh of the youth of the world. Consequently, your idea of placing the whole matter before the people for a referendum vote is excellent. The time should be gone forever when a few men can come together and throw nations at each other's throats.

Two other great archbishops of the Catholic Church—Drossaerts of San Antonio and McNicholas of Cincinnati—and numerous bishops of that faith urge the passage of this resolution as a measure of vital interest to humanity.

Eminent leaders of every Christian denomination in America are back of this measure. Four of the greatest rabbis in America—Israel, of Baltimore; Wise and Goldstein, of New York, and Feuerlicht, of Indianapolis—are among its ardent champions. Mrs. William E. Ochiltree, president of the American War Mothers, whose sons so valiantly served the Nation in the last war, is tremendously interested in this resolution. The leaders of the great brotherhoods of organized labor, knowing how the working people are ground by the cruelties and the insufferable burdens of war, are pleading with you to report this resolution.

There is no doubt that this resolution reflects the innermost soul of America. There is no doubt that it reaches straight into the heart of the common man and finds a lodgment there. There is no doubt the people of America yearn for the peace and security this resolution would establish in place of the everlasting uncertainty, the confusion, worry, and dread that now harry the souls of peace-loving citizens. For the people of America, like the people of all countries, are inexpressibly weary of war; they are weary of its heartaches, of its unspeakable sorrows; they are weary of the pain it puts in the hearts of mothers.

Countless thousands of American citizens have had their attention attracted to this proposal and they are looking to it as a way out of the wilderness. Innumerable individuals have written their endorsements, and no one could read their letters without knowing that their words come direct from the heart. Many large associations and groups have approved it unanimously in resolutions which they have sent to Washington. In one city over 2,000 school children have signed petitions urgently requesting its enactment. I wish I could shake the hand of every signer of the petitions that have come to me and tell him that my heart meets his in trying to find the way to permanent peace. I wish I could answer every one of the thousands of letters I have received, but such a task is manifestly impossible.

LEAST CONSPICUOUS OF GOD'S CREATURES

And beyond these whom I have described as leaders among men are many other people who are among the least conspicuous of God's creatures, people with hearts and feelings but devoid of education, who say in their letters, "This is the first time I have ever written to a Congressman, but I just had to let you know that I endorse all you are trying to do." There are times when the tongue cannot speak and the pen cannot write the language of the heart, and many of these correspondents write falteringly, violating all rules of punctuation and spelling, but saying enough to make themselves articulate in their earnest, almost pathetic desire that there shall be no more wars and that the common people, who have to do the fighting and the suffering and dying, shall at least have something to say as to whether America shall enter future conflicts.

The resolution already has penetrated deep into the consciousness of America. It has established itself in the hearts of many of our countrymen as a great and righteous principle that should be recognized and vitalized in the form of an amendment to the Constitution of the United States.

STATEMENTS BY SENATORS AND REPRESENTATIVES

It is to me a source of much encouragement and satisfaction that 55 Members of Congress have endorsed my war referendum resolution and by unanimous consent of the House I herewith present their endorsements so that the country may know that the resolution I have introduced has a strong nucleus of support in the national lawmaking body. Among the endorsers is Senator BENNETT C. CLARK, of Missouri, a World War veteran who knows what war is. He is a past national commander of the American Legion, and he was chairman of the caucus held in Paris, France, which organized the Legion. He is a very active and efficient Member of the Senate Munitions Committee, that has been investigating the war profiteers, and no one in the country has a better insight into the plots and machinations of greedy interests that foment war for the sake of profits.

Following are letters and statements by Members of Congress endorsing House Joint Resolution No. 167, the resolution I have introduced to keep America out of war:

WASHINGTON, D. C., *August 19, 1935.*

Hon. LOUIS LUDLOW, M. C.,
*Washington, D. C.*

MY DEAR LOUIS: I have followed your remarks on various subjects pertaining to war with great interest and great admiration.

I do not think there can be any question on earth as to the soundness of your position that steps must be taken to keep us out of war before the actual crisis has developed, for after the hysteria of war has been brought about it is impossible to depend upon Congress to withstand the demand for declaration of war. Therefore, I am entirely in sympathy with your proposition that except in case of attack or invasion a vote of the people should be required for the declaration of war. Of course, I think that certain other steps should be taken to prevent a situation from developing which will make it necessary for the people to vote on such an issue. I think that the United States should establish a neutrality policy which will make it impossible for us to drift into another war through the efforts of profiteers and international bankers as we did in the last one. It is for this reason that Senator NYE and myself have proposed three resolutions together making up a comprehensive neutrality program.

You deserve the thanks of the country for your efforts to focus public attention and arouse public sentiment in this great issue.

With kindest personal regards, I am,

Yours very sincerely,

BENNETT CHAMP CLARK.

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UNITED STATES SENATE,
*June 24, 1935.*

MY DEAR MR. LUDLOW: I have followed with much interest your joint resolution proposing an amendment to the Constitution with respect to the declaration of war and the taking of property for public use in time of war.

I believe that your argument is sound in saying that those who have to serve should have a voice in determining whether we should go to war. Your proposition to take over all war properties during the emergency will, in my opinion, effectively remove the profit incentive to war. Please command me whenever I can be of service to you in the premises.

Very respectfully,

FREDERICK VAN NUYS.

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WASHINGTON, D. C., *July 18, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR CONGRESSMAN LUDLOW: I am strong for your proposal and I will be glad to help you in any way I can. Best regards.

Sincerely yours,

ARTHUR CAPPER,
*United States Senate.*

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WASHINGTON, D. C., *June 22, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR COLLEAGUE: Permit me to acknowledge your letter of June 21, wherein you enclosed a copy of House Joint Resolution 167, and also your speeches of April 4 and February 19.

I wish to advise that this resolution, designed to minimize the possibility of America being dragged into unjustifiable wars, is in the right direction, and I will give it every possible support.

Sincerely yours,

A. J. SABATH, M. C.

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WASHINGTON, D. C., *July 6, 1935.*

Hon. HATTON W. SUMNERS,
*Chairman Committee on the Judiciary,*
*House of Representatives, Washington, D. C.*

DEAR CHAIRMAN SUMNERS: I wish to make a very brief comment on House Joint Resolution No. 167, introduced by Representative LOUIS LUDLOW, of Indiana.

I think it is the most far-reaching progressive piece of legislation in the history of the world.

THEODORE L. MOBITZ, M. C.

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WASHINGTON, D. C., *July 12, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR CONGRESSMAN LUDLOW: It was a very real regret that I could not be present at the hearings held on House Joint Resolu-

tion No. 167, but on account of important executive meetings of the Committee on Agriculture it was impossible.

It was my pleasure to appear at a hearing on a similar resolution a year ago, and I want to take this opportunity to express to you my hearty endorsement of this legislation.

In the interests of peace many measures have been introduced and many measures advanced, but I know of none which is more sane or more logical than the one contained in your resolution, namely, to insist upon a plebiscite before the country goes to war. It is democratic; it is common sense; it is constructive action, and I know of nothing which would be a greater deterrent to our participation in unnecessary conflict than passage of this resolution.

I am sure that once this Nation realizes its import and the machinery it would create toward our common objective, peace, there would be a tremendous popular demand for its enactment. I commend you for introducing it, and would be glad to stand shoulder to shoulder with you in working for passage of the resolution.

You will find some powerful allies in this cause if it can only be brought to their attention. I refer to the women and youth of America, and the rank and file of our citizenship.

Sincerely yours,

CHARLES W. TOBEY, M. C.

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STATEMENT OF CONGRESSMAN WILLIAM P. CONNERY

I am in hearty agreement with the provisions of House Joint Resolution 167, introduced by Congressman LUDLOW, providing that except in the event of invasion the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum.

My colleague, Mr. LUDLOW, rightly states that this resolution, if enacted, will be a real preventative to war.

Munitions dealers and international financiers have too often engendered strife between nations for their own avaricious gains, without the slightest compassion for the young manhood of our country slain in battle, the mothers' broken hearts, nor the children who are made orphans. While the people of our Nation are still suffering the aftermath of the war, the depression through which we are now passing, these professional war makers are busy in other quarters of the world agitating strife there, so that they may continue to pile up their bloody profits. I do not think that we should again permit these greedy profiteers to force war upon us, but that, if necessary, this solemn declaration should be made through the war referendum of the ballot box by those people who have to suffer and pay the awful costs of the war. War would then only be declared in the cause of righteousness, and not to satisfy the selfish and unprincipled objectives of the few.

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WASHINGTON, D. C., *July 1, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR MR. LUDLOW: As a soldier of the Great War, I am very pleased to endorse your House Joint Resolution No. 167, which is designed to minimize the possibility of America being dragged into unjustifiable wars. It proposes a constitutional amendment; and I believe the purposes are just and good. It does not prevent us from waging war to defend our own land, nor does it prevent us from engaging in war at all. It merely means that if we are to go into offensive wars away from our own territory, that the people shall have a right to say whether they desire to do so and whether or not they wish to send their sons off to be killed.

It is always difficult to have constitutional amendments passed. You know that as well as I do. I will say, however, that your resolution has already done a great deal of good in this country to let the people know the difference between an offensive and a defensive war. Your resolution has brought about widespread national discussion and it demonstrates not only your ability to represent the people of your district, but to represent all the people of the United States of America.

The purposes of your joint resolution, which calls for a new amendment to the Constitution, appear to me to be extremely valuable and I shall be glad to give you whatever support I am able.

Very truly yours,

MAURY MAVERICK, M. C.

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WASHINGTON, D. C., *July 5, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR COLLEAGUE: I want to commend you most highly for introducing House Joint Resolution No. 167, which is designed to minimize the possibility of America being dragged into unjustifiable wars.

In my representative capacity, I can assure you that the great majority of the people in the First Congressional District of the State of Washington favor the principles embodied in this resolution and I, as their representative, will do anything I can to cooperate with you to bring about the proposed amendment to the Constitution of the United States.

Sincerely yours,

M. A. ZIONCHECK, M. C.

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STATEMENT OF HON. SAMUEL B. PETTENGILL, M. C.

Gentlemen of the committee, I doubt if any more important matter has ever come before your committee than House Joint Resolution 167, introduced by my distinguished colleague, Mr. LUDLOW. I beg of you to consider it carefully.

We have to look at war with cold realism. Patriotism itself requires us to do so. We have to think of it in terms of the greater good, and the long perspective. Shall a million lives be sacrificed to vindicate a hundred?

War comes in the present. It is liquidated in the future. It affects us, but it concerns posterity. The decision when made is irrevocable. Its burden must be borne by generations who had no voice in its decision.

During the World War we spent more money than in the 128 previous years since Washington became President. The payment of that debt will tend to lower the standard of living of our grandchildren.

War no longer is the business of armies. It is directed against the entire civilian population, and is fought by them. As it has become mechanized it has become merciless. It is said that only 8,000 died of battle wounds during the entire period of the Revolutionary War. Today that number would be the death toll of a single day—or an hour.

The decision whether we should engage in future war is too serious to be decided by box-car headlines, flag waving, hidden economic interests, munitions makers, mass psychology, emotional insanity. It can only properly be decided by the anxious deliberations of father, mother, son, and daughter sitting at the American fireside. It concerns them.

This resolution would give time for sober second thought. It would prevent a nation from being swept off its feet by an unfortunate incident, like the sinking of the *Maine*, or the *Lusitania*. It would serve notice to the purveyors of propaganda that the case for war must be so clear and clean that it can stand inspection by those who have nothing to gain from it. This resolution takes selfishness out of the decision to fight. It places war on the rock of patriotism. It deserves to stand on no other foundation.

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WASHINGTON, D. C., *July 9, 1935.*

Hon. LOUIS LUDLOW,
*House Office Building, Washington, D. C.*

MY DEAR COLLEAGUE: Your letter dated June 29 together with a copy of House Joint Resolution 167 have been received.

Your proposal which is designed to minimize the possibility of America's entrance into war meets with my approval. In the consideration of the legislation, however, amendments will be considered which may prove helpful and they also will have my support.

With best wishes, I am,

Sincerely yours,

JIM MEAD, M. C.

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WASHINGTON, D. C., *June 22, 1935*

Hon. LOUIS LUDLOW,
*Member of Congress, Washington, D. C.*

DEAR COLLEAGUE: I desire to assure you that I am in hearty accord with House Joint Resolution 167 and wish to commend you for the fine effort you are making for its favorable consideration.

I was a Member of Congress during the World War and voted for the declaration of war, much against my convictions. I felt then that a great mistake was being made but yielded to the clamor for war. I have regretted every day since that I did not stand by my convictions. I have also daily regretted that I did not vote for the McLemore resolution to keep off the high seas. You will, therefore, understand by these declarations how I feel about war.

I am not a pacifist when our shores are invaded or our Government is in peril, but would never again vote for a declaration of war unless by the expressed voice of a majority of the people. You are at liberty to use this letter in any way you desire.

Very respectfully,

WILLIAM A. ASHBROOK,
*Member of Congress.*

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WASHINGTON, D. C., *July 9, 1935.*

Hon. LOUIS LUDLOW,
*Member of Congress, Washington, D. C.*

DEAR COLLEAGUE: I appreciate your letter of June 29 calling my attention to House Joint Resolution 167. While it would be inadvisable to commit oneself to any piece of legislation before hearing it fully discussed, I can say without reservation that I favor the objectives you have in view and will be glad to assist you in any way possible.

With cordial regards, I am,

Sincerely yours,

THEODORE CHRISTIANSON,
*Member of Congress.*

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WASHINGTON, D. C., *July 6, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR COLLEAGUE: I have studied with interest your Resolution No. 167, which proposes to refer the question of war and matters pertaining to war to the people.

I think your bill is a step in the right direction.

With good wishes,

Sincerely yours,

HERMAN P. KOPPLEMANN,
*Member of Congress.*

WASHINGTON, D. C., *July 3, 1935.*

Hon. LOUIS LUDLOW,
*House Office Building, Washington, D. C.*

MY DEAR MR. LUDLOW: I am very much interested in your Resolution No. 167 and your motive of minimizing the possibility of America being dragged into unjustifiable wars.

I am heartily in favor of any action that can be taken to establish peace and the settlement of differences by peaceful methods.

Sincerely yours,

CHARLES J. COLDEN, M. C.

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WASHINGTON, D. C., *July 3, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives.*

MY DEAR COLLEAGUE: I wish to acknowledge your letter of June 26 relative to your House Joint Resolution 167, a copy of which was enclosed therewith, and believe in the basic principle that the people of the United States should have some voice in the matter of declaring war, and that properties should be conscripted upon substantially the same basis as man power in the event of a national emergency.

Sincerely yours,

CHESTER THOMPSON, M. C.

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WASHINGTON, D. C., *July 6, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

MY DEAR COLLEAGUE: I am glad to acknowledge your letter of June 29 and the enclosure of a copy of your House Joint Resolution 167, which proposes an amendment to the Constitution of the United States with respect to the declaration of war and the taking of property for public use in time of war.

I am glad to assure you of my cooperation and support of this measure. If I can be of any service to you personally in your efforts in this connection, please feel free in calling on me.

With best wishes, I am,

Sincerely yours,

R. T. BUCKLER, M. C.

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WASHINGTON, D. C., *July 6, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

MY DEAR CONGRESSMAN: I am in hearty sympathy with your resolution (H. J. Res. 167) and will gladly support it when it comes up in the House for consideration and passage.

I have advocated this policy for years and agree with you that if such an amendment is adopted it will prevent our country ever taking part in any war except one of actual self-defense in case of invasion.

Wishing you the best of success in this very worth-while undertaking, I remain,

Yours very sincerely,

KNUTE HILL, M. C.

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WASHINGTON, D. C., *July 5, 1935.*

Hon. LOUIS LUDLOW,
*House Office Building, Washington, D. C.*

DEAR COLLEAGUE: I have very carefully read House Joint Resolution 167, and feel that it is worth most serious consideration by our people and covers the subject on which they should be permitted to express their views. In my opinion, such an amendment to the Constitution would have a far-reaching effect, and no doubt would tend to prevent our hasty entry into a war of invasion against any country.

Sincerely yours,

F. L. CRAWFORD, M. C.

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WASHINGTON, D. C., *July 5, 1935.*

Hon. LOUIS LUDLOW,
*House Office Building, Washington, D. C.*

DEAR COLLEAGUE: I am in receipt of your letter of June 29 in which you enclosed copy of House Joint Resolution 167. I am interested in legislation which will assure the United States neutrality in the future.

You may be sure that this resolution which you have introduced will receive my most careful consideration.

Very sincerely,

OTHA D. WEARIN, M. C.

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WASHINGTON, D. C., *July 5, 1935.*

Hon. LOUIS LUDLOW,
*House Office Building, Washington, D. C.*

DEAR COLLEAGUE: I have your letter of June 29, and also copy of House Joint Resolution No. 167.

I am in hearty sympathy with your ideas, and am favorable to the resolution. If there is anything further I can do to help you along in getting this resolution passed, please command me.

Sincerely yours,

KARL STEFAN, M. C.

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WASHINGTON, D. C., *June 26, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR MR. LUDLOW: Much appreciate your letter of June 21, and especially appreciate your enclosing your speeches of April 4 and February 19. Am in heartiest accord and shall be glad to cooperate at every opportunity.

With best wishes, your friend,

CLARENCE CANNON, M. C.

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WASHINGTON, D. C., *July 1, 1935.*

Hon. LOUIS LUDLOW,
*Member of Congress, Washington, D. C.*

DEAR COLLEAGUE: I have read and carefully considered a resolution recently introduced by you designed to prevent the United States from being involved in unnecessary and unjustifiable war.

I am heartily in favor of your resolution and shall be very glad to support it to the utmost of my ability.

Sincerely yours,

F. J. SISSON, M. C.

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STATEMENT OF CAROLINE O'DAY, MEMBER OF CONGRESS FROM NEW YORK

I am in favor of the Ludlow resolution, House Joint Resolution 167.

So long as there are economic rivalries between nations, so long as there are territories to be annexed, so long as there are political controversies, so long will there be potential tendencies toward war—for war is the final and most violent phase of political action.

Nevertheless, there is no problem affecting humanity that cannot be settled without resort to war if the people so will.

War, in the last analysis, results through a game played behind closed doors in the courts, foreign offices, committee rooms, and counting houses of the world. The rank and file of citizens, the man in the street who later becomes the man at the front, know nothing of this game until cleverly directed propaganda begins to play upon the finest and most admirable trait of mankind all the world over—love of country.

The word "patroitism" is debauched by diplomats, statesmen, and by profiteers. A conscienceless press fans the flames of international misunderstanding. Mass psychology is artfully directed, and when the time is ripe for the purpose of its instigators war is declared.

We who know the horrors of the World War and its ghastly aftermath must shape a new code of international morality—a new system of relationship between nations that will prevent the slaughter of the youth of the world and the sacrifice of its young manhood.

A national referendum held by hostile nations pending a declaration of war would provide time for sober reflection, for allaying national hysteria, for investigating the truth or falsity of prevailing propaganda, for weighing the cost of human lives as against the acquisition of territories, the salvaging of investments for powerful financiers, as against the glorification of rulers and war lords, or avenging a national slight.

Through a referendum the rank and file of the people, the fathers and mothers of the Nation's youth would make the solemn decision as to whether or not that youth should be sent to the fields of slaughter.

Who can doubt but that a national referendum would prove a powerful instrument toward the maintenance of peace and the abolishment of that "sum of all iniquities"—war.

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WASHINGTON, D. C., *July 2, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR COLLEAGUE: I have given considerable thought and study to the resolution you have introduced in an effort to prevent our Nation from being forced into possible future unnecessary armed conflicts. I am deeply impressed with the righteousness of this effort to outlaw, through legislation, American participation in unjustifiable wars.

America, having enjoyed friendly relationships with her immediate continental neighbors for so many years, has no reason to anticipate the necessity of entering into war with nations in any section of the world. It is hard to presume that war will come to us from abroad, but it is decidedly foolhardy to leave anything undone which could prevent America from going to war on other continents.

Your resolution, as I understand it, gives full protection to the National Government in case of the emergency of invasion, but at the same time passage of your resolution would make it practically impossible for this Nation to become the aggressor in any armed conflict.

I approve especially of the provision in your resolution which gives those who must do the suffering in time of war the right to have a voice in the question of whether or not our Nation shall enter such conflict. I believe the further provisions of your resolution giving the Government full control over all properties in time of war will have a decided desirable effect on any person who might be interested from a selfish standpoint in seeing this Nation at war.

You will find me ready at all times to assist you in any way possible in pushing your resolution to final favorable action by Congress.

With kindest personal regards, I am,

Yours very truly,

WM. H. LARRABEE, M. C.

WASHINGTON, D. C., *June 25, 1935.*

Hon. LOUIS LUDLOW,
*United States House of Representatives, Washington, D. C.*

MY DEAR LOU: House Joint Resolution 167, which was introduced by you on February 14, proposing an amendment to the Constitution of the United States with respect to the declaration of war and the taking of property for public use in time of war, is one of the most far-reaching resolutions which have been introduced in a long time, and in writing this I believe I am expressing the sentiments of the people of my district that they will be for the resolution practically 100 percent.

I believe that this resolution will come closer to ending war in the future than any other bill which has been presented in the history of this Nation, owing to the fact that under your proposed resolution the people will be the ones who will make the final decision as to whether or not we are going to engage in war. And why not? After all, why shouldn't these people, who must stand ready to do the actual fighting and to sacrifice their lives to defend this great Nation if necessary, have an opportunity to be heard regarding their views on the necessity of entering into conflict with other nations. I am confident that a vote of this nature would prove that these people are very much in opposition to war, and as a result war profiteering will come to an immediate end.

Permit me to congratulate you on the introduction of the bill and to wish you success in securing its enactment into law. Should I be in a position to render you any other service in furthering the interests of House Joint Resolution 167, please do not hesitate to call upon me.

With my best wishes I remain,
Sincerely yours,

WM. T. SCHULTE, M. C.

STATEMENT OF HON. VIRGINIA E. JENCKES, MEMBER OF CONGRESS FROM THE SIXTH DISTRICT OF INDIANA

Mr. Chairman, I desire to express my approval of House Joint Resolution 167, introduced by my distinguished colleague, the Honorable LOUIS LUDLOW, of Indiana.

I endorse this most important measure not only as a Member of the Congress but as an American woman, a mother, and a citizen, who has had the opportunity of observing the sufferings of the people resulting from the declaration of war as a result of an emotion or hysteria rather than upon the cool, calm judgment as expressed by the ballot of all the people, as provided by Mr. LUDLOW'S bill.

As we look back over the years and remember the day when the Congress declared war on Germany, and when we review the many events which caused suffering and anguish and privation among our citizens, I am sure that if Mr. LUDLOW'S bill had been law in 1916 our Nation would not have been so quick to have rushed into a conflict which destroyed thousands of our fine American men and caused untold sufferings among their families.

We all remember how proud we were when we took credit for having helped save the world for democracy, but today we find these same nations for whom we sacrificed the flower of our citizenship, for whom we impoverished ourselves in sending them supplies and funds, we find these same nations today refusing to repay to the United States the moneys which we loaned them, moneys which represented the earnings and savings of our people. We find these same nations again getting ready for war, wasting their resources, and again getting ready to destroy the lives of their citizenship.

I am not a pacifist. I believe in an adequate and proper national defense. I believe in the best Army and the best Navy and the best air force of any nation in the world, but I also believe that we should be the slowest Nation in the world to think of war or to engage in war except for the purpose of repelling an actual invasion.

The mothers of America demand that they be recognized in determining whether their sons shall be used for cannon fodder to satisfy a national emotional outburst. The women of America have been given the ballot. The women of America are voting, and the women of America demand that the United States shall never engage in another war until all of the citizens by their direct ballot shall indicate their approval or disapproval of the contemplated declaration of war.

I appeal to the committee for favorable action on House Joint Resolution 167. I appeal to our American women to support this very meritorious measure; and when it becomes law—and I hope it will be made law at this session of the Seventy-fourth Congress—I request all women to take a genuine interest in the administering of this law in order to prevent the horrors of another war.

I thank you.

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Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR COLLEAGUE: I have your letter, together with House Joint Resolution No. 167. I am in favor of this resolution, but believe that the Congress of the United States should provide a sufficient Army, Navy, and air force to repel any aggression which might be made on our country. This in my judgment is the greatest preparation against war.

Yours sincerely,

MORGAN G. SANDERS, M. C.

STATEMENT OF HON. GLENN GRISWOLD, MEMBER OF CONGRESS, FIFTH DISTRICT OF INDIANA

Mr. Chairman and members of the committee, I am highly pleased to be able to use any influence that I may have in support of the resolution of my colleague, Mr. LUDLOW, of Indiana, now pending before your committee. By this resolution our entry into war would not be decided by the vote of a few of we old men here on the floor of the House and the Senate, but under his resolution some voice would be given to those who will be required to fight our wars and who now have no voice in creating the war to which they must give their time, effort, and in many instances their lives.

In my opinion, there are just two causes of war—the avariciousness of the rich and the patriotism of the poor. Without these two factors working in conjunction there would be no war. When Congress votes a declaration of war the next thing to do thereafter is to determine who shall fight the war. In the past the Membership has gazed at one another and discovered that the vast majority of the Members of the House were beyond 45 years of age and immediately reached the conclusion that the actual fighting should be done by men under 45 years of age. I submit that this is not fair nor just. We older men, by our votes, shove the young men into the battle line.

A few days ago, during the Shrine Convention, I, with thousands of others, viewed the parade. Band after band and unit after unit passed with its flags. Each time a flag passed I noticed that the Boy Scouts, who were acting as ushers in the grandstand, stood at attention and saluted. I was proud of those boys and their evidence of patriotism and respect for the flag, standing each time almost alone, while we, their elders, remained seated. But I was deeply moved when I thought that in later life when these boys would have grown into their very prime that that same spirit of patriotism might force them, because of a vote of Congress, into the front lines, to become cannon fodder and crippled by devastating gas.

We talk much of the cost of war in dollars. I am interested more in the cost of war that cannot be measured in dollars—the cost of war that is evidenced in the loss of brain power to the Nation. In my district is located, at Marion, Ind., the largest Veterans' Bureau mental hospital in the United States. If you would know the greatest cost of war, then you should view the dead minds in living bodies that reside in that hospital.

In this, a government of majorities, in such a vital thing as war, I think it is just and right and proper that the men who are to suffer the loss of their minds, the men who are to have twisted bodies as a result of the war, and the parents who must bear the anguish and torture of awaiting the casualty list should have some vote in the declaration of war.

I sincerely hope that the committee can see fit to make a favorable report to the House on the resolution of Mr. LUDLOW.

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WASHINGTON, D. C., *July 3, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

MY DEAR COLLEAGUE: I heartily approve of House Joint Resolution 167, introduced by you in the House of Representatives. I shall be glad to support the resolution with my vote.

Faithfully yours,

JOHN STEVEN MCGROARTY, M. C.

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WASHINGTON, D. C., *July 9, 1935.*

Hon. LOUIS LUDLOW,
*House Office Building, Washington, D. C.*

MY DEAR MR. LUDLOW: Thank you for your letter of June 29, with enclosed copy of House Joint Resolution No. 167, which you introduced, proposing an amendment to the Constitution of the United States with respect to the declaration of war and the taking of property for public use in time of war.

I have long been an ardent advocate of peace, and you may be sure that your resolution will receive my most careful and serious consideration.

With high regards, I am
Sincerely yours,

JOSEPH P. MONAGHAN, M. C.

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WASHINGTON, D. C., *July 11, 1935.*

Hon. LOUIS LUDLOW,
*House Office Building, Washington, D. C.*

DEAR CONGRESSMAN: I have for acknowledgment receipt of your letter of June 29 relative to your resolution, House Joint Resolution 167, and in answer thereto wish to state I will be glad to lend all possible aid in furtherance thereof and have so written to many of my constituents who have addressed me on the subject.

Again assuring you of my support, I am
Very sincerely yours,

M. H. EVANS, M. C.

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WASHINGTON, D. C., *July 10, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives.*

MY DEAR COLLEAGUE: I have your letter of recent date enclosing a copy of House Joint Resolution 167. In reply, permit me to state that I am in sympathy with the major portion of the resolution and believe if enacted it would be for the benefit of the country as a whole.

Very truly yours,

WILLIAM L. HIGGINS, M. C.

WASHINGTON, D. C., *July 10, 1935.*

Hon. LOUIS LUDLOW, M. C.,
*House of Representatives, Washington, D. C.*

MY DEAR COLLEAGUE: Please accept my thanks for a copy of House Joint Resolution 167, proposing an amendment to the Constitution of the United States with respect to the declaration of war and the taking of property for public uses in time of war.

To my mind there is much to recommend the resolution, and you are to be commended for having introduced it. I trust that it will be favorably reported by the committee and brought up on the floor of the House for general discussion.

Sincerely yours,

GEORGE BURNHAM, M. C.

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WASHINGTON, D. C., *July 11, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR COLLEAGUE: My attention has been called to House Joint Resolution 167, introduced by you on February 14, 1935, proposing an amendment to the Constitution of the United States with respect to the declaration of war and the taking of property for public use in time of war.

In view of international developments in recent years, I feel that this resolution is very timely and should be passed and submitted to the States for ratification. If you and your friends are successful in getting this resolution made a part of the organic law of our Nation, I feel that you will have rendered a major service to humanity and civilization.

The world looks to America as to the preserver of the highest ideals of our civilization, and the passage of this resolution would be a step in that direction.

I assure you that I shall be glad to cooperate with you in your efforts to bring about the passage of this resolution. I have received some very interesting letters calling my attention to the merits of your resolution, and I am sending you copy of a letter from my old friend and teacher, Dr. W. S. Dearmont, of Lafayette, La., for your inspection.

Very sincerely yours,

ORVILLE ZIMMERMAN, M. C.

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WASHINGTON, D. C., *July 1, 1935.*

Hon. LOUIS LUDLOW,
*House Office Building, Washington, D. C.*

DEAR COLLEAGUE: This will acknowledge receipt of your letter dated June 29, with enclosed copy of House Joint Resolution No. 167.

Although I am ordinarily slow to endorse changes in the Constitution of the United States, I can see the merit in your proposed amendment. I believe if same were made a part of our Constitution, that the possibility of war would be greatly decreased.

Your proposed amendment has my approval and you have but to command me for any assistance I can render in support of same.

Yours truly,

WILL ROGERS, M. C.

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WASHINGTON, D. C., *July 2, 1935.*

Hon. LOUIS LUDLOW,
*House Office Building, Washington, D. C.*

DEAR COLLEAGUE: Received your letter, enclosing House Joint Resolution No. 167. I have gone over same, and can assure you that the farmers generally will back up section 1.

There may be some difference of opinion on section 2, because the majority of the farmers, I believe, feel that wealth should be conscripted on the same terms and conditions as men: take and use it during the war, and return what is left of it after the war. They feel if this were done, there would be less war.

I am satisfied that the overwhelming majority of the people of this nation are in favor of a constitutional amendment along the lines of your bill. Shall be glad to cooperate with you.

With personal regards, I am

Very truly yours,

WILLIAM LEMKE, M. C.

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WASHINGTON, D. C., *July 2, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives.*

DEAR COLLEAGUE: I am definitely in favor of any plan to insure peace in this country.

The plan to remove the profit incentive from war will dissuade many of our war makers from further activities, I am sure.

Very sincerely yours,

THOMAS R. AMLIE, M. C.

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WASHINGTON, D. C., *July 5, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

MY DEAR COLLEAGUE: I am in receipt of your letter of June 29 regarding House Joint Resolution No. 167, designed for the purpose of minimizing the possibility of America being dragged into war.

I do not see how any well-meaning person could be opposed to a resolution of this sort. I know that the rank and file of American people believe in that kind of doctrine.

You may be assured of the fact that I shall give your proposition my endorsement.

With best wishes, I am

Very sincerely yours,

SAM MASSINGALE, M. C.

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WASHINGTON, *July 9, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

MY DEAR COLLEAGUE: I have read with a great deal of interest your letter and the attached joint resolution.

I think you have found, and have in good form, the only method that will prevent us from entering a foreign war. I am in hearty agreement with your proposal, and wish to give it my unqualified support.

Sincerely yours,

PHIL FERGUSON, M. C.

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WASHINGTON, D. C., *July 6, 1935.*

Hon. HATTON W. SUMNERS,
*Chairman Committee on the Judiciary,*
*House of Representatives, Washington, D. C.*

DEAR CHAIRMAN SUMNERS: I wish to be recorded as being heartily in favor of House Joint Resolution No. 167, introduced by Representative LOUIS LUDLOW as a means of keeping America from being dragged into unjustifiable wars. I believe it is the best proposal that has been brought forward to accomplish that end. I believe that those who have to bear the awful burdens of war and those who have to do the suffering, the fighting and the dying, if need be, should have the right to say something in regard to whether or not war shall be declared, and Mr. LUDLOW's resolution seeks to give them that right. I believe the people of America want this resolution passed.

WILLIAM F. BRUNNER, M. C.

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WASHINGTON, D. C., *July 3, 1935.*

Hon. LOUIS LUDLOW,
*House Office Building, Washington, D. C.*

MY DEAR MR. LUDLOW: I am in sympathy with the purposes of your House Joint Resolution No. 167. I believe that the statesmanship of America cannot devote itself to any more worth-while project than the minimizing of the danger of America going into another war. The jingoists and the superpatriots have so much power now that it certainly would be well to guard against their baneful use of it in case of the imminence of another war.

Sincerely yours,

FRED BIERMANN, M. C.

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WASHINGTON, D. C., *July 3, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR COLLEAGUE: I am pleased to acknowledge receipt of your letter of June 29 relative to the resolution introduced by you known as "House Joint Resolution No. 167."

While it is generally agreed that war should be abolished and while sober thinkers realize that there is little possibility that any nation of the world not under the control of madmen would attempt armed invasion of another in the near future, it is too much to hope that another terrible world conflict is not inevitable. No, of course, we do not want war, but we cannot help but recall the post-war remark of that war-time English statesman, Lloyd George, who said: "No country really wanted war in 1914 but we gradually slid into it."

No country really wants war today but once the conflagration starts and patriotism is fired up with martial music and propaganda the demands of the mass of people will be such that sober reflection and calm judgment will be forced to give way to the feverish desire to annihilate the enemy. War is inevitable; even with all of its gruesome aspects, its vile frightfulness and brutality forever engraved on the minds of those who participated in the last one; with the horrors of human conflict, murderous and fatal, dimmed by a few intervening years, those who yesterday swore they would never again bear arms will be among the first to come forward to fight to the tune of "save democracy" or "down with tyrants" or another catch phrase of like ring.

Why is war inevitable?

While the answer to this question may easily be complicated by examination of historical precedent, it finally narrows down to the bare fact that the cause of war is economic, and as long as the ambitions of men direct them toward progress in trade and commerce just so long will the desires of the nationals of one land conflict with those of another and ultimately lead to inhuman warfare among humans. The inception of war is motivated by the desire for human gain, in the first instance, and is always followed by a synthetic patriotism, fostered and nurtured into the actual and necessary patriotic fervor which is the prerequisite of the murder and suicide of war. This, we well know. We also know that when war is imminent these facts are obscured as reason vanishes in the face of blind unreason.

Even in peace time we appear to find it difficult to get together on methods of minimizing war hazards. I am supporting the Ludlow House Joint Resolution 167, because it is designed to take the profits out of war and to obtain a referendum of the people as to whether or not they favor or disfavor our entering into conflict. I believe the people should rule. I heartily endorse the Ludlow movement.

Very truly yours,

JOHN M. HOUSTON, M. C.

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WASHINGTON, D. C., *July 11, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR COLLEAGUE: The more I study history the more I become convinced that war is international insanity. I am wholeheartedly

in favor of any action on the part of our Government which would tend to prevent war.

I believe that most wars could have been avoided if the people involved had been given the power to declare war or to insist on peace at their discretion. All too often diplomats and foreign ministers are more interested in fame than in the public welfare, and nations are forced into war against their will in order to satisfy some politician's appetite for empty glory.

Democracy is repudiated when the people are denied a voice in times of greatest crisis. Under true democracy the people themselves would decide every vital issue on its merits. Your resolution (H. J. Res. 167) is a long step toward the attainment of true democracy, and I will cooperate with you in every possible way to bring about the adoption of this resolution during the present session of Congress.

Very truly yours,

ABE MURDOCK, M. C.

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WASHINGTON, D. C., *July 3, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

MY DEAR COLLEAGUE: I think it is well to give serious thought to House Joint Resolution 167, which you are sponsoring in the House. I believe our people are daily becoming more conscious of the awful costs of war and of the need for aggressive action toward preventing further world conflagrations with their attendant human sacrifice and suffering.

Recently, I presented to the House a petition signed by several thousand of my constituents and filed through the Morning Call, of Paterson, N. J., calling for a constitutional amendment embracing substantially the article you propose.

With kindest personal wishes, I remain

Very sincerely yours,

GEORGE N. SEGER, M. C.

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WASHINGTON, D. C., *July 1, 1935.*

Hon. LOUIS LUDLOW,
*House Office Building, Washington, D. C.*

MY DEAR CONGRESSMAN LUDLOW: I have read House Joint Resolution 167 and your remarks very carefully, and I want you to know that you can depend on whole-hearted support in this matter.

Certainly those that have to do the fighting and suffering should have something to say as to whether or not war should be declared.

With kind personal regards,

Sincerely yours,

B. M. JACOBSEN, M. C.

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WASHINGTON, D. C., *June 19, 1935.*

Dr. J. J. BUCHANAN,
*Mercy Hospital, Pittsburgh, Pa.*

DEAR MR. BUCHANAN: Your communication of 17th instant received, and I assure you that I favor Hon. LOUIS LUDLOW's proposed constitutional amendment and will add my humble efforts in attempting to put it through.

Pleased to hear from you. Kindest personal regards.

Sincerely yours,

JAMES L. QUINN, M. C.

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UNITED STATES SENATE,
*February 13, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR MR. LUDLOW: While intensely interested in the plans of yourself and others, to reduce the danger of our country being drawn into more war, it has been a resolve of members of our Munitions Committee to refrain from endorsement of any specific program. We are hopeful that upon completion of our pending investigation we shall be able to get together on a specific program. I hope you will understand the purpose which is mine in refraining from giving direct endorsement to any plan. I can say to you, however, that I look with very large personal favor upon any program which would give the people a direct voice in the question of whether or not our country should engage in war.

I had a delightful experience out at your city last week, and want to thank you again for the encouragement which your interest gives us in continuing our study of the munitions question.

Sincerely yours,

GERALD P. NYE,
*Chairman Special Committee Investigating the Munitions Industry.*

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WASHINGTON, D. C., *June 18, 1935.*

Dr. J. J. BUCHANAN,
*Mercy Hospital, Pittsburgh, Pa.*

MY DEAR DR. BUCHANAN: This will acknowledge receipt of your communication dated June 17, relative to House Joint Resolution No. 167.

Kindly be informed that it is my intention to not only support the above-mentioned bill but also to speak favorably on it tomorrow.

With best wishes, I am

Very truly yours,

MATTHEW A. DUNN, M. C.

WASHINGTON, D. C., *July 15, 1935.*

Hon. LOUIS LUDLOW, M. C.,
*House Office Building.*

DEAR LOUIS: Some days ago I received a letter from you, together with copy of House Joint Resolution No. 167.

I have had many letters from Indiana asking me to support this resolution, and when you get ready, if there is anything I can do, shall be glad to have you tell me.

Respectfully,

JAMES I. FARLEY, M. C.

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WASHINGTON, D. C., *July 13, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR COLLEAGUE: Your Joint Resolution 167 proposing something which I have for years advocated—a referendum on war. I conducted the first congressional referendum on war as a Member of Congress in 1916, and found my constituents about 8 to 1 against America's entry into that foreign conflict.

I am certain that a referendum on war is one of the best possible methods of preventing our participation in foreign conflicts.

Sincerely yours,

ERNEST LUNDEEN, M. C.

Keep out of the League of Nations, the World Court, and European entanglements in general. Trade with all—friends with all—entangling alliances with none. That is the Washington-Jefferson formula to keep out of war.

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WASHINGTON, D. C., *July 15, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

MY DEAR COLLEAGUE: Just a word to let you know that I will be glad to cooperate with you in your House Resolution 167. I do not know the details of it, but will leave it to your good judgment.

Sincerely yours,

J. BUELL SNYDER, M. C.

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WASHINGTON, D. C., *July 16, 1935.*

Hon. HATTON W. SUMNERS,
*Chairman Judiciary Committee,*
*House of Representatives, Washington, D. C.*

MY DEAR CHAIRMAN: I desire to go on record approving House Joint Resolution No. 167, which proposes an amendment to the Constitution, with respect to providing the people of the country the right to approve or disapprove a declaration of war.

This is a most meritorious piece of legislation and its passage, I am confident, will prevent many needless conflicts, with their resultant loss of lives and destruction of property. The people, who must suffer any losses incurred in armed conflict, should possess the privilege of plunging our Nation into warfare, or preventing us from entering into war.

With many foreign nations excited about anticipated conflicts, it is of even greater importance for us to remain calm and unaffected by the tangled political situations remarked in other countries. The citizens of this country disapprove foreign invasions by our armed forces, and I believe the acceptance of this measure would do much to prevent any unwarranted entrance into foreign disturbances.

Sincerely yours,

HENRY E. STUBBS, M. C.

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WASHINGTON, D. C., *June 18, 1935.*

Dr. J. J. BUCHANAN,
*Mercy Hospital, Pittsburgh, Pa.*

DEAR SIR: I have your letter of June 7 calling my attention to House Joint Resolution 167. I think that amendment has merit, and I see no good reason why it should not be adopted.

With kindest regards, I am

Very sincerely yours,

CHARLES R. ECKERT, M. C.

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Hon. LOUIS LUDLOW,
*Washington, D. C.*

DEAR MR. LUDLOW: I am very earnestly in favor of your House Joint Resolution No. 167. It proposes the most effective plan to keep America out of war. Command me in any way I can serve.

Sincerely,

JAMES A. FREAR,
*Former Member of Congress.*

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WASHINGTON, D. C., *July 15, 1935.*

Hon. LOUIS LUDLOW,
*House of Representatives, Washington, D. C.*

DEAR CONGRESSMAN LUDLOW: Your effort to secure the passage of legislation giving the people of the Nation the privilege of referendum on any proposed declaration of war is a public service for which you deserve the highest commendation.

What reasonable argument can be offered against the proposition that the people who do the paying and the dying should have the privilege of declaring whether there shall be war?

Give the people an opportunity to vote for or against a declaration of war and much of the war propaganda and war hysteria inspired by the profiteering patrioteers will be ineffective.

The Congress of the United States can render no greater service to the Nation than to approve legislation permitting the people to settle the war issue at the ballot box.

Sincerely yours,

BROOKS FLETCHER, M. C.

THE UTILITY HOLDING-COMPANY BILL

Mr. WEARIN. Mr. Speaker, my colleague, the gentleman from Iowa [Mr. EICHER], would like to have unanimous consent to extend his remarks in the RECORD and to include therein one or two short letters.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. EICHER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from Hon. SAMUEL B. PETTENGILL and my reply thereto:

HOUSE OF REPRESENTATIVES,
*August 17, 1935.*

Mr. EDWARD C. EICHER,
*House of Representatives, Washington, D. C.*

DEAR MR. EICHER: I have read the personal attack made by you upon Mr. HUDDLESTON and me, as reported in the CONGRESSIONAL RECORD of yesterday.

I thought that you were a gentleman and that we were friends. Our relations this winter have been cordial. While disagreeing on certain aspects of the utility bill, we have done so with respect to the good faith of each other that should always be the conduct of gentlemen. Even during the debate we met frequently in the cloakroom and drank a cup of coffee together as friends. When you were stricken ill I wrote you a letter expressing my regret and the hope for your early return to duty, which was kindly acknowledged by your wife. At one time I received a letter from a newspaper publisher in your district very critical of you and replied by saying that, while you and I disagreed on some points of the bill, I was certain that you were sincere and actuated only by your conception of the public interest. I did this in the hope that it would do you some good in your own district and sent you a copy of the letter.

Now, some 6 weeks after the bill passed the House, you have seen fit to spread in the CONGRESSIONAL RECORD a personal attack. You stated, in substance, that I purposely prolonged the hearings and the executive consideration of the bill, for the purpose of giving the utility lobby time to emasculate and defeat the bill. This is the first occasion when my motives have ever been challenged by a colleague, in three sessions of Congress.

I am at a loss to know how to meet this attack. It raises the question of personal privilege, which thoroughly entitles me to answer it on the floor of the House. I will, however, be at a great disadvantage in attempting to do so when it is known that you are sick in bed and not present on the floor to defend yourself. I have, therefore, decided to make no public reply at this time to your false and groundless insinuations. I can only explain this sudden reversal of attitude toward me on the ground that you are sick, nervously exhausted, and have become the victim of Messianic hallucinations.

In the event, however, that it is intended by you or those you now represent for it to be seized upon by political enemies of mine for use as a speech or campaign document in my district, I am preserving the record by making this reply to you at this time, so that it cannot be charged that I did not answer it.

The charge of prolonging the hearings and the Executive consideration of the bill for the purpose of giving the lobby time to work is false. You know that it is false. You know that I was neither chairman of the full committee nor the subcommittee. You know that the control of time both in the hearings and the executive sessions was at all times in the hands of the chairman. You know that he could have shortened the time if he had wanted to. You know that you never protested in my presence at the length of the hearings or the length of sessions. You know that you never, in my presence, charged me with prolonging the hearings or the sessions. You know, too, that it was generally understood that the hearings and the executive sessions were prolonged by parties other than myself, for the purpose of giving the Senate an opportunity to act first. You know further, if your memory is good, that I often objected to the length to which the executive sessions were being dragged.

Now, a word about lobbying and your connection with it. I can only explain this holier-than-thou attitude so recently assumed by you on the ground that your illness has distorted your judgment. You know William Chamberlain, of Chicago, Ill., chairman of United Light & Power Co., with operating properties in your State and district. Who was it that introduced Mr. Chamberlain to me? It was yourself. You brought him to my office to give him an opportunity to explain to me the financial structure of his company and the harm which he anticipated would result from the enactment of the bill as originally drawn. From the conversation at that time it was indicated to me that you were sympathetic with the difficulties with which Mr. Chamberlain saw his company surrounded. The only time I ever talked with Mr. Chamberlain was in your presence and at your solicitation. I do not refresh your memory on this matter with a view that you did anything wrong in bringing one of your business constituents to me. I have never felt that there was anything wrong in people talking with Members of Congress with reference to pending legislation, provided it is confined to a fair presentation of the facts and argument entertained by the constituent.

I refer to this only to disabuse your mind of the hallucination you now entertain that you are the sworn enemy of the lobby.

How many more utility executives you consulted in the privacy of your office I, of course, do not know.

I will add one word further. Chairman RAYBURN, of our committee, told me today that he alone was responsible for the length of the hearings and the sessions; that I had nothing to do with their length, and that he will give me a letter to that effect to be used by me in my district in the event that the false charges made by you are circulated against me.

Very truly yours,

SAMUEL B. PETTENGILL, M. C.

AUGUST 20, 1935.

Hon. SAMUEL B. PETTENGILL,
*House Office Building, Washington, D. C.*

DEAR SAM: Your letter of the 17th instant has been received.

From the point of view of practical power, Chairman RAYBURN may accurately enough acknowledge responsibility for the length of our committee deliberations. But if he had shut off questions, or witnesses, or discussion, the charge that he was attempting to railroad his bill would have been strenuously, and no doubt effectively, urged, with injury to its chances of passage as great as actually occurred from the long delay. I don't concede your countercharge of dilatory tactics on the part of our chairman. In fact, I do not recall that any time was taken off on his own motion except 3 days over one week-end when he went to Texas by airplane to fill a long-promised engagement there.

The record of the House hearings tells its own story. I am quite willing to rest corroboration of my own conclusions upon the judgment of any impartial mind—even one that you are sure is not subject to Messianic hallucinations—which will make even a cursory examination of the interrogations and statements set forth therein.

However, it is difficult for me to fathom your seeming concern over my review in the CONGRESSIONAL RECORD of the bill's legislative history. I have repeatedly disclaimed any impugning of motives and have openly credited to you the same patriotic impulses that I claim for myself. Once convinced that a bill is against the public interest, certainly a legislator is justified in resorting to any legitimate means, dilatory or otherwise, to obstruct its enactment into law. If your ultimate position in favor of the continuance of far-flung holding-company systems is sustained by your best judgment, then you certainly have nothing to be ashamed of. You are even entitled to change your mind, as you did on the question of regulation through taxation, without having any reflection cast on your reason therefor, and I assure you that nothing of that sort is intended by me. But I insist that you cannot with reason be surprised when I register disappointment over your final attitude of indecision with regard to the "push and pull" taxation incentive for holding-company elimination, that during our long deliberations you had so enthusiastically and so ably sponsored.

Let me confess, also, to a feeling of surprise over your juvenile inclination to begin calling names because of my review of a record that speaks for itself. If the cause you espouse is just, it will prevail, and you will have no occasion to apologize for being its protagonist. If the country doesn't want any regulation of utility holding companies it will eventually say so. Regardless of the concessions that the President may make in order to get some kind of a law, common sense is convincing that Mr. Hopson and many others cannot be effectively regulated without mandatory or, at least, taxation-encouraged, simplification of financial structure.

I don't know why your remarks about lobbying stay so far away from the real sore spot. No fair mind can be critical of business executives who pass on to legislators their facts and figures as to how the proposed legislation will affect their business. But newspaper influence that is bought and paid for and misleading propaganda practiced on legislators is something else again. All who worry about the maintenance of a free press in our Republic should pause to consider whether a Hitlerized press or a Hopsonized press constitutes the greater threat to the survival of free institutions.

Although my colleague, Representative WEARIN, of Iowa, was denied unanimous consent to read my statement on the floor, you need not hesitate, Sam, so far as I am concerned, to ask for time for yourself, provided you include this interchange of letters in your remarks.

With kindest personal regards, I am,
Sincerely yours,

EDWARD C. EICHER.

REHABILITATION IN PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein certain documents in regard to the conditions of the island.

The SPEAKER. Is there objection to the request of the Resident Commissioner from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, under leave to extend my remarks in the RECORD and to include therein certain documents in regard to the conditions in Puerto Rico, I desire to begin by stating that when President Roosevelt issued his recommendations to the State works rehabilitation administrators he said in part:

This whole thing very largely will depend upon the close cooperation with local authorities everywhere—Governors, mayors, county officials, and various State agencies. It is a Federal administration program, and, of course, the Federal Government is ultimately responsible. You are responsible because you represent the Federal Government, and yet at the same time we cannot conduct it successfully unless we get cooperation and joint effort on the part of all the localities.

The second point I make is that we have to be extremely careful not to make any kind of discrimination. We cannot discriminate in any of the work we are conducting either because of race or religion or politics. Politics, so far as we are concerned, is out. If anybody asks you to discriminate because of politics you can tell them that the President of the United States gave direct orders that there is not to be any such discrimination.

TO TREAT ALL EXACTLY ALIKE

That applies both ways. It means we cannot hurt our enemies nor help our friends. We have to and will treat them all exactly alike. In carrying out this work consider it purely and solely from a human point of view. Do everything you can to prevent the use of political consideration, one way or the other.

These thoughts also are supposed to apply to Puerto Rico, where Dr. Ernest Gruening has been appointed administrator by Executive order. On that occasion the White House gave out the following press release:

The President today signed an Executive order establishing the Puerto Rico Reconstruction Administration to carry out in a coordinated way all reconstruction work in Puerto Rico under the Emergency Relief Appropriation Act of 1935. He designated Ernest H. Gruening as administrator. The Reconstruction Administration approved projects for Puerto Rico on the basis of a program that has been formulated.

To avoid overlapping of the activities of the Puerto Rico Reconstruction Administration and the normal duties of the insular government and to coordinate their respective functions members of the Reconstruction Administration and of the insular government will form a coordinating committee. This committee will be headed by the Governor of Puerto Rico and will consist of the Governor as chairman, members selected by him from the executive and legislative branches of the insular government, and an equal number designated by the Reconstruction Administration.

ECONOMIC CONDITIONS IN PUERTO RICO

The discussion of H. R. 8621 and its companion bill, S. 3140, entitled "To provide that funds allocated to Puerto Rico under the Emergency Relief Appropiration Act of 1935 may be expended for permanent rehabilitation, and for other purposes", which took place on the floor of the House—several declarations were made that require some explanation.

It has been stated that the administration was interested in the passage of the measure in the House, as it had passed the Senate, and, in order to add some more information on the subject matter regarding conditions in Puerto Rico for the use of the Members of the House, it would be appropriate, I think, to have inserted in the RECORD the introduction of a report prepared by the Puerto Rico Policy Commission, presided over by the dean of the University of Puerto Rico, Dr. C. Chardon, who has spent 6 months in Washington on this work in the office of the Director of Territories and Island Possessions, Dr. Ernest Gruening, Department of the Interior. The introduction of said report is as follows:

REPORT OF THE PUERTO RICO POLICY COMMISSION

INTRODUCTION

The economic problem of Puerto Rico, insofar as the bulk of its people is concerned, may be reduced to the simple terms of progressive landlessness, chronic unemployment, and implacable growth of the population.[1] A policy of fundamental reconstruction should therefore contemplate the definite reduction of unemployment to a point at least where it may be adequately dealt with by normal relief agencies; the achievement of this largely by restoration of the land to the people that cultivate it and by the fullest development of the industrial possibilities of the island. These achievements will be unavailing, however, if population growth cannot be checked or at least reduced. This last factor is of very great importance, because even if a parity between population and employment—as to farming or to industrial jobs—can be approximately achieved, it cannot be maintained unless the rate of population growth can be kept within the scope of further economic development. It therefore seems to be highly desirable, probably imperative, that a land restoration and industrial development program, combined with a policy of emigration to suitable environments, be fully worked out as soon as possible. The carrying out of these programs should then progress as rapidly as the means at hand and the nature of the specific problems presented may determine.

For purposes of illustration we may take the unemployment figure arrived at by the local offices of the Federal Emergency Relief Administration. It is estimated by that office that there are in Puerto Rico not less than 150,000 heads of families permanently unemployed. This covers roughly about half the population. A study of the possibilities should determine what proportion of these may be absorbed over a period of years by the maximum industrial development as determined by present knowledge and conditions. The unemployment remaining beyond such possibilities of industrialization must obviously be taken care of by the return of the land in small farms to agricultural workers and by emigration that will provide employment in other regions. Although a scientific scheme of birth control should be part of any far-sighted policy for Puerto Rico, it cannot be hoped that it will be socially effective until the standard of living, and therefore the sense of responsibility of the mass of the population, has been substantially improved. It will probably be effective in keeping the rate of growth down in the future after the improvement brought about by economic reconstruction has begun to be felt by the population as a whole.

INDUSTRIALIZATION

We are not in a position to make very specific recommendations as to development of new industries, as this is a subject that has not been surveyed in Puerto Rico as adequately as it should have been. We have, of course, plenty of labor, and such small industries as have managed to be founded and to survive to date seem to demonstrate that the Puerto Rican worker is easy to train in new trades and vocations. We have already developed about 100,000,000 kilowatt-hours of electric power, and the potentialities are probably double that figure. We have local cheap raw materials such as final molasses for rum manufacture and possibly for the manufacture of motor fuel; bagasse for rayon and building materials; limestone and clay for cement manufacture; sea island cotton for the manufacture of certain textiles, etc. Within economic distance of Puerto Rico raw materials are found, such as wood in Santo Domingo, hides in Venezuela and Texas, etc., which may be processed into finished products by Puerto Rican industry; and, of course, we have agricultural products, both animal and vegetable, to be processed and preserved. It may be feasible to develop other industries which, like the art linens, hand embroideries, and garment industries, require from Puerto Rico only the contribution of its labor, skill, and management.

In determining upon an industrialization policy for Puerto Rico, perhaps the local market should be considered as the first goal in many cases, though facilities should be provided for the development of industrial exports. Many of the goods now imported into Puerto Rico can and should be produced on the island

With these general purposes in view, so far as industrialization is concerned, we believe that the following steps would be necessary:

Cheapening industrial credits by extension of all possible facilities now within the scope of the Reconstruction Finance Corporation.

The assessment of a high income tax, to be abated if invested in new industries, determined by the Government under conditions laid down by the Government—and this should include employment conditions—so as to throw a substantial part of local capital available into channels of planned development. Industries should be selected on two main principles: Availability of markets and preponderance of pay roll in operating costs.

The protection of the local market by a local tariff. In order to avoid the possibility that such a tariff will develop into an instrument of exploitation, it could be set up on the condition that the industries protected would be regarded as public utilities insofar as the limitation of profits is concerned, perhaps allowing them the choice between no protection and no limitation on the one hand and protection and limitation on the other. A local tariff would also serve as a lever for opening up external markets both to the products of Puerto Rican industry and Puerto Rican agriculture.

LAND

The policy of crop reduction brought about by the Sugar Act will probably prove beneficial to Puerto Rico, independently of the current need for stabilization of the American sugar market; and it will probably also prove a valuable contribution to a more rational Caribbean economic policy in its relations to United States. It must be borne in mind, however, that a program of reconstruction for the island begins with the handicap of a sudden reduction of 150,000 tons of sugar with a value of about $9,000,000, which will increase the number of unemployed by approximately 15,000 workers. It seems very desirable, therefore, that compensation for these immediate losses be made in the form of permanent reconstruction and not merely as transitory benefit payments. The plan submitted herewith proposes to invest the money available for compensation in the purchase of cane lands and sugar mills, the land so acquired to be given in exchange for marginal cane lands, and from the farms now occupying such lands cane would be retired and subsistence homesteads would be set up in them. The farmers in the marginal cane lands would thus be compensated by receiving good cane lands in exchange in equitable proportion, and the workers left without employment by cane retirement would receive the homesteads. These subsistence homesteads would be large enough to provide for a small cash crop, as the

[1] Appendix A shows the appalling increase in population, with an increase in birth rate from 20.4 to 39.0 in 25 years and a decrease in death rate of 36.7 to 23.4.

workers acquiring them would not have opportunity to earn wages in industry under immediate conditions. This accomplishes the maximum purposes of compensation for sugar reduction. But it simultaneously accomplishes much more. In the first place, compensation in land is socially sounder than compensation in cash, which may be misspent, possibly making the recipients again dependent upon the community. In the second place, the cane reduction would be permanent instead of transitory. In the third place, the sugar mills acquired in the public interest would function as processing and marketing centers and possibly serve as a competitive yardstick to establish more equitable return to cane growers and cane workers throughout the industry. This redistribution of income from the industrial to the agricultural factor in sugar production would not only encompass long-delayed economic justice to farmers and workers, but it would also actually retain in the island a large proportion of the millions that now flow out each year in the form of excess absentee profits.[2] Estimating the amount thus retained on the island at the conservative figure of $6,000,000 a year, this sum alone would cover the pay roll of not less than 15,000 workers at substantially higher wages than those now obtaining. This is, again, a conservative estimate. To this should be added the economic activities stimulated by the circulating velocity of the worker's dollar. The balance sheet of the policy suggested would be, in tentative figures, as follows:

| | |
|---|---|
| Reduction in employment caused by reduction in sugar | 15,000 |
| Workers that would derive their livelihood out of subsistence farms set up in formerly marginal cane lands, about | 17,000 |
| Workers employed through the retention in the island of $6,000,000 of absentee profits | 15,000 |
| Net reduction in unemployment | 17,000 |

It is estimated in our sugar plan that this result can be brought about by an expenditure of an amount approximately equal to the Puerto Rican processing tax over the 3-year period specified by the Jones-Costigan Act.

Even after this substantial achievement, the bulk of the Puerto Rican problem would remain before us. Probably not more than 50,000 workers could be absorbed by the most complete industrialization that can now be envisaged. Adding this highly speculative figure to the somewhat tentative total figure of 17,000 already set down as the number of laborers possibly employed by the operation of the sugar policy, we have a total of 67,000 to be subtracted from the total figure of the unemployed, and that not immediately but over a period of time. As the Emergency Relief Administration's estimate of our unemployment, counting heads of families alone, is given as 150,000, we would still have before us the task of taking care of 83,000 workers. This must be accomplished, to a great extent, through coffee, fruit, and tobacco rehabilitation, but mainly through emigration and through further homesteading. The adoption of an intensive system of coffee cultivation, as proposed elsewhere in this report, will give employment to 10,000 additional workers. The proportion to be taken care of by emigration on the one hand and by the land policy on the other would have to be determined after specific knowledge of emigration possibilities to suitable regions had been acquired.

In connection with the sugar policy here suggested, and with the general land policy, it would seem necessary to enact promptly adequate legislation prohibiting corporations, partnerships, and individuals from purchasing or otherwise securing ownership of any land the acquisition of which would push their holdings beyond the limitation of 500 acres. This restriction has existed in the Organic Act of Puerto Rico since 1900 as regards corporations. Having had no teeth or any attorneys general interested in enforcing it, this provision of the Jones Act has been either cunningly evaded or entirely disregarded. There would probably be grave danger to the economic stability of the island in an attempt to enforce this land-ownership limitation suddenly and universally; but a future restrictive policy extensive to partnerships and individuals, as well as to corporations, is absolutely necessary in connection with the suggested policy of establishing public centrals, which may eventually be used as a yardstick to assure a fair deal to the colonos and workers of the island. The reason is this:

Centrals today own on an average 60 percent of the cane they grind, 40 percent being produced by farmers. By the operation of the yardstick principle, it is intended that the farmers obtain full equitable return for the cane they supply to the mill. The mill, however, would continue to derive the full return from their own administration cane. There would be considerably more profit for the mills in their owning the land than in their buying the cane from the farmers. Therefore the danger would be present of the mills tempting the farmers with large offers to sell their land to them, and thus the effect of the public centrals acting as yardsticks to compel the retention on the island of wealth produced on the island would be invalidated.

### COFFEE

Coffee is, from the point of view of social welfare, a very desirable crop for Puerto Rico. It is now in ruins due to hurricanes, low prices, and lack of credit facilities. Its production in the past has often reached half a million quintels. It is now 90,000 quintels. Every effort should be made to rehabilitate this industry.

[2]Appendix B shows how in a normally good year like 1927–28, in spite of an apparently favorable balance of $14,688,000, the net deficiency of the international income account was $10,367,000.

In stating that coffee is a very desirable crop for Puerto Rico, we are considering the following factors:

It is the only agricultural product of the island which can be classed as unsurpassed in quality, being considered as a luxury product in European markets; it is not dependent upon the tariff policies of the United States; land is more evenly distributed in coffee than in any other crop; fruit and food crops can be grown simultaneously with coffee; growing under shade, its land coverage has an important effect on water run-off and consequently on forestation and on hydroelectric power; it does not compete with any product of the United States.

From a social and technical point of view coffee rehabilitation requires: Cheap hurricane insurance; cheap production credits; cheap fertilizers; reforestation, development of seedbeds, to make the present recovery and future recoveries from hurricanes as rapid as possible; and some provision whereby coffee laborers will receive the use or the title to homes and to small acreages in exchange for labor paid for from reconstruction funds. The coffee growers are now in such distressed financial condition that they can hardly cover pay rolls; coffee laborers, landless, jobless, are subject to charity relief.

Coffee needs also an effective educational campaign which would bring about the adoption of an intensive system of cultivation and fertilization, resulting in increasing the crop output, reducing its cost, and giving more employment.

From the commercial viewpoint every effort should be made to regain the markets temporarily lost through shortage of production. Trade agreements in favor of Puerto Rican coffee, negotiated by the State Department, with Italy, Spain, France, Germany, etc., would probably assure the recovery of the markets that Puerto Rican coffee has lost. While endeavoring to increase production to its former level, provision must be made for marketing.

### CITRUS FRUITS

A very prosperous citrus-fruit industry was developed in Puerto Rico in recent years, chiefly by continental Americans. This group, which has made a substantial contribution to the Puerto Rican economy, and to our farming and cooperative methods, should receive all possible aid in a reconstruction program. Their chief needs at present are similar to those of the coffee growers. Excessive shipping costs, however, probably affect the fruit growers more disastrously than any other agricultural group.

### TOBACCO

Tobacco is another Puerto Rican crop that has always enjoyed a certain quality reputation. This reputation has been considerably impaired of late through a number of factors involving the technic of manufacture and marketing. The present acreage-reduction program seems to be working well. Besides the common needs of all Puerto Rican agriculture, already mentioned in regard to other crops, perhaps the most important steps that can be taken in favor of tobacco would be the strengthening of cooperative facilities and the establishment of a central selling agency. Research work for the improvement of varieties and cultural procedures is also greatly needed.

The increase in employment arising from the rehabilitation of coffee, tobacco, and citrus fruits would be, of course, deducted from the number of the unemployed that cannot be dealt with in any way save emigration.

### EMIGRATION

There are many Puerto Ricans successfully earning their living in the continental United States, in Santo Domingo, and in the Virgin Islands. Organized emigrations, however, have in the past proved generally unsuccessful. This may, perhaps, be attributed to the fact that similar environments and suitable conditions have not been sought in the past for organized emigrations. Contingents of Puerto Ricans have been taken as workers to Georgia, Arizona, and Hawaii. Of these emigrations only the one to Hawaii has proved partially successful, and that perhaps may be attributed to certain similarities in working conditions and environment.

Emigration, however, may eventually become imperative in any well-coordinated policy to improve economic conditions in Puerto Rico. Possibilities should be explored as to mass colonization projects in underpopulated regions of tropical countries similar to Puerto Rico, not only in climate but also in language, religion, racial stock, traditions, and culture.

These emigrants should go to settle farm lands, not to be exploited as wage laborers. It would probably be very helpful if part of their home organization and environment could be carried with them—priests, ministers, school teachers, social workers who would be known to them, and, perhaps, general supervisors, natives of Puerto Rico, who might be vested for a time with the rank of United States consular officials. Santo Domingo, Cuba, and Costa Rica are suggested as the neighboring countries which have underpopulated regions and which afford conditions more closely approximate to those obtaining in Puerto Rico. Venezuela and Brazil may be tried also. We understand that outside labor will be needed in the construction of the Pan American Railway through Central America, and that laborers will be given an opportunity to settle land along the line. Puerto Rican laborers could well be employed and subsequently settled in connection with this project.

* * * * * * *

The suggestions and recommendations contained in this report are predicated upon our conviction that the United States, under

the present administration, will at all times place the welfare of the Puerto Rican people above the interests of particular groups and that the only interest that must be recognized as deserving special preference in the premises is the prestige of the American Nation as a whole in connection with the development of a rational and equitable economic policy in the Caribbean. As a result of the plans suggested, it is probable that the United States would temporarily lose perhaps as much as 15 percent of its trade with Puerto Rico. This would mean, by present figures, a loss of perhaps $10,000,000 a year to American exporters.[5] An increase in employment and prosperity in Puerto Rico would be likely to more than cover this temporary loss in a number of years, through an increase in our purchasing power which will immediately result in increased trade with the mainland. But even assuming that it would not be covered, it must be borne in mind that Puerto Rico is headed toward a major social catastrophe, which can hardly be postponed for more than 20 years unless something fundamental is accomplished. The issue, therefore, is as between the possible loss of several millions to American exporters and the practical certainty of social chaos in Puerto Rico. Quite independent of the fact that such chaos would entail a much greater economic loss to the United States, but purely as a problem in responsibility and humanity, there can be little doubt as to how the American people would wish such an issue to be decided, or as to how a high order of American statesmanship, once convinced of its reality, will decide it.

THE LAND PROBLEM OF PUERTO RICO

Apparently the land problem of Puerto Rico has resulted in the transfer of one attorney general to another position and the induction of another to that office. In connection with this problem, I desire to call attention again to certain declarations of Secretary Ickes:

FEBRUARY 20, 1935.

HON. SANTIAGO IGLESIAS,
*House Office Building, Washington, D. C.*

MY DEAR COMMISSIONER IGLESIAS: I have learned, with interest, of the action of the Puerto Rican Senate in resolving by a unanimous vote to request me to cause quo warranto proceedings against the Eastern Sugar Associates to be instituted, and that this message has been sent to you by the Honorable Rafael Martinez Nadal, president of the Senate of Puerto Rico.

I am happy to inform you that on January 4 instructions were sent to the Governor of Puerto Rico to order the attorney general to proceed to bring a quo warranto against the Eastern Sugar Associates for violation of the joint resolution of May 1, 1900.

I also note the Senate's recommendation that similar proceedings be instituted against other entities which have likewise acted in violation of the act of Congress of May 1, 1900, prohibiting the holding of lands in excess of 500 acres. I think we may safely assume that the Government's action against the Eastern Sugar Associates will aim to establish a precedent to be followed thereafter.

Likewise, I note the request of the Puerto Rican Senate that in these proceedings special attorneys be appointed who are in sympathy with the intent which inspired the Senate of Puerto Rico to approve said resolution. This matter will have my consideration.

Sincerely yours,

HAROLD L. ICKES.

The Secretary of the Interior, the Honorable Harold L. Ickes, issued the following press release which in effect is the following:

As far back as 1900, Congress approved a resolution limiting land ownership by agricultural corporations in Puerto Rico to 500 acres of land. This limitation also is embodied in the present Organic Act of Puerto Rico, enacted by Congress and approved March 2, 1917. The purpose of the resolution is clear in itself, and is rendered clearer by debates it occasioned in Congress in 1900.

Puerto Rico is a small agricultural and overpopulated island. The soil is the basic security of its population. This system of intolerable exploitation, the concentration of land into the hands of limited ownership, must be avoided, especially an absentee ownership. For 35 years this law of Congress has been a dead letter. What Congress in its wisdom wished to avoid is exactly what has happened. Most of the good soil in Puerto Rico today is in the hands of a few large corporations, predominantly absentee owners. Under past administrations, Puerto Rico has become more and more a factory-plantation system, worked by landless peons, consequently taxpayers on the continent are called upon to foot bigger and better bills for unavoidable, yet socially unsound, relief.

The Department of the Interior is whole-heartedly supporting the policy established by Congress 35 years ago to decentralize land-holding by huge corporate entities in Puerto Rico. It is to be hoped that, since this policy has the overwhelming approval of the Puerto Rican people, it will speedily be put into effect. The Department of the Interior will vigorously pursue its course on the basis of the congressional enactment, which up to now has been a dead letter, and we are confident that all interests in Puerto Rico will cooperate.

On this subject Hon. Rafael Alonso, vice president of the House of Representatives of Puerto Rico, has rendered the following report:

REPORT ON LAND-HOLDING IN PUERTO RICO

When a civil government was established in Puerto Rico the Congress of the United States passed on May 1, 1900, a joint resolution, introduced by Senator Foraker, limiting the holding of lands to not more than 500 acres, anticipating that the time would come when national or foreign capital would be invested in lands in Puerto Rico, constituting large centralizations of such lands which would result disastrously to the people in general on account of the smallness of our island.

When this problem of the centralization of lands was for the first time submitted to the consideration of the people in general at a mass meeting held in the Plaza Baldorioty de Castro in San Juan, the speakers' platform was practically surrounded by police officials, and policemen armed with carbines and ready for action were posted to guard the entrance to the Intendencia Building, and the speakers were accused of being lunatics, enemies of society, and disturbers of the peace and tranquillity of the people of Puerto Rico, instigated by the old political leaders.

When the present organic act, which liberalizes the civil system in Puerto Rico, was about to be passed, Senator Broussard practically held up the approval by the Senate when our fellow citizen, SANTIAGO IGLESIAS, now Resident Commissioner for Puerto Rico, in Washington, insisted that the problem of the centralization of lands should be investigated so that the Congress of the United States might adopt measures tending to its solution.

The control of the lands by the great corporations was practically recognized and always backed by the political organization known as "Unión de Puerto Rico", whose members now form the Liberal Party. The argument offered was that the violation was committed by civil partnerships and not by corporations, as specified in the statute, and, besides, that no penalty was prescribed, as is the case with Hawaii, and that, therefore, the provision was academic. At that time they even went so far as to request as a Christmas present the passage of the organic act in the original form introduced, which provided that in order to be a member of the house or of the senate it would be necessary to pay taxes on property valued at from $2,000 to $5,000, thus practically making the insular parliament a body of property owners and divesting it of its popular character.

The provisions as to the holding of property were excluded from the bill, but we have seen that the vote franchise was restricted in 1929 by those who call themselves "Liberals" because of their fear of the people, the illiterates being deprived of their vote. This evil has been corrected by the present parliamentary majority, which has established universal suffrage; and as regards the holding or possession of lands in Puerto Rico, section 39 of the present organic act provides that nothing in this act contained shall be so construed as to abrogate or in any manner impair or affect the provision contained in section 3 of the joint resolution approved May 1, 1900, with respect to the buying, selling, or holding of real estate. That the Governor of Puerto Rico shall cause to have made and submitted to Congress at the session beginning the first Monday in December 1917 a report of all the real estate used for the purposes of agriculture and held either directly or indirectly by corporations, partnerships, or individuals in holdings in excess of 500 acres.

On January 18, 1918, President Woodrow Wilson sent to the Congress of the United States a message or document in connection with lands directly or indirectly held by corporations, associations, and individuals in excess of 500 acres.

When the new organic act was implanted SANTIAGO IGLESIAS was elected senator at large, and he introduced in the Senate of Puerto Rico joint resolution no. 3, which contained the report rendered by Gov. Arthur Yager, of pleasant memory for the members of the Liberal Party and bitterly remembered by the laborers and socialists, who were brutally persecuted, some being killed, and who were even deprived of the constitutional guaranties, which caused a hot debate in the Senate of Puerto Rico. On that occasion the then President of the Senate of Puerto Rico, Hon. Antonio R. Barceló, uttered the memorable words against Senator IGLESIAS to the effect that if he were the President of the Republic he would deport him from the island. This showed the clear and precise fact that the centralization of lands in Puerto Rico was sponsored and maintained by the then Unión de Puerto Rico Party, whose members now form the Liberal Party, which is responsible for the present extent of said centralization which has thrown thousands of countrymen into the urban zones and has left more than 57,000 former property owners without any property, resulting in the largest unemployment registered in the history of Puerto Rico.

That was not sufficient reason for the representatives of the Free Federation of Labor of Puerto Rico and of the Socialist Party to cease to insist, once and again, with the Legislature of Puerto Rico and with the Congress of the United States, for the en-

[5] Appendixes C and D are of interest in connection with the commerce of Puerto Rico. Appendix E shows the imports of animal and vegetable products. Appendix F shows the rice imports between 1914 and 1932.

forcement of that part of the organic act which refers to the 500-acre limitation.

At the hearings held in 1924 in Washington, D. C., by the Committee on Insular Affairs of the House of Representatives, when the joint commission of the Legislature of Puerto Rico appeared to demand greater powers and liberty, Senator IGLESIAS made the following remarks when the question of the monopolization of lands was brought up:

"One of the problems that Puerto Rico wants to solve is the enforcement of the joint resolution, section 3, approved May 1900. When this problem came to the United States Congress for legislation, and that was when our first organic act was approved, a Senator thought and knew in advance what was going to happen in Puerto Rico and which I will state hereafter. The insert is section 3 of the joint resolution of May 1, 1900:

"'No corporation shall be authorized to conduct the business of buying and selling real estate or be permitted to hold or own real estate except such as may be reasonably necessary to enable it to carry out the purposes for which it was created, and every corporation hereafter authorized to engage in agriculture shall by its charter be restricted to the ownership and control of not to exceed 500 acres of land; and this provision shall be held to prevent any member of a corporation engaged in agriculture from being in anywise interested in any other corporation engaged in agriculture.'

"Now, what has happened in Puerto Rico was just the reverse that the Congress was expecting. I consider it entirely a problem for the island of Puerto Rico, all what has happened today in the holding of land; we have a monopolistic holding of land in the island of Puerto Rico. Such was the case when the Jones Act was passed by Congress in 1917, and when some influences wanted to prevent the enforcement of this section 3 of the aforesaid resolution and practically legalize what was going on, a compromise came, and a clause was put in the Jones Act demanding by the United States an investigation regarding the land question and the investigation was carried on. I will insert this document in the record to show the results of said investigation. It was signed by Woodrow Wilson at the White House on January 18, 1918.

"In such document may be seen the condition of the holdings of the land; you will see corporations, associations, partnerships, controlling from 10,000 up to 40,000 and 75,000 acres of the best land of Puerto Rico. The result is that the great part of the east, the south, and the north of the island is controlled by a few, and consequently the thousands and thousands of workingmen and workingwomen in these sections of the island are practically at the mercy of these corporations.

"Mr. WARD. But you have not satisfied me as to what was done by the Jones Act. What is the present law of Puerto Rico with respect to the holdings of these corporations?

"Senator IGLESIAS. Senator Broussard introduced two amendments to the Jones Act to penalize the violations, that never passed.

"Mr. SALMON. Covering 500 acres?

"Senator IGLESIAS. Yes, sir.

"The CHAIRMAN. Is there a penalty affixed in case of violation?

"Senator IGLESIAS. No; the opinion has been in Puerto Rico that the enforcement of the law was almost impossible, and the majority of the legislature thought that we did not have authority to go into the penalties to enforce it.

"Mr. WARD. Mr. Iglesias, we have nothing before this committee directed to this question. Why have you not some bill here?

"Senator IGLESIAS. I am going to ask the introduction of a bill.

"Mr. WARD. Mr. Dávila is supposed to introduce bills that may pertain to the immediate intercsts of the island.

"Mr. DÁVILA. I introduced the bill under consideration following the unanimous views of the delegation.

"Mr. WARD. You have no bill which touches the question he is on?

"Mr. DÁVILA. None at all.

"Mr. WARD. Why do you not have some bill laid before this committee that they may pass upon it one way or the other?

"Governor TOWNER. Perhaps I know about as much about the provision in the Organic Act as anyone. The Organic Act provided, as Senator IGLESIAS said, that the limitation should be 500 acres of land. Now, when it came to the question of paying, that is a mere declaration that it should be followed by a penalty or it should be followed by provisions by which it could be regulated or it should be provided with provisions which should enable the disposition of land already acquired and owned, all of these things were considered, so it was left entirely to the Legislature of Puerto Rico to do what they thought best with regard to fixing penalties, and making such arrangements, because, gentlemen, you will recognize this fact, which is well known in the jurisprudence of the United States, that the control and disposition of lands is within the control of the States exclusively, insofar as those regulations relate to the disposition and control of lands.

"Now, insofar as I know, neither Senator IGLESIAS or anybody else has ever introduced any bill in the Legislature of Puerto Rico with regard to that proposition. I do not see how there can be any question regarding the legal right to do so, but the people of Puerto Rico have never thought it to their interest to even introduce any legislation like that.

* * * * * * *

"Mr. WARD. Governor, you laid down a proposition and got my consent to it, that, after reflection, I doubt if either of us is correct about, that it is within the States to control the ownership or limit the ownership of lands. North Carolina for 30 years had exactly that statute, and it was more honored in the breach than in the observance, and it went out of our statute law. It was eliminated from the new codification of laws, and was not enforced at all. Is it not a national constitutional question?

"Governor TOWNER. Do not misunderstand me, because I think that Congress would have the power to act.

"Mr. WARD. The education that you and I have as American citizens, having grown up on a great continent where we want to encourage the acquisition of property and foster progress of that sort, would seem to be quite different in an overpopulated island. I am impressed with the idea that the law ought to be enforced down there, but not in Iowa, for instance, because there is so much land there.

"Mr. SALMON. I would like to ask you a question.

"Governor TOWNER. I beg your pardon.

"Mr. SALMON. With reference to the policy of the State to regulate the disposition and ownership of property that the law pertains more directly to States, but to Territories it does not apply, does it?

"Governor TOWNER. Well, I think it does, insofar as the past history of our Territories are concerned.

"Senator IGLESIAS. I want to explain that as a senator of the Legislature of Puerto Rico I have on various occasions introduced bills to remedy this land problem, and when this land question came up on the floor of the Senate of Puerto Rico the bill was killed, and then I have to come before several administrations and Congress of the United States to ask for the remedy, as I am doing it now. The delegation has met and discussed this matter and has approved the proposition of coming before this committee to ask you and request that a bill be introduced to insert a new clause in our organic law.

"Mr. WARD. Introduce what?

"Senator IGLESIAS. We are asking and requesting this committee to introduce a bill by itself with the land clause in it.

"Mr. WARD. I doubt if you want to do it until you have gone there, to your legislation, and exhausted your authority.

"Mr. SALMON. He has done that.

"Mr. WARD. You have said you have had your bill defeated upon the argument of its unconstitutionality.

"Senator IGLESIAS. Not only that, but because it has been stated that the Legislature of Puerto Rico had not the authority to legislate regarding the land question." (Copied from the Third Report of the Legislative Committee to Investigate the Causes of Unemployment in Puerto Rico, of February 2, 1932, pp. 99, 100, 101, and 102.)

Together with this problem, there is that of absenteeism, which constitutes one of the heaviest drains that a country can support.

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CÁMARA DE REPRESENTANTES,
*San Juan, P. R., July 1, 1935.*

Hon. SANTIAGO IGLESIAS,
*Resident Commissioner from Puerto Rico,*
*House Office Building, Washington, D. C.*

MY DEAR SIR: Enclosed you will find a copy of a memorandum, which I respectfully submit to you regarding House Resolution 8621, expressing my points of view, specially on that part on which I believe that Congress is trying to recognize and legalize the Chardon's plan relative to purchasing sugar mills and the creation of an agency to take charge of all the rehabilitation measures for Puerto Rico.

With my best wishes, I beg to remain,

Yours fraternally, RAFAEL ALONSO TORRES.

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For SANTIAGO IGLESIAS, Resident Commissioner of Puerto Rico in Washington.

Memorandum about H. R. 8621, "To provide that funds allocated to Puerto Rico under the Emergency Relief Appropriation Act of 1935 may be expended for permanent rehabilitation, and for other purposes."

Under section 1, it is provided that it shall be constituted a special fund to provide relief and work relief to increase employment in Puerto Rico, with all the sums which the President has aggregated or allotted or shall segregate or allot for projects in Puerto Rico, out of money appropriated by the Emergency Relief Appropriation Act of 1935. The fund thus established shall continue available for expenditure until June 30, 1940.

Furthermore, all incomes derived from operations financed out of this fund and the proceeds of the disposition of property acquired therewith shall constitute a revolving fund which shall remain available for expenditure for the purposes and in manner authorized herein and in the Emergency Relief Appropriation Act of 1935.

In page 2, lines 12 to 19, it is made clear that projects for rural rehabilitation in Puerto Rico may include the acquisition, development, maintenance, and operation of agricultural and industrial properties and enterprises.

This language may signify that any agency or agencies lawfully designated or established to administer funds allotted hereunder or the revolving fund herein authorized may be embarked in the acquisition, development, maintenance, and operation of sugar factories and other similar kind of enterprises, in order to increase employment in Puerto Rico.

But nothing is said about that this agency or agencies could represent a supergovernment in Puerto Rico, as may be seen in H. R. 8621 mentioned. It is understood that these agencies shall be in their constitution and character, Federal. Not one word about the cooperation with the insular government is consigned. All projects are realized just as the P. R. E. R. A. has done in the past.

Unless a definition or amendment is inserted, making the above point clear, the aspiration of laborers is wrecked. Laborers claim for the establishment of subsistence farms, so as to have a better distribution of our soils, which is a paramount problem in our rural regions. We have over 400,000 inhabitants without means of subsistence.

No protection is given laborers regarding wages and length of working hours during week, unless this is covered by "A reasonable charge may be made for materials and services produced or made available by any project; provided, that such materials and services may also be supplied as compensation, in whole or in part, for services rendered by persons employed upon any project", contained in page 2, lines 13 to 19 of said House Resolution.

We cannot object to any kind of relief and work relief tending to increase employment in Puerto Rico. If we do so, it could be considered as an obstruction to the rehabilitation program which President Roosevelt and Congress intend to establish in Puerto Rico. But this House resolution, as we see it, does not bring relief to our agricultural and industrial laborers, as it would not create enough means to solve our unemployment problem.

Power is conferred to any agency or agencies lawfully designated or established to administer funds allotted, or the revolving fund herein authorized to acquire, develop, maintain, and operate agricultural and industrial properties and enterprises, and also to dispose of such property acquired. It seems to us that Congress is trying to recognize and legalize that part of Chardon's plan to buy sugar mills, and create one agency to take charge of all the rehabilitation measures for Puerto Rico. This belief arises because no agency has been created as yet, and nobody knows what measures shall be adopted for the welfare of the Puerto Rican people.

By section 2, it is provided that "All or any part of the unobligated balance of taxes heretofore or hereafter collected from the processing of sugar beets or sugarcane in Puerto Rico and/or upon the processing in continental United States of sugar produced in or coming from Puerto Rico are hereby authorized, in the discretion of the President, to be transferred to the revolving fund authorized by this act."

A sum not exceeding $10,000,000 of this fund may, in the discretion of the President, be set aside in the Treasury for use as an insurance fund to insure individual agriculturists in Puerto Rico, but to the extent only of such insurance fund and its accretions, against damage by hurricane to their farm dwellings and farm buildings; growing crops; plants and trees, including trees used as shade for growing crops; warehouses; and produce in barns and warehouses.

This is a good thing, but we wish to call the attention that in the hurricane periods many people living in the urban zones, who have suffered great losses and damages, not covered by insurance policies, due to the high rates of insurance, have never received help of any kind. These conditions have been the same for laborers in general. Little house shops and factories have been destroyed and devastated by the hurricane furies.

In this line we believe that something could be done by the Congress of the United States.

ECONOMIC STATEMENT

Specifically, Puerto Rico has suffered to the extent of $27,544,851 by new-deal legislation which Mr. deHostos (president of the Chamber of Commerce of Puerto Rico), detailed as follows:

"Increased cost of commodity purchases in the United States, $8,193,652; flour-processing tax, $1,000,000; excess over benefit payments from processing taxes on commodities produced in the island, $800,000; sugar surplus $15,000,000; wage loss through sugar restriction $2,000,000; wage loss in tobacco and needlework industries, $500,000. In addition, island commerce has suffered losses from business stagnation and restriction.

THE COTTON ADJUSTMENT PROGRAM FOR THE THIRTEENTH CONGRESSIONAL DISTRICT OF TEXAS, THE STATE OF TEXAS, AND THE NATION

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Speaker, I desire to insert in the RECORD at this time a letter just received from Mr. C. A. Cobb, Director of the Division of Cotton of the Department of Agriculture, giving complete information pertaining to the cotton adjustment program for my district, the State of Texas, as well as the Nation. I am sure this information will be of great value to the people of my district, as well as the Nation generally.

AGRICULTURAL ADJUSTMENT ADMINISTRATION,
DEPARTMENT OF AGRICULTURE,
*Washington, D. C., August 24, 1935.*

Hon. WILLIAM D. McFARLANE,
*House of Representatives.*

DEAR MR. McFARLANE: Recognizing that you are keenly interested in knowing of the progress made in the adjustment of cotton under the Agricultural Adjustment Act, we are taking this opportunity to supply you with information pertaining to the cotton-adjustment program for your district.

Enclosed is a tabulation, by counties, for your district, and a summary for the State of Texas which gives, by years, the value of the cotton crop, including rental and other payments to farmers for the 1932-33, 1933-34, and 1934-35 seasons.

For your district the farm value of lint and seed in the 1932–33 season was $11,866,331.35, and in the 1933–34 season, including payments, was $23,554,357.87, and in the 1934–35 season, including payments, was $9,176,563.71.

Producers in your district also received $902,078.92 from the sale of surplus tax-exemption certificates through the national pool. This was truly crop insurance to producers in your district. The cotton program is price insurance as well as crop insurance. The grower receives his rental and parity payments on cotton regardless of drought, flood, or insect damage. Moreover, adjusting the supply of cotton to the demand protects the price.

As you know, the purpose of the Agricultural Adjustment Act, as written into the very title page of the act itself, is to increase agricultural purchasing power. The declared policy, simple, definite, and direct, is to establish and to maintain such a balance between the production and the consumption of agricultural commodities and such marketing conditions therefor as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period. In keeping with this policy the cotton adjustment program has been designed to return to farmers the largest possible net income from the production of cotton. The data enclosed will show the progress of the cotton adjustment program through August 14, 1935.

This Division will take pleasure in supplying you with any additional information you request pertaining to the cotton adjustment program.

Sincerely yours,

C. A. COBB,
*Director Division of Cotton.*

*Operations of the Bankhead Cotton Certificate Pool, showing number of trust agreements paid, pounds of cotton surrendered, pounds sold, net equity of unsold poundage, and total payments of the Bankhead Cotton Certificate Pool by counties and by congressional districts for Texas in 1934*

| County | Number of trust agreements paid | Pounds surrendered | Pounds sold | Net equity unsold (pounds) | Total payment |
|---|---|---|---|---|---|
| Archer | 703 | 849,120 | 580,737 | 268,383 | $22,992.95 |
| Baylor | 1,455 | 2,380,770 | 1,628,332 | 752,438 | 64,468.80 |
| Clay | 2,615 | 4,182,490 | 2,860,599 | 1,321,891 | 111,762.33 |
| Cooke | 1,243 | 1,371,900 | 938,302 | 433,598 | 37,149.45 |
| Denton | 2,447 | 2,840,875 | 1,942,985 | 897,890 | 76,905.69 |
| Foard | 733 | 1,886,460 | 1,290,211 | 596,249 | 51,083.10 |
| Hardeman | 1,295 | 4,078,265 | 2,789,354 | 1,288,911 | 110,485.37 |
| Jack | 972 | 501,095 | 342,695 | 158,400 | 13,508.82 |
| Knox | 1,502 | 5,200,255 | 3,556,733 | 1,643,522 | 140,817.69 |
| Montague | 1,477 | 1,168,710 | 799,320 | 369,390 | 31,647.39 |
| Throckmorton | 756 | 1,018,800 | 696,801 | 321,999 | 27,587.86 |
| Wichita | 911 | 1,903,950 | 1,302,204 | 601,746 | 51,556.87 |
| Wilbarger | 882 | 3,435,400 | 2,349,670 | 1,085,730 | 92,991.55 |
| Wise | 843 | 792,965 | 542,345 | 250,620 | 21,472.50 |
| Young | 1,228 | 1,757,430 | 1,201,985 | 555,445 | 47,588.55 |
| Total, district 13 | 19,052 | 33,368,485 | 22,822,273 | 10,546,212 | 902,078.92 |
| State total | 194,527 | 350,348,307 | 239,620,618 | 110,168,501 | 9,430,243.21 |

COTTON PRODUCTION ADJUSTMENT PROGRAM PROGRESS REPORT AS OF AUGUST 14, 1935

In 1933 there were about 2,000,000 cotton farms, including tracts of land worked by share tenants and croppers who were in that year eligible to enter into contracts. About 50 percent of such farms were covered and 1,032,000 contracts were in force. In 1934 tracts of land worked by share tenants and croppers could not be covered by separate contracts but had to be included in the contract of the owner or operator which reduced the number of cotton farms for that year to 1,500,000. About 67 percent of these farms were covered and 1,004,000 contracts were in force. In 1935 it is estimated that 1,300,000 contracts will be in force covering about 87 percent of the 1,500,000 farms.

In 1933 cotton producers plowed up 10,497,000 acres of growing cotton or about 26 percent of the acreage in cultivation on July 1. In 1934 they rented 14,547,000 acres or 38.2 percent of their base cotton acreage, with 45 percent as the maximum an individual with a base of over 5 acres could rent and 40 percent as the maximum for a county. In 1935 it is estimated that approximately 14,000,000 acres will be rented, amounting to about 33 percent of the base, with 35 percent as the maximum an individual with a base of over 5 acres can rent.

In 1933 cotton producers received $175,500,000 in cash and cotton option benefit payments; in 1934 they received approximately $115,000,000 in rental and parity payments; and in 1935 they will receive approximately $125,000,000.

*Value of cotton crop in Texas and United States, including rental and other payments for the Thirteenth Congressional District, 1932–33 to 1934–35 seasons*

| Counties in Congressional District 13 | 1932–33 | 1933–34 | | | | |
|---|---|---|---|---|---|---|
| | Farm value of lint and seed | Farm value of lint and seed | Rental payments as of Mar. 31, 1934 | Option payments as of Mar. 31, 1935 | Total payments | Farm value plus payments |
| Archer | $175,192.68 | $458,351.32 | $35,302.57 | $15,171.00 | $50,473.57 | $508,824.89 |
| Baylor | 714,985.24 | 958,101.63 | 107,844.00 | 85,920.65 | 253,764.65 | 1,211,866.28 |
| Clay | 730,526.84 | 1,321,966.72 | 245,707.25 | 63,671.71 | 309,378.96 | 1,631,345.68 |
| Cooke | 623,093.23 | 1,272,606.79 | 136,420.25 | 79,271.16 | 215,700.41 | 1,488,307.20 |
| Denton | 1,087,018.15 | 1,662,515.01 | 319,391.01 | 163,382.31 | 482,773.32 | 2,145,288.33 |
| Foard | 665,923.88 | 1,186,766.04 | 141,684.00 | 58,731.43 | 200,415.43 | 1,387,181.47 |
| Hardeman | 1,441,977.43 | 2,438,770.45 | 294,337.00 | 120,099.74 | 414,436.74 | 2,853,213.19 |
| Jack | 118,403.47 | 210,690.07 | 44,666.00 | 25,801.90 | 70,557.00 | 281,247.97 |
| Knox | 2,114,467.75 | 2,738,812.41 | 284,048.50 | 111,839.65 | 395,888.15 | 3,134,700.56 |
| Montague | 294,957.53 | 570,721.58 | 125,835.19 | 31,896.82 | 157,732.01 | 728,453.59 |
| Throckmorton | 258,716.77 | 554,681.87 | 59,507.00 | 29,107.42 | 88,614.42 | 643,296.29 |
| Wichita | 707,052.45 | 1,211,283.10 | 229,367.00 | 29,046.88 | 259,013.88 | 1,470,296.98 |
| Wilbarger | 2,162,423.71 | 3,803,786.56 | 312,734.50 | 144,753.73 | 457,488.23 | 4,261,274.79 |
| Wise | 222,263.29 | 435,323.08 | 79,568.50 | 36,772.06 | 116,340.56 | 551,663.64 |
| Young | 549,328.93 | 1,029,911.78 | 147,067.12 | 80,418.11 | 227,585.23 | 1,257,397.01 |
| Total, district 13 | 11,866,331.35 | 19,854,294.41 | 2,623,488.89 | 1,076,574.57 | 3,700,063.46 | 23,554,357.87 |
| State total | 158,343,000.00 | 235,508,000.00 | 43,315,221.12 | 19,140,945.55 | 62,456,166.67 | 297,964,166.67 |
| United States total | 483,887,000.00 | 718,132,000.00 | 112,472,670.27 | 63,293,619.69 | 175,766,289.96 | 893,898,289.96 |

| Counties in Congressional District 13 | 1934–35 | | | | |
|---|---|---|---|---|---|
| | Farm value of lint and seed | Rental payments as of Apr. 30, 1935 | Parity payments as of Apr. 30, 1935 | Total payments as of Apr. 30, 1935 | Farm value plus payments |
| Archer | $133,528.38 | $14,987.27 | $4,066.67 | $19,053.94 | $152,582.32 |
| Baylor | 253,616.84 | 54,668.36 | 17,185.85 | 71,854.21 | 325,471.05 |
| Clay | 469,717.89 | 98,474.57 | 29,796.27 | 128,270.84 | 597,988.73 |
| Cooke | 607,120.01 | 71,841.51 | 22,074.58 | 93,916.09 | 701,036.10 |
| Denton | 979,334.15 | 138,546.57 | 42,143.18 | 180,689.75 | 1,160,023.90 |
| Foard | 327,099.76 | 51,596.39 | 16,239.34 | 67,835.73 | 394,935.49 |
| Hardeman | 734,290.17 | 119,689.33 | 36,887.78 | 156,577.11 | 890,867.28 |
| Jack | 132,317.62 | 17,088.37 | 4,934.67 | 22,023.04 | 154,340.06 |
| Knox | 792,016.95 | 138,983.49 | 40,489.18 | 179,472.67 | 971,489.62 |
| Montague | 325,198.68 | 53,458.70 | 15,887.55 | 69,346.25 | 394,544.93 |
| Throckmorton | 179,769.90 | 25,807.76 | 7,628.31 | 33,436.07 | 213,205.97 |
| Wichita | 596,776.81 | 71,353.63 | 20,227.83 | 91,581.46 | 688,358.27 |
| Wilbarger | 1,457,810.85 | 242,178.90 | 74,728.22 | 316,907.12 | 1,774,717.97 |
| Wise | 261,492.78 | 31,371.01 | 9,288.63 | 40,659.64 | 302,152.42 |
| Young | 390,498.48 | 49,487.32 | 14,883.80 | 64,371.12 | 454,869.60 |
| Total district 13 | 7,640,588.67 | 1,179,533.18 | 356,461.86 | 1,535,995.04 | 9,176,583.71 |
| State total | 190,646,982.52 | 26,223,335.39 | 7,908,989.70 | 34,132,325.09 | 224,779,307.61 |
| United States total | 767,772,000.00 | 87,476,853.93 | 25,989,418.74 | 113,466,272.67 | 881,238,272.67 |

Farm values of lint and seed calculated from Bureau of Agricultural Economics data; rental payments for 1933–34 from contract records; option payments, Cotton Pool, Office of the Administrator; 1934–35 payments, Division of Cotton.

The average value of a bale of cotton and the seed was $37.42 in 1932, $55.35 in 1933, and $80.02 in 1934.

The farm value of the cotton crop, including the value of seed, in 1932 was $483,913,000, and including rental and benefit payments was $893,632,000 in 1933 and $882,772,000 in 1934, with one of the worst droughts in history in the western part of the Cotton Belt.

The world carry-over of American cotton was 12,960,000 bales on August 1, 1932, 11,588,000 bales on August 1, 1933, 10,634,000 bales on August 1, 1934, and is estimated at 9,000,000 for August 1, 1935.

The world supply of American cotton was 25,961,000 bales in the 1932–33 season, 24,635,000 bales in the 1933–34 season after 4,500,000 bales had been taken out of production, 20,270,000 bales in the 1934–35 season, and is estimated at 20,700,000 for the 1935–36 season.

The world supply of all growths of cotton has been reduced from a potential supply of 47,000,000 bales before the plow-up program in 1933 to 39,282,000 bales for the 1934–35 season. This is a decrease of 7,718,000 bales.

DIVISION OF COTTON, *August 14, 1935.*

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1874. An act to provide for the coinage of medals to be presented to Senator A. HARRY MOORE, certain officers of the New Jersey National Guard, the captains and members of the crews of certain fishing and pleasure boats, and to others; and

S. 3434. An act to provide for the appointment of one additional judge for the district of Kansas.

The message also announced that the Senate agrees to the amendments of the House to a bill and joint resolution of the Senate of the following titles:

S. 3210. An act to refer the claim of the Menominee Tribe of Indians to the Court of Claims with the absolute right of appeal to the Supreme Court of the United States; and

S. J. Res. 173. Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war.

## REVENUE FROM DISTILLED SPIRITS

Mr. DOUGHTON. Mr. Speaker, I call up the conference report on the bill (H. R. 8870) to further protect the revenue derived from distilled spirits, wine, and malt beverages, to regulate interstate and foreign commerce, and to enforce the postal laws with respect to the enforcement of the twenty-first amendment, and for other purposes.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

Mr. CROWTHER. Mr. Speaker, I ask unanimous consent that the reading of the statement may be dispensed with. I think everybody knows its contents.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I think somebody should explain the changes in detail, for they are very important.

Mr. FULLER. Mr. Speaker, I do not want to object, but I want to be heard on the conference report.

Mr. McFARLANE. Mr. Speaker, I think we ought to have the conference report explained.

The SPEAKER. This is not a question of explaining the report, it is a question of whether the House will dispense with the reading of the report.

Is there objection?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8870) to further protect the revenue derived from distilled spirits, wine, and malt beverages, to regulate interstate and foreign commerce and enforce the postal laws with respect thereto, to enforce the twenty-first amendment, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 21, 23, 24, 25, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 44, 45, 46, 47, 48, 50, 51, 52, 53, 54, 56, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 76, 77, 78, 80, 81, 82, 83, 84, 85, 86, 87, 87½, 88, 89, 90, 91, 92, 94, 95, 96, 97, 98, 100, 101, 102, 105, 106, 107, 108, 109, 110, 112, 113, 114, 115, 116, 117, 118, 119, 120, 122, 123, 124, 125, 126, 128, 129, 131, 134, 136, 138, 139, 140, 141, 142, 145, 148, 149, 152, 154, 155, 156, and 157.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 26, 38, 40, 41, 42, 43, 49, 55, 57, 73, 75, 93, 104, 111, 121, 133, 137, 143, 144, and 147, and agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(1) The Administrator shall make a report to Congress, at the beginning of each regular session, of the administration of the functions with which he is charged, and shall include in such report the names and compensation of all persons employed by the Administration."

And the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "the date upon which the Administrator first appointed under this Act takes office"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "the date upon which the Administrator first appointed under this Act takes office"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "or has, within three years prior to date of application, been convicted of a misdemeanor under any Federal law relating to liquor, including the taxation thereof"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted and restore the matter proposed to be stricken out by said amendment, and on page 22 of the House bill, after line 23, insert the following:

"In the case of malt beverages, the provisions of subsections (a), (b), (c), and (d) shall apply to transactions between a retailer or trade buyer in any State and a brewer, importer, or wholesaler of malt beverages outside such State only to the extent that the law of such State imposes similar requirements with respect to similar transactions between a retailer or trade buyer in such State and a brewer, importer, or wholesaler of malt beverages in such State, as the case may be. In the case of malt beverages, the provisions of subsections (e) and (f) shall apply to the labeling of malt beverages sold or shipped or delivered for shipment or otherwise introduced into or received in any State from any place outside thereof, or the advertising of malt beverages intended to be sold or shipped or delivered for shipment or otherwise introduced into or received in any State from any place outside thereof, only to the extent that the law of such State imposes similar requirements with respect to the labeling or advertising, as the case may be, of malt beverages not sold or shipped or delivered for shipment or otherwise introduced into or received in such State from any place outside thereof."

And the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows: In lieu of the matter proposed to be striken out by said amendment insert the following: "as will require an accurate statement, in the case of distilled spirits (other than cordials, liqueurs, and specialties) produced by blending or rectification, if neutral spirits have been used in the production thereof, informing the consumer of the percentage of neutral spirits so used and of the name of the commodity from which such neutral spirits have been distilled, or in case of neutral spirits or of gin produced by a process of continuous distillation, the name of the commodity from which distilled; (4)"; and the Senate agree to the same.

Amendment numbered 103: That the House recede from its disagreement to the amendment of the Senate numbered 103, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert a colon and the following: "*Provided further*, That nothing herein nor any decision, ruling, or regulation of any Department of the Government shall deny the right of any person to use any trade name or brand of foreign origin not presently effectively registered in the United States Patent Office which has been used by such person or predecessors in the United States for a period of at least five years last past, if the use of such name or brand is qualified by the name of the locality in the United States in which the product is produced, and, in the case of the use of such name or brand on any label or in any advertisement, if such qualification is as conspicuous as such name or brand"; and the Senate agree to the same.

Amendment numbered 127: That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by said amendment insert the following: "as will require an accurate statement, in the case of distilled spirits (other than cordials, liqueurs, and specialties) produced by blending or rectification, if neutral spirits have been used in the production thereof, informing the consumer of the percentage of neutral spirits so used and of the name of the commodity from which such neutral spirits have been distilled, or in case of neutral spirits or of gin produced by a process of continuous distillation, the name of the commodity from which distilled"; (4); and the Senate agree to the same.

Amendment numbered 130: That the House recede from its disagreement to the amendment of the Senate numbered 130, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "The prohibitions of this subsection and regulations thereunder shall not apply to the publisher of any newspaper, periodical, or other publication, or radio broadcaster, unless such publisher or radio broadcaster is engaged in business as a distiller, brewer, rectifier, or other producer, or as an importer or wholesaler, of distilled spirits, wine, or malt beverages, or as a bottler, or warehouseman and bottler, of distilled spirits, directly or indirectly or through an affiliate."; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In the fifth line of said amendment strike out "commission" and insert "Administrator"; and the Senate agree to the same.

Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"DISPOSAL OF FORFEITED ALCOHOLIC BEVERAGES

"SEC. 9. (a) All distilled spirits, wine, and malt beverages forfeited, summarily or by order of court, under any law of the United States, shall be delivered to the Secretary of the Treasury to be disposed of as hereinafter provided.

"(b) The Secretary of the Treasury shall dispose of all distilled spirits, wine, and malt beverages which have been delivered to him pursuant to subsection (a)—

"(1) By delivery to such Government agencies as, in his opinion, have a need for such distilled spirits, wine, or malt beverages for medicinal, scientific, or mechanical purposes; or

"(2) By gift to such eleemosynary institutions as, in his opinion, have a need for such distilled spirits, wine, or malt beverages for medicinal purposes; or

"(3) By destruction.

"(c) No distilled spirits, wine, or malt beverages which have been seized under any law of the United States, may be disposed of in any manner whatsoever except after forfeiture and as provided in this section.

"(d) The Secretary of the Treasury is authorized to make all rules and regulations necessary to carry out the provisions of this section."

And the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 11. Section 610 of the Revenue Act of 1918, as amended (U. S. C., Supp. VII, title 26, sec. 1310), is amended by adding at the end thereof the following new paragraph:

"'The provisions of the internal-revenue laws applicable to natural wine shall apply in the same manner and to the same extent to citrus-fruit wines which are the product of normal alcoholic fermentation of the juice of sound ripe citrus fruit (except lemons and limes), with or without the addition of dry cane, beet, or dextrose sugar (containing, respectively, not less than 95 per centum of actual sugar, calculated on a dry basis) for the purpose of perfecting the product according to standards, but without the addition or abstraction of other substances, except as may occur in the usual cellar treatment of clarifying or aging.'

"SEC. 12. Section 612 of the Revenue Act of 1918, as amended (U. S. C., Supp. VII, title 26, sec. 1310), is amended to read as follows:

"'SEC. 612. That under such regulations and official supervision and upon the giving of such notices, entries, bonds, and other security as the Commissioner, with the approval of the Secretary, may prescribe, any producer of wines defined under the provisions of this title may withdraw from any fruit distillery or special bonded warehouse grape brandy, or wine spirits, for the fortification of such wines on the premises where actually made, and any producer of citrus-fruit wines may similarly withdraw citrus-fruit brandy for the fortification of citrus-fruit wines on the premises where actually made: *Provided*, That there shall be levied and assessed against the producer of such wines or citrus-fruit wines a tax (in lieu of the internal-revenue tax now imposed thereon by law) of 20 cents per proof gallon of grape brandy, citrus-fruit brandy, or wine spirit whenever withdrawn and hereafter so used by him in the fortification of such wines or citrus-fruit wines during the preceding month, which assessment shall be paid by him within ten months from the date of notice thereof: *Provided further*, That nothing contained in this section shall be construed as exempting any wines, citrus-fruit wines, cordials, liqueurs, or similar compounds from the payment of any tax provided for in this title.

"'Any such wines or citrus-fruit wines may, under such regulations as the Secretary may prescribe, be sold or removed tax free for the manufacture of vinegar, or for the production of dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume.

"'The taxes imposed by this section shall not apply to dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume.'

"SEC. 13. Section 613 of the Revenue Act of 1918, as amended (U. S. C., Supp. VII, title 26, sec. 1300 (a) (2)), is amended by inserting after 'grape brandy' a comma and the following: 'or containing citrus-fruit wine fortified with citrus-fruit brandy.'

"SEC. 14. Section 42 of the Act entitled 'An Act to reduce the revenue and equalize duties on imports, and for other purposes' approved October 1, 1890, as amended (U. S. C., Supp. VII, title 26, sec. 1302 (a)), is amended by inserting at the end thereof the following new paragraph:

"'The provisions of this section and section 43 shall apply to the use of citrus-fruit brandy in the preparation of fortified citrus-fruit wines in the same manner and to the same extent as such provisions apply to the use of wine spirits in the fortification of sweet wines, except that no brandy (other than a citrus-fruit brandy) may be used in the fortification of citrus-fruit wine and a citrus-fruit brandy prepared from one kind of citrus fruit may not be used for the fortification of a citrus-fruit wine prepared from another kind of citrus fruit or for the fortification of a wine prepared from any fruit other than citrus fruit.'

"SEC. 15. Section 3255 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 26, sec. 1176), is amended to read as follows:

"'SEC. 3255. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may exempt distillers of brandy made exclusively from apples, peaches, grapes, oranges, pears, pineapples, apricots, berries, plums, pawpaws, persimmons, prunes, figs, cherries, dates, or citrus fruits (except lemons and limes) from any provision of the internal-revenue laws relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so: *Provided*, That where, in the manufacture of wine or citrus-fruit wine, artificial sweetening has been used, the wine, or the fruit pomace residuum thereof, or the citrus-fruit wine may be used in the distillation of brandy or citrus-fruit brandy, as the case may be, and such use shall not prevent the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, from exempting such distiller from any provision of the internal-revenue laws relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so: *And provided further*, That the distillers mentioned in this section may add to not less than five hundred gallons (ten barrels) of grape cheese not more than five hundred gallons of a sugar solution made from cane, beet, starch, or corn sugar, 95 per centum pure, such solution to have a saccharine strength of not to exceed 10 per centum, and may ferment the resultant mixture on a winery or distillery premises, and such fermented product shall be regarded as distilling material.'"

And the Senate agree to the same.

Amendment numbered 151: That the House recede from its disagreement to the amendment of the Senate numbered 151, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 16. (a) Section 1 of the act of March 3, 1877, as amended (U. S. C., Supp. VII, sec. 1250), is amended by striking out 'not exceeding 10 in number in any one collection district', and by inserting at the end of such section the following new paragraph:

"'The Commissioner of Internal Revenue, under such regulations as he may promulgate from time to time with the approval of the Secretary of the Treasury, may, in his discretion, establish such warehouses adjacent to distilleries, and may, in his discretion, permit the removal of brandy directly from the distillery to such warehouses, and from such warehouses to the distillery warehouse of the producing distiller.'

"(b) Section 51 of the act of August 27, 1894, as amended (U. S. C., Supp. VII, sec. 1265), is amended by striking out 'not exceeding 10 in number in any one collection district', and by inserting at the end of such section the following new paragraph:

"'The Commissioner of Internal Revenue, under such regulations as he may promulgate from time to time with the approval of the Secretary of the Treasury, may, in his discretion, establish such warehouses adjacent to distilleries, and may, in his discretion, permit the removal of spirits directly from the distillery to such warehouses, and from such warehouses to the distillery warehouse of the producing distiller.'"

And the Senate agree to the same.

Amendment numbered 153: That the House recede from its disagreement to the amendment of the Senate numbered 153, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "17"; and the Senate agree to the same.

That the Senate recede from its amendment to the title.

R. L. DOUGHTON,
SAMUEL B. HILL,
THOS. H. CULLEN,
ALLEN T. TREADWAY,
ISAAC BACHARACH,
*Managers on the part of the House.*

PAT HARRISON,
WILLIAM H. KING,
WALTER F. GEORGE,
ROBERT M. LA FOLLETTE, JR.,
JESSE H. METCALF,
*Managers on the part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8870) to further protect the revenue derived from distilled spirits, wine, and malt beverages, to regulate interstate and foreign commerce, and enforce the postal laws with respect thereto, to enforce the twenty-first amendment, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

On amendment no. 1: This amendment changes the short title of the act. The Senate recedes.

On amendment no. 2: The House bill created the Federal Alcohol Administration as a division in the Treasury Department. The Administration was to be headed by an Administrator appointed by the President, by and with the advice and consent of the Senate. Appointments of officers and employees by the Administrator were to be made without regard to the civil-service laws and the Classification Act of 1923, as amended, but their compensation was subject to the approval of the Secretary of the Treasury. All rules and regulations prescribed by the Administrator were subject to the approval of the Secretary of the Treasury. The Senate amendment establishes in lieu of the Federal Alcohol Administration provided in the House bill an independent agency to be known as the "Federal Alcohol Commission", to be composed of three commissioners appointed by the President, by and with the advice and consent of the Senate. It provides that not more than two members of the Commission shall be members of the same political party. The amendment further provides that one of the Commissioners shall be chairman of the Commission and shall be its chief executive officer; another Commissioner shall be vice chairman of the Commission; and a third Commissioner, who shall be a lawyer, shall be general counsel of the Commission. Under the Senate amendment, appointments by the Commission are made without regard to the civil-service laws but subject to the Classification Act of 1923, as amended, and any officer or employee receiving a salary at the rate of $5,000 or more per annum is required to be appointed by the President, by and with the advice and consent of the Senate. All officers and employees of the Commission receiving less salary are to be appointed by the Commission, and the Commission is to prescribe the duties of all its officers and employees irrespective of their method of appointment. The Senate recedes.

On amendments nos. 3, 5, 6, 7, 8, 9, 10, 11, 12, 17, 21, 23, 27, 29, 30, 31, 32, 33, 34, 35, 36, 44, 45, 46, 47, 48, 50, 51, 52, 53, 54, 56, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 76, 77, 87, 95, 96, 107, 110, 113, 115, 116, 117, 118, 120, 122, 124, 125, 131, 134, 136, 138, 139, 140, 141, 142, 145, 148, 149, and 154: These amendments are clerical amendments made necessary by reason of Senate amendment no. 2. The Senate recedes in conformity with the action on amendment no. 2.

On amendment no. 4: This is a clerical amendment, and the House recedes.

On amendment no. 13: The Senate amendment authorizes the Commission to make investigations and studies with respect to various phases of the alcoholic-beverage industries, or with respect to matters necessary for the performance of its powers and duties, and to report thereon to the President and the Congress from

time to time, together with its recommendations. The House bill had no similar provision. The Senate recedes.

On amendment no. 14: The Senate amendment provides that the Commission shall make an annual report to Congress and include therein the names and compensation of all persons employed by the Commission. The House bill had no similar provision. The House recedes with an amendment placing such duties on the administrator.

On amendments nos. 15, 16, 18, 19, 24, 25, 37, 39, 78, 79, 80, 81, 82, 83, 89, 90, 91, 92, 94, 97, 101, 102, 106, 108, 109, 112, 114, 119, 123, 126 155, and 157: The House bill covered beer and other malt beverages and its provisions applied to brewers and importers and wholesale distributors of such malt beverages, except that brewers were exempt from the provisions of the House bill requiring basic permits. The effect of these Senate amendments is to exempt brewers, importers, and wholesale distributors of malt beverages from all provisions of the bill.

The conference agreement retains the provision of the House bill under which importers and wholesalers of malt beverages are required to have permits. The conference agreement applies the trade-practices provisions of the bill to malt beverages with a modification under which such provisions are to apply to transactions between a brewer or other distributor outside a State and a retailer or trade buyer in a State only to the extent that the State imposes similar requirements on the same classes of persons and with respect to the same transactions within the State and under which the requirements of the bill with respect to labeling and advertising are to apply to persons outside the State in respect of their products shipped into or advertised in a State only to the extent that the State imposes similar requirements in similar cases within the State. The conference action to accomplish this result consists of the House receding with an amendment on amendment no. 79 and the Senate receding on all the other amendments.

On amendments nos. 20 and 22: Under the House bill the requirement that importers and persons engaged in the business of distilling spirits, producing wine, rectifying, or blending distilled spirits or wine, or bottling or warehousing, and bottling distilled spirits must have a basic permit to engage in operations, became effective 60 days after the enactment of the act. The Senate amendment provides that these requirements shall be effective 60 days after such date as the majority of the Commission first appointed takes office. The House recedes on both amendments with amendments changing "Commission" to "Administrator."

On amendment no. 26: The House bill provided that the requirement that wholesale distributors must have a basic permit to engage in operations should take effect January 1, 1936. The Senate amendment provides that this requirement shall take effect March 1, 1936. The House recedes.

On amendment no. 28: The House bill provided that applicants for a basic permit (other than those entitled thereto as a matter of right) should not be entitled to the permit if it were found that the applicant had within 5 years prior to the date of application been convicted of a felony. The Senate amendment adds an additional requirement that the applicant must not have been convicted, in such period, of a violation of a Federal law relating to liquor, including the taxation thereof, irrespective of whether the violation constituted a felony. The House recedes with an amendment providing that the applicant must not have been convicted, within a period of 3 years prior to date of application, of a misdemeanor under any Federal law relating to liquor, including the taxation thereof.

On amendments nos. 38, 40, 41, 42, and 132: The House bill provided that distilled spirits could be distributed without restriction in barrels, casks, or kegs made of wood, if the container had a capacity of 1 wine-gallon or more. This authority was, however, subject to an exception in the case of distribution into those States in which the use or sale of any such barrel, cask, or keg is prohibited by the law of the State. The House bill further provided that a recipient of bulk goods should not be entitled to package or repackage the bulk distilled spirits for sale or resale in bottles or other containers intended to reach the consumer unless the bottler was a distiller, rectifier of distilled spirits, a person operating a bonded warehouse qualified under the internal-revenue laws, or a class 8 bonded warehouse qualified under the customs laws, holding a basic permit, or was a proprietor of an industrial-alcohol plant, or was an agency of a State or any political subdivision thereof. The House bill further provided that a recipient of bulk distilled spirits should not dispense the distilled spirits for sale unless such person was a bona fide hotel or club. Specific provision was also made in the House bill recognizing that a wholesaler of distilled spirits could qualify as a rectifier, but prohibiting a retailer from so qualifying.

Senate amendments nos. 40, 41, and 42 strike out the House provisions. Senate amendment no. 132 makes it unlawful for any person to sell or offer to sell, contract to sell, or otherwise dispose of distilled spirits in containers having a capacity in excess of 1 gallon, except under regulations of the Commission for export, or to a distiller or rectifier (including a wholesaler who qualifies as a rectifier) of distilled spirits, person operating a bonded warehouse under the internal-revenue laws or a class 8 bonded warehouse qualified under the customs laws, a wine maker for the fortification of wines, a proprietor of an industrial-alcohol plant, or an agency of the United States or any State or political subdivision thereof. The Senate amendment also makes it unlawful for any person to import distilled spirits in bulk unless he is one of the list above specified or unless for sale to or use by one of such persons. The Senate amendment further makes unlawful transactions in warehouse receipts covering spirits in bulk unless the particular receipt includes among its terms a requirement that the warehouseman shall, before delivery of the distilled spirits, pursuant to the delivery of the receipt, package them in bottles labeled and marked in accordance with law, or deliver them in bulk only to persons to whom it is lawful to sell or otherwise dispose of distilled spirits in bulk, i. e., the persons in the list above specified. The Senate amendment further provides that it is unlawful for any person to bottle distilled spirits, or package or repackage distilled spirits in bottles, unless the bottler is a person to whom it is lawful to sell or otherwise dispose of distilled spirits in bulk, i. e., a person in the list above specified. A criminal penalty of $5,000 or imprisonment for not more than 1 year, or both, is provided for the violation and all distilled spirits and the containers thereof with respect to which a violation occurs are forfeited to the United States.

Senate amendment numbered 38 makes observance of the bulk sales requirements as set forth in Senate amendment numbered 132 a condition of a basic permit issued under the bill. The House recedes on amendments numbered 38, 40, 41, and 42, and recedes with an amendment on 132 changing "Commission" to "Administrator."

On amendments nos. 43, 49, 55, 57, and 75: These are clerical amendments changing paragraph letters. The House recedes.

On amendment no. 73: This is a clarifying amendment, and the House recedes.

On amendment no. 84: This amendment excepts from the tied-house prohibitions signs not exceeding $100 in aggregate value to any retailer in any calendar year. This is no corresponding exception in the House bill. The Senate recedes.

On amendments nos. 85 and 86: Amendment numbered 85 excepts from the tied-house prohibitions "advertising specialties and graphic arts advertising items of paper or paperlike substance." Amendment numbered 86 makes a clerical amendment in connection with amendment numbered 85. The Senate recedes.

On amendment no. 87½: The House bill provided in the tied-house prohibition that credit in excess of the period usual and customary to the industry for the particular class of transactions could not be extended to the retailer. The Senate amendment strikes out "to the industry." The Senate recedes.

On amendment no. 88: The House bill provided that the tied-house prohibition against excessive credits to retailers should be subject to regulations of the enforcement agency. The Senate amendment strikes out the requirement as to regulations. The Senate recedes.

On amendment no. 93: This amendment provides that the restrictions in the "consignment sales" subsection shall not apply to transactions involving solely the bona fide return of merchandise for ordinary and usual commercial reasons arising after the merchandise has been sold. The House bill contained no corresponding provision. The House recedes.

On amendment no. 98: The House bill provided that the regulations of the enforcement agency as to informative labeling should provide the consumer with adequate information as to the manufacturer or bottler or importer of the particular product. The Senate amendment provides that in case of domestically bottled goods the regulation shall require the label to show the name of the manufacturer or bottler or distributor, and, in the case of imported products, show the name of the foreign manufacturer and the domestic importer. The Senate recedes.

On amendments nos. 99, 100, 105, 127, 128, and 129: The House bill provided that the regulations of the enforcement agency with regard to the informative labeling and advertising of distilled spirits provide that in the case of distilled spirits (other than cordials, liqueurs, and specialties) there be stated on the label or in the advertisement, as the case might be, the percentage of the neutral spirits used in the production thereof and the name of the commodity from which the neutral spirits were distilled. The provision applied to distilled spirits produced by blending or rectification and to gin, whether produced by blending or rectification or by process of continuous distillation. The provisions did not apply to straight neutral spirits or alcohol produced by process of continuous distillation. The Senate amendments incorporate clarifying provisions making it certain that the informative requirements apply to gin produced by process of continuous distillation, as well as by blending or rectification and also extend the requirements to straight neutral spirits or alcohol produced by process of continuous distillation. In addition, the Senate amendment makes it clear that it is mandatory upon the enforcement agency to issue regulations of this informative character and that in case neutral spirits made from two different commodities are included in the product then the percentage made from each such commodity shall be stated.

Senate amendment no. 105 further provides that the regulations of the commission with respect to labeling and standards of identity shall prohibit the designation of any product as neutral spirits or as any type of whisky or gin, for nonindustrial use, if the neutral spirits used in making the product are distilled from materials other than grain. This requirement applies to neutral spirits, whisky, and gin produced by a process of continuous distillation, as well as to gin or any type of blended or other whisky produced by blending or rectification. The Senate amendment further provides by definition that the term "neutral spirits", where used throughout the act, is synonymous with ethyl alcohol.

The Senate recedes on amendments nos. 105 and 129 which make the regulations mandatory and which prohibit designation

of whisky, neutral spirits, or gin, as such, unless produced from grain. The Senate recedes on amendments nos. 100 and 128 which make changes in numbers in connection with amendments nos. 105 and 129. The effect of the conference agreement is to insert the substance of the House provisions with the addition thereto of provisions similar to those in Senate amendments nos. 105 and 129 under which the requirement is imposed that there be a statement of the commodity from which neutral spirits or gin produced by continuous distillation is produced.

On amendment no. 103: This amendment provides that nothing in the act or any decision, ruling, or regulation of any department of the Government shall deny the right of any person to use any trade name or brand of foreign origin not presently effectively registered in the United States Patent Office which has been used by such person or predecessors in the United States for a period of at least 5 years last past. The House bill had no corresponding provision. The House recedes with an amendment inserting the substance of the Senate provision but adding a limitation that if such a name or brand is used its use must be qualified by the name of the locality in the United States in which the product is produced and on labels and in advertising this qualification must be as conspicuous as the name or brand itself.

On amendments nos. 104 and 146: The House bill provided that no person should remove from Government custody after purchase at a Government sale any distilled spirits, wine, or malt beverages in bottles to be held for sale, until such bottles are packaged, marked, branded, and labeled in conformity with the labeling requirements of the bill. Senate amendment no. 104 strikes out these provisions. Senate amendment no. 146 provides that distilled spirits and wine forfeited or condemned shall not be sold, or otherwise disposed of, but shall be destroyed; except that any such distilled spirits and wine certified by Government chemists to be of a quality equivalent to United States Pharmacopoeia quality or suitable for medicinal purposes shall be disposed of by the Surgeon General of the United States Public Health Service to hospitals operated or maintained in whole or in part by the United States, for use by them for medicinal purposes only.

The conference agreement on amendment no. 146 inserts a provision under which distilled spirits, wine, and malt beverages forfeited summarily or by order of court are to be delivered to the Secretary of the Treasury. He is to dispose of them by delivering them to Government agencies for medicinal, scientific, or mechanical purposes, but if they have no need for them, by giving them to charitable institutions for medicinal purposes. Any articles which are not so disposed of are to be destroyed by the Secretary of the Treasury. Previous contrary authorizations are repealed and the Secretary is given power to prescribe rules and regulations to carry out the section.

The House recedes on amendment no. 104 relating to labeling after Government sale in view of the insertion of the provision prohibiting Government sales.

On amendment no. 111: The House bill provided that the requirements for certificates of label approval should become effective not later than January 1, 1936. The Senate amendment provides that these requirements shall become effective not later than March 1, 1936. The House recedes.

On amendment no. 121: This is a clerical amendment. The House recedes.

On amendment no. 130: This is a clarifying amendment and makes certain that the prohibitions with regard to false advertising and the requirements as to informative advertising shall not apply to the publisher of any newspaper, periodical, or other publication, or radio broadcaster unless such publisher or radio broadcaster is engaged in publishing the newspaper, periodical, or other publication, or in transmitting radio broadcasts, is engaged in the distilled spirits or wine industry, directly or indirectly. The House recedes with an amendment applying similar provisions in the case of malt beverages.

On amendments nos. 133, 137, 147, and 153: These are clerical amendments changing section numbers. The House recedes on 133, 137, and 147, and with an amendment making a further change in the number on 153.

On amendment no. 135: The House bill provided that violations of the act could be compromised by the enforcement agency at any time prior to the commencement of court proceedings with respect to the violation. The Senate amendment provides this power of compromise can be exercised either before, pending, or after completion of court proceedings. The House recedes.

On amendments nos. 143 and 144: These are clerical amendments; and the House recedes.

On amendment no. 150: The Senate amendment applies to citrus-fruit wines the provisions of internal-revenue laws applicable to "natural" grape wine. It also permits the withdrawal of citrus-fruit brandy and use of it for the fortification of citrus-fruit wine—applying in such case the same tax (20 cents a proof gallon) as in the case of grape brandy for fortification of grape wine. The amendment makes the necessary amendment to the provisions of law under which liqueurs, cordials, or similar compounds are taxed if grape brandy is used therein so that these provisions will apply with respect to citrus-fruit wines fortified with citrus-fruit brandy. The amendment makes applicable to the fortification of citrus-fruit wines with citrus-fruit brandy the provisions of law relating to fortification of grape wines with grape brandy but limits the provision so that a citrus-fruit brandy may be used only for the fortification of a citrus-fruit wine produced from the same fruit; e. g., orange brandy may be used only for fortification of orange wine. Citrus-fruit-brandy distillers and date-brandy distillers may be exempted by the Secretary of the Treasury from certain provisions of law relating to the manufacture of such brandies as in the case, under present law, of distillers of apple brandy and other fruit-brandy distillers.

The amendment also exempts citrus-fruit wine makers and other wine makers (in the same manner as in the case of grape wine makers) from the special tax upon wine makers if they sell wines of their own production where they are made or at the wine maker's general business office.

The amendment also makes clear that where manufacturing chemists or flavoring extract manufacturers use recovered alcohol or spirits, they may be again used only in the making of medicines or flavoring extracts of the same kind in which they are first used.

The House recedes with an amendment which makes clarifying changes and which excepts lemons and limes from the application of the Senate provision. The conference agreement also omits the provisions relating to business offices of a wine maker and to the use of recovered alcohol in flavoring extracts and medicines.

On amendment no. 151: This amendment strikes out the limitation on the number of warehouses which the Commissioner of Internal Revenue may establish in any one collection district for the storage of fruit brandies and spirits distilled from materials other than fruit. It also provides that in the discretion of the Commissioner of Internal Revenue such warehouses may be established adjacent to distilleries, and further that he may in his discretion permit the removal of brandies and spirits, as the case may be, directly from the distillery to such warehouses, and from such warehouses to the distillery warehouse of the producing distiller. The House recedes with an amendment which omits the preamble and makes clerical changes.

On amendment no. 152: This amendment changes the method of levying and collecting the tax on distilled spirits. Under the present law, the tax is paid by the distiller or importer. The amendment imposes the tax on the retailer and provides that it shall be collected at the time of its first retail sale. The retailer is required to affix to the bottle or other container of distilled spirits stamps denoting the quantity contained therein and evidencing payment of all internal-revenue taxes, and of all customs duties. The amendment further provides that no person shall manufacture, distill, import, or sell at wholesale or retail any distilled spirits unless such person furnishes a bond guaranteeing the payment of all taxes and customs duties imposed thereon. The Senate recedes.

On amendment no. 156: This is a clerical amendment changing the paragraph number. The Senate recedes.

The Senate amended the title of the bill to conform to the Senate amendment eliminating malt beverages from the bill. The Senate recedes.

R. L. DOUGHTON,
SAMUEL B. HILL,
THOS. H. CULLEN,
ALLEN T. TREADWAY,
ISAAC BACHARACH,
*Managers on the part of the House.*

Mr. DOUGHTON. Mr. Speaker, I yield 10 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Speaker, I know it is useless to seek to kill a conference report in the closing hours of a session, but I think in this case the House conferees have made an absolute surrender. It is an instance in which the voices of the majority of the members on the committee were not taken into consideration as well as the sentiment of the House. This bill, as it passed the House, was not the same instrument now pending before us. It is a surrender to the liquor and to the glass-bottle lobby of the United States as well as to the brewers.

We seek to have an alcohol control board created to regulate the liquors of this country, including whisky and beer, but the brewers with their influence and power are exempted from this bill. The brewers, as everyone knows, are the ones who have caused the greatest trouble in the past. It is common knowledge that in the old days on almost every street corner in the big cities the brewers equipped saloons, and dominated them. Under this law they cannot be regulated at all. According to the Senate amendment, which the House agreed to in conference, they cannot be regulated.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. FULLER. I yield, but I do not want you to take very much time.

Mr. MAPES. The gentleman spoke about the yielding of the House conferees. There was a rumor on the floor last night that the House conferees had yielded to the Senate in regard to the provision which takes out from under the Civil Service and the Classification Act appointees of the Liquor Control Board or Commission, but in looking over

the report of the conferees this morning I found that was not true and that the conference report retains the House provision taking these employees from under the Civil Service and the Classification Act.

Mr. FULLER. I do not know about that; I have not seen the report.

Mr. MAPES. The gentleman cannot answer that question?

Mr. FULLER. No. I have never seen the report. It was recently printed and I have had no opportunity to see it.

Mr. MAPES. It is in the RECORD this morning, I may say to the gentleman.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. FULLER. I yield.

Mr. CELLER. Do I understand from this conference report that the brewers are not going to be regulated, that they may continue their system of "tied houses"?

Mr. FULLER. Absolutely.

Mr. CELLER. That is wrong.

Mr. FULLER. They concurred in the Senate amendment. They say that "tied houses" may be regulated in the various States. If the States are to regulate breweries, why not the States also regulate the distillers in their unfair practices and save the Federal Government the expense? Why separate them when one needs regulation as much as the other? In other words, if New York wants to buy Milwaukee beer, the Federal control can regulate that interstate transaction. Eighty percent of the beer is sold in the States where brewed.

Mr. CELLER. There are only a few interstate sales.

Mr. FULLER. Yes; just a few. This bill ought to be branded and known as the "brewery bill from Milwaukee." That is how it ought to be known. If there is any use for the maintenance of alcoholic control in the United States, the Board ought to have something to do, but under the terms and provisions of this bill the employers will have absolutely nothing to do. It simply means the continuation of jobs for two or three hundred people with nothing to do under the terms and provisions of this bill.

Mr. McFARLANE. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from Texas.

Mr. McFARLANE. The platform provides—

We urge the enactment of such measures by the several States as will actually promote temperance and effectively prevent the return of the saloon.

Does this bill do that?

Mr. FULLER. No.

Mr. McFARLANE. Will not this bill tend to put an open saloon on every street corner?

Mr. FULLER. It will have a tendency toward the days before prohibition.

Mr. HOEPPEL. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from California.

Mr. HOEPPEL. May I state that I am going to support the gentleman's argument, because only last Monday there were 225 drunks arraigned in the courts of the District of Columbia. I concur with the gentleman's views on temperance, but fear the liquor business, controlled as it appears to be by the Whisky Trust and the brewers, will ultimately lead to the preprohibition excesses. The Government should exercise positive and complete control of the liquor business in the interests of morals and the elimination of political dominance by the whisky interests.

Mr. FULLER. Some of the Members of this House may not be well enough informed to know the powerful influences of the liquor organization in this country. This powerful organization is absolutely controlling and dictating the terms and provisions of this bill, as well as all legislation and all rules and regulations which come out of the Alcohol Control Division of the Treasury Department affecting liquor. The Board and this Division are controlled absolutely, lock, stock, and barrel, by the biggest monopoly that has ever been known in this country. If we do not stop this we will go back to the time before prohibition.

Mr. CELLER. I will be happy to cooperate, as will many Members of the House, in any kind of legislation to come out of the Ways and Means Committee controlling the breweries. Will the gentleman cooperate?

Mr. FULLER. Certainly I will. The House Ways and Means Committee put the breweries under control just like the distilleries; one of them violates the law no more than the other. The "tied houses" will be tied to the breweries the same as before prohibition, with no Federal regulation. Such a compromise is a shame and brought about by the powerful influence of the brewers and distillers.

Mr. Speaker, I have no distilleries in my State, nor have I any breweries. This lobby is influencing newspapers by advertising and propaganda. Why, they are even making the good women of the W. C. T. U. believe they are pulling strong for prohibition in this country. If we follow them we will go back to the old bootleg policies and they will be running the temperance cause of this country.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from New York.

Mr. FITZPATRICK. Is there anything in this bill that would permit the buying of liquor in bulk?

Mr. FULLER. No.

Mr. FITZPATRICK. That has been eliminated?

Mr. FULLER. That has been eliminated, notwithstanding the fact that the sentiment of the Ways and Means Committee of the House is overwhelmingly for modification of the regulation of the Treasury Department to permit the use of barrels. I attended a meeting 2 days ago of the Ways and Means Committee at which we took a vote whether or not we would stand for the House bill and whether or not we would have no bill or one with barrels in it. Seventeen Democrats voted for this motion. All the Republicans except three voted for it. The vote stood 20 to 4. The House bill for barrels was reported on that issue by a committee vote of 23 to 2. But there has been a change in the last few hours. There has been influence brought to bear of which I am well aware; there has been a change of opinion, and many members of the Ways and Means Committee have absolutely surrendered to the Senate conferees.

Mr. DRIVER. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from Arkansas.

Mr. DRIVER. The Treasury Department said if permission to use barrels is granted that the bootleggers would take the pints out of their pockets and bootleg by the barrel.

Mr. FULLER. Yes.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield the gentleman 10 additional minutes.

Mr. McFARLANE. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from Texas.

Mr. McFARLANE. Has the gentleman any information that would lead him to believe that we have ever anywhere, any place, or any time been able to control the liquor traffic, either the Whisky Trust or the Beer Trust? If so, I should be glad if he would advise us fully when, where, and how?

Mr. FULLER. I do not know about that.

Mr. McFARLANE. I have never heard of our ever being able to control or regulate the liquor traffic.

Mr. FULLER. I think there is no question but that we can do so.

Mr. Speaker, this bill contains a provision that I want to especially call attention to. This provision, written in by the Senate, provides no liquor can be taken out of a bonded warehouse unless it is bottled. In other words, only distillers, rectifiers, and bonded warehouses may bottle the liquor. There are hundreds and thousands of people over the United States who own liquor stored in these warehouses, which liquor was bought legitimately before prohibition. They have carried this liquor all of these years. The provision in this bill provides that those individuals cannot get a barrel out unless they allow the warehouseman who has it stored to bottle it.

Do you know what they charge for bottling that liquor? They charge $150 a barrel to bottle the whisky that a man legitimately and honestly owns under the laws of the Nation. It is not only a monopoly but a racket. A few powerful, large corporations own practically all the distilleries, and

others have not been able to get permits. They are selling 4-year-old whisky for $24 per gallon which cost only $1 to make and carry for 4 years, shrinkage and evaporation included. Add to this $2 for Federal tax and $1 for bottling, and observe the enormous $20 per gallon profit.

This is the powerful lobby with accumulated wealth making Members and endeavoring to make the country believe they stand for temperance. What do you think? This is the crowd which says the store people, the farmers, have a powerful influence and are seeking to break down the enforcement laws. Shame on such an argument! It is not an argument but a deliberate misstatement. It is a well-known fact that the big distillers have interlocking directorates with the Illinois Owen Glass Co. that manufactures 80 percent of the glass of this country. They maintain a lobby here. Not only that, Mr. Speaker, but the man who is at the head of these distillers is Dr. Doran, who, everyone thought, was such a great prohibition advocate. He was in the Treasury for 30 years. He built up the personnel in the Treasury that exists today in the Alcohol Unit. He resigned to accept a position at $36,000 a year as the head of the Distillers Institute in the United States, which is composed of the lobby or trust that is fighting this bill and dictating every rule and regulation that the Alcohol Unit advocates. He even served as chairman of the committee appointed by the President to form the rules and regulations of the code for alcohol control.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. FULLER. I yield.

Mr. McFARLANE. Is it not true that Dr. Doran, on account of his position with respect to being commissioner of prohibition enforcement for several years, is intimately acquainted with the personnel of the Alcohol Control Unit and this gives him an entree into the Alcohol Control Department as well as other departments?

Mr. FULLER. Certainly. He is the spokesman for it. They do not do anything without his O. K.; and a few days ago the most influential man who was left in the Treasury Department resigned and accepted a position as the Washington representative of the distillers of the United States.

This is the kind of proposition we are up against; and they refer to the fact that I come from a country where they want barrels used, although I represent only 1 State out of the 20 in the Union that have this great industry which is now absolutely prostrate. These men are ruining the cooperage industry of the United States by their rules and regulations, and they made these rules and regulations entirely without any authority of law; but under the terms and provisions of this bill they have affirmatively written them into law, and the conferees have agreed to them, and now they are going to force this measure through the Congress.

It seems it does not make much difference how meritorious a case you have or how strongly you go along with them, if it does not suit some of them, even though they have passed upon it favorably by an overwhelming vote time and time again, if you do not go down the line every time, they are inclined to forget you in the closing hours. I seek and ask no favors, and know those sharing my views will at this late hour of the session vote for this unjust, unconditional surrender—and to this I have no protest.

Why, Mr. Speaker, in my district alone in the stave industry over $1,000,000 is to be lost by reason of this law, and the same condition prevails generally all over the country. Who are the stave people who are concerned about this matter? They are the farmers up at the forks of the creeks, who take their oak and make it into barrel staves and sell them. This is their tax and pin money. These men are to be driven out of business by reason of this powerful lobby.

I am disgusted that the conferees bow to an unholy powerful lobby as against the poor and unorganized poor. You do not have to go further than outside of the doors of this House to find influential ex-Members of Congress down here working for these concerns, the breweries and the liquor people of this country; and yet they tell you this is a measure in the interest of temperance. This is a measure in the interest of the lobbyists of this country and the lobby investigating committee ought to investigate them. The bill is in the interest of one of the biggest monopolies we have ever seen, and mark my prediction, there are dozens of men listening to my voice now who will live to see the time, if the time is not here now, when we will have a worse whisky scandal than ever occurred in the distant past in Pennsylvania under the Grant administration. This is not the last battle. A resolution is now pending seeking an investigation of this whisky lobby.

I realize that in the closing hours of the Congress there is no use to butt your head against a wall and try to get this conference report rejected, but I want to tell you that it is a travesty on justice to abjectly surrender what the House and the Ways and Means Committee stand for at heart, simply for the purpose of agreeing to Senate amendments which mean nothing in the world but a continuation of the Alcohol Control Board, the duties of which are nil as provided under the terms and provisions of this bill. [Applause.]

Mr. DOUGHTON. Mr. Speaker, the alcohol-control bill had the unanimous report from the Committee on Ways and Means. It passed the House by a vote of nearly two and a half to one. The Senate put on about 144 amendments. Of that 144 amendments by the Senate, the Senate yielded on 122 and the House yielded on 22.

Many of these amendments were of a minor character—mainly clerical changes.

Of the important amendments the Senate yielded on five and the House yielded on two.

The setting up of an independent agency was one of the important changes made in the bill by the Senate. The House put the administration of the law in the Treasury Department, and the Senate put it under an independent agency. That was one provision in the House bill that the House conferees insisted on. Every member of the Committee on Ways and Means was insistent on that provision. The Senate very reluctantly yielded on that vital amendment.

Then, the question of signs was in dispute. The House provided for striking out all signs by brewers and distillers, and the Senate insisted on that provision in the bill. We had a half a dozen meetings of the conferees, the Senate insisting on their provision and the House insisting on its provision, and finally the Senate receded on that.

Then came the question of advertising. That was a controversial amendment. The House was very insistent on it, and the Senate receded.

Mr. STEFAN. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. STEFAN. Regarding the signs, will the gentleman explain how that agreement was reached—are they allowed to put up signs?

Mr. DOUGHTON. The provision in the House bill was adopted. If the gentleman will read the House bill, he will know the result of the agreement.

Then we come to the bulk sales. The majority of the Committee on Ways and Means was in favor of bulk sales, and that provision was written into the bill, although it was strongly opposed by some Members for the reason they said that if liquor was to be permitted to be sold in bulk to hotels and clubs it would be very difficult of enforcement.

Mr. FULLER. Will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. FULLER. Is it not a fact that the committee voted 20 to 4 to eliminate that provision?

Mr. DOUGHTON. I do not recall about that. The vote of 20 to 4 was on a motion to further insist. It became manifest that if the Senate did not recede we would have no bill.

It was realized that we could not have our own way about everything, and after it was finally realized that we must either yield on the bulk sale or have no bill, not only a majority of the Committee on Ways and Means, but practically all majority members of the committee, outside of my good friend from Arkansas, Mr. FULLER, realizing the situation and how serious it would be to have no bill and how vital it was to have some bill, decided we would better recede on that.

Mr. CELLER. Is it the purpose of the Chairman of the Committee on Ways and Means to adopt some measure at the next session of the Congress which would put brewers under the same sort of regulation?

Mr. DOUGHTON. That was the understanding, so far as you could have an understanding. We cannot bind the Congress. The Committee on Ways and Means cannot determine what this Congress will do at the next session, but we all felt that brewers should be under more rigid control. But we do feel this, that on the question of brewers, we got a reasonably fair compromise. The Alcohol Control Administration and those in control—my good friend FULLER to the contrary notwithstanding, who says we got nothing—say that the regulation of the breweries under the Senate amendment will be helpful, that it is not a complete surrender. Moreover, so far as beer is concerned, we put it under the same control in every State that the State law imposes at the present time. Further, 80 percent of the business is intrastate and cannot be controlled by the Federal Government at all.

Mr. FULLER. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. FULLER. The gentleman does not mean to tell the House that the Alcohol Board of Control can regulate 80 percent of the beer that is sold inside the State?

Mr. DOUGHTON. Oh, no; I do not, but if the State does not want control, why should the Federal Government want control? I thought the gentleman believed in State rights.

Mr. FULLER. Why control distilleries when you cannot reach the breweries?

Mr. DOUGHTON. That is an entirely different matter. So far as the breweries are concerned, it was testified by the head of the Alcohol Control Administration that the breweries, since the Alcohol Administration had been set up under the N. R. A., have conducted themselves in a commendable manner. I was in favor of the breweries being licensed, but we could not get that in the bill.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. MARTIN of Colorado. How does this bulk-sales proposition work? Does it mean that a hotel or a restaurant or club can sell beer by the keg or whisky by the barrel?

Mr. DOUGHTON. No; they cannot. In the House bill bulk sales were permitted to bona fide hotels and clubs.

Mr. MARTIN of Colorado. That is, the wholesaler could sell to them in bulk?

Mr. DOUGHTON. Yes; and they could retail out of barrels. But the Alcohol Control Administration say that if that provision remained in the bill, it would cost five or six million dollars more to enforce the law and would entail a large loss of revenue.

Mr. VINSON of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. VINSON of Kentucky. The gentleman knows that a number of us felt that the provision in the House bill placing breweries under section 5, the section that deals with unfair-trade practices, should have been retained in the bill.

Mr. DOUGHTON. Undoubtedly.

Mr. VINSON of Kentucky. On the ground that those unfair-trade practices and their prevention would keep the breweries from getting back into the evils of the preprohibition days. As I understand it, from what has taken place, it will be the purpose of the gentleman from North Carolina, as Chairman of the Ways and Means Committee, and the Ways and Means Committee of the House, to consider in the early days of next session, in January 1936, a bill that will place the breweries under the unfair-trade practices section, section 5, without the limitation placed therein by the Senate, looking toward preventing the recurrence of the admitted abuses of the old days.

Mr. DOUGHTON. That was clearly and distinctly understood and agreed to in a conference yesterday afternoon by the majority members of the Committee on Ways and Means. If bulk sales were permitted, instead of having to inspect 700 places where liquor and beer are sold, the Treasury Department say that they would have 20,000 places to supervise, and that with the increased number of hotels and clubs that would be set up purposely for retailing liquor, thought the number would reach probably 50,000.

The expense of policing those places, seeing that liquor is not being illegally dispensed, would entail enormous expense. I do not think everyone or anyone connected with the administration of the Alcohol Control Board or the Treasury Department has sold out to the liquor interests. We have had no evidence of it. That is mere rumor floating around. The gentleman from Arkansas [Mr. FULLER], for whom I have the highest regard, is so emotional that when he sets his desire on something, and if it does not go his way, he thinks there is only one side to it. The Committee on Ways and Means believed we should adopt this conference report. As it stands now, we would have no control at all. The Senate insisted on this. They are sincere in their views and they are entitled to some consideration. In the conference report submitted to the House on the points of disagreement we got a splendid break. We got more than they on the disputed points. To say now, because you cannot have your own way about barrels, that the whole thing should be defeated, I do not think is right. The lumber industry is quite an industry in the district I represent, but still I am here trying to do what I can for the whole people of the country, regardless of what effect it may have on some industry in my district. As far as the barrel question is concerned, and whether or not we have bulk sales or whether or not it is prohibited from being sold in bulk, is not vital to this law. If we make a mistake, Congress will be here next January. There will be another Congress. It does not mean the country has gone to ruin, gone to the "bowwows", if any one provision is left in or taken out of this bill. The main thing is to get a bill; get something that will still keep liquor under control, because if we do not we will go back to the old preprohibition conditions.

You all know how serious conditions were then. If this thing is turned absolutely scotfree the people of this country will say, "You promised, if the eighteenth amendment were repealed, that you would put liquor under control and under regulation. Now you have thrown off all restrictions and absolutely turned it over with all of its iniquitous practices." It is serious to think about. With this bill we have something left to build upon. And that the majority believe is worth while; that is real and which will be helpful. There is no one provision in this bill that is so vital to me as to justify killing the bill. If the majority of opinion is against me, I can complacently surrender. The vital thing about this, the essential thing, judging by what the administration has to say about it and the Treasury Department has to say about it and the Alcohol Control Board has to say about it, and their experience is worth something, is that we should have some control. If what they say is to be absolutely ignored and disregarded, then how could we legislate here at all? The only way we can intelligently legislate is to get what information, facts, and evidence we can from those in authority, and then weigh it in the light of our own judgment and legislate accordingly.

I hope this conference report will be adopted, and if we have made mistakes or if it is shown by the administration of the law that it has defects, as all laws have, in the light of experience, we can remedy those defects.

Moreover, we now have a splendid organization set up under Mr. Choate, a Republican. He has a splendid organization there. We all know that is dead, under the N. R. A., and if we enact no legislation at all, then we are right back at the foot of the ladder, with all the ills incident to preprohibition days. That is intensified and accentuated by the fact that the liquor business is much more intelligently managed and much more highly financed today than it was then. They know better how to beat the Government and if we do not do anything to control it, then we must take the consequences.

Mr. Speaker, I hope this conference report will be unanimously adopted.

I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. Does not the gentleman recall that there was an opportunity offered by several different amendments in this House when the bill was being considered, to retain the use of kegs and barrels, provided the House would deny to hotels and clubs the right to retail out of those barrels?

Mr. FULLER. Yes; and we agreed to that. I agreed to it and the committee agreed to it.

Mr. MASSINGALE. I think the gentleman from Arkansas voted against that.

Mr. FULLER. I mean in the conference or in the committee, after we passed the bill.

Mr. DOUGHTON. If they will take out licenses as rectifiers, they can bottle. There is no monopoly on the bottling industry.

There is, however, almost a monopoly in the barrel industry for the reason that all liquor that is to be aged—every gallon of it—must go into barrels. Of course, that liquor which is sold green and raw—and very little of that kind of liquor will be sold as we approach the condition where we manufacture a quantity of liquor more nearly equal with the demand—nearly all of it will go in barrels. I say so far as the barrel industry is concerned that this is sufficient recognition of the barrel and stave industry. I understood the gentleman went along with the bill until he could not have his way about barrels and bulk sales. That is his privilege, and I shall not fall out with him about that. I think he is one of the valuable men in the House. Almost all legislation is the result of compromise.

Realizing that something necessarily must be done to save the situation, the adoption of this report is the only thing that can be done at this time.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. MICHENER. Briefly, without discussing anything, will the gentleman state the real controversial question about which he is talking?

Mr. DOUGHTON. The gentleman from Arkansas mentioned beer, I believe, and bulk sales.

Mr. MICHENER. The House is ready to vote on it.

Mr. DOUGHTON. I thank the gentleman and call for a vote. [Applause.]

The SPEAKER. The question is on the conference report.

The question was taken; and on a divison (demanded by Mr. McFARLANE) there were—ayes 96, noes 8.

Mr. McFARLANE. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Evidently a quorum is not present. The call is automatic. The Clerk will call the roll.

The question was taken; and there were—yeas 279, nays 23, not voting 128, as follows:

[Roll No. 194]

YEAS—279

| | | | |
|---|---|---|---|
| Adair | Buck | Cooper, Ohio | Duncan |
| Amlie | Buckler, Minn. | Cooper, Tenn. | Dunn, Pa. |
| Andresen | Buckley, N. Y. | Costello | Eagle |
| Andrews, N. Y. | Burch | Crosby | Eckert |
| Arnold | Burdick | Cross, Tex. | Edmiston |
| Ashbrook | Burnham | Crosser, Ohio | Ekwall |
| Ayers | Caldwell | Crowe | Ellenbogen |
| Bacon | Cannon, Mo. | Crowther | Engel |
| Barden | Cannon, Wis. | Cullen | Evans |
| Beam | Carlson | Cummings | Faddis |
| Beiter | Carmichael | Daly | Farley |
| Binderup | Carpenter | Darrow | Fenerty |
| Blackney | Cary | Dear | Fiesinger |
| Bland | Casey | Deen | Fitzpatrick |
| Bloom | Castellow | Delaney | Flannagan |
| Boehne | Cavicchia | Dempsey | Fletcher |
| Bolleau | Celler | DeRouen | Ford, Calif. |
| Boland | Christianson | Dickstein | Gasque |
| Bolton | Church | Dies | Gavagan |
| Boykin | Citron | Dingell | Gearhart |
| Boylan | Coffee | Disney | Gehrmann |
| Brooks | Colden | Ditter | Gildea |
| Brown, Ga. | Cole, Md. | Dobbins | Goldsborough |
| Brown, Mich. | Cole, N. Y. | Dondero | Granfield |
| Brunner | Colmer | Dorsey | Gray, Ind. |
| Buchanan | Cooley | Doughton | Gray, Pa. |
| Greenway | Lewis, Colo. | Plumley | South |
| Greenwood | Lord | Polk | Spence |
| Greever | Luckey | Powers | Stack |
| Gregory | Ludlow | Quinn | Starnes |
| Griswold | Lundeen | Rabaut | Steagall |
| Guyer | McFarlane | Ramsay | Stefan |
| Haines | McKeough | Ramspeck | Stewart |
| Halleck | McLaughlin | Randolph | Sumners, Tex. |
| Hancock, N. Y. | McLean | Rankin | Taylor, Colo. |
| Hancock, N. C. | McReynolds | Rayburn | Taylor, S. C. |
| Harter | McSwain | Reed, Ill. | Taylor, Tenn. |
| Hartley | Mahon | Reed, N. Y. | Thom |
| Hess | Maloney | Reilly | Thomas |
| Higgins, Conn. | Mapes | Rich | Thomason |
| Higgins, Mass. | Marcantonio | Richards | Thompson |
| Hill, Ala. | Martin, Colo. | Richardson | Tolan |
| Hill, Samuel B. | Martin, Mass. | Risk | Tonry |
| Holmes | Mason | Robinson, Utah | Turner |
| Hope | Massingale | Rogers, Mass. | Turpin |
| Houston | Maverick | Rogers, Okla. | Umstead |
| Huddleston | Mead | Russell | Utterback |
| Hull | Meeks | Ryan | Vinson, Ga. |
| Imhoff | Merritt, Conn. | Sabath | Vinson, Ky. |
| Jacobsen | Merritt, N. Y. | Sadowski | Wadsworth |
| Jenckes, Ind. | Micnener | Sanders, La. | Walter |
| Jenkins, Ohio | Millard | Sanders, Tex. | Warren |
| Johnson, Tex. | Mitchell, Tenn. | Sandlin | Wearin |
| Johnson, W. Va. | Monaghan | Sauthoff | Welch |
| Jones | Moran | Schaefer | Werner |
| Kahn | Moritz | Schneider | West |
| Keller | Mott | Schuetz | Whelchel |
| Kelly | O'Connell | Scott | Whittington |
| Kenney | O'Connor | Scrugham | Wigglesworth |
| Kinzer | O'Day | Sears | Wilcox |
| Kloeb | O'Leary | Secrest | Williams |
| Knutson | O'Neal | Seger | Withrow |
| Kopplemann | Palmisano | Shanley | Wolcott |
| Kvale | Parsons | Short | Wolverton |
| Lambertson | Patman | Sirovich | Wood |
| Lambeth | Patterson | Sisson | Woodruff |
| Lanham | Peterson, Fla. | Smith, Conn. | Woodrum |
| Larrabee | Peterson, Ga. | Smith, Va. | Young |
| Lemke | Pfeifer | Snell | Zioncheck |
| Lesinski | Pierce | Somers, N. Y. | |

NAYS—23

| | | | |
|---|---|---|---|
| Berlin | Ford, Miss. | Nichols | Terry |
| Cartwright | Fuller | Owen | Wilson, La. |
| Cravens | Hobbs | Pearson | Wilson, Pa. |
| Doxey | Hoeppel | Pittenger | Wolfenden |
| Driver | McClellan | Ransley | Zimmerman |
| Ferguson | Montet | Tarver | |

NOT VOTING—128

| | | | |
|---|---|---|---|
| Allen | Duffey, Ohio | Kennedy, Md. | O'Brien |
| Andrew, Mass. | Duffy, N. Y. | Kennedy, N. Y. | Oliver |
| Arends | Dunn, Miss. | Kerr | O'Malley |
| Bacharach | Eaton | Kimball | Parks |
| Bankhead | Eicher | Kleberg | Patton |
| Bell | Englebright | Kniffin | Perkins |
| Biermann | Fernandez | Kocialkowski | Pettengill |
| Blanton | Fish | Kramer | Peyser |
| Brennan | Focht | Lamneck | Reece |
| Brewster | Frey | Lea, Calif. | Robertson |
| Buckbee | Fulmer | Lee, Okla. | Robsion, Ky. |
| Bulwinkle | Gambrill | Lehlbach | Rogers, N. H. |
| Carter | Gassaway | Lewis, Md. | Romjue |
| Chandler | Gifford | Lloyd | Rudd |
| Chapman | Gilchrist | Lucas | Schulte |
| Claiborne | Gillette | McAndrews | Shannon |
| Clark, Idaho | Gingery | McCormack | Smith, Wash. |
| Clark, N. C. | Goodwin | McGehee | Smith, W. Va. |
| Cochran | Green | McGrath | Snyder |
| Collins | Gwynne | McGroarty | Stubbs |
| Connery | Hamlin | McLeod | Sullivan |
| Corning | Harlan | McMillan | Sutphin |
| Cox | Hart | Maas | Sweeney |
| Crawford | Healey | Mansfield | Taber |
| Culkin | Hennings | Marshall | Thurston |
| Darden | Hildebrandt | May | Tinkham |
| Dietrich | Hill, Knute | Miller | Tobey |
| Dirksen | Hoffman | Mitchell, Ill. | Treadway |
| Dockweiler | Hollister | Montague | Underwood |
| Doutrich | Hook | Murdock | Wallgren |
| Drewry | Johnson, Okla. | Nelson | Weaver |
| Driscoll | Kee | Norton | White |

So the conference report was adopted.

The Clerk announced the following pairs:

Until further notice:

Mr. Blanton with Mr. Treadway.
Mr. Cox with Mr. Allen.
Mr. Drewry with Mr. Dirksen.
Mr. Fulmer with Mr. Crawford.
Mr. Johnson of Oklahoma with Mr. Lehlbach.
Mr. Kleberg with Mr. Taber.
Mr. Lea of California with Mr. Robsion of Kentucky.
Mr. Duffy of New York with Mr. Kimball.
Mr. McAndrews with Mr. Hollister.
Mr. Kennedy of New York with Mr. Andrew of Massachusetts.
Mr. Mansfield with Mr. Gifford.
Mr. Nelson with Mr. Bacharach.
Mr. Cochran with Mr. Carter.
Mr. Rudd with Mr. Gwynne.
Mr. Miller with Mr. Perkins.

Mr. Bankhead with Mr. Gilchrist.
Mr. McCormack with Mr. Reece.
Mr. Parks with Mr. Buckbee.
Mr. Kerr with Mr. Arends.
Mr. Oliver with Mr. Hoffman.
Mr. Sullivan with Mr. Goodwin.
Mr. Weaver with Mr. Culkin.
Mr. Bulwinkel with Mr. Doutrich.
Mr. McMillan with Mr. Brewster.
Mr. Bell with Mr. Eaton.
Mr. Biermann with Mr. Collins.
Mr. Connery with Mr. Englebright.
Mr. Darden with Mr. Fish.
Mr. Eicher with Mr. McLeod.
Mr. Duffey of Ohio with Mr. Thurston.
Mr. Smith of West Virginia with Mr. Chandler.
Mr. Fernandez with Mr. Focht.
Mr. Lamneck with Mr. Tinkham.
Mr. Gillette with Mr. Maas.
Mr. Green with Mr. Chapman.
Mr. Hamlin with Mr. Tobey.
Mr. Sweeney with Mr. Marshall.
Mr. May with Mr. Brennan.
Mr. Kee with Mr. Claiborne.
Mr. Harlan with Mr. Dieterich.
Mr. McGroarty with Mr. Frey.
Mr. Dockweiler with Mr. Clark of North Carolina.
Mr. Wallgren with Mr. O'Brien.
Mr. Knute Hill with Mr. Smith of Washington.
Mr. Lucas with Mr. Clark of Idaho.
Mr. Kennedy of Maryland with Mr. Gassaway.
Mr. Dunn of Mississippi with Mr. Gambrill.
Mrs. Norton with Mr. Kocialkowski.
Mr. Kniffin with Mr. O'Malley.
Mr. McGehee with Mr. Patton.
Mr. Healey with Mr. Lloyd.
Mr. Lee of Oklahoma with Mr. Gingery.
Mr. Lewis of Maryland with Mr. McGrath.
Mr. Hennings with Mr. White.
Mr. Rogers of New Hampshire with Mr. Pettengill.
Mr. Underwood with Mr. Hook.
Mr. Meeks with Mr. Montague.
Mr. Hildebrand with Mr. Murdoch.
Mr. Sutphin with Mr. Schulte.
Mr. Snyder with Mr. Robertson.
Mr. Mitchell of Illinois with Mr. Stubbs.
Mr. Romjue with Mr. Peyser.

Mr. PEARSON changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

### STAY DEPORTATIONS—HOUSE RESOLUTION 337

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain statements made by Col. D. W. MacCormack, Commissioner of Immigration and Naturalization, Department of Labor, in connection with House Resolution 337.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. O'DAY. Mr. Speaker, under leave to extend and revise my remarks, I insert in the RECORD, as supporting House Resolution 337, certain excerpts from the statement made by Col. Daniel W. MacCormack, the Commissioner of Immigration and Naturalization, during public hearings April 9 to 11, 1935, conducted before the House committee on H. R. 6795, as follows:

Mr. MACCORMACK. * * * We have, however, the right to determine when deportation shall take place. That is a right that has been established and exercised through all the years the immigration acts have been in existence.

We set aside cases that at first appeared to us to be appealing, and fixed a date for deportation as of July 1 of last year; to enable our presenting these cases to Congress for its consideration.

Congress failed to act favorably upon the first of the bills presented, as those of us who were present are painfully aware, but directly thereafter the gentleman who had led the battle on them came to us and urged us to continue the stay of the cases already stayed, and to continue the stay of such similar cases as might arise in the interval between Congress' departure and its return.

I refused to continue with the stay of these cases until I could have some definite proof that that was the intention, if not of the Congress as a whole, at least of the committee which was responsible for its immigration and naturalization activities.

Your committee passed a resolution unanimously, which was communicated to the Secretary of Labor and to myself, as Commissioner of Immigration and Naturalization. In that resolution, you asked us to continue the stay of the cases already stayed, and of such other cases as might arise in the interval before Congress again convened.

A bill was introduced into the Congress, with the same sort of a preamble to it. We considered these actions as evidence of an intention to seriously consider the proposals we had submitted and stayed the deportation of those cases, and of the new cases that have arisen.

Now—and I wish to say this most seriously—I would not have felt that I was entitled to my own self-respect had I failed to stay the deportation of the cases which have been stayed, or had I failed to use every effort to present the facts I have given to you today, to the Congress. We have been, of course, attacked for having stayed these cases.

The CHAIRMAN. You are not talking about criminals?

Mr. MACCORMACK. No.

The CHAIRMAN. You are only talking about people who have been convicted of no crime at all?

Mr. MACCORMACK. Absolutely, sir; but I wish to make it entirely clear that, unless this Congress gives us a mandate which is clear and unmistakable, as to what we shall do, I must and will proceed with the deportation of these cases, before Congress has departed.

There is no reason in the world why Congress should depart and I be left behind to take the burden of doing this thing—this abominable thing, that should not be done. The responsibility is yours, gentlemen, and you have got to carry it.

Now, as to the stayed cases. During a period of approximately 22 months, there have been stays of deportation in the cases of 2,355 aliens. That is an average of 107 cases a month. Now, that is a comparatively small number, and certainly not important; but, gentlemen, it means 107 cases a month in which there will be a separation, and perhaps a permanent separation, of families, if these people, who are of good character, are forced to depart.

Of these 2,355 cases, 1,569 have been stayed by the central office. The balance have been stayed in the field. We have analyzed the 1,569 cases in the central office.

With reference to the present group of cases we have given them a careful preliminary study. The 1,569 cases are classified as follows: There are 79 that are distinctly above average. They are exceptional people. There are 1,085 that may be considered as average cases; these are cases in which in all probability we would exercise discretion if granted. There are 312 cases that are listed as questionable, in which there is a decided question as to whether discretionary power should be exercised; and there are 93 cases which are rated as "poor", in which almost certainly there would be deportation without any question. I have not the calculation here, but I believe that in approximately 74 percent of the cases we now have it is likely the discretion would be used, 26 percent that would, in almost certainty be deported.

In considering lenient treatment for such people there must be some consideration as to the effect upon their families and the effect upon the United States should they be forced to leave the country. In these 1,569 cases there are 4,066 American-citizen or legal-resident wives, husbands, children, brothers, sisters, or parents in this country. Approximately two and a half times the number of people deported would be left behind.

Of this 4,066, there are 2,012 American citizens, and 350 lawfully resident aliens who are dependent upon the prospective deportees for support, and who would become public charges in the event of their departure. That is, you deport 1,569, and you arrange that the United States shall thereafter care for 2,353.

Again, once and a half the number deported are forced to remain here as public charges.

Furthermore, of this group, 68 percent are, under existing law, permitted to return to the United States, in a preference, or in a nonquota status. Thus, in the class of case for which we recommend lenient treatment nothing is to be gained by deportation. Sixty-eight percent of them can return to the country, anyway, in the course of time. Then, you are leaving two and one-half times the number of relatives here as compared to the number deported. You are leaving once and a half times the number of relatives here, to become charges on the State, as compared to the number deported. So you have here a law which is not only cruel but foolish, one which imposes unbearable hardships upon the alien and upon his innocent family, and very serious and useless financial charges upon the United States.

Mr. MCCORMACK. I would like to point out and to have you bear in mind that here you have a law that in its liberal aspects, this section 4, can possibly affect a maximum of 107 people a month.

Mr. STARNES. You say that is the number it can affect?

Mr. MACCORMACK. That is the maximum. Of that 107, as we have rechecked the cases, we are convinced that not more than 74 percent would be actually beneficiaries, so that you have approximately 80 people a month who would be affected favorably by this law. That is a very small number perhaps you will say for all this fuss.

Mr. STARNES It could be abused, we know that. That is where the fuss comes.

Mr. MACCORMACK. I think we have climinated any possibility of abuse. We have devoted now 2 years to this thing, to take care of about 80 people a month. Now, why have we done that? Not because we want to keep 80 aliens in the country who have entered illegally or who have become subject to deportation in one way or another, but because that means 80 families broken up each month and for the most part irrevocably broken up. That is something for us to have in mind.

Mr. STARNES. In other words, it is just simply a more humane exercise of the law?

Mr. MACCORMACK. And an exceedingly restricted one.

The aliens who would escape the penalty of deportation under this act should not exceed, by an actual test carried on over a period of 22 months, 107 persons per month. We have deported

or forced to leave voluntarily in the last year 16,000 aliens. One hundred and seven stayed cases per month would be, roughly, 1,284 a year, or a total of seventeen-thousand-and-some-odd possible total deportations. Of the 1,284 per annum who could possibly benefit by this act, we find upon examination that not more than 74 percent of them would actually be beneficiaries. That is, of all the persons who fall within the scope of the act, approximately 74 percent would actually be given the benefit of discretionary power, or approximately 950 persons a year. Nine hundred and fifty a year out of more than 17,000 possible deportations and voluntary departures is approximately 5 percent.

WILL ROGERS

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD, and to include therein a tribute to the late Will Rogers, of Oklahoma.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, under leave to extend my remarks, I am presenting a very splendid tribute to the late Will Rogers, the famous humorist and philosopher. This was written by Waldo Wettengel, a brilliant young newspaperman of Rush Springs, Okla., and has been published in a number of leading newspapers, as follows:

"AW, SHUCKS—"

Ambling along, his shrewd kindly eyes
Shyly viewing the beauties
Of a new land—
Seizing the hand of an old crony,
Or of a president, fellow-ambassador, Senator,
or prince—
Grinning wistfully—and humbly before his Creator
Perhaps saying, whimsically:
"Y'know, Lord, all I know is what I've read
In the papers
'N' picked up as I gadded around
Hither 'n' yon;
But all this stuff that's in the papers
Just now.
Page on page—'n all the pictures—
Aw, shucks, Lord,
I wish I coulda earned
A little mite of it.
They mean well, Lord—don't hold it against 'em,
Let's just call it good-intentioned
Exaggeration;
They're just bein' kind
To an ignor'nt ol' cowhand
From Ologah.
Y'know, Lord, that's a great bunch
You've got down there,
Senators 'n all;
I'm gonna miss 'em for a while,
But they'll be comin' along.
I had no idy
They felt—that way—about—aw, shucks, Lord—
After the way I've kidded 'em,
'N all—
But I've never hurt 'em till now
An' I'm just wonderin', Lord,
If there ain't some way
You can ease it up for 'em?
Just tell 'em that—shucks—it ain't bad like that a'tall—
An' that this round-up's just fine an'
Prettier than the song.
Y'see, Lord, that down there gets right next to me, an'
Shucks, there ain't nothin'
I c'n do about it;
So do what you can, won't You, Lord?
I've got lots of confidence in Your ability
Along that line.
Well, there goes those bells—my time's up,
So I'll be moseyin' along.
Say, Lord! Ain't that ol' boy over there
From Claremore?"

—Waldo Wettengel, Rush Springs, Okla.

EXTENSION OF REMARKS

Mr. BUCKLER of Minnesota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. The gentleman has that privilege.

FOUR HUNDREDTH ANNIVERSARY OF EXPEDITION OF HERNANDO DE SOTO

Mr. KELLER. Mr. Speaker, I call up the conference report on House Joint Resolution 265 pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto.

The Clerk read the title of the bill.

Mr. KELLER. Mr. Speaker, I ask unanimous consent that the statement of the managers may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 265) pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recedes from its amendments.

KENT E. KELLER,
ROBT. SECREST,
ALLEN T. TREADWAY,
*Managers on the part of the House.*
ALBEN W. BARKLEY,
KENNETH MCKELLAR,
PETER NORBECK,
*Managers on the part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 265) pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

That the Senate recedes from its amendments.

KENT E. KELLER,
ROBT. SECREST,
ALLEN T. TREADWAY,
BERT LORD,
*Managers on the part of the House.*

Mr. SNELL. Mr. Speaker, will the gentleman explain the conference report?

Mr. KELLER. The Senate recedes from its amendments.

Mr. TABER. How much money is involved?

Mr. KELLER. Five thousand dollars.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTRA LABOR AT CERTAIN NAVY YARDS AND SHORE STATIONS

Mr. RAMSPECK. Mr. Speaker, I call up the conference report on the bill (S. 872) for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims.

The Clerk read the title of the bill.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 872), an act for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same.

Amendments numbered 2, 3, 4, and 5: That the Senate recede from its disagreement to the amendments of the House numbered 2, 3, 4, and 5, and agree to the same with amendments as follows: Restore the numerals stricken out by the said House amendments, and on page 5, line 14, of the engrossed bill, after the word "pay", insert the following: "one-half of"; on page 5, line 17, after the word "aforesaid", insert the following: ", and pay the other one-half of the same to the attorney or attorneys who performed services toward securing provision for the payment herein of the amounts so found"; on page 5, line 17, after the

words "death of", insert the following: "any of"; on page 5, lines 21 and 22, strike out the words "of such fee" and insert the following: "for such services"; and the House agree to the same.

AMBROSE J. KENNEDY
U. S. GUYER,
ROBERT RAMSPECK,
*Managers on the part of the House.*
DAVID I. WALSH,
WM. E. BORAH,
ROYAL S. COPELAND,
*Managers on the part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 872) for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims submit the following written statement explaining the effect of the action agreed upon.

In principle, there were only two House amendments on the Senate bill in disagreement, as follows:

(1) The proforma amendment in section 1 of the bill, which provides that the money appropriated shall be appropriated out of any money in the Treasury not otherwise appropriated, and which amendment was agreed to by the managers on the part of the Senate.

(2) The House amendments to section 3 of the bill had changed the figures "20 percent" to "10 percent." These amendments were receded from by the managers on the part of the House upon the acceptance by the managers on the part of the Senate of certain amendments in the form of limitations as to the payment of said 20 percent to the attorneys. The allowance of said 20 percent to attorneys, both for services in the Court of Claims in securing findings, and for services in securing payment of the amounts so found, is based upon long-established precedents.

AMBROSE J. KENNEDY,
U. S. GUYER,
ROBERT RAMSPECK,
*Managers on the part of the House.*

Mr. SNELL. Mr. Speaker, will the gentleman explain the conference report?

Mr. RAMSPECK. Mr. Speaker, the Senate passed this bill with a provision limiting attorneys' fees to 20 percent. The House amended the bill limiting the attorneys' fees to 10 percent. The agreement reached in conference divides the attorneys' fees, allowing 10 percent for attorneys who appeared in the Court of Claims and an additional 10 percent if they followed the matter to Congress and represented the claimants there.

Mr. SNELL. I thank the gentleman.

Mr. RAMSPECK. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to, and a motion to reconsider was laid on the table.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that during the remainder of this session of Congress it shall be in order to suspend the rules notwithstanding the provisions of clause 1 of rule XXVII.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. McFARLANE. Mr. Speaker, reserving the right to object, what is rule XXVII?

Mr. O'CONNOR. Mr. Speaker, rule XXVII pertains to suspension of the rules being in order on the first and third Mondays of each month.

Mr. MICHENER. Mr. Speaker, reserving the right to object, we expect to adjourn, as I understand it, tonight; therefore, the gentleman from New York or the Speaker must have in mind the suspensions which will be recognized. If the gentleman will give the House a list of these suspensions, it will expedite matters and we will know what we are voting on. Certainly there will be no objection to the request under those circumstances.

Mr. O'CONNOR. Mr. Speaker, I have a rule here in case objection is made. I am trying to save time.

Mr. MICHENER. The gentleman has a rule to do that, but can he not tell the House now, and take the Members into his confidence, the suspensions that will be brought up?

Mr. O'CONNOR. At this moment the only two possibilities I know of are the oil compact and the ocean-mail contract proposition.

Mr. MICHENER. I have no objection.

Mr. SNELL. Mr. Speaker, reserving the right to object, is it the intention to adjourn tonight sometime?

Mr. O'CONNOR. I know no more about that than does the gentleman.

Mr. SNELL. Somebody connected with the leadership of this House should know something about it.

Mr. O'CONNOR. It is our hope and desire that we may get out of here tonight, as far as I know. It depends on another body, and if there is a hold-up, there on the deficiency bill, for instance, we may not get through.

Mr. SNELL. The leader in the other body stated publicly in the papers, as he is quoted, that the House was holding up adjournment.

Mr. O'CONNOR. Well, the gentleman knows that is not correct.

Mr. SNELL. I did not think so, but I wanted to get the Chairman of the Rules Committee to assert himself in order to bring this session to a close.

Mr. TAYLOR of Colorado. We have not had a conference on the deficiency bill as yet.

Mr. RICH. Mr. Speaker, reserving the right to object, may I make this comment at the present time. I presume I have given the Speaker of the House as much trouble as any Member of the House in asking recognition on the floor. I want to say that I have the highest regard for Speaker BYRNS. I honor and respect the Speaker of the House of Representatives. [Applause.] I believe he is one of the most fair, honest, and conscientious men in the House. He has made a fine presiding officer, and notwithstanding the trouble I have given him, I honor, I respect and regard him as a fine Christian gentleman. He is in every sense a man. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. WEARIN. Mr. Speaker, reserving the right to object, may I inquire of the gentleman what effect his request will have on the ship-subsidy legislation, which is covered by Senate Joint Resolution 175?

Mr. O'CONNOR. That is one of the possibilities that may come up under suspension.

Mr. WEARIN. It will come up under suspension of the rules rather than under a rule?

Mr. O'CONNOR. Yes.

Mr. WEARIN. Mr. Speaker, I object.

Mr. O'CONNOR, from the Committee on Rules, reported the following privileged resolution:

House Resolution 371

*Resolved*, That during the remainder of the first session of the Seventy-fourth Congress it shall be in order for the Speaker to entertain motions to suspend the rules notwithstanding the provisions of clause 1 of rule XXVII.

Mr. O'CONNOR. Mr. Speaker, this is a resolution making in order the suspension of the rules.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CUSTOMS AND INTERNAL-REVENUE EMPLOYEES

The SPEAKER. When the House took a recess last night there was under consideration the bill (S. 3286) to abolish the oath required of customs and internal-revenue employees prior to the receipt of compensation, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. CELLER], as a substitute to the amendment offered by the gentleman from Pennsylvania [Mr. DALY].

Mr. SNELL. Mr. Speaker, I ask unanimous consent that the two amendments be read again.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Daly amendment and the Celler substitute amendment.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to be permitted to explain this amendment again. Although it was explained last night, most of the Membership were not present. We had only a small number present in the House at that time.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, I hesitate to offer another explanation of this amendment, and I only do so because I want to be sure that the Members will vote intelligently on it. Most of those present this morning were absent at midnight last night when my amendment was offered, and a brief explanation in support thereof was made.

This simply provides that the investigation which the Treasury Department might inaugurate into the activities of any customhouse broker shall be limited—limited as to time and scope. The amendment seeks to limit in a reasonable way the investigational powers of the Treasury Department of customs agents. That is all it does. Under the bill as it is now drawn, at the bottom of page 5 and the upper part of page 6, the Treasury Department has plenary powers to do any and all kinds of investigating. They may investigate all the correspondence of a customhouse broker with no limit of time being set. They could go back 100 years. Such private correspondence as letters to his wife or family could be investigated under this broad power. I think this would be unfortunate and if you could be assured——

Mr. COOPER of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. COOPER of Tennessee. I am sure the distinguished gentleman from New York does not want to convey the information to the House that is implied by his last statement. Certainly, the private correspondence of these people is in no way involved in the provisions of this bill.

Mr. CELLER. If I am wrong I want to be corrected, but I do not think I am wrong, because the bill is very broad, its language is broad. It should be clarified so as to avoid all doubt.

Mr. COOPER of Tennessee. I invite the gentleman's attention to the fact that the very clear and definite language of the bill itself is "information relating to the business." It involves no private correspondence with a man's family or anything of that sort.

Mr. CELLER. I do not think the language of the bill is so restricted as to limit it to merely the business correspondence. I think in its general tenor it is broad enough to cover almost anything he may have in his desk or his cabinet or office or wherever he may transact his business.

Furthermore, there is no limitation as to time. All my amendment does is to limit the investigation to the particular merchandise that is under consideration as to its value and as to its classification, and the amendment also limits it to 1 year.

It is very significant that nowhere do we give powers as broad as this to the Treasury Department to investigate any class of men. As a class I think the customhouse brokers are honest. Like every other class they are entitled to have their crooks and thieves. There are some crooks and thieves in all segregated groups of men.

Take, for example, those who practice before the Treasury Department and its bureaus like Internal Revenue, Alcohol Tax, Income Tax, and so forth. I understand from the report there are 35,000 accountants and attorneys enrolled in the Treasury Department to practice before its various bureaus. There is no attempt made to inflict these broad powers upon these 35,000 accountants and attorneys. The Treasury Department cannot go into their offices and examine almost everything in sight. If those who practice before the Treasury Department, the Bureau of Internal Revenue, the Income Tax Bureau, as well as the other bureaus of the Treasury are not subjected to this inquisitorial power, why should we apply this power to the customhouse brokers because a few of them may be renegades?

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New York.

Mr. SNELL. I cannot see any objection to the part of the amendment that limits the time in which they act. They can make any investigation necessary in regard to Government business within 1 year, but I do not believe we ought to limit them in any other way. It seems to me if they can go back 1 year that is far enough.

Mr. CELLER. I agree with the gentleman as to the time element.

Mr. SNELL. But I would not limit it in any other way and would let them look into Government business as far as they want to.

Mr. CELLER. I think the gentleman will find my amendment satisfactory, if he examines it carefully.

Mr. SNELL. I inferred from the gentleman's statement there were some limitations other than the limitation with respect to time.

Mr. CELLER. The only other limitation is with respect to classification and value.

Mr. SNELL. I would not do anything but limit it to 1 year.

Mr. CELLER. Judging from what the Chairman of the Ways and Means Committee intimates, anyone who espouses restrictions on these broadest inquisitorial powers wants to block the bill. That argument is fallacious as it is unfair and ridiculous. If an amendment successfully made forces a conference with the Senate, that is unfortunate. A conference could be quickly had, and the bill could be passed in both Houses without much ado. And if a conference could not be held, that would be unfortunate. But we should not rush bills through without our proper consideration and amendment, just because it is the last day of the session. The bill should have been brought in sooner.

Furthermore, the chairman of the committee is in bad taste in accusing the supporters of this amendment of aiding the brokers who fear investigation.

Mr. DOUGHTON. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, if the amendment of the gentleman from New York is adopted it means absolutely no legislation whatever. I do not question the motive of any Member of this House with respect to anything he may do, but whether this is intended or not, the result will be the same as an ingenious effort to defeat or prevent any legislation at this session of the Congress.

In the first place, we are considering the Senate bill in lieu of the House bill, and they are identical bills. The reason for this was that we knew if we adopted the House bill and it had to go to the Senate for concurrence, at this late hour, it would prevent any legislation whatever, and if this amendment is adopted it means absolutely no legislation whatever. There is no doubt about it. If we adopt the amendment at this late hour we all know it will not be taken up in the Senate, and that means no legislation.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. CELLER. If we may assume there is an unfair provision in the House bill and a conference is necessary, I do not think the gentleman should object to eliminating it.

Mr. DOUGHTON. There is absolutely nothing unfair in the bill. The gentleman's amendment is nothing but an attempt to kill the legislation.

Mr. CELLER. I do not attempt to kill the legislation. I stated I was in favor of the bill.

Mr. DOUGHTON. If the gentleman does not intend to kill the legislation, do not insist on the amendment. How could the gentleman be in favor of the bill when he knows it could not be passed if this amendment is adopted?

Mr. CELLER. That is entirely another matter.

Mr. VINSON of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. VINSON of Kentucky. I think the statement should be made to the House that the hearings show that revenue in material sums is lost yearly through the chicanery of certain customhouse brokers.

Gentlemen representing the customhouse brokers want legislation of this character in order to protect them from the dishonest customhouse brokers. That is a fair statement.

A recent investigation by the Treasury Department disclosed that unlimited frauds on the Government are being committed. Some men under investigation and likely to be indicted are down here lobbying. They are suspected of these frauds and are down here lobbying against this bill.

(The time of Mr. DOUGHTON having expired, he was given 5 minutes more.)

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COOPER of Tennessee. I am sure the chairman will recall that in the hearings held on this bill by the subcommittee of the Ways and Means Committee, of which the gentleman from Massachusetts [Mr. McCORMACK] was chairman, this whole matter was thoroughly gone into. The distinguished gentleman from New York, Dr. CROWTHER, took a very active interest in it, and all questions raised during the hearings were worked out in this bill. Three hundred million dollars in customs duties were involved in transactions handled by customs brokers in 1934. This bill is to protect the rights and interests of the importers and to protect the legitimate and honest customhouse brokers and to protect the revenue of the Government.

Mr. DOUGHTON. There is no question about that.

Mr. MICHENER. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. MICHENER. All the members of the Ways and Means Committee were in favor of this bill?

Mr. DOUGHTON. Yes; it is a unanimous report. As the gentleman from Tennessee [Mr. COOPER] states, it involves $300,000,000. The Government is being cheated out of revenue, and the honest broker has no objection to the bill. The truth is they want the bill postponed until January or some future time so they can cover up their misdeeds. No honest broker has any objection to it, because it is a protection to him.

Mr. CELLER. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. CELLER. The bill provides that the investigation may be conducted by a duly accredited agent of the Government. I am a little confused as to why you did not say agent of the customhouse.

Mr. DOUGHTON. The gentleman from Massachusetts, [Mr. McCORMACK] introduced this bill and it was carefully considered by a subcommittee of which he was chairman. He went into every phase of it. He was called away on urgent business and could not be here this morning. He knows 10 times more about it than the gentleman from New York.

Mr. CELLER. Mr. Speaker, I wanted to know the reason why this language was used.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. REED of New York. Mr. Speaker, this bill had the most careful consideration. All interested parties had a full opportunity to be heard. I do not know of any bill that has had more careful consideration by the Committee on Ways and Means than this bill. What the chairman said is right—frauds are running rampant—and the purpose of this bill is an endeavor on the part of Congress to save revenue for the Government. I cannot see for the life of me how any reputable firm of brokers can object to the provisions of this bill. I think it ought to be passed.

Mr. CROWTHER. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. CROWTHER. I think the answer to this proposition is the fact that this bill will not hurt any reputable customs broker and no reputable customs broker could object to it at all. Study the bill, after reading the report by the customs authorities, as to the racket that is going on, and anyone will conclude that what I say is correct.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. CROWTHER. Mr. Speaker, I move to strike out the last word. As my colleague, Mr. REED, has stated, this bill was given most careful consideration by the subcommittee. I was not a member of the subcommittee, but through the courtesy of Mr. McCORMACK I attended the meetings. Section 641 of the 1930 Tariff Act was first suggested in 1922, by the customs brokers. They attempted to set up a standard for themselves; in fact, they wrote a sort of code. They provided for examination by the collector of customs, and there was provision for appeal on revocation of license. These customs brokers occupy a peculiar relation to the United States Government. They are pseudo Federal officers in the sense that they handle the customs revenue as between the Government and the importer. They have a peculiar relation to the Government of the United States through the customs department and it seems to me, in the light of information that comes to us in this report, that the Government ought to have complete authority for a thorough examination of their transactions in order to end this racketeering and depleting of the revenue of the Government of the United States. The bill, as I say, will not hurt a single reputable customs broker. Some of those who have their office under their hat may be disturbed by this proposed legislation. I do not think the amendment is necessary. I do not believe that my colleague from New York, Mr. CELLER, can look forward to the Treasury of the United States cracking down on or snooping into the books of any customs brokers who are not involved in some shady transactions of this character. I am sure that the Treasury would never so offend, but the Treasury ought to have the power to go into the records, and ought to have the power to compel these men who have a license, and on whom the Treasury has put its stamp of approval, to submit to this examination. The Treasury in effect says to the importer, "Here is a United States employee whom I have licensed and given my stamp of approval." It seems to me that the Government ought to have some control over them.

Mr. COOPER of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. CROWTHER. Yes.

Mr. COOPER of Tennessee. I am sure the distinguished gentleman from New York, who has given such intensive study and consideration to this measure, will agree that both of these pending amendments should be voted down to protect this very worthy measure.

Mr. CROWTHER. There is no question about that.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. CROWTHER. Yes.

Mr. SNELL. One of the large customs districts is in the northern part of New York. The men in charge there have been in consultation with me about this bill from its beginning, and the best information I can get is that there is nothing in the bill, even at the present time, that will in any way interfere with an honest customs broker conducting his regular business. Personally, I do not see any objection to the amendment of my friend from New York, but I would not want to defeat the bill, if the adoption of the amendment would do that.

Mr. DALY. Mr. Speaker, I rise in opposition to the pro forma amendment.

Any man who heard me speak last night knows that I stated this: I went as far as it was possible to go when I stated that every regulation required, I approved of. When it came to the inspection of customhouse brokerage books I approved of it. I think it was a proper regulation. Every Member that heard me knows I stated that I subscribed to everything in the bill, including an examination of all books, but I did object to any department having the right to go into the private correspondence between a quasi-legal officer and a client on business. On that I stand flat. I do not

believe there is a lady or gentleman in this House that can disapprove of that.

I want to call the attention of the House to the fact that in a customhouse broker's case in Boston last spring when there was a suspicion of wrongdoing, an inspector from the Treasury Department went into that broker's office and examined everything in it and made a report to the Treasury Department which read:

I regret to state I can find nothing wrong.

I want to ask every one of you if you think in your own business, in confidential business between attorney and client, a doctor and his patient, a quasi-legal officer, a customhouse broker and his client, there should be snoopers. That is the word I used, and I repeat it. When a snooper went into that office and made a report of this kind I would be justified in impugning the motives of the Treasury Department. But I do not. I made an appeal last night, and I repeat it today, everything in that bill I stand for—regulations, rules, books, accounts, examination of them, in order that any fraud could be pursued and exposed at this moment, but when you go so far as to allow a man of that character to go into an office, it is, as I said last night, going too far. The Department of Justice, would be just as logical in having legislation passed providing that they could send an investigator into an attorney's office and examine his private correspondence with every client he had. That is unconscionable. Therefore I ask for the adoption of my amendment. [Applause.]

[Here the gavel fell.]

The SPEAKER. The question is on the perfecting amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was rejected.

The SPEAKER. The question recurs upon the amendment offered by the gentleman from Pennsylvania [Mr. DALY].

The question was taken; and upon a division (demanded by Mr. DALY) there were ayes 52 and noes 93.

Mr. DALY. Mr. Speaker, I challenge the vote on the ground that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

Mr. DALY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DALY. A vote of "aye" on this question is a vote in favor of my amendment, and a vote of "no" is against the amendment?

The SPEAKER. The gentleman is correct.

The question was taken; and there were—yeas 80, nays 233, answered "present" 4, not voting 113, as follows:

[Roll No. 195]

YEAS—80

| | | | |
|---|---|---|---|
| Bacon | Dickstein | Hoeppel | O'Connor |
| Beam | Disney | Holmes | O'Leary |
| Bloom | Ditter | Hope | O'Neal |
| Boylan | Dorsey | Kahn | Palmisano |
| Brunner | Driscoll | Kelly | Parsons |
| Buckley, N. Y. | Duffey, Ohio | Kenney | Pittenger |
| Cannon, Wis. | Duffy, N. Y. | Kinzer | Quinn |
| Carlson | Dunn, Pa. | Kopplemann | Ransley |
| Carpenter | Eckert | Lehlbach | Risk |
| Casey | Ekwall | Lord | Somers, N. Y. |
| Cavicchia | Ellenbogen | McKeough | Stack |
| Celler | Evans | McLaughlin | Stewart |
| Chandler | Fenerty | Mason | Taylor, Tenn. |
| Church | Fitzpatrick | Massingale | Tinkham |
| Citron | Ford, Calif. | Mead | Tonry |
| Cole, Md. | Gavagan | Merritt, N. Y. | Utterback |
| Culkin | Granfield | Mitchell, Ill. | White |
| Daly | Gwynne | Morits | Wilson, Pa. |
| Darrow | Hartley | Mott | Wolfenden |
| Delaney | Healey | O'Connell | Wolverton |

NAYS—233

| | | | |
|---|---|---|---|
| Adair | Bland | Buchanan | Castellow |
| Amlie | Boehne | Buck | Christianson |
| Andrews, N. Y. | Boileau | Buckler, Minn. | Clark, N. C. |
| Arnold | Boland | Burnham | Coffee |
| Ayers | Bolton | Caldwell | Colden |
| Barden | Boykin | Cannon, Mo. | Cole, N. Y. |
| Beiter | Brooks | Carmichael | Colmer |
| Binderup | Brown, Ga. | Cartwright | Connery |
| Blackney | Brown, Mich. | Cary | Cooley |
| Cooper, Ohio | Hancock, N. Y. | Merritt, Conn. | Sears |
| Cooper, Tenn. | Hancock, N. C. | Michener | Secrest |
| Costello | Harter | Millard | Seger |
| Cox | Hess | Miller | Shanley |
| Cravens | Higgins, Conn. | Mitchell, Tenn. | Short |
| Crosby | Hildebrandt | Monaghan | Sirovich |
| Cross, Tex. | Hill, Ala. | Montet | Sisson |
| Crosser, Ohio | Hill, Samuel B. | Moran | Smith, Conn. |
| Crowther | Hobbs | Murdock | Smith, Va. |
| Cummings | Huddleston | Nichols | Snell |
| Dear | Hull | Patman | South |
| Deen | Imhoff | Patterson | Spence |
| DeRouen | Jacobsen | Pearson | Starnes |
| Dingell | Jenckes, Ind. | Peterson, Fla. | Steagall |
| Dobbins | Jenkins, Ohio | Peterson, Ga. | Stefan |
| Dondero | Johnson, Okla. | Pettengill | Sumners, Tex. |
| Doughton | Johnson, Tex. | Pfeifer | Taber |
| Doxey | Johnson, W. Va. | Pierce | Tarver |
| Drewry | Jones | Plumley | Taylor, Colo. |
| Driver | Keller | Polk | Taylor, S. C. |
| Duncan | Kerr | Powers | Terry |
| Eagle | Kloeb | Rabaut | Thom |
| Edmiston | Knutson | Ramsay | Thomas |
| Engel | Kocialkowski | Ramspeck | Thomason |
| Englebright | Kvale | Randolph | Thompson |
| Faddis | Lambeth | Rayburn | Tolan |
| Farley | Lanham | Reed, Ill. | Turner |
| Ferguson | Larrabee | Reed, N. Y. | Umstead |
| Fiesinger | Lea, Calif. | Reilly | Vinson, Ky. |
| Flannagan | Lesinski | Rich | Wadsworth |
| Fletcher | Lewis, Colo. | Richards | Walter |
| Focht | Lewis, Md. | Richardson | Warren |
| Ford, Miss. | Luckey | Robinson, Utah | Wearin |
| Fulmer | Ludlow | Rogers, Mass. | Weaver |
| Gasque | McClellan | Rogers, Okla. | Welch |
| Gearhart | McFarlane | Russell | Werner |
| Gehrmann | McGehee | Ryan | West |
| Gildea | McLean | Sabath | Whelchel |
| Gingery | McReynolds | Sadowski | Whittington |
| Goldsborough | McSwain | Sanders, La. | Wigglesworth |
| Gray, Ind. | Mahon | Sanders, Tex. | Wilcox |
| Green | Maloney | Sandlin | Williams |
| Greenway | Mapes | Sauthoff | Withrow |
| Greenwood | Marcantonio | Schaefer | Wolcott |
| Greever | Martin, Colo. | Schneider | Wood |
| Gregory | Martin, Mass. | Schuetz | Woodruff |
| Griswold | Maverick | Schulte | Young |
| Guyer | May | Scott | Zimmerman |
| Haines | Meeks | Scrugham | Zioncheck |
| Halleck | | | |

ANSWERED "PRESENT"—4

| | | | |
|---|---|---|---|
| Ashbrook | Goodwin | Gray, Pa. | O'Day |

NOT VOTING—113

| | | | |
|---|---|---|---|
| Allen | Dietrich | Kimball | Perkins |
| Andresen | Dirksen | Kleberg | Peyser |
| Andrew, Mass. | Dockweiler | Kniffin | Rankin |
| Arends | Doutrich | Kramer | Reece |
| Bacharach | Dunn, Miss. | Lambertson | Robertson |
| Bankhead | Eaton | Lamneck | Robsion, Ky. |
| Bell | Eicher | Lee, Okla. | Rogers, N. H. |
| Berlin | Fernandez | Lemke | Romjue |
| Biermann | Fish | Lloyd | Rudd |
| Blanton | Frey | Lucas | Shannon |
| Brennan | Fuller | Lundeen | Smith, Wash. |
| Brewster | Gambrill | McAndrews | Smith, W. Va. |
| Buckbee | Gassaway | McCormack | Snyder |
| Bulwinkle | Gifford | McGrath | Stubbs |
| Burch | Gilchrist | McGroarty | Sullivan |
| Burdick | Gillette | McLeod | Sutphin |
| Carter | Hamlin | McMillan | Sweeney |
| Chapman | Harlan | Maas | Thurston |
| Claiborne | Hart | Mansfield | Tobey |
| Clark, Idaho | Hennings | Marshall | Treadway |
| Cochran | Higgins, Mass. | Montague | Turpin |
| Collins | Hill, Knute | Nelson | Underwood |
| Corning | Hoffman | Norton | Vinson, Ga. |
| Crawford | Hollister | O'Brien | Wallgren |
| Crowe | Hook | Oliver | Wilson, La. |
| Cullen | Houston | O'Malley | Woodrum |
| Darden | Kee | Owen | |
| Dempsey | Kennedy, Md. | Parks | |
| Dies | Kennedy, N. Y. | Patton | |

So the amendment was rejected.

The Clerk announced the following additional general pairs:

Mr. Woodrum with Mr. Crawford.
Mr. Vinson of Georgia with Mr. Dirksen.
Mr. Burch with Mr. Allen.
Mr. Cullen with Mr. Thurston.
Mr. Rankin with Mr. Lambertson.
Mr. Sullivan with Mr. Arends.
Mr. Chapman with Mr. Lundeen.
Mr. Corning with Mr. Turpin.
Mr. Fuller with Mr. Robsion of Kentucky.
Mr. Kleberg with Mr. Perkins.
Mr. Hart with Mr. Lemke.
Mr. Montague with Mr. Kimball.
Mr. Rudd with Mr. Andresen.
Mr. Hennings with Mr. Burdick.
Mr. Wilson of Louisiana with Mr. Houston.
Mrs. Norton with Mr. Lee of Oklahoma.
Mr. Lloyd with Mr. Owen.
Mr. Patton with Mr. McGrath.

Mr. Lamneck with Mr. Higgins of Massachusetts.
Mr. Fernandez with Mr. Dempsey.
Mr. Berlin with Mr. Stubbs.
Mr. Smith of Washington with Mr. Sutphin.
Mr. Brennan with Mr. Rogers of New Hampshire.
Mr. Dies with Mr. Crowe.

Mr. EAGLE changed his vote from "aye" to "no."

Mr. RAMSPECK changed his vote from "aye" to "no."

Mr. MEAD changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

### EXCHANGE OF COINS AND CURRENCIES AND IMMEDIATE PAYMENT OF GOLD-CLAUSE SECURITIES BY THE UNITED STATES

Mr. STEAGALL. Mr. Speaker, I call up the conference report on House Joint Resolution 348, authorizing exchange of coins and currencies and immediate payment of gold-clause securities by the United States; withdrawing the right to sue the United States on its bonds and other similar obligations; limiting the use of certain appropriations, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 348) authorizing exchange of coins and currencies and immediate payment of gold-clause securities by the United States; withdrawing the right to sue the United States on its bonds and other similar obligations; limiting the use of certain appropriations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 4, 5, and 6, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In the matter proposed to be inserted by said amendment, strike out ", or which may be commenced within six months after the effective date of this joint resolution" and insert "or which may be commenced by January 1, 1936, or to any proceeding referred to in this section in which no claim is made for payment or credit in an amount in excess of the face or nominal value in dollars of the securities, coins or currencies of the United States involved in such proceeding"; and the Senate agree to the same.

That the House recede from its disagreement to the amendments of the Senate to the preamble and the title of the resolution, and agree to the same.

HENRY B. STEAGALL,
M. K. REILLY,
JOHN B. HOLLISTER,
JESSE P. WOLCOTT.
*Managers on the part of the House.*

DUNCAN U. FLETCHER,
WM. G. MCADOO,
PETER NORBECK,
*Managers on the part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 348) authorizing exchange of coins and currencies and immediate payment of gold-clause securities by the United States, withdrawing the right to sue the United States on its bonds and other similar obligations, limiting the use of certain appropriations, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendments nos. 1 and 2: The House resolution authorized lawful holders of coins and currencies of the United States to exchange them dollar for dollar for other coins or currencies which may be lawfully acquired and are legal tender for public and private debts, and provided that the owners of gold-clause securities of the United States should be entitled to receive immediate payment of the stated dollar amount thereof, with interest to the date of payment or to prior maturity or prior redemption date, whichever is earlier. The period within which the Secretary of the Treasury was authorized to make such payment with respect to gold-clause securities was limited to September 1, 1935, or such later date not after January 1, 1936, as might be fixed by the Secretary. Senate amendments nos. 1 and 2 extend these dates to January 1, 1936, and July 1, 1936, respectively; and the House recedes.

On amendment no. 3: The House resolution provided in section 2 for withdrawing the consent of the Government to be sued upon any bond, note, certificate of indebtedness, Treasury bill, or other similar obligation for the repayment of money or for the interest thereon, or upon any coin or currency of the United States, or any claim or demand arising out of the surrender, requisition, seizure, or acquisition of any such coin or currency, or any gold or silver. This Senate amendment limits the withdrawal of consent to gold-clause securities of the United States and interest thereon, to coins or currencies of the United States, and to claims and demands arising out of the surrender, requisition, seizure, or acquisition of any such coin or currency or of any gold or silver involving the effect of the validity of any change in the metallic content of the dollar or other regulation for the value of money. A proviso is added to the effect that the provision should not apply to any suit heretofore commenced or which may be commenced within 6 months after the effective date of the resolution. The conference agreement provides for the withdrawal of consent in the cases enumerated in the Senate amendment except that the proviso is modified so that such withdrawal will not apply to suits heretofore commenced or which may be commenced by January 1, 1936, or to any proceeding referred to in the section in which no claim is made for payment or credit in an amount in excess of the face or nominal value in dollars of the securities, coins, or currencies of the United States involved in such proceeding.

On amendment no. 4: The House resolution provided that no appropriation heretofore or hereafter made should be available for payment upon securities, coins, or currencies of the United States, except on an equal and uniform dollar for dollar basis. This amendment modifies the provision of the House resolution so as to make such appropriations available in cases where consent to be sued is not withdrawn. The House recedes.

On amendment no. 5: This amendment eliminates from the definition of "gold clause" contained in the House resolution the reference to any obligation being payable "in money of the United States". The House recedes.

On amendment no. 6: This amendment extends the definition of "securities of the United States" contained in the House resolution so as to include "other obligations for the repayment of money, or for interest thereon, made, issued or guaranteed by the United States". The House recedes.

The House recedes from its disagreement to the amendments of the Senate to the preamble and the title of the resolution.

HENRY B. STEAGALL,
M. K. REILLY,
JOHN B. HOLLISTER,
JESSE P. WOLCOTT,
*Managers on the part of the House.*

Mr. STEAGALL. Mr. Speaker, the House bill provided for a bar to all suits on Government obligations, coins, and currency, whether payable in gold or otherwise. The substantial difference between the House bill and the Senate bill was that the Senate bill would permit suits in future on Government obligations, but after the expiration of a period of 6 months, no suit would be permitted by the holder of obligations payable in gold. The bill agreed upon in conference fixed January 1, 1936, as the limit of the time within which suits upon gold obligations may be instituted.

The House agrees to a provision which would permit suits in future upon obligations payable in gold, where no enrichment is sought because of the devaluation of gold. So that the bill before the House bars all suits on gold contracts after the 1st of January 1936 if recovery is sought for more than the value of such obligations in dollars and cents, but would permit suits on any obligations for full value in lawful money. Only two suits have been begun. No one seems to believe that the suits that have been instituted can be sustained within the ruling of the Supreme Court requiring evidence showing damages. This, Mr. Speaker, I think is the substance of the matter before the House now.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. BLAND. Is the time within which exchanges may be made extended from September?

Mr. STEAGALL. Exchanges may be made at any time.

Mr. BLAND. Up until January?

Mr. STEAGALL. They may be made at any time.

Mr. BLAND. Under the House bill it was limited to September, as I recall it.

Mr. STEAGALL. The provision now before us would permit anybody to exchange any gold bonds for regular obligations of the Government, or for lawful money.

Mr. BLAND. Or for payment?

Mr. STEAGALL. Or for payment in lawful money.

Mr. BLAND. Whether they are past due or not?

Mr. STEAGALL. Yes. Of course nobody ever dreamed that the Government would ever deny payment to any holder of any obligation, provided payment is accepted in the lawful money of the country.

Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, when this bill was presented to the House for consideration we took the position that the legislation was wholly unnecessary and unwarranted, and that there was potential danger to the credit of the United States in it.

The bill as it passed the House barred all suits of whatever nature or kind on all obligations, whether they were currency obligations or gold securities of the Federal Government. We felt that anyone should have the right to start suit against the Treasurer or against the Government to interpret the provisions of his bond. It was brought out at that time that industrial and commercial bonds carried the terms and conditions of the bond fully upon the face. Government obligations are referred to sometimes as reference bonds, because the terms and conditions are found in the organic act authorizing the issue, and the bond merely asserts on its face that it has been issued in accordance with the provisions of certain legislation which has passed the Congress; and under the provisions of the House bill we denied to the bondholder the right to come into court and have his bond interpreted in the light of the acts of Congress authorizing the issue. We felt that the House had gone ever so much further than the request of the President in asking for legislation which would prevent unjustified enrichment because of devaluation of gold. He said in his message which was sent to us on June 27:

> Before the termination of this session of Congress I believe that it is important that definite action be taken to eliminate any uncertainty with respect to the right of holders of gold-clause bonds of the Government to sue for payment either for gold or else in legal tender with an additional sum of 69 cents on every dollar.

The House bill went ever so much further and denied each bondholder the right to bring suit on any security for any purpose.

The Senate was amazed that the House consciously wrote into the law any such provision; so they would not yield to the conferees on the part of the House that the bill be enacted as written in the House.

At the present time the bill provides that all suits of whatever nature or description, excepting suits which would tend to enrich the holders of gold-clause securities for the difference between the value in terms of dollars previous to devaluation and the value in terms of dollars since then, may be brought; and even suits may be brought for the purpose of proving damages because of devaluation of the gold securities up to January 1, 1936.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BROWN of Michigan. That would apply only to bonds that come due between now and January 1, 1936.

Mr. WOLCOTT. No; it might apply to any gold bond because authorization is given in the bill to exchange any gold-clause bond for any other bond. Personally, I do not think it would jeopardize the right of the holders to sue if they were forced into the situation preparatory to suit where they had to exchange the bonds.

Mr. BROWN of Michigan. But by the terms of this act in exchanging he would get bonds payable in dollars as they are now, not in gold dollars as they were at the time he purchased the gold clause bonds.

Mr. WOLCOTT. Yes.

Mr. BROWN of Michigan. I cannot, therefore, follow the gentleman. It seems to me I see a situation where you extend a right which already exists to holders of bonds that are due before January 1, 1936, but take away that right as to bonds that are due after January 1, 1936. It seems to me it is a totally illogical provision.

Mr. WOLCOTT. I may say that the whole bill is illogical and unnecessary; but the President wants an act on this subject and this side of the House has never been so stubbornly opposed to any legislation which the President has asked for that we would not go along with any reasonable compromise.

I may say so far as this side of the committee is concerned, we brought that out in the debate on the floor the time the bill was under consideration here; and this compromise with that exception puts the bill right back where we originally wanted it and where I think the gentleman from Michigan wanted it.

Mr. BROWN of Michigan. Since there will not be a chance for a record vote, I would like to have the gentleman bear me out when I say that I voted against the gold-clause resolution 2 or 3 years ago and I did not favor this resolution in the committee. I favored the elimination of the gold clause in private contracts, but as to Government bonds the holders should not be deprived of their rights as they now exist, and I have always so contended.

Mr. WOLCOTT. I believe the gentleman did and did so consistently and with a great deal of logic.

Mr. Speaker, the Senate bill as it was passed denied to the holders of gold-clause securities the right to bring interpretative suits after the expiration of 6 months following the enactment of the bill. We agreed to reduce the time within which suits might be brought to January 1, 1936, provided they followed the advice of the President with respect to putting all of these currency bonds and gold bonds on an equal basis. He told us in his message that one of the purposes of this legislation was to continue and treat the bondholders of all of our securities equally and uniformly. For this reason we insisted upon a provision which allowed the holders of gold-clause securities to bring suits of the same nature after January 1, 1936, as holders of currency securities. Those were the material changes in the bill.

Mr. Speaker, I think we have a bill which is very much better than the bill that left the House and much better than the bill which passed the Senate. We have had innumerable compromises and conferences on this bill. I think we probably have about the best bill that could be obtained under the circumstances and a bill which is in keeping with the President's message, but does not go beyond that.

Mr. STEAGALL. Mr. Speaker, as indicated by the gentleman from Michigan, this report represents a compromise. Speaking for myself and other majority members of the Banking and Currency Committee, we are not in accord with the views expressed by the gentleman from Michigan. We do not believe suit should be allowed upon any direct financial obligation of the Government. In this connection I wish to call attention to the fact that our original Government obligations were plain debts evidenced by bonds, such as are now being issued by the Government. Later those bonds were made payable in coin. The bondholding class who now complain about this legislation demanded of the Treasury of the United States that those obligations be paid in gold. Of course, the holders of those bonds had no more right to demand payment in gold than they did to demand silver.

The Treasury listened to the appeals of the bondholders and proceeded to discharge those obligations in gold. This is history that would make too long now to review at this time, but it was an unhappy history for the administration which permitted that practice. That administration was repudiated by the people of the Nation. No obligation of the Government should ever have been allowed which permitted one class of citizens to demand a discharge of their obligations in a kind of currency different from that which every other citizen of the land was required to accept in

discharge of Government debts. Some of us regret that this bill should pass in a form which will permit any citizen to sue the Government upon any direct financial obligation. There is no necessity for a suit to settle such an obligation. It involves a surrender of sovereignty. But your conferees did the best that could be done—we have a bill that will prevent harassment of the Government by holders of gold bonds after the 1st of January 1936, if recovery is sought penalizing the Government because of its action in changing the content of the gold dollar.

Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its consideration.

The Clerk read the resolution, as follows:

House Resolution 363

*Resolved*, That there shall be paid, out of the contingent fund of the House, not to exceed $25,000 for the expenses of the select committee appointed under authority of House Resolution 374, to investigate the campaign expenditures of the various candidates for the House of Representatives in both parties.

With the following committee amendment:

In line 4, strike out the figures 374 and insert in lieu thereof the figures 347.

Mr. MARTIN of Massachusetts. Will the gentleman explain whether this is the same amount that is usually carried in this legislation?

Mr. WARREN. This is the same amount that has always been carried, I may say to the gentleman from Massachusetts. This is one investigating committee that has rarely ever used all of its appropriation in years past.

Mr. RICH. Does this cover the campaign that is to come up in 1936?

Mr. WARREN. It covers the entire 1936 campaign.

Mr. RICH. How far will the committee go into an examination of things that may happen in particular districts? I am interested to know whether they are going to be interested in this $4,880,000,000, and the influence that might have on people all over the country to elect certain candidates for office next year?

Mr. WARREN. I am quite sure that the Speaker today will announce the personnel of that committee. I would refer the gentleman to them after they are appointed.

Mr. RICH. I will say that if the Speaker is going to appoint the committee, no doubt he will appoint a good one.

Mr. WARREN. I am sure he will.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LOAD LINES OF AMERICAN VESSELS IN COASTWISE TRADE

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 357.

The Clerk read the resolution, as follows:

House Resolution 357

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 6036, a bill to provide for the establishment of load lines for American vessels in the coastwise trade, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this is a rule for the consideration of the so-called "load-line bill", which pertains to safety at sea. There is a similar Senate bill, I understand, and I offer an amendment, on page 1, line 4, striking out "H. R. 6036" and inserting in lieu thereof "S. 2002."

The Clerk read the amendment, as follows:

Amendment by Mr. O'CONNOR: On page 1, line 4, strike out "H. R. 6036" and insert in lieu thereof "S. 2002."

The SPEAKER. The gentleman from New York moves the previous question on the adoption of the rule and amendment.

The previous question was ordered.

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the bill may be consider in the House as in Committee of the Whole.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, before we consider this bill in Committee of the Whole I think some explanation ought to be made of it.

Mr. O'CONNOR. It will be read for amendment.

Mr. McFARLANE. We may want to raise a few objections in the House that we could not raise so well in Committee of the Whole.

Mr. O'CONNOR. I have asked that it be considered in the House as in the Committee of the Whole.

Mr. McFARLANE. I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill (S. 2002), as follows:

*Be it enacted, etc.*, That load lines are hereby established for merchant vessels of 150 gross tons or over, loading at or proceeding to sea from any port or place within the United States or its possessions for a coastwise voyage by sea. By "coastwise voyage by sea" is meant a voyage on which a vessel in the usual course of her employment proceeds from one port or place in the United States or her possessions and passes outside the line dividing inland waters from the high seas, as defined in section 2 of the act of February 19, 1895.

SEC. 2. The Secretary of Commerce is hereby authorized and directed in respect of the vessels defined above to establish by regulations from time to time the load water lines and marks thereof indicating the maximum depth to which such vessels may safely be loaded, and in establishing such load lines due consideration shall be given to, and differentials made for, the various types and character of vessels and the trades in which they are engaged: *Provided*, That the load-line provisions of this act shall apply to the Great Lakes and that no load line shall be established or marked on any vessel which load line gives a lesser freeboard and less buoyancy than the load line established by the International Treaty on Load Lines of September 30, 1930, and that the regulations established under this proviso shall have the force of law.

SEC. 3. It shall be the duty of the owner and of the master of every vessel subject to this act and to the regulations established thereunder to cause the load line or lines so established to be permanently and conspicuously marked upon the vessel in such manner as the Secretary of Commerce shall direct, and to keep the same so marked. The Secretary of Commerce shall appoint the American Bureau of Shipping, or such other American corporation or association for the survey or registry of shipping as may be selected by him, to determine whether the position and manner of marking on such vessels the load line or lines so established are in accordance with the provisions of this act and of the regulations established thereunder: *Provided, however*, That, at the request of the shipowner, the Secretary of Commerce may appoint, for the purpose aforesaid, any other corporation or association for the survey or registry of shipping which the Secretary of Commerce may approve; or the Secretary of Commerce may appoint for said purpose any officer of the Government, who shall perform such services as may be directed by the Secretary of Commerce. The Secretary of Commerce may, in his discretion, revoke any appointment made pursuant to this section. Such corporation, association, or officer shall, upon approving the position and manner of marking of such load line or lines, issue a certificate, in a form to be prescribed by the Secretary of Commerce, that the same are in accordance with the provisions of this act and of the regulations established thereunder, and shall deliver a copy thereof to the master of the vessel. It shall be unlawful for any vessel subject to this act and to said regulations to depart from any port or place designated in section 1 without bearing such mark or marks, approved and certified by such corporation, association, or officer, and without having on board a copy of said certificate.

SEC. 4. It shall be unlawful for any vessel subject to this act and to the regulations established thereunder to be so loaded as to submerge the load line or lines marked pursuant to this act and to regulations established thereunder applicable to her voyage; or to be so loaded as to submerge under like conditions the point where such load line or lines ought to be marked pursuant to the provisions of this act and the regulations established thereunder; or to be so loaded as in any manner to violate the said regulations.

SEC. 5. Whenever the Secretary of Commerce shall certify that the laws and regulations in force in any foreign country relating to load lines are equally effective with the regulations established under this act, the Secretary of Commerce may direct, on proof that a vessel of that country has complied with such foreign laws and regulations, that such vessel and her master and owner shall be exempted from compliance with the provisions of this act, except as hereinafter provided: *Provided*, That this section shall not apply to the vessels of any foreign country which does not similiarly recognize the load lines established under this act and the regulations made thereunder.

SEC. 6. It shall be the duty of the master of every vessel subject to this act and to the regulations established thereunder and of every foreign vessel exempted pursuant to section 5, before departing from her loading port or place to provide a ship's record or log book and enter therein a statement of the position of the load line marked applicable to the voyage in question and the actual drafts forward and aft at the time of departing as nearly as the said drafts can be ascertained.

SEC. 7. If any collector of customs has reason to believe on complaint or otherwise that a vessel subject to the provisions of this act is about to proceed on a voyage from a port in the United States or its possessions within his district without conforming to the provisions of section 3 hereof, or when loaded in violation of section 4 hereof, or that any vessel exempted pursuant to section 5 hereof is about to proceed on a voyage from such port when loaded in violation of the laws and regulations of her country with respect to load line, he may serve on the master or officer in charge of such vessel a written order detaining the vessel for the purpose of being surveyed to determine whether or not the provisions of this act are complied with. Where the detention is on the ground that the vessel does not conform to the provisions of section 3 hereof, the collector shall cause an examination of the vessel to be made, and if from such examination it appears that the vessel is not marked with the load line established in conformity with the provisions of this act, the collector shall so notify the master or officer in charge of such vessel and shall detain her until a load line shall have been duly established in accordance with section 3 hereof, provided that in cases of exceptional hardship, subject to regulations issued by the Secretary of Commerce, the collector may cause a proper load line to be provisionally established by one of the agencies or persons designated under section 3 hereof, which provisional load line shall constitute a compliance with the provisions of this act only until completion of the particular voyage in which the vessel is at the time engaged. After such establishment or provisional establishment of a load line the collector shall appoint three disinterested surveyors to examine the loading of the vessel and to report to him whether such vessel is so loaded as to submerge said provisional load line and if from such report it appears that the vessel is so loaded, the collector may by written order served on the master or officer in charge of said vessel detain the vessel until she has been reloaded in whole or in part so as not to submerge said provisional load line or lines. Where the detention is on the ground of a supposed violation of section 4 or section 5 hereof, the collector shall appoint three disinterested surveyors to examine the vessel and her loading and to report to him, and if from such report it appears that the vessel is loaded in violation of the provisions of sections 4 or 5 hereof, the collector shall so notify in writing the master or other officer in charge of such vessel and detain the vessel until she has been reloaded in whole or in part so as to conform to the provisions of sections 4 or 5 hereof. If a vessel is ordered detained by a collector acting under the provisions of this section, the master may within 5 days appeal to the Secretary of Commerce, who, if he so desires, may order a further survey and may affirm, set aside, or modify the order of the collector. Clearance shall be refused to any vessel which shall have been ordered detained.

SEC. 8. (a) If the owner or master of any vessel subject to this act and to the regulations established thereunder shall permit her to depart from any port or place designated in section 1 without having complied with the provisions of section 3, he shall for each offense be liable to the United States in a penalty of $500. If the owner or master of any vessel exempted pursuant to section 5 shall permit her to depart from any port or place designated in section 1 without having the load line or lines required by the laws and regulations of the country to which she belongs marked upon her as required by said law and regulations, he shall for each offense be liable to the United States in a penalty of $500. The Secretary of Commerce may, in his discretion, remit or mitigate any penalty imposed under this paragraph, or discontinue prosecution therefor on such terms as he may deem proper.

(b) If the master of any vessel subject to this act, or of any foreign vessel exempted pursuant to section 5, shall fail, before departing from any port or place designated in section 1, to enter in and make a part of the ship's record or log book the statement required by section 6, he shall for each offense be liable to the United States in a penalty of $100. The Secretary of Commerce may, in his discretion, remit or mitigate any penalty imposed under this paragraph.

(c) If any person shall knowingly permit or cause or attempt to cause any vessel subject to this act to depart or arrive, or if, being the owner, manager, agent, or master of such vessel, he shall fail to take reasonable care to prevent her from departing from or arriving at any port or place designated in section 1 when loaded in violation of section 4, or if any person shall knowingly permit or cause or attempt to cause a foreign vessel exempted pursuant to section 5 to depart or arrive, or if, being the owner, manager, agent, or master of such vessel he shall fail to take reasonable care to prevent her from departing from or arriving at any port or place designated in section 1 when loaded more deeply than permitted by the laws and regulations of the country to which she belongs, he shall, in respect of each offense, be liable to the United States, in a penalty of $500 unless the vessel's departure or arrival was, under the circumstances, reasonable and justifiable. The Secretary of Commerce may, in his discretion, remit or mitigate any penalty imposed under this paragraph.

(d) If the master of any vessel or any other person shall knowingly permit or cause or attempt to cause any vessel to depart from any port or place in the United States or its possessions in violation of any order of detention made pursuant to section 7, he shall, in respect of each offense, be guilty of a misdemeanor and shall be punished by a fine not to exceed $500 or by imprisonment not to exceed 3 months, or both such fine and imprisonment, in the discretion of the court.

(e) If any person shall conceal, remove, alter, deface, or obliterate or shall suffer any person under his control to conceal, remove, alter, deface, or obliterate any mark or marks placed on a vessel pursuant to this act or to the regulations established thereunder, except in the event of lawful change of said marks, or to prevent capture by an enemy, he shall in respect of each offense be guilty of a misdemeanor and shall be punished by a fine not to exceed $1,000, or by imprisonment not to exceed 1 year, or both such fine and imprisonment, in the discretion of the court.

(f) Whenever the owner, manager, agent, or master of a vessel shall become subject to a fine or penalty by way of money payment pursuant to the provisions of this act, the vessel shall also be liable therefor and may be seized and proceeded against in the district court of the United States in any district in which such vessel may be found.

SEC. 9. The provisions of this act shall become effective as to vessels of 4,000 gross tons and upward, not later than 3 months, and as to all other vessels subject hereto, not later than 12 months from and after the date of approval thereof. This act may be cited as the "Coastwise Load Line Act, 1935."

Mr. BLAND. Mr. Speaker, I move to strike out the last word.

I do this for the purpose of explaining the bill, as requested. The bill establishes the right to mark load lines on vessels in the coastwise trade. We passed several years ago a bill making it lawful to mark the load lines on vessels in foreign trade. These load lines are lines of safety, above which the vessel shall not be loaded. If she is loaded above this line of safety she shall not be permitted to go to sea. We make this now applicable to the coastwise trade, because vessels in the coastwise trade often go in waters just as dangerous as in the foreign trade.

The House bill excepted the Great Lakes. The Senate bill changed the House bill to make it applicable to the Great Lakes, and referred to the International Load Line Treaty of 1930. This was objectionable to the Great Lakes, and my committee has authorized an amendment which is acceptable to the Great Lakes. I may say also that the amendment has been seen by Mr. Andrew Furuseth and has been submitted to Senator LA FOLLETTE, who proposed the amendment in the Senate. It is agreeable to them. So there is no question about the amendment.

Mr. BEITER. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. BEITER. Does the Great Lakes Carriers' Association agree to it?

Mr. BLAND. I do not know that the Great Lakes Carriers' Association, as a carriers' association, has agreed to it.

Mr. CULKIN. If the gentleman will permit, I shall speak on that briefly in just a moment.

Mr. BLAND. But it is certainly acceptable to all the men here in the House. I have an understanding with them that if the Senate does not concur in this amendment, which Mr. Furuseth says they will concur in, or if it is not in this language, I shall stay there as long as necessary to get a concurrence or to bring it back and give the Members an opportunity of voting upon it.

Mr. FIESINGER. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. FIESINGER. Is there a size limit on these boats?

Mr. BLAND. One hundred and fifty gross tons or over.

[Here the gavel fell.]

Mr. BLAND. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 2, line 17, strike out the period, insert a semicolon, and add the following: "*Provided further*, That in applying the load lines to vessels on the Great Lakes the Secretary of Commerce is vested with discretion to vary the load-line marks from those established by said treaty when in his opinion the changes made by him will not be above the actual line of safety."

On page 2, line 15, strike out "September 30."

Mr. BLAND. I may say that the reference to the page and line refers to the bill as it came from the Senate.

Mr. CULKIN. Mr. Speaker, I rise in support of the amendment.

Mr. Speaker, this load-line legislation has been thoroughly considered by the Merchant Marine Committee of the House. Originally this application of the load-line law, as stated by the chairman, related to the high seas or to the ocean. The bill is now extended to the Great Lakes, and the amendment just offered makes the application of the law subject to some discretion by the Secretary of Commerce. This discretion is necessary, as the Members probably know, especially those from the Great Lakes, on account of the varying depths of the channels and by reason of these depths limiting the load capacity; in other words, in the Great Lakes area the channels themselves provide a reasonable factor of safety.

This amendment will perfect the bill and put it in the happy situation where all concerned, the sailors on the Lakes, their representatives, the shipowners of the high seas, as well as the Great Lakes Carriers' Association, which is a voluntary organization of shipowners on the Great Lakes, will be in favor of the amendment. I therefore urge your support of the measure as amended. It will protect the traveling public, the sailors who go on the Lakes and high seas, and insure rational application of the law. [Applause.]

Mr. MAPES. Mr. Speaker, I move to strike out the last word. Members of the House from the Great Lakes territory have been very much interested in this legislation and a little concerned about the provision in the bill as it passed the Senate which made the same law applicable to ships on the Great Lakes as is applicable to those on the ocean.

The gentleman from New York [Mr. CULKIN], and the gentleman from Michigan [Mr. HOFFMAN], who are members of the committee reporting the legislation, working with the chairman of the committee, have been very diligent in looking after the interests of the Great Lakes and in working out this amendment offered by the chairman of the committee. My understanding is that the amendment is satisfactory to the Great Lakes shipping interests and satisfactory to the proponents of the legislation in the Senate.

With the statement of the chairman of the committee in regard to the amendment and the probable adoption of it by the Senate, I know of no opposition to the legislation.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ADJOURNMENT SINE DIE

Mr. TAYLOR of Colorado. Mr. Speaker, I offer the following privileged resolution.

The Clerk read as follows:

House Concurrent Resolution 38

*Resolved by the House of Representatives (the Senate concurring)*, That the two Houses of Congress shall adjourn on Saturday the 24th day of August 1935, and that when they adjourn on said day they stand adjourned sine die.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

A motion by Mr. TAYLOR of Colorado to reconsider the vote was laid on the table.

RECESS

Mr. O'CONNOR. Mr. Speaker, I move that the House stand in recess for 15 minutes.

The motion was agreed to; accordingly (at 1 o'clock p. m.) the House stood in recess for 15 minutes.

AFTER THE RECESS

The recess having expired, at 1 o'clock and 15 minutes p. m. the House was called to order by the Speaker.

ANNIVERSARY OF BATTLE OF ACKIA, MISSISSIPPI

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3003) to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Mississippi, and the establishment of the Ackia Battleground National Monument, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk reported the title of the bill.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

Page 1, line 8, strike out all after "established" down to and including "and" in line 3, page 2.

Page 2, line 5, after Ackia.", insert "That said commissioners shall receive no compensation for their services."

Page 2, strike out lines 6 to 9, inclusive.

Page 2, line 10, strike out "3" and insert "2."

Page 2, line 13, strike out all after "buildings" down to and including "Commission" in line 15, and insert "not to exceed 50 acres."

Page 2, line 21, strike out "or areas."

Page 2, line 21, strike out "at least."

Page 2, line 22, strike out "and the Indian village."

Page 2, line 23, strike out "4" and insert "3."

Page 2, line 25, strike out all after "$15,000" down to and including "and" in line 2, page 3.

Page 3, line 4, strike out "5" and insert "4."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were concurred in.

AUTHORITY TO SPEAKER AND PRESIDENT OF SENATE TO SIGN ENROLLED BILLS

Mr. TAYLOR of Colorado. Mr. Speaker, I offer the following privileged concurrent resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Concurrent Resolution 39

*Resolved by the House of Representatives (the Senate concurring)*, That notwithstanding the adjournment of the first session of the Seventy-fourth Congress, the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign any enrolled bills or joint resolution duly passed by the two Houses and which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

Mr. SNELL. Mr. Speaker, if I remember correctly this is exactly the same resolution that we passed last session, and several times before.

The SPEAKER. The Chair is so informed.

The question is on agreeing to the resolution.

The resolution was agreed to.

INTERSTATE OIL COMPACT

Mr. COLE of Maryland. Mr. Speaker, I move to suspend the rules and pass House Joint Resolution 407, consenting to an interstate oil compact to conserve oil and gas, and ask unanimous consent to dispense with the reading of the joint resolution and that it be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. MAPES. Mr. Speaker, I reserve the right to object. Is the resolution in the exact terms of the first section of the bill known as the Cole bill, H. R. 9053?

Mr. COLE of Maryland. It is in identical language with the first section of that bill.

Mr. MAPES. And contains nothing else except the provision relating to the State compact?

Mr. COLE of Maryland. That is all.

Mr. MAPES. Mr. Speaker, I intend to demand a second.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. McFARLANE. I reserve the right to object. What is the measure?

Mr. COLE of Maryland. It is a ratification of the State oil compact, to which the gentleman's State is a party.

Mr. DOBBINS. Mr. Speaker, I reserve the right to object to inquire of the gentleman from Maryland if this is the measure to which so many of the independent marketers object, because of the fact that they claim it enlarges the monopoly which the big oil companies have on the distribution of their product.

Mr. COLE of Maryland. I have no knowledge of any objection. I think what the gentleman has reference to are two bills, one in the House and one in the Senate. It is quite apparent that neither can be passed at this session. What this resolution does is to ratify the compact signed by eight of the producing States of the country, which has been transmitted by the President, with a message requesting its ratification, just as we have done in the case of many other compacts. It leaves to the States the problem which, in the compact, they feel they can solve. There is no supplementary legislation of any kind.

Mr. DOBBINS. It is the gentleman's opinion that this is not the controversial bill to which the independent marketers object?

Mr. COLE of Maryland. I am sure of that.

Mr. FADDIS. Mr. Speaker, will the gentleman yield?

Mr. COLE of Maryland. Yes.

Mr. FADDIS. The gentleman made the statement that seven States had subscribed to this. What States are they?

Mr. COLE of Maryland. The States of California, Texas, Oklahoma, New Mexico, Kansas, Colorado, Illinois, and Arkansas.

Mr. FADDIS. Does it affect any other States?

Mr. COLE of Maryland. No.

Mr. LANHAM. This measure does not set up a Federal bureau, does it?

Mr. COLE of Maryland. Not at all.

The SPEAKER. Is there objection to the request of the gentleman from Maryland to dispense with the reading of the bill and that it be printed in the RECORD at this point?

Mr. SIROVICH. Mr. Speaker, I reserve the right to object. I would like to know the nature of the compact and what its purpose is.

The SPEAKER. The Chair calls for the regular order. If gentlemen object, the bill will be read.

There was no objection.

The joint resolution is as follows:

House Joint Resolution 407

*Resolved, etc.*, That the consent of Congress is hereby given to an interstate compact to conserve oil and gas, executed in the city of Dallas, Tex., the 16th day of February 1935 by the representatives of the States of Oklahoma, Texas, California, and New Mexico, and there recommended for ratification by representatives of the States of Arkansas, Colorado, Illinois, Kansas, and Michigan, and since ratified by the States of New Mexico, Kansas, Oklahoma, Illinois, Colorado, and Texas, which compact has been deposited in the Department of State of the United States, and reads as follows:

"ARTICLE I

"This agreement may become effective within any compacting State at any time as prescribed by that State, and shall become effective within those States ratifying it whenever any three of the States of Texas, Oklahoma, California, Kansas, and New Mexico have ratified and Congress has given its consent. Any oil-producing State may become a party hereto as hereinafter provided.

"ARTICLE II

"The purpose of this compact is to conserve oil and gas by the prevention of physical waste thereof from any cause.

"ARTICLE III

"Each State bound hereby agrees that within a reasonable time it will enact laws, or if laws have been enacted, then it agrees to continue the same in force, to accomplish within reasonable limits the prevention of:

"(a) The operation of any oil well with an inefficient gas-oil ratio.

"(b) The drowning with water of any stratum capable of producing oil or gas, or both oil and gas in paying quantities.

"(c) The avoidable escape into the open air or the wasteful burning of gas from a natural-gas well.

"(d) The creation of unnecessary fire hazards.

"(e) The drilling, equipping, locating, spacing, or operating of a well or wells so as to bring about physical waste of oil or gas or loss in the ultimate recovery thereof.

"(f) The inefficient, excessive, or improper use of the reservoir energy in producing any well.

"The enumeration of the foregoing subjects shall not limit the scope of the authority of any State.

"ARTICLE IV

"Each State bound hereby agrees that it will, within a reasonable time, enact statutes, or if such statutes have been enacted then that it will continue the same in force, providing in effect that oil produced in violation of its valid oil and/or gas conservation statutes or any valid rule, order, or regulation promulgated thereunder, shall be denied access to commerce; and providing for stringent penalties for the waste of either oil or gas.

"ARTICLE V

"It is not the purpose of this compact to authorize the States joining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof, or create or perpetuate monopoly, or to promote regimentation, but is limited to the purpose of conserving oil and gas and preventing the avoidable waste thereof within reasonable limitations.

"ARTICLE VI

"Each State joining herein shall appoint one representative to a commission hereby constituted and designated as 'The Interstate Oil Compact Commission', the duty of which said commission shall be to make inquiry and ascertain from time to time such methods, practices, circumstances, and conditions as may be disclosed for bringing about conservation and the prevention of phyical waste of oil and gas, and at such intervals as said commission deems beneficial it shall report its findings and recommendations to the several States for adoption or rejection.

"The commission shall have power to recommend the coordination of the exercise of the police powers of the several States within their several jurisdictions to promote the maximum ultimate recovery from the petroleum reserves of said States, and to recommend measures for the maximum ultimate recovery of oil and gas. Said commission shall organize and adopt suitable rules and regulations for the conduct of its business.

"No action shall be taken by the commission except: (1) by the affirmative votes of the majority of the whole number of the compacting States, represented at any meeting, and (2) by a concurring vote of a majority in interest of the compacting States at said meeting, such interest to be determined as follows: Such vote of each State shall be in the decimal proportion fixed by the ratio of its daily average production during the preceding calendar half-year to the daily average production of the compacting States during said period.

"ARTICLE VII

"No State by joining herein shall become financially obligated to any other State, nor shall the breach of the terms hereof by any State subject such State to financial responsibility to the other States joining herein.

"ARTICLE VIII

"This compact shall expire September 1, 1937. But any State joining herein may, upon 60 days' notice, withdraw herefrom.

"The representatives of the signatory States have signed this agreement in a single original which shall be deposited in the archives of the Department of State of the United States, and a duly certified copy shall be forwarded to the Governor of each of the signatory States.

"This compact shall become effective when ratified and approved as provided in article I. Any oil-producing State may become a party hereto by affixing its signature to a counterpart to be similarly deposited, certified, and ratified.

"Done in the city of Dallas, Tex., this 16th day of February 1935."

SEC. 2. The right to alter, amend, or repeal the provisions of section 1 is hereby expressly reserved.

The SPEAKER. The gentleman from Maryland moves to suspend the rules and pass House Joint Resolution 407. Is a second demanded?

Mr. MAPES. Mr. Speaker, I demand a second.

Mr. COLE of Maryland. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Maryland is entitled to 20 minutes and the gentleman from Michigan to 20 minutes.

Mr. MAPES. Will the gentleman from Maryland please explain this bill?

Mr. COLE of Maryland. In the last Congress a resolution directing an investigation of the petroleum industry was passed. The committee conducting that investigation con-

sisted of the distinguished gentleman from Michigan [Mr. MAPES], the distinguished gentleman from Indiana [Mr. PETTENGILL], the distinguished gentleman from New Jersey [Mr. WOLVERTON], the distinguished gentleman from Illinois [Mr. KELLY], and I was chairman of the committee, all appointed as a subcommittee by the distinguished Chairman of the Interstate and Foreign Commerce Committee [Mr. RAYBURN]. I cannot in this brief time pay ample tribute to each of them for the great service they rendered this House and the country in that work.

Following the report of the committee last February oil legislation, known as "S. 1190", was passed. Since that, H. R. 9053 was reported by the committee as expressing our views on oil legislation, which bill and report thereon for the information of the House are as follows:

*Be it enacted, etc.—*

CONSENT OF CONGRESS TO STATE OIL AND GAS COMPACT OF FEBRUARY 16, 1935

SECTION 1. The consent of Congress is hereby given to an interstate compact to conserve oil and gas, executed in the city of Dallas, Tex., the 16th day of February 1935, by the representatives of the States of Oklahoma, Texas, California, and New Mexico, and there recommended for ratification by representatives of the States of Arkansas, Colorado, Illinois, Kansas, and Michigan, and since ratified by the States of New Mexico, Kansas, Oklahoma, Illinois, Colorado, and Texas, which compact has been deposited in the Department of State of the United States, and reads as follows:

"ARTICLE I

"This agreement may become effective within any compacting State at any time as prescribed by that State, and shall become effective within those States ratifying it whenever any three of the States of Texas, Oklahoma, California, Kansas, and New Mexico have ratified and Congress has given its consent. Any oil-producing State may become a party hereto as hereinafter provided.

"ARTICLE II

"The purpose of this compact is to conserve oil and gas by the prevention of physical waste thereof from any cause.

"ARTICLE III

"Each State bound hereby agrees that within a reasonable time it will enact laws, or if laws have been enacted, then it agrees to continue the same in force, to accomplish within reasonable limits the prevention of—

"(a) The operation of any oil well with an inefficient gas-oil ratio.

"(b) The drowning with water of any stratum capable of producing oil or gas, or both oil and gas in paying quantities.

"(c) The avoidable escape into the open air or the wasteful burning of gas from a natural-gas well.

"(d) The creation of unnecessary fire hazards.

"(e) The drilling, equipping, locating, spacing, or operating of a well or wells so as to bring about physical waste of oil or gas or loss in the ultimate recovery thereof.

"(f) The inefficient, excessive, or improper use of the reservoir energy in producing any well.

"The enumeration of the foregoing subjects shall not limit the scope of the authority of any State.

"ARTICLE IV

"Each State bound hereby agrees that it will, within a reasonable time, enact statutes, or if such statutes have been enacted then that it will continue the same in force, providing in effect that oil produced in violation of its valid oil and/or gas conservation statutes or any valid rule, order or regulation promulgated thereunder, shall be denied access to commerce; and providing for stringent penalties for the waste of either oil or gas.

"ARTICLE V

"It is not the purpose of this compact to authorize the States joining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof, or create or perpetuate monopoly, or to promote regimentation, but is limited to the purpose of conserving oil and gas and preventing the avoidable waste thereof within reasonable limitations.

"ARTICLE VI

"Each State joining herein shall appoint one representative to a Commission hereby constituted and designated as 'The Interstate Oil Compact Commission', the duty of which said Commission shall be to make inquiry and ascertain from time to time such methods, practices, circumstances, and conditions as may be disclosed for bringing about conservation and the prevention of physical waste of oil and gas, and at such intervals as said Commission deems beneficial it shall report its findings and recommendations to the several States for adoption or rejection.

"The Commission shall have power to recommend the coordination of the exercise of the police powers of the several States within their several jurisdictions to promote the maximum ultimate recovery from the petroleum reserves of said States, and to recommend measures for the maximum ultimate recovery of oil and gas. Said Commission shall organize and adopt suitable rules and regulations for the conduct of its business.

"No action shall be taken by the Commission except: (1) By the affirmative votes of the majority of the whole number of the compacting States, represented at any meeting, and (2) by a concurring vote of a majority in interest of the compacting States at said meeting, such interest to be determined as follows: Such vote of each State shall be in the decimal proportion fixed by the ratio of its daily average production during the preceding calendar half-year to the daily average production of the compacting States during said period.

"ARTICLE VII

"No State by joining herein shall become financially obligated to any other State, nor shall the breach of the terms hereof by any State subject such State to financial responsibility to the other States joining herein.

"ARTICLE VIII

"This compact shall expire September 1, 1937. But any State joining herein may, upon 60 days' notice, withdraw herefrom.

"The representatives of the signatory States have signed this agreement in a single original which shall be deposited in the archives of the Department of State of the United States, and a duly certified copy shall be forwarded to the Governor of each of the signatory States.

"This compact shall become effective when ratified and approved as provided in article I. Any oil-producing State may become a party hereto by affixing its signature to a counterpart to be similarly deposited, certified, and ratified.

"Done in the city of Dallas, Tex., this 16th day of February, 1935."

(b) The right to alter, amend, or repeal the provisions of subsection (a) is hereby expressly reserved.

PETROLEUM ADMINISTRATIVE BOARD

SEC. 2. There is hereby established a Petroleum Administrative Board (referred to in this act as the "Board") to be composed of five members to be appointed by the President by and with the advice and consent of the Senate. No member of the Board shall engage in any other business, vocation, or employment than that of serving as such member, nor shall any member of the Board participate directly or indirectly in any operation or transaction of a character subject to regulation by the Board under any provision of law. Each member of the Board shall receive a salary at the rate of $10,000 a year and shall hold office for a term of 5 years, except that (1) any member of the Board appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of office of the members of the Board first taking office after the date of the enactment of this act shall expire, as designated by the President at the time of nomination, 1 at the end of 1 year, 1 at the end of 2 years, 1 at the end of 3 years, 1 at the end of 4 years, and 1 at the end of 5 years, after the date of the enactment of this act.

POWERS, DUTIES, AND FUNCTIONS OF THE BOARD

SEC. 3. (a) The Board is authorized and empowered, when in its judgment it is necessary for the purpose of administering the provisions of this act, to make investigations and collect data from the petroleum industry, and to this end it may require periodical and special reports from persons in the petroleum industry and conduct examinations and inspections for the purpose of verifying such reports and ascertaining the facts. The Board may cooperate with the executives, officials, and agencies of the several States and with any agency created under the interstate compact to which the consent of Congress is given by this act, in the study and investigation of matters relating to the petroleum industry, and may hold joint hearings upon such matters with any duly authorized State agency. The Board is authorized and directed to study and investigate, and in doing so to cooperate with, and when deemed advisable to hold joint hearings with, executives, officials, and agencies of the several States and with any agency created under the interstate compact to which the consent of Congress is given by this act, the status of petroleum reserves and sources of supply, the discovery and orderly development of sources of supply, improved methods of production, the possibility and expense of repressuring existing fields, and related matters pertaining to the petroleum industry. The several departments and independent establishments of the United States Government shall, at the request of the Board, provide it with all records and information which they may have available pertaining to the petroleum industry.

(b) The Board shall determine periodically (1) the reasonable market demand for petroleum to be produced in the United States, and (2) that part of such demand which constitutes the reasonable market demand of petroleum to be produced in each producing State, specifically determining the quantity required from current production to supply such demand for petroleum from each producing State. The demand for petroleum as so periodically determined by the Board shall be within such limit as is consistent with the prevention of physical waste, and determined after fair and impartial consideration of pertinent information submitted by any commission, officer, or other agency established or designated under State law for the purpose of conserving oil and gas and preventing the physical waste thereof in any State, the systematic analysis of appropriate statistical data, and consultation with such sources of information within the petroleum industry as it may be necessary, and consultation with any agency created under the interstate compact to which the consent of Congress is given by this act. The Board shall inform any duly constituted State authority charged under State law with the duty of regulat-

ing or restricting the production of petroleum, or the Governor of any oil-producing State having no such State authority, of its determinations, and shall also give public notice of such determinations.

(c) The President may, at any time, by Executive order, transfer to the Board the whole or any part of any office, bureau, or division in the executive branch of the Government engaged in statistical, economical, legal, scientific, or administrative work affecting or related to the production, refining, transportation, or marketing of petroleum or petroleum products, and in the case of any such transfer (1) all powers, duties, and functions imposed upon or vested in the department or agency from which such transfer is made or upon the secretary or chief executive officer thereof, in relation to the office, bureau, or division or part thereof so transferred, shall be imposed upon and vested in the Board, (2) all employees, property, and records of such office, bureau, or division, or part thereof, shall be transferred to the Board, and (3) unexpended balances of appropriations used by or available to such office, bureau, or division, or part thereof, shall be available for expenditure by the Board.

AMENDMENTS PLACING ADMINISTRATION OF ACT OF FEBRUARY 22, 1935, IN PETROLEUM ADMINISTRATIVE BOARD

SEC. 4. (a) Section 2 of the act of February 22, 1935, entitled "An act to regulate interstate and foreign commerce in petroleum and its products by prohibiting the shipment in such commerce of petroleum and its products produced in violation of State law, and for other purposes", is amended by adding at the end thereof a new paragraph as follows:

"(5) The term 'Board' means the Petroleum Administrative Board created by the Petroleum Act of 1935."

(b) Section 5 of such act of February 22, 1935, is amended to read as follows:

"SEC. 5. (a) The Board shall prescribe such regulations as it finds necessary or appropriate for the enforcement of the provisions of this act, including but not limited to regulations requiring reports, maps, affidavits, and other documents relating to the production, storage, refining, processing, transporting, or handling of petroleum and petroleum products, and providing for the keeping of books and records, and for the inspection of such books and records and of properties and facilities.

"(b) Whenever the Board finds it necessary or appropriate for the enforcement of the provisions of this act it shall require certificates of clearance for petroleum and petroleum products moving or to be moved in interstate commerce from any particular area. A certificate of clearance shall be issued by the Board in any case where it determines that the petroleum or petroleum products in question do not constitute contraband oil. Denial of any such certificate shall be by order, and only after reasonable opportunity for hearing. Whenever a certificate of clearance is required for any area in any State, it shall be unlawful to ship or transport petroleum or petroleum products in interstate commerce from such area unless a certificate has been obtained therefor.

"(c) Any person whose application for a certificate of clearance is denied may obtain a review of the order denying such application in the United States District Court for the district wherein the Board is sitting by filing in such court within 30 days after the entry of such order a written petition praying that the order of the Board be modified or set aside, in whole or in part. A copy of such petition shall be forthwith served upon the Board, and thereupon the Board shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript, such court shall have jurisdiction to affirm, modify, or set aside such order, in whole or in part. No objection to the order of the Board shall be considered by the court unless such objection shall have been urged before the Board. The findings of the Board as to the facts, if supported by evidence, shall be conclusive. The judgment and decree of the court shall be final, subject to review as provided in sections 128 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 225 and 347)."

(c) Subsection (b) of section 7 of such act of February 22, 1935, is amended by striking out the words "a board created under authority of section 5" and inserting in lieu thereof the words "the Board."

(d) Section 8 of such act of February 22, 1935, is amended by striking out the words "a board created under authority of section 5" and inserting in lieu thereof the words "the Board."

(e) Section 9 of such act of February 22, 1935, is amended to read as follows:

"SEC. 9. The Board, and any agency, officer, or employee designated under authority of section 11, may hold and conduct such hearings, investigations, and proceedings as may be necessary for the purposes of this act, and for such purposes those provisions of section 21 of the Securities Exchange Act of 1934 relating to the administering of oaths and affirmations, and to the attendance and testimony of witnesses and the production of evidence (including penalties), shall apply."

(f) Subsections (a) and (b) of section 10 of such act of February 22, 1935, are amended to read as follows:

"SEC. 10. (a) Upon application of the Board, by the Attorney General, the United States District Courts shall have jurisdiction to issue mandatory injunctions commanding any person to comply with the provisions of this act or any regulation issued thereunder.

"(b) Whenever it shall appear to the Board that any person is engaged or about to engage in any acts or practices that constitute or will constitute a violation of any provision of this act or of any regulation thereunder, it may in its discretion, by the Attorney General, bring an action in the proper United States District Court to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond."

(g) Section 11 of such act of February 2, 1935, is amended by striking out the word "President" wherever it appears therein and inserting in lieu thereof the word "Board."

(h) All orders, certificates, findings, determinations, requirements, or regulations which have been issued, made, or granted prior to the enactment of this act, under authority of any provision of such act of February 22, 1935, which after the enactment of this act is to be administered by the Board, and which are in effect at the time of the enactment of this act, shall continue in effect until modified, terminated, superseded or repealed by the Board or by operation of law. Any hearing, investigation, or proceeding pending under such act of February 22, 1935, at the time of the enactment of this act, shall be continued by the Board in the same manner as though originally commenced by or before the Board. No suit, action, or other proceeding lawfully commenced by or against any agency or officer in relation to the exercise or discharge of powers or duties under authority of any provision of such act of February 22, 1935, which after the enactment of this act is to be administered by the Board, shall abate by reason of the transfer of such powers or duties, but the court may allow such suit, action, or proceeding to be maintained by or against the Board. There are hereby transferred to the jurisdiction of the Board all records of any agency heretofore designated by the President for the execution of any powers or duties under such act of February 22, 1935, insofar as such records pertain to matters to which such act relates.

IMPORTS

SEC. 5. The importation of petroleum and its products, including natural asphalt is hereby limited so that whenever the Board has reason to believe that petroleum and its products, including natural asphalt, are being imported or are likely to be imported into the United States under such conditions and in such quantities as to render ineffective or materially interfere with any program or operation undertaken under this act, under the interstate compact to which the consent of Congress is given by this act, or under the act of February 22, 1935, hereinbefore referred to, the Board shall cause an immediate investigation to be made to determine such facts. Such investigation shall be made after such notice and hearing, and subject to such regulations as the Board shall specify. If, after such investigation, the Board finds the existence of such facts, it shall certify all records pertaining thereto to the President and if after such report, findings, and recommendations by the Board, the President finds the existence of such facts he shall by order direct that the entry into the United States of such petroleum and its products, including asphalt, shall for such time as may be specified by him, be permitted subject to (1) such terms and conditions, and (2) such limitations on the total quantities thereof, as may be necessary to prevent the occurrence or continuance of the conditions above referred to. Any decision of the President as to facts under this section shall be final. The decision of the President shall be certified to the Board and upon information of any such order of the President, the Secretary of the Treasury shall permit entry of any petroleum, or its products, including natural asphalt, specified therein only in conformity with such order. After investigation, report, and finding in the manner provided in the case of an original order, any order or provision thereof shall be suspended or revoked by the President wherever he finds the circumstances requiring the order or provision thereof no longer exist, or shall be modified by the President whenever he finds that changed circumstances require such modification to carry out the provisions of this section.

VOLUNTARY INDUSTRIAL AGREEMENTS

SEC. 6. The Board is authorized to provide for the holding of meetings and conferences and to assist otherwise in the formulation of voluntary agreements between members of the petroleum industry whereby (1) the production of crude petroleum in such manner, in such amount, or under such conditions as to constitute waste may be avoided; or (2) the orderly, systematic, and scientific development of oil fields or pools may be accomplished; or (3) petroleum refineries may be operated in such manner that nonintegrated or semi-integrated refineries may compete on a fair basis with the refining units of integrated organizations in the oil industry, the processing of crude petroleum may conform with and support the crude petroleum production orders issued by State conservation authorities or conform with agreements which may be entered into under clause (1) of this section, and that equitable access to sources of crude petroleum supply may be achieved; or (4) nonintegrated or semi-integrated producers, refiners, and marketers may be assured fair access to markets. If the President, after investigation and report by the Board, finds that any such agreement will accomplish one or more of the purposes above specified and that the same is in the public interest, he shall by order approve such agreement and upon such approval such agreement shall be valid and effective, and such agreement and action taken thereunder while such agreement is in effect shall be exempt from the provisions of the antitrust laws of the United States. The President, after investigation and report by the Board, shall by order withdraw his approval of any such agreement, and such agreement shall thereupon cease to be in effect, whenever he finds that such agreement or operations thereunder fail to accomplish one or more of the purposes above stated or is not in the public interest.

In any such investigation reasonable opportunity for hearing shall be afforded interested parties. No such agreement shall be approved unless it provides for the payment of adequate minimum wages to employees, and for the maintenance of fair maximum hours of labor for employees.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) Wherever reference is made in this act to the Board, such reference shall be held to include, in addition to the Board, any agency, officer, or employee who may be designated by the Board for the execution of any of the powers and functions vested in the Board under this act.

(b) The Board, and any agency, officer, or employee designated under authority of subsection (a), may hold and conduct such hearings, investigations, and proceedings as may be necessary for the purposes of this act, and for such purposes those provisions of section 21 of the Securities Exchange Act of 1934 relating to the administering of oaths and affirmations, and to the attendance and testimony of witnesses and the production of evidence (including penalties), shall apply.

(c) The Board shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such rules and regulations as it may find necessary or appropriate to carry out the provisions of this act.

(d) The Board is authorized to appoint and fix the compensation of such officers, attorneys, examiners, and experts as may be necessary for carrying out its functions under this act or under any other provision of law, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, and the Board may, subject to the civil-service laws, appoint such other officers and employees as are necessary in the execution of such functions and fix their salaries in accordance with the Classification Act of 1923, as amended.

ANNUAL REPORT

SEC. 8. The Board shall make an annual report to Congress regarding the operations of the Board; and there shall be included in such report such information and data collected by the Board as may be of value in the determination of matters relating to the petroleum industry, and such recommendations for additional legislation as the Board deems advisable relating to such matters.

SEPARABILITY OF PROVISIONS

SEC. 9. If any provision of this act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of the act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SHORT TITLE

SEC. 10. This act may be cited as the "Petroleum Act of 1935."

[H. Rept. 1801, 74th Cong., 1st sess.]

PETROLEUM ADMINISTRATIVE BOARD

Mr. COLE of Maryland, from the Committee on Interstate and Foreign Commerce, submitted the following report to accompany H. R. 9053:

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (H. R. 9053) to regulate interstate and foreign commerce in petroleum and its products, to establish the Petroleum Administrative Board, and for other purposes, having considered and amended the same, report thereon with a recommendation that it pass.

Amend the bill as follows:

Page 6, line 16, change "$12,000" to "$10,000."

Page 17, line 7, after the word "specified", insert "and that the same is in the public interest."

Page 17, line 17, after the word "stated", insert "or is not in the public interest."

H. R. 9053 is the recommendation of the subcommittee of the Interstate and Foreign Commerce Committee of the House, which subcommittee in the last session of Congress investigated the petroleum industry.

House Joint Resolution No. 441 of the Seventy-third Congress, directing the investigation of the petroleum industry aforesaid provided for report to the Seventy-third Congress. Because of the preliminary character of the report submitted as hereinafter discussed, there is no authority for the subcommittee, in response to the said resolution, to file what might be considered a final report. H. R. 9053 might be accepted therefore as the final report of the subcommittee with reservations on the part of one member of the subcommittee as hereinafter presented, which reservations are also the views of three other members of the full committee.

In the preliminary report filed January 2, 1935, pursuant to House Resolution No. 441 (73d Cong.), the subcommittee had the following to say:

"We have not deemed it advisable at this time to set forth in this report or to prepare for introduction when Congress convenes on January 3 a bill or bills embodying our conception of what permanent and/or temporary legislation should be enacted by the Seventy-fourth Congress dealing with the petroleum industry. There are numerous reasons for our taking this position. In the first place the National Industrial Recovery Act, though temporary, has through its provisions, and rules and regulations passed thereunder, helped the petroleum industry to some extent. At this time, for instance, the operation of the Federal Tender Board is given a great deal of credit for production being fairly in line with the demand established by the Federal Government. We anticipate that some of the pending temporary legislation will become permanent. Because of the constitutional difficulties which have arisen in the last 18 months in the administration of the Petroleum Code and other provisions of the National Industrial Recovery Act pertaining to petroleum, we feel that the decision by the Supreme Court of the United States in the Amazon and Panama cases should be very helpful to Congress in drafting legislation. The National Resources Board appointed by President Roosevelt early last summer to make a study of national, including natural, resources has just submitted an exhaustive report, volume 1 thereof being the only one available to the subcommittee at this time. Volume 5 evidently will deal with our natural resources and it is important that the information and recommendations therein be known to Congress before definite legislation is considered.

"Another reason for not submitting legislation with this report is the pending effort of the Governors of the oil-producing States to effect an interstate compact. We have made reference to the first meeting of the Governors' conference on December 3 last. A second meeting will be held simultaneously with the convening of the Seventy-fourth Congress. We strongly urge upon the oil-producing States the adoption of State compacts to deal with the problems of the production of petroleum with which individual States are powerless to cope. The subcommittee clearly recognizes the principle of State compacts for the purpose of effecting a common end of State interests. Other plans for dealing with the problems of petroleum production outside of State lines are full of constitutional questions. State compacts, flexible in operation and over which the President of the United States or a Federal agency in the interest of the consuming masses of the Nation, may hold some veto power, is a solution of those problems of petroleum production which cannot be solved by modification of the "law of capture" and other legislation operating within State boundaries. We are confident that the Governors of the oil-producing States and the majority of the industry within those States, are cognizant of the common-sense theory that waste of petroleum resources must be prevented. Huge waste, such as the subcommittee has witnessed in the panhandle of west Texas should not be permitted to continue. Waste of many kinds in other fields, both past and present, shock anyone possessing familiarity therewith.

"At the meeting of the Governors and Governors-elect and representatives of Governors, held on December 3, various important resolutions looking to the formation of an interstate compact were offered. It is the understanding of the subcommittee that these resolutions will be before the second meeting on January 3, 1935. This discussion and consideration by the Governors of our oil-producing States coming at this time when the legislatures of all of these States are either in session or about to convene presents ample opportunity for the oil-producing States through actual agreement and approval to present to the Seventy-fourth Congress before its adjournment a definite, specific compact for its consideration. It will not take many weeks after January 3 for the Congress to decide whether the effort of the Governors of the oil-producing States promises worth-while results. We believe they should be given the opportunity to take the initiative in drafting definite proposals without the Congress setting forth in a permissive way something in advance for the States to adopt. Something real and substantial may grow out of the pending effort. If it does not, the Seventy-fourth Congress will have ample time to pass such legislation as may be necessary.

"The determination of the necessity, extent, and character of possible legislation depends in part upon the question of whether an excessive supply of petroleum exists. There may be a difference of opinion as to whether excessive supply of petroleum and its products means supply available to meet current demand, or reserves available to meet future demand.

"We recommend, therefore, that any legislation establishing permanently the interest of the Federal Government in the petroleum industry should provide for an agency, commission, or board, as it might be designated, to absorb some of the activities in various departments of the Federal Government as now constituted. The Bureau of Mines might very easily be revamped for the purpose.

"The subcommittee feels that such an agency should have sufficient personnel and authority to study continuously the status of the petroleum reserves; encourage discoveries of new pools; assist in improving present-day methods of production; study the possibility and expense of repressuring in various existing fields; systematically determine the total demand for petroleum and its products, both domestic and foreign; have jurisdiction over the management of oil-producing public and Indian lands; be given jurisdiction to establish pipe-line rates, unless the Interstate Commerce Commission is given greater appropriation to handle more expeditiously this subject now before it; and to study and make report as to the advisability of divorcing pipe lines; recommend at regular intervals to the President of the United States—the President being given authority by Congress to approve—limitations upon the importation of petroleum and its products, including natural asphalt, so as to prevent importation thereof from interfering with current domestic production by supplying an undue proportion of the domestic consumption and export demand therefor; to represent the Federal Government, if need be, in any cooperative interstate compact, agreed upon and approved by the Congress; and, in general, to possess all other necessary authority so as to present that dignity, from a national standpoint, to which the subcommittee believes the petroleum industry is entitled.

"Coal, timber, and other natural resources, might properly also be included under the jurisdiction of this agency.

"We are convinced that not sufficient attention is being paid to the interest of consumers of petroleum products. Settlements

of so-called 'price wars', which result in some cases in an increase of 100 percent in the cost of gasoline, strain the credulity of the observer on the theory that they just happened without prearrangement in view of the fact that the Sherman Antitrust Act is still the law of the land, except insofar as temporarily it may be suspended by the operation of the National Industrial Recovery Act, we think that the fixing of gasoline prices is a matter worthy of close and constant scrutiny by the Department of Justice.

"It is the purpose of the members of this subcommittee, all of whom have been reelected to the Seventy-fourth Congress, to ask the permission of the Seventy-fourth Congress to file a supplemental report when the decision of the Supreme Court in the Panama and Amazon cases shall have been rendered, the result of the Governors' conference, now in session with respect to an interstate compact, shall have been concluded, and the full report of the National Resources Board shall have been published."

Following the decision of the Supreme Court in the Panama and Amazon cases (the opinion printed in CONGRESSIONAL RECORD of Jan. 7, 1935), S. 1190 seeking to enact new legislation which would be constitutional, accomplishing the same purpose as section 9–C of the National Industrial Recovery Act, which section was declared unconstitutional in the aforesaid case, was introduced. S. 1190 was reported out by the Interstate and Foreign Commerce Committee of the House and in reporting that bill and advocating its passage, the report contained the following statement:

"It is only fair to state that this bill does not wholly represent the views of the members, both of the committee and the subcommittee, as to the proper legislative remedy for the ills of the petroleum industry. This bill is essentially stopgap legislation to meet the objections pointed out by the Supreme Court in the 'hot oil' cases to the constitutional validity of section 9 (c) of the National Industrial Recovery Act. If it is enacted, it will again check the movement of 'hot oil' until the entire question can be more thoroughly considered."

In the early part of the session a bill dealing with control and regulation of the petroleum industry was introduced by Senator THOMAS of Oklahoma, and subsequently a new bill in the form of amendments to the original was also introduced by Senator THOMAS. In anticipation of this bill, which has been the subject of hearings before the Senate Committee on Mines and Mining and reported out, and now on the Senate Calendar being passed by the Senate in some form and later being referred to the Committee on Interstate and Foreign Commerce of the House for consideration, no legislation was recommended by the subcommittee dealing with this subject other than the Connally bill referred to.

The subcommittee now feels, in view of the investigation conducted pursuant to House resolution aforesaid and the reasons stated in the report of January 2, 1935, for not recommending at that time concrete legislation, now no longer existing, it is to be expected, in fact it is their duty, to give some final expression to their views on this very important subject. As the initial report of the subcommittee will disclose, they gave during the investigation considerable encouragement to the formation of the interstate compact and are glad to state in this report that which is known to many Members of the House, that through the efforts of many progressive Governors of a number of the oil-producing States, and we feel to some extent as a result of the encouragement of the subcommittee, such a compact has been entered into.

Gov. E. W. Marland, of Oklahoma, acting in behalf of the representatives of those signatories to the compact, transmitted the compact to the President of the United States and the chairman of the aforesaid subcommittee, with the request that such legislation as may be appropriate to ratify the compact might be passed at this session. The compact is set forth in full in section 1 of H. R. 9053.

It will be noted the great States of Texas, Oklahoma, California, Kansas, New Mexico, Arkansas, Colorado, Illinois, and Michigan are parties to the compact and that the Legislatures of the States of New Mexico, Oklahoma, Kansas, Colorado, Texas, and Illinois have to date ratified.

The delay in the present Congress in requesting ratification of the aforegoing compact might be attributed to an honest desire and effort on the part of the President and others, including many Members of Congress to work out in some agreeable way a bill ratifying said compact and at the same time including advisable supplemental legislation. Many conferences, many letters and telegrams, looking to this have occupied the interim between the receipt of the compact and the present time. It is fair to state that some Members of the House have intended to introduce oil legislation at this session but have deferred such action with the hope that a report of the subcommittee aforesaid might be submitted. Following the introduction of H. R. 9053, Representative DISNEY, of Oklahoma, who introduced the bill in the Seventy-third Congress which brought about the investigation aforesaid, introduced an identical bill.

H. R. 9053 differs in many respects from the original Thomas-Disney bills but it is, in the judgment of the committee, as far as Congress should go on this subject, and includes all legislation necessary to meet the problem as it exists today and we hope for all time.

This bill in detail does the following:

It provides for ratification of the interstate compact, realizing that the compact itself is not the strongest document of the kind that could be drawn, but that it is an initial effort on the part of the oil-producing States to meet, in a constitutional way, the prevention of waste of this great resource and in that way the conservation thereof. The compact bespeaks an effort on the part of a number of States to meet a great problem which is peculiarly a State one and yet the magnitude of which flows over into every State of the Union, thereby making it one of real national interest. The right of the States to handle and control the production end of this industry is one that the committee recognized and wants to encourage. The problem is not too big for the States if they sincerely want to solve it; at the same time it is not one which will tolerate abandonment or trifling by the States. The country as a whole has the right to demand that petroleum, a great God-given resource belonging as a whole to no State or individual, but a natural national resource, must be conserved and must not be wasted. Petroleum has admittedly become an integral, indispensable part of almost every activity of our country, both private and public. It presents a problem which the committee recognizes as belonging in a large measure to the States for solution, but in order for the States to succeed in such an effort they must have the cooperative help of the Federal Government.

If many other problems, involving production, peculiar to a known number of States, had been handled through the compact procedure as a real and genuine effort on the part of the interested States to solve such problem, and that, approved by Congress, much legislation heretofore passed by Congress dealing with production of many commodities would have been unnecessary. When Congress gives approval, however, to a compact of the type set forth in section 1 of this bill, giving to the principal oil-producing States control of production of petroleum, supplemental legislation is necessary and advisable to the extent included in this bill. Section 2 provides for a Petroleum Administrative Board, an independent agency of the Federal Government. The members of this Board are to be appointed by the President with the advice and consent of the Senate. The duties of the Board make it advisable in our judgment for a separate agency instead of some bureau chief, or agency appointed by a Cabinet member without the approval of the President or the Senate to administer its provisions. The petroleum industry is our third largest industry, railroads and agriculture being the only two exceeding it in investment. Since the World War this industry has been the subject of ever-recurring investigation and study on the part of the Federal Government. President Coolidge sensed the importance of the President and Congress knowing at all times, if possible, the status of our petroleum reserves, and of the necessity for rigid waste-prevention measures and in general, the preservation as long as might be possible, of a resource of almost immeasurable value, admittedly indispensable at this time to enumerate activities and yet of a limited quantity. President Hoover and President Roosevelt have likewise expressed their keen interest in a similar way. The quantity of petroleum in the country today is pretty well known and no one will deny that while there is more than is necessary to meet current demand it is shockingly low to meet future demand. New discoveries it is true will be made, but such new discoveries should be accompanied by a greater respect on the part of developers of such fields looking to ultimate recovery from such fields, or pools, than has been the experience of the past in the shocking conduct of operators in the larger fields of the country.

Section 3 covers the powers, duties, and functions of the Board. Such duties present no encroachment whatsoever by the Federal Government upon the prerogatives of the States. The Board is the agency of the entire country and not the agency of the producing States alone, which agency however is to cooperate in every helpful way with the interstate compact group in carrying out the purposes and objects set forth in the compact. The proposed Board is to know, as near as possible, at all times, the status of petroleum reserves and sources of supply. It is to study and investigate the discovery and orderly development of all sources of supply and improved methods of production, as well as the possibility and the expense of repressuring existing fields. All of these subjects, as well as many others of a technical, geological, and engineering character, are known to the lay mind, not to say anything of one who is familiar with the industry and its ramifications. The importance of such information being in the possession of the Federal Government is too important to need any elaboration in this report. The Board has the important function of determining the total demand for petroleum to be produced in the United States, including domestic consumption, additions to storage, and export requirements. This aggregate figure is then divided and each producing State informed by the Board of the division, after the Board has taken into consideration all pertinent information necessary in order to make a fair allocation or determination. Such pertinent information will necessarily include limitation upon production from any pool to the point that waste will be prevented. It will take into consideration also the potential of such pools, the investments therein, the refining, transportation, and marketing activities associated therewith. Bear in mind this finding by the Board is not imposed upon the States in any mandatory fashion whatsoever. It is totally advisory and can be accepted by the States as a limitation upon the production therein, in any way the State might determine. This finding by a Federal agency has been pretty generally conceded by witnesses in the hearings before the subcommittee as advisable. It is our belief that the producing States will give serious consideration to this finding, in determining through the State conservation boards the production allowables in the respective States.

Further justification for an independent board might be requested. This Congress passed in the early part of the session S. 1190, which legislation provides for tender boards to be set up to administer the provisions of that law. These boards, without any limitation upon the number, depending entirely upon the necessity therefor, are paid salaries of $5,000 to each member. One board is now in existence in east Texas. The board created under H. R. 9053 takes over completely the administration of S. 1190 (the so-called "Connally bill") and makes unnecessary the appointment of tender boards as therein provided. The administration of the Connally bill will be carried out by the board created in this act through the employees of the board just the same as other comparable functions of the Federal Government under other boards. This bill provides for limitation upon imports of petroleum and voluntary industrial agreements within the industry, all of which come under the duties of this board.

The program lodged within the four corners of this bill is too important to be vested, as to its administration, in the hands of a bureau head, or a subordinate agency of some Cabinet official. It should be dignified in the way this great industry deserves, with the appointment of a board by the President, with the approval of the Senate, so that with all the duties it has upon it, it will reflect that dignity, and that position which other great industries of the country enjoy in the distinction they have so far as Federal interest in their problems is established. This provision of the bill establishing a separate board and imposing the very important duties thereon has had the most serious and careful attention of the committee and the large majority of the committee feel very strongly that it is most important that it be retained substantially in the form we have recommended.

Section 4 of the bill places the administration of the Connally Act, passed on February 22, 1935, under the new board and transfers all appropriations given to provide for the administration of the Connally Act to the new board. This includes, as we expect, the $500,000 recently provided in the deficiency bill for the administration of the Connally Act.

Section 5 provides for regulation of imports and is quite similar in language to the import provisions of the recent amendments to the Agricultural Adjustment Act. It says that the President upon factual finding by the board shall limit importation of petroleum whenever it is found that the importation of petroleum, including natural asphalt, into the United States is in such quantities as to render ineffective or materially interfere with the program undertaken in this act. That means in brief this: This bill sanctions production control by the States to the extent that such control can be regulated under waste-prevention statutes as a legal exercise of the police power of the States, and it is fair to the producing States that they should enjoy the market or the maximum production the reserves of such States will permit so long as such production is in keeping with proper conservation laws. It is folly to say that the greatest ultimate yield of petroleum will be enjoyed by the producing States and come to the great consuming portion of this country from our own markets if production is permitted under scientific engineering advice, so as to not include shocking waste such as we have known to exist in the past, and in the same breath say that there shall be no protection to the producing States from the markets of foreign countries. This is true conservation, and this is what is best for our country as a whole. The provisions work both ways. If there is an unnecessary curtailment, or if there is a curtailment, of production below what there should be produced then the importation of the product can be permitted to a larger extent than otherwise.

Section 6 provides for voluntary industrial agreements. When the subjects to be covered in such agreements are read, it is hard to conceive of anyone objecting to any of it. They all suggest very pertinent and important phases of the petroleum industry in which the entire country is interested. As has been aptly said by one prominent member of our committee, this provision adopts, to an extent, the theory of the National Recovery Act, but brings about the genuine purposes thereof through voluntary action instead of by Government fiat. It is true that such agreements, when approved, shall exempt the parties thereto from the provisions of the antitrust laws. The agreements must cover the subjects set forth in section 6 and be in the public interest, and furthermore have the approval, with the right of withdrawal thereof, of the President of the United States. The agreements must provide for adequate maximum wages for employees and for the maintenance of fair maximum hours of labor for employees. They are totally voluntary with no penalties for the violation thereof to be imposed by the Federal Government.

The remainder of the bill briefly embodies necessary administrative provisions and for an annual report of the Board to Congress.

The Committee on Interstate and Foreign Commerce respectfully recommend that H. R. 9053, as amended by the committee, do pass.

MINORITY VIEWS

We, the undersigned members of the Committee on Interstate and Foreign Commerce, are opposed to the provision in the bill H. R. 9053 relating to the establishment of a Petroleum Administrative Board. It means another board with the usual consequences and additional expense and is, in our opinion, wholly unnecessary. All necessary work that the bill proposes to have the Board do is now done by the Bureau of Mines in the Department of the Interior, or can be done by it with little, if any, addition to its personnel.



We are opposed also to the provisions of the bill relating to voluntary agreements between those in the industry and making such agreements, when approved by the President, exempt from the provisions of the antitrust laws of the United States. Our experience with a similar provision in the National Industrial Recovery Act and its application to the codes was not such as to commend its application to the petroleum industry.

JOHN G. COOPER.
CARL E. MAPES.
PEHR G. HOLMES.
SCHUYLER MERRITT.

Senate bill 2027 passed the Senate and has been referred to the committee, while the House bill, reported out by the committee, is on the calendar. Both bills include, in section 1, in identical language, the interstate compact asking for its ratification, along with supplementary legislation. We have become convinced very definitely that neither of the bills can be gotten through at this session. We feel that in fairness to the States entering into these compacts, trying to conserve this resource and prevent the waste of it, they should certainly have the approval of that effort by Congress, such as the compact requires. The eight States entering into the compact are the main producing States of the country. Six of those States have ratified, through their State legislatures, two still remaining to act.

All this resolution does is to give approval to that effort of a compact which expires in September 1937, and nothing else.

Mr. BOILEAU. Will the gentleman yield?

Mr. COLE of Maryland. I yield.

Mr. BOILEAU. Does this resolution authorize the various States to enter into compacts, or to ratify a compact which has already been entered into?

Mr. COLE of Maryland. To ratify a compact which has already been entered into by the various States and approved by the required number of legislatures.

Mr. BOILEAU. Did the Congress at some previous time authorize the States to negotiate this compact?

Mr. COLE of Maryland. No. The committee investigating this industry under the resolution to which I have referred, attended the initial meeting of the governors. We gave some encouragement to a compact being drawn up.

Mr. BOILEAU. The gentleman will recall there was a resolution introduced by the gentleman from Massachusetts [Mr. HEALEY] authorizing the State of Massachusetts to enter into compacts with reference to labor questions.

Mr. COLE of Maryland. That is correct.

Mr. BOILEAU. And they took the position at that time that the Congress must authorize the negotiation of the compacts before the State could legally go ahead and enter into them. It did not seem to me that was necessary. Is the gentleman convinced that it is not necessary that Congress should first authorize the States to negotiate such compacts?

Mr. COLE of Maryland. I am so convinced.

Mr. Speaker, I commend to the Members of the House the hearings before and the report of our subcommittee conducting the investigation referred to, also the report submitted with S. 1190. All of it will be useful to you in preparing for further discussion of the important question in the future. I reserve the balance of my time.

Mr. MAPES. Mr. Speaker, may I be notified when I have used 10 minutes?

Mr. Speaker, as far as I know, there is no particular opposition to this resolution ratifying the compact entered into between certain oil-producing States. Personally, I think it is more or less of an idle gesture. I do not think the resolution contains anything which needs to make anybody very enthusiastic either for or against it. As an indication of that is the fact that there is no opposition to it. Anything relating to the oil business that creates no division among those in the industry you may put down in your notebook as not amounting to much. In my judgment, that is the situation as far as the ratification of this compact is concerned.

The real fundamental issue in the oil problem, as I see it, is whether there is going to be real Federal supervision and control over the production and distribution of oil, or

whether the States are to continue to have a free hand in that respect. This resolution does not touch that question. It does not attempt to go into that question in any way. The question which the gentleman from Illinois raised is not involved in this resolution, which is confined entirely to ratifying the compact.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. MAPES. I yield for a brief question.

Mr. FITZPATRICK. The object of the compact is to reduce the amount of oil produced; is that the idea?

Mr. MAPES. I do not think so. Personally, I think one of the chief reasons for the compact was to head off any real legislation relating to oil on the part of the Federal Government.

Mr. FITZPATRICK. The idea is to reduce the amount of oil produced? In other words, so that they can increase the price?

Mr. MAPES. If the gentleman from New York will read this resolution he will find there is nothing in the resolution or in the compact which has any restraining influence upon any State, whether it is a member of the compact or not, as far as the production of oil is concerned.

Mr. FITZPATRICK. Well, then, what is the object of the compact?

Mr. MAPES. I believe that one purpose of it is to head off Federal regulation, as I have stated.

Mr. FITZPATRICK. That is very important.

Mr. MAPES. The most that can be said of it is that it is the expression of a pious hope. It expresses the hope that the different States will pass legislation preventing unnecessary or unreasonable waste in the production of gas and oil. Whether the States do it or not is left entirely to their own volition. They have the same discretion in that respect whether they join the compact or whether they do not. As for me, I see no particular good that the compact will accomplish or any particular harm that it will do.

As far as I have been able to ascertain, the State of Michigan, which produces some oil, has no particular enthusiasm for the compact. If anybody will read the resolution, he will see that there is nothing binding upon anybody, nothing binding upon any State in it. After a State enters into the compact there is nothing binding upon it except, perhaps, the moral responsibility of passing some legislation within a reasonable time which will attempt to prevent undue waste of the oil and gas resources within the boundaries of the particular State, and the most, if not all of them, have done that already.

Mr. FITZPATRICK. Why is it necessary, then, to pass it?

Mr. FADDIS. Mr. Speaker, if the gentleman will yield, I would like to say to the gentleman from Pennsylvania that no proposal of this kind to be entered into could begin to raise the price of oil like the companies that own the wells, that own the pipe lines, that own the tanks, and that own practically all the oil in the United States. They are the ones who can raise the price without the help of anything of this kind.

Mr. MAPES. As the gentleman from Maryland, who introduced the bill to which he has referred, has indicated, I dissented from some of its provisions, including that to which the gentleman from Illinois referred, and to which the independents object. That provision is not in this bill. This bill contains only the fore part of the bill introduced by the gentleman from Maryland relating to the State compact, and confines itself strictly to the ratification of the State compact. If anyone will carefully read the resolution, I think he will see that the compact does not actually bind any State. It may perhaps lead to some good results by encouraging more cooperation between the several States. It provides for a commission made up of representatives of the States which enter into the compact to study the problems connected with the industry and to report the results of such study to their respective legislatures. So far as I can see, this is the only affirmative thing in the compact. It still leaves the whole problem of regulation and control of the oil industry open the same as it has been, and leaves the main controversial subject as to whether the Federal Government shall step in and attempt to regulate the production and distribution of oil in the several States as it now is, undecided.

Mr. MILLARD. Mr. Speaker, will the gentleman yield for a question?

Mr. MAPES. I yield.

Mr. MILLARD. How does this compare with the Connally bill, briefly?

Mr. MAPES. The Connally bill contained this provision and a provision making permanent the so-called "Connally 'hot oil' amendment." It also had a provision relating to imports. The provisions relating to imports and to the extension of the Connally amendment are eliminated from this resolution. It contains a simple provision providing for the ratification of the State compact.

Mr. MILLARD. Has this bill passed the Senate, has the Connally bill passed the Senate, or have both passed the Senate?

Mr. MAPES. The Connally bill has passed the Senate and has been referred to the Committee on Interstate and Foreign Commerce.

Mr. MILLARD. This bill as I understand has not passed the Senate.

Mr. MAPES. This is a resolution introduced by the gentleman from Maryland [Mr. COLE], and simply ratifies the State compact.

Mr. DOBBINS. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield.

Mr. DOBBINS. If the States under the powers conferred upon them and ratified by this resolution should go into the field of entering into interstate agreements controlling marketing, would this resolution ratify and confirm such action on the part of the States?

Mr. MAPES. Not at all; not in my judgment.

Mr. COSTELLO. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield.

Mr. COSTELLO. What is the necessity for the Federal Government setting up a petroleum administration board for this compact between the States, a board which will cost $50,000 a year?

Mr. MAPES. That is not in the resolution before the House. The resolution before the House simply contains the first provision of the bill the gentleman has in mind.

Mr. COSTELLO. The resolution concerns only the first part of that bill?

Mr. MAPES. It relates only to the State compact.

Mr. COSTELLO. What will be the effect of the State compacts, to benefit the large companies or will it help the independent producers?

Mr. MAPES. I do not think it will affect them one way or the other. I discussed that subject earlier in my remarks, I may say to the gentleman.

Mr. COSTELLO. I thank the gentleman.

Mr. MAPES. Mr. Speaker, I yield such time as he may desire to the gentleman from New Jersey, Mr. WOLVERTON.

Mr. WOLVERTON. Mr. Speaker, it was my privilege to be a member of the special committee appointed at the last session of Congress to study proposed legislation affecting the production, refining, transportation, and marketing of oil. We were very fortunate in having as our chairman the distinguished gentleman from Maryland, Mr. COLE. The committee made a very careful, complete, and comprehensive study of the subject. The result of the study made by the committee will be found in several volumes of printed hearings. It has been acknowledged to be the most comprehensive and worthwhile study that has ever been made of the oil industry. The information gathered by the committee is so worth while in character and scope that it should receive careful study and consideration as a basis of any legislation affecting the oil industry.

After considerable consideration given to the matter, the bill known as the "Cole bill" was introduced. A controversy has arisen with respect to some of its provisions which makes it impossible to obtain its consideration at this session. A compromise has been entered into by which the first section of the bill is to receive consideration, ratifying a compact which has been entered into by some of the oil-producing

States. As has been so well stated by the gentleman from Michigan, the compact does nothing either helpful or harmful to anyone.

Members of the committee have been of the opinion that no legislation should be passed affecting the oil industry that was not comprehensive in character. In my opinion, it was unfortunate that earlier in the session we passed legislation known as the "Connally bill", which dealt with only one feature of this great and intricate subject. I do not mean to infer that the legislation referred to was improper, but merely that it should not have been passed until every other feature that had a direct relationship to the subject had been considered and provided for by accompanying legislation. The Connally bill was piecemeal legislation. It is fortunate, however, that a time limitation was placed upon it. This will give opportunity to study its effect and again require its consideration at a future day not far distant.

The resolution now before the House likewise only deals with one feature of the subject. It is important, not because of the terms of the compact entered into between the several oil-producing States which have signed and now seek congressional ratification but because it indicates a tendency upon the part of such States to act jointly. There is much to be done by the States themselves. There is a realm in which they alone can act. Likewise, there is an important part that must be taken by the Federal Government, particularly in protecting the interests of the consuming public.

The compact which is the subject of the present resolution is not complete or comprehensive—as I have already said it will neither help nor harm in any serious way. The gentleman from New York [Mr. FITZPATRICK] asked as to the purpose of the compact, if it is as ineffective as previous speakers have indicated. His question could have been properly answered by saying that it was a "face-saving" proposition—no more, no less. The governors of some of the oil States, or their representatives, met in answer to a call from the Governor of Oklahoma. They were unable to agree upon the terms of an effective compact. They were about to adjourn without an agreement. Thereupon the compact contained in the resolution now before the House was proposed and entered into because it did not seek to bind any State in any way that it did not wish to be bound. Thus it became possible to announce an agreement had been entered into and that the governors' conference was not a complete failure.

I am certain that if any genuinely effective terms had been sought there would have been no agreement. I regret to say it. However, even though the compact is not important from the standpoint of its terms, yet it is important in that it has a tendency to keep the several oil-producing States upon speaking terms at least.

The compact was entered into by the States which signed it with full knowledge that it did not do anything. It does, however, preserve an opportunity or a duty on their part to come back and meet together again at some future time. It was merely a step, and a very small step, in the direction of oil control. I wish to again emphasize the thought that so far as I am personally concerned, I take the position that no legislation should be passed without a full, comprehensive, and complete treatment of the entire subject. We have not had such legislation presented to us for action as yet. While I shall vote for this resolution, I do so with the idea that no harm can be done by its adoption, and in the hope that some good may come out of it eventually.

In answer to the question that was raised as to whether the underlying purpose of the compact was to control production so that it would have an effect on price, may I say that I believe the bills that were originally introduced seeking, under the term of conservation, to control the production of oil really had for their purpose no other idea than stabilizing the price in a way that would be beneficial to the big oil-producing companies. Such legislation without adequate governmental supervision might prove highly detrimental to the consumers of this Nation. However, for the comfort of the gentleman who asked the question, may I say that there has been made a part of this proposed compact the following language, which appears in article V:

> It is not the purpose of this compact to authorize the States joining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof, or create or perpetuate monopoly, or to promote regimentation, but is limited to the purpose of conserving oil and gas and preventing the avoidable waste thereof within reasonable limitations.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from New York.

Mr. FITZPATRICK. Then the gentleman believes that the Connally "hot oil" bill would reduce the production of oil and increase the price?

Mr. WOLVERTON. I would not want to give that as the reason for the bill being introduced, but I can readily understand that it could have that effect if there should be no Federal supervisory jurisdiction provided in the matter.

Mr. MILLARD. Will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from New York.

Mr. MILLARD. Do I understand that this Petroleum Administrative Board has been stricken from the bill?

Mr. WOLVERTON. Yes. The only matter now before the House for consideration is a resolution which embodies the first section of the bill, to which the gentleman refers.

Mr. SIROVICH. Will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from New York.

Mr. SIROVICH. Article V of this compact states:

> It is not the purpose of this compact to authorize the States joining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof, or create or perpetuate monopoly, or to promote regimentation, but is limited to the purpose of conserving oil and gas and preventing the avoidable waste thereof within reasonable limitations.

Would not the very act of conservation bring about a reduction in oil and an increase in its cost?

Mr. WOLVERTON. I could not hear what the gentleman said. What was the question?

Mr. SIROVICH. Did the gentleman hear what I read?

Mr. WOLVERTON. Yes; but I did not hear the question which followed.

Mr. SIROVICH. Would not the conservation, which is the purpose of this compact, in itself bring about a reduction of oil and thereby increase its cost?

Mr. WOLVERTON. There is no doubt in my mind that whenever you reduce the availability of any commodity there is a natural tendency to increase the price to the consumer.

In that connection I wish to give a word of warning. No legislation should be passed under the guise of conservation which has for its purpose or effect an increased price to the consumer, or that permits under the guise of stabilization a loss of the beneficial effect of supply and demand and open competition. Care must be observed in all such legislation to adequately and effectively guard the interests of the consuming public.

There can be no controlled production without having a direct effect upon the price to the consumer. While it may be necessary at some time to conserve oil as against its possible exhaustion, yet at no time should it be possible under the cloak of conservation to limit its production so that there will result a stabilization of price to the detriment of the public. All too frequently the real purpose of conservation agitation has been to stabilize an increased price of oil to the consumer.

We must never overlook the fact in considering any legislation that has for its purpose the control or limitation of production that the price to the consumer is thereby affected, and if there is no governmental supervision or control the price will be an increased price to the consumer. Whenever the available supply of any commodity is reduced or limited the direct result is an increased price to the consumer. This is particularly true when applied to any natural resource such as oil.

Therefore, no legislation should ever be passed that will make it possible for either a combination of oil producing States or oil producers, large or small, to limit or restrict production to such an extent as to prove detrimental to the public interest.

Mr. COLE of Maryland. Mr. Speaker, I yield such time as he may desire to the gentleman from Indiana [Mr. PETTENGILL].

Mr. PETTENGILL. Mr. Speaker, as between those in the oil industry who desired no legislation at all, on the one hand, and those who wanted complete regimentation of the oil industry on the other hand, I think the ratification of this State compact is, at least for the present, a happy medium and in the public interest.

Mr. Speaker, there was a draft of a bill presented a year ago known as the "Margold draft." That was never formally presented to the Congress, but it was understood to have the backing at that time of some rather important people in the Government. The Margold bill would have given the Federal Government the power to reach its long arm out from Washington and turn the valve at the head of every oil well in the Nation. It would have given the Federal Government the power to fix the price of petroleum products down to a gallon of gasoline sold anywhere in America. It would have given the Federal Government the power to determine what men should or should not enter the filling station business. That is one side of the argument. On the other side are those who want no regulation. They want the old ruthless system of individualism; that is, drain the oil reserves of the Nation as quickly as they can, make their fortunes as quickly as they can, and let the future take care of itself.

Mr. Speaker, the investigations of our committee of a year ago demonstrated that the known petroleum reserves of the Nation will last only from 10 to 15 years. Of course, it is anticipated that in the future we will find new oil wells the same as we have in the past; therefore, it is not likely that the oil reserves of the Nation will be exhausted in any such period of time. But, so far as the oil reserves of the Nation are known to exist, we have only enough oil to last this Nation 10 or 15 years. It is known that in the last 4 or 5 years we have been exhausting our petroleum reserves faster than we have been finding new supplies underground.

The question has been raised by the gentleman from New York [Mr. FITZPATRICK] with reference to whether the effect of the bill will be to gouge the consumer to the profit of the producer.

It is my judgment that nothing of that sort can happen under the State compact, not only on account of the limitation of article 5, which the gentleman from New York [Mr. SIROVICH] read a moment ago, which expressly states, "It is not the purpose of this compact to authorize the States adjoining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof or create or perpetuate monopoly, or to promote regimentation", but also there are some practical reasons, I may say to my friend from New York, why I do not think it is possible that the oil-producing States of the Nation will unnecessarily restrict production. One of the reasons, I will say to my friend from New York, is that many States have what is called an "extraction" tax, or a production tax, so that the more oil produced the greater the revenues that go to the State governments, and in these days, when the burden of taxation is so great and the hand of the taxgatherer is so heavy over the land, I do not anticipate that State governments are going to unnecessarily restrict the production of oil so as to cut down the source of a large part of their revenue. Down in Texas, which is the greatest oil-producing State of the Nation today, they have a tremendous area of land that is publicly owned on which oil has been found, and the proceeds of the oil from these publicly owned lands in Texas go to the support of the public-school system of Texas and the University of Texas, and they are furnishing, as I recall, substantially the greater part of the school revenues of Texas. So it is not likely, in my judgment, not only on account of the tax but on account of the proceeds of the oil that is owned by the State, that they are going to severely and sharply curtail production for the purpose of unduly enhancing the price. In addition, there are hundreds of thousands of royalty owners who will protest any drastic curtailment of production.

Mr. SIROVICH. Mr. Speaker, will the distinguished gentleman from Indiana yield?

Mr. PETTENGILL. Yes.

Mr. SIROVICH. Would not this compact be instrumental in increasing the cost of oil in the non-oil-producing States?

Mr. PETTENGILL. It might have a slight effect in that direction, I will say to my friend, insofar as it prevents the flooding of the market with supplies from new fields, like the great east Texas oil field. There might be a new east Texas field come into the market and for a year or two oversupply the Nation, and then perhaps, in a very few years, we would regret we had wasted the petroleum reserves of the Nation.

The future of national defense, aviation, and the automobile industry for years to come is going to depend upon reasonable conservation of these great natural resources.

So I do not anticipate, Mr. Speaker, that there can be any reasonable fear of enhancing the price to the consumer, and then let me say this as an additional reason why this will be the fact: There are many oil-producing States of the Nation that are not in the compact.

Mr. SIROVICH. Which ones?

Mr. PETTENGILL. Pennsylvania, for example, and Michigan are outside the compact. California, which is the second or third largest oil-producing State in the Union, is outside of the compact.

Mr. FITZPATRICK. However, those States can come if they want to.

Mr. PETTENGILL. Yes; they have that right.

Mr. FITZPATRICK. And they are apt to come in at any time.

Mr. PETTENGILL. They may, but it has been very hard for these oil-producing States to agree on anything.

Mr. FORD of California. Mr. Speaker, will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. FORD of California. Do I understand that under article I, if the States of Oklahoma, Kansas, and New Mexico ratify it, then California would necessarily have to ratify it?

Mr. PETTENGILL. No; no State is bound unless it comes in, or, in other words, only the States that come in are bound.

Mr. FORD of California. The language in article I is, whenever any three of the States of Texas, Oklahoma, California, Kansas, and New Mexico have ratified and Congress has given its consent.

Mr. PETTENGILL. That makes the compact effective when any three of the States ratify it with respect to the States that do ratify it.

Mr. FORD of California. And only then.

Mr. PETTENGILL. Yes.

Mr. FITZPATRICK. Is it not a fact that the States can do this now without this resolution?

Mr. PETTENGILL. Do what?

Mr. FITZPATRICK. Enter into this compact and conserve the oil without this resolution being passed?

Mr. PETTENGILL. No; not without the consent of Congress.

Mr. FITZPATRICK. They have been doing that and they have already entered into a compact.

Mr. PETTENGILL. The States, under the Federal Constitution, cannot enter into any compact without the consent of Congress. It must be ratified by the Federal Government before it is effective.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. SIROVICH. If this compact is established and you have stabilization and conservation of oil and higher prices, could Congress abolish the compact or could the antitrust laws be invoked against their compact?

Mr. PETTENGILL. There is nothing in the compact, I will say to my friend, that suspends the operations of the antitrust statutes of the Nation, and the compact is to endure only for 2 years or, in other words, it will expire on September 1, 1937.

Mr. COLE of Maryland. If the gentleman will permit, I may say for the benefit of the gentleman from New York, that section 2 of the resolution provides for rescinding this approval of the Congress.

Mr. PETTENGILL. Yes; and those who are familiar with the production of natural gas, as in the Panhandle of Texas, where, during the past 2 or 3 years, we have been blowing every day, into the air, more natural gas than is consumed in the United States, can appreciate that unless there is a compact, this situation may continue. It is rather difficult in the competition by the States for the natural-gas market of America, for one State to effectively enforce legislation against the waste of natural gas unless the other States join in it.

Mr. SIROVICH. Will this do away with the evil of "hot" oil, also?

Mr. PETTENGILL. It will tend to do that to some extent, because the resolution provides that the States may take such steps as may be necessary to deny to interstate commerce oil that is produced in violation of the provisions of the compact.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. McFARLANE. Is this resolution sufficiently strong to take care of the waste of the natural gas in the Panhandle of Texas?

Mr. PETTENGILL. Of course, that is a matter that is entirely subject to the local jurisdiction of the State of Texas, but it will encourage Texas to do that if other States will also join in doing it.

Mr. McFARLANE. That is what I had in mind.

Mr. PETTENGILL. It is rather difficult for a State to find any reason for conserving its natural gas and losing the national market, if another State is flooding the market with its own gas.

Mr. McFARLANE. Does the gentleman think that any kind of a compact entered into between States is absolute protection?

Mr. PETTENGILL. The gentleman knows the Texas situation better than I do. I understand the Texas Legislature has passed a very strict and conservative act.

Mr. FERGUSON. Will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. FERGUSON. Does the gentleman think it good reasoning to prorate the oil fields without, at the same time, regulating the importation of oil and cutting down the oil that may come in from foreign countries?

Mr. PETTENGILL. The legislation with reference to the importation of oil remains on the statute books. There is nothing in this bill to disturb that.

The SPEAKER. The question is on the passage of the resolution.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the resolution was passed.

A motion to reconsider was laid on the table.

### THE UTILITY BILL

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

Mr. RAYBURN. Mr. Speaker and Members of the House, I hoped to have the conference report on the utility bill before this time. There is a print of the Government Printing Office available now. It is not correct copy in all its details. The delay is in the proofreading, but I hope that it will be here by half past 2. Gentlemen can get this print, which is in the main correct, but has not been proofread.

### AMENDING INDEPENDENT OFFICES APPROPRIATION ACT OF 1934

Mr. BLAND. Mr. Speaker, I move to suspend the rules and pass Senate Joint Resolution 175.

The Clerk read the Senate joint resolution, as follows:

Senate Joint Resolution 175

*Resolved, etc.*, That section 5 of the Independent Offices Appropriation Act, 1934, as amended, be amended by striking out "October 31, 1935," and inserting in lieu thereof "March 31, 1936": *Provided*, That the right of the United States to annul any fraudulent or illegal contract or to institute suit to recover sums paid thereon is in no manner affected by this joint resolution.

The SPEAKER. Is a second demanded?

Mr. LEHLBACH. Mr. Speaker, I demand a second.

Mr. WEARIN. Mr. Speaker, I demand a second.

The SPEAKER Is the gentleman from New Jersey opposed to the bill?

Mr. LEHLBACH. I am not.

The SPEAKER. Is the gentleman from Iowa opposed to the bill?

Mr. WEARIN. I am.

The SPEAKER. The Chair recognizes the gentleman from Iowa to demand a second.

Mr. BLAND. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

Mr. MILLARD. Mr. Speaker, I raise the point that there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order that no quorum is present. Evidently there is no quorum present.

The doors were closed, the Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 196]

| | | | |
|---|---|---|---|
| Allen | Dunn, Miss. | Kennedy, N.Y. | Peyser |
| Andrew, Mass. | Eaton | Kerr | Reece |
| Arends | Eicher | Kimball | Robertson |
| Bacharach | Fernandez | Kleberg | Robsion, Ky. |
| Bankhead | Fish | Kniffin | Rogers, N.H. |
| Beam | Frey | Kramer | Romjue |
| Bell | Fulmer | Kvale | Rudd |
| Biermann | Gambrill | Lamneck | Russell |
| Blanton | Gasque | Lord | Sadowski |
| Brewster | Gassaway | Lucas | Schneider |
| Buckbee | Gifford | Lundeen | Shannon |
| Bulwinkle | Gilchrist | McAndrews | Smith, Wash. |
| Burch | Gillette | McCormack | Smith, W.Va. |
| Carter | Goodwin | McGroarty | Snyder |
| Casey | Greenway | McLeod | Sullivan |
| Claiborne | Haines | McMillan | Sutphin |
| Clark, Idaho | Hamlin | Maas | Thurston |
| Clark, N.C. | Healey | Miller | Tobey |
| Cochran | Hennings | Mitchell, Ill. | Treadway |
| Collins | Higgins, Mass. | Montague | Underwood |
| Corning | Hill, Knute | Norton | Wallgren |
| Crawford | Hobbs | O'Brien | Walter |
| Darden | Hoffman | Oliver | White |
| DeRouen | Hollister | O'Malley | Wilcox |
| Dietrich | Hook | Parks | Wilson, La. |
| Dirksen | Johnson, W.Va. | Patton | Wood |
| Dockweiler | Keller | Perkins | Zimmerman |
| Driver | | | |

The SPEAKER pro tempore (Mr. BOLAND). Three hundred and twenty-one Members have answered to their names, a quorum.

Mr. BLAND. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER pro tempore. The gentleman from Virginia is recognized for 20 minutes.

Mr. BLAND. Mr. Speaker, I yield myself 5 minutes. This is a matter of supreme importance to the North, the South, the East, and the West. It is a question of whether chaos shall exist in the American merchant marine by reason of the expiration on October 31 of the power of the President to cancel ocean mail contracts. It will be remembered that in the independent offices appropriation bill of 1934, the President, after hearings were had, was given authority to modify or cancel ocean mail contracts whenever it appeared to him that the full performance of the contract was not required in the public interest and that modification or cancelation would result in substantial savings to the United

States. Hearings were finished about the 1st of January, and later the Post Office Department made its report. The time for cancelation or modification was later extended from April 30 to October 31. In March the President sent a message to the Congress emphasizing the need for—shall I call it a shipping equalization fund, if subsidy sounds too bad to Members of the House, or, possibly, a processing tax? That message was referred to the House committee. That committee for 3 months proceeded earnestly and diligently to work out a policy, which it submitted to this House. The bill was passed. Since that time no bill has passed the Senate, through no fault of the Senate Commerce Committee. We find ourselves faced with a condition and not a theory. We are faced with a situation where, if these contracts are cut off on October 31, there will be nothing to offer instead, and our vessels must lower their flags. Some of the lines are now in receivership. Termination of these contracts will mean that the people of the East, West, North, and South cannot get the service they have been receiving in the past and are receiving now. It will mean that our connections made by these shipping interests will be broken. Our people will turn to foreign ships, and foreign companies will drive American companies out of business. The President would be embarrassed.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. WEARIN. Mr. Speaker, I yield 10 minutes to the gentleman from Maine [Mr. MORAN].

Mr. MORAN. Mr. Speaker, I ask unanimous consent that section 5 of the 1934 Independent Offices Appropriation Act, referred to and proposed to be extended by the Senate Joint Resolution 175 now under consideration, be incorporated in my remarks at this point. It will make the debate more intelligible.

The SPEAKER pro tempore. Is there objection?

There was no objection.

(The matter referred to is as follows:)

SEC. 5. Whenever it shall appear to the President, in respect of any contract entered into by the United States prior to the date of enactment of this act for the transportation of persons and/or things, that the full performance of such contract is not required in the public interest, and that modification or cancelation of such contract will result in substantial savings to the United States, the President is hereby, upon giving 60 days' notice and opportunity for public hearing to the parties to such contract, authorized, in his discretion, on or before April 30, 1936, to modify or cancel such contract. Whenever the President shall modify or cancel any such contract, he shall determine just compensation therefor; and if the amount thereof, so determined by the President, is unsatisfactory to the individual, firm, or corporation entitled to receive the same, such individual, firm, or corporation shall be entitled to receive such portion thereof as the President shall determine and shall be entitled to sue the United States to recover such further sum as, added to said portion so received, will make up such amount as will be just compensation therefor, in the manner provided for by paragraph 20 of section 41 and section 250 of title 28 of the United States Code: *Provided*, That where any such contract makes provision for settlement in the event of modification or cancelation, the amount of just compensation as determined hereunder shall not exceed such amount as is authorized by said contract. Any appropriation out of which payments upon the said contract were authorized to be made is hereby made available for the payment of such just compensation.

Mr. MORAN. Section 5 has been briefly referred to by the gentleman from Virginia [Mr. BLAND]. It grants discretionary power to the President to cancel these particular ocean mail contracts under the conditions specified in that section, such as, for example, 60 days' notice, opportunity for public hearing, substantial saving to the United States, and full performance of the contract not required in the public interest. That power was granted up to April 30, 1935. Subsequent to that, it was extended from April 30, 1935, to October 31, 1935; and the resolution now before us proposes to extend that permission still further, from October 31, 1935, to April 30, 1936. The question, therefore, before the House, is whether that discretionary power to cancel those contracts, which has been in effect all of that time should, in the public interest, be continued.

Let me briefly refer to some of the events which have occurred in the way of ship-subsidy legislation in this particular session of Congress. The President on March 4 of this year sent a message to Congress and I shall quote therefrom one sentence:

In setting up adequate provisions for subsidies for American shipping, Congress should provide for the termination of existing ocean-mail contracts as rapidly as possible, and it should terminate the practice of lending Government money for shipbuilding.

It will be noticed that even though the President then had the authority, and has had the authority for a long time, nevertheless he suggested in that message of March 4 of this year that Congress should provide for the termination of these contracts. At the present time roughly $100,000,000 has been paid out, and $200,000,000 remains to be paid out. Those figures are not exactly right. The exact figures are $110,000,000 paid out and $188,000,000 to be paid out. In other words, the continuation of those contracts to their respective expiration dates will cost nearly $200,000,000 more.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. MORAN. Yes.

Mr. JOHNSON of Oklahoma. Is it not true that a great many if not a majority of these contracts are fraudulent?

Mr. MORAN. Let me answer that in two ways. In the first place, we have the fact that a committee of the other body created to investigate these contracts, and which has already made its report, stated its opinion on the basis of evidence presented to it, that those contracts are fraudulent and should be canceled. Second, we have an official report from the Post Office Department, the Postmaster General having been commissioned to investigate these contracts—at which investigation these ocean mail contract holders had opportunity to be heard at length, and to be represented by counsel, and testimony to the extent of 40,000 words was taken, and it is all printed (parts 1, 2, and 3 of the Postmaster General's Report) and in that report the Postmaster General reported to the President that in his opinion all those contracts should be canceled, and that they were fraudulently obtained.

Mr. McFARLANE. Will the gentleman yield?

Mr. MORAN. I yield.

Mr. McFARLANE. As I remember the report of the Postmaster General, it held, in substance, that 42 of the 43 contracts were secured through fraud and should be canceled.

Mr. MORAN. Fraud and collusion.

Mr. McFARLANE. Fraud and collusion.

Mr. MORAN. And without competitive bidding, as required by law.

Mr. MAVERICK. Will the gentleman yield?

Mr. MORAN. I yield.

Mr. MAVERICK. Will any harm be done if this bill is defeated?

Mr. McFARLANE. It will save about $200,000,000.

Mr. MORAN. If this resolution is continued, to my mind, it is saying that, as far as Congress is concerned, these contracts should, in spite of all the information that has been brought before us, be continued and that we should ignore that information and go ahead on that basis. To my mind, instead of rendering that verdict, it is far better to express our condemnation of these contracts.

This is the main reason: I believe that the first time we will get a real merchant marine is when the people who are engaged in merchant marine have a real incentive for changing the status quo. They like the present conditions. While this is going on, $30,000,000 a year is rolling into their coffers. Bill after bill has been presented to this Congress. We remember the argument made on the floor of this House on the Bland ship-subsidy bill that passed by only 8 votes. You will remember we were given the impression—I do not mean intentionally, because I think it was a mistake—that that bill which this House passed was supported by the President. What was the result? It was made known within 24 hours after that bill passed this House that the President did not favor that bill, and the bill was buried in the Senate and is deader than a doornail right now and never can be passed.

Mr. RICH. Will the gentleman yield?

Mr. MORAN. I yield.

Mr. RICH. Will they attempt to determine whether those contracts are illegal and fraudulent by a court proceeding or in some way that will give the one to have these contracts a legal hearing?

Mr. MORAN. I think the gentleman is proceeding on the wrong premise, that the effect of a vote "no" would be to cancel these contracts. That is not true.

Mr. RICH. I am interested in saving $190,000,000. I do not want to do what Mr. Farley did when he canceled the contracts and then would not give the people who had those contracts a legal opportunity to defend themselves.

Mr. MORAN. I want a real merchant-marine bill to come before this House. We have a Committee on Merchant Marine and Fisheries. I want a bill to come before that committee that is a real bill, in the public interest, that does not continue the system we now have. I do not think we will ever have a merchant-marine bill in the interest of the public as long as these people are permitted to continue the status quo. The reason for that is this: Bill after bill has been introduced. I have examined every one of them. There were not so many in the House but there a great many in the Senate. They were introduced 2 days apart; one bill and then another bill and then another bill. This multiplicity of bills has confused the issue, which was probably the object sought thereby.

On June 27 last the House of Representatives passed a ship-subsidy bill (H. R. 8555), by a margin of only 8 votes, after a 2-day legislative battle. The Members of the House will recall that the opposition to the bill was conducted by the distinguished and very able gentleman from Iowa [Mr. WEARIN] and by me, our opposition consisting principally of the presentation of many amendments which we felt necessary to protect the public interest. Since that vote more than enough Members to have changed the result have assured me that if they had heard the debate, or if they had not been mistaken in believing it was an administration bill, that they would have voted against it. In my opinion, the passage of that bill was a disgrace to the House of Representatives; such an act was due only to the fact that many Members did not have the time to familiarize themselves with the bill.

I am informed on good authority that promptly after the House passed the bill the President expressed his opposition to it in that form, which has caused the Senate Committee on Commerce to rewrite the bill extensively. Feeling it will be valuable information to the House, and that it should be made a part of the RECORD to detail some of those changes, the following data is presented under the convenient headings of:

First. Amendments defeated by House but accepted by Senate Committee on Commerce.

Second. Amendments adopted by House but not accepted by Senate committee.

Third. Evils in bill as reported by Senate committee.

I. AMENDMENTS DEFEATED IN HOUSE BUT ACCEPTED BY SENATE COMMITTEE

It is presumably a source of gratification to my colleague, Mr. WEARIN, as it is to me, that nine amendments offered by us on the floor of the House, which the House defeated, were considered so meritorious by the Senate committee that they are included in the bill as reported by the Senate committee. They are as follows:

First. Elimination of the regional requirement in appointment of members of proposed new Maritime Authority.

Second. The requirement that no member of the Authority shall have been in employment of, or have held any relation to any carrier by water or cognate enterprise, within the 3 years immediately preceding appointment.

Third. Cancel the present ocean mail contracts.

Fourth. Abolish the construction-loan fund.

Fifth. Recapture of excessive ship builders' profits (sec. 505b2).

Sixth. Recapture of excessive ship operators' profits.

Seventh. Transfer of regulatory powers to Interstate Commerce Commission.

Eighth. Remove certain authorities from Department of Commerce.

Ninth. Elimination of the famous "Treasury penetration", section 1109.

The fact that these nine major changes, after being voted down by the House, are incorporated in the Senate bill, should serve to put the House on guard when merchant marine legislation again comes before the House for action.

II. AMENDMENTS ADOPTED BY HOUSE BUT NOT ACCEPTED BY COMMITTEE

The fact that the House, though in no mood to adopt amendments, did adopt two important ones which are not included in the Senate bill, shows that the House must have been convinced of their desirability; the Senate bill should be amended accordingly. They are:

First. Provision for minimum wages and manning scales—the so-called "Labor amendment", to be discussed later.

Second. Provision that the insurance and reinsurance should be placed either in American private insurance companies or in the existing American insurance fund, and not in foreign insurance companies. Reference to the CONGRESSIONAL RECORD debate on this amendment will show reasons for its necessity.

Third. Prohibition of receipt of gratuities by members of the authority and other officials.

III. EVILS IN PRESENT BILL H. R. — AS REPORTED BY SENATE COMMITTEE

Even though the bill as reported by the Senate committee is improved by the adoption of the nine changes proposed to, but defeated by the House, it is still highly objectionable for the following reasons:

First. Under section 201, the term of members of the Authority is changed to 12 years—much too long.

Second. Under section 402 (a), Uncle Sam is still to be made a junk dealer; the taxpayers through their Government must buy and scrap old ships, whereas the scrapping should be done by the shipowner at his own expense as in England. The United States buys at "fair value" and scraps for junk value, entailing a great loss.

Third. Under section 502 (b), the construction-differential subsidy can still be 40 percent of the American cost of the vessel—$400,000 on a $1,000,000 ship—and the applicant has to pay a down payment of only 25 percent of the foreign cost—$150,000 on a ship which costs $600,000 to build abroad, or $1,000,000 to build in America. These terms, combined with the trade-in value of an obsolete ship, as allowed by section 402 (a), means it is entirely possible for a citizen to obtain a million-dollar ship for no down payment whatever, or at most, a down payment of $150,000. Even under the present law the down payment on a million-dollar ship is $250,000—25 percent of American cost.

Fourth. Section 503 (a) is ambiguous, but reads like the famous "nigger in the woodpile" which past experience has taught us to expect in a ship-subsidy bill. As I read this section, conditions are set up which conveniently fit the circumstances of most shipowners, and then provide new ships for no down payment whatever, the terms being 15 equal annual installments. If an obsolete ship can be turned in under this arrangement, and I see no reason why not, apparently the Government would owe money to a shipowner who is kind enough to accept, without any down payment whatever, a ship costing the American taxpayers a million dollars—or even more, there is no limit. Also, under this section, there seems to be nothing to prevent the operation under charter of any foreign flag vessel—a citizen merely needs to acquire any old junk—no limitation as to how long he has been operating. For example, take a ship costing $1,000,000 to build in a domestic yard; on the claim that it would cost only $600,000 to build abroad, the applicant would, under the 15-annual-installments provision, pay only one-fifteenth of $600,000, or $40,000 yearly; he would put up himself only 6⅔ percent of the foreign cost, or only 4 percent of the American cost. If a ship were traded in at a "fair price" of $100,000 in this case, it would be 2½ years before the applicant had to pay anything on his installment contract to pay $40,000 annually. The fact that such a barefaced, brazen raid on the Treasury is attempted, is ample evidence of impossibility of private operation; the operators simply do not have the money, or cannot, or will not, provide

it. Would anyone contend that 96 percent Government ownership is private enterprise, and 100 percent Government ownership bolshevistic?

Fifth. In computing recapture of shipbuilders' profits, salaries of $25,000, apparently per person, and without limit as to number of persons, may be deducted. If that is the correct interpretation, it will be the shipbuilders, and not the Government, who will do the "recapturing." If that interpretation is not correct, the section should be amended to make the language clear.

Sixth. Under section 522 (a), 20-year contracts are still permissible, entirely too long a period.

Seventh. The construction differential subsidy is still based on difference between foreign and domestic construction costs, a figure impossible of accurate ascertainment.

Eighth. The operating-differential subsidy is still based on difference between foreign and domestic operating costs, impossible of accurate computation.

Ninth. Under section 522 (f), it is still possible to pay an operating subsidy on ships over 20 years of age; we will never get a merchant marine that way, as we need new, up-to-date ships that can compete.

Tenth. Under section 522 (g), we find a cleverly worded sentence which purports to eliminate subsidies to industrial carriers (concerns which carry their own products extensively), but as a matter of fact would probably not eliminate a single industrial carrier, due to the sly requirement of 50 percent of whole cargo carried "both inbound and outbound." To accomplish the proper result, change the word "both" to "either".

Eleventh. Under section 524 (b), (d), (e), and (f), the Government's right to readjust overpayments is hedged around by requirements which will cause extensive and prolonged litigation, but under section 525 (b) the owner receiving a subsidy can "slide out from under" by merely deciding himself that he wants to quit and giving 120 days notice of such intention. There should be developed some fair terms for cancelation, available to the operator and the Government alike on same terms, to be fair to the taxpayers.

Twelfth. Under section 530 (c), the term "true investment" is introduced, and it is most ambiguous. It is so impossible of ascertainment that it should never be used. To have the Government's right of recapture depend upon such a term will mean endless litigation instead of recapture of profits for Uncle Sam. This clause appears designed to admit that recapture of excessive profits is a necessary corollary of any subsidy system, but then proceeds to nullify it.

Thirteenth. Under section 533 (a), paragraph 1, the accounting protection is again, as in the Bland bill, limited by the words "relating to", which will enable concealment of pertinent information; the insistence on retaining these qualifying words leads to the conclusion that such is the purpose.

Fourteenth. Under section 535 (a), the word "competitive" will cause endless trouble and controversy. If capable of exact definition, it should be clearly defined in the act; otherwise it should be eliminated. Its retention means possibility of expenditure of taxpayers' money for lines which are in fact competing, but which, under the wording of the act, could be construed as not competing.

Fifteenth. Under section 536, as in the Bland bill, corporate surety is not required. The actual experience with personal surety should demand that the act be so worded as to require corporate surety, instead of making any type of surety discretionary with the Authority.

Sixteenth. Under section 702 (b), a useless organization known as the "Joint Transportation Board" is still provided. An aggressive Authority could easily assume the duties this Board is asked to perform.

Seventeenth. Section 804 of the Bland bill is eliminated from the Senate bill—this was the labor amendment adopted by the House. Although the difference in wages is held up as the major cause of the necessity for an operating subsidy, the "shipping boys" evidently object to a definite provision to provide that such difference, duly paid for by the taxpayers, shall actually go to the American seamen. Minimum wage and manning scale provisions are essential if seamen are to be raised from the slave status.

Eighteenth. Section 1101 reminds us that there is still no limit to the cost of this bill; no one can even approximately guess the burden to be placed on the American taxpayers.

Nineteenth. Under section 702 (b) we find the phrase "fair actual value" in connection with the terms of requisition of vessels in time of war. Why not at least provide that the Government will not have to pay more for a ship taken over in time of emergency than the Government received for that same ship when it was sold? There is a lot of complicated verbiage here which may cost the taxpayers dear in time of war.

Twentieth. Under section 1105, deferred rebates are legalized. Here is where the "little fellow" will suffer; he will not be the one who will receive these rebates.

CONCLUSION

The fact that the "shipping boys" merely throw one bad bill after another at this Congress leads to only one conclusion, and that is that they hope one of them will get by in the hasty consideration of legislation in the closing days, but in event that does not materialize they have the present status, which is not at all bad for them, as evidenced by the Black Senate Committee disclosures. Right now they are milking the Treasury of nearly $30,000,000 annually, and are using part of that very money to pay for a lobby to get more money from the American taxpayer.

The following constructive program is submitted to the American Congress, based upon the facts that (1) we must have a merchant marine, and (2) private interests cannot, or will not, provide such merchant marine as we need except upon a "steal" basis:

First, pass a resolution at this session of Congress which (a) cancels the existing ocean mail contracts as of some definite future date, as, for example, March 31, 1936, and (b) authorize the President to create a Maritime Authority or Commission to study the problem and present definite recommendations for legislation to Congress on the opening day of the next session; and second, Members of Congress could study H. R. 7981 during the recess, a bill presented by me which in my opinion will actually provide an American merchant marine.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. MORAN. I yield.

Mr. FITZPATRICK. Does the gentleman believe that our merchant marine could compete with other countries without a subsidy?

Mr. MORAN. I believe it is entirely possible to develop a system of financial aid to our merchant marine.

Mr. FITZPATRICK. In what way?

Mr. MORAN. I want to restrict my remarks to this resolution. I refer the gentleman to H. R. 7981, a 60-page bill that I introduced, which gives my views on that subject.

Mr. FITZPATRICK. That would be Government-operated steamships?

Mr. MORAN. No; it does not provide for Government operation, contrary to the statements made on the floor many times.

Mr. CONNERY. Will the gentleman yield?

Mr. MORAN. I yield.

Mr. CONNERY. Suppose we vote for this resolution, does it give the President the power to cancel these contracts?

Mr. MORAN. The President now has discretionary power to cancel these contracts.

Mr. CONNERY. Suppose we vote down the resolution, would that take that power away from him?

Mr. MORAN. If you vote down the present resolution, to my mind, you have created a psychological condition whereby this House says that we should not continue the present status quo system—pushing on and on the present system.

Mr. CONNERY. Suppose we vote it down and the President did not cancel them, what happens then?

Mr. MORAN. The contracts continue until Congress enacts necessary legislation to change the present situation.

Mr. McFARLANE. Will the gentleman yield there?

Mr. MORAN. I yield.

Mr. McFARLANE. If we do vote it down it will be the same as writing a letter to the President and letting him know that we think he ought to cancel them now?

Mr. MORAN. I will say I think the gentleman is exactly correct. [Applause.]

[Here the gavel fell.]

Mr. BLAND. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, there is not the slightest suggestion of partisan politics involved in this resolution. It is merely a simple question of policy which, when understood, permits of but one sensible answer. In the first place, the question of whether or not any of these contracts or all of these contracts were fraudulently initiated has nothing whatsoever to do with the question. If those contracts are fraudulent they are subject to cancelation because they are void ab initio, without any legislation, without any delegation of power to the President at all. But lest there be any question as to the right of canceling a fraudulent contract, this resolution, notwithstanding the President's discretion, over these ocean mail contracts, contains this proviso:

*Provided*, That the right of the United States to annul any fraudulent or illegal contract or to institute suit to recover sums paid thereon is in no manner affected by this joint resolution.

So you are not taking any right away from the Government of the United States to cancel a contract and recover whatever was received from the Government by reason of the fraud. The question is simply this: The President requested the right to deal, in his discretion, with these ocean mail contracts; to modify them, to cancel them, or to take any action with respect thereto which commended itself to him as conducive to the best interests of the United States.

The idea of the President, as stated in his message at the beginning of this session of Congress, was that some merchant marine bill extending Government aid on an equitable basis and eliminating opportunity for fraud or overreaching should be passed; that these ocean mail contracts, if they were valid, should be on equitable terms merged in the provisions of the proposed merchant marine bill. It is obvious that at this session no merchant marine bill can be passed. It is utterly idle to discuss the merits of the various merchant marine bills that have been under consideration.

The question now is, Shall the President continue to have in his control these contracts, to exercise his discretion with respect thereto, or shall this House deny to the President further right to deal with this question and force him against his will on the 31st of October either to cancel these contracts or to lose his right over the cancelation of them?

[Here the gavel fell.]

Mr. BLAND. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey.

Mr. LEHLBACH. In this respect I, as a minority representative on the Committee on the Merchant Marine and Fisheries, am perfectly willing to trust the President with the further exercise of this discretion; and I have not heard from anyone opposing this resolution any valid reason why this discretion should now be withdrawn from the President and he be denied this right to keep the matter within his control.

If this resolution is not passed, he must either cancel the contracts before the 31st of October or lose his right to deal with them. If he cancels the contracts, in the absence of anything to substitute for them, every pound of mail emanating from the United States for an overseas destination anywhere in the world will be carried by foreign ships. The American flag will cease to fly on the high seas carrying American commerce to the ports of the world. Do not fool yourselves; this will be the result of such cancelation. The President knows it and he does not want to be forced to do it. If he cancels, our fleets are laid up, and it will initiate 45 of the most bitterly contested lawsuits in the courts of the United States. If, with this condition staring him in the face, he fails to exercise his option and cancels on or before the 31st of October, he will have taken from him his right to deal with and to control these contractors.

For what reason in the name of heaven do you want to deprive the President of the right to protect the interests of this country with respect to ocean mail contracts, which right you have heretofore given him? Why are you willing to deprive him of that right? I want to ask you why on earth at the eleventh hour of this session you show such utter lack of confidence in your Chief Executive?

Mr. FITZPATRICK. Will the gentleman yield that I may answer the question?

Mr. LEHLBACH. Yes.

Mr. FITZPATRICK. So as to help the foreign shipping companies get control of the seas. That would be the only reason for the cancelation of these contracts.

Mr. LEHLBACH. And it is inconceivable that anyone who wants to see the American flag on the high seas should be against this resolution.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. JOHNSON of Oklahoma. Is it not true that the Post Office Department, in an official report to the President of the United States, said that 44 of these contracts were fraudulent?

Mr. LEHLBACH. I do not know; but if they said so, and anybody believes it, these contracts are cancelable without this resolution at all, because they are void ab initio.

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. SUMNERS of Texas. If this resolution is passed, the President would, in effect, have the privilege of making new contracts which would not be fraudulent.

Mr. LEHLBACH. Surely. He can modify existing contracts.

Mr. SUMNERS of Texas. So the House will get this clear, what we have got to do is to appreciate the fact that some contract has got to be made, and the President must be empowered to make contracts free of fraud. Is that what is sought?

Mr. LEHLBACH. Surely. This is the situation: The President now has within his control these contracts and the activities that are carried on under them.

Mr. SUMNERS of Texas. But only to cancel; is not that so?

Mr. LEHLBACH. Unless this resolution is adopted, after the 31st of October he loses control of the situation. That is all there is involved in the resolution.

Mr. WEARIN. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, there seems to be some little confusion here as to just what this resolution does and what will happen if it does pass or if it does not pass.

The situation is simply this: The President has the authority up until the 31st of October 1935 to cancel the mail contracts if he so desires. This resolution extends the time under which he may cancel these contracts to March 31, 1936.

But, let us analyze what is supposed to be the situation if this resolution does not pass. I would have the House remember that there is not going to be the chaotic condition that has been portrayed to the extent of destroying the American merchant marine and the removal of the American flag from the high seas. We have not witnessed any development of that institution under existing subsidy legislation. The President would have the authority to cancel these contracts if he wanted to up until October 31. That should be ample time. If he does not cancel them before October 31 of this year they can continue under existing law without this resolution. If they do continue under existing law, and he does not cancel them, they can be canceled by the Department of Justice or the proper authorities because of fraud in the negotiation of the contracts on the part of the authorities in the Post Office Department during the previous administration and the shipping companies.

That is the situation. The statement that the American merchant marine will be removed from the high seas if this resolution does not pass is idle talk. The President of the United States, in my judgment, should not have the buck passed to him by this House to the extent of urging him to cancel these contracts and assume the responsibility for the ballyhoo that was perpetrated upon the American people when these mail contracts were canceled in a justifiable manner. I want you to recall this fact in connection with the legislation and the cancelation of these contracts. In placing this responsibility on the shoulders of the President he is being compelled to assume it after he has expressed to the Congress his desire that we provide a method of terminating these contracts. In another legislative body a resolution was offered yesterday for the termination of them on March 31, 1936. If that had been adopted, it would have been acceptable, because in that length of time we should have had ample opportunity to draft the necessary legislation for the preservation of the merchant marine; but the shipping interests did not want that to pass. Oh, no. Then they would be forced to agree to some kind of bill—I hope a decent one—before that date. They wanted and have come in here with the same kind of a request they came in here with before. They want the President to assume the responsibility for the cancelation of these contracts. That is what they wanted to do. By so doing they place the responsibility upon his shoulders in place of on the Congress of the United States, as the President should prefer, if he wants to protect himself and his administration from the slime that shipowners with fraudulent contracts would drag him into.

If they do not get a measure that offers enough openings for graft they will come back in here again prior to March 31, 1936, and ask you to extend the time during which the President can cancel their contracts when it is the duty of the Congress to perform that act now that fraud has been discovered in their dealings with the Government. When this legislation was considered by the Congress during this session, it was represented to this body that the President desired the particular legislation offered, but we found after its enactment in the very next day or two that he did not desire some of the unfortunate features that were incorporated in the bill. We have no assurance now that he prefers the pending resolution to one that would set a specific date for cancelation sometime following the convening of the next session of Congress. Only a short time ago a measure incorporating the necessary safeguards for the American public was introduced to keep these people who had taken hundreds of millions of dollars out of the Treasury and who have brought back to our public not a sign of an adequate merchant marine in return for their raids on the taxpayers' money. The shipping interests did not like that bill. They wanted the Congress to enact a provision with plenty of loopholes so they could crawl into a few more millions, loopholes that we endeavored to plug when the Copeland-Bland bill was before the House and were defeated in it. This town was filled with their representatives, including Ira H. Campbell, who represents the American mercantile marine and the other associates of that group who have been instrumental in urging the passage of legislation that would permit them to take from the American public an additional consignment of tax money when they have already broken faith with the American public in addition to pillaging our merchant marine.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. WEARIN. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Is it not true that one company started with $500 in capital and made profits totaling $4,640,204.42?

Mr. WEARIN. That is correct, and that is only one of the minor offenses that the Post Office Department brought out in its investigation and which another legislative body brought out in its investigation. That money had been taken out of the Treasury of the United States without the necessary American merchant marine being built. People are talking about the American flag being driven from the seas. We have scarcely more than the flag left at the end of a period of disgraceful performances under the 1928 act.

Mr. McFARLANE. Will the gentleman yield?

Mr. WEARIN. I yield to the gentleman from Texas.

Mr. McFARLANE. If the merchant marine ship lobby that is back of this resolution prevails and this resolution is adopted, how much will it cost the American taxpayers?

Mr. WEARIN. It is apt to cost them another $188,000,000, if not more.

Mr. MORAN. Will the gentleman yield?

Mr. WEARIN. I yield to the gentleman from Maine.

Mr. MORAN. Speaking about removing the American merchant marine from the sea, is it not being so practically and so effectively eliminated now that that was the reason for the Bland ship subsidy bill and that the only thing being removed was $300,000,000 from the Treasury for a proposition that does not provide for a merchant marine at all?

Mr. WEARIN. Yes.

Mr. Speaker, I want to remind the House that this resolution is not necessary to the preservation of the American merchant marine and it should be defeated. A resolution ought to be introduced in this House to provide a definite date not later than March 31, 1936, for the cancelation of these mail contracts that have been proved to be fraudulent by investigations under oath and by admissions of the men who have promoted the scandal in this country. They ought to be canceled on the basis of the fraud which has been disclosed in the investigations I have referred to.

If we pass this resolution today, which we should not do, it will, in effect, clothe this whole scandal that has been common talk throughout the land for months with the cloak of legality, and ask the President to assume the responsibility to cancel the contracts. For the reasons indicated, this resolution should be defeated in the United States Congress today and the country advised as a result of it that the Congress does not subscribe to the kind of practices that have been prevalent among shipping interests benefiting from subsidies under the 1928 act. Then we will come back at the next session of Congress knowing that we must pass some legislation of a constructive nature at the earliest possible moment.

Mr. HOUSTON. Will the gentleman yield?

Mr. WEARIN. I yield to the gentleman from Kansas.

Mr. HOUSTON. Did I understand the gentleman to say that he did not want this bill defeated?

Mr. WEARIN. Oh, no; I made the statement that this resolution should fail. It should be defeated decisively.

Mr. McFARLANE. We should defeat this resolution. As I understand it, under the rules of the House this resolution is not subject to amendment. Therefore, it should be voted down.

Mr. WEARIN. Exactly. This resolution was brought up without being sent to the Committee on Merchant Marine. It is being brought up on the last day of the session of Congress under suspension of the rules, so that it will be impossible to offer amendments in order to take care of the various situations which I have described.

Mr. MORAN. Will the gentleman yield?

Mr. WEARIN. I yield to the gentleman from Maine.

Mr. MORAN. Is it not true that an attempt was made to get a real ship subsidy bill through this Congress, the bill being presented to the Department of Commerce and presented also to the Post Office Department, and a plan worked out that resulted in a pretty fair bill, apparently, which was actually introduced into the Senate Committee on Interstate Commerce and 2 days later the bill was thrown in the wastebasket and a worse bill introduced.

Mr. WEARIN. That is exactly the situation.

Mr. DONDERO. Will the gentleman yield?

Mr. WEARIN. I yield to the gentleman from Michigan.

Mr. DONDERO. Has the President expressed himself one way or the other on this matter?

Mr. WEARIN. Not to anyone's knowledge, as far as this resolution is concerned. He has indicated that the Congress should provide a method for terminating existing ocean mail contracts and that does not mean an extension

of time during which he will be compelled to cancel them in order to stop the racket as far as I am concerned. We have an opportunity here to hasten the procedure of throwing the ship subsidy racketeers—I use this term in a complimentary way—out of the Treasury in return for the manner in which they have raided it without delivering the merchant marine they pledged us in 1928.

[Here the gavel fell.]

Mr. BLAND. Mr. Speaker, let us understand that the President now has the power to modify or cancel ocean mail contracts, and that he has had this power since the passage of the Independent Offices Appropriation Act, 1934. If you do not pass this resolution the present power expires on October 31. If you do not pass this resolution you are taking this power out of the President's hands after October 31, 1935.

If fraud existed or if the best interest of the country demanded that the President should cancel the contracts in the interest of the country, do you not believe the President would have canceled them? If you do not pass this resolution, are you not saying to the President of the United States, "We have no longer sufficient confidence in your judgment to leave this matter in your hands. We trust you no longer. The power given you must end on October 31, and you must make your election at that time."

The resolution which is before you extends the present power in the President, and then provides—

That the right of the United States to annul any fraudulent or illegal contract or to institute suit to recover sums paid thereon is in no manner affected by this joint resolution.

The resolution comes up today because it was only passed in the Senate yesterday. Senator BLACK undertook to pass an amendment to this resolution whereby the termination of the contracts should be on March 31 next. This amendment was defeated. The vote on the passage of the resolution here was—yeas 45, noes 20.

Let me present to you the statements of a man who probably knows as much about these conditions as any man in the United States, Senator BLACK, of Alabama:

Mr. TYDINGS. I suppose the reason why the President has not acted heretofore is that rather than throw the whole thing out of line he wanted some new legislation?

Mr. BLACK. The Senator is correct.

Mr. TYDINGS. So that, even though the things were irregular in some respects, it would have been a serious blow to our merchant marine to have canceled them overnight?

Mr. BLACK. The Senator is correct.

Mr. TYDINGS. Until he could find some other method of arranging the situation, the President did not want to act?

Mr. BLACK. The Senator is correct.

Then Senator BLACK says about his resolution:

I am not trying to throw this matter into a state of chaos.

Mr. MORAN. Mr. Speaker, I make the point of order that the present speaker is quoting from the Senate proceedings.

Mr. BLAND. For heaven's sake, has the Senate gotten to the place where its Senators cannot be quoted, and Senator BLACK, the great apostle of these gentlemen, cannot have his views presented for your consideration?

Mr. MORAN. Mr. Speaker, I ask for a ruling on the point of order.

Mr. O'CONNOR. Mr. Speaker, I understand the gentleman is reading from the CONGRESSIONAL RECORD.

Mr. BLAND. Yes.

Mr. O'CONNOR. And is not referring to a Senator in any disparaging manner.

Mr. BLAND. Not in the slightest—I am commending him.

Mr. MORAN. If the Speaker will refer to the discussion of the Bland bill upon the floor of the House, he will find that the same point of order was made against me—that is how I recall it—and the point of order was sustained.

The SPEAKER. The Chair reads from Jefferson's Manual, as follows:

It is a breach of order in debate to notice what has been said on the same subject in the other House, or the particular votes or majorities on it there; because the opinion of each House should be left to its own independency, not to be influenced by the proceedings of the other; and the quoting them might beget reflections leading to a misunderstanding between the two Houses.

Mr. BLAND. I beg the Chair's pardon.

The SPEAKER. The Chair is of the opinion that the point of order is well taken. The gentleman from Virginia will proceed in order.

Mr. BLAND. The situation, Mr. Speaker, is that unless we continue these contracts, one of two things follows: Either the President will lose, after October 31, the right he has to modify or cancel, or he must modify or cancel these contracts and bring about chaos with nothing in place of the present situation.

I presume I may quote from the President's own message sent here in March, in which he asked that a subsidy bill be given him in order that he might be able to have something with which to trade, something to save the situation, something that would prevent the peril to the American merchant marine that you are bringing about now.

I submit that a vote against this resolution is a vote of no confidence in the President of the United States and his ability to work out these problems. I believe the matter should remain in his hands. He can cancel or modify now, he can cancel or modify in October, and if this is passed he can cancel or modify at any time up to March 30. As the gentleman from New Jersey has said, if fraud exists the contract is void ab initio, and no resolution of this kind is needed. Any lawyer in this House will confirm this statement.

I ask you to vote for this resolution. [Applause.]

The SPEAKER. The question is on the motion of the gentleman from Virginia to suspend the rules and pass the joint resolution.

The question was taken; and on a division (demanded by Mr. BLAND) there were—91 ayes and 61 noes.

Mr. BLAND. Mr. Speaker, I object to the vote on the ground that no quorum is present.

The SPEAKER. The Chair will count. [After counting.] One hundred and eighty-two Members are present, not a quorum.

The doors were closed, the Sergeant at Arms directed to notify absent Members, and the Clerk called the roll.

The question was taken; and there were—yeas 192, nays 126, not voting 112, as follows:

[Roll No. 197]

YEAS—192

| | | | |
|---|---|---|---|
| Andresen | Crowther | Greenwood | Mead |
| Andrews, N. Y. | Culkin | Gwynne | Merritt, Conn. |
| Arnold | Cullen | Halleck | Merritt, N. Y. |
| Bacon | Daly | Hancock, N. Y. | Millard |
| Beiter | Darrow | Hancock, N. C. | Montet |
| Blackney | Delaney | Harlan | Mott |
| Bland | Dempsey | Harter | O'Connor |
| Bloom | Dickstein | Hartley | O'Leary |
| Boland | Dies | Healey | O'Neal |
| Bolton | Dingell | Hennings | Owen |
| Boykin | Ditter | Hess | Palmisano |
| Boylan | Dondero | Higgins, Conn. | Peterson, Fla. |
| Brooks | Doutrich | Hill, Ala. | Peterson, Ga. |
| Brown, Ga. | Doxey | Hill, Samuel B. | Pettengill |
| Brown, Mich. | Drewry | Hobbs | Pfeifer |
| Brunner | Driscoll | Hoeppel | Plumley |
| Buchanan | Driver | Holmes | Powers |
| Buckley, N. Y. | Duffy, N. Y. | Huddleston | Quinn |
| Burch | Eagle | Imhoff | Rabaut |
| Burnham | Eckert | Jenckes, Ind. | Ramspeck |
| Caldwell | Ekwall | Jenkins, Ohio | Ransley |
| Carmichael | Ellenbogen | Kahn | Rayburn |
| Cary | Engel | Kenney | Reed, Ill. |
| Casey | Englebright | Kinzer | Reed, N. Y. |
| Castellow | Evans | Knutson | Rich |
| Cavicchia | Farley | Kocialkowski | Richardson |
| Celler | Fenerty | Lanham | Risk |
| Chapman | Fiesinger | Lehlbach | Robinson, Utah |
| Christianson | Fitzpatrick | Lesinski | Rogers, Mass. |
| Church | Flannagan | Lewis, Colo. | Russell |
| Citron | Focht | Lloyd | Sanders, La. |
| Colden | Ford, Calif. | Lord | Sandlin |
| Cole, Md. | Gasque | McAndrews | Seger |
| Cole, N. Y. | Gavagan | McGrath | Shanley |
| Colmer | Gearhart | McLean | Short |
| Connery | Gildea | McReynolds | Sirovich |
| Cooper, Ohio | Goldsborough | Mahon | Sisson |
| Cox | Granfield | Maloney | Smith, Conn. |
| Crosby | Gray, Pa. | Mapes | Smith, Va. |
| Cross, Tex | Green | Marshall | Snell |
| Crowe | Greenway | Martin, Mass. | Somers, N. Y. |

| | | | |
|---|---|---|---|
| Spence | Thomas | Wadsworth | Wilcox |
| Starnes | Tinkham | Walter | Wilson, La. |
| Steagall | Tolan | Warren | Wilson, Pa. |
| Stewart | Tonry | Welch | Wolcott |
| Sumners, Tex. | Turpin | West | Wolfenden |
| Taber | Umstead | Whelchel | Wolverton |
| Thom | Vinson, Ga. | Wigglesworth | Woodruff |

NAYS—126

| | | | |
|---|---|---|---|
| Adair | Ford, Miss. | McSwain | Sanders, Tex. |
| Amlie | Fuller | Marcantonio | Sauthoff |
| Ashbrook | Gehrmann | Martin, Colo. | Schaefer |
| Ayers | Gingery | Mason | Schneider |
| Barden | Gray, Ind. | Massingale | Schuetz |
| Binderup | Greever | Maverick | Scott |
| Bolleau | Gregory | May | Scrugham |
| Brennan | Griswold | Mecks | Sears |
| Buck | Guyer | Michener | Secrest |
| Buckler, Minn. | Hildebrandt | Miller | South |
| Burdick | Hope | Mitchell, Tenn. | Stack |
| Cannon, Wis | Houston | Monaghan | Stefan |
| Carlson | Hull | Moran | Tarver |
| Carpenter | Jacobsen | Moritz | Taylor, Colo. |
| Cartwright | Johnson, Okla. | Murdock | Taylor, S. C. |
| Coffee | Johnson, Tex. | Nichols | Taylor, Tenn. |
| Cooley | Johnson, W. Va. | O'Connell | Terry |
| Cooper, Tenn. | Jones | O'Day | Thomason |
| Costello | Kee | Parsons | Thompson |
| Cravens | Keller | Patman | Turner |
| Crosser, Ohio | Kloeb | Patterson | Utterback |
| Cummings | Kvale | Pearson | Vinson, Ky. |
| Deen | Larrabee | Pierce | Wallgren |
| Dobbins | Lea, Calif. | Pittenger | Wearin |
| Doughton | Lewis, Md. | Polk | White |
| Duffey, Ohio | Luckey | Ramsay | Whittington |
| Duncan | Ludlow | Randolph | Williams |
| Dunn, Pa. | McClellan | Rankin | Withrow |
| Edmiston | McFarlane | Richards | Wood |
| Faddis | McGehee | Ryan | Zioncheck |
| Ferguson | McKeough | Sabath | |
| Fletcher | McLaughlin | Sadowski | |

NOT VOTING—112

| | | | |
|---|---|---|---|
| Allen | Dirksen | Kerr | Perkins |
| Andrew, Mass. | Disney | Kimball | Peyser |
| Arends | Dockweiler | Kleberg | Reece |
| Bacharach | Dorsey | Kniffin | Reilly |
| Bankhead | Dunn, Miss. | Kopplemann | Robertson |
| Beam | Eaton | Kramer | Robsion, Ky. |
| Bell | Eicher | Lambertson | Rogers, N. H. |
| Berlin | Fernandez | Lambeth | Rogers, Okla. |
| Biermann | Fish | Lamneck | Romjue |
| Blanton | Frey | Lee, Okla. | Rudd |
| Boehne | Fulmer | Lemke | Schulte |
| Brewster | Gambrill | Lucas | Shannon |
| Buckbee | Gassaway | Lundeen | Smith, Wash. |
| Bulwinkle | Gifford | McCormack | Smith, W. Va. |
| Cannon, Mo. | Gilchrist | McGroarty | Snyder |
| Carter | Gillette | McLeod | Stubbs |
| Chandler | Goodwin | McMillan | Sullivan |
| Claiborne | Haines | Maas | Sutphin |
| Clark, Idaho | Hamlin | Mansfield | Sweeney |
| Clark, N. C. | Hart | Mitchell, Ill. | Thurston |
| Cochran | Higgins, Mass. | Montague | Tobey |
| Collins | Hill, Knute | Nelson | Treadway |
| Corning | Hoffman | Norton | Underwood |
| Crawford | Hollister | O'Brien | Weaver |
| Darden | Hook | Oliver | Werner |
| Dear | Kelly | O'Malley | Woodrum |
| DeRouen | Kennedy, Md. | Parks | Young |
| Dietrich | Kennedy, N. Y. | Patton | Zimmerman |

So (two-thirds not having voted in favor thereof) the motion to suspend the rules was lost.

The following pairs were announced:

Additional general pairs:

Mr. Boehne with Mr. Blackney.
Mr. Kelly with Mr. Werner.
Mr. Beam with Mr. Disney.
Mr. Reilly with Mr. Cannon of Missouri.
Mr. Dorsey with Mr. Kopplemann.
Mr. Lambeth with Mr. Young.
Mr. Zimmerman with Mr. Dear.

The result of the vote was announced as above recorded.

The doors were opened.

EXTENSION OF REMARKS

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that my colleague [Mr. McCORMACK] may have leave to extend his remarks and include therein a letter and an address by Franklin Hobbs.

Mr. RICH. Reserving the right to object, who is Franklin Hobbs?

Mr. CONNERY. He is a good Republican and has always been a good Republican.

Mr. RICH. On what subject?

Mr. CONNERY. An analysis of the situation today and a very short speech of one page or a little more, and a letter written to Mr. McCORMACK.

Mr. RICH. He ought to be a good Republican, but I will have to object.

THE PUBLIC-UTILITY BILL

Mr. RAYBURN. Mr. Speaker, I call up a conference report on the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That this Act may be cited as the 'Public Utility Act of 1935'.

"TITLE I—CONTROL OF PUBLIC UTILITY HOLDING COMPANIES

"NECESSITY FOR CONTROL OF HOLDING COMPANIES

"SECTION 1. (a) Public-utility holding companies and their subsidiary companies are affected with a national public interest in that, among other things, (1) their securities are widely marketed and distributed by means of the mails and instrumentalities of interstate commerce and are sold to a large number of investors in different States; (2) their service, sales, construction, and other contracts and arrangements are often made and performed by means of the mails and instrumentalities of interstate commerce; (3) their subsidiary public-utility companies often sell and transport gas and electric energy by the use of means and instrumentalities of interstate commerce; (4) their practices in respect of and control over subsidiary companies often materially affect the interstate commerce in which those companies engage; (5) their activities extending over many States are not susceptible of effective control by any State and make difficult, if not impossible, effective State regulation of public-utility companies.

"(b) Upon the basis of facts disclosed by the reports of the Federal Trade Commission made pursuant to S. Res. 83 (Seventieth Congress, first session,) the reports of the Committee on Interstate and Foreign Commerce, House of Representatives, made pursuant to H. Res. 59 (Seventy-second Congress, first session) and H. J. Res. 572 (Seventy-second Congress, second session) and otherwise disclosed and ascertained, it is hereby declared that the national public interest, the interest of investors in the securities of holding companies and their subsidiary companies and affiliates, and the interest of consumers of electric energy and natural and manufactured gas, are or may be adversely affected—

"(1) when such investors cannot obtain the information necessary to appraise the financial position or earning power of the issuers, because of the absence of uniform standard accounts; when such securities are issued without the approval or consent of the States having jurisdiction over subsidiary public-utility companies; when such securities are issued upon the basis of fictitious or unsound asset values having no fair relation to the sums invested in or the earning capacity of the properties and upon the basis of paper profits from intercompany transactions, or in anticipation of excessive revenues from subsidiary public-utility companies; when such securities are issued by a subsidiary public-utility company under circumstances which subject such company to the burden of supporting an overcapitalized structure and tend to prevent voluntary rate reductions;

"(2) when subsidiary public-utility companies are subjected to excessive charges for services, construction work, equipment, and materials, or enter into transactions in which evils result from an absence of arm's-length bargaining or from restraint of free and independent competition; when service, management, construction, and other contracts involve the allocation of charges among subsidiary public-utility companies in different States so as to present problems of regulation which cannot be dealt with effectively by the States;

"(3) when control of subsidiary public-utility companies affects the accounting practices and rate, dividend, and other policies of such companies so as to complicate and obstruct State regulation of such companies, or when control of such companies is exerted through disproportionately small investment;

"(4) when the growth and extension of holding companies bears no relation to economy of management and operation or the integration and coordination of related operating properties; or

"(5) when in any other respect there is lack of economy of management and operation of public-utility companies or lack of efficiency and adequacy of service rendered by such companies, or lack of effective public regulation, or lack of economies in the raising of capital.

"(c) When abuses of the character above enumerated become persistent and widespread the holding company becomes an agency which, unless regulated, is injurious to investors, consumers, and the general public; and it is hereby declared to be the policy of this title, in accordance with which policy all the provisions of this title shall be interpreted, to meet the problems and eliminate the evils as enumerated in this section, connected with public-utility holding companies which are engaged in interstate commerce or in activities which directly affect or burden interstate commerce; and for the purpose of effectuating such policy to compel the simplification of public-utility holding-company systems and the elimination therefrom of properties detrimental to the proper functioning of such systems, and to provide as soon as practicable for the elimination of public-utility holding companies except as otherwise expressly provided in this title.

"DEFINITIONS

"SEC. 2. (a) When used in this title, unless the context otherwise requires—

"(1) 'Person' means an individual or company.

"(2) 'Company' means a corporation, a partnership, an association, a joint-stock company, a business trust, or an organized group of persons, whether incorporated or not; or any receiver, trustee, or other liquidating agent of any of the foregoing in his capacity as such.

"(3) 'Electric utility company' means any company which owns or operates facilities used for the generation, transmission, or distribution of electric energy for sale, other than sale to tenants or employees of the company operating such facilities for their own use and not for resale. The Commission, upon application, shall by order declare a company operating any such facilities not to be an electric utility company if the Commission finds that (A) such company is primarily engaged in one or more businesses other than the business of an electric utility company, and by reason of the small amount of electric energy sold by such company it is not necessary in the public interest or for the protection of investors or consumers that such company be considered an electric utility company for the purposes of this title, or (B) such company is one operating within a single State, and substantially all of its outstanding securities are owned directly or indirectly by another company to which such operating company sells or furnishes electric energy which it generates; such other company uses and does not resell such electric energy, is engaged primarily in manufacturing (other than the manufacturing of electric energy or gas) and is not controlled by any other company; and by reason of the small amount of electric energy sold or furnished by such operating company to other persons it is not necessary in the public interest or for the protection of investors or consumers that it be considered an electric utility company for the purposes of this title. The filing of an application hereunder in good faith shall exempt such company (and the owner of the facilities operated by such company) from the application of this paragraph until the Commission has acted upon such application. As a condition to the entry of any such order, and as a part thereof, the Commission may require application to be made periodically for a renewal of such order, and may require the filing of such periodic or special reports regarding the business of the company as the Commission may find necessary or appropriate to insure that such company continues to be entitled to such exemption during the period for which such order is effective. The Commission, upon its own motion or upon application, shall revoke such order whenever it finds that the conditions specified in clause (A) or (B) are not satisfied in the case of such company. Any action of the Commission under the preceding sentence shall be by order. Application under this paragraph may be made by the company in respect of which the order is to be issued or by the owner of the facilities operated by such company. Any order issued under this paragraph shall apply equally to such company and such owner. The Commission may by rules or regulations conditionally or unconditionally provide that any specified class or classes of companies which it determines to satisfy the conditions specified in clause (A) or (B), and the owners of the facilities operated by such companies, shall not be deemed electric utility companies within the meaning of this paragraph.

"(4) 'Gas utility company' means any company which owns or operates facilities used for the distribution at retail (other than distribution only in enclosed portable containers, or distribution to tenants or employees of the company operating such facilities for their own use and not for resale) of natural or manufactured gas for heat, light, or power. The Commission, upon application, shall by order declare a company operating any such facilities not to be a gas utility company if the Commission finds that (A) such company is primarily engaged in one or more businesses other than the business of a gas utility company, and (B) by reason of the small amount of natural or manufactured gas distributed at retail by such company it is not necessary in the public interest or for the protection of investors or consumers that such company be considered a gas utility company for the purposes of this title. The filing of an application hereunder in good faith shall exempt such company (and the owner of the facilities operated by such company) from the application of this paragraph until the Commission has acted upon such application. As a condition to the entry of any such order, and as a part thereof, the Commission may require application to be made periodically for a renewal of such order, and may require the filing of such periodic or special reports regarding the business of the company as the Commission may find necessary or appropriate to insure that such company continues to be entitled to such exemption during the period for which such order is effective. The Commission, upon its own motion or upon application, shall revoke such order whenever it finds that the conditions specified in clauses (A) and (B) are not satisfied in the case of such company. Any action of the Commission under the preceding sentence shall be by order. Application under this paragraph may be made by the company in respect of which the order is to be issued or by the owner of the facilities operated by such company. Any order issued under this paragraph shall apply equally to such company and such owner. The Commission may by rules or regulations conditionally or unconditionally provide that any specified class or classes of companies which it determines to satisfy the conditions specified in clauses (A) and (B), and the owners of the facilities operated by such companies, shall not be deemed gas utility companies within the meaning of this paragraph.

"(5) 'Public-utility company' means an electric utility company or a gas utility company.

"(6) 'Commission' means the Securities and Exchange Commission.

"(7) 'Holding company' means—

"(A) any company which directly or indirectly owns, controls, or holds with power to vote, 10 per centum or more of the outstanding voting securities of a public-utility company or of a company which is a holding company by virtue of this clause or clause (B), unless the Commission, as hereinafter provided, by order declares such company not to be a holding company; and

"(B) any person which the Commission determines, after notice and opportunity for hearing, directly or indirectly to exercise (either alone or pursuant to an arrangement or understanding with one or more other persons) such a controlling influence over the management or policies of any public-utility or holding company as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that such person be subject to the obligations, duties, and liabilities imposed in this title upon holding companies.

The Commission, upon application, shall by order declare that a company is not a holding company under clause (A) if the Commission finds that the applicant (i) does not, either alone or pursuant to an arrangement or understanding with one or more other persons, directly or indirectly control a public-utility or holding company either through one or more intermediary persons or by any means or device whatsoever, (ii) is not an intermediary company through which such control is exercised, and (iii) does not, directly or indirectly, exercise (either alone or pursuant to an arrangement or understanding with one or more other persons) such a controlling influence over the management or policies of any public-utility or holding company as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that the applicant be subject to the obligations, duties, and liabilities imposed in this title upon holding companies. The filing of an application hereunder in good faith by a company other than a registered holding company shall exempt the applicant from any obligation, duty, or liability imposed in this title upon the applicant as a holding company, until the Commission has acted upon such application. Within a reasonable time after the receipt of any application hereunder, the Commission shall enter an order granting, or, after notice and opportunity for hearing, denying or otherwise disposing of, such application. As a condition to the entry of any order granting such application and as a part of any such order, the Commission may require the applicant to apply periodically for a renewal of such order and to do or refrain from doing such acts or things, in respect of exercise of voting rights, control over proxies, designation of officers and directors, existence of interlocking officers, directors and other relationships, and submission of periodic or special reports regarding affiliations or intercorporate relationships of the applicant, as the Commission may find necessary or appropriate to ensure that in the case of the applicant the conditions specified in clauses (i), (ii), and (iii) are satisfied during the period for which such order is effective. The Commission, upon its own motion or upon application of the company affected, shall revoke the order declaring such company not to be a holding company whenever in its judgment any condition specified in clause (i), (ii), or (iii) is not satisfied in the case of such company, or modify the terms of such order whenever in its judgment such modification is necessary to ensure that in the case of such company the conditions specified in clauses (i), (ii), and (iii) are satisfied during the period for which such order is effective. Any action of the Commission under the preceding sentence shall be by order.

"(8) 'Subsidiary company' of a specified holding company means—

"(A) any company 10 per centum or more of the outstanding voting securities of which are directly or indirectly owned, controlled, or held with power to vote, by such holding company (or by a company that is a subsidiary company of such holding company by virtue of this clause or clause (B)), unless the Commission, as hereinafter provided, by order declares such company not to be a subsidiary company of such holding company; and

"(B) any person the management or policies of which the Commission, after notice and opportunity for hearing, determines to be subject to a controlling influence, directly or indirectly, by such holding company (either alone or pursuant to an arrangement or understanding with one or more other persons) so as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that such person be subject to the obligations, duties, and liabilities imposed in this title upon subsidary companies of holding companies.

The Commission, upon application, shall by order declare that a company is not a subsidiary company of a specified holding company under clause (A) if the Commission finds that (i) the applicant is not controlled, directly or indirectly, by such holding company (either alone or pursuant to an arrangement or understanding with one or more other persons) either through one or more intermediary persons or by any means or device whatsoever, (ii) the applicant is not an intermediary company through which such control of another company is exercised, and (iii) the management or policies of the applicant are not subject to a controlling influence, directly or indirectly, by such holding company (either alone or pursuant to an arrangement or understanding with one or more other persons) so as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that the applicant be subject to the obligations, duties, and liabilities imposed in this title upon subsidiary companies of holding companies. The filing of an application hereunder in good faith shall exempt the applicant from any obligation, duty, or liability imposed in this title upon the applicant as a subsidiary company of such specified holding company until the Commission has acted upon such application. Within a reasonable time after the receipt of any application hereunder, the Commission shall enter an order granting, or, after notice and opportunity for hearing, denying or otherwise disposing of such application. As a condition to the entry of, and as a part of, any order granting such application, the Commission may require the applicant to apply periodically for a renewal of such order and to file such periodic or special reports regarding the affiliations or intercorporate relationships of the applicant as the Commission may find necessary or appropriate to enable it to determine whether in the case of the applicant the conditions specified in clauses (i), (ii), and (iii) are satisfied during the period for which such order is effective. The Commission, upon its own motion or upon application, shall revoke the order declaring such company not to be a subsidiary company whenever in its judgment any condition specified in clause (i), (ii), or (iii) is not satisfied in the case of such company, or modify the terms of such order whenever in its judgment such modification is necessary to ensure that in the case of such company the condition specified in clauses (i), (ii), and (iii) are satisfied during the period for which such order is effective. Any action of the Commission under the preceding sentence shall be by order. Any application under this paragraph may be made by the holding company or the company in respect of which the order is to be entered, but as used in this paragraph the term "applicant" means only the company in respect of which the order is to be entered.

"(9) 'Holding-company system' means any holding company, together with all its subsidiary companies, and all mutual service companies (as defined in paragraph (13) of this subsection) of which such holding company or any subsidiary company thereof is a member company (as defined in paragraph (14) of this subsection).

"(10) 'Associate company' of a company means any company in the same holding-company system with such company.

"(11) 'Affiliate' of a specified company means—

"(A) any person that directly or indirectly owns, controls, or holds with power to vote, 5 per centum or more of the outstanding voting securities of such specified company;

"(B) any company 5 per centum or more of whose outstanding voting securities are owned, controlled, or held with power to vote, directly or indirectly, by such specified company;

"(C) any individual who is an officer or director of such specified company, or of any company which is an affiliate thereof under clause (A) of this paragraph; and

"(D) any person or class of persons that the Commission determines, after appropriate notice and opportunity for hearing, to stand in such relation to such specified company that there is liable to be such an absence of arm's-length bargaining in transactions between them as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that such person be subject to the obligations, duties, and liabilities imposed in this title upon affiliates of a company.

"(12) 'Registered holding company' means a person whose registration is in effect under section 5.

"(13) 'Mutual service company' means a company approved as a mutual service company under section 13.

"(14) 'Member company' means a company which is a member of an association or group of companies mutually served by a mutual service company.

"(15) 'Director' means any director of a corporation or any individual who performs similar functions in respect of any company.

"(16) 'Security' means any note, draft, stock, treasury stock, bond, debenture, certificate of interest or participation in any profit-sharing agreement or in any oil, gas, other mineral royalty or lease, any collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, receiver's or trustee's certificate, or, in general, any instrument commonly known as a 'security'; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guaranty of, assumption of liability on, or warrant or right to subscribe to or purchase, any of the foregoing.

"(17) 'Voting security' means any security presently entitling the owner or holder thereof to vote in the direction or management of the affairs of a company, or any security issued under or pursuant to any trust, agreement, or arrangement whereby a trustee or trustees or agent or agents for the owner or holder of such security are presently entitled to vote in the direction or management of the affairs of a company; and a specified per centum of the outstanding voting securities of a company means such amount of the outstanding voting securities of such company as entitles the holder or holders thereof to cast said specified per centum of the aggregate votes which the holders of all the outstanding voting securities of such company are entitled to cast in the direction or management of the affairs of such company.

"(18) 'Utility assets' means the facilities, in place, of any electric utility company or gas utility company for the production, transmission, transportation, or distribution of electric energy or natural or manufactured gas.

"(19) 'Service contract' means any contract, agreement, or understanding whereby a person undertakes to sell or furnish, for a charge, any managerial, financial, legal, engineering, purchasing, marketing, auditing, statistical, advertising, publicity, tax, research, or any other service, information, or data.

"(20) 'Sales contract' means any contract, agreement, or understanding whereby a person undertakes to sell, lease, or furnish, for a charge, any goods, equipment, materials, supplies, appliances, or similar property. As used in this paragraph the term 'property' does not include electric energy or natural or manufactured gas.

"(21) 'Construction contract' means any contract, agreement, or understanding for the construction, extension, improvement, maintenance, or repair of the facilities or any part thereof of a company for a charge.

"(22) 'Buy', 'acquire', 'acquisition', or 'purchase' includes any purchase, acquisition by lease, exchange, merger, consolidation, or other acquisition.

"(23) 'Sale' or 'sell' includes any sale, disposition by lease, exchange or pledge, or other disposition.

"(24) 'State' means any State of the United States or the District of Columbia.

"(25) 'United States', when used in a geographical sense, means the States.

"(26) 'State commission' means any commission, board, agency, or officer, by whatever name designated, of a State, municipality, or other political subdivision of a State which under the law of such State has jurisdiction to regulate public-utility companies.

"(27) 'State securities commission' means any commission, board, agency, or officer, by whatever name designated, other than a State commission as defined in paragraph (26) of this subsection, which under the law of a State has jurisdiction to regulate, approve, or control the issue or sale of a security by a company.

"(28) 'Interstate commerce' means trade, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof.

"(29) 'Integrated public-utility system' means—

"(A) As applied to electric utility companies, a system consisting of one or more units of generating plants and/or transmission lines and/or distributing facilities, whose utility assets, whether owned by one or more electric utility companies, are physically interconnected or capable of physical interconnection and which under normal conditions may be economically operated as a single interconnected and coordinated system confined in its operations to a single area or region, in one or more States, not so large as to impair (considering the state of the art and the area or region affected) the advantages of localized management, efficient operation, and the effectiveness of regulation; and

"(B) As applied to gas utility companies, a system consisting of one or more gas utility companies which are so located and related that substantial economies may be effectuated by being operated as a single coordinated system confined in its operations to a single area or region, in one or more States, not so large as to impair (considering the state of the art and the area or region affected) the advantages of localized management, efficient operation, and the effectiveness of regulation: *Provided,* That gas utility companies deriving natural gas from a common source of supply may be deemed to be included in a single area or region.

"(b) No person shall be deemed to be a holding company under clause (B) of paragraph (7) of subsection (a), or a subsidiary company under clause (B) of paragraph (8) of such subsection, or an affiliate under clause (D) of paragraph (11) of such subsection, unless the Commission, after appropriate notice and opportunity for hearing, has issued an order declaring such person to be a holding company, a subsidiary company, or an affiliate, or declaring a class of which such person is a member to be affiliates. Such an order shall not become effective for at least thirty days after the mailing of a copy thereof to the person thereby declared to be a holding company, subsidiary company, or affiliate; or, in the case of determination of affiliates by classes, until at least thirty days after appropriate publication thereof in such manner as the Commission shall determine. Whenever the Commission, on its own motion or upon application by the person declared to be a holding company, subsidiary company, or affiliate, finds that

the circumstances which gave rise to the issuance of any such order no longer exist, the Commission shall by order revoke such order.

"(c) No provision in this title shall apply to, or be deemed to include, the United States, a State, or any political subdivision of a State, or any agency, authority, or instrumentality of any one or more of the foregoing, or any corporation which is wholly owned directly or indirectly by any one or more of the foregoing, or any officer, agent, or employee of any of the foregoing acting as such in the course of his official duty, unless such provision makes specific reference thereto.

"POWER TO MAKE PARTICULAR EXEMPTIONS REGARDING HOLDING COMPANIES, SUBSIDIARY COMPANIES, AND AFFILIATES

"SEC. 3. (a) The Commission, by rules and regulations upon its own motion, or by order upon application, shall exempt any holding company, and every subsidiary company thereof as such, from any provision or provisions of this title, unless and except insofar as it finds the exemption detrimental to the public interest or the interest of investors or consumers, if—

"(1) such holding company, and every subsidiary company thereof which is a public-utility company from which such holding company derives, directly or indirectly, any material part of its income, are predominantly intrastate in character and carry on their business substantially in a single State in which such holding company and every such subsidiary company thereof are organized;

"(2) such holding company is predominantly a public-utility company whose operations as such do not extend beyond the State in which it is organized and States contiguous thereto;

"(3) such holding company is only incidentally a holding company, being primarily engaged or interested in one or more businesses other than the business of a public-utility company and (A) not deriving, directly or indirectly, any material part of its income from any one or more subsidiary companies, the principal business of which is that of a public-utility company, or (B) deriving a material part of its income from any one or more such subsidiary companies, if substantially all the outstanding securities of such companies are owned, directly or indirectly, by such holding company;

"(4) such holding company is temporarily a holding company solely by reason of the acquisition of securities for purposes of liquidation or distribution in connection with a bona fide debt previously contracted or in connection with a bona fide arrangement for the underwriting or distribution of securities; or

"(5) such holding company is not, and derives no material part of its income, directly or indirectly, from any one or more subsidiary companies which are, a company or companies the principal business of which within the United States is that of a public-utility company.

"(b) The Commission, by rules and regulations upon its own motion, or by order upon application, shall exempt any subsidiary company, as such, of a holding company from any provision or provisions of this title, the application of which to such subsidiary company the Commission finds is not necessary in the public interest or for the protection of investors, if such subsidiary company derives no material part of its income, directly or indirectly, from sources within the United States, and neither it nor any of its subsidiary companies is a public-utility company operating in the United States.

"(c) Within a reasonable time after the receipt of an application for exemption under subsection (a) or (b), the Commission shall enter an order granting, or, after notice and opportunity for hearing, denying or otherwise disposing of such application. The filing of an application in good faith under subsection (a) by a person other than a registered holding company shall exempt the applicant from any obligation, duty, or liability imposed in this title upon the applicant as a holding company until the Commission has acted upon such application. The filing of an application in good faith under subsection (b) shall exempt the applicant from any obligation, duty, or liability imposed in this title upon the applicant as a subsidiary company until the Commission has acted upon such application. Whenever the Commission, on its own motion, or upon application by the holding company or any subsidiary company thereof exempted by any order issued under subsection (a), or by the subsidiary company exempted by any order issued under subsection (b), finds that the circumstances which gave rise to the issuance of such order no longer exist, the Commission shall by order revoke such order.

"(d) The Commission may, by rules and regulations, conditionally or unconditionally exempt any specified class or classes of persons from the obligations, duties, or liabilities imposed upon such persons as subsidiary companies or affiliates under any provision or provisions of this title, and may provide within the extent of any such exemption that such specified class or classes of persons shall not be deemed subsidiary companies or affiliates within the meaning of any such provision or provisions, if and to the extent that it deems the exemption necessary or appropriate in the public interest or for the protection of investors or consumers and not contrary to the purposes of this title.

"TRANSACTIONS BY UNREGISTERED HOLDING COMPANIES

"SEC. 4. (a) After December 1, 1935, unless a holding company is registered under section 5, it shall be unlawful for such holding company, directly or indirectly—

"(1) to sell, transport, transmit, or distribute, or own or operate any utility assets for the transportation, transmission, or distribution of, natural or manufactured gas or electric energy in interstate commerce;

"(2) by use of the mails or any means or instrumentality of interstate commerce, to negotiate, enter into, or take any step in the performance of, any service, sales, or construction contract undertaking to perform services or construction work for, or sell goods to, any public-utility company or holding company;

"(3) to distribute or make any public offering for sale or exchange of any security of such holding company, any subsidiary company or affiliate of such holding company, any public-utility company, or any holding company, by use of the mails or any means or instrumentality of interstate commerce, or to sell any such security having reason to believe that such security, by use of the mails or any means or instrumentality of interstate commerce, will be distributed or made the subject of a public offering;

"(4) by use of the mails or any means or instrumentality of interstate commerce, to acquire or negotiate for the acquisition of any security or utility assets of any subsidiary company or affiliate of such holding company, any public-utility company or any holding company;

"(5) to engage in any business in interstate commerce; or

"(6) to own, control, or hold with power to vote, any security of any subsidiary company thereof that does any of the acts enumerated in paragraphs (1) to (5), inclusive, of this subsection.

"(b) Every holding company which has outstanding any security any of which, by use of the mails or any means or instrumentality of interstate commerce, has been distributed or made the subject of a public offering subsequent to January 1, 1925, and any of which security is owned or held on October 1, 1935 (or, if such company is not a holding company on that date, on the date such company becomes a holding company) by persons not resident in the State in which such holding company is organized, shall register under section 5 on or before December 1, 1935, or the thirtieth day after such company becomes a holding company, whichever date is later.

"REGISTRATION OF HOLDING COMPANIES

"SEC. 5. (a) On or at any time after October 1, 1935, any holding company or any person purposing to become a holding company may register by filing with the Commission a notification of registration, in such form as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers. A person shall be deemed to be registered upon receipt by the Commission of such notification of registration.

"(b) It shall be the duty of every registered holding company to file with the Commission, within such reasonable time after registration as the Commission shall fix by rules and regulations or order, a registration statement in such form as the Commission shall by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers. Such registration statement shall include—

"(1) such copies of the charter or articles of incorporation, partnership, or agreement, with all amendments thereto, and the by-laws, trust indentures, mortgages, underwriting arrangements, voting-trust agreements, and similar documents, by whatever name known, of or relating to the registrant or any of its associate companies as the Commission may by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers;

"(2) such information in such form and in such detail relating to, and copies of such documents of or relating to, the registrant and its associate companies as the Commission may by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers in respect of—

"(A) the organization and financial structure of such companies and the nature of their business;

"(B) the terms, position, rights, and privileges of the different classes of their securities outstanding;

"(C) the terms and underwriting arrangements under which their securities, during not more than the five preceding years, have been offered to the public or otherwise disposed of and the relations of underwriters to, and their interest in, such companies;

"(D) the directors and officers of such companies, their remuneration, their interest in the securities of, their material contracts with, and their borrowings from, any of such companies;

"(E) bonus and profit-sharing arrangements;

"(F) material contracts, not made in the ordinary course of business, and service, sales, and construction contracts;

"(G) options in respect of securities;

"(H) balance sheets for not more than the five preceding fiscal years, certified, if required by the rules and regulations of the Commission, by an independent public accountant;

"(I) profit and loss statements for not more than the five preceding fiscal years, certified, if required by the rules and regulations of the Commission, by an independent public accountant;

"(3) such further information or documents regarding the registrant or its associate companies or the relations between them as the Commission may by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers.

"(c) The Commission by such rules and regulations or order as it deems necessary or appropriate in the public interest or for the protection of investors or consumers, may permit a registrant to file a preliminary registration statement without complying with the provisions of subsection (b); but every registrant shall file a

complete registration statement with the Commission within such reasonable period of time as the Commission shall fix by rules and regulations or order, but not later than one year after the date of registration.

"(d) Whenever the Commission, upon application, finds that a registered holding company has ceased to be a holding company, it shall so declare by order and upon the taking effect of such order the registration of such company shall, upon such terms and conditions as the Commission finds and in such order prescribes as necessary for the protection of investors, cease to be in effect. The denial of any such application by the Commission shall be by order.

"UNLAWFUL SECURITY TRANSACTIONS BY REGISTERED HOLDING AND SUBSIDIARY COMPANIES

"SEC. 6. (a) Except in accordance with a declaration effective under section 7 and with the order under such section permitting such declaration to become effective, it shall be unlawful for any registered holding company or subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, directly or indirectly (1) to issue or sell any security of such company; or (2) to exercise any privilege or right to alter the priorities, preferences, voting power, or other rights of the holders of an outstanding security of such company.

"(b) The provisions of subsection (a) shall not apply to the issue, renewal, or guaranty by a registered holding company or subsidiary company thereof of a note or draft (including the pledge of any security as collateral therefor) if such note or draft (1) is not part of a public offering, (2) matures or is renewed for not more than nine months, exclusive of days of grace, after the date of such issue, renewal, or guaranty thereof, and (3) aggregates (together with all other then outstanding notes and drafts of a maturity of nine months or less, exclusive of days of grace, as to which such company is primarily or secondarily liable) not more than 5 per centum of the principal amount and par value of the other securities of such company then outstanding, or such greater per centum thereof as the Commission upon application may by order authorize as necessary or appropriate in the public interest or for the protection of investors or consumers. In the case of securities having no principal amount or no par value, the value for the purposes of this subsection shall be the fair market value as of the date of issue. The Commission by rules and regulations or order, subject to such terms and conditions as it deems appropriate in the public interest or for the protection of investors or consumers, shall exempt from the provisions of subsection (a) the issue or sale of any security by any subsidiary company of a registered holding company, if the issue and sale of such security are solely for the purpose of financing the business of such subsidiary company and have been expressly authorized by the State commission of the State in which such subsidiary company is organized and doing business, or if the issue and sale of such security are solely for the purpose of financing the business of such subsidiary company when such subsidiary company is not a holding company, a public-utility company, an investment company, or a fiscal or financing agency of a holding company, a public utility company, or an investment company. The provisions of subsection (a) shall not apply to the issue, by a registered holding company or subsidiary company thereof, of a security issued pursuant to the terms of any security outstanding on January 1, 1935, giving the holder of such outstanding security the right to convert such outstanding security into another security of the same issuer or of another person, or giving the right to subscribe to another security of the same issuer or another issuer. Within ten days after any issue, sale, renewal, or guaranty exempted from the application of subsection (a) by or under authority of this subsection, such holding company or subsidiary company thereof shall file with the Commission a certificate of notification in such form and setting forth such of the information required in a declaration under section 7 as the Commission may by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers.

"(c) It shall be unlawful, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, for any registered holding company or any subsidiary company thereof, directly or indirectly,—

"(1) to sell or offer for sale or to cause to be sold or offered for sale, from house to house, any security of such holding company; or

"(2) to cause any officer or employee of any subsidiary company of such holding company to sell or cause to be sold any security of such holding company.

As used in this subsection the term 'house' shall not include an office used for business purposes.

"DECLARATIONS BY REGISTERED HOLDING AND SUBSIDIARY COMPANIES IN RESPECT OF SECURITY TRANSACTIONS

"SEC. 7. (a) A registered holding company or subsidiary company thereof may file a declaration with the Commission, regarding any of the acts enumerated in subsection (a) of section 6, in such form as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers. Such declaration shall include—

"(1) such of the information and documents which are required to be filed in order to register a security under section 7 of the Securities Act of 1933, as amended, as the Commission may by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers; and

"(2) such additional information, in such form and detail, and such documents regarding the declarant or any associate company thereof, the particular security and compliance with such State laws as may apply to the act in question as the Commission may by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers.

"(b) A declaration filed under this section shall become effective within such reasonable period of time after the filing thereof as the Commission shall fix by rules and regulations or order, unless the Commisison prior to the expiration of such period shall have issued an order to the declarant to show cause why such declaration should become effective. Within a reasonable time after an opportunity for hearing upon an order to show cause under this subsection, unless the declarant shall withdraw its declaration, the Commission shall enter an order either permitting such declaration to become effective as filed or amended, or refusing to permit such declaration to become effective. Amendments to a declaration may be made upon such terms and conditions as the Commission may prescribe.

"(c) The Commission shall not permit a declaration regarding the issue or sale of a security to become effective unless it finds that—

"(1) such security is (A) a common stock having a par value and being without preference as to dividends or distribution over, and having at least equal voting rights with, any outstanding security of the declarant; (B) a bond (i) secured by a first lien on physical property of the declarant, or (ii) secured by an obligation of a subsidiary company of the declarant secured by a first lien on physical property or such subsidiary company, or (iii) secured by any other assets of the type and character which the Commission by rules and regulations or order may prescribe as appropriate in the public interest or for the protection of investors; (C) a guaranty of, or assumption of liability on, a security of another company; or (D) a receiver's or trustee's certificate duly authorized by the appropriate court or courts; or

"(2) such security is to be issued or sold solely (A) for the purpose of refunding, extending, exchanging, or discharging an outstanding security of the declarant and/or a predecessor company thereof or for the purpose of effecting a merger, consolidation, or other reorganization; (B) for the purpose of financing the business of the declarant as a public-utility company; (C) for the purpose of financing the business of the declarant, when the declarant is neither a holding company nor a public-utility company; and/or (D) for necessary and urgent corporate purposes of the declarant where the requirements of the provisions of paragraph (1) would impose an unreasonable financial burden upon the declarant and are not necessary or appropriate in the public interest or for the protection of investors or consumers; or

"(3) such security is one the issuance of which was authorized by the company prior to January 1, 1935, and which the Commission by rules and regulations or order authorizes as necessary or appropriate in the public interest or for the protection of investors or consumers.

"(d) If the requirements of subsections (c) and (g) are satisfied, the Commission shall permit a declaration regarding the issue or sale of a security to become effective unless the Commission finds that—

"(1) the security is not reasonably adapted to the security structure of the declarant and other companies in the same holding-company system;

"(2) the security is not reasonably adapted to the earning power of the declarant;

"(3) financing by the issue and sale of the particular security is not necessary or appropriate to the economical and efficient operation of a business in which the applicant lawfully is engaged or has an interest;

"(4) the fees, commissions, or other remuneration, to whomsoever paid, directly or indirectly, in connection with the issue, sale, or distribution of the security are not reasonable;

"(5) in the case of a security that is a guaranty of, or assumption of liability on, a security of another company, the circumstances are such as to constitute the making of such guaranty or the assumption of such liability an improper risk for the declarant; or

"(6) the terms and conditions of the issue or sale of the security are detrimental to the public interest or the interest of investors or consumers.

"(e) If the requirements of subsection (g) are satisfied, the Commission shall permit a declaration to become effective regarding the exercise of a privilege or right to alter the priorities, preferences, voting power, or other rights of the holders of an outstanding security unless the Commission finds that such exercise of such privilege or right will result in an unfair or inequitable distribution of voting power among holders of the securities of the declarant or is otherwise detrimental to the public interest or the interest of investors or consumers.

"(f) Any order permitting a declaration to become effective may contain such terms and conditions as the Commission finds necessary to assure compliance with the conditions specified in this section.

"(g) If a State commission or State securities commission, having jurisdiction over any of the acts enumerated in subsection (a) of section 6, shall inform the Commission, upon request by the Commission for an opinion or otherwise, that State laws applicable to the act in question have not been complied with, the Commis-

sion shall not permit a declaration regarding the act in question to become effective until and unless the Commission is satisfied that such compliance has been effected.

"ACQUIRING INTEREST IN ELECTRIC AND GAS UTILITY COMPANIES SERVING SAME TERRITORY

"SEC. 8. Whenever a State law prohibits, or requires approval or authorization of, the ownership or operation by a single company of the utility assets of an electric utility company and a gas utility company serving substantially the same territory, it shall be unlawful for a registered holding company, or any subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise,—

"(1) to take any step, without the express approval of the State commission of such State, which results in its having a direct or indirect interest in an electric utility company and a gas utility company serving substantially the same territory; or

"(2) if it already has any such interest, to acquire, without the express approval of the State commission, any direct or indirect interest in an electric utility company or gas utility company serving substantially the same territory as that served by such companies in which it already has an interest.

"ACQUISITION OF SECURITIES AND UTILITY ASSETS AND OTHER INTERESTS

"SEC. 9. (a) Unless the acquisition has been approved by the Commission under section 10, it shall be unlawful—

"(1) for any registered holding company or any subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to acquire, directly or indirectly, any securities or utility assets or any other interest in any business;

"(2) for any person, by use of the mails or any means or instrumentality of interstate commerce, to acquire, directly or indirectly, any security of any public-utility company, if such person is an affiliate, under clause (A) of paragraph (11) of subsection (a) of section 2, of such company and of any other public utility or holding company, or will by virtue of such acquisition become such an affiliate.

"(b) Subsection (a) shall not apply to—

"(1) the acquisition by a public-utility company of utility assets the acquisition of which has been expressly authorized by a State commission; or

"(2) the acquisition by a public-utility company of securities of a subsidiary public-utility company thereof, provided that both such public-utility companies and all other public-utility companies in the same holding-company system are organized in the same State, that the business of each such company in such system is substantially confined to such State, and that the acquisition of such securities has been expressly authorized by the State commission of such State.

"(c) Subsection (a) shall not apply to the acquisition by a registered holding company, or a subsidiary company thereof, of—

"(1) securities of, or securities the principal or interest of which is guaranteed by, the United States, a State, or political subdivision of a State, or any agency, authority, or instrumentality of any one or more of the foregoing, or any corporation which is wholly owned, directly or indirectly, by any one or more of the foregoing;

"(2) such other readily marketable securities, within the limitation of such amounts, as the Commission may by rules and regulations prescribe as appropriate for investment of current funds and as not detrimental to the public interest or the interest of investors or consumers; or

"(3) such commercial paper and other securities, within such limitations, as the Commission may by rules and regulations or order prescribe as appropriate in the ordinary course of business of a registered holding company or subsidiary company thereof and as not detrimental to the public interest or the interest of investors or consumers.

"APPROVAL OF ACQUISITION OF SECURITIES AND UTILITY ASSETS AND OTHER INTERESTS

"SEC. 10. (a) A person may apply for approval of the acquisition of securities or utility assets, or of any other interest in any business, by filing an application in such form as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors and consumers. Such application shall include—

"(1) in the case of the acquisition of securities, such information and copies of such documents as the Commission may by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers in respect of—

"(A) the security to be acquired, the consideration to be paid therefor, and compliance with such State laws as may apply in respect of the issue, sale, or acquisition thereof,

"(B) the outstanding securities of the company whose security is to be acquired, the terms, position, rights, and privileges of each class and the options in respect of any such securities,

"(C) the names of all security holders of record (or otherwise known to the applicant) owning, holding, or controlling 1 per centum or more of any class of security of such company, the officers and directors of such company, and their remuneration, security holdings in, material contracts with, and borrowings from such company and the offices or directorships held, and securities owned, held, or controlled, by them in other companies,

"(D) the bonus, profit-sharing and voting-trust agreements, underwriting arrangements, trust indentures, mortgages, and similar documents, by whatever name known, of or relating to such company,

"(E) the material contracts, not made in the ordinary course of business, and the service, sales, and construction contracts of such company,

"(F) the securities owned, held, or controlled, directly or indirectly, by such company,

"(G) balance sheets and profit and loss statements of such company for not more than the five preceding fiscal years, certified, if required by the rules and regulations of the Commission by an independent public accountant,

"(H) any further information regarding such company and any associate company or affiliate thereof, or its relations with the applicant company, and

"(I) if the applicant be not a registered holding company, any of the information and documents which may be required under section 5 from a registered holding company;

"(2) in the case of the acquisition of utility assets, such information concerning such assets, the value thereof and consideration to be paid therefor, the owner or owners thereof and their relation to, agreements with, and interest in the securities of, the applicant or any associate company thereof as the Commission may by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers; and

"(3) in the case of the acquisition of any other interest in any business, such information concerning such business and the interest to be acquired, and the consideration to be paid, as the Commission may by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers.

"(b) If the requirements of subsection (f) are satisfied, the Commission shall approve the acquisition unless the Commission finds that—

"(1) such acquisition will tend towards interlocking relations or the concentration of control of public-utility companies, of a kind or to an extent detrimental to the public interest or the interest of investors or consumers;

"(2) in case of the acquisition of securities or utility assets, the consideration, including all fees, commissions, and other remuneration, to whomsoever paid, to be given, directly or indirectly, in connection with such acquisition is not reasonable or does not bear a fair relation to the sums invested in or the earning capacity of the utility assets to be acquired or the utility assets underlying the securities to be acquired; or

"(3) such acquisition will unduly complicate the capital structure of the holding-company system of the applicant or will be detrimental to the public interest or the interest of investors or consumers or the proper functioning of such holding-company system.

The Commission may condition its approval of the acquisition of securities of another company upon such a fair offer to purchase such of the other securities of the company whose security is to be acquired as the Commission may find necessary or appropriate in the public interest or for the protection of investors or consumers.

"(c) Notwithstanding the provisions of subsection (b), the Commission shall not approve—

"(1) an acquisition of securities or utility assets, or of any other interest, which is unlawful under the provisions of section 8 or is detrimental to the carrying out of the provisions of section 11; or

"(2) the acquisition of securities or utility assets of a public-utility or holding company unless the Commission finds that such acquisition will serve the public interest by tending towards the economical and efficient development of an integrated public-utility system. This paragraph shall not apply to the acquisition of securities or utility assets of a public-utility company operating exclusively outside the United States.

"(d) Within such reasonable time after the filing of an application under this section as the Commission shall fix by rules and regulations or order, the Commission shall enter an order either granting or, after notice and opportunity for hearing, denying approval of the acquisition unless the applicant shall withdraw its application. Amendments to an application may be made upon such terms and conditions as the Commission may prescribe.

"(e) The Commission, in any order approving the acquisition of securities or utility assets, may prescribe such terms and conditions in respect of such acquisition, including the price to be paid for such securities or utility assets, as the Commission may find necessary or appropriate in the public interest or for the protection of investors or consumers.

"(f) The Commission shall not approve any acquisition as to which an application is made under this section unless it appears to the satisfaction of the Commission that such State laws as may apply in respect of such acquisition have been complied with, except where the Commission finds that compliance with such State laws would be detrimental to the carrying out of the provisions of section 11.

"SIMPLIFICATION OF HOLDING-COMPANY SYSTEMS

"SEC. 11. (a) It shall be the duty of the Commission to examine the corporate structure of every registered holding company and subsidiary company thereof, the relationships among the companies in the holding-company system of every such company and the character of the interests thereof and the properties owned or controlled thereby to determine the extent to which

the corporate structure of such holding-company system and the companies therein may be simplified, unnecessary complexities therein eliminated, voting power fairly and equitably distributed among the holders of securities thereof, and the properties and business thereof confined to those necessary or appropriate to the operations of an integrated public-utility system.

"(b) It shall be the duty of the Commission, as soon as practicable after January 1, 1938:

"(1) To require by order, after notice and opportunity for hearing, that each registered holding company, and each subsidiary company thereof, shall take such action as the Commission shall find necessary to limit the operations of the holding-company system of which such company is a part to a single integrated public-utility system, and to such other businesses as are reasonably incidental, or economically necessary or appropriate to the operations of such integrated public-utility system: *Provided, however*, That the Commission shall permit a registered holding company to continue to control one or more additional integrated public-utility systems, if, after notice and opportunity for hearing, it finds that—

"(A) Each of such additional systems cannot be operated as an independent system without the loss of substantial economies which can be secured by the retention of control by such holding company of such system;

"(B) All of such additional systems are located in one State, or in adjoining States, or in a contiguous foreign country; and

"(C) The continued combination of such systems under the control of such holding company is not so large (considering the state of the art and the area or region affected) as to impair the advantages of localized management, efficient operation, or the effectiveness of regulation.

The Commission may permit as reasonably incidental, or economically necessary or appropriate to the operations of one or more integrated public-utility systems the retention of an interest in any business (other than the business of a public-utility company as such) which the Commission shall find necessary or appropriate in the public interest or for the protection of investors or consumers and not detrimental to the proper functioning of such system or systems.

"(2) To require by order, after notice and opportunity for hearing, that each registered holding company, and each subsidiary company thereof, shall take such steps as the Commission shall find necessary to ensure that the corporate structure or continued existence of any company in the holding-company system does not unduly or unnecessarily complicate the structure, or unfairly or inequitably distribute voting power among security holders, of such holding-company system. In carrying out the provisions of this paragraph the Commission shall require each registered holding company (and any company in the same holding-company system with such holding company) to take such action as the Commission shall find necessary in order that such holding company shall cease to be a holding company with respect to each of its subsidiary companies which itself has a subsidiary company which is a holding company. Except for the purpose of fairly and equitably distributing voting power among the security holders of such company, nothing in this paragraph shall authorize the Commission to require any change in the corporate structure or existence of any company which is not a holding company, or of any company whose principal business is that of a public-utility company.

The Commission may by order revoke or modify any order previously made under this subsection, if, after notice and opportunity for hearing, it finds that the conditions upon which the order was predicated do not exist. Any order made under this subsection shall be subject to judicial review as provided in section 24.

"(c) Any order under subsection (b) shall be complied with within one year from the date of such order; but the Commission shall, upon a showing (made before or after the entry of such order) that the applicant has been or will be unable in the exercise of due diligence to comply with such order within such time, extend such time for an additional period not exceeding one year if it finds such extension necessary or appropriate in the public interest or for the protection of investors or consumers.

"(d) The Commission may apply to a court, in accordance with the provisions of subsection (f) of section 18, to enforce compliance with any order issued under subsection (b). In any such proceeding, the court as a court of equity may, to such extent as it deems necessary for purposes of enforcement of such order, take exclusive jurisdiction and possession of the company or companies and the assets thereof, wherever located; and the court shall have jurisdiction, in any such proceeding, to appoint a trustee, and the court may constitute and appoint the Commission as sole trustee, to hold or administer under the direction of the court the assets so possessed. In any proceeding for the enforcement of an order of the Commission issued under subsection (b), the trustee with the approval of the court shall have power to dispose of any or all of such assets and, subject to such terms and conditions as the court may prescribe, may make such disposition in accordance with a fair and equitable reorganization plan which shall have been approved by the Commission after opportunity for hearing. Such reorganization plan may be proposed in the first instance by the Commission, or, subject to such rules and regulations as the Commission may deem necessary or appropriate in the public interest or for the protection of investors, by any person having a bona fide interest (as defined by the rules and regulations of the Commission) in the reorganization.

"(e) In accordance with such rules and regulations or order as the Commission may deem necessary or appropriate in the public interest or for the protection of investors or consumers, any registered holding company or any subsidiary company of a registered holding company may, at any time after January 1, 1936, submit a plan to the Commission for the divestment of control, securities, or other assets, or for other action by such company or any subsidiary company thereof for the purpose of enabling such company or any subsidiary company thereof to comply with the provisions of subsection (b). If, after notice and opportunity for hearing, the Commission shall find such plan, as submitted or as modified, necessary to effectuate the provisions of subsection (b) and fair and equitable to the persons affected by such plan, the Commission shall make an order approving such plan; and the Commission, at the request of the company, may apply to a court, in accordance with the provisions of subsection (f) of section 18, to enforce and carry out the terms and provisions of such plan. If, upon any such application, the court, after notice and opportunity for hearing, shall approve such plan as fair and equitable and as appropriate to effectuate the provisions of section 11, the court as a court of equity may, to such extent as it deems necessary for the purpose of carrying out the terms and provisions of such plan, take exclusive jurisdiction and possession of the company or companies and the assets thereof, wherever located; and the court shall have jurisdiction to appoint a trustee, and the court may constitute and appoint the Commission as sole trustee, to hold or administer, under the direction of the court and in accordance with the plan theretofore approved by the court and the Commission, the assets so possessed.

"(f) In any proceeding in a court of the United States, whether under this section or otherwise, in which a receiver or trustee is appointed for any registered holding company, or any subsidiary company thereof, the court may constitute and appoint the Commission as sole trustee or receiver, subject to the directions and orders of the court, whether or not a trustee or receiver shall theretofore have been appointed, and in any such proceeding the court shall not appoint any person other than the Commission as trustee or receiver without notifying the Commission and giving it an opportunity to be heard before making any such appointment. In no proceeding under this section or otherwise shall the Commission be appointed as trustee or receiver without its express consent. In any such proceeding a reorganization plan for a registered holding company or any subsidiary company thereof shall not become effective unless such plan shall have been approved by the Commission after opportunity for hearing prior to its submission to the court. Notwithstanding any other provision of law, any such reorganization plan may be proposed in the first instance by the Commission or, subject to such rules and regulations as the Commission may deem necessary or appropriate in the public interest or for the protection of investors, by any person having a bona fide interest (as defined by the rules and regulations of the Commission) in the reorganization. The Commission may, by such rules and regulations or order as it may deem necessary or appropriate in the public interest or for the protection of investors or consumers, require that any or all fees, expenses, and remuneration, to whomsoever paid, in connection with any reorganization, dissolution, liquidation, bankruptcy, or receivership of a registered holding company or subsidiary company thereof, in any such proceeding, shall be subject to approval by the Commission.

"(g) It shall be unlawful for any person to solicit or permit the use of his or its name to solicit, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, any proxy, consent, authorization, power of attorney, deposit, or dissent in respect of any reorganization plan of a registered holding company or any subsidiary company thereof under this section, or otherwise, or in respect of any plan under this section for the divestment of control, securities, or other assets, or for the dissolution of any registered holding company or any subsidiary company thereof, unless—

"(1) the plan has been proposed by the Commission, or the plan and such information regarding it and its sponsors as the Commission may deem necessary or appropriate in the public interest or for the protection of investors or consumers has been submitted to the Commission by a person having a bona fide interest (as defined by the rules and regulations of the Commission) in such reorganization;

"(2) each such solicitation is accompanied or preceded by a copy of a report on the plan which shall be made by the Commission after an opportunity for a hearing on the plan and other plans submitted to it, or by an abstract of such report made or approved by the Commission; and

"(3) each such solicitation is made not in contravention of such rules and regulations or orders as the Commission may deem necessary or appropriate in the public interest or for the protection of investors or consumers.

Nothing in this subsection or the rules and regulations thereunder shall prevent any person from appearing before the Commission or any court through an attorney or proxy.

"INTERCOMPANY LOANS; DIVIDENDS; SECURITY TRANSACTIONS; SALE OF UTILITY ASSETS; PROXIES; OTHER TRANSACTIONS

"SEC. 12. (a) It shall be unlawful for any registered holding company, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, directly or indirectly, to borrow, or to receive any extension of credit or indemnity, from any public-utility company in the same holding-company system or from any subsidiary company of such holding company, but it shall not be unlawful under this subsection to renew, or extend the time of, any loan, credit, or indemnity outstanding on the date of the enactment of this title.

"(b) It shall be unlawful for any registered holding company or subsidiary company thereof, by use of the mails or any means

or instrumentality of interstate commerce, or otherwise, directly or indirectly, to lend or in any manner extend its credit to or indemnify any company in the same holding-company system in contravention of such rules and regulations or orders as the Commission deems necessary or appropriate in the public interest or for the protection of investors or consumers or to prevent the circumvention of the provisions of this title or the rules, regulations, or orders thereunder.

"(c) It shall be unlawful for any registered holding company or any subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to declare or pay any dividend on any security of such company or to acquire, retire, or redeem any security of such company, in contravention of such rules and regulations or orders as the Commission deems necessary or appropriate to protect the financial integrity of companies in holding-company systems, to safeguard the working capital of public-utility companies, to prevent the payment of dividends out of capital or unearned surplus, or to prevent the circumvention of the provisions of this title or the rules, regulations, or orders thereunder.

"(d) It shall be unlawful for any registered holding company, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to sell any security which it owns of any public-utility company, or any utility assets, in contravention of such rules and regulations or orders regarding the consideration to be received for such sale, maintenance of competitive conditions, fees and commissions, accounts, disclosure of interest, and similar matters as the Commission deems necessary or appropriate in the public interest or for the protection of investors or consumers or to prevent the circumvention of the provisions of this title or the rules, regulations, or orders thereunder.

"(e) It shall be unlawful for any person to solicit or to permit the use of his or its name to solicit, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, any proxy, power of attorney, consent, or authorization regarding any security of a registered holding company or a subsidiary company thereof in contravention of such rules and regulations or orders as the Commission deems necessary or appropriate in the public interest or for the protection of investors or consumers or to prevent the circumvention of the provisions of this title or the rules, regulations, or orders thereunder.

"(f) It shall be unlawful for any registered holding company or subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to negotiate, enter into, or take any step in the performance of any transaction not otherwise unlawful under this title, with any company in the same holding-company system or with any affiliate of a company in such holding-company system in contravention of such rules and regulations or orders regarding reports, accounts, costs, maintenance of competitive conditions, disclosure of interest, duration of contracts, and similar matters as the Commission deems necessary or appropriate in the public interest or for the protection of investors or consumers or to prevent the circumvention of the provisions of this title or the rules and regulations thereunder.

"(g) It shall be unlawful for any affiliate of any public-utility company, by use of the mails or any means or instrumentality of interstate commerce, or for any affiliate of any public-utility company engaged in interstate commerce, or of any registered holding company or any subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to negotiate, enter into, or take any step in the performance of any transaction not otherwise unlawful under this title, with any such company of which it is an affiliate, in contravention of such rules and regulations or orders regarding reports, accounts, costs, maintenance of competitive conditions, disclosure of interest, duration of contracts, and similar matters as the Commission deems necessary or appropriate to prevent the circumvention of the provisions of this title.

"(h) It shall be unlawful for any registered holding company, or any subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, directly or indirectly—

"(1) to make any contribution whatsoever in connection with the candidacy, nomination, election or appointment of any person for or to any office or position in the Government of the United States, a State, or any political subdivision of a State, or any agency, authority, or instrumentality of any one or more of the foregoing; or

"(2) to make any contribution to or in support of any political party or any committee or agency thereof.

The term 'contribution' as used in this subsection includes any gift, subscription, loan, advance, or deposit of money or anything of value, and includes any contract, agreement, or promise, whether or not legally enforceable, to make a contribution.

"(i) It shall be unlawful for any person employed or retained by any registered holding company, or any subsidiary company thereof, to present, advocate, or oppose any matter affecting any registered holding company or any subsidiary company thereof, before the Congress or any Member or committee thereof, or before the Commission or Federal Power Commission, or any member, officer, or employee of either such commission, unless such person shall file with the Commission in such form and detail and at such time as the Commission shall by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers, a statement of the subject matter in respect of which such person is retained or employed, the nature and character of such retainer or employment, and the amount of compensation received or to be received by such person, directly or indirectly, in connection therewith. It shall be the duty of every such person so employed or retained to file with the Commission within ten days after the close of each calendar month during such retainer or employment, in such form and detail as the Commission shall by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers, a statement of the expenses incurred and the compensation received by such person during such month in connection with such retainer or employment.

"SERVICE, SALES, AND CONSTRUCTION CONTRACTS

"SEC. 13. (a) After April 1, 1936, it shall be unlawful for any registered holding company, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to enter into or take any step in the performance of any service, sales, or construction contract by which such company undertakes to perform services or construction work for, or sell goods to, any associate company thereof which is a public-utility or mutual service company. This provision shall not apply to such transactions, involving special or unusual circumstances or not in the ordinary course of business, as the Commission by rules and regulations or order may conditionally or unconditionally exempt as being necessary or appropriate in the public interest or for the protection of investors or consumers.

"(b) After April 1, 1936, it shall be unlawful for any subsidiary company of any registered holding company or for any mutual service company, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to enter into or take any step in the performance of any service, sales, or construction contract by which such company undertakes to perform services or construction work for, or sell goods to, any associate company thereof except in accordance with such terms and conditions and subject to such limitations and prohibitions as the Commission by rules and regulations or order shall prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers and to insure that such contracts are performed economically and efficiently for the benefit of such associate companies at cost, fairly and equitably allocated among such companies. This provision shall not apply to such transactions as the Commission by rules and regulations or order may conditionally or unconditionally exempt as being necessary or appropriate in the public interest or for the protection of investors or consumers, if such transactions (1) are with any associate company which does not derive, directly or indirectly, any material part of its income from sources within the United States and which is not a public-utility company operating within the United States, or (2) involve special or unusual circumstances or are not in the ordinary course of business.

"(c) The rules and regulations and orders of the Commission under this section may prescribe, among other things, such terms and conditions regarding the determination of costs and the allocation thereof among specified classes of companies and for specified classes of service, sales, and construction contracts, the duration of such contracts, the making and keeping of accounts and cost-accounting procedures, the filing of annual and other periodic and special reports, the maintenance of competitive conditions, the disclosure of interests, and similar matters, as the Commission deems necessary or appropriate in the public interest or for the protection of investors or consumers.

"(d) The rules and regulations and orders of the Commission under this section shall prescribe, among other things, such terms and conditions regarding the manner in which application may be made for approval as a mutual service company and the granting and continuance of such approval, the nature and enforcement of agreements for the sharing of expenses and distributing of revenues among member companies, and matters relating to such agreements, the nature and types of businesses and transactions in which mutual service companies may engage, and the manner of engaging therein, and the relations and transactions with member companies and affiliates, as the Commission deems necessary or appropriate in the public interest or for the protection of investors or consumers. The Commission shall not approve, or continue the approval of, any company as a mutual service company unless the Commission finds such company is so organized as to ownership, costs, revenues, and the sharing thereof as reasonably to insure the efficient and economical performance of service, sales, or construction contracts by such company for member companies, at cost fairly and equitably allocated among such member companies, at a reasonable saving to member companies over the cost to such companies of comparable contracts performed by independent persons. The Commission, upon its own motion or at the request of a member company or a State commission, may, after notice and opportunity for hearing, by order require a reallocation or reapportionment of costs among member companies of a mutual service company if it finds the existing allocation inequitable and may require the elimination of a service or services to a member company which does not bear its fair proportion of costs or which, by reason of its size or other circumstances, does not require such service or services. The Commission, after notice and opportunity for hearing, by order shall revoke, suspend, or modify the approval given any mutual service company if it finds that such company has persistently violated any provision of this section or any rule, regulation, or order thereunder.

"(e) It shall be unlawful for any affiliate of any public-utility company engaged in interstate commerce, or of any registered

holding company or subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to enter into or take any step in the performance of any service, sales, or construction contract, by which such affiliate undertakes to perform services or construction work for, or sell goods to, any such company of which it is an affiliate, in contravention of such rules and regulations or orders regarding reports, accounts, costs, maintenance of competitive conditions, disclosure of interest, duration of contracts, and similar matters, as the Commission deems necessary or appropriate to prevent the circumvention of the provisions of this title or the rules, regulations, or orders thereunder.

"(f) It shall be unlawful for any person whose principal business is the performance of service, sales, or construction contracts for public-utility or holding companies, by use of the mails or any means or instrumentality of interstate commerce, to enter into or take any step in the performance of any service, sales, or construction contract with any public-utility company, or for any such person, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to enter into or take any step in the performance of any service, sales, or construction contract with any public-utility company engaged in interstate commerce, or with any registered holding company or any subsidiary company of a registered holding company, in contravention of such rules and regulations or orders regarding reports, accounts, costs, maintenance of competitive conditions, disclosure of interest, duration of contracts, and similar matters as the Commission deems necessary or appropriate in the public interest or for the protection of investors or consumers or to prevent the circumvention of the provisions of this title or the rules, regulations, or orders thereunder.

"(g) The Commission, in order to obtain information to serve as a basis for recommending further legislation, shall from time to time conduct investigations regarding the making, performance, and costs of service, sales, and construction contracts with holding companies and subsidiary companies thereof and with public-utility companies, the economies resulting therefrom, and the desirability thereof. The Commission shall report to Congress, from time to time, the results of such investigations, together with such recommendations for legislation as it deems advisable. On the basis of such investigations the Commission shall classify the different types of such contracts and the work done thereunder, and shall make recommendations from time to time regarding the standards and scope of such contracts in relation to public-utility companies of different kinds and sizes and the costs incurred thereunder and economies resulting therefrom. Such recommendations shall be made available to State commissions, public-utility companies, and to the public in such form and at such reasonable charge as the Commission may prescribe.

"PERIODIC AND OTHER REPORTS

"SEC. 14. Every registered holding company and every mutual service company shall file with the Commission such annual, quarterly, and other periodic and special reports, the answers to such specific questions and the minutes of such directors', stockholders', and other meetings, as the Commission may by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers. Such reports, if required by the rules and regulations of the Commission, shall be certified by an independent public accountant, and shall be made and filed at such time and in such form and detail as the Commission shall prescribe. The Commission may require that there be included in reports filed with it such information and documents as it finds necessary or appropriate to keep reasonably current the information filed under section 5 or 13, and such further information concerning the financial condition, security structure, security holdings, assets, and cost thereof, wherever determinable, and affiliations of the reporting company and the associate companies, member companies, and affiliates thereof as the Commission deems necessary or appropriate in the public interest or for the protection of investors or consumers.

"ACCOUNTS AND RECORDS

"SEC. 15. (a) Every registered holding company and every subsidiary company thereof shall make, keep, and preserve for such periods, such accounts, cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Commission deems necessary or appropriate in the public interest or for the protection of investors or consumers or for the enforcement of the provisions of this title or the rules, regulations, or orders thereunder.

"(b) Every affiliate of a registered holding company or of any subsidiary company thereof, or of any public-utility company engaged in interstate commerce or not so engaged, shall make, keep, and preserve for such periods, such accounts, cost-accounting procedures, correspondence, memoranda, papers, books, and other records relating to any transaction of such affiliate which is subject to any provision of this title or any rule, regulation, or order thereunder, as the Commission deems necessary or appropriate in the public interest or for the protection of investors or consumers or for the enforcement of the provisions of this title or the rules, regulations, or orders thereunder.

"(c) Every mutual service company, and every affiliate of a mutual service company as to any transaction of such affiliate which is subject to any provision of this title or any rule, regulation, or order thereunder, shall make, keep, and preserve for such periods, such accounts, cost-accounting procedures, correspondence, memoranda, papers, books, and other records, as the Commission deems necessary or appropriate in the public interest or for the protection of investors or consumers or for the enforcement of the provisions of this title or the rules, regulations, or orders thereunder.

"(d) Every person whose principal business is the performance of service, sales, or construction contracts for public-utility or holding companies shall make, keep, and preserve for such periods, such accounts, cost-accounting procedures, correspondence, memoranda, papers, books, and other records, relating to any transaction by such person which is subject to any provision of this title or any rule, regulation, or order thereunder, as the Commission deems necessary or appropriate in the public interest or for the protection of investors or consumers or for the enforcement of the provisions of this title or the rules and regulations thereunder.

"(e) After the Commission has prescribed the form and manner of making and keeping accounts, cost-accounting procedures, correspondence, memoranda, papers, books, and other records to be kept by any person hereunder, it shall be unlawful for any such person to keep any accounts, cost-accounting procedures, correspondence, memoranda, papers, books, or other records other than those prescribed or such as may be approved by the Commission, or to keep his or its accounts, cost-accounting procedures, correspondence, memoranda, papers, books, or other records in any manner other than that prescribed or approved by the Commission.

"(f) All accounts, cost-accounting procedures, correspondence, memoranda, papers, books, and other records kept or required to be kept by persons subject to any provision of this section shall be subject at any time and from time to time to such reasonable periodic, special, and other examinations by the Commission, or any member or representative thereof, as the Commission may prescribe. The Commission, after notice and opportunity for hearing, may prescribe the account or accounts in which particular outlays, receipts, and other transactions shall be entered, charged, or credited and the manner in which such entry, charge, or credit shall be made, and may require an entry to be modified or supplemented so as properly to show the cost of any asset or any other cost.

"(g) It shall be the duty of every registered holding company and of every subsidiary company thereof and of every affiliate of a company insofar as such affiliate is subject to any provision of this title or any rule, regulation, or order thereunder, to submit the accounts, cost-accounting procedures, correspondence, memoranda, papers, books, and other records of such holding company, subsidiary company, or affiliate, as the case may be, to such examinations, in person or by duly appointed attorney, by the holder of any security of such holding company, subsidiary company, or affiliate, as the case may be, as the Commission deems necessary or appropriate in the public interest or for the protection of investors or consumers.

"(h) It shall be the duty of every mutual service company, and of every affiliate of a mutual service company, and of every person whose principal business is the performance of service, sales, or construction contracts for public-utility or holding companies, insofar as such affiliate or such person is subject to any provision of this title or any rule, regulation, or order thereunder, to submit the accounts, cost-accounting procedures, correspondence, memoranda, papers, books, and other records of such mutual service company, affiliate, or person to such examinations, in person or by duly appointed attorney, by member companies of such mutual service company and by public-utility or holding companies for which such person performs service, sales, or construction contracts as the Commission deems necessary or appropriate in the public interest or for the protection of investors or consumers.

"(i) The Commission, by such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors or consumers may prescribe for persons subject to the provisions of subsection (a), (b), (c), or (d) of this section uniform methods for keeping accounts required under any provision of this section, including, among other things, the manner in which the cost of all assets, whenever determinable, shall be shown, the methods of classifying and segregating accounts, and the manner in which cost-accounting procedures shall be maintained.

"LIABILITY FOR MISLEADING STATEMENTS

"SEC. 16. (a) Any person who shall make or cause to be made any statement in any application, report, registration statement, or document filed pursuant to any provision of this title, or any rule, regulation, or order thereunder, which statement was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact shall be liable in the same manner, to the same extent, and subject to the same limitations as provided in section 18 of the Securities Exchange Act of 1934 with respect to an application, report, or document filed pursuant to the Securities Exchange Act of 1934.

"(b) The rights and remedies provided by this title, except as provided in section 17 (b), shall be in addition to any and all other rights and remedies that may exist under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, or otherwise at law or in equity; but no person permitted to maintain a suit for damages under the provisions of this title shall recover, through satisfaction of judgment in one or more actions, a total amount in excess of his actual damages on account of the act complained of.

"OFFICERS, DIRECTORS, AND OTHER AFFILIATES

"SEC. 17. (a) Every person who is an officer or director of a registered holding company shall file with the Commission in

such form as the Commission shall prescribe (1) at the time of the registration of such holding company, or within ten days after such person becomes an officer or director, a statement of the securities of such registered holding company or any subsidiary company thereof of which he is, directly or indirectly, the beneficial owner, and (2) within ten days after the close of each calendar month thereafter, if there has been any change in such ownership during such month, a statement of such ownership as of the close of such calendar month and of the changes in such ownership that have occurred during such calendar month.

"(b) For the purpose of preventing the unfair use of information which may have been obtained by any such officer or director by reason of his relationship to such registered holding company or any subsidiary company thereof, any profit realized by any such officer or director from any purchase and sale, or any sale and purchase, of any security of such registered holding company or any subsidiary company thereof within any period of less than six months, unless such security was acquired in good faith in connection with a debt previously contracted, shall inure to and be recoverable by the holding company or subsidiary company in respect of the security of which such profit was realized, irrespective of any intention on the part of such officer or director in entering into such transaction to hold the security purchased or not to repurchase the security sold for a period of more than six months. Suit to recover such profit may be instituted at law or in equity in any court of competent jurisdiction by the company entitled thereto or by the owner of any security of such company in the name and in the behalf of such company if such company shall fail or refuse to bring such suit within sixty days after request or shall fail diligently to prosecute the same thereafter; but no such suit shall be brought more than two years after the date such profit was realized. This subsection shall not cover any transaction where such person was not an officer or director at the times of the purchase and sale, or the sale and purchase, of the security involved, or any transaction or transactions which the Commission by rules and regulations may, as necessary or appropriate in the public interest or for the protection of investors or consumers, exempt as not comprehended within the purpose of this subsection. Nothing in this subsection shall be construed to give a remedy in the case of any transaction in respect of which a remedy is given under subsection (b) of section 16 of the Securities Exchange Act of 1934.

"(c) After one year from the date of the enactment of this title, no registered holding company or any subsidiary company thereof shall have, as an officer or director thereof, any executive officer, director, partner, appointee, or representative of any bank, trust company, investment banker, or banking association or firm, or any executive officer, director, partner, appointee, or representative of any corporation a majority of whose stock, having the unrestricted right to vote for the election of directors, is owned by any bank, trust company, investment banker, or banking association or firm, except in such cases as rules and regulations prescribed by the Commission may permit as not adversely affecting the public interest or the interest of investors or consumers.

"INVESTIGATIONS; INJUNCTIONS, ENFORCEMENT OF TITLE, AND PROSECUTION OF OFFENSES

"SEC. 18. (a) The Commission, in its discretion, may investigate any facts, conditions, practices, or matters which it may deem necessary or appropriate to determine whether any person has violated or is about to violate any provision of this title or any rule or regulation thereunder, or to aid in the enforcement of the provisions of this title, in the prescribing of rules and regulations thereunder, or in obtaining information to serve as a basis for recommending further legislation concerning the matters to which this title relates. The Commission may require or permit any person to file with it a statement in writing, under oath or otherwise as it shall determine, as to any or all facts and circumstances concerning a matter which may be the subject of investigation. The Commission, in its discretion, may publish, or make available to State commissions, information concerning any such subject.

"(b) The Commission upon its own motion or at the request of a State commission may investigate, or obtain any information regarding the business, financial condition, or practices of any registered holding company or subsidiary company thereof or facts, conditions, practices, or matters affecting the relations between any such company and any other company or companies in the same holding-company system.

"(c) For the purpose of any investigation or any other proceeding under this title, any member of the Commission, or any officer thereof designated by it, is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, contracts, agreements, or other records which the Commission deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in any State or in any Territory or other place subject to the jurisdiction of the United States at any designated place of hearing.

"(d) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, contracts, agreements, and other records. And such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. Any person who, without just cause, shall fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, contracts, agreements, or other records, if in his or its power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.

"(e) No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda, contracts, agreements, or other records and documents before the Commission, or in obedience to the subpena of the Commission or any member thereof or any officer designated by it, or in any cause or proceeding instituted by the Commission, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"(f) Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this title, or of any rule, regulation, or order thereunder, it may in its discretion bring an action in the proper district court of the United States, the Supreme Court of the District of Columbia, or the United States courts of any Territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices and to enforce compliance with this title or any rule, regulation, or order thereunder, and upon a proper showing a permanent or temporary injunction or decree or restraining order shall be granted without bond. The Commission may transmit such evidence as may be available concerning such acts or practices to the Attorney General, who, in his discretion, may institute the appropriate criminal proceedings under this title.

"(g) Upon application of the Commission, the district courts of the United States, the Supreme Court of the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this title or any rule, regulation, or order of the Commission thereunder.

"HEARINGS BY COMMISSION

"SEC. 19. Hearings may be public and may be held before the Commission, any member or members thereof, or any officer or officers of the Commission designated by it, and appropriate records thereof shall be kept. In any proceeding before the Commission, the Commission, in accordance with such rules and regulations as it may prescribe, shall admit as a party any interested State, State commission, State securities commission, municipality, or other political subdivision of a State, and may admit as a party any representative of interested consumers or security holders, or any other person whose participation in the proceedings may be in the public interest or for the protection of investors or consumers.

"RULES, REGULATIONS, AND ORDERS

"SEC. 20. (a) The Commission shall have authority from time to time to make, issue, amend, and rescind such rules and regulations and such orders as it may deem necessary or appropriate to carry out the provisions of this title, including rules and regulations defining accounting, technical, and trade terms used in this title. Among other things, the Commission shall have authority, for the purposes of this title, to prescribe the form or forms in which information required in any statement, declaration, application, report, or other document filed with the Commission shall be set forth, the items or details to be shown in balance sheets, profit and loss statements, and surplus accounts, the manner in which the cost of all assets, whenever determinable, shall be shown in regard to such statements, declarations, applications, reports, and other documents filed with the Commission, or accounts required to be kept by the rules, regulations, or orders of the Commission, and the methods to be followed in the keeping of accounts and cost-accounting procedures and the preparation of reports, in the segregation and allocation of costs, in the determination of liabilities, in the determination of depreciation and depletion, in the differentiation of recurring and nonrecurring income, in the differentiation of investment and operating income, and in the keeping or preparation, where the Commission deems it necessary or appropriate, of separate or consolidated balance sheets or profit and loss statements for any companies in the same holding-company system.

"(b) In the case of the accounts of any company whose methods of accounting are prescribed under the provisions of any law of the United States or of any State, the rules and regulations or orders of the Commission in respect of accounts shall not be inconsistent with the requirements imposed by such law or any rule or regulation thereunder; nor shall anything in this title relieve any public-utility company from the duty to keep the accounts, books, records, or memoranda which may be required to be kept by the law of any State in which it operates or by the State commission of any such State. But this provision shall not prevent the Commission from imposing such additional requirements regarding reports or ac-

counts as it may deem necessary or appropriate in the public interest or for the protection of investors or consumers.

"(c) The rules and regulations of the Commission shall be effective upon publication in the manner which the Commission shall prescribe. For the purpose of its rules, regulations, or orders the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters. Orders of the Commission under this title shall be issued only after opportunity for hearing.

"(d) The Commission, by such rules and regulations or order as it deems necessary or appropriate in the public interest or for the protection of investors or consumers, may authorize the filing of any information or documents required to be filed with the Commission under this title, or under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, by incorporating by reference any information or documents theretofore or concurrently filed with the Commission under this title or either of such Acts. No provision of this title imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or order of the Commission, notwithstanding that such rule, regulation, or order may, after such act or omission, be amended or rescinded or be determined by judicial or other authority to be invalid for any reason.

"EFFECT ON EXISTING LAW

"SEC. 21. Nothing in this title shall affect (1) the jurisdiction of the Commission under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934 over any person, security, or contract, or (2) the rights, obligations, duties, or liabilities of any person under such Acts; nor shall anything in this title affect the jurisdiction of any other commission, board, agency, or officer of the United States or of any State or political subdivision of any State, over any person, security, or contract, insofar as such jurisdiction does not conflict with any provision of this title or any rule, regulation, or order thereunder.

"INFORMATION FILED WITH THE COMMISSION

"SEC. 22. (a) When in the judgment of the Commission the disclosure of such information would be in the public interest or the interest of investors or consumers, the information contained in any statement, application, declaration, report, or other document filed with the Commission shall be available to the public, and copies thereof may be furnished to any person at such reasonable charge and under such reasonable limitations as the Commission may prescribe: *Provided, however,* That nothing in this title shall be construed to require, or to authorize the Commission to require, the revealing of trade secrets or processes in any application, declaration, report, or document filed with the Commission under this title.

"(b) Any person filing such application, declaration, report, or document may make written objection to the public disclosure of information contained therein, stating the grounds for such objection, and the Commission is authorized to hear objections in any such case where it finds it advisable.

"(c) It shall be unlawful for any member, officer, or employee of the Commission to disclose to any person other than a member, officer, or employee of the Commission, or to use for personal benefit, any information contained in any application, declaration, report, or document filed with the Commission which is not made available to the public pursuant to this section.

"ANNUAL REPORTS OF COMMISSION

"SEC. 23. The Commission shall submit annually a report to the Congress covering the work of the Commission for the preceding year and including such information, data, and recommendations for further legislation in connection with the matters covered by this title as it may find advisable.

"COURT REVIEW OF ORDERS

"SEC. 24. (a) Any person or party aggrieved by an order issued by the Commission under this title may obtain a review of such order in the circuit court of appeals of the United States within any circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within sixty days after the entry of such order, a written petition praying that the order of the Commission be modified or set aside in whole or in part. A copy of such petition shall be forthwith served upon any member of the Commission, or upon any officer thereof designated by the Commission for that purpose, and thereupon the Commission shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such order, in whole or in part. No objection to the order of the Commission shall be considered by the court unless such objection shall have been urged before the Commission or unless there were reasonable grounds for failure so to do. The findings of the Commission as to the facts, if supported by substantial evidence, shall be conclusive. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts by reason of the additional evidence so taken, and it shall file with the court such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court affirming, modifying, or setting aside, in whole or in part, any such order of the Commission shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

"(b) The commencement of proceedings under subsection (a) shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

"JURISDICTION OF OFFENSES AND SUITS

"SEC. 25. The District Courts of the United States, the Supreme Court of the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this title or the rules, regulations, or orders thereunder, and, concurrently with State and Territorial courts, of all suits in equity and actions at law brought to enforce any liability or duty created by, or to enjoin any violation of, this title or the rules, regulations, or orders thereunder. Any criminal proceeding may be brought in the district wherein any act or transaction constituting the violation occurred. Any suit or action to enforce any liability or duty created by, or to enjoin any violation of, this title or rules, regulations, or orders thereunder, may be brought in any such district or in the district wherein the defendant is an inhabitant or transacts business, and process in such cases may be served in any district of which the defendant is an inhabitant or transacts business or wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 225 and 347), and section 7, as amended, of the Act entitled "An Act to establish a court of appeals for the District of Columbia", approved February 9, 1893 (D. C. Code, title 18, sec. 26). No costs shall be assessed for or against the Commission in any proceeding under this title brought by or against the Commission in any court.

"VALIDITY OF CONTRACTS

"SEC. 26. (a) Any condition, stipulation, or provision binding any person to waive compliance with any provision of this title or with any rule, regulation, or order thereunder shall be void.

"(b) Every contract made in violation of any provision of this title or of any rule, regulation, or order thereunder, and every contract heretofore or hereafter made, the performance of which involves the violation of, or the continuance of any relationship or practice in violation of, any provision of this title, or any rule, regulation, or order thereunder, shall be void (1) as regards the rights of any person who, in violation of any such provision, rule, regulation, or order, shall have made or engaged in the performance of any such contract, and (2) as regards the rights of any person who, not being a party to such contract, shall have acquired any right thereunder with actual knowledge of the facts by reason of which the making or performance of such contract was in violation of any such provision, rule, regulation, or order.

"(c) Nothing in this title shall be construed (1) to affect the validity of any loan or extension of credit (or any extension or renewal thereof) made or of any lien created prior or subsequent to the enactment of this title, unless at the time of the making of such loan or extension of credit (or extension or renewal thereof) or the creating of such lien, the person making such loan or extension of credit (or extension or renewal thereof) or acquiring such lien shall have actual knowledge of facts by reason of which the making of such loan or extension of credit (or extension or renewal thereof) or the acquisition of such lien is a violation of the provisions of this title or any rule or regulation thereunder, or (2) to afford a defense to the collection of any debt or obligation or the enforcement of any lien by any person who shall have acquired such debt, obligation, or lien in good faith for value and without actual knowledge of the violation of any provision of this title or any rule or regulation thereunder affecting the legality of such debt, obligation, or lien.

"LIABILITY OF CONTROLLING PERSONS; PREVENTING COMPLIANCE WITH TITLE

"SEC. 27. (a) It shall be unlawful for any person, directly or indirectly, to cause to be done any act or thing through or by means of any other person which it would be unlawful for such person to do under the provisions of this title or any rule, regulation, or order thereunder.

"(b) It shall be unlawful for any person without just cause to hinder, delay, or obstruct the making, filing, or keeping of any information, document, report, record, or account required to be made, filed, or kept under any provision of this title or any rule, regulation, or order thereunder.

"UNLAWFUL REPRESENTATIONS

"SEC. 28. It shall be unlawful for any person in issuing, selling, or offering for sale any security of a registered holding company or subsidiary company thereof, to represent or imply in any manner whatsoever that such security has been guaranteed, sponsored, or recommended for investment by the United States or any agency or officer thereof.

"PENALTIES

"SEC. 29. Any person who willfully violates any provision of this title or any rule, regulation, or order thereunder (other than an order of the Commission under subsection (b), (d), (e), or (f) of section 11), or any person who willfully makes any statement or entry in any application, report, document, account, or record filed or kept or required to be filed or kept under the provisions of this

title or any rule, regulation, or order thereunder, knowing such statement or entry to be false or misleading in any material respect, or any person who willfully destroys (except after such time as may be prescribed under any rules or regulations under this title), mutilates, alters, or by any means or device falsifies any account, correspondence, memorandum, book, paper, or other record kept or required to be kept under the provisions of this title or any rule, regulation, or order thereunder, shall upon conviction be fined not more than $10,000 or imprisoned not more than 2 years, or both, except that in the case of a violation of a provision of subsection (a) or (b) of section 4 by a holding company which is not an individual, the fine imposed upon such holding company shall be a fine not exceeding $200,000; but no person shall be convicted under this section for the violation of any rule, regulation, or order if he proves that he had no knowledge of such rule, regulation, or order.

"STUDY OF PUBLIC-UTILITY AND INVESTMENT COMPANIES

"SEC. 30. The Commission is authorized and directed to make studies and investigations of public-utility companies, the territories served or which can be served by public-utility companies, and the manner in which the same are or can be served, to determine the sizes, types, and locations of public-utility companies which do or can operate most economically and efficiently in the public interest, in the interest of investors and consumers, and in furtherance of a wider and more economical use of gas and electric energy; upon the basis of such investigations and studies the Commission shall make public from time to time its recommendations as to the type and size of geographically and economically integrated public-utility systems which, having regard for the nature and character of the locality served, can best promote and harmonize the interests of the public, the investor, and the consumer. The Commission is authorized and directed to make a study of the functions and activities of investment trusts and investment companies, the corporate structures, and investment policies of such trusts and companies, the influence exerted by such trusts and companies upon companies in which they are interested, and the influence exerted by interests affiliated with the management of such trusts and companies upon their investment policies, and to report the results of its study and its recommendations to the Congress on or before January 4, 1937.

"EMPLOYEES OF THE COMMISSION

"SEC. 31. For the purposes of this title, the Commission may select, employ, and fix the compensation of such attorneys, examiners, and other experts as shall be necessary for the transaction of the business of the Commission in respect of this title without regard to the provisions of other laws applicable to the employment and compensation of officers or employees of the United States; and the Commission may, subject to the civil-service laws, appoint such other officers and employees as are necessary in the execution of the functions of the Commission and fix their salaries in accordance with the Classification Act of 1923, as amended.

"SEPARABILITY OF PROVISIONS

"SEC. 32. If any provision of this title or the application of such provision to any person or circumstances shall be held invalid, the remainder of the title and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

"SHORT TITLE

"SEC. 33. This title may be cited as the 'Public Utility Holding Company Act of 1935.'

"TITLE II—AMENDMENTS TO FEDERAL WATER POWER ACT

"SECTION 201. Section 3 of the Federal Water Power Act, as amended, is amended to read as follows:

"'SEC. 3. The words defined in this section shall have the following meanings for purposes of this Act, to wit:

"'(1) "public lands" means such lands and interest in lands owned by the United States as are subject to private appropriation and disposal under public land laws. It shall not include "reservations", as hereinafter defined;

"'(2) "reservations" means national forests, tribal lands embraced within Indian reservations, military reservations, and other lands and interests in lands owned by the United States, and withdrawn, reserved, or withheld from private appropriation and disposal under the public land laws; also lands and interests in lands acquired and held for any public purposes; but shall not include national monuments or national parks;

"'(3) "corporation" means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include "municipalities" as hereinafter defined;

"'(4) "person" means an individual or a corporation;

"'(5) "licensee" means any person, State, or municipality licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

"'(6) "State" means a State admitted to the Union, the District of Columbia, and any organized Territory of the United States;

"'(7) "municipality" means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the laws thereof to carry on the business of developing, transmitting, utilizing, or distributing power;

"'(8) "navigable waters" means those parts of streams or other bodies of water over which Congress has jurisdiction under its authority to regulate commerce with foreign nations and among the several States, and which either in their natural or improved condition notwithstanding interruptions between the navigable parts of such streams or waters by falls, shallows, or rapids compelling land carriage, are used or suitable for use for the transportation of persons or property in interstate or foreign commerce, including therein all such interrupting falls, shallows, or rapids, together with such other parts of streams as shall have been authorized by Congress for improvement by the United States or shall have been recommended to Congress for such improvement after investigation under its authority;

"'(9) "municipal purposes" means and includes all purposes within municipal powers as defined by the constitution or laws of the State or by the charter of the municipality;

"'(10) "Government dam" means a dam or other work constructed or owned by the United States for Government purposes with or without contribution from others;

"'(11) "project" means complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or forebay reservoirs directly connected therewith, the primary line or lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water-rights, rights-of-way, ditches, dams, reservoirs, lands, or interest in lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"'(12) "project works" means the physical structures of a project;

"'(13) "net investment" in a project means the actual legitimate original cost thereof as defined and interpreted in the "classification of investment in road and equipment of steam roads, issue of 1914, Interstate Commerce Commission", plus similar costs of additions thereto and betterments thereof, minus the sum of the following items properly allocated thereto, if and to the extent that such items have been accumulated during the period of the license from earnings in excess of a fair return on such investment: (a) Unappropriated surplus, (b) aggregate credit balances of current depreciation accounts, and (c) aggregate appropriations of surplus or income held in amortization, sinking fund, or similar reserves, or expended for additions or betterments or used for the purposes for which such reserves were created. The term "cost" shall include, insofar as applicable, the elements thereof prescribed in said classification, but shall not include expenditures from funds obtained through donations by States, municipalities, individuals, or others, and said classification of investment of the Interstate Commerce Commission shall insofar as applicable be published and promulgated as a part of the rules and regulations of the Commission;

"'(14) "Commission" and "Commissioner" means the Federal Power Commission, and a member thereof, respectively;

"'(15) "State commission" means the regulatory body of the State or municipality having jurisdiction to regulate rates and charges for the sale of electric energy to consumers within the State or municipality;

"'(16) "security" means any note, stock, treasury stock, bond, debenture, or other evidence of interest in or indebtedness of a corporation subject to the provisions of this Act.'

"SEC. 202. Section 4 of the Federal Water Power Act, as amended, is amended to read as follows:

"'SEC. 4. The Commission is hereby authorized and empowered—

"'(a) To make investigation and to collect and record data concerning the utilization of the water resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development costs, and relation to markets of power sites, and whether the power from Government dams can be advantageously used by the United States for its public purposes, and what is a fair value of such power, to the extent the Commission may deem necessary or useful for the purposes of this Act.

"'(b) To determine the actual legitimate original cost of and the net investment in a licensed project, and to aid the Commission in such determinations, each licensee shall, upon oath, within a reasonable period of time to be fixed by the Commission, after the construction of the original project or any addition thereto or betterment thereof, file with the Commission in such detail as the Commission may require, a statement in duplicate showing the actual legitimate original cost of construction of such project, addition, or betterment, and of the price paid for water rights, rights-of-way, lands, or interest in lands. The licensee shall grant to the Commission or to its duly authorized agent or agents, at all reasonable times, free access to such project, addition, or betterment, and to all maps, profiles, contracts, reports of engineers, accounts, books, records, and all other papers and documents relating thereto. The statement of actual legitimate original cost of said project, and revisions thereof as determined by the Commission, shall be filed with the Secretary of the Treasury.

"'(c) To cooperate with the executive departments and other agencies of State or National Government in such investigations; and for such purpose the several departments and agencies of the National Government are authorized and directed upon the request of the Commission to furnish such records, papers, and information in their possession as may be requested by the Commission, and temporarily to detail to the Commission such officers or experts as may be necessary in such investigations.

"'(d) To make public from time to time the information secured hereunder and to provide for the publication of its reports and

investigations in such form and manner as may be best adapted for public information and use. The Commission, on or before the 3d day of January of each year, shall submit to Congress for the fiscal year preceding a classified report showing the permits and licenses issued under this Part, and in each case the parties thereto, the terms prescribed, and the moneys received if any, or account thereof. Such report shall contain the names and show the compensation of the persons employed by the Commission.

"'(e) To issue licenses to citizens of the United States, or to any association of such citizens, or to any corporation organized under the laws of the United States or any State thereof, or to any State or municipality for the purpose of constructing, operating, and maintaining dams, water conduits, reservoirs, power houses, transmission lines, or other project works necessary or convenient for the development and improvement of navigation and for the development, transmission, and utilization of power across, along, from, or in any of the streams or other bodies of water over which Congress has jurisdiction under its authority to regulate commerce with foreign nations and among the several States, or upon any part of the public lands and reservations of the United States (including the Territories), or for the purpose of utilizing the surplus water or water power from any Government dam, except as herein provided: *Provided*, That licenses shall be issued within any reservation only after a finding by the Commission that the license will not interfere or be inconsistent with the purpose for which such reservation was created or acquired, and shall be subject to and contain such conditions as the Secretary of the department under whose supervision such reservation falls shall deem necessary for the adequate protection and utilization of such reservation: *Provided further*, That no license affecting the navigable capacity of any navigable waters of the United States shall be issued until the plans of the dam or other structures affecting navigation have been approved by the Chief of Engineers and the Secretary of War. Whenever the contemplated improvement is, in the judgment of the Commission, desirable and justified in the public interest for the purpose of improving or developing a waterway or waterways for the use or benefit of interstate or foreign commerce, a finding to that effect shall be made by the Commission and shall become a part of the records of the Commission: *Provided further*, That in case the Commission shall find that any Government dam may be advantageously used by the United States for public purposes in addition to navigation, no license therefor shall be issued until two years after it shall have reported to Congress the facts and conditions relating thereto, except that this provision shall not apply to any Government dam constructed prior to June 10, 1920: *And provided further*, That upon the filing of any application for a license which has not been preceded by a preliminary permit under subsection (f) of this section, notice shall be given and published as required by the proviso of said subsection.

"'(f) To issue preliminary permits for the purpose of enabling applicants for a license hereunder to secure the data and to perform the acts required by section 9 hereof: *Provided, however*, That upon the filing of any application for a preliminary permit by any person, association, or corporation the Commission, before granting such application, shall at once give notice of such application in writing to any State or municipality likely to be interested in or affected by such application; and shall also publish notice of such application once each week for four weeks in a daily or weekly newspaper published in the county or counties in which the project or any part thereof or the lands affected thereby are situated.

"'(g) Upon its own motion to order an investigation of any occupancy of, or evidenced intention to occupy, for the purpose of developing electric power, public lands, reservations, or streams or other bodies of water over which Congress has jurisdiction under its authority to regulate commerce with foreign nations and among the several States by any person, corporation, State, or municipality and to issue such order as it may find appropriate, expedient, and in the public interest to conserve and utilize the navigation and water-power resources of the region.'"

"SEC. 203. Section 5 of the Federal Water Power Act, as amended, is amended to read as follows:

"'SEC. 5. Each preliminary permit issued under this Part shall be for the sole purpose of maintaining priority of application for a license under the terms of this Act for such period or periods, not exceeding a total of three years, as in the discretion of the Commission may be necessary for making examinations and surveys, for preparing maps, plans, specifications, and estimates, and for making financial arrangements. Each such permit shall set forth the conditions under which priority shall be maintained. Such permits shall not be transferable, and may be canceled by order of the Commission upon failure of permittees to comply with the conditions thereof or for other good cause shown after notice and opportunity for hearing.'"

"SEC. 204. Section 6 of the Federal Water Power Act, as amended, is amended to read as follows:

"'SEC. 6. Licenses under this Part shall be issued for a period not exceeding fifty years. Each such license shall be conditioned upon acceptance by the licensee of all the terms and conditions of this Act and such further conditions, if any, as the Commission shall prescribe in conformity with this Act, which said terms and conditions and the acceptance thereof shall be expressed in said license. Licenses may be revoked only for the reasons and in the manner prescribed under the provisions of this Act, and may be altered or surrendered only upon mutual agreement between the licensee and the Commission after thirty days' public notice. Copies of all licenses issued under the provisions of this Part and calling for the payment of annual charges shall be deposited with the General Accounting Office, in compliance with section 3743, Revised Statutes, as amended (U. S. C., title 41, sec. 20).'"

"SEC. 205. Section 7 of the Federal Water Power Act, as amended, is amended to read as follows:

"'SEC. 7. (a) In issuing preliminary permits hereunder or licenses where no preliminary permit has been issued and in issuing licenses to new licensees under section 15 hereof the Commission shall give preference to applications therefor by States and municipalities, provided the plans for the same are deemed by the Commission equally well adapted, or shall within a reasonable time to be fixed by the Commission be made equally well adapted, to conserve and utilize in the public interest the water resources of the region; and as between other applicants, the Commission may give preference to the applicant the plans of which it finds and determines are best adapted to develop, conserve, and utilize in the public interest the water resources of the region, if it be satisfied as to the ability of the applicant to carry out such plans.

"'(b) Whenever, in the judgment of the Commission, the development of any water resources for public purposes should be undertaken by the United States itself, the Commission shall not approve any application for any project affecting such development, but shall cause to be made such examinations, surveys, reports, plans, and estimates of the cost of the proposed development as it may find necessary, and shall submit its findings to Congress with such recommendations as it may find appropriate concerning such development.'

"SEC. 206. Section 10 of the Federal Water Power Act, as amended, is amended to read as follows:

"'SEC. 10. All licenses issued under this Part shall be on the following conditions:

"'(a) That the project adopted, including the maps, plans, and specifications, shall be such as in the judgment of the Commission will be best adapted to a comprehensive plan for improving or developing a waterway or waterways for the use or benefit of interstate or foreign commerce, for the improvement and utilization of water-power development, and for other beneficial public uses, including recreational purposes; and if necessary in order to secure such plan the Commission shall have authority to require the modification of any project and of the plans and specifications of the project works before approval.

"'(b) That except when emergency shall require for the protection of navigation, life, health, or property, no substantial alteration or addition not in conformity with the approved plans shall be made to any dam or other project works constructed hereunder of an installed capacity in excess of one hundred horsepower without the prior approval of the Commission; and any emergency alteration or addition so made shall thereafter be subject to such modification and change as the Commission may direct.

"'(c) That the licensee shall maintain the project works in a condition of repair adequate for the purposes of navigation and for the efficient operation of said works in the development and transmission of power, shall make all necessary renewals and replacements, shall establish and maintain adequate depreciation reserves for such purposes, shall so maintain and operate said works as not to impair navigation, and shall conform to such rules and regulations as the Commission may from time to time prescribe for the protection of life, health, and property. Each licensee hereunder shall be liable for all damages occasioned to the property of others by the construction, maintenance, or operation of the project works or of the works appurtenant or accessory thereto, constructed under the license, and in no event shall the United States be liable therefor.

"'(d) That after the first twenty years of operation, out of surplus earned thereafter, if any, accumulated in excess of a specified reasonable rate of return upon the net investment of a licensee in any project or projects under license, the licensee shall establish and maintain amortization reserves, which reserves shall, in the discretion of the Commission, be held until the termination of the license or be applied from time to time in reduction of the net investment. Such specified rate of return and the proportion of such surplus earnings to be paid into and held in such reserves shall be set forth in the license.

"'(e) That the licensee shall pay to the United States reasonable annual charges in an amount to be fixed by the Commission for the purpose of reimbursing the United States for the costs of the administration of this Part; for recompensing it for the use, occupancy, and enjoyment of its lands or other property; and for the expropriation to the Government of excessive profits until the respective States shall make provision for preventing excessive profits or for the expropriation thereof to themselves, or until the period of amortization as herein provided is reached, and in fixing such charges the Commission shall seek to avoid increasing the price to the consumers of power by such charges, and any such charges may be adjusted from time to time by the Commission as conditions may require: *Provided*, That when licenses are issued involving the use of Government dams or other structures owned by the United States or tribal lands embraced within Indian reservations the Commission shall, subject to the approval of the Secretary of the Interior in the case of such dams or structures in reclamation projects and, in the case of such tribal lands, subject to the approval of the Indian tribe having jurisdiction of such lands as provided in section 16 of the Act of June 18, 1934 (48 Stat. 984), fix a reasonable annual charge for the use thereof, and such charges may with like approval be readjusted by the Commission at the end of twenty years after the project is available for service and at periods of not less than ten years thereafter upon notice and opportunity for hearing: *Provided further*, That licenses for the development, transmission, or distribution of power

by States or municipalities shall be issued and enjoyed without charge to the extent such power is sold to the public without profit or is used by such State or municipality for State or municipal purposes, except that as to projects constructed or to be constructed by States or municipalities primarily designed to provide or improve navigation, licenses therefor shall be issued without charge; and that licenses for the development, transmission, or distribution of power for domestic, mining, or other beneficial use in projects of not more than one hundred horsepower installed capacity may be issued without charge, except on tribal lands within Indian reservations; but in no case shall a license be issued free of charge for the development and utilization of power created by any Government dam and that the amount charged therefor in any license shall be such as determined by the Commission. In the event an overpayment of any charge due under this section shall be made by a licensee, the Commission is authorized to allow a credit for such overpayment when charges are due for any subsequent period.

"'(f) That whenever any licensee hereunder is directly benefited by the construction work of another licensee, a permittee, or of the United States of a storage reservoir or other headwater improvement, the Commission shall require as a condition of the license that the licensee so benefited shall reimburse the owner of such reservoir or other improvements for such part of the annual charges for interest, maintenance, and depreciation thereon as the Commission may deem equitable. The proportion of such charges to be paid by any licensee shall be determined by the Commission. The licensees or permittees affected shall pay to the United States the cost of making such determination as fixed by the Commission.

"'Whenever such reservoir or other improvement is constructed by the United States the Commission shall assess similar charges against any licensee directly benefited thereby, and any amount so assessed shall be paid into the Treasury of the United States, to be reserved and appropriated as a part of the special fund for headwater improvements as provided in section 17 hereof.

"'Whenever any power project not under license is benefited by the construction work of a licensee or permittee, the United States or any agency thereof, the Commission, after notice to the owner or owners of such unlicensed project, shall determine and fix a reasonable and equitable annual charge to be paid to the licensee or permittee on account of such benefits, or to the United States if it be the owner of such headwater improvement.

"'(g) Such other conditions not inconsistent with the provisions of this Act as the Commission may require.

"'(h) That combinations, agreements, arrangements, or understandings, express or implied, to limit the output of electrical energy, to restrain trade, or to fix, maintain, or increase prices for electrical energy or service are hereby prohibited.

"'(i) In issuing licenses for a minor part only of a complete project, or for a complete project of not more than one hundred horsepower installed capacity, the Commission may in its discretion waive such conditions, provisions, and requirements of this Part, except the license period of fifty years, as it may deem to be to the public interest to waive under the circumstances: *Provided*, That the provisions hereof shall not apply to annual charges for use of lands within Indian reservations.'

"SEC. 207. Section 14 of the Federal Water Power Act, as amended, is amended to read as follows:

"'SEC. 14. Upon not less than two years' notice in writing from the Commission the United States shall have the right upon or after the expiration of any license to take over and thereafter to maintain and operate any project or projects as defined in section 3 hereof, and covered in whole or in part by the license, or the right to take over upon mutual agreement with the licensee all property owned and held by the licensee then valuable and serviceable in the development, transmission, or distribution of power and which is then dependent for its usefulness upon the continuance of the license, together with any lock or locks or other aids to navigation constructed at the expense of the licensee, upon the condition that before taking possession it shall pay the net investment of the licensee in the project or projects taken, not to exceed the fair value of the property taken, plus such reasonable damages, if any, to property of the licensee valuable, serviceable, and dependent as above set forth but not taken, as may be caused by the severance therefrom of property taken, and shall assume all contracts entered into by the licensee with the approval of the Commission. The net investment of the licensee in the project or projects so taken and the amount of such severance damages, if any, shall be determined by the Commission after notice and opportunity for hearing. Such net investment shall not include or be affected by the value of any lands, rights-of-way, or other property of the United States licensed by the Commission under this Act, by the license or by good will, going value, or prospective revenues; nor shall the values allowed for water rights, rights-of-way, lands, or interest in lands be in excess of the actual reasonable cost thereof at the time of acquisition by the licensee: *Provided*, That the right of the United States or any State or municipality to take over, maintain, and operate any project licensed under this Act at any time by condemnation proceedings upon payment of just compensation is hereby expressly reserved.'

"SEC. 208. Section 17 of the Federal Water Power Act, as amended, is amended to read as follows:

"'SEC. 17. (a) All proceeds from any Indian reservation shall be placed to the credit of the Indians of such reservation. All other charges arising from licenses hereunder, except charges fixed by the Commission for the purpose of reimbursing the United States for the costs of administration of this Part, shall be paid into the Treasury of the United States, subject to the following distribution: 12½ per centum thereof is hereby appropriated to be paid into the Treasury of the United States and credited to "Miscellaneous receipts"; 50 per centum of the charges arising from licenses hereunder for the occupancy and use of public lands and national forests shall be paid into, reserved, and appropriated as a part of the reclamation fund created by the Act of Congress known as the Reclamation Act, approved June 17, 1902; and 37½ per centum of the charges arising from licenses hereunder for the occupancy and use of national forests and public lands from development within the boundaries of any State shall be paid by the Secretary of the Treasury to such State; and 50 per centum of the charges arising from all other licenses hereunder is hereby reserved and appropriated as a special fund in the Treasury to be expended under the direction of the Secretary of War in the maintenance and operation of dams and other navigation structures owned by the United States or in the construction, maintenance, or operation of headwater or other improvements of navigable waters of the United States. The proceeds of charges made by the Commission for the purpose of reimbursing the United States for the costs of the administration of this part shall be paid into the Treasury of the United States and credited to miscellaneous receipts.

"'(b) In case of delinquency on the part of any licensee in the payment of annual charges a penalty of 5 per centum of the total amount so delinquent may be added to the total charges which shall apply for the first month or part of month so delinquent with an additional penalty of 3 per centum for each subsequent month until the total of the charges and penalties are paid or until the license is canceled and the charges and penalties satisfied in accordance with law.'"

"SEC. 209. Section 18 of the Federal Water Power Act, as amended, is amended to read as follows:

"'SEC. 18. The Commission shall require the construction, maintenance, and operation by a licensee at its own expense of such lights and signals as may be directed by the Secretary of War, and such fishways as may be prescribed by the Secretary of Commerce. The operation of any navigation facilities which may be constructed as a part of or in connection with any dam or diversion structure built under the provisions of this Act, whether at the expense of a licensee hereunder or of the United States, shall at all times be controlled by such reasonable rules and regulations in the interest of navigation, including the control of the level of the pool caused by such dam or diversion structure as may be made from time to time by the Secretary of War; and for willful failure to comply with any such rule or regulation such licensee shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished as provided in section 316 hereof.'"

"SEC. 210. Section 23 of the Federal Water Power Act, as amended, is amended to read as follows:

"'SEC. 23. (a) The provisions of this Part shall not be construed as affecting any permit or valid existing right-of-way heretofore granted or as confirming or otherwise affecting any claim, or as affecting any authority heretofore given pursuant to law, but any person, association, corporation, State, or municipality holding or possessing such permit, right-of-way, or authority may apply for a license hereunder, and upon such application the Commission may issue to any such applicant a license in accordance with the provisions of this Part and in such case the provisions of this Act shall apply to such applicant as a licensee hereunder: *Provided*, That when application is made for a license under this section for a project or projects already constructed the fair value of said project or projects determined as provided in this section, shall for the purposes of this Part and of said license be deemed to be the amount to be allowed as the net investment of the applicant in such project or projects as of the date of such license, or as of the date of such determination, if license has not been issued. Such fair value shall be determined by the Commission after notice and opportunity for hearing.

"'(b) It shall be unlawful for any person, State, or municipality, for the purpose of developing electric power, to construct, operate, or maintain any dam, water conduit, reservoir, power house, or other works incidental thereto across, along, or in any of the navigable waters of the United States, or upon any part of the public lands or reservations of the United States (including the Territories), or utilize the surplus water or water power from any Government dam, except under and in accordance with the terms of a permit or valid existing right-of-way granted prior to June 10, 1920, or a license granted pursuant to this Act. Any person, association, corporation, State, or municipality intending to construct a dam or other project works across, along, over, or in any stream or part thereof, other than those defined herein as navigable waters, and over which Congress has jurisdiction under its authority to regulate commerce with foreign nations and among the several States shall before such construction file declaration of such intention with the Commission, whereupon the Commission shall cause immediate investigation of such proposed construction to be made, and if upon investigation it shall find that the interests of interstate or foreign commerce would be affected by such proposed construction, such person, association, corporation, State, or municipality shall not construct, maintain, or operate such dam or other project works until it shall have applied for and shall have received a license under the provisions of this Act. If the Commission shall not so find, and if no public lands or reservations are affected, permission is hereby granted to construct such dam or other project works in such stream upon compliance with State laws.'"

"SEC. 211. Section 24 of the Federal Water Power Act, as amended, is amended to read as follows:

"'SEC. 24. Any lands of the United States included in any proposed project under the provisions of this Part shall from the date of filing of application therefor be reserved from entry, location, or other disposal under the laws of the United States until otherwise directed by the Commission or by Congress. Notice that such application has been made, together with the date of filing thereof and a description of the lands of the United States affected thereby, shall be filed in the local land office for the district in which such lands are located. Whenever the Commission shall determine that the value of any lands of the United States so applied for, or heretofore or hereafter reserved or classified as power sites, will not be injured or destroyed for the purposes of power development by location, entry, or selection under the public land laws, the Secretary of the Interior, upon notice of such determination, shall declare such lands open to location, entry, or selection, for such purpose or purposes and under such restrictions as the Commission may determine, subject to and with a reservation of the right of the United States or its permittees or licensees to enter upon, occupy, and use any part or all of said lands necessary, in the judgment of the Commission, for the purposes of this Part, which right shall be expressly reserved in every patent issued for such lands; and no claim or right to compensation shall accrue from the occupation or use of any of said lands for said purposes. The United States or any licensee for any such lands hereunder may enter thereupon for the purposes of this Part, upon payment of any damages to crops, buildings, or other improvements caused thereby to the owner thereof, or upon giving a good and sufficient bond to the United States for the use and benefit of the owner to secure the payment of such damages as may be determined and fixed in an action brought upon the bond in a court of competent jurisdiction, said bond to be in the form prescribed by the Commission: *Provided*, That locations, entries, selections, or filings heretofore made for lands reserved as water-power sites, or in connection with water-power development, or electrical transmission may proceed to approval or patent under and subject to the limitations and conditions in this section contained.'

"SEC. 212. Sections 1 to 29, inclusive, of the Federal Water Power Act, as amended, shall constitute Part I of that Act, and sections 25 and 30 of such Act, as amended, are repealed: *Provided*, That nothing in that Act, as amended, shall be construed to repeal or amend the provisions of the amendment to the Federal Water Power Act approved March 3, 1921 (41 Stat. 1353), or the provisions of any other Act relating to national parks and national monuments.

"SEC. 213. The Federal Water Power Act, as amended, is further amended by adding thereto the following parts:

"'PART II—REGULATION OF ELECTRIC UTILITY COMPANIES ENGAGED IN INTERSTATE COMMERCE

"'DECLARATION OF POLICY; APPLICATION OF PART; DEFINITIONS

"'SECTION 201. (a) It is hereby declared that the business of transmitting and selling electric energy for ultimate distribution to the public is affected with a public interest, and that Federal regulation of matters relating to generation to the extent provided in this Part and the Part next following and of that part of such business which consists of the transmission of electric energy in interstate commerce and the sale of such energy at wholesale in interstate commerce is necessary in the public interest, such Federal regulation, however, to extend only to those matters which are not subject to regulation by the States.

"'(b) The provisions of this Part shall apply to the transmission of electric energy in interstate commerce and to the sale of electric energy at wholesale in interstate commerce, but shall not apply to any other sale of electric energy or deprive a State or State commission of its lawful authority now exercised over the exportation of hydroelectric energy which is transmitted across a State line. The Commission shall have jurisdiction over all facilities for such transmission or sale of electric energy, but shall not have jurisdiction, except as specifically provided in this Part and the Part next following, over facilities used for the generation of electric energy or over facilities used in local distribution or only for the transmission of electric energy in intrastate commerce, or over facilities for the transmission of electric energy consumed wholly by the transmitter.

"'(c) For the purpose of this Part, electric energy shall be held to be transmitted in interstate commerce if transmitted from a State and consumed at any point outside thereof; but only insofar as such transmission takes place within the United States.

"'(d) The term "sale of electric energy at wholesale" when used in this Part means a sale of electric energy to any person for resale.

"'(e) The term "public utility" when used in this Part or in the Part next following means any person who owns or operates facilities subject to the jurisdiction of the Commission under this Part.

"'(f) No provision in this Part shall apply to, or be deemed to include, the United States, a State or any political subdivision of a State, or any agency, authority, or instrumentality of any one or more of the foregoing, or any corporation which is wholly owned, directly or indirectly, by any one or more of the foregoing, or any officer, agent, or employee of any of the foregoing acting as such in the course of his official duty, unless such provision makes specific reference thereto.

"'INTERCONNECTION AND COORDINATION OF FACILITIES; EMERGENCIES; TRANSMISSION TO FOREIGN COUNTRIES

"'SEC. 202. (a) For the purpose of assuring an abundant supply of electric energy throughout the United States with the greatest possible economy and with regard to the proper utilization and conservation of natural resources, the Commission is empowered and directed to divide the country into regional districts for the voluntary interconnection and coordination of facilities for the generation, transmission, and sale of electric energy, and it may at any time thereafter, upon its own motion or upon application, make such modifications thereof as in its judgment will promote the public interest. Each such district shall embrace an area which, in the judgment of the Commission, can economically be served by such interconnected and coordinated electric facilities. It shall be the duty of the Commission to promote and encourage such interconnection and coordination within each such district and between such districts. Before establishing any such district and fixing or modifying the boundaries thereof the Commission shall give notice to the State commission of each State situated wholly or in part within such district, and shall afford each such State commission reasonable opportunity to present its views and recommendations, and shall receive and consider such views and recommendations.

"'(b) Whenever the Commission, upon application of any State commission or of any person engaged in the transmission or sale of electric energy, and after notice to each State commission and public utility affected and after opportunity for hearing, finds such action necessary or appropriate in the public interest it may by order direct a public utility (if the Commission finds that no undue burden will be placed upon such public utility thereby) to establish physical connection of its transmission facilities with the facilities of one or more other persons engaged in the transmission or sale of electric energy, to sell energy to or exchange energy with such persons: *Provided*, That the Commission shall have no authority to compel the enlargement of generating facilities for such purposes, nor to compel such public utility to sell or exchange energy when to do so would impair its ability to render adequate service to its customers. The Commission may prescribe the terms and conditions of the arrangement to be made between the persons affected by any such order, including the apportionment of cost between them and the compensation or reimbursement reasonably due to any of them.

"'(c) During the continuance of any war in which the United States is engaged, or whenever the Commission determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes, the Commission shall have authority, either upon its own motion or upon complaint, with or without notice, hearing, or report, to require by order such temporary connections of facilities and such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest. If the parties affected by such order fail to agree upon the terms of any arrangement between them in carrying out such order, the Commission, after hearing held either before or after such order takes effect, may prescribe by supplemental order such terms as it finds to be just and reasonable, including the compensation or reimbursement which should be paid to or by any such party.

"'(d) During the continuance of any emergency requiring immediate action, any person engaged in the transmission or sale of electric energy and not otherwise subject to the jurisdiction of the Commission may make such temporary connections with any public utility subject to the jurisdiction of the Commission or may construct such temporary facilities for the transmission of electric energy in interstate commerce as may be necessary or appropriate to meet such emergency, and shall not become subject to the jurisdiction of the Commission by reason of such temporary connection or temporary construction: *Provided*, That such temporary connection shall be discontinued or such temporary construction removed or otherwise disposed of upon the termination of such emergency: *Provided further*, That upon approval of the Commission permanent connections for emergency use only may be made hereunder.

"'(e) After six months from the date on which this Part takes effect, no person shall transmit any electric energy from the United States to a foreign country without first having secured an order of the Commission authorizing it to do so. The Commission shall issue such order upon application unless, after opportunity for hearing, it finds that the proposed transmission would impair the sufficiency of electric supply within the United States or would impede or tend to impede the coordination in the public interest of facilities subject to the jurisdiction of the Commission. The Commission may by its order grant such application in whole or in part, with such modifications and upon such terms and conditions as the Commission may find necessary or appropriate, and may from time to time, after opportunity for hearing and for good cause shown, make such supplemental order in the premises as it may find necessary or appropriate.

"'DISPOSITION OF PROPERTY; CONSOLIDATIONS; PURCHASE OF SECURITIES

"'SEC. 203. (a) No public utility shall sell, lease, or otherwise dispose of the whole of its facilities subject to the jurisdiction of the Commission, or any part thereof of a value in excess of $50,000, or by any means whatsoever, directly or indirectly, merge or consolidate such facilities or any part thereof with those of any other

person, or purchase, acquire, or take any security of any other public utility, without first having secured an order of the Commission authorizing it to do so. Upon application for such approval the Commission shall give reasonable notice in writing to the Governor and State commission of each of the States in which the physical property affected, or any part thereof, is situated, and to such other persons as it may deem advisable. After notice and opportunity for hearing, if the Commission finds that the proposed disposition, consolidation, acquisition, or control will be consistent with the public interest, it shall approve the same.

"'(b) The Commission may grant any application for an order under this section in whole or in part and upon such terms and conditions as it finds necessary or appropriate to secure the maintenance of adequate service and the coordination in the public interest of facilities subject to the jurisdiction of the Commission. The Commission may from time to time for good cause shown make such orders supplemental to any order made under this section as it may find necessary or appropriate.

"' ISSUANCE OF SECURITIES; ASSUMPTION OF LIABILITIES

"'SEC. 204. (a) No public utility shall issue any security, or assume any obligation or liability as guarantor, indorser, surety, or otherwise in respect of any security of another person, unless and until, and then only to the extent that, upon application by the public utility, the Commission by order authorizes such issue or assumption of liability. The Commission shall make such order only if it finds that such issue or assumption (a) is for some lawful object, within the corporate purposes of the applicant and compatible with the public interest, which is necessary or appropriate for or consistent with the proper performance by the applicant of service as a public utility and which will not impair its ability to perform that service, and (b) is reasonably necessary or appropriate for such purposes. The provisions of this section shall be effective six months after this Part takes effect.

"'(b) The Commission, after opportunity for hearing, may grant any application under this section in whole or in part, and with such modifications and upon such terms and conditions as it may find necessary or appropriate, and may from time to time, after opportunity for hearing and for good cause shown, make such supplemental orders in the premises as it may find necessary or appropriate, and may by any such supplemental order modify the provisions of any previous order as to the particular purposes, uses, and extent to which, or the conditions under which, any security so theretofore authorized or the proceeds thereof may be applied, subject always to the requirements of subsection (a) of this section.

"'(c) No public utility shall, without the consent of the Commission, apply any security or any proceeds thereof to any purpose not specified in the Commission's order, or supplemental order, or to any purpose in excess of the amount allowed for such purpose in such order, or otherwise in contravention of such order.

"'(d) The Commission shall not authorize the capitalization of the right to be a corporation or of any franchise, permit, or contract for consolidation, merger, or lease in excess of the amount (exclusive of any tax or annual charge) actually paid as the consideration for such right, franchise, permit, or contract.

"'(e) Subsection (a) shall not apply to the issue or renewal of, or assumption of liability on, a note or draft maturing not more than one year after the date of such issue, renewal, or assumption of liability, and aggregating (together with all other then outstanding notes and drafts of a maturity of one year or less on which such public utility is primarily or secondarily liable) not more than 5 per centum of the par value of the other securities of the public utility then outstanding. In the case of securities having no par value, the par value for the purpose of this subsection shall be the fair market value as of the date of issue. Within ten days after any such issue, renewal, or assumption of liability, the public utility shall file with the Commission a certificate of notification, in such form as may be prescribed by the Commission, setting forth such matters as the Commission shall by regulation require.

"'(f) The provisions of this section shall not extend to a public utility organized and operating in a State under the laws of which its security issues are regulated by a State commission.

"'(g) Nothing in this section shall be construed to imply any guarantee or obligation on the part of the United States in respect of any securities to which the provisions of this section relate.

"'(h) Any public utility whose security issues are approved by the Commission under this section may file with the Securities and Exchange Commission duplicate copies of reports filed with the Federal Power Commission in lieu of the reports, information, and documents required under section 7 of the Securities Act of 1933 and sections 12 and 13 of the Securities and Exchange Act of 1934.

"' RATES AND CHARGES; SCHEDULES; SUSPENSION OF NEW RATES

"'SEC. 205. (a) All rates and charges made, demanded, or received by any public utility for or in connection with the transmission or sale of electric energy subject to the jurisdiction of the Commission, and all rules and regulations affecting or pertaining to such rates or charges shall be just and reasonable, and any such rate or charge that is not just and reasonable is hereby declared to be unlawful.

"'(b) No public utility shall, with respect to any transmission or sale subject to the jurisdiction of the Commission, (1) make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage, or (2) maintain any unreasonable difference in rates, charges, service, facilities, or in any other respect, either as between localities or as between classes of service.

"'(c) Under such rules and regulations as the Commission may prescribe, every public utility shall file with the Commission, within such time and in such form as the Commission may designate, and shall keep open in convenient form and place for public inspection schedules showing all rates and charges for any transmission or sale subject to the jurisdiction of the Commission, and the classifications, practices, and regulations affecting such rates and charges, together with all contracts which in any manner affect or relate to such rates, charges, classifications, and services.

"'(d) Unless the Commission otherwise orders, no change shall be made by any public utility in any such rate, charge, classification, or service, or in any rule, regulation, or contract relating thereto, except after thirty days' notice to the Commission and to the public. Such notice shall be given by filing with the Commission and keeping open for public inspection new schedules stating plainly the change or changes to be made in the schedule or schedules then in force and the time when the change or changes will go into effect. The Commission, for good cause shown, may allow changes to take effect without requiring the thirty days' notice herein provided for by an order specifying the changes so to be made and the time when they shall take effect and the manner in which they shall be filed and published.

"'(e) Whenever any such new schedule is filed the Commission shall have authority, either upon complaint or upon its own initiative without complaint, at once, and, if it so orders, without answer or formal pleading by the public utility, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such rate, charge, classification, or service; and, pending such hearing and the decision thereon, the Commission, upon filing with such schedules and delivering to the public utility affected thereby a statement in writing of its reasons for such suspension, may suspend the operation of such schedule and defer the use of such rate, charge, classification, or service, but not for a longer period than five months beyond the time when it would otherwise go into effect; and after full hearings, either completed before or after the rate, charge, classification, or service goes into effect, the Commission may make such orders with reference thereto as would be proper in a proceeding initiated after it had become effective. If the proceeding has not been concluded and an order made at the expiration of such five months, the proposed change of rate, charge, classification, or service shall go into effect at the end of such period, but in case of a proposed increased rate or charge, the Commission may by order require the interested public utility or public utilities to keep accurate account in detail of all amounts received by reason of such increase, specifying by whom and in whose behalf such amounts are paid, and upon completion of the hearing and decision may by further order require such public utility or public utilities to refund, with interest, to the persons in whose behalf such amounts were paid, such portion of such increased rates or charges as by its decision shall be found not justified. At any hearing involving a rate or charge sought to be increased, the burden of proof to show that the increased rate or charge is just and reasonable shall be upon the public utility, and the Commission shall give to the hearing and decision of such questions preference over other questions pending before it and decide the same as speedily as possible.

"' FIXING RATES AND CHARGES; DETERMINATION OF COST OF PRODUCTION OR TRANSMISSION

"'SEC. 206. (a) Whenever the Commission, after a hearing had upon its own motion or upon complaint, shall find that any rate, charge, or classification, demanded, observed, charged, or collected by any public utility for any transmission or sale subject to the jurisdiction of the Commission, or that any rule, regulation, practice, or contract affecting such rate, charge, or classification is unjust, unreasonable, unduly discriminatory or preferential, the Commission shall determine the just and reasonable rate, charge, classification, rule, regulation, practice, or contract to be thereafter observed and in force, and shall fix the same by order.

"'(b) The Commission upon its own motion, or upon the request of any State commission whenever it can do so without prejudice to the efficient and proper conduct of its affairs, may investigate and determine the cost of the production or transmission of electric energy by means of facilities under the jurisdiction of the Commission in cases where the Commission has no authority to establish a rate governing the sale of such energy.

"' FURNISHING OF ADEQUATE SERVICE

"'SEC. 207. Whenever the Commission, upon complaint of a State commission, after notice to each State commission and public utility affected and after opportunity for hearing, shall find that any interstate service of any public utility is inadequate or insufficient, the Commission shall determine the proper, adequate, or sufficient service to be furnished, and shall fix the same by its order, rule, or regulation: *Provided*, That the Commission shall have no authority to compel the enlargement of generating facilities for such purposes, nor to compel the public utility to sell or exchange energy when to do so would impair its ability to render adequate service to its customers.

"' ASCERTAINMENT OF COST OF PROPERTY

"'SEC. 208. (a) The Commission may investigate and ascertain the actual legitimate cost of the property of every public utility, the depreciation therein, and, when found necessary for rate-making purposes, other facts which bear on the determination of such cost or depreciation, and the fair value of such property.

"'(b) Every public utility upon request shall file with the Commission an inventory of all or any part of its property and a statement of the original cost thereof, and shall keep the Commission informed regarding the cost of all additions, betterments, extensions, and new construction.

"'USE OF JOINT BOARDS; COOPERATION WITH STATE COMMISSIONS

"'SEC. 209. (a) The Commission may refer any matter arising in the administration of this Part to a board to be composed of a member or members, as determined by the Commission, from the State or each of the States affected or to be affected by such matter. Any such board shall be vested with the same power and be subject to the same duties and liabilities as in the case of a member of the Commission when designated by the Commission to hold any hearings. The action of such board shall have such force and effect and its proceedings shall be conducted in such manner as the Commission shall by regulations prescribe. The board shall be appointed by the Commission from persons nominated by the State commission of each State affected, or by the Governor of such State if there is no State commission. Each State affected shall be entitled to the same number of representatives on the board unless the nominating power of such State waives such right. The Commission shall have discretion to reject the nominee from any State, but shall thereupon invite a new nomination from that State. The members of a board shall receive such allowances for expenses as the Commission shall provide. The Commission may, when in its discretion sufficient reason exists therefor, revoke any reference to such a board.

"'(b) The Commission may confer with any State commission regarding the relationship between rate structures, costs, accounts, charges, practices, classifications, and regulations of public utilities subject to the jurisdiction of such State commission and of the Commission; and the Commission is authorized, under such rules and regulations as it shall prescribe, to hold joint hearings with any State commission in connection with any matter with respect to which the Commission is authorized to act. The Commission is authorized in the administration of this Act to avail itself of such cooperation, services, records, and facilities as may be afforded by any State commission.

"'(c) The Commission shall make available to the several State commissions such information and reports as may be of assistance in State regulation of public utilities. Whenever the Commission can do so without prejudice to the efficient and proper conduct of its affairs, it may upon request from a State make available to such State as witnesses any of its trained rate, valuation, or other experts, subject to reimbursement to the Commission by such State of the compensation and traveling expenses of such witnesses. All sums collected hereunder shall be credited to the appropriation from which the amounts were expended in carrying out the provisions of this subsection.

"'PART III—LICENSEES AND PUBLIC UTILITIES; PROCEDURAL AND ADMINISTRATIVE PROVISIONS

"'ACCOUNTS, RECORDS, AND MEMORANDA

"'SECTION 301. (a) Every licensee and public utility shall make, keep, and preserve for such periods, such accounts, records of cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Commission may by rules and regulations prescribe as necessary or appropriate for purposes of the administration of this Act, including accounts, records, and memoranda of the generation, transmission, distribution, delivery, or sale of electric energy, the furnishing of services or facilities in connection therewith, and receipts and expenditures with respect to any of the foregoing: *Provided, however,* That nothing in this Act shall relieve any public utility from keeping any accounts, memoranda, or records which such public utility may be required to keep by or under authority of the laws of any State. The Commission may prescribe a system of accounts to be kept by licensees and public utilities and may classify such licensees and public utilities and prescribe a system of accounts for each class. The Commission, after notice and opportunity for hearing, may determine by order the accounts in which particular outlays and receipts shall be entered, charged, or credited. The burden of proof to justify every accounting entry questioned by the Commission shall be on the person making, authorizing, or requiring such entry, and the Commission may suspend a charge or credit pending submission of satisfactory proof in support thereof.

"'(b) The Commission shall at all times have access to and the right to inspect and examine all accounts, records, and memoranda of licensees and public utilities, and it shall be the duty of such licensees and public utilities to furnish to the Commission, within such reasonable time as the Commission may order, any information with respect thereto which the Commission may by order require, including copies of maps, contracts, reports of engineers, and other data, records, and papers, and to grant to all agents of the Commission free access to its property and its accounts, records, and memoranda when requested so to do. No member, officer, or employee of the Commission shall divulge any fact or information which may come to his knowledge during the course of examination of books or other accounts, as hereinbefore provided, except insofar as he may be directed by the Commission or by a court.

"'(c) The books, accounts, memoranda, and records of any person who controls, directly or indirectly, a licensee or public utility subject to the jurisdiction of the Commission, and of any other company controlled by such person, insofar as they relate to transactions with or the business of such licensee or public utility, shall be subject to examination on the order of the Commission.

"'RATES OF DEPRECIATION

"'SEC. 302. (a) The Commission may, after hearing, require licensees and public utilities to carry a proper and adequate depreciation account in accordance with such rules, regulations, and forms of account as the Commission may prescribe. The Commission may, from time to time, ascertain and determine, and by order fix, the proper and adequate rates of depreciation of the several classes of property of each licensee and public utility. Each licensee and public utility shall conform its depreciation accounts to the rates so ascertained, determined, and fixed. The licensees and public utilities subject to the jurisdiction of the Commission shall not charge to operating expenses any depreciation charges on classes of property other than those prescribed by the Commission, or charge with respect to any class of property a percentage of depreciation other than that prescribed therefor by the Commission. No such licensee or public utility shall in any case include in any form under its operating or other expenses any depreciation or other charge or expenditure included elsewhere as a depreciation charge or otherwise under its operating or other expenses. Nothing in this section shall limit the power of a State commission to determine in the exercise of its jurisdiction, with respect to any public utility, the percentage rate of depreciation to be allowed, as to any class of property of such public utility, or the composite depreciation rate, for the purpose of determining rates or charges.

"'(b) The Commission, before prescribing any rules or requirements as to accounts, records, or memoranda, or as to depreciation rates, shall notify each State commission having jurisdiction with respect to any public utility involved, and shall give reasonable opportunity to each such commission to present its views, and shall receive and consider such views and recommendations.

"'REQUIREMENTS APPLICABLE TO AGENCIES OF THE UNITED STATES

"'SEC. 303. All agencies of the United States engaged in the generation and sale of electric energy for ultimate distribution to the public shall be subject, as to all facilities used for such generation and sale, and as to the electric energy sold by such agency, to the provisions of sections 301 and 302 hereof, so far as may be practicable, and shall comply with the provisions of such sections and with the rules and regulations of the Commission thereunder to the same extent as may be required in the case of a public utility.

"'PERIODIC AND SPECIAL REPORTS

"'SEC. 304. (a) Every licensee and every public utility shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this Act. The Commission may prescribe the manner and form in which such reports shall be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies.

"'(b) It shall be unlawful for any person willfully to hinder, delay, or obstruct the making, filing, or keeping of any information, document, report, memorandum, record, or account required to be made, filed, or kept under this Act or any rule, regulation, or order thereunder.

"'OFFICIALS DEALING IN SECURITIES; INTERLOCKING DIRECTORATES

"'SEC. 305. (a) It shall be unlawful for any officer or director of any public utility to receive for his own benefit, directly or indirectly, any money or thing of value in respect of the negotiation, hypothecation, or sale by such public utility of any security issued or to be issued by such public utility, or to share in any of the proceeds thereof, or to participate in the making or paying of any dividends of such public utility from any funds properly included in capital account.

"'(b) After six months from the date on which this Part takes effect, it shall be unlawful for any person to hold the position of officer or director of more than one public utility or to hold the position of officer or director of a public utility and the position of officer or director of any bank, trust company, banking association, or firm that is authorized by law to underwrite or participate in the marketing of securities of a public utility, or officer or director of any company supplying electrical equipment to such public utility, unless the holding of such positions shall have been authorized by order of the Commission, upon due showing in form and manner prescribed by the Commission, that neither public nor private interests will be adversely affected thereby. The Commission shall not grant any such authorization in respect of such positions held on the date on which this Part takes effect, unless application for such authorization is filed with the Commission within sixty days after that date.

"'COMPLAINTS

"'SEC. 306. Any person, State, municipality, or State commission complaining of anything done or omitted to be done by any licensee or public utility in contravention of the provisions of this

Act may apply to the Commission by petition which shall briefly state the facts, whereupon a statement of the complaint thus made shall be forwarded by the Commission to such licensee or public utility, who shall be called upon to satisfy the complaint or to answer the same in writing within a reasonable time to be specified by the Commission. If such licensee or public utility shall not satisfy the complaint within the time specified or there shall appear to be any reasonable ground for investigating such complaint, it shall be the duty of the Commission to investigate the matters complained of in such manner and by such means as it shall find proper.

"'INVESTIGATIONS BY COMMISSION; ATTENDANCE OF WITNESSES; DEPOSITIONS

"'SEC. 307. (a) The Commission may investigate any facts, conditions, practices, or matters which it may find necessary or proper in order to determine whether any person has violated or is about to violate any provision of this Act or any rule, regulation, or order thereunder, or to aid in the enforcement of the provisions of this Act or in prescribing rules or regulations thereunder, or in obtaining information to serve as a basis for recommending further legislation concerning the matters to which this Act relates. The Commission may permit any person to file with it a statement in writing under oath or otherwise, as it shall determine, as to any or all facts and circumstances concerning a matter which may be the subject of investigation. The Commission, in its discretion, may publish or make available to State commissions information concerning any such subject.

"'(b) For the purpose of any investigation or any other proceeding under this Act, any member of the Commission, or any officer designated by it, is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, contracts, agreements, or other records which the Commission finds relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States at any designated place of hearing. Witnesses summoned by the Commission to appear before it shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"'(c) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, contracts, agreements, and other records. Such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found or may be doing business. Any person who willfully shall fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, contracts, agreements, or other records, if in his or its power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.

"'(d) The testimony of any witness may be taken, at the instance of a party, in any proceeding or investigation pending before the Commission, by deposition, at any time after the proceeding is at issue. The Commission may also order testimony to be taken by deposition in any proceeding or investigation pending before it, at any stage of such proceeding or investigation. Such depositions may be taken before any person authorized to administer oaths not being of counsel or attorney to either of the parties, nor interested in the proceeding or investigation. Reasonable notice must first be given in writing by the party or his attorney proposing to take such deposition to the opposite party or his attorney of record, as either may be nearest, which notice shall state the name of the witness and the time and place of the taking of his deposition. Any person may be compelled to appear and depose, and to produce documentary evidence, in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the Commission, as hereinbefore provided. Such testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall, after it has been reduced to writing, be subscribed by the deponent.

"'(e) If a witness whose testimony may be desired to be taken by deposition be in a foreign country, the deposition may be taken before an officer or person designated by the Commission, or agreed upon by the parties by stipulation in writing to be filed with the Commission. All depositions must be promptly filed with the Commission.

"'(f) Witnesses whose depositions are taken as authorized in this Act, and the person or officer taking the same, shall be entitled to the same fees as are paid for like services in the courts of the United States.

"'(g) No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda, contracts, agreements, or other records and documents before the Commission, or in obedience to the subpena of the Commission or any member thereof or any officer designated by it, or in any cause or proceeding instituted by the Commission, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"'HEARINGS; RULES OF PROCEDURE

"'SEC. 308. (a) Hearings under this Act may be held before the Commission, any member or members thereof or any representative of the Commission designated by it, and appropriate records thereof shall be kept. In any proceeding before it, the Commission, in accordance with such rules and regulations as it may prescribe, may admit as a party any interested State, State commission, municipality, or any representative of interested consumers or security holders, or any competitor of a party to such proceedings, or any other person whose participation in the proceeding may be in the public interest.

"'(b) All hearings, investigations, and proceedings under this Act shall be governed by rules of practice and procedure to be adopted by the Commission, and in the conduct thereof the technical rules of evidence need not be applied. No informality in any hearing, investigation, or proceeding or in the manner of taking testimony shall invalidate any order, decision, rule, or regulation issued under the authority of this Act.

"'ADMINISTRATIVE POWERS OF COMMISSION; RULES, REGULATIONS, AND ORDERS

"'SEC. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed. Unless a different date is specified therein, rules and regulations of the Commission shall be effective thirty days after publication in the manner which the Commission shall prescribe. Orders of the Commission shall be effective on the date and in the manner which the Commission shall prescribe. For the purposes of its rules and regulations, the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters. All rules and regulations of the Commission shall be filed with its secretary and shall be kept open in convenient form for public inspection and examination during reasonable business hours.

"'APPOINTMENT OF OFFICERS AND EMPLOYEES

"'SEC. 310. The Commission is authorized to appoint and fix the compensation of such officers, attorneys, examiners, and experts as may be necessary for carrying out its functions under this Act, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States; and the Commission may, subject to civil-service laws, appoint such other officers and employees as are necessary for carrying out such functions and fix their salaries in accordance with the Classification Act of 1923, as amended.

"'INVESTIGATIONS RELATING TO ELECTRIC ENERGY

"'SEC. 311. In order to secure information necessary or appropriate as a basis for recommending legislation, the Commission is authorized and directed to conduct investigations regarding the generation, transmission, distribution, and sale of electric energy, however produced, throughout the United States and its possessions, whether or not otherwise subject to the jurisdiction of the Commission, including the generation, transmission, distribution, and sale of electric energy by any agency, authority, or instrumentality of the United States, or of any State or municipality or other political subdivision of a State. It shall, so far as practicable, secure and keep current information regarding the ownership, operation, management, and control of all facilities for such generation, transmission, distribution, and sale; the capacity and output thereof and the relationship between the two; the cost of generation, transmission, and distribution; the rates, charges, and contracts in respect of the sale of electric energy and its service to residential, rural, commercial, and industrial consumers and other purchasers by private and public agencies; and the relation of any or all such facts to the development of navigation, industry, commerce, and the national defense. The Commission shall report to Congress the results of investigations made under authority of this section.

"'PUBLICATION AND SALE OF REPORTS

"'SEC. 312. The Commission may provide for the publication of its reports and decisions in such form and manner as may be best adapted for public information and use, and is authorized to sell at reasonable prices copies of all maps, atlases, and reports as it may from time to time publish. Such reasonable prices may include the cost of compilation, composition, and reproduction. The Commission is also authorized to make such charges as it deems reasonable for special statistical services and other special or periodic services. The amounts collected under this section shall be deposited in the Treasury to the credit of miscellaneous receipts. All printing for the Federal Power Commission making use of engraving, lithography, and photolithography, together with the

plates for the same, shall be contracted for and performed under the direction of the Commission, under such limitations and conditions as the Joint Committee on Printing may from time to time prescribe, and all other printing for the Commission shall be done by the Public Printer under such limitations and conditions as the Joint Committee on Printing may from time to time prescribe. The entire work may be done at, or ordered through, the Government Printing Office whenever, in the judgment of the Joint Committee on Printing, the same would be to the interest of the Government: *Provided*, That when the exigencies of the public service so require, the Joint Committee on Printing may authorize the Commission to make immediate contracts for engraving, lithographing, and photolithographing, without advertisement for proposals: *Provided further*, That nothing contained in this or any other Act shall prevent the Federal Power Commission from placing orders with other departments or establishments for engraving, lithographing, and photolithographing, in accordance with the provisions of sections 601 and 602 of the Act of June 30, 1932 (47 Stat. 417), providing for interdepartmental work.

"'REHEARING; COURT REVIEW OF ORDERS

"'SEC. 313. (a) Any person, State, municipality, or State commission aggrieved by an order issued by the Commission in a proceeding under this Act to which such person, State, municipality, or State commission is a party may apply for a rehearing within thirty days after the issuance of such order. The application for rehearing shall set forth specifically the ground or grounds upon which such application is based. Upon such application the Commission shall have power to grant or deny rehearing or to abrogate or modify its order without further hearing. Unless the Commission acts upon the application for rehearing within thirty days after it is filed, such application may be deemed to have been denied. No proceeding to review any order of the Commission shall be brought by any person unless such person shall have made application to the Commission for a rehearing thereon.

"'(b) Any party to a proceeding under this Act aggrieved by an order issued by the Commission in such proceeding may obtain a review of such order in the Circuit Court of Appeals of the United States for any circuit wherein the licensee or public utility to which the order relates is located or has its principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within sixty days after the order of the Commission upon the application for rehearing, a written petition praying that the order of the Commission be modified or set aside in whole or in part. A copy of such petition shall forthwith be served upon any member of the Commission and thereupon the Commission shall certify and file with the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such order in whole or in part. No objection to the order of the Commission shall be considered by the court unless such objection shall have been urged before the Commission in the application for rehearing unless there is reasonable ground for failure to do. The finding of the Commission as to the facts, if supported by substantial evidence, shall be conclusive. If any party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceedings before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts by reason of the additional evidence so taken, and it shall file with the court such modified or new findings which, if supported by substantial evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court, affirming, modifying, or setting aside, in whole or in part, any such order of the Commission, shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

"'(c) The filing of an application for rehearing under subsection (a) shall not, unless specifically ordered by the Commission, operate as a stay of the Commission's order. The commencement of proceedings under subsection (b) of this section shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

"'ENFORCEMENT OF ACT, REGULATIONS AND ORDERS

"'SEC. 314. (a) Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this act, or of any rule, regulation, or order thereunder, it may in its discretion bring an action in the proper District Court of the United States, the Supreme Court of the District of Columbia, or the United States courts of any Territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices and to enforce compliance with this Act or any rule, regulation, or order thereunder, and upon a proper showing a permanent or temporary injunction or decree or restraining order shall be granted without bond. The Commission may transmit such evidence as may be available concerning such acts or practices to the Attorney General, who, in his discretion, may institute the necessary criminal proceedings under this Act.

"'(b) Upon application of the Commission the district courts of the United States, the Supreme Court of the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this Act or any rule, regulation, or order of the Commission thereunder.

"'(c) The Commission may employ such attorneys as it finds necessary or proper legal aid and service of the Commission or its members in the conduct of their work, or for proper representation of the public interests in investigations made by it or cases or proceedings pending before it, whether at the Commission's own instance or upon complaint, or to appear for or represent the Commission in any case in court; and the expenses of such employment shall be paid out of the appropriation for the Commission.

"'GENERAL FORFEITURE PROVISION

"'SEC. 315. (a) Any licensee or public utility which willfully fails, within the time prescribed by the Commission, to comply with any order of the Commission, to file any report required under this Act or any rule or regulation of the Commission thereunder, to submit any information or document required by the Commission in the course of an investigation conducted under this Act, or to appear by an officer or agent at any hearing or investigation in response to a subpena issued under this Act, shall forfeit to the United States an amount not exceeding $1,000 to be fixed by the Commission after notice and opportunity for hearing. The imposition or payment of any such forfeiture shall not bar or affect any penalty prescribed in this Act but such forfeiture shall be in addition to any such penalty.

"'(b) The forfeitures provided for in this Act shall be payable into the Treasury of the United States and shall be recoverable in a civil suit in the name of the United States, brought in the district where the person is an inhabitant or has his principal place of business, or if a licensee or public utility, in any district in which such licensee or public utility transacts business. It shall be the duty of the various district attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of forfeitures under this Act. The costs and expenses of such prosecution shall be paid from the appropriations for the expenses of the courts of the United States.

"'GENERAL PENALTIES; VENUE

"'SEC. 316. (a) Any person who willfully and knowingly does or causes or suffers to be done any act, matter, or thing in this Act prohibited or declared to be unlawful, or who willfully and knowingly omits or fails to do any act, matter, or thing in this Act required to be done, or willfully and knowingly causes or suffers such ommission or failure, shall, upon conviction thereof, be punished by a fine of not more than $5,000 or by imprisonment for not more than two years, or both.

"'(b) Any person who willfully and knowingly violates any rule, regulation, restriction, condition, or order made or imposed by the Commission under authority of this Act, or any rule or regulation imposed by the Secretary of War under authority of Part I of this Act shall, in addition to any other penalties provided by law, be punished upon conviction thereof by a fine of not exceeding $500 for each and every day during which such offense occurs.

"'JURISDICTION OF OFFENSES; ENFORCEMENT OF LIABILITIES AND DUTIES

"'SEC. 317. The District Courts of the United States, the Supreme Court of the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have exclusive jurisdiction of violations of this Act or the rules, regulations, and orders thereunder, and of all suits in equity and actions at law brought to enforce any liability or duty created by, or to enjoin any violation of, this Act or any rule, regulation, or order thereunder. Any criminal proceeding shall be brought in the district wherein any act or transaction constituting the violation occurred. Any suit or action to enforce any liability or duty created by, or to enjoin any violation of, this Act or any rule, regulation, or order thereunder may be brought in any such district or in the district wherein the defendant is an inhabitant, and process in such cases may be served wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 225 and 347). No costs shall be assessed against the Commission in any judicial proceeding by or against the Commission under this Act.

"'CONFLICT OF JURISDICTION

"'SEC. 318. If, with respect to the issue, sale, or guaranty of a security, or assumption of obligation or liability in respect of a security, the method of keeping accounts, the filing of reports, or the acquisition or disposition of any security, capital assets, facilities, or any other subject matter, any person is subject both to a requirement of the Public Utility Holding Company Act of 1935 or of a rule, regulation, or order thereunder and to a requirement of this Act or of a rule, regulation, or order thereunder, the requirement of the Public Utility Holding Company Act of 1935 shall apply to such person, and such person shall not be subject to the requirement of this Act, or of any rule, regulation, or order thereunder, with respect to the same subject matter, unless the Securities and Exchange Commission has exempted such person from such requirement of the Public Utility Holding Company Act of 1935, in which case the requirements of this Act shall apply to such person.

"'SEPARABILITY OF PROVISIONS

"'SEC. 319. If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of the Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"'SHORT TITLE

"'SEC. 320. This Act may be cited as the "Federal Power Act."'"

And the House agree to the same.

That the title of the bill be amended to read as follows:

"An Act to provide for control and regulation of public-utility holding companies, and for other purposes."

SAM RAYBURN,
GEORGE HUDDLESTON,
CLARENCE LEA,
*Managers on the part of the House.*

B. K. WHEELER,
ALBEN W. BARKLEY,
FRED H. BROWN,
HENRIK SHIPSTEAD,
*Managers on the part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (S. 2796) to provide for the control and elimination of public utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate bill after the enacting clause. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the House amendment and the substitute agreed to in conference are noted in the following outline, except for incidental changes made necessary by reason of agreements reached by the conferees and minor and clarifying changes.

*Section 2*

In section 2 (a) (2) of the Senate bill, the definition of "company" includes a "receiver, trustee, or liquidating agent" of a company. The substitute agreed to in conference adopts this language with an addition so that the definition only includes such a person "in his capacity as such."

Section 2 (a) (3) of the Senate bill, defining the term "electric utility company", exempts from the definition any company which sells 75 percent or more of the electric energy which it generates to a controlling company engaged primarily in manufacturing. This provision is not contained in the House amendment. The substitute includes the substance of the Senate provision modified to afford administrative flexibility.

Under sections 2 (a) (3) and (4) of the House amendment the Commission is directed to exempt, by order, from the definitions of "electric utility company" and "gas utility company" companies satisfying specified requirements. The substitute agreed to permits action with respect to classes of companies, and by rules or regulations.

Under section 2 (a) (11) of the Senate bill, an "affiliate" of a specified company may be a company 5 percent or more of whose outstanding voting securities are owned, held, or controlled by such specified company. This provision is not in the House amendment. It is included in the substitute agreed to, but "held" is changed to "held with power to vote." Under the Senate bill (but not under the House amendment) any officer or director of any company which is an affiliate of the specified company, under clause (A), is an affiliate. This provision is included in the substitute agreed to.

The House amendment (sec. 2 (a) (26)) defines an "integrated public-utility system" and this definition is included in the substitute agreed to in conference with a modification which would make it include, in the case of electric utility companies, a system consisting of one or more units of "generating plants and/or transmission lines and/or distributing facilities" instead of "generating plants and/or transmission lines and distributing facilities", and with the further modification that such a system, in the case of either gas or electric companies, is to be one not so large as to impair "the effectiveness of regulation."

*Section 4*

Section 4 (a) of both the Senate bill and the House amendment provide that it shall be unlawful for a holding company, after a specified date, to do certain acts without having registered. Among the acts specified in the Senate bill (and not included in the House amendment) is "(6) to own, hold, or control any security of any subsidiary company" of the particular holding company if such subsidiary company does any of the other acts specified in the subsection. This provision is included in the substitute agreed upon, modified so that the words "own, hold, or control" are changed to "own, control, or hold with power to vote", to make the language conform to that used in several places in section 2.

*Section 5*

Section 5 (b) of both the Senate bill and the House amendment contain requirements as to information to be contained in registration statements. Paragraphs (E) and (F) of the Senate subsection require the giving of certain information, including the names of security holders owning, holding, or controlling 1 percent or more of any class of security, remuneration of more than $10,000 per annum to persons other than officers and directors. These paragraphs are not included in the substitute agreed upon, since the Commission can obtain the information under the general authority contained in paragraph (3). There is also included in the substitute paragraph (K) from the Senate bill, providing for the furnishing of profit and loss statements for not more than 5 preceding fiscal years. The substitute contains another provison from the Senate bill expressly authorizing the Commission to permit the filing of a preliminary registration statement without complying with the requirements of subsection (b), but requiring a complete statement within a reasonable time to be fixed by the Commission.

*Section 6*

Section 6 (a) of both the Senate bill and the House amendment require Commission approval to be obtained for the issuance and sale of securities and the exercise of privileges and rights to alter priorities, preferences, voting power, or other rights of holders of outstanding securities. The Senate subsection applies to any registered holding company or subsidiary company thereof, while the House amendment applies to any registered holding company and to any subsidiary company thereof which is a public-utility company the issuance of whose securities is not subject to regulation by a State commission or State securities commission. The substitute agreed upon is the language of the Senate bill, which is qualified by a provision in section 6 (b) which directs the Commission to exempt the issue of securities by subsidiary companies in cases where holding-company abuses are unlikely to exist.

The Senate bill (sec. 6 (c)) makes it unlawful for any registered holding company or any subsidiary company thereof to sell, or offer for sale, from house to house, any security of such registered holding company. This provision is carried in the substitute agreed upon, combined with section 6 (c) of the House amendment and modified somewhat so as more nearly to express the policy intended.

*Section 7*

Under section 7 (c) of the Senate bill the Commission may not approve the issue or sale of bonds by a registered holding company unless such bonds are secured by a first lien on physical property of the company, or by an obligation of a subsidiary company thereof secured by a first lien on physical property of such subsidiary company. Under the House amendment such bonds must be adequately secured by a lien on assets of the holding company. The substitute agreed upon accepts the Senate provision with an amendment permitting such bonds to be secured by other assets of a type and character considered by the Commission to be appropriate in the public interest or for the protection of investors or consumers.

The House amendment contains a paragraph (sec. 7 (c) (3)) exempting from the restrictions as to the issue and sale of securities any security the issuance of which was authorized by the company before January 1, 1935. The substitute agreed upon retains this provision, but it is modified to apply only to a security the issuance of which was authorized before January 1, 1935, and which the Commission authorizes as necessary or appropriate in the public interest or for the protection of investors or consumers.

The Senate bill provides (sec. 7 (f)) that securities are to be issued subject to terms and conditions to be prescribed by rules and regulations of the Commission, and goes into detail with respect to what such terms and conditions may require. The House amendment contains no such provision. The substitute agreed to in conference authorizes the Commission to prescribe terms and conditions to assure compliance with the conditions specified in the section.

The Senate bill provides (sec. 7 (g)) that a declaration regarding the issuance of a security shall not become effective, if subject to the jurisdiction of a State commission or State securities commission, unless it is shown that applicable State laws have been complied with. This provision is not contained in the House amendment. The substitute agreed to contains a provision similar to that contained in the Senate bill, modified somewhat for the purpose of relieving the Commission of some of the administrative burden involved.

*Section 9*

Section 9 (a) of the Senate bill provides that it shall be unlawful for any registered holding company or any subsidiary company thereof to acquire any securities or capital assets of another company, unless with the approval of the Commission under section 10. The House amendment contains the same provision except that the prohibition applies also to acquiring "any other interest in any business." The substitute agreed upon contains the House provision.

Section 9 (a) of the Senate bill also makes it unlawful, except with the approval of the Commission, under section 10, for any person who is an affiliate, under clause (A) or (B) of paragraph (11) of subsection (a) of section 2, of a registered holding company or any subsidiary company thereof, to acquire any securities or capital assets of such company of which it is an affiliate; and such provision also makes it unlawful for any person (by use of the mails or instrumentalities of interstate commerce) to acquire any security of any public-utility company, if such person is an affiliate, under clause (A) or (B) of paragraph (11) of subsection (a) of section 2, of such company, or will, by virtue of such acquisition, become such an affiliate. These provisions are not included in the House amendment. The substitute agreed upon in conference dropped the first provision above mentioned of the

Senate bill and accepted the second provision with an amendment making the provision applicable only in case of a person who is or becomes an affiliate under clause (A) of paragraph (11) of subsection (a) of section 2 of more than one public utility or holding company.

*Section 10*

Section 10 (a) specifies information to be included in an application for the approval of the acquisition of securities or capital assets ("utility assets" in the House amendment) and in the Senate bill (but not in the House amendment) requires profit-and-loss statements of the company for not more than the 5 preceding fiscal years. This requirement is included in the substitute agreed upon in conference.

Under subsection (c) of the Senate section the Commission is directed not to approve the acquisition of securities or capital assets of a public-utility or holding company unless (1) such acquisition will serve the public interest by simplifying the corporate structure of the holding company system, or (2) the applicant has obtained from the Federal Power Commission a certificate that the acquisition will serve the public interest by tending toward the economical and efficient development of a geographically and economically integrated public-utility system. Under the House amendment the Commission is not to approve the acquisition unless it will serve the public interest by tending toward the economical and efficient development of an integrated public-utility system; and the requirement of approval is not to apply to the acquisition of securities or utility assets of a public-utility company operating exclusively outside the United States. The substitute agreed upon accepts the House provisions, with amendments which authorize the Commission to disapprove acquisitions detrimental to the proper functioning of a holding company system or detrimental to the carrying out of the provisions of section 11. These amendments were accepted in lieu of the corresponding provisions in section 8 of the Senate bill.

*Section 11*

Under the Senate bill (sec. 11 (b)) the Commission is directed to require, after January 1, 1938, each holding company system to be reduced to one geographically and economically integrated public-utility system and such business as is reasonably incidental, or economically necessary or appropriate, to the operations of such system. The Commission is further directed to require, after January 1, 1938, holding companies and their subsidiaries to be reorganized or dissolved when the Commission finds undue or unnecessary complications in the structure of the holding company system, or unfair or inequitable distribution of voting power, or certain conditions detrimental to the proper functioning of a single geographically and economically integrated public-utility system. The Commission is also directed to require, promptly after January 1, 1940, each registered holding company to take such steps as the Commission finds necessary or appropriate to make such company cease to be a holding company; this provision being subject to the exception that a company may be permitted to be a holding company in the first degree where the existence of the holding company relation is necessary, under State or foreign law, for the operations of a geographically and economically integrated public-utility system serving an economic region in a limited area.

Under the House amendment (sec. 11 (b)) the Commission is directed to require each holding-company system to reduce its operations to one integrated public-utility system (a defined term meaning substantially the same as "geographically and economically integrated public-utility system", the term used in the Senate bill), with the exception, however, that if the Commission finds that it is not necessary in the public interest to limit the operations of the system to one integrated public-utility system, it is to require such action as is necessary to limit the operations of the system to such number of integrated public-utility systems as it finds may be included in the holding-company system consistently with the public interest. The Commission may not, however, require divestment of interests in or control over persons or property other than a public-utility company or the utility assets of a public-utility company unless it finds that such interest or control may not be retained consistently with the public interest, and may not require divestment of interests in or control over persons doing business exclusively outside the United States or property located outside the United States. The Commission is under the duty (sec. 11 (c)) to compel this action after January 1, 1938.

The substitute agreed to, with respect to the question of integrated public-utility systems, provides that the Commission shall as soon as practicable after January 1, 1938, require each holding-company system to be limited to a single integrated public-utility system and to such other businesses as are reasonably incidental or economically necessary or appropriate to the operation of such integrated system, but includes an exception. This exception provides that the Commission shall permit additional integrated systems, if it finds that (1) each such additional system cannot be operated as an independent system without the loss of substantial economies which can be secured by the retention of control by the holding company, (2) all such additional systems are located in a restricted area, and (3) the continued combination of such systems under the control of one holding company is not so large as to impair the advantages of localized management, efficient operation, or the effectiveness of regulation. The Commission is given express authority to permit as reasonably incidental or economically necessary or appropriate to the operations of an integrated system the retention of any business, other than a public utility as such, which the Commission finds necessary or appropriate in the public interest or for the protection of investors or consumers and not detrimental to the proper functioning of the system.

The substitute contains a provision which is not in the House amendment but which deals with the same subject matter as paragraph (2) of subsection (b) of the Senate bill, directing the Commission to require each registered holding company and each subsidiary company thereof to take steps necessary to insure that the corporate structure or continued existence of any company in the holding-company system does not unduly or unnecessarily complicate the structure or unfairly or inequitably distribute voting power among security holders of the holding-company system.

Paragraph (3) of subsection (b) of the Senate bill is not included in the substitute, but there is included a mandatory provision requiring the Commission to cause each holding company, and each company in the same holding-company system, to take such action as the Commission finds necessary in order that such holding company shall cease to be a holding company with respect to each of its subsidiary companies which itself has a subsidiary company which is a holding company. The effect of this is to require holding companies to cease to be holding companies beyond the second degree. The substitute contains another relaxation from the Senate provision in that it provides that the Commission may not require any change in the corporate structure or existence of any company which is not a holding company or of any company whose principal business is that of a public-utility company, except where such action is for the purpose of fairly and equitably distributing voting power among the security holders of such company.

It may be observed that section 11 (b) in both the Senate bill and the House amendment contemplates the reestablishment of the advantages of localized management in the operating utility industry and the consequently necessary break-down of the control of large holding companies over geographically scattered operating utility companies. Section 11 of both bills, therefore, authorizes the Securities and Exchange Commission to require a holding company to limit its control over operating utility companies to one integrated public-utility system.

To this limitation the Senate bill, like the House bill, allows, in section 3, exceptions in the case of a holding company whose interests are essentially intrastate and in the case of a holding company whose interests are essentially foreign. The House amendment grants what amounts to a further exception when the Commission finds that more than one integrated system may be included in a holding-company system "consistently with the public interest."

The conference substitute meets the House desire to provide for further flexibility by the statement of additional definite and concrete circumstances under which exception should be made to the norm of one integrated system. Definite exceptions not only provide a satisfactory constitutional standard but also an effective standard for the guidance of both the Securities and Exchange Commission and those holding companies which wish voluntarily to comply with congressional policy.

The substitute, therefore, makes provision to meet the situation where a holding company can show a real economic need on the part of additional integrated systems for permitting the holding company to keep these additional systems under localized management with a principal integrated system. Under such circumstances the Commission is directed to permit the holding company to retain control of such additional systems, even though not physically integrated with the principal system, provided all such integrated systems are located in the same State or States, or in adjoining States or a contiguous foreign country.

The remaining provisions of section 11 in both the Senate bill and the House amendment are mainly administrative provisions outlining the court procedure for the enforcement of the Commission's orders under this section and procedure for voluntary action on the part of the companies to comply with the requirements of the section. The Senate provisions spell out this court procedure in much more detail than the House provisions. The substitute provisions follow the Senate bill with certain amendments and omissions.

*Section 12*

Section 12 (g) of the Senate bill makes it unlawful for any affiliate of any public-utility company, by use of the mails or instrumentalities of interstate commerce, or for any affiliate of a public-utility company engaged in interstate commerce, by any means, to enter into or take any step in the performance of any transaction not otherwise unlawful under the title, with any such company of which it is an affiliate, in contravention of the regulations of the Commission regarding reports, accounts, costs, maintenance of competitive conditions, and other matters. This provision is not contained in the House amendment. The substitute contains this provision with a slight amendment.

*Section 13*

Section 13 of both the Senate bill and the House amendment provide for regulation of the making and performance of service, sales, and construction contracts. The Senate bill would require the setting up of mutual-service companies (to be approved by the Federal Power Commission) for the performance of such contracts for the public-utility companies of any holding company system, such contracts to be performed at cost by such mutual-service companies; and such public-utility companies would not be permitted to enter into such contracts with any other company engaged in the business of performing such contracts if such business is conducted as a cooperative, mutual, or nonprofit

enterprise, or with any other company in the same holding company system. The House amendment is similar to the Senate bill in that it prohibits any registered holding company from performing such contracts for public-utility companies in the same holding company system. It omits all provisions regarding mutual service companies, and administration is under the Securities and Exchange Commission. It provides that it shall be unlawful for any subsidiary company of a registered holding company to enter into or perform such contracts with any other company in the same holding company system in contravention of such rules and regulations or orders as the Commission prescribes as necessary or appropriate in the public interest or for the protection of investors, regarding the consideration to be paid, and the other terms of such contracts, accounts, reports, costs, competitive bidding, disclosure of interest, and similar matters. The substitute agreed upon is a compromise which is intended to require intra-system contracts to be performed efficiently and economically at cost, fairly and equitably allocated among the companies served, and provides machinery for the setting up of mutual service companies, although the inflexible statutory requirement of the Senate bill that all such contracts be performed by mutual service companies was omitted.

The Senate bill (sec. 13 (c)) contains a provision, not contained in the House amendment, subjecting to Federal Power Commission control the entering into and performance of service, sales, and construction contracts by affiliates of public-utility companies or affiliates of holding companies or their subsidiary companies, by which any such affiliate is to perform services or construction work for, or sell goods to, any such company of which it is an affiliate. The substitute agreed upon gives the Securities and Exchange Commission power to prevent the circumvention of the act by use of affiliates.

*Section 15*

Section 15 (e) of the Senate bill authorizes the prescribing of uniform methods of keeping accounts required to be kept under subsections (a) to (d), inclusive, of the section, specifying that the methods prescribed may relate to the manner in which the cost of assets shall be shown, the methods of classifying and segregating accounts, and the manner in which cost-accounting procedures shall be maintained. This provision, which is not contained in the House amendment, was substantially agreed to in the substitute.

*Section 17*

Section 17 (c) of the Senate bill contains a provision, not contained in the House amendment, declaring that no registered holding company or subsidiary company thereof shall have, as an officer or director, any executive officer, or other official or representative of a bank, trust company, investment banker, or banking association or firm, or of a corporation a majority of whose voting stock is owned by any bank, trust company, investment banker, or banking association or firm. The substitute agreed upon in conference accepts the provision of the Senate bill with an amendment giving the Commission power by rules and regulations to make appropriate exemptions.

*Section 30*

Section 30 of the Senate bill authorizes the Federal Power Commission to make studies and investigations of public-utility companies, to territories served or which can be served by public-utility companies, and the manner in which the same are or can be served, to determine the sizes, types, and locations of public-utility companies which do or can operate most efficiently and economically in the public interest, in the interest of investors and consumers, and in furtherance of a wider and more economical use of gas and electric energy; and the Federal Power Commission is directed to make public from time to time its recommendations as to the type and size of public-utility systems which can best promote and harmonize the interests of the public, the investor, and the consumer. The Commission is further authorized and directed to make a study of the functions and activities of investment trusts and investment companies and to report the results of its study to Congress on or before January 4, 1936. No such provisions are included in the House amendment. The substitute was agreed upon with an amendment substituting the Securities and Exchange Commission for the Federal Power Commission.

TITLE II

The Senate bill included national monuments and national parks in the definition of "reservations" in section 201 amending section 3 of the Federal Water Power Act, but the House amendment excluded national monuments and national parks in conformity with the act of 1921. While the definition of "licensee" is identical in each bill, a clerical error appears to have been made in this provision. It is clear that States and municipalities may be licensed under section 4 of the Federal Water Power Act and hence come within the definition of "licensee." In this section and in section 202, the adjective "reasonable" was added by the House to the actual legitimate original cost of licensed projects. The Commission has interpreted the Federal Water Power Act as requiring that all costs allowed must have been reasonably incurred. In view of this long-continued interpretation, it is felt that the inclusion of the word "reasonable" as a further qualification on the cost of licensed projects might at this late date cast doubt upon the Commission interpretation. For that reason, the amendment of the House has not been adopted in the substitute.

The Senate bill provided that the Commission upon its own motion could order an investigation of any occupancy of, or evidenced intention to occupy, "for the purpose of developing electric power", public lands or navigable and other streams, and the words just quoted have been included in the substitute in section 202 amending section 4 (g). In the same subsection the House amendment refers to the "water" resources of the region, and the Senate bill to the "water power resources of the Nation." The substitute adopts the phrase, "water-power resources of the region."

In section 7 of the Federal Water Power Act, as amended by section 205 of the bill, the Federal Power Commission is directed to consider the development of the "water-power resources of the region" in which hydroelectric projects are to be located. In the House amendment this is broadened to consideration of development of the "water resources of the region", and the broader language is incorporated in the conference substitute.

Section 206 (e) of the Senate bill requires approval of the Secretary of the Interior or of the appropriate Indian tribe in fixing annual charges for the use of public lands or lands within an Indian reservation. The House amendment did not carry this provision, but it has been incorporated in the conference substitute.

Section 23 (b), as carried in section 210 of the Senate bill, provided that it should be unlawful for any person "for the purpose of developing electric power", to construct dams or other works on navigable waters or public lands or "to utilize" surplus water or water power from any Government dam except under a license or other authority granted prior to 1920. The words quoted were not in the House amendment, but are incorporated in the conference substitute, with the addition that works "incidental thereto" come within the prohibition.

Section 213 adds parts II and III to the present Federal Water Power Act. In the discussion below references are to sections carried in these two new parts.

PART II

The Senate bill in section 201(a) contained a somewhat more lengthy declaration of policy than the House amendment, the only material difference being that the House amendment contained no reference to "generation" of electric energy which appeared in the Senate bill. The conference substitute follows the language of the House amendment but inserts a clause relating to generation to the extent regulation thereof is provided for in this part and the part next following. The House amendment and conference substitute also make reference to the "sale of electric energy at wholesale in interstate commerce" which reference did not appear in the Senate bill. The same general differences between the Senate bill and the House amendment also appear in section 201(b) and the language of the House amendment has been followed with a clarifying phrase added to remove any doubt as to the Commission's jurisdiction over facilities used for the generation and local distribution of electric energy to the extent provided in other sections of this part and the part next following.

The House amendment to section 202(a) constituted in part a restatement in modified language of similar provisions of the Senate bill. The House amendment also authorized the Commission to modify the boundaries of regional districts when in its judgment the public interest so required. The House amendment placed a positive duty upon the Commission to promote and encourage voluntary interconnection. The House amendment with minor modifications is adopted in the conference substitute.

The Senate bill by subsection (c) of section 202 authorized the Commission to require interconnection for emergency purposes. The House amendment authorized emergency interstate interconnection or permanent interstate interconnection for emergency use only without subjecting such companies to the other provisions of the act. The conference substitute contains both provisions.

The Senate bill, section 203 (a), provided that a public utility could not dispose of its interstate facilities or any part thereof of a value in excess of $25,000 without Commission order, and in the following subsection required a Commission order for the acquisition of any security of any other public utility. The House amendment combined these two subsections, required Commission approval where the value is $100,000 or more, and required a hearing upon any application for such approval. The conference substitute follows the House amendment but reduces the amount of the exemption to $50,000 and requires opportunity for hearing rather than compulsory hearing in every instance. The Senate bill authorized the Commission to attach conditions which would avoid the creation of relationships detrimental to the public interests or the interests of investors or consumers. These two latter provisions were omitted from the House amendment. The conference substitute omits the former but adopts the latter provision.

Subsection (h) of section 204 in the House amendment exempted from the provisions of the Securities Act of 1933 and sections 12 and 13 of the Securities and Exchange Act of 1934 security issues passed upon by the Federal Power Commission under this act. This was not in the Senate bill, and the conference substitute simply permits filing of duplicate copies of reports with the Securities and Exchange Commission.

In section 305, the House amendment omits licensees from the provisions relating to officials dealing in securities and interlocking directorates. In subsection (b) the House amendment adds to the prohibited class of interlocking directorates, officers, and directors of banks underwriting or participating in the marketing

of securities of a public utility or similar positions in electrical equipment supply companies.

In subsection (a) of section 318, in which conflicts of jurisdiction between the Securities and Exchange Commission and the Federal Power Commission under this bill are resolved in favor of the former, the House amendment adds to such matters of conflict the assumption of obligation or liability in respect of a security. The conference substitute is enlarged to include any conflict arising under this bill.

Subsection (b) of section 318, in the House amendment, excluded Federal regulation, as provided in the two new parts added to the Power Act, of any matter as to which there is authority in a State commission. This subsection in the Senate bill provided that an interstate public-utility company shall not by this act be relieved from compliance with State laws. The conference substitute omits this subsection.

SAM RAYBURN,
GEORGE HUDDLESTON,
CLARENCE LEA,
*Managers on the part of the House.*

Mr. RAYBURN. Mr. Speaker, I have no desire to detain the House. I know how important time is at this hour of the day in the last day of the session. Members of the House have had opportunity to have in their possession for the last 2 hours a copy of this conference report. It is noted on the first page that it is the committee print, uncorrected and unrevised. However, I have looked over a revised copy of this matter and every change that has been made in the report that lies on the Speaker's table is noted in the copy of the committee print, except for two things to which I shall call attention.

On page 16 in subparagraph 2 of section 9 (a) in the committee print occurs the word "or (B)" after the word "clause (A)." The word "or (B)" should be stricken out. Then on page 24 of the committee print in subsection (i) occur the words "Federal Power Commission." Members of the conference committee will remember that in title I, wherever the term "Federal Power Commission" was used, it was agreed that it should be stricken out, and "the Commission" used, which means the Security Exchange Commission.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. MARTIN of Colorado. It is a matter of punctuation. On page 3, section 2, paragraph (3), in "(B)" there are two semicolons. They seem to me to disjoint the paragraph. It seems to me those semicolons ought to be commas. Then there is a comma between the two semicolons which does not hook up exactly right. I find that paragraph confusing the way it is punctuated.

Mr. RAYBURN. It is too late to do anything about that, if there is anything the matter with it. The Senate has also filed its report. This report I think is pretty well understood by the Members of the House.

I do want to say this for the conferees on the part of the House and also on the part of the Senate, especially after we had our fight here in the House the other day, when some matters which were highly controversial were settled. I have never seen a finer spirit of cooperation among conferees in my life, with a disposition to give and take. They were real conferees to the extent that I think the House has brought back a fair bill and a workable bill, one that contains the best meat which is in the Senate and the House bills.

I reserve the remainder of my time, because I want to say a word in closing, and yield 5 minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Speaker, I have no desire to delay consideration of this conference report. I realize that probably every Member of this House has his mind made up as to how he is going to vote, but I shall take 1 or 2 minutes to express my last thoughts on this important legislation, which has been before Congress for many months.

Under the provisions of section 11 we declare to the country that Congress is embarking on a new economic policy in relation to industry and business, a policy which goes to the extreme length of Government dictatorship over private industry and business, a policy which permits Federal authority to dissolve and liquidate the property of American citizens, which property was acquired lawfully, without any regard to the losses those citizens may sustain. It is hard for me to believe that this Congress approves of any such unjust, un-American policy as this, which will bring loss to millions of citizens who have invested their money in utility securities.

If section 11 of both bills had been stricken out, and the other part adopted, we would then have enacted into law the most drastic regulatory provisions over industry and business that had ever been adopted by the American Congress. However, section 11 goes far beyond regulations, and does permit destruction.

Before I sit down, I must pay my compliments to the chairman of the committee, Mr. RAYBURN. I believe every Member of the House realizes the tremendous pressure which has been brought to bear upon him as chairman of this committee. If my memory serves me right, it was during the first week of February that the committee took this bill under consideration, and after months of public hearings and executive sessions, we brought the bill to the House, and during all that time, until the vote was finally taken, I think everyone must realize the tremendous pressure that was brought to bear upon the chairman of this committee.

Through it all, he has been a gentleman. He has been a man. Surely, we have not agreed on all things, but when we disagreed he has met us with a smile. I could not let this opportunity go by without paying my compliments to the chairman of this committee.

I also want to pay my compliments to the other members of the committee, especially to my Republican colleagues, who have assisted me in every way they could in my humble effort, which has been unsuccessful, I can see, to strike out the destructive features of this bill. I am for regulation. I do not believe we can go too far in strict and drastic regulation of the utility industry.

I do not want to take my seat until I pay my respects and compliments to one member of this committee, one member who has exhibited more courage than I have ever seen exhibited by any Member of Congress since I have been a Member of this body. Laboring under physical handicap at all times, yet he stood on this floor and expressed, without fear or favor, his honest, sincere convictions, and fought for a principle that he believed was right. I cannot help but believe that every Member on the Democratic side, even though they disagree with him, will hold him not only in admiration and esteem, but today they love him because he is a man. I refer to our friend and colleague, Mr. HUDDLESTON, of Alabama. [Applause.]

[Here the gavel fell.]

Mr. RAYBURN. Mr. Speaker, at this propitious moment I yield 5 minutes to the gentleman from Alabama [Mr. HUDDLESTON]. [Applause.]

Mr. HUDDLESTON. Mr. Speaker, I thank my friend, Mr. COOPER, for his kindness and generosity.

It is my purpose to say only a few words on this report. I do so only because it seems incumbent upon me at this time.

This bill has two purposes. First, to regulate the holding companies, and, second, to limit their activities and to deal with their corporate structures. With the first of those purposes I am in hearty accord. The regulation of holding companies has been only too long delayed. Had this bill proposed regulation merely, reasonable, fair, and proper regulation, I feel confident there would not have been 50 votes against it in the House and it would have been passed long ago.

The second of these purposes to which I have referred is expressed in section 11 of the bill. The first of the purposes—regulation—was to redeem the pledge of the Democratic platform of 1932. As to the second purpose, it was an afterthought, and had no proper place in any regulatory bill. The bill as originally drawn had no section 11 and there was no purpose in it to deal either with the possessions or with the structures of the holding companies. It was designed merely to regulate them. As a regulatory measure it was incredibly drastic. I am conservative in saying that it was, and this bill as now presented is the most

drastic and extreme measure of regulation ever offered in an American legislative body.

I have joined in the report of the conferees. In doing so, as far as the provisions of section 11 are concerned, I was constrained by the instruction given by the House. Never under any other circumstances would I have agreed to any such provisions as are carried in that section. [Applause.]

The regulatory provisions of this bill are drastic, far more extreme than they should be. I would never have agreed to some of the provisions found in the regulatory part of the bill had I not felt that the House by instructing the adoption of section 11 had swallowed the camel, and that it would be foolish on my part to expect the House to sustain me in straining at some of the repulsive gnats that I found in the regulatory sections. [Applause and laughter.]

The Members want to adjourn. I want to adjourn. We are tired. I am desperately tired. All of us are worn to death. I want to get back to my own green hills of Alabama, where I can be with my friends. [Applause.]

[Here the gavel fell.]

Mr. RAYBURN. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. HUDDLESTON. I do not desire to delay the adjournment of this body. I would not halt it for a moment. So that I signed the conference report for the purpose of enabling this matter to be presented to the House and to be brought to a conclusion, but with no intention whatever of voting for such a bill as was the product of the conference. I could not vote for it in good conscience.

From my point of view, the House stultified itself in instructing the conferees to accept the proposal made on section 11. That I cannot approve. I trust it will not work out as badly as I fear it will. I have had a great deal of experience in life. As the fruit of that experience I have learned that nothing ever turns out as good as its friends hope that it will, nor as bad as those who oppose it fear that it will. I am hoping that my judgment is not accurate in the belief I entertain that this measure will produce serious detrimental consequences to the people of the United States.

The SPEAKER. The time of the gentleman from Alabama has again expired.

Mr. RAYBURN. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, I do not care to take up the time of the House, but I wish to say in reply to the gentleman from Ohio [Mr. COOPER] that instead of this measure depriving people of their property, as he suggests, it is going to protect thousands of investors in operating utility companies from being robbed by these utility racketeers.

It is going to help protect the American people who today are being overcharged $1,000,000,000 a year for electric light and power.

The gentleman from Alabama [Mr. HUDDLESTON] talks about this bill being too extreme. My only objection to it is that it is not extreme enough. I want to wring the hands of these racketeers from the throats of the American people who pay these exorbitant burdens for electric light and power, as well as the ones who are being robbed through the sale of worthless watered stocks.

As I have pointed out, the people of the State of New York are being overcharged more than $127,000,000 a year for electric light and power, and this is not in comparison with T. V. A.'s rates, but is in comparison with Tacoma, Wash., rates, which I shall insert in the RECORD at this point, and which rates are absolutely sound. Tacoma has a public plant worth $23,000,000. Last year that plant had a gross revenue of $1,940,994, and paid $145,575 in taxes; gave the city of Tacoma $200,545 worth of free service; set aside for depreciation $400,053; paid interest on its indebtedness amounting to $435,322, and still made a net profit of $508,190, and at the same time gave to the people of Tacoma the lowest light and power rates in the United States.

In a few years the people of Tacoma will have their plant entirely paid out and can reduce their rates to about one-half of what they are now paying.

According to the Tacoma rates the people of Maine are overcharged $5,229,000 a year.

The people of New Hampshire are overcharged $3,459,000 a year.

The people of Vermont and Rhode Island are overcharged $8,367,000 a year.

The people of Massachusetts are overcharged $37,557,000 a year.

The people of Connecticut are overcharged $14,397,000 a year.

The people of New York are overcharged $127,618,000 a year.

The people of New Jersey are overcharged $39,563,000 a year.

The people of Pennsylvania are overcharged $74,907,000 a year.

The people of Ohio are overcharged $47,529,000 a year.

The people of Indiana are overcharged $19,189,000 a year.

The people of Illinois are overcharged $59,261,000 a year.

The people of Michigan are overcharged $33,768,000 a year.

The people of Wisconsin are overcharged $17,787,000 a year.

The people of Minnesota are overcharged $13,911,000 a year.

The people of Iowa are overcharged $11,808,000 a year.

The people of Missouri are overcharged $20,249,000 a year.

The people of North Dakota are overcharged $1,860,000 a year.

The people of South Dakota are overcharged $2,345,000 a year.

The people of Nebraska are overcharged $6,770,000 a year.

The people of Kansas are overcharged $8,954,000 a year.

The people of Delaware, District of Columbia, Maryland, and West Virginia are overcharged $24,762,000 a year.

The people of Virginia are overcharged $9,698,000 a year.

The people of North Carolina are overcharged $11,653,000 a year.

The people of South Carolina are overcharged $6,292,000 a year.

The people of Georgia are overcharged $9,900,000 a year.

The people of Florida are overcharged $8,465,000 a year.

The people of Kentucky are overcharged $8,398,000 a year.

The people of Tennessee are overcharged $10,201,000 a year.

The people of Alabama are overcharged $6,344,000 a year.

The people of Mississippi are overcharged $4,117,000 a year.

The people of Arkansas are overcharged $4,211,000 a year.

The people of Louisiana are overcharged $7,477,000 a year.

The people of Oklahoma are overcharged $8,946,000 a year.

The people of Texas are overcharged $24,922,000 a year.

The people of Montana and Utah are overcharged $6,589,000 a year.

The people of Idaho are overcharged $2,789,000 a year.

The people of Wyoming are overcharged $1,323,000 a year.

The people of Colorado are overcharged $6,461,000 a year.

The people of Arizona and New Mexico are overcharged $4,344,000 a year.

The people of Nevada are overcharged $1,046,000 a year.

The people of Washington are overcharged $11,661,000 a year.

The people of Oregon are overcharged $6,510,000 a year.

The people of California are overcharged $50,947,000 a year.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I decline to yield to the gentleman from Pennsylvania [Mr. RICH] but call attention to the fact that the people of the State of Pennsylvania are overcharged $74,907,000 a year; the people of Alabama, the home State of Mr. HUDDLESTON are overcharged $6,344,000 a year and the people of the State of Ohio, Mr. COOPER's State, are overcharged $47,529,000 a year. In Indiana, the home State of Mr. PETTENGILL, they are overcharged $19,187,000; in Georgia, $9,900,000.

This bill will help to bring relief to the people who bear these enormous burdens, and to protect them from such outrages in the years to come. [Applause.]

Mr. RAYBURN. Mr. Speaker, I yield 3 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, I was one of 59 Members of the House who day before yesterday voted for the compromise in connection with the holding company legislation.

Mr. Speaker, I desire at this time to read a telegram received yesterday by myself, as well as by the other 58 Members, from Mr. Hugh S. Magill, president of the American Federation of Utility Investors. The telegram reads:

This is a telegram addressed to those Members of Congress who previously had voted their convictions on the utility bill and who yesterday reversed their positions. We appeal on behalf of millions of the American electorate who have invested their savings in utility securities that you return to your previous support of the rights of your investor constituents. Your vote of yesterday can be interpreted by investors only as surrender to political expediency after your convictions had already been publicly recorded, not once but several times. We also appeal to the fair-mindedness and political courage which you demonstrated three times previously to reassert your position and place principle above politics, to hold fast to utility regulation, and to oppose utility destruction.

Such a message is unfair and is rightfully resented by those of us who have felt our position in regard to our opposition to the "death sentence" has been consistent throughout. May I say in the very few seconds remaining to me that since the first I have favored regulation, and the strictest type of regulation, for public-utility holding companies. I voted against the death clause in the original bill that was stricken from the House measure, and then I supported the House legislation. I sincerely wanted, as I believe the large majority of the membership of this House wanted, to see a bill enacted that would regulate and not ruin, yet still protect the investing public. I continued to vote against the death clause on subsequent roll calls.

The compromise which I supported allows holding companies their day in court; they are to be given a hearing, they are given an opportunity for judicial review. I consistently opposed the destruction of this great industry and loss to the investor, who even in the opinion of David Lawrence, foe of this administration, will not be affected under the new bill. I believe by voting for the compromise that we will give this great public-utility industry a chance to reform itself from within and enjoy the confidence of the American people. [Applause.]

[Here the gavel fell.]

Mr. RAYBURN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. I have not taken very much time of the House on this important bill and would not say anything now had not the gentleman from West Virginia [Mr. RANDOLPH] read the telegram from the superlobbyist, Magill, whom I doubt has a single dollar invested in the bonds or stocks of any of these utilities. He so testified, I believe, before our committee, and I am satisfied that he is nothing more nor less than a professional lobbyist who has obtained a great deal of money from people by misrepresentation. I think a telegram from a publicity-seeking man of his caliber never should have been read on the floor of the House. [Applause.]

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. KVALE. The gentleman evidently is not disturbed about Mr. Magill's criticism and his appeal to put principle about politics.

Mr. SABATH. I assure the gentleman that I am not, but the people generally do not know who he is. May I say for those unacquainted with this man Magill that he has had a checkered career. At one time he was field secretary of the National Educational Association. Then, I understand, he was secretary of the National Editorial Association and, it is my further understanding, that he was dismissed from both. I do not know what his occupation, if any, was, but as he testified on July 25, 1935, before the Rules Committee, which has been investigating the $10,000,000 utility holding lobby, he organized the American Federation of Utility Investors to conduct an organized propaganda against this legislation and through clever methods obtained from the unfortunate stockholders the sum of $50,000 on the pretense that he is protecting their interests. How much more he has received from the holding companies or the corporations, we have not as yet been able to ascertain. However, he admitted on the stand that he prepared many articles, statements, pamphlets, and letters which carried the most scurrilous and contemptible attacks upon the President and some of the membership of this House.

No respectable man or man of honor would stoop to such a low level. Personally, I do not have any special regard for the dollar-grabbing publicist or lobbyist, but never have I had more contempt for one of either kind and never to the extent in which I hold this man. I know that even the Members of the House who voted against the "death sentence", which he so viciously assailed with the intent to defeat the legislation, resented, and resent now, his unmanly attacks. I only regret that time will not allow me to give you this man Magill's complete biography, but I commend to your attention his testimony before the Committee on Rules, in which testimony he exhibited himself in the true light as a contemptible blatherskite of the first water. He has undoubtedly proved himself to be as untrustworthy, as wicked, and shamefully selfish as any of the other superlobbyists who have infested the Capital. However, as soon as the Committee on Rules resumes its investigation I shall have him recalled and go more fully into his various activities.

Mr. Speaker, I feel it is the right of any man to criticize any legislation; but I resent and condemn a man who has no interest in a matter who, for a few paltry thousand dollars, will lend himself to assail men who honestly try to pass legislation in the interest of the people. And especially do I resent and condemn men who, deliberately and without reason, attack the President of the United States.

Unfortunately, Magill has not alone been guilty of disseminating these vicious attacks with the intent to defeat this legislation, but beyond question he is the arch slanderer and vilifier among all the clique of vicious propagandists and lobbyists that have come to my notice. [Applause.]

Mr. RAYBURN. Mr. Speaker, I yield 3 minutes to the gentleman from South Carolina [Mr. FULMER].

Mr. FULMER. Mr. Speaker, in that my time is so limited, I want to ask unanimous consent that a letter addressed to Wendell L. Willkie by one of my constituents, Mr. C. T. Graydon, who is an outstanding attorney in my district, be read in my time.

This letter so completely expresses my views on this most important subject that I am sure that I would not be able in the time allotted me to express my views nearly so well as they are expressed in this letter.

The Clerk read as follows:

AUGUST 21, 1935.

MR. WENDELL L. WILLKIE,
*President Commonwealth & Southern Corporation,*
*20 Pine Street, New York City.*

DEAR SIR: I received the excerpts from the debate on the Wheeler-Rayburn utilities bill and also your letter, and I presume these things are being paid for out of the money coming from profits of the stockholders. I wish to register my protest against the use of money of the Commonwealth & Southern in any such manner and to state that I consider the acts on the part of the utility companies in attempting to influence the congressional legislature to be unwarranted and an illegal interference with the operation of the Congress of this country.

The records of the Federal Trade Commission show that the amount of debentures issued by the various utility companies of this country over a period far exceed the fixed capital stock of the entire utility holdings. The disclosures before the investigating committee of the National Congress show why for the last few years the stockholders and holders of bonds have not been paid dividends or interest on the obligations. I consider that the practice of watering stock and writing up values, which has been so prevalent among many utility companies, to be an outrageous practice which should not only be condemned by every right-thinking man, but should be stopped by governmental interference if necessary.

Many widows and orphans in my territory have utility securities which have not paid dividends and will never pay dividends, in my opinion, and this hue and cry which is being put up about the loss of their property is an attempt to lock the barn after the horse is gone. I do not know the set-up of the Commonwealth & Southern Corporation and the criticism which I am making generally of the utility corporations may not apply to the corporation in which I own stock but the history of all utilities to date is that all have engaged, more or less, in practices of this kind, and I, as a right-thinking American citizen, condemn such practices. I favor the Wheeler-Rayburn bill for the following reasons:

1. I disagree with Winthrop, Stimson, Putnam, and Roberts; and I believe that the bill is constitutional in that it is an attempt to regulate corporations which are engaging in practices detrimental to the interest of the people at large.
2. I feel that a large number of the securities already issued are worthless and that the widows and orphans will never receive any benefit from such securities, and I am in favor of passing a law that will prevent this occurring in the future.
3. I am in favor of the bill because it was found necessary, at least in some instances, to send fake telegrams, publish newspaper stories which were found not founded in fact, and make statements which were admittedly to arouse passion and prejudice to defeat the bill.
4. I do not believe that numerous holding companies in one organization bode good for the country and those who own stock in the corporation.
5. I therefore have not written my Congressmen against the bill, but have written them in favor of the bill, and I expect to send each of them a copy of this letter for their information.

Yours truly,

C. T. GRAYDON.

Mr. FULMER. Mr. Speaker and gentlemen of the House, I suppose that I have received over 5,000 letters and telegrams from my constituents opposing the Wheeler-Rayburn bill. The great majority of these are form letters and telegrams dictated, written, and—I suppose—sent in by someone other than those whose names are signed thereto.

My friends, I am serving my eighth term in Congress, having been reelected in each instance over from one to two opponents. It is my belief that I have the confidence of my people and have received their support because they know that I am honest, hard working, and that I am standing for and voting for their best interest at all times. I do not believe that there is a Member on the floor of this House that is more deeply concerned about the welfare of the widows and orphans, including the great masses of the people, than am I. I have endeavored to be fair to every line of business and every line of industry in my district during my services in Congress. The serious condition of the country at the time when President Roosevelt took charge, no doubt, was brought about because the administrations serving prior to the election of Mr. Roosevelt and the Congress failed to put a stop to the plundering and the robbing of the people by the various well-organized and well-financed groups of this country. The failure on the part of those in charge, as stated, has permitted the centralization of the wealth of the country in the hands of a few people, while millions of our honest, hard working, and innocent people have been denied a fair standard of living.

Mr. RAYBURN. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. PETTENGILL].

Mr. PETTENGILL. Mr. Speaker, there is so much in the present bill that ought to become law now that it is very difficult for me to decide what my vote ought to be, in view of the fact that I entertain a very sincere conviction that part of the bill ought not to become law and will be very detrimental to the country.

Now, let us forget that this is a holding-company bill entirely. I do not suppose many of us have a passion or prejudice against the operating companies of the Nation. The part I object to and which I think will seriously curtail expansion, the extension of lines and properties and the reemployment of our idle men, is found in section 11 (b) 2, which gives the Commission the power to require every operating company in the Nation that is a part of a holding-company system to be reorganized for the purpose of redistributing its voting power in any way the Commission may lay down. In other words, the Commission may say with reference to the operating companies of the Nation that voting power now vested in common stockholders shall be transferred in whole or in part to preferred stockholders, bondholders, and debenture holders. With the uncertainty existing as to what the Commission will do with reference to laying down what is a fair and equitable distribution of voting power of the securities of the operating companies of the Nation, I do not see who is going to buy them. When the bond houses of America and the agencies that handle the sales of stocks of operating companies and prospective investors finally analyze this bill and realize there is a question mark as to whether the people who buy the operating-company stocks will be permitted to vote these stocks after they buy them, it is difficult for me to see how this industry can get money to go ahead in the next few years. It is for these reasons, Mr. Speaker, that I am constrained, much against my will, to vote against the bill.

There are of course two answers which may be made to my argument. One is that the Supreme Court of the United States will hold section 11 unconstitutional. The right to vote stocks lawfully issued under the law of the State in which the company is organized is as much a property right as the stock itself. It is an incident of the stock and gives the stock value. Under the fifth amendment of the Constitution of the United States, which provides that "no person shall be deprived of property without due process of law, nor shall private property be taken for public use without just compensation", I will stake my professional reputation as a lawyer that the Supreme Court will not permit the Securities Exchange Commission to take from common stock owners their right to vote their stock.

There is another reason why this is unconstitutional under the "hot oil" and Schechter cases recently decided, and that is that there is no definition in the bill of what is a fair or equitable distribution of voting power. This is as bald a delegation of legislative discretion to an administrative agency as the American Congress has ever placed on the statute books. The responsibility will rest on other shoulders than mine, for again flying in the face of the Supreme Court of the United States and giving the administration another black eye from the Supreme Court. The responsibility for that result will not rest upon the Supreme Court but upon those of us here who vote for the bill.

Despite the fact that what we are doing will have no legal effect, nevertheless investors cannot be expected to buy into a lawsuit and gamble their dollars on court decisions. Only speculators will do that, and the result of the bill may transfer the savings of thrift into the pockets of gamblers.

The second answer to my argument is that the Commission will never undertake to enforce this provision of the bill. But as they are not called upon to act for 2½ years the uncertainty as to what they may or may not do in the future will rest not only upon the stocks of the operating companies of the Nation now outstanding but those which otherwise might be issued.

In other words, Mr. Speaker, as I see the bill, you are going to subject the privately owned operating companies of the Nation to financial starvation.

Even if operating-company stocks can be sold with this uncertainty thrown over them the almost inevitable effect will be that with the greater uncertainty and the greater hazard they can be sold only at an increased dividend and interest rate which will be reflected in an increased cost to the consumer of the utility.

You are, therefore, penalizing the consumer whom you want to help to get cheap light and power; you are frightening the investor; and third, and far more important than all, you are making it more difficult for private industry in the utility field to expand its plant and reabsorb the men who have been pounding the pavements of America for the past 3 or 4 years looking for a job.

There are those who believe in public ownership and the nationalization of this industry. I respect their sincerity. But if we are going to embark on that program, let us do so honestly and openly and without subterfuge. Let us not hide behind the hidden meaning of language, whose effect is not yet understood, to accomplish that objective. Let us not subject the privately owned companies of the Nation to slow financial starvation, and thus make public ownership and nationalization inevitable.

For many long weeks I have tried to make this point plain to the Congress. But unfortunately the bill has gone before the country as a holding-company bill, and it has been difficult for the public to understand that it affects the operating companies equally.

Without arguing the merits of the matter at all at this time, let me point out part of the background behind this provision of the bill. We have first the fact that this bill was sponsored in the United States Senate by a gentleman

who is known to be in favor of the socialization of the industry and who ran for the office of Vice President of the United States on a platform dedicated to that end in the year 1924. We have, second, the far-flung and gigantic plans for the development of power by the Federal Government—Muscle Shoals, Boulder Dam, Grand Coulee, Bonneville, St. Lawrence River, Passamoquoddy, and several others almost as large—aggregating, as I understand, an investment in the long run of taxpayers' money amounting to between two and three billion dollars. We have, third, P. W. A. loans and outright grants to municipalities and publicly owned plants. We have, fourth, the provision in the Federal Water Power Act of some years ago giving the preference to municipalities, counties, and States to dam our navigable rivers for the purpose of erecting hydroelectric plants. We have, fifth, the appointment announced in the papers yesterday to be a member of the Securities Exchange Commission, which will administer this act, of a gentleman from the Puget Sound district who has been connected with a municipal power and light plant and who is, according to newspaper reports, thoroughly committed to the public ownership and socialization of this industry.

As I say, I am not now arguing the merits of that program. But I would be remiss to my duty if I did not do my full part in calling the attention of my colleagues and the country to the provision in this bill to which I now object as a part of that far-flung program. If with full knowledge of the facts the people of the United States want to embark on that program, well and good. As a Democrat, however, and proud of my party, and elected upon a platform which called for the strict regulation of holding companies, but not the destruction of privately owned operating companies, I shall stand on that platform and keep my implied promise to the people who sent me here to represent them. If we are to destroy the operating companies of the Nation, let us do so by honorable struggle in broad daylight and not by a knife in the dark.

I close by repeating now as my last word on a bill which has occupied my sincerest thought for 7 long months, one paragraph of a speech which I made on the floor of the House on June 28 as follows:

> Dissolved or reorganized, not knowing where the voting power in operating companies is finally to rest, how can any operating company in the United States secure money for its extensions, its improvements, the purchase of heavy machinery, in which the great amount of our unemployment exists, and the reabsorption of millions now on the dole? In the next few years what man will buy common stocks of operating companies, not knowing whether the contract under which he buys and invests his savings will be worth a tinker's darn 3 or 5 years from now? What man will buy operating company common stocks or even continue to hold the common stocks he already possesses with this uncertainty whether he will have a voice in the election of the managers and directors of the business in which his investment is made? If any bill could be written which would more completely hamstring and retard the development and growth of the operating companies of this Nation, than the present bill, it is altogether beyond my imagination.

Mr. RAYBURN. Mr. Speaker, I do not entertain the fears of either the gentleman from Alabama or the gentleman from Indiana. We must remember that there are nearly 10,000,000 investors in the stocks of the utilities of this country, and that a vast majority of them are holders of the securities of operating companies and not the holding companies.

Mr. Speaker, this is a drastic regulatory measure. This will cause to cease the operation of many holding companies. I do not believe there are many people, especially within the sound of my voice, who are not perfectly convinced that a great many of the holding companies as they are now set up and as they now operate should go out of business.

Mr. Speaker, I think this is a good bill. I am glad to have had my little part in it, and I thank those on my committee who have been so kind and courteous to me throughout these long and tiring months, and the membership of the House for the consideration they have given me during its consideration on the floor of the House.

Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

Mr. SNELL. Mr. Speaker, on the adoption of the conference report I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 222, nays 112, not voting 96, as follows:

[Roll No. 198]

YEAS—222

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|---|---|---|---|
| Amlie | Drewry | Lea, Calif. | Sabath |
| Arnold | Driscoll | Lemke | Sadowski |
| Ayers | Driver | Lesinski | Sanders, La. |
| Barden | Duffey, Ohio | Lewis, Md. | Sanders, Tex. |
| Beiter | Duncan | Lloyd | Sandlin |
| Berlin | Dunn, Pa. | Luckey | Sauthoff |
| Binderup | Eagle | Ludlow | Schaefer |
| Bland | Eckert | Lundeen | Schneider |
| Boileau | Ellenbogen | McClellan | Schulte |
| Boland | Faddis | McFarlane | Scott |
| Boykin | Ferguson | McGehee | Sears |
| Brown, Ga. | Fiesinger | McGrath | Secrest |
| Brown, Mich. | Fitzpatrick | McReynolds | Sirovich |
| Brunner | Flannagan | McSwain | Sisson |
| Buchanan | Fletcher | Mahon | Smith, Va. |
| Buck | Ford, Calif. | Maloney | South |
| Buckler, Minn. | Ford, Miss. | Marcantonio | Spence |
| Buckley, N. Y. | Frey | Martin, Colo. | Stack |
| Burch | Fuller | Mason | Starnes |
| Burdick | Fulmer | Massingale | Steagall |
| Caldwell | Gasque | Maverick | Stefan |
| Cannon, Mo. | Gearhart | Mead | Sumners, Tex. |
| Carpenter | Gehrmann | Meeks | Sweeney |
| Cartwright | Gildea | Miller | Taylor, Colo. |
| Cary | Gingery | Mitchell, Tenn. | Taylor, S. C. |
| Castellow | Goldsborough | Monaghan | Terry |
| Celler | Gray, Ind. | Moran | Thom |
| Chandler | Gray, Pa. | Moritz | Thomason |
| Citron | Green | Mott | Tolan |
| Clark, N. C. | Greenwood | Murdock | Tonry |
| Coffee | Gregory | Nichols | Turner |
| Colden | Hancock, N. C. | O'Connell | Umstead |
| Cole, Md. | Harlan | O'Connor | Utterback |
| Colmer | Harter | O'Day | Vinson, Ga. |
| Connery | Healey | Owen | Vinson, Ky. |
| Cooley | Hildebrandt | Palmisano | Wallgren |
| Cooper, Tenn. | Hill, Ala. | Parsons | Walter |
| Costello | Hill, Samuel B. | Patman | Warren |
| Cravens | Hobbs | Patterson | Wearin |
| Crosby | Houston | Pearson | Weaver |
| Cross, Tex. | Hull | Peterson, Fla. | Welch |
| Crosser, Ohio | Imhoff | Peterson, Ga. | Werner |
| Crowe | Jacobsen | Pfeifer | West |
| Cummings | Jenckes, Ind. | Pierce | Whelchel |
| Daly | Johnson, Okla. | Quinn | White |
| Dear | Johnson, Tex. | Rabaut | Whittington |
| Deen | Jones | Ramsay | Wilcox |
| Dempsey | Keller | Ramspeck | Williams |
| Dickstein | Kerr | Randolph | Withrow |
| Dies | Kloeb | Rankin | Wood |
| Dingell | Kocialkowski | Rayburn | Woodrum |
| Disney | Kopplemann | Reilly | Young |
| Dobbins | Kvale | Richards | Zimmerman |
| Dorsey | Lambertson | Richardson | Zioncheck |
| Doughton | Lambeth | Robinson, Utah | |
| Doxey | Larrabee | Ryan | |

NAYS—112

| | | | |
|---|---|---|---|
| Adair | Ekwall | Kennedy, Md. | Rich |
| Andrews, N. Y. | Engel | Kenney | Risk |
| Ashbrook | Englebright | Kinzer | Rogers, Mass. |
| Bacon | Evans | Knutson | Rogers, Okla. |
| Blackney | Farley | Lehlbach | Russell |
| Bolton | Fenerty | Lewis, Colo. | Schuetz |
| Boylan | Focht | Lord | Seger |
| Brennan | Gavagan | McKeough | Shanley |
| Burnham | Granfield | McLaughlin | Short |
| Cannon, Wis. | Greenway | McLean | Smith, Conn. |
| Carlson | Greever | Mapes | Snell |
| Carmichael | Griswold | Marshall | Somers, N. Y. |
| Casey | Guyer | Martin, Mass. | Stewart |
| Cavicchia | Gwynne | May | Taber |
| Christianson | Halleck | Merritt, Conn. | Tarver |
| Church | Hancock, N. Y. | Merritt, N. Y. | Taylor, Tenn. |
| Cole, N. Y. | Hartley | Michener | Thomas |
| Cooper, Ohio | Hennings | Millard | Thompson |
| Crowther | Hess | O'Leary | Tinkham |
| Culkin | Higgins, Conn. | O'Neal | Turpin |
| Cullen | Hoeppel | Pettengill | Wadsworth |
| Darrow | Holmes | Pittenger | Wigglesworth |
| Delaney | Hope | Plumley | Wilson, La. |
| Ditter | Huddleston | Polk | Wilson, Pa. |
| Dondero | Jenkins, Ohio | Powers | Wolcott |
| Doutrich | Johnson, W. Va. | Ransley | Wolfenden |
| Duffy, N. Y. | Kahn | Reed, Ill. | Wolverton |
| Edmiston | Kee | Reed, N. Y. | Woodruff |

NOT VOTING—96

| | | | |
|---|---|---|---|
| Allen | Bankhead | Bloom | Bulwinkle |
| Andresen | Beam | Boehne | Carter |
| Andrew, Mass. | Bell | Brewster | Chapman |
| Arends | Biermann | Brooks | Claiborne |
| Bacharach | Blanton | Buckbee | Clark, Idaho |

| | | | |
|---|---|---|---|
| Cochran | Gillette | Lucas | Peyser |
| Collins | Goodwin | McAndrews | Reece |
| Corning | Haines | McCormack | Robertson |
| Cox | Hamlin | McGroarty | Robsion, Ky. |
| Crawford | Hart | McLeod | Rogers, N. H. |
| Darden | Higgins, Mass. | McMillan | Romjue |
| DeRouen | Hill, Knute | Maas | Rudd |
| Dietrich | Hoffman | Mansfield | Scrugham |
| Dirksen | Hollister | Mitchell, Ill. | Shannon |
| Dockweiler | Hook | Montague | Smith, Wash. |
| Dunn, Miss. | Kelly | Montet | Smith, W. Va. |
| Eaton | Kennedy, N. Y. | Nelson | Snyder |
| Eicher | Kimball | Norton | Stubbs |
| Fernandez | Kleberg | O'Brien | Sullivan |
| Fish | Kniffin | Oliver | Sutphin |
| Gambrill | Kramer | O'Malley | Thurston |
| Gassaway | Lamneck | Parks | Tobey |
| Gifford | Lanham | Patton | Treadway |
| Gilchrist | Lee, Okla. | Perkins | Underwood |

So, the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Blanton (for) with Mr. Corning (against).
Mr. Hamlin (for) with Mr. Kleberg (against).
Mr. Rudd (for) with Mr. Reece (against).
Mr. O'Malley (for) with Mr. Goodwin (against).
Mr. Beirmann (for) with Mr. Buckbee (against).
Mr. Sullivan (for) with Mr. Collins (against).
Mr. Lee of Oklahoma (for) with Mr. Dirksen (against).
Mr. Romjue (for) with Mr Maas (against).
Mr. Smith of Washington (for) with Mr. Fish (against).
Mr. Hook (for) with Mr. Hollister (against).
Mr. Gillette (for) with Mr. Robsion of Kentucky (against).
Mr. Eicher (for) with Mr. McLeod (against).
Mr. Higgins of Massachusetts (for) with Mr. Hoffman (against).
Mr. Kennedy of New York (for) with Mr. Arends (against).
Mr. Boehne (for) with Mr. Allen (against).
Mr. Brooks (for) with Mr. Eaton (against).
Mr. Stubbs (for) with Mr. Tobey (against).
Mr. Gambrill (for) with Mr. Smith of West Virginia (against).
Mr. Cox (for) with Mr. Bacharach (against).
Mr. DeRouen (for) with Mr. Gifford (against).
Mr. Mansfield (for) with Mr. Treadway (against).
Mr. Haines (for) with Mr. Andrew of Massachusetts (against).
Mr. Kniffin (for) with Mr. Perkins (against).
Mr. Nelson (for) with Mr. Crawford (against).
Mr. Scrugham (for) with Mr. Andresen (against).
Mr. Clark of Idaho (for) with Mr. Hart (against).

General pairs:

Mr. Bloom with Mr. Gilchrist.
Mr. Snyder with Mr. Kimball.
Mr. Robertson with Mr. Brewster.
Mr. Cochran with Mr. Carter.
Mr. Bulwinkle with Mr. Thurston.
Mr. Montague with Mr. Hill, Knute.
Mr. Lanham with Mr. Sutphin.
Mr. Darden with Mr Gassaway.
Mr. Oliver with Mr. Lucas.
Mr. Bankhead with Mr. Rogers of New Hampshire.
Mr. McAndrews with Mr. Patton.
Mr. O'Brien with Mr. Bell.
Mr. Dietrich with Mr. McGroarty.
Mr. McMillan with Mr. Underwood.
Mr. Kelly with Mr. Dockweiler.
Mr. McCormack with Mr. Dunn of Mississippi.
Mr. Fernandez with Mr. Claiborne.
Mr. Beam with Mr. Montet.
Mr. Norton with Mr. Chapman.
Mr. Lamneck with Mr. Mitchell of Illinois.
Mr. Parks with Mr. Peyser.

Mr. CARTWRIGHT changed his vote from "nay" to "yea."

Mr. BOYLAN. Mr. Speaker, the gentlewoman from New Jersey, Mrs. NORTON, is unavoidably absent. If present, she would vote "nay."

Mr. HEALEY. Mr. Speaker, the gentleman from Massachusetts, Mr. HIGGINS, is unavoidably absent because of illness. If present, he would vote "yea."

Mr. COSTELLO. Mr. Speaker, my colleague, the gentleman from California, Mr. STUBBS, is unavoidably absent. If he were present, he would vote "yea."

Mr. BOILEAU. Mr. Speaker, my colleague, the gentleman from Wisconsin, Mr. O'MALLEY, is unavoidably absent. If present, he would vote "yea."

Mr. KNUTSON. Mr. Speaker, my colleague, the gentleman from Minnesota, Mr. MAAS, is absent. If he were present, he would vote "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

### REVENUE BILL OF 1935

Mr. DOUGHTON. Mr. Speaker, I call up the conference report on the bill (H. R. 8974) to provide revenue, equalize taxation, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The conference report and statement are as follows:

#### CONFERENCE REPORT

[To accompany H. R. 8974]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8974) to provide revenue, equalize taxation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 8, 12, and 25.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 10, 13, 14, 18, 20, 21, 22, 23, and 24, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Upon net incomes not in excess of $2,000, 12½ per centum.

"$250 upon net incomes of $2,000; and upon net incomes in excess of $2,000 and not in excess of $15,000, 13 per centum in addition of such excess.

"$1,940 upon net incomes of $15,000; and upon net incomes in excess of $15,000 and not in excess of $40,000, 14 per centum in addition of such excess.

"$5,440 upon net incomes of $40,000; and upon net incomes in excess of $40,000, 15 per centum in addition of such excess."

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In the matter proposed to be inserted by the Senate amendment strike out "15½" and insert "15"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In the matter proposed to be inserted by the Senate amendment strike out "15½" and insert "15"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In the matter proposed to be inserted by the Senate amendment strike out "85 per centum" and insert 90 per centum; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(1) Section 144 of the Revenue Act of 1934 is amended by striking out the period at the end thereof and inserting a colon and the following: '*Provided further*, That in the case of the payment, after December 31, 1935, of dividends of the class with respect to which a deduction is allowed by section 23 (p), the deduction and withholding provided for in this section shall also apply to 10 per centum of the amount of the payment: *Provided further*, That the Commissioner, under rules and regulations prescribed by him with the approval of the Secretary, may authorize withholding under this section and section 143 (a) (1) (B), in cases where the taxpayer has a taxable year ending on any other date than December 31, at the rate of 13¾ per centum (and, in the case of payments of dividends with respect to which withholding is required, may authorize such payments to be made without withholding) until the beginning of the taxpayer's first taxable year which begins after December 31, 1935.'"

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: On page 6 of the Senate engrossed amendments, in line 1 and in line 7, strike out "$1.50" and insert "$1.40"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "(except subsections (f), (g), and (i) thereof)"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 109. PERSONAL HOLDING COMPANIES

"(a) Section 351 (a) of the Revenue Act of 1934 is amended to read as follows:

"'(a) IMPOSITION OF TAX.—There shall be levied, collected, and paid, for each taxable year, upon the undistributed adjusted net income of every personal holding company a surtax equal to the sum of the following:

"'(1) 20 per centum of the amount thereof not in excess of $2,000; plus

"'(2) 30 per centum of the amount thereof in excess of $2,000 and not in excess of $100,000; plus

"'(3) 40 per centum of the amount thereof in excess of $100,000 and not in excess of $500,000; plus

"'(4) 50 per centum of the amount thereof in excess of $500,000 and not in excess of $1,000,000; plus

"'(5) 60 per centum of the amount thereof in excess of $1,000,000.'

"(b) Section 351 (b)(2)(C) of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: 'and distributions (not in complete or partial liquidation and not a "dividend" as defined in section 115) made during the taxable year out of earnings or profits of such year.'

"(c) The amendments made by this section shall apply only in the case of taxable years beginning after December 31, 1935."

And the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 110. CORPORATE LIQUIDATIONS

"(a) Section 112 (b) of the Revenue Act of 1934 is amended by adding after paragraph (5) a new paragraph reading as follows:

"'(6) EXCHANGE IN LIQUIDATION.—No gain or loss shall be recognized upon the receipt by a corporation of property (other than money) distributed in complete liquidation of another corporation, if the corporation receiving such property on such exchange was on the date of the enactment of the Revenue Act of 1935 and has continued to be at all times until the exchange, in control of such other corporation. As used in this paragraph "complete liquidation" includes any one of a series of distributions by a corporation in complete cancellation or redemption of all its stock in accordance with a plan of liquidation under which the transfer of the property under the liquidation is to be completed within a time specified in the plan, not exceeding five years from the close of the taxable year during which is made the first of the series of distributions under the plan. If such transfer of property is not completed within the taxable year the Commissioner may require of the taxpayer, as a condition to the nonrecognition of gain under this paragraph, such bond, or waiver of the statute of limitations on assessment and collection, or both, as he may deem necessary to insure the assessment and collection of the tax if the transfer of the property is not completed in accordance with the plan. This paragraph shall not apply to any liquidation if any distribution in pursuance thereof has been made before the date of the enactment of the Revenue Act of 1935.'

"(b) Section 112 (c) (1) of the Revenue Act of 1934 is amended by striking out "or (5)" and inserting in lieu thereof "(5), or (6)".

"(c) Section 112 (e) of the Revenue Act of 1934 is amended by striking out "subsection (b) (1) to (5)" and inserting in lieu thereof "subsection (b) (1) to (6)".

"(d) Section 112 (i) of the Revenue Act of 1934 is amended by striking out "(4), or (5)" and inserting in lieu thereof "(4), (5), or (6)", and by striking out "(3) or (5)" and inserting in lieu thereof "(3), (5), or (6)".

"(e) The amendments made by this section shall apply only in the case of taxable years beginning after December 31, 1935."

And the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows:

On page 20 of the Senate engrossed amendments, strike out lines 6 to 25, both inclusive, and lines 1 to 16, both inclusive, on page 21, and in lieu thereof insert the following:

"SEC. 202. ESTATE TAX—VALUATION

"(a) Section 302 of the Revenue Act of 1926, as amended, is amended by adding a new subdivision, as follows:

"'(j) If the executor so elects upon his return (if filed within the time prescribed by law or prescribed by the Commissioner in pursuance of law), the value of the gross estate shall be determined by valuing all the property included therein on the date of the decedent's death as of the date 1 year after the decedent's death, except that (1) property included in the gross estate on the date of death and, within one year after the decedent's death, distributed by the executor (or, in the case of property included in the gross estate under subdivision (c), (d), or (f) of this section, distributed by the trustee under the instrument of transfer), or sold, exchanged, or otherwise disposed of, shall be included at its value as of the time of such distribution, sale, exchange, or other disposition, whichever first occurs, instead of its value as of the date 1 year after the decedent's death, and (2) any interest or estate which is affected by mere lapse of time shall be included at its value as of the time of death (instead of the later date) with adjustment for any difference in its value as of the later date not due to mere lapse of time. No deduction under this title of any item shall be allowed if allowance for such item is in effect given by the valuation under this subdivision. Wherever in any other subdivision or section of this title or in Title II of the Revenue Act of 1932, reference is made to the value of property at the time of the decedent's death, such reference shall be deemed to refer to the value of such property used in determining the value of the gross estate. In case of an election made by the executor under this subdivision, then for the purposes of the deduction under section 303 (a) (3) or section 303 (b) (3), any bequest, legacy, devise, or transfer enumerated therein shall be valued as of the date of decedent's death with adjustment for any difference in value (not due to mere lapse of time or the occurrence or nonoccurrence of a contingency) of the property as of the date one year after the decedent's death (substituting the date of sale or exchange in the case of property sold or exchanged during such one-year period).'

"(b) The amendment made by this section shall be effective only with respect to transfers of estates of decedents dying after the date of the enactment of this act."

And the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: On page 27 of the Senate engrossed amendments, lines 7 and 8, strike out "after the date this amendment takes effect" and insert "on or after the first day of the second month following the date of the enactment of the Revenue Act of 1935"; and on page 29 of the Senate engrossed amendments, line 3, strike out "fifteenth" and insert "thirtieth"; and on page 31 of the Senate engrossed amendments, strike out lines 13 to 17, both inclusive; and on page 32 of the Senate engrossed amendments, strike out lines 1 to 6, both inclusive.

And the Senate agree to the same.

R. L. DOUGHTON,
SAMUEL B. HILL,
THOS. H. CULLEN,
*Managers on the part of the House.*

PAT HARRISON,
WILLIAM H. KING,
WALTER F. GEORGE,
ROBERT M. LA FOLLETTE, Jr.,
*Managers on the part of the Senate.*

STATEMENT

The Managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8974) to provide revenue, equalize taxation, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment no. 1: This amendment proposes increased surtax rates over those imposed by existing law beginning on amounts of surtax net income in excess of $1,000,000. Under existing law the rate on the amount of surtax net income in excess of $1,000,000 is 59 percent. Under the amendment, amounts of surtax net income in excess of $1,000,000 and not in excess of $1,500,000 would be taxed at 60 percent, and the rates would then be increased by suitable graduation until amounts of surtax net income in excess of $10,000,000 would be taxed at 75 percent. Under the House bill, the surtax rates are increased over the rates contained in existing law in the case of surtax net incomes of over $50,000. The rate in the House bill is 31 percent on amounts of surtax net income between $50,000 and $56,000, while under existing law the rate in this bracket is 30 percent. The rates in the House bill are then graduated upward until amounts of surtax net income in excess of $5,000,000 are taxed at 75 percent. The Senate recedes.

On amendment no. 2: This amendment provides for a graduated income tax on corporations as follows:

Upon net incomes not in excess of $15,000, 12½ percent.

Upon net incomes in excess of $15,000 and not in excess of $40,000, 14 percent in addition of such excess.

Upon net incomes in excess of $40,000 and not in excess of $100,000, 15 percent in addition of such excess.

Upon net incomes in excess of $100,000, 15½ percent in addition of such excess.

The House bill contains the following rates in respect to this tax:

Upon net incomes not in excess of $15,000, 13¼ percent.

Upon net incomes in excess of $15,000, 14¼ percent in addition of such excess.

The House recedes with an amendment substituting the following rates for those proposed in the Senate bill:

Upon net incomes not in excess of $2,000, 12½ percent.

Upon net incomes in excess of $2,000 and not in excess of $15,000, 13 percent in addition of such excess.

Upon net incomes in excess of $15,000 and not in excess of $40,000, 14 percent in addition of such excess.

Upon net incomes of $40,000, 15 percent in addition of such excess.

On amendment no. 3: The House bill provided for a limited deduction in computing net income of contributions to corporations, community chests, etc., organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes. The Senate amendment adds "or the prevention of cruelty to children." The House recedes.

On amendments nos. 4 and 5: These amendments provide that the rate of withholding at the source in the case of foreign corporations after December 31, 1935, shall be 15½ percent instead of 13¾. The House recedes with an amendment in each case making the rate 15 percent.

On amendment no. 6: Under existing law, which was not changed in this respect by the House bill, corporations, both domestic and foreign, are allowed a deduction, in computing net income, of dividends received from domestic corporations subject to income tax (except dividends received from a China Trade Act corporation or from certain corporations taxable on only gross income sources within the United States because of receiving a large percentage of their gross income from sources within a pos-

session of the United States). The Senate amendment confines the deduction to 85 percent of the amount of the dividends. The House recedes with an amendment changing 85 percent to 90 percent.

On amendment no. 7: This amendment provides for withholding of tax at the source in the case of dividends paid to a foreign corporation, with respect to 15 percent of the amount of the dividend, since under amendment no. 6 only 85 percent of the dividend is nontaxable. The House recedes with an amendment changing 15 percent to 10 percent, in pursuance of the action taken on amendment no. 6, and authorizing the Commissioner, under regulations prescribed by him with the approval of the Secretary, to permit withholding under existing law, in the case of a corporate taxpayer having a taxable year ending on any other date than December 31, until the beginning of its first taxable year which begins after December 31, 1935.

On amendment no. 8: This amendment subjects to both normal and surtax and to the corporation income tax interest on obligations of the United States and all instrumentalities of the United States, issued or reissued on or after the date of the enactment of the bill. The Senate recedes.

On amendment no. 9: The House bill raised the rates of the excess-profits tax imposed by section 702 of the Revenue Act of 1934, starting with 5 percent of the part of the net income in excess of 8 percent and not in excess of 12 percent of the adjusted declared value, up to 20 percent of the portion of the net income in excess of 25 percent of the adjusted declared value. The House bill made no change in the existing capital-stock tax. The Senate amendment reimposes the capital-stock tax beginning with the year ending June 30, 1936, with a rate of $1.50 a thousand instead of $1 a thousand as under existing law, but allowing a new declaration of value. It also reimposes the excess-profits tax beginning with the first income-tax year ending after June 30, 1936, with the rates fixed at 6 percent of the portion of the net income in excess of 10 percent and not in excess of 15 percent of the adjusted declared value, and 12 percent of the portion of the net income in excess of 15 percent of the adjusted declared value. In computing net income a deduction is allowed of the corporation income tax for the same year. The Senate amendment also allows to China Trade Act corporations a credit against the adjusted declared value of the capital stock based on the proportion borne to the par value of all their stock by the par value of the shares owned by residents of China, the United States, or possessions of the United States, and by individual citizens of the United States or China. The House recedes with an amendment fixing the rate of capital-stock tax at $1.40.

On amendment no. 10: This is a change in section number. The House recedes.

On amendment no. 11: This is a technical amendment made necessary by amendments nos. 4 and 5, and the House recedes with an amendment making a further technical change made necessary by amendment no. 7.

On amendment no. 12: This is a technical amendment made necessary by amendment no. 8, and the Senate recedes.

On amendment no. 13: This is a technical amendment made necessary by amendment no. 9, and the House recedes.

On amendment no. 14: This amendment allows China Trade Act corporations, for the purpose of the excess-profits tax imposed under amendment no. 9, a credit against net income similar to the credit allowed them under the income-tax law for the purpose of computing their net income subject to the corporation tax. The House recedes.

On amendment no. 15: This amendment makes three changes in section 351 of the Revenue Act of 1934 relating to the income tax of personal holding companies, applicable only in the case of taxable years beginning after December 31, 1935.

(1) The amendment increases the rates, starting at 20 percent of the amount of the undistributed adjusted net income not in excess of $2,000 up to 60 percent of the amount thereof in excess of $1,000,000. This provision is retained under the conference agreement.

(2) The amendment also provides that in the case of an affiliated group of corporations (defined in terms of 95-percent ownership), if the sum of the gross incomes of all the members of the group derived from royalties, dividends, interest, annuities, and gains from the sale of stocks or securities is less than 80 percent of the sum of the gross income of all members of the group, then the common parent corporation shall not be considered a personal holding company. This provision is omitted under the conference agreement.

(3) The amendment also permits as a deduction in computing undistributed adjusted net-income distributions made during the taxable year out of earnings and profits of such year, if not a distribution in liquidation and if not already deductible as a "dividend." This provision is retained under the conference agreement.

On amendment no. 16: This amendment provides that no gain or loss shall be recognized upon the receipt by a corporation of property or money in liquidation of another corporation if the receiving corporation owns at least 80 percent of the voting stock of such other corporation. The House recedes with an amendment containing the following limitations:

(1) The nonrecognition of gain is confined to property received from the corporation being liquidated and does not extend to money. If, in addition to property, money is received on liquidation, the gain is recognized in an amount not in excess of the money so received; but no loss is recognized in such a case.

(2) The amendment does not apply to any liquidation where a distribution in pursuance of such liquidation was made before the date of the enactment of the Revenue Act of 1935.

(3) The corporation receiving the property on liquidation must own at least 80 percent of the voting stock and at least 80 percent of the total number of shares of all other classes of stock of the corporation being liquidated. This ownership must exist on the date of the enactment of the Revenue Act of 1935 and must continue at all times thereafter until the exchange.

(4) Liquidation is confined to "complete liquidation", which is defined to include any one of a series of distributions by a corporation in complete cancelation or redemption of all of its stock in accordance with a plan of liquidation under which the transfer of the property under the liquidation is to be completed within a time specified in the plan, not exceeding 5 years from the close of the taxable year during which is made the first of a series of distributions under the plan.

(5) If the transfer of property in liquidation is not completed within the taxable year, the Commissioner is given authority to require a bond, or a waiver extending the period for assessment and collection of the tax, or both bond and waiver, so that the Government's right to assess or collect may not be jeopardized if the transfer of the property is not completed in accordance with the plan.

(6) Since the liquidations are treated as tax-free exchanges, the basis provisions of section 113 (a) (6) of the Revenue Act of 1934 will be applicable. The following examples will show how the basis is determined under this section (assuming for simplicity that there were no adjustments to be made in the basis of the stock):

CASE NO. 1

Corporation A paid $100,000 for the stock of Corporation B. It liquidates Corporation B and receives on liquidation property worth $200,000 at the date of liquidation. Corporation A has realized a gain of $100,000 from the liquidation, which under the amendment is not recognized. However, the basis of Corporation B's property in the hands of Corporation A will be not $200,000, the value at the time of liquidation, but $100,000, the amount Corporation A paid for Corporation B's stock. Corporation A subsequently sells the property it acquired from Corporation B on liquidation for $200,000. Corporation A will be required to pay a tax in the year of sale on a $100,000 gain.

CASE NO. 2

Corporation A paid $100,000 for the stock of Corporation B. It liquidates Corporation B and receives on liquidation the following:

| | |
|---|---|
| Property | $150,000 |
| Cash | 50,000 |
| Total | 200,000 |

The gain of $100,000 realized upon liquidation will be recognized only up to the amount of the cash, namely, $50,000. The basis of the property is $100,000, computed as follows:

($100,000 cost of Corporation B's stock to Corporation A, decreased in the amount of money received, $50,000, and increased in the amount of gain recognized to Corporation A at the time of liquidation, $50,000.)

If Corporation A sells the property for $150,000, it will be required to pay a tax on a gain of $50,000, which is the gain the recognition of which was postponed at the time of liquidation.

On amendment no. 17: This amendment strikes out the inheritance tax in the House bill and inserts in lieu thereof an increase in the rates of estate tax. Under existing law net estates not in excess of $10,000 are taxed at 1 percent; under the amendment this rate is increased to 2 percent. Gradual increases in the rates are made in the other brackets until the amount of a net estate in excess of $50,000,000 is taxed at 70 percent. Under existing law, the maximum rate is 60 percent on the portion of the net estate in excess of $10,000,000. The conference agreement retains the change of rates proposed in the Senate amendment.

The amendment also reduces the specific exemption allowed for purposes of the additional estate tax imposed by the Revenue Act of 1932, as amended, from $50,000 to $40,000. This portion of the Senate amendment is also retained under the conference agreement.

The amendment also allows an additional deduction, in computing the value of the net estate, of the net shrinkage in value of assets arising from the difference in the aggregate value of assets forming part of the decedent's gross estate on the date of death and the aggregate value of such assets 1 year thereafter, substituting the date of sale or exchange by the executor in the case of assets sold or exchanged during such 1-year period. In lieu of this provision, the conference action inserts a provision giving the executor an election with respect to the time as of which the property included in the gross estate is to be valued. Under existing law, the valuation is made as of the date of death. If the executor exercises the election given him by the conference agreement, all the property included in the estate on the date of death is to be valued as of the date 1 year after the decedent's death, except that the value (at the time of distribution, sale, exchange, or other disposition) of property distributed, sold, exchanged, or otherwise disposed of, is taken in lieu of its value as of 1 year after death. Where the decedent owns an interest or estate the value of which is affected by mere lapse of time, the value used under the election is the value as of date of death adjusted for changes in value not due merely to lapse of time. Deductions for

losses from fire, other casualties, etc., and other deductions, are disallowed if reflected in the later valuation of the property. The conference agreement also provides that the valuation of property transferred to charities, etc., for the purpose of the deduction under existing law, shall be made on the same basis used in valuing the gross estate, disregarding any change due to mere lapse of time or the occurrence or nonoccurrence of a contingency. The operation of this new provision giving the executor an election may be shown by the following example:

A decedent dies owning real estate of the value of $100,000, corporate stock of the value of $60,000, bonds of the value of $20,000, foreign government bonds maturing 9 months after date of death of a face value of $10,000, but of a value of $9,550, and cash amounting to $5,000. These values are as of the date of death. The gross estate at date of death amounted, therefore, to $194,550. The decedent had debts of $15,000 and the administration expenses were $25,000, which debts and expenses were promptly paid by the executor. The value of the net estate as of date of death was, therefore (after taking off the specific exemption), $114,550. Six months after the decedent's death the executor distributed the bonds to a legatee under the will, at which time they were worth $18,000, and he sold all the corporate stock owned by the decedent for a fair market value of $50,000 in order to raise cash to pay the debts and expenses. The foreign bonds were paid in full at maturity. During the first year after the decedent's death the value of his real estate appreciated $5,000. The executor elects to take advantage of the new provision of the bill. The value will be arrived at in this way:

| Assets: | | *Value* |
|---|---|---|
| Real estate (as of 1 year after death) | | $105,000 |
| Corporate stock (as of date of sale) | | 50,000 |
| Bonds (as of date of distribution) | | 18,000 |
| Foreign bonds (as of date of disposition, i. e., maturity) | | 10,000 |
| Cash | | 5,000 |
| Gross estate | | 188,000 |
| Deduct: | | |
| Debts | $15,000 | |
| Administration expenses | 25,000 | |
| Specific exemption | 40,000 | |
| | | 80,000 |
| Net estate | | 108,000 |

The amendment also gives a new deduction, in determining the net estate of a decedent who was a citizen or resident of the United States, of the proceeds of life insurance policies payable to the estate in trust for the payment of death duties imposed by the United States or any other jurisdiction, to the extent that such proceeds are actually used in the payment of such taxes. This provision is omitted under the conference agreement.

The amendment also makes the due date of the estate tax 15 months after death instead of 1 year as provided in existing law. This provision is retained under the conference agreement.

All the above amendments are effective only in the case of decedents dying after the date of the enactment of the bill. This provision is retained under the conference agreement.

On amendment no. 18: This amendment strikes out the gift tax on donees in the House bill and inserts in lieu thereof an increase in the rates of the gift tax on donors provided in the Revenue Act of 1932. Under existing law, the gift tax rate on net gifts not in excess of $10,000 is three-fourths of 1 percent; the amendment increases this rate to 1½ percent. Consistent increases are made in the higher brackets until the amount of a net gift in excess of $50,000,000 is taxed at 52½ percent. Under existing law the maximum rate is 45 percent on the amount of the net gift in excess of $10,000,000. The gift tax rates proposed are three-fourths of the estate-tax rates proposed. This is the same ratio as exists between the estate and gift tax rates under existing law. The conference agreement retains the change of rates proposed in the Senate amendment.

The amendment also reduces the specific exemption in such act from $50,000 to $40,000. This provision is retained under the conference agreement.

The above amendments are effective only in the computation of gift taxes for the calendar year 1936 and subsequent years. This provision is retained under the conference agreement.

On amendment no. 19: This amendment inserts a new title covering a number of miscellaneous matters, each of which is separately stated below, together with the action of the conferees thereon.

MANUFACTURERS' EXCISE TAXES

Section 401 makes the following amendments to the Revenue Act of 1932 with respect to the manufacturers' excise taxes:

(1) Section 620 (3) of the Revenue Act of 1932, as amended, is amended to permit the tax-free sale of any article taxable under title IV of the Revenue Act of 1932 sold by the manufacturer or producer to or for the exclusive use of the United States, any State, Territory of the United States, political subdivision thereof, or the District of Columbia. The amendment exempts all sales to States or political subdivisions thereof for exclusive use by them regardless of whether or not the articles are to be used for an essential governmental function, and permits more than one dealer in the chain of sales.

(2) The amendment to section 621 (a) of the Revenue Act of 1932 will permit a refund or credit of the tax paid by any manufacturer or producer on his sale of an article if such article is eventually resold through one or more dealers to the United States, any State, Territory of the United States, political subdivision thereof, or the District of Columbia. A credit or refund is also provided if an article is ultimately used, or resold for use, as fuel supplies, etc., of certain vessels. Similar amendments allow refunds when certain articles subject to the gasoline tax are ultimately used, or resold for use, for non-motor-fuel purposes and where lubricating oils are ultimately used, or resold for use, for nonlubricating purposes. All these refunds are allowed to the manufacturer for the benefit of the person who sells the articles to the user.

(3) Another amendment allows interest on refunds of overpayments of the manufacturers' sales taxes at the rate of 6 percent per annum.

This section of the Senate amendment is retained under the conference agreement, with a clerical change.

ARTICLES PRODUCED FROM TAXABLE OILS

Section 402 provides for a tax on the importation (from a foreign country, a possession of the United States, or the high seas) of articles manufactured or produced wholly or in chief value from oils of the classes subject (at the time of importation of such articles) to the tax under existing law on the processing of coconut oil and certain other vegetable oils or the tax on the importation of certain fish and marine-animal oils. The tax is to be computed by applying the rates provided for in the existing taxes to the amount of the specified oils from which the imported articles are made. Provision is made for payments to the Philippine treasury analogous to the provision now applying under the processing tax on coconut oil. The new tax is subject to the same administrative and drawback provisions of law as is the existing tax on imported fish and marine-animal oils. The conference agreement retains this section, to take effect after the thirtieth day after date of the enactment of the act, instead of the fifteenth day as provided in the Senate amendment.

SPECIAL EXCISE TAX ON CARRYING ON LIQUOR BUSINESS

Section 403 of the bill, added by amendment no. 19, terminates as of June 30, 1935, the special excise tax of $1,000 a year imposed by section 701 of the Revenue Act of 1926 on every person carrying on the business of a brewer, distiller, liquor dealer, or manufacturer of stills, contrary to State law. This portion of the Senate amendment is retained under the conference agreement.

INTEREST ON DELINQUENT TAXES

The amendment also provides that the rate of interest on any internal-revenue tax, or customs duty, not paid when due, shall be at the rate of 6 percent per annum. This makes all interest provisions with reference to deficiencies and delinquencies of internal-revenue taxes uniform as far as the rate of interest is concerned. Under existing law, interest is assessed on deficiencies of income, excess profits, estate, and gift taxes at the rate of 6 percent per annum and the deficiency, with interest thereon to date of assessment, is not subject to interest at 1 percent per month until 10 days (30 days in the case of estate taxes) after notice and demand, whereas the interest on overdue miscellaneous excise taxes is 1 percent per month from the due date of the tax. Under the amendment the rate will be uniformly 6 percent per annum before and after notice and demand. The amendment merely changes the rate and does not provide for interest in any cases where interest does not now accrue. This portion of the Senate amendment is retained under the conference agreement.

DECLARATORY JUDGMENTS AS TO TAXES

The amendment also adds a section making it clear that the Federal Declaratory Judgments Act of June 14, 1934, has no application to Federal taxes. This portion of the Senate amendment is retained under the conference agreement.

FAILURE TO FILE RETURNS ON TIME

Under existing law, if a return of an internal-revenue tax is not filed at the time prescribed therefor, 25 percent of the tax is added to the tax, whether the delay in filing the return is 1 day or a longer period. Section 406 (first paragraph) of the bill, added by the amendment no. 19, provides for an addition to the tax, in lieu of such 25-percent addition, in cases where the time fixed for filing the return is subsequent to the passage of the bill, of 5 percent of the tax if the failure is for not more than 30 days, with an additional 5 percent for each additional 30 days during which the failure continues, not to exceed 25 percent in the aggregate. This portion of the Senate amendment is retained under the conference agreement.

TAX ON WHALE OIL

The amendment exempts whale oil from the present tax of 3 cents a pound on importation. This portion of the Senate amendment is omitted under the conference agreement.

TAXES ON CRUDE PETROLEUM

The first paragraph of section 407, added by the amendment, reduces the existing taxes on the production and on the refining of crude petroleum from one-tenth of 1 cent per barrel of 42 gallons to one twenty-fifth of 1 cent per barrel. This portion of the Senate amendment is retained under the conference agreement.

EFFECT OF CLOSING AGREEMENTS

The amendment also provides that if the Commissioner, in determining the tax liability of any person, has entered into an agreement in writing with such person in respect of any issue likewise involved in the tax liabilities of one or more other persons and arising out of the same transaction, then none of such other persons shall be denied a settlement of such issue on the

same basis. This portion of the Senate amendment is omitted under the conference agreement.

On amendments nos. 20, 21, 23, and 24: These amendments make changes in title and section numbers. The House recedes.

On amendment no. 22: This amendment adds a definition of the term "collector." The House recedes.

On amendment no. 25: This amendment repeals sections 6, 7, and 8 of the Silver Purchase Act of 1934 and declares void all Treasury regulations in pursuance of such actions. The Senate recedes.

R. L. DOUGHTON,
SAMUEL B. HILL,
THOS. H. CULLEN,
*Managers on the part of the House.*

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Washington [Mr. HILL].

Mr. SAMUEL B. HILL. Mr. Speaker, if this conference report is adopted, the principal changes by reason of Senate amendments will be as follows: I may say at the outset that the House provision as to the increase in the surtax rates is retained in the bill. It starts at $50,000 and graduates up to 75 percent on net incomes over $5,000,000.

The corporation income tax was changed somewhat by the conference. The House provision provided a range of 1 percent from 13¼ percent on corporation incomes not in excess of $15,000 to 14¼ percent on corporation incomes above $15,000. The conference report provides 12½ percent on corporation incomes not in excess of $2,000, 13 percent on incomes between $2,000 and $15,000, 14 percent between $15,000 and $40,000, and 15 percent above $40,000.

The capital-stock tax as it exists today and as we left it in the House bill is $1 per thousand. The Senate made it $1.50 per thousand and the conference agreed on $1.40 per thousand and gave the corporations the right to declare a new adjusted value.

The excess-profits tax in the conference report bears the rate of 6 percent on net corporate income above 10 percent, and not in excess of 15 percent, and a 12-percent rate above 15 percent.

There will be included in the bill, if the conference report is adopted, an intercorporate dividend tax. The House bill had no such tax. The Senate put an amendment on the bill providing for an intercorporate dividend tax which would amount to 2¼ percent. We reduced this in conference to what will amount to about a 1½-percent rate.

The inheritance tax, which the House bill carried, is out of the bill, and in lieu of it, we have an increase in the estate taxes and in the gift taxes which go along with the estate taxes. With the inheritance tax we also had a gift tax on the donees as a protection of the inheritance tax. This, of course, goes out with the inheritance tax. So what we have now in the conference report is an estate tax and no inheritance tax, but the estate tax has been increased in two respects: First, by lowering the exemption from $50,000 to $40,000 and by commencing with a 2-percent rate on the first $10,000 of taxable estate and graduating it up to 70 percent over $50,000,000. The gift tax bears a rate approximately three-fourths of the rate of the estate tax and is carried through in this proportion.

The SPEAKER pro tempore (Mr. WOODRUM). The time of the gentleman from Washington has expired.

Mr. DOUGHTON. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. SAMUEL B. HILL. This covers the principal changes, Mr. Speaker, that the conference report makes in the House bill. There are some other amendments which are in the bill and are set out and explained fully in the report, and it seems hardly worth while to take the time of the House to go into a detailed explanation of them. I shall ask you to read the report and I ask unanimous consent, Mr. Speaker, to extend my remarks by printing in connection therewith a detailed statement in writing explaining just what has been done in the conference report.

The SPEAKER pro tempore. Is there objection of the request of the gentleman from Washington?

There was no objection.

Mr. SAMUEL B. HILL. My Speaker, I further ask unanimous consent to extend my remarks by extending in the RECORD a statement prepared by the Treasury Department in opposition to the so-called "McCarran amendment."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. WADSWORTH. Can the gentleman inform us of the fate of the provision which relates to the taxation of corporate contributions to charities?

Mr. SAMUEL B. HILL. That is retained in the bill, I may say to the gentleman from New York.

Mr. WADSWORTH. May I ask the gentleman a further question?

Mr. SAMUEL B. HILL. Yes.

Mr. WADSWORTH. Can the gentleman inform us with respect to that provision of the bill which, as I understand it, would make subject to estate taxes the principal of life-insurance policies?

Mr. SAMUEL B. HILL. We have not included the amendment which exempted the proceeds of life insurance which were devoted solely to the payment of estate taxes. This is the point the gentleman has in mind.

Mr. WADSWORTH. Will the gentleman explain that a little?

Mr. SAMUEL B. HILL. The present law is that insurance policies have an exemption of $40,000, and in addition to that, there is general exemption for estate-tax purposes of $40,000. So we deemed it unnecessary to give further exemption to life insurance, inasmuch as we have this $40,000 exemption in existing law.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. COLDEN. I would like to have an explanation of why the House yielded on inheritance taxes and accepted the estate tax?

Mr. SAMUEL B. HILL. The House yielded for the purpose of bringing a bill back to this body. It was necessary, I will say to the gentleman from California, to yield in order to get an agreement, but we get about the same amount of money out of the increase in the estate taxes that we were to get out of the inheritance taxes.

Mr. COLDEN. The point with me is this. In the case of the estate tax the tax is levied on the entire estate regardless of the number of heirs, but with an inheritance tax, if there is one heir and the estate amounts to $1,000,000, the tax is applied to the entire amount, but if there are 10 heirs, there would only be $100,000 as the amount of the inheritance.

Mr. SAMUEL B. HILL. I may say to the gentleman that we advanced those arguments but, as the gentleman knows, we cannot have everything. We have to give in on some things in order to get the other body to yield.

I submit the following detailed statement on the conference between the two Houses on the Revenue Act of 1935:

CONFERENCE REPORT ON THE REVENUE BILL OF 1935

The House surtax rates were adopted. The Senate increased the surtax rates only over $1,000,000. This would bring in only about $4,000,000. The Senate conferees agreed to the House surtax rates which started with net incomes of $50,000 and graduated upward to a point of 75 percent in the case of net incomes in excess of $5,000,000.

On the graduated tax on corporations, we agreed to a compromise. As you know, the House levied a graduated rate range of 1 percent, that is, net incomes not in excess of $15,000 were taxed at 13¼ percent, and net incomes in excess of $15,000 were taxed at 14¼ percent in addition of such excess. The Senate amended the bill by levying a graduated tax ranging from 12½ percent on net incomes not in excess of $15,000 to 15½ percent upon net incomes in excess of $100,000. We succeeded in getting the Senate conferees to agree to a compromise levying taxes on corporations as follows:

Upon net incomes not in excess of $2,000, 12½ percent.

Upon net incomes in excess of $2,000 and not in excess of $15,000, 13 percent in addition of such excess.

Upon net incomes in excess of $15,000 and not in excess of $40,000, 14 percent in addition of such excess.

Upon net incomes in excess of $40,000, 15 percent in addition of such excess.

The House provision allowing corporations to deduct gifts to organizations operated exclusively for religious, charitable, scien-

tific, literary, or educational purposes was accepted by the Senate. The Senate extended this to include gifts to organizations for the prevention of cruelty to children.

The Senate adopted a provision which had the effect of exempting China Trade Act corporations from the excess-profits and capital-stock tax. These corporations are already exempt from the income tax. The reason for the exemptions is to enable American corporations doing business in China to compete with foreign corporations. England and many of the other foreign countries grant their companies doing business in China complete exemption from taxation, and unless this Government affords the same inducement to our American corporations doing business in China, they will not be able to compete with the foreign corporations or secure adequate Chinese capital. Your conferees agreed to the Senate amendment as to this point.

The Senate levied a tax on intercorporate dividends which amounted to about 2¼ percent. Under existing law, dividends received by a corporation from a domestic corporation are allowed as a deduction in computing net income. The Senate allowed only 85 percent of the dividends received as a deduction. We compromised on the proposition, changing the 85 percent to 90 percent, which will result in an intercorporate tax of about 1½ percent.

The Borah amendment came in for considerable discussion at the conference. The effect of this amendment was to subject to both normal and surtax as well as to the corporation income tax, interest on obligations of the United States and instrumentalities of the United States issued after the date of the enactment of the bill. The House conferees did not believe this to be a sound amendment for the reason that it would not close the loophole of tax-exempt securities but merely give investors an opportunity to invest in State securities instead of Federal securities. It is believed that the only proper way to accomplish the taxation of Federal and State securities is through a constitutional amendment which would operate on both the States and the Federal Government and not give one a field for investments at the expense of the other. It might be mentioned that this amendment was also vigorously opposed by the Treasury and the administration. We got the Senate conferees to recede on this amendment.

The Senate increased the capital stock tax from $1 per $1,000 to $1.50 per $1,000. We got them to agree to an amendment reducing the rate from $1.50 to $1.40 per $1,000. As a result of this concession, we accepted the Senate rates on the excess-profits tax. These rates are fixed at 6 percent of the portion of the net income in excess of 10 percent and not in excess of 15 percent of the adjusted declared value, and 12 percent of the portion of the net income in excess of 15 percent of the adjusted declared value. We also agreed to the Senate amendment permitting corporations a new declaration of value for capital stock tax purposes beginning with the year ending June 30, 1936.

In the case of personal holding companies, we agreed to the Senate amendment increasing the rates starting at 20 percent of the amount of the undistributed adjusted net income not in excess of $2,000, up to 60 percent of the amount thereof in excess of $1,000,000. This amendment was considered necessary in view of the increase in rates of the individual surtaxes.

The Senate inserted in the bill a provision which would have the effect of combining the gross income of members of an affiliated group of corporations for the purpose of determining whether the common parent corporation was a personal holding company. We objected strenuously to this amendment, as we felt it would open the door to many lookholes in the personal holding company section, and we succeeded in getting the Senate conferees to recede on this amendment.

The Senate also inserted an amendment permitting one corporation to liquidate another corporation without the recognition of gain or loss. Your conferees were compelled to accept this amendment, but succeeded in inserting certain provisions which had the effect of tightening it up and preventing loopholes. The provision as now written applies only if the corporation owns at least 80 percent of the voting stock and at least 80 percent of the total number of shares of all other classes of stock of the corporation being liquidated. This ownership must exist on the date of the enactment of this act and must continue at all times thereafter until the date of liquidation. If the corporation receives from the corporation being liquidated, money, the gain on liquidation to it is taxable to the extent of the money so received.

We yielded to the Senate on its provisions substituting for the House provisions on inheritance tax and gift tax on donees, increased rates in the estate tax and in the gift tax on donors. The Senate provision gradually increases the rates in the brackets beginning at 2 percent until the amount of the net estate in excess of $50,000,000 is taxed at 70 percent. Under existing law the maximum rate is 60 percent on the portion of the net estate in excess of $10,000,000. Consistent increases were made in respect to the gift tax on donors so that the new gift-tax rates are about three-fourths of the estate-tax rates. The Senate amendment also reduced the specific exemption of $50,000 allowed both for estate- and gift-tax purposes under existing law to $40,000. While we were unable to get the Senate conferees to agree to an inheritance tax, they did agree that such a tax should be studied by the Joint Committee on Internal Revenue Taxation, the Treasury Department, and the office of the Legislative Counsel, with a view to making positive recommendations on this subject in the near future.

We succeeded in getting one of the principles of our inheritance tax incorporated in the estate tax. This permits the executor to value the property of a decedent as of 1 year from the date of death, with certain exceptions in the case of distributions, sales, etc. This will eliminate many of the hardships which were experienced after 1929 when market values decreased very materially between the period from the date of death and the date of distribution to the beneficiaries. We refused to agree to the Senate amendment allowing a deduction in the case of the proceeds of life-insurance policies actually used for the payment of Federal, State, and foreign death taxes. It was felt that with the abandonment of the inheritance tax the present estate tax provisions granting a $40,000 exemption in the case of insurance might be deemed adequate. Moreover, the enactment of such a provision would seriously curtail the Government revenues. However, it was felt that this subject was worthy of further study and that some effort should be made to look into this matter further.

We agreed to the Senate amendment exempting from the manufacturer's excise taxes sales to the State for exclusively public purposes regardless of whether or not the articles sold were to be used for essential governmental functions. This amendment is similar to the bill introduced by Congressman McCORMACK and reported out by the Ways and Means Committee several days ago.

We also agreed to the Senate amendment relating to the processing tax on coconut oil. It appears that there is a serious loophole in existing law by which many companies escape the payment of the processing tax by having the articles processed outside of the country. To remedy this situation, the amendment provides for a tax on the importation of articles produced wholly or in chief value from the oils subject to tax under existing law on the processing of coconut oil and certain other vegetable oils or the tax on the importation of certain fish and marine-animal oils. The tax is to be computed by applying the rates provided for in existing taxes to the amount of the specified oils from which the imported article is made.

We also agreed to the repeal of the special excise tax of $1,000 imposed under existing law upon every person carrying on the business of a brewer, distiller, liquor dealer, or manufacturer of stills contrary to State law. This tax has been held by the lower courts to be not a tax but a penalty, and is practically unenforceable at the present time. Moreover, since the tax is imposed upon an annual basis, it gives encouragement to liquor violators who have paid this tax to claim that they have Federal sanction to carry on their unlawful business.

Your conferees also agreed to the Senate amendment decreasing the interest on delinquent taxes to 6 percent per annum. Under existing law in many cases the interest rate runs at 12 percent from the due date of the tax, especially in the case of many of the miscellaneous excise taxes. This results in a very great hardship in many cases, due to the fact that the Commissioner has no authority to compromise the 12-percent interest.

Your conferees also agreed to the Senate provision providing that the Federal Declaratory Judgment Act of June 14, 1934, has no application to Federal taxes. The application of the Declaratory Judgment Act to taxes would constitute a wide departure from the long-continued policy of Congress with respect to the determination, assessment, and collection of Federal taxes. It is believed that the procedure for the collection of Federal taxes should not be interfered with by a procedure designed to facilitate the settlement of private controversies and that existing procedure both in the Board of Tax Appeals and the courts affords ample remedies for the correction of tax errors.

Your conferees also accepted the Senate amendment reducing the amount of the 25-percent penalty for failure to file a return to 5 percent if the failure is for not more than 30 days, with an additional 5 percent for each additional 30 days, not to exceed 25 percent in the aggregate. This penalty has resulted in considerable hardship because of the lack of power on the part of the Commissioner to compromise such penalty separately and apart from the tax. Your conferees felt that this amendment would accomplish considerable good in alleviating the hardships.

The Senate adopted an amendment to exempt whale oil from the present tax of 3 cents a pound on importation. Your conferees succeeded in getting the Senate conferees to recede from this amendment.

Your conferees agreed to the Senate amendment reducing the existing taxes on the production and on the refining of crude petroleum from one-tenth of 1 cent per barrel of 42 gallons to one twenty-fifth of 1 cent per barrel. These taxes are levied primarily for the administration of the oil codes in order that proper investigation might be made of the books and records of the oil companies. It is believed that a lower rate would not interfere with the purpose for which the taxes are imposed. Therefore, your conferees agreed to this Senate amendment.

Your conferees also succeeded in getting the Senate conferees to recede from an amendment which would have involved serious administrative difficulties in the Bureau. The Senate amendment provided that if the Commissioner entered into a closing agreement with any taxpayer in respect to any issue, the determination in such agreement as to such issue should be permitted other taxpayers. This would have the effect of practically nullifying the closing-agreement system which has been in effect in the Bureau of Internal Revenue for many years and would cost the Government considerable administrative difficulty as well as additional expense.

In closing, I wish to submit a statement as to the revenue to be derived under the conference report.

ADDITIONAL REVENUE

There is no substantial difference in the total revenue to be expected from the bill as agreed to in conference and in the total revenue expected under the House and Senate bills, as can be shown from the following comparison:

*Estimate of additional revenue*

[For a full year of operation]

| Source | House bill | Senate bill | Bill as agreed to in conference |
|---|---|---|---|
| Surtax increases | $45,000,000 | $4,000,000 | $45,000,000 |
| Graduated corporation tax | 15,000,000 | 60,000,000 | 37,000,000 |
| Capital-stock tax | 0 | 55,000,000 | 44,000,000 |
| Excess-profits tax | 100,000,000 | 10,000,000 | 10,000,000 |
| Inheritance tax | 86,000,000 | 0 | 0 |
| Estate tax | 0 | 80,000,000 | 80,000,000 |
| Gift tax | 24,000,000 | 21,000,000 | 21,000,000 |
| Intercompany dividends | 0 | 39,000,000 | 28,000,000 |
| Total | 270,000,000 | 269,000,000 | 265,000,000 |
| Corporation deduction for charitable gifts | 15,000,000 | 15,000,000 | 15,000,000 |
| Net total additional revenue | 255,000,000 | 254,000,000 | 250,000,000 |

**I also submit the following statement prepared in the Department of the Treasury in opposition to the Senate amendment repealing sections 6, 7, and 8 of the Silver Purchase Act:**

Sections 6, 7, and 8 of the Silver Purchase Act should not be repealed. They are not detrimental to any legitimate silver transactions. Practically the only persons injured are the silver speculators typified by those active in the Wall Street Silver Exchange.

American shipping lines, insurance companies, and truckers, contrary to the statement in the report of the Committee on Agriculture, are being assisted by the present program. All purchases by the Government are stipulated to be carried by American ships, insured by American companies, and transported in American trucks. If silver speculation in New York is resumed, speculators will buy silver in London, which will be shipped to this country by the London sellers in British ships with British insurance. For every 5 million ounces of silver, $27,000 worth of business accrues to American shipping, trucking, and insurance companies. A total of $1,755,000 worth of business to these companies would have been lost if the silver had been bought abroad by private speculators.

American smelting and refining companies are being benefited. Because of the slightly higher price for silver in the New York market over the London market, it is worth while for the owners of foreign silver ores to ship them to this country for smelting and refining here prior to sale at New York. These companies are satisfied with the operation of the act.

Legitimate industrial users of silver are properly protected. There is no tax on profits derived from the industrial use of silver; and adequate provisions are made for the acquisition, use, and disposition of silver for industrial purposes.

Similarly, the interests of silver miners are adequately safeguarded. The tax does not apply to the profits on newly mined silver; and all newly mined silver is acquired by the Government at a price in excess of the world market value.

Finally, if the rise in the price of silver is not to drive other nations away from the monetary use of silver, there must be power to help them protect their outstanding silver currency. The provisions in question make it possible to protect foreign countries, whose currency is affected by the silver program, from unnecessary adverse effects through the possibility of imposing embargoes on the importation of their silver coins. This was actually done by the Treasury order of May 20, 1935.

It is the Wall Street silver speculators who are adversely affected by these provisions. This is as it should be. They are doing nothing to help the cause of silver but are merely attempting to make an unearned profit on the Government's program for the wider use of silver.

To repeal the provisions in question would detract from the dignity which they are designed to give to silver as a part of the monetary system of the United States. It is thoroughly recognized that, under present conditions, the United States must have complete control over the monetary supply of gold. No one can seriously question the necessity for this control. The purpose of the Silver Purchase Act and the silver program in general was to give silver an equal dignity with gold as a monetary metal. In order for the Congress to retain its power to coin money and regulate its value, which has proven so necessary in the case of gold, there must be reserved in the Federal Government a corresponding power to regulate silver.

Correspondingly, it was generally conceded that it would not be proper for any small portion of the public to reap a profit out of the situation presented by the control of gold, and, for that reason, the orders requiring the surrender of all gold at its then monetary value were prescribed. It is true that through this action certain foreign interests not amenable to the laws of this country were enabled to reap an unearned profit. Protection, however, was assured as far as the jurisdiction of the United States extended by preventing private profit as a result of a public necessity. The identical situation is presented with respect to silver. Congress has determined that the public interest requires the silver-purchase program. It was just as careful to assure the protection of the general public against unearned and unjustified profits of a small group of speculators in silver as it had been in connection with gold. It may be that some foreign speculators will seek and have sought to take advantage of the American silver policy. The Treasury Department has announced itself as thoroughly disapproving of any such result and is endeavoring in its pursuit of the silver-purchase program to prevent such unjust profits from accruing to any speculators, domestic or foreign. Even, however, should it be possible for some foreign speculators to make a profit, it is still a situation comparable to that which existed with respect to gold. Since the public interest declared in the Silver Purchase Act demands that the silver-purchase program be pursued vigorously, the Congress has justly provided that no unjust profit shall accrue to the domestic speculator over whom it has control. That it is unable to control the foreign speculator is no justification for its failure to limit the unearned profits made, as a result of the Government's action for the benefit of the whole Nation, by a small group of domestic Wall Street silver manipulators.

Finally, the point cannot be too often emphasized that sections 6, 7, and 8 of the silver-purchase act are not extraneous and unrelated provisions but are part and parcel of a carefully developed plan for the effectuation of the entire policy. Unless the Government is supplied with the weapons of control provided by these sections, it will be greatly hampered in its effectuation of the silver-purchase policy of section 2. Can the Secretary of the Treasury in good faith find that "terms and conditions" of purchases are "reasonable" and that they are "most advantageous to the public interest" if silver is held at exorbitant prices by speculators and sharpshooters who would be placed in a position to dictate to the Government while it is effectuating its own policies? Yet, by congressional mandate the Secretary is required to find that the rates, times, terms, and conditions of his purchases shall be "reasonable" and "most advantageous to the public interest" (sec. 3).

Of course, the Treasury intends to pursue the program laid down by the Congress. The history of its transactions to date proves this without question. But equally the administration owes to the people of the United States the duty to see that they are not victimized by a small group for its own selfish ends. This is true whether that group is the Wall Street silver manipulators or the foreign silver speculators. The policy of the Treasury cannot be subservient to those groups of silver speculators who have been relying on the announced policy of the United States to bolster their speculative activities. The United States must show that it, and not the speculator, is able to control the destinies of silver in the United States. To do this, the Government must be in a position to make it so expensive for these silver speculators to oppose the United States Government they will not do so.

With the situation what it is, with the record of accomplishment what it is, and with the prospects of further accomplishment promising as they are, it would be most unwise to take away from the Government at this time the very weapons and implements which it has used and which it will continue to use to bring to the most complete fruition the Government's program for the rehabilitation of silver.

*Statistics on the silver program to July 31, 1935*

| | *Ounces* |
|---|---|
| Amount of silver purchased by United States in first 13 months of operation of program is (Detailed statement annexed.) | 471,704,047 |
| 1. This is about 68 percent of the silver coin and bullion owned by United States or in circulation on June 30, 1934, amounting to | 694,645,065 |
| 2. It is about 19 times more than the amount which the United States agreed to withdraw from production annually pursuant to the London agreement, that amount being | 24,400,000 |
| 3. It is about 15 times more than the total domestic production of silver during the same period amounting to | 31,360,000 |
| 4. It is about 4 times more than the estimated world production of silver since June 30, 1934, amounting to | 119,024,000 |
| 5. It constitutes an average monthly receipt of silver since June 30, 1934, amounting to more than | 36,000,000 |
| 6. On June 30, 1934, the total amount of silver to be acquired in order to increase the amount of silver to one-third of the value of the monetary stock of gold ($7,856,074,226) on June 30, 1934, was | 1,330,749,073 |

Therefore the acquisitions during the first 13 months under the Silver Purchase Act constitute 35½ percent (over one-third) of that amount.

*Receipts of silver by the Treasury from June 30, 1934, to July 31, 1935*

| | Ounces |
|---|---|
| 1. Newly mined domestic silver (the Silver Purchase Act imposes no tax on the profits made by the silver-mine owners from such silver) | 33,592,750 |
| 2. Nationalized silver (this was silver which was situated in the continental United States on Aug. 9, 1934. 50.01 cents were returned by the United States to the depositor for such silver. Profits on nationalized silver are exempt from the 50-percent profits tax) | 112,363,428 |
| 3. Other acquisitions of silver under the Silver Purchase Act | 325,953,722 |
| Total | 471,909,900 |

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Speaker, I think this bill is a little better in some respects than the bill which the House originally passed. In other respects it is not so good. However, I congratulate the conferees on the work they have done, considering the fact that they could not go beyond the provisions of the House and Senate bills.

Of course, the Members of the minority had been urging for a long time previous to the writing of this bill the necessity of raising more revenue by taxation in order to meet in some way the wild orgy of extravagant expenditures that this administration has indulged in.

The bill as it stands today is, perhaps, the nearest thing to a political gesture that has been considered in this Congress, and it is so recognized all over the country. It is not a revenue measure insofar as the amount of revenue it produces is concerned—around $250,000,000. This would pay the current running expenses of this Government for about 11 days.

That is not a Budget-balancing project at all. I call to the attention of Members of the House the fact that when our distinguished Vice President was the Speaker of this House he came from that rostrum down to the floor and made a speech like an evangelist might make, to bring people within the fold. We had under consideration the manufacturers' excise tax at that time, and the question arose as to whether we should balance the Budget. After making a very plaintive and a very personal appeal to all of the Members of the House, that distinguished Speaker at that time had this to say:

> At the risk of being criticized I want to give to the world and to the country today, if I can, an expression of this House, so that the world and the country may realize that we are going to balance the Budget. Mr. Chairman, may I do an unusual thing? I may be criticized for it, but I want every man and every woman in this House who votes to balance the Budget and who is willing to go along with that effort to try to balance the Budget, to rise in their seats.

Then there is a note in parenthesis to the effect that there was applause, the Members rising. Mr. Speaker, I watched that performance very closely, and I think there was only one Member in the House who did not rise and that was the present distinguished Speaker of the House who only a few hours before had declared that there was no necessity of balancing the Budget. Then the distinguished gentleman from Texas, Mr. Garner, now our Vice President, continued:

> Now, if they do not mind, those who do not want to balance the Budget can rise in their seats.

And there is a note in parenthesis in the RECORD there that no one arose. So it was unanimous, evidently, on both sides of the House, because we on this side certainly wanted to balance the Budget. We had introduced a bill for a manufacturers' sales tax which we thought would balance the Budget and would eliminate forever the nuisance taxes, which have been such a trouble to the people of this country.

Mr. DONDERO. What is the date of that?

Mr. CROWTHER. March 29, 1932. After nobody had risen against it, the distinguished Speaker then said:

> I think that ought to restore to the American people confidence in our country.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. CROWTHER. Yes.

Mr. DOUGHTON. The gentleman will recall that notwithstanding that patriotic response made by the House of Representatives to the message from the President, who was then Mr. Hoover, to balance the Budget, we endeavored to raise, I believe, $300,000,000, but in spite of that effort we fell short of balancing the Budget by something like three or four hundred million dollars, and still the Republic stands, and Heaven and earth did not pass away.

Mr. CROWTHER. If the gentleman will remember, that was nearly a billion-dollar tax bill.

Mr. DOUGHTON. Oh, no; I disagree with the gentleman. That special tax was no billion-dollar tax bill. We first proposed a manufacturers' sale tax, to raise a certain amount, and when that was defeated we came in with another bill to raise taxes, but it was not near a billion dollars.

Mr. CROWTHER. I am sure the gentleman is mistaken, but the fact remains that there is a present necessity of balancing the Budget. I realize there is nothing that would give the people of this country, the business people of the country, a greater degree of confidence than to know that this Congress had determined—not to balance the Budget this year, for I doubt if you can even balance it next year, but certainly they are entitled to the promise and an effort on the part of the Ways and Means Committee and this Congress—to balance the Budget, and the statement that there will be an attempt to balance the Budget within 4 or 5 years.

That is the only sane way it can be approached. We cannot levy taxes today to balance the Budget. They would be equivalent to a capital tax that would be destructive. This new tax that is being put on, this additional 40 or 50 cents on capital stock, closely approaches being a capital levy, because it must be paid whether the corporations make a dollar or not. That is not the kind of taxes that ought to be laid. I think we all agree and the people of this country are satisfied that this administration should do something on the other side of the ledger, and in some common-sense way convey to the people of this country that there is an intention on the part of this Congress to lay sufficient taxes to balance the Budget. We should have laid not less than a half or three-quarters of a billion in this tax bill, 25 percent more than the present Budget needs. I mean the ordinary Budget. Let that be laid over 4 or 5 years until we catch up, perhaps in 1939 or 1940, because it is going to be a long, slow drag uphill. We cannot have restoration to normal conditions in a period of less than 5 or 10 years, and we ought to prepare for it. But instead of that the majority yielded to expediency. They soaked the rich and soaked the thrifty instead of writing a common-sense tax bill, commencing with a thorough revision of the rates all the way down the line. That is what should have been done, because everybody in this country is willing to contribute to balancing the Budget if they know it is going to be done; but they certainly are going to ask you to do this. It ought to be a twin program. Together with revising the rate structure and raising sufficient money for the lap-over in the balance of 5 years, you ought to accompany that with a program of drastically decreased spending. Otherwise the money that we raise will be futile.

The Secretary of the Treasury came before the Ways and Means Committee and said this money was to pay amortization costs on the national debt; that the gold profit had been put in a separate drawer in the Treasury; the silver profit had been put in another drawer. He recommended that a third drawer be built in the Treasury to put these receipts, to pay the interest charges; and, finally, to reduce the national debt. As far as this amount of money is applicable to the national debt, they could put the drawer in the eye of a humming bird and it would not affect his eyesight for a minute. [Laughter.]

I may say at this time that I am speaking in no partisan spirit. I am speaking as the present Vice President did in 1932. He said:

> We may have differences among ourselves, but in our hearts we are patriotic and loyal. We want to serve this public regardless of party. This is a sensible Congress, and I hope we can get sensible results.

It is in that vein I am speaking now.

At this time I want to pay a tribute to the chairman of our committee for the wonderful patience and the tireless effort he has exhibited in coordinating the various legislative proposals that have come before the Ways and Means Committee. He has had a terrific task.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield the gentleman 2 additional minutes. [Laughter.]

Mr. CROWTHER. Mr. Speaker, that is one 2 minutes I was sure of getting. [Laughter.]

May I at the same time convey the good wishes of the minority to all the members of the majority? Our associations have been most friendly and they have been happy. We have worked with a common effort. We have disagreed and had wide disagreements at times. We have had some words that were hot enough, if they were spit, to burn the grass on a golf course, but after it was all over we were still friends and united in an effort for our great country and for its preservation.

Mr. Speaker, I take this opportunity of thanking them.

Mr. Speaker, the gentleman from Washington [Mr. SAMUEL B. HILL] is entitled to a great deal of credit, because I believe that the increase in receipts in this last year has been largely due to the efforts made by the gentleman's subcommittee in closing up the rat holes of escape and evasion that were in our old law. The gentleman and his committee have been very helpful in increasing the revenue to the Treasury at this time. [Applause.]

[Here the gavel fell.]

Mr. CROWTHER. Mr. Speaker, I ask unanimous consent that I may insert in my remarks a joint statement of three paragraphs made by the dissenting members of the conference committee on the bill, H. R. 8974.

The SPEAKER pro tempore [Mr. WOODRUM]. Without objection it is so ordered.

There was no objection.

The matter referred to is as follows:

JOINT STATEMENT BY DISSENTING MEMBERS OF THE CONFERENCE COMMITTEE CONSIDERING H. R. 8974

We have not signed the conference report on the tax bill because we do not wish in any way to be a party to the final enactment of this legislative absurdity.

It is not a revenue bill, and as everybody knows it was never intended to be. The only reason it is before Congress is because the President asked for it, and the only reason it will be passed is because the President wants it passed.

No one can justify the bill. It is significant that neither the House Ways and Means Committee nor the Senate Finance Committee even attempted to do so in their respective reports on the bill. Their silence in this respect is eloquent testimony of the absence of any valid excuse for its enactment.

It has not been possible for the conferees to work out a good bill from either the House or Senate provisions. Their whole effort has been confined to salvaging as many of the President's original suggestions as possible, irrespective of merit, and at the same time they have kept in mind the fact that they must provide at least $250,000,000 of revenue in order to keep the bill from being made any more ridiculous as a tax measure. Under the circumstances it is no wonder that the compromise agreement is unscientific and unsound.

The revenue to be raised would pay the current running expenses of the Government for approximately 11 days, and it is but one-fifteenth of the amount of the deficit for the last fiscal year. Hence it is an absolute joke as a revenue measure.

If it is necessary to come $250,000,000 closer to balancing the Budget, the amount could very readily be realized, without the necessity of imposing further burdensome taxation, by the simple expedient of eliminating some of the unnecessary, wasteful, and extravagant expenditures now being made by the administration.

Perhaps the most objectionable feature of the compromise bill is that providing for a graduated income tax on corporations ranging from 12½ to 15 percent, in lieu of the present flat rate of 13¾ percent. This provision is in the bill merely to satisfy a whim of the President. It is unfair and unjust, and violates the principle of ability to pay. Corporations are merely aggregations of individuals, and under the graduated tax the numerous small taxpayers of a large corporation (for example, the 700,000 stockholders in the American Telephone & Telegraph Co.) would have to bear a greater burden than the very wealthy stockholders of smaller corporations. Aside from this fact, any increase in corporation taxes at this time will only add further impediments in the way of business recovery.

Senator JESSE H. METCALF.
Representative ALLEN T. TREADWAY.
Representative ISAAC BACHARACH.

Mr. DOUGHTON. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. CHRISTIANSON].

Mr. CHRISTIANSON. Mr. Speaker, I do not object to higher taxes on incomes, for I realize, as the whole country ultimately must, that we cannot continue forever to boost expenditures without providing for increased revenues. I prefer taxation, even although confiscatory, to inflation, for while taxation at the rates provided in this bill will take much of the wealth of the people, inflation would destroy it all. It is not the fact that you are in this bill imposing the heaviest income taxes levied by any government in the world that disturbs me, but the knowledge that you are doing it without at the same time subjecting income from tax-exempt securities to taxation.

You think you are soaking the rich, but you are not. By this legislation you are accomplishing one thing, and one thing only. You are driving all the rich into the safe dugouts of tax exemption and thereby forcing the poor to pay all the taxes.

High taxes on other incomes, coupled with the exemption of incomes derived from interest on Government bonds, does not make sense. You will never reach the swollen fortunes of America—the really dangerous accumulations of wealth—until you stop making it possible for millionaires to escape taxation. Your gesture may fool a few temporarily; in the long run it will fool none. When the forgotten man—forgotten except when the tax collector sees a chance to squeeze another dollar out of him—realizes what you have done to him, how you have coddled the usurers and penalized the workers, he will curse the new deal and all its works and vote into well-deserved oblivion those who have perpetrated this terrible hoax.

Two years ago, at the other end of the capitol, there was an investigation which disclosed that J. Pierpont Morgan for 3 years had practically paid no taxes and that Charles Mitchell had cheated the Government by selling securities to his wife. Rightly there was a wave of indignation that swept over the land. Measures were taken to close the loopholes which smart lawyers had found in the income-tax law. These tax evaders had taken advantage of an exemption, the exemption from taxation of current income to the extent that it was offset by past losses charged during the current year. We amended the law and limited the losses that could be offset. We took away a part of the exemption.

But there is another kind of exemption, another kind of evasion, the losses from which amount every year to many times those resulting from the devices to which Mr. Morgan and Mr. Mitchell resorted. The other body, by a margin of one vote, decided that the Federal Government should not extend further opportunity for that kind of evasion, that it should not issue any more tax-exempt bonds. One would suppose that after the President had spoken so scornfully of the "thrifty men" who had avoided the payment of taxes by investing their money in such bonds, those who had always been obedient under his lash would move quickly to make such avoidance impossible in the future. One would suppose that a President who had used brave words would follow them up with brave deeds, and that he would place upon his "must" list the resolution to amend the Constitution so as to make the income from all Government bonds taxable.

It is more important than ever now, when we are imposing heavier taxes upon incomes from other sources, that we close the doors of exemption to the holders of Government securities and make those who pay no taxes, however large their incomes, carry their just share of the tax load. It is more important, because to impose heavier taxes upon income from business while large issues of tax-free bonds are being constantly placed on the market, is to invite capital to shirk to an even greater extent than during the past 5 years, its responsibility to revive industry and promote recovery.

What would induce a taxpayer in the highest bracket, if he happens to live in a State with a high income-tax rate and has to pay an aggregate rate of 90 percent on his income, to put his money into any other investment, when 3-percent tax-exempt bonds are available? Such a man, in order to get a net return as great as a 3-percent bond yields, would have to find a private investment earning 30 percent. Obviously, there are no such private investments. Obviously,

therefore, capital will not be able to get back into business until one of two things happens: A reduction of taxes on income from private enterprise or an income tax that reaches income from Government bonds. The whole recovery effort depends on getting capital back into productive enterprise—into wage-paying enterprise. That effort will be completely checkmated by the tax program we are now putting into effect.

Farmers, business men, and home owners complain of high interest rates—rates that are out of balance with the present earning power of the people. Everybody should complain, for the evil effects of high interest rates reach every person, whether he owes a single dollar or not. Usury is responsible in a large measure for the freight rates we pay to debt-burdened railroad companies, for the prices we pay for gas and electricity. Usury, collected from the producer of raw materials, from the manufacturer, the wholesaler, and the retailer, is reflected in the high cost of living. Usury makes rents high and wages low.

Interest that is out of line with the general income level deprives the debt-ridden millions of their buying power, paralyzes business, and puts workingmen on the streets. It starves the many and gluts the few with hoarded wealth.

Talk of sharing the wealth! The only economically sound way of dividing up is to put the debtor and the creditor back into the same relative position they were in before the price level dropped. That can be accomplished, not by the bootstrap-lifting method of raising prices but by removing the artificial device which has prevented interest rates from dropping to their natural level. That device is the exemption of income from Government bonds from taxation.

Interest rates are fixed by those who control sizable aggregations of capital. Such persons are in the higher income-tax brackets. They cannot afford to lend on the doubtful security of a private venture, the success of which is dependent upon the hazards of business in a rapidly changing world, unless they can get a rate that will net, after taxes, as much as they can earn from tax-exempt bonds. Hence, the wider the margin of income absorbed by taxes, the higher will be the minimum rate which they will charge on ordinary loans, so long as they have opportunity to invest in tax-exempt bonds. That there will be ample opportunity appears from the fact that in addition to $20,000,000,000 of State and municipal bonds there will be $45,000,000,000 of United States bonds available before existing authorizations have been exhausted. So long as the wealthy of the country have access to tax-free bonds, aggregating $65,000,000,000, secured by a first lien on America's $200,000,000,000 of physical wealth, they will have no incentive to invest in farm and home mortgages and corporation bonds unless these carry a rate in excess of what borrowers can afford to pay. There will be no "cheap money" for the common people until the doors of exemption are closed to the rich.

There is only one argument that has been advanced seriously against the taxation of income derived from Government bonds. It has been said that such taxation would result in increasing the rates on such obligations sufficiently to absorb the tax revenue that could be collected. That contention is plausible but not sound. A simple mathematical computation will answer it. Let us suppose that a 4-percent bond, tax exempt, running for say 20 years, is worth par on the basis of the prevailing money market. What would it be worth if taxed? Obviously it would be worth more to a potential investor in the lower income-tax bracket than to one in the higher, for the investor paying an 8-percent tax would receive as his net return not 4 percent but 4 percent less 8 percent of 4 percent, or 3.68 percent. He could afford to pay for the bond the present worth of $1,000 payable in 20 years at 3.68 percent, money being worth 4 percent—a computation every schoolboy has learned to make. He would bid a little less than $1,000.

The income-tax payer in the highest bracket, paying a 75-percent tax, would earn not 4 percent but approximately 1 percent net. In order to ascertain at what price to buy the bond in order to earn 4 percent net he would have to determine by mathematical calculation the present worth of $1,000 payable in 20 years at 1 percent, money being worth 4—which would be considerably less than $1,000.

On the day appointed the two men would bid. The higher bidder would get the bond. If the 75-percent income-tax payer wanted it, he would have to pay what the 8-percent income-tax payer could afford to give. If the 75-percent taxpayer got the bond, the Government would gain in the amount that his bid exceeded what the bond was worth to him at 4 percent. If he did not bid high enough to get the bond, he would be forced to get out of the retreat where those investors who refuse to take the hazards of business have in increasing numbers found refuge during the last years. In that event the objective which the administration has sought to accomplish—forcing money into the usual channels of trade where it will start the wheels of industry—would be attained.

There is no argument for tax exemption that bears close analysis. When some pay less taxes than they should, others pay more than they should. The forgotten man in the long run will bear the burden of the present effort to soak the rich. If he does not pay directly he will pay indirectly, in higher prices, in lower wages, and in postponement of the day of recovery.

It has been said that the return of prosperity depends upon a revival of the heavy industries. There would soon be a building boom in this country if rents were lowered so that every family that lives in 3 rooms could afford 6. Rents could be lowered, and would be lowered, if home mortgages bore 3½-percent instead of 7-percent interest, if a part of the tax burden on real estate were shifted to income from Government bonds, and if the freight rates on building material could be made to reflect a less burdensome financial structure.

A tax system that forces men to keep their estates liquid in anticipation of confiscatory inheritance taxes, that compels them to invest in easily marketable securities rather than in unmarketable plants and structures, that makes it more profitable to finance Government operations than business ventures, will retard recovery, encourage governmental extravagance, and destroy private initiative. Such a system will give socialistic enterprise an advantage over private enterprise, and thereby serve to break down our present economic system. Tax exemption presents definitely a more serious threat to our institutions than the empty mouthings of the gentlemen who recently met in Moscow to plot world revolution. Socialism, if it ever comes in this country, will come as the result of the confiscation of private property by taxation.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the Resident Commissioner from the Philippine Islands [Mr. DELGADO].

Mr. DELGADO. Mr. Speaker, I regret exceedingly that I should be compelled to rise in opposition to a bill that I know is a "must" bill, a measure that has to be enacted into law before this session may be brought to a close, but I would be remiss in my duty if I did not voice my emphatic protest against one of the amendments inserted at the last minute in the Senate to the bill now being reported by the House conference committee. I refer, Mr. Speaker, to section 402 which imposes what is called a "compensatory tax" on products made chiefly from coconut oil.

This, Mr. Speaker, is a flagrant violation of the trade compact contained in the Tydings-McDuffie Act passed only last year and by a great majority of the Membership of both Houses of the Seventy-third Congress. This act established the terms and conditions under which American-Philippine commercial relations would be carried on for the next 10 years. In your magnanimity you provided in this law that its provisions shall not take effect until accepted by the Philippine Legislature or by a convention called for that purpose. Pursuant to this requirement, the Philippine Legislature did accept the law, assuming, of course, that such acceptance would, as it should, mean that this Congress will not undertake to change the provisions thus accepted without the consent of the people of the Philippines or of its authorized representatives. The Filipino people ratified that acceptance by an overwhelming majority.

The Tydings-McDuffie Act changes radically enough the trade relations existing heretofore between the United States and the Philippine Islands by restricting the free entry of many of our principal products into this country. Our people do not believe that these restrictions are entirely fair to us, at least so long as you exercise sovereignty over the islands. Nevertheless, we accepted the law ready to bear the consequences of the restrictions contained therein, onerous as they patently are, for the sake of having a foundation upon which we might build a stable economic structure.

But it is not the value involved, reckoned in dollars and cents, that causes us great concern. It is the feeling of insecurity that will necessarily follow the changes in the Tydings-McDuffie Act brought about by piecemeal legislation such as section 402 of the Revenue Bill under consideration, which has the effect of undermining the economic foundations laid down by that act. But disregarding completely our own material and moral interests in this issue, and considering the question purely from the angle of American advantages, it would require no astute logic nor a keen sense of observation to come to the conclusion that curtailment of Philippine sales to the United States would necessarily result in the lessening of the buying capacity of the people of the islands which in turn would result in the destruction of the eighth best market for American goods.

I know you are a practical and business-minded people. You are spending billions of dollars in surveying the possibilities of new markets and in expanding your foreign trade. The Philippines, Mr. Speaker, is not a mere possibility, but a market that is already yours. Would you give it away and sacrifice the benefits derived therefrom by the whole country only to please certain groups whose interests are limited to a few industries? The logic of the situation may be made clear by offering as an example the sad plight of your textile industry in the Philippines.

Recently, 60 distinguished Members of the House strongly endorsed a petition for an increased Philippine tariff on cotton goods with a view to enable the American producers of this commodity to cope with the competition brought about in the islands by countries producing textiles at a lower cost. We are whole-heartedly with you and are most willing to cooperate with you in saving your textile industry from the overshadowing ruin with which it is menaced in the Philippine market. [Applause.] But you can readily discern that this cooperation could be given only by increasing the cost of living for all Filipinos since we have to import almost all our requirements in the cotton-fabric line. Under the present state of affairs where the buying capacity of the average Filipino is being sliced to the bone by the gradual curtailment of Philippine exports to the only market at present available, it is hard to conceive how a greater protection could be extended to American textiles shipped to the Philippines. I do hope, however, that a satisfactory solution to this grave problem may be found.

I think I am justified in venturing the statement that the administration and many of you gentlemen are against the adoption of this Senate amendment, but, in view of the parliamentary situation created which places you in the dilemma of casting your votes against the whole bill just to eliminate this amendment or accept it, I am not so presumptuous as to hope that you would allow this whole measure, which affects the welfare of 130,000,000 American citizens, fail of passage for the sake of giving heed to the just protest of 14,000,000 Filipinos.

I would seem proper at this point, Mr. Speaker, to bring to recollection the recorded fact that the Filipinos have strenuously opposed the establishment of the so-called "free-trade" relations between America and the Philippines. Well-intentioned and lofty-minded American statesmen imposed these free-trade relations upon the Filipinos as a matter of principle. They could not feel at rest and in peace with their conscience while a condition existed whereby American products went to the Philippines duty free while Philippine commodities were admitted into America only after payment of the prescribed import taxes. The Filipinos were moved to oppose this act of justice on the part of America primarily on political grounds, although this attitude on their part was not wholly devoid of practical reasons.

A cursory glance at the statistical data on Philippine-American and foreign commerce would suffice to enable the impartial observer of Philippine affairs to discover these practical reasons. I shall presently offer these data for the purpose of setting aright certain mistaken notions concerning the possibilities and potentialities of Philippine foreign trade. Before so doing, I deem it not only proper but just to state that for 7 years previous to the imposition of the Philippine-American free trade, from March 8, 1902, to August 5, 1909, Philippine products were admitted into the United States with a preferential tariff reduction of 25 percent, whereas American commodities going to the Philippines paid full duties. From the latter date, however, while importations into the Philippines from the United States had been exempted from the payment of any levies, duty-free entry of Philippine products into the United States was denied to sugar in excess of 300,000 long tons annually; cigars in excess of 150,000,000; wrapper tobacco in excess of 300,000 pounds, and filler tobacco in excess of 1,000,000 pounds. Full duty was retained upon Philippine rice, and the law made dutiable Philippine products or manufactures containing foreign material in excess of 20 percent of their value.

The effect of this trade agreement should be obvious to all to require elaboration. Suffice it to say that the expectations of the supporters of the idea of American-Philippine free trade were abundantly realized. The volume of American sales to the Philippines registered substantial and steady gains, and so did the sum total of Philippine exportations to the United States. Proportionately, however, the Philippines lost in the bargain, for while American sales to the Philippines have augmented 91 times—from $1,353,086 in 1899 to $92,592,950 in 1929—American purchases of Philippine products increased only 32 times—from $3,935,235 in 1899 to $124,465,473 in 1929.

As to what the future had in store for Philippine foreign commerce if free trade between the United States and the islands had never been established may be gleaned with fair accuracy from the following figures showing the value, in American gold dollars, of merchandise imported into and exported from the Philippines from 1854 down to 1901, the year previous to the first tariff concession of 25 percent granted to products entering the United States from the islands:

| | Imports | Exports |
|---|---|---|
| 1854 | $3,978,721 | $6,728,437 |
| 1855 | 4,450,177 | 6,432,600 |
| 1856 | 7,312,784 | 9,597,290 |
| 1857 | 10,532,450 | 12,646,147 |
| 1858 | 6,063,295 | 9,895,357 |
| 1860 | 9,286,565 | 10,104,775 |
| 1861 | 10,650,494 | 8,464,774 |
| 1862 | 7,341,579 | 9,625,003 |
| 1863 | 7,889,079 | 10,628,045 |
| 1864 | 11,520,794 | 11,262,345 |
| 1865 | 18,789,068 | 22,008,554 |
| 1866 | 18,634,575 | 23,338,232 |
| 1867 | 15,841,220 | 22,964,100 |
| 1873 | 13,478,227 | 23,985,923 |
| 1874 | 13,770,034 | 17,386,031 |
| 1875 | 11,924,432 | 18,470,168 |
| 1876 | 10,904,657 | 13,572,132 |
| 1877 | 18,449,670 | 15,452,692 |
| 1878 | 15,674,227 | 15,835,084 |
| 1879 | 15,923,659 | 16,614,159 |
| 1880 | 22,038,888 | 21,100,566 |
| 1881 | 18,485,483 | 21,867,942 |
| 1882 | 18,970,978 | 18,440,815 |
| 1883 | 18,584,902 | 23,009,270 |
| 1884 | 18,579,838 | 19,827,392 |
| 1885 | 16,027,716 | 20,497,416 |
| 1886 | 15,089,524 | 20,103,559 |
| 1887 | 13,491,240 | 19,437,894 |
| 1888 | 15,660,343 | 19,414,951 |
| 1889 | 18,216,358 | 25,664,337 |
| 1890 | 16,277,305 | 21,552,784 |
| 1891 | 16,804,783 | 20,886,431 |
| 1892 | 16,310,137 | 19,158,354 |
| 1893 | 15,803,094 | 22,240,550 |
| 1894 | 14,245,006 | 16,535,212 |
| 1898 | 5,380,963 | 15,165,356 |
| 1899 | 19,192,986 | 14,846,582 |
| 1900 | 24,863,779 | 22,990,373 |
| 1901 | 30,162,471 | 24,503,353 |

The figures for the years 1859, 1868 to 1872, inclusive, and 1895 to 1897, inclusive, are missing from this table because efforts to locate them proved unavailing, but the data given covers a period of almost half a century, 48 years to be exact, immediately preceding the advent of American-Philippine free-trade relations.

What do these figures suggest to the fair-minded and unbiased student of the trend and development of a country's economy? That the growth of population, which carries with it increased consumption as well as production, has brought increment to the volume of the commercial intercourse of the Philippines with other countries. The progress was gradual and steady, with slight retrogressions at times but stable because it was free from any artificial stimulus. The balance of trade has been in favor of the islands except in 5 of the 35 years immediately preceding American occupation of the Philippines. The unfavorable balance of trade against the islands from 1898 to 1901 can be directly traced to the decline in production due to the armed strife between Americans and Filipinos that was raging during those years on Philippine soil.

The conclusion seems clear from the figures just given that Philippine foreign commerce would not have remained stationary or stagnant because of lack of the abnormal incentive of tariff protection. True it is that the advance would have been less spectacular and meteoric, but certainly it would have been of a more stable and less dependent nature.

Under this natural process of development of a country's economy, taking into account the increase in our population, our foreign commerce might have grown to only half of its present volume, but it would have been a permanent gain, uninfluenced and uncontrolled as it were by fictitious conditions.

But what is the situation that an overseas trade swollen to its present proportions by the expedient of tariff protection over which we have no control has created? It requires no effort of the imagination to perceive the fact that our country's economy would be deflated to virtual nothingness if the tariff balloon to which it has been forcibly attached since August 5, 1909, were inflicted the smallest puncture.

This inflationary process was given further impetus by the United States Tariff Act of 1913 which removed all duties on Philippine products coming into America except on those containing foreign material in excess of 20 percent of their value. Its effect has been, of course, to divert the Philippine foreign trade from its former competitive channels into the reservoir of monopoly.

Notwithstanding these potential inducements, the Filipinos had been rather slow, apathetic, I might say, in taking full advantage of the extraordinary opportunities offered their products in the American markets. The growth of the production of Philippine exportable commodities has therefore been kept at a normal pace.

Let me illustrate this point with a brief account of the development of Philippine sugar production. The highest annual exportation of this commodity attained before the advent of free trade was in 1895 when the country shipped to foreign markets 341,470 metric tons. Although as I have said before the Tariff Act of 1909 allowed 300,000 long tons of Philippine sugar to come to the United States duty exempt, and the Tariff Act of 1913 removed this restriction, the volume of sugar exports from the islands never attained the 1895 record until 1924, 15 years after the advent of free trade, when the country exported 357,830 metric tons of the sweet.

It was only after continued and insistent persuasion on the part of Federal agencies having jurisdiction over Philippine affairs, effectively seconded by the insular administration with grants of loans on very liberal terms through the Government-controlled bank for the erection of modern sugar mills, that the Filipino sugar planters finally acceded to cooperate in the movement to make the most of the American tariff concessions by increasing the yield of their lands. They were told that America produced but one-fifth of its sugar requirements, and since other sugar-producing countries had to pay duty while Philippine sugar was exempt from any levies, it was quite obvious that there was everything to gain and nothing to lose in the venture. Henceforth, they pledged their lands as security for the money loaned for the construction of sugar mills that would give their sugarcane greater yield of the sweet. Since the new plants needed more sugarcane to operate at a profit, every square inch of available ground in the old sugar region of the islands was plowed and planted to supply the new mills with the raw material required. Farmers who for generations had been engaged in sugar production and gave it up in despair because they found the returns meager and without prospects of betterment dusted off their old implements, and once more took up the cultivation of the crop that gave sustenance to their ancestors. The industry, thus stimulated, grew to the extent of attaining a maximum yearly production of about 1,500,000 long tons.

Sugar production in the United States is still four-fifths below its consumption requirements, which is patently indicative of the fact that American consumers of the sweet must either curtail its use or supply the deficit in the domestic production with imported sugar. Yet, on March 24, 1934, Congress enacted a law limiting the free entry to America of Philippine sugars to 50,000 long tons of refined and 800,000 long tons of unrefined sugar annually for a period of 5 years, and levying a graduated export tax for the succeeding 5 years which would have the effect of virtually closing the American markets to sugar coming from the islands from the second year of the collection of such tax.

The Filipino planters of sugarcane that pledged their lands as guaranty for the loans granted by the bank for the erection of sugar mills would be unable to meet these obligations within the next 7 or 8 years, with the result that they either will be dispossessed of their lands or the people at large would be made to sustain the loss since, as I said before, the creditor bank is a Government-controlled institution.

We are not greatly disturbed by the fact that our sugar and, I may properly add, our coconut oil, another industry developed exclusively under the aegis of free trade, are subjected to certain restrictions in the American market, while American products and manufactures are allowed free entry in unlimited quantities into the Philippines. What perplexes us is that you virtually tell us in this law of March 24, 1934, to make preparations to enter the competitive markets of the world, on the one hand, and on the other you set up barriers in that same law that would render such preparations impossible of realization.

It has been asserted in this Chamber, as well as in the Senate during the discussion of the measure that became Public, No. 127, Seventy-third Congress, that the purpose of the United States Congress in fixing in the law a preparatory or transition period of 10 years was to enable the islands to become commercially and economically independent from America before Philippine political independence becomes an accomplished fact. I grant most readily that the means devised to achieve that end were conceived in a spirit of helpfulness, but it is not hard to visualize that the results will fall far short of the expectations of the good men and good women of this Congress, who meant to set an example to the world of devotion to the cause of human freedom.

In support of this viewpoint it would suffice, I think, to call attention to the fact that during these 10 years of preparation our commercial outlet in America will be gradually shut to our exportable commodities, but we are virtually incapacitated to seek other markets for our surpluses since these can be secured only by means of trade agreements which the law specifically states "shall be under the direct supervision and control of the United States."

We could make no trade arrangements with other countries in favor of our products without agreeing to grant reciprocal concessions in our markets to their products. It is therefore apparent that an agreement of this nature will necessarily affect adversely American exportations into the

Philippines and, consequently, no American chief executive can reasonably be expected to give it validity.

It has been averred that inasmuch as the Filipinos had accepted the law that contains such a glaring inconsistency, no other course is open to this Nation than to complete the transaction, providing the conditions specified in the Act are fully met. Yet, a few days after this law was signed by the President, the stipulation contained therein in respect to coconut oil was completely ignored by subjecting this product to the payment of a levy—the excise tax—from which, under the terms of the law, it should have been exempt. On top of this it is proposed by section 402 of the revenue bill, which I am now opposing, to levy additional burdens.

And because we seek to render workable the plan of this Congress to secure not only political but also economic independence to the Philippines, we are held before the eyes of the world as an unfair and ungrateful people.

This brings us to the consideration of a very delicate subject which I would rather not comment upon. Still I could not conscientiously shirk the issue, for, as the distinguished Senator from Idaho, the Honorable WILLIAM E. BORAH, rightfully wrote in the foreword to the book entitled "Philippine Uncertainty":

> Simplicity of heart, candid, open, frank, and fair dealing ought to be cardinal and first principles in all matters which have to do with the liberty and independence of a people.

I am certain that I voice the sentiment of every Filipino, old and young, man, woman, and child, when I say, as I do now, that we are profoundly grateful for all the progress, for all the material improvements bestowed upon us by American initiative and supervision. I admit, most whole-heartedly, that you have been generous to us beyond comprehension, but I am compelled to correct the statement that we have asked you to enter an agreement which will continue after our national independence, and under which the American people will continue to tax themselves for the purpose of keeping the Filipino people prosperous and successful indefinitely.

As I said before, free trade was never sought by the Filipinos. On the contrary, the Philippine Assembly adopted on March 27, 1909, a resolution petitioning Congress not to establish free trade on the ground that free trade between the United States and the islands would in the future become highly prejudicial to the economic interests of the Philippine people and would bring about a situation which might hinder the attainment of the independence of the said people. Limited free trade was, nevertheless, established for the avowed purpose of benefiting consumers of sugar in the United States. In 1913, without solicitation on the part of the Filipinos, Congress removed the restrictions contained in the Tariff Act of 1909 and established complete free trade. In pleading for this trade relationship between the United States and the Philippines, the late Oscar Underwood, at that time Democratic leader in the House, said:

> We could not honestly face those dependent people who give us free trade in their markets if we close our doors here * * *. Because we do not want to stand and face the world in such a position as that and say (to the Filipinos) that under our law we command you to open the door so that American goods can flow into your country, because we have the power to do it, and then turn around and say to them that on the only thing they can import, practically, into our country and make a market for we will close our doors and prevent them developing their trade. I say that no true-born American citizen who faces this question fairly and squarely and understands the situation will consent to that.

At the time of the enactment of the Tydings-McDuffie Act the estimated sugar production and consumption of the United States was given by the Bureau of Agricultural Economics of the United States Department of Agriculture as follows:

| | *Short tons* |
|---|---|
| Estimated consumption requirements for 1934 | 6,476,000 |
| Production, calendar year 1932–33: | |
| Continental United States—short tons | 1,539,000 |
| Hawaii—do | 1,008,000 |
| Puerto Rico—do | 816,000 |
| Total domestic production | 3,363,295 |
| Requirement above production | 3,112,705 |

If sugar is not beyond the pale of the economic law of supply and demand, the inescapable conclusion is that the American public would be benefited rather than taxed by the free admission of Philippine sugar into the American market, and the American sugar producer would not be in the least affected by it.

Notwithstanding the compelling eloquence of these figures and the unassailableness of the fact they establish that Philippine sugar cannot, under present levels of American production of this commodity, be the source of any factual material harm to domestic sugar producers, it is gratuitously insisted that we desire our prosperity at the expense of the economic ruin of these producers.

Let us grant for the sake of argument that this legislation is sound and well founded. Let us concede as well the correctness of the assertion that Philippine prosperity cannot be preserved except through the consent of this country to enter an agreement under which the American people will continue to tax themselves for the purpose of keeping the Filipino people prosperous and successful indefinitely. Indeed, it would require a prowess of mental prestidigitation to reconcile these pronouncements with the suggestion that that burden upon the American people would be lifted and the ruin of the American sugar producer averted by allowing the Filipinos to become a completely self-governing political entity, like one of your own States.

It would seem proper at this point to submit to you the recorded fact that the first political party organized in the Philippines had for its objective the attainment of statehood in the American federation of States. This movement was, however, at once discouraged as unfeasible under your ideas and principles of government. You seceded from the British Empire principally because of trade discrimination. Certainly, you cannot reasonably expect a people whom you have taught your own history and your own ideas and ideals on human rights to lend their consent to become the poor relation in the American national home and retain their self-respect and your respect.

The point has been stressed time and again that American-Philippine trade relations have advantaged the Filipinos more than they have benefited Americans, and the balances of trade between the two countries have been invoked and are still being flaunted in support of this contention. Once more I wish to assure you at this juncture that we are grateful, profoundly thankful, for all the benefits this country and her magnanimous people have graciously bestowed upon us. But this sentiment that has ever been aglow in the heart of every Filipino should not be allowed to overshadow the facts when the inalienable rights of a people to liberty are involved.

Allow me, therefore, to submit to your consideration the figures showing the trend and fluctuations of American-Philippine commercial intercourse during the half of a century immediately preceding the advent of free trade between the two countries, and by way of comparison the statistical data covering the periods under free trade most favorable to the Philippines.

*Philippine imports from and exports to the United States*

[Values in United States currency]

| Year | Imports | Exports | Balance | | Ratio of exports to every dollar of imports |
|---|---|---|---|---|---|
| | | | In favor | Against | |
| 1854 | $38,268 | $2,655,627 | $2,617,359 | | $69.47 |
| 1855 | 30,339 | 1,951,600 | 1,921,261 | | 64.03 |
| 1856 | 293,004 | 3,544,941 | 3,251,937 | | 12.10 |
| 1857 | 398,621 | 3,277,994 | 2,879,373 | | 8.22 |
| 1858 | 45,536 | 2,251,474 | 2,205,938 | | 49.44 |
| 1860 | 403,506 | 3,167,385 | 2,763,789 | | 7.85 |
| 1861 | 71,113 | 1,447,786 | 1,376,673 | | 20.36 |
| 1862 | 94,234 | 1,568,941 | 1,474,707 | | 16.65 |
| 1863 | 146,630 | 1,532,213 | 1,385,583 | | 10.45 |
| 1864 | 152,343 | 2,718,599 | 2,566,256 | | 17.85 |
| 1865 | 320,675 | 5,685,644 | 5,364,969 | | 14.61 |
| 1866 | 175,968 | 7,606,359 | 7,606,359 | | 43.23 |
| 1867 | 59,970 | 6,843,713 | 6,843,713 | | 114.12 |
| 1873 | 32,123 | 7,940,642 | 7,430,391 | | 247.16 |
| 1874 | 71,969 | 5,340,175 | 5,268,206 | | 74.20 |
| 1875 | 137,856 | 5,787,322 | 5,649,466 | | 41.98 |
| 1876 | 71,986 | 5,566,351 | 5,494,455 | | 77.33 |
| 1877 | 141,692 | 5,943,592 | 5,801,900 | | 41.95 |

*Philippine imports from and exports to the United States*—Con.

| Year | Imports | Exports | Balance | | Ratio of exports to every dollar of imports |
|---|---|---|---|---|---|
| | | | In favor | Against | |
| 1878 | $121,205 | $5,118,605 | $4,997,400 | | $42.23 |
| 1879 | 194,739 | 4,330,843 | 4,133,104 | | 22.24 |
| 1880 | 442,034 | 9,373,658 | 8,931,624 | | 21.21 |
| 1881 | 771,006 | 8,214,371 | 7,443,365 | | 10.65 |
| 1882 | 1,378,327 | 6,676,949 | 5,298,622 | | 4.84 |
| 1883 | 869,245 | 10,496,546 | 9,627,301 | | 12.08 |
| 1884 | 398,900 | 6,868,321 | 6,469,421 | | 17.22 |
| 1885 | 128,778 | 8,389,588 | 8,260,810 | | 68.25 |
| 1886 | 424,480 | 6,662,200 | 6,237,720 | | 15.65 |
| 1887 | 402,825 | 9,035,496 | 8,632,671 | | 22.43 |
| 1888 | 463,187 | 6,951,558 | 6,488,371 | | 15.00 |
| 1889 | 558,103 | 8,591,042 | 8,033,139 | | 15.39 |
| 1890 | 540,638 | 3,213,204 | 3,672,566 | | 5.94 |
| 1891 | 347,472 | 4,391,306 | 4,043,834 | | 12.63 |
| 1892 | 208,331 | 2,902,800 | 2,694,469 | | 13.93 |
| 1893 | 956,862 | 2,995,385 | 2,038,523 | | 3.13 |
| 1894 | 362,732 | 3,681,615 | 3,318,883 | | 10.15 |
| 1898 | [1] 567,266 | 1,637,844 | 1,070,578 | | [1] 2.89 |
| 1899 | 1,353,086 | 3,935,255 | 2,582,169 | | 2.91 |
| 1900 | 2,153,198 | 2,960,851 | 807,653 | | 1.38 |
| 1901 | 3,534,255 | 4,546,292 | 1,012,037 | | 1.29 |
| 1902 | 4,153,174 | 11,475,948 | 7,322,774 | | 2.76 |
| 1903 | 3,837,100 | 13,071,426 | 9,234,326 | | 2.29 |
| 1904 | 5,098,820 | 11,654,968 | 6,556,148 | | 2.65 |
| 1905 | 5,589,946 | 14,840,407 | 9,250,461 | | 2.66 |
| 1906 | 4,477,886 | 11,869,289 | 7,391,403 | | 2.65 |
| 1907 | 5,067,538 | 10,329,387 | 5,261,849 | | 2.04 |
| 1908 | 5,101,836 | 10,450,755 | 5,348,919 | | 2.05 |
| 1909 | 6,445,331 | 14,726,513 | 8,281,182 | | 2.30 |
| 1910 | 20,068,542 | 17,241,725 | | $2,826,817 | |
| 1911 | 19,156,987 | 19,922,627 | 765,640 | | 1.30 |
| 1912 | 24,309,010 | 22,882,007 | | 1,427,003 | |
| 1913 | 26,676,262 | 16,434,018 | | 10,242,244 | |
| 1914 | 24,011,401 | 24,427,710 | 416,309 | | 1.10 |
| 1915 | 26,381,069 | 23,653,211 | | 2,727,878 | |
| 1916 | 22,862,673 | 35,648,132 | 2,786,459 | | 1.56 |
| 1917 | 37,620,647 | 63,234,358 | 25,613,711 | | 1.68 |
| 1918 | 58,824,611 | 89,146,918 | 30,322,307 | | 1.52 |
| 1919 | 75,491,414 | 56,652,692 | | 18,838,722 | |
| 1920 | 92,289,778 | 105,216,262 | 12,926,484 | | 1.14 |
| 1921 | 74,130,015 | 50,356,793 | | 23,773,222 | |
| 1922 | 47,738,325 | 64,116,600 | 16,378,275 | | 1.34 |
| 1923 | 50,352,535 | 85,047,023 | 34,694,488 | | 1.69 |
| 1924 | 60,398,603 | 97,313,902 | 36,915,299 | | 1.61 |
| 1925 | 69,207,583 | 109,049,941 | 39,752,358 | | 1.57 |
| 1926 | 71,575,618 | 100,003,215 | 28,424,597 | | 1.40 |
| 1927 | 71,478,297 | 116,038,250 | 44,559,953 | | 1.62 |
| 1928 | 83,858,067 | 115,585,875 | 31,727,808 | | 1.38 |
| 1929 | 92,592,958 | 124,466,473 | 31,872,515 | | 1.34 |
| 1930 | 78,183,028 | 105,342,061 | 27,159,033 | | 1.35 |
| 1931 | 62,139,683 | 83,422,396 | 21,282,713 | | 1.34 |
| 1932 | 51,208,000 | 82,648,000 | 31,350,000 | | 1.61 |
| 1933 | 43,540,000 | 91,314,000 | 47,774,000 | | 2.10 |

[1] August to December only.

*Yearly average ratio of exports to every dollar of imports*

| | |
|---|---|
| 1854 to 1894: Full-tariff period | $35.54 |
| 1902 to 1908: 25-percent preferential period | 2.44 |
| 1909 to 1933: Free-trade period, including years of unfavorable balance | 1.52 |

A glance at these figures should suffice to bring to any impartial mind the conviction that the trade balances in favor of the Philippines were far greater, proportionately, before the advent of free trade than at any time during its operation. And if we subtract from these favorable balances the amounts of money paid out of the Philippine treasury to American officials and employees who drew the highest salaries in the Philippine civil service from the inception of American sovereignty; the profits derived by American banking houses from operations attending the interchange of products between the two countries; marine and other kinds of insurance premiums; moneys paid for freight on American vessels; and last, but not the least, the gains accruing to the banks of this country from the use in their ordinary transactions of Philippine government funds deposited therein aggregating $61,500,000, these trade balances would thaw to a very negligible figure.

It would, therefore, seem fairer as well as more consistent with the reality of the situation to look upon the commercial relationship between America and the Philippines as profitable in about the same measure to both countries, than to twist this pleasant fact into sophistry and indulge in a wrangle as to who got the best of the other in the deal.

That the islands are rich in natural resources valuable to American manufactures and that the United States in turn are potential producers of commodities essential to Philippine life and progress are facts that cannot be justifiably denied. Our past experience in the interchange of these elements necessary to your industry and to our comfort has been mutually advantageous in every respect. The predominating position occupied by your products in our markets can be preserved, and the nook now reserved to our commodities in your field of consumption could be maintained without injury to any one. Why then, not wait for a frank exchange of views on this matter by means of an economic conference such as that announced by the President of the United States to take place shortly after the inauguration of the government of the Commonwealth of the Philippines?

Why, again, could not this question be considered independently from political questions? Certainly, no true-born American would countenance a move on the part of his Government to bargain human rights in exchange for trade concessions.

As Senator BORAH truthfully said, "Selfishness, pride, and all kinds of sophistry may be expected to have influence in determining the time when a people are entitled to independence", but I am comforted by the conviction, putting it in the words of the same distinguished statesman, that "the American people are essentially just."

Indeed, it is most distressing to note the efforts exerted in certain quarters to becloud the now almost satisfactorily solved problem of American-Philippine relations by the revivification of imaginary Philippine shortcomings and incapacities which have long become mummified from lack of the vitalizing energy that only truth can supply. At a time when the enlightened elements of both countries should be one in the thought and determination to hasten the glorious culmination of a noble experiment along the paths of human freedom and progress which is without parallel, neither in the recorded history of mankind nor in the recollection of human mind, we are disturbed by the deafening fanfare of glaring untruths about Philippine conditions and dire prognostications as to the future of the islands which, although baseless and bearing all the earmarks of egoistic propaganda, are, nevertheless, apt to attract undue attention and draw unmerited hearing. This revival of blasted myths and discredited tales seems to be gaining force and aggressiveness as the day for the inauguration of the government of the Commonwealth of the Philippines draws near. It would seem from these developments that there are elements that are bent on destroying the creditable contribution to world progress made by the good peoples of this country and of my country during the last quarter of a century.

I wish therefore to take advantage of this opportunity to denounce this destructive work in the most vigorous and emphatic terms. But realizing that the time of this Congress is sorely needed for the great national problems demanding prompt attention and speedy solution, I shall not abuse your kindness in giving me of your precious time by taxing your patience with a lengthy discourse on a subject which, although of the utmost importance to the 14,000,000 people that I have the honor and privilege of representing here, cannot justly claim precedence over questions affecting the welfare of 130,000,000 Americans. I shall merely request that I may be permitted to bring to your attention and to that of the people of the United States through the pages of the CONGRESSIONAL RECORD the facts concerning the Philippines which selfish propaganda is endeavoring to confuse and, in some instances, deliberately misrepresent and distort.

To give you an illustration of the trend and nature of this propaganda it would seem sufficient to mention the fact that it is now asserted that Filipinos lack interest in public affairs. If this allegation were true, the inescapable and sad conclusion would be that American intervention in Philippine affairs is causing retrogression rather than promoting the advancement of the political education of the inhabitants of the islands, for in 1919 the Commission sent by President Harding to investigate conditions in the Philippines reported that "Interest in the election was wide-spread. Election day passed without any serious disturbance. There was a wide general acceptance by the minority of the result of the popular vote."

Fortunately, however, and to the lasting credit of America's high achievements in the Philippines, that interest in public affairs is growing as demonstrated by the number of women who for the first time exercised the right of suffrage in connection with the ratification of the constitution of the forthcoming Philippine commonwealth. It would be well, in this connection, to draw attention to the fact that the right of suffrage has been conferred on the Filipinos gradually. At first they were permitted to elect only their municipal officials; later on they were allowed to select their provincial executives, and ultimately their national legislators.

The fact that in the last general elections 1 of every 14 registered and fully 85 percent of those registered actually cast their votes should be an unerring proof of the greater confidence of the Filipinos in the efficacy of the political system implanted by America in the Islands and a rebuke to those that would discredit this fundamental achievement of American political tutelage over an alien race.

Even our agricultural methods have been pointed out as affording a justifiable reason for a change in the decision already reached by this Congress as to the ultimate political relationship between the United States and the Philippines. It has been alleged that our farming implements and methods of planting and harvesting, especially in reference to rice, are rather primitive. Anyone taking more than 3 or 4 weeks' time to observe this phase of Philippine productive activities could hardly fail to note that that primitiveness is not due to any apathy on the part of the Filipinos to adopt the methods prescribed by a civilization nurtured and developed in a hemisphere that has to contend with soil and climatic conditions entirely different from those prevailing in the Islands.

Of course, we use carabao instead of mule to plow our rice lands. Why? For the simple economic reason that the carabao can be procured at a considerably lesser cost than the mule, and because the carabao requires no imported feed as the mule would. The use of tractors was tried on low rice lands but it was found that no tractor has yet been made that could take the place of the carabao in these lands. A similar problem concerning the stripping of Manila hemp remains unsolved. Time and again the government of the Philippines has offered prices to encourage the design of a satisfactory mechanical stripping device for hemp fiber but to this day no practical machine has been evolved.

The nipa shacks in which the greater part of the rural population of the Philippines dwell has not escaped the keen sense of observation of my country's critics. These critics contend that these bamboo houses are insanitary and very damp during the heavy rains. Yet no impartial observer can reasonably deny that the dwellers of these rickety houses get more air and sunlight in them than the inhabitants of the tenement houses in many cities and the occupants of mountain and river-bank shacks in some admittedly more progressive and enlightened countries. Necessarily peoples, even animals, must live according to the climatic and other requirements of the particular zone of the earth wherein they abide. A polar bear can no more survive in a tropical country without the aid of ice than a man from the tropics brought to Washington in January or February garbed in his tropical attire.

But some of our critics have been rather kind to us. They grant that the Filipinos are for the most part a quiet, gentle, hard-working, and worthy people; that they have made real progress in wealth, in standards of living, in education, in the development of their natural resources. They also concede that the islands are very rich in natural resources, and that they are so situated as to enable them to become the trade center for more than half the population of the earth. Yet even these kind critics express fears that a people that have made such progress, that are the possessors of a country so rich and so advantageously situated, will be wiped out from the face of the earth because of the loss of their free American markets.

I purposely omit any reference to the current prophecies on the fate of the contemplated Philippine Republic because, I am obliged to confess, sorcery, astrology, palm reading, and other methods of divination are beyond my mental capabilities.

The most widely known historical prognostication made concerning the fate of a new nation may be found in the annals of your own struggle for freedom. Curiously enough, the very same predictions made concerning the future of the then young American Republic are being almost literally repeated in reference to the Philippines.

In conclusion, Mr. Speaker, may I not enter my most earnest plea that we put in effect a truce on all speculation as to what might be the lot of the Philippines in the event of independence, and buckle down to work on the tangible question of the welfare and happiness of the American people and of the inhabitants of the Philippines from the more practical angle of the progress and prosperity of both peoples? It would be well also to call a halt to every move to amend the Tydings-McDuffie Act until the whole question of American-Philippine trade relations may be fully considered by the conference which the President has planned for next year for the purpose of going into this matter. [Applause.]

I wish to thank the distinguished chairman of the committee for giving me this time, and I want to take this opportunity to say that while 7 months ago I came here almost a stranger, you have all been so kind and courteous to me that you now make me feel like a part and parcel of this House, and even when you refused what I wanted, you made me feel under obligations to you. My sincerest gratitude to the illustrious Speaker and to each and every Member of this House. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Speaker, I want to congratulate the conference committee upon the conference report which they have brought in and in doing so to express the belief that it is a far better bill than we had before us for consideration in the House and as it came from the committee. In saying this I naturally predicate my statement upon my own personal views in reference to the matter.

It will be recalled that I offered amendments in regard to a tax on intercorporate dividends, which was voted down. I also offered amendments striking out the gift tax on donees in the House bill, as well as an amendment to strike out title II, the inheritance tax, and insert in lieu thereof increased estate-tax rates; gift tax on donee and the inheritance-tax provisions both being new taxes set up by the House committee. Both of these matters went out in the Senate. In lieu thereof they have increased the tax rate both on gifts of donors and estate taxes, which I think is a far better proposition and much easier of administration. Had they not set forward the date applicable for these two rates, I think we could have gotten a tremendous amount from transfers or conveyances of trusts that are now being indulged in. This bill as amended in the Senate makes the date applicable January 1, 1936. Naturally, with the transfers now being made, it is a question whether or not they will be reached.

In increasing the rates on gifts and estates I thought it was the intention of Congress to try to catch the transfers now being made.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Washington.

Mr. SAMUEL B. HILL. The gentleman is referring to the estate tax as a gift tax?

Mr. McFARLANE. Yes.

Mr. SAMUEL B. HILL. Let me call the gentleman's attention to the fact that these increases will relate back to any gift that may be made from the time of the effective date of this act.

Mr. McFARLANE. That is the thing that I am interested in, and I am wondering why the committee did not make the act effective upon its passage. In that way we would catch a lot of the transfers of property now being made.

Mr. SAMUEL B. HILL. Of course, we cannot retroactively impose an excise tax, but we can increase the rate.

Mr. McFARLANE. I understand that, and I am wondering if it does not become a question of fact as to the intent of the

person at the time of making the conveyance. There is some question about that. I hope this bill will get the result that I know the President and the committee had in mind.

As to the other taxes that have been added in the Senate in keeping with the wishes of the President, was added the progressive corporation tax which was omitted by the House. They added an intercorporate dividend tax, which was omitted by the House. They struck out the inheritance tax and gift tax on donee contained in the House bill and increased the rates on existing gift and estate taxes, all of which I think is more progressive and easier of administration.

Mr. Speaker, I agree that we must drive this money out of hiding and force it into circulation and business channels before we will be able to take up the slack and stop this cycle of unemployment.

Mr. CROWTHER. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from New York.

Mr. CROWTHER. I wonder if the gentleman realizes the difficulty that faces us in this matter, where State and municipal bonds are involved in the property?

Mr. McFARLANE. I understand, but we must have a beginning somewhere. If we are going to pass the buck back to the States and municipalities and use that as an alibi and excuse, we will never be able to accomplish anything.

Mr. CROWTHER. Then there ought to be a cooperative effort made of some kind.

Mr. McFARLANE. I say let us start it now. We have been fighting along here for years and have gotten nowhere.

[Here the gavel fell.]

Mr. DOUGHTON. I yield the gentleman two additional minutes.

Mr. McFARLANE. Now, as to the exemptions provided in this bill, and as to the evasions and exemptions that now exist in the present law. There has been little, if any, effort made to close these loopholes.

ABOLISH THE BOARD OF TAX APPEALS

The Board of Tax Appeals is trying less than one-fourth of the cases now being filed with them. This means compromising cases involving millions of dollars of taxes. I know, and this has been called to the attention of both the Ways and Means Committee of the House and the Senate Finance Committee, the two committees dealing with taxation, and they should have given more consideration than was given toward the elimination of these loopholes that mean such a tremendous loss to the Government. This Board has not functioned as a review body as Congress intended, but has set up a lot of highly technical rules never intended by Congress, which makes it impossible for the court to properly function. This Board as it now functions means a lot of expensive litigation to the Government.

This Board ought to be repealed and a board set up in lieu thereof which would correct this situation from an administrative standpoint. That has not been attempted in this bill and I hope the situation will be corrected at the next session.

There are many evasions contrary to some of the expressions here this afternoon. There are liberal exemptions. An estate could be worth many millions of dollars and little, if any, taxes would be paid if they were properly advised by a shrewd tax attorney. The tax laws are full of exemptions for the rich and by availing themselves of these exemptions, as the law is presently written, there will be very little tax collected based on the amount of wealth which a lot of these large estates have.

I am the only Member of the House, I believe, that submitted my views on taxation to both the House and Senate committees and offered amendments to make corrections as herein suggested. I hope the next session will give more consideration to the elimination of the many loopholes now existing in our tax laws, each of which quite naturally favors the wealthy, and no doubt the exemptions written into the law by well-financed lobbies working to that end. In addition to the number of loopholes previously pointed out, I submit these additional ones for the consideration of the committee and the House for early consideration next session.

SPECIAL BENEFITS TO SPECIAL INTERESTS WHICH SHOULD BE ELIMINATED

*Interest*

Section 23 (b) of the present law provides for a deduction on account of interest paid or accrued within the taxable year, except on indebtedness incurred or continued to purchase or carry obligations the interest upon which is wholly exempt from tax. The indebtedness incurred by banks in paying interest on deposits is not treated as interest on money used to purchase exempt securities, even though these very deposits may be all invested in exempt securities. The effect of this construction is to make most of the larger banks exempt or practically exempt from income tax. The House attempted in writing the Revenue Act of 1934 to stop this loophole. (See pp. 21–22 of House report on the revenue bill of 1934.) In this report, the House used the following illustration:

> Suppose a bank pays interest of $16,000,000 on deposits. It receives from investing these deposits $20,000,000, of which $8,000,000 represents tax-exempt interest and $12,000,000 taxable interest. Since it is allowed to deduct the entire interest paid, namely, $16,000,000, it escapes tax entirely on the taxable interest of $12,000,000.

The Senate, however, reversed the House action and returned to the provisions of prior acts which permit banks to go practically free of tax. (See p. 24, Senate revenue bill of 1934.)

*Depreciation*

Congress still permits the taxpayer to deduct depreciation based on the March 1, 1934, value (sec. 113 (b), Revenue Act of 1934), despite the fact that the Supreme Court has held that the allowance for depreciation is a matter of discretion with Congress and no depreciation whatever is allowable as a constitutional right. It is interesting to note that England allows depreciation only in the case of machinery and equipment used in their business, and in that case only upon actual cost. No depreciation whatever is allowed upon buildings or upon some fictitious basis as has been done in the case of this Government.

*Capital gains and losses*

Section 117 of the present law holds out considerable inducement to charge taxpayers to withhold their property from sale for a long period of years. You will note that if the taxpayer sells the property in the first year he is taxable upon 100 percent of the gain. If sold after 1 year, but not more than 2, 80 percent, and if held for 10 years or more only 30 percent of the net income is subjected to tax. The forerunner of this provision was placed in the Revenue Act of 1921 at the instigation of Ogden L. Mills. The excuse for its insertion was that it would facilitate the sale of capital assets and therefore produce more revenue even at the low rate proposed at that time (12½ percent). It needs no student of taxation to see that the amendment instead of inducing taxpayers to sell property has the opposite effect because the longer held the less amount of tax. It is impossible to estimate the loss in revenue resulting from this provision. Undoubtedly, it runs into hundreds of millions since its enactment. Even under the present law it would seem to account for the loss of a good many millions per year.

*Life-insurance companies*

The present scheme of taxing life-insurance companies is said to have been worked out for Congress by Dr. T. S. Adams of Yale University who formerly advised Congress on internal revenue matters. The scheme itself has every evidence of having been written by the life-insurance companies' attorneys. In substance, it provides a separate method of computing income for life-insurance companies, and in the case of mutual insurance companies only the income from investments is included in gross income (secs. 201 to 203, inclusive). From the gross income there is allowed any expense allocable to investment income. Then a special deduction of 3¾ percent of the mean of its reserve funds held at the beginning and end for the taxable year is also deducted. This deduction prior to the Revenue Act of 1932 was 4 percent instead of 3¾ percent. It is a well-known fact that almost every State in the Union prescribed the amount to be set up each year by the life-insurance companies to cover its reserves.

The deduction is a matter of accounting and is carefully checked by most of the States and there seems no reason why the deduction should not be the actual amount approved by the insurance commissioner of the various States. Many of these States allow 3 percent or slightly more. When the Revenue Act of 1932 was written this fact was brought out, but the large insurance companies opposed such a proposal and it was mainly through their influence that the rate was fixed at 3¾ percent. This allows the large insurance companies to reduce their taxable income by substantial amounts in excess of their actual bookkeeping, whereas it does the small insurance companies little, if any, good whatever because these companies are required to set up a reserve of approximately 3¾ percent. A computation could be made of the loss in this respect, but it probably is in excess of $5,000,000 each year.

*Recognition of gain or loss*

Prior to the Revenue Act of 1921 gain or loss, with but a few exceptions in the 1918 act, was determined in the case of every transaction. In the 1921 act, however, special provisions were inserted which were designed, so Congress was informed, to postpone the tax on certain transactions. These provisions are found in section 112 of the present law, and frequently operate in such a manner as to relieve numerous transactions of any tax burden whatever. The general scheme was to postpone the tax, but it in fact postponed the actual determination of the gain or loss.

It is impossible to estimate the millions of dollars that have been lost in the past by reason of these provisions. The Ways and Means Committee considered this question at the time of the enactment of the present law, but the changes made do not materially change the nature of this section, with the result that revenue is still being lost.

*Tax-free dividends*

Congress continues to grant immunity from tax to dividends paid out of 1913 values. This is true despite the fact that the Supreme Court holds that these dividends may be subjected to tax. The House on two occasions has attempted to tax these profits, but in each case their attempt was checked by the action of the Finance Committee of the Senate. It was estimated during the course of the Revenue Act of 1934 that at least $10,000,000 in revenue is lost from this source each year.

*Credit for foreign taxes*

This country is practically the only large country which permits a credit for foreign taxes. It is very difficult to justify this credit when no credit is allowed for income taxes paid to the various States of the Union. Proponents of this credit stress the hardship that would be put on our foreign trade by its withdrawal. However, England is a country which gives great consideration to its foreign trade, and does not permit such a deduction. This is true despite the fact that the latter country has very high taxes. The loss in revenue from this source runs all the way from $20,000,000 in depression years to as high as $50,000,000 in prosperous years.

CONCLUSION

I submit to the Ways and Means Committee and to the House that if the above loopholes, along with the many other loopholes I have previously mentioned, and the amendment I have offered, are approved and the very liberal exemptions cut down to within reason, that instead of collecting about $1,000,000,000 per year, as collected this year from income tax, we would collect more than twice this amount. We all agree that a tax based on ability to pay is the fairest tax; then why not eliminate the loopholes that favor the rich at the expense of the poor and place this money into the Treasury, where it belongs, to help cover some of our staggering indebtedness? [Applause.]

Mr. DOUGHTON. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Speaker, in my study of congressional tax measures, this is the first tax bill in which an effort has been made to tax those who have the actual ability to pay. If my information is correct, and if the amount of money this tax bill will raise reaches $250,000,000 or $275,000,000, then that sum will amortize $6,000,000,000 of the national debt on the basis of the present interest rate that we are paying. This is on a 40-year basis. This makes the new-deal expenditures self-liquidating. For this reason, and because I believe that taxes ought to be collected, I am unqualifiedly for this measure. I say that this is the first attempt on the part of the Congress to actually place the tax burden where it belongs, i. e., on the shoulders of those who are able to pay. It is my belief that taxes should be levied on those who can pay. This bill is in full accord with my views. For that reason I am for it and will vote for it on the principle that we are now taxing in accordance with the taxpayer's ability to pay.

Mr. DOUGHTON. Mr. Speaker, I wish to express my very sincere appreciation to my good friend the gentleman from New York [Mr. CROWTHER], a distinguished Member of this House and a very able member of the Committee on Ways and Means, for his very kind and courteous remarks with respect to my services as chairman of that committee.

I also wish to correct my statement in a colloquy with him awhile ago with respect to the amount of taxes raised under a previous administration in the tax bill to which he referred. I find upon refreshing my memory that the request from the President at that time was an increase of about $900,000,000, or nearly the amount the gentleman stated. After the House had taken action and the bill had gone to the other body there came a further request from the President of the United States for an additional amount of $300,000,000, and we endeavored to increase the bill so as to raise that amount, and we did increase the bill before it was finally enacted into law to raise something like that amount. After we had done this business conditions were so unfavorable throughout the country that we failed by something like three or four hundred million dollars of balancing the Budget, but we did the very best we could.

The gentleman from New York [Mr. CROWTHER] is one of the ablest and fairest men in this House and is as nonpartisan, I believe, as any man in the House. A few years ago I thought he was one of the most active partisans in the House. I was either wrong then or he has undergone an improvement. I think it is both. I think I somewhat overestimated his partisanship and that he has experienced a considerable change. Anyway, I repeat that I have never known a more patriotic man in the performance of his duties, or a man who approaches his duties with a fairer conception of his responsibilities.

Now, Mr. Speaker, with respect to this bill, while it will not balance the Budget, it will raise a substantial sum. It will make a start in that direction, and if business continues to improve, as we all hope it will, and as it is improving now, instead of this bill producing about $250,000,000, Mr. Parker, our able expert on tax matters, estimates it will probably raise about $400,000,000. With $400,000,000 of additional revenue under this bill, and with the economies that we should, and must, effect as we get away from the requirements for relief and recovery, I think we will balance the Budget in another year or two. I sincerely hope we can, and I believe we will; and I state to the House now that I am just as anxious, and will go just as far as a man consistently or reasonably can, in an effort to reduce expenditures to the lowest possible level consistent with proper government service. I pledge myself to do this, because it is essential for the good of the entire country.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

Mr. SNELL. Mr. Speaker, on agreeing to the conference report I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 247, nays 73, answered "present" 3, not voting 107, as follows:

[Roll No. 199]

YEAS—247

| | | | |
|---|---|---|---|
| Adair | Doxey | Kvale | Rayburn |
| Amlie | Drewry | Lambertson | Reilly |
| Arnold | Driscoll | Lambeth | Rich |
| Ashbrook | Driver | Larrabee | Robinson, Utah |
| Ayers | Duncan | Lemke | Rogers, Okla. |
| Barden | Dunn, Pa. | Lesinski | Ryan |
| Beiter | Eagle | Lewis, Md. | Sabath |
| Berlin | Eckert | Lloyd | Sadowski |
| Binderup | Edmiston | Luckey | Sanders, La. |
| Bloom | Ekwall | Ludlow | Sanders, Tex. |
| Boehne | Ellenbogen | Lundeen | Sandlin |
| Bolleau | Evans | McClellan | Sauthoff |
| Boykin | Faddis | McFarlane | Schneider |
| Boylan | Farley | McGehee | Schuetz |
| Brown, Ga. | Ferguson | McGrath | Schulte |
| Brown, Mich. | Fiesinger | McKeough | Scott |
| Brunner | Fitzpatrick | McLaughlin | Secrest |
| Buchanan | Flannagan | McReynolds | Shanley |
| Buck | Fletcher | McSwain | Sirovich |
| Buckler, Minn. | Ford, Calif. | Mahon | Smith, Conn. |
| Buckley, N. Y. | Ford, Miss. | Maloney | South |
| Burdick | Frey | Marcantonio | Spence |
| Caldwell | Fuller | Martin, Colo. | Stack |
| Cannon, Mo. | Gasque | Mason | Starnes |
| Cannon, Wis. | Gehrmann | Massingale | Steagall |
| Carlson | Gildea | Maverick | Stefan |
| Carmichael | Gingery | May | Sumners, Tex. |
| Carpenter | Goldsborough | Mead | Sweeney |
| Cary | Gray, Ind. | Meeks | Tarver |
| Castellow | Green | Merritt, N. Y. | Taylor, Colo. |
| Celler | Greenway | Miller | Taylor, S. C. |
| Chandler | Greenwood | Mitchell, Tenn. | Terry |
| Chapman | Gregory | Monaghan | Thom |
| Citron | Griswold | Montet | Thomason |
| Clark, N. C. | Guyer | Moran | Thompson |
| Coffee | Gwynne | Moritz | Tolan |
| Colden | Hancock, N. C. | Mott | Tonry |
| Cole, Md. | Harlan | Murdock | Turner |
| Colmer | Harter | Nichols | Umstead |
| Connery | Healey | O'Connell | Utterback |
| Cooley | Hennings | O'Connor | Vinson, Ga. |
| Cooper, Tenn. | Hildebrandt | O'Day | Vinson, Ky. |
| Costello | Hill, Ala. | O'Leary | Wallgren |
| Cox | Hill, Samuel B. | O'Neal | Walter |
| Cravens | Hobbs | Owen | Warren |
| Crosby | Hoeppel | Palmisano | Wearin |
| Cross, Tex. | Hope | Parsons | Weaver |
| Crosser, Ohio | Houston | Patman | Welch |
| Crowe | Huddleston | Patterson | Werner |
| Cullen | Hull | Patton | West |
| Daly | Imhoff | Pearson | Whelchel |
| Dear | Johnson, Okla. | Peterson, Fla. | White |
| Deen | Johnson, Tex. | Pettengill | Whittington |
| Delaney | Johnson, W. Va. | Pfeifer | Wilcox |
| DeRouen | Jones | Pierce | Williams |
| Dickstein | Kee | Pittenger | Wilson, La. |
| Dies | Keller | Polk | Wood |
| Dingell | Kennedy, Md. | Quinn | Woodrum |
| Disney | Kerr | Rabaut | Young |
| Dobbins | Kloeb | Ramsay | Zimmerman |
| Dorsey | Kocialkowski | Randolph | Zioncheck |
| Doughton | Kopplemann | Rankin | |

NAYS—73

| | | | |
|---|---|---|---|
| Andrews, N. Y. | Engel | Lewis, Colo. | Smith, Va. |
| Bacon | Englebright | Lord | Snell |
| Blackney | Focht | McLean | Somers, N. Y. |
| Bland | Gavagan | Mapes | Stewart |
| Bolton | Gearhart | Martin, Mass. | Taber |
| Burch | Granfield | Merritt, Conn. | Taylor, Tenn. |
| Burnham | Halleck | Michener | Thomas |
| Casey | Hancock, N. Y. | Millard | Tinkham |
| Cavicchia | Hess | Peterson, Ga. | Turpin |
| Christianson | Higgins, Conn. | Powers | Wadsworth |
| Church | Holmes | Ramspeck | Wigglesworth |
| Cole, N. Y. | Jenckes, Ind. | Ransley | Wilson, Pa. |
| Cooper, Ohio | Jenkins, Ohio | Reed, Ill. | Wolcott |
| Crowther | Kahn | Reed, N. Y. | Wolfenden |
| Culkin | Kenney | Risk | Wolverton |
| Darrow | Kinzer | Rogers, Mass. | Woodruff |
| Dempsey | Knutson | Russell | |
| Ditter | Lanham | Seger | |
| Dondero | Lehlbach | Short | |

ANSWERED "PRESENT"—3

| | | |
|---|---|---|
| Duffy, N. Y. | Gray, Pa. | Sears |

NOT VOTING—107

| | | | |
|---|---|---|---|
| Allen | Brooks | Dietrich | Gassaway |
| Andresen | Buckbee | Dirksen | Gifford |
| Andrew, Mass. | Bulwinkle | Dockweiler | Gilchrist |
| Arends | Carter | Doutrich | Gillette |
| Bacharach | Cartwright | Duffey, Ohio | Goodwin |
| Bankhead | Claiborne | Dunn, Miss. | Greever |
| Beam | Clark, Idaho | Eaton | Haines |
| Bell | Cochran | Eicher | Hamlin |
| Biermann | Collins | Fenerty | Hart |
| Blanton | Corning | Fernandez | Hartley |
| Boland | Crawford | Fish | Higgins, Mass. |
| Brennan | Cummings | Fulmer | Hill, Knute |
| Brewster | Darden | Gambrill | Hoffman |
| Hollister | McCormack | Parks | Shannon |
| Hook | McGroarty | Perkins | Sisson |
| Jacobsen | McLeod | Peyser | Smith, Wash. |
| Kelly | McMillan | Plumley | Smith, W. Va. |
| Kennedy, N. Y. | Maas | Reece | Snyder |
| Kimball | Mansfield | Richards | Stubbs |
| Kleberg | Marshall | Richardson | Sullivan |
| Kniffin | Mitchell, Ill. | Robertson | Sutphin |
| Kramer | Montague | Robsion, Ky. | Thurston |
| Lamneck | Nelson | Rogers, N. H. | Tobey |
| Lea, Calif. | Norton | Romjue | Treadway |
| Lee, Okla. | O'Brien | Rudd | Underwood |
| Lucas | Oliver | Schaefer | Withrow |
| McAndrews | O'Malley | Scrugham | |

So the conference report was agreed to.

The Clerk announced the following additional pairs:

Mr. Gillette (for) with Mr. Goodwin (against).
Mr. Rudd (for) with Mr. Reece (against).
Mr. Fernandez (for) with Mr. Buckbee (against).
Mr. Sullivan (for) with Mr. Collins (against).
Mr. Scrugham (for) with Mr. Crawford (against).
Mr. Higgins of Massachusetts (for) with Mr. Dirksen (against).
Mr. Romjue (for) with Mr. Maas (against).
Mr. Hart (for) with Mr. Fish (against).
Mr. Hamlin (for) with Mr. Bacharach (against).
Mr. Dietrich (for) with Mr. Corning (against).
Mr. Underwood (for) with Mr. Doutrich (against).
Mr. Lee of Oklahoma (for) with Mr. Robsion of Kentucky (against).
Mr. Eicher (for) with Mr. McLeod (against).
Mr. Gambrill (for) with Mr. Hoffman (against).
Mr. Hook (for) with Mr. Biermann (against).
Mr. Kennedy of New York (for) with Mr. Arends (against).
Mr. Stubbs (for) with Mr. Tobey (against).
Mr. Mansfield (for) with Mr. Allen (against).
Mr. Brooks (for) with Mr. Eaton (against).
Mr. Sears (for) with Mr. Andresen (against).
Mr. Withrow (for) with Mr. Hartley (against).
Mr. Fulmer (for) with Mr. Gifford (against).
Mr. Smith of Washington (for) with Mr. Treadway (against).
Mr. Haines (for) with Mr. Andrew of Massachusetts (against).
Mr. Kniffin (for) with Mr. Perkins (against).

General pairs:

Mr. Sisson with Mr. Brewster.
Mr. Bulwinkle with Mr. Gilchrist.
Mr. Robertson with Hollister.
Mr. Blanton with Mr. Kimball.
Mr. Parks with Mr. Thurston.
Mr. Cochran with Mr. Carter.
Mr. Oliver with Mr. Fenerty.
Mr. Boland with Mr. Marshall.
Mr. Beam with Mr. Plumley.
Mr. Snyder with Mr. Rogers of New Hampshire.
Mr. Bankhead with Mr. Smith of West Virginia.
Mr. Clark of Idaho with Mr. O'Malley.
Mr. Darden with Mr. Sutphin.
Mr. Gassaway with Mr. Claiborne.
Mr. Dunn of Mississippi with Mr. Dockweiler.
Mr. Bell with Mr. Lamneck.
Mr. Kelly with Mr. Hill, Knute.
Mr. McMillan with Mr. Nelson.
Mr. O'Brien with Mr. Lucas.
Mr. Kleberg with Mr. McGroarty.
Mr. McAndrews with Mr. Cartwright.
Mr. McCormack with Mr. Duffey of Ohio.
Mrs. Norton with Mr. Schaefer.
Mr. Montague with Mr. Cummings.
Mr. Jacobsen with Mr. Greever.
Mr. Brennan with Mr. Richards.

Mr. GEARHART changed his vote from "aye" to "no."

Mr. CONNERY. Mr. Speaker, my colleague, Mr. HIGGINS, is unavoidably absent. If present he would vote "yea."

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sinclaire, its assistant enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2796) entitled "An act to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes."

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 9215. An act making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appro-

priations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ADAMS, Mr. GLASS, Mr. MCKELLAR, Mr. HALE, and Mr. KEYES to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8974) entitled "An act to provide revenue, equalize taxation, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8870) entitled "An act to further protect the revenue derived from distilled spirits, wine, and malt beverages, to regulate interstate and foreign commerce and enforce the postal laws with respect thereto, to enforce the twenty-first amendment and for other purposes."

The message also announced that the Senate agrees to concurrent resolutions of the House of the following titles:

H. Con. Res. 38. Concurrent resolution providing for the sine die adjournment of the first session of the Seventy-fourth Congress; and

H. Con. Res. 39. Concurrent resolution authorizing the President of the Senate and the Speaker of the House of Representatives to sign bills and joint resolutions after the adjournment of the first session of the Seventy-fourth Congress.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2002. An act to provide for the establishment of load lines for American vessels in the coastwise trade, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3260. An act to amend Public Law No. 438, Seventy-third Congress, entitled "An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes."

The message also announced that the Senate had passed without amendment a bill and joint resolution of the House of the following titles:

H. R. 1912. An act for the relief of William J. Ryan, chaplain, United States Army; and

H. J. Res. 407. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 872) entitled "An act for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims."

### STATEMENT OF VOTE

Mr. JOHNSON of Oklahoma. Mr. Speaker, my colleague from Oklahoma, Mr. LEE, is absent. If present he would have voted "aye" on the tax bill conference report, and also would have voted "aye" on the utilities conference report.

Mr. FERGUSON. Mr. Speaker, my colleagues, Mr. LEE and Mr. GASSAWAY, of Oklahoma, both inform me that if present at the time of the consideration of the flood-control bill, H. R. 8455, they would have voted "yea."

### APPOINTMENT OF COMMITTEES AND COMMISSIONS BY THE SPEAKER

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that the Speaker may have until Wednesday next, August 28, 1935, to appoint committees and commissions that have been authorized by the House or by law.

The SPEAKER. Is there objection.

There was no objection.

### OMNIBUS BRIDGE BILL

Mr. CHAPMAN. Mr. Speaker, by direction of the Committee on Interstate and Foreign Commerce I call up from the Speaker's table the bill, H. R. 9070, the omnibus bridge bill, with Senate amendments thereto.

The SPEAKER. The gentleman from Kentucky, by direction of the Committee on Interstate and Foreign Commerce, calls up a bill with Senate amendments thereto.

The Clerk reported the title of the bill.

The SPEAKER. The Clerk will report the Senate amendments.

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent to dispense with the reading of the Senate amendments and that they be printed in the RECORD at this point.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Will the gentleman kindly tell us what this bill is?

Mr. CHAPMAN. Mr. Speaker, this is the omnibus bridge bill passed a few days ago. The Senate amended it by adding five new bridges not provided in the original bill. All of them are strictly according to the approved form of the House for these bridges. One of them is a State-owned free bridge. The others are publicly owned toll bridges, with a 20-year amortization.

Mr. McFARLANE. Mr. Speaker, under what right is this bill called up?

The SPEAKER. Under clause 2 of rule XXIV, which authorizes any member of a committee, when directed by the committee, to call up House bills with Senate amendments, on the Speaker's desk.

Mr. McFARLANE. Mr. Speaker, I raise the point that the committee has not had a meeting since the bill was passed.

The SPEAKER. The Chair cannot go behind the statement of the gentleman from Kentucky.

Mr. McFARLANE. Then, I ask the gentleman from Kentucky whether the committee has met and considered this bill?

Mr. CHAPMAN. Mr. Speaker, the gentleman from Kentucky will reply by repeating what he said in the beginning, that by the direction of the Committee on Interstate and Foreign Commerce I call this bill from the Speaker's table.

The SPEAKER. Clause 2 of rule XXIV provides:

> House bills with Senate amendments which do not require consideration in a Committee of the Whole may be at once disposed of as the House may determine, as may also Senate bills substantially the same as House bills already favorably reported by a committee of the House, and not required to be considered in Committee of the Whole.

Is there objection?

Mr. MORITZ. Mr. Speaker, I reserve the right to object. Is the so-called "Brooks bill" included in this?

Mr. CHAPMAN. That is the bill offered by Mr. BROOKS, of Pennsylvania?

Mr. MORITZ. Yes.

Mr. CHAPMAN. That was included in the original bill as it passed the House. This includes all bills passed by the House and five bills added by the Senate.

Mr. MORITZ. Is the Brooks bill a toll-bridge bill?

Mr. CHAPMAN. It is.

Mr. MORITZ. Then, Mr. Speaker, I object.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 54, after line 3, insert:

"ST. CROIX RIVER AT HUDSON, WIS.

"SEC. 28 (a). That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the Highway Commission of the State of Wisconsin and the Department of Highways of the State of Minnesota are hereby authorized to construct, maintain, and operate a free highway bridge and approaches thereto across the St. Croix River, at a point suitable to the interests of navigation, at or near the city of Hudson, Wis., in accordance with the provisions of an act entitled 'An act to regulate the construction of bridges over navigable waters', approved March 23, 1906.

"(b) There is hereby conferred upon the Highway Commission of the State of Wisconsin and the Department of Highways of

the State of Minnesota all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State."

Page 54, after line 3, insert:

"MISSOURI RIVER AT DECATUR, NEBR.

"SEC. 29. (a) That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the county of Burt, State of Nebraska, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation between the towns of Decatur, Nebr., and Onawa, Iowa, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

"(b) There is hereby conferred upon the county of Burt, State of Nebraska, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

"(c) The said county of Burt, State of Nebraska, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

"(d) In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested."

Page 54, after line 3, insert:

"MISSOURI RIVER AT SOUTH SIOUX CITY, NEBR.

"SEC. 30. (a) That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the county of Dakota, State of Nebraska, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point suitable to the interests of navigation, at or near the cities of South Sioux City, Nebr., and Sioux City, Iowa, in accordance with the provisions of the act entitled 'An act to regulate the construction of bridges over navigable waters', approved March 23, 1906, and subject to the conditions and limitations contained in this act.

"(b) There is hereby conferred upon the county of Dakota, State of Nebraska, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

"(c) The said county of Dakota, State of Nebraska, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

"(d) In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested."

Page 54, after line 3, insert:

"HUDSON RIVER AT NYACK, N. Y.

"SEC. 31 (a). That the consent of Congress is hereby granted to the Rockland-Westchester Hudson River Crossing Authority, State of New York, to construct, maintain, and operate a highway bridge, causeway, and approaches thereto across the Hudson River, at a point suitable to the interests of navigation, in the vicinity of the village of Nyack, Rockland County, and the village of Tarrytown, Westchester County, N. Y., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

"(b) If tolls are charged for the use of such bridge and causeway, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge, causeway, and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge, causeway, and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge and causeway shall thereafter be maintained and operated free of tolls, or the rates of tolls shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge, causeway, and its approaches under economical management. An accurate record of the cost of the bridge, causeway, and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested."

Page 54, after line 3, insert:

"MISSOURI RIVER AT NIOBRARA, NEBR.

"SEC. 32 (a). That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the Village Board of the Village of Niobrara, county of Knox, State of Nebraska, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point suitable to the interests of navigation, at or near Niobrara, Nebr., in accordance with the provisions of the act entitled 'An act to regulate the construction of bridges over navigable waters', approved March 23, 1906, and subject to the conditions and limitations contained in this act.

"(b) There is hereby conferred upon the Village Board of the Village of Niobrara, county of Knox, State of Nebraska, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

"(c) The said Village Board of the Village of Niobrara, county of Knox, State of Nebraska, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

"(d) In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested."

Page 54, line 4, strike out "28" and insert "33."

Mr. CHAPMAN. Mr. Speaker, I move that the House concur in the Senate amendments.

The SPEAKER. The question is on the motion of the gentleman from Kentucky.

The question was taken; and there were on a division (demanded by Mr. MCFARLANE)—ayes 130, noes 21.

So the motion was agreed to.

A motion to reconsider was laid on the table.

EMERGENCY RELIEF IN PUERTO RICO

Mr. DEMPSEY. Mr. Speaker, by direction of the Committee on Insular Affairs, I move to suspend the rules and pass the bill (S. 3140) to provide that funds allocated to Puerto Rico under the Emergency Relief Appropriation Act of 1935 may be expended for permanent rehabilitation, and for other purposes.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That all sums which the President has segregated or allotted or shall segregate or allot for projects in Puerto Rico out of the money appropriated by the Emergency Relief Appropriation Act of 1935 shall constitute a special fund to provide relief and work relief and to increase employment in Puerto Rico. The fund thus established shall continue available for expenditure until June 30, 1940. All income derived from operations financed out of this fund and the proceeds of the disposition of property acquired therewith shall constitute a revolving fund, which shall remain available for expenditure for the purposes and in manner authorized herein and in the Emergency Relief Appropriation Act of 1935 until Congress shall provide otherwise, notwithstanding any limitation of time contained in the said Emergency Relief Appropriation Act of 1935. Any agency or agencies lawfully designated or established to administer funds allotted hereunder or the revolving fund herein authorized may be continued so long as the said funds or any of them remain available for expenditure.

Projects for rural rehabilitation in Puerto Rico may include the acquisition, development, maintenance, and operation of agricultural enterprises A reasonable charge may be made for materials and services produced or made available by any project: *Provided*, That such materials and services may also be supplied as compensation, in whole or in part, for services rendered by persons employed upon any project.

SEC. 2. Notwithstanding the provisions of section 15 (f) of the Agricultural Adjustment Act, as amended by section 8 of the act of May 9, 1934, or any action taken thereunder, all or any part of the unobligated balance of taxes heretofore or hereafter collected from the processing of sugar beets or sugarcane in Puerto Rico and/or upon the processing in continental United States of sugar produced in or coming from Puerto Rico are hereby authorized, in the discretion of the President, to be transferred to the revolving fund authorized by this act. Not exceeding $10,000,000 of this fund may, in the discretion of the President, be set aside in the Treasury for use as an insurance fund to insure individual agriculturists in Puerto Rico, but to the extent only of such insurance fund and its accretions, against damage by hurricane to their farm dwellings and farm buildings, growing crops, plants and trees, including trees used as shade for growing crops, warehouses and produce in barns and warehouses: *Provided*, That said fund may be so employed only during such periods as the Secretary of the Interior shall find and determine that commercial insurance is not available, and at premiums sufficiently high to keep the principal of the original insurance fund intact, and policies of insurance shall be issued hereunder only pursuant to such terms and premium rates as the Secretary of the Interior shall prescribe by regulations duly promulgated. Until otherwise provided by law all moneys collected as premiums on such insurance or otherwise in connection with the administration of such fund or the operation of such insurance activity shall constitute accretions to the fund and shall be held, together with the original insurance fund and all additions thereto, as a revolving fund for the purposes of such insurance.

The SPEAKER. Is a second demanded?

Mr. TABER. Mr. Speaker, I demand a second.

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from New Mexico [Mr. DEMPSEY] is entitled to 20 minutes and the gentleman from New York [Mr. TABER] to 20 minutes.

Mr. DEMPSEY. Mr. Speaker——

Mr. TABER. Will the gentleman yield for a question?

Mr. DEMPSEY. I will.

Mr. TABER. Is H. R. 8621 identical with this Senate bill, so that if I have one copy it will do as well as the other, or is there a change?

Mr. DEMPSEY. No. There is one change.

Mr. Speaker, I am speaking on this bill at the request of the Committee on Insular Affairs. This is a measure that the administration is vitally interested in, due to the very peculiar economic conditions in Puerto Rico.

The measure is necessary in order to spend more slowly the funds allocated to Puerto Rico from the public-works fund, the relief funds. It entails no additional expense. It permits the Interior Department to take funds allocated to Puerto Rico and extend the time over which they are to be expended because of the peculiar conditions of Puerto Rico. It is not a question of building bridges or roads or things like that in Puerto Rico. It is agricultural rehabilitation, the planting of coffee bushes and the planting of trees to shade the bushes.

We all know that coffee bushes produce in about 5 years after they are planted. This bill permits this money that has been allocated to Puerto Rico to be expended over that period from now until 1940, rather than in the next 2 years. That seems to me to be a very meritorious request, in view of their condition there.

The second provision of the bill provides that from the processing tax on the goods in Puerto Rico an insurance fund is built up to insure against damage in Puerto Rico. At the present time, due to the severe storms, typhoons and others, it is impossible to get insurance in Puerto Rico because the rates are prohibitive. This builds up a fund from their own processing tax. That, too, seems to me to be logical.

Now, in connection with the report on this bill, I will read to you a letter addressed to Dr. Gruening, who had to do with the administration of affairs in Puerto Rico:

THE WHITE HOUSE,
*Washington, July 15, 1935.*

Hon. ERNEST H. GRUENING,
*Administrator Puerto Rico Reconstruction Administration, Washington, D. C.*

MY DEAR DR. GRUENING: It appears to me that H. R. 8621 (S. 3140), "to provide that funds allocated to Puerto Rico under the Emergency Relief Appropriation Act of 1935 may be expended for permanent rehabilitation, and for other purposes", provides a practical method of helping to put Puerto Rico permanently on its feet with the money to which it is entitled under the relief appropriation act.

The peculiar needs of Puerto Rico, as you know, require that funds there be spent more slowly than on the continent, and in a manner adapted to the special requirements of Puerto Rico. Otherwise there will be no end in sight to large Federal expenditures on the island in the future for the mere purpose of avoiding a social collapse.

I hope you will find time to confer with Members of Congress and to explain to them how pressing the situation in Puerto Rico is.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. TABER. Mr. Speaker, will the gentleman yield for a question?

Mr. DEMPSEY. Yes; I yield.

Mr. TABER. I wonder if the gentleman could tell us whether or not it is a fact that Puerto Rico is now allowed to retain all customs duties collected at its ports and also all port fees? I understand that is a fact, but I am not sure about it.

Mr. DEMPSEY. I regret that I do not have that information.

Mr. TABER. My understanding is that that is so, but I am not sure of it. I thought perhaps the gentleman could give me that information.

Mr. DEMPSEY. No. I do not happen to know that.

This House bill was reported out with but one voice raised in committee against it. The voice of the gentleman raised in committee against this House bill was for one reason, that it provided for certain industrial work which he opposed. The Senate bill, as presented to you, has stricken out the objectionable part. So that, as far as the Committee on Insular Affairs is concerned, we are unanimous for this bill as it has passed the Senate.

Mr. HOLMES. Will the gentleman yield?

Mr. DEMPSEY. I yield.

Mr. HOLMES. I notice on page 2 of the bill, beginning in line 12, it is provided:

Projects for rural rehabilitation in Puerto Rico may include the acquisition, development, maintenance, and operation of agricultural and industrial properties and enterprises.

Does that mean that this fund is going to create new industries in Puerto Rico?

Mr. DEMPSEY. May I say to the gentleman that that is the provision that the gentlemen on his side of the aisle objected to in the House committee. It has been stricken out and is not being considered in the bill before the House.

Mr. HOLMES. This is a Senate bill I have here. The gentleman said they were different.

Mr. DEMPSEY. I have the Senate bill before me.

Mr. HOLMES. I was reading from the Senate bill myself, S. 3140.

Mr. TABER. If the gentleman will yield, that is the provision of the House bill.

Mr. DEMPSEY. It was stricken out in the Senate.

Mr. HOLMES. I am reading the Senate bill. It goes on to say further:

A reasonable charge may be made for material and services produced or made available—

And so forth.

Mr. DEMPSEY. It is very evident the gentleman is not reading from the same bill from which I am reading.

Mr. HOLMES. I am reading from the bill S. 3140.

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent that the Clerk may read lines 12, 13, and 14 of the engrossed Senate bill.

The SPEAKER. Without objection, the Clerk will read the lines requested.

There was no objection.

The Clerk read as follows:

Page 2, lines 12, 13, and 14: "Project for rural rehabilitation in Puerto Rico may include acquisition, development, maintenance, and operation of agricultural enterprises."

Mr. DEMPSEY. The word "industrial" has been stricken.

Mr. HOLMES. In my bill, Mr. Speaker, the word "industrial" is included and I was interested in knowing whether or not it was intended to create new industrial plants in Puerto Rico.

Mr. DEMPSEY. The Senate amendment struck out the word "industrial."

Mr. MARTIN of Massachusetts. Are there any other changes in the Senate bill as compared with the House bill?

Mr. DEMPSEY. No; that is the only one.

Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Speaker, I dislike very much to oppose a bill that is proposed and presented on the floor by my distinguished and lovable friend, the gentleman from New Mexico [Mr. DEMPSEY].

Mr. CHURCH. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is not a quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 200]

| | | | |
|---|---|---|---|
| Adair | Eaton | Kniffin | Plumley |
| Allen | Eicher | Kramer | Reece |
| Andresen | Fernandez | Lamneck | Reed, N. Y. |
| Andrew, Mass. | Fiesinger | Lanham | Richardson |
| Andrews, N. Y. | Fish | Lea, Calif. | Robertson |
| Arends | Flannagan | Lee, Okla. | Robinson, Utah |
| Bacharach | Focht | Lucas | Robsion, Ky. |
| Bankhead | Ford, Calif. | Lundeen | Rogers, N. H. |
| Beam | Gambrill | McAndrews | Romjue |
| Bell | Gasque | McCormack | Rudd |
| Biermann | Gassaway | McGehee | Ryan |
| Binderup | Gehrmann | McGroarty | Sanders, La. |
| Blanton | Gifford | McLaughlin | Schaefer |
| Bolton | Gilchrist | McLeod | Schulte |
| Brewster | Gildea | McMillan | Scrugham |
| Brooks | Gillette | Maas | Sears |
| Buckbee | Goodwin | Mahon | Shannon |
| Buckler, Minn. | Gray, Pa. | Mansfield | Smith, Va. |
| Bulwinkle | Greever | Marshall | Smith, Wash. |
| Carter | Haines | Martin, Colo. | Smith, W. Va. |
| Claiborne | Hamlin | Merritt, Conn. | Snyder |
| Clark, Idaho | Hancock, N. Y. | Millard | Somers, N. Y. |
| Clark, N. C. | Hart | Miller | Stubbs |
| Cochran | Harter | Mitchell, Ill. | Sullivan |
| Collins | Hartley | Montague | Sutphin |
| Corning | Hess | Montet | Thomason |
| Crawford | Higgins, Mass. | Murdock | Thurston |
| Crosby | Hill, Knute | Nelson | Tobey |
| Crowe | Hobbs | Norton | Treadway |
| Darden | Hoffman | O'Brien | Underwood |
| Dear | Hollister | Oliver | Wadsworth |
| Dietrich | Hook | O'Malley | Walter |
| Dirksen | Kelly | Parks | Williams |
| Dockweiler | Kennedy, N. Y. | Patton | Withrow |
| Doutrich | Kerr | Perkins | Woodruff |
| Drewry | Kimball | Pettengill | Zin |
| Dunn, Miss. | Kleberg | Peyser | |

The SPEAKER pro tempore (Mr. FERGUSON). Two hundred and eighty-three Members are present, a quorum.

On motion of Mr. MCFARLANE, further proceedings under the call were dispensed with.

Mr. NICHOLS. Mr. Speaker, as I said before, I regret sincerely to be compelled to take the floor in opposition to a bill that was brought to the floor by my good friend, the distinguished gentleman from New Mexico [Mr. DEMPSEY], but I think the Membership of the House should be advised as to what is in this legislation.

I call the attention of the Membership to the fact that when we passed the $4,800,000,000 relief bill we placed a limitation therein of June 30, 1937, beyond which time the President could not spend money out of said appropriation. Notice the first sentence of the pending bill. It reads as follows: "That all sums which the President has segregated or allotted or shall segregate or allot for projects in Puerto Rico shall constitute a special fund to provide work relief and to take care of unemployment in Puerto Rico and shall continue available for expenditure until June 30, 1940." The Congress of the United States would extend privileges 3 years for Puerto Rico beyond the time the same Congress closed the door on your constituents and mine. [Applause.]

Mr. DEMPSEY. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. Not now.

What does this mean? Are you willing to go back home to your constituents, face them, and have them say: "You fixed this thing so that Puerto Rico could continue on the dole while we, your constituents, are taken off the dole."

Does some one want to tell me that the citizenship of Puerto Rico is in worse shape than are the people of the drought-stricken area of the farm and wheat districts of the great Middle West? Does some one want to tell me that the citizens of Puerto Rico are in worse shape than citizens in the stricken areas in the industrial centers of the United States?

Now, let us see what else we do here. We not only extend the time 3 years under which the President may continue to pay the dole to Puerto Rico, after we have been cut off, but we do something else, and I want to read section 2, page 2, as follows:

Notwithstanding the provisions of section 15 (f) of the Agricultural Adjustment Act, as amended by section 8 of the act of May 9, 1934, or any action taken thereunder, all or any part of the unobligated balance of taxes heretofore or hereafter collected from the processing of sugar beets or sugarcane in Puerto Rico and/or upon the processing in continental United States of sugar produced in or coming from Puerto Rico are hereby authorized, in the discretion of the President, to be transferred to the revolving fund authorized by this act.

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. NICHOLS. Mr. Speaker, I just want to say to the Membership of this House that if they pass this bit of legislation they must go back home to their constituents ready to say to them that this little niche of an island down there, which, in my opinion, we were very kind to when we took it under our wing, has been extended privileges beyond the privileges which we have extended to our own constituents.

Mr. GRISWOLD. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Indiana.

Mr. GRISWOLD. Does the gentleman know that we returned to them last year $10,000,000 in taxes on fats and oils?

Mr. NICHOLS. I did not know we were going to give them that extra amount, but I think we have given them about $35,000,000 under this act.

[Here the gavel fell.]

Mr. DEMPSEY. Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Speaker, the gentleman who just spoke made so many misstatements that it indicated an entire lack of understanding of the subject with which we are dealing. The facts are that we do not appropriate one single solitary dollar in this bill to Puerto Rico. All we do is to ask for the right to take the relief money that has been allocated to that island and give them an opportunity to use the money as a special fund with which to rehabilitate the island. That is all. There is not another thing.

What has happened in Puerto Rico? There are two special crops. One is sugar that has not helped the island very much, and the other is coffee. The finest grade of coffee in the world is grown in Puerto Rico. Most of it is sold in the southern countries of Europe, Spain particularly, and it brings to them higher prices than the coffee of Brazil. The trouble in Puerto Rico and what has brought so much destitution to that island is the hurricane proposition. It is difficult to provide any sort of defense against these hurricanes. Last year we spent $14,000,000 and $14,000,000 in addition to that the year before for relief in Puerto Rico. Why? Because the hurricanes had destroyed some of these coffee trees and the farm labor drifted down into the cities where they are living in the slums. What we want to do is to take them out of the cities and put them back in the rural areas where they belong and make them self-sustaining.

It is impossible to go through with such a program if it is limited to 1937. In two years we have spent foolishly $28,000,000 by the dole system. We want to abolish that. We want to make permanent relief, and in order to do that we want to create a revolving fund, and this revolving fund to begin with is only the amount that has already been allocated to Puerto Rico.

I have heard it said that Puerto Rico is getting five times as much as any of the States. I want to say that is absolutely false. Puerto Rico has 368,000 unemployed. According to the testimony before our committee, it is getting $30,000,000. The State of Wisconsin has 185,000 unemployed, and we are getting $90,000,000. Does that look as though Puerto Rico is getting five times as much? They are not getting as much as is allocated to the average State.

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, the only argument which is raised against this bill is that we extend the time to 1940, while the money appropriated for relief in the various States must be spent by 1937; hence a great hullabaloo is raised, and it is said that Puerto Rico is being treated better than the States in this respect. But let us analyze the facts. It makes no difference what the time limit is. What count are the results.

The results in the Puerto Rican situation are these. If you spend the money by 1937 you will have spent no more or less than you are providing by the provisions of this bill. So that the bill does not spend an additional penny more than has already been allocated to Puerto Rico. I repeat, we do not spend one penny more nor one penny less under this bill than has already been allocated to Puerto Rico. Now, then, if we are going to take this money and throw it into Puerto Rico in such a manner that it will be wasted and of no use to Puerto Rico and of no use to the United States, then what good is it to insist that the money must be spent by 1937?

Why not give Puerto Rico a chance? Why not give her an opportunity to spend this money in a manner which will help her? We might as well spend this money in a manner which will be useful to Puerto Rico, give her the time she wants, and really aid her. It takes time to plan and to take care of the land in Puerto Rico which was taken out of sugar cultivation, and restore it to the Puerto Ricans so that they may earn a living from it.

This bill will do the following for Puerto Rico:

First. To provide that funds allocated to Puerto Rico under the Emergency Relief Appropriation Act of 1935 shall be available for expenditure until June 30, 1940.

Second. That these moneys shall be considered as a special fund.

Third. That all income derived from operations financed out of this fund, and the proceeds of the disposition of property acquired therewith, shall constitute a revolving fund to remain available for expenditure for the purposes and in the manner authorized in the bill and in the Emergency Relief Appropriation Act of 1935, until Congress shall provide otherwise.

Fourth. To coextend the life of any agency or agencies of the Government lawfully designated to administer such funds with the life of the fund itself. The President has already established by Executive Order No. 7057, dated May 28, 1935, the Puerto Rico Reconstruction Administration to administer work relief for the island in a coordinated manner.

Fifth. To define rural rehabilitation so as to make it applicable to the special needs of Puerto Rico.

Sixth. To place in the special fund hereby created the processing taxes derived from Puerto Rican sugar under the Jones-Costigan Act (said processing taxes having already been assigned to Puerto Rico by Executive order dated June 9, 1934) authorizing a part of this money to be used for setting up insurance against hurricanes for Puerto Rican farmers when said insurance shall not be available at practicable rates from private insurance companies.

A great deal has been said here that Puerto Rico is receiving too much. I say that Puerto Rico is not receiving enough. Anybody who knows the facts knows how much the workers of Puerto Rico are suffering, knows how great their need is, and that we have not appropriated sufficiently to take care of their needs. Puerto Ricans are Americans, good citizens, and therefore they are entitled to the same treatment as the unemployed in our States. I trust that you will be just at this late hour and pass this bill.

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, my understanding of the situation is somewhat like this, and if I make any misstatements I would like to be corrected. Frankly, from the situation as I understand it, I can draw no conclusion from it except that those who are interested in keeping the integrity of government here in this country ought to vote against this bill.

My undertsanding is there has been an allotment of $35,000,000 for relief to Puerto Rico under the act of April 8, 1935. My understanding also is that this is unquestionably five times the amount that is legitimately required for relief during the current fiscal year, and this is all that is being provided out of that relief fund for any part of the United States, except Puerto Rico.

Now, without regard to the interests of the United States Treasury, without regard to the obligation which was placed upon the Executive in the allotment of funds for relief, five times the amount required has been allotted in this case.

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. TABER. In a moment.

Mr. MAVERICK. The gentleman stated he wanted to be corrected if he made any misstatements.

Mr. TABER. And because they are not able to use the money intelligently they bring in this bill and want to embark upon a large program of agricultural rehabilitation and rural rehabilitation, including the acquisition, development, maintenance and operation of agricultural enterprises. Instead of confining this to a pay-as-go proposition, they extend the time within which this money shall be spent to 1940.

It seems to me ridiculous that in your district and mine only such sums are being used for relief as are currently needed and only such amounts are being allotted——

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. RICH. When we find we have allocated for relief five times the money necessary for that particular purpose, is it not possible to take that money back into the Treasury of the United States?

Mr. TABER. My own idea is that what ought to be done in this particular case is that the President should withdraw that portion of the allotment which is not needed for relief.

Mr. MAVERICK. The gentleman said he wanted to be corrected if he made a misstatement and I want to ask the gentleman a question.

Mr. TABER. I yield.

Mr. MAVERICK. The gentleman stated they are spending five times as much as was needed. They have spent about $28,000,000 in the last 2 years and they are going to allot $30,000,000 on a 2-year basis but to be spread over 5 years. This is a decrease and not an increase for the

year. The gentleman certainly does not maintain that this is a greater amount of money.

Mr. TABER. Now, wait a minute and let me get this straight in the minds of the Members of the House.

Thirty-five million dollars, I understand, has been allotted.

Mr. MAVERICK. Thirty million dollars.

Mr. TABER. This, in my opinion, is five times as much as they need for relief down there. It must be five times that amount, or you would not want to spread this out for 5 years.

Mr. MAVERICK. Oh, no.

Mr. TABER. I must decline to yield further.

Mr. MAVERICK. The gentleman asked us to contradict him, and stated he would permit us to correct his statements.

Mr. TABER. Mr. Speaker, I must decline to yield further.

I simply want to call the attention of the House to the facts and to the logical deduction from what the gentleman from Texas has said to us, which is that there are five times as many dollars allocated for relief down there as there should be; otherwise they would not want to extend the time within which it might be expended to 5 years; and it is also true that under this bill they can allot almost any amount they please out of this relief fund for these agricultural enterprises and have 5 years to expend it.

Mr. MAVERICK. Oh, no.

Mr. TABER. Oh, the gentleman must not have read his bill.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. TABER. I cannot yield now.

The gentleman must realize that when they are spending this money over 5 years and can allocate any amount they please on these agricultural enterprises it must be per se a wasteful procedure. The Chairman of the Committee on Appropriations, the gentleman from Texas [Mr. BUCHANAN], was very particular when this bill was up to limit the time within which the money might be expended to June 30, 1937, and this rule applies to all of us except Puerto Rico if this bill is passed.

Now, let us beat the bill and let Puerto Rico stand like the rest of us.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. NICHOLS. In addition to the $30,000,000 they take the processing tax on sugar and add that to this amount.

Mr. TABER. Yes.

Mr. NICHOLS. And that is in addition to the $30,000,000.

[Here the gavel fell.]

Mr. DEMPSEY. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. ELLENBOGEN].

Mr. ELLENBOGEN. Mr. Speaker, I want my colleagues to understand the situation. This bill is not an appropriation bill. It does not appropriate a single dollar, but it seeks to permit the Rehabilitation Administration in Puerto Rico to spend the money that has been allocated slowly and wisely, so that Puerto Rico may be really and permanently rehabilitated and the burden upon the taxpayers in the United States may be ended.

Now, we have heard it said time and again that we should first think and then spend. Here is an attempt to plan, to think, to map out a course of progress that will rehabilitate Puerto Rico and end the drain upon the taxpayer of this country. Now, do you want to waste this money or do you want to spend it wisely to put Puerto Rico on its own feet?

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ELLENBOGEN. I am sorry I do not have the time to yield.

I hope you will vote for this bill so that the plan that has been worked out can be carried out and we can stop spending our money in Puerto Rico. This is the issue, Mr. Speaker, that this bill presents. This plan has been studied, it has been worked out and it has the endorsement of the administration.

This bill has the endorsement of the President of the United States. Do you want to enable the board to carry out wise plans, or do you want to force them to spend the money quickly and foolishly instead of slowly and wisely?

Mr. TABER. Mr. Speaker, I yield the remainder of my time to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Speaker, I must take issue with the distinguished gentleman from Pennsylvania who has just told you that the $10,000,000 provided for in this bill is not an appropriation. It is specifically provided on page 3 of the bill that $10,000,000 of the processing tax on sugar shall be set up as an insurance fund. According to present Democratic theories that may not be an appropriation, but it certainly is in my opinion. The bill provides that the processing tax paid on sugar processed in Puerto Rico, or continental United States, shall be used as the basis for an insurance fund against loss by hurricane to farm dwellings, farm buildings, growing crops, plants, trees, including shade trees, warehouses, and produce in barns and warehouses. This puts the Government in competition with the private insurance companies. It means nothing more or less.

I want those of you who want this bill supported, I want those of you who are going to vote for it, to go back home to the housewives in your districts and tell them that you want them to approve the payment of $16,666 by them every day in the year to provide an insurance fund for Puerto Rico. I want you to tell the housewives back home that every time they go in and buy a pound of sugar they are helping to look after the insurance fund in Puerto Rico. I want you to tell the housewives in your districts that every time they go to a store to buy this necessary staple, sugar for the table, for canning, and all other domestic uses, they are providing means for the maintenance of an insurance fund for possible losses in Puerto Rico. Tell these housewives that you believe they should help pay the premiums for the landowners and growers in Puerto Rico. What is its purpose? What is the object of this legislation? It is set up because the proponents of this legislation say that the insurance premiums down there are too high. Mr. Speaker, this is nothing more or less than a socialistic scheme to put the Federal Government in the insurance business in competition with private insurance companies, to have the housewives of America pay the premiums for insurance against loss by hurricane in Puerto Rico for the benefit of the landowners of Puerto Rico, and to saddle the cost of this protection for the landed proprietors of Puerto Rico on the bread winners of America. My first duty is to the people whom I represent, and I shall oppose vehemently and persistently all endeavors to compel my people to assume the obligations which in justice rests on the shoulders of the people with Puerto Rico. Charity begins at home; and while the present distress of unemployment in my district continues, and which has not been relieved by the futile efforts of the present administration, I shall oppose these measures of the bestowal of benefactions upon others.

The SPEAKER. The time of the gentleman from Pennsylvania has expired. The question is on the motion of the gentleman from New Mexico to suspend the rules and pass the bill.

The question was taken; and on a division (demanded by Mr. DEMPSEY) there were—ayes 59, noes 43.

Mr. DEMPSEY. Mr. Speaker, I object to the vote on the grounds that there is no quorum present, and make the point of order that there is no quorum present.

The SPEAKER. The gentleman from New Mexico makes the point of order that there is no quorum present. The Chair will count. [After a pause.] Evidently there is no quorum present. The call is automatic. The Clerk will call the roll.

The question was taken; and there were—yeas 170, nays 101, not voting 159, as follows:

[Roll No. 201]

YEAS—170

| | | | |
|---|---|---|---|
| Adair | Boland | Cannon, Mo. | Cole, Md. |
| Amlie | Brennan | Cartwright | Cole, N. Y. |
| Arnold | Brown, Mich. | Cary | Connery |
| Ayers | Brunner | Casey | Cooper, Tenn. |
| Binderup | Buchanan | Chandler | Costello |
| Bland | Buck | Chapman | Crosby |
| Bloom | Buckler, Minn. | Citron | Cross, Tex. |
| Boileau | Burdick | Colden | Crosser, Ohio |

| | | | |
|---|---|---|---|
| Cullen | Hancock, N. C. | Mason | Schulte |
| Delaney | Harlan | Massingale | Scott |
| Dempsey | Hart | Maverick | Scrugham |
| DeRouen | Harter | Mead | Sears |
| Dies | Healey | Meeks | Secrest |
| Dingell | Hildebrandt | Merritt, N. Y. | Shanley |
| Disney | Hill, Samuel B. | Mitchell, Tenn. | Smith, Conn. |
| Dorsey | Hoeppel | Monaghan | Smith, Va. |
| Doughton | Huddleston | Moran | Somers, N. Y. |
| Driscoll | Hull | Moritz | Spence |
| Driver | Imhoff | O'Connell | Stack |
| Duffey, Ohio | Johnson, Okla. | O'Connor | Steagall |
| Duffy, N. Y. | Jones | O'Leary | Stefan |
| Duncan | Keller | O'Neal | Sumners, Tex. |
| Dunn, Pa. | Kenney | Palmisano | Taylor, Colo. |
| Eagle | Kloeb | Parsons | Terry |
| Ellenbogen | Kocialkowski | Patman | Thom |
| Evans | Kopplemann | Patterson | Thompson |
| Farley | Lanham | Pearson | Tolan |
| Ferguson | Larrabee | Peterson, Fla. | Tonry |
| Fiesinger | Lea, Calif. | Pfeifer | Turner |
| Fitzpatrick | Lemke | Pittenger | Umstead |
| Ford, Calif. | Lesinski | Polk | Utterback |
| Fuller | Lewis, Colo. | Quinn | Vinson, Ky. |
| Gavagan | Lewis, Md. | Rabaut | Warren |
| Gearhart | Lloyd | Randolph | Wearin |
| Gehrmann | Luckey | Rayburn | Weaver |
| Gildea | Lundeen | Richardson | Werner |
| Goldsborough | McFarlane | Robinson, Utah | White |
| Granfield | McGehee | Ryan | Wood |
| Gray, Ind. | McKeough | Sadowski | Woodrum |
| Green | Mahon | Sandlin | Young |
| Greenway | Maloney | Sauthoff | Zimmerman |
| Greenwood | Marcantonio | Schneider | |
| Gregory | Martin, Colo. | Schuetz | |

NAYS—101

| | | | |
|---|---|---|---|
| Andrews, N. Y. | Eckert | Knutson | Risk |
| Ashbrook | Edmiston | Lambertson | Rogers, Mass. |
| Beiter | Ekwall | Lambeth | Rogers, Okla. |
| Blackney | Engel | Lord | Sanders, Tex. |
| Bolton | Englebright | Ludlow | Seger |
| Brown, Ga. | Faddis | McClellan | Short |
| Carlson | Fenerty | McLaughlin | Snell |
| Carpenter | Fletcher | McLean | South |
| Castellow | Focht | McSwain | Starnes |
| Cavicchia | Ford, Miss. | Mapes | Taber |
| Celler | Fulmer | Martin, Mass. | Tarver |
| Christianson | Griswold | May | Taylor, S. C. |
| Church | Guyer | Michener | Taylor, Tenn. |
| Clark, N. C. | Gwynne | Mott | Thomas |
| Coffee | Halleck | Nichols | Thomason |
| Colmer | Hancock, N. Y. | Owen | Turpin |
| Cox | Hess | Peterson, Ga. | Vinson, Ga. |
| Cravens | Holmes | Pettengill | Whelchel |
| Crowther | Hope | Pierce | Wigglesworth |
| Cummings | Jenckes, Ind. | Powers | Wilson, Pa. |
| Daly | Jenkins, Ohio | Ramspeck | Wolcott |
| Darrow | Johnson, Tex. | Rankin | Wolfenden |
| Deen | Johnson, W. Va. | Ransley | Wolverton |
| Ditter | Kee | Reed, Ill. | |
| Dondero | Kennedy, Md. | Rich | |
| Doxey | Kinzer | Richards | |

NOT VOTING—159

| | | | |
|---|---|---|---|
| Allen | Dietrich | Kerr | Reed, N. Y. |
| Andresen | Dirksen | Kimball | Reilly |
| Andrew, Mass. | Dobbins | Kleberg | Robertson |
| Arends | Dockweiler | Kniffin | Robsion, Ky. |
| Bacharach | Doutrich | Kramer | Rogers, N. H. |
| Bacon | Drewry | Kvale | Romjue |
| Bankhead | Dunn, Miss. | Lamneck | Rudd |
| Barden | Eaton | Lee, Okla. | Russell |
| Beam | Eicher | Lehlbach | Sabath |
| Bell | Fernandez | Lucas | Sanders, La. |
| Berlin | Fish | McAndrews | Schaefer |
| Biermann | Flannagan | McCormack | Shannon |
| Blanton | Frey | McGrath | Sirovich |
| Boehne | Gambrill | McGroarty | Sisson |
| Boykin | Gasque | McLeod | Smith, Wash. |
| Boylan | Gassaway | McMillan | Smith, W. Va. |
| Brewster | Gifford | McReynolds | Snyder |
| Brooks | Gilchrist | Maas | Stewart |
| Buckbee | Gillette | Mansfield | Stubbs |
| Buckley, N. Y. | Gingery | Marshall | Sullivan |
| Bulwinkle | Goodwin | Merritt, Conn. | Sutphin |
| Burch | Gray, Pa. | Millard | Sweeney |
| Burnham | Greever | Miller | Thurston |
| Caldwell | Haines | Mitchell, Ill. | Tinkham |
| Cannon, Wis. | Hamlin | Montague | Tobey |
| Carmichael | Hartley | Montet | Treadway |
| Carter | Hennings | Murdock | Underwood |
| Claiborne | Higgins, Conn. | Nelson | Wadsworth |
| Clark, Idaho | Higgins, Mass. | Norton | Wallgren |
| Cochran | Hill, Ala. | O'Brien | Walter |
| Collins | Hill, Knute | O'Day | Welch |
| Cooley | Hobbs | Oliver | West |
| Cooper, Ohio | Hoffman | O'Malley | Whittington |
| Corning | Hollister | Parks | Wilcox |
| Crawford | Hook | Patton | Williams |
| Crowe | Houston | Perkins | Wilson, La. |
| Culkin | Jacobsen | Peyser | Withrow |
| Darden | Kahn | Plumley | Woodruff |
| Dear | Kelly | Ramsay | Zioncheck |
| Dickstein | Kennedy, N. Y. | Reece | |

So (two-thirds not having voted in favor thereof) the motion to suspend the rules and pass the bill was rejected.

The Clerk announced the following additional pairs:

Mr. Wilcox with Mr. Bacon.
Mr. McReynolds with Mr. Cooper of Ohio.
Mr. Boylan with Mr. Higgins of Connecticut.
Wr. Whittington with Mr. Lehlbach.
Mr. Boehne with Mr. Millard.
Mr. Flannagan with Mr. Stewart.
Mr. Gasque with Mr. Reed of New York.
Mr. Burch with Mr. Wadsworth.
Mr. Hill of Alabama with Mr. Tinkham.
Mr. Kerr with Mr. Burnham.
Mr. Cooley with Mr. Culkin.
Mr. Miller with Mr. Hartley.
Mr. Wilson of Louisiana with Mrs. Kahn.
Mrs. O'Day with Mr. Merritt of Connecticut.
Mr. Sanders of Louisiana with Mr. Kvale.
Mr. Drewry with Mr. Woodruff.
Mr. Williams with Mr. Welch.
Mr. Houston with Mr. Russell.
Mr. Zioncheck with Mr. West.
Mr. Sweeney with Mr. Barden.
Mr. Boykin with Mr. Cannon of Wisconsin.
Mr. Dobbins with Mr. Buckley of New York.
Mr. Randolph with Mr. Hobbs.
Mr. Dickstein with Mr. Dear.
Mr. Gingery with Mr. Ramsay.
Mr. Gray of Pennsylvania with Mr. Berlin.

The result of the vote was announced as above recorded.

The doors were opened.

THIRD DEFICIENCY APPROPRIATION BILL 1935–36

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to address the House not to exceed 5 minutes.

The SPEAKER. Is there objection.

There was no objection.

Mr. BUCHANAN. Mr. Speaker, some weeks ago I made a statement which was carried in the press that I was going to stand for retrenchment in expenditures and retrenchment in ap priations. [Applause.] Several days ago I made the same statement to my colleagues on the floor of this House when we were considering the supplemental appropriati ill. I am going to keep the faith. [Applause.]

At that time we passed this appropriation bill carrying, in round numbers, $93,000,000, in response to new legislation passed by the Congress and carrying out the legitimate administration of that new legislation. The bill went to the Senate. The Senate has increased that bill by about $500,000,0( I am going to let the bill die before I will give in. [Appl e.] The Senate having adopted a concurrent resolution to adjourn, cannot retract. So, as far as the Appropriations Committee is concerned, we have no further business for this session of Congress.

Mr. TARVER. Will the gentleman yield?

Mr. BUCHANAN. Yes; I yield.

Mr. TARVER. Does not the gentleman think it fair to let the House pass on the question of whether it desires to provide mandatory loans on cotton and wheat rather than pass on it himself?

Mr. BUCHANAN. I say to my colleague I have been in this House day in and day out during this session, and I have seen bill after bill come up to authorize new appropriations. Only one little insignificant bill has been voted down out of bills involving hundreds of millions of dollars. [Applause.] It is time for this Congress to adjourn if you do not want to ruin the credit of your Government. [Applause.]

Mr. Speaker, that is all I have to say, and no amount of persuasion can move this Scotch mind of mine. [Applause.]

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I happen to be one of those who represent the cotton farmers. There are some men here who represent the wheat farmers. If this is going to be an attack on the Senate for attempting to save the wheat and cotton farmers from destruction by reason of the recent ruling, we want to be heard.

Mr. WOODRUM. I do not object. The gentleman can have all the time he wants.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

There was no objection.

Mr. WOODRUM. Mr. Speaker, I want to say that as one member of the Committee on Appropriations, I am 100 percent with the sentiment expressed by the chairman. [Applause.] To my mind, the action of another body that has proceeded in the last 24 hours to put everything in the deficiency appropriation bill except the kitchen sink, and pass a resolution to adjourn in a few hours and send it over to the House, saying, "Swallow it, because we are going to adjourn in a few hours", is intolerable.

Mr. BUCHANAN. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. BUCHANAN. The amendments put on there carry legislation of the most vital importance, which have no place on a deficiency appropriation bill.

Mr. WOODRUM. Yes. Fundamentally changing the entire agricultural policy of the administration.

Now, I say we are here to do business for our constituents and not to go on a fishing trip or back home on a vacation. Vital problems are facing this country. It does not make a bit of difference to me whether we adjourn tonight at 12 o'clock or next month at 12 o'clock. [Applause.] We ought to meet our duties.

I must part company with my good chairman, whom I respect and honor, who is doing a good job on the Appropriations Committee, when he says he is going to let the bill die. Do not let the bill die. I will tell you what will happen in another body in an hour or two. They will do what they often do—change their minds. They will do that. In just a few hours—in just a few minutes you will see the Senate withdraw that resolution to adjourn and then come back and try to work this thing out. If you will sit tight here and do your duty as a Representative, as we are supposed to do it, we will work this bill out. There are vital matters concerned, and the bill ought not be permitted to die.

The social-security set-up that means so much to all of our constituents and to the administration is involved here. All of their funds are involved if we do not pass this bill but let it wait until we come back again. So, gentlemen, let us proceed with discretion and caution, and sit tight.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. O'CONNOR. I agree with the gentleman we have a lot of things to do. Let me repeat what a great President, one of the greatest Presidents representing another party, the late President Coolidge, once said: "If you sit tight on them long enough they always back down."

Mr. WOODRUM. They always do.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. McFARLANE. We saw the spectacle yesterday of the House passing a flood-control bill costing about $400,000,000. The Senate added about $200,000,000 in more projects onto the bill and then did a good job of chloroforming it. I think they have done some good deeds this session.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. NICHOLS. Included in this bill also is the appropriation to carry out legislation we passed early in the session setting up a soil-survey board, is there not?

Mr. WOODRUM. Exactly. There are a lot of things of importance in the bill.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. DONDERO. Can the Senate retract the concurrent resolution to adjourn after the House has passed a similar resolution?

Mr. WOODRUM. I understand they can. I understand they will do it. I am confident they will do it.

Mr. TARVER. Mr. Speaker, will the gentleman yield for a question?

Mr. WOODRUM. I yield.

Mr. TARVER. The gentleman does not represent a district in which any cotton is produced?

Mr. WOODRUM. I will say to my friend I am not speaking about the merits of it at all; I do not know anything about the merits of the cotton proposition.

Mr. TARVER. The gentleman used the expression in substance that if the House stuck by its guns the Senate would tuck in its tail and run. What assurance has the gentleman that the House will not agree with the Senate?

Mr. WOODRUM. I have every confidence in its ultimate wisdom when it acts deliberately.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. O'CONNOR. Mr. Speaker, we have a lot of important business to take care of tonight.

Mr. RICH. Mr. Speaker, if we have a lot of business to attend to, I object.

### MODIFICATION OF CERTAIN CONTRACTS

Mr. O'CONNOR. Mr. Speaker, by direction of the Committee on Rules I present a privileged report from that committee and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 372

*Resolved*, That immediately upon the adoption of this resolution the House shall proceed to the consideration of (S. J. Res. 175), a joint resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act 1935, and all points of order against said joint resolution are hereby waived.

Mr. O'CONNOR. Mr. Speaker, this is a matter which was considered today under suspension of the rules but failed of passage. It is a matter about which there was some confusion. It is a very simple matter and has nothing to do with ship subsidies. It merely extends the time within which the President can determine whether or not to cancel or modify the contracts. The President has before him this important situation: Many of these contracts will expire between October of this year and January of next year. I am authorized to say that the President feels he needs this authority.

Mr. Speaker, I move the previous question on the resolution.

Mr. MAVERICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAVERICK. After a bill has been passed on, can it be brought up again the same day? What about the Puerto Rico bill, which failed? If we can again bring up the bill made in order by this resolution, we can do it with the Puerto Rico bill, or with any other bill that has been defeated once during the day. This bill was defeated a few hours ago.

The SPEAKER. The Chair will answer the gentleman's parliamentary inquiry. This is an effort on the part of the gentleman from New York, Chairman of the Rules Committee, to bring this bill up under a special rule.

The question is up to the House as to whether or not that can be done.

Mr. MAVERICK. I did not hear the Chair.

The SPEAKER. This is a special rule which is under consideration and is in order.

Mr. McFARLANE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McFARLANE. Is it in order for the Chairman of the Rules Committee to bring in a rule on a bill which we defeated this afternoon and then move the previous question before the opponents have an opportunity to be heard?

The SPEAKER. It is, under the rules of the House.

Mr. O'CONNOR. Mr. Speaker, all the opponents were heard today.

The SPEAKER. It is a question for the House itself to determine.

Mr. WEARIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WEARIN. Does this rule provide for the opportunity to offer amendments?

The SPEAKER. The joint resolution is considered in the House under the rules of the House.

The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. WEARIN) there were—ayes 130, noes 58.

Mr. WEARIN. Mr. Speaker, I object to the vote on the ground there is no quorum present.

The SPEAKER. The Chair will count. (After counting). Two hundred and twenty-eight Members are present; a quorum.

Mr. WEARIN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

Mr. MARCANTONIO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The resolution was agreed to.

The SPEAKER. The Clerk will report the joint resolution.

The Clerk read as follows:

*Resolved, etc.*, That section 5 of the Independent Offices Appropriation Act, 1934, as amended, be amended by striking out "October 31, 1935" and inserting in lieu thereof "March 31, 1936": *Provided*, That the right of the United States to annul any fraudulent or illegal contract or to institute suit to recover sums paid thereon is in no manner affected by this joint resolution.

Mr. O'CONNOR. Mr. Speaker, this is a Senate joint resolution which was thoroughly discussed today. There was a lengthy debate in favor of it and in opposition. I think it is well understood by the Members of the House; therefore, Mr. Speaker, I move the previous question.

Mr. McFARLANE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McFARLANE. Do we have the right bill now?

The SPEAKER. It is the bill which the rule made in order.

Mr. MARCANTONIO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. Are we not permitted now under the present parliamentary situation to offer amendments?

The SPEAKER. Not after the previous question has been ordered. It is necessary for the House to dispose of this motion first.

The previous question was ordered.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

Mr. MARCANTONIO. Mr. Speaker, I demand the reading of the engrossed copy.

The SPEAKER. The bill is already engrossed. It is a Senate bill.

The Senate joint resolution was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the resolution.

The question was taken; and on a division there were—ayes 147, noes 45.

Mr. McFARLANE. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count.

Mr. McFARLANE. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. Does the gentleman withdraw his point of no quorum?

Mr. McFARLANE. I withdraw it, Mr. Speaker.

The SPEAKER. The gentleman from Texas demands the yeas and nays.

The yeas and nays were refused.

So the joint resolution was passed, and a motion to reconsider was laid on the table.

### THIRD DEFICIENCY BILL

Mr. TABER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, in order that there may be no misunderstanding as to the legislative situation with reference to the deficiency bill, I desire to tell the House that in my opinion, under the relief bill which was passed and signed on the 8th of April, the President would have authority to allot funds to meet the old-age-pension proposition, the widows' pension, and the children's relief and the relief for the blind.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. CONNERY. What about the appropriation for the National Labor Relations Board?

Mr. TABER. Well, he might have authority in that case; but I would not want to say.

[Here the gavel fell.]

### ADDITIONAL UNITED STATES JUDGE FOR THE DISTRICT OF KANSAS

Mr. HOUSTON. Mr. Speaker, I call up the bill (S. 3434) to provide for the appointment of one additional judge for the district of Kansas and ask unanimous consent for its immediate consideration.

The clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas.

Mr. HOPE and Mr. CARLSON objected.

### MOUNT RUSHMORE NATIONAL MEMORIAL

Mr. WERNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3204) to provide additional funds for the completion of the Mount Rushmore National Memorial, in the State of South Dakota, and for other purposes.

The clerk read the title of the bill.

Mr. TABER. Mr. Speaker, I object.

Mr. WERNER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3204) to provide additional funds for the completion of the Mount Rushmore National Memorial, in the State of South Dakota, and for other purposes.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed the sum of $200,000, in addition to the amount previously authorized, for the purpose of defraying the cost of completing the Mount Rushmore National Memorial, in the State of South Dakota, including landscaping of the contiguous grounds thereof, constructing the entrances thereto, and constructing a suitable museum room in connection therewith.

SEC. 2. The Mount Rushmore National Memorial Commission, with the approval of the Secretary of the Interior, is hereby authorized to enter into contract for the execution and completion of the work and to fix the compensations to be paid to artists, sculptors, landscape architects, and others, who may be employed by the Mount Rushmore National Memorial Commission, in the completion of the said Mount Rushmore National Memorial pursuant to the provisions of section 3 of Public Law No. 805, Seventieth Congress, approved February 25, 1929, as amended by section 1 of Public Law No. 471, Seventy-third Congress, approved June 26, 1934.

The SPEAKER. Is a second demanded?

Mr. TABER. Mr. Speaker, I demand a second.

Mr. WERNER. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

Mr. WERNER. Mr. Speaker, this bill provides an authorization of $200,000 for the completion of the Mount Rushmore Memorial in the Black Hills of South Dakota.

There was previously appropriated $250,000 for this memorial. The citizens of the State of South Dakota have contributed $70,500, and there has been spent from relief funds approximately $50,000.

This memorial is being carved in granite; the figures of Washington, Jefferson, Lincoln, and Theodore Roosevelt will be carved in this granite in the Black Hills, which will endure as long as the deeds of these great men contribute to the happiness of American posterity.

Mr. Speaker, the question simply resolves itself into whether we are going to leave this memorial unfinished or whether we are going to complete it. We have spent mil-

lions of dollars in the recent sessions of Congress for things less worth while.

To leave this memorial unfinished would be to desecrate the memory of these great statesmen. To finish it shows that we appreciate the Americanism they lived and taught. It is the spirit of the West to complete every undertaking. I ask the House to vote approval of this authorization.

Mr. Speaker, I reserve the balance of my time.

Mr. TABER. Mr. Speaker, this is not the first time this matter has been before the House. Frankly, I do not know how much has heretofore been appropriated, but I understand that a great deal of money has been appropriated, probably, $250,000, and I understood when the question came up before that the $250,000 was intended to finish the job and it was stated at the time that it would complete it.

Now, Gutzon Borglum, the noted sculptor, as I understand it, gets a very large share of the money that is appropriated for this particular purpose.

Mr. WOODRUFF. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. WOODRUFF. Gutzon Borglum does not get any such thing.

Mr. TABER. Does he not get something?

Mr. WOODRUFF. He gets something, and he is entitled to get something, I hope the gentleman will concede. But he does have to hire help, he does have expenses that have to be paid out of this. What he gets is a very small part of what is provided in this bill.

Mr. TABER. That is fine.

Mr. WOODRUFF. It is true also.

Mr. TABER. Mr. Speaker, it is not an easy job to stand up here and try to protect the Treasury of the United States. I have stood up and done it a good many times, and many times I have been bowled over after I have done it; but I feel that an attempt should be made at every opportunity to protect the Treasury, because the inroads on it are so severe that a serious question arises in my mind whether we are going to be able to meet those inroads. Having appropriated $250,000 heretofore for this job, with the understanding that that would finish the job, we ought not to go any further and appropriate any more money. We are in this situation: They have already completed the likenesses of Presidents Washington and Jefferson, as I understand it. That is a very considerable job, and it would seem to me that that would make a very good park all by itself, without adding any more to it.

In making that statement I do not wish to cast any aspersions upon President Lincoln or upon President Theodore Roosevelt, but I believe that a community which has as fine a park as this, with the likenesses of Washington and Jefferson, ought to be content and that it ought not to come back here for $200,000 more. I cannot see any excuse for spending so much money. We have started in tonight to allow some of these large appropriations to die. Let us let a few more die and not dig into the Treasury quite so hard. There is a lot of sentiment about all these parks. There is a lot of sentiment about all of these activities of an esthetic character. There is a lot of sentiment on the part of the neighborhoods affected. They feel they ought to have these things, but having treated them fairly in the past, is it not time that we should stop and not go any further? I reserve the remainder of my time.

Mr. WERNER. Mr. Speaker, I yield 4 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, it seems to me that if we do not intend to complete this project at Mount Rushmore we should not have commenced it. This half-finished job out there will represent a total loss unless we go ahead and complete it. I am in thorough sympathy with the position of my friend from New York, Mr. TABER, but there are things that we should do and this is one of them. It is not such a great sum of money that is being asked for in this appropriation.

Mrs. GREENWAY. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. Yes.

Mrs. GREENWAY. Is it not true that this monument is bringing millions of people to South Dakota?

Mr. KNUTSON. Yes. I was present when this park was dedicated by the late President Coolidge. It is one of the beauty spots of North America.

Mr. McFARLANE. Can the gentleman tell us about how many people have visited that section to view this monument and how far it is from the highway and how far it is from the center of population? Tell us something about this so that we will understand what we are about to vote on.

Mr. KNUTSON. I shall let the gentleman from South Dakota [Mr. WERNER], who is thoroughly acquainted with these different angles, answer that question.

Mr. McFARLANE. How close to completion are the two figures?

Mr. KNUTSON. The gentleman from South Dakota will also reply to that question. I think it would be a mistake to stop this gigantic work at this time, because if we do not complete it, the money that we have put into it will represent a total loss, and Congress will be the laughing stock of the country.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. PITTENGER. If the gentleman from Texas [Mr. McFARLANE] is opposed to this appropriation, let us ask him something about the $3,000,000 that we voted for Texas.

Mr. KNUTSON. Mr. Speaker, my colleague understands that money spent for public improvements in some other Member's district is always called "pork." I have no interest in this matter except to protect the money that we have already invested in this park.

Mr. COSTELLO. Will the gentleman tell us how much we have invested?

Mr. WHITE. Does the gentleman not think it advisable to avail ourselves of the matchless genius of Gutzon Borglum while he is still living?

Mr. KNUTSON. It is going to be one of the most marvelous works of art ever undertaken by mortal man. Mount Rushmore is situated in the Black Hills, and I say to you men and women who have never been out there that it is one of the scenic spots of the world. As this place becomes better known it will be visited by thousands and thousands of additional people each year. Therefore we should complete the job as soon as possible.

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. MORITZ].

Mr. MORITZ. Mr. Speaker, it seems inopportune at this time to bring in a bill of this sort. We spend millions every year for the unemployed, for the fathers of families who have no work and who are starving, which is right, but to spend $250,000 for art work at this time is certainly out of order. You cannot eat art. As the gentleman from New York [Mr. TABER] said, we have two images fashioned now, of Jefferson and Washington. That should be sufficient. What we are interested in now is getting people back to work so that the heads of families can get wages to buy food for their children. We are not interested in art right now. This project is all right in prosperous times when we have plenty of work and everybody is happy. Right now we should concentrate on the necessities of life.

The Chairman of the Committee on Appropriations [Mr. BUCHANAN] says we should retrench, and then the gentleman from Minnesota [Mr. KNUTSON], the great conservative, tells us to spend more money. Can you beat that?

Mr. WERNER. Will the gentleman yield?

Mr. MORITZ. Yes; I yield.

Mr. WERNER. Does the gentleman realize that practically every dollar that has been spent on Mount Rushmore is used to employ labor with which to feed the mouths of hungry children?

Mr. MORITZ. It is used to employ people like Mr. Borglum, who is already wealthy. There are a few laborers employed, and that is all. This is a lot of foolishness and ought to be voted down.

I yield back the remainder of my time.

[Here the gavel fell.]

Mr. WERNER. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Speaker, the gentleman from Pennsylvania [Mr. MORITZ], who has just concluded his remarks on this important bill, has apparently little knowledge of what is going on in the Black Hills. He seems possessed of the idea that the only person employed on that great work is Mr. Gutzon Borglum. When I tell you that the figure of Washington on that great mountainside is as large as the dome of this Capitol, and that the figures of Jefferson, Lincoln, and Theodore Roosevelt will be of comparable size, you will realize that Mr. Borglum finds it necessary to have many people help him in that tremendous work.

Now, I naturally have sympathy for the position taken by the gentleman from New York [Mr. TABER]. I have looked with much apprehension upon the wild squandering of money that is going on in this country. We are spending money for "boondoggling"; we are spending money for Passamaquoddy; we are spending money for building a highway down the Keys of Florida, over which few people will travel, and it is all built at a cost of many millions of dollars.

Mr. GREEN. Will the gentleman yield right there?

Mr. WOODRUFF. No; I do not yield.

I say to the Members of this House that the work going on at Mount Rushmore is something that will stand for thousands of years as a monument to the formative period in American history. That great monument contemplated in the Black Hills of South Dakota is supposed to typify four great epochs. One, typified by Washington and his work; one typified by Jefferson and his work; one typified by Lincoln and his work; and one typified by the work of Theodore Roosevelt.

Now, Mr. Speaker, as I stated a moment ago, when that great monument is completed, it will stand as a monument all down the ages to the Americanism we have known up to this time in our history. What is a matter of $200,000 in these days, when we consider that we have, during this session of Congress, appropriated $10,350,000,000 for God knows what, when with this $200,000 we can build a monument such as has never before been contemplated, such as has never before undertaken in the history of this world, to commemorate the great things which have contributed to making this the greatest country the world has ever known and the finest country in which to live.

Mr. Speaker, when I note the objections to this worthy measure, involving a mere $200,000, registered by the different Members of the House, particularly those of the majority, I am reminded that with the enactment of the third deficiency bill, which passed the House today, the appropriations for this session of Congress will amount to the staggering total of $10,350,000,000, bringing the total appropriated by the present administration during its first 3 years, under the direction of President Roosevelt himself, to the outrageously unjustified amount of $26,035,119,000.

This amount is greater by a few million dollars than the sum expended by this Government from April 6, 1917, until July 2, 1921, a period of more than 4 years, during which the United States was officially at war with Germany, and during which we were providing clothing, subsistence, military equipment of every kind and character for an army of 4,500,000 men, paying all other expenses incidental to conducting a war across a stretch of 2,500 miles of ocean, as well as increased expense for civil activities, and at the same time loaning billions of dollars to our allies, not much of which will ever be repaid.

For the fiscal year ending June 30, 1934, this administration appropriated $7,105,050,000; for the fiscal year ending June 30, 1935, there were appropriated—not including the $2,000,000,000 appropriated for the stabilization fund—$8,581,069,000; and this, together with the sum appropriated by this session of Congress, represents a sum greater by $1,514,274,000 than was expended by the United States during the period of 124 years from Washington's first inauguration to the fiscal year ending June 30, 1913, when President Wilson assumed Executive authority over the expenditures of the United States Government.

During this 124 years the people paid in part for the expense of waging the Revolutionary War and in full for the War of 1812, the Mexican War, the Indian wars, the Civil War, and the Spanish War, and in addition, of course, paid all of the other military and naval expenses as well as the civil expenses of the Government.

During the fiscal year just closed there was collected from every source, including the processing taxes upon foodstuffs and clothing, less than $4,500,000,000. This session of Congress has appropriated $5,900,000,000 more than we had to spend, and this means that the debt heaped upon the people of the country has been increased in this amount as a result of our action.

The tax bill, enacted at the insistence of President Roosevelt, notwithstanding the confiscatory rates on large incomes and estates and the increased taxes on business, will provide not to exceed $250,000,000 per year. If this bill serves no other purpose it will at least demonstrate to the country that the extravagant, wasteful expenditures of the Democratic administration now in power can be met only in exceedingly small part by soaking the rich, and that the poor will be called upon to pay far more than any people in their circumstances should ever be called upon to pay for taxes.

The amount of revenue produced by this tax bill will pay the running expenses of the Government as now conducted for less than 10 days. Even as a redistribution-of-wealth measure, which the people were led to believe it to be, it would provide but $2.08 for each of our 120,000,000 people. The bill makes it perfectly obvious to the great masses of our people that, in the last analysis, they, and not the rich, are going to be required to assume the greater portion of the cost of the administration's profligate expenditures.

Every dollar of expense, every dollar of debt is of vital interest to every class of our people, more particularly to the poorer classes. As President Roosevelt said in speaking at Pittsburgh, October 19, 1932:

> Our workers may never see a tax bill, but they pay in deductions from their wages, in increased costs of what they buy, or—as now—in broad cessation of employment. There is not an unemployed man, there is not a struggling farmer, whose interest in this subject is not direct and vital.

On that day, President Roosevelt expounded a fact, not a theory. Unless he has completely forgotten that statement and the truth of it, he must recognize the fact that the billions of dollars of waseful expenditures and the billions of dollars of debt being heaped upon our people must, in the last analysis, be paid largely by those who can least afford to pay, and I refer to our workers, our farmers, our people of modest incomes.

The result of this increasingly tragic situation, unless remedied at once, is bound to be a reduction of the American standard of living to the point where it will be comparable to that in the nations of the Old World and the Orient.

This burden of debt is going to be with us for generations. The young people of today, the young people of tomorrow, their children and their children's grandchildren, will be called upon to pay for the extravagance and the wasting of this administration.

Unless I am greatly mistaken in the good sense of the American people, they will, at the first opportunity presented to them through the ballot box, once and for all time register a repudiation of these shockingly wasteful policies that will be a lesson to other administrations for many years to come.

In view of the conditions I have outlined and in view of the ridiculous purposes for which billions are being spent by this administration, and in view of the worthy purpose for which this $200,000 is proposed, I hope the House will overwhelmingly approve the bill under consideration. [Applause.]

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. SEARS].

Mr. SEARS. Mr. Speaker, I have learned in life that each knock is a boost. I therefore want to thank my colleague for the knock he has just given Key West, Fla. I was inclined to vote for this proposition, but my good colleague and friend from Michigan, with whom I have served so many years, showed me he was so misinformed as to conditions in Florida, and so unfair, I am afraid to follow

him on this bill. When he stated that no one ever traveled the Key West Highway, the eighth wonder of the sea, he clearly convinced me that I would be foolish and unwise to vote for his proposition. [Laughter and applause.]

Mr. TABER. Mr. Speaker, I yield the balance of my time, 8 minutes, to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, we are now discussing the question of spending $200,000 more. I want to call to the attention of the House the statement made by the Chairman of the Committee on Appropriations, Mr. BUCHANAN, day before yesterday, that we have appropriated at this session of Congress over $10,000,000,000; more money than has ever been appropriated by any Congress in the history of this Nation in 149 years. Now, when you think that we have been the most extravagant Congress that has ever assembled, do you not think we ought to really consider, and consider carefully, what we are doing?

Where are we going to get the money? Remember that last year we spent $7,500,000,000, one-half raised by taxation and the other 50 percent raised by bonding the children and the grandchildren of this Nation to pay the bill, a millstone around their neck. This year we are appropriating 50 percent more than we spent a year ago. Now, if we are not going to increase the taxes more than we have done, if we are not going to raise more than $250,000,000 additional, you can see that if this money is spent we are going to be $7,500,000,000 in the red before the end of the year.

Let me ask you as supposedly sensible men, and I cannot qualify it in any other way, considering the expenditure of money, if you want to consider the continuation of the Government of the United States there is not one man here in this Chamber tonight but who realizes that in a very short time if we continue to pyramid our public debt as we did last year and as we are trying to do this year, that eventually the credit of this Nation will be gone; and when you wreck the credit of this Nation you wreck this Nation itself.

Now, what are we doing? We are considering here in this bill the question of putting on a mountain side the likeness of the face of Washington, which has already been completed, and of the face of Jefferson, which I understand is nearly completed, and of the faces of Lincoln and Teddy Roosevelt. We are told in this Chamber that the completed likenesses will each be as high as the Capitol Dome; our national debt is $31,000,000,000 higher than the Empire State Building. If these two faces are that big, gracious goodness, we ought to change the faces of those two men or else we ought to change the faces and the complexion of the Members of this House, one of the two. If the Members of Congress and our guests in the galleries want to look at the face and figure of Washington, they need not go to the Black Hills of South Dakota; they can turn to the portrait in this Hall of the House of Representatives and see Washington in natural size, as he would want to be seen by the citizens of this country.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. RICH. Mr. Speaker, I decline to yield because there is still hope for America and there is still hope for this Congress if we refuse to appropriate any more money. Then when we come back here next year, let us put more taxes on the American people, because that is what you will have to do ultimately. Tax the American people more so they will send back to Congress men who will not spend money like you have been spending it during this session of Congress. [Applause.]

They tell me that we are going to employ on this monument Mr. Borglum and his crew of assistants. Now, I like Mr. Borglum. I think he is a very fine man, and no doubt he is one of the finest sculptors in this land, or in the world.

I question whether the $200,000 that is to be spent for this particular purpose at this particular time will do as much good for the people of South Dakota as though this money were spent to help the farmers of South Dakota, instead of in a manner in which they are trying to help them now with the processing taxes, for you must remember that the people back home are getting tired of the processing taxes. Now, when you go to the people of America and ask them to pay taxes in some other manner to pay these 60 men for building these great faces of Washington, Jefferson, and Roosevelt on that mountainside, faces which are going to be as high as the Capitol Dome, then I think the taxpayers will say to you, and they will say to me that their tax bill is higher than the Capitol Dome. Taxes are now too high, but to save the Nation you must either increase taxes or cut down expenses. What course will you take?

Mr. McFARLANE. Gutzon Borglum is a chiseler, is he not?

[Here the gavel fell.]

Mr. WERNER. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. LUNDEEN].

CONGRESS MUST NOT ADJOURN NOW—OUR WORK IS UNFINISHED

Mr. LUNDEEN. Mr. Speaker, the administration deserves credit for continuing the great Rushmore Black Hills Project. Gutzon Borglum is a sculptor whose genius is unquestioned and whose fame is world-wide. This art project was originated under the Republican President, Coolidge, and carried on by the administration of President Hoover, and all the Democratic administration is seeking to do now is to finish what the Republicans began.

VETERANS' LEGISLATION MUST BE PASSED

We must not adjourn now. We must stay here until we have passed the bill to pay the adjusted-service certificates due the veterans of the World War, and other veterans' legislation. The more than $2,000,000,000 provided in the adjusted-service certificates bill will flow into the arteries of commerce and trade to revive business and help labor in this crisis.

PASS THE FRAZIER-LEMKE FARM REFINANCING BILL

We must pass the Frazier-Lemke farm refinancing bill and other farm legislation. The farmers are entitled to that and no less than that. I have voted for every piece of labor, veterans', and farmers' legislation brought before this House, and now it is proposed that we adjourn without enacting genuine, adequate social-security legislation. Speeches are even made on the floor tonight that we should adjourn without appropriating any money to carry out the measures passed by this Congress. What is the purpose of this? Is the purpose to destroy the little good that might come of the work we have done, insufficient and inadequate as it is? Is that your purpose?

MUST PROVIDE FUNDS FOR GENUINE, ADEQUATE SOCIAL SECURITY

We must stay here until we have provided adequate funds for genuine social security, by taxation on gifts, inheritances, and incomes over $5,000. I am in favor of staying here to carry out by proper appropriations the bills that have been passed for unemployment, old age, maternity, health, accident insurance, and social insurance in general. We have no right to think of our personal comfort in this matter. We are hired to stay here and do our duty by the people back home in these United States. They expect nothing less from us than that.

I want the RECORD to show that I am against adjournment now when the American Federation of Labor says that 11,000,000 are now unemployed, and I consider that figure way too low—the figure lies somewhere between twelve and fifteen million unemployed, and we have plenty of authority to sustain our position on that. I am against adjourning now when the relief lines run more than 22,000,000 and are steadily rising and have been rising during the last 3 years.

THIS CRISIS IS NOT OVER

Ladies and gentlemen, this crisis is not over, and we must meet it as our fellow citizens expect us to meet it. We must stay here until we find a solution to the problems that confront us in this day and hour. [Applause.]

[Here the gavel fell.]

Mr. WERNER. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Speaker, I am not alarmed as is the gentleman from Pennsylvania about the American Govern-

ment being made bankrupt by the Roosevelt administration. Half the wealth of the world is in the United States.

Mr. Speaker, my purpose for rising at this time is to refute the statement made by the gentleman from Michigan [Mr. WOODRUFF] relative to Key West, Fla. It is one of the most ancient and picturesque cities in the United States. It is the southernmost city in the United States. Money expended for this highway will prove to be one of the most meritorious expenditures this Congress has ever made. Thousands of tourists as well as local persons will travel this highway annually. The gentleman from Michigan is entirely in error relative to the importance of this Federal expenditure. [Applause.]

Mr. WERNER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Speaker, the provision in the report of the Committee on the Library sets out that this is the last money to be given to finish this project. I want to relieve the anxiety of my friend the gentleman from Pennsylvania by calling his attention to these simple facts. When we talk of deficits, for every 2 years and 8 months of our existence from the beginning of the Government to the present time 1 year out of that 2 years and 8 months has been a year of deficit. I want the Members to get that perfectly clear. We have never had any difficulty in paying our deficits when we got to work. This is work and will help to whatever extent we appropriate the money for it. This $200,000 will finish this great work. We ought to understand what the art of our country means. We ought to get some idea of what we are doing out there and what a really great work is being done by a great American sculptor—in fact, the greatest in the world.

[Here the gavel fell.]

Mr. WERNER. Mr. Speaker, I yield myself the balance of the time.

Mr. WERNER. Mr. Speaker, this bill is approved by the Director of the Budget. We come here and ask your vote for this bill with the approval of all the agencies that have anything to do with it, and this bill, I may say, comes here also with the approval of the President of the United States. The other day the President wrote this letter:

> In our conversation the other day regarding the Mount Rushmore National Memorial, your description of the progress of work on the memorial and of its inspirational value to our people in the years to come convinces me of the need for legislation to authorize an additional appropriation of $200,000 for the completion of this project.

Mr. Speaker, that letter was written to the senior Senator from my State, Hon. PETER NORBECK, who has given of his time, of his efforts, and of his thoughts, and whose heart lies in the completion of this great American memorial.

Mr. WOODRUM. Will the gentleman yield?

Mr. WERNER. I yield to the gentleman from Virginia.

Mr. WOODRUM. I hope the gentleman's resolution will pass. I should like to make this observation, if the gentleman will permit: This project was started, as the gentleman knows, under a previous administration. There are no politics in it at all. It is a great American project. It always has happened that these projects have taken more money than we started out to spend. If we appropriate more money to finish this, we are simply doing what we have always had to do and what we know we always will have to do in the future. It takes more money than was thought necessary at the beginning. I think the resolution is meritorious, and I hope it will pass.

[Here the gavel fell.]

The SPEAKER pro tempore. The question is on the motion of the gentleman from South Dakota [Mr. WERNER] to suspend the rules and pass the bill.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 119, noes 41.

So (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

RETIREMENT OF CERTAIN OFFICERS AND EMPLOYEES

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2364) relative to the retirement of certain officers and employees.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I should like to have the bill explained.

Mr. RAMSPECK. I shall be glad to explain the bill. This bill has the recommendation of the Post Office Department and the Postmaster General. It affects only 52 employees who automatically were retired by the Economy Act of 1932, but were retained by the Post Office Department for part of the month of July, but could not be paid because there was no money appropriated with which to pay them.

Mr. McFARLANE. Mr. Speaker, I have no objection.

Mr. SNELL. Mr. Speaker, will the gentleman yield for one more question?

Mr. RAMSPECK. Yes.

Mr. SNELL. As I understand the situation, this is not liable to establish a precedent because nothing similar to this can happen in the future.

Mr. RAMSPECK. The gentleman is correct.

Mr. DONDERO. This is simply to pay for work that has been done and not paid for by the Government.

Mr. SNELL. There has been no work done that was not paid for, because these people were on the pay roll.

Mr. MEAD. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. MEAD. A large number of employees were retired under the Economy Act and then asked if they would not work until the 10th of July, and a Comptroller's decision subsequently barred them from their retirement pay until the 1st of August, and this bill takes care of that situation.

Mr. RAMSPECK. Yes.

There being no objection, the clerk read the Senate bill as follows:

> *Be it enacted, etc.*, That all officers and employees of the United States Government or of the government of the District of Columbia who had reached the retirement age prescribed for automatic separation from the service on or before July 1, 1932, or during the month of July 1932, and who were continued in active service for a period of less than 31 days after June 30, 1932, shall be regarded as having been retired and entitled to annuity beginning with the day following the date of separation from active service, instead of August 1, 1932, and the United States Civil Service Commission is hereby authorized and directed to make payments accordingly from the civil-service retirement and disability fund to those persons entitled and who make application therefor.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ACTIVE DUTY FOR RESERVE OFFICERS

Mr. McSWAIN. Mr. Speaker, by direction of the Committee on Military Affairs, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6250) to amend the National Defense Act, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the President is hereby authorized to call annually, with their consent, upon application to and selection by the War Department, for a period of not more than 1 year for any one officer, not to exceed at any time 1,000 Reserve officers of the combatant arms and the Chemical Warfare Service in the grade of second lieutenant, for active duty with the Regular Army: *Provided*, That nothing herein contained shall affect the number of Reserve officers that may be called to active duty under existing laws, nor the conditions under and purposes for which they may be so called.

"SEC. 2. That, for the period of 10 years beginning July 1, 1936, the Secretary of War is authorized to select annually, in addition to the graduates from the United States Military Academy, 50 officers who shall be commissioned in the Regular Army: *Provided*, That the Secretary of War shall determine for each annual increment the number to be allotted among the promotion list branches: *And provided further*, That the number to be appointed

in the promotion list branches shall be selected from such Reserve officers who have received the training herein authorized or from graduates of the Army Air Corps Training Center."

The SPEAKER. Is there objection to the immediate consideration of the bill?

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman explain the Senate amendment?

Mr. McSWAIN. Mr. Speaker, this bill is in the singular and unique situation of having passed the House and the Senate twice, in that the provisions of the bill, substantially, were a part of what was known as the "additional cadetship bill" for the Military Academy. By action of the Senate, this part of the bill was recalled, with the consent of the House, and then the House subsequently passed a bill authorizing the calling of not exceeding 2,000 Reserve officers to duty, and this amendment of the Senate cuts it down to not exceeding 1,000 Reserve officers.

Mr. SNELL. Just what does the gentleman mean by calling them to duty?

Mr. McSWAIN. Active duty with the Regular Army for training, not exceeding a period of 1 year at a time. This is one of the most essential and fundamental and constructive pieces of legislation with regard to national defense that has been inaugurated in a long time.

Mr. SNELL. This is entirely new.

Mr. McSWAIN. This is new, but it has the approval of the War Department and the approval of the Reserve Officers' Association, and all those who have constructive thought with regard to the best and most economical way of providing national defense.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. CONNERY. Are these Reserve officers who are called to duty to be used in labor disturbances?

Mr. McSWAIN. No; these officers are to serve on active duty with the Regular Army.

Mr. SABATH. Is this necessary on account of the retirement act that we passed a few days ago?

Mr. McSWAIN. This has no connection whatsoever with that matter. These gentlemen are just called for training. There are 120,000 of these officers in the United States, and we are calling not to exceed 1,000.

Mr. RICH. Reserving the right to object, do I understand that this provides for a thousand new officers?

Mr. McSWAIN. Oh, no. There are at present 120,000 Reserve officers, and 90 of them are on active duty. This permits the Secretary of War to call not exceeding 1,000 in any one year, and it will depend upon the action of the Committee on Appropriations and the Congress as to how much money they can get. They may only furnish the money for 500, but this bill gives him authority to call not exceeding 1,000.

Mr. RICH. Are they going to spend all the money they can get to take care of these men?

Mr. McSWAIN. They will not spend any more than Congress appropriates, and there will be no request for an appropriation at this time.

Mr. RICH. What is it going to cost to maintain these officers?

Mr. McSWAIN. If the 1,000 officers are called, it will not cost more than $1,500,000.

Mr. RICH. Where are you going to get the million and a half dollars?

Mr. McSWAIN. We will have to see about that next year.

Mr. RICH. Mr. Speaker, I object.

ORDER OF BUSINESS

The SPEAKER. There are 13 House bills with Senate amendments on the Speaker's table. These bills have passed the House and passed the Senate, and the Senate has amended them. The Chair thinks, in all fairness, that these bills, having advanced to that stage, should be considered at this time. The Chair thinks that the Members who are interested in them, if they desire to do so, ought to be given the opportunity to call them up. Of course it takes unanimous consent. The Chair will recognize Members who are interested in these bills at this time.

AMENDMENT TO BANKRUPTCY LAWS

Mr. CHANDLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7858) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof, and supplementary thereto, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to take from the Speaker's table the bill H. R. 7858 with Senate amendments thereto.

The Clerk reported the title of the bill.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 3, line 10, strike out all after "filed." down to and including "presumed" in line 20, and insert: "If the United States of America is a creditor or stockholder, the interests or claims thereof shall be deemed to be affected by the plan, and the Secretary of the Treasury is hereby authorized to accept or reject a plan in respect of the interests or claims of the United States. If, in any reorganization proceeding under this section, the United States is a creditor on claims for taxes or customs duties (whether or not the United States has any other interest in, or claim against, the debtor, as creditor or stockholder), no plan which does not provide for the payment thereof shall be confirmed by the judge except upon the acceptance of a lesser amount by the Secretary of the Treasury certified to the court: *Provided*, That if the Secretary of the Treasury shall fail to accept or reject a plan for more than 90 days after receipt of written notice so to do from the court to which the plan has been proposed, accompanied by a certified copy of the plan, his consent shall be conclusively presumed."

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I think the gentleman should make a short explanation and tell us exactly what this means.

Mr. CHANDLER. Mr. Speaker, this bill was passed by the House for the purpose of clarifying a provision in the corporate-reorganization statute which the Seventy-third Congress passed. Some of the courts construing that statute found that Congress had failed to fix the status of Government claims during the reorganization of corporations. The House passed the bill fixing the status of Government claims, and when the bill went to the Senate the Senate amplified the statute so as to fix the agency to represent the Government in this matter in the Secretary of the Treasury for all departments of the Government, rather than to have every department of the Government that might have a claim against the corporation making separate investigations into the corporate assets. Another amendment that was added by the Senate gave the Secretary of the Treasury the right to be the agent for all of the Government organizations and make one investigation instead of several. Next, the time within which the Secretary of the Treasury, as the agent, would have to accept or reject settlements proposed in these reorganizations was extended from 60 days to 90 days, giving more time for a more thorough investigation. Third, customs duties were placed in the same status as taxes in the collection of the Government claim. That is what this does.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were concurred in and a motion to reconsider laid on the table.

RELIEF OF BELL OIL & GAS CO.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 7140, an act for relief of the Bell Oil & Gas Co., with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to take from the Speaker's table the bill H. R. 7140, with a Senate amendment thereto, and concur in the Senate amendment. The Clerk will report the Senate amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury

not otherwise appropriated, the sum of $4,616.69 to the Bell Oil & Gas Co., of Tulsa, Okla., for the purpose of reimbursing said Bell Oil & Gas Co. for Federal tax on gasoline delivered under contract with the War Department, dated June 29, 1932, said Department having contracted to pay said tax and said payment having been refused by the Comptroller General of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

TRANSFER OF MILITARY RESERVATION TO THE DEPARTMENT OF THE INTERIOR

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8444, to authorize the transfer of a certain military reservation to the Department of the Interior, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to take from the Speaker's table the bill H. R. 8444, with a Senate amendment thereto, and concur in the same.

The Clerk will report the Senate amendment.

The Clerk read as follows:

Line 11, after "War Department", insert ": *Provided, however*, That nothing in this act shall be construed as authorizing the transfer of any part of the said reservation which, in the judgment of the Secretary of War, is needed for the proper development, control, or use of the reservation for military purposes: *Provided further*, That upon cessation of such use the premises so transferred shall revert to the jurisdiction of the War Department: *And provided further*, That the transfer authorized by this act shall not require discontinuance of the operation of the Fort Belvoir Fish Cultural Station, however, its removal and establishment elsewhere on the Belvoir Military Reservation, Va., as may be agreed upon by the Secretary of Commerce and the Secretary of War, is hereby authorized."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was concurred in and a motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

JOHN S. CANNELL, DECEASED

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, H. R. 1575, to correct the military record of John S. Cannell, deceased, with Senate amendment and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out all after "have" in line 8, down to and including "1918" in line 10, and insert: "died on the 12th day of September 1918 as a member of said organization, and that his death was in the line of duty and was not the result of his own misconduct."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

The title was amended to read: "An act for the relief of John S. Cannell, deceased."

TO AMEND THE NATIONAL DEFENSE ACT

Mr. McSWAIN. Mr. Speaker, I renew my request for the consideration of the bill (H. R. 6250) to amend the National Defense Act, with a Senate amendment, and concur in the Senate amendment, having been informed that the objection was made under misapprehension.

The SPEAKER. The gentleman from South Carolina asks unanimous consent for the immediate consideration of the bill H. R. 6250 with a Senate amendment, which the Clerk will report.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the President is hereby authorized to call annually, with their consent, upon application to and selection by the War Department, for a period of not more than 1 year for any one officer, not to exceed at any time 1,000 Reserve officers of the combatant arms and the Chemical Warfare Service in the grade of second lieutenant, for active duty with the Regular Army: *Provided*, That nothing herein contained shall affect the number of Reserve officers that may be called to active duty under existing laws, nor the conditions under and purposes for which they may be so called.

"SEC. 2. That for the period of 10 years, beginning July 1, 1936, the Secretary of War is authorized to select annually, in addition to the graduates from the United States Military Academy, 50 officers who shall be commissioned in the Regular Army: *Provided*, That the Secretary of War shall determine for each annual increment the number to be allotted among the promotion list branches: *And provided further*, That the number to be appointed in the promotion list branches shall be selected from such Reserve officers who have received the training herein authorized or from graduates of the Army Air Corps Training Center."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. HOEPPEL. Reserving the right to object, I will not object, but I should like to make a reservation to strike out the last word.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I move to concur in the Senate amendment.

Mr. HOEPPEL. Mr. Speaker, I should like to be recognized in opposition.

Mr. McSWAIN. Mr. Speaker, I move the previous question on the motion to concur in the Senate amendment.

The previous question was ordered.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

HERMAN W. BENSEL

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speakers' table the bill (H. R. 3109) for the relief of Herman W. Bensel, with Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Lines 6 and 7, strike out "Regiment Volunteer Infantry, National Guard", and insert: "Infantry."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. McFARLANE. Reserving the right to object, I should like to have the amendment explained.

Mr. McSWAIN. The Senate amendment only changes the designation. The House bill said that this soldier was of the One Hundred and Fifty-fourth Regiment Volunteer Infantry, National Guard. The amendment simply strikes that out and inserts the word "Infantry."

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. RICH]. I overlooked the fact that he desired to explain his attitude a moment ago. I yield the gentleman 2 minutes.

Mr. RICH. Mr. Speaker, when the gentleman said we are adding a thousand officers to the Regular Army and it was to cost $1,500,000, I thought that was something beyond what we ought to do in the late moments of the session, but when it is only giving men in the National Guard, Reserve officers, an opportunity for part time, it makes an entirely different aspect on this $1,500,000, because it is going to give employment.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

ROBERT E. CALLEN

Mr. RAMSPECK. Mr. Speaker, on behalf of the Committee on Claims, I ask unanimous consent to take from the

Speaker's table the bill (H. R. 4567), an act for the relief of Robert E. Callen, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$2,418.52" and insert "$1,000."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

ELINORA FAREIRA

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4770) for the relief of Elinora Fareira, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after line 9, insert:

"SEC. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,800 to Mearon Perkins, formerly a janitor in the El Centro Post Office, El Centro, Calif., in full satisfaction of all his claims against the United States for a reward for protecting the property of the United States on February 4, 1932, at great risk to his life, when he was compelled to shoot and kill one Alvin Self, an escaped convict, who was ransacking the package room of such post office."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was agreed to.

The title was amended to read as follows: "An act for the relief of Elinora Fareira and Mearon Perkins."

A motion to reconsider was laid on the table.

MARY E. LORD

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5097) for the relief of Mary E. Lord, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$5,000" and insert "$2,500."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

FRANK WILLIAMS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5521) for the relief of Frank Williams, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$2,500" and insert "$1,000."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MARY BROWN RALEY

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5750) for the relief of Mary Brown Raley, with a Senate amendment and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 9, after "1932", insert: "and for expenses and losses resulting therefrom."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MRS. L. B. GENTRY

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3149) to confer jurisdiction upon the United States District Court for the Southern District of Texas, Corpus Christi Division, to determine the claim of Mrs. L. B. Gentry, with a Senate amendment and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 3, after "Act" insert: "*Provided*, That the judgment, if any, shall not exceed the sum of $5,000."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6776) to amend section 36 of the Emergency Farm Mortgage Act of 1933, with Senate amendments, concur in Senate amendments nos. 1 and 2, and disagree to Senate amendment no. 3.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 11, after "districts," where it occurs the first time, insert: "reclamation districts,"

Page 3, after line 11, insert:

"SEC. 3. The Emergency Farm Mortgage Act of 1933, as amended, is further amended by adding after section 36 thereof the following new section:

"'SEC. 36A. In addition to the authority granted to the Reconstruction Finance Corporation by section 36 of this act, as amended, the Corporation is authorized and empowered to make loans, as hereinafter provided, in an aggregate amount not exceeding $10,000,000 to or for the benefit of counties, political subdivisions of States, political subdivisions of counties, and districts, duly organized under the laws of any State, in which the United States has acquired or shall hereafter acquire lands for purposes of watershed protection, timber production and conservation, protection of grazing areas, or preservation of wildlife. Such loans shall be made for the purpose of enabling any such county, political subdivision, or district (hereinafter referred to as the "borrower") to refinance its outstanding indebtedness existing at the time the United States acquired or shall have acquired such land.

"'Such loans shall be subject to the same terms and conditions as loans made under section 5 of the Reconstruction Finance Corporation Act, as amended; except that (1) the term of any such loans shall not exceed 40 years; (2) each such loan shall, in the opinion of the Corporation, be reasonably and adequately secured, and, in respect to the type of security, shall be secured (a) by bonds, notes, or other obligations for the payment of which shall be pledged the full faith and credit and taxing power of the borrower or of such taxing authority as may be authorized pursuant to State law to levy assessments, taxes, or other charges for the repayment of said obligations, or (b) by bonds, notes, or other obligations which are a lien on real property situated within the boundaries of the borrower, which is taxable under existing laws, or shall be secured by both of such methods, and (c) by such other collateral as may be acceptable to the Corporation; and (3) the borrower shall agree, insofar as it may lawfully do so, that so long as any part of such loan shall remain unpaid the borrower will in each year apply to the repayment of such loan, or to the purchase or redemption of the obligations issued to evidence such loan, an amount equivalent to a proportionate part of the principal of the loan, taking into consideration the number of years through which the loan will mature and taking into consideration the intention to place on the taxpayers a burden as nearly uniform as practicable throughout the entire term of the loan, and that it shall at all times make provision for such reasonable reserves as may be approved by the Corporation. No loan shall be made under this section until the Reconstruction Finance Corporation (A) shall have determined that by reason of the acquisition of said land by the Government the financial condition of the borrower has been sufficiently affected to warrant the making of such loan; (B) has satisfied itself as to the security supporting the outstanding bonds or other obligations of the applicant; and (C) in the case of a loan to reduce or refinance the outstanding indebtedness of an applicant, has been satisfied that an agreement has been entered into between the applicant and holders of its outstanding bonds or other obligations under which the applicant will be able to purchase or refund all or a major portion of such bonds or other obligations at a price determined by the Corporation to be reasonable after taking into consideration the average market price of such bonds over the 3 months' period ending July 1, 1935, and under which a reduction will be brought about in the amount of the outstanding indebtedness of the applicant, or under which a reduction in its annual charges of principal and interest will be accomplished, resulting in benefit to the community and promoting its general welfare. Loans made under this section shall bear interest at a rate or rates to be fixed by the Corporation.

"'When a loan is authorized pursuant to the provisions of this section and it shall then or thereafter appear that repairs and

necessary extensions or improvements to the properties of borrower are necessary or desirable for the further assurance of the ability of the borrower to repay such loan, the Corporation, within the limitation as to total amount provided in this section, may make an additional loan or loans to such borrower for such purposes.

"'The proceeds of any loan applied for by a borrower under this section may be paid either to such borrower or to the holders or representatives of the holders of the bonds, notes, or other obligations to be reduced and refinanced in connection with such loan, and such loans may be made upon promissory notes collateraled by such bonds, notes, or other obligations, or through the purchase of securities issued or to be issued by such borrower. In the discretion of the Corporation, the borrower may, if consistent with State law, be authorized to deliver to the holders of such original obligations, refunding bonds bearing the same rate of interest and issued on the same basis of the refunding bonds to be held by the Corporation.'"

Page 3, after line 11, insert:

"SEC. 4. That notwithstanding any other provision of law, Electric Home and Farm Authority, a corporation organized under the laws of the District of Columbia, shall continue until February 1, 1937, or such earlier date as may be fixed by the President by Executive order, to be an agency of the United States. During the continuance of such agency, the present investment in the capital stock of such corporation, for the use and benefit of the United States, shall be continued, and such corporation is hereby authorized to use all its assets, including capital and net earnings therefrom, and all moneys which have been or may hereafter be allocated to or borrowed by it, in the exercise of its functions as such agency."

Amend the title so as to read: "An act to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes."

Mr. STEFAN. Mr. Speaker, reserving the right to object, do I understand Senator NORRIS will recede on Senate amendment no 3?

Mr. PIERCE. He has receded on that amendment.

Mr. STEFAN. Mr. Speaker, I have no further objection to the bill.

The SPEAKER. Without objection, Senate amendments nos. 1 and 2 will be agreed to and Senate amendment no. 3 will be disagreed to.

There was no objection.

A motion to reconsider was laid on the table.

### HOMESTEAD ENTRIES BY CERTAIN WORLD WAR VETERANS

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8133) to authorize certain homestead settlers or entrymen who are disabled World War veterans to make final proof of their entries, and for other purposes, with Senate amendments and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 3, strike out "settler or."

Page 1, line 5, strike out "actually engaged in" and insert: "a member of."

Page 1, lines 8 and 9, strike out "who settled, entered upon, or applied for public lands" and insert: "whose entry was made prior to January 1, 1935,".

Page 1, line 9, strike out "incapacities is" and insert: "or mental disabilities has been or may hereafter become."

Page 2, line 5, strike out "or settled."

Amend the title so as to read: "An act to authorize certain homestead entrymen who are disabled World War veterans to make final proof of their entries, and for other purposes."

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I should like to have these amendments explained.

Mr. ROBINSON of Utah. Mr. Speaker, the purpose of this bill is simply to permit homestead entrymen who have been discharged from service in the World War to have a chance to prove up on their homesteads, provided they are disabled and unable to live on them and take care of them.

Mr. McFARLANE. I notice this provision amongst others:

Who because of physical or mental disabilities has been or may hereafter become unable to perform the prescribed residential improvement and other requirements.

Is not this going pretty far?

Mr. ROBINSON of Utah. No; it simply provides that a soldier who is disabled or who becomes disabled and cannot prove up on his homestead may, in the discretion of the Secretary of the Interior, be given the right to the homestead without living on it.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

### ATTORNEYS AND COUNSEL SPECIALLY EMPLOYED BY ATTORNEY GENERAL

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3433) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, reserving the right to object, I wish the gentleman would make a statement explaining this bill.

Mr. SUMNERS of Texas. Mr. Speaker, this bill is introduced for the purpose of relieving from the operation of existing law Mr. William Stanley who was formerly an Assistant Attorney General and who is wanted by the Attorney General to continue the prosecution of a case in which he was engaged while he was in the service. There is $20,000,000 involved.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill as follows:

*Be it enacted, etc.*, That nothing in sections 109 and 113 of an act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended (U. S. C., title 18, secs. 198 and 203), or in section 190 of the Revised Statutes of the United States (U. S. C., title 5, sec. 99), or in any other act of Congress forbidding officers or employees or former officers or employees of the United States from acting as counsel, attorney, or agent for another before any court, department, or branch of the Government or from receiving or agreeing to receive compensation therefor, shall be deemed to apply to attorneys or counselors to be specially employed, retained, or appointed by the Attorney General or under authority of the Department of Justice to assist in the conduct of the cases entitled The Farmers' Loan & Trust Co. (a corporation) as trustee under a deed of trust made by William Waldorf Astor, etc., against Frank C. Bowers, etc. (L 35/74 and L 35/75) pending in the United States District Court for the Southern District of New York and in the Circuit Court of Appeals for the Second Circuit, including all proceedings to review any judgment or decree that may be rendered therein, and any other case or proceeding involving the matters or any of them involved in the said cases.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H. R. 9168) were laid on the table.

### MACK COPPER CO.

Mr. BURNHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1878) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co. and its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I should like to hear this bill explained.

Mr. BURNHAM. Mr. Speaker, the purpose of this bill is to confer jurisdiction on the Court of Claims to hear and determine the claim of the Mack Copper Co. During the World War the Government took possession of something over 5,000 acres of land belonging to the Mack Copper Co, later known as "Camp Kearney." There was no lease or contract made. Later the Court of Claims allowed the Mack Copper Co., as rental, the sum of $79,000. They used the land for something over 5 years, but left it in a terrible condition, with trenches, pits, and so forth.

Mr. McFARLANE. The matter goes to the Court of Claims?

Mr. BURNHAM. It goes to the Court of Claims.

Mr. McFARLANE. This bill merely confers jurisdiction on the Court of Claims to try the case?

Mr. BURNHAM. That is all.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That jurisdiction be, and is hereby, conferred upon the Court of Claims of the United States, notwithstanding the lapse of time, prior consideration, or any statute of limitation,

to hear and determine the claim of the Mack Copper Co. against the United States for just compensation for the taking and use, of certain real property owned by the Mack Copper Co. and situated in San Diego County, State of California, which real property was taken, used, and occupied by the United States as an Army cantonment, training camp, or for other military purposes during the period from on or about May 15, 1917, to on or about June 1, 1922, not heretofore paid by the United States to the Mack Copper Co.

SEC. 2. That the Court of Claims of the United States, in the hearing and determination of any suit prosecuted under the authority of this act, is authorized, in its discretion, to use and consider as evidence in such suit, together with any other evidence which may be taken therein, the testimony and other evidence filed by Mack Copper Co. and the United States, respectively, in case no. D-134 on the docket of that court entitled "Mack Copper Co. against the United States", wherein the court rendered a judgment on the 6th day of June 1927.

SEC. 3. From any decision or judgment rendered in any suit presented under the authority of this act, a writ of certiorari to the Supreme Court of the United States may be applied for by either party thereto, as is provided by law in other cases.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROTECTION AND PRESERVATION OF DOMESTIC SOURCES OF TIN

Mr. FADDIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3381) to provide for the protection and preservation of domestic sources of tin.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. SNELL. Mr. Speaker, reserving the right to object, I want to hear this bill explained.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the interest of national defense, it is hereby declared to be the policy of Congress and the purpose and intent of this act to protect, preserve, and develop domestic sources of tin, to restrain the depletion of domestic reserves of tin-bearing materials, and to lessen the present costly and dangerously dependent position of the United States with respect to resources of tin.

SEC. 2. There shall not be exported from the United States after the expiration of 60 days from the enactment of this act any tin-plate scrap, except upon license issued by the President of the United States. The President is authorized to grant licenses upon such conditions and regulations as he may find necessary to assure in the public interest fair and equitable consideration to all producers of this commodity.

SEC. 3. Any violations of the provisions of this act shall be a misdemeanor and shall be punished by a fine of not more than $500 or by imprisonment of not more than 1 year, or by both such fine and imprisonment.

Mr. SNELL. Mr. Speaker, I should like to have this bill explained.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. TABER. Mr. Speaker, reserving the right to object, is this the tin bill?

Mr. FADDIS. It is the tin bill.

Mr. TABER. Mr. Speaker, I objected once before to the consideration of this bill. I object.

RIO GRANDE CANALIZATION PROJECT

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3085) authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

Mr. SNELL. Mr. Speaker, reserving the right to object, I should like to have this bill explained, and I want to know how much it is going to cost.

Mr. DEMPSEY. Mr. Speaker, this bill is to permit the State Department to carry out an international agreement. In about 1906 the Federal Government of the United States saved about $30,000,000 as the result of entering into an agreement with Old Mexico, which agreement provided that we furnish Old Mexico with 60,000 acre-feet of water a year. The dam which is located in Old Mexico is such they cannot measure the water. The people of New Mexico and southern Texas are denied water now, as set out in the report by the Secretary of State, and it is impossible for him to comply with this international agreement without this construction.

This bill has passed the Senate. It has been reported unanimously by the Committee on Foreign Affairs and the gentlemen on that side of the aisle, who are members of the committee and are familiar with this matter, are in favor of it. Unless the work is performed it is going to cost this Government many millions of dollars.

Mr. SNELL. What will it cost if we carry it out as agreed in the international agreement?

Mr. DEMPSEY. One million and two hundred thousand dollars.

Mr. SNELL. It is necessary to carry out the agreement with Mexico?

Mr. DEMPSEY. Yes.

Mr. THOMASON. This bill has the approval, not only of the State Department, but of the International Boundary Commission in connection with the carrying out of an international treaty with Mexico.

Mr. DEMPSEY. The gentleman is correct, and it also has the approval of the Director of the Budget.

Mr. TABER. How did it come that a treaty was made in 1906, and there has been no suggestion of an appropriation in all this time?

Mr. DEMPSEY. I may say to the gentleman from New York that they have been carrying it out since that time, but this reservoir has filled with silt, as is set forth in the report, and it is impossible to carry out the agreement any further without some construction work being done.

Mr. TABER. Do they need as much as $1,200,000?

Mr. DEMPSEY. Yes; then we will have a permanent job and can carry out the agreement with Old Mexico.

Mr. JENKINS of Ohio. How does it come that the gentleman has not brought this matter up earlier in the session?

Mr. DEMPSEY. We brought this matter up earlier in the session. A bill was passed unanimously providing for a survey. We voted an appropriation of $60,000 in order to survey this work.

The survey has been made and the State Department now comes to you and asks you to permit them to do this construction work.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. DEMPSEY. I yield.

Mr. JENKINS of Ohio. What will result if you let this go over until January?

Mr. DEMPSEY. We cannot tell. We might have international trouble on this border.

Mr. THOMASON. This is just an authorization.

Mr. DEMPSEY. That is all.

Mr. RICH. Was there any committee of the House that considered this bill?

Mr. DEMPSEY. Yes; the Committee on Foreign Affairs of the House, of which the gentleman from Massachusetts, Mr. MARTIN, is the ranking minority Member, and he is very familiar with it.

Mr. RICH. If this Senate bill involves the construction of this work on a river why would it not go to the Committee on Rivers and Harbors?

Mr. DEMPSEY. This is an international matter.

Mr. RICH. Why was it not brought up before the Committee on Flood Control?

Mr. DEMPSEY. Oh, it is not that kind of a bill. This is an international matter and one that must be considered by the Committee on Foreign Affairs.

Mr. RICH. Why did the gentleman wait until the last minute to bring in this bill?

Mr. DEMPSEY. This bill was pending in the Senate and I have been trying to get the floor for some time to get it up.

Mr. RICH. The gentleman did not have to wait until the Senate acted in order to get action here on his bill.

Mr. DEMPSEY. We had to wait until the report came back as a result of the survey that was made.

Mr. RICH. It will only be 4 months until Congress reconvenes, and, as I understand, this is going to cost a million and a quarter dollars. Mr. Speaker, I object.

Mr. DEMPSEY. If the gentleman will reserve his objection, I may state that this does not appropriate the money but only authorizes it.

Mr. RICH. I realize that, but I object, Mr. Speaker.

Mr. DEMPSEY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3085) authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That upon the completion of the engineering investigation, study, and report to the Secretary of State, as heretofore authorized by Public Resolution No. 4, Seventy-fourth Congress, approved February 13, 1935, the Secretary of State, acting through the American Section, International Boundary Commission, United States and Mexico, in order to facilitate compliance with the convention between the United States and Mexico concluded May 21, 1906, providing for the equitable division of the waters of the Rio Grande, and to properly regulate and control, to the fullest extent possible, the water supply for use in the two countries as provided by treaty, is authorized to construct, operate, and maintain, in substantial accordance with the engineering plan contained in said report, a diversion dam in the Rio Grande wholly in the United States, with appurtenant connections to existing irrigation systems, and to acquire by donation, condemnation, or purchase such real and personal property as may be necessary therefor.

SEC. 2. There is authorized to be appropriated the sum of $1,000,000 for the purposes of carrying out the provisions of section 1 hereof, other than for operation and maintenance, including salaries and wages, fees for professional services; rents, travel expenses; per diem in lieu of actual subsistence; printing and binding, law books, and books of reference: *Provided*, That the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall not apply to any purchase made or service procured when the aggregate amount involved is $100 or less; purchase, exchange, maintenance, repair, and operation of motor-propelled passenger- and freight-carrying vehicles; hire with or without personal services, of work animals and animal-drawn and motor-propelled vehicles and equipment; acquisition by donation, condemnation, or purchase of real and personal property; transportation (including drayage) of personal effects of employees upon change of station; telephone, telegraphic, and air mail communications; rubber boots for official use by employees; ice; equipment, services, supplies, and materials, and other such miscellaneous expenses as the Secretary of State may deem necessary properly to carry out the provisions of the act: *Provided*, That any part of any appropriation made hereunder may be transferred to, for direct expenditure by, the Department of the Interior pursuant to such arrangements therefor as may be from time to time effected between the Secretary of State and the Secretary of the Interior, or as directed by the President of the United States.

The SPEAKER. Is a second demanded?

Mr. RICH. Mr. Speaker, I demand a second.

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The SPEAKER. The gentleman from New Mexico is recognized for 20 minutes and the gentleman from Pennsylvania for 20 minutes.

Mr. DEMPSEY. Mr. Speaker, this bill was introduced at the request of the State Department and the purpose of it is to settle a claim of Old Mexico against the Government of the United States.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. DEMPSEY. I yield.

Mr. JENKINS of Ohio. The gentleman makes the statement that this bill was introduced at the request of the State Department.

Mr. DEMPSEY. Yes.

Mr. JENKINS of Ohio. I should think if the gentleman would impress the point that the State Department is insisting upon this measure, he would have no trouble with his bill. What has the gentleman to show that the bill was introduced at the request of the State Department?

Mr. DEMPSEY. I have a letter from Commissioner Lawson of the International Boundary Commission, who has been on that Commission for 25 or 30 years, which is a part of the report.

Mr. JENKINS of Ohio. But that is not the State Department.

Mr. DEMPSEY. His report is submitted by Secretary Hull.

Mr. JENKINS of Ohio. What is the date of the letter from Secretary Hull?

Mr. DEMPSEY. The gentleman from Texas [Mr. THOMASON] has the letter.

Mr. THOMASON. August 9, 1935.

Mr. JENKINS of Ohio. I should think as popular as Secretary Hull is in this House, if he wants something done, the House would be mighty apt to do it for him.

Mr. RICH. Mr. Speaker, this measure has been recommended, I am informed, by the State Department. I do not know any department of this Government that has not recommended the expenditure of large sums of money. It seems as if any Member of this House who speaks on behalf of the conservation of funds finds himself very much alone. That is the position I find myself in. There are only a few people in this House who are trying to conserve the resources of this country. I may say I am mighty glad I am one of them. There are not many people here who are trying to help me to conserve the funds of this country. Why is that the case? Once in a while I hear some Member get up and say that he thinks we have gone far enough in spending. I was taught when I was a boy that if you saved the pennies the dollars would take care of themselves. It is not how much you make, but how much you save that spells success. We are talking here on a bill involving a million and a quarter dollars.

Where are you going to get the money? To me a million and a quarter dollars is a great, great mountain of money. I just wish you all had a million and a quarter and then you might be able to give me some of it and then we would all have a good time and be happy.

We talked a few moments ago about building the face of Washington as high as the Capitol Dome. The Membership of this House is building a debt so high that I am afraid it is going to wreck this country. Higher than the Washington Monument.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to my colleague.

Mr. BURDICK. Does not the gentleman realize he is helping to build up this expense by his extensive remarks in the CONGRESSIONAL RECORD?

Mr. RICH. If the amount that Congress spent on the CONGRESSIONAL RECORD was a criterion of the expense of this Nation as represented by this Congress, I would never say another word in the House of Representatives.

It is about time that some of you men who come from some of the States that do a lot of talking about spending but never raise any money to pay the bills and are always here with your hands out, grabbing and trying to get something for nothing—if you would give a little bit of attention as to whether you are wrecking the country or trying to do something for it, it would be a fine thing to do. This is a serious question. Where will you get the money? There is nobody in the whole House that I have higher regard for than I have for the gentleman from New Mexico [Mr. DEMPSEY], but that is not the question. The question is, What are you going to do to preserve this Nation? I have heard it said on the floor of the House so many times that it is not going to cost anything. Naturally, the men who make that statement know full well that if they can get an appropriation it will cost something, and in this particular instance it is a million and a quarter dollars.

Therefore the statement that it does not cost anything is an erroneous statement. If we want to try to preserve this Nation, the statement that when we get an appropriation it is not going to cost anything is a foolish statement. I do not want to try to make the point that we can still continue to make appropriations if we do not intend to get the money, but everyone that asks an appropriation for money expects to get the money. Where are you going to get it? That is the question. If I can utilize all the time that is at my command, and that is probably only for an hour or two, if I can save three or four or a half dozen or more bills from coming up here and save five or six or seven million dollars, then I have paid for the CONGRESSIONAL RECORD for this session of Congress several times over.

You are going to be requested in a short time by the Chairman of the Committee on Printing to make some changes in the expenditure of funds for printing next year. If you adopt those changes, you will then save money on the appropriation for printing at the next session of Congress. If you are able to do that, and if you are able to stop now the appropriation of additional money, we may then feel that we are trying to do something constructively.

Mr. GREEVER. Mr. Speaker, will the gentleman yield?

Mr. RICH. Yes.

Mr. GREEVER. Does the gentleman realize that if this dam is not constructed, if this appropriation is not made, the United States and its citizens stand to lose 120,000 acre-feet of water per year?

Mr. RICH. Let the gentleman explain that. How are we going to lose 120,000 acre-feet of water a year?

Mr. GREEVER. Because at the present time it is being diverted to Mexican lands.

Mr. RICH. If you build this dam, and if you take this 120,000 acre-feet of water away from Mexico, then you will probably have a war with Mexico, and it will cost, instead of a million and a quarter dollars, probably thirty or forty or fifty or a hundred million dollars.

Mr. GREEVER. But this is carrying out the terms of an agreement.

Mr. RICH. When was that agreement consummated?

Mr. GREEVER. In 1906.

Mr. RICH. Is the American Government permitted to take that water away from Mexico?

Mr. GREEVER. We are not taking it away from Mexico. They are appropriating it for the use of their own citizens.

Mr. RICH. What would Mexico have to say if you took the water away from them now?

Mr. GREEVER. I do not know; I cannot speak for them.

Mr. RICH. Does the gentleman think we ought to do something that will cause a disruption in the friendly relations between Mexico and the United States?

Mr. GREEVER. I think we ought to carry out our agreement and save the waters of the United States for the people of the United States.

Mr. RICH. I am glad the gentleman has that thought in mind, because I have come to the conclusion that when we are making reciprocal-trade agreements and trying to take care of foreign countries to the detriment of our own people, we are doing something contrary to the best interests of the American people. I think all of you men who have not signed the petition on the Speaker's desk, to bring that bill up before the House, should do so at this time. That is something that is very necessary to the welfare of the American people. Have you signed that petition? If not, do so at once, bring the bill up, stop these reciprocal-trade agreements, and save American markets for American labor, for American farmers, and American manufacturers.

I congratulate the gentleman. I am glad the gentleman is trying the conserve these resources for the American people.

Mr. McFARLANE. Will the gentleman yield?

Mr. RICH. I yield.

Mr. McFARLANE. Has the gentleman signed the petition for the Frazier-Lemke farm-refinancing bill?

Mr. RICH. No.

Mr. McFARLANE. I commend it to the gentleman. I hope he will sign it before this Congress adjourns.

Mr. RICH. I am not an inflationist. If I wanted to start the printing presses of this country I would do just what you fellows are doing on the Democratic side of the House. I would squander every dollar that the American people could get hold of, and if I would do that, I would do more detriment to America than has ever been done in the history of this Nation. I would not be a party to starting the printing presses. This, I will not do.

Mr. HOEPPEL. Will the gentleman yield?

Mr. RICH. I yield.

Mr. HOEPPEL. The gentleman, in my opinion, is expounding some sound philosophy. When we return home most of us will find that the ideas which the gentleman is expressing are the same ideas which our own constituents concur in. I should like to state that recently there was a bond issue in California which was turned down in my district at a ratio of 10 to 1.

Mr. McLEAN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. McLEAN. The matter under discussion is the building of a dam on the Rio Grande and the gentlemen are now discussing bond issues in California.

Mr. RICH. I would like to be heard on the point of order.

The SPEAKER. The Chair sustains the point of order, if the gentleman from New Jersey was correct in his statement. [Laughter.]

Mr. RICH. I do not want this taken out of my time, Mr. Speaker. [Laughter.] The gentleman from New Jersey said we were not talking on the bill when we talked about raising money. That is just the reason I am talking now. I am talking to save money—the taxpayers' money. They want to spend a million and a quarter dollars to build a dam down there on the Rio Grande, a great, wide river that is a great deal like many other rivers of this country that we are damming, it is dry a big part of the year. Now they want to build a dam down there so that they will have some water and take it away from Mexico.

Mr. DEMPSEY. Will the gentleman yield?

Mr. RICH. I yield.

Mr. DEMPSEY. Is not the gentleman in favor of carrying out an international agreement?

Mr. RICH. I think that all contracts that are made between nations ought to be religiously carried out, but I think that when this Government of the United States and the present Democratic administration did what they did last year in abrogating many of the air mail contracts which were made, and when the Democratic Party repudiated the gold clause in all contracts, prohibiting the Government from paying out to people money which on its own promise it had to pay in gold, then I think we as a Nation did one of the most damnable things that any nation has ever done in the history of the world, especially giving foreign countries a just cause to repudiate their debts to us. What fools ye mortals be.

Mr. DONDERO. Will the gentleman yield for a question?

Mr. RICH. I yield to the gentleman from Michigan.

Mr. DONDERO. Will the genrtleman state whether there are any power projects in connection with this dam?

Mr. RICH. If there is any power, so that we would be putting any utilities out of business, then I would certainly have to oppose the project, because I am against the Government in business. I want to say that the Tennessee Valley Authority which you Democrats authorized down South, is going to be the biggest millstone that was ever hung around the necks of the people of this Nation. It will cost this Nation $2,000,000,000. It is socialistic, communistic, and Russianistic.

Millions and hundreds of millions of dollars are being spent in the southeastern part of this country to put the local people out of business, and it is a disgrace and a crime.

Mr. McFARLANE. Did the gentleman vote for the tax bill today?

Mr. RICH. Yes; I voted for the tax bill. The gentleman thought I did not, did he not?

Mr. McFARLANE. I thought he did not.

Mr. RICH. That is an iniquitous tax bill, but I am trying to balance the Budget. I have tried to help you Democrats, but you are so fast in your expenditures and so short in your income that you will bankrupt this Nation.

Mr. McFARLANE. What kind of a tax bill would the gentleman advocate?

Mr. RICH. Now, I am trying to stop you spending money. If I could do that, then I have accomplished a great good.

Mr. McFARLANE. What kind of a tax bill would the gentleman have written?

Mr. RICH. I would have had it 10 times as big as it is, so that I could awaken the people back home. If I could awaken the people back home, believe me, the gentleman from Texas would not come back here again, and very few Democrats at the next Congress. [Laughter and applause.]

Mr. McFARLANE. Will the gentleman tell us whether he favors a sales tax?

Mr. RICH. We will have to come to a sales tax shortly or some other form of taxation to balance the Budget and save our Nation.

Mr. McFARLANE. I thought so.

Mr. RICH. Or else we will never balance the Budget.

Mr. EKWALL. Will the gentleman yield?

Mr. RICH. Yes; I yield to my colleague from Oregon.

Mr. EKWALL. We give up. What is it the gentleman wants? [Laughter and applause.]

Mr. RICH. Stop spending, stop spending. Can not you fellows understand English?

I want to answer the gentleman from Oregon.

The SPEAKER. The gentleman will proceed.

Mr. RICH. I want to say to the gentleman from Oregon that I am trying to utilize a little time because it is only 1 hour and 50 minutes to Sunday. When Sunday comes we shall have to adjourn sine die; and I hope we do, because all you are doing now is spending money, and if I can utilize all of this time you cannot spend money during that time, and, therefore, I am saving this country, so the gentleman possibly can be returned to another Congress by his people back in Oregon.

[Here the gavel fell.]

The SPEAKER. The question is, Shall the rules be suspended and the bill be passed?

The question was taken.

Two-thirds having voted in favor thereof the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

A similar House bill (H. R. 8692) was laid on the table.

ADDITIONAL JUDGESHIPS SOUTHERN DISTRICT OF NEW YORK

Mr. DUFFEY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 3389, to provide for the appointment of two additional judges for the southern district of New York.

The Clerk read the title of the bill.

Mr. YOUNG. Mr. Speaker, reserving the right to object, I understand this bill creates two additional Federal judges for the southern district of New York. Is that correct?

Mr. DUFFY of New York. The gentleman is correct.

Mr. DONDERO. Mr. Speaker, reserving the right to object, to ask a question, are these two judges in addition to the judges provided in the bill passed by the House recently?

Mr. DUFFY of New York. They are.

Mr. YOUNG. Does not the gentleman know that United States district judges, as a class, are a group of tyrants and dictators instead of a group of public servants; and that they are not responsible to the people of the country and many of them usurp their judicial authority?

Mr. DUFFY of New York. That has not been my experience, answering the gentleman from Ohio.

Mr. YOUNG. Will the gentleman explain the necessity for these additional judgeships in this particular district?

Mr. DUFFY of New York. The appointment of these judges has been recommended by the Judicial Conference, presided over by the Chief Justice of the Supreme Court. It has been recommended by two Judicial Conferences. The Judiciary Committee of the House, further, conducted a hearing on a similar bill which was reported out of the House Judiciary Committee on March 6; and after listening to Judge Knox and Martin Conboy, United States attorney for the southern district of New York, there was no question in the opinion of the Judiciary Committee that this bill should be recommended and passed.

Mr. Conboy testified that criminal cases in the southern district of New York are 4 years in arrears. It takes 3 years to get an admiralty case to trial, and civil cases are, on the average, 2 years behind the docket; and the United States is a party to one-third of the cases, so there is quite a charge on the public revenue through delay in bringing these cases to issue.

Mr. YOUNG. Will the gentleman tell us how many additional Federal judgeships have been created to date by this Congress?

Mr. DUFFY of New York. I do not know.

Mr. YOUNG. We recently created a group of additional judges, did we not?

Mr. DUFFY of New York. We did.

Mr. YOUNG. Why is it these two additional judgeships were not created at that time?

Mr. McFARLANE. Mr. Speaker, reserving the right to object, this bill, as I understand it, provides two additional Federal district judges for the southern district of New York.

Mr. DUFFY of New York. That is correct.

Mr. McFARLANE. On yesterday a bill was considered creating an additional district judgeship for the eastern district, New York City, in Brooklyn. I was informed by two of the gentlemen from New York that the President was back of that bill. I find from the Department of Justice and others that the President was not back of that bill.

Now they come in and ask the passage of this bill creating two additional judgeships. I telephoned the White House trying to get the President's position on this bill. More than 3 hours have elapsed, but he has not seen fit to answer two telephone calls I have made to the White House. [Laughter.] I just want to call the gentleman's attention to this: In 1933 there were one hundred and thirty-five-thousand-and-odd cases filed in the Federal district courts of the country and 138,000 disposed of. Last year only 70,000 cases were filed in the district courts of the Nation and 90,000 cases were disposed of.

If we could get these golf-playing Federal district judges back on the bench where they belong, stop their vacations, put them back to work as they should be, we would not need to create these additional Federal judgeships. Oh, I know it is said these are nice juicy plums, and they are; but that does not justify the creation of so many additional judgeships, each at a cost of more than $70,000 a year.

Under the circumstances I shall be forced to object.

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman reserve his objection?

Mr. McFARLANE. I will reserve my objection, but I have got to have a lot better reasons than those so far advanced for me not to press my objection.

Mr. GREEN. Reserving the right to object, Mr. Speaker, and it is not my purpose to object, it seems to me it would be more appropriate for us to divest the American people of some of the tyrannical corrupt Federal judges than to create more Federal judgeships. We have one in the State of Florida who, as shown by evidence before the committee, has been tyrannical. We want him impeached.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. McFARLANE. Mr. Speaker, I object.

The SPEAKER. Is there objection?

Mr. McFARLANE. I object.

MILITARY ORDER OF THE PURPLE HEART

Mr. STACK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2324) to incorporate The Military Order of the Purple Heart.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. SNELL. Mr. Speaker, reserving the right to object, I want to know what this bill is all about. I want to have it read.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the following-named persons, to wit: Howard J. Lepper, New Jersey; George L. Apgar, New Jersey; D. Brandon Bernstein, California; Edgar N. Bloomer, New Jersey; William J. Burke, Connecticut; Charles A. Carlson, California; Rev. Michael J. Corr, New Jersey; Fred Cudmore, New York; Raymond L. Cunneff, Pennsylvania; Frank Cushner, Connecticut; George L. Edmonds, Pennsylvania; Joseph Godley, Michigan; L. E. Henry, Maryland; Kimon Karelis, Minnesota; Israel Kaufman, District of Columbia; F. K. Kennedy, Pennsylvania; John R. Lagana, Missouri; Carey D. Mitchell, Missouri; Ludwig J. Nachtmann, Pennsylvania; Harry T. O'Connell, New York; A. S. Odin, Michigan; Robert G. Patton, California; James Pistorio, District of Columbia; James T. Potter, Massachusetts; Maurice E. Romm, Connecticut; Frank A. Schrepfer, Pennsylvania; Harry A. Seigall,

Connecticut; Walter C. Stamm, Minnesota; Fred H. Surry, Washington; T. M. Thompson, Minnesota; Clyde E. Winterton, New Jersey; Carl Wirching, California; and such other persons as may be chosen who are holders of the Purple Heart Medal, awarded by the War Department under General Orders, No. 3, dated February 22, 1932, duly chosen, are hereby incorporated and declared to be a body corporate. The name of this corporation shall be "The Military Order of the Purple Heart."

SEC. 2. The said persons named in section 1, and such other persons as may be selected from among those who have been awarded the Purple Heart Medal by the War Department, may complete the organization of said corporation by the selection of officers, the adoption of a constitution and bylaws, and do all other things necessary to carry into effect the provisions of this act, and at any meeting for that purpose any person duly accredited as a delegate from any chapter or State department, known as "The Military Order of the Purple Heart", shall be permitted to participate in the proceedings thereof.

SEC. 3. That the purpose or object of this corporation shall be patriotic, fraternal, historical, and educational;

To preserve and strengthen comradeship among its members;

To assist worthy comrades;

To perpetuate the memory and history of our dead;

To maintain true allegiance to the Government of the United States of America and fidelity to its Constitution and laws.

SEC. 4. That the corporation created by this act shall have the following powers:

Perpetual succession with power to sue and be sued in courts of law and equity;

To receive, hold, own, use, and dispose of real estate and personal property as shall be necessary for its corporate purposes, including the right to mortgage, encumber, or exchange said real estate or personal property;

To adopt a corporate seal, and change the same at pleasure;

To adopt a constitution, bylaws, and regulations, to carry out its purposes, not inconsistent with the laws of the United States, or any State, or of the District of Columbia;

To adopt for the purposes of the corporation emblems and badges;

To establish State, District, and Territorial organizations and units or chapters; and

To publish a magazine, or other publications, and generally to do any and all such acts and things as may be necessary in carrying into effect the purposes of the corporation.

SEC. 5. That the organization shall be nonpolitical and as an organization shall not promote the candidacy of any person seeking public office.

SEC. 6. That the said corporation and its State, District, Territorial, or local units, or chapters, shall have the sole and exclusive right to have and to use in carrying out its purposes the name of "The Military Order of the Purple Heart."

SEC. 7. That the said corporation shall, on or before the 1st day of January in each year, make and transmit to the Congress a report of its proceedings for the preceding calendar year, including a full and complete report of its receipts and expenditures.

SEC. 8. That as a condition precedent to the exercise in any State of any power or privilege herein granted or conferred, The Military Order of the Purple Heart shall file in the office of the secretary of state of such State the name and post-office address of an authorized agent in such State upon whom legal process against The Military Order of the Purple Heart may be served.

SEC. 9. That the right to alter, amend, or repeal this act at any time is hereby expressly reserved.

Mr. SNELL. Mr. Speaker, I should like to have the gentleman explain the bill.

Mr. MICHENER. Will the gentleman yield?

Mr. STACK. I yield to the gentleman from Michigan.

Mr. MICHENER. As a matter of fact, this is another Federal incorporation. Is it not true that the Judiciary Committee of the House has had so many applications for Federal charters that the committee has found it necessary to refuse to grant Federal charters except in certain cases? This bill was before the Judiciary Committee this year and was considered. There are pending other applications for Federal charters. The Congress must understand that if we are going to grant Federal charters under these circumstances we must grant them to everybody or else we are going to have trouble. Where are we going to draw the line? I do not believe this is the place to violate a principle established by the committee of which my good friend the gentleman from Massachusetts [Mr. HEALEY], now on his feet, is one.

Mr. HEALEY. Will the gentleman yield?

Mr. STACK. I yield to the gentleman from Massachusetts.

Mr. HEALEY. As a matter of fact, we broke the precedent by authorizing a group of people to be incorporated this year.

Mr. MICHENER. The gentleman is correct. That is just what I say, a certain group came before our committee. They wanted the National Theater incorporated because certain people insisted on it. They persuaded some of the new members of the committee, who were sincere in what they were doing, to grant the request, and they have been regretting it ever since. This is the second step. Just so sure as you grant this charter you are going to have a flood of applications. We must meet the issue sometime. Let us meet it now.

Mr. CONNERY. Will the gentleman yield?

Mr. STACK. I yield to the gentleman from Massachusetts.

Mr. CONNERY. Mr. Speaker, the gentleman from New York [Mr. SNELL] made a wonderful speech here 2 days ago in reference to Will Rogers not being buried in Arlington Cemetery because he was not a veteran. This applies to veterans who were decorated by their country for valor. They would be excepted. They are not these other associations to which reference has been made.

Mr. STACK. Mr. Speaker, no one can be a member of the Purple Heart unless he or she bled for his or her country. All I am asking is that we get the same privilege—and I am a Purple Heart man myself—that the Legion and the V. F. W. got.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MICHENER. Is this a House bill or Senate bill?

Mr. STACK. It is a Senate bill.

Mr. MICHENER. It has not been before the committee.

Mr. STACK. They are not questioning it now. I talked to the chairman and he has not objected.

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MICHENER. Mr. Speaker, reserving the right to object, if the Chairman wants to put this bill through, I am not going to object.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, I should like to hear what the Chairman of the Judiciary Committee has to say.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, I should like to hear from the Chairman of the Judiciary Committee. I challenge the statement that the Judiciary Committee has favorably passed upon this bill.

Mr. STACK. I did not make that statement. I said the Chairman and some of the Members were favorably inclined toward it.

Mr. SUMNERS of Texas. Mr. Speaker, if it is desired, I will make a statement, although I do not see how I got in on this. The gentleman from Michigan [Mr. MICHENER] stated what has been the situation in the Judiciary Committee of the House. It is true that the rule that was established by that committee was violated, although that is not quite the correct word. An exception was made with reference to the incorporation mentioned by the gentleman from Michigan [Mr. MICHENER].

This is a bill which passed the Senate. There is a great sentiment associated with the advocacy of this bill. It is true that we incorporated the American Legion and probably one or two similar organizations. The committee did not agree to report the bill favorably. The Committee on the Judiciary have no responsibility for this bill because they did not report it. I do not feel called upon as an individual Member of the House to do more than make the statement which I have just made. I am not going to object to the bill as an individual Member of the House.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. STACK]?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### APPOINTMENT OF ADDITIONAL JUDGES FOR THE SOUTHERN DISTRICT OF NEW YORK

Mr. DUFFY of New York. Mr. Speaker, I again ask unanimous consent for the immediate consideration of the bill (S. 3389) to provide for the appointment of two additional judges for the southern district of New York.

The Clerk read the title of the bill.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I should like to ask if this is the same bill to which the gentleman from Texas objected so vociferously a short while ago.

Mr. DUFFY of New York. It is the same bill.

Mr. JENKINS of Ohio. Will the gentleman tell us why the gentleman from Texas has withdrawn his objection.

Mr. DUFFY of New York. There was a misunderstanding.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I want someone to tell me whether or not the President wants this legislation.

Mr. SUMNERS of Texas. I have been trying to make an explanation about that.

Mr. DUFFY of New York. Mr. Speaker, I yield to the Chairman of the Judiciary Committee.

Mr. McFARLANE. Does the President want this bill passed?

Mr. SUMNERS of Texas. I do not betray any confidence when I say the President has asked me two or three times if I could not be instrumental in helping to relieve the congested situation in the southern district of New York.

Mr. McFARLANE. Then why did we not get this bill up ahead of all these other bills that have been passed?

Mr. SUMNERS of Texas. Wait a moment and do not ask me too many questions at one time. He referred to these two judgeships. What is the other question of the gentleman?

Mr. McFARLANE. The question is, Why did we not bring in this bill ahead of all these other judgeships that we have passed.

Mr. SUMNERS of Texas. I cannot answer that question. Sometimes the most important legislation is late arriving.

This district, as my friend from Texas knows, has perhaps the heaviest litigation and the most important litigation of any district in the United States. The relative number of cases, our investigation discloses, does not fairly indicate the volume of business.

Mr. McFARLANE. On the basis of the gentleman's statement, I withdraw my reservation of objection.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. RICH. The gentleman from Texas wants to know if this is a bill that the President has sponsored. I want to say to the Democrats that if this is a bill that the President sponsors our President is a socialistic President; if you will look at the things he is doing in carrying out a socialistic platform and if you want to sustain the Democratic Party, you ought to turn from him and support the Democratic platform, as you promised the American people you would do when you adopted the Democratic platform and you were all elected on its strength. Now, why are you following the Socialist platform and not the Democratic platform?

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MORITZ. I object, Mr. Speaker.

### THE NATIONAL YEOMEN F.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1687) to incorporate the National Yeomen F.

The SPEAKER. The Chair will state to the House that it has not been his intention to recognize Members to call up Senate bills unless a House committee, to which a similar bill has been referred, has reported the bill and the same is on the calendar. The Chair is perfectly willing to recognize requests of this kind, but the Chair does feel that the Members who have Senate bills with similar House bills on the calendar recommended by the committee should have preference.

The Chair will therefore ask the gentleman from Massachusetts to withhold his request.

Mr. CONNERY. I withhold it, Mr. Speaker.

### STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate requests the House to return to the Senate the concurrent resolution (H. Con. Res. 38) providing for the sine die adjournment of the first session of the Seventy-fourth Congress.

The message also announced that the Senate recedes from its amendment numbered 3 to the bill (H. R. 6776) entitled "An act to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes."

### INLAND WATERWAYS CORPORATION ACT

Mr. LEA of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1994) to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended.

The SPEAKER. Has this bill been reported by the committee?

Mr. LEA of California. It has.

The Clerk read the title of the Senate bill.

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman explain this bill and tell us what it does and what committee reported it?

Mr. LEA of California. Mr. Speaker, the House Interstate and Foreign Commerce Committee reported this bill unanimously. Its enactment would permit an application to be made to the Interstate Commerce Commission to establish joint freight rates between water and rail carriers on the Sacramento, San Joaquin, and Savannah Rivers.

Mr. TABER. Do they do this at other places?

Mr. LEA of California. Yes; there are a number of other places where this law is already in effect.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. LEA of California. Yes.

Mr. BLAND. Does this bill apply only to these particular rivers?

Mr. LEA of California. That is all.

There being no objection, the clerk read the Senate bill as follows:

*Be it enacted, etc.*, That subdivision (e) of section 3 of the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the Transportation Act, and for other purposes", approved June 3, 1924, as amended, is amended by striking out the words "or Snake Rivers", and inserting in lieu thereof "Snake, Sacramento, or San Joaquin Rivers."

With the following committee amendment:

Page 1, line 10, strike out "or San Joaquin Rivers" and insert "San Joaquin, or Savannah Rivers."

The committee amendment was agreed to.

Mr. RANKIN. Mr. Speaker, I rise to a question of the privilege of the House and offer a resolution which I send to the Clerk's desk.

The Clerk read as follows:

Mr. RANKIN offers the following resolution:

"Whereas the Chairman of the Committee on Appropriations has announced that he will refuse to move to take from the Speaker's desk the deficiency bill (H. R. 9215) and move to concur in the Senate amendments, or to disagree to said amendments and ask for the appointment of conferees; and

"Whereas this is a matter that goes directly to the integrity of the proceedings of the House of Representatives: Therefore be it

"*Resolved*, That said bill be taken from the Speaker's desk, the Senate amendments disagreed to, a conference agreed to, and conferees appointed on the part of the House."

Mr. WOODRUM. Mr. Speaker, I rise to a point of order. I do not think the resolution is privileged and is not in order under the general rules of the House, and I make that point of order.

Mr. RANKIN. Mr. Speaker, I desire to be heard upon the point of order.

Mr. TABER. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and eighty-three Members present, not a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 202]

| | | | |
|---|---|---|---|
| Allen | Dietrich | Kelly | Pierce |
| Andresen | Dirksen | Kennedy, Md. | Plumley |
| Andrew, Mass. | Dockweiler | Kennedy, N. Y. | Reece |
| Andrews, N. Y. | Doutrich | Kerr | Reed, N. Y. |
| Arends | Drewry | Kimball | Robertson |
| Bacharach | Dunn, Miss. | Kleberg | Robsion, Ky. |
| Bacon | Eaton | Kniffin | Rogers, N. H. |
| Bankhead | Elcher | Kramer | Rudd |
| Beam | Fernandez | Lamneck | Ryan |
| Bell | Fish | Lee, Okla. | Schaefer |
| Biermann | Ford, Calif. | Lucas | Shannon |
| Blanton | Frey | McAndrews | Smith, Wash. |
| Brewster | Gambrill | McCormack | Smith, W. Va. |
| Brooks | Gasque | McGroarty | Snyder |
| Brown, Mich. | Gassaway | McLeod | Spence |
| Buckbee | Gifford | McMillan | Stewart |
| Buckley, N. Y. | Gilchrist | Maas | Stubbs |
| Bulwinkle | Gillette | Mansfield | Sullivan |
| Burch | Golasborough | Merritt, Conn. | Sutphin |
| Carter | Goodwin | Miller | Sweeney |
| Chandler | Gray, Pa. | Mitchell, Ill. | Thurston |
| Claiborne | Greenway | Montague | Tinkham |
| Clark, Idaho | Haines | Montet | Tobey |
| Clark, N. C. | Hamlin | Nelson | Tolan |
| Cochran | Harlan | Norton | Treadway |
| Collins | Hart | O'Brien | Underwood |
| Cooper, Ohio | Hartley | Oliver | Wadsworth |
| Corning | Hennings | O'Malley | Walter |
| Cox | Higgins, Mass. | O'Neal | Welch |
| Crawford | Hill, Knute | Parks | Williams |
| Darden | Hoffman | Patton | Withrow |
| Dear | Hollister | Perkins | |
| DeRouen | Hook | Pettengill | |
| Dickstein | Huddleston | Peyser | |

The SPEAKER. Two hundred and twenty-seven Members are present; a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The gentleman from Mississippi offers a resolution to which the gentleman from Virginia makes the point of order that it is not privileged.

Mr. WOODRUM. Mr. Speaker, I desire to be heard briefly. I submit that the resolution offered by the gentleman from Mississippi [Mr. RANKIN] is not privileged for the reason that it seeks to take from the Speaker's desk the deficiency appropriation bill, passed by the House, amended by the Senate, and messaged back to the House. Under the general rules of the House the procedure in such case would be for the Speaker to refer that bill to the Committee on Appropriations and for the Committee on Appropriations to consider the bill, have hearings if it saw fit, and report the bill back to the House with the amendments adopted by the Senate, unless the House should send the bill to conference by unanimous consent or by the adoption of a special rule.

If my understanding of the rules of the House is correct, those are the only three methods by which it can be considered. It can be referred to the Committee on Appropriations by the Speaker, which is seldom done, or by unanimous consent it can be sent to conference, in which event, of course, a motion to instruct the conferees is in order, or the Senate amendment may be concurred in by the method of a special rule. Under those circumstances, the general rules of the House making ample provision for disposition of the legislation, I submit, the resolution of the gentleman from Mississippi is not privileged in any sense of the word.

Mr. O'CONNOR. Mr. Speaker, as I recall the resolution, it says something about the integrity of the proceedings of the House. The fact is that the procedure in reference to this bill, with Senate amendments, is in accordance with the rules of the House and the integrity of the proceedings of the House has not been interfered with whatsoever. What the distinguished gentleman from Mississippi would like to do is to put himself in the place of the Chairman of the Committee on Appropriations in this respect. If the Chairman of the Committee on Appropriations rose and asked to send the bill to conference today, he would have to get unanimous consent. Any Member could object.

All portions of Senate messages requiring consideration in the Committee of the Whole—

And this is an appropriation bill—

and Senate bills of all kinds are referred to the appropriate standing committee under direction of the Speaker without action by the House. A House bill returned with Senate amendments involving a new matter of appropriation, whether with or without a request for a conference, is referred properly to a standing committee, and on being reported therefrom is referred directly to the Committee of the Whole.

In this stage of the proceedings it might well be that the Speaker would not refer the bill to the Committee; but while it is on the Speaker's desk, not even the Chairman of the Committee on Appropriations could take it off without unanimous consent. Any other Member can object.

That being the case, no privilege of the House has been violated; and the gentleman's resolution is not privileged.

Mr. RANKIN. Mr. Speaker, the gentleman from Virginia [Mr. WOODRUM] speaks about sending this bill to a committee. Ordinarily I submit that would be the proper procedure, but we are not only in the dying day but in the dying hour of a Congress, and this bill is of vital importance to every citizen of the United States.

The gentleman from New York [Mr. O'CONNOR] becomes confused between the integrity of the House and the integrity of the proceedings of the House. This resolution is privileged because it involves a matter that goes directly to the integrity of the proceedings of the House of Representatives. If this resolution is voted down and the Chairman of the Committee on Appropriations carries out his suggestion which was made on the floor a while ago, then the Congress of the United States is paralyzed in the dying hour on a bill that involves an appropriation for all the vast legislation which we passed since the last deficiency appropriation bill was passed.

Furthermore, Mr. Speaker, we have today involved in this bill that comes from the Senate a matter of vital importance to the farmers throughout this country, who are today suffering——

The SPEAKER. The gentleman will please confine himself to the point of order. That is what the Chair is interested in.

Mr. RANKIN. I am trying to point out to the Chair that this resolution involves a matter of the integrity of the proceedings of the House.

The SPEAKER. That is the point on which the Chair desires to hear the gentleman, and that alone, because that is the only point involved in the point of order that has been made.

Mr. RANKIN. Then the importance of the bill would not be considered. I submit that the importance of the legislation itself and the fact that we are in the dying hour of the Congress also should be considered, when it comes to trying to break a deadlock, in order to keep from paralyzing legislation that has been worked on for months.

So I submit this is the only recourse. Whenever the chairman of a committee comes into the House and says, "I refuse to ask for a conference, and I refuse to take the bill from the Speaker's desk", a bill in which every Member of the House is interested and in which the entire country is interested, there is only one recourse left to a Member of the House, and that is to rise to a question of the privileges of the House and offer a resolution to take that bill from the Speaker's table and start it on its parliamentary course. That is exactly the procedure I have followed.

I submit that my resolution is in order and that this is a matter which involves the privileges of the House and that the point of order should be overruled.

Mr. BUCHANAN. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. BUCHANAN. Does not the gentleman understand that when that bill came back from the Senate, carrying $500,000,000 more appropriation than the House bill carried, and new legislation as well, the rules provide that that bill should be referred to the Committee on Appropriations, in order that they might investigate those amendments and report on them, and not be required in 3 or 4 minutes or 3 or 4 hours to pass upon that vast amount of appro-

priation to see whether it is justified or not. Whether I choose to ask unanimous consent to take that bill from the Speaker's table is a privilege that I have, and I knew that unanimous consent would not be granted.

Mr. RANKIN. I do not agree that it is the privilege of the chairman of the committee to paralyze a bill that the Congress has passed on and that now depends upon adoption or rejection or ironing out of the amendments on the differences between the two Houses. This is a matter that involves the integrity of the House.

Mr. LEHLBACH. If the Chair desires to hear me, I will state briefly what the situation is, as I see it. The point of the gentleman from Mississippi is this: If the course of action under the rules of the House can only be taken by unanimous consent, and if that unanimous consent is sought or granted, the matter automatically becomes a question of privilege. That is so insane that there is not any sense in arguing it.

The SPEAKER. The Chair is ready to rule. The rules of the House and all of the precedents of the House provide just what should be done when a bill has been returned to the House with Senate amendments. Under the established precedents the bill must be referred to a standing committee, unless unanimous consent has been obtained to send the bill to conference, or a special rule has been reported and passed upon by the House, providing that it shall be sent to conference.

The Chair desires to call the attention of the House to section 3108 of volume IV of Hinds' Precedents, which reads as follows:

A House bill returned with Senate amendments, involving a new matter of appropriation, whether with or without a request for a conference, is referred directly to a standing committee and on being reported therefrom is referred to the Committee of the Whole.

As the Chair has stated, it was the duty of the Chair to refer this bill to the Committee on Appropriations, the standing committee having jurisdiction of it. That practice must be followed unless the chairman of the committee or some Member of the House should obtain unanimous consent that the bill be sent to conference, or a special rule is presented making disposition of the bill. In this case no request for unanimous consent was made. It is the custom of the Chair always to recognize the chairman of the committee having jurisdiction of the bill in question. Neither has a rule been presented. The Chair fails to see how the integrity of the House proceeding has been violated in this particular instance. The Chair does not think that, under the guise of a resolution presented as a matter of privilege, involving the integrity of the House, the established rules of the House can be overturned. The Chair does not think there is a question of privilege presented by the resolution or that there was anything in the action taken with reference to this particular bill violative of the integrity of the House or its regular proceeding.

The question as to whether or not we are now in the closing hours of a Congress, the question of th. importance or unimportance of these appropriations and the legislation contained in this bill, are matters with which neither the Chair nor the House, under its established rules, has anything to do at the present moment.

As the gentleman from Texas has said, there is a reason for the practice of the House in referring these bills to the standing committees where unanimous consent or a special rule to the contrary has not been obtained. It is, of course, manifestly for the purpose of giving to the committee an opportunity to examine the amendments and report back to the House its recommendation as to whether or not those amendments should be agreed to or disagreed to.

The Chair, therefore, sustains the point of order of the gentleman from Virginia.

The Chair lays before the House the following request from the Senate.

The Clerk read as follows:

*Ordered*, That the Secretary of the Senate be directed to request the House of Representatives to return to the Senate the concurrent resolution (H. Con. Res. No. 38), a concurrent resolution providing for the sine die adjournment of the first session of the Seventy-fourth Congress.

The SPEAKER. The question is on agreeing to the request of the Senate.

The question was taken; and on a division (demanded by Mr. SNELL and Mr. TABER) there were—ayes 127, noes 103.

Mr. SNELL. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAPES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAPES. May I inquire of the Chair whether to grant this request of the Senate the rules must be suspended, and to agree to the motion will require a two-thirds vote?

The SPEAKER. No; the request of the Senate is laid before the House and acted upon by a majority of the House. The action taken by the House will determine what shall be done with the request.

Mr. MAPES. The Chair rules that it requires only a majority to grant the request?

The SPEAKER. It requires only a majority.

Mr. O'CONNOR. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'CONNOR. As I understand it, the House passed a resolution to adjourn sine die. The Senate concurred in that resolution. The Senate now requests that the resolution be returned to them so that they may take action withdrawing their concurrence, and the vote "aye" is a vote to send it back to the Senate so they may take such action.

The SPEAKER. The gentleman is correct.

Mr. DOBBINS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DOBBINS. If this request of the Senate is not granted and the resolution is not returned, will the House and the Senate automatically adjourn sine die today?

The SPEAKER. The Chair will pass on that question when it arises.

The question was taken, and there were—yeas 203, nays 95, not voting 132, as follows:

[Roll No. 203]

YEAS—203

| | | | |
|---|---|---|---|
| Adair | Doughton | Lanham | Rayburn |
| Amlie | Doxey | Larrabee | Reilly |
| Arnold | Driscoll | Lea, Calif. | Richards |
| Ayers | Driver | Lemke | Robinson, Utah |
| Barden | Duffey, Ohio | Lesinski | Rogers, Okla. |
| Beiter | Duffy, N. Y. | Lewis, Colo. | Sabath |
| Berlin | Duncan | Lewis, Md. | Sadowski |
| Binderup | Dunn, Pa. | Lloyd | Sanders, La. |
| Bland | Eagle | Luckey | Sandlin |
| Bloom | Eckert | Lundeen | Schneider |
| Boileau | Edmiston | McClellan | Schulte |
| Boland | Ellenbogen | McFarlane | Scott |
| Brennan | Evans | McGehee | Sears |
| Brown, Ga. | Faddis | McGrath | Shanley |
| Brunner | Ferguson | McKeough | Sirovich |
| Buckler, Minn. | Fiesinger | McLaughlin | Sisson |
| Bulkley, N. Y. | Flannagan | McReynolds | Smith, Conn. |
| Burdick | Ford, Miss. | McSwain | Smith, Va. |
| Caldwell | Fuller | Mahon | South |
| Cannon, Mo. | Fulmer | Martin, Colo. | Spence |
| Carmichael | Gavagan | Mason | Stack |
| Carpenter | Gehrmann | Massingale | Starnes |
| Cartwright | Gildea | Maverick | Steagall |
| Cary | Gingery | Mead | Sumners, Tex. |
| Casey | Granfield | Meeks | Tarver |
| Castellow | Gray, Ind. | Merritt, N. Y. | Taylor, Colo. |
| Celler | Green | Mitchell, Tenn. | Taylor, S. C. |
| Chapman | Greenway | Monaghan | Terry |
| Citron | Greenwood | Montet | Thom |
| Clark, N. C. | Greever | Moritz | Thomason |
| Coffee | Gregory | Murdock | Thompson |
| Colmer | Hancock, N. C. | Nichols | Tonry |
| Connery | Harter | O'Connell | Turner |
| Cooley | Healey | O'Connor | Utterback |
| Cooper, Tenn. | Hildebrandt | O'Day | Vinson, Ga. |
| Costello | Hill, Ala. | O'Leary | Vinson, Ky. |
| Cravens | Hill, Samuel B. | O'Neal | Wallgren |
| Crosby | Hobbs | Owen | Warren |
| Cross, Tex. | Hoeppel | Palmisano | Wearin |
| Crosser, Ohio | Houston | Patman | Weaver |
| Crowe | Imhoff | Patterson | Werner |
| Cullen | Jenckes, Ind. | Pearson | West |
| Daly | Johnson, Okla. | Peterson, Fla. | Whelchel |
| Dear | Johnson, Tex. | Peterson, Ga. | White |
| Deen | Johnson, W. Va. | Pfeifer | Wilcox |
| Delaney | Keller | Quinn | Wilson, La. |
| Dempsey | Kenney | Rabaut | Wood |
| Dingell | Kocialkowski | Ramsay | Woodrum |
| Disney | Kopplemann | Ramspeck | Zimmerman |
| Dobbins | Kvale | Randolph | Zioncheck |
| Dorsey | Lambeth | Rankin | |

NAYS—95

| | | | |
|---|---|---|---|
| Ashbrook | Fenerty | Lord | Sauthoff |
| Blackney | Fletcher | Ludlow | Schuetz |
| Bochne | Focht | McLean | Scrugham |
| Bolton | Gearhart | Maloney | Secrest |
| Buchanan | Goldsborough | Mapes | Seger |
| Buck | Griswold | Marcantonio | Snell |
| Burnham | Guyer | Marshall | Somers, N. Y. |
| Carlson | Gwynne | Martin, Mass. | Stefan |
| Cavicchia | Halleck | May | Taber |
| Christianson | Hancock, N. Y. | Michener | Taylor, Tenn. |
| Church | Hess | Millard | Thomas |
| Colden | Higgins, Conn. | Moran | Turpin |
| Cole, Md. | Holmes | Parsons | Umstead |
| Cole, N. Y. | Hope | Pettengill | Wadsworth |
| Crowther | Hull | Pierce | Welch |
| Culkin | Jenkins, Ohio | Pittenger | Whittington |
| Darrow | Jones | Polk | Wigglesworth |
| Dies | Kahn | Powers | Wilson, Pa. |
| Ditter | Kee | Ransley | Wolcott |
| Dondero | Kinzer | Reed, Ill. | Wolfenden |
| Ekwall | Kloeb | Rich | Wolverton |
| Engel | Knutson | Richardson | Woodruff |
| Englebright | Lambertson | Risk | Young |
| Farley | Lehlbach | Rogers, Mass. | |

NOT VOTING—132

| | | | |
|---|---|---|---|
| Allen | DeRouen | Hook | Perkins |
| Andresen | Dickstein | Huddleston | Peyser |
| Andrew, Mass. | Dietrich | Jacobsen | Plumley |
| Andrews, N. Y. | Dirksen | Kelly | Reece |
| Arends | Dockweiler | Kennedy, Md. | Reed N. Y. |
| Bacharach | Doutrich | Kennedy, N. Y. | Robertson |
| Bacon | Drewry | Kerr | Robsion, Ky. |
| Bankhead | Dunn, Miss. | Kimball | Rogers, N. H. |
| Beam | Eaton | Kleberg | Romjue |
| Bell | Eicher | Kniffin | Rudd |
| Biermann | Fernandez | Kramer | Russell |
| Blanton | Fish | Lamneck | Ryan |
| Boykin | Fitzpatrick | Lee, Okla. | Sanders, Tex. |
| Boylan | Ford, Calif. | Lucas | Schaefer |
| Brewster | Frey | McAndrews | Shannon |
| Brooks | Gambrill | McCormack | Short |
| Brown, Mich. | Gasque | McGroarty | Smith, Wash. |
| Buckbee | Gassaway | McLeod | Smith, W. Va. |
| Bulwinkle | Gifford | McMillan | Snyder |
| Burch | Gilchrist | Maas | Stewart |
| Cannon, Wis. | Gillette | Mansfield | Stubbs |
| Carter | Goodwin | Merritt, Conn. | Sullivan |
| Chandler | Gray, Pa. | Miller | Sutphin |
| Claiborne | Haines | Mitchell, Ill. | Sweeney |
| Clark, Idaho | Hamlin | Montague | Thurston |
| Cochran | Harlan | Mott | Tinkham |
| Collins | Hart | Nelson | Tobey |
| Cooper, Ohio | Hartley | Norton | Tolan |
| Corning | Hennings | O'Brien | Treadway |
| Cox | Higgins, Mass. | Oliver | Underwood |
| Crawford | Hill, Knute | O'Malley | Walter |
| Cummings | Hoffman | Parks | Williams |
| Darden | Hollister | Patton | Withrow |

So the request of the Senate was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. Dietrich (for) with Mr. Reed of New York (against).
Mr. Fernandez (for) with Mr. Bacon (against).
Mr. Higgins of Massachusetts (for) with Mr. Andrews of New York (against).
Mr. Lee of Oklahoma (for) with Mr. Gifford (against).
Mr. Hart (for) with Mr. Treadway (against).
Mr. Hook (for) with Mr. Andresen (against).
Mr. Jacobsen (for) with Mr. Crawford (against).
Mr. Kennedy of New York (for) with Mr. Arends (against).
Mr. Gambrill (for) with Mr. Hoffman (against).
Mr. Rudd (for) with Mr. Reece (against).
Mr. Eicher (for) with Mr. McLeod (against).
Mr. Gillette (for) with Mr. Goodwin (against).
Mr. Hamlin (for) with Mr. Bacharach (against).
Mr. Romjue (for) with Mr. Maas (against).
Mr. Stubbs (for) with Mr. Tobey (against).
Mr. Haines (for) with Mr. Andrew of Massachusetts (against).
Mr. Sullivan (for) with Mr. Collins (against).
Mr. Underwood (for) with Mr. Doutrich (against).
Mr. Brooks (for) with Mr. Allen (against).
Mr. Clark of Idaho (for) with Mr. Perkins (against).
Mr. Kniffin (for) with Mr. Short (against).
Mr. Bierman (for) with Mr. Robsion of Kentucky (against).
Mr. Kennedy of Maryland (for) with Mr. Stewart (against).
Mr. Nelson (for) with Mr. Cooper (against).
Mr. Russell (for) with Mr. Dirksen (against).
Mr. Lucas (for) with Mr. Eaton (against).
Mr. Miller (for) with Mr. Merritt of Connecticut (against).

Until further notice:

Mr. Beam with Mr. Brewster.
Mr. Drewry with Mr. Fish.
Mr. Cochran with Mr. Carter.
Mr. Blanton with Mr. Gilchrist.
Mr. Hennings with Mr. Hartley.
Mr. Huddleston with Mr. Kimball.
Mr. Kleberg with Mr. Hollister.
Mr. Mansfield with Mr. Mott.
Mr. Boylan with Mr. Plumley.
Mr. McAndrews with Mr. Thurston.
Mr. McCormack with Mr. Withrow.
Mr. Burch with Mr. Tinkham.

Mr. PITTENGER changed his vote from "yea" to "nay."

Mr. BOILEAU and Mr. RANDOLPH changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. Inasmuch as the House has passed a resolution to adjourn today, if the House does not rescind its action does the House automatically adjourn before 12 o'clock midnight?

The SPEAKER. The House in agreeing to the request of the Senate has returned the concurrent resolution to the Senate, and the House must now await the action of the Senate.

Mr. RICH. Mr. Speaker, I move that the House do now adjourn sine die.

The SPEAKER. That motion is not in order.

Mr. WADSWORTH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WADSWORTH. What time is it? [Laughter.]

The SPEAKER. According to the clock it is 17 minutes of 12 o'clock midnight.

Mr. MARTIN of Massachusetts. Is that standard time or daylight-saving time?

Mr. WADSWORTH. A further parliamentary inquiry, Mr. Speaker, in reference to the mechanics of this proposition.

The SPEAKER. The gentleman will state it.

Mr. WADSWORTH. Am I correct in saying that this action of the House must be messaged to the Senate, received by the Senate, and the House notified of its reception by the Senate before 12 o'clock?

The SPEAKER. It must be received by the Senate. Then the Senate will take such action as it may desire.

Mr. WADSWORTH. Must the House then be notified as to the reception of the message by the Senate?

The SPEAKER. Not unless the Senate takes some action.

Mr. O'CONNOR. As one of the greatest speakers the State of New York ever had, the gentleman from New York was the greatest clock "turner-backer" the State ever had.

### INLAND WATERWAYS CORPORATION

The SPEAKER. The question is on the third reading of the Senate bill.

Mr. SNELL. Mr. Speaker, what is the bill under consideration?

The SPEAKER. It is the bill called up by the gentleman from California [Mr. LEA], and for which unanimous consent was given for its immediate consideration.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

### ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, I am going to object to any more business being transacted by unanimous consent tonight if we are going to be here next week. We will have plenty of time then to attend to this business.

### RECESS

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House stand in recess subject to the call of the Chair.

The motion was agreed to; accordingly at 11:30 o'clock p. m., the House stood in recess subject to the call of the Chair.

### AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 11:35 o'clock p. m.

### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had ordered that the secretary be directed to inform the House of Representatives that the Senate has rescinded its former action to

recall from the House, House Concurrent Resolution No. 38, providing for the sine die adjournment of the first session of the Seventy-fourth Congress.

Mr. JENKINS of Ohio. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JENKINS of Ohio. Would it be in order to request that the message received from the Senate be again read?

The SPEAKER. The Clerk will read the message.

The Clerk read as follows:

*Ordered*, That the Secretary be directed to inform the House of Representatives that the Senate has rescinded its former action to recall from the House House Concurrent Resolution No. 38, providing for the sine die adjournment of the first session of the Seventy-fourth Congress.

Mr. WADSWORTH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WADSWORTH. Mr. Speaker, in view of the fact the Senate has informed the House that it has rescinded its action in recalling from the House the adjournment concurrent resolution, what is the present situation?

The SPEAKER. The Chair has been informed that the Senate has taken a recess until Monday at 12 o'clock. The Chair will ask the House to take a recess for a reasonable time until the fact can be ascertained.

Mr. LEHLBACH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LEHLBACH. If the House in the present circumstances should now adjourn, would it adjourn sine die?

The SPEAKER. That is what we are attempting to determine.

### SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 1874. An act to provide for the coinage of medals to be presented to Senator A. HARRY MOORE, certain officers of the New Jersey National Guard, the captains and the members of the crews of certain fishing and pleasure boats, and to others; to the Committee on Coinage, Weights and Measures.

S. 3434. An act to provide for the appointment of one additional judge for the district of Kansas; to the Committee on the Judiciary.

### ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1575. An act for the relief of John S. Cannell, deceased;

H. R. 1912. An act for the relief of William J. Ryan, chaplain, United States Army;

H. R. 3003. An act to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Mississippi, and the establishment of the Ackia Battleground National Monument, and for other purposes;

H. R. 3109. An act for the relief of Herman W. Bensel;

H. R. 3149. An act to confer jurisdiction upon the United States District Court for the Southern District of Texas, Corpus Christi Division, to determine the claim of Mrs. L. B. Gentry;

H. R. 4567. An act for the relief of Robert E. Callen;

H. R. 4770. An act for the relief of Elinora Fareira and Mearon Perkins;

H. R. 5097. An act for the relief of Mary E. Lord;

H. R. 5521. An act for the relief of Frank Williams;

H. R. 5750. An act for the relief of Mary Brown Raley;

H. R. 6250. An act to amend the National Defense Act;

H. R. 7140. An act for the relief of the Bell Oil & Gas Co.;

H. R. 8133. An act to authorize certain homestead entrymen who are disabled World War veterans to make final proof of their entries, and for other purposes;

H. R. 8444. An act to authorize the transfer of a certain military reservation to the Department of the Interior;

H. R. 8870. An act to further protect the revenue derived from distilled spirits, wine, and malt beverages, to regulate interstate and foreign commerce, and enforce the postal laws with respect thereto, to enforce the twenty-first amendment, and for other purposes;

H. R. 8974. An act to provide revenue, equalize taxation, and for other purposes;

H. R. 9070. An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes;

H. J. Res. 265. Joint resolution pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto, and for other purposes;

H. J. Res. 348. Joint resolution authorizing exchange of coins and currencies and immediate payment of gold-clause securities by the United States; withdrawing the right to sue the United States thereon; limiting the use of certain appropriations; and for other purposes; and

H. J. Res. 407. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 872. An act for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims;

S. 2002. An act to provide for the establishment of load lines for American vessels in the coastwise trade, and for other purposes;

S. 2215. An act to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended;

S. 2632. An act to provide for the construction of 10 vessels for the Coast Guard designed for ice-breaking and assistance work;

S. 2652. An act to authorize the President to attach certain possessions of the United States to internal-revenue collection districts for the purpose of collecting processing taxes;

S. 2796. An act to provide for control and regulation of public-utility holding companies, and for other purposes;

S. 3002. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

S. 3210. An act to refer the claim of the Menominee Tribe of Indians to the Court of Claims with the absolute right of appeal to the Supreme Court of the United States;

S. 3286. An act to abolish the oath required of customs and internal-revenue employees prior to the receipt of compensation, and for other purposes;

S. 3303. An act to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings;

S. 3327. An act to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes;

S. 3414. An act to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of New York;

S. 3446. An act relative to limitation of shipowners' liability;

S. J. Res. 9. Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally;

S. J. Res. 159. Joint resolution granting the consent of Congress to the States of New York, New Jersey, and Connecticut to enter into a compact for the creation of the Interstate Sanitation District and the establishment of the Interstate Sanitation Commission; and

S. J. Res. 173. Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states;

for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 531. An act granting compensation to Walter F. Northrop;

H. R. 921. An act for the relief of Edgar Sampson;

H. R. 996. An act for the relief of Joe Reno;

H. R. 1286. An act for the relief of James H. Bell (or James Bell);

H. R. 1871. An act for the relief of the Medical College of Virginia, and others, of Richmond, Va.;

H. R. 1965. An act for the relief of William E. Fossett;

H. R. 2325. An act for the relief of James P. Whalan;

H. R. 2620. An act for the relief of Sadie Wilkinson;

H. R. 2621. An act for the relief of Tom L. Griffith;

H. R. 2702. An act for the relief of Emanuel Lieberman;

H. R. 3003. An act to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Mississipppi, and the establishment of the Ackia Battleground National Monument, and for other purposes;

H. R. 3408. An act for the relief of Rufus Jones, a minor;

H. R. 4226. An act for the relief of Floyd Hull;

H. R. 4324. An act to carry out certain obligations under certain tribal agreements;

H. R. 4339. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Uinta and Wasatch National Forests, Utah;

H. R. 4428. An act for the relief of Caroline (Stever) Dykstra;

H. R. 4570. An act for the relief of Amy McLaurin;

H. R. 4601. An act for the relief of the heirs of Gladys Picklesimer;

H. R. 4784. An act for the relief of J. T. Slayback;

H. R. 4848. An act for the relief of Charles E. Molster, disbursing clerk, Department of Commerce, and Dr. Louis H. Bauer, a former employee;

H. R. 4852. An act to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army;

H. R. 5049. An act providing punishment for forging or counterfeiting any postmarking stamp;

H. R. 5162. An act providing for punishment for attempts to obtain mail by fraud or by deception;

H. R. 5245. An act for the relief of Elizabeth Leiding;

H. R. 5351. An act for the relief of Rose Teiermeyer;

H. R. 5360. An act providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property;

H. R. 5475. An act for the relief of Henry Irving Riley;

H. R. 5516. An act authorizing the President to issue a posthumous commission as second lieutenant, Air Corps Reserve, to Archie Joseph Evans, deceased, and to present the same to Maj. Argess M. Evans, father of the said Archie Joseph Evans, deceased;

H. R. 5540. An act extending the period during which no demurrage is charged on collect-on-delivery parcels and excepting the imposition of demurrage charged on collect-on-delivery parcels exchanged between the continental and island possessions;

H. R. 5558. An act for the relief of Clarence F. Jobson;

H. R. 5634. An act for the relief of the Baltimore Renovating Co.;

H. R. 5781. An act for the relief of the widow and next of kin of James J. Curran;

H. R. 5790. An act for the relief of certain creditors of J. R. and J. A. Whelan, Inc.;

H. R. 5811. An act for the relief of Michael A. McHugh;

H. R. 5905. An act for the relief of Cal Settles and Rhoda Settles;

H. R. 6057. An act for the relief of Joe Brumit;

H. R. 6168. An act for the relief of Charles K. Shade;

H. R. 6394. An act for the relief of William K. Caley;

H. R. 6889. An act for the relief of A. Zappone and W. R. Fuchs;

H. R. 6892. An act for the relief of certain Indians on the Cheyenne River Reservation;

H. R. 7076. An act for the relief of the heirs of John Schrodl;

H. R. 7137. An act for the relief of Cassie M. Lyne;

H. R. 7592. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at Sistersville, W. Va.;

H. R. 7678. An act to authorize the Director of the Mint to supplement the approved design of the 50-cent piece commemorating the two hundredth anniversary of the birth of Daniel Boone, the coinage of which was authorized by act of the Seventy-third Congress (Public, No. 258, S. 3355);

H. R. 7740. An act granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Black River at or near the north line of section 2, township 24 north, range 6 east, near Poplar Bluff, Mo.;

H. R. 7897. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River, at or near Elizabeth, in the county of Allegheny, Commonwealth of Pennsylvania;

H. R. 7924. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at or near Port Allegany, in the county of McKean, State of Pennsylvania;

H. R. 7928. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at or near Ford City, Pa.;

H. R. 7932. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River, at or near Wyalusing, in the county of Bradford, Commonwealth of Pennsylvania;

H. R. 7979. An act to extend the times for commencing and completing the construction of a bridge across Puget Sound at or near a point commonly known as "The Narrows" in the State of Washington;

H. R. 8020. An act for the relief of Jose R. Redlhammer;

H. R. 8098. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Edinburg, in the county of Lawrence, Commonwealth of Pennsylvania;

H. R. 8131. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Owensboro, Ky.;

H. R. 8183. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Emlenton, in the county of Venango, Commonwealth of Pennsylvania;

H. R. 8187. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at or near Tionesta, in Tionesta Township, and in the county of Forest, and in the Commonwealth of Pennsylvania;

H. R. 8189. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at or near East Brady, in the counties of Clarion and Armstrong, and in the Commonwealth of Pennsylvania;

H. R. 8345. An act authorizing the Secretary of the Navy to accept, without cost to the United States, certain lands in Duval County, State of Florida;

H. R. 8587. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 8598. An act to provide for the inspection and regulation of vessels engaged in the transporation of inflammable, explosive, and like dangerous cargoes in navigable waters of the United States;

H. R. 8652. An act to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes;

H. R. 8977. An act to authorize the Secretary of the Treasury to acquire a site for the erection of a post-office building at Columbus, Miss.;

H. R. 9100. An act to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties;

H. R. 9116. An act to extend the provisions of veterans' laws and regulations to persons who served in Russia during the World War, and their dependents;

H. J. Res. 265. Joint resolution pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto, and for other purposes;

H. J. Res. 276. Joint resolution authorizing the State of Arizona to transfer to the town of Benson without cost, title to section 16, township 17 south, range 20 east, Gila and Salt River meridian, for school and park purposes;

H. J. Res. 348. Joint resolution authorizing exchange of coins and currencies and immediate payment of gold-clause securities by the United States; withdrawing the right to sue the United States thereon; limiting the use of certain appropriations; and for other purposes; and

H. J. Res. 350. Joint resolution to authorize the President to extend an invitation to the World Power Conference to hold the Third World Power Conference in the United States.

### RECESS

Mr. TAYLOR of Colorado. Mr. Speaker, I move the House take a recess subject to the call of the Chair.

The motion was agreed to; accordingly at 11:40 o'clock p. m. the House stood in recess to meet at the call of the Chair.

### AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 11:45 p. m.

### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had ordered that the secretary be directed to inform the House of Representatives that the Senate has reconsidered its action in agreeing to House Concurrent Resolution No. 38, providing for the sine die adjournment of the first session of the Seventy-fourth Congress.

Mr. SNELL. Mr. Speaker, I make a point of order against the message from the Senate because the Senate adjourned several minutes ago.

The SPEAKER. This is a message from the Senate and can be delivered to the House even though the Senate has adjourned. The Chair does not understand that a point of order lies against the reporting of a message from the Senate by a regularly accredited official of the Senate.

Mr. SNELL. Mr. Speaker, I make the point of order there is not a quorum present.

### EXTENSION OF REMARKS

#### THE DEPORTATION OF ALIENS

Mr. GRISWOLD. Mr. Speaker, this resolution has as its intent the approval by Congress of a violation of the law by the Commissioner of Immigration. The resolution sets up as a statement of facts that the Department of Labor has "stayed" for 26 months the deportation of 2,600 aliens subject to deportation under the law now in force and effect, and in force and effect for all of the 26 months; 2,600 aliens that the Department of Labor knew were subject to deportation, and willfully and knowingly refrained and refused to deport.

The resolution further provides that Congress without repealing the law urge the continued violation of it by the Department of Labor. This resolution would be ludicrous if it were not so serious. We are treated tonight to the spectacle of what was intended to be a great legislative body becoming a jester's court. We are seeing here tonight the House of Representatives of the United States authorizing an officer of the Federal Government to violate his oath of office and the law of the Government whose agent he is.

The excuse is made that these are "hardship cases." We are told the law should be violated because if it is not violated men who came here illegally and remained here fraudulently will be separated from their American wives whom they married under authority of a marriage license obtained by deceiving the officer who issued it. Because they violated our law of entry they must now be allowed to remain here to compete for jobs with native-born American citizens and honest, conscientious, law-abiding foreign-born American citizens. They will endeavor to take the jobs of some of the millions of foreign-born citizens who came into the country lawfully, and took out their first papers and met all the requirements of the law.

These people are being discriminated against by the Department of Labor, and by this resolution. By this resolution you favor these 2,600 aliens who flouted the law and continue to laugh at it. You are endeavoring to penalize the foreign-born man and woman who paid for their citizenship in this country with their money and toil of weary years.

We have the most lenient laws of entry and naturalization of all the nations of the world; yet you would, by this resolution, give a prize for the violation of our lenient laws to these 2,600 aliens, and add to it a grand prize for the Department of Government that shuts its eyes to the criminal act.

Proponents of this resolution tell us that illegal entry is a crime that should be overlooked. If that were true then entry should never have been made illegal in the beginning; and most certainly those of that opinion should now present a bill to repeal the law instead of a resolution to condone its violation. This resolution does not repeal any existing law. Not a Member contends that it does. This resolution cannot, under the rules, even be sent to the Senate for action, nor submitted to the President for his approval or veto. It was never intended by its sponsors to become a law. It is a camouflage—a subterfuge. It is a shadow without substance. It is a nauseous thing that is fittingly brought before the House at a night session in the closing days of Congress. It is a thing of darkness that would not bear the scrutiny of the bright light of a reasoning day.

As a very young man and as a lawyer I learned that we must play every game by the rules. That it applies to baseball and football and government and the game of life. Laws are not just or unjust. They are merely rules to go by. We, as a people, have found that certain rules work better than other rules or no rules at all; so we adopt the rules that experience has taught us work best and call them laws. Not because they are just but because in our relations with one another we must have rules to govern our actions. All must abide by the rules or the game of government, the game of life, is a failure.

Congress, under the Constitution, is the rule-making body for our governmental game. Congress made the rule covering the entry and deportation of aliens. The rule was made long ago. The Labor Department was, and is, familiar with the rule but the Labor Department refuses to play by the rules. And this resolution asks each of us as Members of Congress in the House to commend the Department of Labor for violating the rules.

I cannot vote for it. You cannot play any game without observing the rules. I cannot vote to commend the Department for disrespect of law.

WOOD F. AXTON—AN IDEAL INDUSTRIALIST

Mr. WOODRUFF. Mr. Speaker and fellow Members of the House, I am unwilling that the session should close without there being made by me, and in this way, some expression touching the work and character of one of the most useful, most humanitarian captains of industry appearing in our country during the current generation. I refer to Wood F. Axton—popularly known as "Wood Axton", who died at his home near Louisville, in his native State of Kentucky, on the 4th of last April, aged 63 years.

RISE FROM POVERTY

In his life history and achievements he strongly exemplified the spirit which we are pleased to describe as "typically American." A poor boy, country-born, he early displayed the qualities of industry, integrity, resourcefulness, courage, and vision, which, in time, lifted him from obscurity to the heights of business success and national prominence. A recital of his early responsibilities, of his battle against the odds of poverty and limited opportunity, of his lack of educational advantages, and of his complete and enduring triumphs over all obstacles, would be of dramatic worth. I wish that time might permit the same to be made. As it is, I must content myself with the suggestion of a few illustrative details.

ESTABLISHMENT OF A GREAT BUSINESS ENTERPRISE

More than 35 years ago Wood Axton became interested in the manufacture of tobacco products; and from the most meager "shoe-string" beginnings, he built up, and until his death served as the head of, one of the largest and most successful tobacco industries of the country; that of the Axton-Fisher Tobacco Co., of Louisville. It was established and has ever been maintained as an "independent" concern; and everyone who knows the history of the tobacco business in this country, can appreciate what this means. To create and successfully operate such an enterprise, required the highest degree of courage, skill, and sagacity. Aided by his sturdy brothers, and a loyal and efficient staff which he brought to his side, he so conducted the company's affairs as to achieve success in a large way; yet throughout its long and noteworthy career, the organization has maintained the best standards of wages, working conditions, and welfare benefits for its employees. Today, in these regards, it stands as one of the Nation's models; and nowhere can there be found a more loyal, efficient army of workers than that which is employed by it.

LABOR RELATIONSHIPS

Always employing organized labor in his factories, Wood Axton never encountered labor trouble or strikes—so fair and just were his policies and methods, and so appreciative and loyal have been his employees. In fact, his attitude toward labor and his square-dealing practices had long since carried his name and that of his enterprise to every part of the Nation; and at the time of his death, because of these facts, and because also of his outspoken sentiments as regards the whole question of capital and labor, he was a national figure. By both the leadership and rank and file of labor he has long been held in the warmest affection and esteem; while, on the other hand, capital has often profited by his example.

A PIONEER MANUFACTURER

In recent years this firm—in addition to carrying on its other activities—has been a pioneer in the manufacture of the cheaper or so-called "10-cent cigarette", and in this work it has been most successful; although, more recently, processing taxes and other burdens placed on tobacco manufacturers by the farm program, and, as I consider it, an inequitable Federal tax rate, have jeopardized that success. It was characteristic of this man to declare and hold to the policy that his company—at whatever loss or cost to it—should absorb the processing taxes rather than pass them on to the consumer or take them from the grower.

THE PRINCIPLE OF LIVE AND LET LIVE

Much favorable comment developed throughout the country some time ago when Wood Axton refused to accept, at the wish of the stockholders and directors of the company, any salary in excess of $10,000 a year for his services as president and directing head of the organization. There were other stockholders besides himself to be considered, he said; and, moreover, he argued, the "take-outs" of employers in big business are usually too large, and ofttimes unconscionable; and salary increases should begin at the bottom rather than at the top. What a favorable contrast is presented by his attitude and action in this connection when they are compared with the practices of so many officials and directors of large corporations who have claimed and received huge bonuses and salaries to the serious loss and disadvantage of employees, stockholders, and the general public. This is said with due consideration of the fact that real talent and ability should be well compensated; but too often has it been the case that those receiving the largest compensations have proven themselves to be the least competent and worthy.

The business of Mr. Axton's firm has been operated on the large-volume, small-profit plan. He and his associates have believed that the farmer and wage earner should receive adequate returns for their toil. The operation of his plant and those of other "independent" manufacturers have produced a very useful and desirable element of competition in the tobacco growers' markets; and by reason of the fact the growers have been substantially benefited.

PERSONAL CHARACTERISTICS

The subject of these remarks was distinguished for his hatred of every form of insincerity and hypocrisy; for his candor and unflinching courage; for his keen sense of justice; for his readiness always to fight for what he believed to be right; for his unfailing sympathy for the poor, the struggling, and all the "underdogs" of our social order. Born of the soil, in spirit he ever remained a son of the soil. Unspoiled by business success and uncorrupted by wealth, he kept his feet on the ground and never lost the "common touch." His own early strivings and hardships rendered his strong and ardent nature deeply sympathetic with all others who found themselves in the same rugged pathways he had trod. He was a born leader of men—a rugged individualist, if you please—but a leader who made partnership with all those with whom he came into business association, for their advantage as well as his own. This was his conception of life and industry, and from this high ideal he never departed. Not only this, he had as well the proud satisfaction of achieving success by adherence to it.

He possessed the capacity for friendship, and he had troops of friends, loyal to him to the last degree, and he to them.

INTEREST IN PUBLIC AFFAIRS

Throughout his life he was vitally interested in public questions; especially in all those which affected the safety and welfare of the Republic, and the economic and social betterment of its people. Unceasingly, by means of his voice and means, he aided worthy causes. His benefactions, though modestly extended, were more numerous than the world will ever know.

He led in movements for lower utility rates, for fairer tax methods, and for improved farm and labor conditions. Through all his life he was passionately devoted to the cause of the toilers, and he utilized to the fullest possible extent the opportunities of his own great business enterprise to put into practical effect the gospel he preached.

In addition, he did much, with purse and appeal, for the cause of education among the colored youth of his section, and in numberless ways proved himself the friend and benefactor of the colored race.

INDEPENDENCE IN THOUGHT AND ACTION

Wood Axton's interest in public affairs was in nowise induced by selfish considerations. This, his whole life proves. He possessed great vigor and independence of thought. On all questions of a political nature he held strong and decided convictions; but he was not influenced by narrow or partisan considerations. Like myself, in the days of Theodore Roosevelt, he was a "Bull Mooser", and in 1912 the leader in Kentucky of the "Bull Moose" movement. This fact led to a friendship between us that survived to the end, and the more that I saw and learned of him and his

views and methods the more highly I respected him, the more warmly I became attached to him.

Some years ago I had the pleasure of visiting Louisville, and going through his establishment, and I was greatly struck and impressed with the spirit and practices which there prevailed. I have ever since believed that if the relationships there maintained between employer and employee could be generally followed in our industrial world the great problems of production and labor would be largely solved.

AN EFFECTIVE SPEAKER

Referring somewhat further to his personal characteristics, I may say that Wood Axton was widely known as an unusually effective public speaker. Big hearted and big brained, his wide experience, his extensive practical knowledge, his quaint and pungent humor, his "grass roots" philosophy, his broad and generous outlook, and his picturesque and homely phrase—not to mention an unsurpassed gift of sarcasm when he was combating what he believed to be injustice or hypocrisy—all combined, with a slow, bullseye method of delivery, to render him a unique and powerful figure on the platform and the hustings.

FARMER AND STOCK BREEDER

In his later years, his health was not good, and although yet active in the management of his manufacturing enterprise he made his home on his extensive and beautiful bluegrass estate, overlooking the lordly Ohio River, and situated near the Kentucky metropolis. Here, in farming and stock raising he found relaxation and pleasure and lived close to the good earth he loved so well. As a breeder of fine livestock—thoroughbred horses and golden Guernseys—winners on the track and in places of exhibit—he took his place among the most successful breeders in a State long noted for its excellence along these lines.

EULOGIES

Many were the eulogies induced by his death. William Green, president of the American Federation of Labor, his long-time and intimate friend, thus spoke of him:

Mr. Axton exerted great influence for the promotion of industrial peace in cooperation and understanding between employer and employee. The industry which he builded and the harmonious relations which he established stand as a monument to his noble character and his intellectual ability.

Col. Urey Woodson, veteran editor and publisher of Kentucky, and now Director of the Alien Property Bureau, had this to say:

I have known him intimately since he was a lad of 10. His first job was as a carrier for my newspaper, the Owensboro Messenger, at a dollar a week. I have watched his wonderful career with pride. He was an ideal citizen, a great humanitarian whose charities were never fully known. He will be greatly missed in the civil life of Kentucky.

These were typical expressions, and might be endlessly multiplied. The newspapers of Kentucky and elsewhere utilized the occasion of Mr. Axton's death to commend his life and deeds, and used them as wholesome texts on which to preach the gospel of industrial peace and welfare which he had so fully put into effect. Some excerpts from leading editorials from Louisville dailies are given:

[From the Courier Journal]

Wood Axton was what is known as a "self-made man", but he never boasted of the fact nor attributed his success to his own ability, strength, or efforts. He was far too modest and self-effacing for that. That same sense of selflessness characterized his attitude toward those with whom he had dealings, especially the Kentucky burley tobacco farmers, from whom he bought most of the raw material for his tobacco and cigarette factory, and the employees of his plant.

An incident of the completion of a quarter of a million dollar addition to his factory at Twentieth and Maple Streets in 1933 illustrates Mr. Axton's attitude toward the tobacco growers. The Agricultural Adjustment Administration had just been established and had promulgated a processing tax on manufactured tobacco with which to reimburse farmers for land taken out of leaf production. The question of how this tax would be paid was a delicate one for Mr. Axton's company, whose chief product, the 10-cent cigarette, was being marketed on a narrow margin of profit. Mr. Axton's decision was typical, and he gave it unflinchingly, courageously, to an assembled group of stockholders. The company would absorb the tax, he said, even though it meant smaller dividends and lower salaries. He always limited his own pay check and that of other executives. The manufacturers had enjoyed many fat years, he said, but the farmers had gone through many lean years. The farmer, he felt, should be helped toward recovery.

Similarly, when the N. R. A. promulgated its codes and regulations, the Axton plant did not need to raise wages. It was already paying more than the minimum scale demanded.

Always honest and straightforward himself, Wood Axton could not tolerate dishonesty and political trickery in public servants and never hesitated to express himself in forceful fashion when he felt it necessary. Public-spirited, but without ambition for himself personally, he was always an active supporter of civic enterprises in the interest of the taxpayer, the citizen, the community as a whole.

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[From the Louisville Times]

Mr. Axton was far more than a genial and sympathetic employer.

His theory of getting on in the world was that of a general who realizes that an army marches better and fights better on good rations and in good shoe leather than on poor rations and without comfortable shoes.

His margin of profits depended upon intelligent economy.

His enterprises were great. Getting on the wrong side of the ledger would wreck his own fortune and throw many people out of employment.

In this situation he was unafraid of the labor problem. He believed he could maintain good relationship with his employees and that they would give him the square deal he intended to give them.

He believed in the decency of human nature.

Napoleon knew the value of 5 minutes. Every captain of industry must know the value of 5 cents.

But Mr. Axton's understanding of economy was not that an employer must be a hard bargainer with his employees, never altogether in their good graces.

Wood Axton was a kindly neighbor. He wished to see tobacco growers find a profit. His attitude toward the processing tax—that the manufacturer should absorb it—was illustrative.

If there were, in business, more such men, the social problems of civilization would be simpler than they are.

How unfortunate that Wood Axton died in his early sixties.

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[From the Louisville Herald-Post]

It is not the growth of the Axton-Fisher Tobacco Co., not the more than modest beginning and more than phenomenal development, which deserve to be recalled and recorded; of these many other instances could be found. It is the story of the man. His industry and pluck were his own. His faith in the principles which guided him from the first, loyalty to which never for one moment faltered; his determined championship of the causes which he had made his own: these it is which men have in mind when they learn that Wood F. Axton is no more.

In the face of tremendous difficulties, overcoming entrenched opposition, he had invaded the cigarette field, so long the peculiar property of the Big Four, and carved out one corner for his own. Others had joined him and shared in that bold and successful effort. But his was the idea and his the reward.

* * * * * * *

Civic life in Louisville is the poorer for the loss of a manly figure. The tobacco raiser has lost a friend. A splendid fighter will fight no more. And then there is the lover of a horse, the breeder of fine cattle, the citizen of broadest interests, the comrade.

Is it too much to say we shall not look upon his like again?

IN CONCLUSION

Small wonder it is that because of the character of his life and deeds this man, at his death, was as widely mourned, perhaps, as any other Kentuckian of his generation; and small wonder it is, also, that from high and low, rich and poor, white and black, and from far and near, there came to his bier and crowned and pressed about it such a wealth of bloom and verdure—the tokens of love, gratitude, and esteem—as has rarely, if ever, been equaled in his beloved State. His name shall long endure as a synonym and symbol of all the sturdy and generous qualities, the splendid initiative, the undaunted courage, the indomitable will, the tireless energy, the faith, the integrity, and the prescience that have characterized the builders of America from earliest times. His life was inspirational in the highest degree; and it well deserves to be here told and cited as something worthy of the emulation of our American youth. Especially is this true when so many false and corrupting standards prevail. He literally exemplified the scriptural adage, "Seest thou a man diligent in his business? He shall stand before kings." Wood Axton did more than stand before kings of the industrial world. He set them an example which, were they wise, they would strive to follow.

Peace to his ashes! Judged by what he was, and by what he did, we have every reason to believe that all is well with his soul.

LOAVES AND FISHES—OR THE SERMON ON THE MOUNT

Mr. CANNON of Missouri. Mr. Speaker, I received a letter this morning from a disappointed applicant for a post-office appointment in which he said, "You ought to have the guts to make these appointments yourself."

I replied, "I do make them myself. I have personally appointed every Democratic postmaster in the Ninth District. I take the responsibility for every one of them and I challenge any man to point out a more competent or more popular set of postmasters in any congressional district in the United States."

What he probably meant was that I should not have consulted the Democratic committees in making the appointments. Now, it goes without saying that a Congressman must consult somebody in selecting postmasters. No man in Washington, a thousand miles away, attending committee meetings all morning and the sessions of the House all afternoon and working late at night trying to clear his desk of mail, can know who ought to be appointed at every office in the district. No matter how well acquainted the Congressman may be with any office from Jefferson City to the Mississippi River and from Hannibal to St. Louis, the people who live in the community and who receive their mail through the office are better qualified than any outsider to say whom they want and who is entitled to the appointment. For this reason all Congressmen must necessarily consult somebody in the community and take their advice in making appointments. It is merely a question then of whether he will consult some local man secretly and conduct all negotiations behind closed doors or whether he will consult the committees elected by the patrons of the office under the laws of the State of Missouri, in open meetings with all candidates and anybody else who is interested, present to hear the proceedings. He must adopt one of the two methods, and I find the people of our district prefer a voice in the selection of their postmasters and would rather that I take the advice of the committees they have elected than leave the selection to some unknown adviser who is not responsible to them or anybody else.

Announcement was made in the newspapers in advance of the last primary that the committeemen elected at the primary would be consulted in the selection of postmasters. Voters elected them with that in view, and anyone who objects to the committees being consulted is unwilling to abide by the will of the majority as expressed in a fair election at the polls, and obviously wants the Congressman to go over the heads of the legally elected committeemen and appoint some candidate the patrons have indicated by their vote they do not want.

Selection by the patrons is local self-government—one of the fundamental tenets of the Democratic Party. The patrons of the office select their postmaster just as they select the superintendent of their school and no one but the patrons of the office have a voice in it. It is the most democratic method that could be devised. It is home rule in its purest form and the personification of Jeffersonian Democracy.

Only one committeeman in the entire district has written to me questioning the plan. He suggested that it was unjust to the committees to ask them to make recommendations—that they were not elected for that purpose and it would make them enemies. He overlooked the fact that the service of the committeemen is purely voluntary and that no committeeman is expected to vote who for any reason prefers not to participate. Every ballot sent to the committees explains that any committeeman preferring not to vote may return his ballot unmarked.

It is interesting to note that every committee in the district has promptly responded when asked for recommendations and that their selections have been unusually satisfactory both to the local patrons and to the Department here in Washington. It might also be added that practically every committee in the district has repeatedly endorsed candidates for various offices to the Governor, Senators, and others and frequently complained when their recommendations were ignored. If they endorsed candidates to the Governor and Senators for State and Federal appointments, why should they not endorse to the Congressman for postmaster?

The efficiency of the system was especially demonstrated in the selection of census enumerators. The enumerators for the Ninth District were the first in the State to be appointed and the first to complete their enumeration. In this connection, I might add that the supervisor was selected by the chairmen and vice chairmen of the 13 counties of the district, receiving 23 out of the 26 votes. Without exception the candidates selected by the committees have been men and women who were qualified for their duties, who were entitled to party recognition, and who were the choice of the communities from which they were appointed, and all of them are making records which more than justify their selection.

The suggestion that applications for appointments be referred to the party committees comes from the administration. Early in the year Postmaster General Farley wrote to various Senators in part as follows:

JANUARY 8, 1935.

DEAR SENATOR: I have been making an effort to arrive at a uniform system of approving applications and appointments.

In New York State for a long time we have adopted the policy of clearing everything through the Democratic committee. We do that even in the case of post-office appointments. We have not had any trouble in working out this scheme, and I am passing it along to you, to the State chairman and your Congressmen merely as a thought so that if you think it advisable you might care to have it tried out in your State. I am sure you would be entirely satisfied with the system.

If I may not be too presumptuous, I am going to suggest that you sit down with your Congressmen and discuss this. It is not only working out satisfactorily in our State but in several other States I have in mind, and for that reason I pass it along to you.

Sincerely yours,

JAMES A. FARLEY.

I served as confidential clerk under Speaker Clark during the Wilson administration and his experience with this vexatious problem confirms my confidence in Chairman Farley's recommendation. Speaker Clark tried three methods of securing endorsements. He first depended on letters from his personal friends. Immediately there sprang up over the district high-pressure letter mills from which poured letters and telegrams calculated to influence the Speaker's decision in making the appointments. Some wrote the letters on blank stationery and carried them around to obtain signatures. Others, more subtle, made the rounds and gathered up stationery and wrote the letters on business letterheads and then took them back for signatures. Frequently letters were signed without notice to the purported authors. The utility lobby is at least 20 years behind the times in this method of campaigning. If the practice did not originate in letter-writing campaigns for post offices, it at least was widely used by the enterprising propagandists of that day.

To meet this situation Speaker Clark adopted a second plan and required applicants to circulate petitions and secure the signatures of the patrons of the office endorsing the applicant for the appointment. Someone claimed some time ago that the endorsement of applicants by the committees engendered local strife and antagonisms. No such antagonisms could possibly compare to the bitterness which followed the circulation of petitions in the early days of the Wilson administration. Each name added to the petition enlisted a partisan who immediately took up the cudgel for his candidate. Towns were divided into warring factions which drew into the controversy banks, churches, lodges, sewing societies, and practically every other social, civic, and political organization in the community. If any genius can suggest a plan for selecting postmasters which will not occasion local dissension and can patent it he will have an income that will make him independent for life. As a matter of fact, after observing at close range every possible method of appointing postmasters I am convinced that endorsement by committees elected by the patrons of the office is the most satisfactory method and is accompanied by less acrimony than any other which has yet been tried.

Speaker Clark's third plan was invoked when toward the end of his unhappy experience in appointing postmasters, he decided to hold an election, at which each patron of the office was allowed one vote. Of all the plans he tried, the primary was the most disastrous and occasioned such

bitter dissension that he frequently said in after years he would always regret calling it and would never hold another.

It is a sad commentary on the frailty of human nature that in the last years of his long and distinguished career, when he had brought fame and honor to his district and his State, when he had come within a hair's breadth of the Presidency of the United States, the greatest office known among men—when he would have been an honored guest in any Parliament on the face of the globe—there was hardly a town in his own district which he could visit without feeling directly or indirectly the hostility of some relentless partisan whose candidate he could not appoint to the village post office. I vividly recall the first time I returned from Washington after the appointment of the postmaster in my own town, I was followed up the street by a fine old gentleman, one of the most respected men of the county, gesticulating and shouting in a frenzy of rage, "Just wait until Champ Clark runs for Congress again. We will scratch him so hard they will have to get new pencils in the booths." Commanding ability, scholarship, lifelong devotion to duty, and incomparable service to his country and his times rendered by the great Speaker, meant nothing when weighed in the balance with the local postmastership.

Mr. Speaker, patronage is the bane of our democratic form of government. All political machines are built on patronage, and excessive political funds are accumulated through assessments on political job holders. The endorsement of postmasters and other appointees of the Ninth Congressional District by the local committees is a guaranty that no such machine will be built and no such funds will be collected in our district.

The only consideration in the selection of our postmasters has been the good of the service, the welfare of the party, and the approval of the patrons. And, judging from the letters received, 99 percent of the patrons endorse the method of their selection. It is also sanctioned by the highest party authority, as indicated by the following letter of approval:

DEMOCRATIC NATIONAL COMMITTEE,
*Washington, April 15, 1935.*

HON. CLARENCE CANNON,
*House of Representatives,*
*Washington, D. C.*

DEAR CLARENCE: For a long time I have been watching very closely the manner in which you have been handling the recommendations for postmasters in your congressional district. The idea of getting the recommendation of the county organizations on such appointments, I am satisfied, meets with more general approval than any other form you may follow. That is exactly the system we used in New York State, and we haven't had any difficulty at all.

It would be pleasing to me if other Congressmen would follow this system, because I am sure that if they did they would find it highly satisfactory from every point of view.

With every good wish, I am,

Sincerely yours,

JAMES A. FARLEY.

Chairman Farley is correct. Our experience demonstrates that the plan of getting the recommendations of county organizations meets with general approval. Most of our postmasters have now been appointed. Only a few remain to be installed. If they can be chosen as amicably and harmoniously as those we have already selected, our committees will have made a record in the history of the district and the State. In this work the committees will have the cooperation of all serious-minded citizens who believe Congress should devote most of its time to problems of taxation, relief, farm prices, old-age pensions, veterans' legislation, agricultural adjustment administration, loans, roads, recovery from the depression, and other matters affecting every family and every pocketbook in the district rather than neglect these to get a post office for one man in the town.

### KERR BILL PROVIDES A HUMANE DEPORTATION PROGRAM

Mr. DICKSTEIN. Mr. Speaker, the law-abiding aliens in the United States should not be handicapped, in these difficult times of economic readjustment, by threats of wholesale and mandatory deportations and compulsory naturalization, and I will do everything I can in the performance of my official duties to reassure aliens here, who are not in any of the criminal classes, that they will continue to have the equal security guaranteed to them and to citizens by our Constitution and by our laws.

Several of the opponents of the Kerr bill, including my colleague in the House and former member of my committee, the Honorable MARTIN DIES, of Texas, have taken upon themselves to issue to the public and to broadcast over the radio some statements which are not only unfair and un-American but express unsound principles and figures that are apparently untrue.

Assertions have been made in print and by voice which would have the general public believe there are now in the United States from 6,000,000 to 20,000,000 aliens and that of these aliens from three and a half million to 10,000,000 are now here illegally and subject to deportation. It has also been proposed that all aliens now unlawfully here should be immediately deported and that all aliens who are legally here should become citizens within a year.

All of these statements are so fantastic and are such exaggerations that I feel all right-thinking American people should be given, without delay, an answer with authoritative information from trustworthy sources.

Following a most careful examination of the records of the Census Bureau, of the records of the Immigration and Naturalization Service, and of other sources of reliable information, the Honorable Daniel W. MacCormack, Commissioner of Immigration and Naturalization, recently told our committee during open public hearings that the total number of foreign-born persons now in the United States, other than those who have become citizens, or those who have filed their declarations of intention to become citizens or those minors who will become citizens upon the naturalization of parents with declarations of intention is not in excess of 3,403,000. Colonel MacCormack, at the same hearings, also stated that he was compelled to the conclusion that it is extremely unlikely that there are now as many as 100,000 aliens who are here illegally and subject to deportation under existing laws.

The Kerr bill, which is now awaiting consideration on the floor of the House, is primarily a legislative measure to enable the more effective and humane administration of our deportation laws, but the inevitable result of its enactment will be to reduce the alien population of our country and to further restrict hereafter both legal and illegal immigration from abroad.

An interdepartmental committee, made up of representatives of three Government departments—Justice, State, and Labor—will be authorized to study certain cases involving aliens who are in the noncriminal classes—that is, aliens whose only offense may be a technical violation of the immigration law, but for which there is no criminal penalty provided other than deportation—and then in these cases exercise limited discretion to adjust the status of certain of these aliens in a humane manner calculated to preserve the unity of homes honorably established on American soil and to prevent American-born minor children becoming orphans in their native land.

The Kerr bill grants no discretionary power to adjust the status of any alien whose deportation is mandatory under existing law on grounds that the alien has been convicted of a crime involving moral turpitude, or is deportable as an anarchist or Communist, or is deportable on account of any violation of State or Federal laws regarding the importation or sale or distribution of narcotics, or who is not of good moral character, or who is deportable as a prostitute, procurer, or similar immoral person.

Deportations will be greater in number because there are four classes added to the aliens subject to deportation that are not covered by existing laws; these include the habitual criminal, the racketeer, the gunman, the alien smuggler of aliens, and violators of State narcotic laws. Apprehensions of aliens subject to deportation and temporary detention of them without warrant will legally enable immigration officials to more efficiently get aliens who now escape and are lost before the issuance of lawful warrant can be secured.

Fewer foreign-born persons who have never before been here will arrive as quota immigrants because the number of all aliens who have been permitted by the interdepartmental

committee to remain will be deducted from the quota of the countries from which they originally came here. Skilled agriculturists will no longer have the preference status which they now have under the quotas.

This bill will clean up a great deal of the injustice that our present inflexible deportation law has made mandatory. These inhumane practices have been known for years by thoughtful students of the operation of our immigration laws, and Congress has been urged for a long time to legislate the necessary remedies. The Kerr bill will bring the needed relief and will thereby increase the wholesome respect for our immigration laws.

The Kerr bill should be speedily made law, and I will do all I possibly can to bring that about.

I will not be a party in Congress to any plan proposed by either the alien groups or the restrictionist groups to railroad through my committee or by passage on the floor of the House any measure which is essentially un-American in principle or which seeks to arouse undue animosity among our people by arousing any established alien prejudices against the foreign born primarily because they are foreign born. If they are law abiding and uphold the principles of our Constitution, aliens are entitled to receive equal opportunity and security to that enjoyed by anybody in this country.

### HAWAII AND THE NATIONAL DEFENSE

Mr. KING. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio addresses delivered by me on February 11, 1935, and August 20, 1935:

#### RADIO ADDRESS DELIVERED FEBRUARY 11, 1935

To my radio audience, greetings and best wishes to you all, or, as we say in Hawaiian, "Aloha kakou a pau loa."

This is the Delegate from Hawaii, speaking on the general subject of the Hawaiian Islands, having been granted time on the air through the courtesy of the Columbia Broadcasting System.

I first came to this country from Hawaii nearly 30 years ago, appointed to the Naval Academy by our former Delegate, Prince Kuhio Kalanianole, the only prince of a royal family to serve as a Member of Congress, which position he held for 10 terms, or nearly 20 years. As a young Hawaiian from a country only recently annexed to the United States, I was an object of considerable interest, but was received with such kindness and friendliness by all the people whom I met on my trips across the continent, while at school at Annapolis, and later during my service as an officer in the Navy, that I felt sure our famous Hawaiian hospitality did not surpass that of the American people. I know this is the experience of all of our island people who come to the mainland to school or on business or for pleasure.

But coupled with that sympathetic interest there is a great lack of knowledge concerning Hawaii and its people, natural enough under the circumstances, but sometimes harmful to Hawaii. It was soon impressed upon me that we in Hawaii knew a great deal more about the mainland, and the people here, than they did about us. We are brought up on American history, and in our contacts with visitors from every part of the Union, and with residents from every section, who have come to the islands to live, we become well informed about America. Coming as the Delegate to Congress from Hawaii it is still a matter of surprise to me to find how few are acquainted with conditions in our little country of Hawaii. Despite the thousands of visitors who have been in Hawaii for stays of various duration the number who know Hawaii from first-hand acquaintance is but a small proportion of the total population of this great Nation of 125,000,000 people.

For that reason, we of the Islands, who have the opportunity, constitute ourselves voluntary spokesmen of our people, in the effort to give information concerning our country to the mainland residents. Recently a friendly gentleman whom I met, commented upon my speaking English so readily, and was astonished when I told him that English has been spoken in Hawaii for over 100 years; has been a legal language of the country for several generations, and was the only language taught in the public schools of the islands for a decade before we became a Territory of the United States. Another interested friend was surprised to learn that we are closer to the mainland than we are to the Philippine Islands, or to the Orient. Less than 2,500 geographical miles from San Francisco, Hawaii forms the apex of a triangle, of which the base is the coastline from Seattle to San Diego. On the other hand, we are 3,500 miles from the Philippines, and a greater distance from the mainland of Asia. We might almost be called a coastal island group.

Our Territory comprises a chain of islands, whose total area about equals that of Connecticut and Rhode Island taken together. The usual picture of the South Sea islands hardly applies to Hawaii. We are just within the Tropics in latitude, but because of our small island area, in the middle of the north Pacific Ocean, our climate is tempered by the trade winds, which blow for nearly 10 months out of the year, and by ocean currents that sweep down from the Bering Sea to Hawaii.

When Captain Cook discovered the Hawaiian Islands he found a populous country, whose people were living in the feudal age in political and social culture, but in the stone age in the mechanical arts because of the restrictions of their environment, principally the lack of metals. These people were the northernmost branch of the Polynesian race, that occupies the whole of the eastern Pacific from Hawaii to New Zealand. While the exact origin of this race may be in doubt, there is no question that it is, at least partly, of Aryan extraction, and it shows a high degree of adaptability to civilization as we understand it. Soon after Captain Cook discovered the Hawaiian Islands our great leader, Kamehameha I, consolidated the group into one kingdom, and gradually a more liberal form of government was evolved, mostly from American models, but with some features from the British system of government to provide a place for our Hawaiian royalty.

After nearly 100 years as a monarchy, and a brief existence as a republic, the islands became a part of the American Union by annexation. This occurred in 1898, during the Spanish-American War. However, the basis of our annexation had no direct roots in the war itself, but was the result of a close cultural and economic association, with the United States, over a period of many years.

Texas and Hawaii are the only two parts of the United States that have come into the Union by annexation. One was admitted as a State and the other was incorporated as a Territory, both by joint resolution of Congress and not by treaty. In neither case was conquest nor purchase involved. In both cases the new territories came into the United States of their volition, and might well have chosen some other political destiny.

In the 35 years we have been a Territory of the United States, Hawaii has developed into a progressive, self-respecting, and self-governing community, complying with every obligation of American citizenship and showing on every occasion a devotion and a loyalty to that citizenship that cannot be surpassed by any other part of the country. During the World War Hawaii more than did its part in men in service, in subscriptions to every call for cooperation in the national emergency.

Because of our highly developed agricultural resources, Hawaii has been prosperous internally, and has been a paying member of the Union, remitting to Uncle Sam's treasury, a substantial sum over and above what the Nation expends in the Territory for local purposes. In fact, the balancing of the ledger would show a credit to Hawaii in the neighborhood of $170,000,000—a small sum in these days of billions, but a large sum for our small community to have paid out of its earnings into the National Treasury. Our trade, almost exclusively with the United States, has averaged annually, over the years, about $100,000,000 worth of exports, consisting principally of cane sugar and pineapples and about $90,000,000 worth of imports. So Hawaii is a good customer, a steady market for American merchandise, and commercially, a valuable asset to the Union, particularly to the West Coast cities, with whom most of this trade is carried on.

At the time of annexation, the matter of statehood was discussed and the leaders of the American Government expressed themselves as committed to the policy of ultimate statehood for the Territory, when the growth of the country justified that step.

The only safe guarantee that we have for the protection of our country and its people as an integral part of the United States is statehood. Until this is obtained we are subject to the will of Congress, despite the definite obligations mentioned in the joint resolution of annexation, which referred to the guarantees of the treaty of annexation, then pending before the United States Senate. For this reason, and because Hawaii takes a great pride in its citizenship and naturally aspires to perfect that status by becoming a full-fledged sovereign State of the Union, we repeatedly petitioned Congress to permit us to organize a State government. I have introduced a bill in the present Congress for that purpose and have asked that it be considered on its merits; and, if necessary, that a congressional commission visit Hawaii this summer to survey conditions in the islands on the ground.

To those who are concerned about our racial set-up, let me say that no unprejudiced person doubts for a minute the loyalty of our citizens, from whatever ancestry, any more than one would doubt those in many communities on the mainland that have as great a diversity of racial strains. In a population of over 380,000 people, perhaps a third are aliens, ineligible to citizenship. While an important element industrially, this group does not participate in governmental affairs. The citizen group, about two-thirds of the total population, comprises in round numbers 50,000 Hawaiians and part Hawaiians, nearly as large a number of Anglo-Saxons, and a somewhat smaller number of Latins, in all about 150,000 of Polynesian and Caucasian peoples, whose Americanism is beyond question; and about 120,000 citizens of Chinese and Japanese ancestry, concerning whose loyalty we, of Hawaii, have no doubt.

The Chinese group, came originally to Hawaii, nearly 60 years ago, and are now completely identified with the country of their birth. The more numerous, and more recent, Japanese citizens, many of them still children, and all of whom must be Hawaiian born to qualify as citizens, are showing every indication of their desire, to be Americans in the fullest sense, and to one who has lived among them, and observed their progress in this ambition, there can be no doubt as to their sincerity, nor their capacity for citizenship. We are anxious, that as complete an investigation of our people be made, as the Government may wish to make, and we are willing to abide by the verdict so arrived at, based upon a true knowledge of Hawaii. We believe such a verdict will grant our plea for statehood.

To the great number of American people who are in the habit of traveling during some part of the year to escape the cold of winter or the heat of summer, I can only say: "Come to Hawaii and see for yourselves the real Hawaii."

As we say in Hawaiian, Mahalo, me ke aloha nui—thank you with best wishes.

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RADIO ADDRESS DELIVERED AUGUST 20, 1935

America, in its march across a continent, has always had its frontier outposts, marking for a time the western limits of its settled domain. Pushing these outposts ever further toward the setting sun, the Pacific Ocean was finally reached and the continent spanned from ocean to ocean. But even while this rapid settlement was going on venturesome American ships were sailing the seven seas in search of trade and profits. Yankee ships knew the west coast of America when California was under the flag of Mexico, Oregon, and the Puget Sound country as yet an unexplored land, and Alaska still under the control of Russia.

In this bold pioneering the islands of the Pacific were likewise visited. Hawaii was in touch with the business houses of Boston and New York through their vessels while George Washington was President of the United States. The Navy goes where the Nation's commerce leads its vessels, and the United States Pacific Squadron patrolled the coast west of America and the islands of the Pacific before the American Nation had crossed the Mississippi River.

The value of Hawaii as an ocean outpost, controlling the north Pacific, was realized from these earliest times. The first naval visitors recognized its strategic location and urged the United States to obtain the exclusive use of bases in the country. The absence of any other island group in this area adds to Hawaii's natural value the feature of uniqueness. There is no alternative choice that can be utilized by America.

Several treaties were suggested looking to the cession of land-locked Pearl Harbor, an ideal naval base, to the United States. The then Hawaiian Kingdom in most cases was agreeable to such an arrangement, expecting no doubt that material advantages would more than compensate for some small loss of territory or sovereignty.

But the United States, still occupied with developing its own vast hinterland, turned a deaf ear to any Pacific outpost and declined to approve any treaty for such a project.

Other nations were also alive to the possibilities of a naval base in Hawaii, and perhaps America's indifference might have thrown Hawaii into the arms of some other power had not that indifference been coupled with a firm stand against such an eventuality and a strong support of the sovereignty of the Hawaiian Kingdom.

Up to annexation therefore the strategic value of Hawaii was still potential and not actual. The Spanish-American War made the United States a world power, and brought it into the Pacific area more than ever before.

Today Hawaii is America's last western outpost, almost a fundamental necessity in the protection of the west coast of the mainland. This part in America's scheme of defense is primarily naval. As a fleet base Hawaii serves America. The Army stationed there simply protects that base from attack and has no other reason for being in Hawaii.

It is also true that Hawaii is of greater valuc to America than to any other nation. Its control and development by any other nation could not be considered a defensive measure, and it might easily become a spear-point aimed at our west coast in an offensive war.

Whether the developments of warfare will lessen Hawaii's importance in the strategy of America's defense is a matter of conjecture.

When sail power was the sole means of locomotion on the seas, Hawaii was an imperative need. When steam from coal became the source of power, Hawaii's value was hardly less. With greater radius of action by use of oil, Hawaii may be slightly less important.

But its proximity to the west coast, its commanding location in the north Pacific, both for ocean and air travel, gives America such a tremendous advantage in any Pacific operation that it is hardly conceivable that its strategic value will ever be less.

It is a common error to think of Hawaii as a remote country, sometimes even assumed to be in the vicinity of Asia. A glance at the map of the north Pacific Ocean will correct this confusion of ideas. America is Hawaii's closest neighbor, 2,091 miles away; Japan is 3,394 miles beyond, China further away, and Australia 4,420 miles "down under" to the south.

America has shown its willingness to retire from the Asiatic area in recent arrangements to grant independence to the Philippines and in treaty pledges not to fortify Guam. But certainly its insistance upon making Hawaii a real fleet base, adequately protected from attack, cannot be criticized. Such a policy is but the natural development of defense measures for the protection of its own mainland from possible attack, that makes Hawaii the last, as it is the westernmost, American outpost. Hawaii's distance from any other country precludes any suspicion that its development is for offensive purposes.

The American people are, on the whole, a peace-loving people. Even those who, like myself, have served in its military or naval services abhor war as a means of settling international differences, perhaps even more so than the civilian population without military experience. But unpreparedness may invite the very conflict we wish to avoid. Failure to guard ourselves against attack would increase tremendously the cost in life and wealth of carrying on a defensive war.

If all these points are true, as I believe them to be, then we should make Hawaii impregnable to attack, and we should equip Pearl Harbor to become a fleet naval base in the full meaning of that designation. Recent appropriations to complete this program, concerning which much has been said in the press, are after all simply putting into effect a plan of national defense that had been determined upon by us many years ago, and agreed upon at the Washington Disarmament Conference several years ago, and only partially done during intervening years.

No nation need read into these expenditures any policy other than that America wishes to assure her own protection. The defense of Hawaii carries with it no menace to any other nation. Jingoes of both America and Japan have tried to draw conclusions from the recent extension of Hawaii's military defenses not justified by the facts. But no nation can afford to allow its jingoes to control its policies. There are, frankly, no issues of real consequences between America and Japan. Our trade relations are mutually profitable, with a substantial balance in America's favor. Our spheres of greatest interest do not clash. It is difficult to conceive what either nation could possibly gain by a conflict, and it is unquestionable that both would lose. I am confident that the wise leadership of both nations will not allow any extreme group to precipitate a conflict.

We in Hawaii are nearer neighbors of Japan than the rest of America. Possibly for that reason we understand her better than continental Americans do. We have among our citizens many of Japanese ancestry, and we find no justification for considering them as different from other races. They respond to the same stimuli as other peoples, and have shown every indication of joining with the other races of Hawaii in making our island melting pot thoroughly American in every fundamental aspect.

Our young Americans of Japanese blood, first and second generations born on American soil, are developing along the same lines as the descendents of European immigrants to this country. They are industrious, law-abiding citizens, filled with loyalty to America. Perhaps Hawaii's mission will be not only that of military outpost, but also one where the two great nations that face each other across the Pacific may become better acquainted with each other's people, and find in such acquaintanceship grounds for mutual good will and friendship, rather than prejudice and enmity.

Hawaii, as America's western outpost, standing guard for America in the North Pacific, is primarily a precautionary measure, an insurance against war, which all of us hope and believe will not be used, but which must be provided for our own best protection.

## COTTON CROP VALUE INCREASES IN KERN AND TULARE COUNTIES, CALIF., AND THE UNITED STATES

Mr. STUBBS. Mr. Speaker and Members of the House of Representatives, Dr. C. A. Cobb, Director of the Division of Cotton, of the Agricultural Adjustment Administration in the Department of Agriculture, has released some very interesting figures, compiled through August 14, 1935, which show the progress of the Cotton Adjustment Program in the United States, the State of California, and the Tenth Congressional District of California, which I have the honor to represent in Congress.

It is apparent, from these figures, that the Nation, our State, and my congressional district have received generous financial assistance from the cotton-adjustment program instituted by Congress.

Permit me to discuss, for a moment, the financial benefits which the cotton industry of my district has received during the past few years. During the 1932–33 period, the cotton industry, like others, was headed for the wall.

Kern and Tulare Counties, which are the cotton-growing areas of my district and which boast the most magnificent yield in the Nation, did not escape the effects of the depressed markets, and Kern County, during that season, found the farm value of its lint and seed approximated only $1,704,104, and Tulare County was in an equally serious plight because the lint and see value of its crop had fallen to $1,021,785 in value—an aggregate value of only $2,725,890 for the cotton crop of those two great counties.

Supervised markets, rental payments and other benefits, however, show that at the end of the 1934–35 season the cotton industry of Kern and Tulare Counties (as well as the United States and the State of California in general) enjoyed increased values.

It is interesting to note, by way of figures, the steady increase in value which the cotton crop has staged during the past two seasons. Let us take Kern and Tulare Counties, for instance, and compare the value of their 1932–33 season's crop with the 1933–34 crop, and also with the 1934–35 crop, and also the comparative figures for the State of California and the United States.

| | 1932-33 season | 1933-34 season | | | | |
|---|---|---|---|---|---|---|
| | Farm value of lint and seed | Farm value of lint and seed | Rental payments as of Mar. 31, 1934 | Option payments as of Apr. 30, 1935 | Total payments | Farm value plus payments |
| Kern | $1,704,104.76 | $3,906,965.20 | $15,251.00 | $32,816.54 | $48,067.54 | $3,955,032.74 |
| Tulare | 1,021,785.86 | 2,552,239.49 | 27,825.00 | 56,870.61 | 84,695.61 | 2,636,935.10 |
| Total | 2,725,890.62 | 6,459,204.69 | 43,076.00 | 89,687.15 | 132,763.15 | 6,591,967.84 |
| State total | 5,216,000.00 | 12,530,000.00 | 163,204.67 | 248,431.50 | 411,636.17 | 12,941,636.17 |
| United States total | 483,887,000.00 | 718,132,000.00 | 112,472,670.27 | 63,293,619.69 | 175,766,289.96 | 893,898,289.96 |

Comparing the 1932–33 season with the 1934–35 season we find:

| | 1932-33 season, farm value of lint and seed | 1934-35 season | | | | |
|---|---|---|---|---|---|---|
| | | Farm value of lint and seed | Rental payments as of Apr. 30, 1935 | Parity payments as of Apr. 30, 1935 | Total payments as of Apr. 30, 1935 | Farm value plus payments |
| Kern | $1,704,104.76 | $5,503,851.64 | $174,612.56 | $60,625.05 | $235,237.61 | $5,739,089.25 |
| Tulare | 1,021,785.86 | 4,422,107.97 | 211,053.19 | 63,128.87 | 274,182.06 | 4,696,290.03 |
| Total | 2,725,890.62 | 9,925,959.61 | 385,665.75 | 123,753.92 | 509,419.67 | 10,435,379.28 |
| State total | 5,216,000.00 | 20,087,000.00 | 927,070.34 | 290,067.53 | 1,217,137.87 | 21,304,137.87 |
| United States total | 483,887,000.00 | 767,772,000.00 | 87,476,853.93 | 25,989,418.74 | 113,466,272.67 | 881,238,272.67 |

From these figures it is apparent that the aggregate value of the Kern-Tulare cotton crop increased $7,709,188.66 during the 2-year period.

MONEY SHORTAGE CAUSES ALL OUR DISTRESS—DESTRUCTION OF FARM WEALTH PROTECTS WALL STREET GANGSTERS. REFUSAL TO ADEQUATELY FINANCE FARM MORTGAGES, VETERANS, OLD-AGE VICTIMS, TEACHERS, ALL PROFESSIONAL CLASSES, HOME OWNERS, OTHER CITIZENS HAS PROLONGED DISTRESS, INCREASED POVERTY

Mr. BUCKLER of Minnesota. Mr. Speaker, we have just recently passed a new tax bill to bring additional revenue of perhaps around $200,000,000 annually. This amount will not even pay the interest on our present national debt.

And it perhaps will be difficult to even raise this much additional revenue because of cash money shortage.

Why is it so hard to raise money from taxation? Because there is simply not enough money in the country and not enough money in circulation with which to pay taxes. How can people pay taxes when they have not got any money? There is a lack of money. There is a shameful lack of money in this country on which to do business.

Do you know that there is not enough money in all the 15,894 banks of the country to pay the Federal Government interest of $756,617,126.73 for July 1, 1933, to June 30, 1934, and less so for our national debt interest for the year July 1, 1934, to June 30, 1935, of about $821,000,000, without even considering the billions of State, county, and other governmental unit debts and the huge private debt of billions of dollars? All the banks of this country hold in their vaults less than $750,000,000 of all kinds of cash or currency money. The actual amount on June 30, 1934, was only $713,968,000. This huge money shortage is a crime.

This money shortage causes virtually all our distress and it affects us all. Veterans of the World War must have their money, must have steady jobs and share in the general benefits everyone gets from increased circulation of money. Veterans and other citizens must have more cash to do business. The National Union for Social Justice demands more money. The Share-the-Wealth and Commonwealth citizens must have more cash if their programs should be adopted. Advocates of production for mutual use and service (the End Poverty Society) must have more money to circulate to make their plans successful.

The railroad brotherhood members want more money in circulation, as it means more business for the railroads and so more work. Workers' unemployment and social protective forces must be served, but more money in circulation is necessary.

Old-age victims, Townsendites, and others demand their rightful payments for the aged pioneers of our country. Home owners are hopeless without more money in use. Teachers, schools, and professional men and women cannot serve humanity well without getting paid and there is not enough money in circulation to pay many of them. All classes of society must have a sufficient supply of money. Only the wealthy have enough of it at present. Needy veterans, needy farmers, needy labor, clerks, professional men, school teachers, workers of all kinds, needy home owners, and other classes of society need cash.

The Supreme Court again found it necessary to reverse those national legislative policies which violate the Constitution. These policies refuse to let money circulate.

The President cannot legally control legislative powers that the Constitution gives exclusively to the Congress. These powers include the "coin money" power.

CONGRESS, THE PRESIDENT VIOLATE THE CONSTITUTION

Congress refuses to circulate money as the Constitution orders Congress to do. Both Congress and the President violate the Constitution regarding the "coin money" power.

Because the President refused to let Congress pay the full bonus to veterans—nearly 80 percent of Congress wanted to pay this debt—and because the President refused to let Congress circulate money for all the people, there has been much crazy, makeshift legislation forced through Congress to try to improve poverty conditions that are almost wholly due to the shortage of money in circulation. Emergency legislation, illegal and unconstitutional, can never take the place of the shortage of an adequate supply of money in circulation among all the people.

Congress said the N. R. A. would correct conditions that are due to shortage of money. It was declared unconstitutional and now the first N. R. A. is as dead as the "dodo bird."

The President is unconstitutional by keeping the "coin money" power. Congress lets him do this illegally, and Congress lets Wall Street regulate the value of money.

During the Seventy-fourth Congress the Supreme Court really ruled that nothing must interfere with the power of Congress to coin and issue money. Not even the President.

SUPREME COURT SAYS GOLD IS NOT MONEY

The Supreme Court, in effect, said gold was not money. Neither is silver. Nothing is money unless it is stamped as money by Congress, redeemable by tax revenues.

In the Frazier-Lemke Bankruptcy Act ruling the Supreme Court ended its decision in these words:

> Through taxation the burden of the relief afforded in the public interest may be borne by the public.

This means Congress should tax excessive wealth gained by deflating or robbing farmers and the public, to afford relief to the public "in the public interest."

Only by Government lending of a few billion dollars to farmers in trouble with mortgages, many losing their homes because of the adverse Frazier-Lemke Bankruptcy Act deci-

sion, and only by paying the $2,000,000,000 long past due to the soldier veterans was it possible to put money in circulation safely and quickly to relieve national distress.

Money-scarcity policies of big bunco bankers cause virtually all our hell on earth, our distress, and most of our crime and our poverty.

Only by long term and low cost lending of a few billion dollars to farmers in trouble with mortgages or other finances, on the Frazier-Lemke basis, and only by paying out and spending enough billions of dollars to the needy veterans as well as through all needy citizens, can money be put in circulation safely and quickly to relieve national distress. Every needy man and woman must be allowed to earn needy money.

DEBT-SLAVERY MONEY IS UNCONSTITUTIONAL

Congress must coin constitution money and stop debt-slavery.

Taxes cannot be paid with bankers' debt money, bondage money which constantly increases debts and taxes.

The annual debt and property-tax charges of over $20,000,000,000 cannot be paid with a small amount of money and that controlled by big bankers.

Big bankers really get Government doles, over $2,000,000 daily. Congress also prints hundreds of millions of money free for big banker racketeers—free except actual cost of paper, ink, and printing (less than one-thirtieth of 1 percent). Farmers and other citizens pay 1½ percent up to 10 percent or more for money.

Congress must circulate money for all citizens to earn. Big bankers must not be kept on doles with special issues of Government bonds and thousands of millions of interest payments given to the big bankers exclusively.

The refusal of the administration to circulate money freely has increased unemployment and poverty.

No recovery or national welfare measures for all classes of our citizens are possible without putting plenty of money in circulation.

The Constitution says that Congress must coin money and control money by regulating its value, for use of all the people.

The last Congress declared that the control of money, which had been regulated and managed by Wall Street bankers for 73 years, must be returned to the control of Congress. The Supreme Court last February sustained that decision, February 18, 1935.

Because money does not circulate freely debt-slavery exists today.

Debts cannot be paid because money is too scarce.

Mortgages cannot be paid without cash. People must have money.

Why does Congress refuse to let money circulate?

The people are tired of debt-slavery.

The people demand more money in circulation.

American citizens cannot trade with one another or pay debts because money does not circulate. But Wall Street bankers still object. They refuse to let money circulate.

It is impossible to live decently without money circulating.

There must be enough money for everyone to earn some.

Congress must coin the money. The Constitution says so.

Wall Street must stop coining money. That's unconstitutional.

Our money system has been unconstitutional ever since private bankers stopped Congress from issuing Abe Lincoln honest greenbacks.

Wall Street still controls our money system.

Wall Street took control during the Civil War. Wall Street has been boss of America ever since.

I believe Wall Street still runs our Treasury Department. Congress does not coin enough money for public use because Wall Street bankers object. Wall Street proposes to keep control of money for its own exclusive purposes.

WALL STREET BANKERS GET $2,000,000 DAILY DOLES

Abe Lincoln honest dollars are the only debt-free dollars the American people have ever had. They are the most scientific, safest, and best dollars ever coined. They are the only dollars that conform 100 percent with the Constitution. There still are 346,000,000 of these dollars in circulation, coined by Abe Lincoln's Treasury Department. These dollars are not tied to any bondage bonds and they do not pay tribute to Wall Street-allied bankers. Doles to New York bankers cost the people of the United States over $2,000,000 every day for interest on Government coined dollars that are coined for bankers almost exclusively, and for bondholders.

Money means life to trade. Much money means much trade.

More money means more trade and business.

Money creates progress. Shortage of money cripples, destroys.

Every Congressman swears to obey the Constitution.

Failure to coin money betrays the Constitution. Therefore Congress must coin money for everybody—enough for every State and all its citizens.

In controlling money Wall Street has always inflated and deflated at will to create panics and foreclosures. Wall Street deflated 200 billions of values in recent years.

Deflation by taking money out of circulation drops values and makes property for sale cheap on the courthouse steps.

Taking money out of circulation destroys homes.

Taking money out of circulation destroys family life.

Taking money out of circulation drives men mad. It is a criminal madness, and causes suicides, murders, and other crimes.

Mr. Speaker, America's people have been overboard for 5 years. Too many have been sunk, too many destroyed.

There is no hope for farmers, clerical workers, professional men, business tradesmen, all skilled and unskilled artisans, and labor so long as Wall Street masters control America's wealth.

W. W. Aldrich, son-in-law of J. D. Rockefeller, and boss of Wall Street's biggest bank, recently told the Senate Finance Committee it would be vicious to let the people have money. Aldrich's allies recently inflated and later deflated two hundred billion and grabbed untold hundreds of millions for themselves. To let the public have some of their money back now will be hell, Aldrich says. It may mean "a conflagration of inflation uncontrolled" by bankers, says Wall Street's agent. He thinks it all right to let Wall Street inflate two hundred billions to grab all it wanted and keep the public poor.

Rev. Charles E. Coughlin, the radio broadcaster, favors Honest Abe Lincoln dollars as proposed by the Nye-Sweeney bank bill.

Now, for the true idea of the greenback. It is the credit and property of the American people.

ABE LINCOLN GREENBACKS OUR ONLY HONEST DOLLARS

Honest Abe Lincoln greenback dollars are briefly described by Lincoln's Secretary of the United States Treasury who explained what they are in these words:

"What is a greenback? Did you ever think what it was?

"Why, it is simply the credit of this great American people put in the form of money to circulate among the very people whose credit makes it good.

"When I was Secretary of the Treasury the question arose, How should these vast armies and navies be supplied?

"How should the boys be fed in the fields, the sailors in ships, and provisions be made for their support, their clothing, food, and transportation?

"I found the banks of the country had suspended specie payments.

"What was I to do?

"The banks wanted me to borrow their credit or pay them interest in gold upon their credit. They did not pay any gold, or propose to pay any themselves, but they wanted me to borrow their notes.

"I said, 'No, gentlemen; this great American people is worth all of you put together. I will take the credit of the people, cut it up in the form of little bits of paper and we will circulate that paper.'"

Under our present money system the Treasury Department issues bondage bonds bearing annual interest, hoodwinks the innocent, and bleeds them for tribute. They are merely

another expression of the sin of serfdom. They enslave the masses.

"National debts paying interest are merely the purchase by the rich of the power to tax the poor", said John Ruskin.

Much historical enlightenment on bondage bonds is given on pages11847–11848 of the CONGRESSIONAL RECORD, July 25, 1935. Senator GERALD P. NYE, of North Dakota, gives evidence that our bondage bonds, now being increased, are plainly the international big bankers' method of extending chattel slavery by saddling the public with permanent debt. In this way they get rid of the responsibility that masters of chattel slaves were compelled to assume.

Bondage bonds and monopoly control of money are the cause of most of our troubles. Our Treasury Department issues bonds to private bankers. Then the Treasury prints greenbacks for the same private bankers. Then the Treasury authorizes the bonds to be deposited as collateral against the new printed greenbacks, printed cheaply at cost of paper and ink and labor. Then the Treasury takes back the new printed greenbacks, printed free of any service charge, in payment for the bonds. Also the Treasury thanks the big-banker bondage masters for the "privilege" of paying them interest and doles to the extent of tens of millions of dollars every month on United States bondage bonds that ought never pass out of possession of our Treasury Department.

This is a damnable racket. It is an "insiders" jobbery racket.

CRIMINAL WEALTH OF BIG BANKERS RAKE-OFF RACKETEERS

We used to hear arguments about the unlawfulness of depriving masters of their serfs. Now we hear objections to depriving bondage bond masters of their illegal, unconstitutional, ungodly interest rake-offs that some progressive men claim is criminal wealth—surrendered in the form of doles to big banker rake-off racketeers.

We are told that those who commit these evils do so "in the name of the people" and "for the true service of the people." Such lies!

Under our present system, without money men are in chains and shackles.

Without money there is stagnation, sorrow, crime, and distress.

Congress can cure all these troubles by issuing more money without interest-bearing bonds but with the gold and silver in the Treasury and credit of the people back of it.

Money in reach of everybody will rescue millions. More money will restore honest values on a normal basis.

MONEY DEFLATION CAUSED DARK AGES

The history of the Dark Ages, Mr. Speaker, can be written in one word, "Deflation." For a thousand years European countries were plunged into chaos by deflation. Money stopped circulating. Money was not understood. Men went back to barter.

Without money people could not trade. Progress stropped.

Chaos is here now because money does not circulate.

Men suffer all kinds of agonies when money is scarce.

When the Government permits money to disappear trouble begins.

When farmers cannot sell their products they stop buying.

When the farmers stop buying city workers stop working.

When workers stop working factories shut down.

When farmers cannot get money, factories cannot sell goods and workers cannot get work. This all happens because Congress lets the "coin money" well dry up.

When Congress will not let money circulate, then workers get laid off, factories stop running, and the farm products drop below the cost of production and go to waste. Farmers do not sell, workers do not buy, factories do not employ or produce.

The fault lies with Congress.

Congress must take action to circulate money.

Wall Street interferes. Wall Street seems to be the boss.

Congress almost let money go out of existence entirely.

Money disappeared because Wall Street seized it all.

The Frazier-Lemke Act to save farmers from foreclosure was necessary because the administration refuses to let money circulate so that farmers can pay their mortgages.

One way to do, the Supreme Court now says, is to tax excessive wealth and let more money circulate.

SUPREME COURT ADVISED INCREASED CIRCULATION

The Supreme Court finds conditions among farmers terrible, with usury or interest charges by private money lenders running higher than 6 percent in some cases. Wall Street bankers get Government-printed money for one-thirtieth of 1 percent. High charges for money are a curse to mankind.

Farm land values were beaten down 30 percent in 10 years up to 1930. Farm-land taxes were increased nearly 50 percent in the same 10 years.

Living prices and a decent income for farmers were beaten down so low that most farmers are tenants now. In Iowa nearly 3 farmers in every 5 are tenants, as revealed by the Iowa Year Book of Agriculture for 1933, page 213. In the State of Georgia 7 in every 10 farmers are tenants.

Wall Street deflated everybody and grabbed all the cash.

Our greatest troubles began when Wall Street forced America into the World War to murder men for profits.

After the war Wall Street deflated to rob everybody.

Europe's after-the-war deflation spread all over America.

Deflation brought back the Dark Ages.

Congress voted to circulate $40,000,000,000 for Wall Street bankers to win the World War for the benefit of the bankers.

Men were killed to make the world safe for Wall Street.

Ten million farmers were told to increase crops.

Every farmer was told to increase production.

Money was loaned to farmers to increase mortgages.

Everybody was told to buy Liberty bonds "till it hurts."

Then what happened?

Farmers were marked to be ruined and were plowed under.

Foreclosures began. Bankers conspired and organized a secret program. They agreed:

First. To foreclose mortgages.

Second. To confiscate homes.

Third. To call loans and drop all farm values and other values.

Fourth. To deflate and deflate until hundreds of thousands of farmers and others were wiped out. Deflation caused strikes, riots, bloodshed, hunger, distress, crime, and starvation in the midst of plenty. Until these conditions have been corrected there can be no good times or prosperity in this Nation.

The challenge and decision goes to the people who elect Members of Congress.

THE FARMERS HAVE BEEN GRANTED A SHORT RESPITE BUT NOT RELIEF

Mr. BURDICK. Mr. Speaker, word came to the House this afternoon that the President had signed the Frazier-Lemke Bankruptcy Amendment Act and that means that the million farm homes in this country, now on the way to the auction block, will be saved for the time being. Without this act those farm homeowners would have been entirely defenseless and unprotected. Through this act, if taken advantage of by the farmers, the fatal sale day will be postponed, and thousands of farm homes in every State will rejoice tonight to know that for a short time, at least, they will be assured of their old homes.

WILLIAM LEMKE and his little band of Congressmen who fought day and night for this legislation can now get some sleep. It can, however, be nothing more than a little rest. The job is not finished. Permanent relief is the goal and along the way many more emergency attacks must be launched. Actual situations, and not theories, must be met and met quickly in order to prevent a million farmers from going on relief rolls, or requesting a share of the $4,880,000,000 appropriated to take the place of the dole system. In the drought area, where again this year the greatest crops in all the history of the Middle and Northwest States have been almost totally destroyed by black rust, we are met with the first actual problem. Wheat, badly rusted, weighing 40 pounds, and valued by the grain trade at 50 cents per bushel is now being delivered by the farmers to the elevators for market. The Farm Credit Administration has issued a ruling that 50 percent of the sale price must be paid over to

the Government to apply on feed and seed loans. The expenses of harvest and threshing will consume the balance of the price returns, and the farmer will get nothing out of his crop to carry his family over the winter.

The ruling of the Farm Credit Administration in this area must be recalled, and the farmer must be allowed to save enough out of his wrecked crops to carry his family over the winter. The Farm Credit Administration has assured me that they will be lenient and considerate, but the actual facts are that this crop is now being held by the Government, by orders to the elevators, until they can collect from the farmers. The Farm Credit Administration promise one thing and issue an order for an entirely different thing. The country ought to know this, and it is my purpose to let the country know.

What blind business direction! To take the crop away from the farmer, who is helpless, in order to collect a Government debt; then after it is collected, and the farmer is left without means to sustain his family, the Government will have to reexpend the money to feed the family. This may be brain-trust business, but it is as short-sighted and foolish as it is unnecessary and asinine.

If these farm homes are to be saved and the occupants allowed to continue as self-respecting and self-sustaining American citizens, help of the right kind at the right time is not only essential but absolutely necessary.

In addition to this we must look ahead. To hold up foreclosures and refrain from collecting debts is all right as far as it goes, but the time will come when the books must be balanced. We should provide the farmer with a program by which he can refinance himself and at least see a flicker of light in the far distance that will eventually open up to him the clear daylight of a fair and just finance system. We must still fight on for the Frazier-Lemke refinance bill. Two hundred and nine Congressmen have signed the petition to bring out this refinance bill, but it seems impossible to secure 218. This refinance bill will be an important issue in the next campaign, and I am sure farmers will not keep up the program of sending Congressmen here who will not support the farmer in his program.

The greatest deliberative body in the world, the Congress of the United States, should never have rules that will permit a few men to thwart the will of the people. That was never intended by the framers of the Government, but through the unbridled control by special privilege the rules are made to defeat rather than support the popular will of the people. Before the farmer's fight to extricate himself from unconscionable interest rates and unbearable taxes is over it will be necessary for the farmers to change their system of electing Congressmen. In the past they have been elected on promises. Those promises mean nothing. Hereafter they should be selected on their records, made in or out of Congress.

The farmer, too, must cooperate with labor. Of the 38,000,000 who voted for the office of President at the last election only 21 percent of the vote was cast by the farm population. The farmer must unite with labor and stay united. In this Congress the farm leaders have stuck with labor through thick and thin, but the same cannot be said for labor.

Two outstanding labor leaders of the House refused to sign the petition to bring in the Frazier-Lemke refinance bill. Unless labor can send different leaders here, then the effort of labor to associate with the farmers in a united program will utterly fail. I am sure that the CONGRESSIONAL RECORD will demonstrate beyond any semblance of contradiction that the farm leaders in Congress have been fair to all classes and especially so to labor.

Fundamentally, all the farmer now asks for, or ever did demand, was an equal opportunity. That equal opportunity has been taken away from him through acts of special privilege granted by Congress to other classes. What the farmer's real dream is that some day all special privileges will be revoked and that all classes shall have an equal opportunity to live and prosper under a Government such as was described by Abraham Lincoln in his speech at Gettysburg.

### RADIO REGULATION OF THE POWER TRUST

Mr. CONNERY. Mr. Speaker, some time ago I addressed the House on the subject of radio and the monopoly of the networks made possible by the refusal of the Federal Communications Commission to recognize the need of educational, labor, religious, fraternal, and other organizations being permitted to secure licenses to operate radio-broadcasting stations.

Evidence of the discrimination which is in effect at the present time was recently called to my attention by the Secretary of the Los Angeles Central Labor Union, affiliated with the American Federation of Labor. That organization has directly and indirectly sought to obtain a franchise to operate a broadcasting station in Los Angeles. A hearing was recently held before an examiner of the Federal Communications Commission and, strange as it may seem, the examiner demanded of the applicants in addition to other material, a list of the contracts of all advertisers who will purchase time on the new radio station when (?) the franchise is granted by the Federal Communications Commission.

No such demand, so I understand, has ever been made upon any applicant for a radio-station license, and it is my belief that Members of Congress should be conversant with the onerous demands which are being made by the Federal Communications Commission on those who apply for a radio station broadcasting license when such applicants represent other than members of the Radio Trust or the Power Trust.

The Massachusetts Federation of Labor at its recent convention after carefully considering the monopoly of radio licenses possessed by the networks called upon the Congress of the United States to correct this condition and adopted unanimously the following resolution:

RESOLUTION 45—RADIO REGULATION

Whereas at the present time the Power Trust, through its influences and control, now is in a position through its domination of the Radio Trust, namely, the National Broadcasting Co., to mold public opinion; and

Whereas the National Broadcasting Co. and the Columbia Broadcasting System, which two networks dominate the radio-broadcasting field, organized company unions and denied to their workers the right to organize and to bargain collectively; and

Whereas while the Government itself is denied the right or the power of censorship, the Radio Trust exercises the power of censorship, in that nothing is permitted to be broadcasted unless O. K.'d by those in control of the various radio-broadcasting stations; and

Whereas, as a result of the diversion of advertising from newspapers and magazines to radio, not less than 40,000 printing-trades workers are deprived of the opportunities of employment at their trade; and

Whereas such conditions are detrimental to the best interests of the members of all trade unions: Therefore be it

*Resolved*, That we, the Massachusetts State branch, American Federation of Labor, in annual convention assembled, petition the Congress of the United States to enact legislation whereby the Government itself will exclusively control and operate all radiobroadcasting stations and that advertising on the radio be restricted to not more than 2 hours of each day; and be it further

*Resolved*, That our officers be instructed to send a copy of this resolution to Senators WALSH and COOLIDGE and to each of the Congressmen from this State, and that copies of this resolution be sent to each State federation of labor that they may do likewise.

It is my hope, Mr. Speaker, that the next session of Congress will enact H. R. 8475, presented by Mr. MONAGHAN, of Montana, which bill will eliminate the monopolistic control of radio now in the hands of a preferred few.

### APPROPRIATIONS, FIRST SESSION OF THE SEVENTY-FOURTH CONGRESS

Mr. BUCHANAN. Mr. Speaker, I desire to present herewith for the information of the Members of the House, and others who may be interested in consulting them, a statement showing the appropriations made during the first session of the Seventy-fourth Congress, together with the permanent annual appropriations which are supplementary thereto for the fiscal year 1936. This statement does not include any amounts for private claims at this session, a total which is not yet available. It will eventually not exceed $1,000,000, and for the purposes of this review is inconsequential.

The following shows in summary form by appropriation acts the total of all appropriations, whether they are payable from the postal revenues, the processing taxes, trust-fund receipts, or other special receipts, as well as those that will be a charge upon the general revenues. It is the total of appropriations of all kinds:

*Total appropriations, Seventy-fourth Congress, first session, exclusive of amounts for private claims, but including permanent appropriations*

| | | Amounts |
|---|---|---|
| Regular annual acts: | | |
| Department of Agriculture and Farm Credit Administration | | $125,157,983.14 |
| District of Columbia | | 40,547,115.00 |
| Independent offices | | 777,501,956.00 |
| Interior Department | | 61,220,928.00 |
| Legislative establishment | | 20,746,760.00 |
| Naval Establishment and Navy Department | | 458,684,379.00 |
| State, Justice, Commerce, and Labor: | | |
| Department of State | $14,013,895.00 | |
| Department of Justice | 34,556,500.00 | |
| Department of Commerce | 34,631,500.00 | |
| Department of Labor | 15,360,000.00 | |
| | | 98,561,895.00 |
| Treasury and Post Office: | | |
| Treasury Department | 175,786,109.00 | |
| Post Office Department | 727,849,569.00 | |
| | | 903,635,678.00 |
| War Department: | | |
| Military activities | 341,348,204.00 | |
| Nonmilitary activities | 60,649,966.00 | |
| | | 401,998,170.00 |
| Total, regular annual acts | | 2,888,054,864.14 |
| Emergency Relief Appropriation Act of 1935 | | [1] 4,000,000,000.00 |
| First Deficiency Appropriation Act, fiscal year 1935 | | 112,633,830.42 |
| Second Deficiency Appropriation Act, fiscal year 1935 | | 272,901,233.50 |
| Total, deficiency and emergency appropriation acts | | [1] 4,385,535,063.92 |
| Miscellaneous acts carrying appropriations | | [2] 99,589,488.59 |
| Total appropriated during the present session | | [1] 7,373,179,416.65 |
| Permanent appropriations occurring each year without annual action by Congress under laws previously enacted:[3] | | |
| Interest on public debt | $875,000,000.00 | |
| Public debt retirement funds (from ordinary receipts) | 636,434,000.00 | |
| Advances to Agricultural Adjustment Administration (offset by processing taxes) | 570,000,000.00 | |
| Trust fund accounts | 97,522,027.00 | |
| All other | 21,235,100.00 | |
| Total, permanents | | 2,200,191,127.00 |
| Grand total | | [1] 9,573,370,543.65 |

From the foregoing table it will be noted that the gross total of all appropriations is $9,573,370,543.65. Of this sum approximately $125,000,000 is for the fiscal year 1935 and prior fiscal years, and the remainder is on account of the fiscal year 1936.

The Emergency Relief Appropriation Act of 1935 carried a direct appropriation of $4,000,000,000 for relief, work relief, and for public projects for the furnishing of employment. In addition to the direct appropriation, there was reappropriated not to exceed $380,000,000 from balances in previous appropriations for like purposes, and a further sum of $500,000,000 was made available from any savings or unexpended balances in funds of the Reconstruction Finance Corporation. The $380,000,000 from previous balances has already been included in statements of total appropriations heretofore made, and is therefore not susceptible of being counted again. The $500,000,000 made available from R. F. C. funds is kindred to a new appropriation.

The stated total of appropriations of $9,573,370,543.65, combined with the amount made available from the R. F. C. of $500,000,000, makes a total of $10,073,370,543.65. This is a large amount and needs analysis, so that those who look only at the aggregate may understand something of its purposes. Considerably more than half of it is for emergency and relief expenses.

Included in this amount is the total of $4,500,000,000 from the Emergency Relief Appropriation Act of 1935, which became a law in April of this year. Everyone is familiar with its laudable purpose. The amount is designed to take from the relief rolls and give employment to 3,500,000 persons and to furnish relief during the period that projects are getting under way to furnish the employment. It encompasses projects of every public character for Federal, State, and local government purposes, and is expendable over 2 fiscal years. A considerable portion of the amount is available for loans by the Public Works Administration to be returned with interest.

Other sums in this total of appropriations are chargeable against special receipts of different kinds. The Budget carries an estimate of $645,000,000 of postal revenues against which the major portion of postal appropriations will be a charge. Items totaling $97,522,027 of trust-fund appropriations are chargeable against trust-fund receipts. The sum of $570,000,000 for advances to the Agricultural Adjustment Administration is estimated to be offset by the collection of processing taxes of an equal amount. Public-debt retirements from ordinary receipts automatically increase under the provisions of the sinking-fund law and such appropriations are estimated at $636,434,000. A special fund amounting to a sum equal to 30 percent of the duties from customs is made available to enable the Secretary of Agriculture to assist and relieve agriculture. It is estimated that this will amount to $86,913,738.59 for the fiscal year 1936.

Taking all these sums into consideration, there will remain in the total of appropriations after they have been deducted a net amount of $3,537,500,778.06 for all other purposes and activities of government.

For convenience the gross total and these sums are set forth in the following table:

[1] In addition to this sum for relief purposes, $500,000,000 was made available from any savings and unexpended balances of funds of Reconstruction Finance Corporation and $380,000,000 from previous balances of appropriations.

[2] Of this sum, $96,913,738.59 is appropriated in the act amending the Agricultural Adjustment Act, consisting of $10,000,000 for eradication of tuberculosis and Bang's disease in cattle and $86,913,738.59 (equal to 30 percent of duties from customs for calendar year 1934) for agricultural adjustment and relief.

[3] Amounts which are indefinite in character are estimated as of dates prior to the submission of the Budget in January 1935.

*Seventy-fourth Congress, first session*

| | | |
|---|---|---|
| Total appropriations, including the sum of $500,000,000 for relief made available from R. F. C. funds | | $10,073,370,543.65 |
| Less: | | |
| Postal Service (portion payable from Postal revenues) | $645,000,000.00 | |
| Public-debt retirement funds (payable from ordinary receipts) | 636,434,000.00 | |
| Advances to Agricultural Adjustment Administration (offset by processing taxes) | 570,000,000.00 | |
| Trust-fund appropriations (payable from trust fund receipts) | 97,522,027.00 | |
| Relief, work relief, and public projects to increase employment, including $500,000,000 from R. F. C. funds | 4,500,000,000.00 | |
| Special fund for agricultural adjustment and relief (equal to 30 percent of duties from customs for calendar year 1934) | 86,913,738.59 | |
| | | 6,535,869,765.59 |
| Total remaining appropriations for all other purposes, Seventy-fourth Congress, first session | | 3,537,500,778.06 |

Mr. Speaker, the last complete session of Congress when the Republican Party was in control of all branches of the Government was the third session of the Seventy-first Congress. The total of appropriations stated for that session, including the permanent appropriations supplementary thereto, was $5,178,524,967.95. If there be deducted from this sum the portion of postal appropriations chargeable against the postal revenues, the amounts chargeable against trust-fund receipts, the automatic public-debt-retirement funds chargeable against ordinary receipts, and an estimated amount for emergency and relief, there will remain a total for all other purposes of $3,608,903,916.95. This sum is comparable with the sum in the preceding table for this session of $3,537,500,778.06.

The following table shows the total appropriations for the third session of the Seventy-first Congress:

*Seventy-first Congress, third session*

| | | |
|---|---|---|
| Total appropriations, Seventy-first Congress, third session | | $5,178,524,967.95 |
| Less: | | |
| Postal Service (portion payable from postal revenues) | $695,000,000.00 | |
| Public-debt retirement funds (payable from ordinary receipts) | 468,509,905.00 | |
| Trust-fund appropriations (payable from trust fund receipts) | 95,111,146.00 | |
| Emergency and relief (estimated) | 311,000,000.00 | |
| | | 1,569,621,051.00 |
| Total remaining appropriations for all other purposes, Seventy-first Congress, third session | | 3,608,903,916.95 |

Mr. Speaker, in a recent press statement my colleague the gentleman from New York [Mr. TABER] predicted that by the end of the fiscal year 1936 the public debt of the United States would be $40,000,000,000. On the basis of estimates made at the time the Budget was submitted in January last, the estimated debt at the end of this fiscal year would be approximately $34,000,000,000. It is my hope that it will be less than that. With improved business conditions in the country and consequent increased Government revenues and more employment and a lessened need for Government expenditure for relief from unemployment, I sincerely believe that it will not be necessary to expend all of the funds that were estimated to be expended for emergency purposes. To the extent that this is possible the anticipated deficit and consequent estimated total debt will be lessened. This same statement gave the total of appropriations for the third session of the Seventy-third Congress at more than eleven and a half billion dollars, a figure which exceeds the actual total by more than three and a half billion dollars.

The session just closed has been a momentous one. The effects of the depression and its consequent unemployment and paralyzing economic conditions are still upon us. Progress is being made toward recovery in substantial form. Large appropriations and expenditures have been necessary for emergency purposes. At the coming session the appropriations must be materially reduced and if possible the Budget balanced.

### EMERGENCY RELIEF IN PUERTO RICO

Mr. GRAY of Indiana. Mr. Speaker, while I have not supported all appropriations brought before this House for approval, I will support the bill no. 3140, Senate, for the relief of the Puerto Rican people suffering from insanitary conditions. This bill is opposed on the grounds that the appropriations will go to a mixed colored race and not wholly to a white population. This will be a reason for my support. The colored people of Puerto Rico were brought to the Western Hemisphere by white men, who have assumed the responsibility for their condition. And under our form of government they are entitled to every consideration which can be claimed by other classes.

I do not know the reason why we hold Puerto Rico, with their so-called "mixed and colored" population. But while we hold these islands we are duty bound to provide for the welfare of their colored population the same as other parts of the population.

This bill does not increase appropriations one dollar. It is only to make a part of appropriations already made available to be used in Puerto Rico. This is to provide relief from hurricanes, pestilence, and famine, and to restore conditions in the island to normal.

Ethiopia stands out today before the nations of the earth representative of the colored races, and, as a nation and people, commands not only the respect but is claiming the sympathy and concern of the civilized people of the world. It is the universal desire and hope that these struggling primitive people, emerging from thraldom and servitude, be encouraged, aided, and allowed to work out their own destiny as a race of people of the earth, free from interference or exploitation or the domination of other races.

Let it be said to the credit of the colored race, taking advantage and following the examples of others emerging from a primitive state, they are making greater and more rapid progress in the arts of peace and civil life than other races in a given time and are far on the way to a higher plane of life.

And this appropriation for sanitation, for the eradication of germ-infested conditions, and to lift the level of the colored race, will appeal to every philanthropic breast as a cause worthy and deserving, as an appropriation for other people.

It may have been a mistake for this country to have acquired and held jurisdiction of the island of Puerto Rico, but having assumed this obligation we cannot absolve ourselves from the duty by denouncing responsibility for a mixed or colored race. Under our form of government they are entitled to every consideration accorded to other people.

During the course of the depression it was generally observed that, comparatively, a less number of colored people are supported on the relief rolls than the number drawing relief by white people. In the sphere in which they live and move and have their being, the colored people are industrious and thrifty, they meet their public obligations with more than equal promptness, and their loyalty and patriotism is always above question and apprehension.

My grandfather was mobbed in Indiana in 1856 for preaching the abolition of slavery, for declaring slavery was the sum

of all villainies, and predicting that the colored people would prove worthy of their liberty and freedom and of confidence, if reposed in them. For this reason I realize a pride of vindication in the industry and thrift of colored people and their progress and advancement made in the arts of peace and civil life.

MILITARY ORDER OF THE PURPLE HEART

Mr. FENERTY. Mr. Speaker, although we are in the closing hours of the session, I believe that the worthiness of the bill now under consideration should prompt its immediate passage. Let me call to the attention of the Members of the House the fact that the present bill has already been passed by the Senate, after its introduction by Senator BARBOUR. At the request of the members of the Military Order of the Purple Heart, I introduced a similar measure in this House early in the session. Since the Barbour bill to incorporate this splendid veterans' organization is now before us, I urge for it your full and whole-hearted support. This measure is identical with that which I introduced and its passage will serve the same purpose as if the House bill were enacted. As you gentlemen realize, this measure incorporates a group of veterans who not only served their country in battle but who were also wounded in the line of military duty. No possible harm can be caused to any other veterans' organization by the recognition of the courage and valor which the members of the Military Order of the Purple Heart have displayed in the defense of liberty.

Any arguments which I might make in defense of my own bill are equally applicable to the measure now under consideration. I therefore urge, on behalf of the members of the Military Order of the Purple Heart, that the Members of the House support this bill, even though the President, with his usual attitude toward the veterans, will probably veto it.

CONSERVATION AND USE OF NATURAL RESOURCES

Mr. GRAY of Indiana. Mr. Speaker, the world was made for all the people and not for a certain special few. Every child born into the world inherits a part of its surface and substance, enough upon which to live and labor to live, and which inheritance it takes and holds by a natural, higher, and superior title.

By this higher law, inheritance, and title, whenever by strategy, manipulation, or intrigue a few men obtain claim and possession of such greater and unequal part of the earth that others are left without sufficient ground upon which to live and move and have their being, then such man, woman, or child dispossessed has a natural right to appeal to the higher law, the law of nature and human necessity, and to maintain ejectment proceedings to vindicate and recover possession and claim his higher and superior title to live upon the earth, to breathe its air, to drink its waters, and eat its fruits accordingly as he is willing to work and labor.

This higher law and natural right to live upon the earth carries with it certain incidental rights, the right to labor to live, the right to enjoy the fruits of that labor, and all the wealth of the world for the happiness and well-being of man.

This is not only a beautiful world, with silvery streams and rivulets, with plains, valleys, hills, and mountains of varying forms and heights, with forests and different plant life, profuse, resplendent with colors brilliant and gorgeous, and all painted by the hand of the artist designing the glow and tints of the morning sunrise and the sunset hours, and the star-decked canopy of the nighttime set with a thousand jewels of the sky. But this is a bountiful world, yielding in great abundance, prolific of all the fruits, grains, and viands, and all the delicacies and staple food products for the use and enjoyment of man.

And by means of storage and refrigeration all these are held and preserved in pure and perfect consumable state, without loss, waste, or deterioration, long beyond their natural seasons. And supplementing all this, increased transportation facilities have brought the products of every clime within the reach and enjoyment of the people of every land. And if all was justly apportioned accordingly as men contribute their labor to produce and prepare for use and enjoyment, every man who is willing to labor and toil would not only enjoy the bare necessaries but the comforts, conveniences, and luxuries of life in plenty and great abundance as well.

But over and above the fruits of the earth the world abounds in latent powers and resources, lying dormant, awaiting development, waiting the touch of the hand of man to awaken forces and energies untold, all to be harnessed for the use and enjoyment of the inhabitants of the earth as a part of their natural birthright and inheritance.

The rivers and streams with their falling waters are a part of the natural wealth of the earth, inherited by the people born into the world and the blessings of which they are entitled to enjoy and use from the copious bounties provided by nature. The natural water powers and latent resources, the powers of the elements, and the natural energies of the earth are a part of the people's inheritance which they take with the right to inhabit the world into which they are born. And it is the duty of governments, it is the object and purpose of governments, in the exercise of their sovereign powers to conserve this natural inheritance for the use and enjoyment equally for all.

The conservation of natural resources means the policy of holding nature's wealth for the use and benefit of all the people, and will make every rippling river, every murmuring stream, every onward-flowing current, every rushing mountain torrent, every swelling tide of the sea a force, a factor, a power to work and serve the wants and needs, the convenience, happiness, and welfare, contributing to the enjoyment of men, and to make the earth a Canaan of plenty and great abundance, a veritable paradise of dazzling glory, of light, colors, and illumination, as well as for power and for useful service.

By science, discovery, and invention these great latent powers of the elements, the falling waters of the streams, the ebb and flow of the resistless tide, the electric forces from the air, the pent-up oils and gases struggling for freedom and release, held in the bowels of the earth, are all to be harnessed and controlled for the use and service of man, and are to be transported for distribution and apportioned to and among all the people by a network of lines and conduits carrying these powers and energies many hundreds of miles, far distant from the place or location of their development. And all these services are to be provided to lessen and lighten the burdens of the daily tasks of the people and to make the days longer for pleasure and useful occupation and to carry the daytime into the night for greater happiness and enjoyment of life.

But while laboring men and the toiling masses have largely contributed to this development and to the inventions and discoveries making available the natural wealth of the world for the use and enjoyment of all the people, these developments of nature's resources, of the natural wealth of the world, are being scrutinized, watched over, and observed, not to make the services available for use free of the burdens of excessive profit and gain and at the lowest cost of production and distribution, but are watched over to be seized upon for levy and exaction from the people for sordid gain, profit, and advantage, and to burden to the limit of endurance the people to pay exacting tribute for the enjoyment of their own natural wealth, their rightful inheritance of the earth. Already the struggle is on for the fight to control the production and the distribution and apportionment of these great natural resources of the earth, made available for the use and enjoyment of man by science, invention, and discovery, and from which to exact from the people tribute for the right to use their own wealth, the inheritance rightfully in nature their own.

There was a time when the individual man was more assured and independent to live, to use, and enjoy the vital necessaries of life, a time when he could range the valley free, to gather and take the fruits of the earth for food, to quench his thirst for water from the spring, and to breathe the open air with freedom. But increasing population has changed all this and made his existence more and more precarious and more and more dependent upon his fellow man

for some part of the vital necessaries of life, for light, heat, power, and water to live. This increasing dependency of the individual man has brought new problems before society, has enjoined new and greater duties to be observed and discharged by governments, and new and greater services required performed to assure and safeguard men in their natural rights to live upon the earth and use the vital necessaries.

The right to live upon the earth is not more vital than the right to take, use, and enjoy the necessaries of life. The monopoly of these vital necessaries, of the natural wealth and fruits of the earth is not only a restraint upon human welfare but upon the very right of man to live. In this advanced age of specialized industry and our organized social order these services of light, heat, power, and water have become a part of the vital necessaries which the people require furnished them to live. And they are entitled to their use and enjoyment as a part of their natural inheritance, free from the burdens of dividends and exacting tribute and at the actual cost of production and distribution.

All just man-made laws are enacted in aid of natural laws and to apportion the wealth of the world, the inheritance of all the people, out among men for their use and enjoyment. And to this object, purpose, and end, laws are made to enable the people to cooperate for their enjoyment and use of light, water, heat, and power, and for other necessaries and comforts of life which they can provide more advantageously by united or cooperative efforts under the form of their own local governments.

With the natural wealth of the world held free from monopoly by the certain special few, and conserved to the use of all the people, light, heat, and power can be developed from the falling streams of water and all can be carried and distributed to every hamlet and farm home in the land, all the rural population can be furnished and enjoy the same service for their convenience and comfort as the people living in the towns and cities, and at a cost low and reasonable and within the reach of every family. And from such low and reasonable charges under cooperation or public ownership, the earnings and income over cost of production and the distribution of service to the patrons, such surplus earnings and income have been and are now being used in many places to defray the expenses of local governments and to reduce their burdens of taxation. These powers and uses may be developed and these services may be distributed directly by the people themselves acting collectively under the forms of their own town, city, and county governments, or, where effective competition exists to safeguard against burdensome charges, these services may be properly provided by grant of franchise to private-utility corporations under ordinances assuring reasonable rates and charges.

### WORK OF THE POST OFFICE COMMITTEE, FIRST SESSION SEVENTY-FOURTH CONGRESS

Mr. MEAD. Mr. Speaker, for the benefit of the Members of the House, I should like to submit a summary of postal legislation considered by the Committee on the Post Office and Post Roads during the first session of the Seventy-fourth Congress.

The following bills were reported favorably by our committee, passed by the House and Senate, and signed by the President:

#### BILLS AND RESOLUTIONS ENACTED INTO LAW

*H. R. 3612 (Public Law No. 249). To provide for adjusting the compensation of post-office inspectors in charge to correspond to the rates established by the Classification Act of 1923, as amended*

The purpose of this act is to permit of the adjustment of compensation of post-office inspectors and inspectors in charge in the post-office inspection service to correspond with the rates established by the Classification Act for positions in the departmental service in the District of Columbia, and will provide more adequate grading and salary, commensurate with ability and experience.

*H. R. 5049 (Public Law No. 338). Providing punishment for forging or counterfeiting any postmarking stamp*

This act makes it an offense, punishable by fine and imprisonment, to forge or counterfeit postmarking stamps or impressions thereof with the intent of making them appear to be genuine. The need for safeguarding postmarking stamps has both legal and philatelic significance.

*H. R. 5159 (Public Law No. 317). To authorize the Postmaster General to contract for air mail service in Alaska*

This act gives the Postmaster General authority to contract, in his discretion, for the carriage of all classes of mail in the Territory of Alaska by airplane. It will aid in developing Alaska and provide a speedier means of communication not only to the interior of the Territory but also between the Territory and the States.

*H. R. 5162 (Public Law No. 339). Providing for punishment for attempts to obtain mail by fraud or by deception*

Under this act the penalty for stealing mail is extended so as to cover attempts to obtain mail by fraud or deception.

*S. 932–H. R. 5218 (Public Law No. 12). Authorizing the Postmaster General to extend certain air mail contracts for a further period not exceeding 6 months*

This act merely extended the date in section 15 of the Air Mail Act of June 12, 1934, as amended, so as to give the air mail operators further time in which to comply with the restrictions upon the holding of air mail contracts on primary routes.

(NOTE.—The title to the above was amended by Senate Concurrent Resolution 10 so as to read: "An act to postpone the effective date of certain restrictions respecting air mail contracts.")

*H. R. 5360 (Public Law No. 340). Providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property*

The purpose of this act is to bring within the provisions of the Penal Code the crime of robbing or attempting to rob custodians of Government moneys.

*H. R. 5540 (Public Law No. 341). Extending the period during which no demurrage is charged on collect-on-delivery parcels and excepting the imposition of demurrage charged on collect-on-delivery parcels exchanged between the continental and island possessions*

This act extends the free storage period on C. O. D. parcels from 15 to 20 days. It further specifies that no demurrage shall be charged on C. O. D. parcels exchanged between post offices in continental United States and post offices in the Territories and island possessions of the United States.

*S. 1539–H. R. 6374 (Public Law No. 118). Relating to undelivered parcels of the first class*

This act is to compensate the Post Office Department, through the authorization of the collection of fees, for the return of valuable letters and parcels to the senders.

*H. R. 6511 (Public Law No. 270). To amend the air mail laws and to authorize the extension of the Air Mail Service*

This act permits air mail route extensions up to 250 miles and an extension in the national air mail system from 29,000 miles to 32,000 miles. It classifies routes, directs the Interstate Commerce Commission to examine the accounts of air mail contractors and fix the rates of compensation, and provides for safeguarding the rights of pilots.

*H. R. 6717 (Public Law No. 174). To amend section 1 of the act of July 8, 1932*

Under this act the offense of mailing extortion letters is indictable and the prosecution maintainable at the place of delivery of the letters, as well as at the place of mailing.

*H. R. 6990 (Public Law No. 275). To fix the hours of duty of postal employees, and for other purposes*

This act is commonly known as the "40-hour work week bill for postal employees." It provides a shorter work week for supervisory employees, special clerks, clerks, and laborers in first- and second-class post offices, employees of the motor-vehicle service, carriers in the City Delivery Service, and in the village delivery service, employees of the Railway Mail Service, clerks at division headquarters of post-office inspectors, employees of the stamped-envelope agency, employees of the mail-equipment shops, and cleaners, janitors, telephone operators, and elevator conductors paid from appropriations of the First Assistant Postmaster General, and all employees of the custodial service except charwomen and charmen and those working part time.

*H. R. 7709 (Public Law No. 366). To provide time credits for substitute laborers in the post office when appointed as regular laborers*

The purpose of this act is to give watchmen, messengers, and laborers in the Postal Service credit for time served as substitutes, so that when they are appointed to regular positions such substitute service may be computed in determining their proper grade.

*H. R. 8790 (Public Law No. 322). To amend section 6 of the act of February 28, 1925*

A $4,300 grade for superintendents in the motor-vehicle service is created by this act, and the former top grade of $5,000 abolished.

*S. Con. Res. 10. (See S. 932 and H. R. 5218)*

*S. J. Res. 92 (Public Resolution No. 24). Making final disposition of records, files, and other property of the Federal Aviation Commission*

The purpose of this resolution was to bring about the closing and disposition of all records, files, and accounts of the temporary Federal Aviation Commission following the completion of the Commission's studies and the making of its report to Congress.

One other postal bill, S. 1439, was passed by both Houses, but failed of enactment:

*S. 1439. Amending the postal laws to include as second-class matter religious periodicals publishing local information.* (Vetoed by the President.)

The purpose of this bill was to give religious organizations the privilege of mailing publications of local interest at the second-class rates of postage.

The following bills were reported favorably to our committee, passed by the House, and are now pending before the Senate Post Office Committee:

*H. R. 1993. Giving superintendents at classified post-office stations credit for substitutes serving under them*

The proposed legislation contemplates that all substitute service be credited to a station in determining the compensation of superintendents, their salaries being based upon the number of employees assigned to the station and the postal receipts.

*H. R. 4036. For the relief of Ralph C. Irwin*

*H. R. 4450. To provide for the appraisal of the pneumatic mail tube systems in New York and Boston*

This bill directs the Postmaster General to provide for an appraisal by competent engineers of the properties comprising the pneumatic mail tube systems in New York and Boston.

*H. R. 5596. Granting equipment allowance to third-class postmasters*

This measure is intended to correct the injustice and unbusinesslike practice of requiring approximately 8,000 postmasters of the third class to provide fixtures and equipment for use in the post offices at their own expense.

*H. R. 5723. To give certain railway postal clerks the same time credits for promotion purposes as were given others who were promoted on July 1, when automatic promotions were restored*

Approximately 550 terminal clerks are affected by this bill and will be promoted to grade 5 if it is enacted into law. It applies to those clerks who had earned their promotions but were prevented from being advanced in grade by the economy acts and later the Terminal Reclassification Act.

*H. R. 7506. To provide for a stenographic grade in the offices of Chief Clerk and Superintendent in the Railway Mail Service*

The purpose of the above bill is to define clearly the position of stenographer in the offices of Chief Clerk and Superintendent in the Railway Mail Service.

*H. R. 7688. To provide for the appointment and promotion of substitute postal employees, and for other purposes*

The bill has four objectives: (1) To give experienced substitutes in the Postal Service a higher rate of pay; (2) to promote substitutes to regular positions; (3) to give substitutes sick and annual leave; and (4) to establish fixed ratios between the number of substitutes and the number of regular employees in each office.

*H. R. 7936. To adjust the salaries of rural letter carriers, and for other purposes*

Additional compensation for rural letter carriers serving heavily patronized routes is provided in the above measure. It also extends the operation of the savings clause, limiting salary reductions in the event of transfer to another route.

*H. R. 8002. To increase the compensation of letter carriers in the village delivery service*

The bill provides increased compensation for both the regular and the substitute village letter carriers.

*H. R. 8369. Relating to laborers in the Railway Mail Service and motor-vehicle employees of the Postal Service*

This bill is to protect the rank and pay of railway mail laborers and motor-vehicle employees who are transferred temporarily to another branch of the Postal Service.

*H. R. 8730. To provide special rates of postage on reading matter and sound-reproduction records for the blind*

The purpose of the bill is to extend to certain magazines or periodicals for the blind the cent-a-pound rate of postage.

*H. R. 8869. To amend sections 181 and 186 of the Criminal Code*

This measure is to amend the so-called "private express statutes" in order to protect the governmental monopoly of the carriage of letters.

The following bills were reported favorably by our committee and are pending on the calendars of the House:

*H. R. 2793. To amend the provisions of laws relating to appointment of postmasters*

This proposed amendment to existing law regarding the appointment of postmasters gives the Postmaster General the right to appoint an acting postmaster upon the expiration of the term of any postmaster.

*H. R. 8541. For payment of compensation to persons serving as postmaster at third- and fourth-class post offices*

This proposed legislation is for the purpose of compensating persons who perform the duties of postmaster in cases of emergencies and pending the designation of an acting postmaster.

In addition to the above, the following resolutions were acted upon by the committee and tabled by the House:

H. Res. 76. Requesting information from the Postmaster General.

H. Res. 81. Directing the Postmaster General to furnish certain information to the House of Representatives.

H. Res. 181. Calling on the Postmaster General for information concerning contracts for transportation of mail by airplane.

H. Res. 332. Directing the Postmaster General to furnish information respecting alleged violation of the postal laws by the Federal Housing Administration.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn until Monday morning at 12 o'clock noon.

The motion was agreed to.

Accordingly (at 11 o'clock and 47 minutes p. m.), the House adjourned until Monday, August 26, 1935, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

489. A letter from the Secretary of War, transmitting, pursuant to sections 1 and 4 of the River and Harbor Act approved January 21, 1927, the Flood Control Act of May 31, 1934, and section 10 of the Flood Control Act approved May 15, 1928, a letter from the Chief of Engineers, United States Army, dated July 26, 1935, submitting a report, together with accompanying papers and illustrations, containing a general plan for the improvement of Arkansas River and tributaries, for the purposes of navigation and efficient development of its water power, the control of floods, and the needs of irrigation (H. Doc. No. 308); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

490. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the District of Columbia for the fiscal year 1936 in the amount of $125,000 (H. Doc. No. 309); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BURDICK: Committee on Indian Affairs. S. 1793. An act to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat. L. 602); with amendment (Rept. No. 1902). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 1401. A bill to authorize the erection of a tablet in the Washington Monument in honor of those who served in the armed forces of the United States during the World War; with amendment (Rept. No. 1905). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. S. 3137. An act for the relief of Pauline McKinney; with amendment (Rept. No. 1904). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. YOUNG: A bill (H. R. 9246) to require that each officer of the Army, Navy, and Marine Corps shall wear the uniform of his service while on duty; to the Committee on Military Affairs.

By Mr. CARTWRIGHT: A bill (H. R. 9247) to grant to the citizens of the Choctaw and Chickasaw Tribe of Indians, recognized as members of the several tribes of Indians of the Five Civilized Tribes of the State of Oklahoma, the right, freedom, and liberty to create and organize a commission, and for other purposes; to the Committee on Indian Affairs.

By Mr. KELLER: A bill (H. R. 9248) to improve the navigability and provide for the flood control of the middle Mississippi River; to provide for the reforestation and the use of marginal lands, and for the agricultural and industrial development of the middle Mississippi River Basin; to provide for the conservation and utilization of the coal and other fuel resources of such basin in cooperation with the municipalities, counties, districts, and other political subdivisions of the States therein; and for the development of electrical power in such basin; and for other purposes; to the Committee on Flood Control.

By Mr. PEARSON: A bill (H. R. 9258) to create United States Civil Service boards of appeals; to the Committee on the Civil Service.

By Mr. DISNEY: A bill (H. R. 9259) establishing the National Academy of Public Affairs; to the Committee on Education.

By Mr. RAMSPECK: A bill (H. R. 9260) to provide for the extension of the Classification Act of 1923, as amended, to the field services and other establishments of the Government; to amend the Classification Act of 1923, as amended; and for other purposes; to the Committee on the Civil Service.

By Mr. DISNEY: A bill (H. R. 9261) to amend section 10 of the act of March 20, 1933, entitled "An act to maintain the credit of the United States Government", and designated as Public Law No. 2, of the Seventy-third Congress; to the Committee on Expenditures in the Executive Departments.

By Mr. COLE of Maryland: Joint resolution (H. J. Res. 407) consenting to an interstate oil compact to conserve oil and gas; introduced and passed.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CRAVENS: A bill (H. R. 9249) to provide for a preliminary examination and survey of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods; to the Committee on Flood Control.

Also, a bill (H. R. 9250) to provide for a preliminary examination and survey of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods; to the Committee on Flood Control.

By Mr. DISNEY: A bill (H. R. 9251) for the relief of Marion S. Williams; to the Committee on Military Affairs.

By Mr. HARTLEY: A bill (H. R. 9252) granting the Purple Heart to William J. Murphy; to the Committee on Military Affairs.

By Mr. REED of New York: A bill (H. R. 9253) granting an increase of pension to Lorena M. Haskins; to the Committee on Invalid Pensions.

By Mr. STEFAN: A bill (H. R. 9254) authorizing the county of Dakota, State of Nebraska, to construct, maintain, and operate a bridge across the Missouri River at or near the cities of South Sioux City, Nebr., and Sioux City, Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. STUBBS: A bill (H. R. 9255) for the relief of Amanda Vickers Boyd; to the Committee on Pensions.

By Mr. WOLVERTON: A bill (H. R. 9256) granting an increase of pension to Anna M. W. Diggles; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9257) for the relief of Louise D. Goldsberry; to the Committee on Claims.

# SENATE

## MONDAY, AUGUST 26, 1935

*(Legislative day of Monday, July 29, 1935)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the bill (S. 2324) to incorporate the Military Order of the Purple Heart.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 1575. An act for the relief of John S. Cannell, deceased;

H. R. 1912. An act for the relief of William J. Ryan, chaplain, United States Army;

H. R. 3109. An act for the relief of Herman W. Bensel;

H. R. 3149. An act to confer jurisdiction upon the United States District Court for the Southern District of Texas, Corpus Christi division, to determine the claim of Mrs. L. B. Gentry;

H. R. 4567. An act for the relief of Robert E. Callen;

H. R. 4770. An act for the relief of Elinora Fareira and Mearon Perkins;

H. R. 5097. An act for the relief of Mary E. Lord;

H. R. 5521. An act for the relief of Frank Williams;

H. R. 5750. An act for the relief of Mary Brown Raley;

H. R. 6250. An act to amend the National Defense Act;

H. R. 7140. An act for the relief of the Bell Oil & Gas Co.;

H. R. 8133. An act to authorize certain homestead settlers or entrymen who are disabled World War veterans to make final proof of their entries, and for other purposes;

H. R. 8444. An act to authorize the transfer of a certain military reservation to the Department of the Interior; and

H. R. 8870. An act to further protect the revenue derived from distilled spirits, wine, and malt beverages, to regulate interstate and foreign commerce and enforce the postal laws with respect thereto, to enforce the twenty-first amendment, and for other purposes.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 5 o'clock this afternoon.

The motion was agreed to; and (at 12 o'clock and 1 minute p. m.) the Senate took a recess until 5 o'clock p. m.

AFTER RECESS

On the expiration of the recess the Senate reassembled.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed the bill (S. 1994) to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 40), in which it requested the concurrence of the Senate, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That the two Houses of Congress shall adjourn on Monday, the 26th day of August, 1935, and that when they adjourn on said day they stand adjourned sine die.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Connally | Johnson | Russell |
| Ashurst | Copeland | King | Schall |
| Austin | Costigan | La Follette | Schwellenbach |
| Bachman | Davis | Lewis | Sheppard |
| Bailey | Dickinson | Logan | Shipstead |
| Barkley | Donahey | Lonergan | Smith |
| Black | Fletcher | Long | Steiwer |
| Bone | Frazier | McAdoo | Thomas, Okla. |
| Borah | George | McCarran | Thomas, Utah |
| Brown | Gerry | McGill | Townsend |
| Bulkley | Gibson | McKellar | Trammell |
| Bulow | Glass | Maloney | Truman |
| Burke | Gore | Minton | Tydings |
| Byrd | Guffey | Murray | Wagner |
| Byrnes | Hale | Norbeck | Walsh |
| Capper | Harrison | Norris | Wheeler |
| Caraway | Hatch | O'Mahoney | White |
| Chavez | Hayden | Pittman | |
| Clark | Holt | Robinson | |

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Mississippi [Mr. BILBO], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. DIETERICH], the Senator from Wisconsin [Mr. DUFFY], the Senator from New Jersey [Mr. MOORE], the Senator from Iowa [Mr. MURPHY], the Senator from West Virginia [Mr. NEELY], the Senator from Louisiana [Mr. OVERTON], the Senator from Idaho [Mr. POPE], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Indiana [Mr. VAN NUYS], and the Senator from North Carolina [Mr. REYNOLDS] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Oregon [Mr. MCNARY], the Senator from New Jersey [Mr. BARBOUR], the Senator from Wyoming [Mr. CAREY], the Senator from Delaware [Mr. HASTINGS], the Senator from New Hampshire [Mr. KEYES], the Senator from North Dakota [Mr. NYE], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Rhode Island [Mr. METCALF] are necessarily absent from the Senate, and that the Senator from Michigan [Mr. COUZENS] is absent on account of illness.

The VICE PRESIDENT. Seventy-four Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts and joint resolutions:

On August 21, 1935:

S. 3311. An act to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, 226), as amended.

On August 23, 1935:

S. 634. An act to authorize the sale of a portion of the Fort Smith National Cemetery Reservation, Ark., and for other purposes;

S. 985. An act for the relief of Hudson Bros., of Norfolk, Va.;

S. 1988. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr.;

S. 2312. An act for the relief of the Western Construction Co.;

S. 3050. An act granting the consent of Congress to the States of New York and Vermont to construct, maintain, and operate a bridge across Lake Champlain between Rouses Point, N. Y., and Alburg, Vt.;

S. 3060. An act to amend section 6 of title I of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, as amended; to extend the time within which applications for benefits under the World War Adjusted Compensation Act, as amended, may be filed; and for other purposes;

S. 3105. An act to amend the act approved June 12, 1934, relating to the granting of the consent of Congress to certain bridge construction across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala.;

S. J. Res. 59. Joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formation of the Constitution of the United States; and

S. J. Res. 122. Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission.

On August 24, 1935:

S. 2743. An act to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone;

S. 3135. An act to authorize the purchase of the *Winnie Mae* by the Smithsonian Institution;

S. 3123. An act to provide for the relief of public-school districts and other public-school authorities, and for other purposes; and

S. J. Res. 69. Joint resolution to provide for the erection of a suitable memorial to the Fourth Division, American Expeditionary Forces.

On August 26, 1935:

S. 414. An act to convey certain lands and buildings to the city of Reno, Nev.;

S. 946. An act to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Mont.";

S. 1483. An act for the relief of William E. Williams;

S. 1787. An act to add certain lands to the Pisgah National Forest in the State of North Carolina;

S. 1817. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N. Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island;

S. 2608. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933;

S. 2626. An act to authorize the sale of Federal buildings;

S. 2652. An act to authorize the President to attach certain possessions of the United States to internal-revenue collection districts for the purpose of collecting processing taxes;

S. 2761. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon;

S. 2796. An act to provide for control and regulation of public-utility holding companies, and for other purposes;

S. 2867. An act to reenact section 463 of the act of Congress entitled "An act to define and punish crime in the District of Alaska and to provide a code of criminal procedure for said district", approved March 3, 1899, and for other purposes;

S. 3286. An act to abolish the oath required of customs and internal-revenue employees prior to the receipt of compensation, and for other purposes;

S. 3374. An act for the relief of the State of Indiana; and

S. 3386. An act for the relief of Helen Gallagher Dominian.

SUPPLEMENTAL ESTIMATE—EXPENSES OF THIRD WORLD POWER CONFERENCE (S. DOC. NO. 138)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State, fiscal year 1936, to remain available until June 30, 1937, amounting to $75,000, for the expenses of the Third World Power Conference, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE—CELEBRATION OF ANNIVERSARY OF HERNANDO DE SOTO EXPEDITION (S. DOC. NO. 137)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate for the Department of State, fiscal year 1936, amounting to $5,000, for the expenses of a commission to make a study pertaining to the celebration of the four hundredth anniversary of the expedition of Hernando De Soto, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

PETITION AND MEMORIAL

The VICE PRESIDENT laid before the Senate the memorial of members of Utica Centre, Brooklyn, N. Y., protesting against alleged actions of the State Department in reference to the arrest of anti-Nazi demonstrators on board the steamship *Bremen* on July 26, 1935, and also against the alleged lack of action by the State Department in the case of Lawrence B. Simpson, American seaman-citizen, now in the hands of the German Government, who was arrested off the steamship *Manhattan* in Hamburg, Germany, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a petition of several citizens of Shelbyville, Ind., praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana (Mr. LONG and Mr. OVERTON), which was referred to the Committee on Privileges and Elections.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on August 24, 1935, that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 872. An act for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims;

S. 2002. An act to provide for the establishment of load lines for American vessels in the coastwise trade, and for other purposes;

S. 2215. An act to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended;

S. 2632. An act to provide for the construction of 10 vessels for the Coast Guard designed for ice-breaking and assistance work;

S. 2652. An act to authorize the President to attach certain possessions of the United States to internal-revenue collection districts for the purpose of collecting processing taxes;

S. 2796. An act to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes;

S. 3002. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

S. 3210. An act to refer the claim of the Menominee Tribe of Indians to the Court of Claims with the absolute right of appeal to the Supreme Court of the United States;

S. 3286. An act to abolish the oath required of customs and internal-revenue employees prior to the receipt of compensation, and for other purposes;

S. 3303. An act to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings;

S. 3327. An act to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes;

S. 3414. An act to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of New York;

S. 3446. An act relative to limitation of shipowners' liability;

S. J. Res. 9. Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally;

S. J. Res. 159. Joint resolution granting the consent of Congress to the States of New York, New Jersey, and Connecticut to enter into a compact for the creation of the Interstate Sanitation District and the establishment of the Interstate Sanitation Commission; and

S. J. Res. 173. Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NORBECK:

A bill (S. 3470) for the relief of Axel J. Beck; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 3471) for the relief of George Jacobson as father and natural guardian of Harold Jacobson, a minor, of Brooklyn, N. Y.; to the Committee on Claims.

A bill (S. 3472) to provide a preliminary examination of Onondaga Creek, in Onondaga County, State of New York, with a view to the control of its floods; to the Committee on Commerce.

A bill (S. 3473) to amend section 601 (c) (2), title IV, of the Revenue Act of 1932, as amended; to the Committee on Finance.

TAXATION OF INTOXICATING LIQUOR—AMENDMENT

Mr. JOHNSON submitted an amendment intended to be proposed by him to the bill (H. R. 9185) to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

INVESTIGATION OF AIR MAIL AND OCEAN MAIL CONTRACTS—LIMIT OF EXPENDITURES

Mr. McCARRAN submitted the following resolution (S. Res. 204), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the limit of expenditures authorized by Senate Resolution 349, Seventy-second Congress, second session, agreed to February 25, 1933, and supplemental resolutions relating thereto, is hereby increased by $5,000.

STATUS OF SUPPLEMENTAL DEFICIENCY APPROPRIATION BILL

Mr. ROBINSON. Mr. President, it does not appear to me to be necessary to review at length the proceedings in the Senate under which the concurrent resolution providing for final adjournment last Saturday was reconsidered and the proceedings, by reason of which the deficiency appropriation bill was placed in a confused situation. My object now is to make a brief statement concerning the subject.

The House has adopted a second concurrent resolution of adjournment identical with that which was transmitted to the Senate last Saturday, with the exception that the time for adjournment is fixed as of this date.

A number of Senators profoundly interested in the subject matter of the controversy relating to the Byrnes amendment and the deficiency appropriation bill have been working since the recess today of the Senate in the hope that some arrangement might be effected under which it may be possible to pass the deficiency appropriation bill.

I stated on last Saturday that the Executive and some others believe it may be possible to carry on certain activities, including those pertaining to social-security legislation, during the vacation of the Congress without enactment of the provisions of the deficiency bill relating to that and other subjects. It is the general opinion that such a course would be attended with difficulties and may be surrounded with a measure of doubt.

It seems to me that a tentative arrangement is in contemplation, under which the deficiency bill may be passed, but if that cannot be done it will be necessary for the Senate to consider the new resolution of adjournment.

Before proceeding to any request relating to the bill, it should be stated that the Agricultural Department has announced a modified plan for loans on cotton. This plan does not contemplate any change in the method of dealing with the subject of wheat. It is to be remembered that wheat is in a different situation from cotton. The Government, as such, is not making loans on wheat, and it is my understanding that the market price of wheat is substantially at parity.

The arrangement regarding cotton, briefly stated, is as follows:

The plan recently announced, the plan which occasioned the controversy which now exists in the Congress over the subject of cotton loans, is to be revised and put into effect just as speedily as the machinery that is necessary may be set up. Instead of making loans at the rate of 9 cents per pound, the rate is to be 10 cents per pound, and the cotton producer is to be paid the difference between the sale price of his cotton, based on an average obtained daily, and the price of 12 cents. The effect of the arrangement would be to give to the producer 12 cents per pound. None will get more, the problem being worked out on the basis of middling cotton.

In order that there may be no uncertainty as to what may be expected, I shall read a memorandum which has been presented to me. This is the announcement by the Department of Agriculture:

The objective of the Agricultural Adjustment Administration has been to get an average return of at least 12 cents for the producers of ⅞-inch Middling cotton. The plan announced last week would have obtained this result, but further study shows that certain modifications of this plan will make it simpler to understand and more equitable to individual growers, and will make clear to each producer, when he markets his cotton, the exact amount he will receive for it.

Under the previous plan it would have been possible for growers of ⅞-inch Middling cotton to receive, because of Government aid, more than 12 cents per pound for their crops and also for some to receive less than 12 cents per pound. The new plan proposes a loan of 10 cents per pound for ⅞-inch Middling cotton, and the total received by the growers of such cotton cannot exceed 12 cents per pound. It will make more certain the amount each grower will receive for his cotton.

Instead of making the adjustment payment on the basis of the 4 months' average of the 10-point spot markets, this adjustment agreement will now be based on the daily average of the 10-point spot markets. In other words, the adjustment payment will be made on the basis of the 10-point spot markets' average of the actual days the cotton is sold by the producer.

These adjustment payments will be made through the cotton year up to August 1, 1936. As before stated, they will be made to those producers who have cooperated in the adjustment program and who agreed to participate in the 1936 crop program.

This program of loans and adjustment of the 1935 crop will go into effect as soon as it is physically possible to set up the new machinery. The loan form will be available for the 10-cent loan during the week of September 2. This will be restricted to actual production not in excess of the Bankhead allotment.

It is my purpose to propose to recall from the House of Representatives the deficiency appropriation bill. It seems proper to state in advance of the request or motion for that action that a proposal will be made to reconsider what may be known as the "cotton and wheat amendments" to the deficiency appropriation bill. If that is done, the bill may be passed and returned to the House of Representatives, which body, I hope, will concur in the remaining Senate amendments and pass the bill.

It seems to me it should be stated that I have no assurance that all of the remaining amendments—that is, the amendments which the Senate adopted other than the cotton and wheat amendments—will be concurred in, but it is in contemplation that this may be proposed to the House.

Having in mind all the facts which have been stated, I now enter a motion to reconsider the vote by which the deficiency bill passed the Senate, and I ask unanimous consent that the House of Representatives be requested to return the bill.

The VICE PRESIDENT. Is there objection?

Mr. SCHWELLENBACH. Mr. President, may I propound an inquiry to the Senator from Arkansas?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Washington?

Mr. ROBINSON. Certainly.

Mr. SCHWELLENBACH. I ask the Senator if there has been anything in the negotiations today which contemplates the same consideration toward the producers of wheat in the Pacific Northwest as is contemplated for the producers of cotton?

I may say to the Senator that it is my feeling that the reason why the people engaged in the production of cotton are entitled to particular consideration from the Congress or from the administration is the percentage of their production which must necessarily go into foreign export.

We in the Pacific Northwest who produce wheat, which is a wheat of low standard, and who are confronted by the high railroad rate to the eastern market, must necessarily look to the foreign markets for the utilization of a great percentage of our product. It is my feeling that the wheat producers of the Pacific Northwest are entitled to the same sort of consideration as is accorded the cotton producers of the South.

I should like to know whether in the negotiations today the Department of Agriculture has given any consideration to that particular problem so far as the wheat producers of the Pacific Northwest are concerned?

Mr. ROBINSON. The subject of wheat loans already has been briefly discussed. As I stated in the beginning of my remarks there is nothing in the agreement as revised which obligates the Government to make loans on wheat. The practice heretofore has prevailed of making advances under conditions with which the Senator is probably more familiar than am I, and the market price of wheat is substantially at parity. The arrangement contemplates a rescision of the two amendments to which I have referred.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. ROBINSON. Certainly.

Mr. NORRIS. Under the rules of the Senate why does the Senator ask unanimous consent to recall the bill? Is it not in order to make a motion to recall it?

Mr. ROBINSON. Certainly it is in order, but if consent is given, it will not be necessary to make the motion.

Mr. LONG. I object.

Mr. ROBINSON. I intend to make the motion if necessary.

The VICE PRESIDENT. Objection is heard.

Mr. ROBINSON. I move that the House of Representatives be requested to return the deficiency appropriation bill to the Senate.

Mr. LONG and Mr. FRAZIER. Mr. President——

The VICE PRESIDENT. The motion is not debatable under the rules of the Senate.

Mr. GEORGE. Mr. President, the motion to recall is not debatable?

The VICE PRESIDENT. It is not debatable under the rules of the Senate.

Mr. GEORGE. Very well, Mr. President.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

Mr. LONG. On that I ask for the yeas and nays.

The yeas and nays were not ordered.

The motion was agreed to.

Mr. ROBINSON. Mr. President, I move that the Senate take a recess until called to order by the Chair.

Mr. GEORGE. Mr. President——

The VICE PRESIDENT. That motion also is not debatable.

Mr. GEORGE. I was about to ask unanimous consent to make a statement; and I apprehend that before the night is over that opportunity must come to me under parliamentary rules.

The VICE PRESIDENT. It will.

Mr. GEORGE. I do not desire to detain the Senate, but I think someone has a right to say what the announcement, as I understand it, amounts to.

The VICE PRESIDENT. The Chair will state to the Senator from Georgia that the Senator from Arkansas has made a motion to take a recess.

Mr. GEORGE. Yes; the Senator from Arkansas has made the motion, and I ask unanimous consent that I may address the Senate for 5 minutes.

Mr. ROBINSON. I withhold the motion.

The VICE PRESIDENT. The Senator from Arkansas withholds his motion so that the Senator from Georgia may make a 5-minute statement.

Mr. SCHALL. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. SCHALL. I am wondering if the Senator will yield to me for the purpose of——

Mr. GEORGE. I am not yielding, Mr. President. I could not yield under the consent.

The VICE PRESIDENT. The Senator from Georgia declines to yield.

Mr. SCHALL. I desire to make a request to have a letter to a constituent printed in the RECORD.

Mr. ROBINSON. That may be done later. I object, Mr. President.

The VICE PRESIDENT. The Senator from Georgia is recognized.

Mr. GEORGE. Mr. President, I should be the last man in this body to object to anything that may have been brought about by virtue of negotiations undertaken today between the Senators representing the cotton-growing States and the President; but I must say what it means, and I shall say so without hesitation.

The loan of 10 cents, coupled with the condition that at the end or following each trading day the difference between 10 cents and the average sales price in the 10 spot markets, as outlined by the leader of the majority, shall be computed and paid to the farmer, means that the entire cotton crop produced in 1935 must go on the market by August 1, 1936. It is the shippers' bill; it is the shippers' proposal; it is in the interest of the cotton shipper and the shipping interests, including some brokerage concerns in the United States.

Why? Unless cotton be sold by August 1, 1936, there is no assurance of the continuance of the subsidy that is given the cotton farmer. What must I do, and what will I do? Sell my cotton, dump it on the market, break the price. Mark my prediction: The price will probably go even below 10 cents.

Who will be hurt by this agreement? In the first instance the Government, which now has 5,000,000 bales of cotton in the aggregate—4,600,000 bales, I believe—and on that the Government has an advance today equivalent to 13 cents a pound. The market will go to 10 cents, probably below 10 cents, and the Government will sustain an out-of-pocket loss of $75,000,000 to date, and 12 months hence an additional 1 cent per pound, or $5 per bale.

What will happen to the cotton mills? They will be seriously crippled. Their inventories must go down, because the price of cotton now is 10 cents. They bought it at 12 cents, plus the processing tax.

What will happen to every wholesaler and every retailer in the remotest hamlet of the Republic? Their stocks must go down, because henceforth the price of cotton will be 10 cents.

Who will benefit by it? The farmers, for 1935—mark my words, for 1935—but we are fixing the price of cotton at not exceeding 10 cents per pound for all years thereafter. Under an administration committed to an advancement of commodity prices by every device conceivable to the mind of man, we are crucifying our farmers, because after 1935 the maximum price is 10 cents per pound. We are giving the farmer, on his 1935 crop, 2 cents additional to the market, pegged at 10 cents by the loan, as a subsidy, that is all. The basic price is not exceeding 10 cents a pound.

Whom are we helping? We are helping the shipper; we are helping the shipping interests; we are helping the foreign manufacturer and the foreign buyer.

What are we doing? We are saying that everything the Secretary of Agriculture ever said, and everything the A. A. A. ever preached—to wit, that the agricultural-control program was not destroying foreign markets, was not building up foreign production, was not defeating our commerce in cotton—is untrue. Why are we doing it? Because now we are coming, truculently, reducing the price of cotton under 12 cents to 10 cents, admitting that we cannot compete in the markets of the world, admitting that we cannot meet foreign competition.

Mr. President, this proposal is in the interest of the cotton shippers, primarily among whom may be named Anderson & Clayton, of Texas; McFadden, of Philadelphia; and Weil Bros. We are benefiting the foreign buyer of cotton, because we are reestablishing foreign commerce in cotton. We are benefiting the foreign mills. We are crucifying the American mill, with its inventory based on a 12-cent price, not a subsidy. We are crucifying the merchant at the crossroads to the extent that he has any cotton stocks bought on that basis; and in the future we are crucifying the American farmer—make no mistake about that—because we are fixing the price of his cotton at not exceeding 10 cents, and we are thereby fixing the price of his land devoted to cotton production, of his livestock, and his machinery, and his implements.

That is all I wish to say.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Arkansas [Mr. ROBINSON] that the Senate take a recess subject to the call of the Chair.

Mr. BYRNES. Mr. President, I ask unanimous consent to address the Senate for 5 minutes.

The VICE PRESIDENT. Does the Senator from Arkansas yield?

Mr. ROBINSON. I yield.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from South Carolina is recognized for 5 minutes.

Mr. BYRNES. Mr. President, I was in favor of and did everything I possibly could to secure the adoption of my amendment providing for the continuation of the 12-cent loan. The deficiency bill containing the amendment was referred by the Speaker of the House of Representatives to the Committee on Appropriations. I am informed that under the rules of the House it could be considered only by securing a special rule from the Rules Committee, which is impossible, or by securing the signatures of 218 Members of the House in order to force a discharge of the Committee on Appropriations, which is equally impossible.

Gentlemen in the House from States in which cotton is grown were satisfied, once the House today adopted the resolution to adjourn today, that there was absolutely no chance

for the House to act upon the deficiency bill. The failure of that bill with my amendment meant the cotton program announced last week would be continued.

Under the program which had been announced by the administration, loans were to be made, not at 10 cents but at 9 cents. The effect of that program was that instead of the price going to 10 cents, as my good friend the Senator from Georgia fears, it would have gone to 9 cents.

It is a practical matter, and I think I am a practical man. The difference between 10 cents and 9 cents means $5 a bale. On 11,870,000 bales, the estimated crop, that means $59,000,000, in fact, nearer $60,000,000, which would be lost to the cotton farmers of the South.

By the proposed agreement that amount of money is certainly saved to the cotton farmers.

The contemplated agreement would do more than that. One objection I had to the program announced by the administration, and one of my principal objections, I expressed upon this floor, namely, that the little farmer would be forced to sell, as he is always forced to sell, within the next 30 days; that during that period, because the cotton crop was being forced upon the market within a short period, the price of cotton would go down to 9 cents. Under the plan that was announced on last Friday the farmer sold for 9 cents, would receive no bounty or subsidy until some time next year, when a mathematician would figure the average of sales between September 1 and January 1 and deduct that average from the sum of 12 cents. If the average over 4 months was 11 cents thereafter, at some time after January 1 he was supposed to receive a check for this difference of 1 cent per pound, making 10 cents per pound for his cotton.

Under the plan now proposed the cotton farmer will receive the difference between the average price on the day he sells and 12 cents. If he sells his cotton tomorrow, and cotton is bringing 10 cents per pound in the 10 designated spot markets, immediately after tomorrow he can make his claim for 2 cents a pound, or $10 a bale, for his cotton, and can receive it soon thereafter instead of next year. He will receive from the Government 2 cents per pound in addition to the amount received from the buyer of the cotton.

There is an additional reason for adopting the agreement. The Senator from Georgia fears this new plan will force the ten and one-half million bale crop on the market between now and August 31, 1936. It may have that effect, but under the plan which this proposed agreement would supersede, that ten and a half million bale crop would be forced on the market between September 1 and January 1. Whenever we can succeed in inducing a change of program so that the crop will be sold between September 1, 1935, and August 31, 1936, instead of being dumped on the market in the next 4 months, it is a vast improvement. It means that the crop will be marketed throughout the entire year. There will be a chance for the manufacturer who paid 12 cents for cotton to have the benefit that will result from a higher price for cotton if he happens to have an inventory at this time. His competitor will not be able tomorrow to buy cotton for 9 cents per pound.

There is an additional reason. All of us know that cotton must move to market, that cotton must be exported, that the carry-over must be disposed of. I have said heretofore that the Senators from cotton States have not urged the 12-cent loan as a permanent policy for the Government to pursue. If as a result of the proposed policy cotton should go to 10 cents and should move to market in export, as the crop is moved out of this country, cotton will increase in price and the cotton held by the Government will increase in price. But this is certain—and it is the benefit that comes as a result of this agreement—that the cotton farmer is going to receive the difference between what he gets for his cotton the day he sells it and 12 cents a pound. After all, our fight has been for the cotton grower, and not for the cotton manufacturer, or the banker, or the cotton merchant. Those of us who represent the cotton-growing States of the South know that the proposed plan means not only a saving of $60,000,000 to the cotton growers. It means that the cotton farmer will get 12 cents for his cotton.

For these reasons, and knowing that no action could be secured upon the deficiency bill, and knowing the plight of the cotton farmer, I determined that we could not justify ourselves in permitting Congress to adjourn and do nothing for the cotton farmer because we could not get all that we wanted. I thought it wiser to accept this compromise rather than to sit by and see the deficiency bill die and see nothing done to relieve the cotton farmer in the distressful situation in which he finds himself.

Mr. FRAZIER. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from North Dakota?

Mr. ROBINSON. I yield.

Mr. FRAZIER. Mr. President, what the Senator from Arkansas says about the Government in the past not having made loans on wheat is correct, but I desire to say that the hard spring wheat farmers especially are in a much worse condition than are the cotton farmers of the South, if it is possible that such a thing could be, and I think it is possible at this time. We have had a drought for 3 or 4 years in the hard spring wheat regions, and this year we had rust, and the wheat is below average. It is true that the wheat at the terminals is selling for a fair price at the present time; but wheat on the farms is not up to parity. The dollar a bushel which is quoted as the local price in the hard spring wheat States does not mean anything, because there is not any hard wheat to sell this year. There is no hard wheat raised in the spring hard wheat States which will sell for a dollar a bushel.

The wheat that is raised there is low-weight wheat, running down as low in some instances as 30 to 40 pounds per bushel, making it unfit for grinding into flour, and it can be sold only for feed. There are millions of acres up there the wheat from which at the price received will not pay for the cost of harvesting and threshing, yet the Crop Production Division asks for 50 percent of the amount which the grain brings to pay for the seed loans. We have succeeded in getting the Crop Production Division to modify that ruling and allow the farmer to pay his expenses out of the wheat which he sells, whether the farmer is able to pay anything on the seed loans or not.

However, Mr. President, if this seed-loan provision could be enacted into law so that the farmers with the light-weight wheat could borrow a cent and a half a pound on it, that would mean on 40 pounds per bushel wheat, 60 cents a bushel; and it would keep that wheat off the market. I believe it would enable those farmers to get a better price for the wheat later on when the wheat is sold if it were kept off the market at the present time.

Those wheat farmers are in just the same condition as are the cotton farmers. If 10 cents a pound for cotton is below cost of production—and, of course, it is generally admitted that it is—the cotton farmer is going to continue to go broke if he gets anything below cost of production, and the farmer who produces wheat, when forced to sell below cost of production, must also go broke. He cannot help going broke.

So, Mr. President, it seems to me that the wheat farmers, especially the hard spring wheat farmers—and they are the ones who ordinarily produce the best quality of wheat from which to make flour—are getting the worst of it from this new-deal program. I will not say any more now, but will have more to say later.

Mr. SHIPSTEAD. Mr. President, as I understand, it is contemplated that we are to have an agreement to make a change in the deficiency bill and that the bill is to be returned from the House and acted upon by the Senate. What, in effect, will constitute the change?

Mr. ROBINSON. It is in effect a change in the plan of the Department of Agriculture.

Mr. SHIPSTEAD. Will the change of plan of the Department require the enactment of legislation?

Mr. ROBINSON. No; as I explained before, it is done for the purpose of passing the deficiency appropriation bill. It is absolutely impossible to get consideration of that bill at the other end of the Capitol under present conditions. We might stay here a week, 10 days, or 2 weeks, but I satis-

fied myself that this or some similar method is the only way in which we can hope to pass the deficiency appropriation bill at all. However, whether we can or cannot pass the deficiency appropriation bill, it is my purpose to move the adoption of the concurrent resolution providing for adjournment, because I am satisfied that nothing is to be accomplished by the Congress remaining longer in session. Any Senator who obstructs the bill must take the responsibility.

THE M'CARRAN SILVER AMENDMENT

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Utah?

Mr. ROBINSON. I yield.

Mr. KING. On the 13th of May the junior Senator from Nevada [Mr. McCARRAN] offered a bill to amend what is known as the "Silver Act", which passed on June 19, 1934. The bill referred to sought to repeal sections 6, 7, and 8 of the Silver Act. The bill was referred to the Committee on Agriculture and Forestry, and by it reported to the Senate on the 1st day of August. On the 24th instant the bill passed the Senate. I had intended to address the Senate in opposition to the bill, but was temporarily detained from the Senate in a conference committee, so had no opportunity to present my views. The disagreement between the two branches of Congress concerning the deficiency appropriation bill and the imminence of adjournment now denies me the opportunity to address the Senate. I therefore ask unanimous consent to have printed in the RECORD a statement which I intended to submit to the Senate, which deals with the bill offered by the Senator from Nevada.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

The McCarran silver amendment leaves untouched the declaration of policy embodied in section 2 of the Silver Purchase Act that the proportion of silver to gold in the monetary stocks of the United States should be increased with the ultimate objective of having and maintaining one-fourth of the monetary value of such stocks in silver; and the amendment also leaves untouched the authorization and direction to the Secretary of the Treasury to purchase silver whenever and so long as the proportion of silver in the stocks of gold and silver of the United States is less than one-fourth of the monetary value of such stocks.

The bill seeks to repeal those sections—6, 7, and 8—of the Silver Purchase Act, and the regulations issued thereunder, which vest in the President and in the Secretary of the Treasury power to regulate and deal with transactions in silver. Such power is absolutely essential if the Secretary of the Treasury is to execute in an orderly way and in aid of the silver policy declared by the Congress, the obligations and duties imposed upon him to acquire silver under the Silver Purchase Act and if the true purposes of the act are to be effectively carried out.

The Silver Purchase Act is under fire from some quarters. There are some business interests, as well as various elements of the press, who are protesting against the program. It would seem that those who believe in the program have an obligation to prevent unnecessarily harmful effects from its further prosecution.

Leaflets recently issued by the Tobacco Association of the United States attempt to attack the entire Silver Purchase Act on the ground that it is an interference with our foreign trade, particularly in connection with tobacco and cotton. Nothing that Congress does should be permitted to give aid and comfort to these opponents of the silver policy. The sections of the Silver Purchase Act providing for the control of the international dealings in silver are vitally necessary to prevent the abuse of the entire concept. Their repeal at this time could only result in giving further ammunition to those who are seeking a complete termination of the Government's silver purchases.

Section 6 of the Silver Purchase Act authorizes the Secretary of the Treasury, with the approval of the President, to regulate the acquisition, importation, disposition, and exportation of silver and to require the filing of reports. This provision is comparable with the provisions of section 3 of the Gold Reserve Act of 1934 relating to gold, and section 2 of the Emergency Banking Act of 1933 which relates to gold and foreign exchange. Section 7 of the Silver Purchase Act authorizes the President to call in silver just as sections 2 and 3 of the Emergency Banking Act of 1933 authorize the President and the Secretary of the Treasury to call in gold.

If we would detract from the dignity which these provisions are designed to give, as a part of the monetary system of the United States, to silver, then we should vote for their repeal. The purpose of the Silver Purchase Act was to place silver in a position of equal dignity with gold as a part of the metallic reserve back of the money of the United States. The power of Congress to coin money and regulate its value is as much involved under the Silver Purchase Act in the provisions for the control of silver as it was under the Gold Reserve Act in connection with gold. The powers of the Federal Government over silver must be equal to its powers with respect to gold.

Because of the increased monetary uses of silver contemplated by the Silver Purchase Act, any tendency in the United States to speculate in silver or to hoard it would be inimical to the public interest, just as was the like tendency over the last few years to speculate in foreign exchange and to hoard and speculate in gold.

The only effect of the repeal of sections 6, 7, and 8 would be to benefit a handful of Wall Street brokers and the speculators in silver. No substantial interest concerned with the silver industry is adversely affected by the provisions of these sections.

The report of the Committee on Agriculture accompanying the McCarran bill states that sections 6, 7, and 8 of the Silver Purchase Act have operated to damage American shipping lines by reason of forcing shipping of silver to the London market, and to damage American insurance companies by loss of business to the London insurance companies. The fact is that American shipping companies and American insurance companies have not been damaged by sections 6, 7, and 8 of the Silver Purchase Act, but, on the contrary, American shipping companies and American insurance companies have benefited very substantially by sections 6, 7, and 8 of the Silver Purchase Act. If speculative trading in silver were to be resumed in New York, it would be necessary to make larger shipments of silver to the United States. These shipments would be made pursuant to orders for account of private persons. In accordance with the long-standing practice in the trade, such shipments would be arranged by London brokers and would be made on British ships and insured by British companies. Where purchases are made for the account of the United States, it is expressly stipulated that all shipping is to be done on American boats, all insurance handled by American companies, and all trucking done by American concerns. The result has been that for every 5,000,000 ounces of silver shipped from London to New York for the account of the United States $27,000 worth of business has been given to American shipping, trucking, and insurance concerns, a business which would be lost to such concerns if the speculative markets in silver were to be resumed in New York.

A total of approximately $1,755,000 of business has been given to legitimate American shipping, trucking, and insurance concerns in connection with acquisition of silver abroad by the United States. This is many times more than the amount of commissions that it is claimed would have been made by New York silver brokers acting for American silver speculators if the New York speculative silver market had not been closed down.

It should also be borne in mind that the price paid on behalf of the United States in the London market for silver is sufficiently lower than the price paid for silver in the New York market to cover the cost to the United States of shipping silver from London to New York.

Even if the New York speculative silver market were to be reopened and large quantities of silver were to be shipped to New York from abroad, the strong probability is that for at least a considerable period of time owners of silver would first ship their silver to the London market because for more than a hundred years they have been accustomed to deal with London brokers. The result would be that when the United States bought silver in the New York market the United States would be paying a price for the silver which would not only include the fees, commissions, and charges of New York brokers but would also include the fees, commissions, and charges of foreign brokers and dealers in silver.

The report of the Senate Agricultural Committee is also incorrect in stating that American smelting and refining companies have been damaged as a result of sections 6, 7, and 8 of the Silver Purchase Act of 1934. Because of the slightly higher price for silver that exists in the New York market as compared with the London market, it is worth while for owners of silver ore to ship the same to this country for smelting and refining and for sale here. Reports received from American smelting and refining companies indicate that they are entirely satisfied with the working of the Silver Purchase Act.

The only persons who are injured by the provisions of sections 6, 7, and 8 of the Silver Purchase Act are the silver speculators typified by the Wall Street speculators and also the New York brokers who were active on the silver exchange which did not serve the legitimate industrial silver interests but was merely a speculative market comparable to the speculative silver exchange market more recently created in Canada. If sections 6, 7, and 8 were to be repealed the result would be that the speculative silver market in New York would be reestablished. The silver brokers, in order to make money, would seek to increase speculation in silver. Rumors about silver would emanate from Wall Street in increasing amount and high-pressure salesmanship, at which the New York brokerage crowd is so adept, would again be brought into play. At the same time pressure would be brought to bear on the Treasury Department to purchase silver at such times, in such amounts, and at such prices as would result in enormous benefits to such Wall Street silver speculators and silver brokers regardless of the effect on the Government's silver policy and the disadvantages that might result to the people of the United States as well as to foreign countries. The various rumors and the various types of pressure that would emanate from the Wall Street silver speculators and silver brokers would have the inevitable effect of hamstringing the proper and adequate administration of the silver-purchase program in the interests of the people of the United States.

The legitimate industrial users of silver and the American silver miners are in no sense injured by sections 6, 7, and 8 of the Silver

Purchase Act. Adequate provisions are made in sections 6, 7, and 8 and in the Treasury regulations issued thereunder for the acquisition, use, disposition, and exportation of silver for industrial purposes.

Section 8 of the Silver Purchase Act imposes a tax upon profits arising from an increase in the market value of silver. This tax does not apply to any newly mined silver deposited under the proclamations of the President authorizing the mints to receive such silver for coinage. Furthermore, provision is made for the abatement of any tax arising from nonmarket profits, such as all profits arising from refining and processing silver. In other words, the purpose of the tax is to limit undue profits by persons who buy silver in competition with the Government for the purpose of selling it later at a higher price, directly or indirectly, to the Government, and not to impose any tax or restrict the profits made in connection with the mining or industrial use of silver. In the administration of the silver tax the Treasury has been careful to maintain this distinction marked out by the Congress.

One of the purposes of the Silver Purchase Act is to increase the monetary use of silver. At the same time that the Treasury is acquiring huge quantities of silver and adding the same to the monetary stocks of the United States it is important that foreign countries using silver as monetary metal should not be driven, as a result of our silver-purchase policy, to discarding silver as a monetary metal. Accordingly, the Treasury should continue to have the powers now given to it under sections 6, 7, and 8 in order that it may mitigate any unnecessarily harsh consequences to foreign countries using silver as a part of their monetary system. An example where this was done without in any way hampering the silver-purchase program of the Treasury was the order of May 20, 1935, prohibiting the importation without a license of certain foreign silver coin.

It seems to me Congress and the administration owe it to the country to see that the United States is not hampered or injured by a small group of silver speculators who are contributing nothing to the cause of silver. The Treasury of the United States must not be made subservient to any special interest, and particularly to those who have been relying on the Government's silver policy to add to their profits. This Government must demonstrate unmistakably that it and not the silver speculators are in control of the future of silver in this country.

No time could be made more unsuitable than this very moment to deprive the United States of the very weapons and implements which are so necessary to achieve the completed program for the rehabilitation of silver.

### RECESS

Mr. ROBINSON. I renew my motion that the Senate take a recess subject to the call of the Chair.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Arkansas that the Senate take a recess subject to the call of the Chair.

The motion was agreed to; and (at 5 o'clock and 50 minutes p. m.) the Senate took a recess subject to the call of the Chair.

### AFTER RECESS

The Senate reassembled, when called to order by the Vice President, at 6 o'clock and 12 minutes p. m.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, returned to the Senate, in compliance with its request, the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes, with the accompanying papers.

### ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 1878. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.;

S. 2324. An act to incorporate the Military Order of the Purple Heart;

S. 2364. An act relative to the retirement of certain officers and employees;

S. 3085. An act authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose;

S. 3204. An act to provide additional funds for the completion of the Mount Rushmore National Memorial, in the State of South Dakota, and for other purposes;

S. 3433. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases;

H. R. 3783. An act for the relief of George W. Rhine, doing business under the name of Rhine & Co.;

H. R. 6776. An act to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes;

H. R. 7858. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 7974. An act to withdraw and restore to their previous status under the control of the Territory of Hawaii certain Hawaiian homes lands now in use as an airplane landing field;

H. R. 8511. An act to provide funds for cooperation with Cannon Ball school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8512. An act to provide funds for cooperation with Fort Yates school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8513. An act to provide funds for cooperation with Trenton school district, Williams County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8516. An act to provide funds for cooperation with Porcupine school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children; and

S. J. Res. 175. Joint resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934.

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Costigan | La Follette | Schall |
| Ashurst | Davis | Lewis | Schwellenbach |
| Austin | Dickinson | Logan | Sheppard |
| Bachman | Donahey | Lonergan | Shipstead |
| Bailey | Fletcher | Long | Smith |
| Barkley | Frazier | McAdoo | Steiwer |
| Black | George | McCarran | Thomas, Okla. |
| Bone | Gerry | McGill | Thomas, Utah |
| Borah | Gibson | McKellar | Townsend |
| Brown | Glass | Maloney | Trammell |
| Bulkley | Gore | Minton | Truman |
| Bulow | Guffey | Murray | Tydings |
| Burke | Hale | Norbeck | Wagner |
| Byrnes | Harrison | Norris | Walsh |
| Capper | Hatch | O'Mahoney | Wheeler |
| Caraway | Hayden | Pittman | White |
| Chavez | Holt | Radcliffe | |
| Clark | Johnson | Robinson | |
| Copeland | King | Russell | |

Mr. LEWIS. I reannounce the absence of Senators, and the causes therefor, as indicated in my statement in connection with the last roll call; and in addition I regretfully announce the absence of our brother the Senator from Texas [Mr. CONNALLY] because of a very sad event in his family.

The VICE PRESIDENT. Seventy-three Senators have answered to their names. A quorum is present.

### STATUS OF SUPPLEMENTAL DEFICIENCY APPROPRIATION BILL

Mr. ROBINSON. Mr. President, it is my information that, pursuant to the request of the Senate, the House has returned the deficiency appropriation bill.

The VICE PRESIDENT. The Senator is correct.

Mr. ROBINSON. I ask unanimous consent that the votes by which the amendments to House bill 9215 were ordered to be engrossed, and the bill ordered to a third reading and passed, be reconsidered.

The VICE PRESIDENT. Is there objection?

Mr. LONG. I object.

Mr. ROBINSON. Mr. President, if the Senate is to be obstructed by a filibuster, if it is to be made impossible to pass the deficiency appropriation bill, I have in my mind a well-defined course which I shall ask the Senate to pursue.

I realize that at this late hour any Senator who desires to take that responsibility may accomplish the defeat of the

deficiency appropriation bill. The reasons for passing it with the cotton and wheat amendments eliminated are apparent. I am not willing to contribute to a procedure in the Senate by which this controversy may be indefinitely prolonged. As already stated in other remarks to the Senate, it is clear to me that the only way in which the deficiency bill may be passed is by the elimination of the two amendments referred to—the amendments relating to cotton and wheat.

Mr. President, I ask unanimous consent that on the motion I am about to make, debate be limited so that no Senator may speak more than once or longer than 5 minutes on the motion; and I move to reconsider the votes whereby the amendments to the deficiency appropriation bill were ordered to be engrossed, and the bill to be read a third time, and passed.

The VICE PRESIDENT. The Senator from Arkansas moves that the Senate reconsider the votes whereby it ordered the engrossment of the amendments, and ordered to a third reading and passed the deficiency appropriation bill, House bill 9215; and, pending that motion, he asks unanimous consent that debate be limited to 5 minutes by each Senator on the motion. Is there objection?

Mr. LONG. I object.

Mr. ROBINSON. Mr. President, I ask the Chair to lay before the Senate the concurrent resolution providing for final adjournment.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. NORRIS. I am in entire sympathy with the program which the Senator from Arkansas wishes to carry out; but I should regret very much to have us agree to adjourn tonight and make it possible for some Senator to filibuster and defeat the appropriation bill. I would rather that the adjournment be postponed, if that is necessary. I hope it will not be necessary; but, at least, I should regret exceedingly to see the possibility put before the Senate that the adoption of the adjournment resolution will bring; namely, that of defeating the appropriation bill. We can afford to stay here longer, if necessary, in order to pass the bill.

Mr. ROBINSON. Mr. President, I am very firmly of the conviction that if the Senate is to follow the course which has been suggested it can do so within the time that transpires after the adjournment concurrent resolution has been agreed to.

Mr. NORRIS. I think we could; but it would make it possible for someone to talk until 12 o'clock, and then the bill would be dead.

Mr. ROBINSON. I am saying to the Senator, frankly, that I think the Senate should adopt the concurrent resolution providing for adjournment and that the Congress ought to conclude its labors today. Every possible effort is being made to bring about conditions so that they may be done without interfering with the administration of a number of laws which the Congress has passed. But I am not willing to leave this matter open, and have the House in a situation of having agreed to adjournment twice, the Senate having agreed to it once, and refusing to agree now, and incur the liability of having the Congress sent home by the Executive, under the constitutional provision authorizing him to do so if the two Houses cannot agree on the time of adjournment.

I ask the Chair to lay before the Senate the concurrent resolution.

The VICE PRESIDENT laid before the Senate the concurrent resolution (H. Con. Res. 40), which was read as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That the two Houses of Congress shall adjourn on Monday, the 26th day of August 1935, and that when they adjourn on said day they stand adjourned sine die.

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution.

Mr. NORRIS. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. Does the Chair hold that the question is not debatable?

The VICE PRESIDENT. It is not debatable.

Mr. LONG. I ask for the yeas and nays.

The yeas and nays were not ordered.

The concurrent resolution was agreed to.

### IMPROVEMENT IN AIRPLANES

Mr. McCARRAN. Mr. President, in keeping with Senate bill 3420, to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes, and in keeping with safety in aviation, in which many of us are interested, I ask leave to have inserted in the RECORD a letter of August 17, addressed by me to the Secretary of the Navy, and the reply of the Acting Secretary.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

AUGUST 17, 1935.

Hon. CLAUDE A. SWANSON,
*Secretary of the Navy, Washington, D. C.*

MY DEAR MR. SECRETARY: We all deeply mourn the tragic loss of two of our most valued aviation friends, Mr. Will Rogers and Mr. Wiley Post.

It has come to my attention that your Department has been engaged in the development of an airplane control that gives improved lateral control when an airplane is at or near stall. I understand that this consists of a slot and interceptor and has definitely proved to be a forward step in providing a means of helping to avoid the incipient spin or nose dive that results from a loss of control, as often happens in case of engine failure at take-off.

I wish to congratulate your Department on its far-sightedness in the development of the above-mentioned airplane control, and in this respect I would like to assist in whatever way I can, in keeping with my general activity extending over two sessions of Congress, to contribute to the safety of civil aviation in this country.

I would appreciate it very much if you could see fit to release to me what pertinent information you may have on the subject above mentioned.

Respectfully yours,

PAT MCCARRAN,
*United States Senator from Nevada.*

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DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
*Washington, August 26, 1935.*

Hon. PATRICK MCCARRAN,
*United States Senate.*

MY DEAR SENATOR MCCARRAN: In reply to your letter of August 17, I am pleased to submit the following information: The lateral control of airplanes at or near the stall has proven to be one of the most difficult problems presented in the development of this type of craft. A conventional aileron is effective within certain limits because of the variation in lift it produces on the wing surface in front of it. At the stall the airflow breaks down, the aileron becomes ineffective, and loss of lateral control follows.

It may be said that there is no general cure-all for airplane crashes. Loss of traction due to loss of power cannot be compensated for by perfect lateral control. If the entire wing is stalled, lift disappears, and the airplane will, of course, descend. If the altitude at which the wing stalls is sufficient and lateral control excellent, the airplane may be prevented from falling off until it is nosed over and flying speed regained due to gravity. This is not true, however, if power is lost close to the ground, when a crash is inevitable, although it may be much less serious if control is accomplished beyond the stall.

The Department has been concerned with the development of excellent lateral control because of its necessity in connection with landing aircraft on carriers. If good control is had just below the stall, safe landings may be made under the conditions obtaining in carrier operation. The improvement of lateral control becomes increasingly important as the wing loading goes up. The advent of monoplanes with the trend to heavier useful loads increases the unit loading and makes good control imperative.

There has been developed a control which makes use of a leading edge wing slot containing at the wing tip a spoiler combined with the slot. This spoiler is connected with the aileron and there results an action which materially assists the lateral control at the stalling speed of the airplane.

Sincerely yours,

H. L. ROOSEVELT,
*Acting Secretary of the Navy.*

### NOMINATIONS OF POSTMASTERS

As in executive session,

Mr. McKELLAR. I ask that the Chair lay before the Senate a message from the President transmitting nominations.

The VICE PRESIDENT, as in executive session, laid before the Senate a message from the President of the United States submitting the nominations of several postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of the several postmasters be confirmed en bloc without reference to the committee.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee [Mr. McKELLAR] for the immediate consideration of several nominations for postmasters? Without objection, the nominations are confirmed en bloc.

(For nominations this day received and confirmed, see the end of Senate proceedings.)

AMENDMENT OF INLAND WATERWAYS CORPORATION ACT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1994) to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended, which was, on page 1, line 10, to strike out "or San Joaquin Rivers" and insert "San Joaquin or Savannah Rivers."

Mr. SHIPSTEAD. Mr. President, may we have an explanation of the amendment? This is the first I have heard of it.

Mr. JOHNSON. It is a very brief bill, which simply amends by striking out the words "or San Joaquin River" and inserts in lieu thereof "San Joaquin or Savannah Rivers."

I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PRESIDENT ROOSEVELT AND HIS RADIO ADDRESS

Mr. ROBINSON. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD two brief articles in the nature of editorials on the subject of the President and his radio address.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

Franklin D. Roosevelt is the hope of the American people. He saved America from impending revolutions. His recovery program is the most magnificent experience in human welfare this Nation has ever known. He will go down in history as a great American who patriotically, loyally, and unflinchingly met a great test in American affairs; just as Washington met it against the British; as Abraham Lincoln united it; as Teddy Roosevelt glorified it; and just as Woodrow Wilson met it in his fight for freedom of the seas.

Franklin D. Roosevelt is fighting for the salvation of the American Nation. He is engaged in the greatest war this Nation has ever known—a war to assure every man of the opportunity for a full and happy life, a war to save millions from want, a war to reduce crime by providing gainful employment to men and women who have heard their children cry for bread.

Any man who traduces the name of the great and good man who is directing the Nation's recovery program is a traitor to every noble instinct of Americanism.

Any man who villifies the name of the great leader of the American people in this crisis is breaking faith with the country that harbors him, feeds him, and makes it possible for him to enjoy the precious heritages of life, liberty, and the pursuit of happiness.

This is a testimonial of faith in Franklin D. Roosevelt.

The American people looked to him in one of the darkest hours of their history. He has justified their confidence.

He has made marvelous progress in stabilizing this country.

He has made it possible for men who otherwise would be criminals and menaces to public safety to earn food for themselves and those they love.

Franklin D. Roosevelt is the hope of the American people.

So in this testimonial of faith in Franklin D. Roosevelt we say: "We believe in him, trust in him, hope in him—and love him."

GEORGE A. HADDAD.

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[From New York Times of Aug. 25, 1935]

MR. ROOSEVELT ON THE RADIO

Even the opponents of the President can take little exception to the address which he made Saturday evening to the convention of Young Democrats at Milwaukee. It was couched in generalities, thus provoking no criticism of special policies of his own. It was also nonpartisan in tone, and in excellent taste. The President spoke to youth everywhere in the Nation without regard to party—just as truly, he said, to young Republicans as young Democrats. The main point of his radio speech was that the Nation must continue to look to the oncoming generation to freshen and reform our public life, to improve our municipal and State governments, and to bring about still further social betterments. He urged the young men and women who listened to him to preserve the great and precious heritage which had come to them from the past, seeking only to enlarge it as they hand it on to their children, and not to destroy it, always clinging to sound and established principles while searching for new methods by which to apply them. The whole was an inspiring message to American youth.

Being a short one, the President could not stop to dwell upon the dangers which lie before ambitious young persons when they set their hands, as Mr. Roosevelt would desire them to do, to the work of political and social reforms. Self-seeking may so easily creep into it. One who is ostensibly striving to better the lot of his fellows may end by trying to better his own lot. He may profess the widest sympathies with the poor and underprivileged, while all the time comforting hmself with the thought that they have votes to be won, by means of which he may get for himself political power, offices, and salaries. Such things have been known in our political history, and we have only to lift our eyes to see them still with us. Those who do them we do not, as Al Smith said the other night, call false prophets. We call them demagogues and denounce their plans and promises as insincere and fantastic. If Mr. Roosevelt had had more time, he might have been inclined to warn his hearers against politicians who would throw over their personal motives and gains the cloak of public welfare and of humanity. As it was he left it to the youth of the land to distinguish between honest and unselfish reformers and skillful players on public credulity who think, by deceiving the people, to win prestige and high places for themselves.

POLITICAL AND ECONOMIC SUBJECTS

Mr. SCHALL. Mr. President, I ask permission to have printed in the RECORD a resolution of the Pennsylvania Bar Association; a poem, printed in the Northwestern Miller, entitled "Tired"; an article in the Butler (Pa.) Eagle, entitled "Democrats in Congress"; a short poem by John P. Coffin entitled "Americans Awake"; another entitled "When de Boss-Man Speaks"; an article from the Duluth News Tribune entitled "Olson Accused of Trickery", by J. N. Moonan; and a resolution to increase the price of butter fat.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the Northwestern Miller of Aug. 7, 1935]

TIRED

I'm tired, oh, so tired, of the whole new deal,
Of the juggler's smile and the barker's spiel,
Of the mushy speech and the loud bassoon,
Tiredest of all of our leader's croon.

I'm tired of the tax on my ham and eggs,
I'm tired paying toll to political yeggs,
Tired of Jim Farley's stamps on my mail,
Tired of my shirt with the tax-shortened tail.

I'm tired of farmers goose-stepping to laws,
Of millions of itching job-holders' paws,
Of fireside talks on commandeered mikes,
Of passing more laws to stimulate strikes.

I'm tired of the daily increasing debt,
I'm tired of promises not to be met,
Of eating and sleeping by Government plan,
I'm tired of forgetting the forgotten man.

I'm tired of every new "brain-trust" thought,
Of the ship of state turned into a yacht,
I'm tired of beating the courts by stealth,
And terribly tired of sharing the wealth.

(I'm tired seeing Eleanor on page one,
Of each royal in-law and favorite son,
I'm tired of Sistie and Buzzie Dall,
Nobody knows how I'm tired of it all.)[1]

I'm tired and bored with the whole new deal
With its juggler's smile and its barker's spiel.
Oh, Lord, out of all Thy available men,
Please grant us a Cleveland or Coolidge again.

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PENNSYLVANIA BAR ASSOCIATION,
*Harrisburg, Pa., August 15, 1935.*

Resolution offered and adopted by the Pennsylvania Bar Association in annual meeting assembled at Bedford Springs, Pa., June 28, 1935

Whereas following the recent decision of the Supreme Court of the United States, holding unconstitutional the National Industrial Recovery Act, public officials have made proposals for sweeping changes in our form of government: Now, therefore, be it

*Resolved*, That it is the sense of this meeting of the Pennsylvania Bar Association, that no amendments to the Constitution should be made which would transfer to the Federal Government the long established rights of the States in matters affecting the lives and affairs of their citizens and that it is essential to the continuance of our form of government that the coordinate powers of the Executive, the legislative, and the judiciary be preserved inviolate; further

*Resolved*, That copies of these resolutions be transmitted to the President of the United States, to the Members of the United

[1] Deleted by censor.

States Senate and the House of Representatives and to the American Bar Association.

I hereby certify that the foregoing resolution was duly adopted at the Forty-first Annual Meeting of the Pennsylvania Bar Association held June 28, 1935, at Bedford Springs, Pa.

JOHN MCILHENNY SMITH,
*Secretary.*

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[From the Butler (Pa.) Eagle of Aug. 6, 1935]

DEMOCRATS IN CONGRESS CAN RESTORE CONFIDENCE AND BRING RECOVERY

By T. W. Phillips, Jr.

Democrats, who give more than lip service to the platforms and traditions of their party, view with dismay and chagrin the betrayal by their chosen leaders of the solemn pledges of their party, made doubly sacred by more than a hundred years of its history.

The Democratic Party has always been the avowed champion of State rights, strict construction of the Constitution, and economical government. This trinity, at whose shrine millions of faithful Democrats and loyal American citizens have been wont to worship, is now being crudely crucified, not by its professed enemies, but by its supposedly devoted friends.

If only every Democrat in Congress would openly renew his pledge to the principles of his party and rededicate himself to the fundamentals of our constitutional Government in word and in deed, confidence would be restored immediately and recovery would speedily follow.

The following article by former Democratic Senator James A. Reed, of Missouri (a Member of the United States Senate 1911-29) published in the Pittsburgh Sunday Sun-Telegraph of August 4, 1935, is a clear and forceful exposition of how honest and thoroughly consistent Democrats feel about the betrayal of their party.

TAX SCORED AS ROBBERY—REED OF MISSOURI FLAYS ROOSEVELT RULE AS UNAMERICAN

Former United States Senator James A. Reed, of Missouri, long an outstanding figure in the Democratic Party, in the following scorching comment on new-deal policies, calls the Roosevelt administration's tax-legislation program "robbery and a denial of the right to own property."

Written with his characteristic directness, former Senator Reed's article charges the administration in Washington with a policy of repudiating the American Constitution.

(By James A. Reed, former United States Senator from Missouri)

"The Government at Washington is not Democratic; it is not Republican; it is not American—it is an unholy combination of communism, socialism, and bolshevism. But it lacks the virtues of all of these systems if indeed any virtues they possess.

"He who conspires with others to overthrow by force the Government established by the Constitution is guilty of treason. He who conspires with others, by fraud or abuse of power, to destroy the Constitution is morally as guilty of treason as those who employ armed force. He who exercises a power granted by the Constitution for one purpose to accomplish another and different purpose is guilty of an act of usurpation. Particularly is this true when the act wrongfully sought to be done is violative of the letter or spirit of other provisions of the Constitution.

"The soul of the Constitution is liberty. Liberty is impossible if the citizen is denied the right to gain and keep the fruits of his toil.

"Our Government has no right under the Constitution to take the citizens' property except for the support of government.

"When, therefore, it is proposed under the pretense of levying taxes for the support of government to in fact exercise that power for the purpose of redistributing wealth, it is in effect a proposal for the despoliation of one class of people for the benefit of another class. It is the denial of the right to own property. In simple terms it is robbery perpetrated by the Government in defiance of the other provisions of the Constitution. The party indorsing such policies is not Republican; it is not Democratic; it is not American—it is a party of repudiation, revolution, and confiscation. The men who indorse such policies are not Democrats; they are not Republicans—they are repudiationists; they are breakers of oaths.

"Nearly every citizen at one time or another has taken an oath 'to support, uphold, and defend the Constitution of the United States.' Many of them have taken that oath often; Roosevelt took it I know not how often, but certainly when Assistant Secretary of the Navy, certainly when inaugurated as Governor of New York, certainly when he laid his hand on the old Bible and took his inaugural oath, 'I do solemnly swear * * * that I will to the best of my ability preserve, protect, and defend the Constitution of the United States.' Every Congressman swore, 'I will support and defend the Constitution of the United States against all enemies, foreign and domestic. I will bear true faith and allegiance to the same. I take this obligation freely without mental reservation or purpose of evasion.'

*Constitution violated*

"On March 4, 1933, when these oaths were solemnly and publicly pronounced, who could have imagined that the President would advise Congress to pass laws 'even though regarded by Congress as of doubtful constitutionality'? Who could have imagined it possible that within a few months the majority of Congress would be passing laws known to be of doubtful constitutionality? Who could have imagined the President and the Congress laboring to devise means by which unconstitutional ends could be gained by the subversion and misuse of constitutional powers? Who could have imagined the President of this great Republic sneeringly referring to the Constitution, which he had sworn to uphold and defend, as 'it belongs to the horse-and-buggy age'? A phrase which, if it meant anything, was a declaration that the Constitution was obsolete and of no further binding force or effect.

"The Ten Commandments are as true today as they were at the hour when they were delivered to Moses amidst the thunders of Sinai. What would be thought of the Christian minister or the Jewish rabbi who would declare that the Ten Commandments belonged to the age of sandals, or the age of camels, or the age of the Pharaohs, and therefore to be disregarded and scorned?

*Americanism still lives*

"I repeat these principles are not Democratic, Republican, or American. If they had been announced in advance of the convention at Chicago, Roosevelt would have been overwhelmingly defeated. If they had been announced by candidates for the Senate or House of Representatives in the ensuing election, these candidates would have been ignominiously rejected. The principles of democracy cannot be destroyed because betrayed by a single man, or by a group of Congressmen who 'crook the pregnant hinges of their knees that thrift might follow fawning.' Americanism still lives.

"'The Pilgrim spirit has not fled
It walks in the moon's broad light
And it guards the graves of our holy dead
With its sentinel stars at night.
It watches the graves of the brave who are dead
And will guard our rock-bound shores
'Till the waves of the bay where the *Mayflower* lay
Shall foam and seethe no more.'

"Why talk of broken platforms when confronted by violated oaths?

"'False to an oath,
Then whether churl or king
Who breaks faith with his God
Is false to everything.'"

AMERICANS AWAKE

(By John P. Coffin, founder Society of Loyal Americans, Johnstown, Fla.)

Awake! Arouse ye sleepers,
Ere yet 'tis not too late.
Awake! Arouse ye freemen
For 'tis the hour of fate.

The very fundamentals
Which made this Nation great
Are broken into pieces
By those at helm of state.

Your weapons are not carnal
But with the power of God,
March forward to the battle
In path your fathers trod.

Uphold the Constitution
Nor let a word be moved
Until the thought is ripened
And has by time been proved.

Beat back the waves engulfing
The people's rights and powers
Nor never cease your watching
While still the storm cloud low'rs.

Awake! Arouse, ye voters,
While still the ballot's free.
Arise ye men and women,
The Nation pleads with thee.

Awake! ye patriot freemen,
And rally to the call—
Justice be your watchword
And right be over all.

The God of Nations aid you
In this your hour of need,
Keep place upon the ramparts
Until the Nation's freed.

Gird on your battle armor
For freedom, truth, and right;
May God of Nations aid you
In this most righteous fight.

Your flag will float unsullied
In liberty's pure air,
And not a trace of serfdom
Will mar its beauty there.

WHEN DE BOSS-MAN SPEAKS

(By John P. Coffin, founder Society of Loyal Americans)

When de Boss-Man speak to Congress,
'Bout that great big tax he ask
Say he never thought a minnit
Of dere rushin' to de task,
Den de Congress smilin' broadly
Took he word and pass do bill
Keepin' all de Noosanse taxes
From dere slidin' down de hill.

Now when dat fo' hundred million
He done thot were shore to stay;
He done shouted back to Congress
Now yo' make dose big 'uns pay.
I shore wan' dat big tax levy,
Pass by you 'uns P. D. Q.
An' I doan wan' any loafin'
In de aisles by none ob you.

Yo' jus' keep yo' feet a hoppin'
An' yo' tongues widin' yo' cheeks.
Else I'll keep yo' here a sweatin'
For de nex' fo' hundred weeks.
You 'uns ought to larn by dis time,
To obey when Boss-Man speaks
Else de chinery of Congress
Will need oil to stop de squeeks.

Be good boys and gib de billions,
Which I need for cigarettes,
Den yo' can go home till winter
An' can place yo' 'lection bets.
Den de whole worl' will be happy
'Cause we'll hab Re-cov-er-ree.
An' we all will spen' de billions.
Which taxpayers gib to ME.

[From the Duluth News Tribune of Aug. 15, 1935]

OLSON ACCUSED OF TRICKERY BY J. N. MOONAN—DEMOCRATIC CHAIRMAN SAYS GOVERNOR GAVE LIP SERVICE FOR VOTES

WASECA, MINN., August 14.—Governor Olson's criticism of President Roosevelt rebounded today on accusations from Joseph N. Moonan, chairman of the Democratic State central committee, that the Governor had given lip service previously to get votes of the President's friends.

Moonan, charging the Governor resorted to "mere trickery to advance his own selfish ends", said in a statement that Democrats "are getting now just what they always received by dealing with Olson and the Farmer-Labor leaders."

As long as the Governor had "almost dictatorial control" over Federal relief funds in Minnesota, Moonan said, he "masqueraded as a friend of the national administration."

"When finally that control was taken from him," Moonan said, "after complaints of wide-spread extravagance, inadequate accounting, excessive administrative expenses, and the playing of politics with human misery, he turns to denounce the national administration."

Off-handedly criticizing Joseph Wolf, national Democratic committeeman, because he "led his followers" to support Olson twice, Moonan charged the Governor "posed as a great friend and supporter" of Roosevelt, but now "appears in his true light."

"Governor Olson's vicious attacks on President Roosevelt's program, and his public announcement that he has alienated himself from the administration", Moonan charged, "definitely discloses that the lip service he has given the President in the past has been mere trickery to secure the votes of friends of the President to advance his own selfish ends."

AUGUST 1, 1935.

RESOLUTION TO INCREASE THE PRICE OF BUTTER FAT

Whereas the dairy farmers o. Minnesota and other States are receiving an average of 25 cents per pound for butter fat, which is less than the cost of production; and

Whereas the dairy farmers must meet the increased price on the commodities and articles they must use on their farms and for farm operation; and

Whereas the tariff on butter is not high enough to prevent foreign butter from coming to the markets of the United States in competition with locally produced butter; and

Whereas oleomargarine is being sold in active competition to the sale of butter: Be it hereby

*Resolved*, That the tariff on butter be increased and a tax on oleomargarine be levied sufficiently high so that a minimum price of 35 cents per pound be established on butter at the production centers of dairy farmers; and be it further

*Resolved*, That copies of this resolution be mailed to our Representatives and Senators at Congress.

RABBIT LAKE FARM BUREAU UNIT,
ARTHUR FELLERMAN, *Secretary*,
*Crow Wing County, Aitkin, Minn., Route 3.*

Mr. SCHALL. Mr. President, I also ask leave to print in the RECORD a letter bearing the name of the former Governor of North Dakota, Mr. Langer. The letter speaks for itself. If such things can happen to the Governor of one of our great independent States, what will happen to the common, ordinary man who gets in the way of the "raw deal"?

The letter well might have been written by a subject of Russia instead of the Governor of one of our independent States, and seems to me to be well worth a congressional investigation; and if I find, upon further study of the matter, facts to warrant the statements contained in it, I shall introduce a resolution at the next session.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BISMARCK, N. DAK., *August 21, 1935.*

Hon. THOMAS D. SCHALL,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR SCHALL: I have your letter of recent date in which you make inquiry as to the facts pertaining to the trial of the United States Government against myself and others.

As Governor of this State at no time did I have anything to do with the actual administration of relief in this State. Nor did I ever at any time in any way, shape, or form handle any of the funds that were sent into this State by the Federal Government for the purpose of relief; that I was sick in the hospital early in January 1933 when a representative of the Federal Reconstruction Corporation called upon me relative to relief matters in North Dakota. I at that time informed him I could not personally handle the same, but I agreed to appoint a committee which would have their whole-hearted approval, and later did appoint a committee, which committee received the approval of their representative, Mr. Ewing. The committee I appointed was composed of chief justice of the North Dakota Supreme Court, A. M. Christianson; Mr. R. M. Stangler, manager of the Bank of North Dakota; Mrs. Minnie Craig, speaker of the house of representatives; Arthur M. Thompson, State superintendent of public instruction; and Lee R. Nichols, who had served Morton County as county auditor for nearly 20 years. Two members of this committee were people of my own political faith, two were politically opposed to me, and one was neutral. The only capacity in which I acted in relief matters in North Dakota was to sign the requisitions as they were made up, and to endorse checks which the committee brought to me for my endorsement as Governor, and which they immediately took back with them to their relief office. At the time I appointed this committee I had a thorough understanding with them that they must assume full responsibility, and that they would have the full handling of all relief matters in the State of North Dakota, and I never at any time made any suggestions or interfered in any way whatsoever with the activities of this committee.

I was removed as technical administrator of relief in North Dakota by Mr. Harry L. Hopkins without being given even the courtesy of a hearing, and to this day I have never been allowed the privilege to be heard. When rumors were first circulated in this State that I was about to be indicted, there was a grand jury in session at the time in the city of Fargo, N. Dak. Instead of presenting any evidence they may have had to that particular Federal grand jury, the United States district attorney, the new-deal appointee of James Aloysius Farley, impaneled a special grand jury to present their evidence in my case to.

When the names of the Federal grand jury panel were announced I was shocked to learn the panel was composed entirely of deadly political enemies as well as my personal enemies. I wired Federal Judge Andrew Miller, expressing a desire to appear personally before the grand jury, but to this telegram I never received a reply.

The grand jury indicted me and others and my case was tried in Federal district court, starting on the 22d day of May 1934, and I was convicted on June 17, 1934. Senator, please bear in mind that this trial was so timed by the Democratic district attorney that it took place during the time of our primary campaign, and I was unable, except for a very few days, to enter into the campaign. I was, however, nominated for the office of Governor on the Republican ticket by the largest majority ever given a Governor in the history of this State.

After the conviction in the Federal district court, I immediately appealed my case, as well as the other defendants, to the circuit court of appeals in St. Louis, being represented in my circuit court of appeals case by Francis Murphy, attorney at law, of Fargo, N. Dak. In May of this present year the circuit court of appeals, by unanimous decision, reversed the decision of the lower court, the circuit court opinion being written by Federal Judge A. K. Gardner. In the written opinion of the circuit court of appeals they state emphatically that there was not one iota of evidence of a violation of a Federal statute, and the court even went further and said there was no evidence and, in their opinion, no violation of a State statute.

I was removed from the office of the Governorship by a 4 to 1 decision of our North Dakota Supreme Court, which court is composed of 5 judges. Two of these judges, Judge Burr and Judge

Neuessle, were running for reelection and had been endorsed by Farley's new-deal party in North Dakota. The third member of the supreme court who voted for my removal was John Burke, former Democratic Governor of this State and Treasurer of the United States under Woodrow Wilson, and whose son, Thomas Burke, was one of the campaign managers for the new deal's candidate for Governor in the State of North Dakota who was running against me. Judge George Moellring, now deceased, and who had served the State of North Dakota as a district judge for years, filed a scathing dissenting opinion.

The facts pertaining to the trial itself are these: The United States district attorney, who is a thorough Farleyite, and whose appointment had not yet been confirmed by the United States Senate, absolutely refused to submit to my attorneys or the attorneys for any of the defendants a list of the jury panel that was to try me until 10 o'clock the morning that my trial opened. To my surprise, when I was handed a list of the jury panel from which we were compelled to select 12 men to try me, I found that without exception the panel was composed of men who were bitter political and personal enemies of mine. It was just a case, Senator, of trying to pick 12 good eggs out of a basket of rotten ones. For example, a man by the name of John Jones, who sat on the jury which tried me, was running for the legislature in Ramsey County, N. Dak., on a ticket which was politically antagonistic to me, and this gentleman was endorsed for this office by the Farleyites in North Dakota. The records of the secretary of state of the State of North Dakota will confirm this fact. Then, there was a man by the name of L. C. Huelett, of Mandan, N. Dak., who was an active officer in the Security Credit Co., of Mandan, N. Dak., whose company I had just 2 or 3 weeks previous to my trial, as chairman of the North Dakota Securities Commission, temporarily ordered suspended from doing business in this State pending a hearing, and which matter was still pending when Mr. Huelett sat as a juror in my case. I had ordered their company, of which this gentleman was an officer, to pay back thousands and thousands of dollars to the farmers of this State, which the said security company had refused to do. Then, there was another party by the name of Brady, who is in the automobile business in the city of Fargo. During my term as Governor I had enacted into law a statute prohibiting usury in connection with the sale of automobiles on sales contracts. Mr. Brady later headed a group of men who started a court action to have this law declared unconstitutional. Yet he was allowed to sit on the jury which tried me. A man by the name of Lester T. Crist sat on the jury as one of my peers, and he in the last few weeks was arrested and plead guilty in district court on a felony charge in the State of North Dakota. I have affidavits in my possession from the law-enforcing officer of this State that this man was allowing his place of business to be used for immoral purposes by young girls and boys of tender years.

This will give you somewhat of an idea, Senator, of the caliber of the jury that was selected to try me. Upon the insistence of the United States district attorney the defense attorneys were not allowed to question the jurors as to their qualifications. I could go on indefinitely and take each one of the jurors, and without exception the panel was made up of men who were bitter political and personal enemies of mine, which could not have been brought about in any other way than through the careful manipulation of the United States district attorney in cooperation with the United States marshal's office, all being directed under the leadership of James Aloysius Farley. Upon the insistence of the United States district attorney the court bailiffs were instructed to install a radio in the jury room, and on the 6th day of June Secretary of Agriculture Henry A. Wallace, whose resignation I had demanded in a resolution which was adopted at the National Farmers' Holiday Convention, attended by some 10,000 farmers, and which resolution was adopted without a dissenting vote, felt a very sudden urge to come to the city of Bismarck and deliver a talk over the radio, attacking, by insinuation, all those opposed to his asinine agricultural program, and which talk the jury was allowed to listen to in their jury room.

As you know, Senator, I was one of the one or two Republican Governors elected in the 42 States which President Roosevelt carried in 1932, and I have bitterly opposed the program of the new-deal administration, as it was then and as it is being continued, and as a member of a committee of Governors I called on President Roosevelt and Secretary of Agriculture Wallace in Washington, and in no uncertain terms I protested to them against their policy of destruction of grain crops, of beef and hogs, and other agricultural foodstuffs in these United States, while at the same time they were allowing to be imported into these United States millions of bushels of wheat, rye, oats, and barley, millions of pounds of beef, and butter, and eggs, and other agricultural products to compete with the American farmers.

Immediately upon my return to North Dakota after this conference at Washington the Federal Government sent a number of detectives and auditors, spending thousands of dollars, all working under the direction of James Aloysius Farley. These auditors and detectives went over every act of my administration with a fine-tooth comb in a desperate attempt to get something on a Republican Governor; and after spending over $100,000 the only thing they could find was where a young boy had gone into the State emergency relief office and solicited some $75 or $80 for subscriptions to the Republican newspaper called "The Leader", and whose owner and publisher is one O. E. Erickson, chairman of the Republican State central committee.

These Federal operators—with the full approval of the Postmaster General and the Department of the Interior—tapped the telephone wires to the Governor's mansion and to the Governor's office; they opened my mail addressed to the Governor of a sovereign State and photographed the same. They opened telegrams and photographed the same, addressed to me as the Governor of North Dakota. In fact, they resorted to every means possible to endeavor to get something on me.

Then, under the direction of James A. Farley, they revoked the second-class mailing permit of the Republican newspaper, the Leader, without complaint of any sort and without a hearing. This whole lawsuit, Senator, was started by a bureaucratic, dictatorial administration in Washington under the guidance of Tammany Farley, because they found a Republican Governor would not bend his knees, nor would he give up the constitutional, inherited rights which this sovereign State possesses.

I know somewhat of the persecution which you have gone through yourself, and the people of this State will be mighty, mighty grateful to you if you can in some way cause a senatorial investigation to be made of the trial against me and the other defendants. I am positive that if the true facts are unearthed, with what has already come to light, the whole deal will smell to the high heavens, and the citizens of this Nation ought to know what sort of autocratic tyrants have, under false pretenses, taken possession of their Government and are seeking to repress, subvert, and destroy any opposition or means by which the people can come to know what they are doing to their Republic.

I will send you testimony sworn to by Congressman USHER L. BURDICK before a house investigation committee of the North Dakota State Legislature, and I particularly want to call your attention to that part of Congressman BURDICK's testimony relative to a conversation he had with the United States marshal, Osmund Gunvaldson, wherein Gunvaldson said they would get me if it was the last thing they did, and that they had the cooperation of the Democratic administration in doing this. This testimony is corroborated by one H. C. Schumacker.

I will send you also other affidavits and testimony which are very material to this case to show the depths to which the new-deal administration, under Jim Farley, went to in a desperate attempt to railroad a Republican Governor to the penitentiary; but I thank God we still have courts in this country which believe in upholding the Constitution of the United States as well as the laws of the land and that we still have courts which cannot be browbeaten or bribed into doing the will of this new-deal dictator now in Washington; but if this new deal, so called, is allowed to continue to appoint courts whose appointees are selected by James Aloysius Farley, the safety and rights and liberties of the citizens of this great country can no longer be guaranteed. The people of my State will deeply appreciate and will cooperate with you in seeing that this rotten mess is brought to the light.

With my kindest personal wishes for your continued success, I remain,

Yours respectfully,

WILLIAM LANGER.

## A CONSTITUTION FOR CORPORATIONS—ADDRESS BY SENATOR O'MAHONEY

Mr. LA FOLLETTE. Mr. President, the Senator from Wyoming [Mr. O'MAHONEY] delivered a very interesting address, August 25, 1935, over the radio in connection with the subject matter covered by an important bill which he introduced, Senate bill 3363, a bill to insure domestic tranquillity and to promote the general welfare by regulating and promoting commerce with foreign nations and among the States in commodities and industrial articles, to regulate the flow of such commerce, to prescribe the conditions under which corporations may engage in such commerce, to provide for the formation of corporations to engage in such commerce, and for other purposes. I ask unanimous consent that the address may be inserted in the RECORD.

Mr. NORRIS. Mr. President, may I ask the Senator what the bill is?

Mr. LA FOLLETTE. It is a bill to provide, among other things, for the licensing of corporations doing business in interstate commerce.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Do you remember the story of the aged Isaac and his two sons, Esau, the beloved first-born, and Jacob, whom his mother, Rebecca, taught to dissemble that he might receive the blessing intended for his elder brother?

His hands covered with the skin of a goat so that the blind patriarch might mistake him for the hairy Esau, Jacob approached

his father's bedside. "The voice is the voice of Jacob", said the old man, "but the hands are the hands of Esau." And Jacob, who had already traded his more simple brother out of his birthright, received the blessing that Isaac wanted to bestow upon Esau.

Today managers of great corporations, financiers who have already traded the States out of their economic birthright, which is the power to regulate corporate commerce, are playing the role of Jacob before the American people. Arrayed in the habiliments of defenders of the Constitution, they seek the blessing of the people that they may resume complete, unregulated, and irresponsible sway over the economic fortunes of America. The voice is the voice of Monopoly, though the hand seems to be the hand of the constitutional fathers.

MONOPOLY DEFENDS THE CONSTITUTION

From the headquarters of many a corporate giant there is pouring over the land an incongruous flood of literature in defense of popular rights. The president of a great nationally known corporation, the parent of a numerous progeny of affiliates and subsidiaries, doing business in every village and hamlet, only a few weeks ago sent a letter to every one of his four-hundred-and-fifteen-thousand-odd stockholders attacking a recent act of Congress and implying that the interests of the small stockholder are being put in jeopardy at Washington. The president of a powerful New York bank is sending copies of the Constitution to his stockholders and customers, telling them that legislation by representation is the heritage of all Americans and implying that the principle of popular government is somehow being endangered by the National Government.

In like manner, other captains of commerce and industry are raising the banner of the Constitution. Employees, stockholders, and the public generally are asked to believe that the foundations of our American system are being undermined by those who would rescue the people of America from the economic despotism which during a generation has driven 70 percent of our population below the poverty line though the general wealth of the Nation has been steadily increasing all the time. A great campaign is underway to reestablish, not the freedom of the individual, but the freedom of corporate monopolies to control the economic resources of the United States.

The Constitution of our country was drafted in 1787 to establish and perpetuate free popular government. How much popular government exists today with respect to the huge corporate agencies that dominate the economic life of this Nation? How much control does the public exercise over them? How much control do their own stockholders exercise over them? Every person who hears my voice knows that the principles of self-government upon which our political system is based have little or no application in the modern corporate economic system by which are carried on the industry and commerce that affect the happiness and prosperity of 125,000,000 people.

CORPORATE SYSTEM A MODERN FEUDALISM

I am perfectly well aware of the fact that the great majority of the officers and directors of American corporations are sincere, able, and patriotic men. I know that most of the stockholders and employees are likewise inspired by the highest motives and that they desire not only justice for themselves, their associates, and their customers, but also the maintenance of all the traditions of popular government and liberty which have made ours the greatest Nation of all times. I know that the corporate system has been and will continue to be an indispensable factor in the development of our country. But the fact remains that it is governed by the principles of feudalism, not by the principles of democracy.

If you are a stockholder in any national corporation engaged in national commerce, let me ask you what voice or representation you have on the board of directors of the corporation in which you have invested your savings. The answer, unless you are yourself a member of the board, is, none; and this is true whether you own voting stock or nonvoting stock, preferred stock or bonds; you are actually without representation in the corporation to which you have committed your fortunes. You have entrusted your capital to men whom you do not know and who, though they are in fact your employees, you cannot discharge or even direct.

Under the present corporate system you must act entirely upon faith. I freely acknowledge that in most instances this faith is wholly justified, but the managers of your corporation may, if they choose, use your money for their own personal advantage. They may, if they choose, use for wholly selfish purposes the tremendous economic power that has been placed in their hands through the investments of hundreds of thousands of trusting citizens. You have nothing in the world to say about it. You are absolutely at their mercy. The employees of these far-flung economic institutions, men and women who are numbered in the millions, are equally helpless though, unlike the stockholder who invests money, they have invested their very lives.

This, then, is the fact to which we cannot close our eyes, that neither stockholders nor employees nor the public at large have had any effective protection under our present corporate system. This is not because the power is lacking or because the need of establishing what might be called a national constitution for national corporations has not been recognized. It is solely because, though urged to do so for a generation by the ablest statesmen and jurists, Congress has not exercised the power which the Constitution unquestionably gives it to regulate national commerce in the public interest.

NATIONAL CONTROL FOR NATIONAL COMMERCE

We shall fail to understand this problem unless we keep constantly in mind the fact that when the Constitution was drafted there were no national industrial and commercial corporations. They are the product of the last 70 or 80 years. We have never had a national incorporation law, though a quarter of a century ago, in a special message to Congress, a president—William Howard Taft—who later became a Chief Justice of the Supreme Court, urged one. Because we have had no such law, the corporations which shape the economic life of the whole people came into existence under charters granted by the several States under local and special laws. A corporation which receives its existence from Delaware or New Jersey under a charter which increases the powers of management to the highest degree and reduces its responsibility to the lowest, carries on its business throughout the land, regardless of State lines and, to all intents and purposes, above the law. These corporations are greater than many of the States, with more stockholders and employees than some States have inhabitants, with greater assets and larger revenues than many others.

The people of America would not think of allowing a self-perpetuating board of managers, operating under self-drafted regulations, to rule a political state. Yet that is exactly what we tolerate with respect to these great corporations which are the very nerve system of our economic life. And because there is no national rule to restrain them, a few ambitious and irresponsible men in positions of corporate authority have the power to destroy the security of our entire industrial and commercial structure.

There is not a banker or a lawyer or a business man in any community of the country who does not know how wide-spread, serious, and unwarranted have been the abuses of corporate power, abuses which have been made possible because the checks and balances which the Constitution imposes upon political government are utterly lacking in corporate government. To these abuses, more than to any other one thing, may be attributed the disaster of 1929; and it may be predicted with absolute certainty that no mere political change can effect permanent economic stability until as a Nation we have developed a means of establishing in commerce and industry the same principles of representative government of which we have been so proud in our political institutions.

As is so often the case in ordinary human contacts, our chief trouble arises from a misconception of a simple fact. As a people we have confused corporate rights and personal rights. We seem to have completely forgotten that corporations are the creatures of the people, with no rights or powers save those conferred upon them by the people through their governments, and that it is the solemn duty of the National Government, since the State governments are powerless, so to circumscribe the activities of the corporations as to preserve all of their undoubted advantages as instruments of social and economic progress while preventing the misuse of the powers with which they are endowed.

Of course, the managers and stockholders of corporations are fearful of Government interference. Of course, the people are fearful of too much government. Of course, it is not the business of government to meddle in personal and private affairs. The Jeffersonian axiom that "that government is best which governs least" is still the rule by which we should guide our course. But of what avail is it to curb irresponsible political power if we allow irresponsible economic power to remain unrestrained? It is only because we have permitted arbitrary economic power to dominate our national commerce and industry that it has been necessary for the Federal Government to use the emergency powers which alone rescued this Nation from the brink of irreparable disaster to which unregulated, irresponsible economic power had brought it.

INDUSTRIAL FEUDALISM AND BUREAUCRACY—TWIN DANGERS

We must recognize that not alone management but the stockholder has a stake in corporation control. We must recognize that not alone the owners and managers of capital but the wage workers have a stake in corporation control. We must recognize that not only capital and labor but the consumer and the numerous public also have a stake. For we have come to that point in our national development when we must realize that no man, no State, no industry can live an isolated life. The complexities of our modern existence are such that we rise and fall together—one great Nation of Americans under the Constitution in an indestructible Union of indestructible States. We cannot continue to permit industrial corporations, created by authority of the people, to handle the very subject matter of our existence without effective responsibility to law. Continued failure to act means one of two things; either that industrial feudalism will crush our boasted liberties and destroy the Constitution under a species of fascism, or those same liberties will be lost through an equally abhorrent centralization of power in bureaucracy. This twin danger has been growing almost unobserved for more than a generation. If we are to avoid it, all the patriotism, all the patience, all the vision of our people will be needed.

The answer to this problem is democracy in industry under a national statute which shall not put commerce and industry under the heel of some bureaucracy but which shall lay down the broad general rules under which national corporations must operate in the national interest. To this end I have recently introduced in the Senate of the United States what I believe to be a perfectly constitutional bill to regulate commerce among the States by providing a national licensing system and a national incorporation law. The purpose of the plan outlined in this bill is not to regiment business or industry, but to release it; not to suppress it, but to foster it; not to check the expansion of any unit, but to make possible a continuous growth by which the immeasurable and boundless potentialities of our national resources may be made available to all our people.

There is no reason for the existence of economic misery under our flag if we but have the will to push forward with common sense and tolerance under the Constitution.

### DEVELOPMENTS UNDER NEW POLICY OF INDIAN BUREAU

Mr. DICKINSON. Mr. President, I ask unanimous consent to insert in the RECORD certain data with reference to developments under the new policy of the Indian Bureau.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR DICKINSON

My colleagues, there is a department of our Government which receives very little attention from any of us in this Senate unless we happen to be upon the committee which deals directly with that Department. I am speaking of the Indian Bureau in the Department of the Interior. I myself have given scant heed to this Department because of the fact that I have no Indians in my own State upon reservations.

But during this session of Congress, there have been some surprising facts called to my attention by the Indians themselves regarding the manner in which the money appropriated by this Congress, supposedly for the Indians, is being spent by the present Commissioner of Indian Affairs. And that is a matter which touches every Member of Congress, particularly those of the more densely populated States where there are few if any Indians, because all taxpayers contribute to Federal taxes for the support of this Bureau of Indian Affairs.

Looking into the records, I find that the following sums of money have been appropriated to this Bureau since the present Commissioner, John Collier, was appointed in 1933:

| | |
|---|---|
| Fiscal year ending June 30, 1934 | $24,857,145.67 |
| Fiscal year ending June 30, 1935 | 21,151,185.00 |
| Supplementary deficiency bill just passed | 1,558,312.02 |
| Allocations from various public-works funds up to Feb. 1, 1935 | 44,475,500.00 |
| Making a total of | 92,042,142.69 |

And the cost for the current fiscal year of 1936 will be even greater; the appropriations for the fiscal year ending June 30, 1936, total about $27,187,965; two other pending deficiency bills carry appropriations for some $30,000 and there are bills authorizing the appropriation of additional sums in the neighborhood of $235,000. These known appropriations make a grand total of some $199,495,107. There are no figures available at this time to indicate just how much of the $4,000,000,000 relief fund has been allocated to the Bureau but judging by the former allocation, it is reasonable to presume that it will be in between forty and fifty millions of dollars at least.

As long as the Federal Government continues to hold these Indians in a status of wardship and keep their entire resources under Government control I feel that there is properly a burden upon the Government to provide for these wards. I have no objection to money being appropriated which will settle their long overdue claims or actually benefit them by making American citizens out of them, as was the original intention and purpose of the Bureau.

But these are very huge amounts of money which are being turned over each year to this Bureau for the administration of the affairs of about 340,000 wards, and it is unquestionably the right of every American taxpayer to know whether that money is actually being used to make American citizens out of the Indians. The Indians themselves contend that the present Commissioner of Indian Affairs, John Collier, is trying to make communists out of them, and that all of his efforts since becoming Commissioner have been to force his socialist ideas upon them under the guise of giving them self-government through the so-called "Wheeler-Howard Act", which was passed by this Congress in the last session. They maintain that this legislation, for which neither my distinguished colleague, Hon. Burton K. Wheeler, nor Representative Howard took responsibility, but introduced by request, had its inception in the American Civil Liberties Union, of which a subcommittee of the New York State Legislature in 1928 said:

"The American Civil Liberties Union, in the last analysis, is a supporter of all subversive movements."

The Indians contend that through this legislation the Commissioner and his appointees and associates are trying to gain control over their affairs and segregate them from the rest of the American citizenry; that they are being denied their constitutional rights of free speech through the denial of work relief to all those who oppose the policies of the Bureau; that both he and his employees discourage the teaching of Christianity among the Indians, to the extent that one missionary at least has been forced to give up his work among them and that religious services in the Government-maintained schools have been discontinued; that the constitutions which are being submitted to them contain no element of self-government but leave all power in the hands of the Secretary of the Interior and, through him, the Commissioner, and that very dangerous power is therein provided for the removal from a reservation of any who may be declared undesirables; that a continuous campaign is being carried on among them designed to incite race prejudice and disrespect for law and order as administered by State and Federal courts; and the further fact that a book dealing with the achievements of the new Russia, which openly attacks the American Government, has been introduced into at least one school, among children whose minds are at a formative stage and who do not have the adult background of knowledge necessary to properly judge this book. The Indians not only contend these things; they have documentary evidence which supports their contentions.

From the record of testimony taken before a subcommittee of the House Indian Committee there can be no doubt that the Commissioner is totally un-American in his ideas. He has been busy building what he terms a "Navajo world" down in the Southwest. Thus far the cost of the Navajo capitol alone is $950,000, and he frankly stated that it was not completed and more money would be needed to complete and equip it. Around this he is having constructed what he terms a "community centers", which cost from twenty to forty thousand dollars apiece, for construction alone, and which will take care of about 24 pupils apiece. Wells for these "centers" are to cost an additional, conservatively estimated, $350,000. About $2,225,000 for a Navajo world.

The idea of such a thing in America is preposterous. Are any of the other racial groups in America to have a world of their own, financed at the expense of all taxpayers? And the cost of the buildings is extremely excessive. All of them are built of native material and with native labor for the most part. Is there any rural community in America today that has a twenty- or forty-thousand-dollar schoolhouse for 24 pupils?

All of this is evidently with the full approval of the Secretary of the Interior, in whose Department this Bureau exists. In the Reclamation Era for May 1935, Public Works Administrator Harold L. Ickes, speaking of the various public-works projects, includes the "First Indian capital in the United States" and says, "May I suggest now that our people go and inspect—the first Indian capital in the United States—to see how their money has been put to work, how useful public works have been added to the capital wealth of the Nation." It is my opinion that if this Indian capital is an example of useful public works, then the people of this Nation are being defrauded out of hard-earned tax money. In these schools, it appears from the record, the Commissioner is planning to inaugurate not an American system of education for these Indians, but a Mexican system. Speaking before the subcommittee, he stated that he had been instrumental in having a Mexican educator, Dr. Moses Saenz, come to this country to give the Indian Bureau "very severe criticism for our overloaded and overmechanized and unrealistic school system" and to "give us the viewpoint of one who has developed a much more economical and practical system of schools." This advice cost the Americans $1,500, taken out of the money appropriated by Congress for the education of the Indians. The last available report shows that 25 percent of all Indian children of school age are not now in any kind of a school and the reason for this, according to the Indian Bureau, is that there is not sufficient money. Now, if the Commissioner wants criticism about the profligate way in which the Bureau spends money for the meager results shown—and these $40,000 schools for 24 pupils are an example of it—there is no need to go out of this country to secure that criticism. I am here to give it in no uncertain terms and there will be no need to deprive any child of schooling to pay for it either.

Of the Mexican school system, the Commissioner said that he thoroughly approved of it, although he denied any knowledge of the atheistic pledge required of all teachers in that country. He further stated that he considered the "Mexican ejita school system" as a wonderful system, "almost the most perfect in the world." What, might I ask, is wrong with our own school system and our American educators?

Even more outrageous than this, is the employment by the Department of the Interior of a man who had to take out his first citizenship papers before he could be given a high-paid position in the vast land-buying program of the Indian Service. Asked by a member of the committee whether America did not have a man to fill that particular place and had to send to Turkey, the Commissioner replied, "I doubt if there is anybody else available here who can do what he is doing and has such a combination of talents and learning. If there is another like him, we would hire him, even though he were from Baluchistan." Highly trained

Americans are walking the streets in search of employment but when our Government has a well-paid position to offer, it must needs naturalize an alien.

I have been examining that record of testimony before the subcommittee of the House Indian Committee that has just been released. There seems to be plenty of evidence to support the contentions of the Indians. At the referendum elections which are held among them regarding the Wheeler-Howard Act, so called, only those on the list of eligible voters which is prepared in the Indian Bureau are allowed to vote. All those who do not cast a ballot are counted as voting "yes." In one place they even counted the vote of a man who was actually known to be dead, as well as many others whose whereabouts were unknown. Where, in America, can any justification be found for such an unfair procedure? Such a policy, applied to all the registered voters of the Republican Party, would work a terrible hardship upon the Democrats in any election.

Saying that he is giving the committee "something from which he could not be persuaded by any fear of his future", we find the Commissioner clearly putting himself on record as approving of the leadership of Roger N. Baldwin and the activities of the American Civil Liberties Union, of which he is a leader. The records disclose that the close associates of the Commissioner for the past 20 years have been radicals and Socialists. Two of his present associates, at least—Nathan Margold, Solicitor for the Department of the Interior, and Robert Marshall, Chief Forester of the Indian Bureau—are known to be supporters of subversive movements in the United States. The Commissioner said, too, that he believed that both Secretary and Mrs. Ickes would agree with all that he had to say in approving Roger N. Baldwin and the American Civil Liberties Union, which upholds the right of a citizen or an alien "to advocate force and violence, murder, and assassination in the overthrow of government."

Here, as in other departments of our Government today, we have an example of these radicals who are boring from within to insidiously undermine the very structure of our Government. Here, again, is an example of the platform and principles of the Democratic Party being scrapped in favor of the platform of the Socialists. And here, again, are found in control not the members of the Democratic Party but the members of the radical and Socialist malcontents who have taken over control of the Government.

This question is not one of just Indian concern. It is the concern of every loyal American, of every Christian, and of every taxpayer. The Indians themselves constitute but a small minority group. But they are already, through their status of Government wards, so subject to Bureau control, both as to person and property, that they are helpless to defend themselves from this continued effort to force atheism and communism upon them. Millions of dollars have been spent by Christian missionaries to teach Christianity among the Indians. Millions of dollars have been spent by the American Government to educate them to become American citizens. Is all of this to be tossed lightly aside? Can we, as Americans, permit these wards of the Federal Government to be educated in the Government-maintained schools in the ways of atheism and communism?

The resources of the Indians, according to the Commissioner, amount to more than a billion dollars. The cash resources are being seized as rapidly as possible by the Commissioner with or without the consent of the Indians to promote his scheme of cooperatives—markets, hotels, stores, and what not. Any income from these enterprises, so it is said, is not to be based upon per capita distribution, in accordance with per capita contribution, but is to be based upon per capita consumption from the cooperative stores, thus effectively forcing the Indians to deal at these stores in order to realize any profit from their investment. There are indications that work-relief wages on some projects are being contributed, by order of the Commissioner, to the amount of 25 percent, for a fund to purchase tools, etc., while work aggregating 25 percent of the basic wage scale is being demanded of the Indians in advance of their employment, which means that the Indians actually receive only 50 percent of the basic wage scale for labor performed. Even Russia does not exact any such toll from her workers; and the work-relief funds themselves are being used as a means to force the Indians into submission, as is clearly evidenced by a letter dated April 30, 1934, and signed by the Secretary of the Interior, wherein he states that opposition to the Department plans will mean immediate dismissal; and by a further letter from a superintendent of a reservation stating that all persons who engage in opposing the policies of the Department will be dropped from the lists of those eligible for work relief. Not only have these orders been issued; they have been carried out.

Such autocratic, arbitrary measures have no place in America. They should be uprooted before the hold of this group of radicals upon the resources of these Government wards becomes any greater. The American Indian Federation, of which Hon. Joseph Bruner, of Sapulpa, Okla., is the able and fearless president, has requested the removal of Commisisoner Collier and his associates and the repeal of the infamous Wheeler-Howard Act, so called. In the interest of preserving those sterling qualities of "life, liberty, and the pursuit of happiness" and "equal justice under law" embodied in that great Constitution of this Nation which has brought us forth to our present high place of honor among nations, these pleas for relief from such totally un-American and obnoxious conditions should be heard and acted upon. The vast army of overburdened and forgotten American taxpayers have unwittingly and unknowingly contributed since July 1933 more than $119,000,000 to support in high public office, at very substantial salaries, these radicals, referred to by the Indians as "political mavericks", and to supply them the funds with which to establish communistic government in free America. My colleagues, it is our duty as Americans to take cognizance of these facts and to stop these practices within our Government.

I thank you.

### IMPORTATION OF WHEAT IN BOND FOR MILLING PURPOSES

Mr. CAPPER. Mr. President, I have received the following telegram, and I might say it is one of many similar protests I am receiving, from Farmers Union Local No. 882, Lindsborg, Kans. I read the telegram, which is brief:

> The members of the Farmers Union Local No. 882 urge you to use your influence to secure immediate legislation to prohibit importation of wheat in bond for milling purposes.

This telegram is signed by David Rain, secretary.

Needless to say, Mr. President, I realize that nothing can be done to correct this situation at this session of Congress. Also, I realize that it is not a simple proposition, nor one easy of correction.

But I do say it is manifestly unjust to American wheat growers and to American millers away from the Canadian border, and particularly unfair to the southwestern mills and wheat growers, to allow Canadian wheat to be imported into this country, practically free of duty, for milling purposes.

I hope the Senate Finance Committee, at the next session, will work out an amendment to the tariff act which will adjust this provision in the interests of American agriculture and industry.

I ask unanimous consent to have the telegram printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

LINDSBORG, KANS., *August 24, 1935.*

Senator ARTHUR CAPPER,
*Washington, D. C.:*

The members of the Farmers Union Local No. 882 urge you to use your influence to secure immediate legislation to prohibit importation of wheat in bond for milling purposes.

DAVID RAIN, *Secretary.*

### BUREAU OF NAVIGATION—EDITORIAL FROM WASHINGTON POST

Mr. COPELAND. Mr. President, I am very much disappointed that the Senate failed to pass the bill providing for the reorganization of the Bureau of Navigation and Steamboat Inspection service. As I view it, the measure is in the interest of safety, and everyone considers it a matter of great importance. However, it was impossible to obtain action.

There appeared an editorial in this morning's Washington Post entitled "Inexcusable Oversights", and I ask unanimous consent that it may be printed in the RECORD in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of Aug. 26, 1935]

#### INEXCUSABLE OVERSIGHTS

To those whose memories run back as far as a year ago when the *Morro Castle* burned, to be followed only a few weeks later by the sinking of the *Mohawk*, it will be heartening to learn that the two tragedies have not been entirely forgotten; a marine bill has been passed by both Houses of Congress and forwarded to the White House for signature. It fixes the liability of shipowners.

Beyond that no complete action has been taken affecting the operation of ships at sea. The Senate has passed a bill extending load-limit regulations to ships in coastwise and Great Lakes service. The House has passed a measure to improve the organization of the Bureau of Navigation and Steamboat Inspection service. Whether, with trunks already packed, Congress can be expected to give further consideration to either bill before adjournment is highly doubtful, but no effort should be spared to recall these measures to its attention.

The Senate bill is designed to minimize dangers from overloading, such as beset the *Vestris*, and if passed would permit the application to coastwise shipping of safety provisions now applied to ocean-going ships under the terms of the international treaty of 1930. Much more important is the bill passed by the House. It would empower the United States officially to inspect and pass

upon the construction of passenger and freight vessels and to enforce with greater efficiency existing regulations promoting safety at sea.

It would be an inexcusable oversight to adjourn without action on these two undebatable bills. If they are sidetracked, there will be nothing for Congress to do at the time of the next marine tragedy but to pass more resolutions of sorrow and demand still another angry investigation.

### OLD-AGE PENSION ACTS—ARTICLE BY FLORENCE E. PARKER

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article entitled "Experience Under State Old Age Pension Acts in 1934", by Florence E. Parker, of the Bureau of Labor Statistics.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Monthly Labor Review for August 1935]

EXPERIENCE UNDER STATE OLD AGE PENSION ACTS IN 1934

By Florence E. Parker, of the Bureau of Labor Statistics

The greatest territorial expansion, in terms of actual effectiveness of the system, yet experienced since the introduction of the public pension system in the United States occurred during 1934. At the end of the year pension systems were in actual operation in the whole or part of 25 States and 2 Territories, including within their borders 56 percent of the total population of the United States. At the end of the previous year old-age benefits were being paid in only 17 States and 1 Territory, having 32 percent of the population. The number of paying counties increased during 1934 from 350 (45 percent of the total counties in States having pensions) to 924 (64 percent). This was due mainly to the putting into force of the State-wide systems in Colorado, Indiana, Iowa, Michigan, North Dakota, Ohio, and Pennsylvania. At the close of 1934, 11 systems were in State-wide operation, as compared with only 4 in 1933. Within States where the systems were operative in greater or less degree in both years the pension plan was extended to 48 additional counties, the number rising from 350 to 398. Thirty-four of the new pension counties, however, were in one State—Minnesota—where the act became mandatory at the beginning of 1934.

The acts of Kentucky and West Virginia remained without effect in 1934 as in 1933, while the Maine law, passed in 1933, could not be enforced because of the legislature's failure to provide funds.

Of the 30 acts on the statute books in 1934, only 7 were optional with the counties, and 2 of these voluntary plans were inoperative. In the optional States counties having the plan in effect included only 48.2 percent of the population. In the mandatory States, on the other hand, the coverage was 93.5 percent.

More than twice as many persons received old-age assistance in 1934 as in the previous year, the number having risen from 115,547 to 236,205. The financial outlay, however, increased at a much smaller rate than the number of pensioners. Expenditures rose from $26,167,017 in 1933 to $32,313,515 in 1934, an increase of only 23 percent as against 104 percent in number of beneficiaries. The inevitable result was a marked decrease in the average monthly pension for all States combined, the rate falling from $19.34 to $14.69, or 24 percent. To a considerable extent this was due to the small allowances paid in the new pension States. In States having the system in both years the average pension fell only 1.7 percent.

Although individual pensions were reported equaling or even (in two instances) exceeding the maximum allowable under the State law, the average monthly allowances paid in even the most liberal States were only about two-thirds of the legal maximum. They ranged in the different States from 69 cents in North Dakota to $26.08 in Massachusetts. Six States paid pensions amounting to $20 or more per month, but 14 paid less than $10. The amount of the pension is theoretically based upon the need and circumstances of the pensioner. It is known, however, that many counties have simply divided the available funds equally among the pensioners without regard to individual requirements. In large part this is undoubtedly due to the fact that in many jurisdictions funds have been so inadequate as to make impossible the payment of even subsistence benefits to any considerable number of persons.

Upon the basis of the data reported, it appears that State-aided systems are relatively the most generous, with State systems next in order. In 1934 the smallest allowances were provided in States in which the whole cost was borne by the county treasury. Average allowances under the State systems increased 12.2 percent from 1933 to 1934. Under the other two types of plans they declined—0.8 percent under the State-aided plans and 9.3 percent under the county systems. In 1934, 49.8 percent of the money spent for pensions was contributed by the counties and 50.2 percent by the States.

With the pension roll increasing and the funds either actually decreasing or increasing at an appreciably lower rate than the pensioners, the financing of the pension plans continued in 1934 to be the chief problem facing legislators and pension authorities. The special taxes, such as per capita and property taxes, imposed by some of the newer acts seem not to have fulfilled the hopes of their proponents. Of the State systems with such financing provisions (Iowa, Michigan, Nebraska, North Dakota, and Wyoming) only one—that of Iowa—had sufficient revenue to pay allowances of as much as $10 per month, and in two of the States the benefits averaged less than $5. In Iowa the act did not go into full force until July 1, 1935; benefits were paid, beginning in November 1934, only in especially urgent cases. It appears that the most adequate support is accorded to the pension system in States where the cost is met from the general funds of the State rather than from the proceeds of a special levy. The actual collections from such special taxes frequently fall far below the estimated yield and the pension plan, of course, suffers accordingly.

The cost per capita of population averaged 60 cents in 1934, ranging in the various States from 2 cents in Michigan to $1.24 in Colorado. Alaska had a per capita cost of $1.83.

Judged by the three criteria of coverage, benefits, and proportion of persons of pensionable age being cared for, the systems of Arizona, Massachusetts, and New York ranked highest in 1934. At the other end of the scale were those of Idaho, Minnesota, Nebraska, Nevada, Utah, and Washington.

#### SCOPE OF STUDY

The above findings were disclosed by the regular annual survey of pension experience which has been conducted by the Bureau of Labor Statistics since 1928. This 1934 study covered all of the 30 States having legislation providing for assistance to aged needy persons. In the majority of States the information was obtained through the cooperation of State officials, but in jurisdictions having county-financed plans and requiring no report to any State office,[1] the data were obtained from the individual counties. Reports were obtained for 1,393 (96 percent) of the 1,445 counties in the 30 States. It is believed that the data here presented give an accurate and generally complete picture of the situation in all of the States, with two exceptions: Because of conflicting reports from State and county sources, which could not be reconciled, only an approximation of the expenditures in Colorado could be made. In Massachusetts, one of the most important pension States, complete reports of disbursements do not become available until more than a year after the close of any calendar year, and the Bureau was therefore compelled to use the 1933 figures; average weekly benefits were, however, available and were used in the comparisons of average benefits in the various States.

#### PENSION SITUATION IN 1934

Summary data showing the operations in the various States in 1934 are given in table 1.

TABLE 1.—*Summary of operations under old-age-pension acts, 1934*

| State | Year of passage of act | Counties in State | | Counties having pension systems | | |
|---|---|---|---|---|---|---|
| | | Total | Number reported for | Number at end of 1934 | Number of pensioners at end of 1934 | Amount paid in pensions, 1934 |
| Arizona | 1933 | 14 | 12 | 12 | 1,820 | $427,527 |
| California | 1929 | 58 | 58 | 57 | 19,619 | [14] 4,288,508 |
| Colorado | 1933 [2] | 63 | 63 | 63 | [3] 10,098 | [4] 1,256,190 |
| Delaware | 1931 | 3 | 3 | 3 | 1,583 | 193,231 |
| Idaho | 1931 | 44 | 44 | 32 | 1,712 | 138,440 |
| Indiana | 1933 | 92 | 92 | 89 | 23,533 | [5] 1,134,250 |
| Iowa | 1934 | 99 | 99 | 99 | [6] 8,300 | [7] 220,000 |
| Kentucky | 1926 | 120 | 120 | ... | ... | ... |
| Maine | 1933 | 16 | 16 | ... | ... | ... |
| Maryland | 1927 | 24 | 24 | [8] 2 | 267 | 65,228 |
| Massachusetts | 1930 | [9] 14 | [9] 14 | [9] 14 | [10] 21,473 | [11] 5,628,492 |
| Michigan | 1933 | 83 | 83 | 56 | 3,557 | 103,180 |
| Minnesota | 1929 | 87 | 77 | 40 | 4,425 | [12] 577,635 |
| Montana | 1923 | 56 | 56 | [13] 44 | 2,790 | 177,425 |
| Nebraska | 1933 | 93 | 80 | 24 | 926 | 13,577 |
| Nevada | 1925 [14] | 17 | 13 | 2 | 7 | 1,552 |
| New Hampshire | 1931 | 10 | 10 | 10 | 1,483 | 311,829 |
| New Jersey | 1931 | 21 | 21 | 20 | 11,401 | 1,773,320 |
| New York | 1930 | 62 | 62 | 62 | 51,834 | 12,050,828 |
| North Dakota | 1933 | 53 | 53 | 53 | 3,914 | 24,259 |
| Ohio | 1933 | 88 | 88 | 88 | 36,543 | [15] 1,434,416 |
| Oregon | 1933 | 36 | 36 | 35 | [16] 6,525 | [16] 639,296 |

[1] Approximate; estimated on basis of State disbursements (about one-half).
[2] Year of present act; original act passed in 1927.
[3] 55 counties.
[4] Estimated on basis of returns by individual counties and report of State disbursements.
[5] 11 months ending Nov. 5, 1934.
[6] 4,589 actually on roll Dec. 31, 1931; others put on roll later, payments being retroactive to Nov. 1, 1934.
[7] Estimated; last 2 months of 1934 only.
[8] 1 county and city of Baltimore.
[9] But system is on a city-and-town, not county, basis.
[10] As of Mar. 31, 1935.
[11] Year ending Apr. 30, 1934.
[12] 38 counties.
[13] Includes 1 county which ceased payment in November 1934.
[14] Year of present act; first act, passed in 1923, was repealed the same year
[15] Last 6 months of 1934.
[16] 32 counties.

[1] Arizona, Colorado, Kentucky, Maryland, Minnesota, Nebraska, Nevada, Utah, Washington, West Virginia, and Wyoming.

TABLE 1.—*Summary of operations under old-age-pension acts, 1934*—Continued

| State | Year of passage of act | Counties in State: Total | Counties in State: Number reported for | Counties having pension systems: Number at end of 1934 | Counties having pension systems: Number of pensioners at end of 1934 | Counties having pension systems: Amount paid in pensions, 1934 |
|---|---|---|---|---|---|---|
| Pennsylvania | 1933 | 67 | 67 | 67 | 18,261 | [17] $386,717 |
| Utah | 1929 | 29 | 20 | 8 | 902 | 86,416 |
| Washington | 1933 | 39 | 30 | 12 | 1,588 | 103,408 |
| West Virginia | 1931 | 55 | 55 | | | |
| Wisconsin | 1925 | 71 | 71 | 8 | 2,127 | 459,146 |
| Wyoming | 1929 | 23 | 18 | 17 | 719 | 82,732 |
| Continental United States | | 1,437 | 1,385 | 917 | 235,397 | 32,177,608 |
| Alaska | 1929[18] | [19] 4 | [19] 4 | [19] 4 | 454 | 108,485 |
| Hawaii | 1933 | 4 | 4 | 3 | 354 | 27,427 |
| Grand total | | 1,445 | 1,393 | 924 | 236,205 | 32,313,515 |

[17] Month of December 1934.
[18] Year of present act; original act passed in 1915.
[19] Number of judicial districts.

The Iowa act, passed in 1934, did not go into complete operation until July 1, 1935. The law provided, however, for an emergency period (from Nov. 1, 1934, to July 1, 1935) during which allowances might be made to care for the most needy cases. In case of applications made before November 1, 1934, which were approved at any time during the emergency period, the allowance became retroactive to that date. Thus the approval of such an application on, say, April 17, 1935, would entitle the applicant to the allowance for the months of November through March, as well as for the succeeding months. At the end of 1934 there were 4,589 who had received allowances; between December 31 and the date of the State report to the Bureau of Labor Statistics (Mar. 11, 1935) the number of beneficiaries had risen to 8,300, all of whom had received their retroactive payments, and it was expected that even the latter figure would be increased.

The optional law of Kentucky, passed in 1926, is still inoperative. In 1934 the legislature passed an act providing for an amendment to the State constitution authorizing the legislature to "prescribe such laws as may be necessary for the granting and paying" of old-age pensions. The legislature directed that this act was to be submitted to the vote of the people at the next general election; the ballot of the 1934 election, however, did not include this measure.

In Maryland, for several years, the only part of the State in which pensions were being paid under the State act was the city of Baltimore. In 1933 a special State act made the system compulsory in Allegany County, and payments began there in June 1934.[2]

The cost of the system in Nebraska is met by the counties, which are permitted to levy a per capita tax of 50 cents for the purpose of raising funds.[2] The act went into effect August 10, 1933, but most of the counties had already made their levy for funds for the year. The result was to suspend in those counties the operation of the act during 1934, as the court held that the pension levy could not lawfully be made except at the time of the general levy. Eighty of the ninety-three counties in the State have reported to the Bureau. Only 24 made payments under the act of 1934; of these, 1 began payments in March, 1 in August, 2 in November, and 10 in December. Twenty-seven counties reported that payments began or were to begin early in 1935; these had more than 3,000 applications on file at the end of the year.

The State-wide State-financed act of Pennsylvania became effective January 18, 1934, and the first payments were due December 1, 1934. So great was the number of applications that some of the counties were unable to complete their investigations in time to decide all of the cases by that date. In order not to penalize those whose cases were unfinished, their allowances, once granted, were made retroactive to December, if their applications were received before that time. A report received from the Pennsylvania Department of Welfare as of April 8, 1934, stated that 18,261 had at that time been put on the December pension roll. It was estimated that the funds appropriated would care for 31,000 persons, and it was thought that within the next few weeks the roll would have increased to that number.

The Washington act was held by the court to be mandatory upon the counties and they were directed to provide whatever funds were necessary to put the law into effect.[2] In spite of this decision and the fact that some State aid was provided for by a later act, the reports to the Bureau of Labor Statistics show that at the end of 1934—18 months after the law became effective—only 12 of the 39 counties were actually paying pensions. Four additional counties expected to begin the payment of old-age assistance in 1935.

DEVELOPMENT WITHIN IDENTICAL STATES, 1933 AND 1934

Comparing only the States in which the law was in effect in both 1933 and 1934 the latter year showed a gain of 48 counties and of more than 17,000 old people cared for. Over $2,000,000 more was expended for pension purposes.

[2] New act passed in 1935 changes these provisions. See p. 332.

Among the industrial States the only outstanding change in the number of counties paying pensions in 1934 was the gain of 34 counties in Minnesota in consequence of the coming into force of the mandatory provision of the act.[2] Montana and Utah suffered a slight loss. In the remaining States the number of paying counties either remained unchanged or increased slightly.

In Montana, the oldest pension State, there were 44 counties which paid pensions at some time during 1934. One of these, however, discontinued payments in November, so that at the end of the year there were only 43 counties in which the system was in effect—a loss of 2 counties as compared with the end of the preceding year. Another county reported that it intended to discontinue the system. An additional county had stopped making cash allowances and was giving only grocery-store credit.

In all but three States the number of recipients of old-age assistance increased, in some States very markedly. The amount paid in benefits also rose in all but four States. In Nevada and Utah a decrease in disbursements was accompanied by a corresponding decrease in number of beneficiaries. In New York and Wyoming, however, the expenditures fell in spite of an increase in the pension roll.

The 1933 and 1934 operations are compared in table 2 for the 17 States in which the act was in effect in both years.

TABLE 2.—*Number of adopting counties, number of pensioners, and amount paid in pensions in identical States, 1933 and 1934*

| State | Number of counties with system: 1933 | Number of counties with system: 1934 | Number of pensioners at end of—: 1933 | Number of pensioners at end of—: 1934 | Amount paid in pensions: 1933 | Amount paid in pensions: 1934 |
|---|---|---|---|---|---|---|
| Arizona | 12 | 12 | 1,624 | 1,820 | $170,512 | $427,527 |
| California | 57 | 57 | 14,604 | 19,619 | 3,502,000 | 4,288,508 |
| Colorado | 54 | 63 | 8,705 | [1] 10,098 | 172,481 | 1,256,190 |
| Delaware | 3 | 3 | 1,586 | 1,583 | 188,740 | 193,231 |
| Idaho | 29 | 32 | 1,090 | 1,712 | 114,521 | 138,440 |
| Maryland | 1 | 2 | 141 | 267 | 50,217 | 65,228 |
| Massachusetts | 14 | 14 | 18,516 | 21,473 | [2] 5,628,492 | (3) |
| Minnesota | 6 | 40 | 2,655 | 4,425 | 420,536 | 577,635 |
| Montana | 45 | 44 | 1,781 | 2,780 | 155,525 | 17,426 |
| Nevada | 2 | 2 | 23 | 7 | 3,320 | 71,552 |
| New Hampshire | 8 | 10 | 776 | 1,483 | 122,658 | 311,829 |
| New Jersey | 19 | 20 | 9,015 | 11,401 | 1,375,693 | 1,773,320 |
| New York | 62 | 62 | 51,106 | 51,834 | 13,592,080 | 12,650,828 |
| Utah | 9 | [4] 8 | 930 | 902 | 95,599 | 86,416 |
| Wisconsin | 8 | 8 | 1,969 | 2,127 | 395,707 | 459,146 |
| Wyoming | 17 | 17 | 643 | 719 | 83,231 | 82,732 |
| Total | 346 | 394 | 115,164 | 132,250 | 26,071,312 | 22,490,008 |
| Total, excluding Massachusetts | 332 | 380 | 96,648 | 110,777 | 20,442,820 | 22,490,008 |
| Alaska | 4 | 4 | 353 | 454 | 95,705 | 108,485 |
| Grand total | 350 | 398 | 115,547 | 132,704 | 26,167,017 | 22,598,493 |

[1] 55 counties.
[2] Year ending Apr. 30, 1934.
[3] No data.
[4] Includes 1 which ceased payment in September 1934.

DEVELOPMENT UNDER OPTIONAL AND MANDATORY LAWS, 1934

The list of mandatory acts has grown longer with each successive year and that of optional laws shorter, as new mandatory acts have been passed and old voluntary ones amended to make them compulsory.

The voluntary systems in those States in which such systems were operative attained a coverage of 48.2 percent in 1934. Among the mandatory systems, on the other hand, the coverage was 93.5 percent. In 11 States the system was in State-wide operation at the end of 1934; at the end of 1933 only 4 States were in this class. State-wide operation, in itself, is not a satisfactory test of the efficacy of an act, however, as is attested by the situation in North Dakota where under a State-wide system benefits averaged only 69 cents a month.

TABLE 3.—*Development of pension systems under optional and mandatory acts, 1934*

| State and type of law | Population of State, 1930 | Number of counties in State | Counties reporting pension system in 1934: Number | Counties reporting pension system in 1934: Population | Counties reporting pension system in 1934: Percent of State population |
|---|---|---|---|---|---|
| *Optional* | | | | | |
| Hawaii | 368,336 | 4 | 3 | 312,190 | 84.8 |
| Kentucky | 2,614,589 | 120 | | | |
| Maryland [1] | 1,631,526 | 24 | 2 | 883,972 | 54.2 |
| Montana | 537,606 | 56 | 44 | 383,845 | 71.4 |
| Nevada | 91,058 | 17 | 2 | 4,656 | 5.1 |

[1] State act optional; made compulsory for Allegany County by special act of 1933.

[2] In 7 other counties applications were received and examined but no allowances were actually paid.

TABLE 3.—*Development of pension systems under optional and mandatory acts, 1934*—Continued

| State and type of law | Population of State, 1930 | Number of counties in State | Counties reporting pension system in 1934 | | |
|---|---|---|---|---|---|
| | | | Number | Population | Percent of State population |
| *Optional*—Continued | | | | | |
| West Virginia | 1,729,205 | 55 | | | |
| Wisconsin [2] | 2,939,006 | 71 | 8 | 1,100,385 | 37.3 |
| Total | 9,911,326 | 347 | 59 | 2,085,048 | [3] 48.2 |
| *Mandatory* | | | | | |
| Alaska | 59,278 | 4 | 4 | 59,278 | 100.0 |
| Arizona | 435,573 | 14 | 12 | 399,092 | 91.8 |
| California | 5,677,251 | 58 | 57 | 5,677,010 | 100.0 |
| Colorado | 1,035,791 | 63 | 63 | 1,035,791 | 100.0 |
| Delaware | 238,380 | 3 | 3 | 238,380 | 100.0 |
| Idaho | 445,032 | 44 | 32 | 346,948 | 78.0 |
| Indiana | 3,238,503 | 92 | 89 | 3,129,895 | 96.6 |
| Iowa | 2,470,939 | 99 | 99 | 2,470,939 | 100.0 |
| Maine | 797,423 | 16 | | | |
| Massachusetts | 4,249,614 | 14 | 14 | 4,249,614 | 100.0 |
| Michigan | 4,842,325 | 83 | 56 | 4,210,341 | 86.9 |
| Minnesota | 2,563,953 | 87 | 40 | 1,820,531 | 71.0 |
| Nebraska | 1,377,963 | 93 | 24 | 323,285 | 23.5 |
| New Hampshire | 465,293 | 10 | 10 | 465,293 | 100.0 |
| New Jersey | 4,041,334 | 21 | 20 | 3,970,525 | 98.2 |
| New York | 12,588,066 | 62 | 62 | 12,588,066 | 100.0 |
| North Dakota | 680,845 | 53 | 53 | 680,845 | 100.0 |
| Ohio | 6,646,697 | 88 | 88 | 6,646,697 | 100.0 |
| Oregon | 953,786 | 36 | 35 | 930,950 | 97.6 |
| Pennsylvania | 9,631,350 | 67 | 67 | 9,631,350 | 100.0 |
| Utah | 507,847 | 29 | 8 | 352,403 | 69.4 |
| Washington | 1,563,396 | 39 | 12 | 361,008 | 23.1 |
| Wyoming | 225,565 | 23 | 17 | 183,146 | 81.2 |
| Total | 64,736,204 | 1,098 | 865 | 59,772,287 | [4] 93.5 |
| Grand total | 74,647,530 | 1,445 | 924 | 62,457,335 | 89.9 |

[2] Became mandatory July 1, 1935.
[3] Not including States (Kentucky and West Virginia) in which acts were inoperative; if those States are included, percentage is 27.1
[4] Not including State (Maine) in which act was inoperative; if that State is included, percentage is 92.3.

SIZE OF MONTHLY ALLOWANCES

Average monthly allowances ranged in 1934 from 69 cents in North Dakota to $26.08 in Massachusetts. In 14 jurisdictions the monthly average was less than $10, in 21 less than $20, and in only 6 was it $20 or over. The average monthly payments in the important industrial States of California, Massachusetts, New York, and Pennsylvania were closely grouped in amount, with Massachusetts leading the others by from $5 to $6. New Jersey, another leading industrial State, has always paid pensions considerably below those of its neighbor, New York. Ohio, of course, was just getting its system under way, and its experience is too short to permit judgment as to the liberality of the allowances.

In 16 States the actual pension was less than half and in the other States about two-thirds of the maximum permitted under the act. The size of the pensions paid in 1933 and 1934 as compared with the maximum payable under the act is shown in table 4.[4]

TABLE 4. *Average pensions paid in 1933 and 1934 as compared with those allowable under act*

| State | Maximum payable under act | Average monthly pension | | Range of individual monthly grants, 1934 |
|---|---|---|---|---|
| | | 1933 | 1934 | |
| Arizona | $30.00 | $9.01 | $19.57 | $5 to $30. |
| California | 30.41 | 21.50 | 20.21 | (1). |
| Colorado | 30.41 | 8.59 | 9.74 | $1.50 to $30. |
| Delaware | 25.00 | 9.79 | 9.91 | (1). |
| Idaho | 25.00 | 8.85 | 6.74 | (1). |
| Indiana | 15.00 | | 4.50 | (1). |
| Iowa | 25.00 | | 13.25 | (1). |

[1] No data.

[4] For those States for which the data were obtained directly from the counties and those for which no average figure was supplied by the State official reporting, the averages given in the table somewhat understate the actual monthly amount. The average for such States was obtained by dividing the annual disbursements by the number of pensioners on the roll at the end of the year. Especially in State-wide systems the experience shows that the number on the roll tends to increase month by month, so that the pension list at the end of the year is greater than the 12-month average of the monthly list would be. A check for the States of California, New Jersey, and New York, for which monthly reports are available, shows that the average computed as above fell below the average of the monthly averages by 1 percent in New Jersey, 10 percent in California, and 13 percent in New York.

TABLE 4.—*Average pensions paid in 1933 and 1934 as compared with those allowable under act*—Continued

| State | Maximum payable under act | Average monthly pension | | Range of individual monthly grants, 1934 |
|---|---|---|---|---|
| | | 1933 | 1934 | |
| Maryland | $30.41 | $29.90 | $22.64 | $5 to $30. |
| Massachusetts | (2) | 24.35 | 26.08 | (1). |
| Michigan | 30.00 | | 9.99 | (1). |
| Minnesota | 30.41 | 13.20 | 10.97 | $3 to $35. |
| Montana | 25.00 | 7.28 | 5.32 | (1). |
| Nebraska | 20.00 | | 1.22 | $2.00 to $15.00. |
| Nevada | 30.41 | 15.00 | 18.48 | (1). |
| New Hampshire | 32.50 | 13.17 | 17.51 | (1). |
| New Jersey | 30.41 | 14.97 | 14.87 | (1). |
| New York | (2) | 21.55 | 20.65 | (1). |
| North Dakota | 12.50 | | .69 | (1). |
| Ohio | 25.00 | | 6.54 | (1). |
| Oregon | 30.00 | | 8.16 | (1). |
| Pennsylvania | 30.00 | | 21.18 | (1). |
| Utah | 25.00 | 8.56 | 7.98 | $2 to $20. |
| Washington | 30.00 | | 5.43 | $4 to $30. |
| Wisconsin | 30.41 | 16.75 | 19.95 | (1). |
| Wyoming | 30.00 | 10.79 | 9.59 | $2 to $35. |
| Average (weighted) | | 19.33 | 14.68 | $1 to $35. |
| Alaska | 35.00 | 20.82 | 25.00 | (1). |
| Hawaii | 15.00 | | 7.06 | (1). |
| Grand average (weighted) | | 19.34 | 14.69 | |
| Grand average, identical States (weighted) | | 19.34 | 19.00 | |

[1] No data. [2] No limit. [3] Men; women $45.

Conspicuous because of their extremely low average allowances were the States of Indiana, Nebraska, and North Dakota. Regarding the situation in Indiana, where benefits averaged only $4.50 per month, the State auditor reported that many of the counties expected to increase the allowances on January 1, 1934. In Nebraska the low benefits were due to the failure of the per capita tax as a source of revenue. North Dakota had the doubtful distinction both of setting in its law a maximum allowance which is the lowest in the United States ($12.50 per month) and of paying the smallest average benefit in 1934 (69 cents). The allowances awarded averaged $129.73 for the year. Inability to collect the $2 per capita tax was given as the reason for the disparity between the amounts awarded and the amount actually paid.

In February 1935, when the average pension in New York City was $25.37, it was stated that 11.25 percent of the 23,492 pensioners were receiving $36 or more per month.[5]

Theoretically every allowance made is supposed to have been set after detailed consideration of the applicant's circumstances and needs. In some of the better systems, in which investigation is carried on by trained and efficient workers and the number of such workers is sufficient to allow adequate case work, the theory is put into practice. A budget, varying in cost according to prices in the various sections, is carefully worked out and the pension allowed is based upon this budget and the circumstances of the individual case. This procedure can by no means be called general, however, and in practice the allowances in many places are more apt to depend upon the availability of funds than upon the pensioner's needs. Many of the counties reporting to the Bureau made a flat allowance without regard to individual circumstances.

The data are rearranged in table 5 to show the size of allowances paid under the different types of pension systems.

TABLE 5.—*Comparison of benefits paid under county, State-aided, and State systems in 1933 and 1934*

| State and type of system | Average monthly pension | |
|---|---|---|
| | 1933 | 1934 |
| *County systems* | | |
| Hawaii | | $7.06 |
| Idaho | $8.85 | 6.74 |
| Maryland | 29.90 | 22.64 |
| Minnesota | 13.20 | 10.97 |
| Montana | 7.28 | 5.32 |
| Nebraska | | 1.22 |
| Nevada | 15.00 | 18.48 |
| New Hampshire | 13.17 | 17.51 |
| Oregon | | 8.16 |
| Utah | 8.56 | 7.98 |
| Washington [1] | | 5.43 |
| Wyoming | 10.79 | 9.59 |
| Average (weighted) | 10.86 | 8.60 |
| Average, identical States (weighted) | 10.86 | 9.85 |
| *State-aided systems* | | |
| Arizona | 9.01 | 19.57 |
| California | 21.50 | 20.21 |
| Indiana | | 4.50 |

[1] Pension act placed whole cost upon counties, but some aid provided by later act.

[5] Speech of Ruth Hill, third deputy commissioner, New York City Department of Public Welfare, over Station WEVD, Feb. 14, 1935.

TABLE 5.—*Comparison of benefits paid under county, State-aided, and State systems in 1933 and 1934*—Continued

| State and type of system | Average monthly pension | |
|---|---|---|
| | 1933 | 1934 |
| *State-aided systems*—Continued | | |
| Massachusetts | $24.35 | $26.08 |
| New Jersey | 14.97 | 14.87 |
| New York | 21.55 | 20.65 |
| Wisconsin | 16.75 | 19.95 |
| Average (weighted) | 21.17 | 18.06 |
| Average, identical States (weighted) | 21.17 | 21.01 |
| *State systems* | | |
| Alaska | 20.82 | 25.00 |
| Colorado | 8.59 | 9.74 |
| Delaware | 9.79 | 9.91 |
| Iowa | ---------- | 13.25 |
| Michigan | ---------- | 9.99 |
| North Dakota | ---------- | .69 |
| Ohio | ---------- | 6.54 |
| Pennsylvania | ---------- | 21.18 |
| Average (weighted) | 9.21 | 10.87 |
| Average, identical States (weighted) | 9.21 | 10.33 |

Comparing only those States whose act was in force during both 1933 and 1934, it is evident that by far the largest benefits were paid under the State-aided systems, with State systems next in order. The smallest payments were made in States where the whole cost was met from county revenues. From 1933 to 1934 the average monthly allowance declined 9.3 percent under county plans and 0.8 percent under State-aided plans, but increased 12.2 percent under State plans.

The above figures relate to cash payments only. Of the 30 States which had pension acts at the end of 1934, the acts of 24 [6] provide that in case the pensioner dies without sufficient funds for burial, the pension authorities may pay the cost of burial; and 19 States [7] allow medical and surgical care. Data as to cost of burials are available for Delaware and New Jersey. Those two States spent $748 and $18,820, respectively, for this purpose in 1934.

COST OF PENSIONS IN 1933 AND 1934

The steady increase in the number of pensioners in relation to population, shown in previous years, was continued in 1934 except in those States where the natural increase was influenced by other factors, such as financial stringency. The pension roll is, of course, also affected by general or local economic conditions and by the incidence of aged in the State population.

The trend of the pension roll and the cost of pensions, by States, is shown in table 6.

TABLE 6.—*Trend of pension roll and per capita cost, 1930–34* [1]

| State | Number of pensioners per 10,000 population in— | | | | | Annual cost per capita of population [2] in— | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1930 | 1931 | 1932 | 1933 | 1934 | 1930 | 1931 | 1932 | 1933 | 1934 |
| Arizona | ---- | ---- | ---- | 41 | 46 | ---- | ---- | ---- | $0.45 | $1.07 |
| California | 15 | 17 | 22 | 26 | 35 | $0.27 | $0.43 | $0.56 | .62 | .76 |
| Colorado | ---- | 5 | 29 | 95 | 105 | ---- | ---- | .29 | .19 | 1.24 |
| Delaware | ---- | 63 | 66 | 67 | 66 | ---- | .56 | .79 | .79 | .81 |
| Idaho | ---- | 25 | 38 | 36 | 49 | ---- | ---- | .44 | .40 | .40 |
| Indiana | ---- | ---- | ---- | ---- | 75 | ---- | ---- | ---- | ---- | .36 |
| Iowa | ---- | ---- | ---- | ---- | 34 | ---- | ---- | ---- | ---- | .53 |
| Kentucky | 7 | 12 | ---- | ---- | ---- | .04 | .12 | ---- | ---- | ---- |
| Maryland | 6 | 2 | 2 | 2 | 3 | .10 | .06 | .04 | .06 | .07 |
| Massachusetts | ---- | 26 | 40 | 44 | 51 | ---- | .43 | 1.05 | 1.27 | [3] |
| Michigan | ---- | ---- | ---- | ---- | 8 | ---- | ---- | ---- | ---- | .02 |
| Minnesota | ---- | 12 | 24 | 25 | 24 | ---- | .00 | .34 | .39 | .32 |
| Montana | 22 | 26 | 29 | 46 | 72 | .87 | .48 | .42 | .41 | .46 |
| Nebraska | ---- | ---- | ---- | ---- | 29 | ---- | ---- | ---- | ---- | .04 |
| Nevada | 75 | 37 | 57 | 36 | 15 | 1.35 | .80 | .98 | 1.25 | .33 |
| New Hampshire | ---- | 8 | 19 | 19 | 32 | ---- | .07 | .25 | .30 | .67 |
| New Jersey | ---- | ---- | 28 | 27 | 29 | ---- | ---- | .34 | .42 | .45 |
| New York | ---- | 38 | 43 | 41 | 41 | ---- | .95 | 1.23 | 1.08 | 1.00 |
| North Dakota | ---- | ---- | ---- | ---- | 57 | ---- | ---- | ---- | ---- | .04 |
| Ohio | ---- | ---- | ---- | ---- | 55 | ---- | ---- | ---- | ---- | .43 |
| Oregon | ---- | ---- | ---- | ---- | 70 | ---- | ---- | ---- | ---- | .09 |

[1] Based only upon counties in which act was in operation.
[2] Computed on basis of full year, even though system was actually in operation only part of year.
[3] No data.

[6] Alaska, Arizona, Colorado, Delaware, Hawaii, Idaho, Indiana, Iowa, Maine, Maryland, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, Ohio, Oregon, Pennsylvania, Utah, Washington, Wisconsin, and Wyoming.

[7] Alaska, Arizona, Delaware, Hawaii, Indiana, Iowa, Maryland, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New York, Oregon, Pennsylvania, Utah, Wisconsin, and Wyoming.

TABLE 6.—*Trend of pension roll and per capita cost, 1930–34*—Continued

| State | Number of pensioners per 10,000 population in— | | | | | Annual cost per capita of population in— | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1930 | 1931 | 1932 | 1933 | 1934 | 1930 | 1931 | 1932 | 1933 | 1934 |
| Pennsylvania | ---- | ---- | ---- | ---- | 19 | ---- | ---- | ---- | ---- | $0.48 |
| Utah | 30 | 28 | 29 | 28 | 26 | $0.26 | $0.30 | $0.16 | $0.29 | .25 |
| Washington | ---- | ---- | ---- | ---- | 44 | ---- | ---- | ---- | ---- | .37 |
| Wisconsin | 9 | 15 | 18 | 18 | 19 | .15 | .26 | .34 | .36 | .42 |
| Wyoming | 16 | 19 | 28 | 34 | 39 | .25 | .16 | .37 | .44 | .45 |
| Total | (4) | 28 | 39 | 36 | 38 | (4) | .64 | .77 | 81 | .60 |
| Alaska | 57 | 53 | 61 | 65 | 77 | 1.45 | 1.44 | 1.51 | 1.01 | 1.83 |
| Hawaii | ---- | ---- | ---- | ---- | 11 | ---- | ---- | ---- | ---- | .09 |

[4] Not computed for this year.

The number of pensioners per 10,000 of population at the end of 1934 ranged from 3 in Maryland to 105 in Colorado. It is interesting to note the high proportion of pensioners in some of the new State-wide systems (Indiana, North Dakota, Ohio, and Oregon) as compared with that under the earlier acts (California, Delaware, Massachusetts, New Jersey, and New York). In Iowa the system did not go into full effect until July 1935; the figures given in the table cover only emergency cases. In Pennsylvania the authorities had been able to handle only part of the applications by the end of the year and the revised figures (the applicants eligible for pensions during 1934 will receive retroactive benefits) will undoubtedly be substantially larger.

The annual cost of pensions per capita of population has naturally also risen with the increased number of pensioners, although this tendency has been counteracted in part by the lack of sufficient funds in some places and the consequent necessity for reducing allowances. In 1934 the cost of old-age pensions averaged 60 cents per capita of population, the range being from 2 cents in Michigan to $1.24 in Colorado and $1.83 in Alaska. The effect of an emergency State and Federal subsidy is shown in New Hampshire, where the per capita expenditure rose from 30 cents in 1933 to 67 cents in 1934. The only other outstanding changes from 1933 to 1934 occurred in Arizona, Colorado, and Nevada. In Colorado the cost rose from 19 cents to $1.24, possibly because of the greater availability of funds through State aid. In Nevada the cost fell from $1.25 to 33 cents, due to the fact that the number of pensioners cared for in 1934 was less than one-third of the number in 1933.

In connection with table 6, two points should be borne in mind: (1) The total cost to the taxpayers is somewhat in excess of that given above, for in the table the per capita cost was calculated only from the sums disbursed to pensioners. The cost of investigation and the other administrative expenses were not included.[8] (2) On the other hand, practically all of the State laws provide that the State shall have a lien upon any property left by the pensioner, and some laws permit the authorities to take over the property of the pensioner even before his death should that be deemed necessary to protect the public interest. A certain amount of revenue is derived from this source. Thus, in New York, according to the annual report of the division of old-age security, $227,152 was obtained from property and insurance of deceased pensioners during 1932–33 and $308,668 in 1933–34. One county in Montana reported that pensions were being granted only to persons having property which could be willed to the county. A study made of the pensioners on the roll in Massachusetts, March 1, 1935, showed that 13.5 percent possessed real estate, 19.7 percent had some money in the bank or in stocks or bonds, and 42 percent had insurance.

ALLOCATION OF FINANCIAL RESPONSIBILITY

Of the 28 States and 2 Territories which had old-age pension or assistance acts at the end of 1934, 8 had laws under which the whole cost of the system was to be borne by the State or Territory. In 14 acts the payments were to be made by the county, but in 2 of these the city or town of residence of the beneficiary was required to reimburse the county; in one of these States (Washington), although the pension act itself placed the whole cost upon the counties, a later act extended some State aid. In eight acts joint provision of funds by State and county was required, and in one of these States the cities or towns were required to reimburse the county for sums spent in pensions.

Thus, some degree of financial responsibility was laid upon the counties by the laws of 21 States, and in 16 jurisdictions State funds were to be drawn upon wholly or partly.

The amounts and proportions actually supplied from State and county funds in 1934 are shown in table 7.

[8] In Delaware the cost of administration was 6.1 percent in 1932 and 1933 and 5.4 percent in 1934. The local administrative cost in New York during the fiscal year ended June 30, 1933, was 5.5 percent, and during 1933–34 was 6.7 percent.

TABLE 7.—*Proportion of cost of old-age pensions borne by States and by counties in 1934*

| State | Amount paid in pensions from— | | | Percent of State aid provided for by State law | Percent actually paid in 1934 from— | |
|---|---|---|---|---|---|---|
| | State funds | County funds | Total | | State funds | County funds |
| Arizona | $286,004 | $141,523 | $427,527 | 67.0 | 66.9 | 33.1 |
| California | 2,144,254 | 2,144,254 | 4,288,508 | 50.0 | 50.0 | 50.0 |
| Colorado | 925,500 | 330,090 | 1,256,190 | 100.0 | 73.7 | 26.3 |
| Delaware | 193,231 | | 193,231 | 100.0 | 100.0 | |
| Idaho | | 138,440 | 138,440 | | | 100.0 |
| Indiana | 567,125 | 567,125 | 1,134,250 | 50.0 | 50.0 | 50.0 |
| Iowa | [1] 220,000 | | 220,000 | 100.0 | 100.0 | |
| Maine | | | | 50.0 | | |
| Maryland | | 65,228 | 65,228 | | | 100.0 |
| Massachusetts | 1,876,164 | 3,752,328 | 5,628,492 | 33.3 | 33.3 | 66.7 |
| Michigan | 103,180 | | 103,180 | 100.0 | 100.0 | |
| Minnesota | | 577,635 | 577,635 | | | 100.0 |
| Montana | | 177,426 | 177,426 | | | 100.0 |
| Nebraska | | 13,577 | 13,577 | | | 100.0 |
| Nevada | | 1,552 | 1,552 | | | 100.0 |
| New Hampshire | [2] 233,872 | 77,957 | 311,829 | | [3] 50.0 | [3] 25.0 |
| New Jersey | 1,329,990 | 443,330 | 1,773,320 | 75.0 | 75.0 | 25.0 |
| New York | 6,325,414 | 6,325,414 | 12,650,828 | 50.0 | 50.0 | 50.0 |
| North Dakota | 24,259 | | 24,259 | 100.0 | 100.0 | |
| Ohio | 1,434,416 | | 1,434,416 | 100.0 | 100.0 | |
| Oregon | | 639,296 | 639,296 | | | 100.0 |
| Pennsylvania | 386,717 | | 386,717 | 100.0 | 100.0 | |
| Utah | | 86,416 | 86,416 | | | 100.0 |
| Washington | 27,292 | 76,116 | 103,408 | (4) | 26.4 | 73.6 |
| Wisconsin | 75,000 | 384,146 | 459,146 | 33.3 | 16.3 | 83.7 |
| Wyoming | | 82,732 | 82,732 | | | 100.0 |
| Total | 16,152,418 | 16,025,185 | 32,177,603 | | 50.2 | 49.8 |
| Alaska | 108,485 | | 108,485 | 100.0 | 100.0 | |
| Hawaii | | 27,427 | 27,427 | | | 100.0 |

[1] Estimated; last 2 months of 1934.
[2] State and Federal funds.
[3] 25 percent was paid from Federal relief funds.
[4] Pension act does not provide for State aid but another act created special fund, from proceeds of tax on horse racing, to be used for pension system.

In general, the funds for the 1934 allowances were produced from the sources and in the proportion provided for in the laws. There were, however, a few outstanding exceptions. In Colorado, where it was the intention of the legislature that the State should finance the system, the counties disbursed a third as much as the State. In New Hampshire, as an emergency measure, the State paid half of the cost and used Federal relief funds to meet an additional 25 percent, so that the counties and towns charged in the law with the full cost were relieved of 75 percent of their burden. In Washington, where no legal obligation rests upon the State under the pension act, more than a fourth of the 1934 disbursements were met from the proceeds of the State tax upon horse racing. The State aid provided in Wisconsin has been falling further and further below the one-third set forth in the act, and in 1934 only 16.3 percent of the funds were actually furnished by the State.

SOURCES OF REVENUE FOR OLD-AGE ASSISTANCE [9]

The question how and where to find the money with which to finance the pension system has proved to be a difficult one. Legislatures in the different States have attempted in various ways to answer it, and with varying degrees of success.

The most general method of financing old-age assistance is by appropriation from the general fund of State or county. In two States (Idaho and Montana) the relief aspect of the system is emphasized by the provision that the allowances shall be paid from the county poor fund. Per capita taxes ranging from 50 cents to $2 are provided for in three laws (Nebraska, Iowa, and Michigan), and a general tax on property in three States (North Dakota, West Virginia, and Wyoming). In two States (Colorado and Pennsylvania) the proceeds of several special levies are utilized wholly or partially for pension purposes. Thus in Colorado the pension funds are composed of revenue from liquor, corporation, inheritance, and sales taxes, and from automobile registration fees, and in Pennsylvania partly from the profits from the State liquor stores and partly from appropriations from general and special funds of the State. The counties in Pennsylvania are required to bear the expenses of investigation up to a maximum of 6 percent of the old-age-pension appropriation for the county. The State contributions in New Jersey are financed wholly from the inheritance tax.

Of the three States having the per capita tax, Iowa levies the tax upon all citizens resident in the State who are 21 years of age or over, except inmates of public institutions, and provides that employers shall deduct the tax from employees' earnings and forward the amounts to the State treasurer. In case of failure to comply with this requirement, the employer becomes liable for the amount of the tax. In Nebraska the per capita tax falls upon all inhabitants between the ages of 21 and 50 years of age who are not public charges and in Michigan upon all residents 21 years of age or over. The Nebraska act provides that in the event that the collections are inadequate, pensions shall be paid on a pro rata basis, and the counties are expressly prohibited from raising funds in any other way than by the per capita tax.

The sources of funds from which to defray the expense of old-age assistance, as provided for in the various acts, are shown in table 8.

TABLE 8.—*Sources of revenue for State old-age-pension systems*

| State and type of system | State share raised from— | County share raised from— |
|---|---|---|
| County systems: | | |
| Hawaii | | General fund. |
| Idaho | | General fund or poor fund. |
| Kentucky | | General fund. |
| Maryland | | Do. |
| Minnesota | | Do.[1] |
| Montana | | Poor fund. |
| Nebraska | | 50-cent per capita tax. |
| Nevada | | General fund. |
| New Hampshire | | Do.[1] |
| Oregon | | Do. |
| Utah | | Do. |
| Washington | | Do.[2] |
| West Virginia | | Property tax. |
| Wyoming | | Do. |
| State-aided systems: | | |
| Arizona | General fund | General fund. |
| California | do | Do. |
| Indiana | do | Do. |
| Maine | Funds not yet provided | |
| Massachusetts | do | Do.[1] |
| New Jersey | Inheritance tax | Do. |
| New York | General fund | Do. |
| Wisconsin | do | Do. |
| State systems: | | |
| Alaska | do | |
| Colorado | Various special taxes | |
| Delaware | General fund | |
| Iowa | Per capita tax of $1, November 1934–July 1935; $2 thereafter. | |
| Michigan | $2 per capita tax | |
| North Dakota | Property tax | |
| Ohio | General fund | |
| Pennsylvania | Liquor, income, and various special taxes. | |

[1] Reimbursed by cities or towns.
[2] But later act provided for State aid from tax on horse racing.
[3] Of city or town.

Based upon the experience thus far, the consensus appears to be that the most satisfactory method is that of appropriating the necessary amounts from the general revenues of the State or county.

FINANCIAL PROVISION FOR PENSION SYSTEMS IN 1934

Wide variation has existed in the extent of financial support accorded to the pension systems. In some jurisdictions the revenues provided have been fairly generous in amount. In others the funds have been wholly inadequate.

The situation in a number of the States for which some information as to funds in 1934 is available is sketched briefly below.

California: No data are available as to the adequacy of the yearly appropriations from the general funds. However, the fact that each year the increase in the pension roll has been greater than in the preceding year would seem to indicate that fairly generous support was provided. The relative advance of pensioners and funds from year to year is indicated below:

*Percent of increase over preceding year*

| | Pensioners | Amount spent |
|---|---|---|
| 1931 | 37.2 | 50.1 |
| 1932 | 26.6 | 30.6 |
| 1933 | 16.6 | 9.3 |
| 1934 | 34.3 | 22.5 |

Colorado: In Colorado the funds raised from estates reverting to the State and the proceeds of the liquor tax are earmarked for the use of the pension system and the State treasurer is directed to apportion the money among the counties according to their population. In 1934 the sum thus apportioned amounted to $925,500.

Beginning in 1935 part of the revenue from the State sales tax was set aside for pensions. During the first 6 months of 1935 the sum of $960,900 had been allotted to the counties, of which $366,400 came from sales-tax collections.

Delaware: The situation in this State is an example of what happens under the practice of fixed appropriations. The cost of the system (including administrative expense) has been limited to $200,000 per year. Even with allowances of less than $10 per person per month, the appropriation has been entirely inadequate to meet the need. At the end of 1934 there were 1,583 persons on the pension roll. This was a decrease of 3 from the previous year. On the other hand the waiting list had risen from 1,623 to 1,775.

Indiana: The Indiana Legislature appropriated $1,254,169 for pensions in 1934, of which $1,134,250 had been spent at the end of November 1934. The appropriation was increased to $1,996,067 for 1935.

Iowa: During the emergency period before the Iowa act went into full effect (July 1, 1935) the allowances were financed by a $1

[9] Discussion relates to situation as of end of 1934. New or amendatory provisions, enacted in 1935, have changed some of these provisions.

per capita tax. At the end of 1934, payment had been received from 69 percent of the 1,460,929 citizens subject to the tax, the amount collected being $1,004,403. On July 1, 1935, the assessment became permanent, at the rate of $2 per year. An act approved May 4, 1935, appropriated $1,000,000 for pension purposes.

Maine: This act has been held in abeyance until some means of raising funds could be decided upon. Various measures were considered by the 1935 legislature, and a bill which would have financed the pension system from the proceeds of a State lottery was passed by the house. When the regular session of the legislature adjourned, however, the problem of funds was still unsolved. A report from the State to the Bureau of Labor Statistics, as of May 10, 1935, expressed the opinion that a special session would probably be called in the event that a Federal act was passed.

Maryland: Since the city of Baltimore adopted the voluntary State system it has been making yearly appropriations of $50,000 to $55,000 for pension purposes. The inadequacy of these sums is shown by the fact that the waiting list in 1933 was about 1,600, as against an actual pension roll of 141; in 1934 there were 142 pensioners, but the waiting list had risen to 2,900. This situation doubtless will be remedied under the mandatory 1935 act, under which the counties pay only one-third of the cost.

Michigan: The law under which this State operated in 1934 was a mandatory one, to the cost of which no county contribution was required. The system was financed by a head tax of $2. On the basis of the 1930 census, it was estimated that this tax would yield $5,878,818, or more than sufficient to meet the maximum estimated cost. At the end of 1934, however, only $365,618 had been realized from the tax, of which $103,180 had been paid out in allowances.

Although the act set up a State-wide system, the State welfare department adopted the policy of allocating funds according to the tax collections in the counties. In 27 of the 83 counties no allowances were being made at the end of 1934, because of the inadequacy of the sums collected. By the beginning of May 1935, however, there were only nine counties in which the system had not gone into effect.

A new act in 1935 abolished the per capita tax and provided a State appropriation of $2,000,000.

Nebraska: The task of raising money for pensions very seriously hampered the development of the system in Nebraska. Indeed, one county reported that the law was "so impractical that our county has ignored it except as to collecting a very small amount of the tax so far." Others were able to collect amounts far below those needed. The result of this general failure of financial support was that only 24 counties, or about one-fourth of the total in the State, had put the act into even partial effect. The 1935 act continues the $2 per capita tax levied by the counties, but provides for appropriations by the State legislature.

New Hampshire: The old-age-assistance act of this State placed upon the county the responsibility for payment of pensions, with later reimbursement to the county from the city or town of residence of the pensioner.

Under an emergency act passed by the legislature in June 1933 the State took over the administration of the pensions as part of the general relief problem. The administration of the scheme during this period was, therefore, frankly on a relief basis. The act terminated December 31, 1934. During the 18-month period 50 percent of the cost of old-age assistance was paid by the State, 25 percent by the Federal Government, and 25 percent by the town or county.

It is understood that on January 1, 1935, the original financial arrangement contemplated by the pension act was reverted to.

North Dakota: The North Dakota system was to have been financed by a tax levy of one-tenth of a mill on the assessed value of all taxable property. It was estimated that this tax would produce about $50,000 annually if all of the tax was paid. Actually it yielded only $28,533.51.

The pension granted to the 3,914 persons whose applications were acted upon favorably called for an expenditure of $507,744 during 1934. These persons actually received one payment only, at an average rate of $6.19 per person.

Ohio:[10] In 1934 the sum of $3,000,000 was appropriated from the general funds of the State, plus $150,000 for administrative expenses. The November special session of the legislature appropriated an additional amount of $700,000 for pensions and $125,000 for administrative expenses.

For the first 6 months of 1935 the sum of $6,000,000 for pensions and $375,000 for expenses was set aside from the proceeds of the State sales tax. It is estimated that the old-age-assistance system will cost about $14,000,000 during 1935.

Oregon: In Oregon the counties were expected to meet all the expense of the mandatory pension system provided for by the act of 1933. At the second special session in 1933 the State legislature earmarked 75 percent of the liquor revenues to assist the counties in paying mothers' aid, old-age pensions, and unemployment relief. It is reported, however, that the money was not actually paid for these purposes but was turned over to the State relief committee. Consequently the counties were forced to bear the pension burden unaided. Under the new 1935 act the counties will pay one-fourth and the State one-fourth, it being assumed that one-half will be received from Federal funds.

Washington: The Washington pension law made no provision for State participation in the costs. A later act provided that collections from the State tax on horse racing should be used for pension purposes, and the reports to the Bureau of Labor Statistics show that $27,292 was paid to the counties during 1934—more than one-fourth of the total sum spent in pensions. Under the 1935 act the State is required to pay the whole cost of the system.

Wisconsin: The Wisconsin law provides that the State shall reimburse the counties for one-third of the amounts spent in pensions. For each of the years from 1925 to 1928 the legislature appropriated the sum of $200,000 to meet the State's share of the expense, and during this period the appropriation was more than sufficient, as the amounts actually needed for the purpose ranged from only $60 in 1925 to $22,642 in 1926. In 1929 the appropriation was cut to $35,000, but this was still sufficient to pay one-third of the cost, as was also the $55,000 appropriated in 1930. For each of the years from 1930 to 1934, $75,000 was set aside by the State, but in each successive year the amount has fallen further below the one-third supposedly borne by the State. In 1931 only 26.42 percent of the funds came from the State, in 1932, 20.44 percent, in 1933, 18.95 percent, and in 1934, 16.3 percent.

### RELATIVE ADEQUACY OF STATE PENSION SYSTEMS

A pension system can be said to be adequate when (1) it covers the whole population for which it was designed, (2) it pays benefits sufficient to maintain the beneficiaries in modest comfort, and (3) it extends such benefits to all of the qualified needy aged in its jurisdiction who do not require institutional care.

In order to test the adequacy of the State systems which were in effect in 1934, table 9 brings together the data on the above three points. The figures as to the proportion of persons of pensionable age who were receiving pensions at the end of 1934 are by no means conclusive nor comparable State by State, for the extent of dependency may and does vary from State to State, but they are given as a possible indication of the relative extent to which the problem of old-age care is being met.

Judged by the three criteria enumerated above, it would seem that the best systems in operation in 1934 were those of Arizona, Massachusetts, and New York. California and Pennsylvania ranked high as regards coverage and average pensions; the proportion of pensionable population being cared for, however, was relatively low.

At the other end of the scale were the systems of Idaho, Minnesota, Nebraska, Nevada, Utah, and Washington.

TABLE 9.—*Coverage, benefits, and proportion of persons of pensionable age aided in 1934*

| State | Coverage: Percent of State population in counties with systems | Average monthly pension | Percent pensioners formed of population of pensionable age [1] | Applications pending at end of year |
|---|---|---|---|---|
| Arizona | 91.8 | $19.57 | 21.7 | [2] |
| California | 100.0 | 20.21 | 9.3 | 851 |
| Colorado | 100.0 | 9.74 | 17.8 | [2] |
| Delaware | 100.0 | 9.91 | 9.5 | 1,775 |
| Idaho | 78.0 | 6.74 | 9.8 | 43 |
| Indiana | 96.6 | 4.50 | 17.5 | [2] |
| Iowa | 100.0 | 13.25 | 6.2 | [2] |
| Maryland | 54.2 | 22.64 | 1.5 | 2,900 |
| Massachusetts | 100.0 | 26.08 | [3] 13.7 | 1,216 |
| Michigan | 86.9 | 9.99 | 2.8 | [2] |
| Minnesota | 71.0 | 10.97 | 6.6 | [2] |
| Montana | 71.4 | 5.32 | 27.1 | [2] |
| Nebraska | 23.5 | 1.22 | 4.6 | [2] |
| Nevada | 5.1 | 18.48 | 2.8 | [2] |
| New Hampshire | 100.0 | 17.51 | 5.8 | [2] |
| New Jersey | 98.2 | 14.87 | 10.3 | 2,551 |
| New York | 100.0 | 20.65 | 13.9 | 5,438 |
| North Dakota | 100.0 | .69 | [4] 17.4 | [2] |
| Ohio | 100.0 | 6.54 | 8.8 | 54,003 |
| Oregon | 97.6 | 8.16 | 17.1 | [2] |
| Pennsylvania | 100.0 | 21.18 | 6.3 | [2] |
| Utah | 69.4 | 7.98 | 5.7 | [2] |
| Washington | 23.1 | 5.43 | 6.8 | [2] |
| Wisconsin | 37.3 | 19.95 | 5.1 | [2] |
| Wyoming | 81.2 | 9.59 | 10.2 | [2] |
| Total | 89.9 | 14.68 | 9.7 | |
| Alaska | 100.0 | 25.00 | | [2] |
| Hawaii | 84.8 | 7.06 | | [2] |

[1] Based only upon reporting counties in which act was in operation.
[2] No data.
[3] Mar. 31, 1935.
[4] Computed on basis of estimated population 68 years of age and over.

When funds are insufficient to meet adequately the problem of old-age care the pension authorities have a choice of several procedures: (1) They may elect to divide the money on hand among the pensioners already on the roll, either refusing to accept new applications, refusing the pension after receiving application, or placing the applications on the waiting list; (2) they may continue to grant new allowances, reducing the average grant proportionately; or (3) they may make new grants only in the most needy cases.

No data are available as to the extent to which officials refused to receive applications. Waiting lists and cases pending at the end of the year for the few States for which information is at hand are shown in the last column of table 9. These figures are

[10] Data are from testimony of M. L. Brown before the House Committee on Ways and Means, Jan. 31, 1935.

admittedly unsatisfactory, for the number of cases pending may be kept down by a policy of refusal by the pension authorities to receive new applications if funds are inadequate.

For California, where new applications averaged about 685 per month during 1934, the monthly reports show that the number of cases pending at the end of the month was reduced from 1,286 in January to 513 by October, but rose again to 851 at the end of December. Restorations of former pensioners to the roll numbered 523. Rejections numbered only 223, as compared with 8,217 applications granted (including restorations).

In Delaware the pension roll was smaller by 3 than in 1933, although 1,865 applications were received. The waiting list totaled 1,775 at the end of the year, being greater than the list of pensioners (1,583). The State old-age welfare commission commented as to this, in its annual report, as follows: "It is unfortunate that State relief should be withheld from so many deserving persons, but this cannot be overcome except by increasing the annual appropriation."

### RELIEF ASPECTS OF THE PENSION SYSTEM

In the beginning of the movement to provide cash allowances for dependent aged in the United States, effort was made to emphasize the idea of pensions, i. e., of benefits in recognition of past services (as a citizen). All of the older statutes provided, at least in theory, for old-age pensions. Gradually the emphasis shifted and the later acts have established systems of old-age security, assistance, aid, or even relief.

In practice, administration of the systems from the relief standpoint has been general. Several factors have brought this about. In the first place, many of the plans are carried out by the officials responsible for poor relief, and are administered in the same spirit. In the second place, emphasis on the relief aspect is inevitable as long as need (based upon a "means" test) is the determining factor in the granting or withholding of benefits; and the need test is probably a necessary corollary to any noncontributory system.

There is an especially close connection between pensions and relief under the county plans. Under such plans, when pension funds are low, the needy aged are usually transferred to the relief rolls.

The Oregon act, like many of the other acts, provides that no pensioner shall be allowed to receive any other public relief. Nothwithstanding this specific provision, it was reported that in 1934 some of the counties unable to pay adequate pensions had arranged "to supplement the income of their pensioners by providing additional support from relief funds." [11]

In some States it appears that the pensioners would have fared better on the relief than on the pension rolls. Thus, comparison of the average monthly allowances paid under the pension acts in 1934 with the average amount of relief granted in December 1934 shows that in seven States (Idaho, Indiana, Montana, Nebraska, North Dakota, Ohio, and Washington) the pension was less than the amount of relief. The amount of pensions and of relief, by States, is given in table 10.

TABLE 10.—*Average allowances for pensions and for relief in 1934, by States*

| State | Average monthly amount paid in— | |
|---|---|---|
| | Relief | Pension |
| Arizona | $4.57 | $19.57 |
| California | 7.94 | 20.21 |
| Colorado | 6.50 | 9.74 |
| Delaware | 6.03 | 9.91 |
| Idaho | 7.42 | 6.74 |
| Indiana | 6.76 | 4.50 |
| Iowa | 5.52 | 13.25 |
| Maryland | 7.19 | 22.04 |
| Massachusetts | 10.21 | 26.08 |
| Michigan | 7.35 | 9.99 |
| Minnesota | 6.77 | 10.97 |
| Montana | 7.62 | 5.32 |
| Nebraska | 6.07 | 1.22 |
| Nevada | 10.26 | 18.48 |
| New Hampshire | 9.34 | 17.51 |
| New Jersey | 8.32 | 14.87 |
| New York | 10.90 | 20.65 |
| North Dakota | 5.54 | .69 |
| Ohio | 7.05 | 6.54 |
| Oregon | 6.86 | 8.16 |
| Pennsylvania | 8.29 | 21.18 |
| Utah | 6.02 | 7.98 |
| Washington | 5.93 | 5.43 |
| Wisconsin | 7.78 | 19.95 |
| Wyoming | 6.25 | 9.59 |

### DEVELOPMENT OF THE OLD-AGE-PENSION MOVEMENT SINCE 1923

More headway was made by the old-age-pension movement in 1934 than in any preceding year. That year showed an increase of 163 percent in paying counties, of 104 percent in number of pensioners, and of 23 percent in amount disbursed.

The status of the movement at the end of each year since 1923 is shown in table 11.

[11] University of Oregon, the Commonwealth Review (Eugene, Oreg.), January 1935, p. 211.

TABLE 11.—*Development of old-age-pension movement since 1923*

| Year | Number of laws on books | Counties with pension system | | Number of pensioners | Amount disbursed in pensions |
|---|---|---|---|---|---|
| | | Number [1] | Percent of total counties in States with law | | |
| 1923 | 2 | 33 | 55 | 518 | $49,595 |
| 1924 | 2 | 41 | 68 | 723 | 107,648 |
| 1925 | 4 | [2] 44 | [2] 34 | [2] 817 | [2] 145,577 |
| 1926 | 5 | [2] 48 | [2] 37 | [2] 1,165 | [2] 229,979 |
| 1927 | 7 | [2] 50 | [2] 38 | [2] 1,255 | [2] 231,468 |
| 1928 | 7 | 56 | 16 | 1,519 | 298,254 |
| 1930 | 13 | 141 | 30 | 10,648 | 1,800,458 |
| 1931 | 18 | 271 | 39 | 76,663 | 16,258,707 |
| 1932 | 18 | 297 | 42 | 102,896 | 25,116,939 |
| 1933 | 29 | 350 | 45 | 115,547 | 26,167,017 |
| 1934 | 30 | 924 | 64 | 236,205 | 32,313,515 |

[1] Each of the 4 judicial districts of Alaska is considered as a county.
[2] Figures are for 3 jurisdictions (Alaska, Montana, and Wisconsin) only; each of the 4 judicial districts of Alaska is considered as a county.

Table 12 shows the situation in individual States during the period of their experience.

TABLE 12.—*Development of pension system in specified States since passage of law*

| State and year of first workable act | Year | Number of counties | | Number of pensioners at end of year | Amount spent | Average annual amount spent per pensioner | Coverage of system (percent) [1] |
|---|---|---|---|---|---|---|---|
| | | Total | Adopting | | | | |
| Alaska (1915) | 1915 | [2] 4 | [2] 4 | 42 | $2,367 | $56.35 | 60.6 |
| | 1916 | [2] 4 | [2] 4 | 64 | 8,250 | 128.91 | 60.6 |
| | 1917 | [2] 4 | [2] 4 | 122 | 16,172 | 132.56 | 60.6 |
| | 1918 | [2] 4 | [2] 4 | 152 | 21,787 | 143.33 | 60.6 |
| | 1919 | [2] 4 | [2] 4 | 148 | 20,241 | 136.76 | 60.6 |
| | 1920 | [2] 4 | [2] 4 | 119 | 13,738 | 115.45 | 51.7 |
| | 1921 | [2] 4 | [2] 4 | 119 | 14,776 | 124.17 | 51.7 |
| | 1922 | [2] 4 | [2] 4 | 131 | 19,395 | 148.10 | 51.7 |
| | 1923 | [2] 4 | [2] 4 | 169 | 26,725 | 158.14 | 51.7 |
| | 1924 | [2] 4 | [2] 4 | 202 | 29,490 | 145.99 | 51.7 |
| | 1925 | [2] 4 | [2] 4 | 226 | 45,028 | 199.72 | 51.7 |
| | 1926 | [2] 4 | [2] 4 | 229 | 57,190 | 250.61 | 51.7 |
| | 1927 | [2] 4 | [2] 4 | 267 | 66,430 | 248.80 | 51.7 |
| | 1928 | [2] 4 | [2] 4 | 298 | 75,695 | 254.01 | 51.7 |
| | 1929 | [2] 4 | [2] 4 | 327 | 82,650 | 252.75 | 51.7 |
| | 1930 | [2] 4 | [2] 4 | 340 | 86,070 | 253.15 | 49.4 |
| | 1931 | [2] 4 | [2] 4 | 314 | 85,500 | 272.29 | 49.4 |
| | 1932 | [2] 4 | [2] 4 | 359 | 89,490 | 249.28 | 49.4 |
| | 1933 | [2] 4 | [2] 4 | 383 | 95,705 | 249.88 | 49.4 |
| | 1934 | [2] 4 | [2] 4 | 454 | 108,485 | 300.00 | 100.0 |
| Arizona (1933) | 1933 | 14 | 12 | 1,624 | 170,512 | 108.12 | 91.7 |
| | 1934 | 14 | 12 | 1,820 | 427,527 | 234.90 | 91.8 |
| California (1929) | 1930 | 58 | 57 | 7,205 | 1,034,423 | 226.85 | 100.0 |
| | 1931 | 58 | 57 | 9,887 | 2,453,087 | 248.11 | 100.0 |
| | 1932 | 58 | 57 | 12,520 | 3,204,200 | 255.93 | 100.0 |
| | 1932 | 58 | 57 | 14,604 | 3,502,000 | 239.80 | 100.0 |
| | 1934 | 58 | 57 | 19,619 | 4,288,508 | 242.52 | 100.0 |
| Colorado (1927) | 1928 | 63 | 1 | 1 | 120 | 120.00 | .9 |
| | 1930 | 63 | 1 | -------- | -------- | -------- | 3.5 |
| | 1931 | 63 | 7 | 50 | 2,190 | ------ | 10.1 |
| | 1932 | 63 | 4 | 102 | 15,993 | 98.72 | 5.3 |
| | 1933 | 63 | 54 | 8,705 | 172,431 | 103.08 | 88.1 |
| | 1934 | 63 | 63 | 10,098 | 1,256,190 | 116.88 | 100.0 |
| Delaware (1931) | 1931 | 3 | 3 | 1,497 | 66,568 | 88.94 | 100.0 |
| | 1932 | 3 | 3 | 1,565 | 187,316 | 119.69 | 100.0 |
| | 1933 | 3 | 3 | 1,586 | 188,740 | 119.00 | 100.0 |
| | 1934 | 3 | 3 | 1,583 | 193,231 | 118.92 | 100.0 |
| Hawaii (1933) | 1934 | 4 | 3 | 354 | 27,427 | 84.72 | 84.8 |
| Idaho (1931) | 1931 | 44 | 31 | 698 | 4,224 | -------- | 62.6 |
| | 1932 | 44 | 39 | 1,403 | 83,035 | 87.96 | 89.9 |
| | 1933 | 44 | [3] 29 | 1,090 | 114,521 | 106.14 | 68.8 |
| | 1934 | 44 | 32 | 1,712 | 138,440 | 80.87 | 78.0 |
| Indiana (1933) | 1934 | 92 | 89 | 23,533 | 1,134,250 | 54.00 | 90.6 |
| Iowa (1934) | 1934 | 99 | 99 | 8,300 | [4] 220,000 | [5] 159.00 | 100.0 |
| Kentucky (1926) | 1928 | 120 | 3 | 30 | 8,064 | 240.00 | 1.9 |
| | 1930 | 120 | 2 | 18 | 1,164 | 64.68 | 1.0 |
| | 1931 | 120 | 1 | 10 | 1,000 | 90.00 | .3 |
| | 1932 | 120 | -------- | -------- | -------- | -------- | -------- |
| | 1933 | 120 | -------- | -------- | -------- | -------- | -------- |
| | 1934 | 120 | -------- | -------- | -------- | -------- | -------- |
| Maine (1933) | 1934 | 16 | -------- | -------- | -------- | -------- | -------- |
| Maryland (1927) | 1928 | 24 | -------- | -------- | -------- | -------- | -------- |
| | 1930 | 24 | 2 | 12 | 1,800 | 144.00 | 50.5 |
| | 1931 | 24 | 1 | 150 | 50,000 | 333.33 | 49.3 |
| | 1932 | 24 | 1 | 135 | 35,426 | 262.41 | 49.3 |
| | 1933 | 24 | 1 | 141 | 50,217 | 356.15 | 49.3 |
| | 1934 | 24 | 2 | 267 | 65,228 | 271.68 | 54.2 |
| Massachusetts (1930) | 1931 | 14 | 14 | 11,076 | 904,939 | 163.41 | 99.0 |
| | 1932 | 14 | 14 | 17,051 | 4,469,520 | 262.13 | 100.0 |
| | 1933 | 14 | 14 | 18,516 | [6] 5,628,492 | 293.02 | 100.0 |
| Michigan (1933) | 1934 | 83 | 56 | 3,557 | 103,180 | 119.88 | 86.9 |

[1] I. e., percent of State population living in counties which have adopted system.
[2] Each judicial district considered as a county.
[3] Does not include 12 counties which reported no pensions paid.
[4] Estimated.
[5] Computed on annual basis though payments were made during only part of year.
[6] Year ending Apr. 30, 1934.

TABLE 12.—*Development of pension system in specified States since passage of law*—Continued

| State and year of first workable act | Year | Number of counties | | Number of pensioners at end of year | Amount spent | Average annual amount spent per pensioner | Coverage of system (percent) |
|---|---|---|---|---|---|---|---|
| | | Total | Adopting | | | | |
| Minnesota (1929) | 1931 | 87 | 4 | 1,227 | $94,068 | $76.67 | 40.3 |
| | 1932 | 87 | 5 | 2,403 | 340,242 | 141.59 | 41.3 |
| | 1933 | 87 | 6 | 2,655 | 420,536 | 158.39 | 42.0 |
| | 1934 | 87 | 40 | 4,425 | 577,635 | 131.67 | 71.0 |
| Montana (1923) | 1923 | 56 | 29 | 349 | 22,870 | 65.53 | 54.9 |
| | 1924 | 56 | 37 | 521 | 78,158 | 150.02 | 63.5 |
| | 1925 | 56 | 39 | 583 | 100,369 | 172.14 | 62.7 |
| | 1926 | 56 | 39 | 584 | 104,863 | 179.56 | 64.8 |
| | 1927 | 56 | 42 | 693 | 115,400 | 166.52 | 78.1 |
| | 1928 | 56 | 42 | 884 | 146,510 | 165.73 | 78.4 |
| | 1929 | 56 | 44 | 875 | 146,746 | 167.71 | 79.7 |
| | 1930 | 56 | 44 | 889 | 149,100 | 169.08 | 76.6 |
| | 1931 | 56 | 43 | 1,130 | 178,944 | 158.35 | 78.1 |
| | 1932 | 56 | 44 | 1,254 | 183,303 | 146.17 | 81.1 |
| | 1933 | 56 | 45 | 1,781 | 155,525 | 87.32 | 72.4 |
| | 1934 | 56 | 44 | 2,780 | 177,426 | 63.83 | 71.4 |
| Nebraska (1933) | 1934 | 93 | 24 | 926 | 13,577 | 14.66 | 23.5 |
| Nevada (1925) | 1928 | 17 | 2 | 11 | 1,680 | 180.00 | 17.3 |
| | 1930 | 17 | 2 | 5 | 900 | 300.00 | 5.1 |
| | 1931 | 17 | 2 | 34 | 7,360 | 216.47 | 10.1 |
| | 1932 | 17 | 1 | 15 | 2,600 | 173.33 | 2.9 |
| | 1933 | 17 | 2 | 23 | 3,320 | 158.10 | 7.1 |
| | 1934 | 17 | 2 | 7 | 1,552 | 221.77 | 5.1 |
| New Hampshire (1931) | 1931 | 10 | 5 | 246 | 3,614 | 110.35 | 66.9 |
| | 1932 | 10 | 6 | 455 | 59,907 | 131.66 | 51.2 |
| | 1933 | 10 | 8 | 776 | 122,658 | 158.06 | 87.7 |
| | 1934 | 10 | 10 | 1,483 | 311,829 | 210.27 | 100.0 |
| New Jersey (1931) | 1932 | 21 | 17 | 7,848 | 497,327 | 126.74 | 70.6 |
| | 1933 | 21 | 19 | 9,015 | 1,375,693 | 152.60 | 81.2 |
| | 1934 | 21 | 20 | 11,401 | 1,773,320 | 178.20 | 98.2 |
| New York (1930) | 1931 | 62 | 62 | 47,585 | 12,007,352 | 255.33 | 100.0 |
| | 1932 | 62 | 62 | 54,185 | 15,454,308 | 285.21 | 100.0 |
| | 1933 | 62 | 62 | 51,106 | 13,592,090 | 265.96 | 100.0 |
| | 1934 | 62 | 62 | 51,834 | 12,650,828 | 247.80 | 100.0 |
| North Dakota (1933) | 1934 | 53 | 53 | 3,914 | 24,259 | 8.28 | 100.0 |
| Ohio (1933) | 1934 | 88 | 88 | 36,543 | 1,434,416 | 78.48 | 100.0 |

TABLE 12.—*Development of pension system in specified States since passage of law*—Continued

| State and year of first workable act | Year | Number of counties | | Number of pensioners at end of year | Amount spent | Average annual amount spent per pensioner | Coverage of system (percent) |
|---|---|---|---|---|---|---|---|
| | | Total | Adopting | | | | |
| Oregon (1933) | 1934 | 36 | 35 | 6,525 | $639,296 | $97.98 | 97.6 |
| Pennsylvania (1933) | 1934 | 67 | 67 | 18,261 | 386,717 | [1] 254.16 | 100.0 |
| Utah (1929) | 1930 | 29 | 13 | 1,107 | 95,780 | 84.44 | 73.6 |
| | 1931 | 29 | 12 | 873 | 92,305 | 109.76 | 62.1 |
| | 1932 | 29 | 13 | 1,096 | 59,586 | 84.37 | 74.6 |
| | 1933 | 29 | 9 | 930 | 95,599 | 102.75 | 65.0 |
| | 1934 | 29 | 8 | 902 | 86,416 | 95.80 | 69.4 |
| Washington (1933) | 1934 | 39 | 12 | 1,588 | 103,408 | 65.12 | 23.1 |
| West Virginia (1931) | 1932 | 55 | 1 | | | | |
| | 1933 | 55 | 1 | | | | |
| | 1934 | 55 | | | | | |
| Wisconsin (1925) | 1925 | 71 | 1 | 8 | 180 | 22.50 | 1.3 |
| | 1926 | 71 | 5 | 382 | 67,927 | 192.97 | 8.0 |
| | 1927 | 71 | 4 | 295 | 40,639 | 168.26 | 5.6 |
| | 1928 | 71 | 4 | 290 | 52,440 | 230.40 | 5.6 |
| | 1930 | 71 | 8 | 990 | 156,525 | 158.28 | 35.7 |
| | 1931 | 71 | 9 | 1,597 | 283,848 | 236.04 | 37.3 |
| | 1932 | 71 | 9 | 1,938 | 336,997 | 189.56 | 37.3 |
| | 1933 | 71 | 8 | 1,971 | 395,807 | 200.97 | 37.3 |
| | 1934 | 71 | 8 | 2,127 | 459,146 | 239.30 | 37.3 |
| Wyoming (1929) | 1930 | 23 | 7 | 82 | 12,679 | 158.52 | 35.0 |
| | 1931 | 23 | 15 | 289 | 16,805 | 69.16 | 78.9 |
| | 1932 | 23 | 16 | 505 | 67,927 | 132.53 | 80.7 |
| | 1933 | 23 | 17 | 643 | 83,211 | 129.44 | 83.2 |
| | 1934 | 23 | 17 | 719 | 82,732 | 115.07 | 81.2 |

[1] Computed on annual basis though payments were made during only part of year.

SOCIAL SECURITY—PUBLIC OLD-AGE PENSION LEGISLATION IN THE UNITED STATES AS OF AUGUST 1, 1935

To provide a ready comparison of the systems adopted in the several States the following table, which presents the principal features of each law, has been prepared:

*Provisions of old-age-pension laws in the United States*

| State | Type of law | Age | Maximum pension | Required period of— | | | Maximum property limitations | Administered by— | Funds provided by— | Citation |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Citizenship | Residence | | | | | |
| | | | | | State | County | | | | |
| | | | | *Years* | *Years* | *Years* | | | | |
| Alaska | Mandatory. | [1] 65<br>[2] 60 | $35 a month, males; $45 a month, females. | [3] | 25 | | No other sufficient means of support. | Board of trustees of Alaska Pioneers' Home. | Territory | Comp. Laws 1933 (as amended 1935, ch. 47). |
| Arizona | do | 70 | $30 a month | [3] | 35 | | Income, $300 a year | County commissioners. | 67 percent by State; 33 percent by county. | Acts of 1933, ch. 34. |
| Arkansas | do | [4] 70 | do | | 5 | | Assets, $300 [5] | State department of public welfare and county public welfare board. | State and county | Acts of 1935, act no 322. |
| California | do | 65 | $35 a month | [3] | [6] | 1 | Real property, $3,000; personal property, $500. | County or city and county boards of supervisors. | Half by county, or city and county; half by State. | Acts of 1929, ch. 530 (as amended 1931, ch. 668; 1933, ch. 840; 1935, ch. 033). |
| Colorado | do | 65 | do | 15 | 15 | 1 | Assets, $2,500 [5] | County commissioners. | State | Acts of 1933, chs. 144 and 145 (as amended 1935, ch. —). |
| Connecticut | do | 65 | $7 per week | [3] | 5 | | | Bureau of old-age assistance. | do [5] | Acts of 1935, ch. —. |
| Delaware | do | 65 | $25 a month | [7] 15 | 5 | | | State old-age welfare commission. | do | Acts of 1931, ch. 85. |
| Florida [8] | Optional | 65 | $35 a month [9] | [3] | 10 | 1 | Income, $400 a year | State board of pensions | do [10] | Acts of 1935, ch. —. |
| Hawaii | do | 65 | $15 a month | 30 | 15 | | Income, $300 a year | County commissioners. | County or city and county. | Acts of 1933, act 208 (as amended 1933 spec. sess., act 39). |
| Idaho | Mandatory. | 65 | $25 a month | 15 | 10 | 3 | do | County probate judge and county commissioners. | County | Code 1932, secs. 30-3101 to 30-3125. |
| Illinois | do | 65 | $1 a day | [3] | [11] 10 | 1 | Assets, $5,000 | State department of public welfare and county old-age security board. | State | Acts of 1935, p. —. |
| Indiana | do | 70 | $180 a year | 15 | 15 | 15 | Assets, $1,000 | County commissioners. | Half by State; half by county. | Acts of 1933, ch. 36. |
| Iowa | do | 65 | $25 a month | [3] | [12] 5 | | Assets, $2,000 ($3,000 if married); income, $300 a year. | County boards under State commission. | State | Spec. sess., 1934; ch. 19 (as amended 1935, ch. —). |
| Kentucky | Optional | 70 | $250 a year | 15 | 10 | 10 | Income, $400 a year; assets, $2,500. | County judge | County | Acts of 1926, ch. 187. |
| Maine | Mandatory. | 65 | $1 a day | [3] | 15 | 1 | Assets, $300 | Town and city boards under supervision of State department of health and welfare. | Half by State; half by cities, towns and plantations. | Acts of 1933, ch. 267. |
| Maryland | do | 65 | do | 15 | [13] 5 | | | Department of old-age pensions and relief and county welfare boards. | Two-thirds by State; one-third by county. | Acts of 1935, ch. 592. |

[See footnotes at end of table]

*Provisions of old-age pension laws in the United States*—Continued

| State | Type of law | Age | Maximum pension | Required period of— | | | Maximum property limitations | Administered by— | Funds provided by— | Citation |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Citizenship | Residence | | | | | |
| | | | | | State | County | | | | |
| | | | | *Years* | *Years* | *Years* | | | | |
| Massachusetts. | Mandatory | 70 | No limit | (2) | 20 | | | County or city board of public welfare. | Two-thirds by county or city; one-third by State. | Acts of 1930, ch. 402 (as amended 1933, chs. 219, 285, 328). |
| Michigan | do | 70 | $30 a month | (2) | 10 | | Assets, $3,500 | County boards and State welfare department. | State | Acts of 1935, no. 159. |
| Minnesota | do | 65 | do | (14) | 15 | 1 | Assets, $5,000 | County commissioners under supervision of State board of control. | Half by State; half by county. | Supp. 1934 to Mason's Stats. 1927, ch. 15 (as amended 1935, ch. 357). |
| Missouri | do | 70 | $30 a month (couple, $45 a month). | (2) | 15 | | Assets, $1,500 (couple, $2,000.) | State board of managers of eleemosynary institutions and county old-age-assistance boards. | State | Acts of 1935, ch. —. |
| Montana | do | 65 | No limit | (2) | 15 | 1 | | County old-age-pension commission under State old-age-pension commission. | County; State to reimburse not to exceed 75 percent. | Acts of 1935, ch. 170. |
| Nebraska | do | 65 | $30 a month (couple, $50 a month). | (2) | 15 | | Assets, $3,000. Income, $250 a year (couple, $500 a year). | County pension boards under State old-age-pension-commissioner. | State | Acts of 1935, ch. —. |
| Nevada | Optional | 65 | $1 a day | 15 | 10 | | Assets, $3,000 | County commissioners. | County | Acts of 1925, ch. 121. |
| New Hampshire. | Mandatory. | 70 | $7.50 a week | 15 | 15 | 15 | Assets, $2,000 | do | Payments by county; cities and towns to reimburse county. | Acts of 1931, ch. 165. |
| New Jersey. | do | 70 | $1 a day | (2) | 15 | 1 | Assets, $3,000 | County welfare boards. | One-fourth by county, three-fourths by State. | Acts of 1931, ch. 219 (as amended 1932, ch. 262). |
| New York | do | 70 | No limit | (5) | 10 | 1 | Wholly unable to support self. | Public welfare officials, under supervision of State department of social welfare. | Half by city or county, half by State. | Acts of 1930, ch. 387. |
| North Dakota. | do | 68 | $150 a year | (2) | 20 | | Income, $150 a year | County commissioners. | State | Acts of 1933, ch. 254. |
| Ohio | do | 65 | $25 a month | 15 | 15 | 1 | Assets, $3,000 ($4,000 if married); income, $300 a year. | County boards under supervision of State division of aid for aged. | do | Adopted 1933 by referendum vote. |
| Oregon [16] | do | 70 | $30 a month | (2) | 15 | 1 | | County relief committee under State relief committee. | Half by Federal Government, one-fourth by State, one-fourth by county. | Acts of 1935, ch. 407. |
| Pennsylvania. | do | 70 | do | 15 | 15 | | | Local boards under State department of welfare. | State | Act no. 64 (spec. sess., 1933). |
| Rhode Island. | do | 65 | do | (17) | 15 | (18) | Assets, $5,000 | Local directors of public aid under State department of public welfare. | do | Acts of 1935, ch. —. |
| Utah | do | 65 | $25 a month | 15 | 15 | 5 | Income during past year $300. | County commissioners. | County | Acts of 1929, ch. 76. |
| Vermont | do | 65 | $30 a month (couple, $45 a month). | (2) | 15 | | Income, $360 a year (if married, $500); assets $2,500 (if married $4,000).[19] | Old age-assistance commission; local officials. | State | Acts of 1935, ch. —. |
| Washington. | do | 65 | $30 a month | (2) | 15 | | | Department of public welfare. | do | Acts of 1935, ch. 182. |
| West Virginia. | Optional | 65 | $1 a day | 15 | 10 | 10 | Any property or income. | County court | County | Acts of 1931, ch. 32. |
| Wisconsin | Mandatory. | 70 | do | 15 | 15 | 15 | Assets, $3,000 | County judge | Payments by county. State to refund one-third; city, town, and village to refund two-thirds. | Acts of 1925, ch. 121 (as amended 1929, ch. 181; 1931, ch. 239; 1933, ch. 375). |
| Wyoming | do | 65 | $30 a month | (2) | 15 | | Income, $300 a year | County board of public welfare under department of public welfare. | County; State to refund 50 percent. | Acts of 1935, ch. 101. |

[1] With adoption of Federal act State residence 5 years within 9 immediate preceding.
[2] Males.
[3] Females.
[4] Citizenship required but no period specified.
[5] Until 1940; 65 thereafter.
[6] Home up to $2,500 excluded.
[7] Annual State tax of $2,100,000 imposed on the several towns of the State.
[8] Required period of residence in United States.
[9] Must be approved by referendum of the people.
[10] $60 where more than one member of family living together come under the provision of the act.
[11] Counties are authorized to raise contributory funds.
[12] Within 15 years immediately preceding.
[13] Also domicile for 9 years immediately preceding.
[14] Within 10 years immediately preceding.
[15] Citizen of United States or resident of State for over 25 years.
[16] Within 9 years immediately preceding.
[17] Act becomes operative on passage of Federal legislation making funds for old-age assistance available to State; for earlier law, see Monthly Labor Review, June 1934, p. 1341.
[18] Citizenship required, or residence in United States for 20 years.
[19] Residence required but no period specified.
[20] $1,000 in value of home excluded.

LETTER FROM SENATOR SCHALL TO J. FRANK FRASER, MINNEAPOLIS, MINN.

Mr. SCHALL. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a letter addressed by me to J. Frank Fraser, Minneapolis, Minn.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 26, 1935.

MR. J. FRANK FRASER,
*1114 Flour Exchange, Minneapolis, Minn.*

DEAR NEIGHBOR FRASER: Your country's enemies and mine will call this letter a vituperative song of hate. It is the truth, as God gives me the light to see it from behind the administration censorship curtain in which I hope to tear at least a peephole.

If I am not to betray my oath of office, the cause of the bewilderment, suffocation, and helplessness of a people who have been crushed and stifled by the results of this overburdened, overbearing, un-American bureaucracy must be voiced.

The Constitution is the greatest of human documents. It establishes government on the basis of laws—laws made by the elected representatives of the people and representing their will to the end that we may have government by and for the people, without any figurehead impostor laying claim to ruling power either by the pretense of divine right or by the highwayman's method of armed might, or by the present mercantile method of purchase, subsidy, and planned emergency.

The third session of this "double deal" Congress has expired. A docile Membership has completed the "must bills", and the Commander in Chief of the Army and Navy permits the Members to go home, hoping that under the strict censorship of his majesty on news out of Washington the people will not know of the betrayal of the Constitution.

But if any should inquire it can be explained only that might makes right in following the example of the humble and prostrate legislative bodies of Italy, Germany, and Russia; that the royal command of "must", now prevailing here as in Rome, Berlin, and Moscow, could not be resisted. The "new dealers" just won't allow their leader to be criticized. "The king can do no wrong", and he ordered thus, and was obeyed, "I hope your committee will not permit doubt as to constitutionality, however reasonable, to block the suggested legislation." They must tell you that the king took away the drafting of bills, the due and intelligent consideration of bills, the duty of rejecting unconstitutional bills; in short, all of our sworn legislative duties under our pledges to you and mandates from you, and under our oaths to support and uphold the Constitution. In 1935 Congress added insult to the injuries dealt you in 1933 and 1934.

A review of its enactments I know is lese majeste, as my every action during these last three sessions has been an unpardonable crime to the crown.

The order has gone forth to get my head, and his agents, singling out Minnesota as one of the "must win" States, have sent hundreds of millions of dollars into Minnesota for that express purpose. When he and "his lords, high captains, and chief estates" are met at the feasting table in celebration of their expected victory in November 1936, he will ask my head be presented to him on a political charger, for I have truly been the voice of one crying in the wilderness "make straight the way of the Constitution."

I stood alone and insisted that our Constitution is built upon the teachings of Christ. The spirit of truth that Christ taught is embodied in that Constitution, and when it is changed it should be changed according to the method prescribed by that Constitution and by the will of the people, our sovereign power, not by the will of some usurping Caesar building his throne upon the shattered ruins of our Republic.

On August 24 we passed the Revenue Act of 1935; in other words, the soak-recovery, soak-the-producer, soak-the-consumer, soak-the-wage earner, soak-prosperity act, to crack you down to the point of a Moscow socialistic regime, when a Rothschild-Wall Street conspiracy may buy you in cheap.

It will block your recovery until the emperorship has been thoroughly riveted upon you or until a responsible oath-keeping administration is seated here which has some concern for your life, liberty, property, and pursuits of industry. It was not passed for the constitutional purpose of revenue, because it cuts down and blocks the expansion of the economic forces and income that yield the revenue supporting Government and the wages and employment supporting labor. And it increases the living costs of every home and the production costs of every farm and other industry.

Because the present issue of Government bonds are not selling so readily, for the money is being driven out of the country, it was passed only as a blackjack to drive the wealth into taxation-exempt Government bonds, so that Franklin the First will have less difficulty in securing money to carry on the bribery campaign for his reelection in '36 and meanwhile further the Machiavellian plan of riot, strike, and revolution that is necessary to mature before the above-board bold strike of the superman of the hour, who, in his great love for his country will have the courage to declare for absolutism and thereby save the Nation from utter chaos by taking over the country for peace sake, for starving humanity, women and little childrens' sake with the Esau steel hand of the Commander in Chief of the Army and Navy.

On August 24 we passed the Public Utility Act of 1935, better known as the "electrocution act", which soaks every third family in the United States that has a small saving investment in utility shares, several million wage earners, the trust funds of widows and orphans, and schools and charity institutions—and gives a Tammany-Wall Street combine in Washington the power over utilities now exercised by the respective States, and further culminates the planned chaos.

On August 23 we passed the little N. R. A., which adds $1 to $5 per ton to the cost of every ton of monopoly produced coal shipped from eastern coal mines to Minnesota and the Northwest—an unconstitutional monopoly tax on every home and farm in Minnesota that is able still to buy coal, on every store and factory, on the cost of gas and electric power generated by coal, on every railroad and utility using coal, on every economic activity and institution in Minnesota to benefit one of the greatest monopolies in the country and increase its unearned increment, in order that a Tammanyized autocracy, under the usual pretext of benefiting labor may rob the "forgotten" consumer and by subsidy purchase the support of the Coal Trust.

It strikes at every Minnesota industry and home, at all of its thousands of manufacturing establishments in order that a billion-dollar Coal Trust in the Pennsylvania district, a dog in the manger seated on a coal deposit which God Almighty made for all to use, may add its economic and political mercenaries to a Tammany-Wall Street autocracy entrenched in Washington.

Fortunately this bill goes into the game bag the first time the nine Justices of the Supreme Court get a shot at it. Let us hope that it gets before the Court before zero weather.

On August 15 we passed the A. A. A. Amendment Act, which seeks to make permanent the temporary processing tax, unconstitutionally levied by an executive bureau by usurpation of the tax power which belongs exclusively to Congress. This act likewise seeks to evade our fundamental law and throw out of court any citizen who has demanded his just rights from a Government that has taken from him money under false pretenses.

I voted for the original A. A. A. as a temporary expedient for the supposed benefit of the farmer. I voted against this A. A. A. Amendment Act which seeks to make permanent a system of processing taxes which destroys the industries that constitute the home market of the farm and rob the consumer and wage earner $2 for every $1 of corn-hog and other Federal checks paid to the man who will neglect his farm and grow weeds and in the end strike down the chief industrial mainstay of Minnesota and the Middle West, a tax that has brought upon our farms and factories, through increased production cost, the greatest inundation of foreign imports known to American history.

I voted against processing taxes now amounting in all to $1,000,000,000, unconstitutionally levied and collected, that through the commercial pyramiding process has added $2,000,000,000 to the living costs of our homes and wage earners and made our farms and factories the victims of a foreign flood of imports that have taken two billion more from the mouths of the hungry and unemployed, from the meager family incomes, from the wage earners who are fortunate enough to have jobs, under this despoliation administration, and from every business house that pays taxes and employs labor—a tax that has brought to our shores within the past few months millions of pounds of butter and made our tariff on dairy products a nullity—a tax that has destroyed the export business of our flour mills and transferred as a gift to Canada the world milling championship, so long established at Minneapolis, the leading wheat market of the world—an unconstitutional tax that has crippled every farm home-market industry in Minnesota—cut down the expansion of 4,000 mills and factories that 10 years ago paid out $100,000,000 in wages while buying $400,000,000 worth of farm products—a tax that has brought loss to every town and city in Minnesota, and to all who raise crops in preference to becoming subject serfs of a paternalistic feudal system patterned on the Russian system where farmers are robbed and their wives are hitched to plows and their daughters dig in ditches 7 days a week, now that religion and morals have been made a crime and 10,000,000 in 1933 were allowed by their government to starve to death and the news of this hideous tragedy kept from the world through strict censorship.

We passed on August 12 the second deficiency bill of 1935—the First Deficiency Act of 1935 having been passed March 21—just before the $5,000,000,000 Executive Allocation Act of April 8, for relief of the President's 1936 emergency campaign.

We passed 13 appropriation or allocation bills or deficiency acts to swell the $3,500,000,000 Treasury deficit of the fiscal year 1935, and bring up to mountainous height the $12,000,000,000 of accrued deficits since March 4, 1933.

When the young men and women of Minnesota get a chance to see the Treasury statement of August 23, 1935, they will realize what they and their children are "let in for" during the generations to come—$18,279,009,676.11 of emergency expended by a Tammany "brain trust" machine to make safer for a "new-deal" pork-and-pie Democracy their election to 4 years more of autocracy.

If our high-school boys and girls shall investigate the field of funded public debt, they will find that the total will approximate by June 30, 1936, according to Senator GLASS, Chairman of the Appropriations Committee, a mountain of $50,000,000,000—or $24,000,000,000 higher than our total World War cost. If they will study their history they will see that this administration will have spent in 3 years and 10 months $16,000,000,000 more than the entire 35 administrations up to and including the first Wilson administration which included the costs of five wars during that 125 years.

The bond-coupon-clipping industry, the only American industry running at 100-percent capacity during new-deal times, is tax-exempt through the subrosa expressed will of the President, and the young people of this generation will be carrying as a millstone

around their necks an interest burden that has mortgaged their children's children.

But the greatest peril of all is to our liberty—the rights and immunities guaranteed to us under our Constitution, the right to a day in court for redress of grievances, the right to run our own farms and factories, the right of our State to the republican form of government guaranteed by the Constitution, and the powerlessness of the people to a voice in tax making, in tariff making, or any other fundamental legislative power of their elected representatives in Congress.

Still I have faith to believe that the tide of American freedom has turned. That the people are beginning to understand what is being done to them. That shift of vote in Rhode Island the other day, if made Nation-wide, would do the "business." And we have a year in which to make that American recovery movement Nation-wide. For our altars and our fires, for our freedom and our hard-won bread, the fight is on and it will require the help and effort of every boy and girl, woman and man in the United States who understands that it is their individual right, their personal freedom, their chance of advancement through merit, their chance to grow an understanding that is being struck at.

As your sentinel on the ramparts of the citadel of our liberties, I have at least tried to emulate the geese whose cackling saved the Roman Republic from stealthy night attack and overthrow. This is no time for soft words. If this administration is reelected, your Republic is a thing of the past.

The enemy's leader with cunning connivings, simulating a smile of love and brotherhood, bearing gifts of promises he had no intention of keeping, smoothed the path by such false pretenses upon the Jeffersonian Democratic platform for which he pledged himself a hundred percent, to haul his horse of Troy within your constitutional fortifications and already his horde of Communists are pouring out with drawn swords to put to immediate death any who dare protest his usurpation of your Government. So efficient has he been in the breaking of his official oath and the betrayal of your Constitution, that he has recently been endorsed for reelection to the Presidency of the United States by the International Organization of Communists. This supreme body of the Communist organization, through the identity of its directed personnel with the administrative organization of the U. S. S. R., is the Russian Government.

The Russian dictator, Stalin, and all his chiefs were there together with representatives from the United States and they passed, not only an endorsement of Comrade Roosevelt for President of the United States but a resolution to bore from within the United States Government through laws that would sabotage its citizens income and thus through want, misery, strife, and turmoil break down the natural resistance of its citizens when by force the final overthrow of the United States can be, in their opinion, easily accomplished. This endorsement will remind you that Roosevelt's picture was published in all Russian newspapers during the election and contained the statement that he would be elected and that he would be the first communistic President of the United States. To camouflage this endorsement to the American people he causes to be widely published in this country, a note of protest to Russia which he knows well the people there never will be able to read since their press is controlled by Stalin who will understand the comrade method of say one thing and do another. Since there is no public opinion in Russia and since these state notes of protest are normally transmitted without newspaper display it becomes self-evident that the note is for consumption of the people of the United States and none other. If you need further proof of the red network, look at the complete red circle of red communistic advisers with which he has surrounded himself, headed by "Comrade" Tugwell, as he is known in Russia, and Professor "Karl Marx" Felix Frankfurter, who lives at the White House and writes every important speech and message delivered by Roosevelt, and is his close confidant and adviser.

And if you need still further proof as to this administration's intent, I cite you six great holding companies he has caused to be organized in the State of Delaware whose articles of incorporation I caused on February 6, 1935, with much difficulty to me because of the administration's opposition to publicity, to be placed in the CONGRESSIONAL RECORD. These corporations are set to take over every industry in the United States; they are organized with the people's money, they are perpetual in existence and they were marked "Secret. Do not publish." Up to the time that I exposed them in the CONGRESSIONAL RECORD no one outside the immediate administration knew of them and since that time it has been impossible to get any information as to why they were organized and today the ordinary citizen of the United States, I'll warrant, has never heard of them and doesn't know what their import is to this republican form of Government. But to any sane man, reading the articles of incorporation it is clear that through these corporations the administration intends to make of the United States of America a United States of Russia. They are set there like a trap in the dark to grab their prey when the time has been brought about.

These six corporations can take over and control, make and dispose of every avenue of business in this country from the button on your cap to the sole of your shoe, including electric power, which the administration bill just passed seeks to control.

The divine Lenin said that socialism plus control of electric power equals communism. Our President says that he has a mandate of the people. The platform he was elected upon he has ignored entirely and carried out the communistic, socialistic platform for which about 2 percent of the people voted. He is carrying out the mandate, not of a majority of the people but of 2 percent which is the communistic, socialistic, fascistic element of the country and heartily deserved the full-hearted endorsement of the Third Internationale but not the endorsement of the people of the United States whose sovereign power he has stolen, and if they do not wake up to it before the election of 1936 he will have them bound hand and foot and gagged to do with as he, in his great wisdom, chooses.

With infinite cunning of our conniving President, backed by an international group of schemers the stage is set to tear down our Constitution because it stands in the way of world revolution which is designed to center all might, majesty, dominion and power in the hands of a selfish few international dictators.

If Congress can be seduced to nullify the Constitution and its checks and balances then Congress itself can be nullified by this indirect method of a certificate of incorporation in any one of the States. The way has been prepared for the United States, Inc., and the immediate disappearance of all private rights.

This supine Congress has given away everything in God's country but its ability to appropriate funds. Only the intervention of the Supreme Court has saved us. When these corporations are thrown into full speed ahead there will be no need of appropriation of funds from Congress and therefore no need of Congress and the circumvention of the Supreme Court will be attained.

We must fight the evil-minded men who talk representative government but undermine it in Congress, in the States, in the schools, and in the churches. The grand plan of our founders was based on a new declaration in the history of the world—that the citizen is the sovereign and government his servant. For that new vision men have died by hundreds of thousands, and more must die in the near future unless we are content to have alien ideas and doctrines accepted as a greater revelation than that vouchsafed to Washington, Jefferson, Madison, Jackson, and Lincoln.

These corporations show the way to centralize all property in the hands of a few and beyond Federal constitutional control. Through them the Nation can easily be put on its way to Moscow through Delaware. Are we ready for that trip? Do we understand what is being done to us? Do we understand we are "On the Way", as the President's book tells us, and his communistic spokesmen assert the revolution has already been consummated and henceforth we are a government of men—and such men!

The $5,000,000,000 allocation to the President without strings was so arranged that the President might underhandedly develop these fascistic or communistic corporations, and yet our smiling President, you will remember, said that he didn't even read the bill.

If that is true then there is a most sinister, most cunning, most conniving brain back of him and of whom he must be the tool, for it is strange that all of these things could happen so in sequence and in perfect order, with such definite and purposeful ends without a satanic master brain and hand behind him.

No wonder Senator COUZENS said whoever wrote that resolution should be hanged. But whoever is planning the actions of this administration, whoever is condoning them, it is a stealthy, cunning circumvention of the Constitution and its culmination a treasonous plot which has tied hand and foot and gagged a docile, trusting, obedient, law-abiding, bewildered people, preparing them for absolutism, and the signal for that change will come with the reelection of this administration in 1936. Do you want it? If you don't, you have got to get out and be heard from, and your friends have got to be heard from, and you can't stand by shivering with fear on account of the administration's punishing policy through property interest for yourself and your families' welfare, waiting for someone else to make the fight. It has to be made by yourself, and now. The time is short. Wake up and act. I am doing my part as best I can in calling to your attention the advancing of the well-organized and disciplined forces, and we will be at their mercy if we do not organize our defenses and speak the truth everywhere with God's help to all who may come within the sound of our voices or the reach of our pens. If I can help you with information, write me. I have made scores and scores of speeches; some of them I have in pamphlet form. I'll be glad to send them, and you'll get them if the Farley gang of mail diverters do not find and burn them.

It will be of interest to Minnesota to know that the Farmer-Labor platform last election contained some of the very clauses of these articles of incorporation and that its intent and purport carried the same objective, to wit: "Immediate steps must be taken to abolish capitalism. All the natural resources, machinery of production, transportation, and communication shall be owned by the Government. We demand public ownership of all mines, water power, transportation, and communication, banks, power plants, factories, and all public utilities."

It will further be of interest to you to recall that our Governor Olson said at the convention that adopted that platform that he was not a liberal, but that he was what he wanted to be—a radical—and that he further said that within 6 months the National Government would be taking over all industries of the Nation. Such "divinity doth hedge the word of a king", that no doubt Floyd felt that this statement was truly a revelation. He was in the inner circle of this communistic administration and knew of the existence and purpose of these Delaware corporations.

Comrade Olson is not a recent convert to the cause of communism. He has been a member of the International Workers of the World since a young man. In 1924 he had the well-known Communist William Dunn as his floor manager at the Farmer-Labor convention in St. Cloud, where Mr. Dunn also spoke in his behalf, and he also had Norman Gallentine, a paid organizer of

the Communist Party, as one of his lieutenants lining up delegates, and in the 1934 convention was full and overflowing with his communistic pals and his communistic racketeer appointees.

The congressional House committee investigating foreign propaganda reported that they found 24,400 paid Communist agitators in this country, and their sympathizers number hundreds of thousands. A goodly number of these have rallied to the standard of our Minnesota Governor and are sojourning there today. This congressional committee also found that the charges made by Maj. Gen. Smedley Butler, that a New York international group had proposed he lead a "putsch" to establish a Fascist dictatorship in this country were true.

Roosevelt no doubt expected that his well planned war on recovery would have produced starvation, strikes, riots, revolution in October last in compliance with Floyd's prediction, but the resistance and savings of the American people were greater than calculated. He has not now time before election to mature that desired revolutionary condition and must win another election in 1936 to realize his grandiose ideas of building his empire upon the shattered Constitution.

You will remember that the administration appointed Comrade Olson, the "code fish", as he himself put it, of the N. R. A. for Minnesota, and Olson strenuously tried to persuade the legislature to pass a similar poll-parrot Minnesota racketeers' association, and you will remember that when Roosevelt was in Minnesota he lovingly put his arm around Floyd and invited him to come to Washington and help him run the new deal, and you will remember that he was foremost among those men who used the words "guerilla", "buzzard", and "traitor" of the men who dared protest the Federal usurpation of our Constitution. He has that same yen for power that Roosevelt has. They are as alike as two peas in a pod. Their personal wills are always being substituted for the law of the land. They are both calculating and relentless. Inherently they are both natural, ruthless tyrants who use the English language not to express their thoughts but to conceal them. Their every act and speech are but "springes to catch woodcocks." Both are clever public speakers and can make the uninformed believe the worst to be the better reason. Neither one of them gives a rap for any promise made, any platform avowed, the right of petition, the right of free assembly, the right of freedom of the press, or the Bill of Rights—guaranteed by Minnesota's constitution as well as the Federal Constitution, or the oath they took to defend them. After them the deluge. Such men are the rare tools being constantly sought by international schemers to steal party nominations. Just as they succeeded in stealing the nomination of the Democratic Party in 1932, so they are now setting about to steal any third party that may arise to defend the interests of the people, and Olson is being carefully studied. The Republican Party is not exempt from their tremendous money influence that is constantly being brought to bear in our national conventions which meet on a strip of "no man's land" over which neither State nor Federal Government have any control, and too often become the cesspool of foreign political intrigue. The highest essential of any party candidate is his God-fearing Americanism and his known and undoubted support and maintenance of the Constitution of the United States.

You will remember when Floyd was Hennepin County attorney he put out of business two little weekly newspapers in Minneapolis who were not fawning upon him, one of them run by Howard Guilford; and in the interest of a free press the Chicago Tribune had the decision carried to the Supreme Court of the United States and knocked out. You will remember when, under the truck strike engineered from Moscow, he placed Minneapolis under martial law, emulated Roosevelt's censorship of newspapers, and placed a ban upon all newspapers of the State and threatened their extinction if they dared publish anything unfavorable to his administration. In no respect does Olson's order 12 of the martial proclamation differ from the denial of the Bill of Rights—free speech, free assembly, and freedom of the press—as declared by Hitler, Mussolini, and Stalin.

Olson's usurpation of power to help his own candidacy for reelection as Governor was against all precedents and constitutional provisions when he led 3,000 tin hats down Nicollet Avenue and at the loss of only 6 lives and 150 prisoners inflicted upon the enemy, the business men and wage earners of Minneapolis and the farmers of the State, an expense conservatively estimated at $1,000,000 a day for 6 weeks. An administration which sets itself above the law and ignores the fundamental principle of American institutions, namely, government by law, invites to the State by this very act all groups of persons antagonistic to the law, and no one will deny that Minnesota has been the mecca of communistic pilgrimages and notorious criminals from all over the Nation and Floyd their hero. And don't forget how Editor Howard Guilford had his head blown off with a shotgun immediately after he stated over the radio that in his next speech he would expose the Olson administration. You will remember that Floyd, new-deal wise, shoved your tax rate up 300 percent; and you will remember that he, like Roosevelt, sought and seeks to get control of our public-school system and see to it that our textbooks teach the communistic, fascistic doctrine, and his man Creel, then on the Farmer-Labor Leader, formerly with Appeal to Reason, the well-known communistic, socialistic paper in Kansas, had charge of the making of the textbooks to be used through the State education system. Creel has now been replaced by the communistic, socialistic State Senator Henry Teigen, as editor of Governor Olson's Farmer-Labor Leader, which with its misinformation is being distributed throughout Minnesota by the million, paid for out of the unjust 3-percent tax levied by the Governor on all his 15,000 State employees, which brings for slush fund, campaign purposes, bribery, hiring of Olson boosters, and general misinformation the tidy sum of about $45,000 a month. An Olson admirer last December informed me that Olson had a fund of a half million dollars already to be used in the campaign of 1936; and over and above all this, the Washington administration designates Olson as Santa Claus for Minnesota in 1936, as he was in 1934.

You will remember how, consistent with the Roosevelt international policy, Olson advocates a low tariff and ridicules the suggestion that a tariff will help the farmer, and as Governor buys matches for the State institutions of the State of Minnesota from Russia and Japan, instead of patronizing our own industry at Cloquet, and in the next breath he argues that the processing taxes are the farmers' tariff, which with a moment's reflection by any farmer will convince him that the processing tax eliminates his tariff protection. These actions are inconsistent and in direct opposition to each other.

That Olson is in with the Federal conspiracy to destroy our Constitution there is not the slightest doubt. He openly boasts of it and proclaims that he is radical as hell, and, apparently, like his leader Roosevelt, without a qualm of conscience advocates one thing and does the other. Whatever is popular at the moment he is for by voice, and also, like Roosevelt, his actions belie his promises. He is truly a "raw dealer" and is entitled to all the support he can gather from that particular brand of double-dealing duplicity. If we are not alert, if we do not exert that constant vigilance which is the price of liberty, our home and family ties, the right to worship God as we choose, liberty of speech and press and person, religion, may be things of the past, as in Russia, where the late Commissar of Education Lunarcharsky said: "All religions are poison. They put the mind to sleep and destroy it; they kill both will power and conscience. War to the knife must be declared against all religions. Our task is the destruction of all religion and all morality."

The President told me personally that no appointments would be made in Minnesota without his—Floyd Olson's—consent, and there is today an agreement between Olson and President Roosevelt that the President will support Olson and refuse support to any Democratic opponent, therefore it is of the highest importance to the people of Minnesota not to be misled by any camouflage of this coconspirator. For Olson to attempt to mislead the people of Minnesota at this late day by pretense of criticism of the administration for not being "leftish" enough is only camouflage and hypocrisy, and his and Upton Sinclair's and other Communists', Fascists', and Socialists' advocacy of a production-for-use plank fits right in as a hand in the glove and will be the excuse that Roosevelt and Olson want for bringing into full play these Delaware corporations and will be the passing of initiative, the denial of the right to grow in mind and in soul, the passing of the teachings of Christ that the individual in order to grow in understanding must have the right to choose between good and evil. The ambition of all mankind was voiced by Solomon when he was asked what he most desired, replied, "Give me a heart of understanding that I may discern between right and wrong."

Whenever you take away the right of individualism you remove ambition. When you regiment mankind, when you standardize the efforts of labor, you destroy freedom and retard the growth of the soul. In 148 years under the Constitution we became so accustomed to the enjoyment of civil and religious liberty, to being protected in our freedom of personal and property rights, to looking upon the Government as a protective force of our inalienable rights, our God-given rights, and now suddenly to have that Government impose the dictatorial will of little prejudiced men placed in authority over us without our consent is beyond the ordinary man's conception, for liberty to us has been taken as a matter of course, like the air we breathe and the water we drink and the health we enjoy. To have a complete revolution of our Government of laws to a Government of absolutism without our consent smuggled over upon us, under the protection of censorship and false malicious and hypocritical propaganda paid for by your money, is just beyond our easy comprehension, but nevertheless that is exactly what is stealthily being done and will be successful if you and your neighbors don't wake up and prevent its consummation by your votes in 1936.

Our people, docile, confiding, liberty loving, are accustomed to people who keep their oaths and their promises. Are the 22,000,000 on the dole and the over 18,000,000 unemployed ready to sell out their country? Will you and other good citizens still hanging on to your self-respect, your character, and your morals be shaken loose by our smiling President's war on recovery, though he in his Fabian characteristic calls it a "war on depression"?

The forces of dark and light ever contend. Every move of this administration has been to tear down and destroy. The killing of six and a half million hogs and the paying of from $5 to $15 for a $100 to $150 cow, the destruction of your livestock, the plowing under of cotton and grain, and the building up of an unheard-of debt of $56,000,000,000, in every way the new deal emulates the work of the bollweevil, the corn borer, the grasshopper, the drought. It is not recovery, but chaos this administration has sought, for only by the excuse of an emergency could he secure the dictatorial powers which he has secured from Congress—the powers that mean when the time has come through planned riot, strikes, and revolutions the excuse will be furnished for the mailed fist of the Commander in Chief of the Army and Navy to take over. Financial chaos can only result in revolution. Our only hope of avoiding it is the immediate defeat of the ambitious conspirators trying their damndest to bring it about.

You will remember Roosevelt intimated when he came to the Presidency that he would, in all probability, be the last President

of the United States. He didn't tell us that he intended to be the last President and the first emperor, but anyone behind the scenes watching his sinuous course of usurpation of power could come to no other conclusion.

The $9,000,000,000 in gold which he has unlawfully segregated to himself and has had laws passed by a spineless Congress so that no one may inquire concerning its disposition, he now arranges to put for safe-keeping in the caves of Kentucky, where it can be protected by a few picked regiments from the wrath of the people when they come to know the truth. Half the gold of the world, he hopes, will be enough cement to seal solid his emperorship. What he promises and what he does are always in opposition. The voice of Jacob soothes with a vision of more abundant life, but the hand of Esau grasps more power and more power, and the tyranny of government of men in opposition to the constitutional government of law drills with tyrannical heartlessness into the resources of those citizens yet independent of his dole. In order to insure chaos, desperation, and sear fear into the hearts of you American citizens, the first thing this President did was to usurp the power and close 17,000 banks—all the banks in the United States—15,000 perfectly sound.

Twenty-five days after he swore to defend and maintain the Constitution he sent to Congress, and drove it through the House without allowing it even to be printed, a bill that would have put a publisher in jail for 10 years and fined him $10,000 for daring to publish anything he didn't approve. This was the move that brought foresight to my eyes and drove from my soul the hope that this administration could mean any good, anything but sinister evil to our free speech, free press, free religion, representative government. Every subsequent move but confirmed this sense of impending danger to our Republic and determined me, despite the silence of those far wiser than I, to take the floor and do what I could, even though I must be alone.

In order to kill off resistance of the American independent business man and cow labor, he drove through Congress the so-called "National Industrial Recovery Act", the N. R. A., the National Racketeers' Association, built to give big, crooked business monopoly everything and nullify the already existing antitrust laws and vitiate his platform. This N. R. A. took from the people in higher prices, which is nothing more than a tax, over $12,000,000,000 in the 2 years it ran, and the little business man, along with the consumers, were the goats. Figuring the farmer a quarter of the population, he received in processing taxes not to exceed 30 percent of the billion-dollar levy and paid out under the N. R. A. $3,000,000,000.

The N. R. A. fitted well the international policy, as does the processing tax. The N. R. A. raised prices so that foreign products could be shipped into our country, and unemployment grew by leaps and bounds, so that today 9,000,000 more unemployed have been added since its inception. Barney Baruch, America's headman of the International Fabian Association, whom many believe to be the real President, and his crowd had purchased 1,800 factories, at a cost of $9,000,000,000, in foreign countries, so Barney's old associate and partner, General Johnson, was placed in command of the N. R. A. and began, with your money and mine, the hullabaloo of brass bands and Blue Eagle parades to crowd it down your throats, put a blue duck in every window instead of two chickens in every pot, and line the pockets of the foreign manipulators. This foreign policy was further extended by our President, who demanded of Congress, and got it, a treaty-making power whereby he could lower the tariffs to foreign countries at his own sweet will without interference of any kind, without even giving American industry a hearing. In his treaty with Belgium he lowered the tariff on 76 articles affecting 47 industries of this country, and we have 60 nations all told having treaties with us that include the favored-nation clause, which gives each one of these nations the same right, the same privilege, we give to any other nation by treaty; therefore, when a treaty is made with Cuba or with Belgium or Brazil or France giving them concessions, it immediately takes in the same articles of the 59 other nations; and so these treaties, in the reduction of our tariff protection, have aided and helped, together with the processing taxes, in building up the unemployment and added millions to the doles—and the planned chaos goes on apace.

If our President wanted recovery, he could get it in 60 days by placing a tariff, which he has the power to do, though unlawfully acquired, upon those things we make and raise in this country that would insure the production by our own people for our own market. Instead of that, under lower tariffs and processing taxes, he is giving away our market to foreigners while the planned consternation and chaos continue to grow. He has given Japan our textile industry, to Russia and Japan our match industry, and our match factory at Cloquet with 1,000 employees must go out of business; to Argentina our beef-raising industry; to Australia our hide industry, in short our entire farm production is being thus dissipated.

I have not space to go into detail of industries and agriculture ruined thereby but will take a word or so to explain the effect of shutting out just one farm importation. If blackstrap molasses were barred, the millions and millions of barrels of commercial alcohol used in this country would of necessity be made of corn or potatoes, and there would be no need of paying our farmers not to farm in one part of the country and then spending hundreds of millions of dollars in another part of the country to reclaim nonproductive land. All the corn and potato land we have in the country could be used and our corn sell around $1 a bushel if this one item were prohibited.

It will be shown by a letter I wrote to the President, December 3, 1934, that the makings are here for the greatest farm and industrial boom we have known:

"MY DEAR MR. PRESIDENT: For the purpose of furnishing a working example by which a majority of the 10,000,000 persons now unemployed may be returned to profitable employment, without taking one dollar from the United States Treasury, the following list is a rough draft of how those people can be cared for within 6 months.

"By acting as England, Canada, Australia, Norway, and Sweden have done; that is, by stopping imports which compete with what we produce, we find we must reemploy the following:

"Two million persons to cultivate new corn land when blackstrap molasses is barred.

"Three hundred thousand miners to operate our copper mines.

"Two hundred and twenty-five thousand additional pottery and chinaware workers.

"One hundred and seventy-five thousand to make carpet, rag, and grass rugs.

"One hundred and fifty thousand fishermen and canners when these imports are stopped.

"One hundred and fifty thousand iron and steel workers.

"One hundred thousand persons to raise cattle now imported as frozen and canned.

"One hundred thousand silver miners, if we buy our own silver.

"One hundred thousand shoe workers.

"One hundred thousand to produce gunny cloth and gunny sacks now imported.

"Seventy-five thousand textile workers.

"Fifty thousand persons in electric lamp, toy, and novelty factories.

"Fifty thousand persons to can meats.

"Fifty thousand to produce cement and bricks.

"Fifty thousand manganese miners.

"Thirty thousand vegetable canning workers.

"Twenty-five thousand additional coal miners.

"Fifty thousand distillery and wine workers.

"All these people at this moment are on Government relief. With the power vested in you by the last Congress, Mr. President, you can raise the tariffs on all these articles and thereby return about 6,000,000 persons to profitable employment. It is reasonable to assume that this number of persons will employ another 3,000,000 to supply their wants. After that, Mr. President, we have no unemployment problem and no depression. I trust this matter will be given your earnest consideration."

Prosperity would be here today if this repudiating international administration would cease its policy of immediately attacking any enterprise that seems to prosper that is outside of the control of his favored international trusts. In the best of times our exports were only 5 percent of all our production. Today they are about 1½ percent. Ninety-eight and one-half percent recovery would be sufficient to make all our people prosperous and contented, but prosperity will not be allowed to come until this administration wants it, until it has things set to secure its ambition of permanent dictatorship, and until it can claim that recovery came only through such dictatorship.

I stood on the floor of the Senate day after day and protested and protested and pointed out what the administration was attempting to do to us. I was called "guerilla", a "buzzard", and a "traitor", but I kept on though the censorship of news out of Washington detrimental to this administration was almost complete. I made scores of speeches that are there in the CONGRESSIONAL RECORD to be seen and speak for themselves. Had I had the unanimous decision of the Supreme Court on May 26, 1935, declaring the N. R. A. unconstitutional and unlawful before me, I could not have spoken differently than I did. All Americans should offer a prayer of thanks for the Supreme Court, not only because of the effect of the decision but because it was through this decision that the truth of what this administration was attempting to do to our Republic began to leak out, and it has only been since that decision that the people have been able to gather here and there the hideous truth that is staring them in the face by putting together this fraction of a speech, this part of a newspaper editorial, this remnant of a conversation. The event was so stupendous that even the well-planned censorship could not hold. All the people need to know is the truth and the truth will again, through their knowing how to cast their votes, make them free. Today, if those who called me "buzzard" and "traitor" are fair, they must now join with me under those cognomens the entire Supreme Court of the United States.

Every bill this session has passed has been outside civil service, contrary to his platform. Almost every bill this administration has driven through Congress has grasped more power, has been secretive in its execution, and surrounded by censorship. Every department today is clothed in secrecy and censorship. Written hand-outs carefully supervised are the only news. About 300 of the best newspapermen in the Nation have been employed at Government expense, contrary to any law, with salaries up to $9,500 a year. It is their business to insure propaganda and picture glowing dreams of what this benevolent administration is doing. Their stories are often of whole cloth, but mostly with half a percent of truth carefully tucked in for observation purposes. This stuff is printed at public expense and sent broadcast over the country under the Government frank. You can hear the voice of some Government propagandist over the radio every few minutes. The radio dare not refuse them. They have a

license for only 6 months and that license can be withdrawn at any time and the Commissioners whom the President appointed can be fired at his whim. The newspapers tell as much of the truth as they can and live. The local banks are controlled from Washington through the administration's insistence upon having directors from the Reconstruction Finance Corporation on their boards. If any newspaper dare get fresh and start telling the people too much truth the bank will hear from Washington and the bank will see to it that the newspaper gets good.

The administration has created some 57 bureaus, whose rules have the effect of law passed by Congress, contrary to his platform. These rules filled volumes and volumes and are nothing more nor less than the whim, fancies, and prejudices of some little dictator of the bureaucracy and men all over the country have gone to jail under their edicts.

The so-called "Communications Act" was a complete dictatorship as it passed the House under the gag rules and devious manipulations of the House by the President. The Senate succeeded in taking out a great deal of the poison, but there still remains in that bill the power of the President to declare an emergency, and then upon that declared emergency to take over every avenue of communication the people have in the country.

It is all set, every little thing has been attended to in this bill and that bill, and that is why we have been held here in Washington, to be sure that nothing has been overlooked to prevent when the time has come the permanent establishment of the coming empire. Everything is all ready for consummation of the great movement to destroy our Republic if only the election of 1936 comes his way. If need be, he can, under the communications bill, use the war clouds across the ocean as an emergency pretext to take complete censorship over every communication avenue in the United States to keeping his movements concerning what he does from the people.

The $5,000,000,000 appropriation is to be used in any way his own sweet will might direct for his own emergency in 1936. The indications that another five billion will be demanded next session is complete proof that he has no idea of allowing recovery until the stage is all set for his emperorship. Thus with $10,000,000,000 of the people's money to be spent for the emergency of his election in 1936 he feels quite sure that no mistake can be made, for the censorship of the real news and truth will go on, and anyone who attempts to break loose from the censorship will be persecuted by the devious ways that this Fabian administration know so well to perform.

My little daughter placed my finger on a hole made in the back of my car by a .45 bullet. The next day, between 1 and 2 o'clock in the morning, my barn was set afire and my two sons, who roomed over the barn, were nearly burned to death. The "raw deal" took occasion to send out through the press propaganda of my palatial residence and magnificent estate of some 320 acres, with buildings galore, and advertised that seven limousines were burned. The fact is that my magnificent estate consists of 7 acres, with an ordinary farmhouse with the usual smaller buildings, and the cars were junk that the boys had accumulated, not worth all told $300, and I purchased this magnificent estate and palatial residence for $4,500.

Further illustration is the persecution of the Republican Governor of North Dakota, William Langer, who vigorously opposed the sinister methods of this administration. Langer was framed through the connivings of Tammany Farley, Postmaster General, national Democratic committeeman, Democratic committeeman for the State of New York, patronage dispenser, and the personal representative of the President. By his appointee, the district attorney of North Dakota, with the assistance of the United States marshal, both appointees of Farley, a special grand jury and a special petit jury were selected from the Governor's enemies to indict and convict him. The juries knew what the verdict was to be before the pretended evidence was heard, and, upon insistence of the Farleyite district attorney, the Governor's attorneys were not allowed to examine the jurymen's qualifications. A conviction was inevitable, but recently the circuit court sent the case back for retrial and stated that there had been no Federal law broken and no State law broken. Again, thank God for our courts. But today, with Farley naming the judiciary, how long will it be before our courts are "raw dealish"? Special care was taken to provide for additional judges galore by the last Congress.

In order not to overlook any bets, the personal representative of the President caused the tapping of the Governor's telephone wires and his office rifled and contents carefully gone through, his mail opened and photographs taken. All this has been done to me so I know something about it. They haven't yet found anything with which to indict me, but they did have me up on my income tax, though my income is only my salary despite the whispered prevarications sent out profusely throughout Minnesota by paid mouths. The history of this case reads like the persecution of some common citizen of Russia. If enough Jeffersonian Democrats were permitted to vote their convictions in the Senate to allow an investigation in this matter, I am sure it would reveal some hideous crawling things beneath the surface of the propagandist news that the people are now fed.

If such things can be done to a Republican Governor and a Republican Senator who speaks unreservedly the truth, and there is at least another Republican Senator and a Democratic Senator, HUEY LONG, who has had similar treatment, what will be done to the common ordinary man when the full effect of this punishing, censoring regime reaches its full stride? They are drunk with stolen power and will stop at nothing. Already secret agents and informers are flooding and pestering the country. Seven million added to the Government pay roll. Under the direction of Farley and the President, the censorship and bedevilment and belittlement of me and my speeches in the Senate of the United States has been constantly carried on during these last two sessions of Congress with no other purpose than to depreciate and belittle the truths that they cannot successfully deny.

I want to say to you and want you to tell your friends that if you write me and do not hear from me immediately, you'll know that letter has gone into the hands of the censorship committee. Please tell your neighbors and ask them to write again—perhaps that will get by. I have always answered my mail promptly and if you do not get a prompt answer you'll know I haven't received it. My mail is being interfered with constantly. They have used every means by which to close my mouth. It is not the United States of America, it is the United States of Russia and our country is overrun with spies, manipulators, despoilers, racketeers, and grafters.

Hundreds of millions of dollars have been sent into Minnesota to accomplish my silence and see to it that such a cackling goose be forever kept from the Senate floor. This does not deter me, for money in plenty has been used before to that purpose but never before has the Federal Treasury been put to such an end, and used as a campaign fund, and it may be accomplished, but only upon the condition that the people of the great State of Minnesota are kept in ignorance of what is actually going on down here behind the scenes and my part in doing what I can to expose it.

I want to hear from everyone who is interested in preserving our Republic. I want your advice and moral support. If you don't agree with me write and tell me why, for it is in the very conflict of opinion of parties and men that lies the secret of our strength, education, and success.

The question for your decision in 1936 however camouflaged is, "Shall we have a constitutional government or a despotism?"

Faithfully yours,

THOS. D. SCHALL.

P. S.—I am herewith enclosing your letter which, because of its length, I have had printed in the CONGRESSIONAL RECORD. Also the Tom Schall creed. I hope you'll consider these prints as a part of this letter and read them and after you have read them, I'd appreciate hearing from you.

T. D. S.

### MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1994) to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended, and it was signed by the President pro tempore.

### SUPPLEMENTAL DEFICIENCY APPROPRIATIONS

Mr. ROBINSON. Mr. President, I move that the Senate reconsider the votes by which the amendments to the deficiency appropriation bill were ordered to be engrossed and the bill was ordered to a third reading and passed.

Mr. LONG. Mr. President, I have not desired to interrupt the proceedings this evening. I did not ask my friends to yield to me a moment ago when they were considering the matter of recessing until the House could send to the Senate the papers relating to the deficiency appropriation bill. There are a few things which have transpired, however, which the records show in part, which I consider it my duty to disclose fully for the future consideration of the country, as well as of Members of the Senate.

I wish to say first to my friends of this body, as well as to those who may not be politically friendly to me—and I hope most of the Members are my personal friends—that when the motion was made by the Senator from South Carolina [Mr. BYRNES] to suspend the rules in order that we could protect the cotton farmer from the ravages of this administration, I undertook to assist the Senator from South Carolina to get two-thirds of the Members of the Senate to vote to suspend the rules in order that an amendment might be tacked onto the deficiency bill to protect the farmers against what had been ordered by the administration.

We did not have enough men interested in cotton in this body or sympathetic with cotton, I was afraid, to get the two-thirds vote to suspend the rules, so I approached Members on both sides of the Chamber who were concerned over this agricultural problem, and upon being informed that they were desirous of doing something to protect the wheat farmer, I urged them to join with those of us trying to protect all kinds of farmers, those interested in cotton and those interested in wheat, and told them that I thought we could mutually pass an amendment which would protect the cotton farmer and the wheat farmer.

It was with the combined votes of the Senators from the South and the West and a sprinkling from the East that we suspended the rule by two-thirds vote, and thereupon adopted an amendment, proposed in part by the Senator from North Dakota and in part by the Senator from South Carolina, that gave a substantial protection to the wheat and cotton farmers of this country.

Mr. President, after that amendment had been tacked onto the deficiency bill it went over to the other House of the Congress. I hope I may be permitted to state what happened in the other House, inasmuch as other Senators have so stated.

I have the RECORD to show that when the bill got over to the other House—and I speak only from the RECORD—it was not put to a vote of the House. There has never yet been an opportunity in the House of Representatives for the Membership of the House to say whether they do or do not favor the bill as amended to protect the wheat and cotton farmers. On the contrary, an ultimatum has in effect been served on the Senate to the effect that "Unless you withdraw an amendment which has been adopted to protect the wheat and cotton farmers, the House of Representatives will never be given an opportunity to vote on this bill." That is what has happened.

Mr. President, it is not a matter of legislative difference as between the two Houses; that is not what is before us. We are called on to decide whether or not there is such a thing as a republican form of government in this country, because one branch of the Congress has had an opportunity to vote, and, on the other hand, the situation is in such shape that at the other end of the Capitol a legislative branch of this Government is denied the right to vote on whether or not it wants the deficiency bill, as amended by the Senator from North Dakota and the Senator from South Carolina, enacted into law.

Mr. President, we have come to a rather peculiar pass. My friend the senior Senator from South Carolina [Mr. SMITH] is not present. I ask that one of the page boys ask the Senator if he will not come into the Chamber, because I wish to mention his name, and I do not want to say something which might misquote him.

Mr. President, we have agreed to an amendment, and it has been sent back now because, as I understand from the RECORD—and I speak only from the RECORD and from what has been uttered on the floor of the Senate by others, and I presume I am therefore within the rules of the Senate, and if I am not, I will desist—I understand from the RECORD and from what has been said here that the chairman of a committee has taken the deficiency bill and has served notice in open session of the House that he will not report the bill with the amendment which has been placed on it for cotton and wheat. Therefore the great legislative body at the other end of the Capitol becomes impotent; it becomes functus officio; it is suspended; its members, who are sent here by the votes of the people, are not allowed to speak; it sits there almost like an Egyptian mummy——

Mr. ROBINSON. Mr. President, I do not think it is in order for the Senator to criticize the proceedings in the other House. Of course, I do not wish to interfere with his remarks, but there is a well-established rule, and I ask the Senator to discontinue that line of debate.

Mr. LONG. I will stay within the rule. However, more or less of what I am saying has been said on the floor of the Senate, but I will stay within the rule.

Mr. ROBINSON. One violation of the rule does not justify repeated violations.

Mr. LONG. Very well, I will stay within the rule. I will not say that the House of Representatives has done anything.

Mr. President, I have had a great deal of advice concerning legislative proceedings, and I have given a little study to legislative proceedings which have occurred in this country in national and in State governments and in foreign governments and from my study I will say that once upon a time there was a legislative body, so I was told, not this body, however, in which I am now speaking—which declined to allow its membership the privilege of voting on whether it did or did not wish to help certain farmers raise their wheat and cotton, and in that particular legislative body to which I refer, making no mention whatever of anything which is concerned here, this particular institution was held powerless to permit its own members to say whether they did or did not want a protection given to the wheat farmer and to the cotton farmer which had been ordered by others interested in that subject.

I have always said that everyone had a code. I do not mean an N. R. A. code or anything like that. I am now speaking about respectable codes. It is said that every sort of element always has had a code, written or unwritten. Bankers have a code. Legislators have a code. And even those who are interested in ferreting out organized crime tell us that even the burglars have a code. Whether it is written or unwritten, nevertheless there is certain ethics that everyone lives up to.

We had an agreement here among the gentlemen of the Senate—not exactly an agreement, but I went over to the Senators who were concerned with the cotton amendment, and I said to some of them whose States are concerned with the cotton problem, "The only way we can save cotton is to get the help of the men who want to save wheat"; and so they joined with me and with the Senators from the States where wheat is raised, and we voted cotton into the bill, and we voted wheat into the bill, and provided a meager pittance of protection for the wheat farmer and the cotton farmer.

Lo and behold, a conference no doubt took place. I do not know anything about it. There might have been a thousand conferences which took place outside the Capitol today. Perhaps one at the White House, perhaps one at the Department of Agriculture, perhaps one at the Treasury Department; but a conference or conferences have taken place, and what has been the result? No wheat-farmer representative has been called into those conferences. The rendezvous knows nothing about the agreement which is going to protect the wheat farmer and afford him margin against the ravages of the elements and the markets.

Nonetheless an agreement has been reached, but they have not said "yea" nor "nay" about it; they have neither invited nor refused admission to any Senator who was undertaking to protect wheat, and therefore to protect cotton in order that he could protect wheat—they have not invited him nor told him anything about the agreement. But we find ourselves in the situation in which our partners have been left out in the dark.

Now, I desire to appeal to the Senators from the cotton-growing South. Senators from that section have done a grave injustice to the cotton farmers here tonight, and I am going to show them so in a moment. I do not intend to take up much time explaining this matter. You have done a grave injustice to the cotton farmers tonight; you have done a graver injustice to the cotton merchant tonight; and you have done a still worse injustice to other unprotected interests who are concerned with cotton goods, who have loaded up on inventories based upon a certain price plus processing tax.

All of those people you have thrown into the mire to sink or swim. And practically, you have done what? You have taken the word of Mr. Henry A. Wallace, when he said, "If this does not work, I will be the first to say so", and you have allowed him to say, "It has not worked. I have thrown the thing down. Now I want you to give me something else that I can do according to my ideas." That is what has happened, instead of having Mr. Henry A. Wallace come here and say, "I have asked for this thing. It has not worked. Show me the way to go home."

What Mr. Wallace should have come in with was this: After he had thrown down something that he urged upon the people of the United States, and then demanded, after throwing that down, that something else be done, the only message Mr. Wallace ought to have sent into the United States Senate was "Show me the way to go home." He is the only man who has not realized today, apparently, that instead of giving orders he ought to be taking orders.

My friend the senior Senator from South Carolina [Mr. SMITH] has not yet returned. I will have to propound a question and depend upon his coming back at a later time. The Senator from Arkansas [Mr. ROBINSON] has announced that an assurance has been given by the Department of Agriculture that now they are going to lend 10 cents a pound on cotton. The Senator from South Carolina announced on the floor of the Senate, and another Senator on the floor of the Senate whispered in my ear that he heard it said to the Senator from South Carolina, that he was told by the President of the United States that we were going to have a 12-cent loan on cotton. The Senator from South Carolina who told us we were going to have a 12-cent loan on cotton, and who told us in effect that the faith had been broken, hears someone else saying that we have been promised 10 cents on cotton.

I want to know if the promise of 10 cents is any better than the promise of 12 cents was? If the promise of 12 cents was no good—and the only way we made them live up to anything at all was by a law that we were undertaking to pass—if it took holding this Congress in session last Saturday night—and I was one of the men that helped to do it—if the only way to make them respect part of their promise was to keep Congress in session on a 12-cent promise, then what more is the promise of 10 cents now worth than the promise of 12 cents was worth then?

My friend from South Carolina is not here yet. He has gone. I am speaking of the Chairman of the Committee on Agriculture. I am sorry he has gone, because I should like to look my dear friend in the face and ask him how much more he believes in this promise than he did in the last promise which was made? I would just like to find out what has occurred that gives us any more assurance that they are going to keep this promise than that they were going to keep the last promise.

What is the bill meant for, Mr. President? Why are we going to drop the wheat farmer? Do not forget that I say to Senators from the cotton States—and they have got to come back here again—this means a destruction. This means a 10-cent cotton market at the best. It means far less than a 10-cent cotton market in what its practical effect will be.

It seems that the men who have filled their warehouses with cotton goods and with cotton which they have bought at a price of 12 cents, plus the processing tax, have got to take the inventories and the cotton stocks they have on hand and revalue them tomorrow on the basis of 10 cents. True you have got in there what pretends to protect the farmer for 1935 crop only, but after that time the farmer must go into a market with a cotton crop which is going to sell away under 10 cents, but at the very best could only sell for 10 cents. In the meantime, while you are protecting the farmer from the eventual day that will not be long postponed, you have got the man with the cotton goods in the warehouse, with the cotton in the warehouse, with the cotton goods on the shelves, with the few bales of cotton the country crossroads merchant has bought and stocked up waiting, perhaps, for a better price.

That man gets nothing. I see nothing to protect. The farmers who have already sold their cotton this year, they are going to lose millions and millions of dollars. And the mills that stocked up on cotton at a price fixed by the Government including the processing tax, the merchants who have loaded their shelves and their warehouses with cotton goods, the merchants who have bought cotton and still hold cotton, and the gins and compresses that have loaded up on cotton at a price of 12 cents, and a processing tax fixed by the United States Government, have been condemned to absolute financial bankruptcy ab initio; it starts right now.

Now about this deficiency bill before I proceed a little further on the merits of this cotton and wheat situation, let me say when the Senator from South Carolina expressed some feeling that the failure of the bill to pass was going to be disastrous, we were told the other night by the Senator from Arkansas that the deficiency bill failing to pass would not hurt any thing much, that is, he said that the $4,800,000,000 relief money or work money, or whatever it may be called, would be sufficient—I want my friend from Oklahoma to hear this—and there would be enough money in the omnibus bill to take care of anything that was required under the deficiency bill. I hope that is true. The Senator from Arkansas is the man who guided that legislation through most of the way and, no doubt, knows what it means better than I do; and I therefore must agree with him and accept his word as he gave it to the Senate last Saturday night that if we should not pass the deficiency bill it would not deprive any of these several institutions of any of the needed money, for the reason, said the Senator from Arkansas, that the President has plenty of money in the $4,800,000,000 pile to take care of anything the deficiency bill was supposed to care for.

I assume the Senator from Arkansas knew what he was talking about; in fact, I am confident he did, because many others, including many newspaper reporters, had given me the same information. Therefore, inasmuch as the Senator from Arkansas has hastened in here with a motion, the effect of which would be that Senators would have to stand under the mouth of the gun and be heard for 5 minutes and no more, or else the Congress of the United States would adjourn; that is the same as saying that a deficiency bill does not mean anything or otherwise the Congress would not be told, "You have got to get out of here before midnight; you are such characters that the Capital City can no longer stand you." I do not know what has happened to Representatives and Senators, but there is a hurry to get them away from here. Now they all seem to think alike. I thought and I said it was a bad thing to let them come back at the begininng of the year; but they did not think so. I thought it was a bad thing to stay in session 30 days, 60 days, or 90 days, and now, after having experimented with things for 8 months, they have decided it is bad to have Congress stay here any longer than tonight.

Here is a bill on which the Membership of the House of Representatives has never been given the slightest chance to vote, and, nonetheless, we find that we are not going to be permitted to give them that right, but the Senate has got to recede. Mind you, Mr. President, I would not undertake to have the Senate of the United States keep the House and the Senate in session one moment if this matter had ever been submitted to the House to be voted on. Take this bill with the cotton and wheat amendment on it over to the House of Representatives and let the Members of the House vote on it; and if they vote it down, I will not ask that the House or the Senate remain in session a moment longer than that shall have been accomplished; but I decline to be stampeded and to be run out of the city of Washington, D. C., in order to prevent the House of Representatives on the deficiency bill from having an opportunity to vote on wheat and cotton being protected by the United States Government.

I am only contending for legislative government; I am only contending for constitutional Government. Take the bill tonight over to the House of Representatives as it went out of the Senate and give that House a chance to vote on it up or down, either way, and I will abide by the decision and consider whatever they do to be all right, but I will not have anyone tell me "You are not going to be allowed to speak more than 5 minutes because of the fact that it is not dared to trust the House of Representatives in the action it may take."

I read the statement given out by a friend of mine a while back in which he said that this was as good a Congress as has been in session for 30 years, and he was kind enough to say that the Members of the House in caliber were the equals of the Members of any other House in which he had ever sat. I hope I am not reflecting on the House when I say that its Speaker said that its Members were of as high a caliber in statesmanship and intelligence as the Membership of any preceding Congress in which he had ever sat. But, with all their intelligence, they have not been allowed to vote on this bill. That intelligence has not as yet been allowed to express itself, and we are asked to adjourn because if we do not there is a possibility that they are liable to have a vote in the House and the Members elected by the

people will get a chance to say how they feel about this bill. That is the situation.

All right. We cannot do any harm defeating this bill now, but here is what we can do: We can say to the President here tonight that this is a legislative tribunal; that we have a republican form of government; that the Houses of the Congress elected by the people have a right to say whether they are for or against something; and we can say, if it takes 1 day or 2 days or 3 days or 2 or 3 weeks or 3 months, that Congress has a right to stay in session long enough for both Houses to say whether they do or do not want cotton and wheat or anything else protected in accordance with what has been adopted by one House.

I ask Members of the Senate, realizing that Members of the other House are listening to me, how will they feel when they go back home tomorrow morning and tell the people, "I was not permitted to say whether I favored the cotton and wheat amendment or not; I was not given an opportunity to say." What would their constituents say to them? I will tell you what they would say. Their constituents would tell gentlemen of the Senate and of the other legislative body, "Do you mean to tell me that you were a Member of the Congress of the United States and that you were not allowed to vote on whether you were for or against the cotton and wheat amendment? Is that what you mean to say?"

In the experience of Members of this body, I venture the assertion that never has anything like that occurred since they have been here. No one has told me that such a situation has ever previously prevailed.

Now I want my friends to think about that. I have not overpainted the picture. It may be that that is the kind of Government they want; I do not say it is. Without my losing the floor, because I have a few more remarks I wish to make on this subject before taking my seat, I will yield for any Senator to inform me if he advocates that as the kind of a Government we should have for the legislative department; that he agrees there should be a shenanigan in this body, as an example, that would prevent 96 Senators or 435 elected Members of the other body from saying whether they were for or against something. I ask my friends to think of this matter. I ask them have we had representative government in this Congress? I ask my friends from the State of New Mexico; I ask my friends from Utah, from Nevada, Missouri, Oklahoma, Kansas, North Dakota, Idaho, Iowa, Pennsylvania, New York, is that the kind of legislative government, representative government, through the viva voce of the people's elected representatives we are going to tell them we have.

I am unwilling that the Democratic Party should go out of here tonight—a party that I helped to bring into power—and inform the people of the United States that it has concluded its session after 2 or 3 days of struggle in an effort to prevent the Members of one House from having the right to vote. I am unwilling to have this legislative body adjourn with that kind of a curse upon it. I am unwilling to have this body condemned in the West and in the South and in the East. I am unwilling, unless the men of this body and of the other body have concluded that they are firmly of the opinion, after due deliberation, that they want a government of the kind that hides the votes of the one House and prevents the expression of their will on matters prevailing at this time.

I want Senators to think of that. I heard yesterday in this body—not yesterday, either. It seems like it was only yesterday, but it was 3 or 4 days ago. I heard in this body a speech made by the senior Senator from Nebraska [Mr. NORRIS], followed by a speech made by the junior Senator from Oklahoma [Mr. GORE]. I heard a speech which the junior Senator from Oklahoma made in which he recited the turbulent legislative struggles prior to the declaration of war in 1917. As I heard these speeches from these two Members of this body, the only two Members of the Senate who voted against the declaration of war in 1917, I thought to myself, "Is there in the American Congress left that kind of statesmanship, that kind of honor, that kind of courage that was shown by the Senator from Oklahoma [Mr. GORE] and the Senator from Nebraska [Mr. NORRIS]?"

I wondered if the time would come when the lashing whip of the public press, the shouts from the streets of the munitions makers, and the clamor of the Chief Executive would be so strong that it might mean destruction to one's career and might even mean more harm than that—whether or not, beyond these two men remaining here, there would be found the kind of men who would stand up as did the Senator from Oklahoma and the Senator from Nebraska in 1917 and vote their convictions.

As I listened to the remarks of those two Senators I heard the Senator from Oklahoma say, "I was one of the seven who declined to plunge the young manhood of this country into that vortex of blood 3,000 miles away and", said he, "it brought about an involuntary retirement for me of 10 years in my public life", later, however, I might add, to receive the vindication of a grateful people that when they were wrong he was right in standing for a principle in this country which meant more than any career in this body.

Tonight that principle is practically being fought all over again. Here we have a legislative situation more serious than prevailed in 1917. In it there has been relief promised to the people of the United States by the authorities in power, and that promise has been broken. If the words of honorable Members of this body can be believed, we had promises by the Chief Executive of the United States of America that there would be a cotton loan of not less than 12 cents and, according to some Senators, that promise was made to be given to this body and to be given to the country, and was so made and was so given.

According to the statements made here, the dew was scarcely dry on the promise that had been made when, lo and behold, the next thing we know an ultimatum was sent forth that instead of keeping the promise of 12 cents a pound as a loan on cotton, that promise would be reduced to 9 cents a pound as a loan on cotton thereafter, and the cotton market fell $7.50 a bale the moment that announcement reached the cotton exchanges.

Congress, acting through the Senate to begin with, took the matter into its own hands. They said, "We have trusted the executive departments to keep their word and they have not done it." They said, "We have trusted the executive departments to exercise certain legislative functions rightfully belonging to the Congress, and they have abused those functions entrusted into their hands. Therefore", said the Congress, "having been deceived, therefore", said the Congress, "having seen the power which we abdicated into their hands abused and discredited, therefore", said the Congress of the United States, "we will take back into our own hands the burden rightfully, initially, and properly resting upon the Congress, and we will prescribe by sacred legislative will what is to be the law and the rule and the custom prevailing in respect to cotton loans and other farm loans, in order that this kind of abuses shall not be reflected adversely upon the cotton farmers and the wheat farmers of the country." So we did.

Then what did we do? We could not adopt a cotton amendment by itself, as I have already said. There are not enough men here interested in cotton to have suspended the rule. One of the foremost advocates passed by my desk while we were debating the question of suspending the rule and I said, "Can we get the necessary two-thirds?" He said, "No; we cannot get the necessary two-thirds." Whereupon I engaged friends on both sides of the Chamber and sought to convince them that it was right that they should vote to suspend the rule, and further I gave them my assurance, after having communicated with Senators from cotton States, that if they voted to help us maintain what was necessary for the cotton farmer, we would vote with them to give what was necessary for the wheat farmer. Therefore we had the promise of the cotton to the wheat and the promise of the wheat to the cotton, and we got two-thirds of the votes in this regard and made it possible to suspend the rules.

I have not been doing any logrolling. I was simply arguing the merits of the matter. I was simply trying to convince Senators about the fair thing and the necessary thing for all sections of the country. I have never engaged

in any logrolling since the last tariff bill was before the Senate, as Members of the Senate know.

However, the Representatives of the wheat farmers came with us, and the wheat men and the cotton men voted "yea", and the man who was not particularly concerned in either one of them voted "nay", and we suspended the rules.

Now, how do you feel? Even a burglar—and we are certainly not doing a burglar's business; we have been doing an honorable country-saving piece of work—but even a burglar with a partner who rob a box car in the night go off somewhere behind the mountain or behind a hill and take what they have gotten from their robbery and divide it, "one for you and one for me." Here is a case in which we are doing an honorable business. Certainly our code of ethics can be as good as the code of ethics of a burglar, and a great deal better.

Here we are, going in with the wheat people and the cotton people to save them from suffering an injustice, and then we are killed off by our opponents who say to us here, "We are willing to give you a part of the help you are demanding provided you drop the wheat men." To my astonishment and to my great regret it is a Senator from a cotton State who is called upon to announce some kind of an agreement through which wheat is unceremoniously, without a hearing, dropped entirely. The wheat farmer can get 3 cents, 10 cents, 25 cents, or 30 cents a bushel or whatever he can get. He has been left to sink or swim, mostly sink. The cotton farmer has been given a little toe hold on life which will last for a few months, and in the meantime the man who has bought his crop of last year is left to suffer and to die and to perish and to fail, and everybody has dropped his partners in this business and let them go adrift—why?

It would have been bad enough, gentlemen of the Senate, to have left the wheat men out in the cold if we had got our price. That would have been bad enough; but it is twice as bad to let half of our own people be destroyed, and drop wheat altogether. Then, again, it would have been bad enough to have dropped the wheat bloc if the House of Representatives, by a vote of that body, had voted down this amendment, or had been allowed to pass on this amendment; but I say, gentlemen of the Senate, Senators from cotton States, it is a terrible thing for you to make a deal that involves dropping the wheat farmer and taking care of a little bit of the cotton farmer's troubles—not all of them, by a whole lot—but involved in that trade is that the wheat farmer will not have a right to present his case to a vote of the elected Members of the House of Representatives.

You have done worse than simply make a legislative trade. You have not only made a legislative trade here but you have dropped those people, not in a legislative trade, and in such a way they will not have a right to have their case heard in court. That has been done, and that is not a fair way to do.

I can go to the Senators from the wheat States, the next time we have anything to do in the Senate, provided I am back here—I may not be back here. This may be my swan song, for all I know. I have to go through an election between now and the next time Congress meets, or about the time it meets, soon afterward. Probably I shall not get back up here; but, if I should, if the extraordinary and unusual thing should happen, and I should be reelected to this body by the people of Louisiana, I shall be able to stay on this side or cross over to the other side, and say to the man from the West and the man from the North, "I want you to help us take care of our people"; and when he says to me, "Will you help me take care of my people?" I can tell him, "Yes", and he will know that I am going to keep my word. He will know that the telephone that rings in the White House will not be music to lull my ears. He will know that whatever bargain he has with me—I do not call it a bargain, rather, whatever solemn understanding, based upon fact and virtue, he has with me—will be kept, and I shall be able to talk to those men.

The sad thing about it is that some of the men interested in this cotton question said to me, "Can't you talk to Senator So-and-so?" I said, "Yes; I can talk to Senator So-and-so." "Well, then, can't you talk to Senator So-and-so?" I said, "Yes; I can talk to Senator So-and-so"; and I could talk to them, and they would take my word. They wanted me to go to see some of them, and I did, and I gave them my word, and I thought I was giving them the word of our whole crowd; and, lo and behold, I understand from them that not one of the men who were interested in wheat was called into the conference today, when they decided to leave them out in the cold in order to give a little half-baked proposition to let the cotton farmer live about 8 months and then cast him into outer darkness, the like of which he had never seen before.

I can go back to these gentlemen, if I come back to the Senate, and talk this kind of a matter over. I want my colleagues on this side to be in the same place. I want them to stand up for the wheat men. I do not say you have to stand with them under all circumstances—no. I will, but you do not have to; but I say this, gentlemen of the Senate: The least you can do for the wheat farmer is to say, "I am going to give you a right to have your proposition voted on by Congress." That is all I am asking you to do. If you want to drop the wheat farmer, if you do not think his cause is just, if you do not think the principle is right, then I will yield the floor any moment that you want me to, and we will let this matter go back to the House, with instructions to be given by the proper authorities, from whatever source they have to come, and wherever they may be, in the House or outside the House, that this matter is to be voted upon by the elected Members of Congress over there. If the elected Members of Congress say they do not want this amendment, I, for one, am perfectly ready to say, "Take it off the deficiency bill if you wish. The Members of both Houses have had a right to vote; and whatever may be the influences affecting either one of the Houses, I do not care. That is none of my business; but give both Houses the right to vote"; and if they have had the right to vote, I will say, "These men have voted, and therefore it stands."

Mr. McCARRAN. Mr. President, will the Senator yield for a question which will lead to another question?

Mr. LONG. I yield.

Mr. McCARRAN. As I understand, before we passed the Bankhead Act there was an understanding that the loan price on cotton should be 12 cents. I am not at all interested, save and except from the standpoint of fairness and justice. On Saturday last I asked the same question of the senior Senator from South Carolina [Mr. SMITH]. The answer was in the affirmative. Then, following that, I was informed that the policy now proposed by the administration was not in keeping with the promises made, and that 9 cents was the pegged price for cotton. Now I am informed, and I ask the Senator if he knows whether or not it is true that a promise has been made by the administration that the loan price on cotton shall be 10 cents. Is that the understanding of the Senator from Louisiana?

Mr. LONG. That is my understanding.

Mr. McCARRAN. Very well.

Mr. LONG. I yield for another question.

Mr. McCARRAN. With that in mind, I ask the Senator one more question, and I ask it with a view of terminating this entire situation.

I wish to say to the Senator, preliminarily to my inquiry, that I have discussed this matter with those who, like himself, are primarily interested in the development of the price of cotton and the welfare of the cotton grower. I have discussed the matter with the senior Senator from South Carolina [Mr. SMITH], affectionately known by the sobriquet of "Cotton Ed", and I have discussed it with the junior Senator from South Carolina [Mr. BYRNES]. Both of those able Senators, both of them interested in this industry, have expressed themselves to me that they were entirely content to go along with the promise that the loan price on cotton shall be 10 cents, and they have expressed themselves as willing to go along because they believe it is a step in the right direction and that it will lead to something beneficial in the future.

With that in mind, does the Senator from Louisiana not believe that we could well afford to take the promise of the administration, now given, undoubtedly, to the senior Senator from South Carolina and the junior Senator from South Carolina, and others who are interested in the great Cotton Belt of this country, and permit this proposed legislation to be enacted?

Mr. LONG. Let me explain to the Senator.

Mr. McCARRAN. Before the Senator replies, I want the Senator to realize that I know nothing at all about the raising of cotton. The only cotton about which I know anything is the cotton in a shirt or the cotton in overalls. I do not represent a State in a Cotton Belt, and I am not familiar with the problems of the cotton farmers; but I am trying to familiarize myself with them, and I know the Senator from Louisiana is familiar with them.

Mr. LONG. Let me explain to the Senator so he will understand. The Senator from Georgia explained the matter this evening very well, and I will undertake to explain it in my language.

The price of 12 cents a pound on cotton is what is sought, and calculated in this whole matter is a processing tax, which has to be paid by the man buying cotton. As an example, a miller has been told by the United States Government, and the promise has been made, that the price of cotton is 12 cents a pound. That miller buys the 12-cent cotton, he loads up on it, he makes goods with 12-cent cotton, he stacks his warehouse full of cotton goods that are made with 12-cent cotton, and he is not protected.

When today they are notified that the loan value of cotton for 1 year only is 10 cents, the man who has paid the processing tax, who has been told that 12 cents is the price of cotton, who has been promised that, must, on his inventory and on his stocks purchased on the face of the Government, go into bankruptcy. It means the bankruptcy of the domestic miller. It means, on the contrary, that the foreign miller has clear sailing. He gets American cotton and foreign cotton at 10 cents, and below 10 cents, and his goods are therefore brought in, and bankruptcy becomes the lot of the domestic man, who took the word of the Government.

There is another thing: What they have promised is that they will lend 10 cents on the 1935 cotton, this year's cotton, and then that the cotton farmer from this time on will get 2 cents a pound bounty. That is how the farmer gets his 12 cents. But the store, which already has bought the cotton at 12 cents, or whatever the price may be, including the processing tax; or the miller, who has already bought the cotton at above the 10 cents by several cents, and the merchants who have bought cotton goods at this price—those men are left out in the cold, and the crossroads merchant, who buys 20 or 25 bales of cotton, paying the 12-cent loan and the processing tax, is left out in the cold, and has to take his loss. Nothing in this agreement protects the farmer who has already gathered his cotton and sold it at the market price which prevailed the other day, before it could go lower.

In other words, they have not provided against the bankruptcy of those people at all. They have just as much assurance as the man who grew a crop—and I call the attention of Senators further to the fact that this loan of 10 cents, and a bounty of 2 cents, can only prevail 1 more year, because it must go down next year if they are going to throw this on the market.

They have decided that the A. A. A. will not work, and instead of the Government taking the blow—instead of it taking the blow out of the fund it has accumulated—it has thrown down the men who have bought the goods and have taken their notes, and now must go into bankruptcy because they did.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McCARRAN. It is enlightenment that I desire, because a group of western Senators went along with the southern Senators to set aside the rule. We were zealous; we were earnest; we believed that the great Cotton Belt was being affected, just as we thought the Wheat Belt had been affected, and the western Senators voted with the southern Senators to set aside the rule just the other day.

So when I ask a question of the Senator who has the floor I do it, not to hold up the Senate or to take the time of the Senator, but rather to receive enlightenment.

It does impress me—and I should like to have the Senator enlighten me, and I want him to do it fairly—that this whole matter has grown out of a condition which has been brought about by what is known as the "A. A. A." In other words, I might refer to an expression by Jefferson, and I ask the Senator to answer me in the light of that expression, when he said:

> If we have to look to Washington as to when we shall sow and when we shall reap, some day we will be without bread.

Mr. LONG. That is correct; and we are without bread.

Mr. McCARRAN. Of course, cotton is not bread, but wheat is; and with that in mind, does it impress the Senator that we have gone too far in theory in keeping with the A. A. A. policy and that that has led up to this unfortunate situation?

Mr. LONG. I think the Senator expresses the case very aptly. We have, nonetheless, still tied the little cotton farmer down. We said to him, "If you did not plant cotton last year, you cannot plant it this year. You can gage what you can plant this year by what you planted last year." There may be a few exceptions to that, but very few. A man cannot start out now and plant cotton at all. He would have no market. However, the millman has to look to Washington practically for the plowing up and planting and the gathering of what he eats, as well as for the protection of the cotton which he is supposed to have.

The A. A. A. has fallen flat. Again I say to the Senate, "I told you so. I told you so." I said this thing would blow up. It has already blown up, inside and outside. There are not any hogs. A few days ago the housewives went over to the White House, I have been informed, and complained about the price of pork, and the White House spokesman, whoever he may have been, said, "The only way to reduce the price of hog meat is to raise more hogs." They did not say, "We went out and killed 6,000,000 last year to keep the price of meat up."

There is also the same calamity in the cotton-producing States. So where this fictitious pegging, which was going to raise the price, and all of this conglomerated scheme of things, which no one could keep in his mind, nobody knew head or tail or hair or hide—finally falls of its own weight, and the pitiful thing is that the wheat farmer and the cotton farmer are now being picked out to take the brunt of it.

Why do they not come in and say, "The whole thing will not work", and call in some of the sensible people who told them it would not work, and let us devise a scheme of getting out of this orgy of conglomerated misfits and misunderstandings.

Let them call me in, and I will tell them how to get out of this thing as they ought to get out of it. I can tell them how. Do not call one of them in. Call in some of us men who told them not to do it. Call in some of us who said that thing would not work, who tried to tell them how to fashion a plan that would work in this country, instead of this same set that is up there, which devised this outrageous scheme of things, and is now devising another plan, and when that fails, there will be another plan.

More farmers' homes have been sold this year. Some of them are out of their homes. They have their earning power reduced even below what it was in the Hoover year of 1929. The most that a farmer can make is 50 percent as much as the Hoover period farmer was earning in 1929. And he is getting only a 59-cent dollar, as against a Hoover 100-cent dollar based upon the gold content, according to the laws of Congress and the regulations of the Treasury Department.

That is the pitiable plight we are left in tonight, and our plight will be worse than that if in order to maintain that system of things we have got to keep the people's elected representatives from voting. Think of it! Think of it! "Upon what meat doth this our Caesar feed?" Think of it! In order to maintain this hydra-headed abominable system

of wreckage and ruin and starvation and pillage they have got to adjourn the Congress of the United States without letting the elected Representatives of the lower House have the right to vote. Think of it! The people's representatives will depart from here by midnight, and they will go home, and they will be asked by their people, "Why is it that you allowed this thing to persist? Why did you allow the wreckage to become a double wreckage?" And their representatives can only say, "Well, had we been allowed an opportunity to vote we would have voted with HUEY LONG, but we were not allowed to vote."

That is what they have got to say. The only thing I can say is that they did not want me to talk but 5 minutes, and I insisted that I had a right to talk. If you will not let our elected Representatives from Louisiana vote, then, bless my soul, their Louisiana Senator will talk for their vote. That is one thing he will do. [Laughter in the galleries.] That is all the right we have left. If you will give the eight elected Representatives of the State of Louisiana the right to vote—I do not know how they will vote; they are their own judges—but if you will give the eight elected Representatives of Louisiana the right to vote you will not hear another word out of me. They have a right to have their position known. They come here elected by the sovereign people of that State. They have a right to say whether they want this or do not want it, and they have a right to say whether they are to keep faith with the wheat Representatives and Senators the same as they are keeping faith with one another.

But, oh, no. What I am clamoring for here has become almost laughable. Think what the issue is tonight, Mr. President! I am contending for such a radical proposition that it will be laughed about in administration circles from now on. I am actually trying to give 435 Representatives a chance to vote on an issue before the Congress. Think of it! It is becoming almost silly. Think of it! There is no point of difference on the merits of the bill. I have not contended for that, because I believe I can take the word of the other House and the word of the Senate about that; but the only thing is that the Members of Congress are being strangulated tonight and denied the rights and the privileges and the prerogatives of elected representatives of a free people to say whether they do or do not want an enactment which has been passed by two-thirds of the Members of the United States Senate. That is the issue before us, and that is all.

I received some information over the telephone tonight. I said to a friend of mine today, "Who was it that got up this 9-cent loan?" A newspaperman, whom I know to be reliable, telephoned me tonight and said, "I have found out for you that the Secretary of the Treasury, Mr. Morgenthau, has given out a statement in confidence, more or less, but nonetheless I tell you as a fact that Mr. Morgenthau says that this 9-cent plan was devised by Mr. Oscar Johnson, of Mississippi." I said, "Mr. Oscar Johnson, of Mississippi; that may be where he lives, but that is not where I know him to be from. If it is the Oscar Johnson, of Mississippi, that I know about, he was the manager for a chain of British plantations." The newspaperman said, "That is the same man." And so I am glad to confirm what I thought to be the fact. I knew this idea could not have been given birth in the brain of an American cotton owner, nor an American cotton planter, nor any American who understood the situation. I knew that the idea had foreign parentage; and lo and behold, the gentleman who was formerly a manager of a number of British plantations, and has lately returned from London, has given birth to this plan, and his brain child has become the adopted child of the A. A. A. of the good old United States.

That is why I am afraid for the 40 Senators and Representatives who are going to Japan.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. FRAZIER. Is this the same Oscar Johnson who has charge of the cotton division for the A. A. A.?

Mr. LONG. I think so.

Mr. FRAZIER. He is the man who came before the Committee on Agriculture of the United States Senate at the last session and made the statement that because of the cotton program the farmers in the South were getting along better than they had been getting along previously. He said they were quite prosperous. I asked him how much they were making. He said the average farmer had made a hundred dollars clear that year.

Mr. LONG. A hundred dollars!

Mr. FRAZIER. Yes.

Mr. LONG. Think about the farmer making $100 a year! And this man thinks that is doing well on the part of the farmer. He had been over there in London, England, before he made that statement. And he thought the cotton farmer was doing well if he made a hundred dollars a year.

That was Mr. Johnson's testimony, which I understood the Senator from North Dakota managed to elicit—that he thought the southern cotton farmer was getting along fine. My friend from North Dakota asked him, "How much is that farmer making?" And Mr. Johnson said, "Why, on the average about $100 a farmer." Think of it! This same gentleman takes another trip over to London. Possibly while he was over there they had one of these swell affairs going on, some sort of ceremony over there in the land of King George the Fifth and Queen Mary the Four-fifths, with dukes and earls and lords and other things. [Laughter in the galleries.] He comes back again and he decides that the cotton farmer who was making $100 a year for his family was getting a little bit too much, and so he cuts him down 25 percent and makes it about $75 a year; and now this gentleman, who has confounded his interest and his idea with the welfare of the British interests, comes back to America again and sits not at the feet of the Agricultural Department, but puts the A. A. A. at his feet and gives us more balm in Gilead by which for the next year or two he will only reduce the earnings of the cotton farmer a little bit, provided the wheat farmer is thrown out of the door at the same time.

Those men think they are doing the farmer a favor when they let him have the $100 in money a year. They honestly think they are doing him a favor. Oh, my friends in the Senate, you should have had to make some of the political campaigns I have had to make. You ought to have seen some of those foreign and even native plantation owners who honestly in their souls feel, when they allow a white farmer or a colored farmer $100 a year to live on, that he is getting along well, provided they themselves have sufficient prosperity to pursue their foreign trade and now and then introduce one of their daughters at the Court of St. James.

Mr. President, this man thinks $100 is a good income for the farmer. That is the brain child that we have here before us, and which we are discussing, and it comes from this same man who is willing to allow the farmer $100 a year.

Now I will speak of A. & C.—Anderson & Clayton, of the State of Texas. Mr. Clayton was up here at one time and said that the only way a man could tell what the price of cotton was going to be was to guess his mind. I was told that some time ago. The Anderson & Clayton people are a very large concern. They have been taken care of under this scheme of things. Such men as the Senator from Georgia [Mr. GEORGE] mentioned Anderson & Clayton and others are taken care of. But did anyone know that Anderson & Clayton have certain interests located in Brazil? Did anybody know that? Great American cotton factories, I have been told this afternoon by what I am confident to be very reliable authority, already have certain interests and have located in Brazil in order to handle the cotton situation, and the American cotton farmer is being dealt with from both ends at the same time. That is their condition.

Gentlemen of the Senate, it is not fair that I pursue this course without giving my friend from North Dakota and my friend from Nevada, who have informed me that they wish to be heard on this matter, an opportunity to speak. If they do not cover some of the matters that are affected by this situation, I can come back at a later hour and address the Senate further on this matter.

Mr. McCARRAN. Mr. President, before the Senator concludes——

Mr. LONG. I yield for a question.

Mr. McCARRAN. I should like to ask one or two questions. The questions I hope may be sufficiently elucidated by the answers so that the Senate may be advised.

As I understand—and I want the Senator from Louisiana to know that I am very much unenlightened on the cotton subject—America today is about to enter into competition with foreign countries in the production of cotton and the manufacture of cotton textiles; and that competition, as I understand, has largely been brought about by the conditions that have grown up in the great Cotton Belt.

I wish to say to the Senator from Louisiana that it seems to me we cannot solve that problem in an evening; and, in view of the fact that this appropriation bill carries many appropriations most vital to the welfare of the Nation during the next 4 or 5 or 6 months, and in view of the fact that a study should be made of the problems which he understands and which many others of us do not understand, would it not be well, and would it not be in keeping with the Senator's very earnest views, to permit this bill to go through, with the understanding that has been recorded on the floor of the Senate by Senators equally as interested as is the Senator from Louisiana? Then, with the same assurance that I gave the junior Senator from South Carolina just last Saturday, which is of record here, I believe that the western Senators will join with the southern Senators to the end that their great product in the South shall not be abandoned.

I only make that suggestion in view of the hope I have that we may arrive at a conclusion here tonight and that the Congress may adjourn.

The senior Senator from South Carolina and the junior Senator from South Carolina and other Senators from the great Cotton Belt of the South being apparently satisfied, and believing that this is the best they can do for the moment, and further, in view of the fact that we would otherwise destroy some of the valuable work we have accomplished during this session of Congress, would not the Senator consent that this matter may go through, with the understanding that the amendment as to cotton and as to wheat may be dropped and the bill go on to accomplish its other results, with the idea that eventually we will come together for the benefit of the product in which the Senator is so much interested?

Mr. LONG. Mr. President, let me answer the Senator in this way: If this administration is no more concerned with the welfare of the people than that it finds it necessary to adjourn the Congress tonight in order to keep the House of Representatives from voting on a bill, then, evidently, the administration has not anything to lose. If it is so concerned that it has got to adjourn the Congress for the sole purpose of keeping the House from voting, then, evidently, it has not enough illustrious statesmen that it thinks amount to very much to be lost by adjourning at 12 o'clock tonight. If it is so dead set on adjournment that it has got to get us out of town tonight, then, evidently, it has not got very much confidence in the Congress. What harm is to be done by the Congress staying here Tuesday, Wednesday, and Thursday? Representatives and Senators draw $10,000 a year whether they remain here or not; it does not cost the Government anything to keep Congress here. Congress is the only thing that goes on, anyway. But it is said the administration has got to adjourn the Congress, and the Senator from Arkansas announced that it would not affect any of the appropriations in the deficiency bill, because, said he, the administration will take it out of the relief money, the $4,800,000,000 already provided.

Mr. BARKLEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield for a question.

Mr. BARKLEY. I wanted the Senator to yield for a correction. I think the Senator did not intend to misquote the Senator from Arkansas, who said that he had been told that money might be available for some of the agencies provided for by the bill, but that he himself did not know from what fund they could be obtained.

Mr. LONG. That is all right. If he understands that they can get the money, it does not make any difference where they get the money if they get it. So it is all right; I do not mind. If the Senator knows the administration will get the money, then, that is all right.

Let me say further to the Senator that there was once a little battle at Lexington, Mass. The battle did not amount to much; it was a very small battle; but at that battle there was fired "the shot heard round the world", and it resulted in the freedom of this country. Also we have been told about other similar skirmishes that amounted to very little; but here is one of the most momentous affairs that have ever arisen in the history of this country. The Senate is about to decide tonight whether or not we have got legislative government. It is about time to decide it. We have got only one question before this body, and that is whether or not we will permit the administration to pass any bill that it wants, and, in order to do it, that it will be allowed to keep another House of Congress even from voting on something which it may or may not want. That body has the right to have this deficiency bill voted on, and the Congress then can get out.

Gentlemen of the Senate, do you know why the administration wants Congress out of here? It is because in the backwoods and out in the open spaces they are getting up in arms over what is being done to them in this Congress. They are tired of it; they are learning about what is happening here. The administration has got to get this Congress out of here tonight because tomorrow morning by 10 o'clock the wheat farmers will be getting their pitchforks and the cotton farmers will be getting their hoes and will begin to gather around and inquire; and the administration has got to get this Congress out of here so the farmers will know there is no need to get together, and so by tomorrow morning they will understand that they cannot do any good by demanding legislative government in this country. We have got to give them to understand that their cause is hopeless. That is why we have got to get Congress away from here. If it is not done, away up in the forks of Minnesota and away down in the panhandle of Texas there will be farmers who will get together tomorrow and telegraph their Representatives, "We demand, sirs, that our elected sponsors have a right to vote on whether or not we are to be protected."

That is why the administration wants to get Congress away from here. One of the best features of the situation is that it has indelibly fixed it in the minds of the people that the administration has kept the elected representatives of the people, Members of the other House of Congress, from having an opportunity to vote. I want it to be known from one end of the country to the other that this Congress will adjourn tonight over my protest; that I voted against adjournment, and that it was adjourned in order, and with the result that 435 elected Members of the other House of Congress might not be allowed to cast a vote on whether they would or would not give the wheat and cotton farmers what had been voted by a two-thirds majority of the United States Senate. I want it brought to attention that I am only making one demand, and that is that the Members of the Congress be given the right to vote.

I see my distinguished friend from Virginia [Mr. GLASS]. I should like him to consider for a moment whether or not he feels this is a matter of proper legislative procedure when one man in one House of Congress stalls the entire legislative machinery and prevents action by that body, and the Senate recedes because the other House cannot act. Is that the conception Virginia had of a republic—Virginia, the mother State of the Union? That is not the conception I have gotten from my reading of what was promulgated by that first of all States. One man in the lower House of Congress has said, evidently acting upon orders that he got somewhere else, or maybe acting on his own initiative—I do not know——

Mr. ASHURST. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arizona?

Mr. LONG. I yield.

Mr. ASHURST. The able Senator complains that one Member of another branch of Congress is preventing that body from doing what it wishes to do, but the able Senator is guilty of the very same vice here. One man in the Senate is preventing the Senate from doing what it wishes to do.

Mr. LONG. I am trying to prevent the Senate from going home.

Mr. ASHURST. The Senate wishes to go home.

Mr. LONG. I have nowhere to go. Where am I going to go? I have no place to go! [Laughter.]

Mr. ASHURST. I might whisper to the Senator where I should like to have him go.

Mr. LEWIS. Mr. President, would the able Senator from Louisiana like to have some Senator tell him where they would like him to go? [Laughter in the galleries.]

The VICE PRESIDENT. The Senator from Louisiana will suspend. The present occupant of the chair has not cleared the galleries since he has been Vice President, but he will do so unless the occupants of the galleries pay some heed to the rules of the Senate, which prohibit the occupants of the galleries from audible laughter or conversation or otherwise expressing their approval or disapproval of what is being said on the floor of the Senate.

We like to have you here as visitors, but in order that you may remain as our visitors you must observe the rules of the Senate. The Senator from Louisiana has the floor.

Mr. BORAH. Mr. President, does not the Chair think the rule might well be applied to the Senate also?

The VICE PRESIDENT. The Senator's suggestion is correct. The statement of the Chair applies to our visitors on the floor of the Senate as well as to Senators themselves. The Chair made no distinction intentionally.

Mr. LONG. Mr. President, in answer to my friend the Senator from Illinois first, and then I shall take the other Senator's question—the first shall be last and the last shall be first—as to whether or not I would be concerned in knowing where other Members of the Senate would like to have me go, I do not know, but I do know there is no good in sending me anywhere where there would be no improvement over my surroundings of the present moment.

As to the other question which has been asked—I forgot what the question was, but it does not make any difference. What is the principle at issue? My friend from Arizona, Mr. President, is probably the greatest student in this body. He studies too much sometime, though.

The Senate heard him on a recent Saturday deliver such an eloquent speech that his picture was printed on the front page of every newspaper and magazine, and his remarks were carried in extra-bold and large-sized type. The ordinary newspapers print their paper in 8-point type or a little bit smaller than 8-point type. The papers the following day after his speech printed the remarks of the Senator from Arizona in 10- or 12-point type, and printed his picture and made him nearly as good looking as he really is, and went on to say how the Senator from Arizona had shown that all the logic and all the things being advocated by the senior Senator from Louisiana were the turbulent kind of things and creatures that are washed up in storms at sea and hurricanes on the land.

Lo and behold, he had scarcely received all of that great amount of praise and publicity until about 2 days later the President of the United States sent a message here that the one thing to do was to redistribute the wealth of the country. It looked to me like the Senator from Arizona would never come back here again. I watched for him for 2 or 3 days to see what he would say.

That was a wonderful speech, absolutely obliterating all the logic of my argument from the face of the earth. I had pored over it for several days and it was so well studied and so carefully considered that I thought there would be no possibility of making any reply at all, when, lo and behold, the great gentleman in the White House saw fit to send a message here, the effect of which was to say that the Senator from Arizona did not know what he was talking about.

That is the kind of unusual thing that happens to a man in this body when he disagrees with my logic. It is a dangerous thing to controvert my argument in this body. The Senator from Arizona will tell you that the White House will rise to my defense almost in a moment. I warn my colleagues against becoming involved in that kind of situation.

Getting back to the question before us, I want to be told if I am not correct in everything I say here. I wish to propose a unanimous-consent agreement. I shall not propose one, but I shall propose to propose one. If I propose anything here I would probably lose the floor. I realize I am treading on thin ice. I am going to be mighty careful the balance of the night, so I am not going to propose any unanimous-consent agreement, but I have one in mind that I might propose if I could propose it without being opposed in having the floor again.

Here is what I have in mind. Let us take the deficiency bill which came from the House, which had been amended by the Senate, and send it back to the House of Representatives. Let them vote on it as amended. If they vote to take off the cotton and wheat amendments, then come right back here with the bill and we will pass the bill and all go home. But let us send the bill over there and let the House vote on it.

I challenge all sides and beg all sides, the high, the mighty, the powerful, to let the House have a chance to vote. That is all I ask. Take this bill and send it back to the House, and I will risk whatever I may have said. I will withdraw the splendid speech I have made here tonight from the RECORD and never have it printed if you will send the bill to the House and let the House vote on this matter tonight. Send it over there and let the House vote. Let them vote. Who is afraid?

Mr. BARKLEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield for a question.

Mr. BARKLEY. Does not the Senator know the only opportunity the House would have to vote on the bill again would be for the Senate to vote on the motion now pending to reconsider the vote by which the Senate passed the bill, then vote on whatever subsequent motion may be made with reference to sending the bill back to the House in whatever shape the Senate sees fit to send it? Without that procedure there is no chance for the House to vote on anything more connected with the bill.

Mr. LONG. Of course, I am not going to charge the Senator anything for giving him some parliamentary advice, and here is the better way to do it.

Mr. BARKLEY. The better way to do it would be for the Senator to cease speaking.

Mr. LONG. The Senator is wrong. Mr. President, I must call the Senator to order and ask him to get permission of the Chair to interrupt.

The VICE PRESIDENT. The Senator from Kentucky has no right to interrupt the Senator from Louisiana without getting permission of the Chair, although——

Mr. BARKLEY. Mr. President, I have just obtained permission of the Chair, and it was in pursuance of the colloquy that I thought I had the right to interrupt the Senator further. I apologize both to the Chair and the Senator from Louisiana if I have transgressed the rule.

The VICE PRESIDENT. The Senator from Louisiana is invoking the rule which has not always been invoked or respected when he has sought to interrupt.

Mr. LONG. I ask you, Mr. President, to "forgive them; they know not what they do."

This is what ought to be done; here is the way to handle this matter: Let the Senator from Arkansas ask me to yield for the purpose of withdrawing his motion to reconsider the vote; then let the bill go back over to the House and be voted on.

We need not befool ourselves about what is happening in the United States. There is no need of drawing a false curtain around the Senate and refusing to know what everybody else knows. We know that it is no trouble at all to get the bill voted on. That is a small matter. Nobody need tell me that he does not understand how that can be accomplished. Why be foolish? We all know what the situation is. I do not care. The main point I have in mind is that if the legislative body elected by the people want to take the responsibility of voting one way or the other that is their funeral. That is not my funeral. I do not care who is the guiding influence over them.

I do not care what is the motive. It is not any of my business to inquire into the motives of men in the other House. If they are given the right to vote, that is all I ask; but once they are given the right to vote, I have no further quibble or quarrel. If you will give the House of Representatives the right to vote, I shall have no further quarrel or quibble. I shall have no further right to complain if they vote it up or vote it down; but do not come in here and say, "We are going to recede." Why? "We are going to recede because the House has not had a chance to vote on this matter."

Well, let the Senate stay in session until the House does have a chance to vote on it. If the House wants this thing to go to its committee, let it go to its committee. We can wait here until the committee has an opportunity to report. If they want a report from the committee or if the committee does not want to report, then the House can take the bill away from the committee and vote on it; but we all know, gentlemen of the Senate, that if the whole matter is put up to them the House will vote on this matter; and what I am saying here is in defense of a legislative system which has prevailed in this country ever since 1789. That has been the system of government here since 1789.

I am interested in the Democratic Party. I do not want the Democratic Party to commit an act of political suicide. I tell you, Mr. President, it is mighty hard to keep a man from committing suicide. Whenever a man sets out to destroy himself, it is a very difficult matter to persuade him not to do it; and when a political party sets out to destroy itself it is an awfully hard matter to convince it that it ought not to do it. Never in my lifetime have I seen so many deliberate acts committed, apparently with no purpose whatever in mind except to destroy a party, as have been committed by the Democratic Party since 1933. Never have I seen any such designs of self-destruction inflicted upon a party as the Democratic Party has inflicted upon itself.

You come in with the N. R. A. It fails. The Supreme Court knocks it out. What do you do? You turn around again and begin to mouth because the N. R. A. has been knocked out, with all the destruction it has done. Then you come in with the A. A. A. It is practically admitted by its sponsors to be a failure. Then we stick around with it and try to carry along with that kind of proposition. Time after time have we seen these so-called "emergency experiments" fail, fall flat, a complete blunder on our part for having ever enacted them, and nonetheless we profit at no time by the mistakes we have made. That is what we are up against here.

I remember one time when I had a lawsuit with a Jewish merchant, and we compromised the lawsuit. I said to him, "Here! I will give you $125 if you will give me a receipt in full for this $800 claim you have against my client." He said, "All right; I will agree. I will take the $125." I said, "You will take my word for it, won't you, that I will give you the $125? I am a reputable lawyer here at the bar. I have not the $125 right now handy, but within a day or two I will mail you my check for the $125." He said, "That is all right; I will take your word for it." A few moments later, however, he began to talk to himself on how my client had swindled him, he claimed, in one way or the other, and finally he said to me, "Here; you want to settle that thing for $125. I don't know you as well as I thought I did. You are still representing that scoundrel. You go get me that $125 now and bring it back."

I want to say this: If you want this deficiency bill by 12 o'clock tonight, if you are in such a big hurry that you have to have it by 12 o'clock or not have it at all, then you let the House of Representatives vote on the bill. If you want the bill as badly as you claim you want it, I say to this administration: You let the House of Representatives vote on the bill. Evidently things have come to a pretty sorry pass if you have a bill here that you just have to have; but you will not have it unless you can get it without letting the House of Representatives vote on it.

That is a nice presentment we are making here of a legislative situation. We have to have this thing right now. Oh, it has to come; but we do not have to have it so badly that we can stand to let the House and Senate stay here any longer, and we do not have to have it badly enough that we will allow the House of Representatives a right to vote.

That is the situation. No, sir. There is a very important principle involved here. If you do not think so, you wait until you hear from the people out yonder in the open spaces. I know how what I was saying was looked on by my colleagues here two and a half years ago. I know my colleagues here, who were my good friends, advised me that I was going to absolute political destruction when I began to fight things this administration began to bring in here in the month of March 1933. I did not wait for the popularity to pass out to begin to fight these things and vote against them. I began voting against them on the 5th day of March 1933.

I know I was advised by my friends as I went along that I was traveling the course of political destruction. Now, how has it come out? The only persons who are worried about how they are going to come out are the ones who voted against me so steadily. I am not worried. It will not affect me a bit. I have not even got an opponent down there yet.

Think of it! Four months from now they will have an election down there, and I have not even got an opponent. Why, I am fixing to go up here to Pennsylvania to spend a day or two with my kinfolks, and then go over in Oklahoma to visit around over there a few days. I am having a high-heeled old time. I am going over there to the good old land of Oklahoma, where I went to the university for 6 months, or 5 months, or such a matter. I am going over to Oklahoma, because it is wonderful country. It is the country that produced the junior Senator from that State, who sat here and voted—one out of seven—against plunging this country into the World War; and, if for no other reason, I owe a trip to Oklahoma that I am going to take over there this year.

I have plenty of time—nothing to do; the election 4 months off; just having a high-heeled good time, and nothing to do at all. That is why I want these gentlemen to stay here with me a few more days—nowhere to go; nothing to do. Where will I find such company as I have had here in the Senate if they adjourn now—where?

There may be such talent elsewhere, but I know of none such to be found; not in my young life. It is a little bit early. The football season does not begin until the 28th day of September. I have a whole month. I should like to see the Senate stay in session until the football season starts, if it could be done; so let us stay here, if this is necessary. Why be in a hurry until these important matters come along?

When the important season arrives, then it is time enough to talk about getting out of Washington in such a hurry. But in the meantime, remember that I have friends in the House of Representatives, some friends and some enemies. I feel kind of like my old friend in Dodson, La., who joined the Baptist Church in a protracted summer meeting. The poor old man was kind of half-way kin of mine. He is dead now, poor old soul, and I know he has gone to his reward, and a good one. His name was Uncle Adam Andrews. He was converted there and joined the church about August, about this time of the year, and he was up before the congregation. The preacher said to him, "Uncle Adam, do you love all your neighbors?"

He said, "Yes, sir."

"Do you forgive all your neighbors everything they have done to you?"

He said, "I do. I love everybody. I love every neighbor I have. I love everybody."

About that time his son walked down the middle aisle, and Uncle Adam said, "Nearly everybody."

Well, Mr. President, I love nearly everybody over in the House of Representatives. I think a lot of them, a lot of nearly everybody over there. There are a few over there I should like to see out; but at that, taking them as a whole, they are pretty good fellows, all 435 of them.

Now, an old friend of mine, the Speaker over there, says the House has just as good a Membership as he has ever seen; and if that is the case, I would just as soon see the 435 looked on in a good light as any other, if my friend the Speaker knows what he is talking about.

But I do not want to go back to the people and say that I joined with the national administration of the Democratic Party at this particular time to scalp that body from having the right to pass upon legislation. Is this the right thing for me to do, when I found out that there was a Member over in that body who for some reason, I care not what—do I want to say, as the newspapers did, that the President of the United States did not want the House to vote? Then do I want to say that I gave my arm to that effort, to see that those 435 men were scalped of their prerogatives as legislators in this country? That is why I am undertaking to have the Senate draw its mind's eye tonight to this matter. That is what I am undertaking to do.

Many men who formerly sat in the House of Representatives now serve with distinction in the Senate of the United States, and in undertaking to take from the Members of the House prerogatives they have, the right to vote, I say the Senate of the United States is going a long way.

Let us get back to the merits of the matter. I want the Senate to understand that while there may have been times when I have been charged with having filibustered in this body, no one will allege that I am doing so tonight. I am speaking on the pending question. I am speaking on a momentous question, which can hardly be discussed in a day's time in full, and I believe I am gaining converts as I go along.

At first there were several men in this body who did not seem to appreciate that what the Senate was being called upon to do was to adjourn the Congress in order to keep the House from voting, but as Members of this body are listening to this speech and to my logic, I can see that a change is about to occur in the body, and that there is going to be a size-up of the situation if I continue here and I get the ears of the Members of this body.

There are more Members here now listening to me than have listened to me at any time during the whole year. Right now there are more Members of this body listening to me than have listened to me during the whole year since I have been speaking here, one of the largest attendances on this floor that I have ever had.

The Members of the House who have been hearing about this important matter being discussed over here are coming to the floor of the Senate and are beginning to think, these men with fine-looking countenances, who line the walls here tonight. I am looking them over. Every one of them is a fine looking man, everyone of them—as fine a set of men as I have ever seen—from their looks. Of course, I have not investigated them, and do not intend to inquire about anything but their public conduct, and not much about that.

Are you going to humiliate these 435 gentlemen? Well, there are 430, I believe; there are five or six lady Members. I want to tell you I will stake my reputation that if this thing is left to the House tonight the House will concur in the Senate amendments. I am willing to stake whatever little reputation I have ever earned, whatever I have ever been known for, I am willing to stake it all, that if you will send this bill back to the House and let the Members of the House vote on it, they will concur in the amendments of the United States Senate on the deficiency bill.

Why ask me to do more than that? Why would anyone ask me to do more than that? Some one might ask me to do something about the matter. Why ask more than that? I have only asked that the House have a right to vote, that is all.

I am not supposed to be talking to the Members of the House, and I am not; but after they listen to me addressing the Members of this body I want the Members of the House to go back on the stump and say to their people, "I was a witness to a Senator from the great State of Louisiana, I was a witness to a fight made by a Senator from Louisiana to give the House of Representatives the right to vote."

The only Senators standing here tonight asking that the Members of the House of Representatives be given the right to vote are the senior Senator from the State of Louisiana and the other friends whom I have with me, who have upheld our stand in this situation all the way through. We are the only ones left here asking for it.

I know, gentlemen of the Senate, that we make many mistakes for the sake of the party, and it is good that we should at times. Sacrifices in the name of the Democratic Party are great things. It is great to give one's life for the country, but it is still greater to give one's life for the party, provided you give the right kind of life.

I am willing that the Members of the United States Senate should give their political lives. They have that right; it is theirs; and if they want to give their political lives tonight, I am willing that they should do so. But I am not willing for them to sacrifice the lives of 435 innocent Members of the other House of Congress. I am not willing for the political existence of 435 innocent Representatives to be snuffed out without a right to resist. That is the situation to which I address myself tonight.

Ah, believe me, I know something about these boys; what kind of trouble they have when they run for Congress. Every school teacher, and every district attorney, and every judge, and every country merchant, and every Fourth of July orator in the congressional district has his eyes on Congress. There may be many a man in Congress who does not think he has an opponent, but he has just as many opponents as there are people in his district who have heard about Congress.

They have their eyes peeled on the Capitol Dome, which is lighted up by the electric lights at night, and which reflects the sunlight in the daytime. They have all heard about Pennsylvania Avenue, do not forget that. They would not think so much of it after they got here as they think of it before they get here, but everyone has his eyes on Pennsylvania Avenue.

Mr. ROBINSON. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

Mr. LONG. A parliamentary inquiry.

The PRESIDING OFFICER (Mr. HAYDEN in the chair). The Senator will state it.

Mr. LONG. Will this take me off the floor?

Mr. ROBINSON. Of course it will not.

The PRESIDING OFFICER. It will not take the Senator off the floor.

Mr. LONG. Very well.

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Adams | Copeland | La Follette | Schall |
| Ashurst | Costigan | Lewis | Schwellenbach |
| Austin | Davis | Logan | Sheppard |
| Bachman | Dickinson | Lonergan | Shipstead |
| Bailey | Fletcher | Long | Smith |
| Barkley | Frazier | McAdoo | Steiwer |
| Black | George | McCarran | Thomas, Okla. |
| Bone | Gerry | McGill | Thomas, Utah |
| Borah | Gibson | McKellar | Townsend |
| Brown | Glass | Maloney | Trammell |
| Bulkley | Gore | Minton | Truman |
| Bulow | Guffey | Murray | Tydings |
| Burke | Hale | Norbeck | Wagner |
| Byrd | Harrison | Norris | Walsh |
| Byrnes | Hatch | O'Mahoney | Wheeler |
| Capper | Hayden | Pittman | White |
| Caraway | Holt | Radcliffe | |
| Chavez | Johnson | Robinson | |
| Clark | King | Russell | |

The VICE PRESIDENT. Seventy-three Senators have answered to their names. A quorum is present. The Senator from Louisiana has the floor.

Mr. LONG. Mr. President, for the last 18 months or longer there has been a cry in the United States, which I do not assert of my own knowledge, that the Members of the Congress were largely controlled by the lash and whip of the Executive. I do not make that statement, but, as we all know, that statement is made every day. It was said that the Members of the Congress were voted under the lash and whip of the Executive.

Today what do the people say? Tomorrow they will say, "No longer is Congress voted by the Executive, but he refuses to let the Congress vote." How can any Member of the Senate go out and allow that to be said? It has been said that the Congress was voted under the lash and whip of the Executive, and now it will be said that the Executive will not let the Congress vote at all. Instead of having it said that the Executive compelled the Congress to vote, it will be said that the Congress was not even allowed to vote. Whether that is right or whether it is wrong I do not undertake to say, but that is the proposition today.

If this bill shall be sent to conference I will have no objection and I shall have nothing further to say. If the House of Representatives shall be allowed to vote on the bill I will have no objection and nothing further to say. But we are told that the wheat farmers and the cotton farmers of the country may have a majority of Congress wanting to do a certain thing for them, and that the wheat farmers can be turned out of the door altogether and the cotton farmers two-thirds of the way out of the door, and do it by a process that keeps them from even having the right to a vote in one branch of the Congress. That is the issue which faces the American people tonight. Am I afraid to have it said to the people of Louisiana that that is my stand? Not "on your tintype", not by any means at all, not in the slightest. It may be the belief of some of the 96 Members here, I do not know how many, that the time has come when we had better yield, sit down and quit. That is all they have to do to win. They do not care how long and how hard you talk if you quit when the time comes and if they win. They do not care as long as you quit, but when you do not quit it is a different proposition.

If they want to quit, let them quit. If they want to fuss, let them fuss. If they want a Government under which the Members of one House cannot vote, I want a Government under which the Members of the House can vote. I stand by the consequences until I shall bring this matter sufficiently to the attention of the Members of this body that they will stand with me for what seems to be a responsible Government.

How was this bill handled according to the RECORD? When the bill got over to the House the other night I had somebody watch it. I said, "Watch this bill. The rumors are around here that they are not going to allow the House Members to vote on it." I heard the rumor and heard conversations around here before we voted on the bill that there was a way to keep the Members of the House from voting or reaching a vote on it. Before we had even got the bill voted, when we had voted to suspend the rules by a two-thirds majority vote, it was said all around here that there was a way by which they could keep the Members of the House from having the right to vote on the bill.

How did they finally do that? I have the RECORD here in my hand. I can read it from the CONGRESSIONAL RECORD.

This bill got over to the House. The House did not vote on anything. The Speaker of the House under the rules of the House referred the bill to the committee. Mr. BUCHANAN, I believe, is chairman of the committee to which the bill was referred. I have the CONGRESSIONAL RECORD here containing the proceedings of the House. Let us look at the RECORD and see what occurred. Here it is: Mr. BUCHANAN, Mr. RANKIN, Mr. WOODRUM, then the Clerk read, then certain amendments were sent forward, then Mr. WOODRUM said:

> I desire to be heard briefly.

Then the Speaker said:

> That is the point on which the Chair desires to hear the gentleman.

Then Mr. RANKIN said something and then Mr. BUCHANAN:

> Does not the gentleman understand that when that bill came back from the Senate, carrying $500,000,000, * * * the rules provide that the bill should be referred to the Committee on Appropriations, in order that they might investigate those amendments and report on them, and not be required in 3 or 4 minutes or 3 or 4 hours to pass upon that vast amount of appropriation to see whether it is justified or not?

According to him, as interpreted by the Speaker when this bill went over to the House, it was ipso facto referred to the Committee on Appropriations, of which Mr. BUCHANAN is chairman.

> Whether I choose to ask unanimous consent to take that bill from the Speaker's table is a privilege that I have, and I knew that unanimous consent would not be granted.

In other words, he said, "Only I have the right to take up that bill, and I am not going to do it, and therefore this thing is going to my committee."

All right. Then they had a little more talk:

> The SPEAKER. The Chair is ready to rule. The rules of the House and all of the precedents of the House provide just what should be done when a bill has been returned to the House with Senate amendments. Under the established precedents the bill must be referred to a standing committee, unless unanimous consent has been obtained to send the bill to conference or a special rule has been reported.

Now, mind you, the very same day this bill went back there, when the Speaker said that a special rule could have allowed it to be heard by the House, they had up a ship-subsidy bill there, giving some money to Mr. Vincent Astor and Kermit Roosevelt and Mr. Franklin, giving still more money to these men who put up $500 and drew down $6,900,000 out of Government subsidies, on $500, and one of them put up $110,000 on a promise, and drew down, I think, $4,900,000 in profits from Government subsidies, not including $2,100,000 that he charged off. They got a rule that day for that. Oh, that is a rule!

Here are two things that came into the House at the same time, the same day, the same way. One of them was to give 30 or 40 million dollars of the people's money to illegal, grafting subsidies that even Jim Farley said were fraudulent and irregular. Even Farley said they were no good.

They had the report of the Postmaster General, Jim Farley himself, saying that those contracts, out of which they had filched from the United States Government $6,900,000 on a $500 investment, and four million and some hundred thousand dollars on a promise of $110,000, were illegal and fraudulent. The committee of which Mr. HUGO BLACK was chairman came into the United States Senate and reported that the contracts were fraudulent and crooked and rotten. When the bill went over to the House of Representatives, by a two-thirds vote they refused to suspend the rule, and word came from the White House, "Hurry! Get a rule. Provide immediately to vote on the ship subsidy that is about to be canceled"; and, lo and behold, out came Mr. O'Connor, and said:

> Mr. Speaker, this is a matter which was considered today under suspension of the rules but failed of passage. It is a matter about which there was some confusion. It is a very simple matter and has nothing to do with ship subsidies. It merely extends the time within which the President can determine whether or not to cancel or modify the contracts. The President has before him this important situation: Many of these contracts will expire between October of this year and January of next year. I am authorized to say that the President feels he needs this authority.
>
> Mr. Speaker, I move the previous question on the resolution.

Oh, Vincent is the boy who has the *Nourmahal*. Oh, he wants to go out on a fishing trip with Congress balked, and not allowed to vote on that bill! Why, he proceeded to knock the rule right out, and they put it through, and Vincent Astor went right out on the open sea with another contract in his pocket. Yes, sir!—and Mr. O'CONNOR was ordered by the White House to bring out the rule.

Ah, how wonderful it is to have a ship subsidy, and to have a yacht. Oh, my! But they came in there at the same

time with a bill that gave the poor cotton farmer $100 for a year's work—$100 for a year's work—and that gave the poor old wheat farmer about 50 cents on the dollar for what he had been making on wheat. Did they get a rule? No! They backed up the United States Senate. They turned the clock back. They choked it down our throats. They ordered us to adjourn and get away from here, because we were about to interfere with this Government money, and there would not be enough to pay Vincent Astor by the time we got back the next time.

Oh, no! Fish for one and gourd seed for the other. Give them a little gourd juice. That is what this treatment is.

Well, it will not be long until 12 o'clock, and I shall be here. Remember that. Whenever you think the Congress of the United States is going to be perverted into an institution by which it can be commanded from the outside, and that you will pass any kind of a rule or regulation or whatever may be necessary, even when Congress has voted adversely on ship subsidies, but in the same breath that you will not only back up Congress but that you will back up the Senate and make it reverse itself in order to keep the House from even having the right to vote on whether or not the farmer is entitled to something, we will see about that thing; yes, sir.

Now, send word down to Louisiana and tell them I blew this thing up. Get me out an opponent down there. They have not got one out yet. Get one out. Let us have him. Let us see the color of his eyes. It is not long. We will try this thing out if you think I am afraid of it. No, sir! I will read these things. I will rock the "dad-gummed" thing from coast to coast when I get through. I will rock that thing so that you will hear it from one end of the country to the other. They had better let me alone down there with this thing, believe me! It is a good thing to let somebody alone with this kind of stuff going on.

Ship subsidy! Take care, my boys; you are liable to want to go out yourselves sometime. They are liable to take me out before the summer is over. I might go, for all I know. Why should not I have something to do with this thing with the Government paying out the money? Why should not I have a trip? It is a great system of government we have here—equality before the law!

I am astounded at some of my colleagues here. I am astounded that they will sit here in the United States Senate and permit this example to be made of the Congress of the United States tonight. I am astounded that they will allow a ship-subsidy contract to compel a suspension of the rules, when the House has voted adversely, for an outfit that has been pronounced to be a damnable fraud against this country by a committee of the United States Senate, and by the Postmaster General himself, and then at the same time they say that they will allow the same House of Congress to be defrauded of the right to have a vote. Go tell the people of the United States what it is all about. They are going to know what it is all about. I looked into those ship-subsidy contracts. I want to tell you something about them. I want you to know about them. It is a nice page to be read here into the RECORD.

My good friend from New York [Mr. COPELAND] looks around as though he wants to take issue with me, but he will not get a chance to reply tonight. You know, Mr. President, there is only one kind of man that is better than an honest and a truthful man, and that is the man who will take the slurs for his friends and his party; a man who will sit by and let them pour the oil on him until he can hardly stand it, and nonetheless he will rise up through all the slime, shake his head, and say, "I think we ought to vote it", in order to save his party and his friends. He is the only kind of man who is better than an honest man or better than a truthful man.

I want to tell you, I have seen some of my friends show caliber and virtue that I never shall be able to rise to. They not only rose to principle but they rose above principle, and they did it most magnificently. I will not say who they were, but there have been some terrible blows. I am going to give you my picture of the situation, and then let you give your own view and your own title to it.

As to this International Mercantile Marine business—the I. M. M. and the Dollar Line and the whole caboodle of them—I stood on the Senate floor over a year ago and told what was happening about them. There were being appropriated sums of money so unconscionably large that no one thought the Government would tolerate them even for half a minute.

I will tell what they did. They entered into an agreement, divided up the mail contracts, and by fixing prices, they were going to get their mail contracts. That is not a matter that is denied; it is a matter which is not only in writing, but they swore on the stand in the Black investigation that by collusion they had arranged the bargain, and that they had set the price. So far did they go that after they had let most of them in, they said, "We left out the United Fruit Co., and they have a liner over here, and we are liable to have trouble if we do not put the United Fruit Co. in for a little of this money." Whereupon one of them said, "We can draw the specifications with a certain route, fixing the length of the ship and the height of the ship and the term of service it has to run so that the United Fruit Co. will be the only one that can bid on that certain route, and they will get a piece of the change"; and that was done.

In my figures before I made a mistake, and I correct it. It is not very significant, however. One company obligated itself, it claimed; it did not obligate itself to any such thing, but it claimed it did, and let us take its claim for what it is worth. It claimed they would spend $110,000 getting itself fitted out for the business. Another company invested $500, and one of the men incorporating the company gave his note to the company for $499,000 and $500 more.

What did those two companies do? The man who gave his note for the $499,000, to himself, paid off his own note, depreciated the property he bought by $2,100,000, and had $4,900,000 left, from subsidies, in profits, above all expenses.

The man who put up the $110,000—he did not put it up, he claimed it was obligated to do it, he never put up anything to amount to anything—kicked in, and he made, after all depreciation and costs, six and a half million dollars.

Mr. President, that is just part of it; that does not half-tell the story. I have not all the figures, I cannot carry them all in my head, I remember only those I am stating. What did we prove? It developed that these contracts had been let under the Hoover administration, but we found in the files of those steamship companies and in the files of their lobbyists and their lawyers memoranda reading like this:

> We are at work to see that the men in charge of the Shipping Board are kept by the Democratic Party long enough to confirm these subsidies we have been granted, and we are at work on them.

There was in the files of one of these men a telegram, with a memorandum, supposed to come from Kermit Roosevelt, as follows:

> Mr. Vincent Astor and I have the party in charge on the *Nourmahal*, and everything is going to be all right. Nothing to worry about.

What happened? They were trying to keep Admiral Cone as head of the Shipping Board, and they did, and they kept in existence these illegal contracts, which they got through fraud and collusion. They drew the money by the millions of dollars, and, notwithstanding the fact that the Postmaster General said they were fraudulent and crooked and rotten, notwithstanding the fact that Senator BLACK and his committee said they were crooked and fraudulent and rotten, the rules were suspended in the House of Representatives on last Saturday in order to continue those contracts in existence, when they could not get it done otherwise. They brought in a special rule, and before they brought in that rule, they had already sent this bill over there to give the wheat and the cotton farmers these allowances. They brought in a rule and brought up the ship-subsidy measure after it had been voted down, and they would not allow the House to vote on the other matter at all, and brought no rule in.

Mr. President, that is government for you. If I have to be a party to that sort of thing in order to keep a seat in the United States Senate, then the Senate seat costs too

much. I spent more to be elected to the United States Senate than I ever thought I would have to spend. My friends and myself had to put up around $30,000—lots of money. I would not have had to spend a cent, if I had just known it, but I was told by my opponents they had spent somewhere near a million dollars against me. I was down in Louisiana being lured by this ship-subsidy propaganda, being told that it was a great thing for the United States, and they got me to sign wires to Washington along about the time they were pulling off these things. They would write out a wire and I would sign it, as Governor of my State, and lo and behold, at the very time I was signing those wires, the Black committee dug up checks which they were sending back to the campaign committee with which to beat me for the United States Senate.

At the very time I was signing the wires asking the Government to give them a break, they were sending the money back just as fast as they got it in order to beat me for the Senate. [Laughter.] Anyone that smart is entitled to be taken care of; and they were.

They tried to suspend the rule in the House. They voted against suspending the rule, whereupon Mr. O'CONNOR came out and Mr. O'CONNOR said, "Mr. Speaker, I am advised by the White House they want this rule, and here it is, here is the thing"; and it just went over in the twinkling of an eye. The White House wanted it.

I do not go over there, but I am just the same as over there, and I say to them, "Here we are, representing the wheat farmers of the United States and representing the cotton farmers of the United States. We only ask that you let the House vote on whether or not these destitute cotton farmers and wheat farmers shall be allowed the mere pitiful subsistence that we have granted them in the United States Senate."

What do they say? "Oh, no, we are not going to let the House vote on that." They said they were not going to let the House vote. We revoked our resolution to adjourn, and what do we do tonight? We come in and say, "Withdraw the House amendment, and then we will let the House vote."

How are you going to let the House vote if you do not let the House vote on it, amended as it is? Are you going to let them vote on it if they take it over there without those amendments? Is not that a marvelous thing, gentlemen of the Senate, for these House Members to hear? We will let the House vote on this bill if you will take off the wheat and cotton amendment, but we will not let the House vote on the bill unless you take off the amendment.

Members of the Houses of Congress, think of it. Think of what is before this body tonight. We will let the Members of the House vote on the deficiency bill only provided the Senate takes off all the relief that has been given to the farmers raising wheat and cotton, but if you leave cotton and wheat in this bill we will not let the House vote on the bill. We will adjourn the Congress of the United States before we will let the House vote on it.

Put your heads in the sand and weep, weep, weep. It is time to weep, it is time to weep whenever the time comes that it is said to the United States Senate: "Here is a bill. You have an amendment on it. Take the amendment off and the House will be allowed to vote on it tonight, but unless you take the amendment off, we will not let the House vote on it, and we will adjourn the Congress of the United States."

It is time to weep, I tell you, gentlemen of the Senate. I tell you, I tell you the world, it is time to weep, it is time to weep.

Think of it! Do you call this government? The House is not allowed to vote unless there is stricken from the bill the crop-loan amendment and the House is denied the right to do what it wants to do for the farmers of the United States. "Why, Mr. Speaker", or "Mr. BUCHANAN", or somebody like that, we might say, "How about the ship subsidy? The House voted on that and voted "no." "Yes, it did." "Well, then, you brought a rule up." "Yes." "You brought a rule up saying that if the House did not vote right it should be made to vote right." But now the House Members are not permitted to vote on this bill unless the part of the bill which says the farmers can have some money on wheat and cotton is taken off.

Then I would say, if I had such a conversation—and I am now imagining that I have such a conversation—"You do not mean that you would let the House vote on the bill one way? Let the House take off the amendment if it wants to." But no, the House will not take off the amendment, and that is why they are not going to let the House vote on it, because the House will not take off the amendment.

Stand and deliver! Stand and deliver! Congress will not only be dominated, but will not even be allowed to prove that it is dominated. That is the situation. Gentlemen of the Senate, I tremble for the sake of the Republic. I tremble for the sake of law and order in civil government when we are faced with such monstrous possibilities.

Oh, we hide this thing in the nighttime. Here in the dead and dark hours of this night we undertake in the dark recesses of the Capitol to hide what is going on here in the Capital City tonight. Ah, Mr. President, on last Saturday night as I undertook to find some of the worthy gentlemen who were in charge of the destiny of this legislation—as I would undertake to approach one of them he would go around one post, and another one would go around another post, and I would dart into this alley, but he would go out some other way and I could not catch up to them. I was not even allowed to look the men in the face. I do not say there was a conspiracy. I do not say anything of the kind. I deny having said that. But what is to keep me from quoting a few lines from Shakespeare? [Laughter.]

> * * * O conspiracy,
> Shamest thou to show thy dangerous brow by night,
> When evils are most free? O, then by day
> Where wilt thou find a cavern dark enough
> To mask thy monstrous visage? Seek none, conspiracy;
> Hide it in smiles and affability.

And so it is the Congress is sent away, and, laughing and gleeful and mirthful, Vincent takes the *Nourmahal* out, and sends word to the Duke and Dutchess of Kent, "I will be out on the briny deep shortly. Everything is hunky-dory now. Everything is rosy now. I am looking at the world through rose-colored glasses." The 435 dumbbells who threatened to do something for the farmers of the United States have been sent home. [Laughter.]

O Mr. President, that is how we got everything going. Yes, sir. I am pleading for the lives of those 435 innocent victims of this performance.

God help them when the next election comes around. What will be done to them? Some of those men are my friends. Some of those men I have campaigned for day in and day out. Through the long and dark hours of the night I have worked and fought for them, thinking of the time when they could go and serve a long and honorable career, and then when they have reached the declining years of life that they might sit in front of the fireplace, watching the fire glow, and say to their children and their grandchildren, "Your father and your grandfather were once honorable Members of the Congress of the United States. Those laws are a part of my handiwork", and thus and so.

On the contrary, those same children, who have been taught to read and write, as they are taught in Louisiana—they are given a free schoolbook out of which to learn, and a free school to go to, and a free bus in which to ride, in Louisiana—those children will say, "Oh no, look here. As we read these lines, as you sat in the Congress they permitted you to vote on a ship subsidy and you voted wrong. They made you vote again under instructions to vote another way, but again they declined to allow you even the right to vote."

The VICE PRESIDENT. The Chair has not called the Senator to order for some 15 or 20 minutes, thinking his dramatic second act, or third act—whatever it is—would probably come to an end; but the Chair will say to the Senator that, under the rules of the Senate, a Senator cannot talk about the House of Representatives or the Members of the House as individuals. The Chair has heard the Senator

talk about the House of Representatives now for the last half hour, and the Senator has mentioned the names of three different Members of that House. The Chair wishes to call the Senator to order in that particular.

Mr. LONG. All right, Mr. President.

The VICE PRESIDENT. The Chair hopes the Senator will not violate the rule of the Senate in that particular.

Mr. LONG. All right; then I will not say anything more about the House.

Mr. SCHWELLENBACH. A point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. SCHWELLENBACH. My point of order is that under rule IX a Senator who transgresses the rules of the Senate must take his seat until given the opportunity to speak by the Chair.

The VICE PRESIDENT. The Chair has called the Senator to order only for the purpose of calling his attention to the fact that he has been violating the rules of the Senate for the last 30 or 40 minutes; but he seems to be putting forth a dramatic effort, and the Chair wanted him to get through with it before he called his attention to his violation of the rules.

Mr. LONG. All right, Mr. President.

I previously had mentioned to the Senate that I was quoting from the RECORD of the House, as my colleagues have been quoting all day. Now I will desist. What I have been saying has been said by my colleagues on the floor for 2 days. But I shall now forget, from this time on, that there is a House. I shall forget in my future remarks that there is such a body. If, perchance, I should make mention of another body, a body other than the one in which I am immediately speaking, I do not mean the House. [Laughter.] I have forgotten the House. The Senate must forget the House for the purpose of my remarks. I warn the Senate that henceforth in all of my remarks Senators must not consider that I am considering or even thinking of the House, or that there is a House, or even if there was a House, so far as I am concerned, that is over with. [Laughter.] I have quit that.

I have obeyed the rules and admonitions of the Vice President. And no longer, henceforth, will I disturb the troubled minds of the Senate or of the people of the United States with anything which occurred in the House. Never again will I say that. I do not know that I will even say it outside of the Senate either. I think when I leave here I will also say to the people, "I want to get accustomed to the rules of the Senate and, therefore, I decline to discuss the House with you." [Laughter.]

Let us now get down to more serious business. Let us discuss the merits of the question. I am soon getting to the point where I shall not have anything to talk about. It is getting to the point where one is limited as one stands here, and one cannot talk about this, and he cannot talk about that, and the aisle is getting very narrow, and the conversation that can be indulged in is pretty well limited.

I have never yet undertaken to place anything except the merits of the matter before the Senate. That is all I intend to do tonight.

Let us now go back to the issues of this case as they are best understood. It is now 9 o'clock. I have not talked here long today. For all I know this might be my swan song. I come back to where I previously was. What I intended to say many hours ago I shall now speak of. I will go back to my people in Louisiana, and I will say to them, "My platform is this: No. 1. That this Government is divided into three parts—the executive, the judicial, and the legislative. In theory they are supposed to be three separate parts. That is the theory of our law.

Suppose I get elected to the Senate, and suppose I keep running after I am elected? I shall say to them, "As long as I am your servant I shall defend the system of republican government." I shall not say, as I contended in my State many times, that a Governor has no right to suggest to a legislature what it ought to do. I have never been one to believe that. I have never taken the position that a Governor or an executive does not have the right to make recommendations to a legislative body. There are some who take the position, and there are some States which have taken the position that executives, such as the Governor of a State and the President of the United States, kings and emperors of foreign countries, have no right to dictate, to suggest to a legislative body what it ought to do. I am not one of those persons. Under our republican form of government, it is generally understood that a Governor has the right to lay out a program, to make recommendations, to make suggestions, to counsel with the members of the house, to counsel with them in personam or to counsel with them collectively, as the case may be.

I am one of those who believe in that system of government. While I was Governor of Louisiana for 4 years—and there are about 15 of the Members of this body who have been Governors—there were times when I have made recommendations to the legislature. Frequently, every now and then, I would recommend to the legislature of that State something I would think would be good or something I did not think they ought to do.

That is not only the right of the President and of a Governor of a State but it is the right of the humble citizens. Since I have become a humble citizen of my State I have not hesitated to make public expression on laws which I thought ought to be enacted and with reference to laws which I thought ought not to be enacted. But, as Voltaire said:

Though I disagree with what you say, I defend until the last your right to say it.

I must have quoted that correctly because the Senator from Illinois [Mr. LEWIS] maintained a very calm expression when I finished the quotation. I have ways of telling whether I am right or wrong in my quotations. As I quote I watch my friend from Illinois. I have learned how to decipher his countenance. Without making a single motion to me I can tell whether or not I have quoted correctly. For instance, I was giving a historical reminiscence about the sacred geese the other day. I have a friend back here from Tennessee, the junior Senator from Tennessee [Mr. BACHMAN], who had never heard of the logic of the sacred geese, but on reassurance from the Senator from Illinois that I was correct he subsided and ceased any further colloquy with me more or less under cover.

I am one of those who maintain the constitutional prerogative that every man has a right to be heard and every man has a right to speak. I do not know but that the Congress of the United States might not well sometime take a recommendation of the President or even of a newspaper or even of one of its own Members or of some outside man, whether he was or was not of influence.

I wish to place myself on record as saying that I am not one of those with the narrow idea that Congress should be confined in its activities to receiving no outside advice or outside information. But in my discussion before my people on State matters and on National matters—Ah, there is my friend from Tennessee. I thought he had gone.

Mr. BACHMAN. Mr. President——

Mr. LONG. I yield to the Senator for a question.

Mr. BACHMAN. The statement I made with reference to the Senator's reference to the sacred geese was that I had killed thousands of geese in Louisiana, but that I had missed one.

Mr. LONG. I believe that is right.

Mr. President, as I shall say to my people, my idea of a republican form of government is that whenever the time comes that the elected representatives of the sovereign people refuse to assemble within a reasonable time to pass upon laws about to be enacted, or under the laws and orders governing matters, or when any force or circumstance is exerted either by direction or indirection which prevents the legislative body of a State or of any other sovereignty from exercising those prerogatives, it ceases to be a republic. That is my view of the matter.

Mr. BONE. Mr. President, will the Senator yield while I submit a parliamentary inquiry to the Chair?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Washington for that purpose?

Mr. LONG. I yield for that purpose.

Mr. BONE. I have no desire to take the Senator off the floor, but I should like to have the Chair advise me whether I am correct in assuming that our failure tonight to pass the bill will leave the Railroad Retirement Act a nullity by reason of lack of funds to execute it, and whether or not it is possible for the President to provide funds to carry out the provisions of that law which we enacted in behalf of the railway men and to provide funds for carrying out the provisions of the social-security law which are carried in this bill. If the Chair is unable to answer and the Senator from Louisiana will permit, I should like to have some Senator answer the question.

The PRESIDENT pro tempore. The Chair is unable to answer the question.

Mr. LONG. I will answer the Senator. I can give the Senator the information he wants.

Mr. BONE. I suspect the Senator possesses a fund of information, and if he can supply the information I shall be glad to have it.

Mr. LONG. I shall be glad to do it. There is no one to whom I would rather give information than my friend, the Senator from Washington, because he has a facile mind and will quickly understand and grasp the significance of what I say.

I may say to the Senator from Washington that the President of the United States has $4,800,000,000 which he can devote to the purposes covered by the deficiency bill, and some other funds which are not being used, amounting to $1,500,000,000, which he can use for those purposes, and declarations to that effect or similar effect have been made on the floor.

Mr. ROBINSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Arkansas?

Mr. LONG. I yield for a question, because I do not want to lose the floor.

Mr. ROBINSON. Does the Senator realize that in condemning others for not permitting another body to take a vote on certain provisions in the deficiency appropriation bill, he engages in a glaring inconsistency when he takes the floor and filibusters to prevent the body of which he is a Member, the United States Senate, from registering its will on a very important piece of legislation?

Mr. LONG. I shall be glad to answer the question. If I should be permitted to read the RECORD, I could answer it a little more carefully.

Mr. ROBINSON. The Senator can answer the question "yes" or "no."

Mr. LONG. Oh, yes; I could answer it that way, but the trouble is that the Presiding Officer previous to the one now occupying the chair has ruled that even the remark of the Senator from Arkansas and his question are out of order. The Senator was not here at the time. The ruling was that I could not mention the House nor anyone in the House or anything done in the House.

Mr. ROBINSON. The Senator from Arkansas has not mentioned the House.

Mr. LONG. The Senator from Arkansas did mention that I was not obeying the rule in that I was mentioning things done in another branch.

Mr. ROBINSON. No; in another "body", which is entirely within the parliamentary law.

Mr. LONG. I thank the Senator for instructing me.

Mr. ROBINSON. The Senator, I think, by evading a direct answer to the question, admits that he is doing the inconsistent thing which he charges others with doing.

Mr. LONG. No; the Senator——

Mr. ROBINSON. How can the Senator justify himself in wasting the time of the Senate by a prolonged speech, designed for the sole purpose of denying to the Senate the opportunity of registering its will? Is it not true that he is doing the very thing he condemns?

Mr. LONG. No. I want to answer the Senator. He has asked me a question, and I will not yield further, because I wish to answer the question.

Mr. ROBINSON. Oh, yes; the Senator will certainly yield.

Mr. LONG. Not until I have answered the question. I want to answer the question.

The Senator from Arkansas was on the floor of the Senate August 24, Saturday night, and I am reading from his remarks. The Senator said this at page 14518:

> Mr. ROBINSON. No; no formal message. The fact is that no action has been taken on the bill since it was returned to the House, and no action is contemplated unless it be to refer the bill to a committee.
>
> The Senate would have no official information of such action unless the House saw fit to send a message, which, seemingly, it does not intend to do.
>
> I am offering no ground of offense to the other body. I am simply apprising the Senate of the situation in order that the Senate may take such action as it sees fit to take. If we wait for a message from the House of Representatives on the subject the hour of adjournment will arrive, and we will have adjourned without any action being taken on the bill.
>
> I think I ought to add that it is my information that the officials charged with the administration of the several measures mentioned by the Senator from South Carolina will not be prevented from functioning. My information is that means will be found to carry on the activities authorized under those various measures. Details as to how that is to be done I cannot state, because I do not know them.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question within my parliamentary rights.

Mr. ROBINSON. Since that statement was made—which was entirely correct and is correct—it is my information that the Comptroller General, who passes finally upon the question as to the right to expend other funds than those carried in this bill for the administration of the various acts described by the Senator from Washington and others, has indicated to Members of this body that in his judgment there is no fund available for the purposes stated.

Now, may I ask the Senator another question?

Mr. LONG. Go ahead.

Mr. ROBINSON. If the Congress shall not pass the deficiency appropriation bill, carrying items for old-age pensions, old-age insurance, crippled children, railroad pensions, and the dependent blind, it will be 4 months, will it not, if the Comptroller General's informal expression of opinion shall be registered as a formal opinion, before any of these measures can be carried into effect?

Mr. LONG. I will answer the Senator by saying that if the Senator was wrong the other night, as his question would indicate, the thing for the Senator to do is to move to reconsider the vote by which he has undertaken to adjourn Congress—that is, assuming that he is unable to get the other House of Congress to vote on this bill tonight.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. ROBINSON. The Senator from Arkansas was not wrong when he made the statement. Some of the executives, the administrative officers, still feel that it would be possible to set up the organizations carried by the deficiency bill for the purposes I have just mentioned. In view of the facts I have described, does the Senator desire to prevent for 4 months the administration of the old-age-pension law, the old-age unemployment provisions, the arrangement for crippled children, for railroad pensions, and for dependent blind, just because the Senate happens to have an unwritten rule, which no other deliberative body on earth permits to exist, which allows a Senator who takes the floor to talk just as long as he pleases, on any subject he chooses, and which rule, so long as he does not indulge in disorderly statements, enables a Senator to retain the floor, and, under the circumstances which now exist, permits him to defeat the enforcement of wholesome legislation? Is it the policy and desire of the Senator from Louisiana to continue his remarks until the hour of 12 o'clock shall arrive, and thus defeat the enforcement of the legislation I have mentioned? If so, how does he justify that action on his part when he professes to

be in favor of the legislation I have described? How does he justify that action on his part when he declares that one of the fundamentals of a republican form of government is that the branches of the Congress shall have the opportunity of registering their will on legislation?

Mr. LONG. I have to answer about seven or eight questions, and I will answer them.

Mr. ROBINSON. The Senator may speak from now until midnight, if he is determined to do it, to answer any of them or all of them.

Mr. LONG. All right.

Mr. ROBINSON. But I should like to have the Senator answer first——

Mr. LONG. Mr. President, a point of order. Have I the floor now?

Mr. ROBINSON. Oh, the Senator has the floor, but he has yielded.

Mr. LONG. I have yielded for a question.

Mr. ROBINSON. And I should like to ask him to answer first the question whether it is his intention, taking advantage of the rule of the Senate I have described, to talk until midnight?

Mr. LONG. Now, I wish to answer the Senator in the order I wish to select.

Of course, I have here in writing the remark of the Senator that this will not prevent anything from functioning; that is, that he had been advised to that effect by administrative boards. That is no. 1.

If the Senator is right that it is necessary to pass the bill, then I insist that the bill ought to be passed. It is said that the Congress cannot for 4 months function on this matter, and nothing else can function, though we were advised to the contrary the other night, and I have been advised to the contrary from other sources which I thought were pretty reliable. It is my opinion of the act, reading it as it was enacted, that they can use that $4,800,000,000 for anything they want to. There is not a limitation of any kind or character in the act. Find any limitation at all. If you will find me any limitation in that act, then I shall be guided by it.

Mr. ROBINSON. Mr. President, will the Senator yield on that point?

Mr. LONG. No; I will not yield right now. Wait until I get through. I will yield a little later.

Mr. ROBINSON. The Senator does not wish to make a misstatement?

Mr. LONG. I decline to yield.

Mr. ROBINSON. The Senator has made a statement, if he will pardon me, that I know to be erroneous.

Mr. LONG. Well, if the Senator wishes to ask me a question, let him go ahead.

Mr. ROBINSON. The Senator has said that the $4,800,000,000 carried in the work-relief joint resolution may be used for the purposes of this proposed legislation. That act is limited to providing employment.

Mr. LONG. Yes, sir; and that is all there is in any of these measures—employment.

Mr. ROBINSON. If the Senator rests his conclusion on that statement, he is entirely wrong.

Mr. LONG. Hand me the act. I will read the act.

Mr. ROBINSON. Oh, please do not do that! [Laughter.]

Mr. McCARRAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. No; let me get through. Then I will yield. It will take me only a little while to answer the Senator—about 3 or 4 minutes—and then I shall be through, and I shall be glad to yield to my friend from Nevada.

That in order to provide relief, work relief, and to increase employment by providing for useful projects, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be used in the discretion and under the direction of the President—

"Work relief." At the time the bill was up I read here that in order to provide relief you did not need anything else in the bill, you did not need another word in the bill—"That in order to provide relief." You can strike out everything else, and there is not a thing on earth that you cannot use that money for.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. ROBINSON. Does the Senator maintain that if the Railroad Pension Act had not been passed the President could have paid out of the work relief fund railroad pensions which the act contemplates? I know the Senator will not maintain that.

Mr. LONG. It is a little broad to say that, but inasmuch as the railroad pension bill has been passed, it certainly can be used for that purpose.

Mr. ROBINSON. Does the Senator maintain——

Mr. LONG. But I have not been able to get through answering the Senator. I wish he would let me get through answering him about that.

Mr. ROBINSON. Mr. President——

Mr. LONG. A point of order. I will not yield at this time.

Mr. ROBINSON. Oh, very well.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. LONG. Now, I want to complete my answer, then I will yield to my friend.

If this is true—and let us for the sake of the argument concede that it is true—if we cannot do anything except this bill be passed, then I for one insist by all means the Congress ought to pass it tonight, or that Congress ought to stay in session until the bill is passed.

Mr. ROBINSON. Mr. President, will the Senator yield at that point?

Mr. LONG. I do not yield; no.

Mr. ROBINSON. The Senator has again——

Mr. LONG. I refuse to yield.

Mr. ROBINSON. Mr. President——

Mr. LONG. Mr. President, can I get protection from the Chair?

The PRESIDENT pro tempore. The Senator has the floor, and declines to yield.

Mr. LONG. Very well. The point I wish to make is this: Let us assume that the last exposition of the Senator from Arkansas is more correct than the exposition he rendered here Saturday night. Circumstances alter cases. Therefore I join with him in saying, by all means let us pass this bill. By all means let us pass the bill. It was sent over to another branch of the Congress, which has not voted on it at all up to this time. We called for it, and brought it back to the Senate. But we assume that the only way a bill can be passed in another body is by providing that we would eliminate what some Member of the body says must not come before it, or what someone else says must not come before another body.

Why not let the bill be passed on? You are here saying that you need this law. Why do you not let the Congress vote on the law, if you say we need the law?

Who is it that has kept this bill from being voted on?

Mr. ROBINSON. Will the Senator yield?

Mr. LONG. No.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. LONG. Who is it that has kept this bill from being voted on?

Mr. BONE. Mr. President, will the Senator yield a moment?

Mr. ROBINSON. Will the Senator yield for me to answer that?

Mr. LONG. No; I am asking myself a question. [Laughter.]

Mr. ROBINSON. I will answer it, anyway. It is the Senator from Louisiana who is keeping the Senate from voting on the bill.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. LONG. No; I will not yield to anybody for anything.

Mr. SCHWELLENBACH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the inquiry.

Mr. SCHWELLENBACH. I ask the Chair whether or not the Senator from Louisiana has a right to refuse to yield for a question just because of the fact that he is afraid to have the question propounded to him?

The PRESIDENT pro tempore. The Senator has a right to refuse to answer.

Mr. LONG. Yes; and I decline to yield to anybody until I get through. I ask not to be interrupted at any time by anybody. I do not want any questions, except that I will yield now, as I promised, for a question, to my friend the Senator from Nevada, having previously promised to yield to him.

Mr. McCARRAN. Mr. President, in furtherance of my question, I desire to have the Senator from Louisiana realize that, while I agree in the major premise of his argument, to wit, that Congress should vote on all measures, let me draw the attention of the able Senator from Louisiana——

Mr. LONG. I can yield only for a question, Mr. President.

The VICE PRESIDENT. The Senator declines to yield to anything but a question.

Mr. McCARRAN. Does not the Senator from Louisiana realize that the House of Representatives has had an opportunity to vote on this bill, and that they could have voted on it had they seen fit to do so?

Now, one more question. This is a kind of a double-jointed question. Does not the Senator from Louisiana realize that all of the measures involved in this important bill must fall because the $4,800,000,000 cannot apply, because, further, the $3,300,000,000 which we appropriated in 1933 cannot apply, and therefore all these important measures, including the Railroad Pension Act, and all others, must fall if the Senator persists in his effort?

I desire to say to the Senator now, if he will permit me, that I have always been sympathetic with his view, and I am stating that I am a Democrat, and I know he is, and I believe that both Houses of Congress should vote on this measure, but that when the House of Representatives refuses to carry out its own prerogatives the Senate cannot force it to do so.

Mr. LONG. I wish to agree to everything the Senator says. The Senator says that he believes both Houses have a right to vote, but he says that the House of Representatives has refused to vote. Now I shall read from the CONGRESSIONAL RECORD, if it is within my right, to show that the Speaker and the Chairman of the Committee on Appropriations ruled that the House did not have a right to vote, and would not be given the right to vote. If I establish—and I want my friends to stay with me—if I establish from their own lips that they said that the House of Representatives had no right to vote, and would not be given a right to vote, then I want him to stay with me. I shall read from the RECORD. Have I the right to read from the RECORD regarding that matter, Mr. President?

The VICE PRESIDENT. The Chair thinks the Senator has the right to read from the RECORD.

Mr. LONG. Very well.

The VICE PRESIDENT. If the Senator is asking a question of the Chair, however, the Chair will answer it.

Mr. LONG. Very well. I read from the CONGRESSIONAL RECORD about this matter:

> Mr. BUCHANAN. Does not the gentleman understand that when that bill came back from the Senate, carrying $500,000,000 more appropriation than the House bill carried, and new legislation as well, the rules provide that that bill should be referred to the Committee on Appropriations, in order that they might investigate those amendments and report on them, and not be required in 3 or 4 minutes or 3 or 4 hours to pass upon that vast amount of appropriation to see whether it is justified or not. Whether I choose to ask unanimous consent to take that bill from the Speaker's table is a privilege that I have, and I knew that unanimous consent would not be granted.

Mr. RANKIN then said:

> I do not agree that it is the privilege of the chairman of the committee to paralyze a bill that the Congress has passed on and that now depends upon adoption or rejection or ironing out of the amendments on the differences between the two Houses. This is a matter that involves the integrity of the House.
>
> Mr. LEHLBACH. If the Chair desires to hear me, I will state briefly what the situation is, as I see it. The point of the gentleman from Mississippi is this: If the course of action under the rules of the House can only be taken by unanimous consent, and if that unanimous consent is sought or granted, the matter automatically becomes a question of privilege. That is so insane that there is not any sense in arguing it.

In other words, he stated that what the Senator from Nevada has said is so insane that there is no need to argue it. What did the Speaker say about it? The Speaker stated as follows:

> The Chair is ready to rule. The rules of the House and all of the precedents of the House provide just what should be done when a bill has been returned to the House with Senate amendments. Under the established precedents the bill must be referred to a standing committee, unless unanimous consent has been obtained to send the bill to conference, or a special rule has been reported and passed upon by the House, providing that it shall be sent to conference.
>
> The Chair desires to call the attention of the House to section 3108 of volume IV of Hinds' Precedents, which reads as follows:
>
> "A House bill returned with Senate amendments, involving a new matter of appropriation, whether with or without a request for a conference, is referred directly to a standing committee and on being reported therefrom is referred to the Committee of the Whole."
>
> As the Chair has stated, it was the duty of the Chair to refer this bill to the Committee on Appropriations, the standing committee having jurisdiction of it. That practice must be followed unless the chairman of the committee or some Member of the House should obtain unanimous consent that the bill be sent to conference, or a special rule is presented making disposition of the bill. In this case no request for uanimous consent was made. It is the custom of the Chair always to recognize the chairman of the committee having jurisdiction of the bill in question. Neither has a rule been presented. The Chair fails to see how the integrity of the House proceeding has been violated in this particular instance. The Chair does not think that, under the guise of a resolution presented as a matter of privilege, involving the integrity of the House, the established rules of the House can be overturned. The Chair does not think there is a question of privilege presented by the resolution or that there was anything in the action taken with reference to this particular bill violative of the integrity of the House or its regular proceeding.
>
> The question as to whether or not we are now in the closing hours of a Congress, the question of the importance or unimportance of these appropriations and the legislation contained in this bill are matters with which neither the Chair nor the House, under its established rules, has anything to do at the present moment.
>
> As the gentleman from Texas has said, there is a reason for the practice of the House in referring these bills to the standing committees where unanimous consent or a special rule to the contrary has not been obtained. It is, of course, manifestly for the purpose of giving to the committee an opportunity to examine the amendments and report back to the House its recommendation as to whether or not those amendments should be agreed to or disagreed to.
>
> The Chair, therefore, sustains the point of order of the gentleman from Virginia.

If you send this bill over to the House tonight, even after taking out wheat and cotton, still they will not have to hear it if this same gentleman does not want it heard.

What more have we, I ask myself—and I answer the question—what more have we to show us that the bill will be considered over in the House tonight than we had last night? What more is there before this House tonight than there was last night to show us that they will permit the bill to be heard over there? What have you before the Senate tonight to show you that the other body would allow this thing to be voted on any more with the farm amendment taken out than with it in the bill? I ask somebody to tell me, if they can, if it is within the rules of the Senate, what more have you got before you to show that the House will permit this thing to come up tonight than you had the other night? Here is the rule. Now will somebody get up and say, "Mr. BUCHANAN told me he would let it come up"? If he should, it would be the same as saying that Mr. BUCHANAN is running the legislative machinery.

The VICE PRESIDENT. The Chair calls the Senator from Louisiana to order. The Senator is asking certain questions. If he wishes the Chair to answer, the Chair will do so. The Senator has no right to refer to the House of Representatives. The Chair has called his attention to that rule before, and does so now for the second time. The next time the Chair calls the Senator's attention to it the Senator will have to take his seat.

Mr. LONG. Mr. President, I asked if I might read the quotation from the RECORD.

The VICE PRESIDENT. Yes; but the Senator, after having read the quotation, referred to the Member of the House, using the name "BUCHANAN."

Mr. LONG. I read from Mr. BUCHANAN'S statement, Mr. President.

The VICE PRESIDENT. Yes; but the Senator also referred to Mr. BUCHANAN, aside from the quotation.

Mr. LONG. I referred to these remarks, which I read with the permission of the Chair. I hope the Chair will accord me the privilege, after having given me permission to read the remarks of Mr. BUCHANAN, of asking what reason there is to say that the same Member of the House would not make the same statement tonight. I appeal to the Chair to tell us, after I have asked the privilege of reading from the RECORD——

The VICE PRESIDENT. The Senator is familiar with the rule of the Senate—it has been called to his attention a number of times—with reference to referring to an individual Member of the House of Representatives, or to the House of Representatives itself in its procedure. The Senator did ask the Chair if he could read the RECORD of the House of Representatives. The Chair thinks he could; but the Chair does not think the Senator ought to speak with reference to the Membership of the House, or of the House itself, in a derogatory manner. That is in violation of the rule of the Senate.

Mr. LONG. Mr. President, I have not done so.

Mr. MINTON. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. MINTON. In behalf of an outraged Senate, may we not have the rules of the Senate enforced, as the Chair has twice seen fit to call the Senator from Louisiana to order?

The VICE PRESIDENT. The Chair tries to be liberal in the administration of the rules; but he has just remarked to the Senator from Louisiana, so far as the Chair is concerned, that he has twice tonight called his attention to the violation of the rule. If any Senator or the Chair himself calls it to the Senator's attention again, the Senator will be asked to take his seat, and a vote will be taken as to whether the Senator may proceed in order.

Mr. CLARK. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. Under the rules of the Senate, when a Senator is called to order he shall take his seat, and the question shall then be put as to whether he shall be permitted to proceed in order.

The VICE PRESIDENT. That is the rule.

Mr. CLARK. The rules of the Senate provide that the Chair shall, or any Senator may, call a Senator to order for transgressing the rules of the Senate. The Chair simply performs the duty imposed upon him under the rules of the Senate; and I suggest that under the rule the Senator from Louisiana is required to take his seat, and the question should be put as to whether he shall be allowed to proceed in order.

Mr. McCARRAN. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARRAN. The Chair has not called the Senator from Louisiana to order. There is a way in which he may be called to order, and the Chair has not called him to order. What is more, the Chair has merely admonished the Senator and stated that if he had to be called to order again the Senator would have to take his seat. There is not any short-cut in this matter.

The VICE PRESIDENT. The Senator from Nevada has stated the situation. The Chair was trying to admonish the Senator from Louisiana to stay within the rules of the Senate. It is rather a harsh thing to call a Senator to order and have him take his seat and have the Senate vote on whether he shall proceed in order.

Mr. SCHWELLENBACH. Mr. President, I raise the point of order that the Senator from Louisiana has transgressed the rules of the Senate in his reference to a Member of the other body. I raise that point of order, and under section 4 of rule XIX of this body I ask the Chair to rule that the Senator from Louisiana must take his seat and permit the Senate to vote on the question as to whether or not he shall proceed.

The VICE PRESIDENT. The point of order is sustained. The Senator from Louisiana will take his seat. The question is whether or not the Senator from Louisiana may proceed in order. The occupants of the galleries will be in order, or else the galleries will be cleared.

Does any Senator desire to make a motion as to whether or not the Senator from Louisiana shall proceed in order?

Mr. MINTON. I make the motion.

The VICE PRESIDENT. The Senator from Indiana moves that the Senator from Louisiana shall proceed in order. [Putting the question.] The "ayes" have it, and the Senator from Louisiana will proceed in order.

Mr. LONG. Mr. President, having propounded a parliamentary inquiry which I thought gave me the right to answer the Senator from Arkansas, I must decline to be interrogated further, because I admit that in answering these questions about another body I am liable to transgress the rules of the Senate. I therefore cannot accommodate my colleagues by answering those questions. Furthermore, I decline to use the expression "the other body", because even that, while it does not transgress the rules of the Senate, does violate in my own mind what this matter contemplates.

Let me say this: Who can say that anybody or any court is going to pass one thing or the other? I cannot tell you what any other body is going to do. I can only tell you what we ourselves do. I have no lamp to guide my feet. If anybody wants to point out, in order to do himself a service without its being held chargeable to me, and the Chair rules it within the rules of the Senate that any Member of this body may make the point or give us proof that anything we have before us will become a law in one way better than the other, I am willing for him to show it, if it is allowable under the rules of the Senate. I am willing that he shall do it; but I will not take a chance of illustrating something that might transgress the rules of the Senate. I will not do that.

Perhaps this bill will become a law more readily with the farm provision out of it than in it. Perhaps it will. I do not know. The present motion pending before the Senate, as I understand, is to reconsider the vote by which we adopted the Byrnes amendment? Is that what is now before us?

The VICE PRESIDENT. If the Senator makes a parliamentary inquiry of the Chair, the Chair will answer it. Does the Senator make a parliamentary inquiry? Does the Senator submit a parliamentary inquiry which he desires the Chair to answer?

Mr. LONG. Yes.

The VICE PRESIDENT. What is the parliamentary inquiry?

Mr. LONG. I want to know what is the pending motion?

The VICE PRESIDENT. The pending motion is that of the Senator from Arkansas to reconsider the action by which the Senate passed the deficiency bill.

Mr. LONG. The next thing we would have to do, if we should reconsider the final vote by which the bill was passed, would be to reconsider the vote by which the amendment of the Senator from South Carolina [Mr. BYRNES] as amended by the amendment of the Senator from North Dakota [Mr. FRAZIER] was adopted.

Assuming that motion was agreed to, then we would have to move to reject the amendment of the Senator from South Carolina, as amended by the amendment of the Senator from North Dakota. That would mean we would reject the amendments relating to cotton and wheat, and then we would have to move to engross the other Senate amendments, read the bill the third time, and then, if we passed the bill, that would send the bill out of the Senate. That is the parliamentary situation I suggest we would have to go through in order to get the benefits contemplated.

What good is that going to do? What good is it going to do?

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question only.

Mr. BLACK. The Senator asks what good it is going to do.

Mr. LONG. I yield for a question only.

Mr. BLACK. Is the Senator familiar with the fact that this bill carries an appropriation to put into effect the Railway Retirement Act?

Mr. LONG. I have been told so.

Mr. CLARK. Is the Senator familiar with the fact that this bill carries an appropriation to put into effect a grant to the States for old-age pensions for old people?

Mr. LONG. Yes; that is what I have been told.

Mr. BLACK. The Senator is familiar with the fact that this bill carries an appropriation to aid the blind?

Mr. LONG. Yes; and the needy.

Mr. BLACK. Is the Senator familiar with the fact that the bill carries an appropriation to put into effect the act to aid the crippled children of the United States?

Mr. LONG. Yes.

Mr. BLACK. Is the Senator familiar with the fact that if he succeeds in his filibuster, those crippled children and those blind people and those old people will not have the benefit of these appropriations?

Mr. LONG. My understanding is that the bill will have to be passed by another body.

Mr. BLACK. Is the Senator familiar with the fact that the bill cannot be passed by the other body if he succeeds in his filibuster and the Congress adjourns at 12 o'clock midnight tonight?

Mr. ROBINSON. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield for a question.

Mr. ROBINSON. The bill has already passed the other body. This is a House bill. That is how the Senate gets jurisdiction of it.

Mr. LONG. But the Senate has added other amendments.

Mr. ROBINSON. Yes, but the proposal would be to rescind the action on the amendments.

Mr. LONG. Not all of them.

Mr. ROBINSON. The amendments which are known as "the cotton and wheat amendments."

Mr. LONG. What about the others?

Mr. ROBINSON. The other amendments would probably be concurred in by the House and the bill passed.

Mr. LONG. How do I know that?

Mr. ROBINSON. I am telling the Senator.

Mr. LONG. How does the Senator know that?

Mr. ROBINSON. I have that assurance.

Mr. LONG. Where?

Mr. ROBINSON. From Members of the House.

Mr. LONG. Who?

Mr. ROBINSON. If the Senator doubts the statement I am making——

Mr. LONG. I do not know.

Mr. ROBINSON. The Senator understands there is no chance to pass the bill unless we take the action that is proposed, and that if he shall continue to talk until midnight the bill will be defeated. The House can adjourn at any time, and if it does adjourn before we have sent the bill back there and given them an opportunity to concur in the remaining Senate amendments after the two mentioned have been eliminated, even if the Senator discontinues, all the Senate can then do is to pass the original House bill without any Senate amendments. If the Senator talks much longer, it will mean, if he then yields to a vote on the bill, that the only thing that could be done would be for the Senate to strip the bill of all Senate amendments and pass the House bill as the House originally passed it.

Mr. LONG. I want to rehearse this little conversation we have had as I get it. The Senator from Arkansas has said that the bill cannot be passed with the farm amendments on it, but it can be passed without them. I said, "How do you know?" He said, "I have been told." "By whom? Who has the right to tell the Senator from Arkansas?"

Mr. ROBINSON. I am informed, if the Senator will permit, that a motion will be made to concur in the Senate amendments. The House does not have to do anything if the Senator succeeds in defeating the Senate amendments by his filibuster. There is nothing remaining then for the House to do.

If the Senate had an opportunity to vote on the bill, there would probably be 1 vote against the passage of the bill in the revised form, and that would be the vote of the Senator from Louisiana. Does the Senator from Louisiana know that he stands absolutely alone in his effort to defeat this bill? Does he understand that all his colleagues, without regard to politics and without regard to the side of the Chamber upon which they sit, wish to pass the bill, and that he alone, by what may be termed arbitrarily employing the privilege of debate, is seeking to defeat a very wholesome measure?

Mr. LONG. Now, I want to answer that question. I am not undertaking to defeat the measure.

Mr. ROBINSON. Why will not the Senator let us vote on it?

Mr. LONG. Let me finish. I do not want to yield until I get through. My friend from Arkansas knows I have lots to answer.

I do not want to defeat the measure. I want it to pass. I am trying to find out with only such light as I have, and light has not been given to me yet. There are a number of amendments on the bill. I have the RECORD here. The RECORD does not show the House voted on it. I have read the RECORD. The Senator from Arkansas has said a motion will be made to concur. How do I know but what a motion would be made to concur if it should go over there as it is? Who has said in any body other than this motions will be made to concur in one form and will not be made to concur in another form?

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. BLACK. May I ask the Sentor if he does not realize that whatever may have been said by anyone in any other body, it is wholly impossible for us to expect that other body to act upon the measure unless the bill goes there, and that it is clear it will not go there unless the Senator ceases his filibuster, and that it is also clear that the Railway Retirement Act, in which thousands and hundreds of thousands of men are interested, will be deprived of being set up for their benefit if he continues his filibuster; that the appropriations for the needy blind cannot be put into effect; that the appropriation for crippled children will be destroyed by the Senator's filibuster; that the appropriations for the aged poor will be destroyed by the Senator's filibuster?

It is difficult to believe that the Senator should continue the filibuster when he knows, and is bound to know, with his intellect, that his filibuster will succeed in preventing those laws being put into effect under this bill?

Mr. LONG. Now let me answer the Senator. I hope I shall not be interrupted again, but I will appeal to the Senator from Arkansas to withdraw the motion pending here and let the bill go to the House. I shall be glad to yield the floor in order that the motion the Senator from Arkansas has made may be withdrawn, and then the bill will be hastily sent over to the House.

Mr. BLACK. Mr. President, will the Senator yield again?

Mr. LONG. Just a moment. No; I do not want to yield.

Mr. BLACK. The Senator wants to filibuster and defeat the bill.

Mr. LONG. No; I do not want to filibuster.

Mr. BLACK. That is the result.

Mr. LONG. On the contrary, I am trying to save the last phantom form of republican legislative government that is left in America.

Mr. BLACK. The Senator is trying to defeat the bill which carries the appropriation for crippled children, and the blind, and the needy poor.

Mr. LONG. Oh, no! I voted for this bill, and everything that is in this bill.

Mr. BLACK. The Senator may have voted for it, but now he is trying to kill it.

Mr. LONG. I voted for it, but do not fool yourself: I know what this bill has in it.

Mr. LA FOLLETTE. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Wisconsin?

Mr. LONG. No, sir; not until I get through.

Mr. McCARRAN. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. Pardon me just a few minutes.

The VICE PRESIDENT. The Senator declines to yield.

Mr. LONG. Just a few minutes. Then I will yield to my friend from Nevada. I always keep my word.

Here is the point. Let us get this bill over to the House as quickly as possible. There is one man in this body who can get it over there. If the Senator from Arkansas asks me to yield for the purpose of withdrawing his motion, so that the bill may go back to the House, I will yield.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBINSON. The Senator knows that we passed this bill, sent it over to the House, and it developed that the bill was to be referred to a committee, and that no action was to be taken, because the Senate had incorporated in the bill certain amendments which made it necessary, under the rules of the House, to refer the bill to a committee.

Does not the Senator know that the only way to pass this bill now is for him to sit down in his place, stop wasting the time of the Senate and the country, and give the Senate an opportunity to register its will on this matter? Does he not know that he is standing alone in preventing the Senate from acting by the employment of a rule of the Senate which proceeds on the theory that a Senator will not abuse his privilege, and that he may speak just as long as he chooses?

Mr. LONG. Mr. President, I want to answer the Senator.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question to my friend from Nevada.

Mr. McCARRAN. If the Senator from Louisiana were assured by his friends here that the policy would be carried out whereby this bill would pass, save and except as to the cotton and wheat amendments, as to which certain agreements have been arrived at, would the Senator then yield to a motion so that the legislation might be enacted?

Let me be explicit in regard to that. Other than the cotton and wheat amendments, on which agreements have been arrived at, would the Senator yield so that certain motions might be made here, and the bill passed, and the agreements on the cotton and wheat amendments carried out pursuant to their terms? Then could we go on?

Mr. LA FOLLETTE. Mr. President——

Mr. LONG. Mr. President, in just a moment I will yield to my friend from Wisconsin. If I am permitted to answer the question, I will say that if, by action of the House, it be shown that the cotton and wheat amendments are undesirable to that body, I will instantly yield, that the bill may be passed without them. If there be any action of the House showing that they do not desire the cotton and wheat amendments, I will give up at once. I will yield instantly so that the bill may go back to the House for action by the House to see if they do not desire cotton and wheat. If they do, and the House does not want it, I will not stay here a second.

Now, I yield to my friend from Wisconsin, for a question, of course.

Mr. LA FOLLETTE. I desire to refer for just a moment——

Mr. LONG. I yield only for a question, because otherwise I should lose the floor.

Mr. LA FOLLETTE. I desire for a moment to refer to the question which the Senator raised a few moments ago; namely, concerning his desire to know upon what authority the Senator from Arkansas referred to the fact that——

Mr. LONG. Just a moment. Mr. President, have I a right to yield to this?

The VICE PRESIDENT. No one has called the Senator to order. If that should be done, the Chair would hold the Senator out of order; but no Senator has done that. Therefore, the Senator from Wisconsin may proceed.

Mr. LONG. Very well.

Mr. LA FOLLETTE. I was referring to the question raised by the Senator from Louisiana a few moments ago as to the authority of the Senator from Arkansas or any other Senator to assure the Senate that the amendments, aside from the cotton and wheat amendments, would be concurred in by the House.

I wish to ask the Senator whether he does not realize that if the House should fail to concur in the Senate amendments, other than the cotton and wheat amendments, inevitably the bill would have to go to conference, and therefore it would still be in the control of the Senate. So may I ask the Senator this further question: In view of that situation, would not the Senator be willing to permit an opportunity to be had by the House to vote on the question of concurring in these amendments, which are so vital to those who are concerned—namely, those who are engaged on the transportation system of the country, those who are interested in the Railroad Retirement Act, and those who are interested in old-age pensions? If the House should refuse to concur, the matter would inevitably have to go to conference, and the bill would still be in the control of the Senate, in case the outcome should not be satisfactory to a majority of this body.

Mr. LONG. Now let me answer my friend from Wisconsin. I am surprised that he does not hold up my hand here tonight. I am surprised at my friend from Wisconsin. I am going to answer him. No; the answer to the question he asked is "no." I have read the rules as the Speaker of the House stated them in the RECORD; and under his ruling, if this matter goes over to the House tonight in any form whatever, it must go to the Chairman of the Appropriations Committee, unless there is unanimous consent to take it up at once, or unless there is a special rule.

Here is what I wish to say to my able friend from Wisconsin—he heard me a moment ago: I say, standing under the light of the eternal God Almighty, the Republic of this country is all we have left. The Legislature of this country is all the people have left for lawmaking. I ask, would you take away the right of a Senator only to ask that the bill be referred to the House before being sent back to this body? Would you have me say that I would assume that another body would vote adversely, in advance of the action to be taken by the body?

Mr. LA FOLLETTE. Mr. President——

Mr. LONG. I will not yield another bit.

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Louisiana yield to the Senator from Wisconsin?

Mr. LONG. No; I will not.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. LONG. I will not.

Mr. President, speaking now on this matter, I took occasion to look at the proceedings as they came up in this body. This was a very important matter to me. I will decline henceforth to yield to anybody for any purpose until I announce that I will yield. I am going to come to the point, so that the proceedings may be reviewed.

The Senator from Alabama [Mr. BANKHEAD] was speaking. He said here, as I shall read:

> Mr. President, some statements have been made, I believe, about the accumulation of additional cotton under the 12-cent loan. I want to predict now, as a long-time student of this subject, that you will find a good deal more cotton in the hands of the Government under the 9-cent loan than under the 12-cent loan, because there is nothing else for the cotton farmer to do, those who are able to do it. As the Senator from South Carolina stated, the tenants and the poor farmers are the ones who are most likely to suffer under this program. I was told by the junior Senator from Georgia [Mr. RUSSELL] that cotton is now selling at 10 cents a pound in southern Georgia. Those farmers sell at that price. No one should think that this plan guaranties them the other 2 cents to make up to them 12 cents.
>
> Let me point out that if by virtue of a holding movement on the part of those who are in a position to hold their cotton during the last 2 months of the year—November and December—the average price for the 4 months should be increased to 12 cents a pound, then the poor devils who sell now would not get a single dime in addition to the market price they are today getting for

their cotton. If the average price during the season should get up to 12 cents, those who sold it for less would be the "forgotten men"; they would be out of the picture.

The Senator from Alabama is a man well experienced in the cotton affairs of this country. The Senator from Alabama has sponsored considerable legislation on the question of cotton. The Senator from Alabama understands this question of cotton I think as no other man in this body understands it, with the possible exception of the senior Senator from South Carolina [Mr. SMITH], who has made quite a study of the matter, and anything I read from the Senator from Alabama naturally carries logic and weight behind it. I have frequently had the opportunity of conversing on this question with the Senator from Alabama. I consider him an authority on it, just as I consider the Senator from North Dakota [Mr. FRAZIER] an authority on wheat and farm problems of like nature.

I read further from the Senator from Alabama:

Those who are able to hold, and, finally, possibly force the price up, get the price, of course, and do not need the 12-cent guaranty; but those who need it most are the most likely to be the sufferers under the plan recently announced.

I concur in this view which has been expressed by the Senator from Alabama. I might state that I am of the opinion that the Senator from Alabama has well expressed himself in the matter. I shall read further from his speech. After a while I am going to read from the remarks of the Senator from South Carolina [Mr. SMITH]. In the absence of the Senator from South Carolina from the Chamber this afternoon I mentioned him, and I will say to him that my remarks were taken down, and are in the reporters' room, and I will ask that if the Senator from South Carolina should ask to see the pages containing what has been taken down, he be permitted to see them, because I may say that I referred to him in an entirely complimentary manner, as to his understanding about this 12-cent and 10-cent and 9-cent proposition.

I read further:

In addition to that, they will not get the money until next year sometime. The price-fixation period does not end until the 1st of January. Then, all the records must be made up, all the accounts of the farmers must be presented and go through the General Auditing Office. Vouchers must then be made, and we know, as a result of the programs relating to wheat and corn, that it would take months for the money to reach these poor needy men under this delaying, complex, and confusing plan.

It is to the financial advantage of the Government to fix the loan at 12 cents. Nearly all the cotton would move into trade. As Mr. Davis stated, 11,500,000 bales will be needed for this year's consumption. He said the mills must have it. That will cover this year's crop. When it is said the farmer can get a loan of 12 cents, then the trade will pay him 12 cents and he would much rather sell his cotton for 12 cents than to put it into a loan upon which carrying charges would accumulate.

I agree with this statement thoroughly. I am in accord with all that has been said on this question by the Senator, and if it were left to me, there would be no argument here tonight. I am very much aggrieved that there is any difference of opinion on this subject. I am sorry that everything is not as the Senator from Alabama has stated it. I read further from his remarks in order that they may be heard by the Members of the Senate, and I give this information:

If the Senate should adopt the amendment of the Senator from South Carolina—

Referring then to the junior Senator from South Carolina [Mr. BYRNES].

If the Senate should adopt the amendment of the Senator from South Carolina, prompt returns would be assured and we could be sure that very little cotton would go into the cotton loan. I believe less than a million bales out of the crop would go under the 12-cent loan. I predict that 5,000,000 bales would go under a 9-cent loan.

Think of it! There is a prediction of the Senator from Alabama that 5,000,000 bales will go under a 9-cent loan and a billion bales under a 12-cent loan. In other words, there will be a great deal more going under the low loan than under the high loan, and it will cost the Government that much more money. If this amendment on cotton and wheat is taken out of the bill the United States Government will lose in the neighborhood of $294,000,000. I estimated a loss of $294,000,000 at one blow if this half-baked legislation shall be passed. The farmers of the United States formerly raised in this country anywhere from thirteen to fourteen millions up to seventeen million bales of cotton, and I want Senators to remember that never was there a time when we had a 10,000,000-bale crop of cotton when we did not get from 15 to 40 cents a pound for cotton. Whenever we could hold cotton down below 12,000,000 bales we always got 15 to 20 to 25 to 30 to 40 to 42 cents a pound for cotton. This is a time when we have had two short crops instead of one and we are fighting over 10-cent cotton. Think of it, gentlemen of the Senate. Always, when we had one short crop of cotton, always, I say to my friend from Oklahoma—and I am glad that he is listening to me so attentively—always when we have had one short crop, we have gotten a high price for the cotton.

Here is a case where we have had two very short crops of cotton, and the price is down to around 10 cents a pound. That is the proposition which worries me in this entire transaction.

I read further:

From all these standpoints it is better to proceed with a plan which is tried and satisfactory, especially as we have now reached the point of beginning to reduce the Government cotton under the reduction program next year. That cotton will be brought out of the pool as a necessary contribution to the world's consumption of American cotton.

Regardless of politics, regardless of all the complications, but looking at this matter from the standpoint of the best interests of the Government, exercising our judgment here as Members of the Senate, looking at the welfare of a great section of the country, I hope the Senate will vote to continue the 12-cent loan, not because it will initiate a plan, but because it will decide between two plans and decide that the tried plan shall be continued. It is to the interest, as has been pointed out, of the cotton trade. Practically all the cotton mills favor the 12-cent loan.

Therefore, he said the best thing to do would be to make the loan at 12 cents. Twelve cents a pound means about $60 a bale.

Cottonseed sells for anywhere from $5 to $20 a bale now. I do not think there is nearly the market for cottonseed there used to be.

During the war times and shortly after the war times cotton would sell for 42 cents a pound as cotton, and a man would get twenty or thirty or forty dollars for the seed, paying for the bagging of the cotton, the ties, the shipping, ginning, and everything else. Just the seed alone would pay that much and give the man a handsome profit out of a bale of cotton.

Seed is now having a hard time getting a market. The trouble is that instead of seed finding a market, there are all kinds of vegetable oils shipped into this country, and copra is shipped in from the Philippine Islands, out of which they can squeeze vegetable oil. All of this confuses the market and congests it, and as a result they have never quite been able to get anything like a decent price for cottonseed oil, and therefore cottonseed brings a very low price.

I do not know entirely what is to be the effect of our freeing the Philippine Islands. We have had a lot of arguments in the Senate over just what to expect from freeing them. I am not very much up on foreign matters; that is, I have studied them, as most Members of the Senate have, off and on, when questions have been before us, but I never made any particular study of foreign products and of foreign matters of that kind.

Therefore, I am hardly in position to tell just what is going to be the result when the Philippine Islands are finally free. I wish I knew. I do not know, and I do not know of anyone who does know. There are all kinds of opinions about the question. One man thinks one thing and another something else, and the opinions vary. One opinion is just as solid, apparently, as the other.

Some people think that getting out of the Orient is a good thing. Other people think that staying in the Orient would be a good thing. I do not know. I have voted one way, and I would hear an argument, and I would feel like changing my mind on it every time I heard another man make a speech.

Be that as it may, I do not know what the future holds for cotton. This is a very deep question. I have spent a lot of time studying the cotton question. As I have said, there are two ways of our approaching the question, and the cotton question ought to be studied very deeply, and separately from the wheat question.

No man can tell just how it ought to be tied into the entire case. I should prefer to have the cotton question eliminated from politics. I do not believe it will ever be a good thing to carry it too far. My idea is that it ought to be gotten out of politics.

Wheat should be gotten out of politics. My idea is, further, that whatever laws you make for wheat you ought to make for cotton.

I do not desire to keep the floor here discussing this matter too long tonight. I do not want to take too long. I have felt that others have advice and suggestions which I should like to have the Senate receive.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. No.

The PRESIDING OFFICER. The Senator from Louisiana refuses to yield.

Mr. BLACK. The Senator from Louisiana will not yield to have his attention called to the fact that the States——

The PRESIDING OFFICER. The Senator from Louisiana declines to yield.

Mr. BLACK. The Senator declines to yield to have his attention called to the fact that the States, by his action, will be deprived of money to aid mothers and crippled children?

The PRESIDING OFFICER. The Senator from Louisiana declines to yield.

Mr. LONG. As I was saying a moment ago, the motion before the Senate is one made by the Senator from the State of Arkansas. The motion pending is to reconsider the vote by which the bill was passed. I do not know the parliamentary situation. I was just wondering about this. Had a Senator moved to reconsider the vote by which that bill was passed, and had a motion been made to lay that motion on the table, what would be the parliamentary situation? I do not know whether or not that was done last Saturday night. I did not look it up in the RECORD.

When we passed this bill last Saturday night, I do not know whether or not a motion to reconsider and a motion to lay on the table were made. If that was done, my opinion is that it would put a clincher on this matter. I do not know. I am not a particularly good parliamentarian. If we vote to lay on the table the motion to reconsider, that ends the matter of reconsideration.

As I said, I did not notice the matter as I passed out of the Senate Chamber that night. I wish I had looked it up in order that I might have argued the point to the Senate tonight. I wish I had looked it up, to have seen whether or not we moved to reconsider the vote, and then whether someone moved to lay the motion to reconsider on the table.

That brings up a very pretty parliamentary point. My opinion is that it would clinch the matter if that had been done; but I do not know whether or not that was done. We may all be arguing here something which is futile. The first thing we ought to have done, I really believe, was to look up the RECORD to see whether or not someone had made a motion to reconsider, and then whether someone had moved to lay that motion on the table. Now, after we have argued the thing here for 4 or 5 hours, we may find out that a clincher has been put on it. That is going to create a very peculiar situation.

I am going to ask my friends, some of them, while I am speaking here, addressing myself to the issue, to look in the RECORD and see whether or not a motion was made to reconsider the vote by which the bill was passed. I do know, Mr. President, that a motion was made to reconsider the wheat and corn amendment, and to lay that motion on the table. If that was done, how are we going to get out of it? If we have already moved—and I do know that we did move—to reconsider the vote by which the corn or the wheat and cotton amendment was passed and to lay that motion on the table, how are we going to get beyond that, unless in a conference report? How can we do it?

We have already voted, I am saying, to lay on the table a motion to reconsider. Now, if another body were to send a bill in here for a conference, and we were to agree to a conference, of course, that conference report would be voted up or down. That is all right. But how are we going to reconsider a bill, our own bill, when we have voted to lay on the table a motion to reconsider? I do not see how it can be done.

I want Senators to think about it. Already it will be found, as Senators look through the RECORD, that a motion was made to reconsider the vote by which the amendment of the Senator from South Carolina was adopted, and that motion was laid on the table. How is that going to leave the situation? That does not give you a chance. There has been a motion to reconsider, and it has been laid on the table. Therefore, you have no chance.

I know that the wheat and cotton amendment had that motion made with respect to it. Perhaps it was not made with respect to final action on the bill, but that does not make any difference. The bill is here before us just as it always had been. It is here before us as though it had never left the Senate.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. For a question.

Mr. BLACK. Even conceding that there is some parliamentary question which the Senator has raised, does he not realize that by his filibuster he is defeating an appropriation of $2,850,000 to take care of mothers and little children in the States, and $2,137,000 to take care of crippled children in the States, in addition to the fact that he is about to defeat the carrying-on of the work for the railroad retirement fund, to carry on the pensions, and is about to deprive the States of an appropriation to help take care of their aged poor? Does not the Senator know that the inevitable result of his filibuster, which may be successful—which does not require any particular skill to be successful, just a little physical strength—is to deprive the aged poor, and crippled children, and blind people, and the railroad workers all over the country, of having this law put into effect for their benefit?

Mr. LONG. I do not think the Congress should adjourn without passing the bill.

Mr. BLACK. The Senator knows that if he talks from now until 12 o'clock, Congress will not pass the bill, and he will be responsible for its defeat.

Mr. LONG. I do not wish to yield.

The PRESIDING OFFICER. The Senator from Louisiana declines to yield further.

Mr. LONG. I will gladly yield to send the bill back to another body at any time.

Mr. BLACK. The Senator knows, irrespective of the way he demands it, that his continued talk is going to deprive the railroad brotherhoods and the railroad men of having this law put into effect for their benefit.

Mr. LONG. No; I cannot believe that my colleagues are less humane than I am and, therefore, I must say that I cannot believe, even if the Senator from Alabama is correct, although the Senator from Arkansas did not think so Saturday night, that my colleagues will vote me down and adjourn, as they have before, because at the proper time I shall enter a motion requesting the other House to send back the papers in order that we may rescind the adjournment resolution, as we did last Saturday night.

Mr. BLACK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Alabama?

Mr. LONG. No. Think what good I have done!

Mr. BLACK. The railroad people probably will not think of that. The poor mothers and the crippled children will not think of that.

Mr. LONG. Oh, yes, they will!

Mr. BLACK. The blind people, and the sick children, and their mothers will not.

Mr. LONG. Yes; every one of them will vote for me.

Mr. President, think of all the good I have done! If all the Senator from Alabama said is true, we ought to include in this bill an appropriation for me, because I stood here Saturday night and kept the Senate from taking a recess, and we had only 5 minutes left, or there would have been no deficiency bill. It was I who held the floor and would not let the Senate take the second recess. It was I who sat here and held this floor, as I am holding it tonight, but for which, within 5 minutes, we would have gone into recess. The Senator from Minnesota [Mr. SCHALL] was fixing to have the clerk read a speech that would have taken 15 minutes. I went over and got him not to do that, and I saved that 15 minutes right there.

Mr. BLACK. Mr. President, will the Senator yield there?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Alabama?

Mr. LONG. No, sir; I do not yield.

The PRESIDENT pro tempore. The Senator from Louisiana declines to yield.

Mr. LONG. If there is good in this bill, then crown me for having saved it, because it was locked up and nothing was going to be done, and I stood right there in the seat across the aisle of the Senator from Michigan [Mr. COUZENS], and I objected when the Senator from Arkansas started to move a recess. I caused the papers to be sent over to the House 15 minutes ahead of time by asking my friend, the Senator from Minnesota, to stop having his speech read. If I saved the bill Saturday night, I have a right to save the American people Monday night.

Mr. BLACK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Alabama?

Mr. LONG. I do not yield, because it does not do any good, Mr. President. If it did any good, I would yield.

Mr. BLACK. I myself do not think it does any good.

The PRESIDING OFFICER. The Senator from Louisiana declines to yield.

Mr. LONG. The trouble is, my friend from Alabama does me grave injustice now. I will tell my friend from Alabama and the other Members of the Senate that I am going to let them in on a secret. If they will just read the RECORD they will see how the ship subsidy was passed last Saturday. I should like to have them read that.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. No, sir.

The PRESIDING OFFICER. The Senator from Louisiana declines to yield.

Mr. SCHWELLENBACH. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator cannot take the Senator having the floor off his feet by a parliamentary inquiry, but he may state the parliamentary inquiry.

Mr. LONG. I am not yielding.

Mr. SCHWELLENBACH. Has the Senator from Louisiana the right to refuse to yield just because he is afraid to have me propound a parliamentary question?

Mr. LONG. Yes, sir; I am afraid.

The PRESIDING OFFICER. The Chair will state to the Senator from Washington that is not a parliamentary inquiry.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. LONG. No.

Think of it, Mr. President! The Senator from Arkansas and the Senator from Alabama all this night have been telling what blessings there are in this bill, when it was HUEY LONG who got the bill here.

Mr. SCHWELLENBACH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. No, sir; I do not.

Mr. SCHWELLENBACH. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHWELLENBACH. Does the Senator from Louisiana have a right to refuse to yield just because he is afraid to have me ask a question?

The PRESIDING OFFICER. The Chair will state to the Senator from Washington that that is not a parliamentary inquiry.

Mr. BLACK. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. BLACK. Does the Senator from Louisiana have the right in his speech to assume the credit for the bill going this far, when the facts are that he is not entitled to that credit, and then declines to permit any other Senator to get the floor to correct his statement?

The PRESIDING OFFICER. The Chair will state that, under the rules of the Senate, the Senator from Louisiana may claim anything he pleases. [Laughter.]

Mr. BLACK. Mr. President, another point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. BLACK. Does the Senator from Louisiana have the right at this time to filibuster against a bill which carries millions of dollars for the purpose of taking care of the aged and the poor, crippled children and sick children and sick mothers?

The PRESIDING OFFICER. The Chair will state that, under the rules of the Senate, the Senator from Louisiana does have that right.

Mr. LONG. Mr. President, Saturday night I went over to the Senator from Minnesota—and I want to read from the RECORD, if I can find it, without having to stop my conversation with Senators who are listening to me, for it is in the RECORD here—I went over to the Senator from Minnesota when the Senator from Minnesota rose and asked permission to have his speech read, and nobody objected, although they had been objecting previously, and the clerk started to read. I went over and asked the Senator from Minnesota, "Please do not", but he insisted. I stood there and my friend, the senior Senator from Wisconsin walked up to me and said, "Can you not convince the Senator from Minnesota not to have the speech read?" I said I had tried it. He said to me, "Try him again", and so I went back and tried him the second time, when he granted my request; and there I saved 15 minutes and got the bill over to the House 15 minutes earlier. If it had not been gotten over there 15 minutes earlier, it would have been 10 minutes past 12 o'clock.

Mr. SCHWELLENBACH. Mr. President——

Mr. LONG. I refuse to yield. I am afraid.

The PRESIDING OFFICER. The Senator from Louisiana declines to yield.

Mr. SCHWELLENBACH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHWELLENBACH. Does the Senator from Louisiana have the right to refuse to yield just because he is afraid to answer a question?

The PRESIDING OFFICER. The Chair will again state that that is not a point of order.

Mr. LONG. I am a scared man, Mr. President. [Laughter.]

I want to say that that is not all I did. I stood there when the Senator from Arkansas rose to move a recess. I knew what that recess meant. I held the floor in my own right; I only yielded when someone wanted to take up and have passed a bill, and then took the floor again and held the Senate here. So why should I not have the credit? If this bill is all that is good, the only reason the Congress of the United States is in session tonight considering it is that the Senator from Louisiana was here. That is the only reason.

Mr. SCHWELLENBACH. Mr. President——

Mr. LONG. I decline to yield.

The PRESIDING OFFICER. The Senator from Louisiana declines to yield.

Mr. SCHWELLENBACH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHWELLENBACH. Does the Senator from Louisiana have a right to refuse to yield just because he is afraid to answer a question?

The PRESIDING OFFICER. The Chair will say again to the Senator that that is not a parliamentary inquiry. The Senator from Louisiana does have that right.

Mr. LONG. Now, think of it; think of the good I have done. I never knew I was such a great man. [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair must admonish the occupants of the galleries that they are here as guests of the Senate, and expressions of amusement, approval, or disapproval are strictly forbidden by the rules of the Senate. The Chair hopes that they will not be repeated.

Mr. LONG. I ask my hearers, Members of the Senate and guests on the floor and guests in the galleries, to please observe the admonition of the Chair so that Members of the Senate may hear what I am saying in the time I have left. Remember, I need this credit and I want credit done to me. Ah, my friend from Alabama would do no one an injustice. He may make an honest mistake, as we all sometime make mistakes, but he would never do a colleague or any other man an injustice. Ah, no, Mr. President; the Senator from Alabama and the other Members of the Senate know that we had already passed a resolution providing for final adjournment.

The Senator from Alabama knows that the Vice President did not call the Senate together on Saturday night until rather late. The Senator from Alabama knows that the messenger from the House only walked in the main door of the Senate Chamber 5 minutes before the hour of 12 o'clock. The Senator from Alabama knows that had he come 6 minutes later the Congress would have already been adjourned, and the deficiency bill would have gone.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Alabama?

Mr. LONG. I yield for a question.

Mr. BLACK. That the Senator from Alabama does know, and conceding, for the purpose of the argument, that the Senator from Louisiana is solely and singly responsible for all that has ever been accomplished in the Senate since he has been here——

Mr. LONG. Oh, no; I deny that.

Mr. BLACK. Does the Senator think that would justify him in filibustering at this time to deprive the railroad men of the United States having put into effect a bill to give them retirement and pensions, and does he think that that would justify him in filibustering to death appropriations to take care of crippled children and blind men and women in this country and sick children and sick mothers? Does he believe, even if he has done all that he claims, that justifies him now in killing and destroying a bill that, if enacted, will carry happiness, comfort, and some sort of light to the aged poor, to crippled and sick children, and sick mothers?

Mr. LONG. Let me answer that by asking where was the Senator from Alabama last Saturday night when we were holding the session open?

Mr. BLACK. I was here.

Mr. LONG. Does the RECORD so show?

Mr. BLACK. The Senator from Alabama was here, but he was not attempting to take all the credit for the amendment which the Senator from South Carolina so ably presented; and the Senator from South Carolina did not need the assistance of the Senator from Louisiana to put over that amendment.

Mr. LONG. He did not? Is that so?

Mr. BLACK. That is true.

Mr. LONG. Well, I am glad to hear that.

Mr. BLACK. And everybody but the Senator from Louisiana knows it.

Mr. LONG. I am glad to hear that.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. LONG. No; I do not yield.

The PRESIDING OFFICER. The Senator from Louisiana declines to yield.

Mr. SCHWELLENBACH. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHWELLENBACH. I ask, Mr. President, if, under the rules of the Senate, the Senator from Louisiana has the right, in order that he may make publicity for himself before the galleries, to prevent the passage of laws which will give to the people of the United States the privilege of old-age pensions, widows' pensions, allowances to crippled children, and allowances to the blind, in the same way as he has done as dictator of the State of Louisiana ever since he has been in charge of the affairs of that State?

The PRESIDING OFFICER. Under the rules of the Senate, the Senator from Louisiana has that right.

Mr. LONG. Of course, Mr. President, I do not reply to that kind of statement, and I am going to ask the Chair to protect me against a repetition of such inquiries. I believe the Chair has already ruled once or twice that they are not parliamentary inquiries. I have stood these things once or twice, and I want to protect the remainder of the Membership of the Senate. I do not want my trembling and fear to be reflected on other Members of the body. I do not want any more of those than I can help.

Let me say this: With the clock showing the approach of the dead line the other night we were trying to save minutes in order to save the deficiency bill. I do not care whether the Senator from South Carolina wants my help or not. That does not make any difference to me. The Senator from North Dakota [Mr. FRAZIER] had an amendment as well. He prepared his amendment and offered it to the amendment of the Senator from South Carolina. It does not make any difference with me. I do not care whether he wanted my help or not.

I am not representing Senators. I am representing the people of the United States of America. I am representing 125,000,000 people as well as my own State, and so does every other Senator represent his country first. Therefore, representing my country, I have never asked any Senator in this body how I ought to represent my country and my State. I do not think that they will tell me how I should represent my country and my State. I do not think they will ask me how they should represent their country and their States. This Government is the property of all the people of the United States of America. It belongs to nobody, to no Senate, and to no Senator. That is the situation which prevails at this time.

I did what I set out to do. I shall show the RECORD. When the Senator from Arkansas [Mr. ROBINSON] rose and moved for another recess, what occurred? When he rose and moved that the Senate recess, does the RECORD show that anybody else rose except the Senator from Louisiana? It does not. It shows that nobody rose but the Senator from Louisiana to object to the recess, and to say, "Oh, no; I want to hold the Senate in session."

After the Senator from Arkansas had said that in his opinion the bill would not come back, I said I wished to hold the Senate in session and take the one chance that perhaps we could bring it to a vote and get it passed. Five minutes before the stroke of 12 the messenger came to the door, whereupon, as I think the RECORD will show, I asked the Senator from South Carolina [Mr. BYRNES], then occupying the floor, to yield that we might have the message brought to the desk. That is a matter of record.

Oh, I do not expect credit in the Senate. I do not expect credit from Senators. We do not need that here among us. I do not need credit. I do not need a job in the Senate. I do not need a public position. I am one man who has never needed a public office since I started holding them. I am one man who can say that every year I have held a public office, I have spent more for the public office than the public office ever paid to me.

Why did I take the stand I took here from and after March 5, 1933, against an administration that was being deified here? Because I do not need public office and do not care for public office. I want to serve the people of the United States even though they do not understand I am fighting for their welfare along the line that means most to them. I have no fear of losing public office because it

does not mean a thing under the living sun to me. Public office means nothing.

I would give my own example as advice to my colleagues even though it should brand me with a lack of modesty. I would say to every Member of the United States Senate. I should like to put up the example of a man who did not have a newspaper in his State with him.

I should like to call attention to the example of the man who had every political organization in his State against him. I should like to call attention to the example of the man who had every big corporation in his State against him. If that man, with less than one-tenth the employees that his opposition had, with no newspapers at all, could, nonetheless, fight the national administration and still be unopposed, I would say that man knew what he was talking about. I would recommend to my colleagues who prefer to stay in this body a great deal more than I do that they look up that example and follow it just as much as they think it throws light upon a good course of conduct, but no further. Perhaps they might not approve of it.

That is why the people of the United States tomorrow morning, tonight, and tomorrow morning, back at the forks of the creek, will understand. I do not care what the occupants of the gallaries think, I do not care what the public press may think. I do not care what someone else may think. But back over there on the forks of the creek and in the blacksmith shop and filling station, tonight they are saying: "I hope to see the Houses of Congress commence legislating in the most regular way." They are saying that. They would uphold my hands. They will uphold our hands in that pronouncement, I am sure.

Mr. President, If I may now proceed in order, I have a high regard for my friend from Alabama. I think more of him than he does of me, a whole lot more. I do not care what his opinion is of me. That does not need influence my opinion of him.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Alabama?

Mr. LONG. I yield for a question.

Mr. BLACK. If the Senator does think anything at all of my judgment——

Mr. LONG. I think very little of the Senator's judgment.

Mr. BLACK. And of my desire to do something for the people who need it, why does he not stop? It is only an hour and 25 minutes to midnight. Why does he not stop and give us a chance to vote on a bill which would put the Railroad Pension Act into effect, which would aid the blind, which would aid the old people, which would aid the crippled children and the sick children? Why does the Senator not stop and permit this to be done? He knows he can defeat the bill.

Mr. LONG. I wish to say in answer that there is a motion pending to reconsider the vote by which the bill was passed. If the Senator from Alabama will tell me that the Senator from Arkansas, making the motion to undo the vote that has already passed the bill, will withdraw it then I shall yield, and we will send the bill out of here.

Mr. BLACK. Mr. President, will the Senator yield further?

Mr. LONG. I yield for a question.

Mr. BLACK. The Senator knows that it is impossible for him to make the country or the people at the forks of the road or in the blacksmith shops believe otherwise than that if this bill shall be defeated and this money shall not be appropriated for the crippled children and to carry on the Railway Pension Act, the Senator from Louisiana, and the Senator from Louisiana alone, will be responsible for depriving them of those benefits. It is only an hour and twenty-two minutes until midnight.

Mr. LONG. I know it has been announced on the floor that the purpose of the whole proceeding is to take the wheat farmer and the cotton farmer out of the bill. I know that is the only reason why the Senator from Arkansas has tried here tonight to pursue the course of conduct which has brought us into the present situation. The bill has already passed, but has come back to go through a series of parliamentary maneuverings so as to take the wheat farmer and the cotton farmer out of the bill.

Does not the Senator from Alabama know that back in those States where wheat is raised some of those poor people are getting only 10 or 15 cents a bushel for wheat which has been damaged by the inclement weather and the dust storms? Does not the Senator know those poor people will probably be snowed in before long and have little to eat? Does he not know that there are thousands of starving people in those areas which are covered by the cotton- and wheat-growing sections of the country? Can he not envision the snow and storm engulfing those poor people this winter? Has the Senator no heart? Has the Senator from Alabama lost all sense of feeling for those poor people?

Mr. BLACK. Mr. President, will the Senator permit me to reply to his question.

Mr. LONG. I cannot yield except for a question.

Mr. BLACK. The Senator asked a question and I believe he ought to allow me to reply.

Mr. LONG. If there is no objection——

Mr. BLACK. Let me ask the Senator a question in reply: Does the Senator not know it is impossible for him, by these pyrotechnics and this display here, to deceive the wheat farmers into believing that he is helping them by this activity here tonight? Does he not know it is impossible, back in the farming sections of the country, to convince the wheat farmers that he is doing anything for their benefit?

He knows the bill will not be passed, but does he know that by filibustering against the bill he can defeat the appropriation for the aid of crippled children?

Does he know he can defeat the appropriation and prevent the acts for the relief of the railway men from going into effect, the men who work long hours on the railroad trains and who want to get a pension? Does not the Senator know—and he does know—that by his activity, if he keeps on filibustering for an hour and twenty minutes, he is going to deprive the people of this country of the benefit of improvements for crippled children——

Mr. McKELLAR. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McKELLAR. May the Senator from Louisiana yield for a speech and hold the floor?

The PRESIDING OFFICER. Only for a question. The Chair assumes the Senator from Alabama is coming to the question.

Mr. LONG. I yield only for a question. Now I will answer the question, and I will not yield for any other question, because I want to get through with my speech.

Mr. BLACK. I see. The Senator wishes to filibuster this bill to death.

Mr. LONG. I wish to get through with my speech.

Now, I desire to say a word on a subject that I have not been able to get to. Gentlemen of the Senate—men whom I love, men whom I admire, many of whom I read about when I was a youngster, wondering whether or not I should have the distinguished opportunity of meeting in person and talking lip to lip and face to face with such men of study, learning, intellect, and refinement—I ask of you a consideration of this crude, unintelligible, more or less animal suggestion:

We of the cotton country live in a warmer climate than the poor people of the North and the West. Down in my good State of Louisiana and in the States which adjoin it the flowers bloom away up into the month of November and sometime clear through the month of December. It is a warm, balmy climate, Mr. President. You can always find fish and oysters and shrimp and crabs and fur-bearing animals. All the year round there is something of that kind going on. It is a warm, nice, enticing climate. The sky of deep, beautiful azure remains permanent more or less through the nighttime and through the daytime. Every sign from the canopy of heaven shows——

Mr. SCHWELLENBACH. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the parliamentary inquiry.

Mr. SCHWELLENBACH. I am a new Member of this body; and I ask the Chair whether the older men and women of this country who have gone through their period of activity are to be deprived of an opportunity for a pension, whether the little children of the country who do not have the opportunity which they should be afforded are to be deprived of opportunity, whether the blind are to be deprived of the opportunity which this bill provides for them, simply because the Senator from Louisiana wishes to provide publicity for himself, and get himself in the newspapers, and talk to the occupants of the galleries.

The PRESIDENT pro tempore. The Chair cannot answer that question at the present time.

Mr. LONG. Mr. President, it does not make any difference who appeals to me, or who talks to me. It does not make any difference what is said or what is asked. I maintain a principle here tonight. I maintain that any other House should have a right to vote on a bill. I maintain a principle. I stand for the passage of this bill. I am for this bill. I am for every bit of it. My good friends here have a misconception of matters. It is not I who have undertaken to secure an amendment of the vote by which this bill has been passed. It is someone else in this body, more powerful than I, who now moves to undo the passage of the bill. Seek out, I beg of you, that man among you who has moved to undo the passage of the bill. Do not jump on me. I am the man who saved it. I am the man who kept it alive. I am the man who breathed life into a dying legislative enactment.

Ah! There was not a tear then. All the tears have been shed around me tonight over the proposition of permitting the wheat farmer to be left out. Oh, the tears! How the salty tide runs around me. I can feel it in every pore, how there is weeping, how there is everything expressing deep sympathy, to induce me to pause long enough to allow the motion of the Senator from Arkansas to prevail, to take the wheat farmer and the cotton farmer out of the bill. They never cried until the time came to take the wheat farmer out of the bill; but when the time came to take the wheat farmer out of the bill the crying began. Not a tear until the time came to take the wheat farmer out of the bill. Oh, no.

When I drive up through that part of the country in the coming year or so, I shall knock on the doors of those little wheat farmers, and I shall say to them, "I have come to see you. I am a United States Senator from Louisiana." "What! Are you the man who stood on the floor of the United States Senate on the 26th day of August 1935 and stood for my right to have the Congress of the United States say whether I should or should not have equal protection under the law? Are you that man?" I shall be the man visiting those people there, where there is more genuine human feeling and friendship for me than all the ability of the 95 other Members of the United States Senate can expect by the move they have made here tonight, if any one of them has made that move, for the amendment of the bill.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Alabama?

Mr. LONG. No, no. I have not much time.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. BLACK. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BLACK. May I ask if, under the concurrent resolution which has already been adopted, the Senate will automatically stand in adjournment at 12 o'clock, and if the automatic adjournment of the Senate will mean that the paragraph on page 10 of the bill which appropriates $37,000,000 to the States to aid the aged poor will be defeated at this session of the Congress?

The PRESIDENT pro tempore. In the opinion of the Chair it will.

Mr. LONG. Ah, Mr. President, the bill appropriates some money for Louisiana, too. A lot of money for Louisiana is appropriated in all these appropriation bills, but it has to be sent to us from Washington. My men came up here to get their part of the money. "Why", the Secretary of the Interior said——

Mr. SCHWELLENBACH. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Washington will state it.

Mr. SCHWELLENBACH. I ask whether under this bill, which appropriates money for old-age pensions and for relief of the crippled and relief of the blind, if the government of a State cruelly refuses to participate in any old-age pension law or any relief for the blind or any relief for the crippled, whether there is any appropriation for those States whose dictators are so cruel that they will not permit their crippled or their blind or their aged to have any help?

Mr. LONG. I make the point of order that that is not a parliamentary inquiry.

The PRESIDENT pro tempore. The Chair is inclined to believe that it goes beyond a parliamentary inquiry.

Mr. LONG. Now, Mr. President, let me say further, continuing my statement, there is a bill here to give a lot of money to all the States for roads and various other things. My men came up here and went in to see Mr. Ickes, the Secretary of the Interior. Mr. Ickes had already given out a big, flannel-mouthed statement to the newspapers about me. "Why" he said, "that is the land of the Kingfish, isn't it? You want us to give the Kingfish this money." They said, "No; Senator LONG is up here."

They called me Senator LONG in his presence because he has never been elected to the Senate. He talks to the Members of the Senate as he wants to. He makes Members of the Senate look little. I do not go up there to see him. He does not get a chance to make me look little. I stay away from him. I have learned how to hold my dignity as a Senator. I do not go near these bureaucrats. No, sir! I stay away from them. I stand on my own ground; and when one of them comes to see me down in my neck of the woods, he knows I am on my home soil. Then I talk just as big as he talks; and he talks nicely, and I talk nicely.

You know, Mr. President, you can take almost any man up to the office of the Secretary of the Interior. I had a friend sitting in this body tonight—I believe he has gone home now—who went up to see Mr. Ickes, Secretary of the Interior, some days ago, and he had another United States Senator with him, my colleague [Mr. OVERTON].

Not a finer man ever sat in this body than my colleague, the junior Senator from Louisiana, a gifted, kindly, polite gentleman, who went with another man, much of the same type, another man from the South, to visit the Secretary of the Interior, Mr. Harold M. Ickes. They walked in, and Mr. Ickes said, "How many more of these delegations are going to come up here to see me about this matter?"

My colleague, the junior Senator from Louisiana, paused, but the Senator from the other Southern State stepped up and said, "Now, just a moment, Mr. Secretary. We do not have to take anything off of you at all. We came up to see you on public business, but if you do not want to see us you can get out, and I want to tell you, you be more respectful to me or we will get out."

"Well", he said, "Come in, if you want to. What is it?"

So they talked a moment, and got out.

About a month later a college president came here. Every man in the United States Senate knows how much time a Member of the Senate has to run much outside business and make a living. I think most of the Members of the Senate know about how much time any one of them would have to go around running other businesses. If we run our own business we do pretty well. But this other fellow went up there, a college professor. They loaned $1,700,000 to Louisiana State University, Sherman's old war school. That old university has become quite modern. Its standards have been raised. Mr. Jesse Jones, up at the Reconstruction Finance Corporation, would be a pretty good fellow if they would let him alone; he means to be a decent fellow, and would be if he were let alone. Of course, he is in some bad company, like all of us, sometime, and he cannot help himself; but Jesse Jones would like to be an honest man.

The Reconstruction Finance Corporation said, "All right; we want the credit of lending Louisiana State University $1,700,000. We want to tell you that it is your money."

But, the professor said, "Senator LONG told us we would not get the money."

"Well", he said, "I want to tell you, you will. Here it is, and you take this engineer away from here down there and you start to work and send us your bond, and the money will come right back."

They came into the Roosevelt Hotel lobby one night when I was sitting up at the desk with the assistant manager; in walked the president of L. S. U. and the business manager and some man who was an engineer of the Reconstruction Finance Corporation. I said, "What is all this?"

The president stepped off and said, "We have $1,700,000, and we are giving a statement out to the newspapers tonight."

I said, "Hold on. Wait a while."

"Oh", he said, "you do not know. This young man is the engineer they have sent down to start the work."

I said, "Hold on. I know those birds better than you do. Have you the $1,700,000?"

He said, "No; but it is coming."

I said, "It is not worth anything."

That is not what I said, but—— [Laughter.]

I said, "That does not mean anything."

But he said, "They have told us to announce it."

I said, "Do not announce anything of the kind. You will never get the $1,700,000 from the R. F. C."

He said, "They would not turn down a university."

I said, "They will do anything. Now you wait."

Lo and behold, the Reconstruction Finance Corporation gave out the statement themselves. When they found out Louisiana State University would not give it out, they gave out the statement:

WASHINGTON, D. C.—The Reconstruction Finance Corporation announces today that it has loaned $1,700,000 to Louisiana State University.

They gave it out. What happened? The university authorities said, "We will go ahead now."

I said, "Oh, no; you had better not. You have me as a member of your board. I want you to call the board together if you are going to start before you get your money, because I tell you they will permit you to let the contracts and start the work, and then they will give out a big announcement that on account of HUEY LONG they have decided not to go ahead with it, and then you will be out on a limb and unable to help yourselves."

What did the officials of the university do? They fished around with them, and made as if they had started to work. They started a job for which we had the money, over in another part, but we made the R. F. C. think we had started on the job for which they loaned the money. They waited until we got the arts and science building up to take care of 5,500 students, and out came the R. F. C. announcement that they had revoked the loan.

What did we do? We just laughed, and said, "Boys, you ain't heard nothing yet. [Laughter.] We have two million more dollars. We do not need a damned cent of your money. Keep it. We can do without it." And we did without it.

You are not going to treat us that way any more. You talk about going to send some money to Louisiana in this bill. They are not going to send us anything.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. No.

Mr. BLACK. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BLACK. The bill which is now under discussion, in addition to $37,000,000 for the aged poor, provides on page 10 "Grants to States for aid to dependent children: For the grants to States for the purpose of enabling each State to furnish financial assistance to needy dependent children, $18,000,000."

Mr. LONG. Yes.

Mr. BLACK. May I ask the Chair, if the Senator from Louisiana continues to filibuster from now until 12 o'clock, will that defeat this provision for $18,000,000 for needy children all over the United States?

The PRESIDENT pro tempore. In the opinion of the Chair, it will.

Mr. LONG. Mr. President, now that the Senator has propounded his usual inquiry——

Mr. BLACK. I will propound another one if the Senator desires.

Mr. LONG. I hope the Senator will not. Let me talk until I get through. I have very little time left.

Mr. BLACK. The Senator has an hour in which to kill the bill.

Mr. LONG. I am not killing the bill.

Mr. BLACK. The Senator is killing the bill, and he knows he is killing the bill.

Mr. LONG. No; I am not.

Mr. BLACK. He is deliberately killing a bill that would furnish food to hungry children and to blind people.

Mr. LONG. I am not. I want to finish telling about this Louisiana business down there. [Laughter.]

Mr. BLACK. The Senator wants to talk about anything that will deprive blind people and crippled children——

Mr. LONG. No——

Mr. BLACK. And sick mothers and sick children of help.

Mr. LONG. I will stay right here, and do not tell me——

Mr. BLACK. The Senator knows he is killing it, and that is what he is trying to do.

Mr. LONG. They say to me, "We will run off and not pass any bill. We will not stay here with you and pass the bill if you do not agree to cut out something."

Mr. BLACK. The Senator knows that in order to get publicity he is destroying the bill.

Mr. LONG. I object to this interference. I ask to be protected.

Mr. President, I wanted to read something from the rules, and I find I have not the place marked. This is what I am trying to do. Wait until I get through. We appropriated out of this $4,800,000,000 some road money, and I want everyone to listen to me; and if I am not telling the truth, judge me not to be a man fit to sit in this body.

They appropriated some money for roads. Louisiana's part was $6,000,000. The Louisiana Highway Commission is the best in the world. They will tell you over in the good roads bureau that we have the best road building institution in the world, the strongest roads, at the lowest cost, on the most difficult soil.

The highway commission got up its designs for the roads, it submitted them to the good roads bureau, the good roads bureau sent its district engineer from Dallas, Tex., over to Louisiana, and he approved every project and everything under the $6,000,000 appropriation.

What happened, Mr. President? They said, "This has to be approved by the State emergency administration." So the Federal engineer—get this—the State Federal engineer, and the district Federal engineer, and the chairman of the highway commission took those projects, approved by the United States Bureau of Public Roads and by the State of Louisiana——

Mr. SCHWELLENBACH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I decline to yield.

Mr. SCHWELLENBACH. Mr. President——

Mr. LONG. Mr. President, I make the point of order that I should be let alone.

Mr. SCHWELLENBACH. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. SCHWELLENBACH. I submit to the Chair the question whether or not, because of the desires of the Senator from Louisiana to secure publicity for himself, if he filibusters against the bill for an hour and five minutes longer, he will deprive the States of the grants provided on page 11 of the bill, as follows:

Grants to States for aid to the blind: For grants to States for aid to the blind, as authorized in title X of the Social Security Act, approved August 14, 1935, fiscal year 1936, $2,250,000.

Will the effort upon the part of the Senator from Louisiana to secure publicity for himself deprive these blind people of that aid?

Mr. LONG. Mr. President, I make the point of order that that is not a parliamentary inquiry.

The PRESIDENT pro tempore. Part of it is a parliamentary inquiry. The other part is not. If the Senator from Louisiana will make the point of order that a portion of the inquiry is not a parliamentary inquiry, the Chair will act.

Mr. LONG. Oh, no; I do not make any point. Let it go.

The PRESIDENT pro tempore. The Chair will state that at 12 o'clock, under the concurrent resolution adopted by both Houses, the Senate will stand adjourned sine die; and if the bill shall not be acted on prior to that time, all the appropriations provided by the Senate will fail.

Mr. LONG. Now I wish to be permitted to finish my Louisiana story, which is relevant to this case.

Here is what happened: I was speaking of the road projects. These road projects were approved by the Federal Department and by the State. They went down to the Federal emergency relief administrator they have down there—a political enemy of mine, who does not hold any office in the State now—and he had another gentleman down there with him, and they said, "We cannot act on it." The Federal engineer said, "What is wrong?" He said, "We have orders to submit this thing to Washington before anything is done, and we do not know what to do. We must wait to hear from Washington before we can do anything."

With Louisiana being held up in that way, and such things being done, do Senators mean to tell me Louisiana is losing anything? Louisiana is not losing anything, and Louisiana knows it is not losing anything. Oh, yes; it is true it is provided in the bill that they have to send us a little pie dough down there, enough to take care of 1 out of every 400 men. That is what the bill provides—1 out of every 400. We do not think they will send us that.

Mr. LA FOLLETTE. Mr. President, will the Senator yield to me for the purpose of making the point of no quorum?

Mr. LONG. I think, under the rules of the Senate, if I yield for the purpose of making a quorum call I will lose the floor. I ask the Chair if that is not so.

Mr. LA FOLLETTE. No; the Senator will not, because on the first point of no quorum there was unanimous consent that he should not lose his privilege of the floor.

Mr. LONG. I do not wish to yield.

Mr. SCHWELLENBACH. Mr. President, a parliamentary inquiry.

Mr. LA FOLLETTE. Just a moment. Will the Senator from Louisiana yield for a point of no quorum?

Mr. LONG. No; I do not wish to yield.

So that is the way the matter had been handled and that is the way it has been done.

We are good sports. We are good fellows. We have had it done to us in such a way that we do not understand all about it. We can get by. We can make a good living and exist, but I do not know about anybody else being able to do it. That is something I cannot tell Senators. I do not know.

I will tell Senators that there is such a thing as putting a gun to the man's head and saying, "Either you do this, or I am going to shoot", and the one holding the gun will say that you committed suicide because you did not do what he said. In this case somebody says to me, "We will adjourn by 12 o'clock if you do not let us take this amendment out of the bill. "Well", I say, "I refuse to be a party to cutting the throat of the wheat farmers and the cotton farmers of the United States."

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. No; I do not yield.

The PRESIDENT pro tempore. The Senator from Louisiana declines to yield.

Mr. BLACK. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BLACK. If the Senator continues his filibuster to 12 o'clock, even though he says he does not want to cut the throat of the wheat farmers, may I ask the Chair if it is not cutting the throat of the railroad men who have had a pension bill passed; and will not the action of himself, or himself and the Senator from Oklahoma [Mr. GORE], or anyone else, result in defeating the passage of the part of the billion, page 9, which provides $600,000 to carry on the work of the Railroad Pension Act?

The PRESIDENT pro tempore. It will defeat the passage of that part of the bill, as well as all the rest of it.

Mr. LONG. Mr. President, I hate to hear my friend from Alabama ascribe to any one Member of the body authority which he is too good a parliamentarian to believe he has. He knows Congress can stay here. Congress does not have to run away tonight—not a bit of it. Why should the Congress have to leave tonight? It does not have to do that.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. No; just a moment. I should like to be permitted to speak a little while during my time. Two-thirds of my time has been taken up by asking me questions and by parliamentary inquiries. Senators have talked about my filibustering. If Senators will read the RECORD, they will find that parliamentary inquiries and points of order have taken up two-thirds of my time. When, as a matter of fact, I am trying to talk, Senators are yelling about my making a filibuster. How is a man to get through if he is interrupted all the time? I have not yet finished answering all the questions which have been asked of me.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. No; I refuse to yield, but the Senator can make another one of those parliamentary inquiries, and so I suppose that is what will be done.

Mr. BLACK. Will the Senator yield?

Mr. LONG. No; I do not yield.

Mr. BLACK. In other words, the Senator does not wish to be reminded of what he is doing by his filibuster?

Mr. LONG. No, sir.

Mr. BLACK. I do not blame him.

Mr. LONG. On the contrary, last Saturday night, when I saved this bill——

Mr. BLACK. The Senator and Cock Robin saved the bill.

Mr. LONG. Yes; I and Cock Robin saved the bill.

Mr. LA FOLLETTE. Mr. President, will the Senator yield for the purpose of making the point of no quorum, without his losing any privileges?

Mr. LONG. No, sir; I do not wish to yield for a quorum call.

Mr. LA FOLLETTE. Without losing any privileges?

Mr. LONG. No; I do not yield for a quorum.

I make the point that this bill may become a law. Everyone knows how to have the bill become a law. It is very clear how to have it become a law. All in the world that is needed is the action of the two branches of the Congress.

It has been acted on by one, and only by one, at this time.

No, Mr. President; I am willing to have the bill take its reasonable course. I have not moved to recommit the bill. I have not moved to reconsider the vote by which the bill was passed. None of those motions have I made. I have not made a single one of them, nor have I moved to have Congress adjourn. On the contrary, I have opposed Congress adjourning. I have opposed any Member in this body or out of this body being able to come in here and say, "We are going to leave here at this hour." I opposed a majority of the Members saying, "We are going to leave here at this hour, and we are not going to wait another minute. Either this bill shall be passed in a certain way or it will not be passed at all, and it shall be passed by a certain hour; otherwise, no other tribunal in the country shall give it consideration."

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. LONG. No, sir.

Mr. SCHWELLENBACH. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. SCHWELLENBACH. I ask the Chair whether or not, as the result of the persistent filibustering tactics of the Senator from Louisiana for the purpose of getting publicity

for himself, if he continues until 12 o'clock it will be possible for him to prevent the passage of the bill, which provides, on page 23, line 12, grants to States for maternal and child-health service in the amount of $2,850,000?

The PRESIDENT pro tempore. The Chair stated that at 12 o'clock the Senate will adjourn sine die; and if a vote shall not be taken by that time the bill will fail with all its appropriations in it.

Mr. LONG. Two million dollars! That is not a drop in the bucket.

Mr. BLACK. It is more than they will get if the Senator continues as he is now doing.

Mr. LONG. Two million dollars, and one shipping concern gets $4,900,000 in clear profits, and another one gets $6,500,000, and you are giving $2,000,000 to 130,000,000 people! Two million dollars! Pie dough, not enough money to grease the skillet for frying ham and eggs for breakfast!

Mr. SCHWELLENBACH. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. SCHWELLENBACH. I ask the Chair to submit to the Senator from Louisiana if he thinks either the Senator from Alabama or I have ever favored any ship subsidy of any kind?

Mr. LONG. I do not know about the Senator from Alabama or the Senator from Washington except that I wish the Senator from Alabama and the Senator from Washington would let me alone. If they do not want the publicity, they can keep from getting it by letting me alone here.

Mr. SCHWELLENBACH. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. SCHWELLENBACH. I submit to the Chair the parliamentary inquiry to determine whether or not it is possible, despite the fact the Senator from Louisiana refuses to yield, for the Senator from Alabama and the Senator from Washington to transmit to the Senator from Louisiana the information that our interest is not in publicity, as is his, but it is a desire to pass this very humanitarian measure, and have it enacted into law.

The PRESIDENT pro tempore. That seems to be the parliamentary way.

Mr. LONG. I wish to say I have always accorded to my friends from Alabama and Washington the having of good motives, and I hope they will show good motives by not taking up my time which they say is very short, and which I assure them I have no intention of yielding. I wish to stand on my own feet and on my own judgment.

Mr. BONE. Mr. President, will the Senator yield for an inquiry?

Mr. LONG. I prefer not to yield.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. BONE. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. LONG. I wish I did not have to yield, and if I could keep from it I should not yield, but if I have to do so I yield.

Mr. BONE. I should like to know from the parliamentary clerk where in the bill any reference is made to ship subsidies, a subject in which I am profoundly interested?

The PRESIDENT pro tempore. There is no reference of that kind in the bill.

Mr. LONG. The Senators talk about $2,000,000 for maternity cases in the United States. According to the RECORD, a special rule was brought in in another body providing for ship subsidies of $6,500,000, of $4,900,000, or $2,000,000, and of $3,000,000, which were written in, and yet Senators talk about 2 by 4 pie dough of $2,000,000 for maternity cases.

Mr. President, I was the one who stood here and took the step that kept this bill from dying last Saturday night. Oh, no! Someone wants to be heard on the outside to say it would have all passed if it had not been for HUEY LONG on Monday night, but they do not want to say that we were all ready to walk away without it Saturday night.

I will take care of myself. Do not worry about me. I will take care of myself. I used to sit on the Railroad Commission of Louisiana when there were three members—the public-service commission of my State. Year in and year out I used to sit on that commission when I would be the only man in the hearing room to be heard on the side of the people of my State. I was called the "minority member" of the railroad commission. Month in and month out I sat there, and moved and saw it voted down, and resoluted and saw it voted down, until it became a funny thing. Nevertheless, I was not carried away by the assemblage of persons present. I was not carried away by the other two members. Where are the men who sat on the railroad commission with me? Their names are no longer on any public pay roll in any State or nation. Mine has been there ever since, as well as before.

Where are the men who served with me when I was Governor of Louisiana? Did I not see a body, by a majority vote of some 60 to 70 percent of its members, walk in and prefer impeachment charges, and a few months later saw the same men go in, or some of the same men go in, and withdraw the same charges? Where are the men? There are very few of them seen or heard of today.

I know how to take care of myself. I do not need any help.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. LONG. No; I do not yield.

The PRESIDENT pro tempore. The Senator from Louisiana declines to yield.

Mr. LONG. I do not need any advice. Give advice to someone who needs it. I do not need it. I do not need any advice. I know that if this bill went over to another body and was voted down by another body, or that part of it which was not concurred in by another body, I ought to retire and yield to it. But I do not know, when another body is given no right to vote on it, why I should turn and run and say, "Let us have a vote by another body that someone is willing for that body to have." I am not going to do that. I am not taking that view of it in the Senate of the United States.

I understand from some article in some paper that I am standing tonight at the desk behind which John C. Calhoun stood many days ago, right in this body or near here, or in this continuing body where Webster and Clay and Calhoun defended the great Constitution and the legislative system of this country.

Mr. MINTON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MINTON. Is that the anticlimax about which the Senator is speaking?

The PRESIDENT pro tempore. The Chair has no way to answer the question.

Mr. LONG. It is not a climax. There is not enough power under the canopy of heaven to beat me in an election to come back to this body, but men like the Senator from Indiana will be back over in Indiana with an R. F. D. address when I am still here. [Laughter.] I shall be here many years.

I know, Mr. President, that I have been here watching these things, hoping, not that my will shall be followed—oh, no. I cannot expect the Members of the Senate to agree with me every time or most of the time for that matter. I have very singular ideas. I believe no man should be too big in the wealth of the land and no man should be too poor. I believe in the old doctrine which comes from the Scriptures and the ancient philosophers that no man should have too many times what the other man has. I expect very few Members to agree with me at times. Some of them do agree. I am sure some will agree.

At least I can say this: I ask that the Members of this body at all times be given the right to express themselves and to vote on bills that come here. What kind of a Member of this body would I be if tonight there should walk in the door of the Senate Chamber someone who gave us a bill and some Member of the Senate should say, "Oh, no; we will not let the Senate vote on this bill", and I would say, "As a Member of the Senate I demand the right to vote on the bill in the Senate", and the chairman of some committee would say, "Oh, no; you cannot vote on this bill", and finally some other body was called in to take the power away because of

the fact that I was not allowed as a Member of the Senate to cast my vote on it.

Leave? Why should the Congress leave? We would have left here Saturday night, maybe much earlier. Why should we leave? Why do it? Why stand here with a motion to annul the vote which gave life to this bill? Why? Why? It is done to take the wheat farmers out. It is done to take the cotton farmers out.

Remember, the Democratic Party wanted me to go out and talk to the wheat farmers of this country for the Democratic Party. The Democratic Party will be calling for me again. Do not forget that.

The very Senator who is being assailed tonight by the Democratic Party will be the Senator the Democratic Party will want to go out to that wheat country again. I am not going, either. I have been there my last time. I am not going back. I was sent out there to tell them some things last time, and they have not been done. I am not going back to tell them again in that capacity. If ever I go back, I shall be able to tell them what the facts are. I shall be able to tell them what the law is, and what they may expect. I shall not be afraid to go anywhere. I shall be welcomed by these people for standing for republican government.

Every schoolboy who has ever read history, every schoolgirl who has ever studied civics, every man, woman, and child in this country who has ever read the Constitution of the United States and been given to understand that the Houses of the Parliament of America had a right to vote up or down on laws, will uphold my stand on this matter—every one of them.

Oh, no; there is not a question about it. We know where we are, and I know where I am. I know that if the tombs could open, and such men as Benton and Webster and Calhoun and Clay could rise from them tonight they would look upon this body with all humility in their faces and beg that for once the Senate be a Senate, as it is intended to be, in all respects and particulars.

Mr. BLACK. Mr. President, will the Senator yield? I think that is true.

Mr. LONG. I thank the Senator.

Mr. BLACK. If they could look at the Senate now, if they could see what the Senator has been doing here tonight, I think they would have a sense of humility and shame.

Mr. LONG. For one time the Senator from Alabama rises to give approval to me. He is improving. His conduct is showing marked improvement as we go along.

Mr. BLACK. Will the Senator yield?

Mr. LONG. The Senator has been so nice that I will yield for a question.

Mr. BLACK. The Senator is fine on receiving laughter from the galleries, but I ask the Senator if he thinks he will receive laughter from the old people who are deprived of their pensions by his filibuster; from the crippled children who are deprived of their medicine by his filibuster; from the mothers who are sick, the children who are sick, and who are deprived of their medical treatment on account of his filibuster; from the blind who are deprived of the money needed to take care of them by his filibuster; from the railroad men who desire to see their pension fund start in operation and who are deprived of having it done by his filibuster. Does he think they will smile and laugh at his witticisms and his smart sayings?

Mr. LONG. I do not suppose the Senator means that question to be answered, of course.

Mr. BLACK. Yes; I thought perhaps the Senator would answer it.

Mr. LONG. Then I will answer the Senator. I did not know he expected an answer. On the contrary, I have stood here tonight and tried to get this bill passed, insisting that this bill be passed.

What is the question before the House? May I answer for myself? It is whether or not we will rescind the vote by which the Senate passed this bill, which has never been voted upon in another body. Here is a bill that has already been passed by this body with a clincher on part of it. A motion to reconsider has been laid on the table, which is supposed to foreclose the matter.

Mr. BARKLEY. Mr. President, will the Senator yield? No clincher has been put on this bill, nor on any amendment that was adopted to it. The Senator has repeated that statement over and over again, but it is not correct.

Mr. LONG. Then I was mistaken.

Mr. BARKLEY. The Senator was mistaken, as he is about most things.

Mr. LONG. I do not know about that. I might be mistaken about a little clincher, a little something like that. I did not have time to look it up. My recollection was that a clincher was put on the motion that sent the bill over to the House.

Mr. BLACK. Mr. President, will the Senator yield for one more question?

Mr. LONG. Yes; I yield for a question.

Mr. BLACK. Does the Senator believe he can fool the railroad men of the country, with all the intelligence they have, into believing that he is not responsible by his filibuster for the defeat of this measure? Does he think the railroad men have little enough intelligence, with some of their representatives perhaps sitting in the galleries now, not to know that he, and he alone, by this filibuster, is preventing the passage of this bill, and will prevent the appropriation to set up their fund?

Mr. LONG. I do not think I can fool the railroad men, and I do not think the Senator from Alabama can fool either them or the wheat farmer.

Mr. BLACK. The Senator is correct.

Mr. LA FOLLETTE. Mr. President——

Mr. LONG. And I do not think the railroad men, or any other men, will forget that last Saturday night the Senators were all sitting here with not a tear in the eye of a single one of them, waiting for this thing to go to its death, and it took my voice and my hand and my ingenuity and every other thing I have—very little of which I claim in the way of any ability—to keep this thing from dying a natural death. There were no tears from them then. Tonight what are they doing? Tonight they are moving to reconsider, and in order to get the bill considered by another body we have to take the farmer out of the bill.

If the two Houses of Congress want to take the farmer out of the bill, I am willing for them to do it; but I am not willing to take the farmer out of the bill on the assumption that some other body wants him taken out of the bill. I want the other body to have the opportunity to take the farmer out of the bill, and I do not want it done by any individual.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. LA FOLLETTE. Will the Senator yield to have two letters read?

Mr. LONG. No; I will not. I will not. I do not want the Senator from Wisconsin to take my time in reading any letters. He can come down to Louisiana and read them, if he wants to. I can take care of myself down there.

Mr. LA FOLLETTE. Will the Senator permit their being printed in the RECORD?

Mr. LONG. Let the Senator get up and read them in his own time. I know what the Senator wants to do. He can do anything he wants to do about me. Come down in Louisiana; tell the people not to elect me, and see whether they will or not. I am not going to surrender and allow anybody to tell me that we have to back up on a bill that passed the Senate, because another body will not be allowed by somebody to consider it. I do not want any advice about it.

Mr. LA FOLLETTE. All I am asking is that the Senator permit these two letters to be printed in the RECORD without his losing the floor.

Mr. LONG. I do not want to do that. I will not do that. I have a right to take the floor and go through with my speech. I have been interrupted many, many times tonight. I do not want any advice. I am trying to tell my colleagues that I do not want any advice. I am not asking any.

Mr. BONE. Mr. President, will the Senator permit these letters from railway organizations and union organizations to be read from the floor?

Mr. LONG. I will not yield, Mr. President.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. BONE. Very well. Then, let the Senator take the responsibility.

Mr. LONG. I will take the responsibility.

Mr. BONE. The Senator will.

Mr. LONG. Certainly, I will.

Mr. BONE. The Senator will, whether he wants to or not.

Mr. LONG. I take my own responsibility. I have not asked anybody to help me. I have asked, and the only thing I ask now is that this bill go over to another body and that the other body vote, and that we not back up on a bill here before some other body has had a chance to vote on it; that is all.

What are you going to do about the wheat farmer? That is what I am asking you. Why are you throwing out the wheat farmer? Nobody knows. I have stood by labor, not for what labor could do for me. Union labor could not do anything for me. They could neither help nor defeat me in any election in my State, nor could they affect a thousand votes one way or the other—not a jot nor a tittle.

I have a 100-percent labor record. I never took a lawsuit against a working man in my life. Professional jobholders do not aide a bit. While I have made earnings up in the fifty and sixty thousands of dollars as a lawyer, and somewhere close to a hundred thousand dollars a year, I never took a lawsuit against a working man in my lifetime.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. I do not have to ask anybody what I have to do when it comes to these matters. I have stood for the cause of labor, and whenever labor tells me to cut the throat of the wheat farmer, I will tell labor I will not cut the throat of the wheat farmer; and when the wheat farmer tells me to cut the throat of labor, I will not cut the throat of labor for the benefit of the wheat farmer.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. I will not come here and sell out my own soul for anything on earth that I think impugns the entire existence of a constitutional, republican form of government.

Mr. BLACK. Will the Senator yield?

Mr. LONG. No; I will not. Will not the Senator let me alone, and let me make my speech?

Mr. BLACK. The Senator is occupying all the time before we are to adjourn.

Mr. LONG. I ask the Senator to let me alone. I decline to yield.

Mr. BLACK. Will the Senator yield?

Mr LONG. I will not.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. LONG. I will not yield; no. If I had not been interfered with, I might have been through by this time.

I will not take the position; oh, no! The big Senate leaders, the big politicians in the White House—some of them may convince the labor leaders that they have to do what they tell them to do, and with their fire and brimstone the labor leaders may think they have to do it, but they will not convince me I have to do what the White House says ought to be done. I will do what I know ought to be done. I have my conscience and the Lord only to answer to.

I know what my people say. I will be going into many a State for some of these Senators sitting around me tonight to help them.

Father, forgive them; they know not what they do. Oh, if they just had good judgment like that of old Andrew Jackson, whose backbone was as big as a wagon tongue, they would have said, "Oh, no; stand up and send this thing to a vote."

Think of it! Think of it! No other body has voted against the bill. The only body that has cast its vote on the bill has been the United States Senate. Nonetheless, we are told to cut the throat of the wheat farmer tonight when no other body has voted on the bill. No other body has even made a gesture of voting on the bill. The only body that has been permitted to vote on it has been the Senate, and they come in and cut the throat of the wheat farmer, and they have the wheat farmer to answer to.

They talk about people being deprived of benefits, because they say they will jump and run away and will not meet after midnight. They will not meet after midnight, and will not let the vote be taken, unless it is done this way or that way; no other body but the Senate will have a chance to vote on the bill. So under that kind of condition someone has to yield.

Louisiana stood and saved this Union once, in 1815. Louisiana stood with two companies of Tennessee mounted riflemen, that is all, and saved this Union. If you read the Treaty of Ghent and the proceedings at the conference where that treaty was made you will find that Pakenham's army, which was taken from the army of the Duke of Wellington in the Peninsula Campaign, was sent to take charge of Louisiana Territory practically coincident with the negotiations being carried on at that time in Ghent, at the very time they were carrying on what were supposed to be the concluding proceedings in Ghent. They sent the army which the Duke of Wellington had started in the Peninsula campaign and carried to Paris, and brought them to America so that they might be in charge of American territory.

The Treaty of Ghent left it so written that the possession of the Louisiana Territory by that English army meant the ownership of the Louisiana Purchase by the English. If it had not been for the Battle of New Orleans, and the repulse of the forces of General Pakenham at the Battle of New Orleans on the 8th day of January 1815, all we would have had left would have been the Colonies on the Atlantic coast. It was Louisiana that stood for the country of America, for the Republic of America, and it was the citizens of Louisiana at the Battle of New Orleans who kept America from trading away its own great expanse of territory, which really made this a country.

I wish to say, Mr. President, that the State of Louisiana will back up the principle I am enunciating here tonight. The idea of a sovereign country being told, "Here is a bill. We will not let anybody but the Senate vote on it in this shape. The only outfit that will be allowed to vote on it is the Senate."

Who has the right to give that kind of an order? Who has the right to say what the Senate or any other body may do? Some other body might have the right to say that it does not prefer this or prefer that, but has someone on the outside or someone on the inside of another body the right to say, "We will permit no action by the other body on this kind of thing? Cut the throat of the wheat farmer, but you will go no further." That is what we have been given here.

They say they love the working people, they say they love the farmer. You do not have to go very far to do them a favor. Every little favor is being done them. The only favor they have to do is to let the Congress actually do them a favor. They come here and say, "Oh, no, we are not going to let the House vote on it."

Do you know what the people are led to believe? They are actually being told on the outside—and I deny it—that Members of the Congress, if certain bills come before them, the Senate particularly, would vote one way but wish the other, when I know that that is not true.

But actually some people undertake to have it thought that this body and another body, or other bodies, would prefer to have a thing done one way, or a certain thing not to happen, but if required to put themselves on record would vote the other way. That is the kind of thing which tends to undermine Government and undermine Congress, and, above all things, that is why it ought never be allowed to happen in such circumstances as these.

Mr. President, I have about concluded my remarks. I will not detain the Senate very much longer. I thank the Senate for the time which it has given me. Some of my

colleagues fear that there might be publicity. Let me assure them that there will be no publicity given except that which tries to do me harm. Even the big metropolitan newspapers, who argue for constitutional legislative government, will nonetheless condemn my effort to preserve it tonight. I know it. Do I not know that there is never a line of publicity that ever went into a metropolitan newspaper and magazine that did not seek to do me all the harm in the world? I have no chance with them. I have only my voice and my personal appearance to make before my people. [Laughter.] Anyone can imagine how much I have to answer for when I say my personal appearance. I have that to answer for.

The last thing my father ever told me was never to enter a prize contest for anything. He said, "You can never win. For instance, in my early days there was a Jewish merchant in this town and myself. When they came around to judge the best looking man in Winnfield the Jewish merchant and I tied for last place." [Laughter.]

I realize, gentlemen of the Senate and hearers, given a voice that is my own, and a mind that is my own, and a conscience which I hope is amenable to a higher power, and a face that only my mother could love, nonetheless I will stand here on the floor of the United States Senate to the very last minute and the very last hour, arguing and pleading for the preservation of the right of the two Houses of Congress of the United States to pass upon issues for which the people have sent them to this forum.

Although I know that even though the public press, which pretends to be for it, will condemn any effort I may make to preserve it, nonetheless it matters not with me; it does not make any difference with me. What do I care for a seat in the United States Senate, or if it costs me my seat? What is a seat worth in a body which is told, "You had better back up" on a bill before another body has even had a chance to pass on it? What do I want with a job like that? I would rather be out splitting staves and stacking staves. I would rather be right out there in the woodpile. I do not like to do the work, but I had to do plenty of it.

I would rather be right out with by broadax and my saw when any other living man is going to come up and tell me that the job I have is one which says, "You do this and you do it in a certain way." But, nonetheless, we have decided that before we will allow another body to have the right even to say how it stands we in advance must recede from our stand. We must do that before the other body has a chance to say what it wants.

No; I do not want any job like that; and if the people from Louisiana want someone who will do it they have the wrong man in the United States Senate. They never could do me a better favor in their lives than to turn me out of the United States Senate, anyway.

It does not mean anything to me. If I have to take that kind of domination among 95 other men who will stand for it, the best thing that could ever happen to me is to turn me out of the United States Senate.

This bill will either go over to another body or it will not go. It will either go out of this House and give some other body an opportunity to say whether they want it or not, or it ought not to go at all. That is how it will go.

Nobody will say to me, "It cannot go except in this form." This is the Senate. Liberty and Union. This is the Senate. Liberty and Union, one and inseparable? Liberty of what? Liberty of conduct of the Parliament. How much? Why is the present motion pending before this body tonight? It pends because it has been said by the Senator from Arkansas that his motive for making it is that it is the only means of securing action on the matter.

Mr. President, I have been here long enough to know how Members stand on various questions. I wish every Member of the Senate to listen to the concluding words I am saying. We talk around here, we talk to one another from lip to lip sometime on the floor, and we talk out in the cloakrooms and in the halls, and sometime we talk up in a closed office, where very few people hear what we say. I have heard many conversations, and so have all the Members here. Sometimes I imagine that I hear somebody complain about something he is going to do. Sometime it seems to me I have heard—no doubt I may have been mistaken—someone say something to me in private, and then I have heard him speak on the floor in a manner which seemed somewhat different.

I hope Senators will bear one thing in mind: My remarks on the hustings and my remarks in the cloakrooms have been equivalent to what I have said here on the floor. What I have thought there I have thought here. I knew this thing was going to come to the present point. At the last session of Congress we had almost the same experience we now have. I knew it was going to come to this Saturday night, when we saved the bill Saturday night. I had had a similar experience before. Do I not remember when we voted to undo the Economy Act? The Senator from Missouri very aptly said, a few nights ago, after that time, "I told you that you were going up the hill, and that you would come down the hill." I did not come down, but a majority of the Members reversed their votes, and the Economy Act went by the board.

I knew another time when we made a terrible uphill fight, and then we came down the hill, and that was the last of it, and we did no more. I knew perfectly well on Saturday night that on Sunday morning there would be some influence at work, and that the final outcome would be that the Senate of the United States would be called upon to recede from its stand; but I never thought it would come before there was a vote in another body. I thought I should be called upon to recede from my stand. I thought at least there would be a conference between the two bodies; but I never for a moment thought it would be in such a manner as proposed.

I was reading, from the RECORD of the Senate, how this matter occurred. Now I will read a little bit further, in order that the position of the Senator from Alabama [Mr. BANKHEAD] may be heard by the Members here today in a little bit clearer light. I wish to have in my concluding remarks the remarks of the Senator from South Carolina [Mr. BYRNES] and the Senator from Arkansas [Mr. ROBINSON] as they appear in the CONGRESSIONAL RECORD of August 24:

ORDER OF BUSINESS

The Senate reassembled, at the conclusion of the recess, at 9 o'clock and 42 minutes p. m.

The VICE PRESIDENT. If the Chair may be permitted, he will yield to the Senator from Arkansas [Mr. ROBINSON] and to the Senator from South Carolina [Mr. BYRNES] to explain the possible disappointment of some Senators over the fact that the Senate was not called to order at an earlier hour. The Chair recognizes the Senator from Arkansas.

Mr. ROBINSON. Mr. President, a situation has arisen respecting the deficiency appropriation bill which is now brought to the attention of the Senate.

The bill, incorporating sundry Senate amendments, was returned to the House of Representatives late this afternoon. The House has taken no action regarding the bill, and it is my information that it does not intend to do so.

This afternoon a concurrent resolution was agreed to providing that each body, when it had concluded its labors on this day, should take an adjournment sine die. The question arises as to what action the Senate will take. The body at the other end of the Capitol is in session. It is expected to continue in session for a short time.

Under the concurrent resolution agreed to, automatically, at not later than 12 o'clock tonight, according to my interpretation of the concurrent resolution, each of the two bodies will stand adjourned. Either body is at liberty to adjourn at any time it chooses to do so before 12 o'clock.

That is when the Senator from South Carolina [Mr. BYRNES] spoke. He said:

Mr. President, first I should like to say that I advised a number of Senators that the Vice President would reconvene the Senate at 8:30 o'clock. There was a misunderstanding on my part. The Vice President had to take part in a conference and could not return to the Senate before this moment.

With reference to the deficiency bill, the fact is that the bill as it was passed by the Senate was sent to the House. All those of us who are interested in the passage of that bill desire that the House have an opportunity to vote upon the bill. If the House conferees should agree to meet with the Senate conferees, under the rules of the House the legislative proposals added by the Senate would have to be submitted to the House for a vote.

I am just advised by the Chairman of the Senate Committee on Appropriations that the Chairman of the House Committee on Appropriations has said that no conferees have been appointed on the part of the House, and that they do not desire to have conferees appointed.

Under the legislative situation now existing, as I understand, all that I can do is to enter a motion to reconsider the vote whereby House Concurrent Resolution 38, the adjournment resolution, was agreed to and then move that the House of Representatives be requested to return the concurrent resolution to the Senate.

Before formally making that motion, I desire to call the attention of the Senate to the provisions of the deficiency bill.

We have spent the entire summer in session. We have passed a social-security bill, and the deficiency bill carries an appropriation for the Board set up under that bill. Every expenditure of that Board is provided for in the deficiency bill. If the deficiency bill shall not be passed, the Board will not be able to function.

In addition to that, an appropriation is contained in the bill for the Labor Board which is absolutely essential if it is to function.

Provision is made for an appropriation of $13,000,000 for the Soil Conservation Service, which is essential to the functioning of that Department of the Government.

An appropriation is made, under the provision for the Department of Commerce, for a census of the persons who would be entitled, under the old-age-pension law, to participate in the benefits of that act.

The legislatures of many States will meet in January. If this deficiency bill shall not be passed and if we shall not provide the funds, it is questionable, in my mind, whether it will not seriously delay the operations of old-age pensions and other provisions of the social-security bill.

Mr. President, all of those of us who are interested in the deficiency bill ask is that the House of Representatives vote upon the measure. Therefore I think the Senate has a right to ask the House, and I think it should ask the House, to return to the Senate Concurrent Resolution 38, because it is my belief that whenever that request is made, the Members of the House of Representatives will see to it that conferees are appointed to meet the conferees who have been appointed on the part of the Senate.

In my recollection of 14 years' service in the House of Representatives and my service in the Senate, never before have any two men undertaken to say that the House of Representatives will not appoint conferees on an appropriation bill to meet conferees appointed on the part of the Senate.

I wish to say that I am now reading from the remarks of the junior Senator from South Carolina [Mr. BYRNES]. He served in the other body for 14 years. He came here a little before I came here; he was elected at the same time I was, but I delayed coming here for a little over a year after I was elected in order that I might serve out my term as Governor of Louisiana. I promised my people when I had been elected Governor that I would not leave the office of Governor until another Governor had been elected. I served my term until Governor Allen had been nominated by the Democratic Party, and I left a few nights later and came to Washington, D. C., to take my seat in this honorable body.

I said the junior Senator from South Carolina served for 14 years in the other body, and he has served for about 5 years in this body. His colleague the senior Senator from South Carolina [Mr. SMITH] has served here longer than that. The senior Senator from South Carolina is a partner in the deanship on the Democratic side of this body. He and the senior Senator from Florida [Mr. FLETCHER] have served here, I believe, for about 27 years each. Perhaps I overstate it a little. I understand that the only one who has served here any longer than they have served is the Senator from Idaho [Mr. BORAH].

The Senator from South Carolina is a man who can be believed in in all respects and is believed by everybody in this body.

Mr. BLACK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BLACK. I notice that it is 10 minutes to 12 o'clock, and I desire to ask the Chair if, when the hand of the clock reaches the hour of 12, that will mean that the Senate will have adjourned, and if it further means that the old people of this country who were to have their pensions paid them out of this bill will have to wait to get them until Congress shall meet on January the 3d, in regular session, or if there is any way in this bill, of which the Vice President knows, by which these old people can get their pensions? I desire to ask that question.

The VICE PRESIDENT. In reply to the parliamentary inquiry, the Chair will state that when the hour of 12 o'clock arrives, the Senate will adjourn and the whole bill will fail.

Mr. BLACK. I desire to make a further parliamentary inquiry. Does it also mean as to the $600,000 which is provided in this bill to inaugurate operations under the so-called "Guffey coal law", in which the coal miners are so much interested, they will be deprived of having that law go into effect by reason of the filibuster of the Senator from Louisiana which has defeated the appropriation measure?

The VICE PRESIDENT. Whatever provisions are in the bill will fail at the hour of 12 o'clock.

Mr. BLACK. That provision is in the bill; and, as I understand the Chair in answer to my parliamentary inquiry, it means that the successful filibuster of the Senator from Louisiana will prevent the going into effect of the so-called "Guffey law" and will also prevent the old people from getting their pensions until the Congress shall meet in January and may make another appropriation?

The VICE PRESIDENT. The Chair repeats that the appropriation referred to by the Senator from Alabama will fail along with the others in case the bill shall not be finally disposed of before 12 o'clock.

Mr. LONG. Mr. President, I wish to remind Members of the Senate that this bill would have died last Saturday night if it had not been for me. The RECORD is here to show that.

Mr. BLACK. Why did the Senator save its life only to kill it and take away the hope of so many citizens at this late hour?

Mr. LONG. Oh, no. I ask my friend from Alabama to listen to me. I am satisfied he has not heard a great deal I have said tonight. Though he has been here, some of us fail to comprehend meanings. My language is rather plain; it is not in parliamentary style that would give me an advantage that my friends here have; but I am learning, I am coming along, and I promise to do better next time. Nor have I had any trips to foreign lands. I may get one of them; I have a chance for improvement. I will say, however, that my voice kept this bill alive last Saturday night, but I did not know that I was going to be asked tonight to cut the throat of the wheat farmer without giving him a chance; I did not know I would be asked to do that. I am unwilling to do it.

I was going to say, Mr. President, that I would not presume that any other body would cut the throat of the wheat farmer. I would say for my colleagues and for the President of the United States, not as they say about me, that they do not have to prove their love for humanity, and I do not have to prove mine. I have made a fortune in my lifetime and it has gone to humanity. I not only made a fortune but I sacrificed another fortune in order that I might fight for humanity. Long years ago when I was in the oil business they froze us out and took what little I had and what I was expecting to make. Years later they came to me and said, "We are going to have an amicable arbitration and adjust the damages that you suffered a few years ago when the oil combinations froze out the oil properties in which you were heavily interested."

I knew what it meant, and I said we will have no amicable adjustment. I lost mine as did 113 other companies, and I will continue to lose it; they will not at this late day pay me damages that 113 others cannot get. So I kept my right to fight for the people alive. I have nearly made another fortune since that time and spent it for humanity, and will make one this year and I will spend that for humanity, spend it for the people of this country, for the God-living blood and marrow of humanity. I do not need the little $10,000 a year of a United States Senator. If anybody down my way that they know of needs the money, let them give it to him; I do not need it. The people of my section of the country know that I am here fighting for humanity, and you cannot bring me a bill in here and say to me cut the wheat farmers out of it and the cotton farmers out of it before it can go out of here.

Why? Not because the Senate wants it done, but because somebody else wants it done. If another body would vote that they did not want the wheat farmer or the cotton farmer in it, I would not undertake to challenge their prerogatives, but I will not say that I am going to be a party to cutting the throat of the wheat farmer before I will allow the other body to have an opportunity to say whether they want to do it or not. That is all.

This stand for principle will mean something in this country pretty soon. It may preserve legislative government. Remember what I am telling you: It may preserve legislative government, which is nearly gone. Remember what I am saying.

Mr. BLACK. Mr. President, if the Senator will yield, I will say that it may also destroy the right of free speech in the Senate. The people of the country may become so disgusted that they will cut off the right of free speech here.

Mr. LONG. No they will not. This is one time the country will approve me. I challenge Senators to find out anything I have ever stood for in this body that has not been popular among the people.

Mr. BLACK. I know the Senator has always thought it was popular, but he is going to be mistaken this time.

Mr. LONG. Am I? Then go down and help beat me. I come before the electorate in Louisiana in 4 months, and I challenge the whole dad-gummed kit and barrel of the Democratic Party to come down and beat me. I want them to beat me if they can on this issue.

Mr. BLACK. Will you let everybody vote?

Mr. LONG. Everybody votes in Louisiana. Louisiana is better than Alabama in that respect.

Mr. BLACK. Will you count their votes?

Mr. LONG. Yes; and we will count them and will let you appoint watchers as you wish, and you will see and know what the votes amount to, take it any way you like.

Mr. BLACK. I agree with the Senator in that respect.

Mr. LONG. Not only that, but Louisiana is setting an example. Formerly a man, in order to be eligible to vote, had to pay a poll tax of a dollar a year, but when the Allen administration in Louisiana came into power——

Mr. BLACK. Will the Senator yield? It is now half a minute to 12 o'clock, and I want to call the Senator's attention to the fact——

Mr. LONG. I do not yield.

Mr. BLACK. To the fact that he has been filibustering this bill to death.

Mr. LONG. No. The Allen administration in Louisiana did an unusual thing for an administration in power. It enfranchised every voter without his having to pay a dollar a year to vote, and Louisiana this year, with less population, either white or colored, than Alabama has—I think it is less—will vote twice the number of votes that Alabama polls in a similar election. Why? Because Louisiana lets every man vote, whether he has a dollar or a nickel or not.

Mr. BONE. Of course that is something to be proud of, but——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I do not yield.

The VICE PRESIDENT. The Senator from Louisiana declines to yield.

Mr. LONG. That is what we are proud of.

Mr. SCHWELLENBACH. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SCHWELLENBACH. It is now almost 12 o'clock. I submit as a parliamentary inquiry to the Chair whether or not, because of his selfish desire to get publicity for himself, the Senator from Louisiana has not defeated the hopes and aspirations and the desires of the people of this country?

### ADJOURNMENT SINE DIE

The VICE PRESIDENT. The hour of 12 o'clock having arrived, pursuant to House Concurrent Resolution No. 40, the Senate stands adjourned sine die.

### ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The following enrolled bills and joint resolution, heretofore duly signed by the presiding officers of the two Houses, were presented to the President of the United States by the Committee on Enrolled Bills:

On August 26, 1935:

S. 1878. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.;

S. 2324. An act to incorporate the Military Order of the Purple Heart;

S. 2364. An act relative to the retirement of certain officers and employees;

S. 3085. An act authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose;

S. 3204. An act to provide additional funds for the completion of the Mount Rushmore National Memorial, in the State of South Dakota, and for other purposes;

S. 3433. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases; and

S. J. Res. 175. Joint resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934.

On August 27, 1935:

S. 1994. An act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended.

### APPROVAL OF BILLS AND JOINT RESOLUTIONS

The President of the United States, subsequent to the final adjournment of the first session of the Seventy-fourth Congress, informed the Secretary of the Senate that he had approved and signed bills and joint resolutions of the Senate, as follows:

On August 27, 1935:

S. 491. An act for the relief of Fred Herrick;

S. 1448. An act for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918;

S. 1832. An act to authorize the Secretary of the Interior to provide by agreement with Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, for maintenance and operation on newly reclaimed Pueblo Indian lands in the Rio Grande Valley, N. Mex., reclaimed under previous acts of Congress, and authorizing an annual appropriation to pay the cost thereof for a period of not to exceed 5 years;

S. 1864. An act for the relief of the State of Nebraska;

S. 2002. An act to provide for the establishment of load lines for American vessels in the coastwise trade, and for other purposes;

S. 2203. An act to promote the development of Indian arts and crafts and to create a board to assist therein, and for other purposes;

S. 2215. An act to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture", approved January 14, 1929, as amended;

S. 2578. An act authorizing distribution of funds to the credit of the Wyandotte Indians, Oklahoma;

S. 2649. An act to provide for a recreation area within the Prescott National Forest, Ariz.;

S. 2681. An act to extend the times for commencing and completing the construction of a bridge across Lake Champlain at or near West Swanton, Vt.;

S. 2888. An act to provide for the disposition, control, and use of surplus real property acquired by Federal agencies, and for other purposes;

S. 3194. An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended;

S. 3270. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia;

S. 3327. An act to authorize the Secretary of Commerce to dispose of certain portions of Anastasia Island Lighthouse Reservation, Fla., and for other purposes;

S. 3336. An act to repeal titles I and II of the National Prohibition Act, to reenact certain provisions of title II thereof, to amend or repeal various liquor laws, and for other purposes;

S. 3353. An act providing for the exchange of certain park lands at and near Western Avenue and West Beach Drive

for other lands more suitable to the development of Rock Creek Park and the street system of the District of Columbia, and for other purposes;

S. J. Res. 9. Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally; and

S. J. Res. 159. Joint resolution granting the consent of Congress to the States of New York, New Jersey, and Connecticut to enter into a compact for the creation of the Interstate Sanitation District and the establishment of the Interstate Sanitation Commission.

On August 28, 1935:

S. 2364. An act relative to the retirement of certain officers and employees;

S. 3002. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

S. 3414. An act to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of New York.

On August 29, 1935:

S. 872. An act for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims;

S. 1994. An act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended;

S. 2521. An act amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy;

S. 3085. An act authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose;

S. 3204. An act to provide additional funds for the completion of Mount Rushmore National Memorial, in the State of South Dakota, and for other purposes;

S. 3433. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases;

S. 3446. An act relative to limitation of shipowners' liability;

S. J. Res. 163. Joint resolution to authorize the acceptance of bids for Government contracts made subject to codes of fair competition; and

S. J. Res. 175. Joint resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934.

On August 30, 1935:

S. 3303. An act to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings.

On August 31, 1935:

S. 2644. An act for the relief of the estate of Harry F. Stern; and

S. J. Res. 173. Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war.

On September 3, 1935:

S. 3210. An act to refer the claim of the Menominee Tribe of Indians to the Court of Claims with the absolute right of appeal to the Supreme Court of the United States.

On September 4, 1935:

S. 3184. An act to provide for the immediate settlement of the obligation of the Joe Graham Post of the American Legion arising out of the purchase of the Ship Island Military Reservation.

DISAPPROVALS OF BILLS AND JOINT RESOLUTIONS

The President of the United States, subsequent to the final adjournment of the first session of the Seventy-fourth Congress, transmitted to the Secretary of the Senate the following list of bills and joint resolutions disapproved, together with his reasons therefor:

On September 3, 1935:

S. J. Res. 168. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 16 to May 23, 1936, inclusive.

"In all recent legislation of this character the Treasury Department has been successful in securing the incorporation of provisions for the reimbursement, to the appropriations from which paid, of the expenses necessarily incurred by the Customs Service in connection with the entry and custody of articles for which a special exemption from duty is authorized. On August 6, 1935, the Department wrote to the Chairman of the Senate Committee on Foreign Relations recommending the incorporation of a similar provision in Senate Joint Resolution 168, but none appears in the bill presented for my approval.

"The Treasury Department believes that the provision for reimbursement of expenses is an essential feature of legislation of the character of Senate Joint Resolution 168, and that its omission is inconsistent with the provision of section 3 of the bill providing that the Government of the United States is not by the resolution obligated to any expense in connection with the holding of the exposition in favor of which the bill is drawn."

On September 5, 1935:

S. 1763. An act to amend the act entitled "An act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended by the act of December 12, 1930.

"The bill involves estimated annual expenditures of $400,000 to $425,000.

"It appears this bill seeks only to put customs inspectors and station inspectors on a plane of equality with immigration inspectors with respect to the single feature of automatic pay increases in the two lower grades. The bill does not attempt complete uniformity of pay as to comparable employments within the two services. More significantly, it ignores other groups of customs employees who will no doubt seek legislation in their own behalf at an early date. Thus the area of unscientific classification will be further extended."

S. 2621. An act to provide funds for cooperation with the public-school board at Devils Lake, N. Dak., in the construction, extension, and betterment of the high-school building at Devils Lake, N. Dak., to be available to Indian children.

"There are no nontaxable Indian lands within this school district; and out of a total number of 1,403 pupils attending the public schools of this district only 53 are Indian pupils, for whom tuition is paid to the district by the Federal Government. It is apparent, therefore, that the responsibility for providing adequate school facilities for this district is an obligation of the district and not of the Federal Government."

S. 3092. An act to provide funds for cooperation with White Bird school district, Sioux County, N. Dak., for extention of public-school buildings to be available for Indian children.

"With a total school population in this district of 53 children, of whom 13 are Indians, there were enrolled in the school during the last school year 24 white children and no Indian children. I am advised, moreover, by the Indian Service that the interests of the small number of Indian children in this district will be best served by their continuance as pupils of a Government Indian school. Under these circumstances I feel obliged to withhold approval of this bill."

S. J. Res. 65. Joint resolution to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended.

"Apparently the main purpose of this resolution is to afford further opportunity for persons to sue on their war-risk insurance where such action was not taken because of the passage of Public No. 2, or, because of failure to file claim at an earlier date, very little time remained for filing suit after final denial by the Administrator of Veterans' Affairs. Any meritorious claim can be filed and allowed by the Veterans' Administration without recourse to the courts.

"The Government's policy in permitting suits upon war-risk insurance has been one of great liberality. It appears to me, in the absence of clear and satisfactory evidence explaining or justifying the long delay before bringing suit, that the very delay would be an indication of the weakness of the claim. These situations only arise because of the failure of the claimant to file his claim more promptly, and is in no sense the fault of the Government."

On September 6, 1935:

S. 2632. An act to provide for the construction of 10 vessels for the Coast Guard designed for ice-breaking and assistance work.

"While it is true that the additional shallow-draft ice breakers could be used advantageously by the Coast Guard, it is my conclusion, and that of the Treasury Department, that the present needs are not such as to justify the expenditure required to provide them at this time."

On September 7, 1935:

S. 1878. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.

"Appended hereto letter of the Acting Attorney General."

OFFICE OF THE SOLICITOR GENERAL,
*Washington, D. C., August 30, 1935.*

The PRESIDENT,
*The White House.*

SIR: Reference is made to S. 1878, introduced by Senator JOHNSON, of California, an act conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co. The attached file includes a letter of August 29, 1935, from General MacArthur. The Acting Secretary of War objects to the approval of the bill on the basis of two approved opinions of the Judge Advocate General rendered in reports on similar bills in the Seventieth and Seventy-second Congresses, respectively.

The beneficiary of this legislation did file a claim in the Court of Claims for the taking, use, and damages to this property and was awarded $229,500, with interest on $150,000 thereof from June 1, 1922, to date of payment.

This award was entered on June 6, 1927, and thereafter, I am advised by the letter of the War Department and by the Claims Division of the Department of Justice, which handled the suit in the Court of Claims, a stipulation was entered into that no petition for certiorari would be filed to review the award. Upon the execution of this stipulation the award was paid.

It is true that the Court of Claims refused to consider the claim for waste upon the ground that as the Government was not a lessee no covenant for waste could be implied.

The bill as drawn confers upon the Court of Claims jurisdiction to hear "the claim of the Mack Copper Co. against the United States for just compensation for the taking and use, and the damages and waste inflicted by the taking and use, of certain real property owned by the Mack Copper Co. * * *." The right to litigate is limited by the phrase "not heretofore paid by the United States to the Mack Copper Co." It would appear from this language that all claims of the type authorized in the act may be relitigated subject to a credit for the amount heretofore paid.

If this bill is approved, it will authorize the relitigation of issues already settled and, in addition to that, inject the question of waste into the proceedings.

It would furthermore appear from the file that the Mack Copper Co. has been adequately compensated for the use and damage to the property, since it acquired the property by a contract of purchase originating in 1912 and concluding in 1917 for $338,684.62.

The letter of Congressman BURNHAM to you of August 29, 1935, states that—

"All other landowners whose lands were taken for this camp, Camp Kearny, have already been compensated by acts of Congress for use and similar damages to their lands."

I have not been able to determine whether the phrase "similar damages" applies to waste alone or to damages for which this beneficiary was compensated. Whatever may be the facts as to that, other claimants apparently received certain sums appropriated by Congress while this claimant has been granted the special advantage of a private act.

Under all the circumstances, I recommend the veto of the act.

Respectfully,

STANLEY REED,
*Acting Attorney General.*

S. 2324. An act to incorporate the Military Order of the Purple Heart.

"The reasons set forth in letter of Acting Secretary of War appended hereto."

WAR DEPARTMENT,
*Washington, August 29, 1935.*

The PRESIDENT,
*The White House.*

DEAR MR. PRESIDENT: I am returning herewith S. 2324, "An act to incorporate the Military Order of the Purple Heart", transmitted to me by your direction for a statement as to whether or not there is any objection on the part of the War Department to its approval.

In reply, I desire to state that the War Department objects to the approval of this act for the following reasons:

The Purple Heart was created by Gen. George Washington in daily orders to the troops, on August 7, 1782. The orders directed:

"The general, ever desirous to cherish a virtuous ambition in his soldiers, as well as to foster and encourage every species of military merit, directs that whenever any singularly meritorious action is performed, the author of it shall be permitted to wear on his facings, over the left breast, the figure of a heart in purple cloth, or silk, edged with narrow lace or binding."

The orders further provided that acts of extraordinary fidelity and essential service, as well as acts of unusual gallantry, should be rewarded.

The award of the Purple Heart lapsed, but by order of the President it was revived in General Orders of the War Department, No. 3, dated February 22, 1932. The Army Regulations now contain in detail the provisions for the award of the medal, and the design of the medal has been carefully defined.

While the War Department can have no objection to the formation of associations among the recipients of this medal, it believes that caution must be observed in placing in the hands of a minority of the holders of the medal the authority of Federal laws to make rules and regulations which might jeopardize the honor intended to be bestowed upon each of the thousands of persons to whom the Government has awarded the medal, or which might interfere with the rights of the War Department in the bestowal of the medal and the design of the insignia symbolic of the award.

Section 1 of the bill designates certain persons by name and such other persons as may be chosen, who are holders of the Purple Heart, duly chosen, to constitute the body corporate to be known as the "Military Order of the Purple Heart." Into whose hands the control of this body may at some time fall cannot now be known. Whether or not the charter always will be conscientiously adhered to in the interests of all holders of the medal cannot be known. All holders of the medal may not be admitted to membership; or they may in effect be denied membership because of dues, assessments, or for other reasons. Clearly there is an opportunity for a selected few to draw to themselves honor and benefits which should be bestowed equally upon all holders of the medal.

Section 4 defines the powers of the corporation. It may adopt a constitution, bylaws, and regulations to carry out its purpose. Many holders of the medal may not be members of, or may not even be aware of the existence of, the corporation. Yet the corporation, with the sanction of an act of Congress, might take actions which, before the public, would affect adversely the nonmember holders of the medal.

The corporation may adopt for the purposes of the corporation emblems and badges. In the case of the Purple Heart, as with the Distinguished Service Cross and other medals, the War Department has adopted a definite design for the medal, in order that it may become generally known and recognized by all persons. Such a medal has a definite significance. The above provision would permit the supplying to members of the corporation additional emblems and badges to supplement the medal, thus multiplying the number of badges or medals for a single act or service, and thereby tend to destroy the significance of the War Department award. The provision, as a part of an approved act of Congress, might even be construed as taking out of the hands of the War Department the right to prescribe the Purple Heart Medal.

Section 6 provides that the corporation, and its local chapters, shall have the sole and exclusive right to have and to use, for its purposes, the name of the Military Order of the Purple Heart. This emphasizes the fact that an order is being created within an order, which would discriminate against the holders of the medal who are not members of the corporation.

The incorporation of this body would also be a precedent for the incorporation of groups holding other military decorations, which might seriously alter the whole scheme of military decorations.

To sum up, the award of the Purple Heart is an act, complete in itself, to indicate the recognition by the Government of a meritorious act or service for one's country. No obligation should attach to the holder of the award to join any organization to secure for himself the full honor of the award, and no organization should be set up under the authority of the Government which in any way may interfere with or reduce the prestige of any holder of the award, or give any group of holders special rights and privileges not held by all holders of the award. Ample laws are already in existence enabling the War Department to administer the award of military decorations, and it is strongly felt that no corporation should be authorized by law to have a voice in or influence in the

administering and award of any of the various authorized medals, badges, and decorations.

It is accordingly recommended that the act referred to be not approved.

Respectfully yours,

DOUGLAS MACARTHUR,
*Acting Secretary of War.*

## NOMINATIONS

*Executive nominations received by the Senate August 26 (legislative day of July 29), 1935*

### POSTMASTERS

#### ALABAMA

Alton N. Runyans to be postmaster at Ashville, Ala., in place of M. F. Boatwright. Incumbent's commission expired January 13, 1935.

George L. Davis to be postmaster at Ragland, Ala., in place of T. F. Adams. Incumbent's commission expired January 22, 1935.

Roe P. Greer to be postmaster at Sylacauga, Ala., in place of W. T. Stewart. Incumbent's commission expired December 18, 1934.

#### CONNECTICUT

Frank Vadnais to be postmaster at Putnam, Conn., in place of Archibald Macdonald. Incumbent's commission expired December 18, 1934.

#### MASSACHUSETTS

William H. Cabral to be postmaster at Provincetown, Mass., in place of N. E. Lewis, transferred.

#### MONTANA

Alice E. Hansen to be postmaster at West Yellowstone, Mont., in place of S. P. Eagle. Incumbent's commission expired February 27, 1935.

#### NORTH DAKOTA

Anna C. Connelly to be postmaster at Brocket, N. Dak., in place of C. J. Leet. Incumbent's commission expired December 18, 1933.

#### TEXAS

Wyatt Williamson, Jr., to be postmaster at Royse City, Tex., in place of T. J. Bailey. Incumbent's commission expired April 15, 1934.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate August 26 (legislative day of July 29), 1935*

### POSTMASTERS

#### ALABAMA

Alton N. Runyans, Ashville.
George L. Davis, Ragland.
Roe P. Greer, Sylacauga.

#### CONNECTICUT

Frank Vadnais, Putnam.

#### MASSACHUSETTS

William H. Cabral, Provincetown.

#### MONTANA

Alice E. Hansen, West Yellowstone.

#### NORTH DAKOTA

Anna C. Connelly, Brocket.

#### TEXAS

Wyatt Williamson, Jr., Royse City.

# HOUSE OF REPRESENTATIVES

## MONDAY, AUGUST 26, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, our Heavenly Father, Thou who art supremely loving, forgiving, and merciful, incline our hearts to do Thy will. We praise Thee that our God of the eternities is also our God for the moment, strong to deliver and good to redeem. We most earnestly beseech Thee that the riotous personalities of the world may take themselves most seriously to task and by an increase of wisdom, humility, and unselfishness may cooperate with the Old World brotherhood; let folly and greed be subdued, lest they blaze once more before the eyes of men. The earth is the Lord's and the fullness thereof. We pray that all patriotism may become so pure, so humane, so just that the place of Thy holy feet shall be made heavenly. O God, give us well-poised minds, pure motives, clear consciences, and high ideals. To this end quicken our sensibilities that our acts may be made worthy, our lips clean, and our language pure. In the name of our Savior. Amen.

### CALL OF THE HOUSE

Mr. WOLFENDEN and Mr. RICH made the point that no quorum was present.

The SPEAKER. The Chair will count. [After counting.] One hundred and twenty-five Members present, not a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed, the Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 204]

| | | | |
|---|---|---|---|
| Allen | Dirksen | Kimball | Robsion, Ky. |
| Andresen | Dockweiler | Kleberg | Rogers, N. H. |
| Andrew, Mass. | Doutrich | Kniffin | Romjue |
| Andrews, N. Y. | Dunn, Miss. | Kramer | Rudd |
| Arends | Eaton | Lamneck | Sadowski |
| Bacharach | Eicher | Lee, Okla. | Schaefer |
| Bacon | Ellenbogen | Lucas | Schuetz |
| Bankhead | Fernandez | McAndrews | Schulte |
| Beam | Fish | McCormack | Seger |
| Bell | Gambrill | McGroarty | Shannon |
| Biermann | Gasque | McLeod | Smith, Wash. |
| Blanton | Gassaway | McMillan | Smith, W. Va. |
| Brennan | Gifford | Maas | Snyder |
| Brewster | Gilchrist | Maloney | Somers, N. Y. |
| Brooks | Gillette | May | Stack |
| Brown, Mich. | Goldsborough | Merritt, Conn. | Stewart |
| Buckbee | Goodwin | Mitchell, Ill. | Stubbs |
| Bulwinkle | Greenway | Montague | Sutphin |
| Cannon, Wis. | Greenwood | Nelson | Sweeney |
| Carter | Haines | Norton | Taylor, Tenn. |
| Chandler | Hamlin | O'Brien | Thurston |
| Claiborne | Hart | Oliver | Tobey |
| Cochran | Hartley | O'Malley | Tolan |
| Collins | Higgins, Mass. | Parks | Treadway |
| Cooper, Ohio | Hill, Knute | Perkins | Underwood |
| Corning | Hoffman | Peyser | Wearin |
| Crawford | Hollister | Pierce | Williams |
| Cummings | Hook | Plumley | Wilson, Pa. |
| Darden | Jacobsen | Reece | Withrow |
| Dickstein | Kee | Reed, N. Y. | Wood |
| Dietrich | Kerr | Robertson | |

The SPEAKER. Three hundred and seven Members have answered to their names—a quorum is present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

### THE JOURNAL

The Clerk read the Journal of the proceedings of Saturday, August 24, 1935, which was approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 3783. An act for the relief of George W. Rhine, doing business under the name of Rhine & Co.;

H. R. 7974. An act to withdraw and restore to their previous status under the control of the Territory of Hawaii certain Hawaiian homes lands now in use as an airplane landing field;

H. R. 8511. An act to provide funds for cooperation with Cannon Ball school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8512. An act to provide funds for cooperation with Fort Yates school district, Sioux County, N. Dak., for exten-

sion of public-school buildings to be available for Indian children;

H. R. 8513. An act to provide funds for cooperation with Trenton school district, Williams County, N. Dak., for extension of public-school buildings to be available for Indian children; and

H. R. 8516. An act to provide funds for cooperation with Porcupine school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6137. An act for the relief of the Otto Misch Co.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2524. An act to amend section 112 of the United States Code, Annotated (title 28; subtitle "Civil suits; where to be brought");

S. 3413. An act to give effect to the convention between the United States and certain other countries for the regulation of whaling, concluded at Geneva, September 24, 1931, signed on the part of the United States, March 31, 1932, and for other purposes; and

S. 3453. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to certain counsel.

CORRECTION

Mr. RAYBURN. Mr. Speaker, I do not know that it makes much difference, but on page 14622 of the RECORD of Saturday I made a mistake and said that the words "Federal Power Commission" were stricken out in the wrong place. The bill leaves it in the right place, but I want the RECORD to show that I made the mistake.

JIM FARLEY RESCUES A POST OFFICE AND GAINS A CROWN

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a brief letter from the Postmaster General, Mr. Farley, on a nonpolitical subject.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, Henry Wadsworth Longfellow promoted the village blacksmith to the dignity of an established institution by writing a poem about him. Postmaster General Jim Farley, less gifted with poetic genius than Longfellow but stronger and more adept as a political craftsman, has performed the same service for the village postmaster by an administrative edict.

There is an old saying among meteorologists that weather originates at Medicine Hat, and, by the same token, the science of government originates among the cracker-barrel philosophers who gather around the potbellied stoves at the village post offices. Every typical village post office has a potbellied stove. It may be so covered with tobacco incrustations that it is hardly distinguishable, but it is always there. A village post office without a potbellied stove would be like an ocean liner without an engine.

When a villager, his brow seared with thought, aims an expectorant shot at the sawdust box and hits the stove it is not, after all, a false move in the economy of the universe. It is at such moments that great ideas are born. It is the thought wave that counts, and aim is purely incidental.

Nobody knows better than Jim Farley that the abolishment of the village post office, where grass-root politicians assemble, ostensibly to get the letter that seldom comes but really for the more serious business of discussing the state of the Union and passing critical judgment on the quality of statesmanship at Washington, would be a blow at the very fundamentals of American Government. As a boy, Jim tapped the sugar barrel and played checkers with the whiskered experts at the village post office at Grassy Point, N. Y., and it was there, no doubt, he imbibed the first draughts of the political wisdom that enabled him in mature life to drive the Democratic donkey under the wire to a galloping finish.

As a Hoosier I feel a thrill of pride over Mr. Farley's vindication of the village post office because it was a little post office out in Indiana that caused him to issue his beneficent edict which not only stayed the proceedings in this particular instance but also established the village post office on a permanent pedestal as one of our valued and honored institutions.

Inspectors had decreed that the post office at Lincoln, Jackson township, Cass County, Ind., which had flourished uninterruptedly for generations, now and for some time past located in Nora Kitchell's general store, would be abolished and that thenceforth the inhabitants of Lincoln and vicinity would receive their mail by rural delivery. The announcement came as a bombshell to the entire community. From time immemorial the post office had been the village magnet, drawing to its charmed circle all of the cracker-box philosophers of that section. It was the only public forum in the community, the place where issues were made and public opinion was shaped. The good people of Lincoln were suddenly oppressed by a sickening realization of the tragedy that would befall them if their post office was abolished. They ran around in circles denouncing Washington and all of its evil works.

The post office at Lincoln was established in 1856. For 79 years it had been the clearing house of community opinions. For 79 years statesmen had been alternately praised and panned there—mostly panned. The heart-aching tragedies growing out of three great wars—the Civil War, the War with Spain, and the World War—had been discussed there. Pathos and sorrow had sometimes crept into the discussions, for what transpired there was a reflection of the community emotions, the joy and grief of human existence.

While the community seethed and boiled over the prospect that it would lose its post office someone said:

Let's appeal to Everett Watkins. Maybe he can help us to save our post office.

Happy thought! Everett C. Watkins, Washington correspondent of the Indianapolis Star, is not only a leader in the corps of Washington correspondents but he is Lincoln's most distinguished son. He was born at Lincoln, and the community is very proud of him. In the national capital he is known as a sort of Congressman at Large for the State of Indiana on account of the innumerable appeals that come to him from Hoosiers to perform various services and his unfailing kindness in responding to these requests. Everett knew all about the importance of the Lincoln post office as a village institution. On hazy, drowsy summer days he had sat by the potbellied stove and had been unmercifully licked in checker games by the local talent. In that forum he had often heard the Democratic Party raucously assailed and seldom defended by the village paladins of liberty, the community being heavily Republican.

He was just the man to save the situation and in agreeing to do his best he informed his friends out at Lincoln that in this great America of ours it is not sufficient that we shall have freedom of speech guaranteed by the Constitution, but we must have some place to exercise that speech—hence the necessity of having a village post office.

The upshot was that Watkins appealed to Farley in such a graphic and convincing way that the Postmaster General, remembering Grassy Point and the potbellied stove of his boyhood, generously capitulated and rescinded the order abolishing the post office at Lincoln.

Then what did Lincoln do? As a Hoosier, I bubble over with pride when I record the sequel—how Lincoln exceeded the best Hoosier traditions in showing Jim Farley how much it loves him. We Hoosiers are an emotional people, and when we love a person we love him 100 percent and we are not slow about demonstrating our affections.

A "Jim Farley Day" was arranged for at Lincoln and on that eventful day the lid blew off. Although the village has only 75 inhabitants, all told, more than 700 citizens attended the blow-out. Bands and drum corps came from all the surrounding country, and, while it is a curious fact that no one in the community ever saw big-hearted Jim, the large assemblage of Farley rooters, inspired by a life-sized photo-

graph showing his smiling face, serenaded him with a tremendous roar of noise that passed as music. Just to demonstrate that politics was adjourned for that happy occasion the Republican precinct committeeman for the Lincoln precinct joined with the Democrats in cutting down a tree in a neighboring forest and erecting a flagpole 50 feet high to the everlasting honor and memory of Jim Farley. As many as possible jammed into Nora Kitchell's store and there, around the potbellied stove (which, by the way, was clean as a pin, as Nora does not tolerate tobacco incrustations), they adopted stirring resolutions praising Jim Farley and all his works. Then, to top off the celebration and make it full and complete, they painted in letters 4 feet high on the side of the post-office building this legend: "Lincoln Post Office—Thanks to Jim Farley."

The incident I have sought feebly to describe is so unusual and so impressive in respect to the high official recognition that has been given to the village post office as an institution of Government that I present herewith for the delectation of readers of the CONGRESSIONAL RECORD the very interesting correspondence bearing upon this subject.

Mr. Watkins' letter to the Postmaster General follows:

THE INDIANAPOLIS STAR,
*1397 National Press Club Building, Washington, D. C.*

Postmaster General JAMES A. FARLEY,
*Washington, D. C.*

DEAR MR. FARLEY: This is a serious matter. The village of my birth—Lincoln, Jackson township, Cass County, Ind.—is threatened with humiliation—the loss of its post office in Nora Kitchell's general store.

Indignation meetings are being held at Lincoln: appealing letters are popping in on me every hour of the day. Things will happen to me, as well as to you, if we don't save our post office. Our best village orators, including my Aunt Emma Watkins, are voicing mighty sentiments. Aunt Emma has no match as a debater. That's the reason your ears have been burning. We are all heated up on the subject. You have the opportunity of a lifetime to become the hero of my birthplace if only you spare our post office. But if you fail us—well, Jim, you would be pretty sure to lose the last of the few remaining hairs on your head.

The Lincoln post office, be it remembered, was established in 1856. Going to the post office to get the letter that seldom comes has given us great pleasure during all these years. Indeed, there would be utterly no chance for us to longer enjoy the "abundant life" if you should deny us our long-established habit of the daily trip to the post office a few minutes after the mail train, which never stops, tosses off the mail bag. Our village of Lincoln would lose its identity if you, Jim Farley, put us on a rural mail route out of a rival neighboring town. We've fought on these years to keep Lincoln on the map, and we are still full of fight.

We don't ask for a towering Federal building. We don't ask for Federal funds with which to construct an imposing edifice. We are a modest people content with what we have—a humble post office consisting of a couple of dozen lockboxes having a prominent place on the front counter of our grocery and calico general store—but we would feel humbled and humiliated if we lose our "P. O."

We appeal to you to save our pride; to spare us the hurt we would suffer if our village is swept off the post-office map with a stroke of your pen. Think how you would feel, Jim, if your birthplace—Grassy Point, N. Y.—should sometime have its pride trampled upon by some heartless "P. M. G."

In Lincoln we have no Elks Lodge, no Rotary Club, no courthouse, no town hall, no movies, no billiard parlors, no bowling alleys, no airport, no public square. All of which, we maintain, emphasizes all the more the importance of our post office. Take away our post office and we would have no place to go. Take away our post office and we would have no forum where the mighty questions of the day could be discussed. Freedom of speech is defeated if we have no place where we can voice freedom of speech. Our barber shop unfortunately is open only 1 day a week. It is an unsatisfactory forum for we like to debate every day of the week. (Winfield Elkins barbers only on Saturdays; he is the village painter, plumber, and paper hanger on other days.) So you will readily understand that our post office supplies us with our only place for cracker-barrel debate. And right now, Jim Farley—you are Jim to everybody out there—is the chief topic of raging debates.

Aunt Emma is chief debater. She knows all the words. She is a leading citizen, possessed with pride in Lincoln. She loves going to the post office even to look into an empty lockbox. It would be taking away her personal liberty to deny her the privilege of going to the post office. So, in the name of my Aunt Emma I appeal to you to be big hearted and spare our post office.

We may not be able to erect a Jim Farley statue, but we are an appreciative citizenship and if you save our post office from rural route oblivion we are sure to hang your best photograph, autographed, in the Lincoln post office and hold a rousing Praise-to-Jim mass meeting. What do you say, Jim?

Anxiously,

EVERETT C. WATKINS,
*Indianapolis Star,*
*National Press Building, Washington, D. C.*

To the communication of Mr. Watkins the Postmaster General replied as follows:

POST OFFICE DEPARTMENT,
*Washington, D. C.*

MR. EVERETT C. WATKINS,
*Press Building, Washington, D. C.*

DEAR EVERETT: I have received your very interesting letter relative to the post office at Lincoln, Jackson Township, Cass County, Ind. I remember your handing me the letter as I was leaving the White House Executive Offices on Friday. Immediately upon my return to the Post Office Department I looked into the situation and took the necessary steps to cancel an order previously issued relative to the closing of the Lincoln post office.

After having read your very interesting letter I definitely came to the conclusion there was only one course for me to pursue. The question of the United States joining the World Court, the attitude of the public on the bonus question, and the reaction to the Supreme Court decision on the N. R. A. legislation, in my judgment, fade into insignificance when compared to the trouble that would develop had I failed to give serious consideration to your letter. I, too, was born, as you indicated in your letter, in a small town named "Grassy Point, N. Y.", and naturally if any move was ever made to close that post office I can well appreciate the reaction of its citizens. I have every reason to believe, after reading your letter, that no greater volume of mail arrives at Grassy Point than reaches Lincoln in the course of a given period. I was touched when I received your letter, because Grassy Point is in exactly the same position as Lincoln. They, too, have no Rotary club, no Elks lodge; no courthouse, no city hall, no pool room, no bowling alleys, no ping-pong parlor, no airport. They did have a barber shop in the old days, although my belief is that there isn't any barber shop located in that community at the present time. In Grassy Point we have our local politics, of course, but I doubt very much whether we have anyone who could match your Aunt Emma whom you referred to in such a friendly way. The post office in Grassy Point is in a grocery store, the same as our thousands of post offices of a like character in the United States. You know, Everett, I have a friendly regard for small post offices and shall always have that feeling for them. I remember full well as a kid going to the post office every morning, exclusively for the purpose of getting the letters which rarely arrived, but really for the purpose of looking at the old New York Herald which, of course, carried the baseball scores and stories of the baseball games the preceding day. As a matter of fact, I used to meet the mail carrier as he passed my home and walk to the post office with him to make sure that I would be there upon the arrival of the only copy of the Herald that, in those days, reached the community of Grassy Point. It was delivered to the postmaster, a fine old fellow who ran the grocery store, and happened to be a strong Republican, although he was a great personal friend of mine. So when I received your communication, I want you to know that it fell upon friendly ears. Consequently I was happy to take immediate steps to comply with your request. I am sure that by this time the citizens of Lincoln will be contented with the knowledge that everything is well.

In your letter you indicate that if I fail to comply with your request I will lose the last of the few remaining hairs on my head. Naturally having complied with your wishes, I feel secure in the fact that I will not lose any more hair. In return for having done what you requested, possibly you might be willing to suggest some way for me to secure a few more hairs on the top of my bald head, bearing in mind the fact that I will never wear a toupee.

I assume that a mass meeting has already been, or will be held, at which time your Aunt Emma will take the necessary steps to Whereas and Resolve the Post Office Department and the administration, on the action taken in accordance with your request.

Your reference to my photograph is noted. I am going to send one to the postmaster with the suitable autograph thereon.

Seriously, Everett, I got a great kick out of your letter. It was good to receive it because frankly, as you can imagine, most of the letters that we receive are serious in character, and the people that write are usually complaining or begging and because your letter was so different, it pleased me immensely. I am always anxious to be of service if I can, and I hope you will never hesitate to call upon me if you think I can help.

With assurance of high personal regards, I am

Sincerely yours,

(Signed) JAMES A. FARLEY,
*Postmaster General.*

## LOANS ON COTTON AND WHEAT—SENATE AMENDMENTS 55 AND 56 TO SUPPLEMENTAL APPROPRIATION BILL (H. R. 9215)

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to address the House for not exceeding 30 minutes.

Mr. VINSON of Georgia. Mr. Speaker, I reserve the right to object. Will the same permission be granted to those who entertain different views from the gentleman from Texas with reference to amendments 55 and 56, known as the "cotton and wheat amendments"?

Mr. BUCHANAN. That is a matter that would depend upon the whole House and not upon myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, as Chairman of the Appropriations Committee of the House, I request the Speaker

to refer the third deficiency bill—H. R. 9215—now on the Speaker's table, to the Appropriations Committee of the House. This bill passed the House on Thursday, August 22, and, as usual, was promptly sent to the Senate, and was held there until 8 o'clock on the evening of Saturday, August 24, when it was messaged to the House, together with the resolution providing for the sine die adjournment of Congress at 12 o'clock on the same day, thus requiring action by the House on this bill within 4 hours, notwithstanding the fact that the Senate had placed amendments on the bill involving a possible outlay by the Government of from $800,000,000 to $2,000,000,000 by way of loans which were not in the bill as passed by the House and which had never received any consideration by the Appropriations Committee of the House or Senate and about which no Member of either branch of Congress was fully informed. Manifestly, if we are going to apply business methods to the conduct of the Government involving such vast outlays of public funds, hearings should be held by some committee of Congress in which all the facts should be developed in order to permit of an intelligent determination of the soundness of the policy involved, the approximate obligations incurred, and whether or not the Government could raise the money without financial embarrassment or in any way affecting its credit.

The amendments under discussion are as follows:

SEC. 7. The Commodity Credit Corporation is hereby directed, during the crop year ending July 31, 1936, to make loans to farmers at the rate of 12 cents per pound on cotton, where such loans are secured by cotton stored in warehouses approved by said Corporation upon such terms and conditions as similar loans have been made by said Corporation during the crop year ending July 31, 1935, and the Reconstruction Finance Corporation is hereby directed to make available to the Commodity Credit Corporation sufficient funds to carry out this purpose.

SEC. 8. The Commodity Credit Corporation is hereby directed to make loans to farmers at the rate of 1½ cents per pound on wheat, where such loans are secured by warehouse receipts or by wheat stored on the farm, such loans to be made upon such terms and conditions as the said Corporation may prescribe, and the Reconstruction Finance Corporation is hereby directed to make available to the Commodity Credit Corporation sufficient funds to carry out this purpose.

It is plain to see that the above amendments require the Commodity Credit Corporation to loan 12 cents per pound on cotton and 90 cents per bushel on wheat, and in order to do so it is directed that the Reconstruction Finance Corporation advance this money to the Commodity Credit Corporation.

The material questions involved upon which hearings must be conducted and all the facts assembled to enable the Congress to form an intelligent decision in the interest of the Nation are as follows:

First. Whether or not it is beneficial or injurious to the Nation and to the cotton and wheat producers to make a loan on those products, as well as the other agricultural products included in the A. A. A. Act, in an amount above the world market price and destroy our export markets for such products.

Second. Whether or not requiring the Government by law to borrow from $800,000,000 to $2,000,000,000 in addition to what it is compelled to borrow under existing law will weaken or destroy the credit of the Government.

Third. Whether or not the passage of the amendments would not fool and delude the farmers into thinking they can and will receive a 12 cents per pound loan on cotton and 90 cents per bushel loan on wheat when, in truth and fact, under existing law, it is impossible for the Reconstruction Finance Corporation to raise this amount of money for this or any other purpose.

I shall discuss each of the above questions concisely by giving the facts in order that you may draw your own conclusions. The estimated production of cotton for this year is 11,890,000 bales; wheat, 620,000,000 bushels; and corn, 2,250,000 bushels. As a result of our policy of loaning 12 cents per pound on cotton in the past, the Government owns and controls over 5,000,000 bales of cotton now stored in our warehouses throughout the Nation. By Government decree this is now being withheld from the market, but if placed on the market by the administration would lower the price of this year's crop of cotton below the cost of production. If this 12-cent loan is continued for this year with the world price at 11 cents per pound, it is self-evident that the farmers would not sell in the world market, but borrow the 12 cents per pound without recourse on them, and by the end of the year the Government would own and control from 10,000,000 to 15,000,000 bales of surplus cotton; and if the policy were continued for 2 more years the Government would own and control from 25,000,000 to 30,000,000 bales of surplus cotton. A wayfaring man, though he be a fool, can plainly see that this policy would destroy future cotton production throughout the South, throwing millions out of employment and bringing untold hardships upon one-third of the population of our country. I have been unable to find a single Member of Congress who endorses this course as a permanent policy.

Again, by loaning an amount per pound above the world market on cotton, we are destroying our export market for cotton (which is absolutely necessary for the consumption of at least one-half of our cotton crop), and encouraging foreign cotton-producing countries to increase their production and take our foreign customers for cotton away from us. Brazil has increased its cotton acreage 47 percent since we inaugurated this policy. It is estimated that the production of cotton by all foreign countries has been increased by reason of this policy this year to a potential production of 14,750,000 bales, the greatest in the history of the world, and the United States export of cotton has decreased at least 50 percent. It is wrong and suicidal for the United States to pursue a policy that will ultimately destroy cotton production in the South in an effort to raise the world price of cotton for the benefit of foreign producing countries.

If we follow the constructive program offered by the administration for the protection of the cotton producer, of loaning 10 cents a pound on cotton, which is 1 cent below the world price, and paying to the producer a 2-cent subsidy out of the Treasury, if necessary, to guarantee to such cotton producers 12 cents per pound, it will open up to us the world markets for our surplus cotton and it—the surplus—will gradually disappear in world trade in response to the law of supply and demand and quality. Thus the present and future of cotton production is taken care of in a constructive and businesslike manner. In addition, under this plan the banks of the country will, at the Government's suggestion, carry a vast amount of this 10 cents per pound loan on cotton, because the amount loaned thereon is 1 cent per pound less than the world market value of the cotton, thus affording an opportunity to place in circulation an enormous amount of money now held in their vaults, and at the same time relieve the Government of incurring additional bond issues and increasing the national debt. This is on the assumption that the capital stock of the Reconstruction Finance Corporation will be increased to such an amount by a new law to make it possible for the Government to raise the money to make the loans provided for in the Byrnes amendment.

I will not sacrifice the heritage of the sons and daughters of the South on the shrine of political expediency.

Second. The credit of the Government may be compared to a dam across a large river. This dam can only stand the pressure of so much water above it. When the water held back increases beyond that limit the dam breaks, the flood waters rush through, overflow the valleys, and leave destruction, woe, and misery in their wake. Just so we are reaching the limit of the credit of our Government through the increase of our national debt. We should resist the increase of that national debt for fear that it will accumulate beyond the limits of the Government to sustain. If this limit is materially exceeded, the national credit will give way, followed by the credit of industries, and bankruptcy will overtake the Nation. The mind of man cannot depict the financial chaos that will follow.

Third. A personal investigation by me has developed the fact that notwithstanding that the Reconstruction Finance Corporation had been directed to furnish the necessary money to the Commodity Credit Corporation to make these loans, under existing law the Reconstruction Finance Corporation cannot raise even one-half the amount that would be required. The A. A. A. has estimated that it would take a minimum of $800,000,000 to finance in the future, as it has

in the past, corn and cotton loans, with the addition provided for in the amendment of wheat. The Commodity Credit Corporation has estimated that it would take over a billion dollars. If the Administration is required by law to loan above the market price to the cotton producer and the wheat producer, then, under every principle of justice and right, the Government is equally obligated to loan a proportionate amount upon cattle, hogs, dairy products, rice, barley, and other agricultural products recognized in the A. A. A. Act. This is under the doctrine that the burdens of government should rest equally upon the shoulders of all, and its blessings, like the gentle dew of heaven, should descend equally upon the heads of all.

It would be a rank discrimination to loan above the market price only on cotton and wheat and refuse such loans to the producers of other products. If the Government undertook to do this on all the products recognized as primary agricultural products in the A. A. A. Act, it would be compelled to raise from a billion and one-half to two billion dollars, and advance this amount to the Commodity Credit Corporation to be loaned out to the farmers on various commodities, and the result of the whole loaning program on all these products would be that we would find ourselves accumulating in our country alone the surplus agricultural products of the world, while other countries will increase production and dispose of their products in the world markets from which the United States would be excluded by its vain effort to repeal the law of supply and demand among the nations of the earth.

The SPEAKER. The bill (H. R. 9215) making appropriations for deficiencies, known as the "third deficiency appropriation bill", is now on the Speaker's table. It is, of course, within the discretion of the Chair, under the rules of the House, to send it to the Committee on Appropriations. The ordinary course of procedure is to send it to conference, under a unanimous-consent request. The chairman of the committee having jurisdiction of the bill having made no such request, the Chair feels in view of the request of the Chairman of the Committee on Appropriations and the importance of the questions involved, both of legislation and appropriation, as set forth briefly by the gentleman from Texas [Mr. BUCHANAN], that this bill should be referred to the committee having charge of the bill, in order that that committee may conduct such hearings and take such measures looking to recommendations as it may choose. The Chair accordingly refers the bill to the Committee on Appropriations under the established practice of the House which requires the Chair to take that course. [Applause.] In taking this action the Chair is following a similar action taken by a former Speaker of the House on January 23, 1931 (RECORD, p. 2975), when Mr. Speaker Longworth referred the Interior Department appropriation bill to the Committee on Appropriations.

Mr. VINSON of Georgia. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. VINSON of Georgia. Why is it not in order that the House consider this appropriation bill in the Committee of the Whole House on the state of the Union?

The SPEAKER. That will be in order if the Committee on Appropriations reports it, as is required under the established practice of the House.

Mr. VINSON of Georgia. But before the Speaker announced his decision, it would have been in order for the House by substitute motion to have referred this bill to the Committee of the Whole House on the state of the Union?

The SPEAKER. It would not, because that motion would not have been privileged, as the Chair ruled on Saturday. When a House bill with Senate amendments involving new matter of appropriations comes from the Senate it may be sent to conference by unanimous consent; otherwise, the duty of the Chair under the established practice of the House is to refer it to the standing committee having jurisdiction of it. The Chair has taken that course in this instance, and no motion of the kind referred to by the gentleman from Georgia is in order as a matter of privilege.

### HOUSE BILL REFERRED

A bill of the House of the following title was taken from the Speaker's table, with Senate amendments thereto, and under the rule, referred as follows:

H. R. 9215. An act making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes; to the Committee on Appropriations.

### ADJOURNMENT SINE DIE

Mr. TAYLOR of Colorado. Mr. Speaker, I offer the following privileged resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Concurrent Resolution 40

*Resolved by the House of Representatives (the Senate concurring)*, That the two Houses of Congress shall adjourn on Monday, the 26th day of August 1935, and that when they adjourn on said day they stand adjourned sine die.

Mr. TAYLOR of Colorado. Mr. Speaker, I move the previous question on the motion.

The SPEAKER. The question is on the motion of the gentleman from Colorado that the previous question be ordered.

Mr. VINSON of Georgia. Mr. Speaker, I move to lay the resolution on the table.

The SPEAKER. The question is on the motion of the gentleman from Georgia to lay the resolution of the gentleman from Colorado on the table.

The question was taken; and on a division (demanded by Mr. VINSON of Georgia) there were—ayes 47, noes 178.

Mr. VINSON of Georgia. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Georgia demands the yeas and nays. All in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Thirty-seven gentlemen have risen, not a sufficient number, and the yeas and nays are refused. The question is on ordering the previous question on the motion of the gentleman from Colorado.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

Mr. VINSON of Georgia. Mr. Speaker, on the passage of the resolution I demand the yeas and nays.

The SPEAKER. The gentleman from Georgia demands the yeas and nays. All in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Thirty-two gentlemen have risen; not a sufficient number, and the yeas and nays are refused.

The question is on agreeing to the resolution.

The question was taken; and Mr. MCFARLANE demanded a division.

The SPEAKER. The Chair will count.

Mr. MAPES (interrupting the count). Mr. Speaker, I make the point of order that there is no order in the House, and there is misconception of what we are voting on. Are we voting on the motion to adjourn?

The SPEAKER. We are voting on the resolution of the gentleman from Colorado [Mr. TAYLOR], which, if adopted by the Senate, would provide for adjournment sine die today.

On this vote the yeas are 172 and nays 47.

Mr. MCFARLANE. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The yeas and nays have already been refused.

So the resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

### RECESS

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House now stand in recess subject to the call of the Chair.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry. Will the bells be rung and the House notified before we are called into session?

The SPEAKER. The Chair will state to the House that if the motion prevails, before the House is again called into session, three bells will be rung at least 15 minutes before the House is asked to assemble.

The question is on the motion of the gentleman from Colorado [Mr. TAYLOR] that the House stand in recess subject to the call of the Chair.

Mr. BOILEAU. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. I understand the Senate has taken a recess until 5 o'clock this afternoon. Is it the intention of the Speaker to call the House into session before the Senate reconvenes?

The SPEAKER. The Chair is unable to tell the gentleman.

The question is on the motion of the gentleman from Colorado [Mr. TAYLOR].

The motion was agreed to; accordingly (at 12 o'clock and 55 minutes p. m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 5:45 o'clock p. m.

CELEBRATION OF ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE CONSTITUTION OF THE UNITED STATES

The SPEAKER. Pursuant to Public Resolution No. 59, the Chair appoints the following committee to arrange the celebration of the one hundred and fiftieth anniversary of the Constitution of the United States: Messrs. BLOOM, DORSEY, MCLAUGHLIN, DARROW, and TABER.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had ordered that the Secretary be directed to request the House of Representatives to return to the Senate the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes, together with Senate engrossed amendments thereto.

THIRD DEFICIENCY APPROPRIATION BILL, 1935–36

The SPEAKER. The Chair lays before the House the following request from the Senate, which the Clerk will read.

The Clerk read as follows:

IN THE SENATE OF THE UNITED STATES.

*Ordered*, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes, together with Senate engrossed amendments thereto.

Mr. BUCHANAN. Mr. Speaker, I move that the request of the Senate be granted.

The SPEAKER. The gentleman from Texas moves that the request of the Senate be granted.

Mr. BUCHANAN. Mr. Speaker, I will state to the House that we have had numerous conferences on the vexatious parliamentary question confronting the House for the last 24 hours. The only course to pursue is to grant the request of the Senate, by which we can have an appropriation bill to carry out the activities created and authorized to be undertaken by this Congress. Therefore, I ask you to adopt the motion. We will not have the loan features in that bill. [Applause.]

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Texas [Mr. BUCHANAN] that the House agree to the request of the Senate.

The motion was agreed to.

A motion to reconsider the vote was laid on the table.

THE SOCIAL SECURITY ACT

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent to be permitted to extend my own remarks in the RECORD and to include therein a summary of the provisions of the Social Security Act prepared by the Committee on Economic Security, containing valuable information that I am sure will be of interest to all Members on this important measure passed during this session.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER of Tennessee. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following summary of the provisions of the Social Security Act, prepared by the Committee on Economic Security:

The Social Security Act, as approved on August 14, 1935, represents a major advance in the attainment of economic security for the individual and for his family. The President outlined the entire program in his messages of June 8, 1934, and January 4, 1935. In both he stated that, "Among our objectives, I place the security of the men, women, and children of the Nation first." He further said that security for the individual and for the family concerns itself with three factors: (1) Decent homes to live in, (2) development of the natural resources of the country so as to afford people the fullest opportunity to engage in productive work, and (3) safeguards against the major misfortunes of life. The Social Security Act is concerned with the third of those aspects of security—"safeguards against misfortunes which cannot be wholly eliminated in this man-made world of ours."

The act has been devised to provide such safeguards through cooperative action by the Federal and State governments, thus making possible fullest consideration of individual State needs while maintaining unity of purpose.

The provisions of the act deal with a number of distinct although related measures for social security, which may be grouped under the following headings: Unemployment compensation, old-age security, security for children, aid to the blind, extension of public-health services, vocational rehabilitation.

UNEMPLOYMENT COMPENSATION

In order to encourage the passage of State unemployment-compensation laws, title IX of the Social Security Act provides for a Federal pay-roll tax on all employers throughout the country who employ eight or more employees within 20 weeks of any year. Various employments have been necessarily excluded, such as agricultural labor, domestic service, governmental or public service, or service in the employment of institutions operated exclusively for religious, charitable, scientific, literary, or educational purposes, and which are operated for nonprofit.

This tax will come into operation on January 1, 1936, and will be 1 percent in 1936, 2 percent in 1937, and 3 percent in 1938 and thereafter. Against this tax a credit is allowed for contributions made by employers for unemployment-compensation purposes under State laws setting up unemployment-compensation systems. The maximum credit to be allowed is 90 percent of the Federal tax, the other 10 percent to be payable to the Federal Government. This 10 percent is expected to be used for payment of the expenses of administration by the Federal and State Governments. After 1937 additional credit is also allowable to any employer who, because of favorable employment experience or adequate reserve funds, is permitted by the State to reduce his payments.

The act further provides that all funds collected by the States for unemployment-compensation purposes must be deposited in the United States Treasury, to be invested and liquidated by the Secretary of the Treasury. In addition, the act prescribes certain minimum standards which must be met by the State laws, in order to entitle employers in those States to an offset against the Federal tax. Included among these is a provision requiring that money withdrawn from the unemployment trust fund of the United States Treasury must be used exclusively for unemployment compensation, which, in turn, is to be paid through public employment offices of the State or through such other agencies as the Social Security Board may approve.

In all respects not dealt with in these standards the States are given complete freedom to establish any kind of unemployment compensation system they wish. They may or may not permit separate industry and plant accounts, and may or may not require employee's contributions in addition to the contributions paid by the employers. They may fix their own benefit rates or waiting periods and are charged with direct responsibility for administration.

The Social Security Board is charged with the administration of the Federal part of the unemployment-compensation system—other than the investment of the funds, which is a function of the Treasury Department. This Board is to assist the States with their problems of administration and is required to certify annually to the Secretary of the Treasury what State laws comply with Federal standards.

The entire plan of unemployment compensation is a cooperative Federal-State system. It insures uniformity with respect to the cost to employers, which is essential to make it possible for the States to legislate in this field. It assures the safety of all reserve funds and seeks to secure efficient administration of unemployment compensation throughout the country. At the same time it allows freedom for variations to meet the differing conditions in different States and will make it possible to get the practical experience needed to test the various theories which have been current as to the best type of unemployment-compensation act.

OLD-AGE SECURITY

In the field of old-age security the Social Security Act makes two separate provisions:

1. Grants-in-aid designed to assist in meeting the cost of pensions allowed under State laws to old people in need.

2. A Federal old-age-benefit system for employed persons.

Under title I of this act, the grants-in-aid, which help to meet the cost of pensions paid to old people under the State laws, are to be on a 50-50 basis, but the Federal part of this cost is not to exceed $15 per month for any individual, plus an additional 5 percent for administrative purposes. Thirty-seven million three hundred and twelve thousand five hundred dollars has been appropriated for the remainder of the fiscal year 1936 for old-age assistance in this field.

To entitle a State to aid its old-age-pension law must conform to standards prescribed in the act. These standards require payment of old-age pensions to old people in need who are citizens of the United States and who are 65 years of age or over, with the proviso that until 1940 any State may maintain a 70-year age limit. A State plan for such aid, if administered by political subdivisions of the State, must be mandatory upon them and must be submitted for the approval of the Federal administrative agency. The State residence requirement may not exceed 5 years in the last 9 years, although 1 year of residence immediately preceding application may be required. States may grant pensions on a more liberal basis, but will not receive any Federal aid unless they meet at least these standards.

Under titles II and VIII of the act a compulsory contributory system of old-age benefits is set up directly under the administration of the Social Security Board. Old-age benefits in the form of monthly payments are to be paid to qualified individuals in direct proportion to the total wages earned by such individuals in the course of their employment subsequent to 1936. The minimum monthly payment is to be $10; the maximum, $85. These payments will begin in the year 1942.

It has been necessary, because of the nature of their employment, to exclude the following groups from participation in the plan: Agricultural labor, domestic servants, casual labor, officers or members of crews documented under the laws of the United States or any foreign country, employees of the United States Government, employees of a State or subdivision, employees of institutions operated exclusively for religious, charitable, scientific, literary, or educational purposes and which are operated for nonprofit. This system of old-age benefits requires equal contributions both by employer and employee. This tax, collected by the Department of Internal Revenue, will be graduated, ranging from 1 percent in 1937 to the maximum 3 percent in 1949, and thereafter computed on wages paid, not in excess of $3,000.

The amount of the monthly benefits payable is determined as follows (not counting wages in excess of $3,000 annually):

*Total wages paid as monthly benefit*

Total wages received after Dec. 31, 1936, and prior to age 65, in covered employments: *Percent*

| | |
|---|---|
| First $3,000 | ½ |
| Next $42,000 | ⅓ |
| All over $45,000 | ¼ |

Illustrative benefits are as follows:

| Average monthly salary | Years of employment | | | |
|---|---|---|---|---|
| | 10 | 20 | 30 | 40 |
| $50 | $17.50 | $22.50 | $27.50 | $32.50 |
| $100 | 22.50 | 32.50 | 42.50 | 51.25 |
| $150 | 27.50 | 42.50 | 53.75 | 61.25 |
| $200 | 32.50 | 51.25 | 61.25 | 71.25 |
| $250 | 37.50 | 56.25 | 68.75 | 81.25 |

Nonqualified individuals upon reaching age of 65 are to be paid a lump sum equal to 3½ percent of the total wages paid after December 31, 1936, and before the attainment of age 65.

Upon death of an individual before age of 65, his estate will receive payment equal to 3½ percent of his total wages received after December 31, 1936; if he dies after age of 65, his estate will receive the same amount less any benefits paid to him during his lifetime.

Payment of benefit will be withheld for each month in which a qualified individual who has attained age 65 received wages for regular employment.

The respective parts of this program for old-age security are complementary. Federal grants-in-aid for pensions paid by the States are designed to stimulate all States to enact liberal, old-age pension laws, for the support of people now old who are in need. The compulsory contributory old-age-benefit system is designed to enable younger workers, with the help of their employers, to make their own provisions for old age.

SECURITY FOR CHILDREN

The act makes provision for the protection of children who are in need of special assistance.

(1) Grants-in-aid to States to assist in meeting the costs of aid to dependent children (mothers' pensions).

(2) Grants to States to assist in meeting the costs of maternal and child-health services.

(3) Grants to States to assist in meeting the costs of services for crippled children.

(4) Grants to States to assist in meeting the costs of child-welfare services.

The sum of $18,562,500 has been appropriated for making payments to States which have submitted, and had approved by the Board, State plans for aid to dependent children. The Federal Government will appropriate one-third of the total cost of those services to the State but payment in excess of $18 per month for the first child and $12 for additional children is not counted in determining Federal aid. A "dependent child" may be defined broadly as a child under the age of 16 who has been deprived of parental support through death, absence, or incapacity of his parents and who is living in a private home with relatives.

An appropriation of $2,850,000 has been made to the Children's Bureau of the Department of Labor for maternal and child-health services, especially in rural areas and in areas suffering from severe economic distress. This entire appropriation will be used exclusively for carrying out State plans for furthering and strengthening State and local health services to mothers and children and extending maternity and nursing services in rural counties.

An annual appropriation of $2,137,500 per year has been made to the Children's Bureau for medical care and other services for crippled children. The amount is to be allocated to the States on the basis of need, taking into consideration the number of crippled children in need of such services. The Federal Government will pay to each State which has an approved plan for services to crippled children an amount which shall be used exclusively for carrying out the State plan, equal to one-half of the total sum expended for carrying out such plan.

An annual appropriation of $1,125,000 has been made to the Children's Bureau for grants in aid to States toward welfare services for the protection and care of homeless, dependent, and neglected children and children in danger of becoming delinquent. This amount is to be allotted by the Secretary of Labor to the States primarily on the basis of rural population. The amount so allotted is to be expended to defray part of the cost of child-welfare services in areas predominantly rural and other areas of special need.

AID TO THE BLIND

An appropriation of $2,250,000 has been made for the purpose of enabling each State to furnish financial assistance to needy individuals who are blind. This sum is made available for making payments to States which have submitted and had approved by the Social Security Board State plans for aid to the blind The Federal Government will appropriate an amount equal to one-half the total sum expended under the State plan with respect to each individual who is blind and is not an inmate of a public institution. This Federal aid is limited to $15 per month plus an additional 5 percent to the State for administrative purposes.

The State plan must comply with certain standards prescribed by the Federal Government, such as provision for financial participation by the State, designation of a single State agency to administer the plan, and provision that no aid shall be furnished a blind individual while in receipt of old-age assistance.

EXTENSION OF PUBLIC-HEALTH SERVICES

An appropriation of $6,000,000 has been made for aid to State and local health services. Allotments to the States are to be made by the Surgeon General of the Public Health Service with the approval of the Secretary of the Treasury on the basis of the population, the special health problems, and the financial needs of the respective States. This money is to be used by the States for extending State health services and for assistance to counties and other governmental units in maintaining adequate public-health programs.

An additional $1,000,000 has been allotted to the Public Health Service for the investigation of diseases and related problems which are national or interstate in character.

This appropriation is in line with well-established Federal policies but represents a very great extension of Federal participation in preventive public-health services. The amount suggested to be appropriated is almost double the present total of all Federal expenditures for public health, and this entire amount is intended to be used for the prevention of preventable sickness.

VOCATIONAL REHABILITATION

In order to provide for the extending and strengthening of programs of vocational rehabilitation of the physically disabled, the Social Security Act also makes an appropriation of $630,750 for the fiscal year 1936, to be distributed as grants-in-aid to the States for vocational rehabilitation purposes in addition to the appropriation available under provisions of the existing law. Increased appropriations have also been authorized for subsequent years. The existing Federal Vocational Rehabilitation Act is administered by the Office of Education in the Department of the Interior.

SOCIAL SECURITY BOARD

Title VII of the act establishes a Social Security Board composed of three members to be appointed by the President, by and with the advice and consent of the Senate. The term of office of these members will be 6 years. Not more than two of the members of the Board shall be of the same political party and the chairman is to be designated by the President.

The Board is authorized to appoint and fix the compensation of such officers or employees as may be necessary for carrying out its functions under the act. Appointments of attorneys and experts may be made without regard to the civil-service laws.

Those provisions of the act dealing with unemployment compensation, old-age benefits, old-age assistance, aid to the blind, and aid to dependent children are to be administered and be under the

supervision of the Board. In addition the Board shall have the duty of studying and making recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy concerning old-age pensions, unemployment compensation, accident compensation, and related subjects.

### OUR BALANCE SHEET WITH THE PHILIPPINES

Mr. DELGADO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a portion of an article by an eminent American writer, Mr. Charles Edward Russell.

The SPEAKER. Is there objection to the request of the Resident Commissioner from the Philippine Islands?

There was no objection.

Mr. DELGADO. Mr. Speaker, under the leave to extend my remarks in the RECORD, I offer for insertion therein an article appearing in the Asia magazine for July 1935, written by Mr. Charles Edward Russell, a well-known writer and lecturer, who has devoted many years to the study and investigation of American-Philippine relations, and visited the islands several times for that purpose.

The article follows:

### OUR BALANCE SHEET WITH THE PHILIPPINES

By Charles Edward Russell

When the Philippine Legislature on May 1 of last year voted to approve the Tydings-McDuffie bill "to provide for the complete independence of the Philippine Islands", it definitely signaled the end of the most ambitious adventure in imperialism ever undertaken by the United States. The sovereign nationality of the islands is not yet achieved and will not be until certain preliminary conditions shall have been fulfilled and a so-called "preparative" period of 10 years shall have elapsed. But the bill provides for the surrender at a comparatively early date of the control of the islands into the hands of their people, and thus, in effect, 36 years after the capture of Manila, closed this chapter of the American history.

The experiment of governing under our republican system a subject dependency at the other end of the world was for the United States a startling novelty. Now that it is about to end, we may well look narrowly at the actual results.

As to these, the all but universal belief among the Americans is, in one respect, largely and rather strangely at variance with the records. It is commonly accepted as established fact that vast sums have been spent upon the islands ("millions upon millions" is the current newspaper phrase) to redeem their people from a state of semisavagery, to teach them the arts of civilization, to give them health, wealth, and knowledge, to train them to self-government. Now that it is over, all this altruism, we Americans are rather perplexed by what seems a certain lack of gratitude among the objects of our bounty, since they are so eager to have us be gone. But in truth, instead of millions upon millions of American money having been spent through these thirty-odd years in benevolent labors for these somewhat unappreciative brown people, the expenditures of the United States show a total almost negligible.

Aside from the indeterminable proportion of our military budget that should be, or might be, viewed as occasioned by American insular possessions, and aside from the highly comical payment of $20,000,000 to Spain for something that Spain did not have, the books show that the United States has spent on account of the Philippine Islands as follows:

Three million dollars as remuneration for the damage wrought by American troops between 1899 and 1901, while suppressing the attempt of the Filipino people to realize their aspirations for independent nationality, included in the sum being a measure of help for Philippine agriculture devastated by a plague of locusts.

A certain sum of Spanish money ($267,663, to be exact) was found in a government building when Manila was captured. This money the American Government turned over to the Philippine treasury.

Therefore, aside from the original purchase price and the cost of the military establishments, the net cost of the Philippine Islands to the United States has been to date $3,267,663—no more, no less.

As to the military expenditures, it is to be observed, first, that to charge against a people the cost of the soldiery that holds them in subjection is manifestly preposterous. Justice requires us to note, too, that the maintenance of military and naval posts in these islands has not been wholly for the purpose of overawing their inhabitants. These posts have been military and naval bases for all our operations in the Far East. Whenever it has been necessary to send reinforcements to China, for example, they have been sent from the Philippine contingents.

But the most important question in seeking to draw the balance sheet of these thirty-odd years is whether the United States has been in reality the benefactor of the people under its rule. As to that, here is a summary of our most important achievements:

1. Navigation: The United States has built and maintained in the Philippines a system of lighthouses and channel lights conceded to be one of the best in the world. In the days of the Spanish occupation there were defective landing arrangements or none, so that all vessels of considerable size were obliged at Manila to anchor out and to land passengers and freight by lighterage. The harbor has been deepened and four great and substantial piers constructed, so that the largest vessels can now easily come alongside.

2. Sanitation: In the old days under the Spanish regime Manila was marked as one of the plague spots of the Orient. Today Manila is the cleanest city in the Orient, and it is also one of the healthiest. An insular bureau of health works for sanitary conditions throughout the archipelago.

3. Education: The Spanish government of the Philippines was extremely negligent in this regard. There were virtually no free public schools conducted by the administration. The church did somewhat better. The parochial schools seem to have been more numerous and more efficient and had the additional merit of being free. Parochial schools existed in every city and in many towns, but that they were not adequate to provide a general education is shown by the figures of illiteracy prevailing at the beginning of the American occupation. Since that time a complete system of free public schools has been instituted covering virtually all the islands. It includes primary, intermediate, and high-school training, with at the top the University of the Philippines, a great and notable institution of the government.

The recorded figures speak for themselves. Where toward the end of the Spanish regime in the islands there were fewer than 2,000 schools, private and public, and only 1,914 teachers, in 1934 there were 7,821 free public schools and 28,519 teachers.

4. Public improvements: The Spanish possessors of the islands paid little heed to road making, so that when the Americans took charge there were scarcely 50 miles of tolerable road in all the islands. A comprehensive system of excellent roads has been installed comparing favorably with those in any other country, so that now one may with ease in an automobile travel swiftly and smoothly, for instance, from the northern extremity of the island of Luzon to Batangas at the southern point, a distance of approximately 900 miles.

5. Government: Under Spain the Philippines were governed by what was virtually an absolutism. There was a Governor General appointed by the Spanish crown, who was lord paramount as a kind of viceroy. He appointed the provincial governors, who in turn chose the municipal administrators, so that the people of the islands had no relation to their government except that of submission.

The American occupation, after the brave but futile attempt of the Filipinos to win their freedom, began to introduce the principles of popular government. The first step was to ordain the election of administrative officers in the municipalities, then in the Provinces, and finally in the country at large. A legislature was erected consisting of a house of representatives and a senate chosen by the people on the basis of a franchise in effect valid to all male persons that should have attained 21 years of age and paid a cedula tax of $1 a year.

On the whole, the main results of this western innovation in the Orient have been good. The native administrators in the municipalities, the Provinces, and the nation have displayed executive abilities of a high order and a fair average of efficient and honest government.

6. Business and industry: Before the end of the Spanish regime American trade with the islands had begun to show a marked increase, indicating a natural foundation for an enlarged commercial intercourse. When American domination was fully established and free trade instituted between the two countries this commerce underwent rapid growth. It was quickly seen that the people of the islands wanted many things produced in the United States, and certain Philippine products—hemp, tobacco, some kinds of timber, vegetable oils, and, above all, sugar—were commodities for which there was an available American market.

* * * * * * *

The growth of Philippine commerce from the inception of American rule can be readily discerned from the fact that while in 1899 the value of the whole foreign trade of the islands was $34,093,568, the volume of this trade rose to $311,607,117 in 1929, the first year of the general business depression, shrinking to $174,733,175 in 1932.

7. Social conditions: The implanting of American influence wrought great changes in the social life of the islanders. To a certain extent the old-time demarcations between class and class were weakened or removed; American dress, American music, American books, American journalism, American slang, American jazz, American moving pictures, the rather free and easy characteristics of American etiquette (so to call it) kept more than even pace with the introduction of the American language.

In the economic structure of the islands as ordered by Spain there had been, broadly, only the rich and the poor; the exploiters and the exploited. One great result of the expanded, improved, and articulated business ways brought by the Americans was the creation of a large middle class new to the islands, but now, in effect, dominating them, with attendant disadvantages.

This survey sums the credit side of the balance sheet. No estimate of the results of our administration would be complete without a just enumeration of the items on the other side of the account.

1. Public improvements, sanitation, education: The American contribution to the progress attained along these lines was initiative and supervision. The Filipinos paid for all.

Even for the rather absurd summer capital built at Baguio, chiefly for the convenience of American officialdom, the Filipinos paid; they have paid for all the free schools, paid the salaries of all the teachers and of all the American executive officers that had taken part in the government; paid for all the roads; paid for the deepening of the harbor; paid for the piers and water-front improvements; paid for everything else that has been done. The American

altruism has, in fact, been one of the least expensive of all recorded excursions in interracial philanthropy. Order, security, and tranquillity have been maintained by the native machinery, not by the American troops.

2. Trade and commerce: For all the material improvements itemized on the credit side of the balance sheet America draws liberal dividends, first, in the form of high salaries paid to such Americans as were in the service of the insular government from 1901 to 1916. American engineers, accountants, teachers, stenographers, clerks, even teamsters, were given employment and handsomely compensated. American concerns dealing in office furniture and supplies, American textbook publishing houses and dealers in school fixtures and equipment, American manufacturers of building materials, construction machinery, building supplies all have had their lion's share of profits in the process of Americanizing an alien people.

In other respects, too, America has fared exceedingly well in this enforced partnership. Much stress has been given to the millions of dollars in customs duties that were saved Philippine exporters of native products to the United States by reason of the free trade. It is not generally known to Americans that a true reciprocity never existed between the two nations. When the so-called "free trade" was forced upon the Filipinos in 1909 Philippine sugars in excess of 300,000 tons, cigars in excess of 150,000,000, tobacco wrapper in excess of 1,000,000 pounds annually, and rice in any quantity were required to pay full duty; also products or manufacturers of the Philippines containing foreign material in excess of 20 percent of their value.

American goods, however, were admitted duty free in any quantity into the Philippines. In 1913 these limitations were lifted, but the tariff on Philippine products or manufactures containing foreign material in excess of 20 percent of their value was preserved. And again, under the act of Congress of March 24, 1934, Philippine refined sugar in excess of 50,000 long tons, unrefined sugars in excess of 800,000 long tons, coconut oil in excess of 200,000 long tons, and hemp cordage in excess of 3,000,000 pounds annually have been required to pay full duty. But all American products going into the Philippines remain exempt from tariff taxation.

As a result of this tariff monopoly in favor of American products, the sales of this country to the Philippines have augmented 91 times—from $1,350,000 in 1899 to $92,600,000 in 1929—while American purchases of Philippine products increased only 32 times—from $3,935,000 in 1899 to $124,465,000 in 1929.

* * * * * * *

3. Manners and customs: In some ways the great change in the ostensible aspects of life in the Philippines has had deplorable results. The typical Filipino of the Spanish regime was of an austere rigidity in regard to his moral code and scrupulous in regard to his manners. It is unlikely that in any region, and certainly nowhere else in the Orient, existed a higher standard of personal morality. What is denounced as a marked and general decline from this commendable state is a matter of frequent lamentation in the islands. Many assert it to be a result of the coeducational school; many others ascribe it to the moving pictures and current literature. But all agree on the one point that it is an unadmirable byproduct of the American influence. And, indeed, one must admit that the Filipino youth of today shows little of the disciplined deportment of his father. Instead of the grave, courteous, and reserved dignity of bearing once typical of the islander, he tends now to the boisterous manner, pliant codes, and rude joviality of the American football field. These manifestations he sees in the example of what he is assured is the superior race dominating his country. Imitation is inevitable.

There has spread also among the Filipino youth, and plainly spread, the cynicism, vital scepticism, and open contempt for convention that have been so marked a feature of the Jugend Bewegung in other occidental countries besides the United States. Imposed upon the Malay temperament, the addition is as congruous, natural, and desirable as a Comanche headdress on a Park Avenue beau.

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We may be sure, therefore, that, if the armed forces of the United States had not trampled down the Filipino movement for freedom and nationality between 1899 and 1902 the Philippine nation would not have stood still. Indeed, there is reason to believe that its unaided progress might have equaled the improved conditions that we view so proudly as our own handiwork.

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One thing clear in any impartial survey of this chapter of history is that it leaves but little ground for the exultation of the patriotic American. If we Americans have generally believed that we kept the Philippine Islands through all these years for any benevolent purpose to teach them the self-government they already knew or to lead them into the path of righteousness and civilization, we may as well abandon any such pleasing hallucination. We have retained the Philippine Islands (in violation of our agreement to set them free) not for their sake but for our own. We have opened our trade doors to them so long as their commerce did not interfere with our own commerce at home, but we lost no time in checking the flow of a trade that we ourselves had encouraged as soon as we felt that such a trade would affect our profits in our own markets. It is enough to cite the tariff acts of 1909 and 1913 and the trade provisions of the Tydings-McDuffie Act.

We have kept the islands for exactly the same reason that England has kept Indian—for the reason that all imperialism everywhere still has its way—that is, we made money from the arrangement. As has been shown in the foregoing paragraphs, the Filipinos were not so lucky. They had small profit from the lopsided partnership, but chiefly a notable injury to their trade and the doubtful pleasure of saluting the American flag. But as in the case of India, so here, the grim actualities of our balance sheet must be covered with a specious pretense of benefits conferred. In both instances the concept of a benevolent imperialism is like the concept of hot ice and boiling snow, except only that one is a racial hypocrisy and the other a poetic phantasy.

Yet it is to be urged in conclusion that while the net results of our sojourn in the Philippine Islands show so little of real credit to the United States and less of benefit to the people we have governed, there still remains in the native character something innately fine and good, and in the Filipino mind unsounded potentialities of power and achievement.. We may feel confident that when the American grasp is at last loosened from these people and they have a chance to show what they really are and can do, the resulting asset to civilization and world progress may be something more than merely considerable. It was not by accident that so many great and compelling minds sprang from among them, nor can one easily believe that even the evil genius of American politics has obliterated from among them their possibilities of notable good.

## LOAN ON COTTON

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point on the cotton proposition.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, I hope the Senate works out a suitable provision on this cotton- and wheat-loan proposition.

The cotton farmers have been led to believe that they would either be advanced a loan of 12 cents a pound on this year's cotton or that they would be insured a price of 12 cents.

Even 12 cents a pound is wholly inadequate to return to the farmer the cost of production, including his taxes and living expenses—to say nothing of his indebtedness and the interest on what he owes.

Now to reduce that loan to 9 cents will be a bitter disappointment to the small cotton growers of the South, even with the regulation under which it is proposed to pay him the difference, if any, between 12 cents a pound and the average price of ⅞-inch Middling cotton on the 10 spot markets during the period from September 1 to January 1. That would probably be disastrous to the small cotton farmer who is forced to sell his cotton as he gathers it.

The psychological effect of this legislation will probably be to drive the cotton market down to 9 cents a pound during the rush of the season, from September 1 until around October 20. Suppose the small farmer with a few bales of cotton sells his cotton at 9 cents a pound. The large farmer, who has good credit, or who is able to finance himself, may be able to hold his cotton off the market until the latter part of the season.

Suppose that cotton should go to 12 cents a pound the middle of October and should remain at 12 cents a pound until the 1st of January. Then the little farmer who sold at 9 cents a pound would not get an extra penny on his cotton. Or suppose that cotton should go to 11½ cents by the 1st of November, and that should be the average price till the 1st of January. The little fellow who had to sell at 9 cents a pound, instead of getting the difference between 9 cents and 12 cents, as he has been led to believe would be the case, would get the difference between that average price of 11½ cents and 12 cents a pound, which would make his cotton bring 9½ cents a pound.

It will be no trouble for the big manipulators of the cotton market to drive the price down in the early part of the season and then boost it in the latter part of the season.

Of course, the big planter who has large tracts of land planted in cotton, cultivated by Negro tenants, may be able to hold his cotton, but the small farmer with a wife and children to support, and cotton his only money crop, will be driven to the necessity of disposing of his cotton at the minimum price, while his more fortunate competitor will reap the maximum benefits.

The same thing will probably apply to the wheat farmers of the West and Middle West.

In 1926 and 1927, I saw one or two big cotton factors so manipulate the cotton market as to advance the price for

the months of November and December all out of line with the prices for the rest of the year. The very next year, they switched to the other side of the market and drove cotton from 22 cents a pound to about 14 cents, by a purely artificial manipulation on the New York exchange. They can do the same thing again now, and probably will do it, if it is to their financial advantage, and thereby squeeze the economic life out of the small cotton farmers who work harder for less remuneration than any other class of laborers in America.

On the other hand, if the Senate amendment should be accepted, and it is known that the farmers will be advanced a loan of 12 cents a pound, then the cotton market will respond accordingly, and these benefits will go to the man who needs them the worst and deserves them most—the man who toils with his own hands to grow cotton to feed and clothe his wife and children, pay his taxes, and meet his other responsibilities.

Congress has just passed a bill to " stilt " the price of coal, and thereby pile millions of dollars of additional burden onto the backs of the people in the cotton-growing States.

Congress has also passed a law putting motor transportation under the Interstate Commerce Commission, which means outlawing the farmer's cheap transportation, raising freight rates, and piling additional millions of burdens onto the farmers' backs.

Congress has fixed the wages of laborers on public projects, all out of line with, far and beyond, the remuneration of the average farmer of this country, and especially of the average cotton farmer who toils and struggles through the summer months to make a few bales of cotton.

The truth is, Mr. Speaker, that cotton should be selling for 20 cents a pound, wheat for $2 a bushel—the prices those commodities were bringing when these farmers incurred their debts, floated their bonds, or had their tax levies established. At that time we were on an expanded currency; our currency had been expanded by the issuance of Federal Reserve notes, through the Federal Reserve banks. The circulating medium was increased from about $34.90 per capita in 1914 to $53 in 1920. The cotton market, the wheat market, the corn market, and every other market of raw materials responded, with the result that cotton went to 20 cents or 25 cents a pound and wheat to $2 or $2.50 a bushel.

That currency has been contracted, and the farmer is now being called upon to pay his debts and meet his obligations contracted on those high-price levels with 12-cent cotton and 90-cent wheat; and now when his crop is made and ready for the market he has the bitter experience of seeing that 12-cent loan revoked and being compelled to sell at approximately 9 cents a pound.

Yet we have sufficient gold in the Treasury to issue $15,000,000,000 worth of United States notes with the legal requirement of gold reserve behind every dollar of it without in any way endangering our currency or imperiling our gold reserve.

I told you on this floor in 1929 that we were in a money panic, and that we would never have a return of normal prosperity until we had a liberal controlled expansion of the currency. I repeat that statement now. You can juggle with coal, with freight rates, with wages, with cotton, with wheat, with corn, and experiment with all the N. R. A.'s the statute books will hold, but we are not going to have a return of normal prosperity until that currency is expanded and commodity prices restored to their normal levels.

If the administration would issue two or three billions of dollars in currency against the gold reserve we now have, and put that currency in circulation tomorrow, cotton would go to 18 cents or 20 cents a pound, wheat would climb to $1.75 or $2 a bushel, corn, hogs, land, lumber, and other commodities would advance in price, and this country would enjoy an era of unprecedented prosperity.

The only alternative to that is to squeeze the lifeblood from the producers of raw materials and force the farmers into a state of misery and poverty and let the rest of the country collapse with them in another crash, probably exceeding in disaster and direful consequences the panic of 1929.

In the words of William Jennings Bryan, our farmers are now being " crucified upon a cross of gold."

To deny them this 12-cent loan on cotton and 90 cents on wheat, on which they had depended, and to substitute the regulation to which I have referred would be to break faith with the cotton growers of the South as well as the wheat growers of the West. Even if such a course of action could be justified on the technical construction of the representations that have been made, even then it would be paramount to merely keeping the word of promise to the ear and breaking it to the hope of the distressed farmers of this country.

### THE FLOOD-CONTROL PROBLEM

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article on flood control by Dr. Thone.

The SPEAKER. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, I ask unanimous consent for publication in the RECORD of an article published in Service News Letter for August 24, 1935, by Dr. Frank Thone. The article is entitled " Taming Ol' Man Ribber." It cogently presents the view that unless we shall have adopted a policy of cooperative attack on the flood-control problem and lay plans to keep water as a servant and not as an enemy we shall lose the most valuable of our mineral resources.

In the characteristic forceful and dramatic style of the author the article carries a real punch, and there is no mistaking the safety lesson which it teaches.

Gold is not the most precious of America's mineral resources. Oil is not. Neither is copper or coal or iron.

The most valuable mineral we have is water.

Common water, the stuff we drink and wash ourselves and our clothes in, that we use to irrigate our fields, float our boats, put out our houses when they catch fire. Water, which we long for as a lost friend in a drought and dread as a destructive demon in time of flood. Water, which we waste lavishly, pollute shamelessly with factory wastes and city filth. Water, the fluid of life, the fluid of death.

" Free as water " has been for ages, and still is, a proverb phrase taken for granted by everybody. It is to be had for the taking, without even the formality of asking. Only in the world's most arid and forbidden places can it be sold as a commodity. Elsewhere, to ask men to balance it against silver or gold is looked upon and resented as effrontery. So fixed is this idea in our psychology that there is a wide-spread practice on the part of city waterworks to charge their patrons for services rendered in delivering the water, but to insist that the water itself is not an object of sale. The water is free.

But as we approach maturity as a nation it begins to be borne in upon our sobering minds that while water is free to use it cannot safely be left free to abuse. If we waste it in the spring, we may have the distress of seeing our town well run dry in a droughty summer. If a town or factory pollutes a stream, communities farther down, that must drink from the same stream, will have a sympathetic audience if they curse us out as reprobates, and maybe have the law on us. If we overcut our forests and overplow our fields, we are ruined by erosion, and folks downstream are equally ruined by the floods we loose, with their aftermath of drifted sand and silt. For this sort of thing water is not free.

In this day, when the irresponsible adolescence of our Nation is ending, and reflective men among us are giving thought to what we as a people in the earlier stages of social maturity should be doing with ourselves and the land of our inheritance, water has come in for its full share of discussion and planning. Our lakes and rivers, even our brooks and springs, our swamps and seepage places, are beginning to be seen as diversified parts of an organic unity; even as a people we are diversified, and yet one.

There have been thoughtful examinations of water problems even of old time. Indeed, the world's earliest civilizations were in a sense the product of water problems, for canals, flood control, irrigation, city water supply, were what first brought the little city-states of ancient Egypt and Chaldea into being, and then operated to knit them together into kingdoms and empires.

Even in our own land, in the days of its earliest and loosest freedom, there had to be community action to obtain clean water, to dispose of wastes, to regulate port and river traffic. And as we have grown, there have been extensions of this city-state stage, where each municipality was a law unto itself, into wider regional kingdoms, where several adjacent cities or States have found it mutually advantageous to ally themselves, as New York and the cities of the New Jersey shore in the Port of New York Authority, or the Ohio Valley States in their cooperative attack on the flood problem.

It has not been easy for us to do things of this kind, for as a people we are extreme individualists, and as communities we are exceedingly parochial, each town keenly jealous of its own rights and advantages, and prone to eye the claims of the next town with hostile suspicion.

But it may be that we are developing a wider, a more national outlook, a greater willingness to let the other fellow have a fair share and not try to grab everything in sight for ourselves. And even if we have not evolved far along this pathway to a larger civic morality, at least a somewhat more far-sighted self-interest may move us to yield a little now in order to obtain greater advantages (or escape greater ills) somewhat later on.

Out in front of the rest of us, there are pioneers of larger cooperation, who by putting a dozen good heads together have evolved the beginnings of a full-sized national scheme for making the most of our national resources in water, and for mitigating the evils which this two-sided silvery servant of ours can inflict on us when we are not watching.

A notable accomplishment among the many hopeful plans that have been put forth lately for national betterment is the report of the Mississippi Valley committee of the Public Works Administration. It has operated under the chairmanship of Morris L. Cooke, an experienced engineer who can "dream dreams and see visions"—and then proceed to make them real. With him have been associated a number of other leaders in the field of engineering and economics—men in private practice, university men, Army men.

For a sample river to use in drawing up their first model plan they chose boldly—no less than the Mississippi system itself, probably the most important river drainage basin in the whole civilized world today. Though bold, their choice was wise; for in the vast stretch between the dry, thinly populated Great Plains that rise to the Rockies on the West, to the humid, rich, closely farmed lands of the inner East, encroached on by the jammed industrialism of the Pittsburgh region, there are all imaginable varieties and difficulties of water-use problems.

They have taken a wide view of their mandate: "Planning for the use and control of water is planning for most of the basic functions of the life of the Nation. We cannot plan for water unless we also consider the relevant problems of the land. We cannot plan for water and land unless we plan for the whole people. It is of little use to control rivers unless we also master the conditions which make for the security and freedom of human life. * * * Under the proven system of democracy no plan can be imposed upon the people. Government may inform, educate, and guide. It may mobilize resources for the common task. It cannot dictate * * *. We are but tenants and transients upon the earth. Let us hand down our heritage not only unimpaired but enriched to those who come after us."

Principles laid down by the committee shine with common sense. Improvements should be supported as nearly as can be determined in relation to their benefits; Federal participation should be freely entered into when national benefits are anticipated or national ills are to be averted; for the rest, render unto the State the things that are the State's unto the town what is the town's. Encourage first such projects as are most likely to pay their own way in the long run; deepen the river if there is going to be enough traffic to justify it otherwise go slow about spending the money. The same for irrigation projects. The same, within somewhat wider limits, for power projects; for it is recognized that though modern steam plants can often underbid water power in cost per installed kilowatt, nevertheless coal and oil are exhaustible, while rivers go on forever.

The terrible evil of water erosion, which scourges East as well as West, and impoverishes in terrifyingly short time any region where it is permitted to go on unchecked, the committee sees largely as a problem of roots. To be sure, check dams and grading can do something against advanced gullying. But the most wide-spread damage is not so conspicuous as this; it is the insidious sheet erosion that takes away the irreplaceable top soil before gullying begins. Here the cure must be a living cure: Reforestation, brush land that at the same time shelters game, restoration of range grass where plow land lays the soil bare to the raids of water and wind. Terracing slopes, where farming is too profitable to be abandoned, plus strips of long-lived deep-rooted crops following the contour lines and interdicting the gully-cutting downhill drainage.

Pollution, it goes without saying, is an intolerable evil. No community can be allowed to assume the privilege of befouling its down-stream neighbor's drinking water with sewage, or poisoning it with factory wastes. Disposal plants are practicable for most of these sources of pollution, and for the still unconquered types of factory waste means of treatment may be found by more intensive research.

Recreation is recognized by the committee as a public interest of increasing importance, which can often be promoted as a co-project with such things as power or water-supply storage dams, navigation improvement, and game refuges in reforested lands on slopes salvaged from erosion and the breeding of floods. Recreation again is promoted by the reflooding of lake and swamp lands, unwisely taken away from the ducks and fish during our national madness in land speculation of a generation or two ago.

Flood control comes sharply to the fore, especially now that the great drought of the early thirties has broken in spectacularly destructive deluges of rain in what had begun to be called the "dust bowl." Floods are recognized as problems practically throughout the entire great central basin, but the problems are particularly acute in the Ohio system, where northward-draining rivers from the Tennessee Valley bring heavy freshets in late winter and early spring, and in the Delta country of the lower Mississippi from Memphis to the Gulf, which is the bottle neck through which all the drainage of the great inland empire must flow.

Most of us commonly think of flood protection in terms of levees, high earthworks that resist the frontal attack of the river with a stubborn frontal defense. Levees have their very important uses, but a dependence on them altogether is apt to be a snare and a betrayal, for if the flood becomes mighty enough to top them, the last state of that land becomes even worse than the first.

The committee also recommends a unification of the entire levee system of the lower river, with established standards of construction and height, and a better coordinated system of administration. In the past each community has tended to regard its own flood protection as its private problem; so much so that we have frequently had to witness the scandalous spectacle of American citizens dynamiting the levees that protected the property of other American citizens to relieve the river's pressure on their own front.

Such a too-rugged individualism, more suggestive of the doings of Ur and Kish and Lagash on the Tigris and Euphrates thousands of years ago than of what we would like to believe of our America of today will become forgotten legend if the persuasions of the Mississippi Valley Committee are listened to:

"Life in the Mississippi Valley of the future need not be poverty-stricken or precarious. The forces making for health and well-being, once they are controlled, are greater than those which make for disaster. The quality of life in the valley can be enormously improved. It need not go the way of the valley of the Nile, the valleys of the Tigris and Euphrates, where sands have drifted into old irrigation ditches and the sites of opulent gardens, or the stripped valleys of China. We have knowledge that the older civilizations lacked. If we synthesize that knowledge to make our plans, if we put a common purpose above local jealousies and conflicts of interest, the future is in our own hands."

So supplementary means must be devised. Important are flood-water reservoirs, which will hold back part of the water until the rest has been drained off, and then release their impoundings as rapidly as possible. There have been proposals to build such flood checks right in the Ohio itself, as well as in some of the other larger tributaries of the Mississippi from the West. These the committee doubts, but it gives its approval to a considerable number of flood-water dams on other tributaries, and even suggests that these may be the key to flood defense.

But in spite of all this, floods will still develop. Here a third strategy comes into play. If you cannot hold your adversary back, yield and let him rush through a path of your own choosing. This is the principle of the so-called "floodways" of the lower Mississippi. These are auxiliary flowage paths for the river, with guide levees along their sides. In normal years they remain empty, and may even be farmed. But when a great flood comes, once in a generation or oftener, the weaker "fuse plug" levees that close their upper ends are permitted to give way, and the surplus waters pour through on their way to the sea.

### PRESIDENT ROOSEVELT HAS KEPT FAITH WITH THE AMERICAN PEOPLE

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a résumé of the work of the Post Office Committee of the House for this session.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, the charge that President Roosevelt violated his campaign promises and repudiated the Democratic platform is unfair, and one which attempts to ignore the record and the events immediately following the election of 1932.

When President Roosevelt was a candidate for the Presidency, the need for enormous appropriations on the part of the Federal Government was not comparable with the urgency for such appropriations following the severe financial collapse which took place in January and February of 1933. In the summer and autumn of 1932 there was evidence of a moderate pick-up in business; public confidence had attained a degree of safety that was a source of considerable encouragement; the world powers, apparently feeling the need of international cooperation, were to all intents and purposes making a real effort to eliminate the barriers confronting world recovery. At Detroit on October 22, 1932, President Hoover said: "It can be demonstrated that the tide has turned and the gigantic forces of depression are in retreat."

During this period, and under these conditions, President Roosevelt promised the American people an administration of reform and progress which would correct the economic evils of the day and give to the masses of our people a more

adequate share of the fruits of their labors. He recognized the inherent evils resulting from the concentration of wealth in the hands of a few; he realized the necessity for reform measures to curb the enormous power of big business and high finance.

Of course, everybody realized that a platform which suggested reform, and a candidate who promised to carry out the principles contained in such a platform, would not require the vast appropriations which later events made necessary.

However, the economic and financial situation turned rapidly from bad to worse in the closing days of 1932, and recovery which showed some signs of life throughout the autumn of that year collapsed entirely when the Lausanne Conference failed and the European powers served notice upon us that they would not meet their debt obligations. Under such circumstances, international cooperation was impossible. A disarmament agreement, anxiously expected, was now an impossibility. Instead of removing the barriers to trade, additional obstacles were established. International confidence sank to its lowest ebb.

In the United States fear supplanted confidence; our financial markets became decidedly deflationary; the people began to withdraw their deposits from our banks; currency was exchanged for gold, and hoarding was everywhere in evidence. The Federal credit was demoralized, and every financial institution in the country was shaken to its very foundations. A few days before the inauguration of President Roosevelt, the crisis was so severe that many experts were led to believe that nothing could be done to save our country from complete economic collapse and financial bankruptcy.

When President Roosevelt took the oath of office on March 4, 1933, there was hardly an industry in all America that had not felt the paralyzing influence of the financial collapse that was then embracing the Nation. The calm of the fall of 1932 was now the raging economic storm of the spring of 1933. The reform measures promised in the Democratic Party platform and advocated by its successful candidate could not save the day because of the proportions of the emergency which beset us. Drastic measures, adopted with speed and administered with courage were now the order of the day. True, reform was necessary in our economic life, but above and beyond that, relief not only for the masses but for the banks and industry became urgently necessary.

Vast appropriations were necessary, powerful public corporations were needed, the public credit was pumped into the banks, the insurance companies, the railroads, the industries of America. Billions were necessary to save the day, with the result that there came into being a strengthened Reconstruction Finance Corporation, an expanded Home Owners' Loan Corporation, a more liberal Farm Credit Administration, a gigantic Public Works Administration, and a great Federal relief agency.

There was no critic in any party, nor was there complaint from any source against the action taken by the President of the United States in his successful effort to save the industries, the farms, and the homes of our people—yes; and the institutions of our country as well.

But that day is over. Again we are enjoying happier times. The national income is increasing. Farm prices, car loadings, dividend payments, the output of our factories, all give rich evidence of a returning and more permanent prosperity. Large emergency-relief appropriations I hope will no longer be necessary. Part of the huge sum appropriated to win the war against the depression will be returned to the Treasury of the United States. And while the vast majority of the American people will always appreciate the splendid leadership and the great courage of President Roosevelt, the politician who forgets the record and loves to find fault with a detail here and there will rise up from his cyclone cellar to complain because the President did not carry out the program of his party convention adopted in Chicago 6 months before the collapse, which to a degree was brought about and intensified by a party that displayed neither courage nor leadership when it was in power. President Roosevelt has kept faith with the American people and they will keep faith with him.

### PUBLIC-UTILITY HOLDING-COMPANY BILL

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain correspondence between Thomas G. Corcoran and myself, a letter written by me to him and his reply to me.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. DISNEY. Mr. Speaker, under unanimous consent obtained, I offer for the RECORD a letter dated August 24, addressed by me to Hon. Thomas G. Corcoran, together with his reply.

The letters are as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D. C., August 24, 1935.*

Hon. THOMAS G. CORCORAN,
*Washington, D. C.*

DEAR SIR: As you know, recently my colleague, Congressman PETTENGILL, of Indiana, spoke in the House referring to Congressman EICHER'S speech. In his remarks Congressman PETTENGILL said:

"Finally, Mr. Speaker, in view of the fact that the 'ambassador from Passamaquoddy', Mr. Corcoran, has admitted before our committee that he had plunged deep in the New York stock market in times gone by, that he had made and lost a small fortune there, I would suggest that he be asked at this time as to whether he is in the stock market today, especially with reference to utility stocks."

In my judgment this matter should be cleared up, and I hope you will write me answering the suggestions made by Congressman PETTENGILL in order that I may place your answer in the RECORD with this letter.

Sincerely yours,

WESLEY E. DISNEY.

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WASHINGTON, D. C., *August 26, 1935.*

DEAR MR. DISNEY: This will acknowledge and thank you for your letter of this morning concerning the insinuations made against me by Mr. PETTENGILL to the effect that I have been speculating in public-utility securities during the pendency of the public-utilities holding-company bill.

The facts are these:

1. I have never in my life bought or sold or owned any public-utility securities.

2. Ever since the spring of 1933 when, in connection with the Securities Act of 1933, I first became associated in the preliminary drafting of proposed legislation, I have not bought or sold, either directly or through others, any stock, securities, or commodities of any kind whatsoever, or any interest therein.

I should, of course, be grateful if, as you have suggested, you would have this letter and your letter of this morning published together in the CONGRESSIONAL RECORD.

Sincerely yours,

THOMAS G. CORCORAN.

### MAJORITY LEADER OF THE HOUSE

Mr. TAYLOR of Colorado. Mr. Speaker, the majority leader of the House, our beloved colleague the gentleman from Alabama [Mr. BANKHEAD], has written a letter extending his greetings to the House. I send it to the Speaker's desk and ask unanimous consent to have it read.

Mr. Speaker, I know every Member of this body will not only be delighted to hear from him but will be genuinely glad to learn that he speaks hopefully of his being with us when the House convenes next January, and we all sincerely hope and pray that he will be. [Applause.]

It has been a very great honor and privilege for me to have been selected to perform his duties as best I could during this long and most arduous session. No one could adequately take BILLY BANKHEAD'S place. I think he is the most ideally qualified by temperament, education, experience, ability, knowledge of the rules, and in every other way of any Member in this House to perform this service; and I think I, more than any other Member, most earnestly hope he will be preserved and be able to carry on the work of this most responsible position during the next session of the Seventy-fourth Congress. [Applause.]

The SPEAKER. Without objection the Clerk will read the letter.

The Clerk read as follows:

OFFICE OF THE MAJORITY LEADER,
HOUSE OF REPRESENTATIVES, UNITED STATES,
*Jasper, Ala., August 21, 1935.*

Hon. EDWARD T. TAYLOR,
*Acting Majority Leader, House of Representatives,*
*Washington, D. C.*

MY DEAR SIR: I observe from the press that it is quite probable that Congress will adjourn by the end of this week. I sincerely trust that this may be done, although it may involve the carrying over until the next session some items of essential legislation. This has been in many respects a very unusual session of Congress, not only in length but also in the wide range and highly controversial nature of many of the measures presented for consideration. That there has been sharp difference of opinion upon such measures even within the ranks of the majority reflects no discredit upon the Democratic organization of the House or its personnel. On the contrary, honestly entertained views, honestly expressed, are always the mark of a consecrated public servant in a representative body.

It is therefore my desire to ask the privilege of expressing my earnest appreciation and commendation of the record as a whole of this session of the House. It has had able and efficient leadership under the guidance of our beloved Speaker, Hon. JOSEPH W. BYRNS. You, as acting leader, and the chairman and members of all committees have cooperated in invaluable fashion in completing for this session a record of legislation that as a Democrat I have no fear of presenting for the approval of the country in the elections of 1936.

I trust that I may be pardoned for again expressing the very great distress I have felt because of the disability which has prevented my sharing your labors of this session. I will be with you in January, God willing. Please present my warm personal regards to all Members, even to our friends, the enemy across the aisle, especially to the distinguished minority leader. I trust he may long continue in that capacity.

Yours most sincerely,

W. B. BANKHEAD.

[Applause, the Members rising.]

RECESS

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that the House may stand in recess subject to the call of the Chair.

Mr. RANKIN. Mr. Speaker, reserving the right to object, may I propound the same inquiry I made this morning? Will the bells be rung 15 minutes before the House is called to order?

The SPEAKER. Yes; the Chair will have that done.

Is there objection to the request of the gentleman from Colorado?

There was no objection.

Accordingly (at 5 o'clock and 58 minutes p. m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 11.50 p. m.

STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to a concurrent resolution of the House of the following title:

H. Con. Res. 40. Concurrent resolution providing for the sine die adjournment of the first session of the Seventy-fourth Congress.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3049. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1994. An act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3783. An act for the relief of George W. Rhine, doing business under the name of Rhine & Co.;

H. R. 6776. An act to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes;

H. R. 7858. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 7974. An act to withdraw and restore to their previous status under the control of the Territory of Hawaii certain Hawaiian homes lands now in use as an airplane landing field;

H. R. 8511. An act to provide funds for cooperation with Cannon Ball school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8512. An act to provide funds for cooperation with Fort Yates school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8513. An act to provide funds for cooperation with Trenton school district, Williams County, N. Dak., for extension of public-school buildings to be available for Indian children; and

H. R. 8516. An act to provide funds for cooperation with Porcupine school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 1878. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.;

S. 1994. An act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended;

S. 2324. An act to incorporate the Military Order of the Purple Heart;

S. 2364. An act relative to the retirement of certain officers and employees;

S. 3085. An act authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose;

S. 3204. An act to provide additional funds for the completion of the Mount Rushmore National Memorial, in the State of South Dakota, and for other purposes;

S. 3433. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases; and

S. J. Res. 175. Joint resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 1575. An act for the relief of John S. Cannell, deceased;

H. R. 1912. An act for the relief of William J. Ryan, chaplain, United States Army;

H. R. 3109. An act for the relief of Herman W. Bensel;

H. R. 3149. An act to confer jurisdiction upon the United States District Court for the Southern District of Texas, Corpus Christi division, to determine the claim of Mrs. L. B. Gentry;

H. R. 3783. An act for the relief of George W. Rhine, doing business under the name of Rhine & Co.;

H. R. 4567. An act for the relief of Robert E. Callen;

H. R. 4770. An act for the relief of Elinora Fareira and Mearon Perkins;

H. R. 5097. An act for the relief of Mary E. Lord;

H. R. 5521. An act for the relief of Frank Williams;

H. R. 5750. An act for the relief of Mary Brown Raley;

H. R. 6250. An act to amend the National Defense Act;

H. R. 6776. An act to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes;

H. R. 7140. An act for the relief of the Bell Oil & Gas Co.;

H. R. 7858. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 7974. An act to withdraw and restore to their previous status under the control of the Territory of Hawaii certain Hawaiian homes lands now in use as an airplane landing field;

H. R. 8133. An act to authorize certain homestead entrymen who are disabled World War veterans to make final proof of their entries, and for other purposes;

H. R. 8444. An act to authorize the transfer of a certain military reservation to the Department of the Interior;

H. R. 8511. An act to provide funds for cooperation with Cannon Ball school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8512. An act to provide funds for cooperation with Fort Yates school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8513. An act to provide funds for cooperation with Trenton school district, Williams County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8516. An act to provide funds for cooperation with Porcupine school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8870. An act to further protect the revenue derived from distilled spirits, wine, and malt beverages, to regulate interstate and foreign commerce and enforce the postal laws with respect thereto, to enforce the twenty-first amendment, and for other purposes;

H. R. 8974. An act to provide revenue, equalize taxation, and for other purposes;

H. R. 9070. An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes; and

H. J. Res. 407. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States announced that on the following dates he approved and signed bills and joint resolutions of the House of the following titles:

On August 22, 1935:

H. R. 2476. An act to grant a patent to Albert M. Johnson and Walter Scott;

H. R. 7955. An act to establish a new division of the northern district of Georgia with terms of court to be held at Newnan, Ga.;

H. R. 8580. An act to amend the law with respect to the time for jury service in the police court of the District of Columbia;

H. R. 8581. An act to amend the law providing for exemptions from jury service in the District of Columbia;

H. R. 8668. An act providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Fort Pierce, Fla.; and

H. R. 8710. An act to authorize the Secretary of War to lend to the reunion committee of the United Confederate Veterans 3,000 blankets, olive drab, no. 4, and 3,000 canvas cots, to be used at their annual encampment to be held at Amarillo, Tex., in September 1935.

On August 23, 1935:

H. R. 1880. An act for the relief of Ivan H. McCormack;

H. R. 3509. An act for the relief of the legal guardian of Nick Vasilzevic;

H. R. 3546. An act for the relief of Sarah Elizabeth Ballentyne;

H. R. 3967. An act for the relief of Raymond Parramore;

H. R. 4513. An act to authorize payment of claims for unauthorized emergency treatment of World War veterans;

H. R. 4827. An act for the relief of Don C. Fees;

H. R. 4860. An act for the relief of Judson Stokes;

H. R. 5375. An act relating to the compensation of certain charwomen;

H. R. 5492. An act for the relief of Henry Scipper;

H. R. 7099. An act for the relief of Rocco D'Amato;

H. R. 7617. An act to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes;

H. R. 8026. An act to establish and promote the use of standards of classification for tobacco, to provide and maintain an official tobacco-inspection service, and for other purposes; and

H. R. 8991. An act to authorize the Administrator of Veterans' Affairs to exchange certain property rights now vested in the United States at Veterans' Administration facility, Perry Point, Md., for certain property and rights of the Pennsylvania Railroad Co. in that vicinity.

On August 24, 1935:

H. R. 258. An act for the relief of Emma B. Hine;

H. R. 607. An act for the relief of Florence Overly;

H. R. 704. An act for the relief of Thelbert Davis;

H. R. 760. An act for the relief of John L. Hoffman;

H. R. 830. An act for the relief of Sanford Madison Strange;

H. R. 1437. An act for the relief of August A. Carminati;

H. R. 2118. An act for the relief of John P. Seabrook;

H. R. 2126. An act for the relief of Hugh G. Lisk;

H. R. 2319. An act for the relief of Oswald Orlando;

H. R. 2411. An act for the relief of E. F. Purvis;

H. R. 2432. An act for the relief of the Weis-Patterson Lumber Co., Inc.;

H. R. 2443. An act for the relief of Milton Hatch;

H. R. 2555. An act to extend to Sgt. Maj. Edmund S. Sayer, United States Marine Corps (retired), the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men;

H. R. 2690. An act for the relief of John B. Grayson;

H. R. 2970. An act for the relief of Jose Munden;

H. R. 3147. An act for the relief of Will A. Helmer;

H. R. 3202. An act for the relief of W. H. Greene;

H. R. 3282. An act for the relief of Nina Drips;

H. R. 3759. An act for the relief of E. H. Jennings;

H. R. 4568. An act for the relief of Forrest D. Stout;

H. R. 4923. An act for the relief of Maj. E. Leslie Medford, United States property and disbursing officer for Maryland;

H. R. 5159. An act to authorize the Postmaster General to contract for air-mail service in Alaska;

H. R. 5099. An act for the relief of Albert Henry George;

H. R. 5347. An act for the relief of Bertha Mosely Bottoms;

H. R. 5550. An act for the relief of Malachy Ryan;

H. R. 5711. An act to provide aid for needy blind persons of the District of Columbia and authorizing appropriations therefor;

H. R. 5816. An act for the relief of May C. Gustin;

H. R. 6177. An act for the relief of Brooker T. Wilkins;

H. R. 6267. An act for the relief of Wint Rowland;

H. R. 6268. An act for the relief of W. C. Wright;

H. R. 6269. An act for the relief of W. H. Keyes;

H. R. 6623. An act to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want;

H. R. 7520. An act for the relief of David A. Trousdale;

H. R. 7577. An act for the relief of Mrs. William E. Smith and Clara Smith;

H. R. 7938. An act to authorize the transfer of the Otter Cliffs radio station on Mount Desert Island in the State of Maine as an addition to the Acadia National Park, and for other purposes;

H. R. 8345. An act authorizing the Secretary of the Navy to accept without cost to the United States certain lands in Duval County, State of Florida;

H. R. 8492. An act to amend the Agricultural Adjustment Act, and for other purposes;

H. R. 8519. An act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a perform-

ance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work;

H. R. 8790. An act to amend section 6 of the act of February 28, 1925; and

H. J. Res. 276. Joint resolution authorizing the State of Arizona to transfer to the town of Benson without cost title to section 16, township 17 south, range 20 east, Gila and Salt River meridian, for school and park purposes.

On August 26, 1935:

H. R. 531. An act granting compensation to Walter F. Northrop;

H. R. 921. An act for the relief of Edgar Sampson;

H. R. 996. An act for the relief of Joe Reno;

H. R. 1871. An act for the relief of the Medical College of Virginia, and others, of Richmond, Va.;

H. R. 1965. An act for the relief of William E. Fossett;

H. R. 2325. An act for the relief of James P. Whalen;

H. R. 2620. An act for the relief of Sadie Wilkinson;

H. R. 2621. An act for the relief of Tom L. Griffith;

H. R. 2702. An act for the relief of Emanuel Lieberman;

H. R. 2730. An act for the relief of Thomas Harris McLaughlin;

H. R. 3408. An act for the relief of Rufus Jones, a minor;

H. R. 3965. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of Prince Royal, Sr., Kathleen Royal Hayes, Victor A. Royal, Lucile Royal, Prince Royal, Jr., Maggie Fields Ramsey, and R. J. Ramsey;

H. R. 4339. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Uinta and Wasatch National Forests, Utah;

H. R. 4428. An act for the relief of Caroline (Stever) Dykstra;

H. R. 4570. An act for the relief of Amy McLaurin;

H. R. 4601. An act for the relief of the heirs of Gladys Picklesimer;

H. R. 4784. An act for the relief of J. T. Slayback;

H. R. 4848. An act for the relief of Charles E. Molster, disbursing clerk, Department of Commerce, and Dr. Louis H. Bauer, a former employee;

H. R. 5049. An act providing punishment for forging or counterfeiting any post-marking stamp;

H. R. 5162. An act providing for punishment for attempts to obtain mail by fraud or by deception;

H. R. 5245. An act for the relief of Elizabeth Leiding;

H. R. 5351. An act for the relief of Rose Teiermeyer;

H. R. 5360. An act providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property;

H. R. 5475. An act for the relief of Henry Irving Riley;

H. R. 5540. An act extending the period during which no demurrage is charged on collect-on-delivery parcels and excepting the imposition of demurrage charged on collect-on-delivery parcels exchanged between the continental and island possessions;

H. R. 5634. An act for the relief of the Baltimore Renovating Co.;

H. R. 5654. An act to authorize the Court of Claims of the United States to hear and determine the claim of Samuel W. Carter;

H. R. 5781. An act for the relief of the widow and next of kin of James J. Curran;

H. R. 5790. An act for the relief of certain creditors of J. R. and J. A. Whelan, Inc.;

H. R. 5811. An act for the relief of Michael A. McHugh;

H R. 5905. An act for the relief of Cal Settles and Rhoda Settles;

H. R. 6057. An act for the relief of Joe Brumit;

H. R. 6168. An act for the relief of Charles K. Shade;

H. R. 6394. An act for the relief of William K. Caley;

H. R. 6889. An act for the relief of A. Zappone and W. R. Fuchs;

H. R. 6892. An act for the relief of certain Indians on the Cheyenne River Reservation;

H. R. 7076. An act for the relief of the heirs of John Schrodl;

H. R. 7137. An act for the relief of Cassie M. Lyne;

H. R. 7678. An act to authorize the Director of the Mint to supplement the approved design of the 50-cent piece commemorating the two hundredth anniversary of the birth of Daniel Boone, the coinage of which was authorized by act of the Seventy-third Congress (Public, No. 258, S. 3355);

H. R. 8020. An act for the relief of Jose R. Redhammer;

H. R. 8598. An act to provide for the inspection and regulation of vessels engaged in the transportation of inflammable, explosive, and like dangerous cargoes in navigable waters of the United States;

H. R. 9116. An act to extend the provisions of veterans' laws and regulations to persons who served in Russia during the World War, and their dependents;

H. J. Res. 265. Joint resolution pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto; and

H. J. Res. 350. Joint resolution to authorize the President to extend an invitation to the World Power Conference to hold the Third World Power Conference in the United States.

The SPEAKER. The Chair lays before the House the following letter, which the Clerk will read.

The Clerk read as follows:

THE WHITE HOUSE,
*Washington, August 24, 1935.*

MY DEAR MR. SPEAKER: If the opportunity presents itself, will you be good enough to extend my greetings to the Members of the House of Representatives and to express to them my deep and sincere congratulations upon the work which they have accomplished? When a calm and fair review of the work of this Congress is made it will be called a historic session. It has dealt, in a spirit of statesmanship, with matters of vital interest to the lives of our people. Much has been accomplished for the permanent well-being of the Nation as a whole.

I am grateful for, and happy in, the cooperation between us, and I extend to each and every one of you my good wishes for a well-earned rest.

Faithfully yours,

FRANKLIN D. ROOSEVELT.

The honorable the SPEAKER OF THE HOUSE OF REPRESENTATIVES,
*Washington, D. C.*

The SPEAKER. I have informed the President of the United States that the House of Representatives was about to adjourn sine die and he has asked me to express to the Members of this body his appreciation for their cooperation and to wish for each of you a pleasant vacation.

The first session of the Seventy-fourth Congress is now about to close after 8 months of arduous service. I wish to congratulate the Members of the House upon their patriotism and loyalty in serving their country according to their respective conception of their duties.

I have never served in a session of Congress where there has been demonstrated a greater willingness or desire to serve the people. Your work has been arduous—much more arduous, I may say, than we anticipated in the early days of the session—and you are entitled to a rest. The House has discharged its duties and responsibilities with ability and fidelity. May I take this occasion to thank each one of you for the kindness, courtesy, and patience shown me as your presiding officer.

I am indebted to each and every one of you. I have tried to be fair and impartial in the discharge of my duties. I hope that you may return to your homes and find there, as you deserve, a constituency well satisfied with your efforts to serve them. May you have a restful and pleasant vacation, and may we meet here in January prepared to take up our task of legislation in behalf of the great country which we are trying to serve.

## EXTENSION OF REMARKS

### THE ISSUE WHICH AMERICAN YOUTH MUST DECIDE

Mr. SNELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me yesterday over the radio:

America is the land of opportunity for the individual. Millions came from the Old World inspired by the assurance that here

they would escape the oppressive hand of governmental regulation, be permitted to work out their own destinies, and enjoy the fruits of their own industry and thrift.

Here they were assured of infinitely better working conditions in every field of activity and infinitely better living standards in the home than could be obtained in any other country in the world.

Here their daily lives have not been, until the advent of the new deal, regimented or their business policed by some minor Government official—an age-old condition of the autocratic Old World they sought to escape by coming to America.

Here, until recently, their substance has not been consumed by a hundred petty forms of taxes to support an army of Government bureaucrats.

Here they have enjoyed not only religious freedom but mental freedom, nurtured by the finest system of free public education civilization has ever known. With the exception of a few States, illiteracy in the United States is practically negligible. It may be said, in passing, that in those exceptional areas we find the most enthusiastic support of the new deal.

There is greater diffusion of wealth in this Nation than in any other country of the globe. The common people are infinitely better off in a material way—better clothed, better housed, better fed, have more money in savings institutions, carry more insurance of various kinds, have more and better recreation—than can be found any other place on the face of the civilized globe.

This is true because of the economic system under which this country has been developing, and because of which it has prospered—a system which permitted free play of economic forces. Under this system it has become an adage that it is only three generations from shirt sleeves to shirt sleeves.

The only aristocracy which has survived under this system has been the aristocracy of talent and character. Those who inherited wealth had to hold it by proving their worth in the field of free competition. Rising generations faced no barrier of caste. They were not restrained by the oppressive hand of government dictation and regimentation, a system which, wherever it exists, operates to perpetuate in power an officialdom which is indolent, wasteful, arrogant, incompetent, and generally corrupt.

Our institutions of learning, our churches, hospitals, and benevolent institutions, our great charities—all are financed, both in their construction and maintenance, out of surpluses of wealth made possible under our present economic system. There is no other way to finance these institutions and organizations except by the State—a method advocated and being put into practice by the new deal. That means State-controlled education, Tammanyized charity, and State-controlled religion. There is no middle ground. European governments are now furnishing examples of the religious intolerance and educational salvery to which such methods inevitably lead.

Our economic system is now challenged as outworn. We are told it has become an obstacle in the path of national progress, a menace to the welfare of our rising generations. We are asked to cast it aside and substitute something new, a "planned economy", devised and offered by the new deal.

The challenge cannot be lightly dismissed. It should not be. It has been the spirit of America always to build for the future and not to hold fast to customs which have outlived their usefulness. This challenge must be considered not on the basis of partisanship but on the basis of Americanism. It is not a question of what is best for the Republican Party, but what is best for America. It is not a question of whether the new deal and this administration have shamelessly repudiated the definite pledges of the last Democratic national convention, and, in the house of its leader, betrayed the principles and traditions of the Democratic Party. That is a question solely for determination by the next Democratic National Convention. The real question is whether or not the new economic system which the new deal and the present administration is offering as a substitute for the old one will better serve the real interests of the American people than the one they are asked to discard.

The youth of America—the young men and the young women upon whose shoulders will rest the burden of carrying on our civilization tomorrow—are the ones who must decide the validity of this challenge. It means comparatively little to the elders of this country, who have lived their lives and are passing off the stage, whether or not the economic, social, and political systems—to the preservation of which they have contributed and under which they have gone forward—are to be scrapped. But to those who are about to take up the responsibilities of citizenship and leadership in the world of affairs it means everything. It is the future of their country and their personal welfare which are at stake.

President Roosevelt, in a radio address delivered last night to the convention of Young Democrats, in Milwaukee, Wis., stated there was need for a new economic system because there are no new frontiers and that therefore the welfare of generations to come must be based "on the resourcefulness of men and women, applied to the old frontiers."

The whole philosophy and practice of the new deal repudiates this statement. The well-defined purpose of all the important new-deal legislation since the inauguration of the President has been to eliminate the element of private resourcefulness, and to have the Government assume the functions heretofore carried on by private enterprise and exercised by the individual.

Legislation, collectively known as "planned economy", attempts to place a whole people in lock-step and deny to the individual the right to exercise his own judgment and resourcefulness in the management of his own business, farm, or factory. It would reduce every citizen to the status of an automaton—taking orders from a Government bureaucrat, neither elected by nor accountable to the people.

In the same speech, President Roosevelt stated a new economic system was necessary in order that the next generations may be guaranteed security for themselves and their families.

A little further on he called upon the radicals of the country—all those who are against what he termed the "old order"—to unite in order to fight for their broad objectives.

At least it must be said in behalf of the President that he practices what he preaches. The tax law which has just been enacted as a part of the "must" legislation demanded by the President is a political measure designed to afford a common meeting place of all the radical groups who are out to soak the rich and share the wealth. It is a measure designed not to produce revenue but to confiscate property for the use of a vast Federal bureaucracy.

What security does such a program hold out for the next generation? Let me illustrate. Among the first victims of this law will be the heirs of the late beloved Will Rogers. His estate will be required to raise between a half million and eight hundred thousand dollars in cash. Obviously, it does not have that much ready cash on hand. What then? It will be compelled to put on the market some of the property which he owned. Whether that be real estate or securities does not matter. Property of any kind sold at a forced sale is sold at a great loss. Moreover, it depreciates the value of like property.

What is going to happen in the settlement of the estate of Will Rogers will happen in the settlement of every estate which is bludgeoned by this confiscatory tax law, pushed on a reluctant Congress and forced on a helpless people by the President of the United States, in order that he might make his peace with the radical elements of the country, anticipatory of the next Presidential campaign.

In addition, the rising generation will face the necessity of paying off the almost incredible debts which are being incurred by this administration. This, alone, will impair the security not only of the next generation but of generations to come. It will cripple industry and commerce. It will make it increasingly difficult for generations yet unborn to get ahead. Nothing so deadens ambition and renders industry and thrift so futile as the certain knowledge that one will not be permitted to enjoy the fruits of his efforts and the profits of his resourcefulness, but will be compelled to turn them over to pay the bills of a profligate government.

In his Milwaukee address, the President stated that according to the philosophy of the new deal, our present system must be modified "to save our economic structure from confusion, destruction, and paralysis." Without any attempt to elaborate, I submit there never has been a period within the memory of any living being when there was greater confusion, doubt, and fear in the minds of all classes of people, in all walks of life, or a greater threat of destruction of all that is worth while of our economic and political system than exists today, as a direct result of 2½ years of the Roosevelt administration.

In conclusion, it is admitted on all hands that in order to establish this new economic system our Federal Constitution must be wholly rewritten. Already the administration is launching a campaign to that end. This is the most serious of all problems which the young men and young women of today must consider and decide. The Constitution was written not for the rich, or the strong, or for those who occupy places of authority, or have accumulated great wealth. It was written for the humble citizen. The moment the guaranties that great charter of human liberty gives the individual citizen are abolished, it then becomes a struggle for the survival of the strongest and the most powerful. Every man is then free to invade the field of every other man's rights. Such a contest would have but one conclusion—those who possess the power, the wealth, and the cunning would control the Government and compel all others to do their bidding. Surely the youth of America are not prepared to endorse any administration which is seeking to bring about such a condition.

### REPRESENTATIVE GOVERNMENT CHALLENGED

Mr. LEMKE. Mr. Speaker, I am again talking as a nonpartisan, as one who knows that there is no difference between a reactionary Republican and a standpat Democrat. These are still not only cats of the same breed, but the same cat. They believe in standing still, in letting bad enough alone, thankful that it is not worse. They look backward to the dying shadows of a past civilization. On the other hand, I know that there is no difference between the progressive Republicans and progressive Democrats. These are striving with all their might to get this Nation out of the mire. They look forward, and in the distance see the dawn of a new and better day.

But, in the light of recent congressional events, it has become necessary for intelligent and patriotic people to condemn unhesitatingly and unreservedly the action of the majority leaders. Drunk with power—deaf and blind to human suffering—with a cruel, brutal, and inhuman indifference to the cries for justice from several million men, women, and children who are about to be separated from

their livelihood, who are about to be evicted from their homes—these leaders have moved heaven and earth to prevent our getting the required number of signatures on petition no. 7. This petition has for its object and purpose the bringing up on the floor of the Frazier-Lemke refinancing bill for discussion and disposition on its merits.

It is conceded by all that if this bill were permitted to come up on the floor it would pass both House and Senate, and we are confident that it would be signed by the President. No President would dare to veto a bill that would save the homes of 5,000,000 men, women, and little children. No President could be so cruel and so indifferent, so unmindful of the welfare of this Nation. This bill would save at least 2,000,000 mortgaged farm homes from foreclosure, and at the same time would pay the creditors up in full. It would loosen the frozen assets, and this Nation would again have sufficient credit and currency with which to do the Nation's business. It would give us an intelligent expansion of the currency and no one would be injured. The Government would actually make a profit and all the people of this Nation would again prosper. It would revive hope and aspiration.

This bill has met with almost universal approval. It has the militant support of the National Farmers Union and of the National Union for Social Justice. It has the endorsement of many State and local farm bureau and Grange organizations. It has the support of labor leaders and officers of the Veterans of Foreign Wars. It has the approval of over 85 percent of the farmers, as well as of every intelligent banker, business and professional man and woman in this Nation. No bill ever had the popular support that this bill has. Yet some invisible force has been able to prevent us, for 4 years, from bringing it up on the floor for discussion and disposition on its merits.

Thirty-two State legislatures, the Territory of Hawaii, and in addition the lower houses of New York, Pennsylvania, and Delaware have given their mandate to Congress to pass this bill. Two hundred and twenty-four different Members of the House at one time or another signed the petition in order to bring this bill up for a vote. This is a majority of nine of the present Membership. Eighty-five percent of the people of this Nation demand, in no uncertain terms, that this bill be disposed of on its merits. After extended hearings both the House and Senate agricultural committees approved this measure and recommended its passage. It has now been on the calendar of both the House and the Senate for about 3 months, but under the dictatorship of the leaders we have been prevented from bringing it to a vote. What, then, is the power behind the throne, behind the majority leaders, that impels them to refuse to permit Congress to vote upon it? It is the international bankers, the money changers, those that we had supposed had been driven out, but who are still in full control of the temple.

At the very opening of this session, the majority leaders, with the complete approval and to the satisfaction of the Wall Street coupon clippers, put over a gag-and-shackle rule, so that even though a bill be reported out of a committee, it cannot come up for a vote unless these leaders O. K. it, or a special order of business is created by getting a majority of the Members, now 216, to sign a petition at the Speaker's desk. That rule, prior to vacancies, increased the number of signatures required to discharge a committee from 145 to 218. This is, on an average, 28 more than a majority on a roll call, as shown by the average vote cast on 11 of the most important bills during this session. While 216 is a present majority, yet it has been intimated that these leaders, in order to defeat the people's will, would attempt to count the dead, and insist that we will have to have 218 signers. Not only must the petition be signed at the Speaker's desk but Congress must be in session, so that the prospective signer may come under the observation of the Speaker and the leaders. Members who have gone to the Speaker's desk to sign petition no. 7, to bring this bill up for a vote, have been warned that the President does not favor this bill, and that he would veto it, although the President has denied that he has authorized any such statements.

To date 224 different Members of the lower House of Congress actually signed petition no. 7, but in spite of the fact that it may mean political suicide, 21 have been induced to withdraw their names. Some of these have re-signed; others we hope will. Queer as it may seem, at least one Member signed his name twice, and withdrew twice. This goes to show the extent of the pressure that is being brought upon Members not to sign and to withdraw their names. The power and corrosion of political patronage and the fear that public relief and work projects may be withdrawn from their States all play a part in the suppression and strangulation of real legislation. We submit that it is improper for the majority leaders to defeat the will of the Members and of the people of the United States by having these names taken off.

This is no longer a question of economics. It is a challenge to representative government. It is a question whether this Nation still has a government of, by, and for the people. Members of Congress are supposed to represent the people of their districts. They are supposed to vote for measures that their constituents want. Obviously, when legislation can be kept from the floor by a few leaders, the will of the people is defeated. Our revolutionary forefathers believed that there should be "no taxation without representation." We believe there can be no representation without the privilege of voting.

There can be no real representation when a few reactionary leaders, because of the corroded and ancient rules under which the House proceeds, can block the will of the majority and manipulate and control the bills upon which Congress is allowed to vote. President Cleveland once said that "the administration should act behind glass doors." The majority leaders believe that they should act behind closed doors. They know that most Members of Congress would not and could not afford to vote against this bill. They know that their constituents and public opinion would not tolerate it—they know that public opinion expresses itself on election day. They know that it is easier to keep a Member from signing the petition, or withdrawing his name, than publicly voting against it on roll call. Therefore they adopted this gag-and-shackle rule.

In the meantime, through mortgage foreclosures, hundreds of thousands are being dispossessed and evicted from their homes—homes of which they and their ancestors once were the proud owners, homes with generations of sentiment attached. In most States of this Union the weekly papers are full of foreclosure and sheriff's sales. This is not only true of farm homes but of city homes as well. In Chicago there have been over a billion dollars of foreclosures on residential property since 1929.

In that city, within the last 6 months, 5,900 homes have been foreclosed on. What is true of Chicago is true of other cities. Homes are the foundation of our civilization—the stability of government depends upon homes. We wonder if the whips, the tools which the leaders use to persuade their fellow Members not to sign and to withdraw their names, really know what they are doing? We wonder if they can see the tear-stained face of the mother, the stoic and anguished expression of the father, and hear the weeping of the children as the sheriff offers for sale their home, and their all?

For the highest intellectual, physical, and spiritual development, there must be a reasonable assurance of future security for our families and for our homes—there must be hope and aspiration. Today, all is uncertainty, confusion, and despair. Everything is in chaos—our civilization is in transition. The people are watching and judging the President, Members of Congress, and even the judges of the Supreme Court. They now realize that these all are but their servants. They respect them only as they serve this Nation's revered traditions and best interests. They know that all these officials are but human, that they possess all of the virtues and all of the faults that they themselves possess. They know that the Constitution was made for the people, and not the people for the Constitution.

This Nation is on fire, it is thoroughly aroused. The people have awakened from their lethargy, from sleeping at the switch, and are demanding that the Government once more respond to their will. Therefore, I shall discuss with you the

trials and tribulations of the Frazier-Lemke refinancing bill. Upon the passage of this bill depend the home and security of over 10,000,000 men, women, and children. We all know that the stability of government depends upon homes. No government is safe when more than half of its people are made homeless. This bill must not be confused with the Frazier-Lemke moratorium. That law is not intended as a substitute for this bill. It is merely a stopgap to save the farm homes until this measure is passed.

The Frazier-Lemke refinancing bill provides: That the United States Government shall refinance existing farm indebtedness at 1½-percent interest and 1½-percent principal, on the amortization plan, not by issuing bonds, but by issuing Federal Reserve notes secured by the best securities on earth, first mortgages on farm lands; better security than gold or silver, because you cannot eat gold or silver, but you can eat the products that grow on the farms. Therefore, your life depends upon the farms. They are the best security on the face of the earth.

Under the provisions of this bill, there would be issued and put into circulation between two and three billion dollars of new money—Federal Reserve notes. This, used as a revolving fund, will be sufficient to refinance all of the farm indebtedness and save 2,000,000 farm families from ruination. If we had passed this bill in the special session, this two or three billion dollars used as a revolving fund would have given us an intelligent expansion of the currency and would have made it unnecessary for the Government of the United States to issue billions of tax-exempt, interest-bearing bonds. It would then not have been necessary to put 22,000,000 on Federal relief and millions more on State, county, and municipal charity. The $4,800,000,000 dole would have been avoided, human misery and unemployment would have ceased. That is the difference between the Frazier-Lemke bill and the present policy of the Government, borrowing money and guaranteeing bonds.

The international bankers would now lead us to believe that there has already been an expansion of the currency. This is absolutely false; but there has been an enormous expansion—and inflation—of tax-exempt bonds. Not only has there not been an expansion of the currency but there has been a contraction, a deflation, equal to $8.86 per capita. The Treasury reports show that on February 28, 1933, there was $52.23 per capita circulation, while on July 31, 1935, there was $43.37. Thus in spite of all the wildly exaggerated claims of expansion, there has been a deflation of $8.86 per capita.

In order to cover up this contraction of money we have borrowed billions of dollars and issued tax-exempt, interest-bearing bonds to bolster up our tottering financial structure. But there is danger ahead, because we cannot borrow ourselves out of debt. We cannot save ourselves from a final accounting—from judgment day—by a further contraction of the currency and accumulation of the wealth of this Nation in the hands of a few.

Our Government now prints Federal Reserve notes and gives them to the Federal Reserve banks at seven-tenths of 1 cent per bill—the cost of printing. It makes no difference whether that bill is a $1 bill or a thousand-dollar bill, or whether they keep it for 1 year or for 20 years—all they ever pay your Uncle Sam for it is seven-tenths of 1 cent per bill. The amount of all the paper money given by the Government, mostly to the large banks, amounted on June 1 last to over $4,600,500,000, of which amount over $3,414,000,000 were Federal Reserve notes. What is back of this paper money? Is there gold back of it? There is not. Is there even a farm back of it? There is not. There is simply the indebtedness of the United States—a Government bond—back of it.

If the Government can issue this money for a few international bankers without anything back of it but debts, why can it not do it for thirty million who are dependent upon farms? Why not do it for all of our people? Under the Frazier-Lemke refinancing bill the farmers would have to pay just $6,149,500,000, less interest, in 47 years, the time required for amortization of the farm indebtedness; and, at the same time, the Government would make a net profit of six billion three hundred and forty-five millions, and to that extent lessen our Federal tax burden.

This bill was introduced in Congress over 4 years ago. Numerous and extensive hearings were held on the Senate side, but in the House we were never able to get a hearing until this session. After these hearings the bill was favorably reported out by the House Agricultural Committee by a vote of 18 to 5. About the same time it was reported out favorably by the Senate Agricultural Committee without a dissenting vote. It has now been on the calendar of both the House and Senate for about 3 months. But under the ancient and corroded rules of procedure—rules well adapted for boss and Wall Street control—this bill cannot yet be brought upon the floor for a vote on its merits, not because it would not pass but, on the contrary, because it would pass.

We are not defeated, although our patience has been abused. We are going to win. We will be ready to take up the battle on the very first day of the next session, which is only a few months off. Let me say to those that would thwart the Nation's will that they cannot permanently succeed; that the great fundamental power of public opinion will in time eliminate them from the scene of action.

Strange things are happening here at the Nation's Capital. The storm clouds are gathering. The fight for constitutional and representative government—for the Frazier-Lemke refinancing bill—is now transferred during adjournment from Congress to the people. I am sure that the voters will visit with their Congressman and inform him that they desire his name on petition no. 7 at the Speaker's desk. They will tell him that if he fails them on the opening day of the next session, that then they will fail him on the next election day. They will tell him that he is their representative, and that he must respond to their will or they will support someone else. They will tell him that this Government does not belong to Congress, nor to the President, nor even to the Supreme Court, but to the American people.

I am an optimist, though I know that truth is still on the scaffold, and wrong is still on the throne. But I know that behind that scaffold and behind that throne an enlightened public opinion is still shaping the destinies of this Nation. I know that in the end decency and righteousness will prevail. This Nation is in a transition. America will yet be economically free. In this eternal struggle for social justice, only the coward and slave surrenders; only the dullard accepts the yoke. I am sure that the American people know that a democratic form of government, although defective, is the best form of government that can possibly be devised for their own best interests. I am confident that they know that without representation there is no democracy; and that without democracy the Nation is dead.

### THE RAILROAD PENSION BILL

Mr. HILDEBRANDT. Mr. Speaker, one of the most commendable pieces of legislation enacted in the Seventy-fourth Congress—and an act in which I took a natural personal interest as a former railroad man—was the railroad pension law.

Strictly speaking, there are two laws covering the subject, closely related and in a sense supplementary to each other. The retirement act describes the railroad retirement system, tells who shall get the pension annuities, and provides that annuities shall be paid out of the Treasury of the United States. The twin bill—the taxing act—places a tax on rail employees' wages and salaries up to $300 a month and an excise tax on the pay rolls of the roads. The tax on both employees' incomes and carriers' pay rolls was placed at 3½ percent—a compromise, since rail labor organizations had favored a 2-percent tax on employees' incomes and 4 percent on carriers' pay rolls.

On March 1, 1936, the retirement act will become effective. Annuity payments begin 90 days later.

These retirement benefits go to employees of railroads, express companies, and sleeping-car companies which are subject to the interstate-commerce law. Employees of electric railways which are "part of general steam-railroad systems" get the same benefits. Retirement with annuities

is possible for employees if they were "in the employment relation" to the carriers on or after the date when President Roosevelt signed the bill.

The current issue of Labor, official organ of the railroad brotherhoods, states:

Such employees can retire with annuities:
1. When they reach or have reached the age of 65 on or after the date the bill is signed by the President, regardless of their years of service with the carriers.
2. When they are 51 or more years old, on or after that date, and have 30 years of service with the carriers.
3. When at any age they have completed 30 years of service and, on or after the date the bill was signed, are retired by a carrier for mental or physical disability.
All service with any carrier counts for retirement and annuities, whether or not the service was continuous or was broken by periods when the employee was not actually in the railroad industry. One day of work in any month counts as a full month's service, and 6 months or more are counted as a full year.

Labor estimates that about 75,000 employees over 65 can retire under the act and receive annuities. So can other thousands who, though not 65 years old, have had 30 or more year's service with the carriers. Retirement, it is explained, is required at the age of 65 unless the employer and employee sign a written agreement extending the employee's service, year by year, up to 70, but no more.

The new legislation will be administered by a Railroad Retirement Board, one of whose members is to be recommended by the rail employees, one by the carriers, and the third man is to have had no connection with either. The Board is to be appointed by the President.

For the benefit of those wishing to go into the provisions of the bills in detail and thoroughly familiarize themselves with the various points, I advise a careful study of the article on page 3 of the August 27 issue of Labor headed "Who Benefits Under Pension Law and How?" It is an informing and instructive article of value to all railroad men as well as many others and takes up the legislation more fully than I can do at the present time. It is not only worth reading but worth saving for future use.

### THE COTTON CALAMITY

Mr. DITTER. Mr. Speaker, we are brought face to face today with the inevitable result of the fallacy of one of the highlights of the philosophy of the new deal. It is the theory that the less you have of anything the more prosperous you will be. Upon this theory the cotton program of the past 2 years was based, and to this theory we can ascribe the surrender of America in the battle for cotton supremacy of the world.

The advocates of the theory that "famine makes plenty" have had their day with the cotton crop of the South. The southern planters have plowed under acreage and have complied with all the regulatory enactments of Washington bureaucracy, only to find themselves in a worse dilemma than they were previous to the injection of the serum of salvation. In a desperate effort to save themselves, the preachers of famine panaceas now seek to load on the shoulders of the American taxpayers a further burden to hold King Cotton on his tottering throne.

No one will deny the assertion that cotton is absolutely vital to the prosperity of the South. To a very large degree the trade of the South depends upon the planting, cultivating, harvesting, marketing, financing, and processing of the crop of the cotton fields. For many years the cotton crop of the United States commanded world supremacy.

England ventured the risks of running the blockade during the Civil War to obtain southern cotton for her textile mills, and during the World War Europe begged for southern cotton for manufacturing munitions. Both for domestic and foreign use the southern planters have for generations commanded a key position.

The collapse of world trade affected the cotton industry as it did all others. Growers were unable to sell their cotton for a price sufficiently high to make a living. Overproduction in the cotton fields brought about the same result with this commodity as with all others. It is possible that an effort to diversify crops might have proved helpful. Instead of an endeavor along this line the famine panacea was advocated as the only means of relief. The formula included payment to growers for plowing under 1 acre out of every 4; further reduction of acreage was insisted upon; growers were guaranteed a price by the Government for their cotton by loans of 12 cents a pound on cotton. Growers were assured under this lending policy that they could not lose, for if the price of cotton should be less than 12 cents at the time the loan matures the Government gets the cotton and the taxpayers of the country bear the loss, while an increase in the price of cotton over 12 cents at the time of the maturity of the loan would result in the profit going to the grower. It was but natural that the gambling instinct on a sure winner of this kind would assert itself and the southern planters accepted the Government's proposal.

Probably the owners of stocks of utility holding companies would be tempted today to accept a similar sure-bet proposition. The result of the Government's generous proposal has been to load up the Government with billions of pounds of cotton at a tremendous loss to the taxpayer. However, as bad as this condition might be, it is not as bad as the other resultant calamity. The South has lost a large part of its world cotton business. While we were compelling our southern neighbors to reduce their cotton production 43 percent, India was increasing hers 8 percent, Egypt 22 percent, and Brazil 68 percent. Last year the South furnished only a little more than 50 percent of the world's production, as against 80 percent some years ago. Present indications are that the figures for this year will show that a further decline has taken place and that we will supply less than 45 percent for the year. Authentic figures seem to prove that the reduction in exports of cotton is about equal to the reduction in crop resulting from the folly of "famine makes plenty" and that all that has been accomplished has been to surrender our world position to foreign competitors.

Of the $237,000,000 loaned last year to the cotton growers only a little more than $3,000,000 has been repaid to the Government, leaving the Government holding the bag, with approximately 4,000,000 bales of cotton on its hands as collateral. Meanwhile the American taxpayer has had foisted upon him in the purchase of cotton goods an increase of more than 50 percent in price and the American cotton mills have encountered the difficulty of meeting the competition of Japanese rayon products. It therefore follows that the consequences of the cotton program are not confined to the South. Thousands of people in the textile industry and in activities identified with it are feeling the results. Spinning, weaving, dyeing, transportation, and selling are all closely related to the success or failure in the commodity field. Textile mills have closed in many sections of the country and thousands of operatives have been forced to join the ranks of the unemployed. Capital losses have been startling. It is the tragedy of experimental philosophers forcing their theories on an unsuspecting people and, under the promise of benefits, persuading a people to destroy their wealth and livelihood.

Instead of the promised prosperity for the cotton farmer, calamitous consequences have resulted from the program of artificially manufacturing a price for the commodity. Instead of a land flowing with milk and honey, the southern cotton farmer is wandering about in a desert of despair and disappointment, and with him are the thousands of workers of allied industries, who likewise cry for relief from the attendant hardships.

The conditions faced by the cotton farmer are also faced by the wheat and corn farmer. America has heretofore been a grain-exporting country. We have taken a justifiable pride in our position as one of the chief granaries of the world. No longer can we claim this distinction. Compulsory reduction in acreage, artificial price fixing, and other fanciful ideas have contributed to a condition of scarcity here, so that imports rather than exports of grain are now the lot of America.

Increased prices of foodstuffs and clothing have aroused the wage earner against the whole policy. Complaints are heard on all sides. Demands are made for sound policies based on experience rather than fallacious programs based

on experiments. Even the strongest proponents of the cotton and grain subsidies confess the failure of their efforts.

It is encouraging to note some change of heart on the part of those in charge of the Agricultural Department. Apparently the truth has come home to some of the "new dealers" that recovery will not result from making things scarce. "Famine makes plenty" appears to be open to some question. The press reports the Secretary of Agriculture as having admitted that "true prosperity cannot come until there has been a very material increase in the output of industrial goods." These are welcome words to those of us who come from industrial States. It may be the first step in recognizing the danger of continually penalizing industry. It may mean a discontinuance of imposing strangulation on the industrialists as the only method of national recovery. In fact, it may mean that the voice of experience can again be heard above the clamor of the experimental laboratory. At all events, to say the least, it is encouraging.

In the meantime, however, the advocates of the cotton-destruction policy are desperate. This accounts for the effort to tack on a half billion dollars to the deficiency appropriation bill. An effort is made to provide a subsidy as well as a loan benefit. The wheat farmers are to be similarly aided by public benefactions. It is probable that before long other groups will come seeking similar benefits and the next session of Congress will provide an opportunity for the "butcher, the baker, and the candlestick maker" to ask for loans, grants, and subsidies from the American taxpayer.

The folly of the whole policy is apparent. If it were not for its dire consequences the program might be humorous. "Willful waste makes woeful want" still applies as a tried and true axiom. Compulsory curtailment of production, enforced destruction of commodities, artificial price fixing, these and all the other vagaries of the apostles of "famine makes plenty" are calculated to bring us all to the same condition which confronts the cotton farmer today, a condition of despair and disappointment.

The efforts of certain interests to bring further aid to the cotton and wheat farmer are the inevitable result of the policy of the present administration in legislating without a definite, consistent, and sound program.

### WHAT CHEAP ELECTRICITY MEANS TO THE FARM HOME

Mr. RANKIN. Mr. Speaker, as an illustration of what cheap electricity will do for the farmers of this country, I call attention to a statement which I saw in one of my home papers this morning with reference to the use of electric energy in the home of a Mr. and Mrs. Floyd, of Booneville, Miss., who claim to be the first purchasers of an electric dishwasher in that immediate territory.

Some of our highbrow friends who seem to think that electricity should be monopolized by the Power Trust for the purpose of issuing watered stocks, and so forth, will probably have no sympathy with the idea of putting an electric dishwasher in every home.

I wish to God that every Member of this House and of the Senate who voted with the Power Trust on the holding-company bill and against the T. V. A., and who is invariably complaining about "this Washington heat", had to roll up his sleeves these hot days and go into a hot kitchen and wash dishes with his own hands until he came to appreciate the drudgery which the women of this country have to bear. It would do him good to experience that heat—in many ways. It would bring him to a realization of what this drudgery means to the housewife, and what a burden he is helping to impose by his vote, and bring him to understand what heat really means.

He is going to need that lesson, for the people are going to "turn on the heat", and keep turning it on, as they come to understand how they have been robbed and plundered by the Power Trust, and are being robbed and plundered now through the sale of watered stocks, as well as through the exorbitant overcharges for electric light and power, and how certain Congressmen and Senators have aided and abetted these power racketeers by their votes on the T. V. A. and the holding-company bills.

They are going to intensify that "heat" as they realize that the policies pursued by these friends of the Power Trust are denying millions and millions of the American people the use of any electric energy at all—thereby depriving them of one of the greatest conveniences of modern times—and heaping additional burdens in overcharges upon the already overburdened consumers of electric energy.

But this article tells us that Mr. and Mrs. Floyd not only have an electric dishwasher but an electric refrigerator, which manufactures all the ice the family needs and keeps it on hand for ready use at all times of the day or night.

They also have an electric range to cook the family meals. What an improvement that is over the old coal and wood stove, over which the mothers of this country have scorched and worried their lives away.

They also have an automatic water heater that gives them hot water at all times, the temperature of which can be regulated without the slightest danger of an explosion such as sometime wrecks the family kitchen under the old system.

But oh! Some of the friends of the Power Trust would faint if they saw this: "Mrs. Floyd has an electric washing-machine to wash all the family clothes and household linens." No bowing down over the washtub in the hot sun, or blistering one's hands and face stirring the fire around the old-fashioned wash-pot in this family. That punishment, however, is still being endured by millions of women as a result of the utilities' monopolizing and controlling the electricity supply of this country, and denying to our people its liberal use and the liberal use of those appliances that go to relieve the drudgery of the home and to add to its attractions, comforts, and conveniences.

This article tells us that Mrs. Floyd owns an electric iron, which she can use freely without a conscious fear of wrecking the family budget, because they are getting electricity at reasonable rates, paying no dividends on watered stocks, maintaining no holding companies and paying for none of this putrid and corrupt propaganda that has disgraced this Capitol for the last few months.

This Floyd family also operate electric fans and they have an electric churn. Churning in the Floyd home is merely a matter of pressing a button. That procedure will hardly be understood by the farmers' friends in Wall Street, who are always telling the farmers how they should run their farms, conduct their homes, rear their children, and so forth.

Here is another part of the story that will possibly be a shock to the silk-hat brigade of Power Trust manipulators and watered-stock brokers: The Floyds have an electric toaster and an electric percolator. Now I know the wise ones will say that is going too far. The idea of a farmer having a toaster or a percolator of any kind will indicate to them that the people are demanding too much, and are indulging in extravagance—wasting electricity that should be conserved in order to boost the price or promote the sale of watered power stocks.

And last but not least—and I can hear these utility profiteers now saying, "I told you so." Last but not least, the Floyd's have a radio. Every time one of these friends of the vested interests begins to talk about the farmer's extravagance, they bear down on their contention that if the farmer were given credit, or supplied with electricity at reasonable rates, one of the first things he would buy would be a radio—as if the farmer did not have as much right to a radio as anyone else.

Nothing adds more to a home, dispels more loneliness, brings it more information, or gives it more wholesome, elevating, and enlightening entertainment than a radio. I am glad to note that the farmers throughout my section of the country, where cheap electric energy is being distributed, are installing radios in their homes.

Now, let us see what all these luxuries cost the Floyds. In June they used 280 kilowatt-hours of electric energy, which cost them $5.31, plus a membership fee of $1. This extra dollar goes to amortize their distribution lines. In a few years that will be paid off and they will be relieved of the payment of this extra dollar. Three years ago, before the T. V. A. began to force down the rates, this would have cost

the Floyds $22.20 a month, if they had been able to get any electricity at all.

In July, however, the Floyds used 380 kilowatt-hours of electric energy which cost them $6.30, plus the $1 membership fee. That was the month in which Mrs. Floyd did her canning of fruits, vegetables, and so forth. Three years ago this would have cost the Floyd's $29.20—or just exactly four times what it is costing now.

When asked which one of these electrical appliances she was most partial to, Mrs. Floyd readily answered the electric range. That would probably be the answer of a vast majority of the women of this country who have had to endure the drudgery of an overheated kitchen.

I note, however, that Mr. Floyd states that he considers the electric washing machine the greatest thing for the home owner. Now that gives me an idea, and I am going to pass it on to the women of this country for what it is worth. Mr. Floyd has probably had some experience in helping with the family washing, hence, the washing machine, and Mr. Floyd's admiration for it.

Now, if every woman in this country who is unable to hire servants—and most of them are unable to hire servants, strange as it may seem to these utility magnates—if every woman in the United States who had to do her own work would put her husband to doing the family washing—and that applies especially to recalcitrant Congressmen and Senators who consistently voted with the Power Trust during this session of Congress—if their wives would put them to doing the family washing, it would sell more washing machines than all the advertisements and high-powered salesmen the manufacturers of those articles could support, and it would also help us in our battle to bring down light and power rates to the cost of production and distribution and to put cheap electric energy in every farm home in America.

### MY REPORT TO THE PEOPLE OF THE EIGHTEENTH CONGRESSIONAL DISTRICT OF NEW YORK

Mr. KENNEDY of New York. Mr. Speaker, in accordance with the practice I have followed in previous sessions, I desire, at this time, to briefly review the work of the first session of the Seventy-fourth Congress and my activities during this session.

#### PROGRESS DURING PAST YEAR

During the past year further substantial progress has been made in restoring prosperity to business, agriculture, and industry, and noteworthy improvement has been made in economic conditions throughout the country. Our people are again facing the future with faith and confidence. What a contrast to the distress, despair, and hopelessness of 1932–33. With the continued support of the people we will achieve still further progress and improvement in the months to come.

#### MY VOTING RECORD

As the Representative of the people of the Eighteenth Congressional District of the State of New York, to whom I have the honor of submitting this report, I would state that I voted for the following outstanding measures:

First. The $4,880,000,000 work-relief bill.

Second. The bill for the immediate cash payment of the veterans' adjusted-service certificates, and the motion to pass it over the veto of the President.

Third. The $1,750,000,000 home-mortgage relief bill.

Fourth. The social-security bill, providing for old-age pensions, unemployment insurance, maternity and child welfare, public-health service, and aid for the crippled and blind.

Fifth. The Farm Credit Act of 1935, extending until January 1, 1940, the time during which the Land Bank Commissioner may make direct loans to farmers on first or second mortgages at reduced interest rates.

Sixth. The Wagner-Connery Labor Relations Board Act, as amended.

Seventh. The National Youth Administration, a $50,000,000 program to aid unemployed youth between the ages of 16 and 25 by giving them a chance to learn a trade, to work in private industry, to gain high-school, college, and post-graduate education, and to formulate their own work-relief projects.

Eighth. The Wheeler-Rayburn public-utility bill, to protect the consuming public and honest investors.

Ninth. The bill extending the functions of the Reconstruction Finance Corporation for 2 years and authorizing loans to industries for labor pay rolls.

Tenth. The bill extending the guaranty of bank deposits.

Eleventh. The tax bill, to increase the rate of income, inheritance, gift, corporate, and excess-profits taxes, as recommended in the President's message.

#### VETERANS' LEGISLATION

During this session I have continued my efforts on behalf of our veterans. It has been my honor and pleasure to serve as a member of the steering committee appointed by Congressman WRIGHT PATMAN, of Texas, to conduct the fight for the passage of the bill providing immediate cash payment of the adjusted-service certificates.

I voted for the passage of bill H. R. 6995 to restore the pensions of the veterans of the Spanish-American War, the Boxer Rebellion, and the Philippine Insurrection, to their widows and dependents.

#### SOCIAL LEGISLATION

I have actively favored in this session, as I did in the last Congress, the legislation sponsored by the American Federation of Labor, and by the Railroad Brotherhood of Locomotive Firemen and Enginemen, providing for a 6-hour day, full crews, train limits, hours-of-service law, employers' liability law, section 7 (b) Emergency Railroad Transportation Act, and reenactment of a retirement pension system for railroad employees. I have supported all measures in the interests of higher wages, shorter hours, and better working conditions. I have continued to go on record in favor of legislation sought by the postal employees, rural and substitute carriers, and all Government employees, who are faithful and efficient public servants and deserving of just treatment at the hands of the Federal Government.

#### OUR PUBLIC SCHOOLS

I have actively favored providing, in the P. W. A. appropriation bill, adequate funds to pay the salaries of school teachers and to maintain our public schools. I consider the cause of public education paramount and favor the following program:

First. Adequate free public education to the children of the United States.

Second. Adequate pay for public-school teachers, as a matter of justice and as a means of attracting and retaining the most competent, devoted, and best-equipped teachers.

Third. An adequate number of safe, commodious, and well-equipped school buildings.

Fourth. Free textbooks for all public-school pupils.

Fifth. A Nation-wide system of libraries, equipped with sufficient reference and reading material.

#### CORRESPONDENCE WITH MY CONSTITUENTS

During the present session of Congress my mail has averaged full 100 letters each day, all rating a reply, and many requiring personal visits to the governmental agencies. While to Members of Congress this voluminous correspondence is exacting, we bear in mind that these are trying times, and we cheerfully render this service to our constituents. I pride myself on the fact that every communication which I have received from my district has had prompt attention.

The people of my district have always elected to public office men who pledged themselves to support humane and progressive legislation. It has been my privilege, as your Representative in Congress, to maintain that tradition. I have cooperated whole-heartedly with President Roosevelt on his legislative program and I have assured the President of my continued support as well as the support of the people of my district.

I wish at this time to express my appreciation to the Democratic leaders of the district and, particularly, to the leader of the Eighteenth District, Alderman Timothy J. Sullivan, acting mayor of New York City. These leaders have ably aided and assisted me in my work as your Representative in Congress.

MY BILL, H. R. 3974, WILL SAVE THE HOME OWNER BY REDUCING THE MONTHLY PAYMENTS ON H. O. L. C. MORTGAGES FROM NEARLY $8 A THOUSAND TO $5

Mr. ELLENBOGEN. Mr. Speaker, on January 16, 1935, I introduced H. R. 3974. This bill provides for the reduction of the rate of interest on H. O. L. C. mortgages from 5 to 3½ percent, and extends the period of payment of the mortgage from 15 years to 25 years.

AMERICAN HOME STILL IN DANGER

Thousands upon thousands of good, thrifty, hard-working Americans have already lost their homes and the savings which they invested in them. Sheriffs' sales and writs of eviction have ruthlessly torn them from their most-prized possession, the home, which they have bought with their savings after honest and hard toil for many years.

CONGRESS AND THE H. O. L. C.

The danger that sheriffs' sales would deprive the majority of the home owners of their homes was so grave that in 1933 Congress established the Home Owners' Loan Corporation, which set up a fund consisting of bonds of $2,000,000,000 to save distressed home owners from foreclosure. In passing that act Congress acknowledged its responsibility to help every worthy person to save and retain his home.

I HAVE GIVEN THE PLIGHT OF THE HOME OWNER ESPECIAL ATTENTION

For more than 2 years, few days have passed in which I did not actively participate in maintaining and improving the H. O. L. C. for the benefit of the home owner, in directly advising and aiding individual home owners from every section of western Pennsylvania, or in lifting my voice in protest against many administrative acts of the Home Owners' Loan Corporation which I sincerely believed to be contrary to the spirit and the purpose of this beneficial legislation.

I personally intervened and aided several thousand of distressed home owners in Allegheny County to obtain the home loans to which they were entitled.

I INTRODUCED MANY BILLS FOR RELIEF OF HOME OWNERS

In the past two sessions of Congress I have introduced a number of bills affecting the H. O. L. C., all of them for one purpose—to make it easier for deserving home owners to obtain relief, or to lessen the financial burden of those who had already received home loans.

On the date this Congress convened on January 3, 1935, I introduced a resolution providing for the resumption of H. O. L. C. activities—suspended by action of the H. O. L. C. Board—and a bill appropriating $2,500,000,000 of additional H. O. L. C. bonds.

I believed that the distressed home owner of 1935 was just as bad off, and just as much entitled to Government aid as a distressed home owner in 1934 or 1933.

HOMES WITH A STOREROOM ARE MADE ELIGIBLE

Following this bill, I introduced a bill to make dwellings containing a little storeroom, a shop, or any other small business enterprise eligible for a H. O. L. C. loan. The H. O. L. C. had held that such properties were commercial and therefore not eligible for a home loan. To me this was an unjust attitude. I feel that, on the contrary, such properties make the best kind of loan, because the income derived from the store helps the home owner to meet his monthly payments on his home loan.

Congress recognized the merits of my proposal, and when the bill appropriating one and three-fourths billion dollars of new H. O. L. C. bonds was passed at this session the act was amended so as to make such commercial properties eligible for home loans.

Mr. Speaker, it has so far been a successful fight. I have had the privilege of helping to obtain sufficient funds to replace distressed mortgages with the H. O. L. C. mortgages. This has enabled the H. O. L. C. to save the homes of 895,159 home owners, about 900,000 home owners, up to July 25, 1935.

Undoubtedly thousands upon thousands of additional homes will be saved in the closing months, but the fight is not over. To replace distressed and private mortgages with a home-loan mortgage will temporarily save the home owner from foreclosure, but it will not save him permanently. Unless we can reduce his monthly payments he will be in as bad financial condition as before.

HOME-LOAN PAYMENTS MUST BE REDUCED

Mr. Speaker, the threat of foreclosure has been temporarily lifted from the shoulders of the home owner, but his home is by no means saved. In most cases he cannot meet the large payments for interest and for the reduction of the principal mortgage debt, which are required of him by the H. O. L. C. He will lose his home unless we come to his rescue and reduce these payments to a size which the home owner can meet.

PRESENT INTEREST RATES ON HOME LOANS ARE EXCESSIVE

Under the present law home-loan mortgages bear interest at the rate of 5 percent a year, and in some cases, where a cash loan was made as distinguished from a loan in bonds, at the rate of 6 percent. This rate of interest is altogether too high.

When the original Home Loan Act was passed in June 1933 Congress may have been justified in fixing the rate of interest at 5 percent, because at that time the bonds which were issued in exchange for distressed mortgages were guaranteed only as to interest and not as to principal, and were carrying a rate of interest of 4 percent. It was argued that a difference of 1 percent was necessary to absorb the losses which may occur and to pay for the administrative expenses. Therefore the rate of interest to the home owner was fixed at 5 percent.

On April 27, 1934, the Home Loan Act was amended by Congress so as to provide that the bonds should be guaranteed by the Government both as to interest and principal. This permitted the sale of these bonds at a much lower rate of interest than 4 percent. As a matter of fact only $323,381,000 of home-loan bonds were issued with an interest coupon of 4 percent. One billion one hundred and fifteen million nine hundred and fifty thousand eight hundred and seventy-five dollars of home-loan bonds were issued with an interest coupon of 3 percent. All bonds issued since that time carry an interest rate of 2¾ percent or less. These figures are of the utmost importance to the home owner.

AN INTEREST CHARGE OF 5 PERCENT TO THE HOME OWNER IS NO LONGER JUSTIFIED

A charge of 5 percent for interest to the home owner is no longer justified. If a spread of 1 percent is sufficient to pay off administrative expenses and losses, the interest rate which the home owner must pay should be only 3½ percent or a fraction higher.

MY BILL, H. R. 3974, PROVIDES FOR 3½ PERCENT

Under these conditions, why should we continue to charge home owners 5 percent and even 6 percent in some cases? Why continue to charge the rate of interest which the home owner cannot pay, which is dragging him further and further, deeper and deeper, into debt, and which must in the end either be written off or result in foreclosure?

Mr. Speaker, there is no sense in helping the home owner out of one hole and then pushing him into another by making it impossible for him to meet his new payments on a home-loan mortgage. This is just what is happening, and will continue to happen, unless we reduce the rate of interest.

The average home owner—excepting the one who had a building-and-loan mortgage—had a straight mortgage. This is to say, he paid on his private mortgage 6-percent interest and nothing on the principal. If he had such a mortgage, for every $1,000 of his mortgage debt his interest payments amounted to $5 a month, or, on a $3,000 mortgage, to $15 a month. Thousands upon thousands of such home owners were unable to meet these interest payments, were faced with foreclosure, and were only saved by exchanging these private mortgages for Government home-loan mortgages. Now that they have done so they are coming to the startling realization that their monthly payments on the home-loan mortgage—including payments to reduce the mortgage—amount to $7.91 per $1,000, or $27.91 for a $3,000 mortgage.

Let me repeat this. At the present time the home owner pays off his Government mortgage at the rate of $7.91 per thousand dollars per month, if he has a 15-year mortgage. On a $3,000 loan that means a monthly payment of nearly $24. Of course, I am not overlooking the fact that on a private loan nothing was paid off on the principal, whereas in the Government loan the home owner gradually, by small

monthly payments, pays off his mortgage, so that at the end of 15 years he owns his home free and clear of any debt.

MOST HOME OWNERS ARE UNABLE TO MAKE THESE PAYMENTS

This is indeed a fine feature of the Government loan, provided the home owner is able to make these monthly payments. But the plain fact is to the contrary: He is not able to make these payments. In most cases, the actual monthly payments demanded of the home owner are higher than before he obtained his home-loan mortgage. The fact that these monthly payments gradually pay off the mortgage does not make them any easier to bear.

If a home owner on a $3,000 mortgage could not pay interest of $15 a month, how can he be asked now to pay nearly $24 a month to the H. O. L. C.? In tens of thousands of cases he will be unable to do so. He will have to default on his payments to the H. O. L. C. and he will again be faced with the threat of losing his home. On the other hand, no payments will be forthcoming to the H. O. L. C. Such a situation is dangerous both to the home owner and to the Home Owners' Loan Corporation and must be avoided.

If my bill is adopted, it will reduce the rate of interest to 3½ percent, and will extend the date of maturity on these home loans from 15 years to 25 years. The monthly payments to the home owner will then be strikingly reduced. Under the present plan, the home owner must pay $7.91, or nearly $8 per thousand, on his mortgage. Under my bill, he will be required to pay only $5.01 per thousand.

A home owner who previously paid on a $5,000 straight mortgage $25 per month—without paying off anything on the principal and reducing his mortgage—would, under the terms of my bill, pay $25.05, instead of $39.55, as under the present bill. After 25 years his loan would be fully paid off, and he would own his home free and clear of all debts. In a similar case on a $3,000 mortgage he would now be paying $24, whereas under my plan he will pay only $15 a month.

MY BILL SHOULD BE ADOPTED

Now, Mr. Speaker, there is absolutely no reason why the H. O. L. C. interest rate should not be reduced from 5 percent to 3½ percent. There is no reason why my bill should not be adopted. The H. O. L. C. can now put its bonds on the market for as little as 2¾ percent, or even less. Then, why penalize the home owner by charging him 5 percent? Why not pass the benefit of this low rate of interest to the home owner and spread his payments over a longer period of time.

INTEREST ON FARM-LOAN MORTGAGES REDUCED TO 3½ PERCENT

I am certainly not envious of any aid extended to the farmers. I voted for it. I fought for it. I am very happy that the rate of interest on farm-loan mortgages—they are similar to home-loan mortgages—has been reduced to 3½ percent. Farmers were entitled to this reduction. They obtained it. The home owners are just as much entitled to it. Let us fight so that they also may obtain it.

INTEREST RATES MUST BE REDUCED TO SAVE THE HOMES

Unless these interest rates to the home owner are reduced, unless monthly payments on H. O. L. C. mortgages are reduced, there are going to be wholesale defaults on H. O. L. C. mortgages. People simply will not make these payments. Not because they do not want to make them—I hold no brief for the shirkers—but because they simply are not able to do it.

Is it not more sensible to reduce these interest rates and the monthly payments of the home owner, so that the home owners can pay them and at the same time save the Government from unpleasant and costly foreclosure proceedings? After all, people are honest. They do appreciate what the Government has done for them, and they want to repay. Why not give them a chance to do so, when everyone will be the gainer in the long run?

WE ARE NOT SAVING THE HOME OWNER UNLESS WE REDUCE THESE PAYMENTS

Mr. Speaker, we have helped 900,000 home owners keep their homes by exchanging their distressed private mortgages for home-loan mortgages, but we have not given them permanent relief. We have not safeguarded their homes against foreclosure. We have not safeguarded them in the possession of their homes, their most precious possession. We have not saved them from losing their last investment until we make it possible for them to make their payments on their H. O. L. C. mortgage. It would be a tragedy, it would be a colossal mistake, to continue to exact these high monthly payments from the home owner. Let us be sincere about this proposition. Let us say without equivocation whether we want to save the home owner. If we do, let us reduce his monthly payments so that we can really help him; otherwise let us admit that we are not going the whole distance, that we are not willing to save him.

Mr. Speaker, I consider this problem to be one of the most important of the day. There is nothing more important to a man and to his family than the home which they own. There is nothing more sacred to them than the home which is dear to them, the home in which they have spent good days and bad days, the home which they love.

It may be that the wife likes the kitchen or nursery, or the rose bush in the garden. It may be that the husband likes his workshop in the basement. It may be only a little thing, something about that home which they feel is close to them, but whatever it may be, they are attached to that place. It is their home. They love it. They want to keep it, and, Mr. Speaker, I intend to do all in my power to see that they shall keep it.

HOME OWNERSHIP MUST BE PRESERVED

Not only is this important to the individual home owner but it is important to society as a whole. It is important to the Government. A man who owns his home, a family which lives on the soil which is theirs have something concrete, something definite which attaches them to their country and which gives them a direct interest in the welfare of the Government.

Home owners and farm owners are the backbone of the Nation. We cannot, we must not permit them to be dispossessed, for fear that such action in the end upset the very principles upon which this Government rests.

Mr. Speaker, I hope that in the next session of Congress, the session beginning on January 3, 1936, Congress will pass my bill, H. R. 3974. I hope that the Congress will do so in the interest of every home owner throughout the length and breadth of the United States. I hope that the Congress will do so in the interest of the peace and safety of the Nation itself.

SGT. STANLEY R. MORGAN

Mr. MURDOCK. Mr. Speaker, our entire Nation is mourning the loss of its two great air heroes, Will Rogers and Wiley Post. These two intrepid explorers had won the love of America, the one with his boundless good will and kindly humor, the other with daring exploits that fired the imagination and inspired the highest type of courage among his millions of admirers. Each one of us feels personally the great loss that we have sustained as a result of their last great flight to the unknown.

It was fitting and appropriate that Providence should select for the performance of the last service to these heroes, another hero who, during a long career in the United States Army, has on every occasion exemplified the resourcefulness, the patience, the courage, and the unselfishness that mark the true American. Our country owes a debt of gratitude to Sgt. Stanley R. Morgan, who recovered the bodies of Rogers and Post and first flashed to the world the unwelcome news of their death. Utah is proud to claim Sergeant Morgan as her native son, and the people of Utah are proud to lead the world in paying tribute to his quiet, unassuming, but matchless heroism.

Following are two newspaper articles regarding Sergeant Morgan which will be of interest to every American:

[From the Salt Lake Tribune, Aug. 21, 1935]

SERGEANT MORGAN—UTAHAN WHO FOUND POST AND ROGERS WINS PROMOTION—MORGAN MOVED TO HIGHEST NONCOMMISSIONED GRADE IN ARMY

WASHINGTON, August 20.—The War Department today promoted Technical Sgt. Stanley R. Morgan, native Utahan, who recovered the bodies of Will Rogers and Wiley Post from their wrecked airplane in Alaska, to the rank of master sergeant, highest noncommissioned grade in the United States Army.

The House today blocked consideration of a resolution to promote Technical Sergeant Morgan, but this action does not affect the War Department promotion of the noncommissioned officer.

Morgan's promotion came as a reward for his efficient work in recovering the bodies of the two men from the lonely spot near Point Barrow, Alaska, where the plane was wrecked.

LEADS RESCUE PARTY

The sergeant, who is the one-man staff of the Army Signal Corps station at the wilderness outpost, led the rescue expedition. He was accompanied by a United Press correspondent. Morgan later stayed at his radio post for hours.

The promotion was made on recommendation of Maj. Gen. J. B. Allison, Chief Signal Corps Officer of the Army.

Secretary of War George H. Dern announced the promotion "in recognition of his initiative, resourcefulness, and fine judgment in organizing and directing the party of natives that recovered the bodies of Will Rogers and Wiley Post, who were recently killed in the tragic airplane crash near Point Barrow.

"The Signal Corps sergeant in charge of the Army's most isolated station not only recovered the bodies and took them to the lonely Eskimo village at Point Barrow but also transmitted by radio a clear and detailed account of the events leading up to and following the Arctic tragedy."

BRILLIANT RECORD

Morgan has a brilliant military record extending back 15 years. He was chosen to go to Point Barrow 7 years ago because his service had demonstrated his good ability and judgment.

His military duties at the northern station require him to handle radio communication and conduct meteorological observations for the United States Weather Bureau. He serves as United States commissioner at the post.

About 6 months ago Morgan rendered courageous service during a disastrous influenza epidemic that brought death to scores of natives. Both Morgan and his wife were stricken, but the sergeant, despite a raging fever, remained at his post and transmitted radio appeals for assistance. At his request doctors and nurses came from Nome by dog team, bringing medical supplies to the stricken village.

Morgan, a native of Payson, Utah, has earned a year's leave of absence after 7 years in the frozen north. He is expected to return to Seattle next month. He has urgently requested that he be returned to Point Barrow at the expiration of his leave.

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[From the Army and Navy Register, Aug. 24, 1935]

SERGEANT MORGAN PROMOTED

On the recommendation of Maj. Gen. J. B. Allison, chief signal officer of the Army, the Secretary of War on August 20 announced the promotion of Technical Sgt. Stanley R. Morgan, Signal Corps, stationed at Point Barrow, Alaska, to master sergeant, the highest noncommissioned grade in the Army.

In announcing this promotion the Secretary of War stated that the advancement was given to Sergeant Morgan in recognition of his initiative, resourcefulness, and fine judgment in organizing and directing the party of natives that recovered the bodies of Will Rogers and Wiley Post, who were recently killed in the tragic airplane crash near Point Barrow. The Signal Corps sergeant in charge of the Army's most isolated station not only recovered the bodies and took them to the lonely Eskimo village at Point Barrow but also transmitted by radio to the outside world a clear and detailed account of the events leading up to and following the Arctic tragedy.

Sergeant Morgan's actions in connection with the airplane crash were consistent with his fine record of military service for the past 15 years. He was chosen 7 years ago to go to Point Barrow because his service had demonstrated his ability, good judgment, and reliability, so necessary in this isolated post at the top of the continent. His military duties require him to handle radio communication and to conduct meteorological observations daily for the United States Weather Bureau. In addition he is the official representative of our Government at the most northerly point of our Territory. He acts as the friend and adviser of the natives and renders assistance to the occasional vessels that put in at this point during the very short summer season.

About 6 months ago Sergeant Morgan rendered outstanding and courageous service during a disastrous influenza epidemic that brought death to scores of natives on the bleak coast of the Arctic Ocean. Both Sergeant Morgan and Mrs. Morgan were stricken with influenza, but the sergeant, despite a raging fever, risked his life by remaining at his post, transmitting radio appeals for assistance for the natives. At his request doctors and nurses came from Nome by a long journey by dog team and brought medical supplies to the stricken village. As a result the lives of large numbers of natives were saved.

Sergeant Morgan has devoted much of his time to scientific and anthropological research. He has made a collection of primitive tools and weapons found in the lonely North and has studied intensively the language and customs of the Eskimos. He is recognized as an authority on the life and primitive culture of the natives.

Master Sergeant Morgan was born in Payson, Utah, on February 26, 1901, the present home of his mother, Mrs. Joseph A. Morgan. His early life was spent as a farmer boy. He completed his high-school course at Payson, and at the age of 19 enlisted in the Army at San Francisco. He has served continuously since that time, winning his way up from private by careful application to study, hard work, and faithful service. He is married and has two children. After 7 years in the frozen North, Sergeant Morgan has earned a year's leave, and will probably return to Seattle from Alaska next month. He has urgently requested that he be returned to Point Barrow at the expiration of his leave.

SERGEANT MORGAN'S GRAPHIC STORY

SEATTLE, WASH., August 16, 1935.—Following from Point Barrow: "10 p. m.—Last night, attracted by a group of excited natives on beach, I walked down and discovered one native all out of breath, gasping out in pidgin English a strange tale 'airplane she blew up.' After repeated questioning, I learned this native witnessed a crash of an airplane at his sealing camp some 15 miles south of Barrow and had run the entire distance to summon aid. The native claimed a plane flying very low suddenly appeared from the south.

Apparently then sighting the tents, the plane then circled several times, finally settled down on a small river near the camp. Two men climbed out, one wearing "rag on sore eye" and other "big man with boots." The big man then called a native to the water's edge and asked the direction and distance to Point Barrow. The direction given, the men then climbed back into the plane and taxied off to the far side of the river for take-off into wind. After a short run the plane slowly lifted from water to a height of about 50 feet, banking slightly to the right, when evidently the motor stalled, the plane slipped off on its right wing, and nosed down into the water, turning completely over, and the native claimed a dull explosion occurred, and most of the right wing dropped off and a film of gasoline and oil soon covered the water. The native, frightened by the explosion, turned and ran, but soon controlled his fright and returned, calling loudly to the men in the plane. Receiving no answer, the native then made the decision to come to Barrow for help. With completion of story we knew the plane to be that of Post and Rogers, and quickly assembled a crew of 14 Eskimos and departed in open whaleboat powered with a small gas motor. Hampered by recent ice floes and a strong adverse current, it took nearly 3 hours to reach destination. A dense fog with semidarkness gave the upturned plane a most ghostly appearance, and our hearts chilled at thought of what we might find there. As we approached nearer the plane we soon realized no human could possibly survive the terrific crash. The plane was but a huge mass of twisted, broken wood and metal. The natives by this time had managed to cut into the cabin and extricate the body of Rogers, who had apparently been well back in the cabin when the plane struck and was more or less protected by the baggage carried therein. We soon learned we would have a difficult job freeing Post from the wreckage, as the plane had struck with such terrific speed and had forced the engine well back into the cabin, pinning the body of Post securely. With some little difficulty we managed to tear the plane apart, and eventually released the body of Post. Both bodies were then carefully laid out and wrapped with eiderdown sleeping bags found in the wreckage, then carefully placed in the boat. It is believed that natives felt the loss of these two great men as keenly as we, and as we started our slow trip back to Barrow one of the Eskimo boys began to sing a hymn in Eskimo, and soon all voices joined in this singing and continued until our arrival at Barrow, when we silently bore the bodies from the beach to the hospital, where they were turned over to Dr. Greist, who with the kindly help of Mr. Brower prepared and dressed the bodies. It is doubtful if a person in this little village slept that night; all sat around the hospital with bowed heads and with little or no talking.

COTTON IN CONGRESS

Mr. McSWAIN. Mr. Speaker, not having had an opportunity to discuss the resolution to fix the time for adjournment today because a motion was made to order the previous question on the resolution to adjourn, and such motion on the previous question is not debatable.

On that motion, however, I voted against it along with a number of Representatives from cotton-producing States and demanded a division and finally stood along with others demanding a roll call on the question. However, an insufficient number stood in order to obtain a roll call. When the previous question was ordered then in the vote on the resolution to adjourn today, I voted against it orally, and then by a standing vote on division and then stood up demanding a roll call, but an insufficient number stood so that we were unable to obtain a roll call.

Mr. Speaker, the reason I took this attitude was that I think the Congress ought to stay in session and work out this problem of lending 12 cents a pound on cotton. The Speaker referred the third deficiency bill to the Appropriations Committee where full hearings upon all of its provisions could be had and the case of the southern cotton farmers made out. Upon report by the Appropriations Committee, whatever it might be, the House would have a chance to discuss the question and to have a vote directly upon it.

Mr. Speaker, it is desirable that we should adjourn and go to our homes and to our private affairs, but it is more desirable that we should protect the interests of our long-

suffering farmers. According to the proceedings of the Senate, it appears that Senator SMITH, Senator GEORGE, and Senator BANKHEAD were assured that if they would cooperate in extending the Agricultural Adjustment Administration, commonly known as "A. A. A.", then 12 cents would be lent upon cotton this fall. Of course, it cannot be a continuous policy, but notice ought to be given several months in advance of changing such a policy so that farmers, bankers, manufacturers, and merchants may adjust themselves to the conditions before the fell blow strikes. This change in the policy of the Department of Agriculture with reference to cotton is going to be a severe body blow, and almost a deathblow to the revival of business in the Southern States. Banks have been extending credit upon the expectation that cotton would sell at 12 cents a pound. Land has been sold and bought upon that basis. Cotton mills have stocked up with cotton and filled their warehouses with manufactured goods upon that basis. Wholesale merchants and retail merchants bought goods upon that basis. To change now suddenly is sure to be the most demoralizing and destructive thing that could happen.

There ought to have been consultation with representative and responsible leaders of both Houses of Congress, and the 12-cent loan policy should have continued for this season, and notice should have been given that at the end of this season a change in policy would be made. What has happened seems inexcusable. A cry of protest is sure to go up from the millions whose daily bread depends upon the production and the manufacture of cotton. It will be the heart cry of responsible fathers, it will be the anguished cry of helpless mothers, and it will be the mute, dumb wail of millions of children who will not understand the sad and sorrowing faces of mother and father, will not understand why winter clothes and shoes are lacking, will not understand why Santa Claus fails to come Christmas, but in their ignorance they will sense the fact that horrible injustice and irreparable wrong have been done them.

### EULOGY TO WILL ROGERS

Mr. LEE of Oklahoma. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me at Claremore, Okla., on August 22, 1935:

From the Land of the Midnight Sun last Friday there came the saddest news that has flashed across the United States since the assassination of Abraham Lincoln. News of the tragic death of Wiley Post and Will Rogers so stunned the world that people solemnly stood in sad and silent suspense. Business stopped. Business men, if they talked at all, would talk about nothing but the untimely death of these two distinguished men.

Many a cup of breakfast coffee was left untouched—listlessly and absent-mindedly people turned to their duties. Automatically people performed those tasks that were necessary, but no others.

Perfumed handkerchiefs dabbed many moist eyes. So also were many tears brushed away by the back of rough and brawny hands.

In the theater world many a make-up was streaked by the mascara the actors use on their eyelashes.

Then we caught at the hope, "perhaps it is not true"—but the next flash from the Land of the Midnight Sun destroyed our feeble hope. It was true. Will and Wiley had gone out together. Both as they had wished; both at the zenith of their fame.

Oklahoma's two most distinguished sons and aviation's two most ardent champions "took off" together on their last flight.

The announcement of their tragedy swept the news from the front page of every newspaper in the entire English-speaking world.

Now we have met here in the home community of Will Rogers to honor him, but we can only honor ourselves in honoring him.

Will Rogers was my hero. He was the big brother of the world. He always boosted the fellow who needed a lift. He was a self-made man. He blazed his own trail over the mountain of fame. He never waited for opportunities; he made them. While others slept, he was poring over the daily news, digging the fun out of it.

He was a part of Oklahoma. The dash and romance of the new State appealed to his pioneering spirit. It was this admiration of the pioneer that drew him to the intrepid daring Wiley Post.

The red man's trail of tears ended here, and the red man named our State "Oklahoma", which means "beautiful land of the red man."

Before I left the National Capitol I walked into the Hall of Fame and stood before Oklahoma's son who graces that Hall of Fame, Sequoyah, a Cherokee. There he stands benignly looking over the rotunda of the National Capitol. I said, "Chief Sequoyah, one of your sons will soon be with you here." Will Rogers had blood of that proud and haughty race coursing through his veins.

He was a part of Oklahoma, both its red man and its white man. He was a cowboy in the day when the ranchers were a lean and fearless race of men. His generosity was typical of the big-hearted cattleman. The old school of devil-may-care cowboys and big-hearted cowmen is passing. Will Rogers was one of the last.

He was typically American. He represented the American spirit of smiling at disaster. He was fiercely patriotic—always kindly and always fair, but it was always America first for him. The last time I heard him speak was in Chelsea last fall. You remember, he talked to us for a while without discrediting other nations. He told us how much better off we were than people elsewhere.

He always took pleasure in telling the people who traced their ancestry back to the *Mayflower* that his people met the boat—showing his pride in everything American.

His humor never bit like a wolf, but always like a lamb. He never used sarcasm or cynicism. He never destroyed an ideal, crushed an ambition, withered a hope, or disillusioned a dreamer. But instead he encouraged, he cheered, he inspired.

His sharpest arrows of wit left no bleeding wounds. His keenest thrusts of humor left no ugly scars of hate. His humor was clean and wholesome. His jokes left no unsavory taste. He left no unpublished manuscripts of coarse comedy. His repertoire contained no ribald jokes. Humorists with less refined conscience have yielded to the temptation of substituting coarseness for humor in order to get the guffaws of the groundlings, as Shakespeare would say. But Will never did. He didn't need to, nor was it ever necessary for him to use profanity in order to be effective in speech, as is sometimes done by men of more limited ability.

As Congressman Upshaw said, "He was the cleanest, keenest, best loved comedian-statesman the world ever saw."

His humor was the safety valve for American life. The high tension of our fast-moving life found relief of pressure in his wit and wisdom.

His philosophy had saneness. He walked with kings, but never lost the common touch. Affection, sham, and pretense were defenseless before his thrusts. The plaudits of two nations failed to shake his faith in the plain and simple things of life. To him one ounce of common horse sense was worth all of the fine-spun theories in the world.

His humor was only the superficial tinsel tapestry that concealed the great white soul underneath.

Few men become idealists while they still live. But as the flag is more than a piece of colored bunting so also was Will Rogers more than a mere man. He was an ideal. He encouraged the discouraged; he cheered the cheerless; he inspired the despairing; he shamed the greedy and praised the generous.

His charity was unlimited.

He accumulated a fortune but gave away more than he kept. He tithed by keeping one-tenth, giving away nine. He beat the Red Cross to the scene of every disaster.

When the searing winds of the drought curled up the last stalk of corn in southern Oklahoma and Arkansas there came on the next wind the glad news that Will Rogers was coming. He followed the devastated paths of the droughts and left groceries on a shelf and cheer in the heart.

The roar of the hurricane that swept Puerto Rico was still in the ears of the survivors when the cheering news was flashed over the radio that Will Rogers is coming. Through his benefit program he collected enough to relieve the destitute.

Above the confusion of the Nicaraguan earthquake was heard the drone of an airplane motor. Latin lips shouted with new courage, "It is Will Rogers."

Where shall we place his body to rest? Golden, sun-kissed California wants to bury him there. All the heroes who slept in the beautiful, sacred Arlington are inviting him to rest there.

But Oklahoma, his most beloved Oklahoma, is calling for her most distinguished and most loved son. Lay him to rest here in Oklahoma soil from which he sprung. Bring him back to the beautiful Osage hills and let him sleep beside the sparkling Spavinaw. The travelers of the world shall make sacred pilgrimages to his burial ground, and it shall become a sacred shrine where people will dedicate themselves to the noble things of life.

Though his body rests here, his soul has taken off in the Great White Ship for the beyond.

Happy landing, Will.

### LEGISLATIVE EFFORTS OF THE SELECT COMMITTEE TO INVESTIGATE REAL ESTATE BONDHOLDERS' REORGANIZATION

Mr. SABATH. Mr. Speaker, in addition to the statement which I have made on the floor of the House relative to the activities of the Select Committee to Investigate Real Estate Bondholders' Reorganizations, as authorized under House Resolutions 412 of the Seventy-third Congress and supplemented by 39 and 79 of the Seventy-fourth Congress, I desire to state that after months of thorough investigation in Chicago, New York, Detroit, Washington, and other cities, covering thousands of defaulted bond issues held by approximately 4,000,000 people and aggregating upward of $12,000,000,000, the committee prepared a bill, H. R. 7894, on which hearings were held before the Banking and Currency Committee, April 10, 11, and 17, and at which time I addressed and pleaded with the committee to realize the necessity for this legislation.

Unfortunately, unexpected opposition developed. In desperation I took the matter up with President Roosevelt, who suggested that I call a conference with the Chairman of the Securities and Exchange Commission, the Chairman of the Reconstruction Finance Corporation, and the Secretary of the Treasury, Mr. Morganthau, which I did. After several conferences with these gentlemen and their legal advisers, I proceeded to prepare a new bill to meet objections that were raised by them, and introduced H. R. 9027, which simplified the former bill and clarified its provisions. A summary of the provisions of this bill are as follows:

This bill will protect the rights and interests of some 4,000,000 individuals, involving upward of $12,000,000,000 of investments and will prevent in the future a continuance of the present deplorable practices.

It authorizes the President to designate a conservator for real-estate reorganizations from any of the existing Federal agencies.

Such real-estate reorganizations are to be reviewed by the conservator, whose jurisdiction will be acquired through Federal court reorganizations, and where Federal funds are used directly or indirectly, to finance such reorganizations.

Section 2: The conservator is authorized to appear in Federal courts in connection with real-estate reorganizations, for and on behalf of the bondholders.

Section 3: The R. F. C. is authorized to make loans for real-estate reorganizations However, such reorganizations are to be approved by the conservator as to the equitableness of the plan and the reasonableness of the fees.

Section 4: Loans by the R. F. C. to mortgage companies and other financial institutions are conditioned upon agreements that none of the funds of such mortgage company or financial institutions will be used for real-estate-reorganization financing unless such reorganizations are approved by the conservator.

Sections 5 and 6: Reorganization plans—under 74 and 77B—shall be submitted to the conservator for review and comment before being confirmed by the court. The amount of claims against individual real-estate debtors—74—may be reduced and the liens of secured creditors impaired, if such action is approved by the conservator and two-thirds of the creditors in number and amount of claims. The provision for the reduction of claims and impairment of liens of secured creditors is most essential in a reorganization for an individual real-estate debtor for which the existing laws do not now provide.

Section 7: Reorganizations pending in State courts may not be filed under 77B and 74 unless conservator approves.

Section 8: Provides that the conservator may for a period of 6 months, after the date of appointment, petition the court to reopen such reorganizations, or compositions, or extension proceedings under 74 and 77B if the proposal or plan was confirmed subsequent to July 1, 1934, and if in the opinion of the conservator material evidence was not brought to the attention of the judge.

Section 9: Provides for designation by the conservator of a standing group of experienced and capable men from whom any may be chosen or designated by the court to act as trustee in all Federal reorganizations, and to serve in lieu of the present highly paid fee receivers, trustees, attorneys, and others at a fixed rate of compensation not exceeding $7,500 annually.

Section 10: Provides for the registration of all protective committees, or similar or other groups with the conservator, thereby being compelled to comply with the conservator's rules and regulations.

Section 11: Defines "real-estate corporations" and a "real-estate individual debtor" and "real estate." Also suggests minimum of $100,000 of real-estate obligations on any property, as coming within the jurisdiction of the Conservator.

Section 12: Provides an appropriation of $1,000,000 for the operations of the conservator. Also provides reasonable fees to approximate the actual expenses, not to exceed 1 percent of the amount involved in any such reorganizations. All of such fees to be deposited in the Treasury of the United States.

Mr. Speaker, though I have appealed to the Chairman and members of the Banking and Currency Committee, I regret that I have been unable because of some pretense or another, to obtain action on the bill. I recognize that this committee has been extremely busy with important Nation-wide legislation, but I doubt if some of the measures were in any degree as important as this bill. So that the work of our select committee would not be futile, I introduced after conference, House Resolution 323, but which due to the parliamentary procedure prevalent during the last days of the session I was obliged to change, and have now, due only to the favorable action of my own, the Rules Committee, secured immediate consideration and the passage of H. R. 354.

This resolution gives the committee additional power and jurisdiction not only as to real-estate matters but municipal, irrigation, industrial, and, in fact, any other defaulted bond issues. This became necessary, due to the urgent appeals on the part of many Members of the House alleging unfair and deplorable tactics on the part of some of those bondholders' committees, certain of whose members or associates have been buying up many of these bonds at 10, 12, and 15 cents on the dollar and who are now endeavoring to force municipalities and other helpless debtor communities into ruination and bankruptcy.

Notwithstanding that our bill has not passed at this session, the committee will be able in view of the additional power and appropriation granted, to continue to protect the rights of bondholders and combat those conniving so-called "bondholders' protective committees, receivers, trustees, attorneys and their associates", as, under this resolution the committee also has the power to appear in court by its counsel and contest unfair reorganizations and excessive fees and charges, on behalf of and to the advantage of the bondholders.

For the information of the House, I include in my remarks House Resolution 354, which reads as follows:

*Resolved*, That the Select Committee to Investigate Real Estate Bondholders Reorganizations authorized by House Resolution 412 of the Seventy-third Congress and supplemented by House Resolution 39 and House Resolution 79 of the Seventy-fourth Congress is further authorized and empowered to investigate any defaulted securities and/or reorganizations, protective committees, receivers, trustees, and attorneys, including their fees and expenses and the method of their appointment.

Also representations made by any and all persons, corporations, or others applying for or having received Government funds, directly or indirectly, for use in connection with any defaulted securities, reorganizations, or other similar purposes and the disposition of such funds.

SEC. 2. Whenever in the opinion of the committee material evidence in any proceedings under section 74 or 77B of the National Bankruptcy Act have not been disclosed or presented, or misleading reports or information have been filed, or excessive fees and charges have been claimed or allowed, the committee is hereby authorized and empowered to appear in any court through its duly authorized representative and furnish the court with such evidence in its possession.

I greatly deplore after having devoted a year's time to this work and hoping that my committee and I would be relieved of further activities, which would have been possible if the legislation had passed, that powerful and hidden influences have apparently been able to thwart the passage of this legislation at this session. Consequently, I owe it to the House and to the country to continue to prevent these fraudulent activities on the part of organized groups of mortgage bankers, sharks, high financiers, and a gang of most astute lawyers to put a stop to these dishonest and unjust reorganizations that tend to defraud the bondholders of their investments.

It is only because of the confidence reposed in our committee—and I feel in myself by the House—to ferret out these vicious practices that I will continue if my health permits in this hard task in behalf of the millions of unfortunate bondholders, many of whom are over 80 years of age; widows and orphans, whose entire assets have been invested upon the advice of bankers and approval of courts in these securities, some having as much as $100,000 invested, feeling that in their declining years their income from these securities would enable them to live in modest comfort, but many thousands of whom now find themselves on the relief rolls.

In conclusion I wish to state that as soon as Congress convenes I shall demand and insist that this bill be passed and by that time I will be able to give to the House the names of those responsible for the delay in the passage of this remedial legislation. I serve notice now on the Chairman of the Committee on Banking and Currency and those influential gentlemen who have prevented the passage of this bill that no legislation of that committee will be taken up by the House at the next session of Congress until this, my bill, is reported and passed.

APPROPRIATIONS AND EXPENDITURES

Mr. TABER. Mr. Speaker, I am submitting a table showing the appropriations made by the different Congresses, beginning with the appropriations made by the third session of the Seventy-first Congress and continuing down through showing separately the first session of the Seventy-second Congress, and in combination the second session of the Seventy-second Congress and the first session of the Seventy-third Congress—the latter because the period in which the money appropriated is used is a comparable period with the periods covered by the other single sessions—showing the second session of the Seventy-third Congress and the first session of the Seventy-fourth Congress. I have included all appropriations of every kind. The only duplications in connection with the set-ups are that some funds, which were appropriated for the Reconstruction Finance Corporation in the third session of the Seventy-first Congress and the first session of the Seventy-second Congress, were subsequently reappropriated for relief. These figures have been shown but it is fair that they should be shown in this way because in the earlier Congresses which are shown, where the money was not used, the total including these sums, which were later reappropriated, was much smaller than the last 3 years. The total figures are as follows:

| | |
|---|---|
| Third session of Seventy-first Congress | $4,983,250,949.98 |
| First session of Seventy-second Congress | 4,627,440,936.33 |
| Second session of Seventy-second Congress<br>First session of Seventy-third Congress | 8,791,396,777.10 |
| Second session of Seventy-third Congress | 11,534,376,618.23 |
| First session of Seventy-fourth Congress | 10,256,000,000.00 |

It will be seen that the present session of Congress, which is now closing, has gone far beyond any previous Congress in peace time. Table I, showing this, follows:

TABLE I

SEVENTY-FIRST CONGRESS, THIRD SESSION

| | | |
|---|---|---|
| Agriculture: | | |
| Regular | $215,578,862.00 | |
| Permanent indefinite | 11,618,436.00 | |
| Second deficiency | 85,832.00 | |
| | | $227,283,130.00 |
| District of Columbia: | | |
| Regular | 45,672,838.00 | |
| Second deficiency | 38,800.00 | |
| Permanent indefinite | 3,261,000.00 | |
| | | 48,972,638.00 |
| Independent offices: | | |
| Regular | 1,052,777,010.00 | |
| Permanent indefinite | 91,036,621.00 | |
| Second deficiency | 2,253,792.00 | |
| | | 1,146,067,423.00 |
| Interior: | | |
| Regular | 89,247,606.73 | |
| Permanent indefinite | 15,952,500.00 | |
| Second deficiency | 75,000.00 | |
| | | 105,275,106.73 |
| Legislative: | | |
| Regular | 26,973,185.00 | |
| Permanent indefinite | 234,005.00 | |
| | | 27,207,190.00 |
| Navy: | | |
| Regular | 358,253,952.00 | |
| Permanent indefinite | 1,839,470.00 | |
| | | 360,093,422.00 |
| State: | | |
| Regular | $17,522,323.34 | |
| Permanent indefinite | 141,233.00 | |
| Second deficiency | 842,750.00 | |
| | | $18,506,306.34 |
| Justice: | | |
| Regular | 51,239,201.00 | |
| Second deficiency | 10,000.00 | |
| | | 51,249,201.00 |
| Commerce: | | |
| Regular | 54,332,230.00 | |
| Permanent indefinite | 3,000.00 | |
| | | 54,335,230.00 |
| Labor: | | |
| Regular | 14,330,200.00 | |
| Permanent indefinite | 9,000.00 | |
| Second deficiency | 640,000.00 | |
| | | 14,979,200.00 |
| Total, State, Justice, Commerce, and Labor | | 139,069,937.34 |

TABLE I—Continued

SEVENTY-FIRST CONGRESS, THIRD SESSION—continued

| | | |
|---|---|---|
| Treasury: | | |
| Regular | 241,865,146.00 | |
| Permanent indefinite | 1,075,369,989.00 | |
| Second deficiency | 1,197,187.00 | |
| | | 1,318,432,322.00 |
| Post Office: | | |
| Regular | 841,283,777.00 | |
| Permanent indefinite | 200,000.00 | |
| | | 841,483,777.00 |
| Total, Treasury and Post Office | | 2,159,916,099.00 |
| War: | | |
| Regular | 445,765,735.00 | |
| Permanent indefinite | 14,305,415.00 | |
| | | 460,071,150.00 |
| First deficiency | | 109,303,822.12 |
| Second deficiency | | 83,991,031.79 |
| Emergency Construction Appropriation Act | | 116,000,000.00 |
| Total | | 4,983,250,949.98 |

SEVENTY-SECOND CONGRESS, FIRST SESSION

| | | |
|---|---|---|
| Agriculture: | | |
| Regular | $175,671,665.00 | |
| Permanent indefinite | 11,211,571.00 | |
| | | $186,883,236.00 |
| District of Columbia: | | |
| Regular | 41,245,622.00 | |
| Permanent indefinite | 3,252,000.00 | |
| | | 44,497,622.00 |
| Independent offices: | | |
| Regular | 962,446,041.00 | |
| Permanent indefinite | 81,070,850.00 | |
| Special act | 40,350,000.00 | |
| | | 1,103,866,891.00 |
| Interior: | | |
| Regular | 45,533,672.33 | |
| Permanent indefinite | 13,021,800.00 | |
| Second deficiency | 7,155,702.02 | |
| | | 66,611,174.35 |
| Legislative: | | |
| Regular | 18,673,991.00 | |
| Permanent indefinite | 109,800.00 | |
| Second deficiency | 32,150.00 | |
| Special act | 6,200.00 | |
| | | 18,822,141.00 |
| Navy: | | |
| Regular | 317,583,591.00 | |
| Permanent indefinite | 1,322,550.00 | |
| | | 318,906,141.00 |
| State: | | |
| Regular | 13,663,792.89 | |
| Permanent indefinite | 31,000.00 | |
| | | 13,694,792.89 |
| Justice: Regular | | 45,996,000.00 |
| Commerce: | | |
| Regular | 39,711,408.00 | |
| Permanent indefinite | 3,000.00 | |
| | | 39,714,408.00 |
| Labor: | | |
| Regular | 12,920,770.00 | |
| Permanent indefinite | 4,000.00 | |
| | | 12,924,770.00 |
| Total, State, Justice, Commerce, and Labor | | 112,329,970.89 |
| Treasury: | | |
| Regular | 250,308,158.00 | |
| Permanent indefinite | 1,161,522,917.00 | |
| | | 1,411,831,075.00 |
| Post Office: | | |
| Regular | $905,939,675.00 | |
| Permanent indefinite | 165,000.00 | |
| | | $806,104,675.00 |
| Total, Treasury and Post Office | | 2,217,935,750.00 |
| War: | | |
| Regular | 396,078,513.00 | |
| Permanent indefinite | 12,576,540.00 | |
| | | 408,655,053.00 |
| First deficiency | | 126,250,333.89 |
| Second deficiency | | 22,682,623.20 |
| Total | | 4,627,440,936.33 |

SEVENTY-SECOND CONGRESS, SECOND SESSION, AND SEVENTY-THIRD CONGRESS, FIRST (SPECIAL) SESSION

| | | |
|---|---|---|
| Agriculture: | | |
| Regular | $100,209,091.00 | |
| Special | 100,000,000.00 | |
| Permanent indefinite | 10,303,116.00 | |
| | | $210,512,207.00 |
| | [1] 217,264,300.00 | |
| District of Columbia: | | |
| Regular | 30,375,834.00 | |
| Permanent indefinite | 2,697,500.00 | |
| | | 33,073,334.00 |
| | [1] 872,300.00 | |
| Independent offices: | | |
| Regular | 631,802,546.00 | |
| Permanent indefinite | 79,575,443.00 | |
| | | 711,377,989.00 |
| Interior: | | |
| Regular | 43,753,935.67 | |
| Permanent indefinite | 12,122,600.00 | |
| | | 55,876,535.67 |
| | [1] 48,348,800.00 | |

[1] This represents an allotment out of another appropriation available to the department during the fiscal year described. It is not added to the total of the appropriations for the particular fiscal year unless it comes out of an appropriation which was for that year.

TABLE I—Continued

SEVENTY-SECOND CONGRESS, SECOND SESSION, AND SEVENTY-THIRD CONGRESS, FIRST (SPECIAL) SESSION—continued

| | | |
|---|---|---|
| Legislative: | | |
| Permanent indefinite | 70,800.00 | |
| Regular | 16,689,285.00 | |
| Second deficiency | 2,150.00 | |
| Third deficiency | 22,275.00 | |
| Fourth deficiency | 126,210.00 | |
| | | 16,910,720.00 |
| | [1] 497,700.00 | |
| Navy: | | |
| Regular | 308,669,502.00 | |
| Permanent indefinite | 997,598.00 | |
| | | 309,667,160.00 |
| | [1] 56,063,200.00 | |
| State: | | |
| Regular | 12,196,519.00 | |
| Permanent indefinite | 31,000.00 | |
| | | 12,227,519.00 |
| | [1] 1,211,000.00 | |
| Justice: | | |
| Regular | 41,154,050.00 | |
| Permanent indefinite | 800,000.00 | |
| | | 41,954,050.00 |
| | [1] 979,800.00 | |
| Commerce: | | |
| Regular | 36,588,465.00 | |
| Permanent indefinite | 17,000.00 | |
| | | 36,605,465.00 |
| | [1] 2,019,400.00 | |
| Labor: | | |
| Regular | 12,677,365.00 | |
| Permanent indefinite | 4,000.00 | |
| | | 12,681,365.00 |
| | [1] 1,510,000.00 | |
| Total, State, Justice, Commerce, and Labor | | 105,004,099.00 |
| Treasury: | | |
| Regular | 244,383,219.00 | |
| Permanent indefinite | 1,278,731,138.00 | |
| | | 1,523,114,357.00 |
| | [1] 24,845,300.00 | |
| Post office: | | |
| Regular | 713,033,378.00 | |
| Permanent, indefinite | 165,000.00 | |
| | | 713,198,378.00 |
| | [1] 7,600.00 | |
| Total, Treasury and Post Office | | 2,236,312,735.00 |
| War: | | |
| Regular | 349,840,749.00 | |
| Permanent, indefinite | 12,462,500.00 | |
| | | 362,303,249.00 |
| First deficiency | | 3,756,535.72 |
| Second deficiency | | 31,985,685.12 |
| Third deficiency | | 994,507.55 |
| Fourth deficiency | | 3,610,082,630.04 |
| Total | | 7,086,321,777.10 |
| R. F. C. appropriations | | 1,105,075,000.00 |
| Total | | 8,791,396,777.10 |

SEVENTY-THIRD CONGRESS, SECOND SESSION

| | | |
|---|---|---|
| Agriculture: Regular (including F. C. A.) | [1] $238,321,800.00 | $1,054,109,587.00 |
| District of Columbia: Regular | [1] 887,200.00 | 37,841,177.94 |
| Independent offices: | | |
| Regular | 588,574,714.00 | |
| Permanent indefinite | 68,505,695.00 | |
| | | 657,080,409.00 |
| Interior: | | |
| Regular | 31,474,319.00 | |
| Permanent indefinite | 17,910,938.00 | |
| | | 49,385,257.00 |
| | [1] 102,730,400.00 | |
| Legislative: | | |
| Regular | $25,075,995.00 | |
| Permanent indefinite | 62,800.00 | |
| Special act | 110,000.00 | |
| | | $25,248,795.00 |
| | [1] 2,300,000.00 | |
| Navy: | | |
| Regular | 284,658,799.00 | |
| Permanent indefinite | 1,698,333.00 | |
| Special act | 11,000.00 | |
| | | 286,368,132.00 |
| | [1] 144,069,400.00 | |
| State: | | |
| Regular | 13,895,618.00 | |
| Permanent indefinite | 31,000.00 | |
| Special act | 3,000.00 | |
| | | 13,919,618.00 |
| | [1] 750,000.00 | |
| Justice: | | |
| Regular | 28,700,778.00 | |
| Permanent indefinite | 785,000.00 | |
| | | 29,485,778.00 |
| Commerce: | | |
| Regular | 32,267,321.00 | |
| Permanent indefinite | 4,000.00 | |
| | | 32,271,321.00 |
| | [1] 3,071,300.00 | |

[1] This represents an allotment out of another appropriation available to the department during the fiscal year described. It is not added to the total of the appropriations for the particular fiscal year unless it comes out of an appropriation which was for that year.

TABLE I—Continued

SEVENTY-THIRD CONGRESS, SECOND SESSION—continued

| | | |
|---|---|---|
| Labor: | | |
| Regular | 14,030,805.00 | |
| Permanent indefinite | 4,000.00 | |
| | | 14,034,805.00 |
| | [1] 393,400.00 | |
| Total, State, Justice, Commerce, and Labor | | 89,711,522.00 |
| Treasury: | | |
| Regular | 150,092,430.00 | |
| Permanent indefinite | 1,363,494,072.00 | |
| Special act | 139,299,557.00 | |
| | | 1,652,886,059.00 |
| | [1] 33,229,900.00 | |
| Post Office: | | |
| Regular | 669,628,940.00 | |
| Permanent indefinite | 165,000.00 | |
| Special | 250.00 | |
| | | 669,794,190.00 |
| Total, Treasury and Post Office | | 2,222,680,249.00 |
| War: | | |
| Regular | 316,228,991.00 | |
| Permanent indefinite | 11,803,900.00 | |
| Special | 6,000.00 | |
| | | 328,038,891.00 |
| | [1] 102,099,600.00 | |
| First deficiency and emergency | | 1,823,912,698.29 |
| F. E. R. A. and C. W. A | | 950,000,000.00 |
| Total | | 7,624,376,618.23 |
| Stabilization fund | | 2,000,000,000.00 |
| For R. F. C | | 1,910,000,000.00 |
| Total | | 11,534,376,618.23 |

SEVENTY-FOURTH CONGRESS, FIRST SESSION

| | | |
|---|---|---|
| Agriculture: | | |
| Regular | $125,157,983.14 | |
| Permanent indefinite | 576,452,596.00 | |
| | | $701,610,579.14 |
| District of Columbia: Regular | | 40,547,115.00 |
| Independent offices: | | |
| Regular | 777,501,956.00 | |
| Permanent indefinite | 123,421.00 | |
| | | 777,628,480.00 |
| Interior: | | |
| Regular | 61,220,928.00 | |
| Permanent indefinite | 12,020,000.00 | |
| | | 73,240,928.00 |
| | [1] 25,000,000.00 | |
| Legislative: | | |
| Regular | 20,746,760.00 | |
| Permanent indefinite | 800.00 | |
| | | 20,747,560.00 |
| Navy: Regular | [1] 74,000,000.00 | 458,684,379.00 |
| State: Regular | | 14,013,895.00 |
| Justice: Regular | | 34,556,500.00 |
| Commerce: Regular | | 34,631,500.00 |
| Labor: Regular | | 15,360,000.00 |
| Total, State, Justice, Commerce, and Labor | | (98,561,895.00) |
| Treasury: | | |
| Regular | 175,786,109.00 | |
| Permanent indefinite | 1,514,069,280.00 | |
| | | 1,689,855,389.00 |
| | [1] 7,100,000.00 | |
| Post Office: Regular | | 727,849,569.00 |
| Total, Treasury and Post Office | | (2,417,704,958.00) |
| War: | | |
| Regular | [1] 12,000,000.00 | 401,998,170.00 |
| Emergency relief | 4,000,000,000.00 | |
| From R. F. C | 500,000,000.00 | |
| Reappropriated | 380,000,000.00 | |
| | | 4,880,000,000.00 |
| First deficiency | | 112,633,830.42 |
| Second deficiency | | 272,901,233.50 |
| Total | | 10,256,258,928.06 |

It will be seen from the above table that there was considerable economy in expenditures down to the time President Roosevelt came in with the first session of the Seventy-third Congress. With his advent into power a program of riotous extravagance followed, which is a menace to the solvency of the Government unless the people are aroused to their responsibilities.

The following table shows the expenditures of the Government each year beginning with the fiscal year ending June 30, 1931, together with the receipts of the Government over that period, together with the net public debt at the end of each fiscal year, the guaranties on which the Government is liable, and the amount of the bonus outstanding. The guaranties are mostly home-loan and farm-loan bonds and unquestionably the Government will have to meet a considerable portion of these bonds.

[1] This represents an allotment out of another appropriation available to the department during the fiscal year described. It is not added to the total of the appropriations for the particular fiscal year unless it comes out of an appropriation which was for that year.

TABLE II

| | June 30, 1931 | June 30, 1932 | June 30, 1933 | June 30, 1934 | June 30, 1935 | |
|---|---|---|---|---|---|---|
| Receipts | $3,103,704,828.41 | $1,076,545,842.44 | $2,015,731,288.63 | $3,115,554,049.53 | $3,800,467,201.96 | |
| Expenditures | 3,987,434,521.50 | 4,813,922,598.90 | 3,804,425,205.16 | 7,105,050,084.95 | 7,375,825,165.57 | |
| Net deficit | 883,669,693.09 | 2,837,376,756.46 | 1,788,694,006.53 | 3,989,496,035.42 | 3,575,357,963.61 | |
| Public debt, net | 16,329,337,508.29 | 19,069,805,265.96 | 21,676,467,339.54 | 24,471,219,174.32 | 26,859,547,085.06 | [1] $27,520,611,006.53 |
| Net bonus liability | 2,273,258,361.00 | 2,085,241,462.00 | 1,912,958,398.00 | 1,817,432,136.00 | 1,733,784,342.00 | [2] 1,733,781,342.00 |
| Farm-loan guaranty | | | | 311,634,200.00 | 1,225,603,300.00 | [3] 1,279,578,500.00 |
| Home-loan guaranty | | | | 1,039,002,540.00 | 2,660,677,012.00 | [4] 2,721,594,248.00 |
| Total | 18,602,595,869.29 | 21,155,046,727.96 | 23,589,425,737.54 | 27,639,288,050.32 | 32,479,611,739.06 | 33,255,568,096.53 |

[1] As of Aug. 22, 1935. [2] As of June 30, 1935, latest available. [3] As of Aug. 14, 1935. [4] As of Aug. 15, 1935.

The increase in the public debt has not proceeded as rapidly as would be expected from an addition of the different deficits because in figuring the net debt cash balances in the Treasury are taken into account because of the alleged profit on gold estimated to be $3,660,000,000.

Table III following shows the number of employees in the Federal Government beginning June 30, 1930, and ending with the last date available, July 31, 1935.

TABLE III.—*Number of employees reported by Civil Service Commission as of June 30 each year, except for 1935, for which the figure given is for July 31*

| | |
|---|---|
| 1930 | 560,456 |
| 1931 | 571,368 |
| 1932 | 570,000 |
| 1933 | 577,170 |
| 1934 | 680,181 |
| 1935 | 729,769 |

NOTE.—To this must be added about 21,500 for the first-, second-, and third-class postmasters, making a total now in the Government service of 751,269.

This table indicates since the beginning of the Roosevelt administration on March 4, 1933, an increase of 152,500. The departments and bureaus which have been created in this present session of Congress will show increases by January 1, 1936, of 15,000 additional employees at least, and by a year from now will show 25,000 to 30,000 additional employees.

The record of this Congress makes it the largest from the standpoint of peace-time appropriations for expenditure purposes. The last session of the Seventy-third Congress was larger when you included the stabilization-fund appropriation and the appropriations for the R. F. C., but for expenditure purposes the first session of the Seventy-fourth Congress is the largest in history. The expenditures are being made in the most wasteful, ignorant, and ridiculous manner and unless the people are aroused to a sense of their responsibility and turn the Roosevelt administration out, there is nothing in sight except complete bankruptcy. If the deficit for 1936 runs $6,000,000,000, and, frankly, today it looks as if it would, the national debt will be $40,000,000,000.

### THE THOMASON BILL—RESERVE OFFICERS AND R. O. T. C. IN THE SCHEME OF NATIONAL DEFENSE

Mr. McSWAIN. Mr. Speaker, when Congress passed the Thomason bill it took a great step forward toward a rational and economical and efficient system of national defense. This bill was thoroughly considered by the Congress. It passed each House twice. How could that be? Because when the bill to create additional cadetships at the Military Academy was before the House Committee on Military Affairs it was amended to provide that 1,200 Reserve officers might be annually called to duty for training with the Regular Army each year, and that 75 such officers might be annually commissioned in the Regular Army as second lieutenants. These amendments, having been approved by the House, went to the Senate and were approved by the Senate. However, when the bill went to the President, according to my information, he objected to linking the cadetship bill with the Reserve officers' bill, and his views were indicated to the Chairman of the Senate Committee on Military Affairs, who immediately took steps to rescind the action of the Senate, and messaged the bill over to the House asking the House to return the bill to the Senate. Accordingly the House rescinded its action, and the bill, then stripped of the provisions for the Reserve officers, and containing only the cadetship provisions, went to the President and was approved by him.

But, Mr. Speaker, in the meantime the House of Representatives passed the Thomason bill on June 5, 1935, providing that 2,000 Reserve officers be annually called to active duty for training with the Regular Army, and that 200 of them so trained might be commissioned in the Regular Army as second lieutenants. This bill went to the Senate and, after considerable hearing and discussion and consideration, the Senate amended the same by cutting down the number of Reserve officers for training to 1,000 and the number of officers to be commissioned in the Regular Army to 50.

When these amendments were reported to the House the Committee on Military Affairs, believing that it was too late in the session to take the matter to conference and that ' a half loaf is better than no bread ", asked the House to agree to the Senate amendment, and this was accordingly done, after long and tedious waiting for 2 days by me for an opportunity to call the bill up.

The amended bill, therefore, has passed both Houses twice, because " the greater includes the lesser." The provisions of the bill as now amended are less than the provisions in any other bill that has passed either House. When the matter was before the House I stated that it is a great piece of constructive legislation approved by all those forward-looking thinkers upon the subject of national defense, because it is instrumental in providing adequate officer material at the minimum of expense to the Federal Government. Now, why do I say this? My reasoning is based upon the following considerations:

First. In the event of a major mobilization for war, 87 percent of the officers must be Reserve officers, and probably 95 percent of the officers actually leading troops in combat will be Reserve officers.

Second. At present there are 120,000 Reserve officers, of whom about 90,000 are active in their training, and it is manifest that since 95 percent of the troop leaders will be the Reserve officers, it is indispensable that these Reserve officers be of the best quality, have the highest possible efficiency, and that their morale be constantly maintained.

Third. Almost the exclusive source for recruiting the Reserve officers is students in our universities and colleges taking the R. O. T. C. course. There are about 125,000 such R. O. T. C. students in the country at this time.

Fourth. Each year there are graduated from the various R. O. T. C. units all over the country a total of about 7,000 young men who are commissioned as second lieutenants in the Reserve Corps.

Fifth. We all know that ambition and the prospects for reasonable recognition for effort and service are the greatest stimulus to proper public service.

As the law now stands and has stood for many years, there is practically no chance for anyone except graduates of the Military Academy to be commissioned in the Regular Army. I contended that this is wrong. The Military Academy is a great institution, but I know enough about it, and about how the young men who are appointed there are selected, to know that they simply cannot as a whole constitute such a superior class in natural ability and character as to entitle them to first call upon all the vacancies in the Regular Army. Now, why do I say this? I think it is a simple problem

based upon the mathematical theory of probabilities. Here we have in more than 200 universities and colleges R. O. T. C. units in which there are about 125,000 young men taking training. From this total of 125,000 there annually emerge graduating classes, after 4-year courses, and the total of these graduating classes is around 7,000. Therefore, the 7,000 constitute the cream of the total of 125,000 young men.

Now, Mr. Speaker, my proposal is for the War Department to invite these 7,000 young men to apply for 1 year's active training with the Regular Army at the pay and allowances of their grade of second lieutenant. If we assume that less than one-third apply, to wit, if we assume 2,000 apply, then the War Department will pick the cream of the 2,000, according to their college records and according to the physical and moral data before them, and give this select 1,000 training of 1 year. Of course, I think that under present conditions nearly all of the 7,000 would apply for 1 year of training. I have been somewhat in contact with the young men of many of the R. O. T. C. units for the last several years, and especially since the depression do I find that nearly 100 percent of them would be very happy to have 1 year with the Regular Army immediately after getting their diplomas and commissions. Even if only one-half should apply, then the War Department would select the cream, the most valuable in physical make-up, in scholarship, in military training, and in morals, to take the 1 year's training.

Then during this 1 year all these 1,000 young men are constantly under the eyes of officers of the Regular Army, and they will be scrutinized carefully and rated in the most rigid manner. So at the end of 1 year the War Department will have a list of, we will say, 100 of the 1,000 that they regard as desirable to receive commissions in the Regular Army. They will then notify these 100 so that those who wish commissions in the Regular Army may apply. From those who apply, and I think it is safe to assume that 75 out of the 100 would apply for commissions, then the War Department will select the 50 whose records in all respects are the best. The result is that we will have "the cream of the cream" drawn from this vast reservoir of young manhood holding commissions in the Regular Army.

Mr. Speaker, we must also remember that when we take these young Reserve officers for training with the Regular Army they have cost the Federal Treasury almost nothing in comparison with the cost of educating a young man at the Military Academy at West Point. It is estimated conservatively that all overhead and incidental expenses counted in, the 4 years at West Point costs the Government around $20,000 for each graduate. Now, I have tried to estimate what it costs the Government to furnish military training to these 7,000 graduates of the R. O. T. C. We must remember that it is not fair to charge up against the 7,000 graduates all the money that is expended on the R. O. T. C. The reason I say this is that there are 125,000 students taking military training in all the R. O. T. C. units, and while not nearly all those who begin the training ever finish, we must not assume that those who do not finish have not an asset of great value to the cause of national defense. If a young man attends a R. O. T. C. unit for only 1 year, and if he has natural leadership, in the event of an emergency he will be immediately available for duty as a noncommissioned officer, and after a little more training might be commissioned as an officer.

Furthermore, those that have had 2 years' training but never graduate are just that much better suited for noncommissioned officers, and ultimately for commissioned officers. By the same reasoning, those who have had 3 years' instruction but never graduate are better prepared to take up the work of defending the Nation in event of a sudden emergency. So that estimating, as best I can, all these factors of value in the annual appropriation for R. O. T. C., I have estimated that the cost to the Federal Government of each one of the 7,000 annual graduates in R. O. T. C. is about $500 per man. If to this we add the pay and allowances of a second lieutenant for 1 year's training with the Regular Army, we have a total of about $2,000 invested in each of the 1,000 second lieutenants at the end of 1 year's training with the Regular Army, as against $20,000 for each of the 300 graduates each year at the Military Academy. It is my humble belief that the total contribution of the 1,000 at the cost of $2,000 each, making a total of $2,000,000, is as valuable to national defense as the total of the 300 West Point graduates at a cost of $20,000 each, aggregating $6,000,000. In other words, through the medium of the Thomason bill, at a cost of $2,000,000 we get as much national defense as we do through 300 West Point graduates at a cost of $6,000,000. That is why I told the House and honestly believe that the Thomason bill provides an economical and efficient system of national defense.

Then, Mr. Speaker, when the 1,000 second lieutenants who have had 1 year's training with the Regular Army, the Regular Army itself shall select 50 of the very best from those who apply, then I hold that the 50 who will have cost the Federal Government $100,000 will surely compare very favorably with, if not equal to, 50 of the average graduates at West Point who have cost the Government a total of $1,000,000. In other words, officer for officer, the West Point graduate will cost the Federal Government 10 times as much per man as the Reserve officer selected in the manner provided by the Thomason bill.

Mr. Speaker, I have lived too long, have observed too many colleges and universities, and have come in contact with too many successful men in various lines of endeavor to believe that graduation at any particular institution, whether military, medical, legal, engineering, or otherwise, is any guaranty that every graduate of that particular institution is outstanding and conspicuously capable in his respective field. I see doctors coming from relatively obscure medical colleges climb to the top through natural ability, initiative, and constant study. I see engineers with little college training pass those who have had the very best that the land can afford. I see lawyers who never went to a college and never went to a law school, but read law in a private office, through their constant efforts, through their natural ability, and through the force of private character forge to the very front in the legal profession and are envied by many of the graduates of the law schools of Harvard, Yale, Princeton, Columbia, Virginia, and other such outstanding law schools. I believe in education and I believe in training, but I believe in giving to every man, irrespective of the handicaps of early life, a chance to make of himself and for himself all that his talents, all that his character, all that his ambition, and all that his natural leadership justify him in seeking.

Now, Mr. Speaker, in conclusion I contend also that the scheme of preparing officer material contemplated by the Thomason bill will have a far-reaching influence upon all the 125,000 students in the R. O. T. C. units in the Nation. Why? Because heretofore the door of opportunity was closed. Now the door of opportunity is open. It is true the door is not widely open, and is merely "cracked", but still there is a chance, whereas heretofore there was no chance for a young man who could not induce his Congressman to give him an appointment to the Military Academy, to finally get a commission in the Regular Army. Therefore, I can visualize, and I have letters from more than 100 college presidents who express the same thought and have caught the same vision that every one of the 125,000 students in the R. O. T. C., after they learn of the provisions of the Thomason bill, and they are sure to learn of those provisions, will be stimulated, enthused, and aroused to take greater interest in his military training. He will become more amenable to discipline. He will begin to study military history. He will read the biographies of great soldiers. He will begin to think about what it may mean to achieve glory in war. So that in the place of a dull and listless body of R. O. T. C. students without hope, there will be morale, enthusiasm, zeal, ambition, and intense interest throughout the entire 125,000 R. O. T. C. students. The result will be that the 7,000 who rise as cream out of this list of 125,000 will have a higher order of training, will be better officer

material, and as a result of the competition among the whole student body to seek to be selected as members of the 1,000 annually to be selected by the War Department, efficiency will be raised, and thus the cause of national defense enormously benefited.

So in conclusion, Mr. Speaker, I submit that careful consideration of these views will convince any impartial mind that I was right when I told the House that the Thomason bill represents a fundamental, constructive, and far-reaching principle in bringing about an economical system of national defense. In fact, the Thomason bill, in a large measure, is predicated upon the principles enunciated by Washington in his report to the Congress entitled "Sentiments Upon a Peace Establishment." Anyone interested in this subject will find a splendid summary of the history and views of Washington on an adequate peace-time program for national defense set out in the address of Gen. John McAuley Palmer printed in the CONGRESSIONAL RECORD as a part of my remarks on August 22, 1935, and beginning at page 14125.

### THE FARMER AND THE NEW DEAL

Mr. JONES. Mr. Speaker, in response to the requests of a number of Members, I wish to make a statement with reference to the administration's farm program.

For more than half a century, political platforms have promised to restore the rights of the farmer.

When the present administration came into office it found agriculture in bewilderment and chaos as the result of 12 long years of mistaken policies and lack of action.

### THE BUSINESS OF FARMING

The importance of the farm and ranch in our national life can be realized more clearly if we glance a moment at some of the things they represent.

The business of farming is the biggest individual business in America. The farms and ranches of America include 986,000,000 acres. The total estimated value of these lands and improvements is almost $32,000,000,000, not including the value of farm personal property and equipment or livestock. In round numbers, there are 65,000,000 cattle, 26,000,000 milch cows, 51,000,000 sheep and lambs, and 61,000,000 hogs. We produce annually great quantities of corn, wheat, cotton, barley, rice, flax, and many other commodities.

There is no other business in this land comparable to farming either in value, volume, or number of people affected. Engaged directly on the farm and ranch in the United States are about 30,000,000 people.

### THE LAST INDIVIDUALISTS

The farmers are the last great American individualists. Living thousands of miles apart, producing an infinite variety of crops in widely separated areas, they have been hedged about by organized groups on every side. Had there been no legislation in behalf of these groups, had there been no regulations of commerce, had there been no trade barriers and no monopolies, the farmer would have needed no legislation. Standing on a dead level with every other citizen, the farmer could have fought his own battles, protected his own interests, and carved his own niche in the affairs of our common country.

However, for more than half a century this country has been breaking up into groups. These groups have descended upon our State and National Capitals, insisting upon legislation to protect their interests. They have insisted upon trade barriers; they have insisted upon commercial regulations; they have insisted upon corporate organizations. They have obtained all these privileges. They have organized vast companies and engaged in monopolistic practices.

Regardless of the merits or demerits of any of these matters, they have produced a situation and have created certain advantages in which the farmer could have no part. It became necessary to restore the purchasing power of the farmer if our Nation was to live and prosper.

### FARM CONDITIONS

What were the farm conditions when the new administration began?

Mortgages were being foreclosed by the hundreds of thousands. The total farm indebtedness amounted to $12,000,000,000. Interest and taxes were delinquent, and ruinous surpluses overhung the markets.

And how did the new administration meet these conditions?

It adopted the Agricultural Adjustment Act, the Farm Credit Act, the Crop Production Loan Act, the Cattle Purchase Act, the drought-relief measures, and others.

In the preparation of these measures the farmers were consulted. Practically every major farm organization in America, as well as many individual farmers, were present when the principles of the legislation were agreed upon. The present program is administered largely by local county and community committees. It is truly a farmers' program.

### CHANGE IN FARM PRICES

Let us contrast farm prices in December 1932, before the adjustment program began, with farm prices today. The following table shows the change that has taken place:

TABLE 1.—*Farm prices of basic agricultural commodities*

| Commodity | Farm price December, 1932 | Quantity | Farm price July 15, 1935 |
|---|---|---|---|
| Wheat | $0.316 | Bushel | $0.764 |
| Rye | .211 | do | .36 |
| Flaxseed | .828 | do | 1.34 |
| Barley | .193 | do | .412 |
| Cotton | .054 | Pound | .119 |
| Corn | .188 | Bushel | .824 |
| Hogs | 2.73 | Hundredweight | 8.40 |
| Beef cattle | 3.41 | do | 6.20 |
| Rice | .40 | Bushel | .888 |
| Peanuts | .012 | Pound | .049 |
| Wholesale milk | 1.26 | Hundredweight | 1.55 |
| Butterfat | .211 | Pound | .223 |
| Butter | .213 | do | .241 |

SEASON CROPS

| Commodity | 1932 seasonal price | Quantity | 1934 seasonal price |
|---|---|---|---|
| Tobacco | $0.105 | Pound | $0.213 |
| Grain sorghums | .191 | Bushel | [1].818 |

[1] July 15 price.

The following facts give a further picture of some of the results of the agricultural adjustment program thus far:

*Salient facts on agricultural conditions*

| | |
|---|---|
| Farm cash income: | |
| 1932 | $4,328,000,000 |
| 1933 | $5,117,000,000 |
| 1934 | $6,387,000,000 |
| 1935 estimate | $6,700,000,000 |
| Percent increase of farm cash income in 1934 over 1932 | 48 |
| Percent increase of estimated farm cash income for 1935 over 1932 | 55 |
| Percent farm prices were of parity: | |
| 1932 | 65 |
| 1933 | 70 |
| 1934 | 90 |
| Percent increase of farm prices in 1934 over 1932 | 38½ |
| Estimated percentage of reduction in farm debt in 1934 under 1932 | 18½ |

### THE A. A. A. AMENDMENTS

The present Congress has just adopted some amendments to the Agricultural Adjustment Act which will enable the program to go forward. Briefly, these are some of the changes the amendments make:

They change the word "reduction" in the act to "adjustment", so as not to limit crop adjustment to reduction alone.

They authorize the issuance of marketing orders to establish a program for fresh fruits and vegetables and two or three other named commodities which do not come under the other provisions. This includes a program for the dairy industry.

They provide for the recovery of processing taxes by the processor in the event such taxes are declared invalid by

the Supreme Court, but this recovery can be had only if the processor can prove that he did not pass the taxes along to the consumer or back to the farmer. In most cases he has simply been the agent for the collection of these taxes, which have in turn been written into the general price structure of the country.

Provision has been made for a ceiling to the processing taxes. When the prices of agricultural commodities reach this ceiling, the processing taxes are no longer effective. It seems, in fairness to the consumer, that the same thing should be done with the tariff. In other words, instead of fighting, we should sit around the table and map a program that is fair to all, including the farmer, the manufacturer, and the consumer. This is the very essence of equality.

The amendments contain a provision to the effect that a sum equal to 30 percent of the annual customs receipts may be used for the promotion of foreign trade. This 30 percent is thought to be a proper division because this represents the number engaged in farming. A portion of this fund may be used for the payment of premiums for exporting farm commodities and the products thereof or for indemnifying against losses in such exportation. The use of these funds can in some instances be made to serve the double purpose of removing surpluses and of increasing the price of that portion of the production which flows into the domestic market.

This provision will probably do more than anything else to rebuild our world trade. It will supplement and strengthen the farm program. The restoration of trade will mean much to the entire Nation.

The amendments provide for a continuation of the Cotton Control Act, the Tobacco Control Act, and they authorize a fund to eliminate diseased beef and dairy cattle.

They provide for the setting up of quotas to govern importation of commodities which compete with commodities affected by the adjustment program.

FARM CREDIT ADMINISTRATION

Another phase of the administration's efforts in behalf of the farm is represented by the work of the Farm Credit Administration. This organization has provided for the first time in history a complete credit system for agriculture wholly independent of the commercial banking system.

The Farm Credit Administration is composed of the four following branches: The Federal land banks, which handle long-term land paper; the cooperative banks, which handle credit for farmers' cooperative organizations; the production-credit corporations, which handle the farmers' current essential production credit; the intermediate-credit banks, which are the discount institutions, and which, through the sale of debentures, provide funds for the operations of the cooperative and production credit divisions.

REFINANCING OF MORTGAGES

The biggest single job of the Farm Credit Administration has been the refinancing of farm-mortgage indebtedness. During the 6 years preceding its establishment there had been an average of some 140,000 foreclosures per year. These conditions have been very materially improved and thousands of farm homes have been saved which otherwise would have been sacrificed.

More than 500,000 farm mortgages in the United States have been refinanced by the Farm Credit Administration since its establishment in 1933. To do this $1,800,000,000 has been loaned. This has caused many private loan companies to refinance other farms and reduce their rates of interest.

Farmers refinanced by the Farm Credit Administration with long-term farm-mortgage loans are saving about one-fourth the interest which they formerly paid. In a great many instances this saving alone is sufficient to pay off the mortgage in the period for which the new loan runs.

The Farm Credit Administration has also supervised the formation of advisory committees to aid farmers in adjusting and scaling down their debts. It is estimated that as a direct and indirect result of the work of these committees at least 150,000 farm homes have been saved, thus keeping more than half a million worthy persons on farms and off relief rolls. These committees have also brought about the restoration of credit stability in many troubled areas.

LOWER INTEREST RATES

Easier credit terms and lower interest rates have resulted from farm-credit activities of the present administration. Farm-mortgage long-term loans are now being made at the lowest rates in history. Borrowers are required to pay only 3½ percent interest until July 1, 1936, and new loans are being made at from 4 percent to 4½ percent.

The cooperative banks charge from 2 percent to 4 percent interest to the cooperative associations. The production-credit associations are now all making loans at 5 percent, regardless of location. This is the lowest interest rate at which production credit has ever been granted on a national scale in America.

These rates represent a great reduction from the rates the farmers were previously paying. In many instances the rate actually paid in former years has been above 10 percent, and one instance was found where 20-percent interest was charged farmers for cash loans.

It is also interesting to note that the rates of the Farm Credit Administration for long-time credit are lower than those being charged in any other important country. In Canada the interest rate is 5 percent; in Denmark it is from 4 to 6½ percent; in Germany, from 4½ to 8 percent; in Great Britain, 5.2 percent; in Hungary, 7 percent; in Austria, 7 percent; in Bulgaria, 9 percent; in Czechoslovakia, 6 percent; in Latvia, 8 percent; and in Yugoslavia, 6 percent.

Emergency loans have been made through the emergency crop and feed offices of the Farm Credit Administration. Nearly a million and a half loans have been made since the beginning of the organization; and during the past year loans were made to about 300,000 farmers and stockmen to help them carry their livestock in drought areas.

EQUALITY FOR AGRICULTURE

All of these activities show a sincere effort on the part of the present administration to restore farm conditions. There can be no sound objection to equality for agriculture. The entire country is interested in a balanced whole. In restoring the purchasing power of the farmer, business conditions are being restored and a new market is being furnished for manufactured products. This has resulted in employment for hundreds of thousands of people who might otherwise be in the ranks of the unemployed.

What has been done for agriculture? Let the facts speak for themselves.

THE REVENUE ACT OF 1935

Mr. MEAD. Mr. Speaker, the reform legislation enacted thus far by the Roosevelt administration has been aimed toward establishing a more equitable economic and financial system. The N. R. A., the P. W. A., and the A. A. A. have all included the fundamental purpose of buoying up purchasing power, increasing public consumption, and effecting national reemployment.

It is evident to statesmen and economists today that while our capitalistic system must be preserved, provision must also be made for the welfare, happiness, and social security of the rank and file of the American people.

The necessity for social and economic security, with adequate protection from the ravages of a weakly regulated monopolistic industrial system, which precipitated our great national depression, has been faced squarely by this administration.

The task of reestablishing national confidence, of guaranteeing personal security, and of safeguarding our citizenship against future major economic catastrophes has been met by the Federal Government in the past 2 years by a dual method. Recognizing the fallacy of endeavoring to restore economic order through the obstructionists' theory of "recovery without reform", President Roosevelt and the Congress have shouldered the burden of instituting a parallel recovery and reform program of national scope.

A Nation-wide program of public works, designed to speed recovery through the construction of worth-while public proj-

ects, to increase reemployment opportunities, and to buoy up purchasing power among those most in need; an agricultural adjustment program to rehabilitate America's basic industry; Federal agencies to assist in refinancing home- and farm-mortgage indebtedness; old-age pensions and unemployment-insurance funds; and a series of regulatory measures aimed to perfect and safeguard our financial, transportation, communication, and utility systems—all are indicative of the Government's relentless attack on the evils which developed in a Nation that prospered too rapidly; that was victimized by a highly industrialized civilization; and that suffered from governmental neglect during the years when proper administrative steps might effectively have been taken to foreward the impending and inevitable crisis.

Much has been said recently about redistribution of wealth. Catch phrases, designed to attract the public fancy, but without sound economic foundation, have become popular. Developing from this enthusiasm for a wealth-sharing scheme, however, has been a steady crystallization of national sentiment for a sound, equitable plan, to be sponsored by the Federal Government, which would alleviate the underlying cause of that depression; that is, the lack of purchasing power on the part of the working classes, and to avoid in the future an overconcentration of the national wealth in the hands of a few.

A modified plan, then, which will preclude future concentration and stagnation of national wealth and at the same time yield additional revenue to the public coffers, falls in line with the "reform-recovery" program.

The solution to this grave economic problem now under consideration in Congress is a redistribution of income through a revamping of our income-tax laws and through a new graduated inheritance tax.

If we take the period from 1919 to 1929 as average years of prosperity in this country, it is clearly demonstrated that the rapid concentration of wealth in the hands of a few over that decade did not result in an increase in labor wages commensurate with the rise in industrial dividends. While industrial profits soared to unprecedented heights in 1929, with 589 reporting annual incomes of $1,000,000 and over, with 14,701 reporting annual incomes over $100,000, the average income for all wage earners was slightly over $1,200, with unskilled workers averaging less than $1,000 and farmers less than $600 per year. The Government has estimated that $1,800 to $2,100 is a decent living wage for a family. It is this discrepancy, reflecting want in the midst of plenty, which constitutes America's social problem of today.

A diversion of the wealth from a relative few to the pockets of the workers is the only sure method of restoring national prosperity. It is interesting to note that in 1929 the classes earning $1,000 and less spent 94 percent for the necessities of life; those earning up to $2,000 spent 93 percent for necessities; those who earned $1,000,000, however, spent only 6 percent for necessities. The $1,000 man invested 6 percent in taxes and savings, while the $1,000,000 man saved 77 percent of his income and only 17 percent went into taxes.

This inequality, which encourages the concentration of wealth, is readily seen when we observe that those who earned under $2,000, which included the vast majority in 1929, saved 3 to 5 percent, paid 3 percent in taxes, and spent 94 percent in goods and services, while thousands in the higher brackets saved over 50 percent, paid 17 percent in taxes, and spent less than 15 percent for goods and services.

The stagnation of wealth, therefore, naturally is found among those in the high-income groups. By spending only a small fraction of their income for goods and services they make little contribution to the purchasing power of the average American.

President Roosevelt in June of this year recommended to Congress the adoption of a new income-, corporate-, and inheritance-tax law which would operate toward an eventual dissemination of the national wealth. The President poignantly remarked:

> The movement toward progressive taxation of wealth and of income has accomplished the growing diversification and interrelation of effort which marks our industrial society. Wealth in the modern society does not come merely from individual effort; it results from a combination of individual effort and of the manifold uses to which the community puts that effort. The individual does not create the product of his industry with his own hands; he utilizes the many processes and forces of mass production to meet the demands of a national and international market.
>
> Therefore, in spite of the great importance in our national life of the efforts and ingenuity of unusual individuals, the people in the mass have inevitably helped to make large fortunes possible. Without mass cooperation great accumulations of wealth would be impossible save by unhealthy speculation. * * * Whether it be wealth achieved through the cooperation of the entire community or riches gained by speculation, in either case the ownership of such wealth or riches represents a great public interest and a great ability to pay.

The tax measure, a modest proposal when compared with many radical and semisocialistic panaceas advanced by share-the-wealth advocates, will yield an annual revenue for the first year of approximately $270,000,000. The taxes include:

First. Increased surtaxes.
Second. Graduated corporation tax.
Third. Excess-profits tax.
Fourth. Inheritance tax.
Fifth. Gift tax.

But more important to the Nation's weal than any potential revenue is the effect of such legislation upon our social system. It indicates a restrained beginning of a movement which must ultimately guarantee to the American citizen his precious right to gainful occupation, family security, and continued happiness.

The tables following are of interest and indicate the extent and scope of the revenue bill of 1935.

It is believed that in a full year of operation, under present improving business conditions, the annual additional revenue which will be secured from the enactment of the bill will be as follows:

*Source of revenue and estimated additional revenue*

| | |
|---|---|
| Increased surtaxes | $45,000,000 |
| Graduated corporation tax | 15,000,000 |
| Excess-profits tax | 100,000,000 |
| Inheritance tax | 86,000,000 |
| Gift tax | 24,000,000 |
| Total | 270,000,000 |

If business improves further, the provisions in this bill may ultimately bring in as much as three hundred and fifty to four hundred and fifty millions of dollars in additional revenue annually.

INCREASED SURTAXES

The following table shows the proposed rates in comparison with the existing rates, as well as the total proposed surtaxes and existing surtaxes computed on the upper limit of each bracket:

*Revised surtax schedule beginning at $50,000*

| Surtax net income bracket | Proposed rate per cent | Present rate per cent | Proposed total surtax [1] | Present total surtax [1] |
|---|---|---|---|---|
| $50,000 to $56,000 | 31 | 30 | $9,560 | $9,500 |
| $56,000 to $62,000 | 35 | 33 | 11,660 | 11,480 |
| $62,000 to $68,000 | 39 | 36 | 14,000 | 13,640 |
| $68,000 to $74,000 | 43 | 39 | 16,580 | 15,980 |
| $74,000 to $80,000 | 47 | 42 | 19,400 | 18,500 |
| $80,000 to $90,000 | 51 | 45 | 24,500 | 23,000 |
| $90,000 to $100,000 | 55 | 50 | 30,000 | 28,000 |
| $100,000 to $150,000 | 58 | 52 | 59,000 | 54,000 |
| $150,000 to $200,000 | 60 | 53 | 89,000 | 80,500 |
| $200,000 to $250,000 | 62 | 54 | 120,000 | 107,500 |
| $250,000 to $300,000 | 64 | 54 | 152,000 | 134,500 |
| $300,000 to $400,000 | 66 | 55 | 218,000 | 189,500 |
| $400,000 to $500,000 | 68 | 56 | 286,000 | 245,500 |
| $500,000 to $750,000 | 70 | 57 | 461,000 | 388,000 |
| $750,000 to $1,000,000 | 72 | 58 | 641,000 | 533,000 |
| $1,000,000 to $2,000,000 | 73 | 59 | 1,371,000 | 1,122,000 |
| $2,000,000 to $5,000,000 | 74 | 59 | 3,591,000 | 2,893,000 |
| Over $5,000,000 | 75 | 59 | | |

[1] Computed on upper limit of bracket; for example, proposed surtax on $62,000 is $11,660, and present surtax on this amount is $11,480.

It is to be kept in mind, of course, that in addition to the surtax there is a normal tax of 4 percent on the net income of an individual, in excess of certain credits.

The number of individuals affected by the proposed surtax increases is not large, as may be seen from the following table:

*Number of individual returns (net incomes of over $50,000)*

| Net income class | Calendar year | | | | |
|---|---|---|---|---|---|
| | 1924 | 1929 | 1930 | 1932 | 1933 |
| $50,000 to $100,000 | 15,816 | 24,073 | 13,645 | 5,902 | 5,927 |
| $100,000 to $150,000 | 3,085 | 6,376 | 3,111 | 995 | 1,085 |
| $150,000 to $300,000 | 1,876 | 5,310 | 2,071 | 595 | 693 |
| $300,000 to $500,000 | 457 | 1,641 | 552 | 140 | 139 |
| $500,000 to $1,000,000 | 242 | 976 | 318 | 76 | 84 |
| $1,000,000 to $2,000,000 | 50 | 357 | 110 | 15 | 35 |
| $2,000,000 to $5,000,000 | 22 | 118 | 32 | 5 | 10 |
| Over $5,000,000 | 3 | 38 | 8 | 0 | 1 |
| Total number of returns (with over 50,000 of net income each) | 21,531 | 38,889 | 19,847 | 7,738 | 7,974 |

Under present conditions less than 4,000,000 returns are filed annually by individuals, of which less than 2,000,000 are taxable returns. It can be seen from the table last submitted that we now have only about 8,000 returns annually showing net income in excess of $50,000. Thus the proposed surtax increases will affect only two-tenths of 1 percent of the number of returns filed, and four-tenths of 1 percent of the number of taxable returns filed.

GRADUATED INCOME TAX ON CORPORATIONS

Under existing law corporations pay a flat tax of 13¾ percent on the entire amount of their net income. No relief is given to a corporation, no matter how small its net income may be.

Your committee is recommending the substitution of the following graduated tax on corporations in lieu of the present uniform rate of tax: 13¼ percent on the first $15,000 of the net income and 14¼ percent on the remainder.

In spite of the small amount of graduation and in spite of the slight increase of the tax burden on the corporations with large net incomes, considerable revenue is derived from this graduated tax.

EXCESS-PROFITS TAX

The excess-profits tax is based on the ratio of the net income of the corporation to the adjusted declared value of its capital stock as provided for under section 701 of the Revenue Act of 1934. The graduated rates now proposed are as follows:

| | Percent |
|---|---|
| Net incomes not in excess of 6 percent of the adjusted declared value | No tax |
| Portion of net income in excess of 8 percent and not in excess of 12 percent of the adjusted declared value | 5 |
| Portion of net income in excess of 12 percent and not in excess of 16 percent of the adjusted declared value | 10 |
| Portion of net income in excess of 16 percent and not in excess of 25 percent of the adjusted declared value | 15 |
| Portion of net income in excess of 25 percent of the adjusted declared value | 20 |

The excess-profits tax is a sound tax and it is believed that in future years it will be productive of very considerable revenue. The excess-profits and war-profits taxes imposed during the war period were similar in character and produced the following revenues in addition to the normal income tax on corporations:

| | |
|---|---|
| 1917 | $1,638,748,000 |
| 1918 | 2,505,566,000 |
| 1919 | 1,431,806,000 |
| 1920 | 988,726,000 |
| 1921 | 335,132,000 |

Your committee believes that the proposed excess-profits tax at the moderate rates suggested will in each full year of operation under improving business conditions bring in about $100,000,000 of additional revenue.

INHERITANCE TAX

Title II of the bill provides for an inheritance tax in addition to existing Federal estate taxes. The inheritance tax is imposed upon the net value of the beneficial interests transferred by reason of the death of a decedent dying after the bill is enacted into law to each beneficiary at the rates shown in the following table:

*Inheritance tax rates and amounts*

| Total net value of inheritance[1] | Rate of tax | Amount of tax [2] |
|---|---|---|
| | Percent | |
| $0 to $10,000 | 4 | $400 |
| $10,000 to $20,000 | 8 | 1,200 |
| $20,000 to $30,000 | 12 | 2,400 |
| $30,000 to $50,000 | 16 | 5,600 |
| $50,000 to $100,000 | 20 | 15,600 |
| $100,000 to $150,000 | 24 | 27,600 |
| $150,000 to $250,000 | 28 | 55,600 |
| $250,000 to $400,000 | 32 | 103,600 |
| $400,000 to $700,000 | 36 | 211,600 |
| $700,000 to $1,000,000 | 40 | 331,600 |
| $1,000,000 to $1,500,000 | 44 | 551,600 |
| $1,500,000 to $2,000,000 | 48 | 791,600 |
| $2,000,000 to $3,000,000 | 52 | 1,311,600 |
| $3,000,000 to $4,000,000 | 56 | 1,871,600 |
| $4,000,000 to $5,000,000 | 60 | 2,471,600 |
| $5,000,000 to $6,000,000 | 64 | 3,111,600 |
| $6,000,000 to $8,000,000 | 68 | 4,471,600 |
| $8,000,000 to $10,000,000 | 72 | 5,911,600 |
| Over $10,000,000 | 75 | |

[1] After deduction of specific exemption.
[2] Computed on upper limit of bracket; for example, inheritance tax on $10,000 is $400.

Specific exemption to spouse and near relatives, $50,000. Specific exemption to all others, $10,000.

The property subject to the inheritance tax is, in general, the same as that which is subject to the existing estate taxes. However, dower and curtesy interests, estates in lieu thereof, or an equivalent amount of property elected by the surviving spouse after death in lieu of such interests are not subject to the inheritance tax.

GIFT TAX ON DONEES

Title III of the bill imposes a gift tax upon the right to receive property by gift. This is a companion tax to the inheritance tax and is designed to prevent avoidance of that tax by taxing gifts made during lifetime.

The following is a table showing gift-tax rates and amounts of tax:

*Gift tax, rates, and amounts*

| Total net gifts from 1 donor to 1 donee [1] | Rate of tax | Amount of tax [2] |
|---|---|---|
| | Percent | |
| $0 to $10,000 | 3 | $300 |
| $10,000 to $20,000 | 6 | 900 |
| $20,000 to $30,000 | 9 | 1,800 |
| $30,000 to $50,000 | 12 | 4,200 |
| $50,000 to $100,000 | 15 | 11,700 |
| $100,000 to $150,000 | 18 | 20,700 |
| $150,000 to $250,000 | 21 | 41,700 |
| $250,000 to $400,000 | 24 | 77,700 |
| $400,000 to $700,000 | 27 | 158,700 |
| $700,000 to $1,000,000 | 30 | 248,700 |
| $1,000,000 to $1,500,000 | 33 | 413,700 |
| $1,500,000 to $2,000,000 | 36 | 593,700 |
| $2,000,000 to $3,000,000 | 39 | 983,700 |
| $3,000,000 to $4,000,000 | 42 | 1,403,700 |
| $4,000,000 to $5,000,000 | 45 | 1,853,700 |
| $5,000,000 to $6,000,000 | 48 | 2,333,700 |
| $6,000,000 to $8,000,000 | 51 | 3,353,700 |
| $8,000,000 to $10,000,000 | 54 | 4,433,700 |
| Over $10,000,000 | 57 | |

[1] After deduction of specific exemption.
[2] Computed on upper limit of bracket; for example, gift tax on $10,000 is $300.

Specific exemption to spouse and near relatives, $50,000. Specific exemption to all other, $10,000.

The principle of consanguinity, which is recognized in the inheritance tax, is also reflected in the donee's gift tax. An exemption is allowed on net gifts of $50,000 in the case of a spouse, child (including a child legally adopted before it attains the age of 21), father, mother, brother, or sister (including a brother or sister of the half-blood, grandchild, grandfather, or grandmother. In the case of all other donees a specific exemption of $10,000 is allowed.

THE ACCOMPLISHMENTS OF THE FIRST SESSION OF THE SEVENTY-FOURTH CONGRESS IN CARRYING OUT THE PLEDGES OF THE NEW DEAL

Mr. O'CONNOR. Mr. Speaker, when you shall strike the gavel at midnight, the first session of the Seventy-fourth Congress will have adjourned sine die, after 236 days of arduous labor, during which there were 204 roll calls. Under your great leadership as Speaker, this session has been as momentous as any in the history of our Nation, save possibly only those held during the World War.

When Congress convened on January 3 of this year, the country was gradually emerging from an unparalleled depression, which broke in 1929 and, increasing in its disaster, confronted this administration on taking office on March 4, 1933. The world already knows of the remarkable accomplishments during the Seventy-third Congress under the leadership of our President. Millions of unemployed were saved from hunger and hardships. Our social and economic structure was preserved. The homes and the savings of our people were protected. Those accomplishments are a matter of record.

In January of this year, however, the huge task was not yet completed. It is true that we had placed millions to work at shorter hours and higher wages; that we had abolished child labor; that we had assured the farmer a decent living for the first time in years, with his mortgage indebtedness decreased several billions of dollars; that we had saved the banks of our country and the billions of dollars of savings of our people. Hundreds of thousands of farms and homes had been held safe from the disaster of foreclosures. But there were still several millions of our citizens able and willing to work who could not find employment in private industry.

Agriculture needed further help.

Our banking laws needed further revision.

More funds were necessary to save the homes and farms of our people.

The working conditions of those employed needed improvement, especially as to the right to collective bargaining.

There was no provision for the vicissitudes of old age or unemployment.

The decision of the Supreme Court of the United States holding the National Industrial Recovery Act unconstitutional necessitated the revision of many of our laws. That decision went to the hearts of our people. Under it child labor had been abolished. A living wage and decent hours had been established. Unfair practices in business and the chiseler were eliminated.

Following that decision, Congress had new and unexpected burdens thrust upon it.

Likewise, the decision of the Supreme Court holding the Railroad Retirement Act and the Oil Act illegal added to the problems of the Congress and the administration.

Let us, therefore, briefly review some of the more important accomplishments of the Congress during the session just closed.

WORK RELIEF

Within a few days after the session met the House of Representatitves passed the Work Relief Act appropriating $4,880,000,000, the greatest sum ever appropriated at any one time other than during war; $880,000,000 of this sum was to continue the furnishing of relief to the needy of the country. The balance, $4,000,000,000, was to provide employment so that three and one-half million people could be taken off the relief rolls and placed on works financed in whole or in part by the Government. This act was speedily passed in the House of Representatives and was finally approved by President Roosevelt on April 8, 1935. It provided $800,000,000 for highways, roads, streets, and grade-crossing elimination; $500,000,000 for rural rehabilitation, irrigation, and reclamation; $100,000,000 for rural electrification; $450,000,000 for housing; $300,000,000 for educational, professional, and clerical occupations; $600,000,000 for the continuance of the Civilian Conservation Corps, which has been one of the outstanding successes of the program of relief; $900,000,000 for loans or grants to the States and Territories for self-liquidating projects; $350,000,000 for sanitation, prevention of soil erosion, flood control, reforestation, rivers and harbors, and similar projects. The act provided for the payment of the prevailing rate of wages on Federal building projects with authority in the President to fix the wages on other projects in amount not less than existing prevailing wages. The fundamental purpose of this great undertaking was to eliminate the dole and to see to it that not later than July 1, 1936, the three and one-half million people on the relief rolls had been furnished with employment.

SOCIAL SECURITY

While the Works Relief Act provided for the immediate emergency, the Social Security Act, approved August 14, 1935, established for the first time in this country, and to an extent never before attempted by any nation, a permanent system to provide for security in old age and against the hazards of unemployment. The act provides for contribution by the Federal Government to the States to provide for old-age benefits, aid to dependent and crippled children, public health, child welfare, maternal care, and unemployment compensation. To any State which has or will establish an old-age-pension law providing for the care of needy persons 65 years of age or over, the Federal Government will contribute one-half of the amount paid by the State, not in excess of $15 a month to be paid by the Federal Government. The act also provides for a contributory old-age-pension system to be financed by a tax on employees and a pay-roll tax so that workers may retire at the age of 65 and receive monthly pensions running as high as $85 a month. The act authorizes an appropriation of $3,800,000 a year to assist States in looking after the health of mothers and children, an appropriation of $2,850,000 a year to assist States in providing care for crippled children, and $1,500,000 to aid homeless and neglected children. In addition, further sums are appropriated to aid States in taking care of the vocational rehabilitation of children and in aid of the blind. This long-range program of humanitarian relief to the aged, the unemployed, mothers, children, and the unfortunate might well be considered as the outstanding achievement of the administration during this session of Congress.

AGRICULTURE

Among the benefits granted to the farmer at this session, in addition to the many enacted during the Seventy-third Congress, were the following:

AGRICULTURAL ADJUSTMENT ADMINISTRATION ACT

Following the decision of the Supreme Court in the N. R. A. case, it became necessary to revise the Agricultural Adjustment Act and to provide additional aid to agriculture. This was done by an act, approved August 24, 1935, which continues and augments the benefits of the original act to the farmer and at the same time providing protection for consumers. It authorizes the "granary plan", provides for the control of imported products, allows the use of 30 percent of import duty receipts to increase the returns of producers, strengthens the marketing-agreement method of producers of milk, fruit, vegetables, etc.; adds potatoes as a commodity, appropriates $10,000,000 to eliminate diseased cattle, provides for the purchasing of submarginal land, eliminates price fixing of all commodities with the exception of milk, and extends for one year the Bankhead Cotton Control Act and the Smith-Kerr Tobacco Control Act.

FARM CREDIT ACT

This act, which was approved June 3, 1935, amended not only the Farm Credit Act of 1933 but also the Emergency Farm Mortgage Act of 1933, the Agricultural Marketing Act, and the Federal Farm Loan Act. It permits the land-bank commissioners to make loans on real properties with maturities up to 43 years and extends the time of making loans until February 1, 1940, without any limitations on the amount of the bonds to be issued by the Federal Farm Mortgage Corporation. It reduces the interest to borrowers on farm loans and provides for further loans to joint-stock land banks, together with other provisions to ease the burden of the farmer.

RICE

By this act, approved March 18, 1935, a processing tax was levied on rice, and the act contained other provisions to aid the many farmers engaged in raising this important commodity.

FARM RESEARCH

This act was approved June 29, 1935 and directs the Secretary of Agriculture to make a thorough research into the commodities of agriculture and the methods of production, distribution, etc.

TOBACCO

The Standard Grading Tobacco Act directs the Secretary of Agriculture to grade tobacco so that the farmer may be fully advised as to the quality and value of his product.

THE FARM MORATORIUM ACT

This act as passed in the last Congress was held unconstitutional by the Supreme Court of the United States. To meet this situation, a new act was approved on August 28, 1935, permitting the farmer to go into bankruptcy with an opportunity to remain in possession of his farm for a period up to three years upon the payment of reasonable rental, etc., to be fixed by the court. The act extends to the farmer the privilege of readjusting his financial indebtedness that has been afforded to the business man, the corporation, and the railroads.

CONSERVATION—SOIL EROSION ACT

This act, approved April 27, 1935, provides for the investigation and control of soil erosion under the direction of the Secretary of Agriculture and should be of great benefit to the farmer. The latest improved methods of preventing the washing away of his land will be taught.

NATIONAL INDUSTRIAL RECOVERY ACT

Upon the holding by the Supreme Court of the United States that the N. R. A. was unconstitutional, the administration desired to meet the situation so as to preserve as far as possible many provisions of the act which had been so beneficial. Immediately thereafter the Congress, by an act approved June 14, 1935, provided for the extension of the N. R. A. for the purpose of preserving and gathering further statistics, to be available when a permanent revision along the lines of the original National Industrial Recovery Act could be worked out. This extension act also provides for the continuance of voluntary codes. A further study is being given a new National Industrial Recovery Act to meet the objections of the Supreme Court and it is hoped that in the next session legislation to preserve the fundamental benefits of the N. R. A. will be worked out.

THE CENTRAL STATISTICAL ACT

This act, approved July 25, 1935, was another measure to provide for the gathering of statistics by a central bureau which have proved so valuable in the operation of the code system under the N. R. A.

LABOR

Under the N. R. A. labor had been protected in its wages and hours of work, and its right to bargain collectively. With the legal failure of the N. R. A. it became necessary to provide by legislation some method of preserving some of these benefits to labor.

THE LABOR DISPUTES ACT

This act, approved July 5, 1935, created a permanent National Labor Relations Board to adjust labor disputes and to promote the equality of bargaining power between employees and employers. It affirms the right of labor to organize and bargain collectively and prevents interference by the employer in the formation of unions or discrimination among employees in their right to belong to unions of their own choosing. This provision should go a long way to adjust labor disputes, prevent strikes, and to improve the condition of labor.

THE COAL STABILIZATION ACT

This act was intended to stabilize the bituminous-coal industry, which has been in such dire straits for many years and to protect the rights and improve the condition of the 500,000 miners engaged in the industry. It establishes a Commission to work out a code for the industry with marketing conditions and the stabilization of wages, working conditions, hours of labor, reenacting the provision of section 7a of the N. R. A. as to this particular industry.

RAILROAD RETIREMENT ACT

The Supreme Court held the act of 1934 providing for a pension system for the 1,000,000 railroad employees invalid. This necessitated new legislation which was approved by the President on August 29, 1935, and which provides a pension system for the railroad employees who have reached the age of 65 years or who have performed 30 years' service and have arrived at the age of at least 50 years. This act becomes effective March 1, 1936, and is supplemented by an act which provides for a tax on railroad employees and railroad pay rolls to meet the $50,000,000 or more a year to provide the annuities.

GOVERNMENT EMPLOYEES

Following the restoration of all the pay cuts under the Economy Act, a number of bills were passed to shorten the working hours and to readjust the compensation of employees of the Government. For instance, the Post Office employees were put on a 40-hour-a-week basis. The House of Representatives restored the annual leave and the sick leave for Government employees.

UTILITY HOLDING COMPANIES

A considerable part of the session was taken up in working out a bill to provide for Federal regulation of utility holding companies. A score or more of these companies throughout the country had taken over the operating companies furnishing gas, electricity, water power, and so forth. In many instances the increased expense was placed upon the consumer. Their capital structure through the use of the holding-company devices had grown in 1929 to about $29,000,000,000. In the stock-market crash of that year, the investing public suffered a loss of about $25,000,000,000. The bills finally presented to the House and the Senate were designed to permit the continuance of no holding-company device where it was not in accord with the public interest. During the lengthy consideration of this bill by both Houses of Congress, there was a tremendous opposition from the holding companies and their associates and an enormous amount of propaganda and pressure was used upon the Members of Congress by means of letters, telegrams, and other propaganda, in many instances not representing the real sentiment of the public or the investors. Each House of Congress authorized an investigation of these lobbying activities on the part of the utility interests. The Senate through a special committee and the House of Representatives through its Rules Committee started such investigations and will continue to pursue them. Disclosures so far by these two committees warrant the conclusion that millions of dollars were spent by the holding-company interests in attempting to prevent the passage of any bill and especially section 11 of the Senate bill, which they purposely and improperly characterized as the "death sentence." A bill was finally worked out regulating such companies and providing for the elimination of those holding companies which are against the best interests of the public, but only after due notice and a hearing has been accorded them.

TELEPHONE INQUIRY

Under this act, approved March 19, 1935, the Federal Communications Commission was directed to investigate the alleged monopoly of the American Telephone & Telegraph Co. and its subsidiaries, affiliates, and associated holding companies. This investigation has for many years been of wide-spread interest and advocated by the States and in the Congress.

TENNESSEE VALLEY AUTHORITY

The amendments to the act creating the Tennessee Valley Authority were likewise fought by the utility interests, especially those companies operating in the vicinity of the Tennessee Valley. The act liberalizes some of the provisions which were indefinite in the basic act and reaffirms the right of the Authority to sell surplus power and acquire distribution facilities.

PETROLEUM

Following the decision of the Supreme Court holding the act of the last Congress illegal, the so-called "Hot Oil Act" was approved February 22, 1935, which, in substance, prohibits the interstate transportation of any oil produced illegally under the laws of the State where it originated.

OIL COMPACT ACT

In the closing hours of the session the act to ratify the compact of the oil-producing States was passed and approved by the President. Likewise, an act was approved amending the Oil Leasing Act of 1920, authorizing the Secretary of the Interior to grant permits for prospecting on lands owned by the Government.

HOME OWNERS' LOAN CORPORATION

By an act approved May 28, 1935, the Home Owners' Loan Corporation was authorized to loan an additional $1,750,000,000 to finance mortgages of home owners whose applications were already on file or would be filed within 30 days thereafter. This was to take care of those needy cases in addition to the 800,000 homes already saved by reason of the provisions of the original act. The act also liberalized the provisions of the Federal Home Loan Bank Act increasing the maturity of loans on mortgages and also authorizing the Federal Housing Administration to guarantee mortgages up to $50,000 for alterations, repairs, and improvement on apartment houses, hotels, hospitals, schools, and so forth.

TAXATION

*Continuance of temporary tax act*

This act, approved June 28, 1935, continues for 2 years the existing temporary taxes, such as on gasoline, etc., including the 3-cent postage rate on nonlocal first-class mail.

*The Revenue Act of 1935*

Following a special message from the President, Congress enacted a bill, which was approved by the President, increasing estate taxes (with an exemption of estates of $40,000 or less), gift taxes, surtaxes on individual incomes in excess of $50,000, slightly increasing the income tax on corporations with a graduated tax of from 12½ percent to 15 percent, increasing the capital-stock tax, and levying an excess-profits tax on corporations and on intercorporate dividends, with the result, however, that the taxes on the smaller corporations were actually reduced. It is estimated that these new taxes, which do not affect the wage earner or persons receiving moderate incomes, will yield an additional $250,000,000 a year to the Treasury.

THE GOLD CLAUSE ACT

To meet certain expressions of the Supreme Court in its decision upholding the Government in "going off the gold standard", Congress passed the so-called "Gold Clause Act." This act prevents suits being brought against the Government by any person for failure to receive payment in gold or the equivalent in the present dollar, on any Government security, unless suit therefor is brought before January 1, 1936, and damage be shown to have been incurred. The purpose of this act is to prevent persons, here or abroad, being given an unfair advantage by reason of their holding of Government securities containing the clause providing for payment in gold.

VETERANS

*Bonus*

The House and the Senate passed the so-called "Bonus Act", providing for the immediate payment of adjusted-service certificates at their face value; but upon its veto, although the House overwhelmingly overrode the veto, the Senate sustained the same. In the opinion of many, however, the matter will be adjusted satisfactorily in the coming session.

*Spanish-American War veterans*

By an act unanimously passed in the House, and with only one vote against it in the Senate, and approved by the President, all the reductions in pensions and compensation to Spanish-American War veterans under the Economy Act, amounting to about $45,000,000, were restored to those veterans and their dependents.

NATIONAL DEFENSE

*Army Appropriation Act*

This act appropriated over $400,000,000 for various military purposes and increased the enlisted strength of the Army from 118,750 to 165,000 men, with increases to the Army Air Corps and an additional $500,000 to increase the strength of the National Guard by 5,000, and $2,000,000 for the training of thousands of men in the citizens' military training camps.

*Air Base Act*

This act authorizes the Secretary of War to determine the places in the United States and Alaska where additional air stations should be located.

*Army Promotion Act*

This act provides for the automatic promotion of Army officers to adjust a stagnation situation in the Army and to correct a long-standing and inequitable situation.

*Additional cadets at West Point*

By an act approved June 7, 1935, it was provided that each Senator and Representative might appoint an additional cadet to West Point with additional appointments to be made by the President.

*The National Guard*

An act was also passed providing for the active duty of the National Guard in any great emergency.

*Naval Appropriation Act*

This act carries an appropriation of over $366,000,000 for the support of the Navy, including $126,000,000 for new warships, aircraft carriers, light cruisers, destroyers, and submarines. It also provided for an increase of 11,000 enlisted men, bringing the enlisted strength to 93,500, and an additional cadet to Annapolis to be appointed by each Member of Congress.

Other acts to strengthen the Navy, such as the Navy Line Officer Act, the Naval Corps Act, the Naval Cadet Act, the Naval Public Works Act, and the Emergency Duty Act were passed and approved by the President.

BANKING

The Banking Act of 1935, approved August 23, 1935, provides for a reorganization of the Federal Reserve Board and a strengthening of the Federal Reserve System. It also makes permanent the Federal insurance of bank deposits which has been tried out as a temporary measure and found so successful. This last provision, followed the temporary Deposit Insurance Act, approved June 28, 1935, which insured deposits up to $5,000.

FEDERAL ALCOHOL CONTROL ACT

This act provides for the establishing of an administration in the Treasury to carry out to some extent the provisions which were possible under the codes, relating to the control of the liquor traffic. It requires permits and prohibits the monopoly of the business by distillers being interested in the wholesale or retail sale of liquor. Under its provisions brewers are permitted to enter into a voluntary acceptance of the act and to be governed thereby.

NEUTRALITY

Because of the possibility of the outbreak of war in Europe and Africa, there arose a great deal of sentiment that this country should not be involved in any conflict between other nations. Under the Neutrality Act, it is provided that upon the proclamation by the President that war exists, it shall be unlawful for any person in this country to export arms or ammunition for the use of any belligerent. It also requires all manufacturers of ammunitions to be registered, and further provides that no citizen shall travel on any vessel of any of the nations at war except at his own risk.

RECONSTRUCTION FINANCE CORPORATION

By an act approved January 31, 1935, the provisions of this Corporation were extended to February 1, 1937, and the act permits the formation of mortgage corporations, together with the extension of the power of the R. F. C. to make loans.

RAILROADS

By an act approved June 14, 1935, the Emergency Railroad Transportation Act, under the Coordinator of Transportation, was extended until June 1936. Under the Railroad Reorganization Act, it is provided that railroads may take advantage of the Bankruptcy Act to readjust their financial structure.

DISTRICT OF COLUMBIA

In addition to the many acts of the usual nature passed annually for the benefit of the District of Columbia, an unemployment-insurance bill and a bill providing for the care of the blind were passed.

APPROPRIATIONS

While it has been repeatedly charged, and undoubtedly will continue to be charged, that this Congress appropriated more money than ever before in peace time, to a total of

over $10,000,000,000, a fair analysis of the appropriations dissipates any charge of gross extravagance.

The total of regular annual appropriations was $2,888,-054,864.14, well within the Budget and revenue receipts. To this there is added the $4,000,000,000 for work relief and $485,124,552.51 for deficiency appropriations and miscellaneous acts carrying appropriations, making a total actually appropriated during the session of $7,373,179,416.65.

The way the critics of the appropriations arrive at the figure of $10,000,000,000 is by adding permanent appropriations ", such as interest on the funded debt, which do not require annual action by Congress and which amount to $2,200,191,127, but which, in fairness, it should be said, includes $570,000,000 in advances to the Agricultural Adjustment Administration, which sum is, however, offset by the processing taxes. As to the " national debt ", much has been said as to the large sum of thirty billions, but it is interesting to note that the expense of our indebtedness is only 3 percent of our national income, as compared to 7 percent in England. Furthermore, to reach the total of " appropriations " which is heralded by the critics of the administration, there must be added the $500,000,000 of R. F. C. funds made available for relief. It is only by this method of inclusion that the much-discussed figure is arrived at.

It should also be remembered that a considerable portion of these appropriations was made available for more than 1 year, such as for works relief, and so forth.

RIVERS AND HARBORS

This act authorizes the construction of river and harbor projects throughout the country running into several hundreds of millions of dollars and should furnish a great deal of employment in the localities of the projects.

The foregoing summary may not include even all the major legislation passed during the session. At least, in addition thereto there were many other measures of wide public interest, such as the—

AIR MAIL ACT

This act authorizes the Postmaster General to make contracts for the carrying of the mails for 3 years instead of 1 year and the fixing of the routes.

OCEAN MAIL CONTRACTS

This act extends to next spring the time within which the President may cancel or modify the existing contracts.

THE LIVESTOCK BANKRUPTCY ACT

This act permits livestock raisers to take advantage of the Bankruptcy Act.

CRIME

Several acts, such as the Federal Marshal Act, the Prison Escape Act, and the Poultry Racket Act, were passed to cope with the " racketeer " and the kidnaper.

It is estimated that all together about 450 bills of a public nature will have been approved finally by the President and substantially the same number of bills of a private nature, such as private claim bills.

Such is the record of the first session of the Seventy-fourth Congress.

The Democrats in Congress were responsible for the working out of this program under the leadership of President Roosevelt, and they are justly proud of the accomplishments heretofore set forth. As usual, they had practically no cooperation from the Republican minority, which took every advantage to play politics for its own benefit, looking to the election of 1936. Nearly every measure, even though it provided for relief in the nature of employment, or even relief from hunger and starvation, was opposed by the Republican minority generally as a body. The minority, however, at no time offered any constructive suggestions as to what could be done to meet any of the situations which confronted the country and the administration. In the House of Representatives, with a Membership of about one-fourth, the entire roster, the minority was a typical party of opposition, critical of every measure proposed and rarely cooperative.

The Democratic membership of the House is confidently willing to rest upon the record, knowing full well that every fair statistical report and every honest critic will admit that steadily during the present administration there has been remarkable progress in business, wages have been increased, the hours of labor have been shortened, the depositors in our banks no longer fear a debacle such as in the previous administration, when thousands of banks closed, and there is a universal return of confidence throughout the country. The constant cry of " socialism " uttered by the Republican Party and other critics of the administration has, we are confident, made no impression upon the great mass of our people, who in the direst straits into which their country has ever fallen, trusted their fate in the hands of a Democratic administration and found, in their returning prosperity and in the beneficent legislation which will result in their happiness and contentment, that their trust was not misplaced.

T. V. A. SAVES AMERICAN PEOPLE $150,000,000 TO $250,000,000 A YEAR—EVERY STATE BENEFITED

Mr. RANKIN. Mr. Speaker, so much misinformation has been spread through the press and the CONGRESSIONAL RECORD about what the T. V. A. is costing the American people, so many charges have been made on the floor of this House and elsewhere to the effect that the T. V. A. is being maintained at the expense of the taxpayers of the whole country and selling power at a loss to a few people in the Tennessee Valley area, that I am taking this opportunity to answer those charges and to show that the T. V. A. is benefiting the people in every State and that it has more than paid for itself in the last 2 years.

In fact, the T. V. A. has paid for itself in the last 12 months by reducing electric light and power rates in every State in this Union. By the example it has set and by publishing its yardstick, showing what electric light and power should cost the ultimate consumer, when based upon the cost of production and distribution, with a reasonable return for the amortization of the investment, it has already brought about a reduction in rates to the ultimate consumers of electric energy from Maine to California and from Miami to Seattle, amounting to not less than $150,000,000 a year.

This, together with the administration's power program as a whole, has brought reductions of not less than $250,-000,000 a year. They have brought reductions in every section of the country and these reductions have just begun. Every consumer that turns an electric switch is getting the benefit of those reductions every month that rolls round. He is reaping benefits that he probably would never have enjoyed had it not been for the T. V. A.

Now, let us take these reductions by States and show how the people in every State are being benefited by the T. V. A. If these rates were reduced to the T. V. A. level all over the country, it would result in an additional reduction of about $1,000,000,000 a year. In other words, the American people are still being overcharged a billion dollars a year for electric lights and power, even though we have forced a reduction of not less than $250,000,000 a year since this administration came into power.

I will take this proposition up by States and show what reductions have been made since the establishment and publication of the T. V. A. yardstick rates, and then I will show that the T. V. A. rates are economically sound and that the T. V. A. is not selling power below the cost of production, but is in reality selling it at an adequate profit.

I have before me a copy of the rate book of the National Electric Light Association showing what the people in the various States were paying for electric light and power prior to the time when the T. V. A. Act was passed. I also have before me copies of the Electric Rate Surveys of the various States now being published by the Federal Power Commission, which show domestic light and power rates throughout the country. An investigation shows that the merchants and other commercial consumers of electric energy have received about the same proportion of reductions in rates as have the domestic consumers, and the same thing applies to the industrial rates. In order to conserve time and space, I am going to take domestic consumers as a basis and show what these reductions amount to annually in each State.

Comparing the rates published in this N. E. L. A., the rate book of the National Electric Light Association, before the T. V. A. yardstick was established, with the rates now prevailing, as shown by the Electric Rate Survey, we find that there has been a reduction in every State in the Union—ranging anywhere from 15 to 35 percent—since the creation of the T. V. A. and the publication of its yardstick. But we will just say the average is 20 percent.

Here are the figures showing what those reductions amount to in the various States:

| | |
|---|---|
| Maine | $1,300,000 |
| Vermont and Rhode Island | 4,200,000 |
| Connecticut | 7,500,000 |
| New Jersey | 19,121,000 |
| Ohio | 24,550,000 |
| Illinois | 30,626,000 |
| Wisconsin | 9,256,000 |
| Iowa | 6,314,000 |
| North Dakota | 1,088,000 |
| Nebraska | 3,449,000 |
| Delaware, District of Columbia, Maryland, and West Virginia | 13,164,000 |
| North Carolina | 5,849,000 |
| Georgia | 5,048,000 |
| Kentucky | 4,325,000 |
| Alabama | 3,247,000 |
| Arkansas | 2,166,000 |
| Oklahoma | 4,576,000 |
| Montana and Utah | 3,407,000 |
| Wyoming | 686,000 |
| Arizona and New Mexico | 2,232,000 |
| Washington (State) | 6,153,000 |
| California | 26,901,000 |
| New Hampshire | 832,000 |
| Massachusetts | 18,800,000 |
| New York | 63,863,000 |
| Pennsylvania | 38,140,000 |
| Indiana | 9,965,000 |
| Michigan | 17,488,000 |
| Minnesota | 7,473,000 |
| Missouri | 10,630,000 |
| South Dakota | 1,250,000 |
| Kansas | 4,708,000 |
| Virginia | 5,012,000 |
| South Carolina | 3,101,000 |
| Florida | 4,561,000 |
| Tennessee | 5,191,000 |
| Mississippi | 2,096,000 |
| Louisiana | 3,860,000 |
| Texas | 12,850,000 |
| Idaho | 1,437,000 |
| Colorado | 3,334,000 |
| Nevada | 538,000 |
| Oregon | 3,457,000 |

Yet, with all these reductions which the T. V. A. and the power policies of this administration have produced, the consumers of electric light and power are still being overcharged approximately $1,000,000,000 a year.

To be a little more specific, under the T. V. A. rates, they would save $793,000,000 a year; under the Tacoma rates, they would save $798,000,000; under the Winnipeg rates, they would save $885,000,000; and, under the Ontario rates, $979,000,000, over and above what they are now saving as a result of the reductions above indicated.

These yearly overcharges in the various States, according to the T. V. A. rates, even after the foregoing reductions have been made, are as follows:

| | |
|---|---|
| Maine | $5,087,000 |
| Vermont and Rhode Island | 8,222,000 |
| Connecticut | 14,451,000 |
| New Jersey | 39,123,000 |
| Ohio | 46,843,000 |
| Illinois | 58,474,000 |
| Wisconsin | 17,893,000 |
| Iowa | 12,480,000 |
| North Dakota | 2,184,000 |
| Nebraska | 7,156,000 |
| Delaware, District of Columbia, Maryland, and West Virginia | 24,870,000 |
| North Carolina | 10,642,000 |
| Georgia | 9,666,000 |
| Kentucky | 8,227,000 |
| Alabama | 6,163,000 |
| Arkansas | 4,157,000 |
| Oklahoma | 8,639,000 |
| Montana and Utah | 6,546,000 |
| Wyoming | 1,318,000 |
| Arizona and New Mexico | 4,287,000 |
| Washington | 12,188,000 |
| California | 53,503,000 |
| New Hampshire | 3,443,000 |
| Massachusetts | 37,184,000 |
| New York | 125,699,000 |
| Pennsylvania | 71,169,000 |
| Indiana | 19,184,000 |
| Michigan | 34,025,000 |
| Minnesota | 14,460,000 |
| Missouri | 21,068,000 |
| South Dakota | 2,480,000 |
| Kansas | 9,174,000 |
| Virginia | 9,600,000 |
| South Carolina | 5,567,000 |
| Florida | 9,141,000 |
| Tennessee | 9,852,000 |
| Mississippi | 3,981,000 |
| Louisiana | 7,401,000 |
| Texas | 24,912,000 |
| Idaho | 761,000 |
| Colorado | 405,000 |
| Nevada | 034,000 |
| Oregon | 929,000 |

But the opposition contends that the T. V. A. rates are too low—that the T. V. A. is subsidized by the Government, and that the rates are not based upon the cost of production and distribution. The truth is that every element of cost is included in the T. V. A. rates, including an item in lieu of taxes. With only a 60-percent load, these rates will amortize the T. V. A. in 43 years, and with an 80-percent load it will do so in 25 years.

The Canadians are so far ahead of us in the enjoyment of electric energy and the use of electrical appliances that it is really embarrassing to attempt to make a comparison. So I will turn to the public plants in the United States and show that the T. V. A. rates are not only adequate but that we are justified in expecting a reduction in those rates as time goes on. I make the prediction that in less than 10 years from today, and probably in 5 years, the present T. V. A. rates will be the maximum rates throughout this country.

When people learn what it costs to produce and distribute electric energy and how they are being unmercifully overcharged and compelled to pay tribute every month amounting to more than the value of the electricity they consume, there will sweep such a wave of resentment over this country and there will be such a determined and concerted action on the part of the consumers of electric light and power that they will sweep from public office the men who are opposing us in this drive, and compel a reduction of these rates to the proper level in every community in the United States.

TACOMA, WASH.

First, let us take the Tacoma, Wash., rates. The Tacoma plant is not subsidized, nor is it exempt from taxation. The population of Tacoma is only 106,817. Therefore it will be seen that the Tacoma plant serves a very small population in comparison with the investment.

The Tacoma plant and distribution system has an investment of $23,000,000. Last year it had a gross revenue of $1,940,994, and paid $145,575 in taxes; gave the city of Tacoma $200,545 worth of free service; set aside for depreciation $400,053; paid interest on its indebtedness amounting to $435,322, and still made a net profit of $508,190, and at the same time gave to the people of Tacoma the lowest light and power rates in the United States. In a few years the people of Tacoma will have their plant paid out entirely and can reduce their rates to about one-half of what they are now paying. Yet, according to the Tacoma rates, the American people are overcharged for electric light and power every year $798,000,000—even after the reductions to which I have referred.

These yearly overcharges in the various States, according to the Tacoma rates, are as follows:

| | |
|---|---|
| Maine | $5,229,000 |
| Vermont and Rhode Island | 8,367,000 |
| Connecticut | 14,397,000 |
| New Jersey | 39,563,000 |
| Ohio | 47,529,000 |
| Illinois | 59,261,000 |
| Wisconsin | 17,787,000 |
| Iowa | 11,808,000 |
| North Dakota | 1,860,000 |
| Nebraska | 6,770,000 |

| | |
|---|---|
| Delaware, District of Columbia, Maryland, and West Virginia | 24,762,000 |
| North Carolina | 11,653,000 |
| Georgia | 9,900,000 |
| Kentucky | 8,398,000 |
| Alabama | 6,344,000 |
| Arkansas | 4,211,000 |
| Oklahoma | 8,946,000 |
| Montana and Utah | 6,589,000 |
| Wyoming | 1,323,000 |
| Arizona and New Mexico | 4,344,000 |
| Washington | 11,661,000 |
| California | 50,947,000 |
| New Hampshire | 3,459,000 |
| Massachusetts | 37,557,000 |
| New York | 127,618,000 |
| Pennsylvania | 74,907,000 |
| Indiana | 19,189,000 |
| Michigan | 33,768,000 |
| Minnesota | 13,911,000 |
| Missouri | 20,249,000 |
| South Dakota | 2,345,000 |
| Kansas | 8,954,000 |
| Virginia | 9,628,000 |
| South Carolina | 6,292,000 |
| Florida | 8,465,000 |
| Tennessee | 10,201,000 |
| Mississippi | 4,117,000 |
| Louisiana | 7,477,000 |
| Texas | 24,922,000 |
| Idaho | 2,789,000 |
| Colorado | 6,461,000 |
| Nevada | 1,046,000 |
| Oregon | 6,510,000 |

Here are the domestic rates in Tacoma. Compare them with the rates in your own State or in your own community. Get your last month's bill and compare the rates you pay with the Tacoma rates.

In Tacoma 25 kilowatt-hours a month cost $1.13; 40 kilowatt-hours a month cost $1.52; 100 kilowatt-hours, $2.12; and 150 kilowatt-hours, $3.62.

As a result of these low rates, domestic consumers in Tacoma use 130 kilowatt-hours a month, while the average monthly consumption throughout the country is only 50 kilowatt-hours.

JACKSONVILLE, FLA.

Now let us take some of the other public plants and see if their operation justifies the Tacoma rates or the T. V. A. rates. First we will take Jacksonville, Fla.

Jacksonville has a population of 129,549. She owns a steam plant and must transport all her fuel from other States. Her plant, including distributon system, is valued at $9,176,036, against which there is an indebtedness of $1,387,500. In 1932 she distributed electricity to the amount of $2,770,229. Her entire operating expense amounted to $879,231, leaving a gross annual profit of $1,890,998. She set aside for interest and depreciation $79,625, leaving a net annual profit of $1,811,373, which went into the city treasury for the benefit of the taxpayers of Jacksonville, instead of going into the coffers of the Power Trust.

Jacksonville has about the lowest light and power rates in Florida. Her rates are considerably below the Miami rates. Miami is served by a private utility which is a subsidiary of a holding company.

Jacksonville's residential rates are as follows:

Seven cents a kilowatt-hour for the first 35 kilowatt-hours, 5 cents a kilowatt-hour for the next 40 kilowatt-hours, and 2 cents for the balance.

Any intelligent person can see from these figures that if the consumers had been given these profits in rate reductions, Jacksonville could easily have supplied electric energy to her people at the T. V. A. rates or the Tacoma rates and still made a profit.

But the power interests will tell you that while this might be done in a city the size of Jacksonville, it could not be done in smaller places. Let us see about that.

PENN YAN, N. Y.

Let us take the case of the town of Penn Yan, N. Y., which has a population of 5,300. Penn Yan also has a steam plant—no subsidy in Penn Yan. Besides, Penn Yan has competition. Small as the municipality is, this plant does not have a monopoly, but is compelled to compete with the powerful New York Central Electric Corporation. Penn Yan owns a plant and distribution system valued at $160,192, against which there is no indebtedness. The plant has long since been paid for out of the power revenues.

In 1932 this plant sold $70,142 worth of electric energy. Its operating expenses amounted to $42,354, leaving a gross annual profit of $27,788. From this amount was deducted $13,099 to cover the cost of depreciation, leaving a net profit of $14,689. Yet this Penn Yan plant has about the lowest light and power rates in the State of New York. Let us compare them with the rates in New York City, and also in New Rochelle, N. Y., which is one of the medium-sized towns in that State.

In Penn Yan 15 kilowatt-hours a month cost 56 cents; in New York City it costs $1.30; and in New Rochelle, $1.56. In Penn Yan 25 kilowatt-hours a month cost 86 cents; in New York City, $1.80; and in New Rochelle, $2.36. In Penn Yan 40 kilowatt-hours a month cost $1.31; in New York City, $2.55; and in New Rochelle, $3.41. In Penn Yan 100 kilowatt-hours a month cost $3.11; in New York City, $5.55; and in New Rochelle, $7.31. In Penn Yan 150 kilowatt-hours cost $4.61; in New York City, $8.05; and in New Rochelle, $10.56.

Yet with these low rates Penn Yan made a net profit of $14,689, after allowing $13,099 for depreciation. But you see, Penn Yan does not have to pay any dividends on watered power stocks. She does not have to pay any of these enormous rake-offs to holding companies. She does not have to pay for any of this propaganda with which Congress has been flooded. She does not have to pay any of these enormous salaries the utilities magnates have been charging. She does not have to pay for any of this false and misleading propaganda that has been spread through the newspapers and magazines and over the radio. She does not have to pay any of this lobby fund that has been used around Washington to try to defeat the T. V. A. bill and the holding-company bill. Therefore Penn Yan is able to supply her people with lights and power at reasonable rates.

LOS ANGELES, CALIF.

Now, let us go to the far West and take one of the largest cities in America, Los Angeles, Calif.

Los Angeles has a public plant and system valued at $76,337,733, against which there is an indebtedness of $33,724,928. Last year she sold electricity to the amount of $14,300,019, paid operating expenses to the amount of $7,020,919, paid taxes to the amount of $1,296,570, gave free service amounting to $1,079,463, set aside $2,086,890 for depreciation, paid interest on indebtedness to the amount of $1,528,385, and still had a net income of $3,670,090. Yet Los Angeles has among the lowest light and power rates in America; and if these savings had been turned back to the consumer, she could have reduced her rates to a level with, if not below, the T. V. A. rates or the Tacoma rates, and still made a reasonable profit.

SPRINGFIELD, ILL.

Now let us take the city of Springfield, Ill., the home town of Abraham Lincoln, the Great Emancipator. If Lincoln were here now, the chances are that he would be enthusiastically supporting us in our efforts to emancipate the American people from the bondage of the Power Trust.

Springfield has a population of 73,132. She owns her power plant and distribution system. It is a steam plant and has been in operation for about 17 years. The plant and system are valued at $3,061,145, against which there is an indebtedness of $265,000. In 1933 she sold electricity to the amount of $654,469, paid operating expenses to the amount of $300,877, and paid interest and depreciation to the amount of $127,064, and still made a net profit of $226,528. Yet she has about the lowest light and power rates in the State of Illinois. Her rates are 5 cents per kilowatt-hour for the first 30 kilowatt-hours, 4 cents per kilowatt-hour for the next 30 kilowatt-hours, 3 cents for the next 40 kilowatt-hours, and 2 cents for the balance. If she were to turn this profit back to the consumers and give it to them in rate reductions, she could reduce her rates down to the level of the T. V. A., the Tacoma, or the Canadian rates.

ANDERSON, IND.

Anderson, Ind., a city of 38,000 population, owns her own plant and distribution system. The plant is operated by steam, and the plant and system together are valued at $2,500,000. There is no indebtedness against it. That has been paid off entirely out of the revenues.

The record shows that she sold $702,241 worth of electric energy in 1 year and paid operating expenses amounting to $366,344, together with interest and depreciation of $102,277, and still made a net profit of $233,630. She has among the lowest rates in Indiana; and if these profits were turned back to the consumers, her rates could be reduced to the T. V. A. rates, the Tacoma rates, or the Canadian rates. This would double their consumption of electric energy and treble the use of electrical appliances.

AUSTIN, TEX.

Now, let us take a city in the southwest section of the country—Austin, Tex., a city of 60,000 inhabitants.

Texas should have the lowest electric light and power rates in America. There is enough gas going to waste in the panhandle alone to generate more than three times the amount of electricity now consumed in the entire State of Texas.

The city of Austin owns a plant and system valued at $4,250,000. Her power is generated by steam. There is no indebtedness against the plant and system; that has long since been paid off out of the revenues. The last year of which we have a complete record of the operations of this Austin plant is 1932. In that year the plant gave to the city of Austin for street lighting 1,486,000 kilowatt-hours of electric energy; charged up to plant service and losses 2,942,000 kilowatt-hours, and gave to the city about $100,000 worth of service in pumping water. The plant sold electricity to the amount of $869,237; paid operating expenses amounting to $512,500, set aside for interest and depreciation $170,000, and still made a net profit of $186,737.

Yet Austin supplies electric energy at a rate far below the average in the State of Texas. If the consumers were given the benefit of these profits, Austin could reduce her rates to the level of the T. V. A., the Tacoma, or the Ontario rates.

OWENSBORO, KY.

Now, let us take a moderate-sized city in one of the border States—Owensboro, Ky., which has a population of 22,765.

Owensboro owns her own plant and distribution system and generates her electricity by steam. The plant and system are valued at $1,500,000. There is no indebtedness against it. This entire light and power system has long since been paid for out of the revenues derived from the sale of electricity. In 1933 this Owensboro plant sold electricity to the amount of $218,174, gave all the street lighting to the city free, and furnished free power for the waterworks. It paid its operating expenses amounting to $136,000, set aside for interest and depreciation $60,000, and still had a net profit of $22,174.

Yet Owensboro has the lowest electric light and power rates in the State of Kentucky. A domestic consumer pays 5 cents a kilowatt-hour for the first 30 kilowatt-hours of electric energy and 2 cents a kilowatt-hour for the balance.

In addition to these low rates, they get their streets lighted and their water pumped free of charge, set aside 4 percent on the investment for interest and depreciation, and still make a net profit of $22,174.

If the consumers were given the benefit of these profits their rates could be reduced to a level with, if not below, the T. V. A. rates, the Tacoma, Wash., rates, or the Canadian rates.

If all the electric consumers in Kentucky were supplied with electricity at the Owensboro rates, the people of that State would save anywhere from $5,000,000 to $8,000,000 a year.

I defy the Power Trust to refute these figures or to show that these low rates are not justified.

LINCOLN, NEBR.

Now let us take a city in one of the Middle Western States—Lincoln, Nebr., the former home of the great commoner, William Jennings Bryan. Nebraska is also the home State of Senator GEORGE W. NORRIS, who has led this fight for lower power rates for more than 20 years. It may be that these two great leaders are responsible for the benefits which the people of Lincoln are now deriving from their municipal light and power plant.

Lincoln has a population of 75,933. Its municipal light and power plant is operated by steam, and it, together with the distribution system, is valued at $1,000,000, against which there is an indebtedness of $200,000. I have before me a report which shows that in 1931 their total revenues from the sale of electric energy was $261,312, and the total operating expenses $129,170. There was set aside for interest and depreciation the sum of $50,000—leaving a net profit of $82,142. The plant gave to the city for pumping water 5,259,070 kilowatt-hours of electric energy, and plant service and other losses amounted to 1,282,700 kilowatt-hours, out of a total production of 12,827,000 kilowatt-hours. In other words, the plant gave to the city for waterworks almost one-half the electric energy produced, and still made a profit of $82,142 out of $261,312, and at the same time gave the people of Lincoln the lowest light and power rates to be found in the State of Nebraska. The rates are as follows: 4.75 cents for the first 10 kilowatt-hours, 3.8 cents for the next 30 kilowatt-hours, 3.32 cents for the next 460 kilowatt-hours, and 2.85 cents for the balance.

If the consumers of electricity in Lincoln were given the benefit of these profits, the rates could have been reduced even below the T. V. A. rates, the Tacoma rates, or the Canadian rates.

If all the electric consumers of Nebraska were furnished light and power at the Lincoln rates, the present consumers in that State would save from $6,000,000 to $7,000,000 a year.

CHAMBERSBURG, PA.

Now let us turn to the State of Pennsylvania, in which State the people are overcharged about $75,000,000 a year for electric light and power.

Let us take the city of Chambersburg, which has a population of 14,600. Chambersburg owns a municipal electric plant and distribution system valued at $500,000, against which there is no indebtedness. This plant and system have long since been paid for out of the light and power revenues. We find that in the year 1932, this plant sold $200,318 worth of electricity after giving the city 500,300 kilowatt-hours free for street lighting.

After paying the operating expenses amounting to $34,861 and allowing for interest and depreciation to the amount of $44,611, the plant still made a net profit of $120,846.

The average rate charged for electric energy was 4.16 cents for domestic purposes—lighting, refrigeration, cooking, and so forth. This was also the commercial rate.

If the consumers had been given the benefit of these profits, it would have reduced the rates in Chambersburg even below the T. V. A. rates; and if all the electric light and power rates in Pennsylvania were reduced to that level, it would save the people of that State anywhere from fifty million to seventy-five million dollars a year. The reduction in rates would cause an increase in revenues by stimulating the consumption of electricity, as well as an increased use of electrical appliances.

DANVILLE, VA.

The city of Danville, Va., which has a population of 22,247, has a municipal plant and distribution system. It generates its power by steam. This Danville plant and distribution system is valued at $1,613,985, against which there is no indebtedness. This plant has long since paid for itself out of the light and power revenues.

The last annual report shows that this Danville plant sold $407,853 worth of electric energy, paid operating expenses to the amount of $178,542, set aside for depreciation $64,559, and still made a net profit of $164,752.

At the same time, Danville has about the lowest light and power rates to be found in the entire State of Virginia. If the consumers of electric energy were given the benefit of these profits in rate reductions, it would bring those rates down to approximately the T. V. A. levels. It would also

increase their revenues by stimulating the consumption of electric energy, and greatly benefit the consumers by increasing the use of electrical appliances.

CLEVELAND, OHIO

Now let us take Cleveland, Ohio, one of the great industrial cities along the Great Lakes.

Cleveland has her own generating plant and distribution system and generates her electricity by steam. Her plant and system are valued at $16,453,114, against which there is an indebtedness of $5,741,000. This municipal plant does not have a monopoly, however. It has a competitor in the city of Cleveland in the Cleveland Electric Illuminating Co., a private utility which is owned or controlled by a holding company.

This municipal system in 1932 sold electric energy to the amount of $3,343,526, paid operating expenses of $2,385,955, and set aside for interest and depreciation $622,205, and still made a net profit of $335,366. And at the same time it gave the people in the city of Cleveland about the lowest electric light and power rates east of the Mississippi River outside the Tennessee Valley area.

Now let us compare the rates in Cleveland with the rates in Toledo, Ohio. Both of these cities are on the Great Lakes and have the same advantages as to fuel, transportation, and so forth, but the people of Toledo are served by the Toledo Edison Co., a private utility that is owned or controlled by a holding company.

In Cleveland 15 kilowatt-hours of electric energy a month cost a residential consumer 60 cents; in Toledo, $1.25. In Cleveland 25 kilowatt-hours a month cost 88 cents; in Toledo, $1.75. In Cleveland 40 kilowatt-hours a month cost $1.31; in Toledo, $2.50. In Cleveland 100 kilowatt-hours a month cost $3.05; in Toledo, $4.90. In Cleveland 150 kilowatt-hours cost $4.50; in Toledo, $6.40.

Domestic consumers in Cleveland pay a maximum of 4 cents a kilowatt-hour for 15 kilowatt-hours a month, while in Toledo a consumer pays a maximum of 8⅓ cents per kilowatt-hour for 15 kilowatt-hours a month. The average consumer of electric energy in the State of Ohio is overcharged 100 percent for electricity, according to the Cleveland rates. In other words, if all the electric consumers in Ohio were supplied with electric energy at the Cleveland rates, they would save anywhere from $30,000,000 to $50,000,000 a year—almost as much as they would save under the T. V. A. rates, the Tacoma rates, or the Canadian rates.

Does not that answer the argument of the Power Trust to the effect that the T. V. A. rates are too low?

CONCLUSION

These are just a few illustrations to show the real cost of production and distribution of electric energy and to demonstrate beyond question the justice of the T. V. A. rates, as well as the Tacoma rates and the Canadian rates.

No wonder the Power Trust was willing to spend a hundred million dollars to destroy the T. V. A. and to defeat the utilities holding-company bill, through which we are attempting to bring justice to the consumers of electric lights and power, protect innocent investors in utility stocks, and to bring rates down to the cost of production and distribution, with a reasonable return on the actual and necessary investment.

If this administration never did anything else for the American people, it would deserve their undying gratitude for the great battle it has waged in behalf of the consumers of electric energy and the users of electrical appliances. It has already reduced electric light and power costs to the consumer $250,000,000 a year, and if its policies are carried out, it will further reduce them an additional $1,000,000,000 annually within the next few years.

It will make it possible for the present consumers to enjoy a more liberal use of electric energy, as well as the use of those electrical appliances that go to lighten the burdens of drudgery and make home life more pleasant and more attractive. But greatest of all, this policy, if carried out, will light millions of farm homes, supply them with cheap electric energy, and enable the farmers of this country to enjoy pleasures, comforts, and conveniences which they have heretofore been denied. It will mean to them the dawning of a new day, the ushering in of a new civilization the like of which they had scarcely dreamed.

It will go down in history as one of the greatest accomplishments of all times.

## RÉSUMÉ OF THE WORK OF THE WAYS AND MEANS COMMITTEE, TOGETHER WITH SOME COMMENTS ON THE NEW DEAL

Mr. TREADWAY. Mr. Speaker, for the past 8 months the Congress has been in continuous session rubber-stamping the so-called "must" legislation sent down from the White House. The Ways and Means Committee has had the responsibility of considering a great many of these measures, including the social-security bill, the measure providing for the continuance of the N. R. A. in skeleton form, the share-the-wealth tax bill, the bill continuing the nuisance taxes for another 2 years, the Guffey coal bill, the Federal alcohol-control bill, and the bill to permit the sale of "baby" bonds by the Treasury.

Other major bills considered by the committee which were not on the President's "must" list included the measure repealing the so-called "pink slip" law—relating to publicity of income-tax returns—and the bill levying taxes on railroads and their employees for retirement pensions. The foregoing bills were all enacted into law. Nearly all of this legislation was ill-advised, hastily considered, and improperly prepared. It was also contrary to the personal views of the majority of the Members; but having been sanctioned by the administration, it was passed under pressure of the party whip. On the whole, I have never known legislation to be fraught with more serious consequences and less good to the country.

A major bill to which the committee gave considerable time and study was the bill revising the administrative provisions of the liquor-taxing laws. It passed the House on the eve of adjournment but was not acted upon in the Senate. In addition to the major bills here referred to, the committee acted upon a large number of less important measures, some of which were enacted into law.

During the last 18 of my 22 years of service in Congress I have been a member of the Ways and Means Committee, and in all that time I have never known it to have as many important bills to consider as it has this session. We have been in almost daily session, and in many instances have held night meetings, in order to expedite the consideration of important legislation.

ADMINISTRATION HAS SOUGHT CENTRALIZED CONTROL

The legislation enacted by Congress at the present session has for the most part had as its object the further centralization of power and authority in the President. Bills have been passed, irrespective of their merit, simply because the President wanted them. The bureaucratic, autocratic control which was instituted when the present administration came into office has been considerably expanded. It is true that the Supreme Court of the United States called a temporary halt in its decision invalidating the N. R. A., but the administration has since continued to seek further extensions of its program by circumventing constitutional limitations and the decisions of the Court.

When the N. R. A. was declared invalid the people cried, "Thank God for the Supreme Court." The administration, however, took a different attitude, and was somewhat irritated by the interruption to its program. The President gave vent to his own feelings at a press conference on May 31 when he ridiculed the Court's decision as taking the country back to the "horse and buggy" days. Such a remark was of course wholly unwarranted.

Following the Supreme Court's decision, one of the most prominent and highly respected Democratic Members of Congress remarked in all seriousness:

The President will now realize what bad advisers he has had.

Unfortunately, events have shown the Member's error, as the same group of inexperienced "new dealers" are still busy.

IT IS FOR THE PEOPLE TO SAY WHETHER THEY WANT CENTRALIZED POWER

If the people want centralization of authority in Washington and a break-down of State home rule, it is for them to

say so. The courts, however, cannot change the Constitution. As the Supreme Court said in its N. R. A. decision:

It is not the province of the Court to consider the economic advantages or disadvantages of such a centralized system. It is sufficient to say that the Federal Constitution does not provide for it.

In this connection it is well to remember the warning of the Father of our Country, George Washington, who in his Farewell Address said:

If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates.

But let there be no change by usurpation, for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed.

The method of amending the Constitution is clearly provided and is thoroughly practical. No snap judgment should be tolerated. The Constitution must not be made to conform with legislation desired by any one man or group, but legislation should conform with the Constitution, and legislators should invariably comply with their oath of office.

ADMINISTRATION'S PROGRAM HAS FAILED TO BRING ABOUT RECOVERY

Even if the legislation which has been enacted in response to the President's demands were constitutional, it still would be unworthy of acceptance by the people, because it has failed to bring about any substantial progress toward recovery. The farm program has destroyed the farmer's foreign markets and has caused the prices of foodstuffs in the domestic market to rise to the point where the people cannot afford to pay them. The monetary and fiscal policies of the administration have raised such fears and doubts in the minds of business men and industrialists that they are unwilling to take risks. Ten or twelve million men still walk the streets looking for work that is not to be had, and some 20,000,000 people are dependent upon the relief rolls for subsistence.

The new deal has truly turned out to be a raw deal. The people are getting restless, and the administration is on the defensive. The results in the recent election in the First Congressional District of Rhode Island testify to the fact that the President is losing his prestige and popularity and that his program is held in disrepute.

The extravagant promises which the President made have not been fulfilled. The people are waking up to the fact that the wild and reckless spending program is getting them nowhere, and they are beginning to wonder how the bill is going to be met. Payment for this profligate expenditure will be a yoke around the neck of unborn generations. I would favor the organization of educational classes among the new voters to impress upon their minds the load which they and their children will have to carry.

BROKEN PROMISES

Mr. Speaker, I have frequently called attention to the President's campaign promises and his failure to keep what he himself termed his "covenant with the people."

He promised to reduce governmental expenditures, but he has spent more during his administration than was spent to run the country in the 124-year period from the administration of George Washington to that of Woodrow Wilson.

He promised to eliminate bureaucracy, but he has added 60 or more new Federal agencies and put over 166,000 new employees on the Federal pay roll, practically all of whom are appointed through political influence.

He promised to stop Government deficits, but he has spent $2 for every $1 raised by taxation and has accumulated a deficit of $12,000,000,000 in 3 years.

He promised to keep the Government out of business, but he has gradually increased Government competition with private industry.

He promised to put the unemployed back to work, but he has only handed them a dole.

He promised to maintain a sound currency, but he has devalued the dollar, suspended the gold standard, sought legislation to prevent recovery on gold-clause obligations of the Government, and, instead of printing paper money, has forced the banks of the country to absorb the billions upon billions of bonds which have been issued.

He promised to protect State rights, but he has ruthlessly usurped State functions in complete disregard of the Constitution.

Many other broken promises might be cited, but they are sufficiently well known not to require further repetition.

GREATEST SPENDING CONGRESS IN HISTORY

It is the country's good fortune that Congress has finally adjourned, because the longer it stayed in session the more undesirable legislation it passed and the more it piled up the national debt. In 8 months it appropriated approximately ten and a quarter billions of dollars, to take rank as the greatest spending Congress in peace time in all history. Even as it adjourned there was pending as a Senate amendment to the third deficiency appropriation bill a proposal to make 12-cent loans on cotton and 90-cent loans on wheat, which would have cost the Government about $800,000,000 more.

The effect of this wild spending program upon the Nation's credit is becoming more and more alarming. The greater part of the accumulated deficit has been financed by forced loans from commercial banks, and this has given the Government's credit a false and artificial showing. The banks of the country have absorbed about all of the Government's securities they can reasonably take, and the Treasury will either have to secure loans direct from the people, as it is now trying to do through the sale of "baby" bonds, or it will have to start the printing presses. Only a few days ago the Treasury, for the first time in the history of the country, failed to sell the entire amount of a bond issue. Usually such issues are oversubscribed several times.

ADMINISTRATION HAS FAILED TO BRING FORWARD A COMPREHENSIVE TAX PROGRAM

What has the administration done toward meeting these expenditures and toward maintaining the Nation's credit? It has neither brought forward a comprehensive tax program nor made any effort to curtail expenditures. A year ago the President talked of having a balanced Budget in 1936; now we hear of 1939 as being the probable date; and next year it will probably be 1942. If the present rate of spending keeps up, there will not be any Budget to balance in either 1939 or 1942. The printing presses will have been started, and we will be going around with a wheelbarrow full of paper money to buy a few groceries, just like the people of Russia and Germany once had to do.

The President sent to Congress last January a Budget calling for the appropriation of eight and one-half billions of dollars in the face of estimated receipts of approximately four billions. With respect to the question of taxes, he said:

While I do not consider it advisable at this time to propose any new or additional taxes for the fiscal year 1936, I do recommend that the Congress take steps by suitable legislation to extend the miscellaneous internal-revenue taxes which under existing law will expire next June or July, and also to maintain the current rates of these taxes, which will be reduced next June. I consider that such taxes are necessary to the financing of the Budget for 1936.

EXTENSION OF NUISANCE TAXES FOR 2 YEARS

These so-called "nuisance taxes", to which the President referred, include the taxes on gasoline, lubricating oil, furs, soaps, radios, admissions, and so forth, and the 3-cent postage rate. They bring in around $500,000,000 of revenue, and already have been extended once by the present administration in violation of the promise made to the taxpayers of the country when they were originally imposed.

While the President made no mention of the length of time he wished the nuisance taxes extended, the Democratic members of the Ways and Means Committee provided for a 2-year extension, so as to avoid the necessity of another extension resolution next year just prior to the elections. This was another illustration of the dread which Democrats all have of facing the wrath of their constituents when their actions are under close scrutiny during the election campaign.

Instead of allowing the bill to be brought up in the regular way, the Democratic leadership had it considered under suspension of the rules, which automatically limited debate to 20 minutes on a side and precluded the offering of any amend-

ments. This procedure was adopted so that it would be impossible for the Republican minority to offer motions to strike out the taxes on gasoline, soap, furs, and so forth, to restore the 2-cent rate on postage, or to impose new excise taxes on imports from Japan and other countries which are now flooding the domestic market and depriving our own farmers and factory workers of a livelihood.

In the course of my remarks on the bill I said:

In voting against this bill I do not wish it to be understood that I am voting against balancing the Budget. There are two ways to balance the Budget—one is by increasing taxation and the other is by drastically reducing expenditures. I think more attention should be paid to the second method. However, as long as high taxes are necessary, they should be imposed on a fair and equitable basis. The present nuisance taxes do not meet that test.

THE SHARE-THE-WEALTH TAX BILL

In spite of the statement made in his Budget message of last January that he did not consider it advisable at this time to propose any new or additional taxes, the President on June 19, when Congress was on the verge of adjournment, sent up a message calling for certain alterations in the present tax structure. These recommendations included an increase in the maximum surtax brackets; the taxation of corporations according to size, rather than at the present flat rate; the imposition of a tax on inheritances, in addition to the present tax on estates before distribution; and the taxation of intercorporate dividends.

The message clearly indicated that these proposed changes were not desired by the President as a means of raising additional revenue for Budget-balancing purposes but were intended to placate those who have been clamoring for a redistribution of wealth.

The President's proposals were immediately interpreted by the press throughout the country as being nothing more than a political gesture, and were ridiculed for the small amount of revenue which they would raise. When his sincerity in submitting the proposals was challenged, the Democratic leadership felt impelled to take steps to save the President's face by drafting some sort of a bill to carry out his recommendations. It was significant, however, that neither the House Ways and Means Committee report nor the Senate Finance Committee report attempted to justify the changes suggested or present a single argument in their favor. One of his recommendations—that for the imposition of an inheritance tax—was rejected entirely.

NEW TAX LAW A FARCE AS A REVENUE MEASURE

In the light of the $250,000,000 of additional taxes which it raises, the new tax law is a farce viewed either as a revenue measure or as a redistribution-of-wealth measure. At the current rate of expenditures, the additional funds which it is estimated to raise will pay the cost of running the Government for about 11 days. As a Budget-balancing measure it falls $3,325,000,000 short of meeting the deficit for the last fiscal year, and it will fall equally short of meeting the deficit for the current year. The small receipts make rather ridiculous the suggestion of the President, reiterated by Secretary Morgenthau, that they be applied to the reduction of the national debt, which now aggregates over $29,000,000,000. Even if the money were distributed equally among our 125,000,000 people, each would receive but $2. However, these weaknesses made no difference to the majority members. They had their orders to pass a tax bill, so something had to be done.

ENACTMENT OF PRESIDENT'S PROPOSALS DEMONSTRATES THAT ULTIMATE BURDEN WILL FALL ON SMALL TAXPAYERS

Although the Federal income tax will now impose a maximum normal and surtax rate of 79 percent, and although the estate tax has been increased to a maximum of 70 percent, the Budget is far from being balanced. While the new tax measure is unimportant from the revenue standpoint, it is very important for what it portends in the way of future burdens on the great masses of the people.

Its passage should clearly demonstrate to the people of ordinary means that it is to them, and not to the rich, that the administration will now have to turn to pay the cost of its wild orgy of expenditures. In spite of confiscatory taxes on wealth, the current Budget is some $4,000,000,000 out of balance, and the only way such expenditures can be met is by reducing the exemptions and increasing the rates on taxpayers of small means. In addition, many burdensome excise taxes would have to be imposed. The administration is not willing to increase the tax burden on people of small means just before the election, but the evil day cannot be postponed much longer without dire consequences.

When the tax bill was before the Senate the Finance Committee tentatively adopted the La Follette amendment, which would have reduced the exemption of single persons to $800 and that of married persons to $2,000. While this amendment was subsequently reconsidered and rejected, it is important to note that it would have produced but $175,000,000 more than the changes already made in the income tax. Thus, even if the amendment had been adopted, nearly $4,000,000,000 of additional revenue would still have to be raised before the current Budget could be balanced.

How such a crushing burden of taxation can be met is problematical, but it is certainly staring the country in the face. Perhaps the English income-tax system would have to be resorted to, under which the exemption is $500 for single persons and $750 for married persons, and the normal rates 11¼ to 22½ percent, with surtaxes running up as high as 41¼ percent in addition. Something of this nature or worse is unavoidable unless expenditures are immediately and drastically lessened.

NEW TAXES COULD BE AVOIDED BY REDUCING UNNECESSARY EXPENDITURES

Along with my Republican colleagues, I opposed the President's tax proposals for two principal reasons: First, because they were merely intended for political effect and did not constitute a sincere effort to raise revenue; and, second, because I felt that the administration had no right to increase taxes until it had first adopted a sane spending program.

In this connection attention is called to the fact that the United States Chamber of Commerce has pointed out how the administration could reduce expenditures by nearly $1,700,000,000 without in any way impairing the recovery program. At least the amount to be raised by the new tax bill could just as well have been realized by reducing expenditures in the amount of $250,000,000. This would have hurt nobody, but would have avoided additional burdens on business and made unnecessary the confiscation of private capital to pay the running expenses of the Government.

WEALTHY PERSONS AVOID HIGH SURTAXES BY INVESTMENT IN TAX-EXEMPT SECURITIES

In a statement to the press while his tax proposals were pending in Congress the President called attention to the fact that in 1932, 58 wealthy persons paid no income tax at all on 70 percent of their income. Of course, this was due to the fact that their investments were largely in tax-exempt Federal and State securities.

One reason the wealthy invest in tax-exempt securities is to avoid unreasonably high surtaxes, and the President, by insisting on increasing the rates still further, has encouraged them to invest their entire holdings in such securities and thus pay no tax on any of their income. Thus the net effect will be to shift the burden of taxation from the rich to those who are less fortunate.

ADMINISTRATION SHOULD STOP ISSUANCE OF TAX-EXEMPT BONDS

Until tax-exempt securities have been eliminated it is impossible to collect 75-percent surtaxes. This was demonstrated during and after the World War, when two Democratic Secretaries of the Treasury, Messrs. GLASS and Houston, said that they could not collect even 65-percent surtaxes.

I have had a resolution pending for some time proposing a constitutional amendment to abolish future issues of tax-exempt securities, but I have been unable to have it considered, due to the opposition of the administration. While the President in his tax message suggested such an amendment, he has done nothing to have his recommendation carried out, and, of course, everyone knows it would only take a word from him for Congress to submit such an amendment to the States for ratification. Instead of closing up this loophole of evasion, the administration has continually furnished

billions upon billions of additional tax-exempt securities for the wealthy to invest in.

When the tax bill was under consideration in the House, the Chairman of the Judiciary Committee, Mr. SUMNERS of Texas, took the floor to explain why his committee had taken no action with respect to the proposed constitutional amendment. He said that the Government was now the biggest borrower in the world, and that it had to have the money, and have it at once, at as cheap a rate of interest as possible. That, of course, is the whole story. While the administration favors the elimination of tax-exempt securities as a matter of policy, to be carried out sometime in the future, it does not wish to run the risk of being unable to raise the money with which to carry on its vast spending program. In other words, it does not favor closing the door of tax exemption until all the wealthy have had a chance to escape.

GRADUATED TAX ON CORPORATIONS NEITHER SOUND NOR EQUITABLE

One of the most objectionable features of the new tax law, from the standpoint of soundness and fairness, is that which substitutes a graduated tax on corporations, ranging from 12½ to 15 percent, for the present flat rate of 13¾ percent. The objection to such a tax was well stated by President Wilson's war-time Secretary of the Treasury, Hon. WILLIAM G. MCADOO, who said:

Any graduated tax upon corporations is indefensible in theory, for corporations are only aggregations of individuals, and by such a tax the numerous small stockholders of a great corporation may be taxed at a higher rate than the very wealthy stockholders of a relatively small corporation.

It is probably safe to say that there is not a handful of Members in either branch of Congress who would conscientiously attempt to defend this tax. The only reason it was included in the bill was because the President wanted it, and not because it had any merit.

EXTENSION OF THE N. R. A.

The original N. R. A. legislation, by its own terms, would have expired last June 16. Prior to that time the administration prepared and sent to Congress a bill which would have continued the N. R. A. with greatly augmented powers. However, while this extension legislation was being considered, the Supreme Court, on May 27, handed down its decision in the now famous Schechter case, holding the act unconstitutional on two grounds: First, because of the delegation of legislative powers to the President, and, second, because of the attempt to regulate purely intrastate transactions.

Even before the Supreme Court's decision was handed down it was apparent that Congress would not enact the extension legislation in the form desired by the administration. The opposition to the regulation of small, local businesses and to monopolistic price fixing was constantly growing throughout the country. This sentiment was given expression in the Senate on May 14, when it passed the Clark resolution continuing the N. R. A. for only 10 months and eliminating all price fixing and all regulation of purely intrastate business. At that time it was doubtful whether the Supreme Court would be able to pass on the constitutionality of the original law before recessing for the summer.

The very day the Ways and Means Committee met to consider reporting the Clark resolution to the House with certain amendments the Court handed down its decision. After the decision had been read to the committee there was nothing else for it to do but drop the proposed extension legislation until the effect of the decision could be studied.

The majority members of the committee subsequently met in secret session with administration leaders and formulated a plan to continue a skeleton N. R. A. organization for 10 months. The plea was made that it would be inhuman to turn the several thousand high-salaried employees of the N. R. A. out into the streets, even though they took the jobs on a temporary basis, and, of course, the majority members did not want to have to find new jobs for them. It also was said that the administration wanted to continue the organization for a limited time in order to preserve the data collected during the N. R. A.'s operation.

The Republican minority in the House, as a substitute for the continuance of the N. R. A., proposed that its powers be transferred to the Federal Trade Commission in order that the latter might approve voluntary trade agreements providing for the elimination of unfair methods of competition, the prevention of monopolies, the abolition of child labor, the prohibition of unreasonable hours of work, and inadequate rates of pay, and the guaranty to employees of the right to bargain collectively. This proposal was rejected in the House by a strict party vote.

THE GUFFEY COAL BILL

The Guffey coal bill was enacted by Congress after the President was moved by the United Mine Workers and by certain groups in the bituminous-coal industry to place it on his list of "must" legislation. It sets up a little N. R. A. for the soft-coal industry and permits monopolistic price fixing such as was permitted under the now defunct bituminous-coal code.

While the new code is supposedly voluntary, operators are coerced into subscribing to it by reason of the tax feature of the act, which levies a tax of 15 percent on all coal mined, but allows a rebate of 90 percent to all operators who comply with the code provisions.

The whole purpose of the act is to increase the price of coal through the establishment of minimum prices, and the consumers throughout the country will be called upon to pay the bill. Just how much the increase will be no one can say at this time, but it has been variously estimated all the way up to $1.50 per ton and more. An increase of even $1 per ton will cost the people of New England approximately $20,000,000 additional for soft coal.

The N. R. A. was declared unconstitutional partly because it attempted to regulate purely intrastate activities. The Supreme Court has many times stated that mining and manufacturing are intrastate activities not subject to the Federal power over interstate commerce. It has said specifically that the mining of coal is not interstate commerce. In its decision in the N. R. A. case, the Supreme Court said that interstate commerce in the poultry there in question had ended. In the case of the mining of coal, interstate commerce has not yet begun. Hence, any attempt to regulate it under the Guffey bill is clearly beyond the authority of Congress.

Any attempt to accomplish through the taxing power what Congress cannot do directly is likewise unconstitutional. This was clearly laid down in the so-called "*Child Labor Tax case*" (259 U. S. 20), in which the Court said:

Out of a proper respect for the acts of a coordinate branch of the Government, this Court has gone far to sustain taxing acts as such, even though there has been ground for suspecting from the weight of the tax it was intended to destroy its subject. But in the act before us the presumption of validity cannot prevail, because the proof of the contrary is found on the very face of its provisions. Grant the validity of this law, and all that Congress would need to do, hereafter, in seeking to take over to its control any one of the great number of subjects of public interest, jurisdiction of which the States have never parted with, and which are reserved to them by the tenth amendment, would be to enact a detailed measure of complete regulation of the subject and enforce it by a so-called "tax" upon departures from it. To give such magic to the word "tax" would be to break down all constitutional limitation of the powers of Congress and completely wipe out the sovereignty of the States.

This decision indicates what disposition the Court will make of the so-called "Guffey bill." However, if by any chance the act should be upheld, it would be but an entering wedge for the regulation of all industry under the Federal taxing power, as the Court forecast in the Child Labor case. That the administration already has such a plan under consideration is indicated by the following item from the Associated Press:

Two studies of future regulative methods, now that the Supreme Court has overruled the use of the commerce clause, are under way at Recovery Administration headquarters.

The bulletin outlining the program included these points for special legal study—

Then follows a long list of points, as set forth in the official N. R. A. bulletin, and the first on the list is the following:

Federal control (regulation) through employment of the power of taxation.

When it became apparent to the President that the Ways and Means Committee might not report the Guffey bill to the House because of its obviously unconstitutional features, he sent a letter to the chairman of the subcommittee having the bill in charge, in which he said:

I hope your committee will not permit doubts as to constitutionality, however reasonable, to block the suggested legislation.

It is doubtful whether any one act of President Roosevelt has been as severely criticized by the press and the people as this request to Members of Congress urging them to disregard their oath of office. One would hardly think the President would dare make such a suggestion, in view of the oath which he himself took upon assuming office, which was as follows:

I, Franklin Delano Roosevelt, do solemnly swear that I will faithfully execute the office of President of the United States, and will to the best of my ability preserve, protect, and defend the Constitution of the United States.

In spite of the fact that a majority of the Ways and Means Committee were unalterably opposed to the bill, the White House was able to prevail upon sufficient Democratic members to withhold their negative votes and permit a minority of the membership to work their will over a majority. Favorable action on the bill in the House was made possible only by extreme administration pressure and by logrolling methods.

THE SOCIAL-SECURITY ACT

On January 17, 1935, the President sent to Congress a message calling for the enactment of a broad program of social security, including old-age pensions, aid to dependent and crippled children, unemployment insurance, and compulsory contributory pensions for superannuated employees.

Instead of allowing each proposition to be considered on its own merits, the President included them all in a single bill which he sent to Congress along with his message. Thus it was impossible to vote for old-age pensions or child welfare without voting for everything else in the bill; and, conversely, it was impossible to vote against any objectionable feature without at the same time voting against certain desirable features.

The President had a purpose in forcing the consideration of this legislation as a single unit, because otherwise it would have been impossible for him to have secured the enactment of certain portions.

The proposal to assist the States in meeting one-half the cost of old-age pension payments met almost universal support. As a matter of fact, this was the only major proposition for which there was any real necessity or urgency at the present time. Of course, the relatively small grants to the States for child welfare and for public-health services are very worthy, and no one would oppose them.

UNEMPLOYMENT INSURANCE

There is a grave question whether it is wise at the present time to force the States to set up unemployment-insurance systems which would impose a billion-dollar pay-roll tax on business without providing any immediate benefits to the millions now unemployed. While the tax is imposed in the first instance by the Federal Government, employers would be entitled to deduct all payments made to State unemployment-insurance funds up to but not exceeding 90 percent of the Federal tax. No Federal unemployment benefits would be paid, however, the purpose of the tax being to coerce the States into setting up their own unemployment-insurance systems.

The Ways and Means Committee was advised that with a State tax of 3 percent unemployment benefits could not be paid for more than 16 weeks, following a 4-week waiting period, and even this small benefit would not be available until several years had elapsed in building up a reserve. Thus this legislation can be of no assistance to those now without jobs, and even if reserves were on hand, the 11,000,000 unemployed would exhaust the fund long before the 16-week benefit period had passed.

COMPULSORY CONTRIBUTORY RETIREMENT SYSTEM

The compulsory retirement system, which will eventually cost employers and employees nearly $2,000,000,000 annually in pay-roll taxes, likewise cannot be justified at this time, when business is trying so hard to revive. This project, moreover, is open to serious constitutional objections, since Congress has no power to force upon private industry and its employees a Federal insurance scheme.

Another objection to the retirement scheme is that it does not permit the continuance of private pension plans previously set up by many individual employers, which in many cases provide benefits much more liberal than those under the Federal system. The so-called "Clark amendment", offered by Senator CLARK, of Missouri, would have exempted private employers having such plans from the operation of the Federal scheme. I offered a motion in the House to agree to this amendment, which the Republican Members supported, but as the administration was opposed to the amendment, my motion was lost. The amendment subsequently was eliminated in conference.

PAY-ROLL TAXES HINDER RECOVERY

The 3-percent pay-roll tax for unemployment insurance and the 6-percent pay-roll tax for retirement annuities eventually will cost employers and employees nearly $3,000,000,000 annually, in addition to all other tax burdens. Even as early as 1937 the pay-roll taxes will aggregate $1,000,000,000 annually, and, of course, they must be paid whether a concern is operating at a profit or not. While it may be true that in normal times business could stand such an additional burden, it cannot be imposed at this time without serious consequences, not only to business but to employees. By putting a penalty on pay rolls, these taxes tend to discourage reemployment, to increase unemployment, and to lower the wage level.

For 5 years, amid all sorts of obstacles, including increased taxation and ill-advised legislation, business has been trying to stage a recovery, and it would seem that the least the Government could do would be to avoid placing any more obstacles in its way.

OPERATION OF THE RECIPROCAL TRADE AGREEMENTS ACT

The reciprocal trade agreements law was passed during the previous Congress, but I feel it requires comment at this time because it has worked out exactly as I prophesied it would, namely, to the great detriment of the American people.

It will be recalled that this law was passed by the subservient Democratic majority in Congress at the request of the President. It delegated to him, contrary to the Constitution, the power to make reciprocal tariff concessions to foreign countries.

Under this law the President has entered into trade agreements with Cuba, Belgium, Haiti, Brazil, and Sweden, and negotiations are now pending with Colombia, Costa Rica, Guatemala, Honduras, Nicaragua, Salvador, Spain, Switzerland, the Netherlands, Finland, Italy, Canada, and France. Other countries will subsequently be added to the list.

Under the Cuban agreement the President reduced the duties on a large number of commodities, including sugar, tobacco, potatoes, rum, fish, and certain other agricultural and industrial products. The reductions ranged up to 50 percent.

Under the Belgian agreement, the President reduced the duties on cement, plate glass, structural iron and steel, shotguns, waterproof cloth, cordage, linen fabrics, vegetable parchment paper, photographic paper, laces, and a long list of other products. These reductions also ran up as high as 50 percent.

Under the Haitian agreement the principal reductions were on rum and pineapples, while a number of articles, including coffee was bound on the free list.

The principal reduction under the Brazilian agreement was on manganese, on which the tariff was cut 50 percent, while coffee was bound on the free list.

Under the Swedish agreement the President reduced the duties on iron and steel, wrapping paper, processed paperboard, matches, pocket knives, vulcanized fiber, enameled ware, saws, pliers, calculating machines, files, stoves, clothespins, wool felt, granite, and many other commodities. These reductions also ran up to 50 percent.

Of the agreements negotiated, that with Cuba became effective September 3, 1934; that with Belgium, May 1, 1935;

that with Haiti, June 3, 1935; and that with Sweden, August 5, 1935. The Brazilian Congress has thus far failed to ratify the treaty with that country.

CUBAN AGREEMENT HAS WORKED TO DISADVANTAGE OF THIS COUNTRY

The agreement with Cuba is the only one which has been in effect for any great period of time, and hence it is the only one which is of any value in determining the effect which these agreements are likely to have on our domestic producers. It was said that the agreement with Cuba would be mutually advantageous to the two countries. How has it worked out?

In the 10-month period immediately subsequent to the effective date of the agreement—that is, from September 1934 to June 1935, inclusive—our exports to Cuba increased $14,000,000 over the exports for the previous 10 months. This fact has been broadcast all over the land as pointing to the tremendous advantage which this country received as a result of the Cuban agreement. However, it is only half the story. Little or no mention has been made of the fact that in the same period our imports from Cuba have increased nearly $46,000,000, which shows that we have had to spend an additional $3.30 in Cuba for each additional dollar's worth of trade we got from that country under the agreement. To state the proposition another way, President Roosevelt took $46,000,000 from one group of domestic producers and workers in order to benefit another group by $14,000,000.

CONCESSIONS GENERALIZED WITHOUT OUR RECEIVING EQUIVALENT BENEFITS

The concessions granted under the Cuban trade agreement apply exclusively to Cuban imports, but those made under agreements with other countries are extended generally to all foreign imports. Thus, in return for a concession from one country, we reduce our tariff in favor of the whole world. Under this one-sided policy the Netherlands, for example, may take advantage of the reduced duty on cement, as provided under the Belgian agreement, without giving this country any equivalent concession in return.

The detrimental effect of the generalization of rates is well illustrated by the refusal of Brazil to ratify the agreement which the President entered into with that country. Under the Haitian treaty the President agreed to keep coffee on the free list, and this, of course, is the chief item in which Brazil is interested. She is able to take advantage of this concession without giving this country any benefit in return, and our domestic exporters who expected to get certain trade advantages under the Brazilian agreement are thus left out on a limb.

We are coming out on the short end of the Cuban agreement, even though the rate concessions thereunder are not generalized. What we may expect as a result of the agreements with other countries I dislike even to contemplate. One thing is clear, however, and that is that the administration is not using the reciprocal tariff law as an instrument for promoting our foreign trade but as a means of surrendering the domestic market to foreign producers in keeping with the free-trade theories of the Secretary of State.

TRADE AGREEMENTS NEGOTIATED BY STAR-CHAMBER METHODS

The star-chamber methods by which these trade agreements are negotiated is another feature of the reciprocal tariff law which is open to serious obection. Although domestic industries are notified through the press of the Government's intention to negotiate an agreement with a particular country, they never know what articles will be adversely affected until after the agreement has been entered into. They have a chance to present testimony to a committee set up to hear them, but the hearing is held before the agreement is negotiated, and the committee which hears the testimony is not the committee which actually negotiates the agreement with the representatives of the foreign country.

KILLING ONE DOMESTIC INDUSTRY OFF TO HELP ANOTHER IS BOTH UNFAIR AND UNSOUND

Naturally, I favor an expansion of our foreign trade, but it should not be expanded at the expense of our own farmers, factory owners, and workingmen. Two-thirds of our imports now come in duty free, and we might well use this great market in the United States for noncompetitive foreign products as a lever to secure favorable concessions for our export products in foreign countries. The present method of killing off one domestic industry in what may be a futile attempt to help another is both unfair and unsound.

I fought the enactment of this law as bitterly as I could, and I have since introduced a bill to repeal it. Not only is it detrimental to the best interests of our people but, like the N. R. A. legislation, it involves an unconstitutional delegation of legislative power to the President.

While these reciprocal negotiations are designated officially as trade agreements, they are nothing less than treaties with foreign countries, which, to be constitutional, must be ratified by the Senate. Furthermore, these treaties provide for changes in the tariff, and, as revenue measures, they should originate in the House of Representatives.

It is very significant that delegations from foreign countries have waited upon the President to thank him for his interest in making possible an increase of exports to this country at the expense of our own industries.

ADMINISTRATION FAILS TO DEAL ADEQUATELY WITH COTTON-TEXTILE SITUATION

One of the most important questions before the people of New England today is the future of the cotton-textile industry. As a result of the cotton processing tax, the manufacturers of cotton cloth are unable to compete with foreign producers either in the domestic market or abroad. The importations of cotton cloth from Japan have increased in alarming proportions, and our textile mills are being closed down and the workers thrown out of employment.

On the opening day of this session of Congress I introduced a bill to repeal the processing taxes, but, of course, it was not possible for me to get the measure considered in view of the administration's insistence on their retention. Up to May 31 of this year the State of Massachusetts alone had paid over $40,000,000 in processing taxes, and approximately $33,000,000 of this amount was on cotton manufactures.

Last April I introduced a bill to increase the tariff on bleached cotton cloth and on printed, dyed, or colored cotton cloth. On the same day my bill was introduced the Secretary of State, who is in charge of the administration's tariff program, wrote a letter to the Chairman of the Ways and Means Committee in which he said:

> In my opinion, it is not only unwise as a general policy to yield to the demand for greater restrictions upon imports but would be particularly unfortunate at this time, since such action could but weaken the leadership of the administration in the effort that it is making to reduce the many restrictions hampering the flow of international trade.
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> * * * * * * *
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> I believe that we should resist any effort to stampede this Government into unnecessary and unwise action against Japanese competition, whether in textiles or any other commodity.

In other words, it matters little to the Secretary how much our textile industry suffers, so long as he is permitted to carry forward his idealistic program of leading the way to universal free trade.

Shortly thereafter, as the result of the demands of the New England Governors that the administration do something to relieve the cotton-textile industry, the President appointed a Cabinet committee to investigate conditions. This committee recently made its report. At the time it was appointed I called attention to its personnel, saying:

> From the standpoint of sympathy toward the textile industry, the President might just as well have appointed a committee of Japanese textile manufacturers to study the situation. The Secretary of State is the same man who is at present engaged in destroying the existing Republican tariff by reducing rates on every hand without reference to differences in foreign and domestic production costs. * * * The Secretary of Agriculture, Mr. Wallace, is the same man who, in a speech at Brunswick, Maine, last Wednesday, insulted the good people of New England by saying that they were whining, flabby, lacking in guts, selfish, and unpatriotic. He is the same dictatorial person who said it was time for New England to give up her textile mills and seek new lines of endeavor. * * *

I also referred to the Secretary of Commerce as having supported the doctrines of Secretaries Hull and Wallace, and stated that I did not know the views of Secretary Perkins,

but would at least suppose that she was sympathetic with the textile workers who had lost their jobs. Thus, I said, the committee was stacked at least 3 to 1 against the textile industry.

It now appears that I was about right. The committee, in its report to the President, recommended against the discontinuance of the cotton-processing tax, and, so far as imports of cotton cloth were concerned, merely suggested a voluntary and friendly agreement with Japan on limitations of shipments of cotton products to the American market. The other recommendations of the committee likewise failed to present any solution of the problems of the industry. Our textile industry is doomed to suffer from this exhibition of the administration's raw deal, which will result in the continuation of the two greatest reasons for its near-insolvency, namely, the processing tax and the admission of cheap foreign importations. Who can imagine Japan accepting any limitation on their shipment of cotton goods to the United States under a voluntary and friendly agreement?

While the administration does not seem willing or able to give any relief, the Supreme Court may do so at its coming term, when it will undoubtedly hold the processing tax unconstitutional. Thus, the people of New England once more may be able to say, "Thank God for the Supreme Court."

LOANS TO NEW INDUSTRIES

Another administration policy which is detrimental to New England is that of making loans for the expansion of industries already having production capacities greatly in excess of consumptive demands. No better illustration can be cited than the $4,000,000 loan recently made by the R. F. C. to the Crossett Lumber Co., of Arkansas, for the establishment of a new paper mill to compete with the already existing mills of Massachusetts, Wisconsin, Ohio, and other States. No reason is given for this loan, but it is an apparent fact that the paper mill is to be constructed in the State of the majority leader of the Senate, who will be a candidate for reelection next year.

CONCLUSION

As a suggested program for recovery I offer the following:

First. Carry out the pledges of the Democratic platform of 1932 with respect to (a) reducing the cost of government; (b) eliminating extravagance; (c) balancing the Budget; (d) suppressing monopoly; and (e) eliminating Government competition with business.

Second. Repeal the reciprocal tariff law.

Third. Repeal the processing taxes.

Fourth. Abolish tax-exempt securities.

Fifth. Leave reform measures for future consideration and concentrate all efforts on recovery.

Sixth. Leave business alone.

An elaboration of the details of this plan, which is not meant to be all-inclusive, can be readily and clearly worked out during the next campaign, when there is prospect of the return to power of the party which can be depended upon for sound and constructive legislation.

IT IS IMPERATIVE THAT THE FORCES SEEKING A PRODUCTION-FOR-USE ECONOMY BE UNITED IN A NEW POLITICAL PARTY

Mr. AMLIE. Mr. Speaker, in a national radio broadcast addressed to the National Convention of Young Democrats held in Milwaukee, Wis., on August 24, 1935, President Roosevelt twice used the expression "the recent depression." The meaning of this phrase, as used by the President, is only too obvious. The implication is that, so far as this administration is concerned, its object has been achieved; the depression is over and the administration intends to rest on its oars. The President has indicated that he intends to follow the advice contained in an editorial by Raymond Moley in the magazine Today, for July 27, 1935.

> Sooner or later the new deal is going to reach the point where its leaders must make a definite determination to rest on their oars. * * * It seems to me that the time has come when a sufficient amount of readjustment has been made to warrant an attempt to let the system operate under these new conditions.

But is the depression over, as the President implies?

Is the depression over for the 12,000,000 unemployed workers in this country?

Is the depression over for the 20,000,000 people on relief?

Is the depression over for the 650,000 farm families who were on relief this spring, or for the millions more who are unable to secure cost of production for their farm products, and who as a consequence face foreclosure and eviction?

Is the depression over for the 11,000,000 to 16,000,000 young men and young women between the ages of 19 and 29, members of the "lost generation", who find themselves unable to secure any place within the economic system?

Is the depression over for the 600,000 boys in C. C. C. camps working for a net wage of $5 a month, 70 percent of whom seek to reenlist when their terms have expired, for the reason that there is no opportunity for employment in the economic world?

Is the depression over for the 2 out of every 5 school children whom a Government survey shows to be suffering from malnutrition?

The depression may be a chronic state of affairs for the 49,700,000 people in the United States who normally live on a subsistence and poverty level. But is the depression over for the additional 15,000,000 people who, through loss of income since 1929, have been forced down to this subsistence and poverty level of existence?

PRESIDENT HOOVER USED THE PHRASES "RUGGED INDIVIDUALISM" AND "PROSPERITY IS JUST AROUND THE CORNER." PRESIDENT ROOSEVELT USES THE PHRASE "THE RECENT DEPRESSION"—THEY ALL MEAN THE SAME THING

A year ago President Roosevelt electrified the country with this stirring message:

> No country, however rich, can afford the waste of its human resources. Demoralization caused by vast unemployment is our greatest extravagance. Morally, it is the greatest menace to our social order. * * * As for this country, I stand or fall by my refusal to accept as a necessary condition of our future a permanent army of unemployed.

Since Congress met last January the unemployed have been living on hope—a hope based on administration publicity to the effect that the $4,000,000,000 works program would provide work for the unemployed. It is now becoming apparent that this program is merely a continuation of the made-work projects of the F. E. R. A. Very few of the unemployed not on relief will be given jobs, and these few not at a living wage. The President now states that the depression is over. The implication is plain: If the depression is over, then the unemployed must shift for themselves rather than depend upon the Government for assistance. It is hard to see the difference between this position and the rugged individualism of Herbert Hoover.

When President Roosevelt speaks of the recent depression he may be speaking for the 600 corporations which control two-thirds of American industry, whose earnings have shown such a marked increase during the past 2 years. But so far as the millions of people who constitute the underlying population of the country are concerned, President Roosevelt has merely shut his eyes to their unsolved problems and taken a position quite similar to that of Herbert Hoover and the Republican Party.

The apparent intention of the administration to rest on its oars while these problems are unsolved and to regard the depression as a thing of the past indicates that the Roosevelt revolution as typified by the new deal is regarded as an accomplished fact; that the objective of the new deal has been achieved; and that upon this achievement the Roosevelt administration intends to rest its case before the Nation in 1936. For this reason it becomes particularly appropriate that we analyze the Roosevelt new deal in the light of what it is, what it was designed to accomplish, and what the net result of its achievements has been.

I. SCARCITY MONGERING OR THE NEW DEAL

President Roosevelt's statement a year ago that he was "willing to stand or fall" by his "refusal to accept as a necessary condition of our future a permanent army of unemployed" indicates that he understands that unemployment is the Nemesis of the profit system. Unfortunately, however, the legislation which he has advanced, while intended to better conditions, has actually tended to make conditions worse. This is because the essence of the new

deal is to create an artificial scarcity, holding production down, to the end that prices may be kept up. Such a program may have helped the owners of the Nation's industrial machinery and the holders of debt charges against this property. But so far as the workers in the factories and on the farms are concerned, unemployment has been increased and conditions have become gradually worse.

This general statement regarding the new deal is readily borne out by an examination of the specific new-deal projects.

A. THE N. R. A.

This was the great central cornerstone of the new deal. With the exception of section 7 (a), however, it was nothing but the program which the Chamber of Commerce of the United States had sponsored for more than a year. It permitted suspension of antitrust legislation in that it permitted the fixing of prices and the reduction of output. The regulations provided by the codes were in large measure the self-rule that had long been sought by industry. Even before the act was held unconstitutional, the efforts of the Government to maintain wages had completely broken down. The N. R. A., however, was notably successful in its efforts to reduce production and maintain prices. The artificial limitation of production under N. R. A. has served greatly to increase unemployment.

B. THE SOCIAL SECURITY ACT

This is the most widely heralded of the new-deal measures. It recognizes, first, that workers cannot earn enough during their productive years to take care of themselves in their old age, and for that reason the Government imposes a tax on the pay rolls of all workers to provide a small income for the aged.

It also recognizes that there can be no certainty of employment under the profit system; that workers cannot be expected to earn enough while employed to take care of themselves during periods of unemployment, and for that reason pay rolls are further taxed to take care of the unemployed.

Security based on scarcity and the taxation of a lowering wage scale is the worst kind of security. It was adopted by Bismarck in Germany 50 years ago as a means of stabilizing and preserving the capitalist system, which had become extremely shaky.

There is no reason for the doles of a charity capitalism in the United States; adequate provision can be made for the aged and incapacitated only by use of the vast surpluses which would roll forth if our productive machinery were operated at full capacity. The only security that will be possible in the future is a security made possible by an abundance economy. The so-called "Social Security Act" of the new deal is only the security of artificial poverty.

C. THE A. A. A.

With the breakdown of world commerce it was, of course, necessary for the Federal Government to help the cotton, corn, wheat, and tobacco farmers to adapt themselves to the new-deal pattern of a scarcity system. As a result 3,000,000 farmers were paid $777,000,000 in 1934 to withdraw from production approximately 46,000,000 acres of land, while at the same time another governmental agency informs us that 2 out of every 5 school children are suffering from malnutrition. The reduction of acreage under the A. A. A. has lessened the demand for agricultural labor and to that extent has increased unemployment.

This is particularly true in the South, where cotton acreage has been reduced by 28 percent in 1935. The result of this has been that farms formerly worked by share-croppers have been thrown into large plantations worked by miserably paid day laborers for whose welfare the land owners accept no responsibility in off seasons. As a result statistics in the cotton area show a reduction in tenancy, although this actually means agricultural feudalism and an increase in agricultural unemployment.

The attempt to limit cotton production to domestic consumption means that the cotton markets of the world are being lost to other countries which are going into the production of cotton. The implication of this situation for the South is particularly serious. It means that in the future the income of the South will be whatever the rest of the country is willing that it should be. The South is going permanently on the dole.

D. THE R. F. C.

This organization was set up by President Hoover and a Democratic Congress in February 1932 and has been continued as an integral part of the new-deal program. Its purpose is to rescue insolvent bankers and business men from bankruptcy—if they are sufficiently large and important. It loaned $93,000,000 to the insolvent Dawes bank in Chicago, but at the same time it refused to save thousands of little banks that were in no worse condition.

Through this and other agencies the sum of $10,280,000,000 had been loaned as of June 1, 1935, to banks, railroads, business concerns, farmers, and home owners. Ninety-five percent of this money is for long-term financing. In other words, these loans were made by the Government rather than by private banks for the reason that the borrowers were not bankable risks. Practically all business improvement over 1933 is due to Government spending. The Nation as a whole is on the dole.

E. THE C. C. C. CAMPS

This agency has been expanded to take in 600,000 boys. It is a disguised form of poor relief. Twenty-five dollars of the boys' wages of $30 a month are sent to their parents, who are usually on poor relief. The boys receive $5 a month. Because of economic conditions, 70 percent of the boys seek to reenlist and continue to work for $5 a month. This is one of the more successful of the new-deal projects, and it has bears a striking resemblance to Hitler's work battalions. It is doubtful if even the Hitler forces have been so careless of the safety of the men, however, as the Federal officials have been in the recent Key West disaster.

F. THE F. E. R. A.

With about 20,000,000 people on relief, 42 percent of whom were employed on made-work projects—P. W. A.—the Government was spending about $163,000,000 a month. At the same time a careful study by industrial engineers employed by the F. E. R. A. demonstrates that if the unemployed were put to work in idle factories supplying their own needs, they could be maintained on the same standard of living for about $60,000,000 a month. The study further shows that with an expenditure of $78,000,000 a month the living standards of people on relief could be raised about 35 percent. This would mean a higher standard of living than that enjoyed by people employed in industry.

It would seem reasonable to suppose that the Government would immediately adopt a plan that would result in a saving of $85,000,000 a month, particularly if it would eliminate the demoralization of idleness and raise the living standards of the people on relief by 35 percent. The opposition of business to a scheme of this kind has, however, been so great that the administration has not dared to go ahead with it. As a matter of fact, not only has this plan not been pushed but many worth-while self-help projects have been abandoned. A year ago the F. E. R. A. administrator permitted the unemployed to use surplus cotton to make mattresses for their own use. This was reasonable, since they had no mattresses, and no money with which to buy mattresses. But even this part of the F. E. R. A. program has been abandoned under business pressure. It will be seen, therefore, that 60 percent of the money spent by the F. E. R. A. goes to help business rather than the people on relief.

G. THE F. H. A. (FEDERAL HOUSING ADMINISTRATION)

The original set-up provided for loans for modernization, construction, and so forth, at a rate of 9.7 percent. This is, of course, preposterous. In England loans of this kind are made at 3.5 percent, with the result that a great deal of construction has taken place. But presumably, even though economic conditions may not justify an interest rate of more than 2 percent, loaning money at 3.5 percent would interfere with private business in the same field. Hence an interest rate of 9.7 percent. In one district the F. H. A. has spent $350,000 to promote its program and has so far taken in only $20,000.

H. THE GUFFEY ACT AND WAGNER LABOR DISPUTES ACT

These two measures are important to organized labor. As the depression continues there is less and less work for the skilled workers, who constitute the backbone of the craft unions of the American Federation of Labor. Their skills are being destroyed by technological advances. As a result, the American Federation of Labor is compelled to look for its organizational strength in those fields where the semiskilled and unskilled are engaged, the mass-production plants. And here the unions need the strong arm of the Government to assist them in their organizing efforts against the powerful and dominating corporations of the country.

Because of the hostility of these great corporations and the unwillingness of local, State, and Federal governments to assist labor in its organizing work—in fact, the various governmental units are used too often as strike-breaking agencies—only a relatively small percentage of all manual and nonmanual labor is organized. So far as the great body of labor is concerned, therefore, it is vital to consider what the effect of the new-deal policies has been on wages, cost of living, unemployment, and economic security.

I. THE WORKS PROGRESS ADMINISTRATION

The W. P. A. has succeeded the P. W. A. under the relief department. The principal difference is that prevailing wages are no longer paid for relief work. The wage rate set runs from $19 a month for common labor to $93 a month for skilled and professional labor. It is intended that the average shall be about $50 a month.

Since this work is largely in the construction field and involves the skilled building trades, it means that wages are frequently reduced by as much as 50 percent. The policy of Government spending to aid business, at the same time, has increased prices and profits. The cost of living since May 1934 has gone up by 6 percent. And while the things the common man buys have thus gone up because of the aid given business the Government is reducing wages and the income of the wage and salaried workers through the W. P. A.

The net result of the Government following an inflationary course in dealing with business and in following a deflationary course in dealing with labor is to saddle the whole cost of the depression on the backs of labor.

Labor has learned from bitter experience that one wage rate cannot be maintained by the Government and another wage rate by industry. Labor is fluid and will tend to seek a common level. The only alternative would be the establishment in this country of a caste system that would put the badge of untouchability upon people who accept relief work. Fortunately, with our traditional opposition to class and caste, such a system would be an impossibility in the United States.

J. THE T. V. A.

This is the one bright spot in the whole new-deal program. It is the one important project undertaken by the new deal which looks in the direction of an abundance economy rather than toward the maintenance of an outworn scarcity system by artificial means.

K. PLANNING WITHOUT A CENTRAL PLAN

There is a great deal of talk about planning under the new deal. It is perhaps this talk that is needlessly arousing much business antagonism against the new deal, because the business leaders of the country are realistic enough to know that genuine planning must necessarily call for the substitution of a planned economy for the present planless and broken-down profit system. As a matter of fact, however, these business leaders need have no fear of new-deal planning.

This so-called "planning" amounts to nothing more or less than cooperation on the part of the Federal Government with local politicians and business interests. What is done in one part of the country usually cancels what is done in some other part of the country, with the net result of zero, except that business has derived temporary benefits from the money spent. For instance, in many States the Government is buying up submarginal land to take it out of cultivation. This permits the payment of delinquent taxes and insures the receipt of pay checks by officeholders in the areas affected. On the other hand, the Government cooperates with other politicians to bring into cultivation thousands of acres of submarginal land in the name of rural resettlement and rehabilitation, as witness Penderlea, N. C., 6,000 acres; Piedmont, Ga., 15,000 acres; Richton, Miss., 8,000 acres; and Cumberland, Tenn., 15,000 acres.

The Federal Government will spend $400,000,000 for the construction of the Grand Coulee Dam. This will bring into cultivation 1,250,000 acres of good irrigable land. In the meantime, the Government is paying millions of dollars to farmers to withdraw millions of acres of equally good land from cultivation.

The Government's plan to persuade industry to decentralize and to move some of the manufacturing operations to subsistence homestead areas is subject to the same criticism. For instance, it is reported that the General Electric Co. will move a small assembling unit from Bridgeport, Conn., to the project at Reedsville, W. Va. While jobs may be created at Reedsville, unemployment to just that extent will result in Hartford. A great deal of money will be spent in the process, while the net result will be zero.

The Government is now spending millions of dollars to help ambitious young men and women through college, despite the fact that those who do get through can find no openings. The Government is spending other millions of dollars to teach young people special skills, even though machinery is displacing those people possessed of these skills.

The result of all this new-deal planning is merely to demonstrate that there can be no real planning as long as the whole purpose of the new deal is to maintain the scarcity system. Upon inspection, it is only too apparent that the so-called "Roosevelt revolution" is nothing more or less than charity capitalism. Nothing but bones and scraps for the American workers, whether on the farms or in industry.

II. THE STATE OF THE NATION IN 1935 AFTER "THE RECENT DEPRESSION"

The United States has a total population of approximately 127,000,000 people. It has a total present value of about $300,000,000,000. If we let $100 represent the total wealth and 100 people represent the total population, the wealth of the country would be divided as follows: 1 man would own $59; 1 man would own $9; 22 men would each own $1.22; 76 men would each own less than 7 cents; total men, 100; total money, $100.

This statement is based upon a survey conducted by the Federal Trade Commission in 1926, which in turn was based upon the distribution of wealth as disclosed by the probate records for 1921 and 1922. It is conceded that these figures do not correctly represent the distribution of wealth as of that time, for they do not take into consideration the people who gave away their property to their children before they died.

At the present time, however, farmers and workers have nothing to give to their children. According to newspaper accounts, it is the Rockefellers, Mellons, and Fords who are now turning their property over to their children in anticipation of death. It is generally conceded by students of the subject that the Federal Trade Commission figures presented in 1926 are a substantially correct picture as of the present time.

Robert Doane, in the Measurement of American Wealth, estimated that in 1929, 1 percent of the people owned 40 percent of the Nation's total wealth, while on the other hand 40 percent of the people owned only 4 percent of the Nation's wealth. Six years of depression, however, have greatly concentrated ownership in a few hands.

A. DISTRIBUTION OF NATIONAL INCOME

Here is the way income was divided in 1929—supposedly a very prosperous year: 144,000 persons got $10,000,000,000; 47,000,000 persons got $10,000,000,000; average for each of the 144,000, $69,444 income; average for each of the 47,000,000, $213.

Each of the 144,000 of the rich received 326 times the income of the 47,000,000 of the poor. One-tenth of 1 percent of the families at the top received as much income as 42 percent of the families at the bottom.

In 1929, 513 wealthy people alone received as much income as the total income received by 8,000,000 poor people. After 6 years of depression, the rich and poor have been generally shoved down the income ladder. At the present time approximately 70 percent of the American people live on a subsistence or poverty level.

B. WAGES

A study of the National Bureau of Economic Research shows that from June 1933 to the end of 1934 there had been a general decline in real wages. During the past year some major industries have maintained wages, but in other industries, such as boot and shoe, men's clothing, department and retail stores, wages have dropped from 10 to 50 percent. The Monthly Labor Review, put out by the United States Bureau of Labor Statistics, estimated that an income of $90.77 per month was necessary in November 1934 for a family of five on relief to maintain a standard of living indispensable if they are to meet the primary needs of their families and themselves.

C. THE UNEMPLOYED

Estimates of unemployment vary from ten to fifteen million. If consideration is taken of the large number of young people who have never worked, but who would be working if times were normal, it is safe to say that there are more than 12,000,000 unemployed workers in the country.

During the summer of 1935 industrial production has gone up rapidly without any corresponding increase in the number employed. This is due to the fact that many of those working part time were more steadily employed. Production could perhaps be increased to the 1929 level, and eight or ten million workers would still remain unemployed.

D. RELIEF

There were 22,000,000 people on relief last winter. The average for the year will perhaps run in excess of 20,000,000. This number includes not only wage and salaried workers of every description but also tens of thousands of storekeepers, building contractors, musicians, manufacturers, artists, bankers, teachers, engineers, clergymen, lawyers, and doctors. While business leaders protest about the extravagance of relief, the fact of the matter is that people on relief are being so poorly fed that they cannot maintain their health.

A recent study by the United States Health Institute shows that the rate of sickness of those on relief is 60 percent higher than among those whose incomes have remained the same, 39 percent higher than those having full-time wage earners in the family, and 25 percent higher than those of the same group containing part-time workers.

Statements by prominent Republicans that relief is extravagant show these Republican leaders to be indecent and without a sense of shame. Dr. Walter R. Campbell, of the department of medicine of the University of Toronto, addressing the annual meeting of the American Medical Association, held at Atlantic City in June 1935, said:

> Twenty-five million of the unemployed in Canada and the United States are in danger of becoming unemployable by eating a relief diet too high in carbohydrates and too low in proteins, for reasons of economy. Much emphasis has been placed on the economy of starch calories as opposed to fat calories, which are relatively expensive. Unemployment diets are tending to run high in carbohydrates. * * * The apparent inevitable degradation from unemployed to unemployable should not be accelerated by a falsely economical provision of foodstuffs.

Throughout the country it has become necessary to lower school standards because the undernourished condition of relief children does not permit them to keep up with their classes. Recently Dr. Adela J. Smith, assistant director of health education in New York City, made the following report to the school board:

> Lack of sufficient food has wasted the bodies and warped the mental vigor of more than 100,000 school children here, until they can no longer keep up with their better-fed classmates in school work. In the elementary schools alone there are nearly 135,000 seriously undernourished youngsters.

This statement regarding New York City is particularly significant in view of the fact that relief standards are higher in New York City than in almost any other State in the Union.

E. YOUTH—THE LOST GENERATION

The saddest aspect of the whole depression is its effect upon the young people between the ages of 19 and 29, who have grown up only to enter a world that has no place for them. It is estimated that there are in the United States today between eleven and twelve million young men between the ages of 19 and 29. There are an equal number of young women between the same ages. Figures as to the number of these young people who are involuntarily unemployed are difficult to calculate. Facts, however, are available, such as the statistics for marriage applications, for enlistment in the C. C. C., and the published reports of unemployment among college graduates. These figures would indicate that from 45 to 70 percent of these people are unemployed; that is to say, between five and one-half and eight million young men and perhaps an equal number of young women; this means that we have between eleven and sixteen million young men and women between the ages of 19 and 29 who have reached manhood and womanhood only to find the world does not need them.

F. THE INDEPENDENT AMERICAN FARMER—A LOST CAUSE

Last winter there were 650,000 farmers on relief. The reason is not far to seek, if we merely look at the average income of the farmers since the depression started. The net average income per family, which includes the value of house rental, farm produce used by family, and so forth, was as follows:

*Total farm income*

| | |
|---|---|
| 1924 | $966.50 |
| 1925 | 1,022.30 |
| 1926 | 920.00 |
| 1927 | 939.50 |
| 1928 | 931.33 |
| 1929 | 942.50 |
| 1930 | 641.33 |
| 1931 | 396.00 |
| 1932 | 244.00 |
| 1933 | 437.83 |

It is obvious, of course, that the farmers cannot continue to live and feed the people of the Nation on an income of this kind. The result is that the farmers without past savings have to depend on relief for help, while those who have savings accumulated in the past are rapidly losing out.

During the past 9 years as many as 1,185,600 farmers lost their farms through foreclosures. In the meantime the percentage of farm tenancies went up from 38 percent in 1920 to 39 percent in 1925, 42 percent in 1930, 46 percent in 1932, and 49 percent in 1934; nor does this tell the whole story.

Before the war the farmers' real-estate mortgage indebtedness was $3,320,000,000. At the present time it is $8,200,000,000, with mortgage acreage trebled. This is particularly serious in view of the fact that the total net farm income in 1919 was $9,000,000,000, while in 1933 it had shrunk to $2,627,000,000; and also, where the value of all farm property was $79,000,000,000 in 1919, this had fallen to $38,000,000,000 in 1933.

When we take into account the farmers' indebtedness, we find that his net capital has shrunk from $34,389,000,000 in 1924 to $19,079,000,000 in 1933, a loss of $15,310,000,000. All of this means that from 1924 to 1933 the average farm family has received an average annual income of $744, but, on the other hand, has suffered a loss in net capital of $255 a year, leaving an average net income of $489 during this period of 10 years.

G. AMERICAN BUSINESS

There has been substantial business improvement since 1933. This improvement has been due almost entirely to the ten or fifteen billion dollars that have been spent by the Government in order to stimulate business. The prosperity, however, has largely gone to the 600 corporations that own two-thirds of all American industry. As far as the small business man is concerned, there has been very little improvement. Business as such is on the dole.

H. ECONOMIC SYSTEM HALF OPEN MARKET, HALF CLOSED MARKET

The concentration of ownership in the hands of a few great corporations has served to break down the flexible prices established in an open market by the forces of supply

and demand. In the place of these flexible prices there has been substituted inflexible administered prices; as a result we find that the depression has brought these striking contrasts:

| 1929 to 1933 | Percent drop in prices | Percent drop in production |
|---|---|---|
| Agricultural implements | 6 | 80 |
| Motor vehicles | 16 | 80 |
| Cement | 18 | 65 |
| Iron and steel | 20 | 83 |
| Auto tires | 33 | 70 |
| Textile products | 45 | 30 |
| Food products | 49 | 14 |
| Leather | 50 | 20 |
| Petroleum | 56 | 20 |
| Agricultural commodities | 63 | 6 |

The result has not only been the complete despoliation of the raw-material producers but also the creation of a situation that must result in the destruction of the present economic system.

III. PRESENT DIFFICULTIES DUE TO BREAK-DOWN OF CAPITALIST SYSTEM

In 1929 the American Historical Association appointed a commission of eminent historians, economists, and political scientists to make a study of the world economic situation. After 5 years of study they made their report, dated May 21, 1934. It opens with this significant paragraph:

Cumulative evidence supports the conclusion that in the United States as in other countries the age of individualism and laissez faire in economy and government is closing and that a new age of collectivism is emerging.

In other words, in the opinion of these eminent scholars, this is not merely another depression or panic, such as we have known during the past 150 years, but it is rather the end of an epoch. It is a situation where an economic system is distintegrating and not to be compared with the periods of contraction and expansion that we have known heretofore. This becomes particularly clear if we compare conditions in this country with conditions that obtain in European countries where the depression is about a decade further advanced.

The period in which we live cannot be properly compared with any other period unless it might be the time in European history 150 years ago, when the feudal system was disintegrating and making way for the system that we have come to know as "capitalism."

A. ANALYSIS OF THE NATURE OF CAPITALISM

Capitalism is essentially an organism that grows and flourishes only so long as it has room and food for growth. The industrial machine flourishes only so long as it is able to operate at a profit. This profit in turn must find new fields in which it can be successfully reinvested for the purpose of producing for a profit. When these new fields are fully developed they in turn require further fields and further opportunities for profitable reinvestment of profits. It is a system that requires ever-widening horizons for expansions.

The effect of this expansion on reinvestment of capital is well illustrated by the so-called "period of prosperity" from 1922 to 1930. During this time we had a reinvestment of capital amounting to $8,000,000,000 a year. This expenditure for capital equipment served to keep the Nation's economic machinery operating. This $8,000,000,000 a year spent on plant and machinery equipment went in the main to labor, either directly or indirectly in the process of being spent. What happened in 1929 was the fact that the wealthy investing class could no longer see any chance for profitable reinvestment of capital and as a consequence the amount of money reinvested fell from about $8,000,000,000 a year to less than half a billion in 1932.

The following illustrations will serve to show the type of frontiers that were available in the past, but which are closed to us at the present time.

*1. Land frontiers*

Until 1897 the United States still had its physical frontiers. People who were thrown out of work during periods of depression could take up homesteads and employ themselves raising agricultural produce, which could always be sold in the open markets of Europe. As long as these frontiers were open and existed, there were opportunities for reinvestment of capital in the way of building railroads, towns, and the like. But at the present time there are no longer any physical frontiers available. We have sent a few hundred hardy farmers to fight with the mosquitoes in Alaska, but obviously Alaska will never serve to take the place of our lost frontier. We could, of course, arrange to build railroads from one end of Africa to the other or from one end of South America to the other, but the American people have learned that they could never expect to be repaid for doing so.

*2. Trade frontiers*

Upon the settlement of any new territory, the wants and needs of the people are unlimited. They are able to produce great quantities of raw materials because of the virgin fertility of the soil, and as a result they can sell these raw materials for a low price in return for manufactured goods. This serves to stimulate industry and manufacturing; but there finally comes a time when the soil fertility becomes exhausted and other cheaper raw-material-producing areas are brought into existence. At this point the natural thing is to look for expansion in the field of foreign trade. We have, however, gone as far as possible in this field. There is less and less opportunity for foreign trade as other nations proceed to erect tariff walls, within-the-empire agreements, trade restrictions, and actual prohibitions against the importation of American goods. When we consider the vast amounts of foreign indebtedness due and owing to us, which will never be paid, it is quite obvious that in this country expansion through foreign trade is a door that is permanently closed.

*3. Domestic industrial, scientific frontiers*

After we came to the end of our frontiers in 1897, there was still the room for expansion made possible by modern science; the need for vast factories, power development, the coming of the automobile and the good roads, and the building of our great cities to take care of the needs of a rapidly growing people and of a rapidly developing industrial system.

But there is very little chance for further development along this line. Our productive plant is now running only at about 50 percent of actual capacity. There is, therefore, very little use in building new factories while we cannot use those that we have already built. Business men talk about the coming of some new invention, such as the automobile, which will create new frontiers; but nobody knows what it is going to be and, even if it were to come, it would merely open the way for more labor-saving machinery. Since the depression began, output per man-hour in manufacturing has gone up more than 35 percent. This means that we could go back to the industrial output of 1929 and still leave 8,000,000 or 10,000,000 people permanently unemployed.

*4. Foreign industrial frontiers*

After the Spanish-American War we entered upon the field of imperialist expansion. This applied not only to the sale of consumption goods abroad but also in the development of foreign countries by building railroads, setting up industrial plants, and so forth. American investors now own idle plants and equipment in almost every country in the world. This is particularly true in the South American countries. There is no purpose in making further investments of this kind. Moreover, other nations are looking for outlets of the same kind, and if we were to push our plans too strenuously we should probably merely compete with the plans of other nations, with the inevitable result of war.

*5. War*

When all other means of expansion have been tried and exhausted, the one resource for capitalist countries is to resort to war. War results not only because of the clash of imperialistic interest in backward countries, but also because war furnishes an immediate outlet for the capitalist systems of the countries involved. The world capitalist system had begun to enter upon such a slowing-up process in 1913. The World War, however, offered unlimited opportunities for the destruction of men, material, and services. In the United

States alone the World War furnished an artificial outlet for approximately $45,000,000,000 of goods and services.

Following the World War we were able to keep going on the momentum gained because of our ability to delude ourselves into believing that our foreign debts were collectible. The sale of billions of dollars of worthless foreign securities permitted foreign nations to pay their interest charges and also to buy additional American goods.

Under the new deal we are getting some of the benefits of war, through the creation of wealth on the one hand and the destruction of wealth on the other, such as paying $400,000,000 to build the Grand Coulee Dam, to bring 1,250,000 acres of land into cultivation, while Iowa farmers have just been paid $8,000,000 to take equally good land out of cultivation. This illustration of new-deal activity could be extended indefinitely. There is no question that it is far preferable to going to war, even though it may seem rather foolish from the standpoint of sound economic planning.

There is no question, however, that the world capitalist system is again seeking war as an outlet for want of other frontiers. There are important men in the governments of every country that are constantly trying to crowd matters so that another war will be precipitated. These men are closely tied up with the army and navy and with the munitions makers. They try to monopolize patriotic motives to themselves and to denounce everyone who opposes them as being unpatriotic.

There is no question that another war would furnish trade outlets for more goods and services to be destroyed. It would also result in bringing about a temporary period of prosperity. Such prosperity, however, would be short-lived, and the consequences of such a war would be too terrible to contemplate.

IV. NATIONAL SURVEY OF POTENTIAL PRODUCT CAPACITY SHOWS AN AVERAGE ANNUAL INCOME OF $4,370 PER FAMILY IS NOW POSSIBLE IN THE UNITED STATES

The United States, with a population of 126,425,000, contains 6.1 percent of the total world population. According to Robert Doane, in his book, The Measurement of American Wealth, the United States in 1928 enjoyed 44.8 percent of the world's wealth. This means that the per capita wealth of the average American is approximately 12 times as great as the average per capita wealth outside the United States.

The significance of this is that in the United States, for the first time in the history of mankind, the problem of production has been solved. This is strikingly illustrated by the following production figures for the United States and the rest of the world of some of the principal commodities necessary to a highly industrialized civilization:

*Production of coal, oil, and metal*
(In metric tons—2,204 pounds)

| Year | Metal, etc. | United States | Rest of world |
|---|---|---|---|
| 1929 [1] | Pig iron | 43,298,000 | 55,322,000 |
| 1929 [1] | Steel ingots | 57,330,000 | 63,221,000 |
| 1929 [1] | Copper | 998,000 | 912,000 |
| 1929 [1] | Aluminum | 137,000 | 135,000 |
| 1929 [1] | Cement | 29,481,000 | 45,219,000 |
| 1929 [1] | Coal | 552,309,000 | 780,191,000 |
| 1929 [2] | Crude petroleum (barrels) | 1,007,300,000 | 482,100,000 |

[1] Source, League of Nations Statistical Yearbook, 1934.
[2] Source, World Almanac.

A. THE NATIONAL SURVEY OF POTENTIAL PRODUCT CAPACITY

For some time the American people have been fully conscious of the fact that the country's productive facilities were not fully used. Various studies have been made revealing waste in industry, but on the whole these efforts have been piecemeal. In 1921 Secretary of Commerce Hoover included the following question in a census of manufacturers: "What is your estimate of the percentage of your output compared with your possible output, if you had such a demand as to require full running time?" The average of the returns in 1921 was 57.1 percent.

Little more was done with this problem until the technocratic movement in the fall of 1932 took the country by storm with the suggestion that full use of our scientific knowledge in production would provide goods and services to the value of $20,000 a year to each family, with four 5-hour workdays for persons between 20 and 45 years.

While many of the claims made by the technocrats were valid, other claims upon which they based their case were obviously exaggerated. As a result, interest in the movement quickly subsided. It was the feeling of many people, however, that despite the exaggerations of some of the early technocratic statements, the field was nevertheless one that ought to be carefully surveyed. For that reason the F. E. R. A., in February 1934, set up the National Survey of Potential Product Capacity to determine so far as possible what the country could produce if wasted productive capacity were fully employed. This survey was under the direction of Mr. Harold Loeb, with Dr. Walter Polakov, an internationally famous engineer, as technical director. They were assisted by about 50 engineers, statisticians, and economists. After a thorough study of our productive capacity, this group concluded that it was possible in the United States to furnish all the American people with an abundance of the common necessities of life and, in addition, with many things now regarded as luxuries.

The committee, in approaching the study, discovered that there would be no purpose in operating our entire plant, because much of the plant is greatly overbuilt. For instance, the radio factories could produce 10 times more radios than the people could possibly use. It was necessary, therefore, to begin the survey with a study of the wants of the people, and in this field, fortunately, there were other Government surveys to guide them.

For instance, the United States Department of Agriculture has worked out four types of diets, two of which are deficient in important food values, although they approximate the diets on which the great majority of the people live. Less than 30,000,000 people in the prosperity year of 1929 enjoyed diets considered adequate or liberal by the United States Department of Agriculture dietitians.

Nevertheless the National Survey of Potential Product Capacity found that within 5 years the foods necessary to provide a liberal diet to every American could be produced by American agriculture.

In calculating the clothing needs of the people the survey took the results of standards worked out for the professional groups in San Francisco. It was found that it would be possible to provide all the American people with clothing equal to the standards set by these professional people. It was found by the Survey that with full use of our building-construction facilities every American family could be housed in a modern 6-room house or its equivalent, fully equipped, within about 15 years. The United States today is the most poorly housed modern nation in the world.

According to the Housing Division of the Public Works Administration, more than one-third of the American people live in dwellings and neighborhoods of such a character as to injure their health, endanger the safety and morals, and interfere with the normal life of the inhabitants. This statement applies to 5,000,000 farm houses and 6,000,000 houses in villages, towns, and cities. As there are only 6,500,000 farm families, it is thus seen that three-fourths of all farm families live in homes unfit for human habitation—a striking condition in a modern country. Ninety-two percent of farm homes had no bath tubs, 80 percent had no running water, and 89 percent had no electricity.

The survey found that the American people were receiving only 50 percent of necessary medical attention, and only 20 percent of necessary dental care. Allowance was made in the budget which it compiled, for full medical and dental care, and for other professional services. Budget provision was also made for an automobile for every family, adequate recreational and educational facilities, and so forth, for all the people.

Having determined what was desirable in goods and services to provide all the American people an American standard of living, the survey then proceeded to determine whether it would be possible to provide these goods and services.

It was found that within a period of 5 years it would be possible to provide an income, in goods and services, equal to what one hundred and thirty-five billions of 1929 dollars

would buy. There were actually produced in 1929 goods and services to the value of $96,000,000,000. At the present time the country's productive plant is operated at approximately 50 percent of actual capacity.

With the then-existing plant operating at capacity, a national income of $135,000,000,000 could have been produced in 1929. This would have meant an average income per family of $4,370. This was the conclusion of the National Survey of Potential Product Capacity, after 8 months of painstaking study.

V. How to Get Full Production

The historian, Charles A. Beard, states that—

All history can be explained in terms of these three great natural laws of history:
First. They whom the gods would destroy they first make mad.
Second. The bee also fertilizes the flower that it robs.
Third. When it gets sufficiently dark, the stars can be seen.

As the depression has gone on and on, and the futility of the new deal to stabilize a scarcity system becomes increasingly obvious, there emerge out of the economic confusion the general outlines of the economic system which will supersede the present capitalist system.

First of all, there is the fact that 200 great corporations own more than 50 percent of all corporate wealth and more than 40 percent of all business wealth; that 600 corporations own two-thirds of all American industry, leaving the other one-third to be divided among 10,000,000 small business men. In the second place, there is the fact that the 200 great corporations, with assets of $81,074,000,000, during the past 20 years have grown just two and one-half times as fast as the other 300,000 corporations. It is therefore only a matter of time until the great corporations will own everything worth owning. And, finally, there is the fact that the small group who are the directors of these 200 corporations own less than 6 percent of the outstanding stock.

The economics textbooks all used to stress the fact that it was essential to combine ownership and operation in the same person to get the best results. "Give a man a garden to rent", they said, "and he will soon make a desert out of it; give him a desert to own, and he will soon make a garden out of it."

Unfortunately for this point of view, the divorce between ownership and control that the classical economists feared under socialism has already come to pass under capitalism.

This is the situation that confronts the American people at the present time. We have in the country a great many mossbacks, who belong in the nineteenth century, who argue that we should break up these great corporations into little corporations. This is not only sheer nonsense but it is also utterly impossible. It is also impossible to control these great corporations through regulation.

But why should we be so unduly worried about the growth of these great corporations? They have shown us how to produce goods in abundance, and they have also demonstrated that the corporate set-up is the proper machinery for the administration of a highly complex industrial system. Our problem is not to destroy the corporations but rather to carry forward to its logical conclusion this remarkably efficient instrument.

A. An American solution

In the United States the custom has always been to leave to private exploitation all functions until, finally, when they became too important from a social standpoint, they were taken over and operated by the people, as witness:

First. In the beginning national defense was left to the profit motive, as illustrated by the hiring of Hessians and Indians by the British, and the issuance of letters of marque and reprisal by the Colonists to privateers. When national defense became sufficiently important, the Army and Navy were nationalized.

Second. Roads at one time in this country were toll roads, privately owned and maintained. Our road system has now been nationalized.

Third. The Postal System was once privately owned. Service was expensive, slow, and uncertain. The Postal System has been nationalized.

Fourth. Education in this country was once purely a field for private venture. The free public-school system has taken its place. The same thing can be said of fire departments, municipal water systems, many utility systems, and, of course, the really difficult engineering feats, which always have had to be performed by the Government, such as the Panama Canal, Boulder Dam, and so forth.

For 6 years private industry has now shown that it is incapable of operating the Nation's productive plant at more than half capacity. The welfare of every citizen in the country depends on the operation of the Nation's productive plant at full capacity. The time has now come to apply the familiar American solution. The production of goods must be made a national function.

B. No supreme court veto in industry

It stands to reason that as long as the economic system was self-regulating and self-sufficient, it was possible to have a political government with an elaborate system of checks and balances designed to prevent action by either the executive or legislative arm of the Government. Imagine what would happen in a corporation with two boards of directors, each with the power to overrule the other, a president of the corporation with the power to veto the acts of the joint board of directors, and a supreme court with the power to set aside the decisions of the directors and the corporation president.

C. Ownership of productive machinery

Such a plan as has been indicated does not involve the confiscation of property without compensation. There is no reason why present stockholders should not be compensated for the reasonable market value of their property. If our productive plant were operated at full capacity, we could produce an annual income in terms of goods and services equal to $135,000,000,000. Since the depression began, we have failed to produce goods and services of more than $350,000,000,000, due to our failure to operate our plant at full capacity. The total value of the United States and everything in it is estimated to be less than $300,000,000,000 at the present time.

As a matter of fact, a plan of this kind would not involve the degree of confiscation that the new deal has resorted to in taking from small holders their gold and paying them 59 cents of its market value. Eventually the people would own all the productive machinery. In the beginning, the Government might give the present security holders other securities of equal value in a great central Government corporation, or it might permit them to retain their present evidences of indebtedness and merely take over the power of corporate control which now vests not in the stockholders but merely in the holders of 6 percent of the outstanding corporate stock.

The ultimate goal of the type of program that has been outlined would be the disallowance of absentee ownership. While this might be regarded as the taking away of the right to own property by the 2 percent of the people who own 70 percent of all the country's wealth, it would operate rather to restore the right to own property as far as the average man is concerned. It would again become possible for a farmer to own as many acres of land as he and his family could farm without the necessity of exploiting the labor of others. It would make it possible for every family to own and live in a modern, well-equipped, six-room house. It would make it possible for every family to enjoy an American standard of living. It would make it possible for every child to have full opportunity for education.

It would insure in every individual the right to work and at a wage which the full productive capacity of society would make possible. It would make it possible to give to every individual a guaranty of adequate income during periods of ill health or other misfortune. It would make it possible to give to every old person an adequate income to maintain him or her with a high standard of living. As far as 85 percent of the American people are concerned a program seeking the ultimate disallowance of absentee ownership would operate rather to restore the right to own private property than the taking away of this right.

D. METHOD OF TRANSITION

If a majority of the American people could be persuaded that this were a desirable solution, there is no question that the transition could be effected in a peaceful manner. With a majority in both Houses of Congress, as well as a President committed to the plan of production for use, the first step would be the amendment of the Constitution so as to give Congress full power to enact the necessary legislation. After this, either a great central corporation, "The United States, Inc.", or a great central planning board, with full control over industry, could be created. From that point the essential means of production would be operated according to a central plan, calling for the full utilization of the Nation's productive capacity.

E. TECHNICAL—NOT POLITICAL CONTROL

It is obvious from what has been indicated that the control of such a system would not be in the hands of political spoilsmen. Congress might still continue to meet as the general policy committee, representing the consumers of the Nation, and generally comparable to the stockholders' meeting of a corporation. The control, however, of the various productive units would be left in the hands of those technically trained to operate them.

VI. A NEW PARTY NEEDED

It is imperative that the forces seeking a production-for-use economy be united in a new political party.

If the transition from a scarcity economy to an abundance economy is to be made by peaceful and legal means, it can only be after political power has been won. Political power of this kind cannot be achieved through the process of boring from within one of the old parties. It can only come about as the result of a mass movement committed to the principle of production for use, instead of for private profit. Such a mass movement must be built on mass enthusiasm and mass conviction. We should recognize first of all that such a mass movement cannot be built around the plan calling for the capture of one of the two old parties.

Practically everyone is willing to admit today that the Republican Party is the party of Bourbonism in the North and of political postmasters in the South. The idea of trying to liberalize either group is fantastic. The Republican Party was in power during 3½ years of depression. During that time it demonstrated that it had no program save doles for big business, but not for the poor. At the present time it can be counted upon to stand for the barest subsistence dole for the unemployed. The Republican Party is planning for permanent poverty for this group. Since Hoover was ousted from office 2½ years ago the Republican Party has evolved no plan of any kind whatsoever. Its attitude is one of pure negation. Its program is purely an appeal to psychological lag—i. e., the inability of the mass mind to keep pace with reality.

As far as the Democratic Party is concerned, the situation is not materially different. Two-thirds of the Democratic Representatives in the United States Congress are just as conservative as are the Republicans. The Democratic Party, despite the fact that it may be controlled by liberals in a few States, is nevertheless controlled in a national sense by the reactionary plantation-owning element in the South and the corrupt political machines in the large northern cities.

Despite the reputed liberalism of the Democratic Party in certain States, there is actually less chance of liberalizing the party nationally than there has ever been. This is because the Democratic Party is today the greatest vested interest in the country. It happens to be in power at a time when political power is more important than it has been since 1860. The present Congress is the first $10,000,000,000 peace-time Congress in history. The party in political power has the control of the expenditure of this vast sum.

It stands to reason that principle becomes insignificant when compared to the importance of maintaining the present political control. For this reason we may expect that the Democratic leaders will support the Representatives now in the House and Senate without regard to the question whether they are liberal or conservative. They will support them because obviously these men have a greater chance of being reelected and carrying the party ticket than someone who has not demonstrated his ability to get elected.

As a result, we have the amusing spectacle of the chairman of the Democratic Party fraternizing with the originator of the Epic movement in California, despite the fact that during the past 6 months the national administration has abandoned practically every step looking toward the building of cooperatives or the putting of the Epic plan into operation. Because the Democratic Party will, in the final analysis, be controlled by the reactionary elements, it stands to reason that no important movement on a national scale can be built around the idea of liberalizing a party where the facts render such a plan impossible.

This, however, does not mean that the production-for-use idea cannot be made the basis of a mass movement that will sweep the country. Recent political experience in the United States shows that, with the coming of the radio and a growing interest in national affairs, ideas spread rapidly. What may be possible in one State today is possible in some relatively backward State a year from now.

Success can be achieved far more easily through an independent new party than through the effort of capturing one of the old parties. This has been demonstrated in Minnesota and Wisconsin, where the Farmer-Labor Party and the Progressive Party are in control. The elections in California and Washington in 1934 demonstrate that the people are ready for a planned economy based on production for use, as against the continuance of the present scarcity system.

People today are eager to listen to frank, factual discussions of our economic system. People realize that our economic system is disintegrating. They realize that something must take its place, and they are looking for something that offers an adequate solution for the difficulties that confront them.

The old order is breaking down and must be replaced by an economic system which will substitute planning for chaos, service for profit, and abundance for poverty.

VII. AMERICAN COMMONWEALTH POLITICAL FEDERATION FORMED

Several Members of Congress, realizing the need for action, called two preliminary conferences in Washington during the spring of 1935. These two conferences resulted in the calling of a larger conference in Chicago on July 5 and 6, 1935. In the call for the Chicago conference it was stated that certain fundamentals had been agreed upon at the earlier conferences as representing the position of intelligent, forward-looking citizens. They were as follows:

1. That the old order is breaking down and must be replaced by an economic system which will substitute planning for chaos, service for profit, and abundance for poverty.
2. That the present national leadership of the two old parties offers no hope to the people of the United States.
3. That united action of all the forces working for political and economic democracy is urgent in the present crisis.
4. That any action must be based upon a fundamental program striking at the roots of the profit system.

It is significant that these fundamentals were agreed upon by the 250 persons who attended the Chicago conference, because these persons were influential individuals with large personal followings and in many cases were representative of important farm and labor organizations. It is significant, also, that at least 90 percent of these people should be in fundamental agreement on the necessity for independent political action and for the adoption of a thorough-going program to supplant our out-moded profit system with a new order based on planned production for use.

I was elected chairman of the organization which was set up—the American Commonwealth Political Federation. As the chairman of the federation, I want to say here and now that it is our purpose to see that the people in 1936 have an opportunity to vote on the fundamental issues that are at stake. It is high time that we do away with the fakery involved in a meaningless contest between the Republicans and the Democrats.

The issue today is not whether we are going to have unreformed capitalism of the Republican variety or reformed capitalism of the new-deal type. The issue today is whether we are going to have reformed capitalism on the one hand or instead the abolition of capitalism and the substitution of a service-motivated production-for-use economy.

It is the intention of the American Commonwealth Federation to cooperate with all groups and individuals in every State to help them organize their forces in the most effective manner possible, to the end that the people may go on record in every voting precinct in the land on the fundamental question of scarcity against abundance.

LEGISLATION CONSIDERED BY THE WAYS AND MEANS COMMITTEE IN THE PAST SESSION

Mr. BACHARACH. Mr. Speaker, during the past session the Ways and Means Committee, of which I am a member, has considered many important bills, including, among others, the Social Security Act, the President's so-called share-the-wealth tax measure, the Alcohol Control Act, the extension of the N. R. A., the $45,000,000,000 bond authorization act, the Guffey-Snyder coal bill, retirement legislation for railroad employees, the bill providing for automatic promotions in the Customs Service, antismuggling legislation, the 2-year extension of the so-called "nuisance" taxes, the act to license customhouse brokers, and the act repealing the so-called "pink slip" law relating to income-tax publicity.

Numerous other bills were considered by the committee, some being enacted into law and others remaining on House or Senate calendars for future action. Two such bills were H. R. 191, providing for a reduction in the internal-revenue taxes on wines, and H. R. 9185, which revises the various laws relating to administration of liquor taxes. The committee also reported out a bill for the cash payment of the veterans' adjusted-compensation certificates, but this measure was vetoed by the President.

In my entire 18 years of service as a member of the Ways and Means Committee I have never experienced a more trying session, nor had to consider so many major bills, as a member of that committee. We have sat both mornings and afternoons and frequently held night sessions in order to keep up with our work. This committee work, of course, is in addition to that required in giving attention to the large amount of correspondence from constituents and in attending the sessions of the House, and the many other matters which occupy a Congressman's time.

THE SOCIAL SECURITY ACT

Perhaps the most important measure considered by the Ways and Means Committee this session, or even in any previous session, was the Social Security Act. This legislation in one way or another affects practically every person in the country.

The most benevolent feature of the law is that providing for Federal cooperation with the States in the payment of pensions to the needy aged. The problem of caring for this worthy class has been partially but inadequately met in many States, including New Jersey, through State old-age pensions. Under the Social Security Act the Federal Government will reimburse the States in the amount of one-half the cost of their payments for old-age pensions, provided the State laws meet certain requirements. The Federal contribution, however, is limited to $15 per month per person.

This will enable the State of New Jersey, for example, either to increase its present maximum pension of $1 per day to $1.50 without added cost to the State, or to save one-half the present cost if it does not increase the benefits now provided. I would have been glad to have seen the Federal contribution increased somewhat, because I realize that a pension of $30 per month will be quite insufficient in many cases. When the bill was before the House I voted in favor of a motion to increase the Federal limit from $15 to $20, but, unfortunately, the proposal was not adopted.

The needy blind are provided for under the act in the same manner as the needy aged. The Federal contribution in their case is also limited to $15 per month per person.

Another worthy feature of the Social Security Act is that providing for Federal assistance to the States in meeting the cost of aid to dependent children, which is sometimes referred to as mothers' pensions. The Federal contribution in this case is on the basis of one-third the amount paid out by the State, but not more than $6 per month for the first child in the family and $4 for each additional child. Other provisions of the act relating to children include Federal contributions for aid to crippled children, for maternal and child-health services, and for the extension of child-welfare services.

The act also provides for Federal contributions to the States for the extension of their public-health services, and increases the appropriations for the United States Public Health Service. Likewise, increased appropriations are provided for vocational rehabilitation of the physically disabled, and the present temporary law is made permanent.

The act in two different ways encourages the States to set up unemployment-insurance systems. The first method is by an outright grant to the States to meet the cost of administering unemployment-insurance laws, provided such laws meet certain standards set up in the act. The second method is more in the nature of coercion, since it consists in the imposition of a 3-percent pay-roll tax on employers of eight or more persons, against which such employers may deduct any contributions made to State unemployment funds up to but not exceeding 90 percent of the Federal tax. Thus employers will have to pay a tax for unemployment insurance whether their State has a law of that character or not; but, as no Federal unemployment benefits are payable, it will naturally be to the advantage of their State to enact such a law.

I do not look with favor upon this method of coercion, nor do I see any particular advantage in setting up an unemployment-insurance system at this time, since it would simply impose a heavy burden on business without providing any immediate benefits for the unemployed. It was estimated that if the States set up an unemployment system with a 3-percent tax, they could only pay benefits for 16 weeks after a 4-week waiting period, and, of course, that would be of little aid in the present emergency, even if the system could be put into operation at once, which would be out of the question. It would take several years to build up reserves before even the limited benefits contemplated could be paid, and with 11,000,000 unemployed the reserve would be exhausted in a short time.

Another feature of the bill of even more doubtful expediency at this time is that providing for a Federal system of compulsory-retirement insurance to be paid for jointly by employers and employees through the medium of a pay-roll tax eventually amounting to 3 percent on each. In the first place, the Federal Government has no power to impose such a system on private industry, and it is doubtful whether the constitutional inhibitions can be avoided by use of the taxing power. In the second place, this system will impose a tremendous additional burden upon all employers down to the small merchants with only one employee, whether they are making a cent of profit or not, and will also require employees to contribute up to 3 percent of their wages when they are having a difficult time making both ends meet on their present salaries.

Just to illustrate the extent of the additional tax burden under the unemployment-insurance and compulsory-retirement provisions, I call attention to the fact that it reaches $1,000,000,000 in 1937 and gradually increases to $2,800,000,000 in 15 years. Both these pay-roll taxes, since they put a penalty on employment, will encourage the discharge of workers rather than the hiring of additional help.

RETIREMENT PENSIONS FOR RAILROAD EMPLOYEES

Following the decision of the Supreme Court invalidating the original Railroad Retirement Act, it became necessary to give consideration to new legislation along that line. Railroad employees would have been covered by the Social Security Act, but under that law they would get no credit for past service and the benefits payable would not exceed $85 per month.

In order to avoid certain constitutional objections that might be made, the new railroad pension legislation is set up under two separate laws, the first of which provides for the payment of the benefits directly from the Treasury of the United States, and the second of which imposes the necessary taxes on railroads and railroad employees to pay the cost of these benefits.

The maximum pension payable under the new legislation is $120 per month, but it is thought that this may have to be reduced in view of the fact that the tax of 7 percent may

not provide sufficient funds to pay such an amount. An investigation commission has been authorized to make a study of the situation and report back at the next session of Congress, when some changes in the law may have to be made.

NUISANCE-TAX EXTENSION

At the request of the President, Congress again extended the so-called "nuisance taxes", this time for a period of 2 more years. Before the bill was reported to the House the Republican members of the Ways and Means Committee endeavored to remove the taxes on furs, toilet soaps, and gasoline and to restore the 2-cent postage rate, but were outvoted. The Democrats, in order to forestall the offering of similar motions on the House floor, brought the bill up under suspension of the rules. When these taxes were originally imposed, the taxpayers were given an implied promise that they would be allowed to expire in 2 years, but the Democratic administration has now extended them twice, once for a single year and now for 2 more years.

THE PRESIDENT'S SHARE-THE-WEALTH TAX BILL

Under the President's so-called "share-the-wealth" tax bill the surtax rates have been increased to a maximum of 75 percent, the estate tax to a maximum of 70 percent, and the gift tax to a maximum of 52½ percent; a graduated corporation tax running up to 15 percent has been substituted for the present flat rate of 13¾ percent; the capital-stock and excess-profits taxes have been increased; and 10 percent of the dividends received by one corporation from another have been made subject to the corporate income tax. The increase in the estate tax was the only change not made in accordance with the President's wishes. He had requested that a new inheritance tax be superimposed on the present estate tax, which would have resulted in virtual confiscation of estates and inheritances in many instances.

When the President sent his tax message to Congress on June 19, after having said in his Budget message that he would not propose any new taxes at this time, it was evident from its very terms that his purpose was not to increase the Federal revenues but to inaugurate certain social reforms under the guise of the Federal taxing power. The proposals were characterized throughout the country as being nothing more than a political gesture to the share-the-wealth advocates, and the fact that the changes recommended would result in increasing the revenue by only $250,000,000, when the Treasury was faced with a $4,000,000,000 deficit, made them ridiculous from the Budget-balancing standpoint.

My views on this bill were expressed in detail in the CONGRESSIONAL RECORD of August 3, pages 12447 and 12448, and there is nothing I can add to what I then said. In voting against the bill, I declared that it was "partisan in origin, socialistic in purpose, unsound in principle, and detrimental in effect."

PAYMENT OF VETERANS' ADJUSTED-COMPENSATION CERTIFICATES

While Congress passed a bill at the present session providing for the immediate cash payment of the veterans' adjusted-compensation certificates, it was vetoed by the President, and the Senate sustained the veto after the House had voted to override it. Thus the legislation was killed for the present session, but it is quite likely that it will be an issue again next year.

I voted in favor of the bill when it was before the House, and also voted to override the President's veto.

EXTENSION OF TIME FOR FILING CLAIMS FOR ADJUSTED COMPENSATION

Just before the close of the session an act was passed which extends until January 2, 1940, the time within which veterans who have not already done so may apply for their World War adjusted compensation. Under previously existing law, January 2, 1935, was the last date on which such claims could have been filed.

FEDERAL ALCOHOL ADMINISTRATION ACT

The decision of the Supreme Court holding the N. R. A. legislation unconstitutional not only invalidated all existing codes but at the same time left the Federal Alcohol Control Administration, which had been set up under the authority of that act, without any legal basis for its existence. The new Federal Alcohol Administration Act in effect enacts into law the provisions of the various liquor codes set up under the original N. R. A. Thus the Federal Government will exercise certain social and economic control over the manufacture, sale, and distribution of alcoholic liquor, in addition to the control it exercises in connection with the protection of the revenue.

As reported to the House, the bill carried a provision upsetting the present Treasury Department regulations requiring the distribution of wine and distilled spirits in bottles. This provision, if it had been enacted into law, would have permitted bulk sales of wines and spirits in barrels. While the House accepted the provision, it was rejected by the Senate on the basis of representations made by the Treasury and by State liquor administrators that it would increase the opportunities for bootlegging and would cause a large loss of revenue, and in addition it would seriously affect the glass industry in south New Jersey and other States.

As finally enacted the Federal Alcohol Administration Act not only allows the present Treasury regulations to be continued but provides specific authority in the law for their promulgation.

GUFFEY-SNYDER COAL STABILIZATION ACT

The Guffey-Snyder Coal Stabilization Act, which was one of the President's "must" measures, sets up a little N. R. A. for the soft-coal industry. This is the bill which the President asked Congress to pass, regardless of any doubts, however reasonable, as to its constitutionality.

The principle objection to the bill, from the standpoint of New Jersey, is that it will necessarily result in an increased price for soft coal. In fact, this is its prime purpose. Such a result is made possible by the powers given to coal operators to fix minimum prices.

ANTISMUGGLING LEGISLATION

The passage of the Anti-Smuggling Act will enable the United States Coast Guard to go out beyond the 12-mile limit in breaking up rumrunning and other smuggling operations off the coast. The principal contraband at the present time is alcohol, on which the duty is $5 per proof-gallon. As most of the alcohol is around 190 proof, the Government loses $9.50 on every gallon smuggled into this country, or from $30,000,000 to $100,000,000 per year.

AUTOMATIC PROMOTIONS IN THE CUSTOMS SERVICE

As the author of the so-called "Bacharach Act of May 29, 1928", regulating salaries in the Customs Service, I was especially interested in the bill providing for automatic promotions in accordance with the minimum and maximum salaries laid down therein. Immigration inspectors already have the benefit of automatic promotion, and it was only fair that customs inspectors be put on the same basis. I regret it did not receive the President's approval.

COTTON-TEXTILE INDUSTRY

The present deplorable conditions in the cotton-textile industry are traceable, in part at least, to two factors which are within the power of the present administration to correct, namely, the cotton-processing tax and Japanese importations.

The unwillingness of the administration to abandon the processing tax is well known, and, so far as foreign competition with domestic industries is concerned, it is doing everything it can under the reciprocal tariff treaties to tear down even our present inadequate tariff.

Last April I introduced a bill which would have imposed an excise tax of 50 percent on imported cotton manufactures, but I had no opportunity to have it considered, as the Democratic members of the Ways and Means Committee agreed not to allow any bills of that character to be taken up. Even without legislation, the administration could, if it wished, increase the present duty on cotton goods under the flexible-tariff provisions of the 1930 law, but the only adjustments it seems willing to make are downward ones.

The Cabinet committee appointed by the President to investigate conditions in the textile industry offers little hope of any solution of the problem, since it recommended against the repeal of the processing tax and did not favor any increase in the tariff.

RECIPROCAL TARIFF PROGRAM

Of all the laws enacted by the present administration none are likely to have more detrimental effect upon New Jersey than the Reciprocal Tariff Act enacted at the previous session of Congress. Already the President has entered into trade agreements with a number of countries, under which our tariff duties have been reduced on such products as lima beans, potatoes, tomatoes, cucumbers, eggplant, okra, peppers, squash, cement, white lead, plate glass, iron and steel, canned peas, cordage, linen fabrics, transparencies, asbestos shingles, laces, ball and roller bearings, anvils, saws, penknives, files, and matches, to mention only a few. Some 12 or 15 additional trade agreements are now under negotiation, under which the duties on hundreds of other competitive products will be reduced.

Our experience with the Cuban trade agreement points to what we may expect as a result of the continuation of the present policy. The Cuban treaty became effective September 3, and in the 10-month period immediately following our importations from that country increased $45,000,000 over the previous 10-month period, while our exports increased only $14,000,000.

Under all trade agreements except that with Cuba the concessions granted to a particular country are extended in favor of all foreign importations, without the exaction of any equivalent concessions from the countries not parties to the agreement. Thus it is apparent that the purpose of the administration is not so much to expand our export trade as it is to tear down our tariff and allow cheap foreign products from all over the world to flood our markets to the disadvantage of our own farmers, manufacturers, and workers.

While some few industries may benefit to a certain extent by these treaties, by and large they are detrimental to the interests of the country as a whole, as the operations under the Cuban agreement indicate. This is true even as applied to New Jersey. Of what benefit is it to our State to destroy some large industry in order to help some firm which does a relatively small export business with an impoverished foreign country? It seems to me that the tariff policy of the United States should be directed, so far as possible, to preserving the home market for our own people. There are plenty of things we have to buy abroad, such as rubber, coffee, tea, raw silk, and so on, without going abroad to buy the things that our own people can and do produce.

CONCLUSION

After two and a half years under the present Democratic administration, it is becoming more and more apparent that the experiments of the President and his "brain trust" have failed to bring about recovery. The extravagant spending program is only getting the country further into debt and causing fear and anxiety as to the future. The piling up of the national debt by several billions each year forecasts a crushing burden of taxation in the near future on people of small means. All the billions that have been spent have accomplished nothing in the way of recovery. Eleven million unemployed still look for jobs; 20,000,000 people must depend upon the dole for an existence; business and industry lack confidence to go forward; and agriculture is seeing its foreign markets disappear and its domestic market shrink as a consequence of the present farm policy.

Since much of the experimental socialistic legislation of the new deal has been a complete failure in bringing an end to depression, would it not be well for us to again experiment with a little common sense—the application of which to the economics of government would, in my opinion, soon bring back a new era of prosperity?

In these remarks I have confined my comments solely to legislation and matters coming before the Ways and Means Committee for consideration and attention. Of course, there was much other legislation from other committees of vital interest to the country which had my earnest consideration and upon which I voted in accordance with the dictates of my conscience and best judgment.

VALIANT ESKIMOS

Mr. DIMOND. Mr. Speaker, before the impress of the circumstances surrounding the tragic deaths of Wiley Post and Will Rogers on the shores of the Arctic Ocean near Point Barrow a few days ago is entirely erased from men's minds, it is only fair and only just that praise should be given where praise is due to a brave people, and particularly a brave man, who to date have been little more than mentioned. I refer to the Eskimos.

Little is known in the United States of this valiant yet kindly, smiling, and hospitable people. I know them well and admire them greatly.

Just recognition has been given to the outstanding work of Sgt. Stanley Morgan, in charge of the Army radio station at Barrow, who brought the dead bodies of Post and Rogers from the scene of the accident to Barrow, and who gave to the world a concise yet substantial account of the tragedy. Deserved tribute has likewise been paid—and I have joined in it to the best of my ability—to Joe Crosson, who, under unfavorable conditions, flew from Fairbanks to Barrow and brought the bodies of Post and Rogers from Barrow to Seattle. As I pointed out some time ago, this flight made by Crosson entitles him to some more definite and outstanding recognition than he has yet received.

But in all the thousands of columns that have been printed in praise of the famous men who are now dead and in praise, also, of men like Morgan and Crosson, I have yet to see any word of commendation for those who are equally entitled to praise—the Eskimos who were at the scene of the crash and the one Eskimo who brought news of the disaster to Barrow. They are anonymous. They are almost as unknown as the Unknown Soldier. With one exception no one has troubled to determine their individual names. The newspapers occasionally refer to them as "Eskimos" and let it go at that.

And yet we should remember, before this all becomes a vague recollection, that the Eskimos played their part as bravely, as dutifully, and as cheerfully as did any of the others. As soon as the plane hurtled into the shallow water of the river, the Eskimos went to the wreck and took out the body of Will Rogers. Unfortunately Rogers was then dead, but had he been alive the prompt action of the Eskimos would doubtless have saved his life. They were unable to remove the body of Post because it was pinned in the wreckage, which had to be torn apart in order to get Post's body out. And immediately, although it was now night, one of the Eskimos, whose name has recently been given to us as Clair Okabachar, left the scene of the wreck for Barrow in order to give word of the catastrophe and to secure aid. One can almost see this lone Eskimo, a child of the north, race across the tundra to Barrow and making the trip in record time. Had a white man done this, his name, too, would have been in the headlines and he would have had his share of praise. But he is only an Eskimo, and so the world passes on and gives him little regard, and until a day or two ago nobody took the trouble to even determine his name. And so, while we mourn for the mighty dead and while we commend the faithful and outstanding services of men like Stanley Morgan and Joe Crosson, let us not forget to at least give our mental thanks and our mental admiration to the Eskimos, who were true to the traditions of their race in being generous, humane, and brave. Honor to them, and to that one of them whose name is Clair Okabacher.

THE PRESIDENT'S WISE STATESMANSHIP

Mr. LUDLOW. Mr. Speaker, I believe that President Roosevelt, in his admirable letter to Roy Howard, the publisher, has sounded the keynote of recovery. I believe he is on the right track and that his leadership in his charted course will bring our people, who have so long been sorely distressed, to a realization of confidence and better times. I believe the whole country when it ponders over the significance of the President's recent movements will applaud his efforts to bring about economy in Government, reduction in emergency bureaus and personnel, and a balanced Budget.

In his efforts to restore conditions which are so essential if business and industry are to forge ahead, and furnish real jobs to millions now on relief rolls, the President will have a powerful ally in the able chairman of our Appropriations Committee, Hon. JAMES P. BUCHANAN, of Texas.

Modest and unassuming but possessed of inflexible determination, Mr. BUCHANAN is exerting, and in the next session of Congress will continue to exert, a powerful influence for

economy. He has dedicated himself to retrenchment in governmental expenditures, and those who are bent on taking money out of the United States Treasury will have to have a mighty good cause to get by him. Those who are familiar with his extraordinary resourcefulness and comprehensive knowledge of all Government activities can visualize him as one of the greatest watchdogs the Treasury ever had. Because of the tremendous power inherent in the position he holds, his strength of character and his determination to block raids on the Treasury, he is one of the most valuable men in America today.

It occurred to me that since congratulations to the President of the United States are the order of the day it would be proper for me to write to him and tell him how pleased I am with his letter to Mr. Howard and, beside extending felicitations, I have also suggested the propriety of summoning representative business men of the Nation to a conference in Washington to coordinate the efforts of business and Government in the recovery program. Under date of September 7, 1935, I sent the following letter to the President:

HOUSE OF REPRESENTATIVES,
*Washington, D. C.*

MY DEAR MR. PRESIDENT: Now when you no doubt are swamped with congratulatory letters I assume one more will not be amiss. Anyhow, I feel that I must write to say that with all of my heart and with much enthusiasm I congratulate you on the wisdom and timeliness of your letter to my friend and former colleague of the fourth estate, Roy Howard.

By your announcement that your basic program has reached substantial completion and by the steps you already have taken to cut off temporary relief agencies, reduce the personnel on the Government pay roll, and balance the Budget you have, in my opinion, made a master stroke toward heartening business, restoring confidence, and leading the Nation nearer to complete and permanent recovery.

Important social reforms and benefits which your leadership has sponsored are now embedded in our governmental structure, and there they will remain. It is no disparagement to your first objective—the establishment of the more abundant life—that you should now turn to the material side and exercise your great resourcefulness in encouraging and rehabilitating honest business, which really is a continuation and elaboration of your humanitarian program, for unless there are those who have the means to employ persons there can be no employed and a healthy condition of business is essential to the general welfare.

Something must be done to get our employable millions off of the relief rolls and established in regular jobs, and I believe the thoughtful people of America will applaud your letter to Roy Howard as pointing the remainder of the way to true recovery. An end must come to the raking of leaves and other synthetic makeshifts devised to furnish employment, but in a civilized country people must not be allowed to starve and go naked, and the call of humanity requires that before we dispense with relief work we must provide regular jobs to which employables may be transferred. I have perfect confidence that your leadership charted along the course indicated in your letter to Mr. Howard will open the way to regular jobs.

As a member of the Appropriations Committee, and as chairman of the subcommittee that has charge of appropriations for the Treasury and Post Office Departments, I pledge to you my sincere and earnest cooperation in your efforts to effect economy in Government, and to bring our national finances, as soon as possible, to the status of a balanced budget.

Before closing, I wish to offer a suggestion with a request that it may be evaluated for whatever it may be worth in carrying out your policy of reviving business.

The suggestion I have to offer is that a certain number of business men throughout the Nation, who have an accredited standing as men of business ability, public spirit, and high ideals, be summoned to Washington for a conference to get the machinery of business recovery started. The idea I now wish to express was first suggested by me in a bill which I introduced on March 14 last, proposing that the Government enter into a liberal policy of making loans to small and medium-sized industries in order that those industries might be provided with working capital to resume operations and to give employment to men and women now on relief rolls. I quote sections 3 and 4 of the bill I introduced on March 14, as follows:

"SEC. 3. Within 10 days after the approval of this act the Chairman of the Reconstruction Finance Corporation shall summon to a conference to be held at Washington, District of Columbia, officials of recognized national and State business, manufacturing and other industrial organizations, and outstanding leaders in the business and industrial world. The purpose of said conference shall be to assist officials of the Reconstruction Finance Corporation in devising a systematic plan for the lending of said fund in such a way as to aid in restoring normal employment throughout the country as soon as possible. Loans shall be made on the basis of the applicant's willingness and demonstrated capacity to furnish employment. Loans shall be granted whenever there is reasonable assurance that the applicant will be able to repay the amount borrowed. Loans shall be for a period of 5 years at 5 per centum interest, with the privilege of renewal for 2 years if the conditions of the loan are meanwhile satisfactorily complied with.

"SEC. 4. Coincident with the approval of this act all public works financed in whole or in part by the United States Government (except construction for exclusively Federal purposes) shall be suspended and said public works shall not be resumed except insofar as may be necessary to carry out existing commitments or to salvage works partially constructed."

I believe, Mr. President, that now is a highly appropriate time to hold such a conference, and that it would be most helpful in coordinating the efforts of Government and business in carrying out the policy outlined in your splendid letter to Mr. Howard.

To me it seems that it would be wise to stop the public works spending program as soon as possible except insofar as may be necessary to carry out existing commitments and make provision for a cushion to carry employment during a transitory period, and to use the balance of the $4,880,000,000 appropriation, or a substantial part of it, as an addition to the Reconstruction Finance Corporation's balance for making loans to industry. There are multiplied thousands of concerns throughout the country that are starving for working capital and that the Government might now help with great resultant benefits to the country as a whole. The Loans to Industries Act, which authorized the Reconstruction Finance Corporation to make loans to industries and set aside $300,000,000 for that purpose, has so far been of but little benefit to industry for the reason that only $31,000,000 has actually been disbursed under its provisions. This is an average of less than $650,000 for each one of the 48 States and inconsequential as a recovery factor. Money loaned to business concerns and industries on adequate security is not lost but will come back to the Treasury, and in my judgment a program that will substitute such loans for the remainder of the spending program would fit in perfectly with your policy of encouraging business and would do more than anything else to bring us speedily to the goal of normal recovery and general prosperity.

With every good wish, very sincerely yours,

LOUIS LUDLOW.

I have written several letters to the President presenting as best I could the problem of the business man in the recovery equation, the first one bearing date of November 19 last, and under the unanimous consent privilege granted by the House I wish to present that letter for the RECORD. It was as follows:

NOVEMBER 19, 1934.

Hon. FRANKLIN D. ROOSEVELT,
*President of the United States,*
*Washington, D. C.*

MY DEAR MR. PRESIDENT: I know you will not regard me as presumptuous if I address you on the state of the Union, for our long and friendly acquaintanceship, dating back to your service as Assistant Secretary of the Navy, has taught me that you are ever ready to welcome well-meant constructive suggestions and to weigh and analyze them fairly and impartially, whether in the final outcome you agree with the proponent, or otherwise.

Your administration is already secure in history. In my judgment you have made a name as a humanitarian second only to Jefferson and Lincoln. No President since Jefferson has done more for the laborer and the common man than you have done. You have written into the social structure certain great and salutary reforms and practices and there they will remain forever. The abolishment of child labor and sweatshops, the guarantee of bank deposits, the establishment of order and security in the banking system, the protection of innocent investors from the rapacity of blue-sky vendors, the spread of employment and resultant happiness through the shorter work week, these and other great triumphs of social regeneration make up an imperishable record of achievements. While these mighty changes were being wrought the hungry have been fed and the naked have been clothed.

With these things accomplished and the worst of the depression over, I believe the direct way to prosperity is by a cessation of extraordinary expenditures and by such encouragement as the national administration—and it alone—is capable of giving to honest business. We need to instill confidence in business in place of the abysmal dejection that now exists. We need to do something to supplant in place of the gloom and paralysis that now engulf business the old fighting spirit and a willingness among business men to cooperate more freely and actively in bringing the country out of the rut. I believe that you, Mr. President, with such safe and sound advisers as Donald Richberg, have the power to put the business of the country on its feet and make it an important, willing, and militant factor toward bringing about early recovery and reemployment along normal lines.

In my talks with business men I have found that in a vast majority of instances uncertainty is the cause of their halting attitude. They do not know what to expect next, and not knowing what to look for they are not willing to risk anything. This has caused a business stalemate on a national scale with lethal ramifications into every walk of life. Let me stress what I believe to be the importance of completing your program at the earliest possible moment and announcing it forthwith. Business can adjust itself to almost any program if only it knows what that program is. I hope the time will come real soon when you will be able to announce through the newspapers, over the radio, and from the housetops, figuratively speaking: "This is my program. It is my

entire program and it is going to remain stabilized just as I have given it to you. There will be no further changes in the currency and no additional legislation will be proposed. I have shown you my entire hand."

There must be no lessening of restraints over evil practices in business, but honest business should have encouragement to get on its feet. There cannot be employment unless there is money to meet pay rolls. If honest business could have the benefit of loans—not gifts—from the Federal Government it would be a great incentive to a rational revival. The law we passed at the last session of Congress providing loans to industry needs liberalization. It has been weakened by administrative restrictions, and the loans that are being made under it are so few and inconsequential that they constitute a negligible factor in recovery. The policy of not making loans to any business concerns that have been in the red in recent years makes the law virtually a nullity. The concerns that have not been in the red are few and far between. It seems to me the character of the borrower would figure in these loans quite as much as the collateral offered, but character counts for nothing under existing administrative policy.

As a Member of Congress with a voting responsibility, and with a little added responsibility due to the fact that I am a member of the Appropriations Committee, I am anxious that the future expenditures of the Government shall be kept within limitations. We must continue to care for the hungry and naked and acutely distressed, never for a moment neglecting them, but in my opinion it would be a colossal mistake to embark upon another enormous program of uneconomic public works, thus adding to the debt burden and bringing us a step nearer to the danger of uncontrolled inflation, for when inflation gets under way the possibility of controlling it is about equal to that of stemming the waters of an impounded stream once the dam has broken. My anxiety on this score has been intensified by a startling proposal by a Cabinet official which appears in the newspapers under the glaring headline "Secretary Forecasts Spending of Billions." The article goes on to outline an enormous proposed program of national spending, one feature of which is to be a four-lane transcontinental highway avoiding all cities, with no grade crossings, over a 1,000-foot right-of-way landscaped to make it the most beautiful road in the world.

Can it be possible that at a time like this, when retrenchment is clearly indicated as the proper national policy, such a proposal is seriously advanced? I cannot imagine that with the country deeper in debt than ever before in its history, with interest and taxes mounting to unprecedented proportions, we will pour out untold millions for such an iridescent dream. More than any other country in the world, America already is spanned with hard-surfaced roads. There is no demand for this glorified Appian Way from the standpoint of economic necessity, and the project would not be justified as an employment measure because the employment created would not be commensurate with the vast outlay. In the last analysis, such projects must be paid for by taxes, and taxes are paid by the sweat and toil of the masses. We cannot pull money like rabbits out of a hat to pay these enormous construction costs. In my opinion the entire proposed public-works program should be scrapped, and the country should be spared the great burden of having these additional billions piled on top of our staggering national debt.

I sincerely believe that if business is given the benefit of a definite, stabilized program so that it will have a chart to go by, and if in addition it can have the assurance from the administration and Congress that temporary emergency measures that have served their purpose will be repealed and that every reasonable effort will be made to bring about retrenchment in governmental expenditures so that ultimately tongue and buckle will meet and the Budget will be balanced, an accelerated business momentum will be the turning point of the recovery program and the result will be a new era of abundant prosperity with jobs for all.

No one is more sincere in wishing you well than I am. That is my excuse for bothering you with this long letter. I believe that your superb leadership in the direction I have indicated would definitely end the depression and bring about a glorious future for America.

Very sincerely yours,

LOUIS LUDLOW.

BUREAU OF UNEMPLOYMENT ADVOCATED 16 YEARS AGO—DEPARTMENT OF LABOR PROPER AGENCY TO ADMINISTER SOCIAL-SECURITY PROGRAM

Mr. LUNDEEN. Mr. Speaker, 10 years before the crash of 1929 I stated on the floor of the House of Representatives, as a Member of the Sixty-fifth Congress (CONGRESSIONAL RECORD, Feb. 28, 1919):

What this Congress should do is to provide * * * sums sufficient to furnish work for every unemployed man and woman in the United States.

At the present rate of increase by the first of May there may be nearly 4,000,000 out of work, and at $4 wages per day apiece that would require $16,000,000 per day, and 300 working days for the year would amount to $4,800,000,000. That is the sum which is needed today to be appropriated * * * if we are to deal in any adequate and effective way with this vast and ever-increasing army of the unemployed, already numbering nearly two and a half millions, and which is being increased every week by hundreds of thousands of compulsory recruits.

The appropriation I advocated for unemployment at that time, $4,800,000,000, is almost identical with the amount appropriated this year, 16 years later, for unemployment relief.

FALSE PROPHETS SCOFF AT WARNINGS OF 1917

In 1917 men who are still in public life scoffed at our warnings of disaster. We have with us today those who voted to plunge America into the World War. They denied that their vote would bring unemployment, distress, and poverty to millions of our people. Well, I am not guilty. There is no blood on my hands. I voted "no" on the war resolution in 1917, and when I did I placed my political and physical life in jeopardy. The RECORD shows that I warned Members of the Sixty-fifth Congress against the advice of the self-appointed and self-anointed agents of Wall Street, un-American and European-minded people who were trying to drag this Nation into a foreign war. On April 6, 1917, I said:

WE SAVED THE WORLD FOR DEMOCRACY—DID WE?

When the poor cry out for bread; when taxes rise beyond the power to pay; when riots for food may have to be repressed with the murder of our own people—then what will you say? What answer to the hungry? What will you say then, and what will your message be to the mother whose son dies in battle under foreign kings and emperors? What will your answer be?

"HE KEPT US OUT OF WAR"

"He kept us out of war" was the slogan that elected Wilson President in 1916. When he demanded war, and Congress was about to vote for war, I said on the floor of the House:

You promised peace, but war was in your hearts. I say to you, gentlemen of the majority, the ghosts of these slogans will yet rise up to haunt you. The blood of our people will be upon your hands, not mine.

As soon as the war was over the problem of unemployment was upon us. How were we prepared to meet the emergency? What plans did Congress lay down? What agency of Government was set up to put the unemployed to work? Instead of facing the oncoming army of unemployed and providing intelligently for their needs, the National Government floundered around, sidestepping the problem. Loans were made to rehabilitate the nations of Europe, but no provision was made for proper rehabilitation of our own people. Years have rolled by and yet we have no permanent agency of the National Government to deal in an effective way with the problem of unemployment. We have figures and statistics on everything else, but we do not count the unemployed. We have no complete and reliable census of those out of work.

RESOLUTION TO CREATE BUREAU OF UNEMPLOYMENT, 1919

On January 2, 1919, I introduced a bill creating a bureau of unemployed in the Department of Labor. This bill (H. R. 13592) provided:

That there shall be in the Department of Labor a bureau to be called the "Bureau of the Unemployed", and a commissioner of the unemployed, who shall be the head of the said bureau, to be appointed by the President, by and with the advice and consent of the Senate, who shall receive a salary of $6,000 per annum. There shall also be in said bureau a deputy commissioner, who shall receive a salary of $4,000 per annum, and who shall, in the absence of the commissioner, act as and perform the duties of the commissioner of the unemployed, and who shall also perform such other duties as may be assigned to him by the Secretary of Labor or by the said commissioner.

The said commissioner shall have power and authority under the direction of the Secretary of Labor—

(a) To take a census, at as frequent intervals as possible, of the unemployed in the United States.

(b) To make and keep a classified enrollment of the unemployed by avocations.

(c) To correct and keep full records of the industrial and commercial conditions throughout the United States, especially in relation to opportunities for the employment of labor.

(d) To furnish the fullest possible information to the unemployed of opportunities for employment in any part of the United States and to devise plans for facilitating the movement of the unemployed to places where opportunity for employment exists.

(e) To make investigations and report to Congress and the President annually on the first of December, and oftener if requested, the extent of enforced idleness and unemployment in the United States and the causes thereof, with suggestions for remedies for the same.

RESOLUTION DIRECTING HOUSE COMMITTEES TO PROVIDE FOR THE UNEMPLOYED IN 1918

On November 21, 1918, only a few days after the armistice was signed, and when we knew that demobilization was upon us, I introduced a resolution (H. Res. 452) directing certain committees of the House to provide work for the unemployed. Had this resolution been promptly acted on by Congress, it would have avoided much of the distress and danger that came upon the country shortly after the war, and it would undoubtedly have led to surveys and intelligent national planning for the handling of unemployment.

House Resolution 452 provided:

Whereas the rapid demobilization of 4,000,000 soldiers and 10,000,000 or more war workers in the United States during the next few months is liable to create a great body of unemployed; and

Whereas these conditions are brought about as a direct result of the exercise of the war-making power by Congress: Therefore be it

*Resolved*, That it is the plain and imperative duty of Congress to at once initiate the necessary steps to open opportunities for employment to all workers in the United States who face enforced idleness during the coming months;

*Resolved further*, That as a first step to remedy the danger of wide-spread unemployment of millions of our people during the winter and following months, this House hereby authorizes and directs the Committees on Labor, Interstate Commerce, Public Buildings and Grounds, Rivers and Harbors, Naval Affairs, Military Affairs, District of Columbia, and Post Offices and Post Roads to each make an investigation as to the possibilities of work for the unemployed in those branches of industry, either in public or private employment, coming within the purview of each of the above committees of this House;

*Resolved further*, That said committees shall have power to subpena witnesses and administer oaths, to send for persons and papers, and employ such assistants as may be necessary to carry out the purpose of this resolution, and to report to this House on or before December 20, 1918.

On February 28, 1919, I stated that there is but one thing to be done: The Government, which by its war program created this abnormal condition, must step in with ample capital, which it is able to command, and provide the means for opening up employment for all those in enforced idleness.

HEARINGS ON LUNDEEN UNEMPLOYMENT RESOLUTION IN 1919

In December 1918 the House Committee on Rules held hearings on this resolution. Members of Congress appeared at the hearings, and in the CONGRESSIONAL RECORD of February 28, 1919, are printed the statements made by Members and others who testified on the resolution.

NEW POSITIONS TO BE CREATED

In referring to my resolution to create a bureau of the unemployed, I stated 16 years ago (CONGRESSIONAL RECORD, Feb. 28, 1919):

It is true that we have a Labor Department and we have employment bureaus. This, however, merely distributes positions already existing; it does not create new positions. The bureau and departments cannot lay down a program of road building, reclaiming lands, such as swamp lands, cut-over lands, and irrigated lands, and open to labor hundreds of millions of acres of good, productive land now being held out of use by speculators and monopolists. I venture to say that if something is not done soon to relieve distress in this country Congress will hear from our great industrial centers in no uncertain way; in fact, already we are in receipt of many letters and resolutions demanding that something be done. Strikes and growing unrest are now the order of the day.

There are those who scoff at the idea of unemployment in this country. They seem to fear to admit that such a condition exists or that it may grow worse. In fact, if the war were actively on, anyone who might seek to remedy the condition would be called pro-German possibly, or perhaps disloyal. Certainly those who seek to better conditions are loyal to the people who work and to their families who are suffering want. If, however, such action is hostile to the great employers who desire lower wages, in order that they may increase their profits, if that is disloyalty, I am willing to accept that term.

DUTY OF GOVERNMENT IS TO CREATE JOBS

At the same time I stated, 16 years ago, that the man who is willing to work and able to work is entitled to a position; and if he cannot find a position it is the Government's duty to find one for him; and if the Government cannot find one for him, it is our duty to create a job, so that he may support his family and not become a seeker for charity, which destroys the morale, weakens the strength, and degrades the character of our citizens. Today the Government's responsibility for the livelihood of its citizens is more widely recognized than it was 16 years ago. I submit that my policy was correct then, and my position is the same today.

Our planning has been haphazard; our remedies for unemployment have been hastily conceived and certainly are not fundamental. Years of planning by a central agency designated for the purpose would have helped us to meet the crisis and solve the problem of unemployment.

NOT TOO LATE FOR PLANNING NOW

I stand today where I stood 16 years ago. The Department of Labor is the logical agency to study and plan and solve the problem of unemployment. In the Department of Labor are the best facilities for the securing of information on the extent, causes, and cure of unemployment. The Lundeen unemployment, old age, and social insurance bill (H. R. 2827) provides that the Secretary of Labor shall administer the system of unemployment insurance set forth in the bill. The Department of Labor should always employ people who are sympathetic with the problems of the working people. All branches of labor, of hand and of brain, should be represented in the Department of Labor.

DEPARTMENT OF LABOR SHOULD ADMINISTER SOCIAL-SECURITY PROGRAM

There is no good reason for turning over the administration of a social-security program to a new commission with its ever-lengthening lines of patronage. The Department of Labor must aid labor in the solution of its problems. Today the American Federation of Labor announces that unemployment for June 1935 has increased over May 1935, and there are over 11,000,000 now unemployed. This estimate is conservative, and it is likely that we have from 12,000,000 to 15,000,000 or more unemployed right now. There has been no fundamental solution of the problem and very little unemployment relief. Unemployment is the greatest single problem facing labor today. That problem must be solved, and it is up to the Congress and the United States Department of Labor to solve it. Bread lines and patronage have failed.

READ THE RECORD

I want my friends to read the CONGRESSIONAL RECORD of 1917, 1918, and 1919. As for me, let the record stand. I need not alter a phrase or take a sentence back. I did not go to sleep with those who saw no danger. I was among those who stood on the watchtowers of this Nation. We warned our fellow citizens in no uncertain terms of impending tragedy, and often proposed constructive legislation which would have averted the disaster that came upon us.

THE INCREASING EMERGENCY DEMANDS AN IMMEDIATE SPECIAL SESSION OF CONGRESS

We are told now that we have social security on our statute books. But what kind of social security? What kind of unemployment insurance and old-age pensions? Let us look into that. William Green, president of the American Federation of Labor, has stated repeatedly, and I quote him, that the social-security law now on our statute books is "pitiably inadequate." With 15,000,000 unemployed crying out for work and bread, Members of Congress ought not to be on their way home. They ought to be in the halls of Congress where they were elected to serve the people.

We still have time to rewrite our Social Security Act. Under the pressure of an emergency that is increasing in intensity, I opposed adjournment with all the power at my command. The adjusted-service certificates should be paid at once. That would eliminate a million unemployed. The late Congressman Truax stated that half a million farm homes will go under the sheriff's hammer within the next 12 months unless we pass the Frazier-Lemke Refinancing Act. Moratoriums will not save our farms. They only postpone the inevitable tragedy of loss of home and fireside. Low interest rate refinancing acts must be passed to save our urban and rural homes. Above all we must have adequate and genuine social security in this country, and some day we will have a national labor party and we will elect a Congress which will go the whole road for those who labor and produce the wealth of America.

WE HAVE NOW TRIED EVERYTHING BUT MONEY

Mr. MARTIN of Colorado. Mr. Speaker, now that the gavel is about to fall for the last time on the first session of the Seventy-fourth Congress, said to have been the most difficult Congress in American history from the standpoint of the number and importance of legislative measures considered, I wish to avail myself of the privilege of a brief review of the program.

The thought uppermost in my mind today in connection with this program was the wide publicity given to suggestions made 2 years ago that we should have recovery first and reform afterward. It would be charitable to say that those who urged this course upon the President had forgotten the old adage that—

> When the devil is sick, the devil a saint would be;
> When the devil is well, the devil a saint is he.

No; they had not forgotten it. They knew full well that if and when the country recovered, meaning thereby a return of the alleged prosperity which ended in 1929, reform would be impossible. They wanted to preserve the old order of things. They wanted a return to normalcy, which was well defined by the author of the Merry-Go-Round as a return "to corporate chicanery on a planetary scale." The coming generation of Americans, who are now being alluded to so frequently in connection with both Democratic and Republican youth political movements, can thank the man in the White House for having the sense to know that the patient must be operated on now to remove the cause, if a future and perhaps more violent recurrence of the disease was to be prevented.

The President has operated. Under his leadership the Congress has enacted a series of major measures to insure against the return of corporate predatory chicanery on a planetary scale. Under our economic system, adjusted solely to production, no legislation could have prevented a period of very hard times, and no legislation which can be enacted by this Congress can bring about a state of prosperity in which all the workers of the country will be assured of what one of our Republican colleagues who is a candidate for President pledges, to wit, the American wage scale and standard of living. I would like to see him blueprint that. To accomplish this the readjustment must go beyond what has been placed on the statutes. But what has been done, if honestly and fairly administered, will prevent a recurrence of the orgy of speculation and exploitation which in one industry alone robbed American investors of $16,000,000,000, and the total of which in all activities probably reaches the inconceivable sum of $100,000,000,000.

Mr. Speaker, my voice is feeble and of short range. I do not claim it had anything to do with the determination of the President to keep this Congress in session until it had executed his program, but, in view of the clamor that has been going on for months for this Congress to adjourn and go home and give the country a chance to recover, I feel justified in my own behalf in calling attention to my declaration, to be found in the CONGRESSIONAL RECORD of May 6, 1935, on my resolution adopted by the House asking the President for a transcript of his press conference on the resolutions of the United States Chamber of Commerce condemning his entire recovery and reform program, that—

"The program should go through, every major measure on it, even if it takes all summer. Every measure considered vital to the completion of the program should be put on the books at this session of Congress and be given a measure of time to work out. It is useless to think of coming back to Washington next winter and getting our case ready for submission to the people."

I may also be pardoned for calling attention to my answer to the Washington Post when it took a poll of the Membership some weeks ago on the question of speedy adjournment. My answer was: "The President ought to get all he can of what he wants now." He has gotten it, and, given a year in which to work out, I have faith that the situation in the country will right itself and that the verdict of the people will be favorable to the President, who had the vision, the courage, and the determination to conceive this program and to carry it through to execution in the face of opposition as vicious, as corrupt, and as powerful as ever opposed the program of a President.

Mr. Speaker, the President was right when, in his radio address to the young Democrats in Milwaukee, he spoke of the depression as something toward which we have been heading for a whole generation. Yes; and a very long generation; more than 60 years of the law of the jungle, the unbridled reign of corporate wealth, of national administrations under which the natural wealth of the country was sold, stolen, or given away, and its man-made wealth permitted to rule, exploit, and corrupt, until it had almost become a case of locking the barn after the horse is gone.

This condition was the inheritance of Franklin D. Roosevelt. He has tried to meet it with an unparalleled program of achievement, the achievement being none the less notable by reason of the fact that one or more of these measures may be temporarily frustrated. I can give only mention by name to a few of the most notable. Abolition of the gold standard; repeal of the gold-payment clause in a hundred billion dollars worth of obligations; bank reform; national industrial recovery; agricultural adjustment; securities; Stock Exchange Act; Tennessee Valley Authority; Utilities Act; social security; taxation; public works and relief; Federal communications; motor-transportation regulation; an overhaul of finance, banking, industry, agriculture, commerce, transportation, and communications.

The brunt of the opposition to this great program fell, of course, upon the President, but even inconspicuous Members of Congress have not escaped. I shall mention only one feature of the many thousands of letters and telegrams reaching me in opposition to first one and then another of the recovery and reform measures. They would kill the affected industry. It was a program of destruction. Every Member of Congress must have taken of his time, energy, and blood, when he should have been doing other things, to answer this never-ceasing stream of protests. The answer is that all these activities are still flourishing—not only flourishing but making headway. I believe it will be so with all of the program. Nothing will be killed that is worth preserving, but some things will survive which should be killed.

At the expense of being called a "rubber stamp", I want to reaffirm a statement made by me in the debate on the holding-company bill that I was pledged to go along with the President as far as possible and to give him the benefit of the doubt; and now that the curtain has rung down on this extraordinary and trying session of Congress, I want to add that I have done so. Every measure that he has sent to Congress and which was finally by Congress returned to him for his official signature went there with the aid of my vote.

I have gone along with the President. But this does not mean that I have always seen eye to eye with him. One great question in particular has not been dealt with—the money question. There has been a strong sentiment throughout both of these Congresses—and I believe it is much stronger in the country—for an expansion of the currency, for the substitution of money for bonds; but none of the bills introduced for this purpose have seen daylight, and the amount of money in actual circulation today is less than it was 2½ years ago, and the amount of debt much greater.

More than a year ago I began telling the inflationists in Congress—that, is those Members who believe in any expansion of the currency; and all such are inflationists in the lexicon of sound money—that if the country could achieve recovery and return to the so-called "prosperity" prior to the panic without the use of money, it would settle the money question for a long time to come. It cannot yet be clearly seen what the issue will be. But if the question of recovery is still in the balance when the next session of Congress convenes, I look to see the money question become much more acute than during the past three sessions of Congress, when it was overlaid by a program of economic legislation such as no Congress in American history ever even approximated. With these measures now on the books and out of the way, attention may necessarily focus on the money question.

Some say it is only a question of credit. I say credit should be based on cash. I repeat, there should be some proportional relationship between cash and credit. Government is

apparently the only institution thus far which can operate on the basis of bankruptcy. Maybe we expansionists are wrong. Maybe the need of money is only an illusion. Maybe the advocates of scarce and dear money as the only safe and sound basis of finance are right. At any rate, it has always won. We reached the greatest height of prosperity in American history on credit—why not repeat? True, it blew up. Bonds, taxes, and interest mount; but some day credit, which consists only of confidence, will overtake them, and the ghost of more money will be laid forever. So the medicine men of sound money say. It is an interesting experiment, and I hope I will be permitted by kind Providence to stick around until I see the answer.

ACHIEVEMENTS OF THE PRESENT CONGRESS IN THE INTEREST OF THE MASSES UNPARALLELED IN THE HISTORY OF THE NATION

Mr. SABATH. Mr. Speaker, I have served in this body for 29 years, having been spared by the Almighty and permitted by the unfailing kindness of my constituents to serve here for a longer continuous period than anyone now a Member of the House of Representatives. For this I am profoundly grateful. For it has been a great privilege to have had the honor to have associated and cooperated for so great a portion of my life with many great men, men of great intellects, men of great ability as statesmen, and men of great patriotism and devotion to country.

Hundreds of those who have passed across this public stage in the more than a quarter of a century that I have been here have now gone to their final rewards. But in imagination sometimes I fancy I can still see and hear the voices of my departed colleagues. To view in retrospect their memories is to inspire me anew with confidence in the perpetuity of our form of Government and the future of the United States of America.

For instance, I can see again today in the Speaker's chair that plain, rugged, honest Missourian, Champ Clark; and sitting near by him on the rostrum, his son, Bennett, then Parliamentarian of the House and now a United States Senator from Missouri. Bennett practically grew up on the floor of the House. Speaker Champ Clark physically was an unusually handsome man, with a noble and serious countenance, but in repose he had a merry, kindly twinkle in his eye. He was loyal to his friends, and an indefatigable fighter for his party. He died in a nearby hotel in the closing hours of a hectic war Congress. His last mortal words, as he lay delirious and dying, and imagining that he was presiding at the Speaker's table, were: "The House will be in order."

And we all recall that other great Democratic Speaker, who so recently left us, Henry T. Rainey of Illinois. A picturesque figure, able, courageous, a progressive and aggressive Democrat always; and as our presiding officer, fair and impartial to all. He and I served together for 25 years. Members become very close to one another in so long a period. The cordial and respectful personal attitude of one Member toward another, regardless of their political affiliation or attitude on legislation, when not in actual verbal combat on the floor, is one of the factors that goes to make membership in this body so pleasant and attractive. Anyone who has ever served as much as even a single term here will testify to this. Friendships established among Members generally endure throughout life. Speaker Rainey particularly was my intimate and personal friend. In our younger days it was our custom of a Sunday to hike through parks and nearby woodlands. His passing affected me very deeply.

Also, I can see again, when I try, the massive figure and hear the thunderous tones of that great Democrat, Ollie James of Kentucky. And striding up and down the center aisle, as was his custom when making an important speech, I see the fiery and brilliant North Carolinian, Claude Kitchin. A more conscientious and consistent champion of the principles of Thomas Jefferson never served in this House.

I remember, too, another great majority leader, the always suave, dignified, and gentlemanly Oscar Underwood, of Alabama; also John Sharp Williams, of Mississippi, and W. Bourke Cockran, of New York, both of whom thrilled us with their passion and eloquence.

All are gone. But they have left their "footprints in the sands of time." Their words of wisdom, their patriotism, their zeal for the cause of men, women, and children—than which there is no more sublime mission for those of us in public life—remain recorded forever in the CONGRESSIONAL RECORD. The works of these great Democrats live after them, adding to the rich heritage of the party to which they were so whole-heartedly affiliated. For the spoken word, once printed, "from that moment has a soul" and lives forever.

But it was not my intention, originally, to speak of the past. It was my purpose to speak of the present. It is the custom for the living to praise the dead. But I would like to say that we have big men in this Congress, and on both sides of the aisle. Individually and collectively, its Membership will compare with that of any of the Congresses in which I have served.

Having participated in many trying sessions, especially those during the World War, I desire to go on record as declaring that there has been no Congress that has worked harder or passed more beneficial legislation than has the Seventy-fourth Congress in the session just closed.

I have previously called attention to the many excellent acts which this Congress has enacted, and, therefore, will but very briefly review some of them here:

Relief: Passed bill appropriating, under authority of the President, $800,000,000 for direct relief, and $4,000,000,000 for work relief to create 3,500,000 jobs by the end of the year. In other words, this is a measure to assure food, clothing, heat, and shelter for the needy. No other President or Congress in the history of this Nation has ever done so much for the benefit of the unemployed and deserving poor.

Social Security Act: Provides immediate Federal contributions to assist States in pensioning needy aged; establishes a permanent Federal old-age annuity system under which 25,000,000 workers ultimately will be paid $10 to $85 a month when they are 65; establishes Federal-State unemployment insurance systems; provides Federal contributions to the States for needy mothers and children, crippled children, and blind.

Wagner Labor Disputes Act: Guarantees to all workers within the scope of Federal power the right to organize and bargain collectively through representatives of their own choosing; sets up a Federal Labor Relations Board to enforce the act.

Banking Act of 1935: Reorganizes the Federal Reserve System, giving the administration increased authority over it; centralizes control of open-market operations, rediscount rates, and other devices by which the Reserve banks affect flow of credit and money; provides for credit expansion by liberalizing rediscount rules; continues Federal bank-deposit insurance; requires State banks with more than $1,000,000 to join the Reserve System in order to have such insurance after July 1, 1942.

Tax on wealth: Passed new revenue act to collect $250,000,000 annually, largely from higher income levies on persons receiving more than $50,000 a year; higher taxes on large estates and higher rates on the more profitable corporations.

Liquor control: Federal Alcohol Administration set up as a division within the Treasury, to continue the work of the old Federal Alcohol Control Administration, which expired with N. R. A. Regulates liquor trade practices, but provides for Federal beer and brewery regulation only to the extent of the laws in the various States. Bulk liquor sales prohibited.

Public utilities: Wheeler-Rayburn utilities measure, directing Securities and Exchange Commission to eliminate after 1938 all holding companies more than twice removed from operating utility subsidiaries, and to restrict those permitted to live to contiguous territories and economically unified areas, holding companies not permitted to organize mutual service companies, except where their contracts with operating subsidiaries provide for service at cost and without profit. S. E. C. given discretion to permit holding companies to issue bonds on physical assets only or against outstanding stock. Federal Power Commission given new sphere of activity in regulation of operating utilities. Tennessee Valley Authority amendments, restating authority of T. V. A. to sell surplus power, which right had been challenged by Federal Judge W. I. Grubb, of Birmingham, Ala. T. V. A.

authorized to make loans to States and municipalities for purchase of power-distribution systems. Permitted to construct own power lines, even if they duplicate existing private facilities. This bill will ultimately protect, and save to innocent and bona fide investors, and to consumers, hundreds of millions of dollars annually.

Foreign affairs: Adopted neutrality resolution providing for 6-month arms embargo against all belligerents, prohibiting American ships from carrying munitions to belligerents, authorizing the President to restrict Americans traveling on belligerent ships, authorizing him to restrict the entry of foreign submarines into American ports and waters and to take steps to prevent ships from leaving American ports with men or supplies for belligerent ships at sea; and establishes permanent licensing system for munitions manufacture and export under supervision of a Cabinet board. This is one of the best measures ever enacted in the interest of peace.

Home Owners' Loan: Amendments to Federal Home Loan Bank Act, Home Owners' Loan Act, and National Housing Act, extending and liberalizing their provisions. Bond-issuing authority of Home Owners' Loan Corporation expanded by $1,750,000,000 to aggregate of $4,750,000,000, with provision for receipt of new loan applications by H. O. L. C. within 30 days after approval of act, on May 28. This act will enable hundreds of thousands of threatened home owners to save their homes.

A. A. A. amendments: Approved processing tax rates and farm benefit payments in effort to protect legality of new-deal crop-control program; restricted suits of recovery of processing taxes to those who can prove they did not pass tax burden on to consumers or farmers; prohibited price fixing; continued Bankhead Cotton Control Act and Kerr-Smith Tobacco Control Act for another crop year; and authorized potato-control system.

Bus and truck regulation: Placed interstate bus and truck lines under I. C. C. regulation with respect to rates and safety measures.

Railroad reorganizations: Simplified procedure for reorganization of financially distressed lines under I. C. C. approval.

Railroad pensions: Provided for pensioning of rail employees at 65 or after 30 years' service, replacing last year's pension act which was held invalid.

Spanish War veterans: Restored full pensions to these veterans at a cost of $45,000,000 a year.

N. R. A. extension: Continued a skeleton N. R. A. organization until April 1, 1936.

Baby bonds: Authorized sale of Government bonds in denominations as low as $25.

Farm-mortgage moratorium: Replaced the old Frazier-Lemke Law, held unconstitutional, with a new act to stay foreclosures for 3 years, providing farmers turn property over to Federal courts in bankruptcy procedure.

Guffey Coal Act: Sets up a little N. R. A. for the bituminous industry, with a commission to enforce labor standards, trade practices, and price provisions.

This legislation, and a great deal more, too numerous to mention, was in the interest of all the people, and not in the interest of Wall Street and the special interests. Naturally, the latter are greatly displeased because they could not dictate to or control President Roosevelt or this Congress. They have been accustomed to control not only the legislation but the finances and policies of former administrations, and therefore they are greatly perturbed that they cannot under the Roosevelt administration have their way and unload their burdens upon the masses, and continue in their avariciousness to pile up millions upon millions on their wealth. No wonder they look with disfavor upon legislation that aids the laboring man, the farmer, and small businesses. They resent increased wages and the elimination of child labor. Knowing they cannot dictate the policies, as they did under Harding, Coolidge, and Hoover, they charge President Roosevelt with being a dictator, because he frustrated their efforts after he started the country back again on the road to recovery. And it is now their aim to get back in the saddle to be able in the next few years, as they have in the past, through their manipulations, to create another panic, as they did in 1894, 1907, 1921, and 1929.

Formerly the propagandists and publicists tried to hold the Democratic Party responsible for the panics, but that old bunk will not work any longer, because the people know the panics of 1907, 1921, and 1929 occurred under Republican administrations. In their desperation to get back into power they have begun a vilifying crusade against President Roosevelt and the Democratic administration. They have hired and engaged as many prominent writers and public men as money can buy to conduct this infamous campaign. It is to be regretted that these Wall Street interests have been able to reach out and obtain the services and cooperation of some former Democrats, but in nearly every instance these latter gentlemen were connected previously with the avaricious and vicious Wall Street interests. But notwithstanding their intellect, shrewdness, cleverness, and adroitness, they have failed in all their efforts to create an issue, and therefore they have turned to the issue of the Constitution, behind which they are trying to hide.

The columns of the capitalistic press are open to them, and not only that, but many of their propagandists are on the pay rolls of the biggest of these newspapers. Some of these writers have gone out of their way to assail me and others who have dared call attention to their vicious propaganda on the question of the Constitution and the judiciary.

A few weeks ago I pointed out that it was not the President of the United States but the courts that are endeavoring to usurp the power of Congress. The RECORD itself will show that many beneficial and humane congressional acts, passed by both Republican and Democratic Congresses, have been held unconstitutional. In fact, many times when legislation is passed in the interest of the masses and which tends to restrict the power of the special interests, immediately, upon one pretense or another, the legislation is assailed and an effort is made to have it declared unconstitutional. In the celebrated Schechter case, as in many others, the lawyers representing the special interests have been used and financed to have such legislation held unconstitutional. However, notwithstanding the tremendous power and the millions they expended in the past session to defeat progressive, beneficial, and humane legislation, it availed them not.

It is true that we have not been able to enact the bonus bill into law, tax-exempt securities, and to pass several other important measures, but I am absolutely certain that in the next session of Congress this legislation will be enacted. I for one will exert every ounce of my energy to bring about the passage of these measures.

I hope the people all over the United States will organize and frustrate the efforts of those conniving gentlemen who are leaving no stone unturned to undermine the popularity of the President. I have served under seven Presidents, and I am satisfied no President has been more deserving of the support of the American people than Franklin D. Roosevelt. His aims are the aims of a man who recognizes the abuses perpetrated under the Republican administration and who is seeking to bring about a fair and square deal to all. He is a real, sincere, and progressive Democrat, who believes in equal rights to all and special privileges to none. Some gentlemen who are not even fit to shine his shoes call him a dictator and Socialist, but those lying and contemptible accusations, if they may be dignified as such—and it matters not by whom they may be disseminated—will be looked upon by all sensible men and women of our Nation as a desperate attempt to bring about his defeat so that they may in the future, as they have in the past, exercise their former power which they so shamefully abused to the detriment and misfortune of 95 percent of the American people.

### ROOSEVELT LETTER CONVINCES BUSINESS IT SHOULD "GO AHEAD AND PLAY BALL"

Mr. SABATH. Mr. Speaker, no sponsor for our great President, Franklin D. Roosevelt, has ever given a clearer, more convincing, or more unanswerable presentation of the purposes of his administration than did the President himself in a letter to Mr. Roy W. Howard, head of the politically independent Scripps-Howard newspapers.

The President made plain not only why he had done certain things, and what more he proposed to do, and why, but in sincere, plain language that every citizen may understand he explained frankly what is and has been in the back

of his mind from the first. He took the entire Nation into his complete confidence. He made it plain that no honest and legitimate business has anything in the world to fear, and may henceforth proceed full speed ahead to complete normal business activity.

Publisher Howard replied that everything business had desired to know had been completely and convincingly answered, and that business can be counted upon now to go ahead and play ball.

OLD MAN DEPRESSION IS ON THE WAY OUT

At almost the same time the Howard-Roosevelt correspondence was being published, information was being made public from other sources proving that the Roosevelt administration is making steady headway in its fight to whip the depression. The reports show that this upswing is not a mere spurt, but a steady climb back to the good times that took a nose dive under the Coolidge and Hoover administrations.

In the last 7 weeks business has advanced past the halfway mark to normalcy, the American Federation of Labor reported in its Monthly Survey of Business. Prospects for the remainder of 1935 are called even brighter.

"The last 4 months of 1935 may well bring the highest level of industrial operations and earnings for any similar period since 1930", says the Survey. "The present business upswing is the healthiest thus far; it is the first not due to Government spending or currency action, the first which seems due chiefly to inherent economic strength."

N. R. A., lifting workers' buying power, and A. A. A., increasing the prosperity of the agricultural classes, stimulated mass buying, which, in turn, has started the wheels of the heavy industries. Retail buying has continued steady through this year. Purchase of farm machinery for the first half of 1935 is 75 percent above last year. The auto industry records total sales of 2,054,000 cars in this year's first 7 months, or 599,000 more than last year. That industry is now spending $100,000,000 on production equipment, steel $130,000,000. Machine tool orders in this year's first half were 47 percent above last year.

The average increase in income-tax collections for the country as a whole in the 1935 fiscal year, ending last June 30, as compared with the previous year, was 35 percent, the totals being $1,099,230,382 for 1935 and $817,025,339 for 1934.

THE HOWARD-ROOSEVELT CORRESPONDENCE

Because I believe the Howard-Roosevelt correspondence should become a part of the records of Congress, and wishing that it might be read by every man, woman, and child in the Nation, I desire to present it in full.

Mr. Howard, in a letter dated August 26, 1935, wrote:

MY DEAR MR. PRESIDENT: As an independent editor keenly interested in the objectives of the new deal, I have been seeking reasons for the doubts and uncertainties of those business men who are skeptics, critics, and outright opponents of your program at a time when there is no commensurate dissatisfaction being evidenced by others of the electorate.

I do not accept it as a fact that the interests of what we broadly term "business" necessarily are in conflict with mass interests.

I expect to continue in support of your stated interpretation of American liberalism—notwithstanding my dissent and disagreement as to some details and some theories. Therefore, it is in a friendly and, I hope, constructive spirit that I attempt a few observations and opinions which I believe timely and pertinent.

These represent, I believe, a composite of the most frequently expressed criticisms of your administration.

That certain elements of business have been growing more hostile to your administration is a fact too obvious to be classed as news. So long as this hostility emanated from financial racketeers, public exploiters, and the sinister forces spawned by special privilege, it was of slight importance. No crook loves a cop. But any experienced reporter will tell you that throughout the country many business men who once gave you sincere support are now, not merely hostile, they are frightened.

Many of these men whose patriotism and sense of public service will compare with that of any men in political life have become convinced and sincerely believe—

That you fathered a tax bill that aims at revenge rather than revenue—revenge on business;

That the administration has side-stepped broadening the tax base to the extent necessary to approximate the needs of the situation;

That there can be no real recovery until the fears of business have been allayed through the granting of a breathing spell to industry, and a recess from further experimentation until the country can recover its losses.

I know you have repeatedly stated your position on sections of the Nation's problems, but as an editor I know also the necessity for repetition and reiteration. There is need to undo the damage that has been done by misinterpreters of the new deal.

I know that you feel as I do—that with all its faults, and the abuses it has developed, our system has in the past enabled us to achieve greater mass progress than has been attained by any other system on earth.

Smoke out the sinister forces seeking to delude the public into believing that an orderly modernization of a system we want to preserve is revolution in disguise.

Cordially and sincerely yours,

(Signed) ROY W. HOWARD.

PRESIDENT GLAD TO INFORM HONEST CRITICS

The President, under date of September 2, 1935, replied:

MY DEAR MR. HOWARD: I appreciate the tone and purpose of your letter, and fairness impels me to note with no little sympathy and understanding the facts which you record, based on your observations as a reporter of opinion throughout the United States.

I can well realize, moreover, that the many legislative details and processes incident to the long and arduous session of the Congress should have had the unavoidable effect of promoting some confusion in many people's minds.

I think we can safely disregard the skeptics of whom you speak. Skeptics were present when Noah said it was going to rain, and they refused to go into the ark.

We can also disregard those who are actuated by a spirit of political partisanship or by a willingness to gain or retain personal profit at the expense of, and detriment to, their neighbors.

Then there were those who told us to do nothing. We had heard of the do-nothing policy before and from the same sources and in many cases from the same individuals. We heard it when Theodore Roosevelt and Woodrow Wilson proposed reforms.

The country has learned how to measure that kind of opposition. But there are critics who are honest and nonpartisan and who are willing to discuss and to learn. I believe we owe, therefore, a positive duty to clarify our purposes, to describe our methods and to reiterate our ideals.

Such clarification is greatly aided by the efforts of those public-spirited newspapers which serve the public well by a true portrayal of the facts and an unbiased printing of the news.

CONFIDENT THAT ANY DOUBTS AND APPREHENSION WILL VANISH

However, experience is the best teacher and results are the best evidence. As the essential outline of what has been done rises into view, I am confident that doubts and misapprehension will vanish. I am confident further that business as a whole will agree with you and with me that the interests of what we broadly term business are not in conflict with, but wholly in harmony with, mass interests.

I note what you say of the hostility emanating from financial racketeers, public exploiters, and sinister forces. Such criticism it is an honor to bear. A car with many cylinders can keep running in spite of plenty of carbon—but it knocks. When it is overhauled an important part of the job is the removal of that carbon.

In the large, the depression was the culmination of unhealthy, however innocent, arrangements in agriculture, in business, and in finance.

Our legislation was remedial, and as such, it would serve no purpose to make a doctrinaire effort to distinguish between that which was addressed to recovery and that which was addressed to reform. The two, in an effort toward sound and fundamental recovery, are inseparable. Our actions were in conformity with the basic economic purposes which were set forth 3 years ago.

As spokesman for those purposes I pointed out that it was necessary to seek a wise balance in American economic life, to restore our banking system to public confidence, to protect investors in the security market, to give labor freedom to organize and protection from exploitation, to safeguard and develop our national resources, to set up protection against the vicissitudes incident to old age and unemployment, to relieve destitution and suffering, and to relieve investors and consumers from the burden of unnecessary corporate machinery.

DOUBTS IF ANY PARTY WILL OPPOSE THESE PRINCIPLES

I do not believe that any responsible political party in the country will dare to go before the public in opposition to any of these major objectives.

The tax program of which you speak is based upon a broad and just social and economic purpose. Such a purpose, it goes without saying, it not to destroy wealth, but to create broader range of opportunity, to restrain the growth of unwholesome and sterile accumulations and to lay the burdens of Government where they can best be carried.

This law affects only those individual people who have incomes over $50,000 a year, and individual estates of decedents who leave over $40,000.

Moreover, it gives recognition to the generally accepted fact that larger corporations, enjoying the advantages of size over smaller corporations, possess relatively greater capacity to pay. Consequently the act changes the rate of tax on net earnings from a flat 13¾ percent to a differential ranging from 12½ percent to 15 percent.

No reasonable person thinks that this is going to destroy competent corporations or impair business as a whole. Taxes on 95 percent of our corporations are actually reduced by the new tax law.

A small excess-profits tax is also provided as well as an intercorporate dividend tax which will have the wholesome effect of encouraging the simplification of overly complicated and wasteful intercorporate relationships.

Congress declined to broaden the tax base because it was recognized that the tax base had already been broadened to a very considerable extent during the past 5 years.

INVISIBLE TAXES FALL ON POOR MAN

I am aware of the sound arguments advanced in favor of making every citizen pay an income tax, however small his income. England is cited as an example. But it should be recalled that despite complaints about higher taxes our interest payments on all public debts, including local governments, require only 3 percent of our national income, as compared with 7 percent in England.

The broadening of our tax base in the past few years has been very real. What is known as consumers' taxes—namely, the invisible taxes paid by people in every walk of life—fall relatively much more heavily upon the poor man than on the rich man.

In 1929 consumers' taxes represented only 30 percent of the national revenue. Today they are 60 percent and even with the passage of the recent tax bill the proportion of these consumers' taxes will drop only 5 percent.

This administration came into power pledged to a very considerable legislative program. It found the condition of the country such as to require drastic and far-reaching action. Duty and necessity required us to move on a broad front for more than 2 years.

It seemed to the Congress and to me better to achieve these objectives as expeditiously as possible in order that not only business, but the public generally, might know those modifications in the conditions and rules of economic enterprise, which were involved in our program.

UNEMPLOYMENT STEADILY DIMINISHING

This basic program, however, has now reached substantial completion and the breathing spell of which you speak is here—very decidedly so.

It is a source of great satisfaction that at this moment conditions are such as to offer further substantial and wide-spread recovery. Unemployment is still with us, but it is steadily diminishing and our efforts to meet its problems are unflagging.

I do not claim the magician's wand. I do not claim that Government alone is responsible for these definitely better circumstances. But we all know the very great effect of the saving of banks, of farms, of homes, the building of public works, the providing of relief for the destitute, and many other direct governmental acts for the betterment of conditions. And we do claim that we have helped to restore that public confidence which now offers so substantial a foundation for our recovery.

I take it that we are all not merely seeking but getting the recovery of confidence, not merely the confidence of a small group, but that basic confidence on the part of the mass of our population, in the soundness of our economic life and in the honesty and justice of the purposes of its economic rules and methods.

I like the last sentence of your letter and I repeat it—"With all its faults and with the abuses it has developed, our system has in the past enabled us to achieve greater mass progress than has been attained by any other system on earth. Smoke out the sinister forces seeking to delude the public into believing that an orderly modernization of a system we want to preserve is revolution in disguise."

Very sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT.

No man with any conscience who is not owned and controlled by the vested interests can any longer, after reading this letter, question the sincerity of President Roosevelt or find fault by charging him with being a dictator on one hand and a Socialist on the other, or that he is disregarding the Constitution.

ADJOURNMENT SINE DIE

The SPEAKER. In pursuance of the provision of House Concurrent Resolution No. 40, I declare the first session of the Seventy-fourth Congress adjourned sine die.

Accordingly (at 11 o'clock and 57 minutes p. m.), pursuant to House Concurrent Resolution No. 40, the House adjourned sine die.

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MEMBERS OF THE CAMPAIGN EXPENDITURES COMMITTEE

Pursuant to the authority conferred upon the Speaker by the order of the House of the legislative day of August 23, 1935, the Speaker appointed as members of the Campaign Expenditures Committee provided by House Resolution 347 the following Members of the House:

Hon. WILLIAM J. GRANFIELD, of Massachusetts.
Hon. J. MARK WILCOX, of Florida.
Hon. WILLIAM R. THOM, of Ohio.
Hon. LAWRENCE LEWIS, of Colorado.
Hon. GRAHAM A. BARDEN, of North Carolina.
Hon. FREDERICK R. LEHLBACH, of New Jersey.
Hon. CLARENCE E. HANCOCK, of New York.

MEMBERS OF THE RAILROAD RETIREMENT INVESTIGATION COMMISSION

Pursuant to the authority conferred upon the Speaker by the order of the House of the legislative day of August 23, 1935, the Speaker designated as members of the Railroad Retirement Investigation Commission provided by section 8 of the bill H. R. 8651, the following Members of the House of Representatives:

Hon. ROBERT CROSSER, of Ohio.
Hon. FRED VINSON, of Kentucky.
Hon. EARL C. MICHENER, of Michigan.

BILLS AND JOINT RESOLUTIONS APPROVED SUBSEQUENT TO SINE DIE ADJOURNMENT

The President of the United States, subsequent to sine die adjournment of the first session of the Seventy-fourth Congress, on the following dates approved and signed bills and joint resolutions of the House of the following titles:

On August 27, 1935:

H. R. 1912. An act for the relief of William J. Ryan, chaplain, United States Army;

H. R. 3003. An act to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Miss. and the establishment of the Ackia Battleground National Monument, and for other purposes;

H. R. 3462. An act to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes;

H. R. 4831. An act for the relief of L. E. Geary;

H. R. 4852. An act to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army;

H. R. 5415. An act to confer jurisdiction on the District Court of the United States for the Eastern District of North Carolina, to hear, determine, and render judgment upon the claims of the Pamlico Timber Corporation against the United States;

H. R. 5516. An act authorizing the President to issue a posthumous commission as second lieutenant, Air Corps Reserve, to Archie Joseph Evans, deceased, and to present the same to Maj. Argess M. Evans, father of the said Archie Joseph Evans, deceased;

H. R. 5750. An act for the relief of Mary Brown Raley;

H. R. 6361. An act to amend the Filled Milk Act;

H. R. 6510. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H. R. 6602. An act for the relief of Dr. Ernest B. Dunlap;

H. R. 7380. An act authorizing the Virgin Islands Co. to settle valid claims of its creditors, and for other purposes;

H. R. 7592. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at Sistersville, W. Va.;

H. R. 7709. An act to provide time credits for substitute laborers in the post office when appointed as regular laborers;

H. R. 7740. An act granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Black River at or near the north line of section 2, township 24 north, range 6 east, near Poplar Bluff, Mo.;

H. R. 7897. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River, at or near Elizabeth, in the county of Allegheny, Commonwealth of Pennsylvania;

H. R. 7924. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny

River, at or near Port Allegany, in the County of McKean, State of Pennsylvania;

H. R. 7927. An act to authorize the Secretary of State to lease to citizens of the United States any land heretofore or hereafter acquired under any act, Executive order, or treaty in connection with projects, in whole or in part constructed or administered by the Secretary of State through the International Boundary Commission, United States and Mexico, American section;

H. R. 7928. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at or near Ford City, Pa.;

H. R. 7932. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River, at or near Wyalusing, in the county of Bradford, Commonwealth of Pennsylvania;

H. R. 7979. An act to extend the times for commencing and completing the construction of a bridge across Puget Sound at or near a point commonly known as "The Narrows" in the State of Washington;

H. R. 7998. An act to exempt from taxation official compensation of certain foreign representatives and to provide for the deductibility from income of certain dividends on preferred stock owned by the United States or instrumentalities thereof;

H. R. 8098. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Edinburg, in the county of Lawrence, Commonwealth of Pennsylvania;

H. R. 8131. An act to extend the times for commencing and completing the construction of a a bridge across the Ohio River at or near Owensboro, Ky.;

H. R. 8133. An act to authorize certain homestead entrymen who are disabled World War veterans to make final proof of their entries, and for other purposes;

H. R. 8183. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Emlenton, in the county of Venango, Commonwealth of Pennsylvania;

H. R. 8187. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at or near Tionesta, in Tionesta Township, and in the county of Forest, and in the Commonwealth of Pennsylvania;

H. R. 8189. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at or near East Brady, in the counties of Clarion and Armstrong, and in the Commonwealth of Pennsylvania;

H. R. 8587. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 8977. An act to authorize the Secretary of the Treasury to acquire a site for the erection of a post-office building at Columbus, Miss.;

H. J. Res. 129. Joint resolution to amend the joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, to permit an adjudication with respect to liens of the United States arising by virtue of loans under such joint resolution;

H. J. Res. 257. Joint resolution to amend a joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, as amended by the Second Deficiency Act, fiscal year 1929, approved March 4, 1929;

H. J. Res. 348. Joint resolution authorizing exchange of coins and currencies and immediate payment of gold-clause securities by the United States; withdrawing the right to sue the United States thereon; limiting the use of certain appropriations; and for other purposes; and

H. J. Res. 407. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

On August 28, 1935:

H. R. 3149. An act to confer jurisdiction upon the United States District Court for the Southern District of Texas, Corpus Christi Division, to determine the claim of Mrs. L. B. Gentry;

H. R. 4567. An act for the relief of Robert E. Callen;

H. R. 4770. An act for the relief of Elinora Fareira and Mearon Perkins;

H. R. 5097. An act for the relief of Mary E. Lord;

H. R. 5521. An act for the relief of Frank Williams;

H. R. 7167. An act to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes; and

H. R. 8473. An act to provide for the compiling and publishing of the Official Register of the United States.

On August 29, 1935:

H. R. 1368. An act for the relief of Virden Thompson;

H. R. 1420. An act to provide for the Andrew Johnson Homestead National Monument;

H. R. 1575. An act for the relief of John S. Cannell, deceased;

H. R. 3109. An act for the relief of Herman W. Bensel;

H. R. 5971. An act for the relief of Charles Pine;

H. R. 5558. An act for the relief of Clarence F. Jobson;

H. R. 6275. An act for the relief of John Livingston and Mrs. John Livingston;

H. R. 6914. An act to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes;

H. R. 7858. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 7974. An act to withdraw and restore to their previous status under the control of the Territory of Hawaii certain Hawaiian homes lands now in use as an airplane landing field;

H. R. 8444. An act to authorize the transfer of a certain military reservation to the Department of the Interior;

H. R. 8651. An act to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes;

H. R. 8652. An act to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes; and

H. R. 8870. An act to further protect the revenue derived from distilled spirits, wine, and malt beverages, to regulate interstate and foreign commerce and enforce the postal laws with respect thereto, to enforce the twenty-first amendment, and for other purposes.

On August 30, 1935:

H. R. 3783. An act for the relief of George W. Rhine, doing business under the name of Rhine & Co.;

H. R. 6250. An act to amend the National Defense Act;

H. R. 6732. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes;

H. R. 6869. An act authorizing the Chippewa Indians of Wisconsin to submit claims to the Court of Claims;

H. R. 7140. An act for the relief of the Bell Oil & Gas Co.;

H. R. 7199. An act to provide for the donation of certain Army equipment to posts of the Veterans of Foreign Wars;

H. R. 8511. An act to provide funds for cooperation with Cannon Ball school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8512. An act to provide funds for cooperation with Fort Yates school district, Sioux County, N. Dak., for extension of public-school buildings to be available for Indian children;

H. R. 8974. An act to provide revenue, equalize taxation, and for other purposes;

H. R. 9070. An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes; and

H. R. 9100. An act to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States; to provide for the general welfare, and for other purposes; and providing penalties.

On August 31, 1935:

H. R. 8632. An act to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XXIII,

Mr. STEAGALL: Committee on Banking and Currency. S. 3424. An act to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes; without amendment (Rept. No. 1907). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATTON: Committee on the Territories. H. R. 9130. A bill to authorize the incorporated city of Skagway, Alaska, to undertake certain municipal public works, and for such purpose to issue bonds in any sum not exceeding $12,000, and for other purposes; without amendment (Rept. No. 1908). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXIII public bills and resolutions were introduced and severally referred as follows:

By Mr. HOBBS: A bill (H. R. 9262) to permit all litigation in the courts of the United States without the requirement of deposits of money and to make it unlawful to require the printing of the record and other papers on appeals; to the Committee on the Judiciary.

Also, a bill (H. R. 9263) to limit the matter appearing in the CONGRESSIONAL RECORD to the actual proceedings of the Congress and to prohibit the inclusion therein of extension of remarks; to the Committee on Printing.

Also, a bill (H. R. 9264) to further regulate and limit the distribution of the CONGRESSIONAL RECORD; to the Committee on Printing.

By Mr. DISNEY: A bill (H. R. 9269) providing for continuing retirement pay, under certain conditions, of officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability while in the service of the United States during the World War; to the Committee on World War Veterans' Legislation.

By Mr. ROGERS of Oklahoma: Resolution (H. Res. 373) providing for the operation of vending stands in the House Office Buildings; to the Committee on Accounts.

By Mr. SIROVICH: Joint resolution (H. J. Res. 408) granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director, United States Public Health Service; Bolivar J. Lloyd, medical director, United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, Peru, and Cuba; to the Committee on Military Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRUNNER (by request): A bill (H. R. 9265) to confer jurisdiction on the Court of Claims of the United States to hear and determine the claims of George Cabot and others, and for other purposes; to the Committee on the Judiciary.

By Mr. CHRISTIANSON: A bill (H. R. 9266) granting a pension to Henry J. Esch; to the Committee on Pensions.

By Mr. CRAVENS: A bill (H. R. 9267) to provide for a preliminary examination and survey of Big Mulberry Creek, in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles, to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the controlling of floods; to the Committee on Flood Control.

By Mr. WOLVERTON: A bill (H. R. 9268) granting an increase of pension to Sarah Comstock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9270) granting a pension to Addie B. Hawkins; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of rule XXII,

9362. Mr. HULL presented a petition of the Wisconsin Legislature, relating to relief for farmers in drought areas, which was referred to the Committee on Appropriations.